



# ANNUAL REPORT 2021

**T.R.V. RUBBER PRODUCTS PUBLIC COMPANY LIMITED**

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## Part 1 Business Operations and Operating Results

### 1. Company structure and operation

#### 1.1 Business policy and overview

T.R.V. RUBBER PRODUCTS PUBLIC COMPANY LIMITED ("The company" or "TRV") operates a business aimed to manufacturing and selling molded rubber parts in the automotive and electronics industry. The company aims to improve the quality of production and service at an internationally equivalent level through effective cost management, to build customer trust in ours. We have been certified with Quality Management System (ISO 9001) certification and IATF 16949 certification of the automotive industry. Currently, we produce and distribute products classified by industry customers as follows:

- (1) Molded rubber parts for automotive part such as rubber hoses, electrical conduits for automotive, rubber gaskets, rubber O-rings, rubber plugs, rubber seals, rubber brake pads, anti-slip rubber mat, etc.
- (2) Molded rubber parts for electrical appliances, such as rubber parts in a rice cooker, water pump, washing machine, vacuum cleaner, microwave, compressor, refrigerator, air filter, etc.
- (3) Other molded rubber parts such as rubber parts in agricultural machinery, plumbing pipes, etc.

##### 1.1.1 The company's vision, mission and operational goals

###### Vision

The company strives to produce products for automotive parts with readiness in our production machines potential and ability of our staff, as well as a consistently good relationship with customers and partners, will make us be a company that customers can trust and certainty in production competitiveness. Also, we are prompt to adapt our working schemes to try to meet the needs of customers constantly.

###### Mission

We are committed to business growth through the development of our manufacturing and management systems. Our mission is [We will be number one in customers' minds with production quality and service and we prompt to expand the business opportunity in the automotive products segment.

###### Company operational goals

The company strives to improve products quality by focusing on every process and delivering on time regularly to build trust in our company's operation scheme and we are able to increase or expand our production capacity to support our customers' business growth and expansion.



### 1.1.2 Significant changes and developments

The major changes and developments of the company are the following:

Year	Significant developments
1996	<ul style="list-style-type: none"> <li>To register the establishment of a limited partnership for T.R.V. Rubber Products 1996 by Mr.Theerawut Nawamongkhonchaikit with a registered capital 500,000 baht on 1 August 1996. The establishment's location is at Pracha Uthit Road. The purpose of the business is production small rubber components by the compression molding process used in electronics segment. The registration has been dissolution and liquidation in 2012.</li> </ul>
2005	<ul style="list-style-type: none"> <li>The company was registered as a "limited liability company" on 11 February 2005 with an initial registered capital of THB 2,000,000 and moved from current production base to 40, 88/8-9 Soi Eakachai 76, Junction 1-3-1, Khlong Bang Pran, Bang Bon, Bangkok .</li> <li>The company increased production capacity with compression and injection molding machines and increased production capability by using silicone materials.</li> <li>The company expands its market to products for molded rubber parts in the automotive industry.</li> </ul>
2007	<ul style="list-style-type: none"> <li>Expand the market share in the automotive industry by focusing on the sale of products used in the After market.</li> <li>Certified Quality Management System (ISO 9001: 2008) from United Registrar of Systems (Thailand) Ltd. as ISO system auditing company .</li> </ul>
2009	<ul style="list-style-type: none"> <li>The Extraordinary General Meeting of Shareholders No. 1/2009 on 21th June 2009, there was a special resolution for the company to increase the registered capital from 2,000,000 baht to 4,000,000 baht by issuing 20,000 new ordinary shares with a par value of 100 baht per share. Mr.Theerawut Nawamongkhonchaikit and Mrs.Supak Nawamongkhonchaikit purchased 10,000 new ordinary shares at a par value of 100 baht per share. As a result, the shareholding ratio of Mr.Theerawut Nawamongkhonchaikit was reduced from 65.00 % to 57.50%% and the shareholding ratio of Mrs.Supak Nawamongkhonchaikit was increased from 30.00 % to 40.00 %. The aforementioned capital increase is a capital increase for existing shareholders to expand business operations.</li> </ul>
2011	<ul style="list-style-type: none"> <li>Certified quality management system in automotive industry (ISO/TS 16949: 2009) from United Registra of Systems (Thailand) Co., Ltd.</li> </ul>

Year	Significant developments
2013	<ul style="list-style-type: none"> <li>■ The company expanded the 1st production area from the original 1,604.00 m<sup>2</sup> to 2,673.00 m<sup>2</sup> to accommodate capacity expansion and add laboratories for monitoring and development of raw material and product properties, as well as establishing R&amp;D department to support customer needs in the case of new products.</li> <li>■ The company expands its customer market share in the automotive industry by an emphasis on OEM.</li> </ul>
2015	<ul style="list-style-type: none"> <li>■ The company started to manufacture and sell products to automotive component manufacturers as Tier 1 company, which procures or manufactures automotive components to send directly to carmakers such Honda Lock Thai Co., Ltd. and Thai Summit Plastec Co., Ltd. of Thai Summit group, TS Interseat Co., Ltd.</li> <li>■ The Extraordinary General Meeting of Shareholders 1/2015 on 31 December 2015, there was decided to increase the company's registered capital from 4,000,000 baht to 10,000,000 baht by issuing 60,000 new ordinary shares as a par value of 100 baht per share. The aforementioned capital increase is a capital increase for existing shareholders to expand business operations and the existing shareholder exercised their rights according to the shareholding proportion. Therefore, there was no change in the shareholding proportion.</li> </ul>
2016	<ul style="list-style-type: none"> <li>■ The Extraordinary General Meeting of Shareholders No. 1/2016 on 8 March 2016, there was decided to increase the company's registered capital from 10,000,000 Baht to 20,000,000 Baht by issuing 100,000 new ordinary shares as a par value of 100 Baht per share. The aforementioned capital increase is a capital increase for existing shareholders to expand business operations and the existing shareholder exercised their rights according to the shareholding proportion. Therefore, there was no change in the shareholding proportion.</li> <li>■ The company expanded production area again as 2nd times from 2,673.00 square meters to 5,400.00 square meters to accommodate capacity expansion by adding extrusion machines and accessories which have an annual production capacity of approximately 8.00 million pieces/year regarding accommodate the needs of customers which required to produce continuous length of extrusion workpieces and also building up canteens for company staff .</li> </ul>

Year	Significant developments
2017	<ul style="list-style-type: none"> <li>■ The Extraordinary General Meeting of Shareholders No. 1/2017 on 3 April 2017, there was decided to increase the company's registered capital from 20,000,000 baht to 30,000,000 baht by issuing 100,000 new ordinary shares at a par value of 100 baht per share. The aforementioned capital increase is a capital increase for existing shareholders to expand business operations and the existing shareholder exercised their rights according to the shareholding proportion. Therefore, there was no change in the shareholding proportion.</li> <li>■ The Extraordinary General Meeting of Shareholders No. 2/2017 on 3 May 2017, it was decided to increase the company's registered capital from 30,000,000 baht to 40,000,000 baht by issuing 1,000,000 new ordinary shares at a par value of 100 baht. The aforementioned capital increase is a capital increase for existing shareholders to expand business operations and the existing shareholder exercised their rights according to the shareholding proportion. Therefore, there was no change in the shareholding proportion.</li> </ul>
2018	<ul style="list-style-type: none"> <li>■ Certified in the new quality management system standard (ISO 9001: 2015)</li> <li>■ Certified in the new Quality Management System for the Automotive Industry (IATF 16949: 2016)</li> <li>■ The company produces and sells products to Summit Laemchabang Auto Body Work Co.,Ltd. of Summit group.</li> </ul>
2019	<ul style="list-style-type: none"> <li>■ The Extraordinary General Meeting of Shareholders No. 2/2019 on 28 March 2019. There was a special resolution for the company to increase the registered capital from 40,000,000 baht to 65,400,000 million baht by issuing 254,000 new ordinary shares with a par value of 100 baht per share. The aforementioned capital increase is a capital increase for existing shareholders. All existing shareholders have waived their rights to increase capital and Mr.Theerawut Nawamongkhonchaikit, one of the existing shareholders, has exercised the rights to subscribe for newly-issued shares according to his rights and the excess with totally 254,000 shares at a price of 100.12 baht per share, equivalent to a value 25,432,000 baht and paying for the new share capital by land. (Details in assets used in business undertaking, item 1.2.2.4).  Currently the land which mentioned above uses as the location of the office for business operations regards to capital increase. As a result, the shareholding of Mr.Theerawut Nawamongkhonchaikit increased from 60.00% to 75.54%.</li> </ul>

Year	Significant developments
	<p>Mrs.Supak Nawamongkhonchaikit 's shares decreased from 20.00% to 12.23%.</p> <p>Mr.Naphat Nawamongkhonchaikit 's shares decreased from 10.00% to 6.12% and</p> <p>Ms.Kewalin Nawamongkhonchaikit 's shares decreased from 10.00% to 6.12%.</p> <ul style="list-style-type: none"> <li>■ The Extraordinary General Meeting of Shareholders No. 3/2019 On 17 April 2019, it was decided to increase the company's registered capital from 65,400,000 baht to 77,717,500 baht by issuing 123,175 new ordinary shares with price of 568.30 baht per share and the par value 100 baht each, totally 70,000,325.50 baht. The aforementioned capital increase is an offering to the Private Equity Trust for SME Growing Together2.</li> </ul> <p>In addition, The Extraordinary Shareholders Meeting decided to appoint 1 additional member of the Board of Directors, namely, Mr.Akhapan Amattayakul, representative of the Private Equity Trust for SME Growing Together2, base on the objective for using the capital increase as mentioned above to purchase a machine and pay off debt for some financial institution.</p> <p>As a result, from the aforementioned capital increase, the Private Equity Trust for SME Growing Together2. holds 15.85% of shares in the company and the Nawamongkhonchaikit family holding shares in the company decreased from 100.00% to 84.15%.</p> <ul style="list-style-type: none"> <li>■ Certified Green Industry Level 2 of Green Activity by the Ministry of Industry.</li> <li>■ At the meeting of the Board of Directors No. 10/2563 on 14 November 2019, there was decided to approve transferred shares of Mr.Theerawut Nawamongkhonchaikit to Ms.Kewalin Nawamongkhonchaikit, Mr.Naphat Nawamongkhonchaikit and TRW Holding Company Limited. with 10,000 shares, 10,000 shares and 374,000 shares respectively, and transferred shares of Mrs.Supak Nawamongkhonchaikit to TRW Holding Company Limited by 30,000 shares.</li> </ul> <p>As a result of shares transferring, TRW Holding Company Limited held 51.98% of the shares in the company and the Private Equity Trust for SME Growing Together2, Mr.Theerawut Nawamongkhonchaikit, Mrs.Supak Nawamongkhonchaikit, Mr.Naphat Nawamongkhonchaikit, and Ms.Kewalin Nawamongkhonchaikit held shares in the company at 15.85%, 12.87%, 6.43%, 6.43% and 6.43%, respectively.</p> <p>Note : TRW Holding Company Limited is held by the Nawamongkhonchaikit family, including Mr.Theerawut Nawamongkhonchaikit, Mrs.Supak Nawamongkhonchaikit,</p>

Year	Significant developments
	Mr.Naphat Nawamongkhonchaikit, and Ms.Kewalin Nawamongkhonchaikit, holding 60.00 %, 20.00 %, 10.00 %,and 10.00%, respectively.
2021	<ul style="list-style-type: none"> <li>■ As a result of The Extraordinary General Meeting of Shareholders No.1/2014, on 11 May 2021, the Meeting decided that the company shall implement as following: <ul style="list-style-type: none"> <li>- The company changed to a public company and changed the name to T.R.V. Rubber Products Public Company Limited.</li> <li>- Change the par value of company ordinary shares from the original par value of 100 baht to par value of 0.50 baht.</li> <li>- Increased the company's registered capital from 77,717,500 baht to 105,000,000 baht by issuing 54,565,000 ordinary shares at a par value of 0.50 baht each and allocating such ordinary shares to be offered for sale to public for the first time (Initial Public Offering: IPO).</li> </ul> </li> <li>■ Certified Environmental Management System (ISO 14001) by United Registra of Systems (Thailand) Co., Ltd.</li> </ul>

### 1.1.3 Use of Proceeds report

According to the company launched an initial public offering (IPO) of 54,565,000 shares at a price of 2.30 baht per shares, and raised a total of 117.83 million baht. (after deducting IPO expenses)

#### The use of the proceeds

(Unit: Million baht)

Purpose of use	Estimated spending planned	Amount spent as of 31 Dec 2021	Remaining as of 31 Dec 2021
1. Investment in machine	85.00	-	85.00
2. Repayment loan to financial institutions	10.00	-	10.00
3. Working capitals in business	22.83	10.00	12.83
Total	117.83	10.00	107.83

### 1.2 Nature of Business

T.R.V. Rubber Products Public Company Limited has the English name "T.R.V. Rubber Products Public Company Limited" ("The company" or "TRV") operates in the production and distribution of molded rubber

parts. The product classified into 3 product groups: molded rubber parts used in automotive, molded rubber parts used in electrical appliances, and other molded rubber parts. Throughout more than 20 years, the company has been committed to developing the business in terms of management, personnel development, production process, quality of goods, timely delivery, resulting in the company's trust in the production and delivery of products to customers, and has the opportunity for continuous business growth.

In addition, the company has been certified in Quality Management System or ISO 9001: 2015, which is an international standard to ensure the quality and efficiency of business operations. The company has been accredited to the Automotive Quality Management System or IATF 16949: 2016 and has been accredited to the Environmental Management System or ISO 14001: 2015, which has led to environmental improvement along with business development by focusing on pollution prevention and environmental impact to help to reduce production costs.

### 1.2.1 Revenue Structure

The company has a revenue structure classified by product group in 2019 - 2021.

The details as following:

Revenues separate by product group	2019		Year 2020		Year 2021	
	million baht	%	million baht	%	million baht	%
<b>1. Molded rubber parts in automotive</b>	<b>81.99</b>	<b>48.64</b>	<b>70.25</b>	<b>44.00</b>	<b>95.08</b>	<b>53.24</b>
-Molded rubber parts in car	71.09	42.18	61.98	38.82	82.11	45.98
-Molded rubber parts in motorcycles	10.90	6.46	8.27	5.18	12.97	7.26
<b>2. Molded rubber parts in electric appliance</b>	<b>84.41</b>	<b>50.08</b>	<b>87.81</b>	<b>55.00</b>	<b>80.76</b>	<b>45.23</b>
<b>3. Other molded rubber parts</b>	<b>1.58</b>	<b>0.94</b>	<b>1.35</b>	<b>0.85</b>	<b>1.74</b>	<b>0.97</b>
<b>Total revenue from sale</b>	<b>167.98</b>	<b>99.66</b>	<b>159.41</b>	<b>99.85</b>	<b>177.58</b>	<b>99.44</b>
Other income	0.57	0.34	0.24	0.15	0.99	0.56
<b>Total income</b>	<b>168.55</b>	<b>100.00</b>	<b>159.65</b>	<b>100.00</b>	<b>178.57</b>	<b>100.00</b>

Note: Other income consists of interest earned, sale of rubber scrap, etc.

### 1.2.2 Information about products

#### 1.2.2.1 Product characteristic

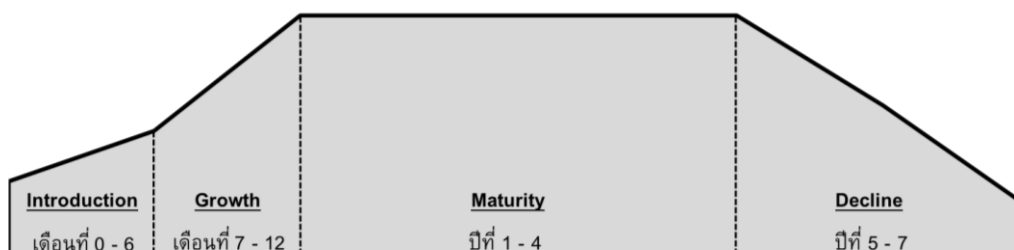
The company operates and distributes molded rubber parts for use in various industries. The main raw material is rubber compound, which is a synthetic rubber. Because synthetic rubber is a raw material

that can control the quality and quantity of production more consistently than natural rubber and can improve the production to have properties to compensate for the drawbacks of natural rubber that is not resistant to heat, sunlight, oil, and chemicals. Synthetic rubber will be mixed with chemicals to create special properties suitable for producing molded rubber parts such as rubber pipes, rubber O-rings, gaskets, rubber sheets, etc. Details are as follows.

### (1) Molded rubber parts in automobile

For example, electrical conduits, bumpers, leakage protectors, and rubber hoses. Each rubber part has its own characteristics that vary according to its application, such as heat resistance, impact resistance, resistance to friction or tearing, ozone (weather) resistance, fire resistance, and oil resistance.

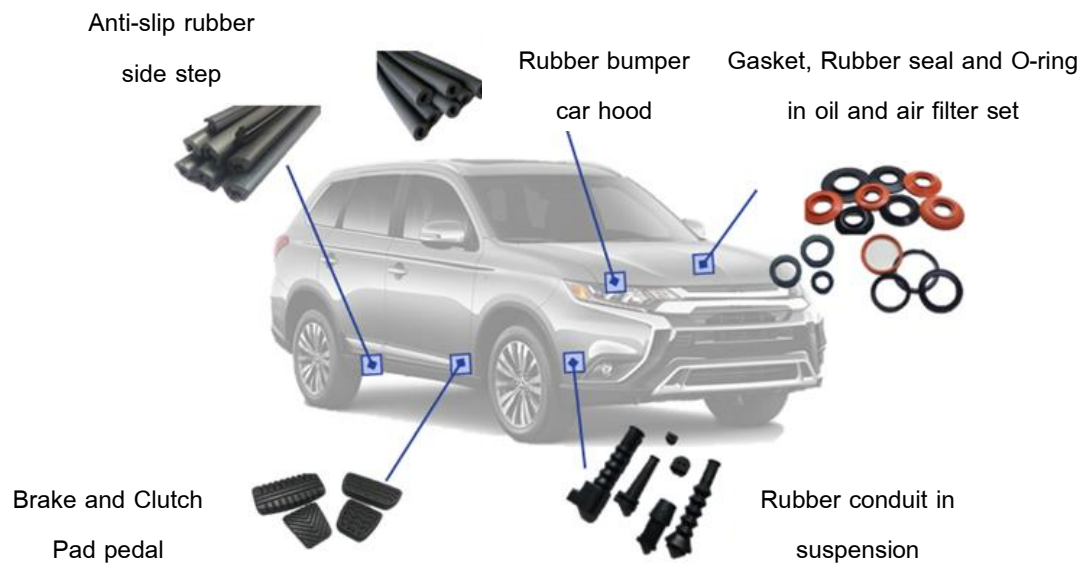
Rubber molded parts for each model of motor vehicles has a generally product life cycle about 5 – 7 years according to the life cycle of cars and motorbike. After the car and motorbike manufacturers have launched a new model (Major Change) ,according to historical statistics, the company receives orders throughout the product life cycle as follows:



0 – 6 Months	Orders are gradually increasing.
7 – 12 Months	Orders will continue to be higher.
1 – 4 Year	The order is fixed according to demand of automotive manufacturer.
5 – 7 Year	The order will start to decrease unless the automotive manufacturer updates the model in such a way that Minor Change might be impacted to purchase of molded rubber parts for the automotive model remaining at the same level as in Years 1 – 4 (mainly 1 – 2 years before changing with the new model, the purchase of molded rubber parts may decrease).

- Molded rubber parts for automotive,such a rubber O-rings, gaskets, rubber seals, hoses, brake pads, electrical conduits, and anti-slip rubber, etc.





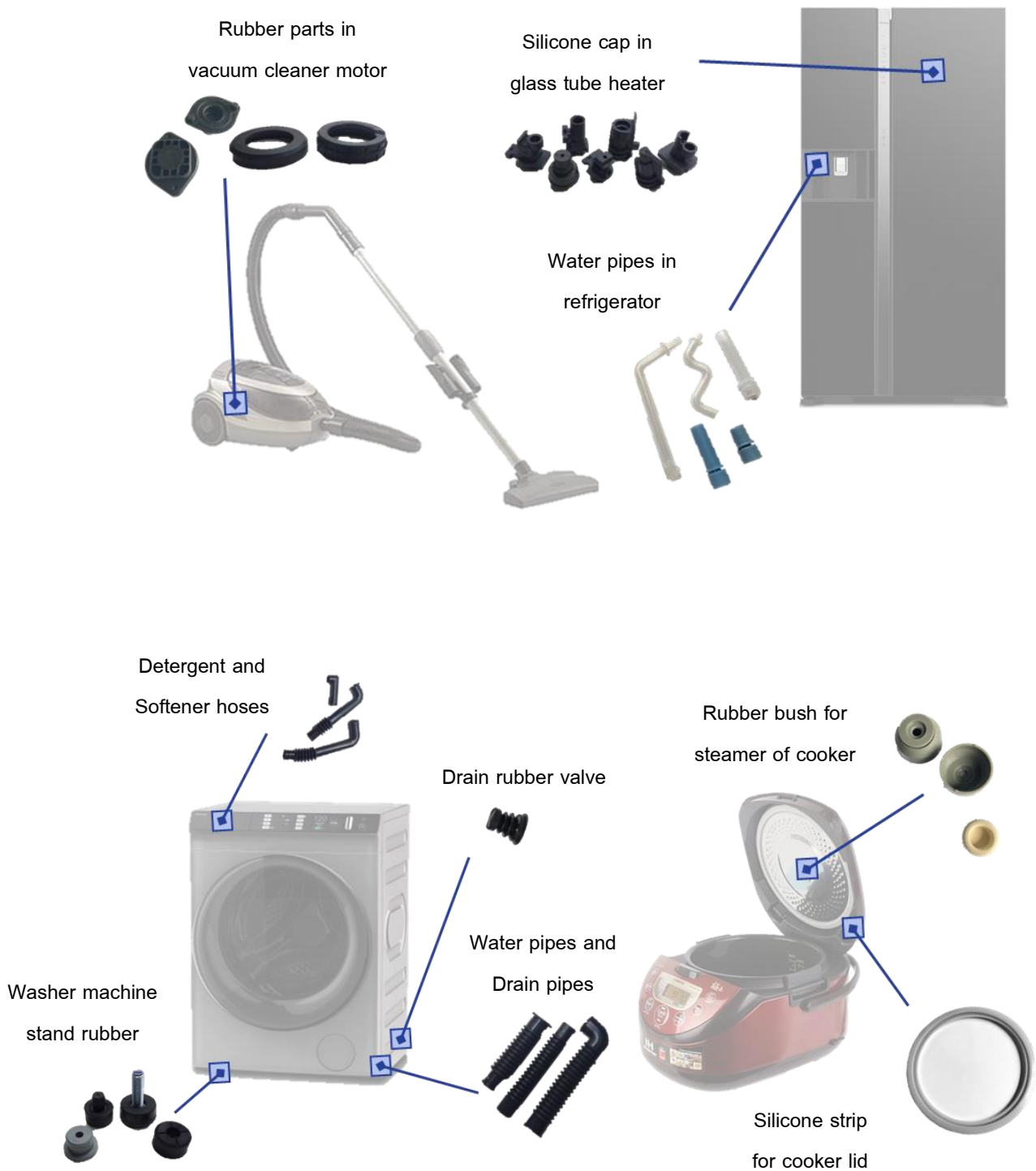
- Molded rubber parts in motorcycles include rubber covering for foot rest, rubber bumper , mirror arm covering seal, etc.



## (2) Molded rubber part in electrical appliances

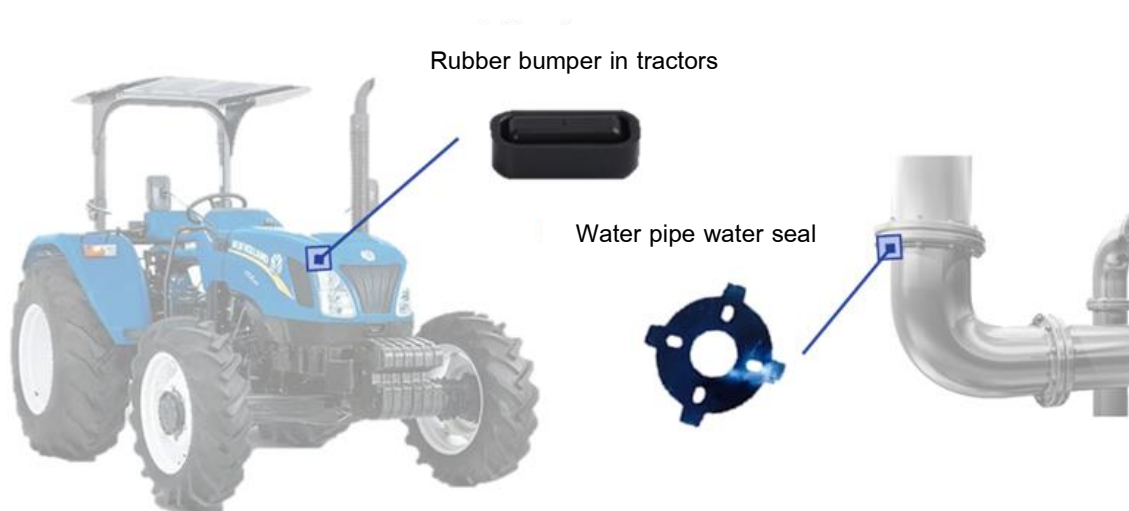
The molded rubber parts in the appliance are rubber parts for preventing leakage, preventing impact, increasing flexibility, or preventing dust in the electric appliance. These are vacuum cleaners, refrigeration devices, washing machines, microwaves, water pumps, rice cookers, etc. There is a product life cycle usually around 2 years, based on period of the appliance model. Although, the changing model of the appliance will focus on appearance changes and often do not change the appearance or design of the internal components. Therefore, the molded rubber

parts in the appliance are mainly internal components that can be adapted by the appliance manufacturer to the new appliance model.





- (3) **Other molded rubber parts** is agricultural mechanical parts, rubber seals, water pipes, etc.



### 1.2.2.2 Marketing & Competition

#### - Customers

The company has main customer segments as following 1) Automotive component manufacturers, which include Tier 1 and Tier 2 suppliers, 2) appliance Manufacturers and appliance component manufacturers, and 3) Other industrial customers. The company's product characteristics are as follows:

Customers	Company's products utilization
1. Automotive industry - Automotive component manufacturers Tier 1  - Automotive Parts Manufacturer Tier 2	Automotive Manufacturers as tier 1 will use the company's molded rubber parts assembly with other components and sell them directly to automotive manufacturers .  Automobile and motorcycle component manufacturers as tier 2 (Tier - 2 Supplier) bring the company's molded rubber parts assembly with sub-parts to the automotive component manufacturers as tier 1.
2. Electric appliance industry - Electric appliance manufacturer	The brand-owned electronics manufacturer takes the company's molded rubber parts as a part of the appliance and sells them directly to the consumer.
- Electric appliance components manufacturer	The appliance manufacturer assembly the company's molded rubber parts with other components and sells them to the appliance manufacturer.
3. Other industry	Manufacturers in other industries, such as agricultural machinery manufacturers and aqueduct manufacturers, etc.

Table showing revenue structure by customer segment from **2019 -2021**

Breakdown of revenues separate by customers	2019		2020		2021	
	million baht	%	million baht	%	million baht	%
1. Molded rubber parts in automotive	81.99	48.81	70.25	44.07	95.08	53.54
- Tier 1 : Automotive Components Manufacturers Group	71.93	42.82	60.71	38.08	87.42	49.22
- Tier 2 : Automotive Components Manufacturers Group	10.06	5.99	9.54	5.99	7.66	4.32
2. Molded rubber parts in electric appliance	84.41	50.25	87.81	55.08	80.76	45.48
- Electric appliance manufacturers group	46.65	27.77	42.19	26.47	39.54	22.27
- Group of manufacturers of electrical components	37.76	22.48	45.62	28.61	41.22	23.21
3. Other molded rubber parts	1.58	0.94	1.35	0.85	1.74	0.98
Total revenue from sale	167.98	100.00	159.41	100.00	177.58	100.00

**- Target customers and distribution channels****Target customer**

The company's target customers are automotive component manufacturers, electric appliance manufacturers, and electric appliance component manufacturers which is required to order high-quality molded rubber components.

**Distribution channels**

The company directly distributes products to customers. There are sales and marketing staff who have experience, knowledge and have a good understanding of the product as a contact and liaison with customers. In addition, sales and marketing staff regularly monitor customers demand for products. Most of the company's customers have planned product usage in advance. As a result, the company can plan the production of products that meet the needs of customers immediately. Including the company has production staff working with sales and marketing to give technical advice to customers in order to produce molded rubber parts that meet the quality and customer needs as much as possible.

**- Competitive Strategy****1. Development and quality of the product**

According to the company's quality policy which says that "The determination to uninterruptedly improve the quality of production and services at a cost-effective for customer satisfaction". The company has a quality control department being responsible for quality monitoring in various processes, starting from the selection of raw materials, production, inspection of finished products and the packaging, as well as delivery of products to customers, as the company has passed of the new standard ISO 2015:9001 in 2018, the ISO 9001 certification whereby being standard is a quality system used to assure quality and management of various processes. In the organization of the supplier or manufacturer or service providers. It has also been certified for ISO/TS 2009:16949 in 2011 and is certified for the new standard IATF 2016:16949 in 2018, as well as to be inspected to its environment and work process of the workplace to verify the management system together with the paperwork, the sufficiency of the machinery, measuring equipment, and the quality monitoring system of the workpiece. As a result, the company has been continuously recognized by business partners.

**2. Maintaining good relationship with customers**

The company has been in the industry for more than 20 years, and it acquires executives who have experience and competence of manufacturing and distributing rubber molding to automotive parts and electrical appliances manufacturers. The company continues striving for marketing to widen its customer base continue ally by producing quality workpieces that are generally accepted in the industry. Moreover, there are staffs who are able to provide technical assistance in order to produce rubber molding that is suitable for the use of the customers, and that the company inquire for

satisfaction in products and services to customers every 6 months with regard to the quality of the work, punctuality in delivering the product, and coordination, which could meet the needs of customers, and can also help the company to be aware of various problems in a timely manner as a result, it would be able to continue developing its service for the highest level of customer satisfaction. In addition, the company also cooperates in participating in various activities being held by customers such as attending the annual vendor meeting, customer annual audit support which allows customers to visit the production site for inspection and to build confidence for customers.

### 3. Maintaining good relationship with raw material suppliers

Since the quality of every workpiece is the highest priority of the company, the company pays attention to the selection of raw materials to be used as they are important factors affecting the quality of the product. The company has a policy to maintain and develop good relationships with raw material suppliers in order to obtain quality raw materials that can be delivered on time, and that the company is competent in managing inventory levels, as well as the continuous production and delivering workpieces to customers.

### 4. Production process development

The company is determined to develop and improve the management, starting from procurement, production, storage, information technology systems, distribution, and logistics, to be coordinated with a view to minimize production waste and increase the efficiency of the cost management of the company. It starts from checking the machines and molds on a regular basis to make sure that they can be used effectively, the preparation of tools to be ready to immediately solve any problem in the production process, and there is also a measure to check the quality of raw materials prior to being formed, and to inspect workpieces during forming and finishing the progress before they will be delivered, together with to make a standard practice manual in place. Furthermore, if the waste rate of the product exceeds than the stipulated rate, the relevant departments will suddenly organize a meeting to discover causes and solutions. Additionally, there is a training for employees on how to use tools and equipment correctly and safely.

### 5. Pricing Policy

The company has a policy to determine the selling price by considering the cost of the product plus the acceptable gross profit margin (Cost-Plus Pricing). The price will be considered from the unit cost depends on the quantity of raw materials compared with the raw material price from suppliers in the supplier registration list, the cost of labor in the production process and other costs. The Cost-Plus Pricing will be considered in conjunction with the estimation of the purchase order for the parts, together with the estimation of other orders from the same customer with competitive price. Sales and marketing staffs will prepare a quotation together with calculating the unit cost (Breakdown) document and specifying the person who is responsible for the cost of a mold, then the said documents will be submitted to the authorized person for approval from the level of the assistant of sales and marketing manager, the sales and marketing manager, along with the chief executive officer, and the Board of Directors respectively to the margin of gross margin.

#### 6. Punctuality in the delivery of products

The company focuses on delivering standardized products on time, which could avoid the interruption against the customer's production line. Therefore, the company have to produce products accordingly to the production control plan whereby being relied upon the estimation and purchase orders from customers, and there is also a quality control system from the acquisition of raw materials, the production process, the storage of products, and the inspection of products before being delivered. In addition, the company has systematically planned the production line to make it convenient for employees to operate, which facilitates them to deliver products accurately and swiftly.

#### **- Competitive circumstance**

The company has to face competition with direct competitors who are also manufacturers, both large and small, of rubber molding for the industries across the country. The big manufacturers have advantages in terms of production capacity and bargaining power with customers and suppliers. Currently, the competitive level in this industry is high. Most of the competitors are Japanese companies having been specializing in the automotive parts and electrical appliances industries for a long time with the production based in Thailand, and they also have a standard being accepted worldwide. When the company is compared to those competitors in industry, the company is a small entrepreneur whereby both of the production and distribution of rubber molding for automotive parts and electrical appliances, the bargaining power belongs to the buyer.

The company has been in the rubber molding manufacturing industry for a long time and being an expertise in producing rubber molding in respect of international quality standards that it can deliver products on time, and has a good relationship with customers that it always been trusted by customers. The company prioritizes on the development of production quality and service to meet customer satisfaction moreover, it has a systematic product inspection system. In addition, the company is able to effectively manage raw material inventory. As a result, the company has never faced any problem in relation to raw material shortage. Plus, the company has a consistent-planned production lines, manpower, and the maintenance of equipment and machinery. As a result, the company has never experienced a shortage of production capacity that negatively affects the business performance, which allows it to improve the production process. It could be seen that the waste from the production process is greatly reduced, and this suggests an advantage of the company in efficient cost management and leading the company to sustainable development.

#### **- Industrial circumstance**

The company operates its business whereby the main raw material is rubber compounds being derived from synthetic rubber mixed with chemicals which will be molded into rubber molding in contemplation to distribute it to customers in various industries such as the automotive parts industry, electrical appliance industry, and other industries. Thus, the company's industrial circumstance is considered from factors related to the costs of the company, and customer groups in relevant key industries of different types, including the automotive industry, motorcycle industry, automotive parts industry, and electrical appliances industry.



## **1. Overview of economic conditions**

### **World economy**

The trading partners' economies will potentially continue to expand in the future however, at a decelerated rate, despite the strong-recovering from the previous year. Nevertheless, the growth was lower than previously estimated due to the COVID-19 outbreak and protracted supply disruption problem that affects the consumption and production sectors more than expected. In 2022, trading partners' economies are likely to expand, but lower than the estimated rate either as the trend of outbreaks at the beginning of the year, which coincides with winter in the northern hemisphere, such as Europe and the United States, together with the outbreak of Omicron. The Bank of Thailand estimates that the impact of which will be limited only in the first period of 2022, and the economy will gradually recover in the next period. In 2023, the trading partner economies would gradually and consistently grow to the normal growth rate following the relief of the epidemic situation and supply disruption which could be resulted in the decline in differences of economic growth between industrialized countries and emerging market countries. The overall consumption would also improve following the epidemic control measures that have begun to relax due to the slowdown in the number of infected people, reflected in the rising retail sales index, especially in Asian countries. For the G3 countries (US, Japan and Europe) however, the recovery is fragile, which is reflected from the consumer sentiment index that its direction is going downward, which is resulted from concerns about the outbreak, and the surging number of new Covid-19 patient after the re-opening of the city, as well as the concerns about soaring inflation trend. Besides, the production and exports in some countries tend to be slowed down due to more protracted supply disruption. This is partly a result of epidemic control measures that have become stricter in some countries such as China, which maintains a zero-tolerance policy. Moreover, the problems related to the shortage of containers and raw materials have not been resolved yet, especially for electronic parts and the demand of product that would possibly increase during the New Year's festival causing a delay of the delivery. The Bank of Thailand estimates that the supply disruption problem will gradually resolve from the middle of 2022 after the epidemic situation eases. This also includes the economic activities that would gradually return to normal (Source: Bank of Thailand: Monetary Policy Report, December 2021).

### **Thai economy**

In 2021, Thai economy arose by 0.9%, a slight increase from the previous projection based on better-than-expected real data at the end of the year. For 2022, the economy is expected to expand by 3.4% as the outbreak of Omicron would affect only in the first period of the year. In 2023, both domestic economic activities, export of products, and the number of foreign tourists would cause the economy growth to be increased by 4.7%, mainly resulted from the escalation in number of foreign tourists. The inflation will be running within the target range throughout the projection period whereby in 2021 and 2022, it will rise to 1.2 and 1.7 percent respectively, due to a temporarily rising inflation in energy sector as a result from the global crude oil price, and in 2023, the inflation is expected to rise by 1.4%. It was indicated that in the fourth quarter of 2021, the situation of the COVID-19 outbreak in Thailand

has improved, and the government has relaxed measures related to the epidemic control as a result, the travel and economic activity gradually become better. The government issued additional measures to promote consumption level and maintain level of employment in the 4th quarter of 2021 by increasing the amount of the previous projects that were approved which is Half-Half project (Khon La Krueng), the purchasing power increasing project for those people holding the government welfare cards and those who need special assistance, and the Spend More Earn More project (Ying Chai Ying Dai). Plus, there are new measures issued in order to promote and maintain the employment level of SMEs however, the economic stimulus from government measures will gradually disappear in the first quarter of 2022. Therefore, the approval of additional measures must be monitored, including to discover the risk of the spending rate of some measures that are quite low. The Thai labor market has not recovered to pre-Covid-19 levels after several outbreaks, and the recovery is expected to take a long time. However, private investment is likely to recover in line with both domestic and international demand, as well as the large-scale investment in infrastructure, yet the growth tends to be less than estimated (Source: Bank of Thailand Monetary Policy Report, December 2021).

## **2. Overview of the automotive industry**

Automotive production during the first 8 months of 2021 grew by 31.89% YoY (1.07 million units) as Japanese car-manufacturer adjusted their plans by using Thailand as their production base for more exports. Nevertheless, its production still faced a shortage of chips and labors in some period due to the COVID-19 infections whereby the car sales grew only 2.4% YoY (0.47 million units) from a shrinkage in the same period in the last year due to the COVID-19 epidemic which affected the economy and the purchasing power of consumers, together with the fact that financial institutions had increase the strictness of credit expansion. The export volume of automotive parts grew 31.94% YoY (0.60 million units) with the increase of the value by 46.9% YoY (12.30 billion USD) as Japan used Thailand as its production base for exports. In addition, the economies of trading partner countries have also begun to recover. The main export markets with strong growth includes Malaysia (+229.5% YoY), New Zealand (+107.1% YoY), Japan (+69.7% YoY), Vietnam (+83.8% YoY), and Australia (+58.2% YoY), which the ratio of exports is collectively 50.7% of the total car export value.

For the rest of the year, automotive production is assumed to stall for some time due to the semiconductor shortages, while the labor shortage problem tends to ease. The domestic market is still pressured by low purchasing power however, the exports of which are expected to continue growing. For 2021, it is expected that automotive production will grow by 15.0-17.0%, being 1.64-1.67 million units, and domestic sales would shrink by 2.0-4.0%, being 0.76-0.78 million units, while the export volume would grow by 24.0-26.0%, being 0.91-0.93 million units.

Outlook in Y2022-2024, automotive production of Thailand in the next three years is likely to grow at an average of 4.0-6.0% per annum, with the COVID-19 epidemic situation expected to begin to ease after the number of vaccinations among its population, labor shortage problem would become better, and the chip shortage would begin to ease in the second half of 2022.

Domestic sales are likely to grow by 3.0-5.0% in 2022, and would grow at the average of 4.0-6.0% per annum in 2023 and 2024 in line with the gradual economic recovery. As a result, the consumers would redeem their confidence in their spending again. The demand for commercial vehicles will rise admirably, resulted from the expansion of the construction sector online retail business and logistics. In addition, entrepreneurs have plans to continuously launch new car models, including both electric and internal combustion engine cars.

Automotive exports will grow 5.0-7.0% in 2022, and would continue growing by 4.0-6.0% per year in 2023 and 2024, as a result from that Japan used Thailand as a production base for more exports. Furthermore, the economy of trading partner countries has recovered, as well as the establishment of the Mutual Recognition Agreement (MRA) in the ASEAN region with the purpose of the inspection and certification of safety standards for automobiles and automotive parts will help reduce the process of being repeatedly inspected. Plus, the opportunity to the exports to Philippines' market (the third-ranked export market, being 7.1% of car exports value in 2020) due would increase to the gradual closure of automotive factories (Source: Thai business and industry trends 2022-2024, Krungsri Research, 11 January, 2022).

### **3. Motorcycle Industry Overview**

The domestic demand for motorcycles in 2019-2021 is likely to gradually increase in line with the expected economic continuous-growth, combined with the government's assistant program approved for people with low income that continues to put more money into the economy. There is also money that circulates during the 2019 arisen from the election campaign being beneficial to motorcycle manufacturing industry and motorcycle vendors. Nevertheless, the sales growth may not be very high because the main income of the business is still dependent on purchasing power of farmers whose incomes are uncertain, and most of them have low income.

Motorcycle exports in 2019-2021 are likely to grow at a higher rate as a result from the export of Big Bikes is expected to expand greatly because of the expansion of production capacity, and that Thailand is used as a production base for exports. Exports of Completely Knocked Down products (CKD) are expected to continue to grow well following the demand of key trading partners, including both ASEAN and Japan. In addition, Thailand is a CKD production base before distributing the CKD products to other motorcycle assembly bases in ASEAN region however, Thailand may be pressured to reduce the export of motorcycles to the United States.

Outlook for 2022-2024: Domestic motorcycle sales in 2022 is expected to increase by 2.0-4.0% and average 3.0-5.0% per year growth in 2023 and 2024 as the government has gradually eased the epidemic control measures thereby the economic activities are to be slightly recovered, supporting grassroots labors, which is the main target group, to acquire more purchasing power. The export market is expected to grow by 4.0-6.0% in 2022, and would continue growing by 3.0-5.0% per annum in 2023 and 2024, following the economic recovery of trading partners such as the United States (US), European Union (EU), China and Japan, along with the manufacturer of "Ducati" brand is gradually increasing its production capacity in Thailand by 2024 to 18,000 units per year, from 12,000 units per

year to support an uninterrupted growth of export market (Currently, more than 90% of the Ducati production in Thailand are for exports), resulting in the production of motorcycles which is expected to grow by 2.0-4.0% in 2022, and would grow by 3.0-5.0% per year in 2023 and 2024 (Source: Thai business and industry trends 2022-2024, Krungsri Research, 11 January, 2022).

#### **4. Overview of the automotive parts industry**

In 2021, the situation of automotive parts manufacturing industry during the first 8 months rapidly grew, reflected by the manufacturing production index (MPI), which grew by 39.2% YoY. The increasing demand of automotive parts in the Original Equipment Manufacturer (OEM) was driven by the production of automobiles (+31.9% YoY, being 1.07 million units), and motorcycles, (+24.5% YoY, being 1.17 million units). In addition, the demand for replacement of automotive parts in the Replacement Equipment Manufacturer (REM) also expands in line with the rising accumulated number of registered vehicles. Automotive parts exports have increased by 33.1% YoY (worth \$14.6 billion), showing strong growth across all major export markets, including ASEAN (+36.9% YoY), US (+30.4% YoY), Japan (+29.7% YoY), and the EU (+10.6% YoY), which together being 60.1% of the total export value of automotive parts.

For the rest of the year, the demand for automotive parts in the country is likely to stall in the same direction as the production of automobiles and motorcycles which is reduced. However, in 2021, the domestic automotive parts market is expected to return to growth from the contraction in the previous year as the OEM market would grow accordingly to the increasing production of automotive parts and motorcycles whereby being expected to grow by 15.0-17.0% and 8.0-10.0% respectively. The REM market will grow accordingly to the demand for vehicle maintenance as a result from age and mileage, including the need for automotive repairs to extend the lifespan of the products.

Due to the sluggish economy, the revenue is aimed to be uncertain. Exports are expected to continuously grow in line with the economic growth of trading partner countries such as ASEAN, the US and Japan.

For the 2022-2024 outlook, the production and demand of automotive parts in the country will grow continuously from the demand in the OEM market that is expected to expand in line with the automotive production while the REM market will grow in line with cumulative vehicle volumes, especially over 5 year-old vehicles, with the number more than 26 million units that required repair/ replacement of the automotive parts in accordance with functional life, especially the demand for high-value parts such as engine system, drive system, etc. As for the export of automotive parts, it tends to grow at a slower rate in line with global car sales. Euromonitor is expected to be grown by 14% in 2022 (shrinking 16% in 2021), 8% in 2023, and by 2% in 2024, as the automobile prices tend to increase continuously from the investment in research and development of engine technology to reduce pollution and the popularity of automobile sharing leading the demand for automobile purchases decreases. Euromonitor expects that the automobile service business 'Shared mobility', or 'Mobility as a service', will be grown by an average of 15% per annum during 2022-2024 with the key service providers such as Uber, Lyft and Grab (Source: Thai business and industry trends 2022-2024, Krungsri Research, 11 January,

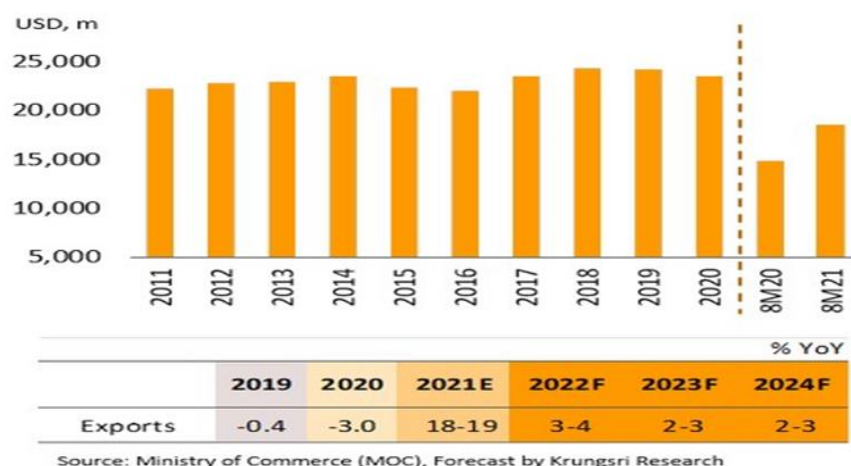
2022). In 2019 to 2021, the company's revenue proportion from automobile and motorcycle parts customers averaged at 42.46% and 6.34% respectively, which can be seen that the company has mainly sold rubber molding parts in automobiles, whereby the company's products are production from customer orders depending on the number of cars produced each year. The Federation of Thai Industries (FTI) anticipates that in 2022 the number of automobile production will be 1,800,000 units, rising by 6.78 percent from 2021, which is a good opportunity for the company to generate the revenue in the future and produce the company's rubber molding as the main internal and external component parts of automobiles and motorcycles, including electric vehicles (EV). Nowadays, the company currently focus on developing technology to produce products to be more efficient as well as to continuously respond to market demands.

## 5. Overview of the electrical appliance industry

Electrical appliance manufacturing industry situation in 2021 during the first 8 months, the volume of electrical appliance production grew by 15.1% YoY (at 33.12 million units), whereby the domestic sales volume grew by 6.8% YoY (at 10.51 million units) resulting from work from home of government and private sector policies in order to reduce the spread of COVID-19, along with new electrical appliances that focus on improving health functions (eliminate germs / bacteria, dust, PM 2.5) and control work via Smart phone, leading to the higher demand of electrical appliances such as air conditioners (+0.5% YoY), refrigerators (+0.5% YoY), whereby washing machines grew by 17.2% YoY as the laundromat (coin-operated laundry machines) are becoming popular and expanding many branches. Export value grew by 25.4% YoY being \$18.6 billion USD, especially washing machines rose by 28.6% YoY, led by the US market (26.2 percent of total washing machine export value) expanding to 162.5% YoY as a result of the end of the US anti-dumping measure. Other electrical appliances with strong growth were air conditioners (+23.9% YoY) and refrigerators (+23.6% YoY). For the rest of the year, electrical appliances in the country are still demanded continuously from both domestic and international markets, however, the high base comparison in the same period last year caused low growth number. As a result, for the whole year 2021, the domestic sales volume grows by 0.2-0.1% and the export value grows by 0.19-0.18%. For the 2022-2024 outlook, the demand for electrical appliances in the country in 2022 is expected to grow by 3.0-4.0%, while in 2023 and 2024 will grow by an average of 2.0-3.0% per annum as a result of (1) the market of housing is expected to improve in accordance with the economic growth direction (2) the marketing of new electrical appliances that focus more about health, including the development of the ability to control work via internet connection (3) rising weather temperatures from global warming boost the demand for air conditioners and (4) increasing distribution channels through online product marketing makes the consumers accessing information and purchasing decisions more convenient.

Table showing the export value of electrical appliances from 2011 – 2021

Figure 2: Electrical Appliance Exports



Source: Krungsri Research Center (data as of January 11, 2022)

The export value of electrical appliances in 2022 tends to grow by 3.0-4.0%, while in 2023 and 2024, it is expected to grow at an average of 2.0-3.0% per annum, whereby the washing machines exportation to the US tends to recover from 2021 after the end of the US anti-dumping measures. The demand for electrical appliances in the Asian market still has the opportunity to grow continuously reflected by the low holding rate of electrical appliances, especially air conditioners. Many countries own less than 20% of the total households, including India, Indonesia, the Philippines, Myanmar, Cambodia and Laos. In addition, there are also factors supporting the expansion of urbanization and middle class in Asia. For the electrical appliances in 2019 – 2021, the company's revenue proportion from rubber molding parts in electrical appliances is 50.27% on average, whereby the company's products are production from customer orders depending on the number of cars produced each year. The above information shows that the trend of demand for electrical appliances continues to grow, which is a good opportunity for the company to generate revenue in the future. (Source: Trends of Thai business and industry in 2022-2024, Krungsri Research, 11 January 2022).

### 1.2.2.3 Procurement of products and services

#### 1. Capacity utilization rate

At present, the company office is located at 40, 88/8-9, Soi Ekachai 76, Intersection 1-3-1, Khlong Bang Phran Sub-district, Bang Bon District, Bangkok, whereby being a total usable area of 5,400 square meters, with the capacity utilization rate as detailed below:

Table showing capacity utilization rates in 2019 – 2021

Unit: million pieces

Item	2019			2020			2021		
	Maximum capacity utilization	Actual capacity utilization	Capacity utilization rate	Maximum capacity utilization	Actual capacity utilization	Capacity utilization rate	Maximum capacity utilization	Actual capacity utilization	Capacity utilization rate
<b>Compression machine</b>	<b>33.02</b>	<b>29.85</b>	<b>90.39%</b>	<b>35.78</b>	<b>26.50</b>	<b>74.06%</b>	<b>37.38</b>	<b>28.09</b>	<b>75.14%</b>
Rubber molding parts in automobile	33.02	18.49	56.00%	35.78	16.10	44.99%	37.38	17.88	47.82%
Rubber molding parts in electrical appliance	33.02	10.53	31.90%	35.78	9.46	26.45%	37.78	9.55	25.54%
Other rubber molding parts	33.02	0.83	2.49%	35.78	0.94	2.62%	37.78	0.67	1.79%
<b>Injection molding machine</b>	<b>52.38</b>	<b>51.31</b>	<b>97.96%</b>	<b>58.04</b>	<b>48.55</b>	<b>83.65%</b>	<b>67.96</b>	<b>48.08</b>	<b>70.75%</b>
Rubber molding parts in automobile	52.38	23.50	44.87%	58.04	21.99	37.88%	67.96	23.58	34.69%
Rubber molding parts in electrical appliance	52.38	27.81	53.09%	58.04	26.56	45.76%	67.96	24.49	36.03%
Other rubber molding parts	52.38	0.00	0.00%	58.04	0.00	0.00%	67.96	0.01	0.02%
<b>Extrusion machine</b>	<b>1.36</b>	<b>0.71</b>	<b>51.97%</b>	<b>1.40</b>	<b>0.54</b>	<b>38.53%</b>	<b>0.93</b>	<b>0.59</b>	<b>63.66%</b>
Rubber molding parts in automobile	1.36	0.71	51.97%	1.40	0.54	38.53%	0.93	0.59	63.66%
<b>Total</b>	<b>86.76</b>	<b>81.87</b>	<b>94.36%</b>	<b>95.23</b>	<b>75.59</b>	<b>79.38%</b>	<b>106.24</b>	<b>76.76</b>	<b>72.23%</b>

Note: Maximum capacity utilization based on production data, 10.5 hours per day.

The company has 3 types of molding machines: injection molding machines, compression molding machine and extrusion molding machine. All 3 types of machines can produce rubber molding parts for automobile, electrical appliance, or other rubber molding parts, depending on the mold used in production.

On 2019-2021, the capacity utilization rate of the compression molding machine was 90.39%, 74.06% and 75.14%, respectively. The capacity utilization rate of the injection molding machine was 97.96%, 83.65%, and 83.65%. 70.75, respectively. The capacity utilization rate of the extrusion molding machine was 51.97%, 38.53% and 63.66%, respectively. In 2021, the total capacity utilization rate was 72.23%, a decrease of 7.15% compared to 2020. Although the situation of the Covid-19 epidemic improved in



2021--the company produced an increase of 1.18 million pieces of rubber molding parts compared to 2020--, the capacity utilization rate decreased because cycle time on the production had been spent less and be able to shorten such as the proficiency of the staff, develop molding process, reduce the amount of waste, etc.

## **2. Raw material procurement**

The main raw material in the company's production is compound rubber to be used in various types of molding. The company mainly procures raw materials from domestic raw material suppliers, whereby focuses on selecting raw materials with properties and qualities that are up to the standard as specified by customers. Therefore, the list of manufacturers of compound rubber and compound rubber raw materials used in the production of rubber molding parts will be specified in the approval document for such production in order to control the quality of raw materials and production.

The main raw materials in the production of the company are divided into 2 main categories as follows:

1) Compound rubber is a synthetic rubber mixed with various chemicals such as vulcanizer, filler, catalyst, etc. with the aim of having different properties in the production of rubber molding products. The synthetic rubbers used by the company are chloroprene rubber (CR), styrene butadiene rubber (SBR), nitrile rubber or acrylonitrile rubber- Butadiene (NR), Ethylene Propylene Diene Monomer (EPDM), Butyl Rubber (IIR), Silicone Rubber (SIR), and Acrylic Rubber. (ACM), etc.

2) Chemicals used for rubber are vulcanizer, catalysts, fillers to improve the properties of rubber, such as soot, etc. The chemicals must pass the standard inspection from the company in order to control the quality of raw materials as required, and chemicals used in the production process are ordered from local distributors.

3) The company has purchased such raw materials from a manufacturer for 10 years, whereby in 2020 and 2021, the company purchased 41.39% and 41.18% of the total raw material purchase price from such manufacturer.

### **1.2.2.4 Assets for Business undertaking**

The company has a policy to invest, manage and support the company's business operation to strengthen stability. The company has no investment in any subsidiary or associated company. In the event that the company plans to invest in other companies in the future, the policy of investment in subsidiary and associated company with the same business objectives as the Company's core business or similar business is designated in other companies. The Company has stipulated the policy regarding the investment in subsidiaries and associated companies with the same business objectives as the company's core business, or operating similar businesses, including businesses that support the company's business, which would result to the increase of company's operating results, or profits or investment in businesses that are beneficial the company. Assets for business undertaking and its core business are investment properties, rights-of-use assets, land, buildings, machines and equipment, vehicles, intangible assets, including important contracts being material to the business

operations, a casualty insurance policy used in business operations and loan agreement. Please consider additional details in **Attachment 3** – Asset for business undertaking.

#### 1.2.2.5 Unsubmitted works

- None-

### 1.3 Shareholding Structure

#### 1.3.1 Shareholding Structure

The company does not have any associated companies or subsidiaries currently.

#### 1.3.2 Relationship with the business groups of major shareholders

Currently, major shareholders of the company include TRW Holding Company Limited (“TRW”) whereby holding 38.48% of the company’s shares. As the TRW operates business with the purpose for investment, it does not compete with the company.

#### 1.3.3 Shareholders

List of Top 10 major shareholders of the company as of March 15, 2022.

No.	List of Major Shareholders	Number of Shares (Shares)	Shareholding Proportion (Percentage)
1	Group of NAWAMONGKHONCHAIKIT Family <sup>1/</sup>	121,070,100	57.652%
	TRW HOLDING COMPANY LIMITED <sup>2/</sup>	80,800,000	38.476%
	MR. THEERAWUT NAWAMONGKHONCHAIKIT	20,000,000	9.524%
	MRS. SUPAK NAWAMONGKHONCHAIKIT	10,000,000	4.762%
	MISS KEWALIN NAWAMONGKHONCHAIKIT	5,785,000	2.755%
	MR. NAPHAT NAWAMONGKHONCHAIKIT	4,485,100	2.136%
2	PRAVATE EQUITY TRUST FOR SME GROWING TOGETHER2	24,635,000	11.731%
3	MRS. RANGSIMA WISETSUTTHICHA	3,130,000	1.490%
4	MR. THAMMARAT CHANNUAN	2,450,000	1.167%
5	MISS URAIWAN SAELEE	2,210,000	1.052%
6	THAI NVDR COMPANY LIMITED	1,943,535	0.925%
7	MR. CHANTAWAT RUANGTEPRAT	1,430,000	0.681%
8	MISS WASSANA WANITCHAKORNPORN	1,090,100	0.519%
9	MISS SIRIMAWADEE PHANMANEE	1,000,000	0.476%
10	MISS PORNTHIP KULLANANSIRI	1,000,000	0.476%
Total		159,958,735	76.171%

**Notes**

1/ Nawamongkhonchaikit Family Group shall denote 1) TR W Holding Company Limited 2) Mr. Theerawut Nawamongkhonchaikit 3) Mrs. Supak Nawamongkhonchaikit (wife of Mr. Theerawut Nawamongkhonchaikit) 4) Ms. Kewalin Nawamongkhonchaikit (Mr. Theerawut Nawamongkhonchaikit's daughter) 5) Mr. Naphat Nawamongkhonchaikit (Mr. Theerawut Nawamongkhonchaikit's son). However, this is not a grouping according to the definition of persons who jointly take an action (Acting in Concert) in respect of the Announcement of the Capital Market Supervisory Board No. TorJor. 7/2552 regarding the behavior being deemed as an action being done together with another person and act accordingly with Sections 246 and 247 whatsoever.

2/ TRW Holding Company Limited is a limited company established under Thai law. On November 15, 2021 the shareholders consist of 1) Mr. Theerawut Nawamongkhonchaikit, who holds 60.00% of the company's shares 2) Mrs. Supak Nawamongkhonchaikit who holds 20.00% of the company's share 3) Ms. Kewalin Nawamongkhonchaikit, who holds 10.00% of the company's share and 4) Mr. Naphat Nawamongkhonchaikit, who holds 10.00% of the company's share.

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

On December 31, 2021, the company has registered capital being THB 105,000,000, and paid-up capital being THB 105,000,000, whereby being divided into 210,000,000 ordinary shares with a par value of 0.50 baht per share, which are listed securities on the Stock Exchange of Thailand.

**1.5 Issuance of other securities**

- None -

**1.6 Dividend Policy**

The company has a policy to pay dividends to shareholders at the rate of not-less-than 40% of the net profit according to the financial statements of the company after being deducted by taxes and reserve funds of all types as required by governing laws, as well as other reserve funds (if any), and obligations under the terms of the loan agreement. The company will consider the dividend payment by taking various factors into account with a view to provide highest benefits to the shareholders, and that the dividend payment shall be in no event negatively and materially affect the company's normal operations. However, the dividend payment rates may be different from the aforesaid rate as it shall be dependent on the investment plan, operational results, financial standing, liquidity, cash flow, the need of the capital to be used in operation, investment plans, future business expansion, market conditions, other future suitability, terms and restrictions as set out in the loan agreement, and other factors in relation to the operation and management of the company whereby being subject to the condition stating that the company is required to have enough cash to run the business and such actions shall be of the greatest benefit to the shareholders. This is to say, an annual dividend payment is required to be approved by the Board of Directors beforehand, and it shall be then presented to the shareholders' meeting for approval, unless there to be an interim dividend payment whereby the Board of Directors are entitled to approve such dividend payment, and the shareholders shall be notified thereof in the following meeting.

## 2. Risk Management

### 2.1 Risk Management Plan and Policy

Company pays high attention to Risk management in management system and its operation in order to build risk management culture and awareness for all employees in operating level. The risk management will help organization to achieve main objective and goals as well as to promote value added in company operations. Aiming for the highest interest throughout the company, therefore the Board of Director decided to establish Risk Management Policy and its committee to help aligning the risk management practice and guideline of each function to have same direction and understanding. The risk management committee has responsibility to control and manage the risk management plan as followings.

- 1) Consider overall company risk management policy and guideline which cover any significant risk such as financial risk, Investment risk and any risk that concerned to company reputation etc. Then present all the risks to company board of director to approve.
- 2) Define company risk management strategy and guideline that comply with Risk management policy. So that each type of risk can be assessed, followed up and monitored within acceptable level by concerned functions.
- 3) Monitor and follow up all the risk management related activities to be complied with the policy and guideline approved by board of director.
- 4) Set up criteria and maximum of risk level that can be acceptable, also set up proper countermeasure to manage risks in each situation.
- 5) Assess risks in the organization and define process of how to manage risk to be in acceptable level. As well as keep on monitoring that all the risks are managed according to defined process.
- 6) Review the adequacy of overall risk management system and its policy implementation to ensure effectiveness.
- 7) Authorize to assign and define risk management role of employees in operation level as appropriate. Also has authority to ask concerned person for clarification. The assigned person should report to risk management committee in order to achieve the objective.
- 8) Periodically report the operating result, administration, company risk status, changes and any improvement needed issues to board of director.
- 9) Set up risk management working committee as necessary.
- 10) Support the risk management working committee in term of personnel, budget, and other necessary resources that complied with their responsible area.

## 2.2 Risk Factors for Business Operations

### 2.2.1 Business risks

#### 1) Risks from severe competitive situation and industrial changes

Our rubber molding parts are mainly used in automotive and electronics industries therefore, risks from each industrial changes are analyzed per followings details.

##### Automotive Industry: Future needs of using Electric Vehicle instead of Combustion Vehicle (Engine)

Since 2017 Government has continuously pay high attention to promote the investment of Electric Vehicle manufacturing in Thailand. Automotive Industry group in The Federation of Thai Industries expects that the Electric Vehicle (EV) market will apparently growing up during 2021 - 2023

Supporting factors of EV market growth are 1) EV car price that can be reduced based on Ministry of Energy plan to promote EV car production and utilization. EV car price is expected to be same with Combustion Vehicle price in 2025 2) EV charging stations are increasing. And 3) Government is promoting the investment of EV production in order to become Low Carbon Society and World's production base of EV and automotive parts, which rubber molding parts may get impact from this change because demand of using some OEM part is decreased. However, rubber molding parts are still necessary for in EV with better efficiency, especially anti-vibration rubber parts, electric motor rubber parts, anti-leak or anti-noise rubber parts. Moreover, company mainly produce both internal and external rubber parts for car, if there is any new car model launching, the information will be sent in advance and new parts trial will be requested by customer. Therefore, company shall be able to cope with change and flexible to the situation of EV production without any impact to company revenue in the future.

##### Electrical appliances Industry: Changes in electrical appliances Industry that contained more Internet of Things: IoT technology

World class electrical appliances manufacturer is focusing in develop new products that response to customer needs by utilizing technologies such as Internet of Things: IoT to be part of our daily life. In case that company could not response to the changes of technology, it may impact to company business result in the future.

Company has long-term relationship with many customers and still receiving their orders continuously, as well as improving products quality by select good raw materials, check the qualification, develop production process and strictly follow company and customer requirement. Furthermore, company closely monitors changes in production technology to update mold design and production process together with human resources development which aim to reduce in process

defect and control manufacturing cost. Company expected that these changes may not impact to company revenue.

## **2) Risks from Coronavirus disease 2019 (COVID-19) infection**

Coronavirus disease 2019 (COVID-19) situation that continue more than 2 years, in 2021 there are many changes such as the number of mutations in COVID-19 has increased in many species. The Centre for the Administration of the Situation due to the Outbreak of the Communicable Disease Coronavirus (COVID-19) defined different color in each area which is different from 2020 that the Declaration of an Emergency Situation pursuant to the Emergency Decree on Public Administration has been done. At that time several Car manufacturers are temporary closed and had some impacts on our business result. However, in 2021 the impact is lower due to customer orders are back to normal.

Total revenue in 2021 is 178.57 million baht which is higher than 2020 18.92 million baht or equal to 11.85% increasing. In 2021 company has 3 main groups of customers parts manufacturer for automotive industry, electrical appliances industry and other industry group. We have not relied on one industry or one customer only. Although some car manufacturers are temporary closing but we still continue supplied our parts to electronics and other group of industry. Company also has good relationships with all customer and business partners so we know industry movement and able to manage the production planning and inventory with customer orders. Company still continues closely follow up Covid-19 situation so we have confident that we can continue our business during Covid-19 situation.

## **3) Risks from the product selling price that can't be increased right after the manufacturing cost is getting higher**

The product selling price will be defined with customer at the beginning of New Model design step which may take around 1-2 years until customer accept our quotation. That selling price will be set for rubber molding parts so if the manufacturing cost is getting higher during model life cycle, company may not be able to increase the selling price right away which will affect to business result.

Anyway, company shall consider overall sale volume with each customer, in case that overall profit ratio with that customer is still appropriate, we may not increase the selling price to maintain other parts order from that customer. Moreover, we use "Cost Plus Pricing" methodology to define the selling price which consider from actual manufacturing cost plus profit. From this methodology we can mitigate some risks which can be proved from actual business result in 2019 – 2021 that we still got gross profit at 36.99%, 37.77% and 39.42% while having net profit at 15.04%, 13.30% and 13.60% respectively.

**4) Risks from customer order cancellation and company is unable to claim for damages**

In normal selling process with customer, we will do based on our quotation basis and/or customer purchase order (PO). In some cases, company will issue sale contract based on customer requirement, and not all of customer are signing the sale contract and some sale contracts may not mention about customer responsibility. In case that customer cancel the order and reject to pay for any damages from our production cost that occurred already, company may need to absorb all the raw material, inventory and mold costs.

- In the case that company is responsible for the mold cost and customers do not order molded rubber parts from such molds may result in company has to bear for the mold cost. From data of 2021, found that company was responsible for a total of 9 mold fees, totaling 1,232,000 baht, or 136,888 baht per mold in average, which does not significantly affect to company's performance. Also, company has never experienced an incident where the customer cancels an order after the mold has been prepared.
- In the case that customer cancels the order after we received a purchase order (PO) from a customer, which may result in the company has to bear for raw materials cost, work in process cost and finished goods cost resulting from actual production according to customer orders. However, we have never experienced an incident where the customer canceled the order after received purchase order.

However, the company will identify the following conditions in the quotation starting from October 2021 that: 1) customer need to inform 3 – 6 months in advance to cancel the order of rubber molding parts (Discontinued Model) to ensure the most efficient production planning and warehouse management 2) customer will be responsible for any payment and damages related to purchase order (PO) cancellation. Anyway, most of our customers are Tier1 and Tier 2 in automotive industries as well as world class brand of electrical appliances group of company and have long term relationship therefore, the risk for this case is quite low.

**5) Risks from relying on single source raw material supplier**

Rubber compounds are main raw material that we use in the production and we have purchased from one supplier for almost 10 years. In 2020 and 2021, the company bought rubber compounds from this supplier at 41.39% and 41.18% of the total raw material purchase value respectively. In the event that this supplier is unable to deliver the raw materials in the required quantity and time, it may significantly affect the delivery of products to the customers.



However, company can purchase the raw materials from other suppliers as well as having safety stock based on our raw material management process and advance production can be done. Therefore, company is able to manage raw material usage. In the past we have never encounter any raw material shortage which affected the production and delivery.

## **2.2.2 Risks from Management**

### **1) Risks from Management dependency**

Since the company establishment by Mr.Theerawut Nawamongkhonchaikit, who plays an important role in managing various aspects of the company with long experience, knowledge and expertise in automotive parts and electrical appliances industries for more than 20 years. During the past year most of management will depend on his decisions both in selling products and purchasing of raw materials. Therefore, the company may have a risk of relying on one management.

However, Company has an internal management system that is sufficient and efficient in accordance with the rules of the Securities and Exchange Commission announcement. There is an organizational structure which clearly define, the scope, authorization, duties and responsibilities of each party. As well as having a sourcing and selection system to fulfill the position based on their experience and suitability. Moreover, company has set up the Succession plan in order to effectively manage human resources that able to decentralize of authorization properly and minimize the risk. Most of the current executives have long working experience with the company therefore they understand nature of the organization and business which can and help promote various operations and future growth.

### **2) Risks from family members and relatives of major shareholders influencing in Management Policy**

At present, the Nawamongkhonchaikit family is the major shareholder of the company, many members and close relatives of the Nawamongkhonchaikit family holding positions of Company director, Executive Director, Chief Executive Officer, Deputy Chief Executive Officer, Senior Director of Operations and Finance Manager. Therefore, companies and minority shareholders may be at risk from members and close relatives of the Nawamongkhonchaikit family influencing in Management Policy issuing and its administration. Also, they are able to control most of the resolutions in the shareholders' meeting which resulting in other shareholders may not be able to collect votes to counterbalance the authorization. In addition, there may be risks from the management of the directors and executives of the Nawamongkhonchaikit family that may result in a lack of balance from outsiders which make interests for the Nawamongkhonchaikit family rather than interests of the company.

However, Company pays high attention on good corporate governance and “Check and Balance” management concept. Therefore, company has set up management structure which consist of Board of Directors, Audit Committee, Risk Management Committee, Nomination and Remuneration Committee and the Executive Committee who are competent and have appropriate qualifications. In addition, company has clearly defined the scope of operations and delegation to each director and executive. The Board of Directors consists of 7 directors, of which 3 are independent directors and 1 representative from the trust, so total number of external directors are 4 persons to 3 persons of directors who are family members. 3 independent directors are assigned to be members of the Audit Committee to check and balance all the decisions, including considering, giving opinions or approving various items before presenting to the shareholders' meeting.

In addition, the company has a structure of the Executive Committee of 7 persons, consisting of 4 external executives per 3 family members, and the company has a total of 10 management committee, consisting of 6 external management and 4 family members to balance on decision-making and giving opinions or approving various items before presenting it to the Board of Directors. Moreover, Chief Financial Officer is a third party and is a co-signer of every check payment with the executives who are members of the Nawamongkhonchaikit family.

### **3) Risks in checking and balancing process during the recruiting and selection of Operations Manager position**

At the end of 2021, company' organization structure having an acting position of Operations Manager, responsible for overseeing the operation of Warehouse department, Production Planning department and Production Department, which is currently acting by Mr.Prasert Ruengleardsatitkul, Senior Chief Operating Officer. However, Mr.Prasert Ruengleardsatitkul is a close relative of the Nawamongkhonchaikit family, the company may be at risk in terms of checking and balancing in its operations.

Currently, company is still in the process of recruiting for the Operations Manager position, which is a position responsible for supervising the operations of 1) Warehouse Department 2) Production Planning Department and 3) Production Department. During the recruiting process, those who hold the Head positions in all 3 departments are not a family member of Mr.Prasert Ruengleardsatitkul who holds the position of Senior Chief Operating Officer and Acting Operations Manager. Each department head is responsible for supervising various operations in each department and Mr.Prasert Ruengleardsatitkul will be the approver. As a result, the operational process of department has segregation of duties and checks and balances process in place. Company has a plan to recruit suitable person to be the Operations Manager within the second quarter of 2022.

**4) Risks from relying on operational staff**

At the end of 2021, company has a total of 173 employees, which are 134 operational employees, representing 77.45 percent of the total number of employees. Most of them are employees in forming and trimming process. In case of employees resignation and company are unable to find a replacement of that position, it may affect the production process, and may cause the delay of delivery.

However, until present company is able to find replacement employees through recruitment agency at any time. New employees will receive training to develop skills immediately upon entering. There are clearly defined working procedures in writing with pictures in place so that new employee can easily understand the work process and learn the job quickly. Moreover, company has established Human resources management policy which systematically control the quality of the process since the employee selection. Also, company clearly defined roles and responsibilities of each employee as well as having regular skill development training and providing fair and appropriate compensation, wages, salary and welfare to employees according to laws. Until now company has never faced any employee shortage issue that affects the production.

**5) Risks from Safety and Environmental Management**

Rubber compounds are main raw material that company use in the production which contain of synthetic rubber and chemicals substances, such raw materials will be used in mixing and forming process. Therefore, company manages to have a good safety management and environmental control. In order not to cause noise, smell and air pollution to the surrounding area of the company which leads to health problems of employees and communities including long-term environmental impact. Company has set a Safety and Environmental policy for employees and strictly follow and comply with the requirements and any environmental regulations. Together with controlling raw materials and production processes to meet the standards in accordance with the Substance of (Environmental) Concern, SOC and Directive on End of Live Vehicles (ELV) on automotive waste products when the life cycle of vehicle has expired. The prohibition of use 4 heavy metals that are toxic to the environment also the prohibition of using harmful substances in electrical and electronic equipment in accordance with the RoHS standard. Including hiring a company that has been certified by the Ministry of Industry for garbage and waste disposal. Company has been certified for Quality Management System (ISO 9000:2015), Quality Management System for the Automotive Industry (IATF 16949:2016), Green Industry Level 3 and Environmental Management System Standard (ISO 14001) to ensure efficient environmental management processes. Company has been considered for registration of Carbon Footprint from the Greenhouse Gas Management Organization (Public

Organization) which will lead to guidelines for management to reduce greenhouse gas emissions in the future.

#### **6) Risk from relevant laws**

Company strictly adheres to the principles of transparency business practices under various laws and requirements of the ordinance as determined by each locality. In case of any changes from the Government or State agency on the laws, regulations, or new policies which may affect to the business. Company has been closely monitoring any changes in Government policy or other events that affect the business to ensure that the business plan and related change management plan will be reflected in a timely manner.

Company must obtain important licenses under relevant laws and regulations in order to run a business, such as a rubber trading license, business licenses that are harmful to health, etc., which various licenses must be renewed periodically. There may be amendments to the laws and/or regulations relating to such licenses that may require additional action. Company cannot assure that the renewal will be obtained or there may be a delay in renewal process, which may result in not complying with the laws and regulations that could affect to company business operation and result. However, Company will always apply for a license renewal when its due date is reaching as well as monitoring changes in relevant laws and regulations that affect the company's business including Labor protection act, foreign labor management act and various regulatory requirements and new rules in order comply with all the relevant rules and regulation and resulting in continuing company's business without any interruption.

### 3 Business sustainability development

#### 3.1 Sustainability Policy and Management Goals

The company focuses on good corporate governance along with socially and environmentally responsible operations to achieve good returns for shareholders and sustainable economic growth by establishing sustainable management policy as well as other policies to be a practice guideline of organization for stakeholders involved in the business operations of the organization. The overall detail is summarized as follows:

- To good corporate governance, enterprise risk management, compliance with relevant requirements including business ethics. There are important items to have to strictly follow.
- Priority must be given to respecting the human rights of all by treating everyone equally without discrimination and avoiding acts that violate human rights and prioritize labor by treating all employees with equality.
- Sustainable environmental management with an emphasis on environmental stewardship in order to prevent the company's business operations make affecting to environment. Implement and control to strictly comply with laws related to environmental stewardship by realizing that conservation of resources and energy is the responsibility of the company.
- Creating social value by managing human resources efficiently and fairly, developing the necessary knowledge and skills in accordance with employee development plans, and supporting good occupational health and safety management system, supporting the company's involvement with the community and relevant stakeholders by building relationships, building understanding, and strong cooperation.

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

The company conducts business with an emphasis on stakeholder engagement as well as sustainability management of activities throughout the business value chain to build confidence in quality products and sustainable growth together.

##### 3.2.1 Business Value Chain

- (1) Purchasing quality of every piece of component is the company's top priority, so the company cares about the selection of raw materials, as an important factor that affects the quality of our products.
  - The company has a policy of maintaining and developing good relations with suppliers of raw materials. We plan and work closely to obtain raw materials that meet the standards and are able to be delivered on time.

- There is a standardized procurement and sourcing process conducted in a transparent and fair manner.
- (2) **Production** : The company strives to develop and improve the efficient management of production in order to provide customers with a good quality product.
- Develop production processes and implement efficient technology to obtain quality products at a cost-effective and low production loss.
  - Machine and mold checks are planned regularly to ensure efficient operation. The provision of tools to be ready for immediate troubleshooting in the production process.
  - Quality inspection measures are in place at all stages of production, to meet the requirements and following management standards such as ISO 9000: 2015, IATF 16949: 2016, and ISO 14001: 2015.
- (3) **Sales and marketing** : The company continues to strive for marketing activity to expand our customer base by producing quality products that are generally accepted in the industry.
- Strategies are planned to create continuous growth.
  - Build up a good relationship with customers through activities such as attending annual supplier meetings, accommodating customers' annual evaluations, as well as welcome customers to visit production sites to verify and build customer confidence.
- (4) **After-sales service** : The company strives to maintain a high level of service satisfaction in order to continuously meet the needs of customers.
- The company enquires about customer satisfaction with products and services in every 6 months.
  - Coordinate with customers in the case of problems occur or quality claims with urgent response in order to solve problems in a timely, as well as collect information to be able to continue to improve quality and good service to achieve the highest customer satisfaction.

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

Stakeholders	Expectations of stakeholders	Responding for expectation of stakeholders
1.Employee	<ul style="list-style-type: none"> <li>- have a good and proper welfare.</li> <li>- Developing people's potential and providing opportunities in the career path.</li> <li>- Working environment is pleasant and safe.</li> </ul>	<ul style="list-style-type: none"> <li>- Comply with policies and procedures regarding compensation or wage.</li> <li>- Environmental management base on ISO14001 standard system</li> </ul>

Stakeholders	Expectations of stakeholders	Responding for expectation of stakeholders
2. Shareholders	<ul style="list-style-type: none"> <li>- Management with good governance and transparency</li> <li>- Performance of the business continues to grow.</li> <li>- Good return on investment</li> </ul>	<ul style="list-style-type: none"> <li>- Conduct business within the principles of good corporate governance.</li> <li>- Develop a business strategy plan</li> <li>- Transparent disclosure of information</li> </ul>
3. Customers	<ul style="list-style-type: none"> <li>- Get quality products and reasonable prices.</li> <li>- Fairly comply with the agreement.</li> <li>- Confidentiality and information are treated fairly.</li> </ul>	<ul style="list-style-type: none"> <li>- Quality management with ISO9001/IATF16949 standard system</li> <li>- Have an anti-fraud or anti-corruption policy.</li> <li>- Have a code of conduct for customer confidentiality in accordance with the Code of Business Conduct Policy.</li> </ul>
4. Supplier and Partner	<ul style="list-style-type: none"> <li>- There is a fair and transparent procurement process.</li> <li>- Provide clear and consistent product information for all suppliers to quote prices correctly.</li> <li>- Comply with the terms and conditions of payment fairly.</li> </ul>	<ul style="list-style-type: none"> <li>- Comply with the Procurement Policy.</li> <li>- Procurement in a transparent, fair and verifiable manner.</li> </ul>
5. Accounts payable	<ul style="list-style-type: none"> <li>- To be able to comply with the terms and conditions of agreement.</li> </ul>	<ul style="list-style-type: none"> <li>- Establish the terms of the contract fairly and strictly comply.</li> </ul>
6. Community, society and environmental	<ul style="list-style-type: none"> <li>- The company's safety and environment must not have negative impacts on the community, society and environment.</li> <li>- Support social responding activity and well-being activities in the community.</li> <li>- To be transparency of business operations and transparency providing information to the community.</li> </ul>	<ul style="list-style-type: none"> <li>- Environmental management base on ISO14001 standard system .</li> <li>- To appropriate disclosure of environmental information.</li> <li>- Conduct business with care, along with responding in environment, community and society.</li> </ul>
7. Regulator Authorities	<ul style="list-style-type: none"> <li>- Disclosure along with specified timing.</li> </ul>	<ul style="list-style-type: none"> <li>- Yearly report.</li> </ul>

Stakeholders	Expectations of stakeholders	Responding for expectation of stakeholders
	- To clarify information transparently and in accordance with the requirements.	- Report information by transparently and according to the information required by law.

### 3.3 Sustainability management in the environmental segment.

#### 3.3.1 Environmental Policies and Practices guideline

The company has implemented an environmental management system according to ISO 14001 standard system and has been certified in 2021. The company has announced an environmental policy as a framework for implementing ISO 14001 system as follows:

T.R.V. RUBBER PRODUCTS PUBLIC COMPANY LIMITED is committed to conserving natural resources, reducing and preventing pollution and environmental impacts from our business operations. Therefore, the company has adopted ISO 14001: 2015 Environmental Management System as part of our business operations under following policies and guidelines.

**“ TRV join together for save environment and complies with the law**

**Minimize many impacts, continuously improve environmental. ”**

- 1) The company will carry out activities and business operations in accordance with our mission, to comply with applicable laws and regulations including strictly comply environmental agreements.
- 2) The company strives to control and prevent water, air, and waste pollution caused by the company activities, processes, products, and services to have a minimal impact on the environment and nearby communities.
- 3) The company strives to control the disposal of waste and waste generated from business operations in accordance with relevant requirements and laws as well as to effectively reduce the quantity of waste generated.
- 4) The company controls, manages, promotes and conserve energy and natural resources for maximum benefit.
- 5) The company strives to comply with the environmental management system and continuously improve.
- 6) The company conducts environmental policy reviews and monitors the environmental objectives at least once a year.



- 7) The company will communicate and disseminate the environmental policy to employee, internal and external stakeholders and general public.

### 3.3.2 Environmental Performance

The company has continued to work on environmental management, especially significant issues related to the process, such as waste and unused materials management, monitoring and controlling pollution, including water, air, etc. as below the information.

#### 1) Un-used materials management

The company has been handling un-used materials by starting from waste segregation process in-house. The waste is classified into 3 categories: general waste, recycled waste and hazardous waste. The company also communicates to employees to perform the correct sorting and disposal of waste according to the specified type. In addition, the company encourages employees to recycle waste, such as reusing plastic-wrapped rubber sheets to be used as garbage bags, reusing paper boxes in some processes, etc.



The disposal of unused materials, both hazardous and non-hazardous waste, is carried out by a disposal subcontractor authorized by the Department of Industry. The company also conducts an annual evaluation the disposal subcontractor for verifying that the disposal sub- contractor's operations and operation site audit are appropriate according to requirements, to ensure that the process of restricting waste material removal does not affect to environment and the community.

#### 2) Environmental Measurement and Surveillance

The company maintains a proper working environment and must not cause pollution that may affect others outside the organization. For example, providing environmental inspections for heat, noise, smell, dust and chemicals. The company has managed by providing annual environmental quality measurements in the operating area and around the workplace on an annual basis to monitor quality of environment.

- Results of environmental quality measurements for Year 2021

Measurement check items	Number of measuring points	Measurement results
1. Lighting intensity level	42 points	The results of lighting intensity measurements when comparing a various work characteristics with the standards announced by the Department of Labor Protection and Welfare about standard of light intensity Y2018 was found that the light intensity result of all points is within specified standard.
2.Noise level (Leq. 8 Hrs.)	8 points	The results of the daily average noise level measurement (8 hours) compared with the standard value according to notification of the Ministry of Labor Protection and Welfare regarding Subject: Sound level standards that allow employees to receive on average throughout the working period in every day Y2018 with specified the value of noise not over 85 dB (A), the measurement result was found to be within all required standard.
3. Cumulative noise level (Noise dose)	7 points	The measurement results of the cumulative noise level of individual, comparison to the value standard according to the Department of Labor Protection and Welfare's Notification in the noise level standard that allows employees to receive an average throughout the working period of the day Y2018, The standard stipulates the sound level during a working period as more than seven hours per day, but not exceeding eight hours, must have continuous receiving noise level not more than 85 dB (A). The company measurement result was found that the accumulated noise level was within the specified standard in every points.
4. Heating level	6 points	The results of the heat level measurement when comparing the different types of work with standard criteria according to the ministerial regulations notification standards for the administration and management of safety, occupational health and working environments related to heat, light, noise Y2016, that specified WBGT for medium work is not more than 32.0 degree celsius. The result was within the specified standard in every points.

- Results of environmental quality measurements for Year 2021 (continue)

Measurement check items	Number of measuring points	Measurement results
5. Dust and chemicals	9 points	The measurements result of dust and chemical concentrations compared to the standard according to the Ministry of Labor Protection and Welfare notification on the limit of concentration of hazardous chemicals Y2017 was found,the measurement result was within the standard in every points.
6. Ambient sound	3 points	Noise level measurement results was found that at the side of the factory 1, the disturbance level was 5.6 dB(A), in front of the factory 2, the disturbance level was 5.2 dB(A), and next to the factory 3, the disturbance level was 4.9 dB(A) . The results of the measurements obtained were compared with the noise level standards according to the notification of the Ministry of Industry, regarding the determination of disturbance noise levels and noise from factory business operations Y2005, noise levels were determined to be not over 10 dB (A), the result was found to be within the specified standard.
7. Air impurities in the air exhausted from the flue	2 points	The measurement result of impurities in the air exhausted from the flue compared to the standard according to the Notification of the Ministry of Industry that determination value of impurities in the air exhausted from the factory Y2006 , found that all measurement item were within the specified standard.
8. Waste water quality	2 points	The results of the waste water quality inspection at both of waste water tank compared to the Ministry of Natural Resources and Environment Notification on determining standards to control wastewater from industrial factories and industrial zones and the announcement of the Ministry of Industry ,Subject: Determination of the standard for control of sewage from the factory Y2017 , all items were found within the required standard.

### 3) Reducing greenhouse gas emissions management

According to the company has realized and foreseen the problem of greenhouse gas emissions (Greenhouse Gas: GHG).which affects humans and environmental systems around the world. Therefore, we have implemented various environmental management and development systems to apply and be a guideline for implementation in the organization. Including participating in the organization's Carbon Footprint project to encourage company management and employees to understand of the concept and organization's carbon footprint for lead to develop management guidelines to reduce greenhouse gas emissions by effectively in various activities.

The company has created an organization Carbon Footprint by collecting activities that cause greenhouse gas emissions in Y2020.

Greenhouse Gas Emission Sources	Quantity	Unit
Type 1 – Direct GHG Emissions: caused by mobile combustion, leaks from air conditioners or equipment including GHG emissions from the manufacturing process.	72.00	TonCO <sub>2</sub> e
Type 2 – Energy Indirect GHG Emissions which caused by electricity use.	939.00	TonCO <sub>2</sub> e
Type 3 – Other Indirect GHG Emissions cause from use of raw materials and fuels and energy relative to the activities of the company.	2,078.00	TonCO <sub>2</sub> e
Sum (Type 1 +2 +3)	<b>3,089.00</b>	TonCO <sub>2</sub> e

Note: Verification of greenhouse gas emissions and reabsorption in corporate for Y2021 (January-December 2021) set up an audit plan by July 2022, which will be reviewed by auditors registered with the Greenhouse Gas Management Organization (Public Organization).

## 3.4 Sustainability Management in social segment

### 3.4.1 Social contribution policies and practices guideline

The company recognizes the importance of respecting the human rights of all by treating everyone equally without discrimination, avoid acts that violate human rights and focused in labor by treating all employees with equality, without discrimination of origin, race, gender, age, skin color, religion or any disability by ensuring fair compliance with labor laws and regulations related to labor. Therefore, a social responsibility policy has been established as a guideline for the directors and employees to follow.

### 3.4.2 Social responding activity result

#### 1) Employees and labor

The company recognizes the importance of developing human resources and treating workers by fairly as factors that will enhance value of the enterprise and to be strengthen of competitiveness and sustainable growth of the company in the future. The company has established the following policies and guideline practices:

- (1) Respect the rights of employees based on human rights and comply with labor laws.
- (2) Providing employment process, employment conditions and promoting of employee performance under a fair work evaluation process. In addition to fair compensation by providing consideration to increase the remuneration of employees every year by considering the performance of all employees equally and fairly, including considering the year-end bonus and overtime to all employees fairly.
- (3) Promoting human development by providing in-house training and sending staff to training from external seminars/training to improve their ability of work.
- (4) Providing various benefits for employees as required by law, such as social insurance, etc.
- (5) Providing training to promote and improve knowledge and ability of employees in all levels, including training to respond to unforeseen matter such as fire, by implemetn fire escape drills in every year.

#### 2) Occupational safety, health and environment at workplace

The company focuses on safety at workplace and continuously improve safety activity operations. To control and reduce risk of work-related illnesses and injuries and take care of quality of life and hygiene of employees appropriately. Implemented as follows:

- Set a security policy.

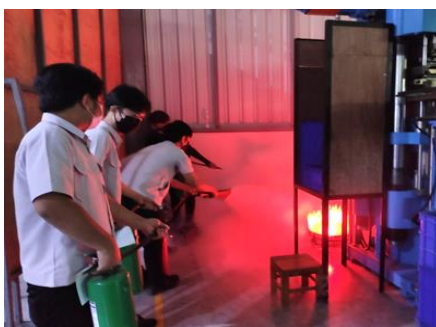
The company strives to conduct business with regard to safety of employees and related parties. Including continuing to improve business to be safe. The safety motto is

**"Working safely , attention to every step."**

To ensure safety management is effective, the company created a safety policy as part of the business guideline. The employee has to adhere to the following principles.

- (1) The company aware that safety at workplace to be the responsibility of all employees at all levels.

- (2) All employees have to comply strictly with the safety, occupational health and environment regulations and to cooperate in ongoing safety activities.
  - (3) The company is committed to implementing improvements in working environment and processes to prevent accidents, injuries and occupational diseases, as well as providing proper and enough tools and safety equipment.
  - (4) The company is committed to promoting and advocating safety awareness for all employees at all levels by providing training and education in various ways to ensure effective safety management.
  - (5) The company recognized that all employees to be involved in preventing accidents and improving work environment. And the company welcomes feedback from employees. It will be considerate and improve as appropriate to ensure the safety of employees as much as possible.
- Providing a security management structure in the organization as follows:
    - (1) Safety officer in Professional level                      officer 1 person
    - (2) Safety officer in Management level                      officers 8 person
    - (3) Safety officer in Supervisory level                      officers 6 person
    - (4) Committee of Occupational Safety,  
Health and Environment of the Workplace      officers 7 person
  - Providing for the implementation of a safety system.
    - (1) Providing emergency response equipment to cover risk areas and ensure of availability.
    - (2) Daily and monthly safety inspections by professional safety officers and the Occupational Safety, Health and Environment Committee shall be conducted at company site.
    - (3) Created a fire response structure in the company.
    - (4) Providing training about the safety, occupational health and work environment of general employees, new employees and relocators so that employees are aware of the dangers and risks inherent in the work and can deal with them.
    - (5) The company conducts basic firefighting training and fire evacuation drills at least once a year. The employees from all departments join with Bang Khun Thian District Fire Department so that employees can respond to the incident in a timely manner in order to prevent the damage or reduce impact of the fire to be a minimized.



According to the above implementation, as a result, it is clear that the company's safety operations are effective and can reduce accidents at work, so that in 2021 there were no accidents "Zero Accident" at work, as shown below.

- **Information on occupational accidents**

Year	Year 2019	Year 2020	Year 2021
Accident case (number of occurrences case)	6	3	0
Lost Time Accident	2	1	0
No Lost Time Accident	4	2	0

### 3) Customer

The company maintains the production process of the company in a manner that does not affect to the environment. On the use of substances that may be harmful to the environment when decomposing, including contaminated chemicals testing with rubber or prohibited chemicals (Substance of (Environmental) Concern, SoC) that declared to reduce the impact on the environment. Directive on End of Live Vehicles (ELV) on the carcass of automotive products when the automotive is expired and compliance with the standards (Restriction of Certain Hazardous Substances, RoHS) on the use of harmful substances in electronic appliances.

### 4) Community and society

The company operates with social responsibility and consideration for all stakeholders. The company focuses on reducing and preventing environmental impact and avoiding operations that



may affect the quality of life of the surrounding community and neighboring companies. In the year 2021, the company has received no complaints about social or environmental issues from the community. The company also contributes to improving the quality of life and promoting social in Y2021. In the past year, the company has support to UNICEF Thailand by providing donations 100,000 baht to support projects to help children and social contributions for children and enable them to enjoy equal opportunities with others, including pushing the law and important policies related to the well-being of children.





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

### 4.1 Business overview of the previous year

T.R.V. Rubber Products Public Co., Ltd. (“**The company**”) is the manufacturer and distributor of rubber products, which are divided into 3 product groups as follows: automotive parts, electrical appliance parts, and others.

In 2021-2022, the global and Thai economy has been affected by the Coronavirus Disease 2019 Pandemic (COVID-19), which impacted in positive ways in some industries, and impacted in negative ways in some industries as well. However, the company does not rely on any group of customers or any one industry and does not rely on anyone customer. As can be seen from an increase in orders in the appliance sector, due to the Government’s lockdown measures. Traveling was restricted, and people had been asked the cooperation to leave their residences less, employees of some companies started to Work from Home. As a result, the demand for small to large home electrical appliances has increased, customers can make an order through online channels conveniently without traveling out of their residence. This resulted in an increase of sales of molded rubber parts in the electrical appliances group. Even though sales of molded rubber parts for automotive decreased in 2021, the overall revenues from sales of the company maintained a stable level.

Later in 2021, the overall domestic and overseas sales recovered after the concerns about the COVID-19 situation were less severe than expected, and the Government revoked its lockdown measures. The domestic economic recovery tends to improve in accordance with the global economy. In, 2021, revenue from sales was THB 177.58 million, an increase by THB 18.17 million or equivalent to 11.39% compared with 2020, mainly due to revenues from the automotive sector of THB 95.08 million, which increased by THB 24.83 million. Moreover, the company’s revenue from the appliance sector maintained close to the number in 2020, which was THB 80.76 million, from people’s lifestyle during the COVID-19 situation. In 2020, there were groups of people who needed to live or work at their residence during the days as before. As a result, the demand for household electrical appliances that are considered means of convenience for life continued to be necessary for the past year.

From experiences, expertise, quality of products, good relationships with customers and partners, new product development, and marketing strategy of the company, the company strongly believes that it could be able to operate a business to generate more sales in the future and be able to handle risk management under the Coronavirus pandemic situation.

## 4.2 Business performance analysis

The business performance analysis referred to the audited Financial Statement 2020 – 2021 which was audited by PricewaterhouseCoopers ABAS Ltd. with the following details.

(Unit: million Baht)

Item	Period ending December 31					
	2021 (Audited)		2020 (Audited)		2019 (Audited)	
	Million Baht	Percentage	Million Baht	Percentage	Million Baht	Percentage
Revenue from sales	177.58	100.00	159.41	100.00	167.98	100.00
Cost of sales	(107.58)	60.58	(99.20)	62.23	(105.85)	63.01
<b>Gross profit</b>	<b>70.00</b>	<b>39.42</b>	<b>60.21</b>	<b>37.77</b>	<b>62.13</b>	<b>36.99</b>
Other income	0.99	0.55	0.24	0.16	0.57	0.34
Selling expenses	(10.73)	6.04	(7.97)	5.00	(7.43)	4.42
Administrative expenses	(27.96)	15.74	(24.77)	15.54	(19.75)	11.76
<b>Operating margin</b>	<b>32.30</b>	<b>18.19</b>	<b>27.71</b>	<b>17.39</b>	<b>35.52</b>	<b>21.15</b>
Financial cost	(1.88)	1.06	(1.29)	0.81	(4.15)	2.47
<b>Profit Before Income Tax Expense</b>	<b>30.42</b>	<b>17.13</b>	<b>26.42</b>	<b>16.58</b>	<b>31.37</b>	<b>18.68</b>
Income Tax Expense	(6.27)	3.53	(5.22)	3.28	(6.10)	3.64
<b>Profit (loss) for the year</b>	<b>24.15</b>	<b>13.60</b>	<b>21.20</b>	<b>13.30</b>	<b>25.27</b>	<b>15.04</b>
Remeasurement of post-employment benefit obligations, net of tax	(1.67)	0.94	-	-	(1.67)	0.99
<b>Total comprehensive income</b>	<b>22.48</b>	<b>12.66</b>	<b>21.20</b>	<b>13.30</b>	<b>23.60</b>	<b>14.05</b>

Remark: percentage per revenue from sales.

In 2020-2021, the company reported revenue from sales of THB 159.41 million and THB 177.58 million, growth at a rate of 11.39%. In 2019, 2020 and 2021, Gross profit was 36.99%, 37.77%, and 39.42% respectively. Total comprehensive income from financial statements in 2019-2020 and 2021 were THB 23.60 million, THB 21.20 million, and THB 22.48 million respectively. When considering the profit before remeasurement of post-employment benefits obligations, the company had a net profit of THB 25.27 million, THB 21.20 million, and THB 24.15 million respectively, or equivalent to 15.04%, 13.30%, and 13.60% respectively.

### Revenue from sales

Revenue from sales was from the manufacturing and distribution of molded rubber parts of the company, which are sold to the domestic market. The product can be divided into 3 groups, including automotive parts, electrical appliance parts, and others, which details are as follows.

1. Automotive molded rubber parts: engine grommet, O-ring, Motorcycle footrest rubber pad, brake pedal rubber cover pad, clutch pedal rubber cover pad, rubber stopper, side ladder anti-slipper, and rubber pad for car accessory.
2. Molded rubber parts for electrical appliances: rubber parts for freezers, stopper, silicone for rice cooker rim, rubber parts for lift pump, rubber pad for refrigerator, rubber parts for washing machine, and rubber parts for the vacuum cleaner.
3. Other molded rubber parts: rubber parts for agricultural machinery, and pipe rubber seal.

Table of the company's revenue structures divided by-products in 2020-2021

Item	Period ending December 31			
	2021 (Audited)		2020 (Audited)	
	Million Baht	Percentage	Million Baht	Percentage
Automotive sector	95.08	53.54	70.25	44.07
Growth rate (%)	35.35			
Electrical appliance sector	80.76	45.48	87.81	55.08
Growth rate (%)	(8.04)			
Others	1.74	0.98	1.35	0.85
Growth rate (%)	28.89			
<b>Total revenues from sales</b>	<b>177.58</b>	<b>100.00</b>	<b>159.41</b>	<b>100</b>
Growth rate (%)			<b>11.39</b>	

Remark: percentage per total revenue from sales.

In 2021, the company had revenue from sales of THB 177.58 million, increased by THB 18.17 million or equivalent to 11.39% compared to 2020. This was mainly due to an increase of orders in the automotive sector amounting to THB 24.83 million or accounting for a 35.35% growth rate compared to the same product groups. As a result of the impacts of the COVID-19 situation, when the automotive manufacturer postponed their orders in 2020. The orders of the automotive parts manufacturers gradually returned during the second half of 2020. The orders continuously increased all over the year 2021, due to the recovery of domestic and overseas production and sales after the concerns about COVID-19 situations were better and recovered in accordance with the global economic recovery tended to be better. Furthermore, orders for household electrical appliances are maintained at the number close to 2020. Sales volume amounting to THB 80.76 million, decreased by THB 7.05 million or equivalent to 8.04% compared to the same product groups, mainly due to the lifestyle during COVID-19 situation in 2020, there were groups of people who needed to live or work at their residence during the days as before. As a result, the demand for home electrical appliances that are considered as a means of convenience for life continues to be necessary for the past year.

## Cost of Sales and Gross Profit

### Cost of Sales

Cost of Sales consisted of 1) Cost of the main material, such as rubber compounds, and chemicals 2) Cost related to labors, consisted of salary, dairy wage, benefit, and allowance 3) Cost of production consisted of electricity charge, depreciation, packaging cost, maintenance cost, and consumable.

In 2021, the Cost of Sales was THB 107.58 million, increased by THB 8.38 million, due to the cost of material rising from an increase in revenue from sales and oil price, which is the main component of rubber compound rose in 2021. This resulted in an increased rubber compound price and an increase of labor cost of temporary and monthly employees' salaries. The production cost was reduced due to the production control and management by the production department.

### Gross profit and gross profit ratio

Item	Period ending December 31	
	2021 (Audited)	2020 (Audited)
Gross Profit	70.00	60.21
Gross profit ratio (%)	39.42	37.77
<b>Revenue proportion (%)</b>		
Automotive sector	53.54	44.07
Electric appliance sector	45.48	55.08
Others	0.98	0.85
<b>Total</b>	<b>100.00</b>	<b>100.00</b>

In 2020-2021, Gross profit was THB 60.21 million and THB 70.00 million, accounting for 37.77% and 39.42% respectively.

In 2021, gross profit was THB 70.00 million, this was the year where there was a significant change in the proportion of sales revenue. There was revenue from the automotive sector of 53.54% , accounting for 9.47% , increasing from 2020, which was the first year of the highest sales volume in this sector. The reason was that because the concerns about COVID-19 situations were better and recovered in accordance with the global economic recovery trended to be better, resulted in the return of orders. This sector has the highest gross profit ratio compared to the other sectors, as can be seen in the information of the gross profit ratio at the beginning of 2021, increased by 1.65% from 2020.

#### **Other revenue**

Other revenue, other than the main business consisted of interest receivables, gain (loss) from the disposal of assets, and revenue from sales of rubber scrap from the manufacturing process. For the period of 2020-2021, the company had other revenue of THB 0.24 million and THB 0.99 million, or equivalent to 0.16% and 0.55% of total revenue respectively.

In 2021, the company had other revenue of THB 0.99 million, increased by THB 0.75 million, or equivalent to 306.73% compared to 2020, due to the disposal of the vehicle for 1 item in 2021.

#### **Selling and administrative expenses**

##### Selling expenses

The company's selling expenses consisted of salary, employee benefits, travel costs, depreciation, amortization, and sales promotion expenses. In 2020-2021, selling expenses were THB 7.97 million and THB 10.73 million, or equivalent to 5.00% and 6.04% of revenue from sales respectively.

In 2021, the company had selling expenses of THB 10.73 million, increased by THB 2.76 million or 34.62% compared to 2020, equivalent to 6.04% of selling expenses per revenue from sales in 2021, increased by 1.04% compared to 2020 at a rate of 5.00% , due to the cost of freight and sale promotion expenses that increase according to sales volume in an amount of THB 1.27 million. The company had an increase in expense regarding sales representative of THB 1.49 million in order to support the new customer expansion plan to increase sales volume in the future.

##### Administrative expenses

The company's administrative expenses consisted of salary, employee benefits, travel costs, depreciation, amortization, consultant fee, audit fee, and commission. In 2020-2021, administrative expenses were THB 24.77 million and THB 27.96 million, or equivalent to 15.54% and 15.74% of the total revenue respectively.

In 2021, the company had administrative expenses of THB 27.96 million, increased by THB 3.19 million, equivalent to 12.87% compared to 2020. Administrative expense per revenue from sales was 15.74%, in 2021, increased by 0.20% compared to 15.54% in 2020, due to an increase in employee salary and bonus for employee and executive of THB 1.10 million. Expenses related to the preparation to list on the stock market increased by THB 0.77 million.

#### **Earnings before interest and taxes (EBIT)**

In 2021, the company had an EBIT of THB 32.30 million, an increase of THB 4.59 million compared to 2020. EBIT Margin increased from 17.39% in 2020 to 18.19% in 2021, mainly due to an increase of revenue from sales increased by 11.39%, selling expenses increased by THB 2.76 million, and administrative expenses increased by THB 3.19 million.

#### **Financial cost**

The company's financial cost consisted of a loan from a financial institution, and interest payable. In 2020-2021, the company had a financial cost of THB 1.29 million and THB 1.88 million respectively.

In 2021, the company had a financial cost of THB 1.88 million, increased by THB 0.59 million, mainly due to an increase of average loans from financial institutions between the periods. Interest-bearing debt as of December 31, 2020, was THB 45.60 million and as of December 31, 2021, was THB 25.66 million.

#### **Net Profit**

In 2020-2021, net profit was THB 21.20 million and THB 24.15 million, or equivalent to 13.30% and 13.60% respectively.

In 2021, net profit was THB 24.15 million, increased by THB 2.95 million, equivalent to 13.93%, mainly due to an increase in revenue from sales of THB 18.17 million. Cost of sales increased by THB 8.38 million, according to an increase of revenue from sales, selling expenses increased by 2.76 million, revenue from service increased by THB 3.19 million, corporate income tax increased by THB 1.04 million in accordance with an increase of EBIT. The company's net profit increased by 0.30% from 13.30% in 2020 to 13.60% in 2021, mainly due to an increase in revenue.

#### **Impacts of the COVID-19 pandemic on the company operation**

As the company does not rely on any group of customers in any one industry and does not rely on anyone customer, even though there was an event that some of the automotive manufacturers in Thailand temporary suspended their operation during the period, the company can also produce and sell products to customers in the appliance sector and in another sector. Including, the company had good relationships with customers and business partners, they will let the company know about the movements in the industry, so the company can be able to prepare for production planning, inventory management in accordance with orders. The company regularly monitors the epidemic situation and strongly believes that it can be able to operate its business and manage risks under the COVID-19 pandemic situation.

## Financial Statements

Audited financial statements of the company ending December 31, 2020-2021 audited by PricewaterhouseCoopers ABAS Ltd. with the following details.

(Unit: million Baht)

Financial statement	As of date					
	December 31, 2021		December 31, 2020		December 31, 2019	
	Million Baht	Percentage	Million Baht	Percentage	Million Baht	Percentage
<b><u>Current assets</u></b>						
Cash and cash equivalents	111.42	30.37	4.25	1.58	7.65	2.80
Short-term investments	-	-	-	-	0.28	0.10
Trade and other receivables	41.59	11.33	45.04	16.80	40.81	14.96
Inventories, net	14.46	3.94	10.93	4.08	12.08	4.43
Other current assets	0.22	0.06	0.15	0.05	0.69	0.25
Total current assets	167.69	45.70	60.37	22.51	61.51	22.54
<b><u>Non-current assets</u></b>						
Investment properties	49.12	13.39	49.12	18.32	49.12	18.00
Property, plant and equipment, net	142.44	38.82	126.75	47.27	157.54	57.73
Right-of-use assets, net	2.48	0.68	26.28	9.80	-	-
Intangible assets, net	2.64	0.72	2.52	0.94	2.49	0.91
Deferred tax liabilities, net	1.63	0.44	1.05	0.39	1.12	0.41
Other non-current assets	0.89	0.24	2.05	0.77	1.13	0.41
Total non-current assets	199.21	54.30	207.77	77.49	211.40	77.46
<b>Total assets</b>	<b>366.89</b>	<b>100.00</b>	<b>268.14</b>	<b>100.00</b>	<b>272.91</b>	<b>100.00</b>

Financial statement	As of date					
	December 31, 2021		December 31, 2020		December 31, 2019	
	Million Baht	Percentage	Million Baht	Percentage	Million Baht	Percentage
<b><u>Current liabilities</u></b>						
Bank overdrafts from a financial institution	-	-	2.04	0.76	-	-
Trade and other payables	29.29	7.98	38.35	14.31	32.46	11.89
Current portion of long-term borrowings from a financial	8.05	2.19	14.16	5.28	15.83	5.80
Current portion of liabilities under financial lease	-	-	-	-	5.32	1.95
Current portion of lease liabilities	0.47	0.13	3.74	1.39	-	-
Income tax payable	2.49	0.68	2.81	1.05	3.25	1.19
Other current liabilities	0.74	0.21	1.90	0.71	0.81	0.30
<b>Total current liabilities</b>	<b>41.04</b>	<b>11.19</b>	<b>63.00</b>	<b>23.50</b>	<b>57.67</b>	<b>21.13</b>
<b><u>Non-current liabilities</u></b>						
Long-term borrowings from a financial institution	15.74	4.29	23.78	8.87	4.76	1.74
Liabilities under financial lease	-	-	-	-	2.94	1.08
Lease liabilities	1.41	0.38	1.88	0.70	-	-
Employee benefit obligations	9.01	2.45	6.17	2.30	5.44	2.00
<b>Total non-current liabilities</b>	<b>26.15</b>	<b>7.13</b>	<b>31.83</b>	<b>11.87</b>	<b>13.14</b>	<b>4.82</b>
<b>Total liabilities</b>	<b>67.19</b>	<b>18.31</b>	<b>94.83</b>	<b>35.37</b>	<b>70.81</b>	<b>25.95</b>
<b><u>Equity</u></b>						
Authorized share capital	105.00	-	77.72	-	77.72	-
Paid-up share capital	105.00	28.62	77.72	28.98	77.72	28.48
Premium on ordinary shares	149.89	40.85	57.72	21.52	57.72	21.15



Financial statement	As of date					
	December 31, 2021		December 31, 2020		December 31, 2019	
	Million Baht	Percentage	Million Baht	Percentage	Million Baht	Percentage
Retained earnings, appropriated - legal reserve	8.98	2.45	7.77	2.90	1.20	0.44
Retained earnings, unappropriated	35.83	9.77	30.10	11.23	65.46	23.98
<b>Total equity</b>	<b>299.70</b>	<b>81.69</b>	<b>173.31</b>	<b>64.63</b>	<b>202.10</b>	<b>74.05</b>
<b>Total liabilities and equity</b>	<b>366.89</b>	<b>100.00</b>	<b>268.14</b>	<b>100.00</b>	<b>272.91</b>	<b>100.00</b>

## Assets

As of December 31, 2021, the company had total assets of THB 366.89 million, increased by THB 98.75 million equivalent to 36.83% from December 31, 2020, the main reason was as follows:

- 1) Cash and cash equivalents were THB 111.42 million, increased by THB 107.17 million, mainly due to receiving ordinary share payments from the initial public offering (IPO) of THB 125.50 million (net), cash generated from operations increased by THB 32.58 million. The company made a loan repayment to a financial institution of THB 14.23 million, a dividend payment of THB 21.88 million, liabilities under lease agreement repayment of THB 3.74 million, and cash paid for acquiring building and equipment of THB 2.89 million.
- 2) Plant, property, and equipment were THB 142.44 million (net), increased by THB 15.70 million, mainly due to the land, building, and equipment transfer from the right-of-use assets that have been fully d in all installments under the lease agreement, and the company brought such asset to record in Plant, property, and equipment item, net amount receiving from the transfer was THB 22.16 million. Moreover, in 2021, the company invested in asset purchasing, which were mold purchasing of THB 1.23 million, computer equipment of THB 0.42 million, plant equipment of THB 0.69 million, and office stationery of 0.30 million. The company realized a depreciation of THB 9.30 million.
- 3) Net inventory was THB 14.46 million, increased by THB 3.53 million. The company had more finished goods of THB 5.48 million, good in process decreased by THB 2.08 million, raw materials increased by THB 0.23 million in accordance with the production plan from an increase of orders, therefore, raw materials were ordered to prepare for the production of more products according to customer orders. The company recorded Impairment of Inventory of THB 0.10 million.
- 4) Trade and other receivables were THB 41.59 million, decreased by THB 3.45 million, the main reason was from an adjustment of credit term for some trade receivables from 60-90 days to 30 days credit terms.

## 4.3 Source of funds

### 4.3.1 Liabilities

As of December 31, 2021, the company had total liabilities of THB 67.19 million, accounting for 18.31% of total liabilities and equities. Total liabilities decreased by THB 27.64 million, accounting for 29.15% as of December 31, 2020, main reasons were as follows.

- 1) Long-term borrowings from a financial institution decreased by THB 14.23 million, mainly due to the repayment of long-term borrowings from a financial institution during the year amounting to THB 14.23 million. As a result, the company had long-term borrowings from a financial institution remaining balance of THB 23.79 million as of December 31, 2021.

- 2) Liabilities under lease agreement decreased by THB 3.74 million, mainly due to the repayment of liabilities under lease agreement during the year of THB 3.74 million. As of December 31, 2021, the company had Liabilities under a lease agreement of THB 1.88 million.
- 3) Trade and other payables were THB 29.29 million, decreased by THB 9.06 million, due to a decrease in account payable of THB 5.93 million for the payment of raw material to suppliers during the period. Other trade receivables decreased by THB 3.13 million.

#### 4.3.2 Obligations

##### Capital expenditure obligations

As of December 31, 2021, the company had an outstanding balance to be paid upon additional computer program installation of THB 124,500 Baht. The contract had been made, but no revenue recognition in the financial statements.

#### 4.3.3 Security

##### Security on the lease agreement

As of December 31, 2021, the company had security against the lease agreement remaining at THB 1.88 million, Mr.Theerawut Nawamongkhonchaikit (Director) was the guarantor of the company.

##### Security on loan agreements applied from a financial institution

As of December 31, 2021, the company had a letter of guarantee as a security for the credit facility, according to short-term and long-term loan agreements amounting to THB 59.00 million. The security of the company was title deed no. 101781, 88152, 91207, and 13 items of the machine.

#### 4.3.4 Equity

As of December 31, 2019-2021, the company had equity of THB 202.10 million, THB 173.31 million, and THB 299.70 million, or equivalent to 74.05%, 64.63%, and 81.69% of total liabilities and equities respectively. Equity consisted of authorized and paid-up share capital, the premium on ordinary shares, and cumulative profits.

As of December 31, 2021, the total equity increased by THB 126.40 million compared to December 31, 2020. The main reason was from the initial public offering (IPO), which resulted in an increase of authorized and paid-up share capital increased by THB 27.28 million, the premium on ordinary shares increased by THB 92.17 million, net profits during the year increased by THB 24.15 million. The company paid the interim dividends in 2021 in the amount of THB 15.54 million.

#### 4.4 Liquidity

##### Cash flow

Item	Period ending December 31		
	2021 (Audited)	2020 (Audited)	2019 (Audited)
Net cash generated from operating activities	32.58	40.30	23.57
Net cash used in investing activities	(2.61)	(14.35)	(5.04)
Net cash generated from (used in) financing activities	77.20	(29.35)	(11.02)
Net increase (decrease) in cash and cash equivalents	107.18	(3.40)	7.51
Opening balance	4.25	7.65	0.14
Closing balance	111.42	4.25	7.65

As of December 31, 2021, cash and cash equivalents of the company increased by THB 107.18 million compared to December 31, 2020, which was caused by:

- 1) Net Cash generated from operating activities was THB 32.58 million, mainly due to EBIT increased by THB 3.99 million from 2020, trade and other receivables decreasing by THB 3.45 million, trade and other payables decreasing by THB 2.76 million. The company's inventory increased by THB 3.63 million.
- 2) Net cash used in investing activities was THB 2.61 million, mainly due to the purchasing of equipment of THB 2.89 million. The company gained cash of THB 0.75 million from the disposal of a vehicle.
- 3) Net cash generated from financing activities was THB 77.20 million, mainly due to receiving ordinary shares payments from the initial public offering (IPO) of THB 125.50 million, dividend payout of THB 21.88 million, loan repayment on a financial institution of THB 14.23 million, IPO listing fees of THB 6.40 million, payment of liabilities under lease agreement of THB 3.74 million, and loan repayment on a financial institution of THB 2.04 million.

#### 4.5 Key financial ratio analysis

Key financial ratio analyzed from company's financial position and performance, according to the above financial information. Details are as follows:

Item	Unit	Period ending December 31		
		2021	2020	2019
<b><u>LIQUIDITY RATIO</u></b>				
Current ratio	(time)	4.09	0.96	1.07
Quick ratio	(time)	3.70	0.77	0.81
Operating cash flow to average current liabilities	(time)	0.63	0.67	0.32
Account receivable turnover	(time)	4.20	3.83	4.48
Collection period	(time)	86.89	95.34	81.49
Finished goods turnover	(time)	16.48	19.24	17.84
Inventory days	(day)	22.15	18.97	20.46
Inventory turnover	(time)	8.47	8.62	9.57
Holding period	(day)	43.08	42.35	38.16
Account payable turnover	(time)	4.54	4.70	6.78
Payment period	(day)	80.41	77.74	53.85
Cash Cycle	(day)	49.56	59.94	65.80
<b><u>PROFITABILITY RATIO</u></b>				
Gross profit margin	%	39.42	37.77	36.99
Operating profit margin	%	18.19	17.39	21.15
Cash to profit Margin	%	100.85	145.43	66.36
Net profit margin <sup>2/</sup>	%	13.60	13.30	15.04
Return on equity	%	10.21	11.29	17.24
<b><u>EFFICIENCY RATIO</u></b>				
Return on assets	%	7.61	7.84	10.08
Return on fixed assets	%	25.82	20.00	24.25
Total asset turnover	(time)	0.56	0.59	0.67
<b><u>FINANCIAL POLICY RATIO</u></b>				
Debt to equity	(time)	0.22	0.55	0.35
Interest coverage	(time)	23.12	29.49	6.33
Interest-bearing debt to EBITDA ratio	(time)	0.59	1.14	1.10
Debt service coverage ratio	(time)	5.11	2.13	1.24
Dividend Payout <sup>1/</sup>	%	64.36	235.81	31.68

Remark: 1/ Calculation by the dividend payment rate announced by the company. For the period of 2020-2021, the company announced to pay a dividend of THB 8.00 million and THB 50.00 million respectively. The Directors Meeting no. 3/2021 held on October 29, 2021, approved to pay an interim dividend of THB 15.54 million, which was paid on November 1, 2021.

2/ Calculation by net profit, applying revenue from sales.

## Liquidity Ratio

### Liquidity Ratio

In 2021, the company's liquidity ratio increased by 3.13 times. The reason was from an increase of cash and cash equivalents of THB 107.18 million from receiving ordinary shares payments from the initial public offering (IPO), a decrease in current liabilities of THB 21.96 million from the repayment on long-term borrowings from a financial institution in an amount of THB 6.11 million, the repayment on short-term borrowings paid to a financial institution in full amount as of December 31, 2020, decreased by THB 2.04 million, cash dividends payable decreased by THB 6.34 million, and trade and other receivables decreased by THB 9.06 million.

### Cash cycle

Item ( Unit: Day )	Period ending December 31		
	2021	2020	2019
	(Audited)	(Audited)	(Audited)
Average collection period	86.89	95.34	81.49
Average inventory period	43.08	42.35	38.16
Average payment period	80.41	77.74	53.85
<b>Cash cycle</b>	<b>49.56</b>	<b>59.94</b>	<b>65.80</b>

In 2019-2021, the company's average collection period was 81.49 days, 95.34 days, and 86.89 days respectively. Credit term for customers was determined at 30-90 days.

In 2019-2021, the company's average inventory period was 38.16 days, 42.35 days, and 43.08 days respectively. The inventory period changed from the collection of inventory at the end of the period, according to the orders and the elevated delivery plan.

In 2019-2021, the company's average payment period was 53.85 days, 77.74 days, and 80.41 days respectively. The credit term agreed with suppliers and the company was 0-90 days.

In 2019-2021, the company had a cash cycle of 65.80 days, 59.94 days, and 49.56 days respectively.

In 2021, the company's cash cycle decreased by 10.38 days compared to 2020, which caused by:

- 1) Average collection period decreased by 8.45 days, as a decrease of trade receivables of THB 4.03 million as of December 31, 2020. The company had more revenue from sales of THB 18.17 million compared to 2020.

2) Average Inventory Period increased by 0.73 days, as an increase in the cost of sales of THB 8.38 million compared to 2020, from the increase of sales. Net inventory increased by THB 3.53 million as of December 31, 2020.

3) Average payment period increased by 2.67 days, as an increase in the cost of sales of THB 8.38 million compared to 2020. Trade payables decreased by THB 5.93 million as of December 31, 2020.

## **Profitability Ratio**

### **Gross profit ratio**

In 2021, the company's gross profit ratio increased by 1.65% compared to 2020, mainly due to cost of sales proportion per revenue from sales decreased by 1.65% as the orders in the automotive sector significantly increased, recording the highest gross profit ratio compared to other sectors. Cost of sales increased by THB 8.38 million.

### **Cash to profit margin**

In 2021, the company's cash to profit margin decreased by 44.58% compared to 2020, due to the operating cash flow decreasing by THB 7.73 million from 2020 which was THB 40.31 million. The company had revenue from operations of THB 4.59 million.

### **Net profit margin**

In 2021, the company's net profit margin increased by 0.30% compared to 2020, mainly due to an increase in sales volume of THB 18.17 million, resulting in the cost of sales per revenue from sales decreased by 1.65% and administrative expenses per revenue from sales increased by 0.21%. Selling expense per revenue from sales increased by 1.04%.

## **Financial Policy Ratio**

### **Return on equity**

In 2021, the company's return on equity decreased by 1.08%, mainly due to the premium on ordinary shares of the IPO in the amount of THB 92.17 million. Net profit increased by THB 2.95 million compared to 2020.

## **Efficiency Ratio**

### **Return on assets**

In 2021, the company's return on assets decreased by 0.23%, due to net profit for 2021 increased by THB 2.95 million compared to 2020. The company's assets increased by THB 98.75 million compared to December 31, 2020.

### Debt to equity

In 2021, the company had a decrease in debt to equity ratio of 0.32 times from 2020. Interest-bearing debt decreased by THB 19.94 million, and equity increased by THB 126.40 million.

### Interest coverage

In 2021, the company had a decrease in interest coverage of 6.37 times from 2020, mainly due to an increase in long-term borrowings from a financial institution of THB 30.00 million at the end of 2020. As a result, the company interest payable in 2021 increased from 2020, cash generated from operations decreased by THB 7.73 million.

### Remark: Financial ratio formula

<u>LIQUIDITY RATIO</u>		
Current ratio	= Current assets / Current liabilities	(time)
Quick ratio	= (Cash and cash equivalents + Marketable securities + Account receivable and note receivable) / Current Liabilities	(time)
Operating cash flow to Average current liabilities	= (Cash generated from operations / Current Liabilities (average))	(time)
Account receivable turnover	= Net credit sales / (Average accounts receivable before allowance for doubtful account + Note receivable) (average)	(time)
Collection period	= 365 / Account receivable turnover ratio	(day)
Finished goods turnover	= Cost of goods sold / Finished goods inventory (average)	(time)
Inventory days	= 365 / Finished goods days	(day)
Inventory turnover ratio	= Cost of goods sold / Average Inventory	(time)
Holding period	Ratio	(days)
Account payable turnover	= Cost of purchasing or cost of sales / (Average Accounts Payable Payable + Note Payable	(time)
Payment period	= 365 / Account Payable Turnover Ratio	(day)
Cash Cycle	= Collection period + Holding period - Payment period	(day)



<u>PROFITABILITY RATIO</u>		
Gross profit margin	= Gross profit / Revenue from sales, net	(%)
Operating profit margin	= Operating margin / revenue from sales, net	(%)
Cash to profit Margin	= Cash generated from operations / Operating profit margin	(%)
Net profit margin	= Net profit / Total revenue	(%)
Return On Equity (ROE)	= Net profit / equity (average)	(%)
<u>EFFICIENCY RATIO</u>		
Return on assets (ROA)	= Net profit / Assets (average)	(%)
Return on fixed assets	= (Net profit + Depreciation) / Net Fixed assets (average)	(%)
Total asset turnover	= Total revenue / Total assets (average)	(time)
<u>FINANCIAL POLICY RATIO</u>		
Debt to equity	= Total liabilities / equity	(time)
Interest coverage	= EBITDA / Interests payable	(time)
Interest- bearing debt to EBITDA ratio	= Interest-bearing debt / EBITDA	(time)
Debt Service Coverage Ratio	= EBITDA / Interest-bearing debt + Annual debt obligations short term borrowings	(time)
Dividend Payout	= Dividend / Net Profit	(%)

## 5. General information and other material facts

### 5.1 General information

Company Name	: T.R.V. RUBBER PRODUCTS PUBLIC COMPANY LIMITED
Security Name	: TRV
Industry	: Industrial products
Company Registration Number	: 0107564000154
Nature of business	: Manufacturer and distributor of rubber products for automotive parts, electrical appliance parts, and others.
Head Office	: 40, 88/8-9 Soi Eakachai 76 Yak 1-3-1 Khwaeng Khlong Bang Phran Khet Bangbon Bangkok 10150.
Tel.	: 02-451-1562-3
Fax.	: 02-451-2885
Website	: <a href="http://www.trvrubber.co.th">www.trvrubber.co.th</a>
Registered Capital	: 105,000,000 Baht (one hundred and five million Baht)
Paid-up Capital	: 105,000,000 Baht (one hundred and five million Baht) Consisted of 210,000,000 ordinary shares, par value of 0.50 Baht
First trading date	: December 2, 2021

### Other reference parties

- 1) Registrar : Thailand Securities Depository Co., Ltd.  
93 Ratchadaphisek Road, Din Daeng,  
Bangkok 10400, Thailand.  
Tel: 02-009-9000 Fax: 02-009-9991
- 2) Company Auditor : PricewaterhouseCoopers ABAS Limited  
179/74-80 Bangkok City Tower 15th floor  
Khwaeng Thung Maha Maek, Khet Sathon,  
Bangkok 10120.  
Tel: 02-844-1000 Fax: 02-286-5050

## **5.2 Other important information**

-None-

## **5.3 Legal dispute**

-None-

## **5.4 Secondary market**

-None-

## Part 2: Corporate Governance

### 6. Corporate Governance Policy

#### 6.1 Overall corporate governance policy and code of conducts

The board has established good corporate governance based on the Good Corporate Governance Policy based on the guidelines and practices of the Principles of Good Corporate Governance for Listed Companies 2017 prepared by the Securities and Exchange Commission Thailand in order to serve as guidelines for governing the organization and as a standard for the board, directors and all employees to comply.

#### **Policy and Code of Conduct regarding the board of directors, shareholders and stakeholders**

The board is committed to comply with the Principles of Good Corporate Governance for Listed Companies 2012 (CG Principles) by the Stock Exchange of Thailand and the Principles of Good Corporate Governance for Listed Companies 2017 (CG Code) by the Securities and Exchange Commission Thailand. The board of directors, the Nomination and Remuneration Committee and the Audit Committee are the responsible units for considering and presenting to the company's board for the approval of policy, including implementing the regulations. In this regard, the company's board has considered the use of CG Code that is added and revised from CG Principles to build a sustainable value for the company. The company has Corporate Governance Policy and Code of Conduct according to CG Code as follows:

#### **Code of Conduct 1: Roles and Responsibilities of the Board**

The board ensures that the company will achieve the Good Governance Outcome by monitoring the management team's operations in order ensure that the established policies and strategies are respected with ethical business operations which contribute to the benefits for the society, development and reduction of environmental impacts as well as the ability for the company to adapt to the changing circumstances so as to make the company remain competitive. The board is independent and performs duties by complying with responsibility, sincerity, and legality, company's objectives and regulations, the board's resolutions and the shareholders' meeting resolutions.

#### **Code of Conduct 2: Determine the company's objectives for sustainability**

The board will establish and ensure that the company's objectives are for sustainability and are in line with the creation of values for the company, customers, stakeholders and the society as a whole.

#### **Code of Conduct 3: Promotion of an effective board**

The board is responsible for establishing and reviewing the board's structure in terms of size, compositions, proportions of independent directors appropriate and necessary for achieving the set objectives.

The board will also ensure the process of recruiting and selecting the company's board is transparent and clear so as to obtain the board with the qualities according to the established objectives. The board has to monitor the policy and operations of subsidiaries and other businesses in which the company has significantly invested in the level that suits each enterprise and subsidiary and the business in which the company has significantly invested to have the same understanding.

**Code of Conduct 4: Outsource and improve high-level executives and personnel management**

The board will ensure that there is an outsourcing and improvement of Chief Executive Officer and high-level executives for them to be equipped with the knowledge, skills, experiences and attributes necessary to achieve the organization's objectives. The board will establish a structure for appropriate remuneration and assessment through the suggestions of the Nomination and Remuneration Committee. The board will also establish a succession of position plans for the succession of the Chief Executive Officer and Business Executive positions.

**Code of Conduct 5: Responsible business operations**

The board will prioritize and promote the operations contributing business values and generating benefits for the consumers and related individuals while also being responsible for the society and the environment. The board will ensure that the Resources Management Department manages the resources effectively in order to sustainably achieve the objectives. The board will also ensure that the company operates business with ethics and responsibilities for the society and the environment without violating the rights of the stakeholders in order to set guidelines for all sections of the organization to sustainably achieve the company's objectives altogether. The board has established the policy on business ethics to cover the followings:

- **Responsibilities to staff and employees**

Treatments are in accordance with the laws and related standards. The company must treat staff and employees fairly and respect the human rights, namely a fair remuneration and other benefits, a provision of welfare no less than the requirements set by the laws or more according to suitability, healthcare and health safety in workplace, capacity- building trainings, promotion for career advancements, including the opportunity for employees to develop skills in other aspects of work.

- **Responsibilities to customers**

The company will operate according to the laws and related standards while acknowledging the health, safety, fairness, customer's information confidentiality, after-sales services throughout the products' lifespan, follow- up for satisfaction feedback for product and services improvement, including

responsible advertising and sales promotion that will not contribute to misunderstandings or taking advantage of the customers' misunderstandings.

- **Responsibilities to trading partners**

The company must have a fair procurement process and contract or agreement terms, provision of knowledge and potential development elevating the production and services ability to meet the standards, explain and ensure that the trading partners respect human rights, fairly treat their labors fairly, and are responsible for the society and the environment, including verify and assess the trading partners for sustainable business operation developments.

- **Responsibilities to the community**

The company must apply business knowledge and experience to practically improve projects beneficial to the community, including monitor and measure progress and long-term success.

- **Responsibilities to the environment**

The company has to prevent, reduce and ensure that the company will not create a negative impact on the environment. This includes the use of raw materials, energy, water, renewable resources, business waste disposal and management, emission of greenhouse gases, etc.

- **Fair competition**

The company must operate business with transparency with no creation of unjust competitive advantages.

- **Anti-corruption resistance**

The company must operate according to the laws and related standards and inform the policies against corruptions to the public by joining the network in the fight against corruptions, including supporting other business and trading partners to have and announce anti-corruption policy and to join the network.

#### **Code of Conduct 6: Ensure appropriate risk management and internal control system**

The board will ensure that the company has a risk management system and internal control allowing the effective achievement of the objectives. The board will also ensure that the operations are legal and in line with the related standards as follows:

- 1) The board will comprehend the company's critical risks and approve acceptable risks.
- 2) The board will consider and approve risk management policy in line with the company's objectives, strategies and acceptable risks for the operational frameworks that leads to the unity of the

organization's risk management procedures. In this regard, the board will emphasize the importance of early warning signs and ensure regular risk management policies.

- 3) The board will ensure that the company identifies the risks based on both internal and external factors which may prevent the company from achieving the objectives. In this regard, the risks that the board should pay attention to may be divided into strategic risk, operational risk, financial risk and compliance risk.
- 4) The board will ensure that the company assesses the impacts and the mentioned risk possibilities in order to prioritize and arrange appropriate risk management.

The board will monitor and manage conflict of interests which might occur among the company, management team, the board of directors and the shareholders, including preventing the misuse of the company's assets, data, opportunities and transactions with the individuals related to the company.

#### **Code of Conduct 7: Maintenance of financial credibility and information disclosure**

The board is responsible for ensuring that the system for financial reports and disclosure of important information is accurate, sufficient, timely and in line with the rules, standards and the related code of conduct. The board needs to consider the related factors in case of financial report by considering the following factors:

- The assessment of the sufficiency of the internal control system.
- The comments of the auditor in the financial reports and the audit's remarks on the internal control system, including the audit's remarks on other channels (if any).
- The Audit Committee's comments.
- The consistency with the company's objectives, strategies and policies.

The board encourages the use of information technology in publishing the information according to the established criteria and channels of the Stock Exchange of Thailand. The board will consider disclosing the information in both Thai and English through other channels such as the company's website and will operate consistently with updated information. In this regards, the company will disclose at least the following information on the company's website:

- The company's visions and values.
- The company's nature of business operation.
- List of the board of directors and executives.
- Financial statements and reports on the financial status and performances from the current and the previous year.
- Downloadable form 56-1 and annual reports.

- Information or other documents that the company presents to analysts, fund manager and the media.
- Structure of direct and indirect shareholding.
- Structure of group company, including subsidiaries, associates, joint ventures and Special Purpose Enterprises/Vehicles (SPEs/SPVs).
- Major direct and indirect shareholders who hold shares from 5 percent of the total number of shares sold with voting rights.
- Direct and indirect shareholdings of directors, major shareholders and high-level executives.
- Invitation letter to the general and extraordinary general meeting of shareholders.
- The company's regulations and memorandum.
- The company's governing policy, anti-corruption policy, information technology security policy and risk management policy.
- Charter or accountabilities, qualifications, the board of directors' office terms, including the subjects that require approval from the board, charter or accountabilities, qualifications, the office terms of the Audit Committee and Nomination and Remuneration Committee, and remuneration establishment
- Business operation ethics.
- Contact information of agencies, complaints or the person responsible for investor relations, the company's secretary such as the names, phone numbers and emails of the individuals able to share information.

In addition, the board will ensure the sufficiency of the cash flow and debt serviceability and arranges a mechanism able to fix financial problems in case the business encounters or has a tendency to encounter financial problems.

#### **Code of Conduct 8: The promotion of participation and communication with shareholders**

The board will ensure that the shareholders participate in making important decisions of the company and support the shareholder's participation such as

- The establishment of criteria allowing minority shareholders to suggest meeting agenda prior to the day of the shareholders' meeting. The board will consider including the subjects proposed by the shareholders into the meeting agenda. In case the board denies the subject proposed by the shareholders, the board has to inform the reasons to shareholders' meeting.
- Criteria for minority shareholders to nominate names for directorship.



In this regard, the board will ensure the disclosure of the criteria to the shareholders in advance. The board will ensure that the proceedings on the day of the shareholders' meeting are smooth, transparent, effective and convenient for the shareholders to exercise their rights.

Furthermore, the board will ensure that the disclosure of the meeting's resolutions and the shareholders' meeting report are correct and complete.

(Please see additional details on the full Corporate Governance Policy in **Attachment 4**)

## **6.2 Business ethics**

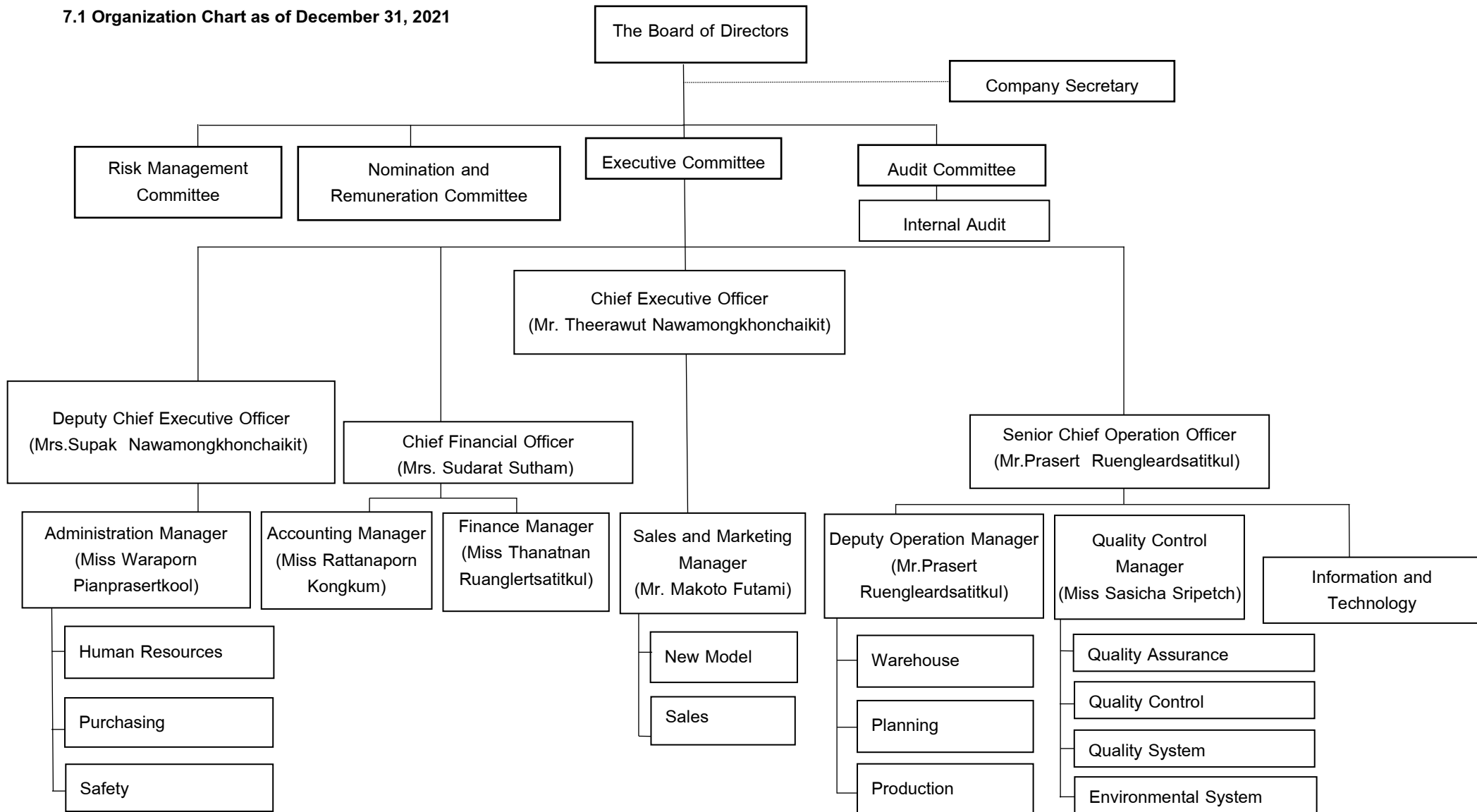
the company has established the code of conduct in business operation in order that the executives and employees can comprehend and use it as guidelines in operating business and uphold as a practice in strictly carrying out their duties. The emphasis is on the good governance principles, the importance of treating the stakeholders with equality, justice and transparency, including the consideration of respecting the rights of all stakeholders which will help the company to keep operating the business with transparency in line with the laws and avoid any activities which might lead to the company's conflict of interests. Furthermore, this code of conduct encourages the promotion of confidence in organization for investors and stakeholders so as to let them see the company's adherence to the good quality, culture, image, and standard. The board has published the code of conduct in business operation on the company's website [www.trvrubber.co.th](http://www.trvrubber.co.th) (Please see the additional details on the code of conduct in business operation in Attachment 4).

## **6.3 Significance changes and developments of the Principles of Good Corporate Governance in the previous years**

The company has implemented the Principles of Good Corporate Governance for Listed Companies 2017 and the board has put in place the procedures in reviewing the Principles of Good Corporate Governance for Listed Companies 2017 to appropriately apply to the context of business at least once a year. The company's board meeting 2/2021 on 26 April 2021 has revised and approved the latest version of Good Corporate Governance Policy.

## 7. Corporate governance structure and material facts related to the board, subcommittees, executives, employees and others

### 7.1 Organization Chart as of December 31, 2021

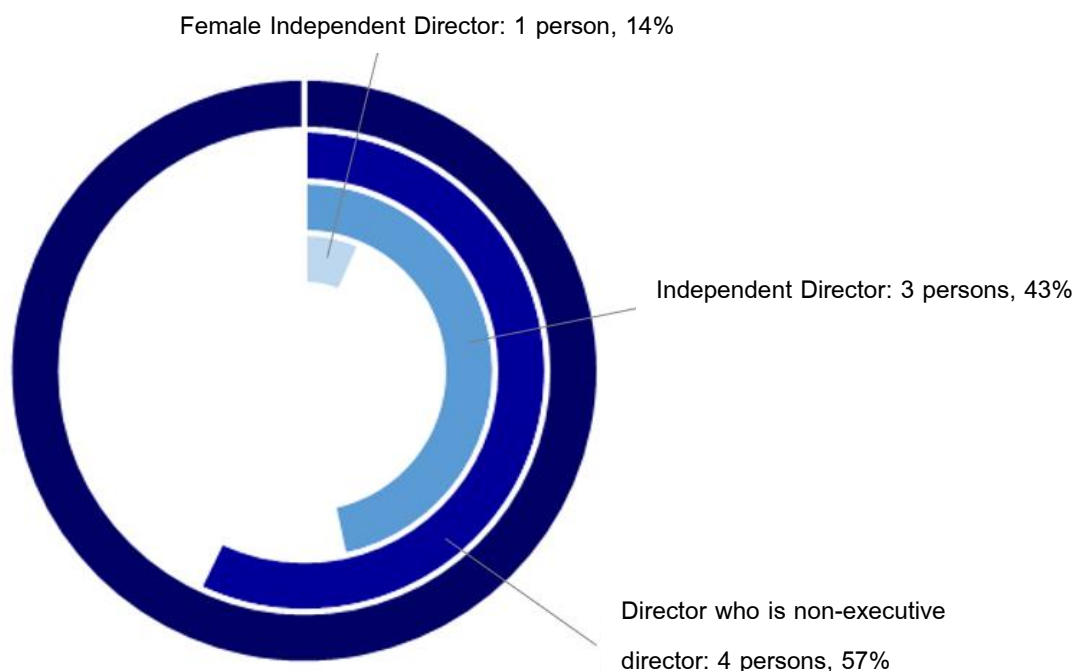


## 7.2 Information of the Board of Directors

The company Board of Directors consisted of qualified and competent person, who have an important role in corporate governance, set vision, mission, overall policy, direction, financial target, risk, operational plan, budget, as well as important strategy for the company's Business. Including, the Board of Directors is responsible for supervising and monitoring the management to ensure the policy and strategy compliance, it is determined for not less than 5 persons, according to the company's Article of Association. Directors of not less than a half of the total Directors must be Thai resident. As of December 31, 2021, there were 7 Directors of the company in accordance with the company Article of Association, 4 of them are non-executive directors (accounting for 57% of the total Board of Directors), and 3 of them are executive directors. The company consisted of 3 Independent Directors according to the criteria of the Office of the Securities and Exchange Commission. There is an Independent Director who is Female, and 3 of them are qualified in accordance with the requirements of the Independent Director. The company's Board of Directors has gender diversity, a variety of qualification, knowledge, expertise and experience required for the benefits of the business, and having the counter balance mechanism within the board.

### 7.2.1 Composition of the Board of Directors

#### The Board of Directors Proportion



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

The Board of Directors consisted of 7 persons as follows:

Name	Board of Directors	Audit Committee	Nomination and Remuneration Committee	Risk Management Committee	Executive Director
	7 persons	3 persons	3 persons	3 persons	3 persons
1. Mr. Paiboon Julasaksrisakul	Chairman/ Independent Director	Member	-	Chairman	-
2. Mr. Weerasil Sattayapakdeewong	Independent Director	Chairman	Member	-	-
3. Miss Srirat Chuchottaworn	Independent Director	Member	Chairman	-	-
4. Mr. Akaphan Amatyakul	Director	-	-	-	-
5. Mr. Theerawut Nawamongkhonchaikit	Director	-	-	Member	Chairman
6. Mrs. Supak Nawamongkhonchaikit	Director	-	-	-	Member
7. Mr. Prasert Ruengleardsatitkul	Director	-	Member	Member	Member

Miss Sasicha Sripetch is the Secretary of the Board of Directors, who passed the Director Certification Program by the Thai Institute of Directors.

#### Authorized Directors of the company

Mr. Theerawut Nawamongkhonchaikit, Mrs. Supak Nawamongkhonchaikit, and Mr. Prasert Ruengleardsatitkul are the authorized directors of the company, two of these three directors together affixed together with the company's seal affixed.

### 7.2.3 Information of Roles and Responsibilities of the Board of Directors

The company's Board of Directors play an important role in driving the company, they have roles and responsibilities in formulating strategies and policies in the company's business operations. The Board of Directors must carefully perform their duties responsibly for the ultimate benefit of the company on the basis of social and environmental responsibility to be fair for all stakeholders under the good corporate governance.

Besides, they also have role and responsibility in supervising and evaluating the performance of the management and the Directors to achieve the plan as determined. Thus, the Board of Director resolved to formulate the charter in order to emphasize every Directors for their roles and responsibilities in order to completely perform their duty and to create sustainable value to the company, customers, stakeholders, and overall society.

### **The Scope of Authority, Duties, and Responsibility of the Board of Directors**

According to the company's Board of Director resolution, in determining the Board of Directors charter with annual review to make all Board of Directors realize their duties and responsibilities correctly and completely to create sustainability value to the company, customers, stakeholders, and overall society. At the Board of Directors meeting no. 2/2021 held on April 26, 2021, approved the Board of Directors Charter in accordance with the CG Code of the company listed in 2017. Details are as follows:

- 1) Perform duty complying with legal, purpose, Article of Association, the Board's resolution, and Shareholders' resolution with honestly, responsibility, carefully and morally, considering on the equal benefit of shareholders.
- 2) Develop vision, mission, overall policy, direction, financial target, risk, operational plan, budget, as well as key strategy for doing business of the company using their ability with good faith, in order to protect the benefit of the company and Shareholders.
- 3) Consider approving vision, mission, business strategy, business policy, goal, business plan, and the company budget as prepared by the management.
- 4) Be responsible for the company and subsidiaries to form suitable and effective financial policies, contain reliable financial report, effective internal control and internal audit system, rule, regulations, and policy compliance which may affect the company operation.
- 5) Provide for the preparation of the financial statements of the company and its subsidiaries to report the financial position and business, resulted in the previous fiscal year with accuracy and correctly, according to the general financial standards, and must be audited by the auditors before propose to the shareholder meeting for approval.
- 6) Supervise the risk management and internal control measures. The company's Board of Directors and the Audit Committee must provide for the consideration of the adequacy of such matter at least once a year, and disclosed in the Annual report.
- 7) Provide the Corporate Governance policy under the Cooperate Governance principle, provide code of business conduct for the Directors, Executive Directors, and employees. Determine the effective implementation of policies, including monitoring to ensure the compliance with the policy and to

ensure that the company has responsibility on the stakeholders with fairness and considering on the sustainable business.

- 8) Appoint subcommittees, and determine the authority and duties of such sub-committees in order to assist and support the operation of the Board of Directors as necessary and appropriate.

#### **The Scope of roles and responsibilities of the Chairman of the Board of Directors**

- 1) Be responsible for, on behalf of the leader of the Board of Directors, supervising, advising, monitoring and support the operation of the Executive Directors and other sub committees in order to achieve the objective, to ensure that the Board of Director duties are effective and achieve the objective and the main goal of the company.
- 2) Support and promote the Board of Directors to perform their duties at the highest capability, according to the corporate governance principle to allow all directors to participate in promoting the ethical corporate culture.
- 3) Hold the Board of Directors meeting, in accordance to the agendas, the company Article of Association, and legal compliance, allocate appropriate time, and encourage all directors to participate in the discussion of every issues, exchange their opinions independently using discretion carefully, taking into account all stakeholders fairly.
- 4) Hold the shareholder meeting to comply with the agendas, the company Article of Association, and legal compliance, allocate appropriate time, including provide opportunities for shareholders to express their opinions equally and independently, ensuring that appropriate shareholder inquiries are properly and transparently answered.
- 5) Support the Board of Directors to perform their duties under the scope of authority, responsibility of the Board of Directors under the law and regulations or notifications of the relevant authorities.

(Please see details of the full version of the Board of Director Charter in the **Attachment 4**).

### **7.3 Subcommittees**

The Board of Directors has appointed subcommittees, consisted of: 1) Audit Committee, 2) Risk Management Committee, 3) Nomination and Remuneration Committee, in order to perform their specific duties and to propose to the Board of Directors for consideration and acknowledgement. The charter was established for each committee in order to determine their roles and responsibilities.

#### **1. Audit Committee**

Currently, the Audit Committee consisted of 3 persons of independent committees. Such committees have qualifications according to the Public Companies Act and Criteria of the Office of the Securities and Exchange Commission. Mr. Weerasil Sattayapakdeewong is the person who have sufficient knowledge and

experience in performing and reviewing the reliability of the company's financial statements, including performing other duties of the Audit Committee. List of the Audit committees are as follows:

Name	Position
1. Mr. Weerasil Sattayapakdeewong	Chairman
2. Mr. Paiboon Julasaksrisakul	Member
3. Miss Srirat Chuchottaworn	Member

#### The Scope of authority, duties, and responsibilities of the Audit Committee

- 1) The Audit Committee is committed to perform the supervisory of the company operation in order to clarify the integrity management and responsibility of the management, or Executive Directors, which will have to the shareholders of the company, including operate to ensure that the company's Board of Directors is complied with the Board of Directors' policies correctly and completely with standards compliance.
- 2) The Audit Committee is committed to be responsible for the mission assigned by the company's Board of Directors as follows:
  - 2.1) Review the scope of authority, duties, and responsibilities of the Audit Committee at least once a year.
  - 2.2) Review the company and its subsidiary's financial report to ensure that the report is correct, complete and reliable.
  - 2.3) Consider and express opinion regarding the change on accounting principle, or the important accounting practices proposed by the company's management.
  - 2.4) Review the internal control and internal audit process of the company and its subsidiaries for the suitability and effectiveness.
  - 2.5) Supervise auditor and internal auditor for the independence of work.
  - 2.6) Consider and propose the Auditor of the company, including propose the audit fees to get approval from shareholders meeting, coordinate with auditor regarding the propose in reviewing the scope, direction, operational plan, and problem encountered during the audit, and key issues that auditor deems important, including joining a meeting with auditor at least once a year without the management.
  - 2.7) Consider and review the operation result of the audit committee, and approve the annual internal audit plan.
  - 2.8) Consider related transactions or transactions that may be conflict of interest, in order to comply with the law and the Stock Exchange of Thailand's conditions, and consider the acquisition and

disposal of the company and its subsidiaries to comply with the law and the Stock Exchange of Thailand's regulations, including controlling policy and a mechanism to supervise the entities invested by the company to ensure that the transaction is reasonable and benefit to the company and its subsidiaries.

- 2.9) Prepare for the auditor's report to be disclosed in the annual report of the company.
- 2.10) Hold a meeting with auditors without the management at least once a year.
- 2.11) Consider the important risks of the company, propose protective measures, and inform to the committee in order to prevent the risks.
- 2.12) Prepare for activity report of the audit committee to be disclosed in the annual report, the report shall be signed by the Chairman of the Audit Committee.
- 2.13) Supervise to create complaint channels regarding inappropriate transactions reported on the Financial Statements or other issues, ensure the whistleblower that there is an independent audit process and perform as appropriate.
- 2.14) Review the correction of reference documents and the self-assessment form regarding the anti-corruption activity of the company, according to the project of the Thailand's Private Sector Collective Action Coalition against Corruption (CAC).

(Please see details of the full version of the Audit Committee Charter in **Attachment 4**)

## 2. Risk Management Committee

Currently, the Risk Management Committee of the company consisted of 3 persons as follows:

Name	Position
1. Mr. Paiboon Julasaksrisakul	Chairman
2. Mr. Theerawut Nawamongkhonchaikit	Member
3. Mr. Prasert Ruengleardsatitkul	Member

### The Scope of Authority, Duties, and Responsibilities of the Risk Management Committee

- 1) Consider to express opinion against the risk management policy, risk management strategy, and ERM framework complying with the main purpose, business plan, and acceptable risks of the company.
- 2) Develop a strategy in accordance with the risk management policy, evaluate, monitor, and supervise the level of risk of the company maintain at the suitable level.
- 3) Determine the level of risk, considering on the internal and external factors that may impact the company on the failure to achieve the determined objectives.



- 4) Evaluate the impacts and opportunity for the risks to occur determined by the level of risks and provide the appropriate risk management.
- 5) Supervise and support the audit and review policy and the risk management framework in regularly at least once a year.
- 6) Report the important risk of the company, including the risk status, guideline for risk management, progression, and result of the risk management, to the Board of Directors.
- 7) Authorize to appoint the risk management team as appropriate, support the risk management team in terms of personal, budget, and required resources in accordance with the scope of responsibility Give an advice and support to the company's Board of Directors, management, and Risk Management team, including promote and support for the improvement and development of the internal risk management system regularly and continuously.
- 8) Exchange information and coordinate regarding risk management and internal control with the Audit Committee at least once a year.
- 9) Consider and report the evaluation result and the opportunity of corruption, including impacts on corruption covering every type of corruption.

(Please see details of the full version of the Audit Committee Charter in **Attachment 4**)

### 3. Nomination and Remuneration Committee

Currently, the Nomination and Remuneration Committee of the company consisted of 3 persons as follows:

Name	Position
1. Miss Srirat Chuchottaworn	Chairman
2. Mr. Weerasil Sattayapakdeewong	Member
3. Mr. Prasert Ruengleardsatitkul	Member

#### The Scope of authority, Duties, and Responsibilities of the Nomination and Remuneration Committee

- 1) Perform the remuneration and selection of Directors and Executive Directors.
- 2) Perform the compensation and remuneration operations.
- 3) Consider, review, and amend the compensation and remuneration committee charter at least once a year, and propose to the Board of Directors for the approval.
- 4) Consider and give an opinion regarding the proposal of the Chief Executive Officer in order to propose to the company Board of Directors regarding the Human Resource policy to comply with the company's business operation.

5) Recruit advisor or independent person in order to give an opinion or advice as appropriate.

6) Perform other tasks as assigned by the company's Board of Directors.

(Please see details of the full version of the Nomination and Remuneration Committee Charter in **Attachment 4**).

## 7.4 Information of Executive Committee and management

### 7.4.1 Executive Committee

The Executive Committee consisted of 7 persons as follows:

Name	Position
1. Mr. Theerawut Nawamongkhonchaikit	Chairman
2. Mrs. Supak Nawamongkhonchaikit	Member
3. Mr. Prasert Ruengleardsatitkul	Member
4. Mrs. Sudarat Sutham	Member
5. Mr. Makoto Futami	Member
6. Miss Sasicha Sripetch	Member
7. Miss Phromphon Pimpsen	Member

As of December 31, 2021, the company's Executive, according to the definitions in the notification of the Office of the Securities and Exchange Commission no. KorChor. 17/2551 re: Determination of definitions in notification relation to issuance and offer for sale of securities (as amended), consisted of 10 persons as follows:

Name	Position
1. Mr. Theerawut Nawamongkhonchaikit	Chief Executive Officer
2. Mrs. Supak Nawamongkhonchaikit	Deputy Chief Executive Officer
3. Mr. Prasert Ruengleardsatitkul	Senior Chief Operation Officer
4. Mrs. Sudarat Sutham	Chief Financial Officer
5. Miss Thanatnan Ruanglertsatitkul	Finance Manager
6. Mr. Makoto Futami	Sales and Marketing Manager
7. Miss Sasicha Sripetch	Quality Control Manager
8. Miss Phromphon Pimpsen	Assistant to Sales and Marketing Manager
9. Miss Rattanaorn Kongkum <sup>2/</sup>	Accounting Manager
10. Miss Waraporn Pianprasertkool	Administration Manager

#### Remark:

1/ Mr.Prasert Ruengleardsatitkul is the deputy operation manager.

2/ Miss Rattanaporn Kongkum took the position of the Accounting Manager on August 26, 2021

Miss Waraporn Pianprasertkool took the position of the Administration Manager on October 7, 2021

Information and details related to the company's Executive as appear in **Attachment 1** (Details related to the Directors, Executive , controlling person, the person taking the highest responsibility in finance and accounting, the person supervising accounting, and the company secretary).

#### 7.4.2 Remuneration policy of the Board of Executives Directors and Executives

The company has no policy on remuneration payment to the Board of Directors who also take a position of Executives or the company employee.

#### 7.4.3 Remuneration to Executives

1) Monetary remuneration.

In 2019-2021, the company paid remuneration to Executives in cash and other remuneration, such as Bonus, diligent, and allowance with the following details:

Director Remuneration	2019		2020		2021	
	Number	Amount	Number	Amount	Number	Amount
	(person)	(Baht)	(person)	(Baht)	(person)	(Baht)
Salary	4	6,692,542.00	7	9,957,228.00	10	13,401,766.00
Other allowance		4,124,448.26		4,275,514.41		5,346,400.45
<b>Total</b>	<b>4</b>	<b>10,816,990.26</b>	<b>7</b>	<b>14,232,742.41</b>	<b>10</b>	<b>18,748,166.45</b>

2) Other allowance

The company establish a provident fund and paid contribution to the Executives under the management of BBL Asset Management Co., Ltd. The company will pay a contribution for the provident fund, according to the working period at a rate of 2-5% of monthly salary. The company pay the provident fund at the rate above from January 2022 onwards.

## 7.5 Employee Information

### 7.5.1 Number of employees

As of December 31, 2019-2021, there were employees in each department (excluding Executives) of 190 person, 171 person, and 168 person respectively. The number of employees divided by department is as follows:

Department	Amount (person)		
	December 31, 2019	December 31, 2020	December 31, 2021
<b>Full-time employee</b>			
Accounting	3	3	3
Financial	1	1	1
Administration	3	4	4
Sales and marketing	5	12	11
Operation	12	8	8
Quality control	6	6	6
Information and Technology	-	1	1
<b>Total Full time employee</b>	<b>30</b>	<b>35</b>	<b>34</b>
<b>Temporary employee</b>			
Planning	1	1	1
Warehouse	8	6	6
Production	130	113	111
Quality control	21	16	15
<b>Total Temporary employee</b>	<b>160</b>	<b>136</b>	<b>134</b>
<b>Total employee</b>	<b>190</b>	<b>171</b>	<b>168</b>

### 7.5.2 The significant change on the number of employees in the past 3 years

-N/A-

### 7.5.3 Remuneration to Employee

In 2019-2021, the company paid remuneration for employee in cash (excluding executive directors) consisted of salary and other remuneration, such as bonus, and allowance with the following details:

Remuneration	Employee Remuneration (Baht)		
	2019	2020	2021
Salary	26,386,448.00	25,241,967.00	27,018,140.00
Other remuneration	1,486,457.74	2,310,341.15	2,161,090.55
<b>Total</b>	<b>27,872,905.74</b>	<b>27,552,308.15</b>	<b>29,179,230.55</b>

#### Remark

- 1) Salary: salary, position allowance, and over time wage.
- 2) Other allowance: bonus, diligent, allowance, and employee benefits.

#### 7.5.4 Provident fund

The company established a provident fund and paid a contribution to employees under the management by BBL Asset Management Co., Ltd.

- Employee who is a member of provident fund can be able to select the saving deposit rate as follows:

Saving deposit rate (percentage of salary)
2%
3%
5%

Saving deposit for provident fund transfer from January, 2022 onwards.

- The company pay a contribution to the provident fund, according to the working period as the following rate:

Working period	Contribution rate (percentage of salary)
Less than or equivalent to 3 years	2%
More than 3 years, but not over 5 years	3%
More than 5 years	5%

The company pays provident fund at the rate above from January, 2022 onwards.

#### 7.5.5 Significant Labor Dispute

-N/A-

### **7.5.6 Human Resource Development Policy**

The company realized the important of human resource development in order to improve the capacity of work, to develop capacity and progress, as well as skills required for working continually, and in order to improve the work efficiency of the company. The company provided training to employees, which divided into 2 types as follows:

- 1) Annual training, including internal and external training. A survey for requirements of training is conducted and the data collection is made in order to contact related agencies for the preparation of lecturer to meet the purpose and contents of the training.
- 2) On the job training is a training according to the work that the employee has to perform, such as new employee training, transferring to new division or new position, revising documents or working procedure, and quality control training.

After the training, the company will conduct an evaluation of the training in order to bring the result to improve the work accordingly.

## **7.6 Other important information**

### **7.6.1 The person supervising accounting**

Miss Rattanaorn Kongkum is the person supervising accounting, responsible for supervising accounting transactions of the company to be effective and to comply with regulations, conditions, and criteria of the company. Information and details of the person supervising accounting appear in **Attachment 1**.

### **7.6.2 Company Secretary**

The Board of Directors resolved to appoint Miss Sasicha Sripetch to be the company Secretary on April 26, 2021 to be the important part in supporting the company operation, and supervising the company to be able to comply with the law, regulations, and the company Article of association and Code of conduct.

### **7.6.3 Internal Auditor**

The company's Board of Directors appointed P&L Internal Audit Co., Ltd. ("Internal Auditor"), which is an independent company (Outsource), to perform the internal audit work and assess the adequacy of the internal control, and to follow the tasks of the internal audit system continuously.

#### 7.6.4 Audit fee

- Remuneration of auditor

Auditor	Auditor (Baht)		
	2019 <sup>1/</sup>	2020 <sup>2/</sup>	2021 <sup>3/</sup>
1. Pricewaterhouse Coopers ABAS Ltd.	2,000,000	2,200,000	2,200,000

#### Remark:

1/ Audit fee for the year 2019 approved by the Extraordinary General Meeting of Shareholders no. 4/2019, on August 30, 2019.

2/ Audit fee for the year 2020 approved by the 2020 Annual General Meeting of Shareholders, on April 8, 2020.

3/ Audit fee for the year approved by the 2021 Annual General Meeting of Shareholders, on March 11, 2021.

#### **Non-audit fee**

- Fee for preparation for Initial public Offering IPON/A 1,200,000 Baht.

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

### 8.1 Report on the performance of duties of the Board in the past year.

#### 8.1.1 Recruitment, Development, and assessment on performance of duties of the Board.

In the appointment of members, The Nomination and Remuneration Committee consists of two independent directors. From the 3 Nomination and Remuneration Committee Responsible for the consideration, selection and screening of qualified persons according to the company's regulations and for the nomination of qualified persons to obtain professional and versatile directors, taking into account a diversity of knowledge. Expertise Skills And experience useful to the company's business operations and to submit opinions to the Board of Directors for the approval of the Board of Directors. The President of the Stock Exchange of Directors shall then propose the list of such directors to the shareholders who are the shareholders to elect their directors in accordance with the rules and conditions prescribed by the Board.

#### Selection of Board of Directors

- 1) Appointment of directors in accordance with the law Regulations of the company and related regulations must be conducted in a clear and transparent manner.
- 2) One shareholder has the same votes as one share. To one voice.
- 3) In the election, members may use the voting procedure to vote on individual members one at a time or several at a time. The shareholders' meeting may decide, but in each vote the shareholders shall vote with the total votes. Therefore, the shareholders cannot vote their votes in the election of directors for a minimum of persons under section 70 paragraph one of the public company laws. (Non-CUMULATIVE only).
- 4) Persons who receive the highest votes in the order shall be elected as members of the number of Directors to be eligible for or shall be elected at that time. In the case where a person who has been elected in the next election has an equal number of votes, more than the number of members to be allowed or shall be elected at that time, the President of the meeting shall have the casting the vote.
- 5) The Board of Directors responsible for the management of the company's business operations shall hold office in accordance with the company's regulations. In every annual ordinary General Meeting of Shareholders, the directors shall be out of office for one-3 of the number of directors at that time. If the number of directors cannot be divided into three sections, the number closest to section 3 shall be removed. Members who vacate office may be re-elected.



- 6) In the case where the Director vacates office upon the expiration of term, the Meeting of Shareholders shall consider and appoint the Director with the resolution of the appointment of the directors, the majority of shareholders attending the meeting and casting votes. If there is an equal number of votes, the person presiding over the meeting shall have an additional vote as casting vote.
- 7) In case of a vacancy due to other reasons than the expiration of the term of office of a member, The Board shall appoint a person who has qualifications and is not prohibited by law to be a director at the next Board meeting. The replacement members may be in office only for the remainder of the term of the replacement committee, unless the term of the directors is less than two months. The resolution of the appointment of the person as the replacement committee must be passed by votes of not less than 3 out of four of the remaining members.

In addition, the Board of Directors shall consist of at least one-third three of the Board of Directors of the company, but not less than 3 directors.

#### Independent Director

- 1) Holding not more than 1 percent of the total number of shares having the right to issue the company's shares Major company Sub Account Co- Company Major Shareholders Or the controlling authority of the company The holding of shares of the relevant members of the Independent Directors shall be counted with.
- 2) Was not or was previously a member of management. Paid consultants Or the controlling authority of the company Major Company Sub Account Co-Company Same sub-company Major Shareholders Or of the controlling authority of the company Unless it has been later than 2 years ago, The Securities and Exchange Commission ( " Office of the Securities and Exchange Commission) The prohibition does not include the case where an independent director was a public official, Or the advisor of a government agency which is a major shareholder or a controlling authority of the company.
- 3) Not a person having blood relations or by legal registration as a father Mother Spouse Sibling And children. Including spouse of children of other directors. Executive Major Shareholders Regulatory Authority Or persons being proposed to be directors, Executive Or the controlling authority of the Company or its subsidiaries.
- 4) No or have had business relationships with the company. Sub Account Co-Company Major Shareholders Or of a company's controlling authority in a way that may interfere with his or her independent use of judgment. Neither is nor has it ever been a significant shareholder or controlling holder of a business relationship with the company. Major Shareholders Or of the

- controlling authority of the company, unless it has been later than 2 years past its nature. Before Request Date per Office A. Oct.
- 5) Is not or has been a company auditor Sub Account Co-company Major Shareholders Or of the controlling authority of the company And are not a significant shareholder. Regulatory authority or a partner of the Audit Office with its auditors. Major Shareholders Or of the controlling authority of its respective companies. Unless it has been later than 2 years ago.
  - 6) Is not or has been a professional provider This includes supplying services as legal advisors or financial advisors who receive a fee of more than Baht 2 million per year from the company. Sub Account Co-company Major Shareholders Or of the controlling authority of the company And are not a significant shareholder. The competent authority or the partner of the professional service provider, unless the nature has not been less than two years past. Before Request Date per Office A. Oct.
  - 7) Not being an appointed director to represent the directors of the company. Sub Account Co-Company Major Shareholders Or shareholders who engage in major shareholders.
  - 8) Does not operate a business in a similar condition and is a competition that implies the company's business or is not a partnership or being a member of the Executive Committee. Employee Salaried Consultant Worker Or holding more than 1 percent of the total number of shares having the right to issue the issue of other companies that operate in the same condition, and which are a significant competitive position in the company's business. There is no other characteristic that makes it impossible to provide independent feedback on the performance of the company or its subsidiaries.
  - 9) There is no other characteristic that would prevent any independent opinion of the operation of the company.

#### Selection of Audit Committee

The Audit Committee must be an independent director and appointed by the Board of Directors. Or at a meeting of shareholders of the company. Of at least three people Contains Chairman of Audit Committee 1 person And at least 2 Audit Committee members. And has the qualifications and duties under the Public Company Limited Act. Rules of the Securities and Exchange Commission Be capable of performing tasks and expressing opinions. Or report the performance of the delegated function independently without the control of the company's major executives or shareholders. Including those concerned or close relatives of such persons The Audit Committee must have sufficient knowledge and experience to function as an audit committee. At least one member of the Audit Committee shall be

present. Having enough knowledge and experience to be able to conduct credit review of financial statements.

#### Selection of the Nomination and Remuneration Committee

The Nomination and Remuneration Committee shall be directors of the company. Appointed by the Board of Directors It has qualifications and is not prohibited under the law on public companies. And other applicable laws. To oversee the selection and selection of qualified persons in the office of directors and chief executive officers, and determine remuneration. Consider compensation criteria and clearly and transparency. To present to the Board of Directors, the company shall consider and present at the next Annual General Meeting of Shareholders.

#### Selection of Risk Management Committee

The Risk Management Committee is appointed by the Board of Directors. Consists of at least three directors. And at least one independent director. It has qualifications and is not prohibited under the law on public companies. And other applicable laws. Up To establish risk management policies The Risk Management Framework and the governance of risk management throughout the organization to manage risk factors Both externally and internally to the appropriate business practices of the company.

#### Selection of the Executive Board

The Executive Committee consists of at least three members. It consists of a number of directors and may include the company's executives. And/or A number of others qualified outside which is offered by the Nomination and Remuneration Committee. The Board of Directors shall consider and appoint one Director. It shall be a suitable member of the Board to serve as the Chairman of the Board of Directors. And the Chief Executive Officer has been appointed as Executive Directors by the position of Recruitment of chief executive officer.

The Nomination and Remuneration Committee reviews the succession plan of the Chief Executive Officer. Along with a list of the right people to be considered for succession. The Board of Directors shall consider and approve the appointment when the position becomes vacant, or it cannot perform its duties. To ensure continued management of the company.

### 8.1.2 Attendance & individual Board Compensation

#### Attendance at Board of Directors Meeting In 2021

Name -	Position	Number of times / Total number of meetings		
		Board of Directors Company	Ordinary Meeting Shareholders	Attend an extraordinary meeting Shareholders
1.Mr. Paiboon Julasaksrisakul	Chairman/ Independent Director	8/8	1/1	3/3
2.Mr. Weerasil Sattayapakdeewong	Independent Director	8/8	_(1)	_(1)
3.Miss Srirat Chuchottaworn	Independent Director	8/8	_(1)	_(1)
4.Mr. Theerawut Nawamongkhonchaikit	Director	8/8	1/1	3/3
5.Miss Supak Nawamongkhonchaikit	Director	8/8	1/1	3/3
6.Mr. Akaphan Amatyakul	Director	8/8	1/1	3/3
7.Mr. Prasert Ruengleardsatitkul	Director	8/8	1/1	3/3

#### Note:

(1) In 2021, the company requires the Chairman to attend the general meeting of shareholders and the Extraordinary General Meeting of Shareholders.

In 2022, every independent director shall attend the Annual General Meeting of Shareholders.

And the Extraordinary General Meeting of Shareholders.

Board meeting allowance for Board of Directors Meeting Subcommittee Including: Audit Committee Selection and Remuneration Committee Risk Management Committee and the Shareholders Meeting (AGM, EGM) as follows:

- 1) Chairman 15,000 Baht/person/time
- 2) Director 10,000 Baht/person/time

Company's directors' remuneration, In 2021

Board of Directors	Position	Director Remuneration <sup>1/</sup> (Baht)			
		Board of Directors	Audit Committees	Recruiting And Remuneration Committees	Risk Management Committees
Mr. Paiboon Julasaksrisakul	Chairman of Board / Audit Committee / Chairman of Risk Management committee	180,000	50,000	-	15,000
Mr. Theerawut Nawamongkhonchaikit	Director/ Risk Management Committee	-	-	-	-
3.Miss Supak Nawamongkhonchaikit	Director	-	-	-	-
4.Mr. Akaphan Amatyakul	Director	-	-	-	-
5.Mr. Prasert Ruengleardsatitkul	Director/ Nomination and Remuneration Committee/ Risk Management Committee	-	-	-	-
6.Mr. Weerasil Sattayapakdeewong	Director/ Chairman of Audit Committee/ Recruitment and Remuneration Committee	80,000	75,000	30,000	-
Miss Srirat Chuchottaworn	Director/ Audit Committee/ Chairman of the Nomination and Remuneration Committee	80,000	50,000	45,000	-
<b>Total amount (Baht)</b>		<b>340,000</b>	<b>175,000</b>	<b>75,000</b>	<b>15,000</b>

Note:

- 1/ Directors holding other paid positions as executives, shall not be eligible to receive remuneration.
- 2/ Mr. Akaphan Amatyakul at the Board of Directors Meeting No. 1/2563, January 15, 2020, hereby requests the remuneration of directors. Due to Mr. Akaphan Amatyakul is the director of the company to supervise the business by the investment conditions of the Trust Division for the joint venture.
- 3/ Company's directors' remuneration, Including joining the Shareholders' Meeting (AGM, EGM).

### **8.1.3 Ensuring compliance with corporate governance policies and practices**

The company recognizes the importance of conducting business ethically. Has responsibility for all shareholders and stakeholders to create value for the company and can compete in the industry with long-term impact in mind. And promote performance and sustainable growth. Therefore, Company It has established good corporate governance policies and the Code of Business Principles. As a guideline for the administration of the organization and as a norm to the Board, Executive, and all employees to ensure that any performance Company's fair and consider the best interests of all shareholders and stakeholders. In the last year's operations, the company has followed up to ensure compliance with good corporate governance policies and the Code of Business Conduct, and have a review. Update Amend the Corporate Governance Policy and corporate governance practices. In addition, the company has been following up to four other good corporate issues. As follows:

(1) Preventing conflicts of interest

The company has been following up for its directors. Executive And employees act with integrity. Transparent Not for personal gain or who is involved Also, avoid potential conflicts of interest in accordance with these guidelines:

1. Company personnel must make decisions about the company's business operations for the best interests of the company.
2. Actions and decisions of people at the company must be free from the influence of personal needs. Or of the person associated with that person. Whether by blood or by someone who knows it personally, And fair prices. Appropriate Virtual Transaction with External person When deciding or approving a potential conflict of interest Report the supervisor for approval and withdraw from participation in the item.
3. Avoid transactions linked to oneself that could create a conflict of interest with the company. If it is necessary for the company's benefit. Actions and decisions of people at the company must be free from the influence of personal needs. Or of the person associated with that

person, whether by blood or by someone else who knows it personally and uses fair prices. Appropriate Virtual Transaction with external person This is the case of deciding or approving a potential conflict of interest Report the supervisor for approval and withdraw from participation in the item.

4. Perform full-time, full capacity on tasks and refrain from engaging in any personal business that affects the company's operations and working hour.
5. Do not engage in business or participate in any business that competes with the company or become a partner. Or a shareholder who has the power to decide. Or executive? Or directors in a competitive business Or in the same manner as the company. Whether the company's personnel This will benefit directly. Or indirectly.
6. Avoid financial and/or third-party relationships. This can result in loss of interest to the company or a conflict of interest or an effective performance deterrent.
7. Do not provide or use Company inside information for their own and others' benefit. Whether it is for the company Damaged or not. It must also comply with the company's internal use policy. Strictly.
8. Do nothing That is the nature of management or management that undermines the interests of the company or contributes to the benefit of any person or entity, whether it is for self or others' benefit.
9. Abstain Or not attend an agenda that considers a conflict of interest.
10. The company's employees must always create a conflict-of-Interest Disclosure Report when they suspect it is possible. Or conflict of interest. Occurs during the year. The employee's report should be presented to the supervisor in the hierarchy. And the reporting is kept confidential by the HR manager.

(2) Use of inside information for profit

The company recognizes the importance of information management within the organization. Reporting of information must comply with all required and legally required criteria. Both company-wide and business- relevant information. And company personnel must keep their inside information confidential. Do not use inside information for profit or benefit. The Committee shall have the following Executive And employees Do the following:

1. Company personnel must retain inside information and documents that cannot be disclosed to third parties. This leads to the pursuit of benefits. For oneself or for family, or for dissociate, E.g., Information affecting stock prices Trade secrets Formula Inventions This is the right of the company, except for disclosure as required by law.

2. Confidential information is not used by Company personnel for personal or third parties.
3. Ensure that sensitive company information is not disclosed externally before it is officially released. It shall also be an important measure to control the company's risks.
4. The Board of Directors and executives shall report the change in the holding of securities to the Board of Directors. A. the Securities and Exchange Commission under section 59 of the Securities and Exchange Commission 1992 within 3 days of the change in securities holdings. The company Secretary shall also notify the company Secretary in order to keep a record of the changes and a summary of the Board's securities and the Board of Directors' equity.
5. Do info statement financial statements or other information affecting the price of securities of Known companies are disclosed to third parties or to others who are not involved. And trading in securities for a period of one month. Before financial statements or other information affecting the price of a company's securities are made public, and the company's securities must not be traded until the end of the 24-hour period after all such information has been publicly disclosed.

(3) Anti-corruption

The company tracks the compliance with its members' anti-corruption or anti-corruption policies. Executive And employees at all levels to be honest. And do not commit or accept any form of corruption or corruption under any circumstances. By doing the following:

1. Corruption or corruption risk management is in place. With risk assessment Prioritize and determine appropriate measures and track the progress of the measures that have already been taken.
2. There is a people management process that reflects commitment to the Anti-Corruption or Corruption Policy. Since Selection Training Performance Evaluation Rewards Promotion, the organization is also structured to appropriately divide the work duties. To enable monitoring of the balance There is also a process in place to ensure that the company Adequate and appropriate resources and personnel are in place to implement this policy.
3. Have clear authority over business items Strong Efficient Transparent And can be monitored.
4. It has an internal control system that covers financial aspects. Accounting Record keeping and other processes within the company. That relates to anti-corruption or anti-corruption measures. Internal control results are communicated to responsible personnel.
5. Internal monitoring of the work system Covers key account activities for example, Commercial Operations Procurement For example, this ensures that the internal control



system achieves its intended goals. Also, verify that operations are conducted in accordance with the operating procedure. Requirements Company regulations or not It also provides recommendations to improve operational systems.

6. The following shall be made to the Director. Executive And employees Follow anti-corruption or anti-corruption policies and procedures Good Corporate Governance, and Code of Conduct It must not involve corruption or corruption. Directly or indirectly.
7. Provide policy to employees not to ignore or ignore When a suspected fraud or corruption is found or suspected It must be communicated to the supervisor or the person responsible. Or through the channels of a notice of misconduct as determined by the company.

(4) Notice of Misconduct clues

The company has established a policy of informing evidence of wrongdoing in order to enable the processing of the complaint. Fraud whistleblowing Misconduct And conduct that is in violation of company regulations. Has the right pattern Efficient This includes informing the complainant or whistleblowing, and who cooperating with the company. The evidence of wrongdoing can be reported with confidence, protected, and protected from being bullied due to appropriate and fair complaints. By people in my company Including members of the Committee, Employees or any other person. Acting on behalf of the company may have complained in accordance with this Policy. If there is a violation or non-compliance with the law. Or company regulations. And good corporate governance policy. Including abusive behavior in various forms and events.

(4.1) Procedure for raising a complaint or whistleblowing

A person has acknowledged a complaint or a curiosity in good faith, whether or not he is damaged, that people in the company commit any misbehavior is able to raise a complaint or evidence by company. Encourage the complainant or whistleblower to express me. And/or provide enough clear evidence of the complainant's misconduct. Contact information should be provided as a channel to communicate with the company. It is about complaints. Or any abnormality. Will be kept confidential. And the company will do everything possible to ensure that information is kept confidential throughout the process. This is the case. Whistleblowing Should be in writing Provide details of the event. Background Specify a name Date Where the event occurred, and the reasons Why are as clear as possible. The whistleblower can tell the complaining agent. In the following ways:

## 1) Mailing

Contact: Chairman of Audit Committee

Address: T.R.V. Rubber Product Public Company Limited 40, 88/8-9 Soi Ekachai 76  
Yak 1-3-1 Khlong Bang Phran Khet Bang Bon Bangkok 10150, Thailand

## 2) E-mail (E-mail)

Contact: Chairman of Audit Committee

Email: [ac@trvrubber.co.th](mailto:ac@trvrubber.co.th)

## 3) Through the company website page

[https://www.trvrubber.co.th/Sustainability/complaint\\_channel](https://www.trvrubber.co.th/Sustainability/complaint_channel)**(4.2) Responding to complaints or whistleblower notifications**

Complaints will be sent directly to the complaint handling operator. It is the responsibility of maintaining a centralized record of all complaints. This is the case to ensure that complaints are properly corrected. The company will conduct audits and reviews on complaints within a reasonable period. The company manages a working group to consider complaints, members include the Audit and Risk Management Committee and Internal Audit Committee to be a supervisor in handling such complaints.

**(4.3) Measures to protect the complainant or whistleblowing of a complaint.**

The company will provide fairness and protection for any employees who report fraud or corruption matters related to the Company's activities. It does not demote to punish or negatively. And the company will provide a measure to protect the complainant, or a co-operative in strictly communicating corruption or corruption information. In accordance with the channels set out in the Policy,

The Chairman of the Audit Committee, who receives the complaint or evidence of the offense, informed the Board of Directors every quarter of the receipt of such notification. No complaints or evidence of wrongdoing have been reported in 2021.

**8.2 Report on the performance of duties of the Audit Committee in the past year.****8.2.1 Number of meetings and attendance of individual Audit Committee**

#### Attendance at the Audit Committee meeting in 2021

Name -	Position	Number of times / Total number of meetings
Mr. Weerasil Sattayapakdeewong	Chairman	5/5
Mr. Paiboon Julasaksrisakul,	Member	5/5
Miss Srirat Chuchottaworn	Member	5/5

### **8.2.2 Performance of duties of the Audit Committee**

The Audit Committee has complied with the scope of duties. Function And responsibilities assigned by Board of Directors This is in line with the regulations of the Stock Exchange of Thailand. During the fiscal year 2021, the Audit Committee meeting held five times. It is a meeting with the executive. Auditor and Internal Audit As appropriate. This can be found in the Audit Committee report in **Attachment 5**.

### **8.3 Report on the performance of duties of the Nomination and Remuneration Committee in the past year.**

#### **8.3.1 Number of meetings and attendance at each member of the Nomination and Remuneration Committee**

#### Attendance at the Nomination and Remuneration Committee Meeting In 2021

Name -	Position	Number of times / Total number of meetings
Miss Srirat Chuchottaworn	Chairman	3/3
Mr. Weerasil Sattayapakdeewong	Member	3/3
Mr. Prasert Ruengleardsatitkul	Member	3/3

### **8.3.2 The performance of duties of the Nomination and Remuneration Committee.**

The Nomination and Remuneration Committee Has performed duties according to the scope of duties. Function And responsibilities. Delegated from Board of Directors This is in line with the regulations of the Stock Exchange of Thailand. During the fiscal year 2021, the Nomination and Remuneration Committee meeting was held three times. The summary is as follows:

The order of the directors due to retire by rotation shall be in accordance with the following matters:

The Nomination and Remuneration Committee has the duty to terminate the directors due to the appointment of the directors. Recruit and select persons to be nominated as directors in lieu of position on the agenda. In 2021, there was a committee issued under the agenda for three persons 1) Mr.Paiboon Julasaksrisakul

2) Miss Srirat Chuchottaworn 3) Mr. Prasert Ruengleardsatitkul. The Nomination and Remuneration Committee has determined that for all 3 Board members who leave their position on an agenda item, it is appropriate to be selected to be a director for another term. All three people are according to Thai PCL. Co., Ltd. 1992 and according to company attributes and when it comes to knowledge, capabilities experience and multiple expertise This includes past performance and is most useful for the company's career. The Board of Directors approved the appointment of the three persons for another term on the Board of Directors. And offer to obtain shareholders' approval at the next Annual General Meeting of shareholders.

#### Consideration of the remuneration of the Board of Directors And the remuneration of the sub-committees,

In 2021, there was a meeting to consider the remuneration for the Board of Directors and the subcommittees, as appropriate. Compared to other listed companies in the same industry. And the results of the company career. And offer to the Board of Directors. To obtain shareholders' approval at the next Annual General Meeting of Shareholders.

#### Salary Adjustment and Bonus Review for Chief Executive Officer

Selection and Remuneration Committee Chairman Performance Reviews According to the Stock Exchange of Thailand, the assessment is divided into two sections. Including:

Part 1: Performance measures According to the Stock Exchange of Thailand.

Section 2: Progress of the plan based on the performance indicators 1) Profit to be in line with approved budget 2) Company performance 3) Revenue is in line with defined revenue projections 4) Business plan performance achieved target 5) Audit control Monitor management performance and 6) offering solutions to challenges, obstacles, this is the case. The summary of the performance reviews of the Chief Executive Officer in 2021 was of an excellent rating. Then submit it to the company for approval.

#### C-Level Executive Salary and Bonus Review

Today, the group is the major shareholder of the company. The members and relatives of the family, Executive position C-Level, Chief Executive Officer Executive Vice-president Operations Senior Director Company Focus on good corporate governance and management with Check & Balance checked and agreed upon by the Board of Directors. The Nomination and Remuneration Committee is required to consider the salary adjustment and bonus of the C-Level Executive, which has been approved and proposed by the Board of Directors.

### **8.4 Report on the performance of the Risk Management Committee in the past year**

#### **8.4.1 Number of times the Meeting and attendance of the Risk Management Committee**

#### Attendance at the Board of Directors Meeting of Risk Management In 2021

Name -	Position	Number of times / Total number of meetings
Mr. Paiboon Julasaksrisakul	Chairman	1/1
Mr. Theerawut Nawamongkhonchaikit	Member	1/1
Mr. Prasert Ruengleardsatitkul	Member	1/1

#### 8.4.2 The performance of duties of the Risk Management Committee.

In 2021, the Risk Management Committee duty and review the Corporate Risk Management Framework Policy. Keep the company risk identified consider both external and internal factors that could result in the Company not achieving the stated objectives. This is the case. The main risks that the committee will focus on are divided into Strategic Risk Operational Risk Financial Risk and Compliance Risk with and supporting the Risk Management Committee in line with the strategy. Business goals and compliance with anti-corruption measures. Also, have a roadmap to mitigate the impact of uncertainty in the business environment in a changing situation. E.g., The outbreak of the disease, micro virus outbreak, 2019, provides recommendations, tracks and evaluates risk management against the Risk Management Committee. And debrief. Risk Management to the Board of Directors Also report instances of high-risk events that would negatively impact the Company to the Board of Directors.

## **9 Internal control and related party transactions**

### **9.1 Internal Control**

### **9.2 Internal Control**

#### **9.1.1 The suitability of the company's internal control system**

According to the Board of Directors' meeting No. 4/2021 on May 21, 2021, the Audit Committee as the independent directors of the company, a total of 3 persons attended the meeting. The Board of Directors has assessed the company's internal control system in accordance with the assessment of the adequacy of the internal control system of the Securities and Exchange Commission according to the Committee of Sponsors of organizations of the Treadway Commission ("COSO").

##### **1) Organizational Control (Control environment)**

The company demonstrates a commitment to the value of integrity and ethics by establishing a code of conduct good corporate governance policy anti-corruption policy. This includes the company's work regulations and penalties for violations in writing and communicating regularly to internal and external stakeholders. There is a committee independent of management and is in charge of supervision and developing internal control actions by management to provide a reporting line structure. The determination of the appropriate authority and responsibility to ensure that the organization achieves its objectives under the supervision of the Board.

##### **2) Risk Assessment (Risk assessment)**

The company has appointed a Risk Management Committee the Risk management policy is clearly in writing and approved by the Board of Directors. Each line manager will supervise and follow up with direct reports and notify the supervisor of the line if any actions are not in compliance with company guidelines. And change is evaluated from external factors. This may affect the company's business operations through the Board of Directors meeting. The Risk Management Committee has been assigned to review the potential risks and take appropriate action on them.

##### **3) Control Operations (Control Activations)**

Management has established management and governance guidelines based on organizational risk. To reduce the potential impact of this by a joint meeting between management and each supervisor. To assess and identify risks. Take measures to manage risks and determine who is responsible. There is also an inter-item policy and the policy on preventing conflicts of interest approved by the Board of Directors is guidelines for operations.

**4) Information & Communication Systems**

The company consider implementing an ERP system (SAP B1) for all operations and providing appropriate data communication processes. E.g., the Share Drive system provides a conference to support internal controls. Individuals with responsibility are assigned to each function. Knowledgeable in their area of expertise is responsible for communicating and providing information to third parties. A Website is created that contains important content. E.g., company information Investor Information, corporate governance, code of conduct, whistleblowing and receiving complaints for example.

**5) Monitoring systems**

The company procedures are in place to track employee conduct that is not in line with business ethics and company restrictions. Defined by the supervisor as line worker monitoring and internal auditors from external organizations that audit internal control systems and procedures regularly to ensure that internal control systems are effective. The internal auditor will report to the management and the Audit Committee. The responsibility of coordinating the improvement of the received internal control system is adequate based on feedback/suggestions and a mentor from an internal auditor to improve the efficiency and effectiveness of the control process.

In conclusion, based on an assessment of the company's internal control system, all 5 of these. The Board of Directors viewed that the company's internal control system is adequate and appropriate. By company Has provided sufficient personnel to execute the system effectively. Be capable of protecting company assets from the Board of Directors or Management being misused or without authority. This includes making transactions with individuals who may have sufficient conflicts and connected parties. For Internal controls on other topics, the Board of Directors deemed that the company has adequate internal controls as well.

**9.1.2 Internal Control System Monitoring**

The meeting of the Audit Committee, No. 5/2020 on November 11, 2020, considered the company's qualifications. P&L Internal audit Co., Ltd.(outsource) and Miss Monpat Poomrattanacharin saw that, is appropriate enough to perform the task, because Independence and experience in performing internal audit tasks in Industry business have been similar to the company for the past 14 years. Attend the internal audit operations-related module including Internal Auditing Certificate Program (IACP) Federation of Accounting Profession SME Group (CAC SME Independent Auditor Certification) and has approved the appointment of P&L Internal audit Co., Ltd. restricted to act as the internal auditor of the company in 2021, where the company P&L Internal audit Co., Ltd. (outsource) has been appointed to

serve the company's internal auditors since Q3 of the Year 2019. P&L Internal audit Co., Ltd. (outsourced) assigned Miss Monpat Poomrattanacharin as the position of the president is the head of internal audit and is the main responsibility of the company's internal auditors. They have a scope of work from review, follow and assess the company's performance in accordance with the company's internal control plans and policies and to meet the COSO criteria as mentioned above. It details the heads of the Internal Audit as shown in **Attachment 2**. In addition, the appointment, withdrawal and moves of the person in the position as the Head of the internal audit of the company must be approved or agreed with the Audit Committee.

In addition, The Audit Committee has no different opinion from the opinion of the Board of Directors. At the Board of Directors Meeting Session 1/2022, on February 25, 2022, where the Board of Directors assessed adequate internal control systems that the company's internal control system is adequate appropriate consistent with business categories and other environmental factors relevant, with no issues or observations regarding internal controls that could significantly affect performance Including the company. Including PricewaterhouseCoopers ABAS Co., Ltd.; the company's auditor has reviewed and evaluated the company's accounting controls no deficiencies or observations were found that could significantly impact the auditor's opinion on the financial statements for the year-end period as of December 31, 2021.



## 9.2 Items between each other

In the year 2021, the company There is a potential conflict between the individuals and the company. The Audit Committee has reviewed the transaction between the members of the Audit Committee and the Audit Committee. Reasonable In these details.

Person/Juristic person with potential conflicts/business characteristics	Characteristics and Details	Item-to-Transaction Value (Baht million)			Necessity and justification Of items
		Year 2019	Year 2020	Year 2021	
1. Mr.Theerawut Nawamongkhonchaikit	<p>The company has a credit line with 1 financial institution in order to run the business. Mr.Theerawut Nawamongkhonchaikit has the full-amount guaranteed which is in accordance with the conditions prescribed by the financial Institution. In detail as follows:</p> <p><u>As of December 31, 2019</u></p> <p>Overdraft facility 15.00 million baht</p> <p>Payment Limit 10.00 million baht</p> <p>Loan Limit 58.00 million baht</p> <p><u>As of December 31, 2020</u></p>	20.59	38.25	-	<p>This is a guarantee of the credit limit for use in the company's business operations. This is in accordance with the terms of the financial institution. The guaranteed obligation by the directors has been released with the financial institutions when the company offer shares to the public.</p> <p><u>Audit Committee' Opinion</u></p> <p>The Audit Committee considered and had an opinion that transaction is reasonable and beneficial for the company's business operations to increase liquidity in the business. In this regard, this transaction is necessary to comply with the terms of the</p>

Person/Juristic person with potential conflicts/business characteristics	Characteristics and Details	Item-to-Transaction Value (Baht million)			Necessity and justification Of items
		Year 2019	Year 2020	Year 2021	
	<p>Overdraft facility 15.00 million baht</p> <p>Payment Limit 10.00 million baht</p> <p>Loan Limit 74.00 million baht</p> <p><u>As of December 31, 2021</u></p> <p>Overdraft facility 15.00 million baht</p> <p>Payment Limit 10.00 million baht</p> <p>Loan Limit 34.00 million baht</p> <p>In this regard, the guarantee obligations by director have been released from the financial Institutions on November 22, 2021.</p>				credit facilities requested by the financial institutions. The guarantee obligations has now been released.
	<p>The company has a contract to rent machinery and vehicles with leasing creditors which has Mr.Theerawut Nawamongkhonchaikit guarantee. The full-amount guaranteed is in accordance with the conditions prescribed by the creditor and there is no compensation.</p>				<p>This is a guarantee of the credit limit for use in the company's business operations. This is subject to the terms of the leasing creditor.</p> <p>The lease agreements and machine guarantee obligations have ended on August 27, 2021.</p>

Person/Juristic person with potential conflicts/business characteristics	Characteristics and Details	Item-to-Transaction Value (Baht million)			Necessity and justification Of items
		Year 2019	Year 2020	Year 2021	
	<p><u>As of December 31, 2019</u></p> <p>Rental agreement for machinery 7.95 million baht</p> <p>Vehicle lease agreement 0.33 million baht</p> <p><u>As of December 31, 2020</u></p> <p>Rental agreement for machinery 3.30 million baht</p> <p>Vehicle lease agreement Baht 2.31 million</p> <p><u>As of December 31, 2021</u></p> <p>Rental agreement for machinery - million baht</p> <p>Vehicle lease agreement 1.88 million baht</p> <p>In this regard, the lease agreements and machine guarantee obligations have ended on August 27, 2021.</p>	<p>7.95</p> <p>0.33</p>	<p>3.30</p> <p>2.31</p>	<p>-</p> <p>1.88</p>	<p>In addition, the lease agreement and the vehicle guarantee balance is 1 item. This item will be released upon completion of the lease obligations. The shareholders and the directors willing to continue the guarantee until the lease obligations are completed with no compensation or fee.</p> <p><u>Audit Committee' Opinion</u></p> <p>The Audit Committee considered and has an opinion that the transaction is reasonable and beneficial to the Company's business operations. Such transactions are necessary to comply with the terms of the leasing creditor.</p>

Person/Juristic person with potential conflicts/business characteristics	Characteristics and Details	Item-to-Transaction Value (Baht million)			Necessity and justification Of items
		Year 2019	Year 2020	Year 2021	
	<p>The company has a factoring agreement with one counterparty, with Mr. Theerawut Nawamongkhonchaikit guarantee in the amount of 18.00 million baht according to the factoring agreement (additional) on November 15, 2019.</p> <p>On October 20, 2020, the limit was reduced to Baht 10.80 million, and now, the company still has credit line of 10.80 million baht.</p> <p>In this regard, the company no longer has any transactions anymore. The parties have successfully released the individual guarantee from July 6, 2021.</p>	-	-	-	<p>It is a guarantee of the factoring agreement in the business operation which is in accordance with the terms of the parties and the guarantee is no compensation. The guarantee is expired on July 6, 2021.</p> <p><u>Audit Committee' Opinion</u></p> <p>The Audit Committee considered and has the opinion that this list is reasonable and beneficial for the company to conduct business. To increase liquidity in the business. Such items are necessary to comply with the terms of prepaid credit line support for trade debts caused by the sale of goods and/or services under the terms of the party. There are currently no such items in between. The parties have successfully released the individual guarantee.</p>

Person/Juristic person with potential conflicts/business characteristics	Characteristics and Details	Item-to-Transaction Value (Baht million)			Necessity and justification Of items
		Year 2019	Year 2020	Year 2021	
2. Mrs.Supak Nawamongkhonchaikit	<p>The company has a credit line with 1 financial institution in order to run the business. Mrs. Supak Nawamongkhonchaikit has the full-amount guaranteed which is in accordance with the conditions prescribed by the financial Institution. In detail as follows:</p> <p><u>As of December 31, 2019</u></p> <p>Overdraft facility      15.00 million baht</p> <p>Loan Limit                48.00 million baht</p> <p><u>As of December 31, 2020</u></p> <p>Overdraft facility      15.00 million baht</p> <p>Loan Limit                34.00 million baht</p> <p><u>As of December 31, 2021</u></p> <p>Overdraft facility      15.00 million baht</p> <p>Loan Limit                10.00 million baht</p>	15.65	6.95	-	<p>This is a guarantee of the credit limit for use in the company's business operations. This is in accordance with the terms of the financial institution. The guaranteed obligation by the directors has been released with the financial institutions when the company offer shares to the public.</p> <p><u>Audit Committee' Opinion</u></p> <p>The Audit Committee considered and had an opinion that transaction is reasonable and beneficial for the company's business operations to increase liquidity in the business. However, this transaction is necessary to comply with the terms of the credit facilities requested by the financial institutions. The guarantee obligations has now been released.</p>

Person/Juristic person with potential conflicts/business characteristics	Characteristics and Details	Item-to-Transaction Value (Baht million)			Necessity and justification Of items
		Year 2019	Year 2020	Year 2021	
	In this regard, the guarantee obligations by director have been released from the financial Institutions on November 22, 2021.				
	<p>The company has a contract to rent machinery and vehicles with leasing creditors which has Mrs.Supak Nawamongkhonchaikit guarantee. The full-amount guaranteed is in accordance with the conditions prescribed by the creditor and there is no compensation.</p> <p><u>As of December 31, 2019</u></p> <p>Rental agreement for machinery 7.95 million baht</p> <p><u>As of December 31, 2020</u></p> <p>Rental agreement for machinery 3.30 million baht</p> <p><u>As of December 31, 2021</u></p> <p>Rental agreement for machinery - million baht</p>	7.95	3.30	-	<p>This is a guarantee of the credit limit for use in the company's business operations. This is subject to the terms of the leasing creditor. The lease agreements and machine guarantee obligations have ended on August 27, 2021.</p> <p>In addition, the lease agreement and the vehicle guarantee balance is 1 item. This is the case. This item will be released upon completion of the lease obligations. The shareholders and the directors willing to continue the guarantee until the lease obligations are completed with no compensation or fee.</p>

Person/Juristic person with potential conflicts/business characteristics	Characteristics and Details	Item-to-Transaction Value (Baht million)			Necessity and justification Of items
		Year 2019	Year 2020	Year 2021	
	In this regard, the lease agreements and machine guarantee obligations have ended on August 27, 2021.				<u>Audit Committee' Opinion</u>  The Audit Committee and the opinion that the transaction is reasonable and beneficial to the Company's business operations. This is the case. Such items are necessary to comply with the terms of the leasing creditor.
3. Mr. Prasert Ruengleardsatitkul	The company has a credit line with 1 financial institution in order to run the business. Mr. Prasert Ruengleardsatitkul has the full-amount guaranteed which is in accordance with the conditions prescribed by the financial Institution. In detail as follows:  <u>As of December 31, 2020</u>  Loan Limit    30.00 million baht  <u>As of December 31, 2021</u>  Loan Limit    30.00 million baht	-	30.00	-	This is a guarantee of the credit limit for use in the company's business operations. This is in accordance with the terms of the financial institution. The guaranteed obligation by the directors has been released with the financial institutions when the company offer shares to the public.  <u>Audit Committee' Opinion</u>  The Audit Committee considered and had an opinion that transaction is reasonable and beneficial for the company's business operations to increase liquidity in the

Person/Juristic person with potential conflicts/business characteristics	Characteristics and Details	Item-to-Transaction Value (Baht million)			Necessity and justification Of items
		Year 2019	Year 2020	Year 2021	
	In this regard, the guarantee obligations by director have been released from the financial Institutions on November 22, 2021.				business. However, this transaction is necessary to comply with the terms of the credit facilities requested by the financial institutions. The guarantee obligations has now been released.



**9.3 The need and validity of items between them.**

The company has a list of potential conflicts with individuals or entities. It is important that there is a guarantee by the Audit Committee of the company. All items have been considered and resolved to approve that the above items are reasonable in terms of the transaction as determined by the parties and for the purpose for which they are most beneficial to the company.

**9.4 The related party transactions approval procedures.**

At the meeting of the Audit Committee and the Board of Directors, they perform a detailed check of the item of need reasonable compare all list prices and conditions that are consistent with normal business conditions or with transactions with third parties to ensure fair access to the transaction. In addition, the members of the Board of Directors who have an interest in the transaction are required to enter into the transaction. There is no right to vote when a resolution approves. This includes in the case where the Audit Committee or the Board of Directors do not have adequate expertise or experience in considering any items between them. The company designates an independent expert to be appointed, an independent appraiser or seek feedback from the company's auditors to report the information to the Audit Committee meeting or Board of Directors as appropriate. In addition, the company will comply with office requirements of the Stock Exchange of Thailand (SET) including the criteria relating to the disclosure of related transactions of the company. Including the disclosure of items between each other in the audited financial statements from the company's auditors, Account standards.

**9.5 Policies and trends in the future of the related party transactions.**

The company follows the company's list-to-program policy framework. The Audit Committee and the Board of Directors shall consider the need, reasonably compare all list prices and conditions and consider the appointment of independent experts, independent appraisers or seek feedback from the company's auditors to report the information to the Audit Committee meeting. The Board of Directors As appropriate to ensure fair access to the company and its shareholders. In addition, for any potential cross-over items that may occur in the future, the Committee shall also comply with the rules prescribed by the office of The Stock Exchange of Thailand and the Securities and Exchange of the Committee shall not approve any items that may have a conflict of interest in any other way with the company and such items must also be disclosed to the Board of Directors for consideration by the Board of Directors.

## Part 3: Financial Statements

### 10. Financial statements for the year ended as of December 31, 2021 and Certified Public Accountant Report

#### Independent Auditor's Report

To the shareholders of T.R.V. Rubber Products Public Company Limited

#### My opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of T.R.V. Rubber Products Public Company Limited (the Company) as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRS).

#### What I have audited

The Company's financial statements comprise:

- the statement of financial position as at 31 December 2021;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

#### Basis for opinion

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

#### Key audit matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements of the current period. I determine one key audit matter: Recognition of revenue from sales. The matter was 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 the matter.

Key audit matter	How my audit addressed the key audit matter
<p><b>Recognition of revenue from sales</b></p> <p>Refer to Note 5.17 to the financial statements 'Revenue recognition'.</p> <p>As at 31 December 2021, the Company had revenue from sales in the amount of Baht 177.58 million.</p> <p>The Company's revenue is recognised in several contract types and different contract conditions made with each customer.</p> <p>I focused on this area as revenue recognition involves management's judgement over the performance obligation in contracts. This includes:</p> <ul style="list-style-type: none"> <li>the performance obligations satisfied over time and the recognised revenue over time or</li> <li>the performance obligations satisfied at a point in time and the recognised revenue when the Company transfers the control of goods to customers at a point in time.</li> </ul> <p>I identified revenue recognition from sales as a key audit matter because the revenue amount is material to the financial statements. Also, the recognition depends on the conditions stipulated in each contract. I focused on examining whether the revenue transactions were accurate and occurred in the relevant period.</p>	<p>My key audit procedures in relation to revenue recognition included:</p> <ul style="list-style-type: none"> <li>Reading the contracts to assess whether the appropriateness of performance obligations identified, and the revenue recognition method was relevant and consistent with TFRS.</li> <li>Understanding the process and accounting treatment as well as internal controls relating to recording revenue transactions. In addition, I tested key internal controls over revenue and receivables cycle.</li> <li>Sampling test the revenue recognition to assess that the Company recorded revenue transactions at the appropriate recognition point according to the contract conditions. I also examined invoices and delivery notes to determine whether the transactions were accurate and occurred in the appropriate period. For revenue transactions that had been collected, the cash receipts from customers were traced to invoices and transactions in the bank statements.</li> <li>Sampling test cut-off sales by examining invoices and delivery notes to assess that the Company recorded revenue transactions at the appropriate recognition point according to the contract conditions in the appropriate period.</li> </ul> <p>Based on these procedures, I found that the basis and method of the revenue recognition of each selected contract was recorded reasonably and consistently with supporting documents.</p>

**Other information**

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

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

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

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

**Responsibilities of the directors for the financial statements**

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with TFRS, and for such internal control as the directors determine 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, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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



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

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

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

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

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

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

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

PricewaterhouseCoopers ABAS Ltd.



**Sukhumaporn Wong-ariyaporn**  
Certified Public Accountant (Thailand) No. 4843  
Bangkok  
25 February 2022

T.R.V. Rubber Products Public Company Limited  
Statement of Financial Position  
As at 31 December 2021

	Notes	2021 Baht	2020 Baht
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	10	111,422,672	4,247,330
Trade and other receivables	11	41,586,285	45,038,145
Inventories, net	13	14,460,381	10,933,435
Other current assets		216,417	146,584
<b>Total current assets</b>		<b>167,685,755</b>	<b>60,365,494</b>
<b>Non-current assets</b>			
Investment properties	14	49,116,500	49,116,500
Property, plant and equipment, net	15	142,440,609	126,746,675
Right-of-use assets, net	16	2,484,529	26,276,378
Intangible assets, net	17	2,642,445	2,525,949
Deferred tax assets, net	18	1,629,917	1,055,239
Other non-current assets		892,600	2,054,022
<b>Total non-current assets</b>		<b>199,206,600</b>	<b>207,774,763</b>
<b>Total assets</b>		<b>366,892,355</b>	<b>268,140,257</b>

.....  
Director

.....  
Director

T.R.V. Rubber Products Public Company Limited  
Statement of Financial Position (continued)  
As at 31 December 2021

	Notes	2021 Baht	2020 Baht
<b>Liabilities and equity</b>			
<b>Current liabilities</b>			
Bank overdrafts from a financial institution	20.1	-	2,040,794
Trade and other payables	19	29,294,642	38,354,488
Current portion of long-term borrowings from a financial institution	20.2	8,053,940	14,163,433
Current portion of lease liabilities	20.3	466,383	3,736,439
Income tax payable		2,490,982	2,805,704
Other current liabilities		735,529	1,900,708
<b>Total current liabilities</b>		<b>41,041,476</b>	<b>63,001,566</b>
<b>Non-current liabilities</b>			
Long-term borrowings from a financial institution	20.2	15,735,039	23,784,557
Lease liabilities	20.3	1,408,650	1,875,033
Employee benefit obligations	22	9,006,313	6,172,134
<b>Total non-current liabilities</b>		<b>26,150,002</b>	<b>31,831,724</b>
<b>Total liabilities</b>		<b>67,191,478</b>	<b>94,833,290</b>
<b>Equity</b>			
Share capital	23		
Authorised share capital			
210,000,000 ordinary shares of par Baht 0.5 each		105,000,000	-
777,175 ordinary shares at par value of Baht 100 each		-	77,717,500
Issued and paid-up share capital			
210,000,000 ordinary shares of par Baht 0.5 each		105,000,000	-
777,175 ordinary shares at par value of Baht 100 each		-	77,717,500
Premium on ordinary shares	23	149,885,643	57,714,853
Retained earnings			
Appropriated - legal reserve	24	8,981,750	7,771,750
Unappropriated		35,833,484	30,102,864
<b>Total equity</b>		<b>299,700,877</b>	<b>173,306,967</b>
<b>Total liabilities and equity</b>		<b>366,892,355</b>	<b>268,140,257</b>

Director

Director

## T.R.V. Rubber Products Public Company Limited

## Statement of Comprehensive Income

For the year ended 31 December 2021

	Notes	2021 Baht	2020 Baht
Revenue from sales		177,578,714	159,414,334
Cost of sales		(107,575,698)	(99,199,836)
<b>Gross profit</b>		<b>70,003,016</b>	<b>60,214,498</b>
Other income		993,115	244,170
Selling expenses		(10,733,472)	(7,973,147)
Administrative expenses		(27,957,943)	(24,770,410)
Finance costs	27	(1,884,601)	(1,291,504)
<b>Profit before income tax expense</b>		<b>30,420,115</b>	<b>26,423,607</b>
Income tax expense	28	(6,267,716)	(5,225,014)
<b>Profit for the year</b>		<b>24,152,399</b>	<b>21,198,593</b>
<b>Other comprehensive income (expense)</b>			
Item that will not be reclassified subsequently to profit or loss			
Remeasurement of post-employment benefit obligations, net of tax		(1,668,279)	-
<b>Other comprehensive income (expense) for the year, net of tax</b>		<b>(1,668,279)</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>22,484,120</b>	<b>21,198,593</b>
<b>Earnings per share</b>			
Basic earnings per share	29	0.15	0.14





**T.R.V. Rubber Products Public Company Limited**  
**Statement of Changes in Equity**  
**For the year ended 31 December 2021**

	Notes	Issued and paid-up share capital	Premium on ordinary shares	Retained earnings		Total equity
		Baht	Baht	Appropriated - legal reserve Baht	Unappropriated Baht	Baht
<b>Opening balance as at 1 January 2020</b>		77,717,500	57,714,853	1,200,000	65,463,917	202,096,270
<b>Changes in equity for the year</b>						
Legal reserve	24	-	-	6,571,750	(6,571,750)	-
Dividend paid	25	-	-	-	(49,987,896)	(49,987,896)
Total comprehensive income for the year		-	-	-	21,198,593	21,198,593
<b>Closing balance as at 31 December 2020</b>		<u>77,717,500</u>	<u>57,714,853</u>	<u>7,771,750</u>	<u>30,102,864</u>	<u>173,306,967</u>
<b>Opening balance as at 1 January 2021</b>		77,717,500	57,714,853	7,771,750	30,102,864	173,306,967
<b>Changes in equity for the year</b>						
Ordinary shares issued	23	27,282,500	92,170,790	-	-	119,453,290
Legal reserve	24	-	-	1,210,000	(1,210,000)	-
Dividend paid	25	-	-	-	(15,543,500)	(15,543,500)
Total comprehensive income for the year		-	-	-	22,484,120	22,484,120
<b>Closing balance as at 31 December 2021</b>		<u>105,000,000</u>	<u>149,885,643</u>	<u>8,981,750</u>	<u>35,833,484</u>	<u>299,700,877</u>

## T.R.V. Rubber Products Public Company Limited

## Statement of Cash Flows

For the year ended 31 December 2021

	Notes	2021 Baht	2020 Baht
<b>Cash flows from operating activities</b>			
Profit before income tax		30,420,115	26,423,607
Adjustments to reconcile profit before income tax to net cash generated from operations:			
- Depreciation	15, 16	10,926,901	10,045,167
- Amortisation	17	340,704	321,300
- Loss on write-off of fixed assets		104,354	250,839
- Gain on disposal of fixed assets		(747,663)	-
- Loss on allowance for net realisable value of inventories	13	104,821	121,046
- Amortized transaction costs for long-term borrowings from a financial institution		73,589	-
- Employee benefit obligations	22	748,830	727,892
- Interest income		(7,784)	(6,277)
- Finance costs	27	1,884,601	1,291,504
Cash flows before changes in working capital		43,848,468	39,175,078
Changes in working capital			
- Trade and other receivables		3,451,892	(4,227,680)
- Inventories		(3,631,767)	1,029,952
- Other current assets		(69,833)	540,968
- Other non-current assets		237,400	(924,022)
- Trade and other payables		(2,763,816)	10,541,854
- Other current liabilities		(1,165,179)	1,086,668
Cash generated from operations		39,907,165	47,222,818
- Interest received		7,752	8,717
- Interest paid		(1,877,515)	(1,323,953)
- Income tax paid		(5,459,499)	(5,602,308)
Net cash generated from operating activities		32,577,903	40,305,274
<b>Cash flows from investing activities</b>			
Proceeds from short-term investments		-	278,963
Proceeds from disposal of fixed assets		747,664	-
Payment for purchase of fixed assets		(2,890,327)	(13,299,916)
Payment for purchase of intangible assets		(463,513)	(332,437)
Payment for right-of-use assets		-	(1,000,000)
Net cash used in investing activities		(2,606,176)	(14,353,390)

## T.R.V. Rubber Products Public Company Limited

## Statement of Cash Flows (continued)

For the year ended 31 December 2021

	Notes	2021 Baht	2020 Baht
<b>Cash flows from financing activities</b>			
Bank overdrafts from a financial institution	20.1	(2,040,794)	2,040,794
Repayment for long-term borrowings from a financial institution	20.2	(14,232,600)	(16,344,731)
Proceeds from long-term borrowings from a financial institution	20.2	-	34,000,000
Payment for transaction costs for long-term borrowings from a financial institution	20.2	-	(300,000)
Payment for lease liabilities		(3,736,439)	(5,097,789)
Proceeds from issue of ordinary shares	23	125,499,500	-
Payment for transaction costs related to share issuance		(6,402,735)	-
Dividend paid		(21,883,317)	(43,648,079)
Net cash generated from (used in) financing activities		77,203,615	(29,349,805)
<b>Net increase (decrease) in cash and cash equivalents</b>		107,175,342	(3,397,921)
Opening balance		4,247,330	7,645,251
<b>Closing balance</b>	10	111,422,672	4,247,330
<b>Supplementary information:</b>			
Non-cash transaction			
- Purchase of fixed assets and intangible assets on payable	19	260,545	223,844
- Purchase of assets under leases		-	2,450,000



## 1 General information

T.R.V. Rubber Products Public Company Limited (the Company) is listed in the Stock Exchange of Thailand on 1 November 2021. The Company incorporated in Thailand on 11 February 2005. The address of the Company's registered office is 40, 88/8 - 9, Soi Ekachai 76, 1-3-1 intersection, Khlong Bang Phran, Bang Bon, Bangkok

The principal business operations of the Company are manufacturing and rendering manufacturing services of compression and injection of o-rings rubber and rubber parts.

These financial statements were authorised for issue by the Company's directors on 25 February 2022.

## 2 Significant events during the current period

According to the outbreak of Coronavirus Disease 2019 ("COVID-19"), During end of March 2020, some customers had to ask the Company to delay production and postpone product delivery. However, in the second half of the year 2020 and throughout the year 2021, the Company increased its sales, production, and goods delivery.

In November 2021, the Company made an initial public offering of 54,565,000 ordinary shares with a par value of Baht 0.50 per share, offering the price at Baht 2.30 per share, totalling Baht 125,499,500. The Company registered the increased shares capital with the Ministry of Commerce on 30 November 2021. The Company's ordinary shares has started trading in the Stock Exchange of Thailand since 2 December 2021.

## 3 Basis of preparation

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

The financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with TFRS requires management to use certain critical accounting estimates and to exercise its judgement in applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas that are more likely to be materially adjusted due to changes in estimates and assumptions are disclosed in Note 8.

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

## 4 New and amended financial reporting standards

### 4.1 New and amended financial reporting standards that are effective for accounting periods beginning on or after 1 January 2021 and relevant to the Company.

#### a) Revised Conceptual Framework for Financial Reporting; it adds the following key principals and guidance:

- Measurement basis, including factors in considering difference measurement basis
- Presentation and disclosure, including classification of income and expenses in other comprehensive income
- Definition of a reporting entity, which maybe a legal entity, or a portion of an entity
- Derecognition of assets and liabilities

The amendment also includes the revision to the definition of an asset and liability in the financial statements, and clarification to the prominence of stewardship in the objective of financial reporting.

#### b) Amendment to TFRS 9, Financial instruments and TFRS 7, Financial instruments: disclosures; it provides relief from applying specific hedge accounting requirements to the uncertainty arising from interest rate benchmark reform such as IBOR. The amendment also requires disclosure of hedging relationships directly affected by the uncertainty.

- c) **Amendment to TAS 1, Presentation of financial statements and TAS 8, Accounting policies, changes in accounting estimates and errors;** it provides definition of materiality. The amendment allows for a consistent definition of materiality throughout the Thai Financial Reporting Standards and the Conceptual Framework for Financial Reporting. It also clarifies when information is material and incorporates some of the guidance in TAS 1 about immaterial information.

The above financial reporting standards have insignificant impact to the Company.

#### 4.2 Amended financial reporting standards that are effective for accounting period beginning or after 1 January 2022 and relevant to the Company. The Company has not early adopted these standards.

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

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

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

TFRS 7 requires additional disclosure about:

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

The Company's management has evaluated and concluded that there is insignificant impact on the financial statements.

## 5 Accounting policies

The principal accounting policies applied in the preparation of financial statements are set out below:

### 5.1 Foreign currency translation

- a) Functional and presentation currency

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

- b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

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

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



## 5.2 Cash and cash equivalents

In the statements of cash flows, cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments with maturities of three months or less from the date of acquisition.

## 5.3 Trade receivables

Trade receivables are amounts due from customers for goods sold or service performed in the ordinary course of business. They are generally due for settlement within 30 - 60 days and therefore are all classified as current.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, they are recognised at fair value. The Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost.

The impairment of trade receivables is disclosed in Note 5.5 f).

## 5.4 Inventories

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

Cost of inventories is determined by the first-in, first-out method. Cost of raw materials comprise all purchase cost and costs directly attributable to the acquisition of the inventory less all attributable discounts. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and directly attributable costs in bringing the inventories to their present location and condition. The Company recorded allowance, where necessary, for obsolete, slow-moving and defective inventories.

## 5.5 Financial asset

### a) Classification

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

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

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

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

### b) Recognition and derecognition

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

### c) Measurement

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

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

d) Debt instruments

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

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

e) Equity instruments

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

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

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

f) Impairment

The Company applies simplified approach in measuring the impairment of trade receivables, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Company has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets. The expected credit loss rates are based on payment profiles, historical credit losses as well as forward-looking information and factors that may affect the ability of the customers to settle the outstanding balances.

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

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

Impairment and reversal of impairment losses are recognised in profit or loss as a separate line item.



## 5.6 Investment property

Investment properties, principally land, are held for capital appreciation and are not occupied by the Company.

Investment property is measured initially at cost, including directly attributable costs and borrowing costs.

Subsequently, they are carried at cost less accumulated depreciation and impairment.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Land is not depreciated. Depreciation on other investment properties is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives.

## 5.7 Property, plant and equipment

All other property, plant and equipment are stated at historical cost less accumulated depreciation and any accumulated impairment loss.

Initial cost includes expenditure that is directly attributable to the acquisition of the items.

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

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

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

Building and building improvement	5 - 20 years
Molds	5 years
Machinery	3 - 20 years
Tools and equipment	5 - 10 years
Furniture, fixtures and office equipment	5 - 10 years
Vehicles	5 years

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

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

## 5.8 Intangible assets

Expenditure on acquired computer software is capitalized as intangible asset on the basis of the costs incurred to acquire the computer software. These costs are amortised using the straight-line method over its estimated useful lives of 10 years.

Cost associated with maintaining computer software are recognised as an expense as incurred.

## 5.9 Impairment of assets

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

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



### 5.10 Leases - where the Company is the lessee

Leases are recognised as right-of-use assets and a corresponding liability at the date at which the leased asset is available for use by the Company.

Assets and liabilities arising from a lease are initially measured on a present value basis.

Lease liabilities include the net present value of the following lease payments:

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

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

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

Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

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

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- the estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the lease transfers ownership of the underlying asset to the lessee at the end of the lease term or the cost of the right-of-use asset reflecting that the lessee will use the purchase right. The lessee has to depreciate the right-of-use assets from the effective date of the lease until the end of underlying asset's useful life.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases, leases with a lease term of 12 months or less, and low-value assets comprise of IT equipment and small items of office equipment.

### 5.11 Financial liabilities

#### a) Classification

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

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

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

#### b) Recognition and measurement

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

c) Derecognition and modification

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

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

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

#### 5.12 Borrowing costs

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

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

#### 5.13 Current and deferred income tax

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

##### *Current tax*

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

##### *Deferred income tax*

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

- initial recognition of an asset or liability in a transaction other than a business combination that affects neither accounting nor taxable profit or loss is not recognised

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

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

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



## 5.14 Employee benefits

### 5.14.1 Short-term employee benefits

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

### 5.14.2 Defined contribution plan

A defined contribution plan is a retirement plan under which the Company pays fixed contributions into a separate fund. The fund is managed by an external fund manager in accordance with the provident fund Act. B.E. 2530. The Company has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due.

### 5.14.3 Retirement benefits

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

The defined benefit obligation is calculated by an independent actuary using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yield of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximate to the terms of the related retirement liability.

Remeasurement gains and losses are recognised directly to other comprehensive income in the period in which they arise. They are included in retained earnings in the statements of changes in equity.

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

## 5.15 Provisions

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

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

## 5.16 Share capital

Ordinary shares are classified as equity.

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

## 5.17 Revenue recognition

Revenue is recognised when the Company satisfies a performance obligation by transferring goods and services to customers. The goods and services are transferred when the customers obtain control of that goods and services. The control in goods and services is transferred to customers. Trade receivables are recognised when goods and services are delivered as satisfies a performance obligation at a point in time.

Multiple element arrangements involving delivery of multiple products or services are separated into individual distinct performance obligations. Discounts or rebates from total transaction price of the bundled contract are allocated to each performance obligation.

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services net of rebates and discounts from ordinary business activities of the Company.

Interest income is recognised using the effective interest method.

Other income is recognised on an accrual basis.

*Contract assets and contract liabilities*

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

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

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

*Payments to customers*

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

**5.18 Dividend distribution**

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

**6 Financial risk management****6.1 Financial risk**

The Company exposes to a variety of financial risk: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

**6.1.1 Market risk****a) Foreign exchange risk**

The Company is not exposed to foreign exchange risk because the Company has not operated internationally from trading transactions, purchase of goods, services and machineries and borrowings that are denominated in foreign currencies.

**b) Interest rate risk**

The Company's income and operating cash flows are substantially independent of changes in market interest rates. The Company is exposed to interest rate risk related to its deposits at financial institutions, borrowings with both floating and fixed interest rates. However, the Company does not use interest rate swaps to hedge certain exposures because the management considers that the fluctuation of interest rate will not have material impact to the Company.

**c) Price risk**

To determine selling prices before producing goods for customer orders, the Company investigates the quantity and costs of the raw materials in its warehouse. If there is not enough raw material for production, the Company issues purchase orders and agrees on a price with suppliers so that the Company is aware of any changes in raw material costs. Management believes market price changes in raw materials had no material effect on the Company's profits.

### 6.1.2 Credit risk

Credit risk arises from cash and cash equivalents as well as credit exposures to customers, including outstanding receivables.

#### a) Risk management

The Company manages credit risk by a group of risks. For cash at banks and financial institutions, the Company makes transactions with financial institutions that have high credit rating.

The Company assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on the assessments in accordance with limits set by the Board of directors. The compliance with credit limits by customers is regularly monitored by line management.

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

#### b) Security

The Company does not get any security for its trade receivables because they mostly are major customers. But for some customers, the Company sets credit limits for them.

#### c) Impairment of financial assets

The Company has financial assets that are subject to the expected credit loss model as follows:

- Trade and other receivables

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

The Company applies the TFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Company has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The expected loss rates are based on the payment profiles of sales and the corresponding historical credit losses experienced over that period.

The Company write-off trade receivables and contract assets when there is no reasonable expectation of recovery.

Impairment losses on trade receivables and contract assets are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

### 6.1.3 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions.

Management monitors i) rolling forecasts of the Company's liquidity reserve (comprising the undrawn borrowing facilities); and ii) cash and cash equivalents. In addition, the Company considers the level of liquid assets necessary, monitoring balance sheet liquidity ratios and maintaining financing plans. The outstanding credit facilities and contractual maturities of long-term borrowings from financial institutions are disclosed in Note 20.



#### Maturity of financial liabilities

The tables below analyse the maturity of financial liabilities grouping based on their contractual maturities for all non-derivative financial liabilities. The amounts disclosed are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Within 1 year Baht	1 - 5 years Baht	Total Baht	Book value Baht
<b>Maturity of financial liabilities As at 31 December 2021</b>				
Trade and other payables	29,294,642	-	29,294,642	29,294,642
Long-term borrowings from a financial institution	9,162,587	16,783,756	25,946,343	24,015,390
Lease liabilities	578,688	1,543,168	2,121,856	1,875,033
	Within 1 year Baht	1 - 5 years Baht	Total Baht	Book value Baht
<b>Maturity of financial liabilities As at 31 December 2020</b>				
Bank overdrafts from a financial institution	2,040,794	-	2,040,794	2,040,794
Trade and other payables	38,354,488	-	38,354,488	38,354,488
Long-term borrowings from a financial institution	15,727,683	25,951,099	41,678,782	38,247,990
Lease liabilities	3,974,882	2,121,856	6,096,738	5,611,472

## 6.2 Capital management

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

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

## 7 Fair value

Fair value is categorised into hierarchy based on inputs used as follows:

- Level 1: The fair value of the asset or liability is based on the quoted prices in active markets for identical assets or liabilities.
- Level 2: The fair value of the asset or liability is determined using significant observable inputs and, as little as possible, entity-specific estimates.
- Level 3: The fair value of the asset or liability is not based on observable market data.

The fair value of the Company's financial assets and liabilities are approximately to the carrying values due to most of them are short-term financial instruments, except long-term borrowing from a financial institution which is disclosed in Note 20.2.

## 8 Critical accounting estimates and judgements

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

### a) Defined retirement benefit obligations

The present value of the retirement benefit obligations depends on a number of assumptions. Key assumptions used and impacts from possible changes in key assumptions are disclosed in Note 22.

### b) Impairment of financial assets

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

## 9 Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as executive committee.

The company operation comprises only one business which is manufacturing and selling of o-ring rubber and rubber parts in Thailand. Therefore, chief operating decision-maker has identified a reportable segment which is manufacturing and selling of o-ring rubber and rubber parts. Therefore, revenue from sales, cost of sales, gross profit, net profit for the period and total assets of operating segment have been presented in the format as same as the financial statements.

Revenue is recognised when the Company satisfies a performance obligation by transferring goods and services to customers as this is the point in time.

The Company has revenue from 3 customers which contributed over 10% of the Company's total revenue which are totalling Baht 67.63 million (2020 : sales to these 2 customers are totalling Baht 43.64 million).

## 10 Cash and cash equivalents

	2021 Baht	2020 Baht
Cash on hand	22,343	7,476
Deposits at financial institutions - current accounts	1,169,275	11,359
- savings accounts	110,231,054	4,228,495
Total cash and cash equivalents	111,422,672	4,247,330

As at 31 December 2021, deposits at financial institutions in savings accounts are in Thai Baht with interest at the rate at 0.050% - 0.125% per annum (2020: 0.050% - 0.125% per annum).

## 11 Trade and other receivables

	2021 Baht	2020 Baht
Trade receivables		
Trade receivables	39,789,160	43,343,362
Advance dated cheque	469,189	949,879
Total trade receivables	40,258,349	44,293,241
Other receivables - mold	553,512	272,083
Prepaid expenses	678,557	268,382
Other receivables	95,867	204,439
Total trade and other receivables	41,586,285	45,038,145

Aging of trade receivables can be analysed as follows:

	2021 Baht	2020 Baht
Current	28,604,462	33,535,935
Overdue up to 3 months	11,653,887	10,757,306
Total trade receivables	40,258,349	44,293,241



## 12 Financial assets and financial liabilities

As at 31 December 2021 and 2020, the Company's financial assets and financial liabilities which are measured at amortised cost are as follows:

	2021 Baht	2020 Baht
<b>Financial assets</b>		
Cash and cash equivalents	111,422,672	4,247,330
Trade and other receivables	40,907,728	44,769,763
<b>Financial liabilities</b>		
Bank overdrafts from a financial institution	-	2,040,794
Trade and other payables	29,294,642	38,354,488
Long-term borrowing from a financial institution	23,788,979	37,947,990
Lease liabilities	1,875,033	5,611,472

## 13 Inventories, net

	2021 Baht	2020 Baht
Raw material	3,153,152	2,923,121
Work in progress	2,408,296	4,490,302
Finished goods	9,270,906	3,787,164
Total	14,832,354	11,200,587
<u>Less</u> Allowance for net realisable value	(371,973)	(267,152)
Total inventories	14,460,381	10,933,435

During the years 2021 and 2020, amounts recognised as cost of sales in profit or loss are as follows:

	2021 Baht	2020 Baht
Inventories recognised as an expense	84,215,480	80,368,627
Write-down of inventories to net realisable value	104,821	121,046

## 14 Investment properties

Investment properties are 2 vacant lands in an amount of Baht 49,116,500. Currently, the company has not yet determined the use of lands. The fair value in the valuation report is Baht 109,290,000 (2020: Baht 94,720,000). The Company has pledged investment properties as security for long-term borrowing from a financial institution (Note 20.2). However, in January 2022, the Company has withdrawn investment properties as security for long-term borrowing since long-term borrowing are fully settled.



## 15 Property, plant and equipment, net

	Land Baht	Building and building improvement Baht	Machinery Baht	Mold Baht	Tools and equipment Baht	Furniture and office equipment Baht	Computer Baht	Vehicles Baht	Construction in progress Baht	Total Baht
<b>As at 1 January 2020</b>										
Cost	40,432,000	43,567,056	70,975,836	1,004,100	630,597	2,366,739	1,064,268	8,632,445	13,015,150	181,688,191
Less Accumulated depreciation	-	(11,707,651)	(26,639,614)	(375,015)	(380,371)	(1,982,127)	(886,197)	(7,086,449)	-	(49,057,423)
Net book amount	40,432,000	31,859,405	44,336,222	629,085	250,226	384,612	178,071	1,545,996	13,015,150	132,630,767
<b>For the year ended 31 December 2020</b>										
Opening net book amount	40,432,000	31,859,405	44,336,222	629,085	250,226	384,612	178,071	1,545,996	13,015,150	132,630,767
Addition	-	279,144	903,284	341,000	46,551	158,334	427,869	-	188,100	2,344,282
Disposal, net	-	-	(250,839)	-	-	-	-	-	-	(250,839)
Transfer in (out)	-	-	13,000,150	-	-	-	-	-	(13,000,150)	-
Transfer out to intangible assets (Note 17)	-	-	-	-	-	-	-	-	(15,000)	(15,000)
Depreciation charged	-	(2,247,008)	(4,202,549)	(230,985)	(96,253)	(228,240)	(232,250)	(725,250)	-	(7,962,535)
Closing net book amount	40,432,000	29,891,541	53,786,268	739,100	200,524	314,706	373,690	820,746	188,100	126,746,675
<b>As at 31 December 2020</b>										
Cost	40,432,000	43,846,200	84,575,270	1,345,100	677,148	2,525,073	1,492,137	8,632,445	188,100	183,713,473
Less Accumulated depreciation	-	(13,954,659)	(30,789,002)	(606,000)	(476,624)	(2,210,367)	(1,118,447)	(7,811,699)	-	(56,966,798)
Net book amount	40,432,000	29,891,541	53,786,268	739,100	200,524	314,706	373,690	820,746	188,100	126,746,675

	Land Baht	Building and improvement Baht	Machinery Baht	Mold Baht	Tools and equipment Baht	Furniture and office equipment Baht	Computer Baht	Vehicles Baht	Construction in progress Baht	Total Baht
<b>As at 1 January 2021</b>										
Cost	40,432,000	43,846,200	84,575,270	1,345,100	677,148	2,525,073	1,492,137	8,632,445	188,100	183,713,473
Less Accumulated depreciation	-	(13,954,659)	(30,789,002)	(606,000)	(476,624)	(2,210,367)	(1,118,447)	(7,811,699)	-	(56,966,798)
Net book amount	40,432,000	29,891,541	53,786,268	739,100	200,524	314,706	373,690	820,746	188,100	126,746,675
<b>For the year ended 31 December 2021</b>										
Opening net book amount	40,432,000	29,891,541	53,786,268	739,100	200,524	314,706	373,690	820,746	188,100	126,746,675
Addition	-	67,908	365,700	1,232,000	60,394	298,324	420,115	-	488,900	2,933,341
Disposal, net	-	-	-	-	-	-	-	(1)	-	(1)
Write-off, net	-	-	(104,354)	-	-	-	-	-	-	(104,354)
Transfer in (out)	-	-	-	-	627,000	-	-	-	(627,000)	-
Transfer from right-of-use assets, net (Note 16)	-	-	21,341,635	-	-	-	-	819,049	-	22,160,684
Depreciation charged	-	(2,262,796)	(5,036,159)	(432,136)	(207,608)	(202,337)	(184,687)	(970,013)	-	(9,295,736)
Closing net book amount	40,432,000	27,696,653	70,353,090	1,538,964	680,310	410,693	609,118	669,781	50,000	142,440,609
<b>As at 31 December 2021</b>										
Cost	40,432,000	43,914,108	112,876,832	2,577,100	1,364,542	2,823,397	1,912,252	8,422,005	50,000	214,372,236
Less Accumulated depreciation	-	(16,217,455)	(42,523,742)	(1,038,136)	(684,232)	(2,412,704)	(1,303,134)	(7,752,224)	-	(71,931,627)
Net book amount	40,432,000	27,696,653	70,353,090	1,538,964	680,310	410,693	609,118	669,781	50,000	142,440,609

As at 31 December 2021 and 2020, the Company has pledged partial land, buildings and machines as security for credit facilities of bank overdrafts and long-term borrowings from a financial institution (Note 20.1 and 20.2).

# 16 Right-of-use assets, net

As at 31 December, right-of-use assets consist of:

	2021 Baht	2020 Baht
Machinery	-	22,283,178
Vehicles	2,484,529	3,993,200
Total	2,484,529	26,276,378

The movement of right-of-use assets, net for the year ended 31 December is as follows:

	2021 Baht	2020 Baht
Opening net book amount	26,276,378	24,909,010
Addition	-	3,450,000
Transfer to property, plant and equipment (Note 15)	(22,160,684)	-
Depreciation charged	(1,631,165)	(2,082,632)
Closing net book amount	2,484,529	26,276,378

For the year ended 31 December, amounts charged to profit or loss and cash flows relating to leases are as follows:

	2021 Baht	2020 Baht
Depreciation charge of right-of-use assets:		
Machinery	941,543	1,418,126
Vehicles	689,622	664,506
	1,631,165	2,082,632
Interest expense relating to lease liabilities	238,443	508,184
Expense relating to leases of low-value assets	16,800	1,400
Total cash outflow for leases	3,991,682	5,607,373



## 17 Intangible assets, net

	Computer software Baht	Computer software under installation Baht	Total Baht
<b>As at 1 January 2020</b>			
Cost	3,049,445	-	3,049,445
<u>Less</u> Accumulated amortisation	(555,946)	-	(555,946)
Net book amount	2,493,499	-	2,493,499
<b>For the year ended 31 December 2020</b>			
Opening net book amount	2,493,499	-	2,493,499
Addition	172,750	166,000	338,750
Transfer from property, plant and equipment, net (Note 15)	15,000	-	15,000
Amortisation charged	(321,300)	-	(321,300)
Closing net book amount	2,359,949	166,000	2,525,949
<b>As at 31 December 2020</b>			
Cost	3,237,195	166,000	3,403,195
<u>Less</u> Accumulated amortisation	(877,246)	-	(877,246)
Net book amount	2,359,949	166,000	2,525,949
<b>As at 1 January 2021</b>			
Cost	3,237,195	166,000	3,403,195
<u>Less</u> Accumulated amortisation	(877,246)	-	(877,246)
Net book amount	2,359,949	166,000	2,525,949
<b>For the year ended 31 December 2021</b>			
Opening net book amount	2,359,949	166,000	2,525,949
Addition	332,700	124,500	457,200
Amortisation charged	(340,704)	-	(340,704)
Closing net book amount	2,351,945	290,500	2,642,445
<b>As at 31 December 2021</b>			
Cost	3,569,895	290,500	3,860,395
<u>Less</u> Accumulated amortisation	(1,217,950)	-	(1,217,950)
Net book amount	2,351,945	290,500	2,642,445

Amortisation recognised in profit and loss that are related to intangible asset is as follows:

	2021 Baht	2020 Baht
Administrative expense	340,704	321,300

## 18 Deferred income taxes

The analysis of deferred tax assets and deferred tax liabilities is as follows:

	2021 Baht	2020 Baht
Deferred tax assets	2,157,387	1,750,069
Deferred tax liabilities	(527,470)	(694,830)
<b>Deferred income tax, net</b>	<b>1,629,917</b>	<b>1,055,239</b>

The movement in deferred tax assets and deferred tax liabilities is as follows:

	Employee benefit obligations Baht	Allowance for net realisable value Baht	Lease liabilities Baht	Total Baht
<b>Deferred tax assets</b>				
As at 1 January 2021	1,234,427	53,431	462,211	1,750,069
Charged to other comprehensive income	417,070	-	-	417,070
Charged (credited) to profit or loss (Note 28)	149,766	20,964	(180,482)	(9,752)
<b>As at 31 December 2021</b>	<b>1,801,263</b>	<b>74,395</b>	<b>281,729</b>	<b>2,157,387</b>
As at 1 January 2020	1,088,849	29,221	-	1,118,070
Charged to profit or loss (Note 28)	145,578	24,210	462,211	631,999
<b>As at 31 December 2020</b>	<b>1,234,427</b>	<b>53,431</b>	<b>462,211</b>	<b>1,750,069</b>

	Right of use assets Baht	Deferred transaction cost from borrowings Baht	Total Baht
<b>Deferred tax liabilities</b>			
As at 1 January 2021	(634,830)	(60,000)	(694,830)
Charged to profit or loss (Note 28)	137,924	29,436	167,360
<b>As at 31 December 2021</b>	<b>(496,906)</b>	<b>(30,564)</b>	<b>(527,470)</b>
As at 1 January 2020	-	-	-
Credited to profit or loss (Note 28)	(634,830)	(60,000)	(694,830)
<b>As at 31 December 2020</b>	<b>(634,830)</b>	<b>(60,000)</b>	<b>(694,830)</b>

## 19 Trade and other payables

	2021 Baht	2020 Baht
Trade payables	18,999,668	20,773,729
Post-dated cheques	1,733,333	5,893,333
<b>Total trade payables</b>	<b>20,733,001</b>	<b>26,667,062</b>
Accrued expenses	3,357,422	8,249,073
Accrued interest expenses	26,806	19,720
Account payables - fixed assets	260,545	223,844
Other payables	4,916,868	3,194,789
<b>Total trade and other payables</b>	<b>29,294,642</b>	<b>38,354,488</b>

## 20 Borrowings

### 20.1 Bank overdrafts from a financial institution

	2021 Baht	2020 Baht
Bank overdrafts	-	2,040,794
Total short-term borrowings from a financial institution	-	2,040,794

The movement of bank overdrafts for the year ended 31 December is as follows:

	2021 Baht	2020 Baht
Carrying amount as at 1 January	2,040,794	-
Addition during the year	-	2,040,794
Repayment during the year	(2,040,794)	-
Carrying amount as at 31 December	-	2,040,794

	Credit limit		Interest rate		2021 Baht	2020 Baht
	2021 million Baht	2020 million Baht	2021 % (per annum)	2020 % (per annum)		
Bank overdrafts	15	15	MRR	MRR	-	2,040,794
					-	2,040,794

Short-term borrowing is secured by partial land and buildings (Note 15).

### 20.2 Long-term borrowings from a financial institution

Long-term borrowings from a financial institution are as follows:

	2021 Baht	2020 Baht
Within 1 year	8,127,529	14,237,022
Later than 1 year but not over 5 years	15,887,861	24,010,968
	24,015,390	38,247,990
<u>Less</u> Deferred transaction costs	(226,411)	(300,000)
Total long-term borrowings from a financial institution	23,788,979	37,947,990
Fair value	24,008,098	38,239,106
	2021 Baht	2020 Baht
Total long-term borrowings from a financial institution	23,788,979	37,947,990
<u>Less</u> Current portion of long-term borrowings from a financial institution	(8,053,940)	(14,163,433)
Long-term borrowings from a financial institution	15,735,039	23,784,557



The movement of long-term borrowings from a financial institution is as follows:

	2021 Baht	2020 Baht
Carrying amount as at 1 January	37,947,990	20,592,721
Addition during the period	-	34,000,000
Repayment during the period	(14,232,600)	(16,344,731)
Deferred transaction costs	73,589	(300,000)
Carrying amount as at 31 December	23,788,979	37,947,990

Effective interest rates of long-term borrowings from a financial institution are 2.007% - 5.250% (2020 : 2.001% - 7.011%).

Fair value of long-term borrowings from a financial institution is calculated from discounted future cash flows, discount rate is at 2.000% - 5.250% (2020 : 2.000% - 5.750%) and is in the 2 level of the fair value hierarchy.

Long-term borrowings from a financial institution is in Thai Baht as follows:

No.	Credit facilities (million Baht)	Outstanding balance as at 31 December 2021 (Baht)	undrawn credit facilities (million Baht)	Interest rate per annum (%)	Principle and interest repayment term	Repayment period	Monthly installment	Maturity date
1	4	888,889	-	2	Monthly	24	Base on repayment schedule	30 April 2022
2	30	23,126,501	-	MLR	Monthly	49	690,000	28 January 2025
Total		24,015,390						

No.	Credit facilities (million Baht)	Outstanding balance as at 31 December 2020 (Baht)	undrawn credit facilities (million Baht)	Interest rate per annum (%)	Principle and interest repayment term	Repayment period	Monthly installment	Maturity date
1	15	1,696,756	-	MLR	Monthly	62	380,000	9 May 2021
2	15	1,694,289	-	MRR	Monthly	62	390,000	22 May 2021
3	10	1,301,389	-	MRR	Monthly	50	320,000	30 May 2021
4	4	3,555,556	-	2	Monthly	24	Base on repayment schedule	30 April 2022
5	30	30,000,000	-	MLR	Monthly	49	690,000	28 January 2025
Total		38,247,990						

The company's long-term borrowing is secured by investment properties and partial property, plant, and equipment (Notes 14 and 15).

#### Interest rate risk related to long-term borrowings from a financial institution

Interest rate risk related to long-term borrowings from a financial institution are as follows:

	2021 Baht	2020 Baht
Long-term borrowings from a financial institution - floating interest rates	23,126,501	34,692,434
Total long-term borrowings from a financial institution	23,126,501	34,692,434

### 20.3 Lease liabilities, net

Minimum lease liabilities payments are as follows:

	2021 Baht	2020 Baht
Not later than one year	578,688	3,974,882
Later than 1 year but not later than 5 years	1,543,168	2,121,856
	2,121,856	6,096,738
<u>Less</u> Future finance charges on leases	(246,823)	(485,266)
Net present value of lease liabilities	1,875,033	5,611,472

Lease liabilities excluded future finance charge are as follows:

	2021 Baht	2020 Baht
Lease liabilities	1,875,033	5,611,472
<u>Less</u> Current portion of lease liabilities	(466,383)	(3,736,439)
Lease liabilities, net	1,408,650	1,875,033

### 21 Reconciliation of liabilities arising from financing activities

	1 January 2021 Baht	Cash flows received (paid), net Baht	Change in non-cash transactions Baht	31 December 2021 Baht
Bank overdrafts from a financial institution	2,040,794	(2,040,794)	-	-
Long-term borrowings from a financial institution	37,947,990	(14,232,600)	73,589	23,788,979
Lease liabilities	5,611,472	(3,974,882)	238,443	1,875,033
	1 January 2020 Baht	Cash flows received (paid), net Baht	Change in non-cash transactions Baht	31 December 2020 Baht
Bank overdrafts from a financial institution	-	2,040,794	-	2,040,794
Long-term borrowings from a financial institution	20,592,721	17,355,269	-	37,947,990
Lease liabilities	8,259,261	(5,605,973)	2,958,184	5,611,472

### 22 Employee benefit obligations

	2021 Baht	2020 Baht
<b>Statement of financial position:</b>		
Retirement benefits	9,006,313	6,172,134
Liability in the statement of financial position	9,006,313	6,172,134
<b>Profit or loss charge included in operating profit for:</b>		
Retirement benefits	748,830	727,892
<b>Statement of comprehensive income:</b>		
Remeasurement for:		
Retirement benefits	2,085,349	-



The movement in the defined benefit obligation for the years is as follows:

	2021 Baht	2020 Baht
As at 1 January	6,172,134	5,444,242
Current service cost	659,395	649,496
Interest expense	89,435	78,396
	748,830	727,892
Remeasurements:		
Loss from change in financial assumptions	26,782	-
Loss from change in demographic assumptions	7,462	-
Experience loss	2,051,105	-
	2,085,349	-
As at 31 December	9,006,313	6,172,134

The significant actuarial assumptions used are as follows:

	2021	2020
Discount rate	1.13%	1.44%
Salary growth rate	2.50% - 6.00%	2.50% - 6.00%
Employee turnover rate	0.00% - 36.00%	0.00% - 33.00%

Sensitivity analysis for each significant assumption used is as follows:

	Change in assumption		Impact on defined benefit obligation			
			Increase in assumption		Decrease in assumption	
	2021	2020	2021 Baht	2020 Baht	2021 Baht	2020 Baht
Discount rate	0.5%	0.5%	Decrease 234,738	Decrease 385,060	Increase 244,012	Increase 420,491
Salary growth rate	0.5%	0.5%	Increase 198,808	Increase 236,064	Decrease 193,579	Decrease 227,071
Employee turnover rate	10%	10%	Decrease 116,913	Decrease 189,303	Increase 131,153	Increase 207,567

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method has been applied as when calculating the retirement benefits recognised within the statement of financial position by using Projected Unit Credit method.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compare to the prior year.

The weighted average duration of the defined benefit obligation is 6.96 years (2020: 9.04 years).

## 23 Share capital

	Number of shares Shares	Ordinary shares Baht	Premium on ordinary shares Baht	Total Baht
As at 1 January 2020	777,175	77,717,500	57,714,853	135,432,353
Issue of ordinary shares	-	-	-	-
As at 31 December 2020	777,175	77,717,500	57,714,853	135,432,353
Change of par value during the year	155,435,000	77,717,500	57,714,853	135,432,353
Issue of ordinary shares	54,565,000	27,282,500	98,217,000	125,499,500
Transaction costs related to share issuance, net of tax	-	-	(6,046,210)	(6,046,210)
As at 31 December 2021	210,000,000	105,000,000	149,885,643	254,885,643

The total number of authorised ordinary shares is 210,000,000 shares (2020: 777,175 shares) with a par value of Baht 0.50 per share (2020: Baht 100 per shares). All issued shares are fully paid.

On 11 May 2021, the Extraordinary shareholders' meeting no 1/2021 has resolved the following significant transactions:

- 1) To change par value from Baht 100 to Baht 0.50 each, which resulted in change in number of shares from 777,175 shares to 155,435,000 shares.
- 2) To increase authorised share capital for Baht 27,282,500 from Baht 77,717,500 to Baht 105,000,000 by issuing ordinary shares 54,565,000 shares at par value of Baht 0.50 each for initial public offering.

The Company registered the change of par value and the increase of share capital with the Ministry of Commerce on 19 May 2021.

In November 2021, the Company made an initial public offering of 54,565,000 ordinary shares with a par value of Baht 0.50 per share, offering the price of Baht 2.30 per share, totalling Baht 125,499,500. The Company registered the increased shares capital with the Ministry of Commerce on 30 November 2021. Transaction costs related to share issuance net of tax at the amount of Baht 6,046,210 was deducted in premium on ordinary shares. The Company's ordinary shares has started trading in the Stock Exchange of Thailand since 2 December 2021.

## 24 Legal reserve

	2021 Baht	2020 Baht
As at 1 January	7,771,750	1,200,000
Appropriation during the year	1,210,000	6,571,750
As at 31 December	8,981,750	7,771,750

Under the Public Limited Company Act., B.E. 2535, the Company is required to set aside as a legal reserve at least 5% of its net profit after accumulated deficit brought forward (if any) until the reserve is not less than 10% of the registered capital. The legal reserve is non-distributable.

## 25 Dividends

On 14 August 2020, the Board of Directors' meeting no.4/2020 approved interim dividend payment from retained earnings as of 30 June 2020. The dividend payment for 777,175 shares was Baht 12.85 per share, totalling Baht 9.99 million. The Company fully paid dividends on 21 August 2020 and appropriated retained earnings as a legal reserve amounting to Baht 3.70 million.

On 1 December 2020, the Board of Directors' meeting no.6/2020 approved interim dividend payment from retained earnings as of 30 September 2020. The dividend payment for 777,175 shares was Baht 51.47 per share, totalling Baht 40 million. The Company paid dividends amounting to Baht 33.66 million on 30 December 2020 and paid for remaining amount Baht 6.34 million on 5 January 2021. The Company appropriated retained earnings as a legal reserve amounting to Baht 2.87 million.

On 29 October 2021, the Board of Directors' meeting no.3/2021 approved interim dividend payment from retained earnings as of 30 June 2021. The dividend payment for 155,435,000 shares was Baht 0.10 per share, totalling Baht 15.54 million. The Company fully paid dividends on 1 November 2021. Appropriated retained earnings as a legal reserve amounting to Baht 1.21 million was provided.

## 26 Expense by nature

	2021 Baht	2020 Baht
Change in inventories of finished goods and work in process	(2,208,646)	2,708,284
Raw materials and consumables used	62,694,084	55,239,302
Employee benefit expenses	47,113,145	41,005,140
Utility expenses	8,827,051	7,912,753
Depreciation and amortisation	10,926,900	10,045,166
Other expenses	18,914,579	15,032,748

## 27 Finance costs

	2021 Baht	2020 Baht
Interest expenses - Borrowings from a financial institution	1,646,158	783,320
- Leases	238,443	508,184
Total	1,884,601	1,291,504



## 28 Income tax expense

	2021 Baht	2020 Baht
Current tax on profits for the year	6,425,324	5,162,183
Deferred income tax (Note 18)	(157,608)	62,831
Income tax expense	6,267,716	5,225,014

The tax on the Company's profit before tax differs from the theoretical amount that would arise using the basic tax rate of the home country of the Company as follows:

	2021 Baht	2020 Baht
Profit before income tax	30,420,115	26,423,607
Tax calculated at a tax rate of (%)	20	20
Multiply amount by profit and tax rate	6,084,023	5,284,721
Tax effect of:		
Expenses not deductible for tax purpose	205,268	380,006
Double expenses deductible for tax purpose	(21,575)	(439,713)
	6,267,716	5,225,014

	2021 Baht
Income tax recognised directly in equity	
Transaction costs related to share issuance	1,280,547
	1,280,547

The weighted average effective tax rate is 20.60% (2020: 19.77%).

## 29 Earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares in issue during the period.

	2021	2020
Net profit attributable to ordinary shareholders equity holders of the Company (Baht)	24,152,399	21,198,593
Weighted average number of ordinary shares (shares)	160,218,781	155,435,000
Basic earnings per share (Baht per shares)	0.15	0.14

According to Note 23, Share capital, the Company has changed par value from Baht 100 to Baht 0.50 each. The Company then adjusted the weighted average number of ordinary shares for the year ended 31 December 2020 as if the situation has occurred since the prior year. The earnings per share is then adjusted, accordingly.

### 30 Related party transactions

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

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

The major shareholders of the company are TRW Holding Co., Ltd. (Former name: TRW Polymer Co., Ltd.) holding 38.48% (2020: 51.98%) of the Company's shares, the "Nawamongkhonchaikit" family holding 19.18% (2020: 32.17%) of the company's shares and Private Equity Trust for SME Growing Together2 holding 11.73% (2020: 15.85%) of the company's shares.

#### Transaction with a related party

Name	Type	Nature of relationship
TRW Holding Co., Ltd.	Holding company	Same parent company and board of director

#### Key management compensation

Key management included director and top management. Key management compensation or accrued expense is as follows:

	2021 Baht	2020 Baht
Salaries and other short-term employee benefits	18,183,186	13,684,028
Post-employment benefits	564,980	548,714
Total	18,748,166	14,232,742

### 31 Commitments and significant contracts

#### 31.1) Capital expenditure commitments




As at 31 December 2021, the company has total amount of capital expenditure for installation of computer software accounts for Baht 124,500 (2020 : purchase of factory equipment for Baht 687,900), which has been contracted but not recognised as liabilities in the financial statements.


## Part 4: Certification of Information

### 11. Certification of Information

The company has deliberately reviewed the information in this year's annual report. The company hereby certifies that the information is correct, complete, does not mislead others not lack of any essential information. In addition, the company certifies that

- (1) Financial statement and financial information summarized in the annual report display accurate and complete information regarding the importance of financial status, performance and the company's cash flow.
- (2) The company has established an effective system for the disclosure of information to ensure that the company completely and accurately discloses the company's essential information, including monitoring the system implementation.
- (3) The company has arranged a good internal control system and monitors the system implementation. The company has reported the most recent internal control system assessment to the company's auditor and the Audit Committee which covers the defects and critical changes in the internal control system as well as any misconduct that may affect the company's financial report. In this regard, to prove that all documents are the documents approved by the company, the company has assigned Mr. Prasert Ruengleardsatitkul to sign this document on every page. If any documents lack Mr. Prasert's signature, the company will consider it as information that is not approved by the company.

First name-Surname	Position	Signature
1. Mr. Theerawut Nawamongkhonchaikit	Director and Chief Executive Officer	
2. Mrs. Supak Nawamongkhonchaikit	Director and Deputy Chief Executive Officer	
3. Mr. Prasert Ruengleardsatitkul	Director and Senior Chief Operation Officer	

	First name-Surname	Position	Signature
Assignee	1. Mr. Prasert Ruengleardsatitkul	Director and Senior Chief Operation Officer	

## Attachment 1

Details of directors, executives, controlling persons, the person assigned to take the highest responsibility in accounting and finance, the person assigned to take direct responsibility for accounting supervision and the company's secretary

## 1 Information of Directors, Management and Company Secretary

## 1.1. Details of directors, management and controlling authorized person and secretary

Name- Surname/Position	Age [years]	Educational qualifications / Training record	Sharehol ding ratio in the company	Relations with other directors and managements	Work experience in past 5 years			
					Period	Position	Company/Department	Business Type
1. Mr. Paiboon Julasaksrisakul  Chairman of Board/ Independent director/ Audit Committee/ Chairman of Risk Management Committee  Date of Appointment November 12, 2019	39	Education:  Master's Degree in International Economics University of East Anglia, United Kingdom  Bachelor's Degree in International Business Management Mahidol University  Training History: Director Certification Program (DCP) of the	None	None	2019-Present  2019-Present  2018-Present  2012-Present  2012-Present	Chairman  Independent Director  Vice-Chairman  Directors  Directors  Directors	T.R.V. Rubber Products Public Company Limited  Kay Hian UOB Securities Company Securities (Thailand ) Public Company Limited  Sigma Plastics Asia Co., Ltd.  King Corporation Co.,Ltd  King Telecom Co.,Ltd	Manufacture and distribution of molded rubber parts  Financial advisors and securities firms  Manufacture and sale of pallet wrapping films Manufacture and sale of plastic bags Telecom

Name- Surname/Position	Age [years]	Educational qualifications / Training record	Sharehol ding ratio in the company	Relations with other directors and managements	Work experience in past 5 years			
					Period	Position	Company/Department	Business Type
		Thai Institute of Directors Association: IOD version 219/2016			2011-Present	Vice-Chairman	Beyond Packaging	Manufacture and sale of plastic bags
					2011-Present	Vice-Chairman	King Energy and Waste Solutions	Manufacture and sale of plastic bags
					2008-Present	Vice-Chairman	King Pac Industrial	Manufacture and sale of plastic bags
					2013-Present	Directors	Eximex (Thailand)	Manufacture and sale of plastic bags
					2008-Present	Directors	King Bag	Manufacture and sale of plastic bags
2. Mr. Weerasil Sattayapakdeewong	39	Education Master's Degree in Accounting, Chulalongkorn University Bachelor 's degree of Business Administration in Accounting, Ramkhamhaeng University	0.047	None	2019-Present	Directors	T.R.V. Rubber Products Public Company Limited	Manufacture and distribution of molded rubber parts
Independent director/ Chairman of Audit Committee/ Nomination and Remuneration Committee					2019-Present	Directors	TumTanKun Co., Ltd.	Consultant
					2012-2018	Accountant Department Manager	Energy Absolute Public Company Limited	Manufacture and sale of pure biodiesel and glycerin oils



Name- Surname/Position	Age [years]	Educational qualifications / Training record	Sharehol ding ratio in the company	Relations with other directors and managements	Work experience in past 5 years			
					Period	Position	Company/Department	Business Type
Date of Appointment November 12, 2019		Training History: The Strategic CFO in Capital Markets course was organized by the Stock Exchange of Thailand. Director Accreditation Program ( DAP ) Version169/2020 Thai Institute of Directors Association Advanced Audit Programme (ACP) version 38/2020 Thai Institute of Directors Association						
3. Miss Srirat Chuchottaworn	52	Education: Master's Degree in Business Information Technology,	None	None	2019-Present	Directors	T.R.V. Rubber Products Public Company Limited	Manufacture and distribution of molded rubber parts

Name- Surname/Position	Age [years]	Educational qualifications / Training record	Sharehol ding ratio in the company	Relations with other directors and managements	Work experience in past 5 years			
					Period	Position	Company/Department	Business Type
Independent director/ Audit Committee/ Chairman of Nomination and Remuneration Committee  Date of Appointment November 12, 2019		Chulalongkorn University Bachelor's Degree in Computer Engineering, King Mongkut Institute of Technology, Lat Krabang SAP Certified consultant Program (FI/CO)  Training History: Director Certification Program (DCP) of the Institute Promotion Association, Board of Directors of Thai Company No. 219/2016 Advanced Audit Committee Program (AACP) Thai Institute of			2018-Present	Directors	Cancer Alliance Co., Ltd	Cancer Specialist Hospital
					2017-Present	Directors	Mix Easy (Thailand) Co., Ltd.	Brokers, buying, selling, building materials
					2016-Present	Directors	Infofabrica (Thailand) Co., Ltd	Computer system consulting
					2015-Present	Independent director	Business Alignment Co.,Ltd.	Sale of medical equipment
					2013-Present	Directors	Bestline Technology Consultants Co., Ltd.	IT Systems Consultant
					2012-Present	Directors	IT Asss Thailand Co., Ltd	IT Systems Consultant
					2010- Present	Directors	IHR Consulting Co., Ltd	IT Systems Consultant
					2011-Present	Directors	Icoach Co.,Ltd	IT Systems Consultant
					2011-Present	Directors	Code IT Consulting Co., Ltd.	IT Systems Consultant
					2011-Present	Directors	ITS-Trade Ship Co., Ltd	IT Systems Consultant

Name- Surname/Position	Age [years]	Educational qualifications / Training record	Sharehol ding ratio in the company	Relations with other directors and managements	Work experience in past 5 years			
					Period	Position	Company/Department	Business Type
		Directors Association 24/2559			2006-present	Directors	ECM Consulting Co., Ltd	IT Systems Consultant
					2004-present	Directors	I AM Consulting Co., Ltd.	IT Systems Consultant
4 . Mr. Theerawut Nawamongkhonchai kit  Directors/ Risk Management Committee/ Chairman of Executive Committee/ Chief Executive Officer:  Date of Appointment February11, 2005	51	Education  Middle School Year 3  Training History Director Accreditation Program (DAP) of the Institute Promotion Association, Board of Directors of Thai Company No. 167/2562	9.524	-Husband of Mrs. Supak Nawamongkh onchaikit	2019-Present	Chief Executive Officer:	T.R.V. Rubber Products Public Company Limited	Manufacture and distribution of molded rubber parts
					2005-2019	Managing Director		
					2018-Present	Directors	TRW Holding Co.,Ltd	Shareholdings in other companies

Name- Surname/Position	Age [years]	Educational qualifications / Training record	Sharehol ding ratio in the company	Relations with other directors and managements	Work experience in past 5 years			
					Period	Position	Company/Department	Business Type
5. Mrs. Supak Nawamongkhonchai kit  Directors Executive Committee/ Deputy Chief Executive Officer  Date of Appointment February 11, 2005	49	Education:  Vocational education Bangkok College of Accounting  Training History: Director Accreditation Program (DAP) of the Institute Promotion Association, Board of Directors: IOD No. 167/2562	4.762	Wife of Mr. Theerawut Nawamongkh onchaikit	2019-Present  2005-2019  2018-Present	Deputy Chief Executive Officer  Deputy of Managing Director  Directors	T.R.V. Rubber Products Public Company Limited   TRW Holding Co., Ltd	Manufacture and distribution of molded rubber parts    Shareholdings in other companies
6. Mr. Akaphan Amatyakul  Directors  Date of Appointment April 17, 2019	41	Education:  Master of Business Administration, University of Technology, Australia  Bachelor of Business Administration,	None	None	2019-Present  2019-Present  2014-2018  2020-Present	Directors  Executive Director  Directors  Directors	T.R.V. Rubber Products Public Company Limited  Siam Alpha Equity Co.,Ltd.  Primestreet Advisery (Thailand) Co., Ltd.  New Step Asia Co.,Ltd.	Manufacture and distribution of molded rubber parts Investment  Financial Advisor  Wholesale of goods

Name- Surname/Position	Age [years]	Educational qualifications / Training record	Sharehol ding ratio in the company	Relations with other directors and managements	Work experience in past 5 years			
					Period	Position	Company/Department	Business Type
		International Course, Assumption University  Training History: Courses/ Diplomas Director Accreditation Program (DAP) of the Institute Promotion Association, Board of Directors: IOD No. 167/2562			2020-Present	Directors	Appman Co.,Ltd.	Merchandising Service and services through the internet network
					2019-Present	Directors	Cubic Foods & Catering Co.,Ltd.	Manufacture and sale of sweets and Thai pastries
					2019-Present	Directors	Worakulchai Innovations Co.,Ltd.	Manufacture of machinery
					2020-Present	Directors	Aventure Capital Co.,Ltd.	Financial Advisor
7. Mr.Prasert Ruengleardsatitkul  Directors/ Nomination and Remuneration Committee / Risk Management Committee	48	Education: Bachelor's degree Department of Engineering, Thammasat University  Training History: Courses/ Diplomas	0.042	Brother of Mrs. Supak Nawamongkh onchaikit	2021-Present  2014-2021	Senior Chief Operation Officer General Manager	T.R.V. Rubber Products Public Company Limited	Manufacture and distribution of molded rubber parts

Name- Surname/Position	Age [years]	Educational qualifications / Training record	Sharehol ding ratio in the company	Relations with other directors and managements	Work experience in past 5 years			
					Period	Position	Company/Department	Business Type
Executive Committee/ Senior Chief Operation Officer  Date of Appointment November 12, 2019		Director Accreditation Program (DAP) of the Institute Promotion Association, Board of Directors: IOD No. 167/2562						
8. Mrs. Sudarat Sutham  Executive Committee/ Chief Financial Officer  Date of Appointment January 1, 2019	44	Education: Bachelor's Degree in Accounting, Srinakharinwirot University (Prasarnmit)  Training History: Courses/ Diplomas CFO Orientation Course for new IPOs 4th Generation Course Update Tax Law 2020 and tax benefits	None	None	2019-Present  2017-2018  2015-2017  2012-2014	Chief Financial Officer  Accounting Manager  Accountant  Account Costing	T.R.V. Rubber Products Public Company Limited   Information Highway Co., Ltd.  ALT Telecom Public Company Limited	Manufacture and distribution of molded rubber parts   Transport infrastructure rental (Joint Venture)  Sale of fiber optic cables, radio frequency cables, equipment and software



Name- Surname/Position	Age [years]	Educational qualifications / Training record	Sharehol ding ratio in the company	Relations with other directors and managements	Work experience in past 5 years			
					Period	Position	Company/Department	Business Type
		that the auditor needs to know						
9. Miss Thanatnan Ruanglertsatitkul  Finance Manager  Date of Appointment February 25, 2019	51	Education: Bachelor's Degree in Business Administration, Dhurakij Pundit University  Training History: Courses/ Diplomas	None	Sister of Mrs. Supak Nawamongkhonchaikit	2019-Present  2013-2019	Financial Manager  Managerial Staff	T.R.V. Rubber Products Public Company Limited	Manufacture and distribution of molded rubber parts
10. Miss Sasicha Sripetch  Company Secretary/ Executive Committee/ Quality Management Representative/	48	Education: Bachelor's Degree in Engineering Rajamangala University of Technology  Training History: Courses/ Diplomas	None	None	2020-Present  2019-Present  2018-Present	Environment Management Representative Company Secretary/ Quality Management Representative and Quality	T.R.V. Rubber Products Public Company Limited	Manufacture and distribution of molded rubber parts

Name- Surname/Position	Age [years]	Educational qualifications / Training record	Sharehol ding ratio in the company	Relations with other directors and managements	Work experience in past 5 years			
					Period	Position	Company/Department	Business Type
Environment Management Representative/ Quality Manager  Date of Appointment April 2, 2018		Company Secretary Program			2004-2017	Control Manager Quality Control Manager	ARRK Corporation (Thailand) Co., Ltd.	Design and manufacture of automotive components
11. Mr. Makoto Futami  Executive Committee/ Sales & Marketing Manager  Date of Appointment March 26,2020	67	Education: Foundation degree, National Institute of Technology, Tsuyama Collage  Training History: Courses/ Diplomas -	None	None	2020 -Present  1978-2019	Sales & Marketing Manager  Manager	T.R.V. Rubber Products Public Company Limited  Mitsubishi Electric Co.,Ltd.	Manufacture and distribution of molded rubber parts  Manufacture and distribution of electrical appliances
12. Miss Phromphon Pimpson	35	Education: Master's degree in Polymer Technology	0.009	None	2020-Present	Assistant Sales & Marketing	T.R.V. Rubber Products Public Company Limited	Manufacture and distribution of molded rubber parts

Name- Surname/Position	Age [years]	Educational qualifications / Training record	Sharehol ding ratio in the company	Relations with other directors and managements	Work experience in past 5 years			
					Period	Position	Company/Department	Business Type
Executive Committee/ Sales & Marketing Assistant Manager  Date of Appointment August 10, 2021		King Mongkut's Institute of Technology Ladkrabang Bachelor's degree in Industrial Chemistry in Polymer Technology King Mongkut's Institute of Technology Ladkrabang  Training History: Courses/ Diplomas			2019-2020  2013-2018	New Model Manager  Assistant Manager New Model		
13. Miss Rattanaporn Kongkum  Accounting Manager  Date of Appointment August 26, 2021	28	Education: Bachelor's Degree in Accounting, Southeast Asia University  Training History: Courses/ Diplomas	None	None	2021-Present  2020-2021  2018-2020	Accounting Manager Accounting Supervisor  Accounting Officer	T.R.V. Rubber Products Public Company Limited  Ingnaatee Co.,Ltd.	Manufacture and distribution of molded rubber parts  Restaurant

Name- Surname/Position	Age [years]	Educational qualifications / Training record	Sharehol ding ratio in the company	Relations with other directors and managements	Work experience in past 5 years			
					Period	Position	Company/Department	Business Type
		Continuing Knowledge Development Course in Accounting Professionals (CBD) Program			2017 -2018	Accounting Officer	J.S.P. Property Public Company Limited	Real estate
					2014-2017	Accounting Officer	TGIF Corporation Co.,Ltd.	Food & Beverage
14. Miss Waraporn Pianprasertkool Administration Manager  Date of Appointment October 7, 2021	32	Education:  Bachelor's Degree in Occupational Health and Safety, Khon Kaen University  Training History: Courses/ Diplomas	0.002	None	2021–present	Administration Manager	T.R.V. Rubber Products Public Company Limited	Manufacture and distribution of molded rubber parts
					2020-2021	Safety Senior Supervisor		
					2013-2019	Senior Supervisor of Safety and Environment Department	Moriroku Technology (Thailand) Co.,Ltd.	Manufacture of automotive components

**Attachment 2**
**Details of the Heads of the Internal Audit**

Topics	Details
Internal Audit	P & L Internal Audit Company Limited
Head of Internal Audit	Miss Monpat Poomrattanacharin as Vice President
Age	46 years old
Certificates	<ul style="list-style-type: none"> <li>- Certified Professional Internal Audit of Thailand (CPIAT)</li> <li>- Internal Auditing Certificate Program (IACP) from the Federation of Accounting Professions</li> <li>- CAC SME Independent Auditor Certification</li> <li>- ICDL Data Protection Certification from the Digital Skills Development and Testing Institute (DDTI)</li> </ul>
Education	<ul style="list-style-type: none"> <li>- Master's Degree in Master of Accounting Program, Management Accounting, the Faculty of Commerce and Accountancy from Chulalongkorn University</li> <li>- Bachelor of Accounting Program in Accounting, the Faculty of Accountancy from Dhurakij Pundit University</li> </ul>
Professional experiences	<p>2008 - Present: Vice President at P&amp;L Internal Audit Company Limited</p> <p>2005 - 2006: Marketing Officer at Zmico Securities Company</p> <p>2003 - 2004: Assistant Teacher at the Faculty of Accountancy, Dhurakij Pundit University</p> <p>1998 - 2003: Accountant Staff of Sustainable Energy with Appropriate Technology</p> <p><u>Types of business audited</u></p> <ul style="list-style-type: none"> <li>- Transportation</li> <li>- Buy and Sell</li> <li>- Rental management</li> <li>- Debt collection</li> <li>- Fashion</li> </ul>

Topics	Details
	<ul style="list-style-type: none"> <li>- Food and Non-Food Production</li> <li>- Hospital</li> <li>- Educational institution</li> <li>- Restaurant</li> <li>- Amusement park</li> </ul>
Related trainings	<ul style="list-style-type: none"> <li>- Personal Data Protection Laws (PDPA) for Internal Audit 6th generation by Political Science Association, Kasetsart University (PSAKU)</li> <li>- Ethical Audit by Institute of Internal Auditors of Thailand (IIAT)</li> <li>- Development Techniques for Risk Universe and Audit Universe in Business Procedures for Manufacturing Enterprises by IIAT</li> <li>- IA's New Value Proposal During and After the Crisis by IIAT</li> <li>- Audits and Audit Consideration when Entities use Computers to Process Information Generation 2/2018, Federation of Accounting Professions under the Royal Patronage of His Majesty the King (TFAC)</li> <li>- Tax Accountant (Full course), TFAC</li> <li>- 108 Issues of VAT and Gift Tax and Update New Tax Law 2014-2015, The Revenue Department</li> <li>- Training program for Internal Audit Certificate 17th Generation, TFAC</li> <li>- Develop Accounting Firm's Potential to Quality Standards, Department of Business Development under the Ministry of Commerce</li> <li>- Business Management for Internal Audit during Digital 4.0 Era 6th Generation, TFAC</li> <li>- "Working Paper for Better Corruption Prevention", Thai Institute of Directors (IOD)</li> <li>- Financial Statements Review for Internal Auditors Generation 1/2017 , TFAC</li> <li>- Accountant's Legal Conduct 1/2017, The Revenue Department)</li> <li>- IPO Focus "Effective Internal Control for Success IPO", IOD</li> <li>- Thai Financial Reporting Standard for Non-Publicly Accountable Entities with different issues from International Financial Report Standard for SME, TFAC</li> <li>- Integrated Audit 1/256, TFAC</li> </ul>

Topics	Details
	<ul style="list-style-type: none"> <li>- Internal Audit Training Program for Preparation of Certified International Internal Audit 18th and 27th Generation (Pre-CIA), Chulalongkorn University</li> <li>- Training Analysis Fundamental Information in Financial market and stock market, Thailand Securities Institute (TSI)</li> </ul>
Responsibilities	<ul style="list-style-type: none"> <li>- Conduct an annual audit plan to present for the Audit's Committee's approval.</li> <li>- Review the Audit Program of each item audited in the annual audit plan</li> <li>- Plan and organize an inspection team</li> <li>- Assess the sufficiency, credibility and punctuality of the company's internal control system according to COSO</li> <li>- Review the audit results and monitor the operation performance according to the suggestions.</li> <li>- Approve the audit report and report to the management department and the Audit</li> </ul>



### Attachment 3

#### 1. Assets for business undertaking

##### 1.1 Investment properties

As of December 31, 2021, the company had investment properties of THB 49.12 million. Details are as follows:

Title deed no.	Net asset value (million baht)	Purpose of acquiring	Nature of property right	Obligations
1146 and 1147 located at Bangwua, Bang Pakong District Chachongsao, Total area of 36 rai, 1 ngan, and 72 sq. wah	49.12	Investment properties	Ownership of the company	No obligations
<b>Total</b>	<b>49.12</b>			

##### 1.2 Land

As of December 31, 2021, the company had total land equivalent to THB 40.43 million. Details are as follows:

Title deed no.	Net asset value (million baht)	Purpose of acquiring	Nature of property right	Obligations
88152, 91207, and 101781 located at Khlomg Bang Phran, Khet Bang Bon, Bangkok Total area of 3 rai, 2 ngan, and 26 sq. wah	40.43	For business operations, production and storage, and used as Head Office location	Ownership of the company	Pledged with a financial institution for a credit line of 55.00 million baht
<b>Total</b>	<b>40.43</b>			

### 1.3 Property, plant, and equipment

As of December 31, 2021, the company had property, plant, and equipment equivalent to 101.34 million baht. Details are as follows:

Item	Net asset value (million Baht)	Nature of property right	Obligations
Building and building improvement	27.70	Ownership of the company	Pledged with a financial institution for a credit line of 55.00 million baht.
Machinery	70.35	Ownership of the company	Pledged with a financial institution for a credit line of 30.00 million baht (total: 13 units).
Molds	1.54	Ownership of the company	None
Tools and equipment	0.68	Ownership of the company	None
Furniture, fixtures, and office equipment	0.41	Ownership of the company	None
Computer equipment	0.61	Ownership of the company	None
Work in progress	0.05	Ownership of the company	None
<b>Total</b>	<b>101.34</b>		

### 1.4 Vehicle

As of December 31, 2021, the company had 9 units of the vehicle, the total value of 0.67 million baht.

### 2. Right-of-use assets

As of December 31, 2021, the company reported right-of-use assets, the vehicle of 2.48 million baht.

### 3. Intangible assets

As of December 31, 2021, the company reported intangible assets and work in progress of 2.64 million baht. Details are as follows:

Item	Description	Net asset value (million Baht)
Computer software	Business software	2.35
Computer software under installation	Business software under installation	0.29
<b>Total</b>		<b>2.64</b>

#### 4. Important contracts related to business operation

As of December 31, 2021, the company had an asset lease agreement used for business operation for 1 item as follow:

Vehicle lease agreement	
Type of contract	: Vehicle lease agreement
Hire purchaser	: T.R.V. Rubber Products Public Co., Ltd.
Seller	: Ratchathani Leasing Public Company Limited
Hire purchase assets	: Vehicle, Toyota brand
Contract signing date	: August 13, 2020
Last installment date	: August 15, 2025
Contract period	: 5 years
Outstanding contract balance	: 1.88 million Baht.
Individual guarantor	: Mr.Theerawut Nawamongkhonchaikit

#### 5. Insurance policies used in business operations

Insurance policies of building, machinery, and inventory	
Insured	: T.R.V. Rubber Products Public Co., Ltd.
Insurer	: Bangkok Insurance Public Co., Ltd.
Beneficiary	: Bangkok Bank Public Co., Ltd. (according to obligations)
Policy no.	: 521-01551-2221
Period of insurance	: 365 days (October 3, 2021 – October 3, 2022)
Amount of insurance	: 203.00 million Baht.
Type of insurance	: asset protection insurance
Insured assets	: 1. All buildings (excluding foundation) including additional improvements, public utility system, fence, wall, doors, fire extinguisher equipment and system, furniture, installed decorations, electrical appliances, and office stationery. 2. Machinery and equipment, component parts, and spare parts.

3. Inventory, raw materials, goods in process, finished goods, packaging materials, including goods under the responsibility of the insured as the treasurer.

Asset location : Title deed no. 91207, 88152, and 101781  
Khlong Bang Phran, Khet Bang Bon, Bangkok.

## 6. Loan agreements

As of December 31, 2021, the company had a loan agreement equivalent to a total credit facility of THB 59.00 million applied from a financial institution. The loan outstanding balance was THB 26.19 million. Details are as follows:

Overdrafts
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Contract date : September 25, 2012, and September 25, 2016 (supplementary issue)

Credit amount : 15.00 million Baht.

Interest rate : MRR

Borrower : T.R.V. Rubber Products Public Co., Ltd.

Security : Title deed no. 88152, and 101781 including buildings, the ownership was of the company.

Credit facility for purchasing of goods and services
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Contract date : October 29, 2018

Credit amount : 10.00 million Baht.

Interest rate : MLR

Borrower : T.R.V. Rubber Products Public Co., Ltd.

Security : Title deed no. 88152 including buildings, the ownership was of the Company.

Long-term loan
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Contract date	:	April 28, 2020
Credit amount	:	4.00 million Baht.
Interest rate	:	2.00 %
Borrower	:	T.R.V. Rubber Products Public Co., Ltd.
Security	:	-

Long-term loan
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Contract date	:	December 28, 2020
Credit amount	:	30.00 million Baht.
Interest rate	:	ML
Borrower	:	T.R.V. Rubber Products Public Co., Ltd.
Security	:	Title deed no. 88152, 91207, and 101781 including buildings, and 13 units of machine, ownership was of the company.

## 7. Policy on investment in subsidiaries and jointly controlled entities

As of December 31, 2021, the Company had no investment in any subsidiaries or jointly control entities. If there is any investment plan in the future, the company determined its policy to invest in subsidiaries and jointly controlled entities that have the business purpose as same as the Company or business related to the company, including business that supports the company's business, resulting in, the gain of business turnover or profit. Or the investment in the business that beneficial to the company ( Synergy ), which can support the company's core business operations to be more comprehensive in order to increase the company's competitiveness. However, the Board of Directors may consider for the investment in other business other than the core business or other business of the company, if the Board of Directors consider that such business is a potential business and such investment is beneficial to the company and shareholders in general. The investment must comply with business conditions, policy, target, business trend, and strategic plan of the company. The company must consider the investment proportion, expected profits, risks that may occur, and the company's financial position. The appropriate analysis procedures must be done before the investment

in any project. The decision on investment must be considered and approved by the Board of Directors meeting or shareholders meeting (depending on cases), as well as the investment, must be complied with the relative notifications of the Capital Market Supervisory Board and relative notifications of the SEC.

## Attachment 4

**Policy and guidelines on corporate governance, Code of business conduct, Board of Directors charter, Audit committee charter, Nomination and Remuneration committee charter, Risk management committee charter**

**1. Policy and guidelines on corporate governance**

The board of directors recognize the importance of good corporate governance which will enhance the efficiency and growth of the company's operation. Hence, the board has agreed to develop the Good Corporate Governance Policy based on the guidelines and practices of the Principles of Good Corporate Governance for Listed Companies 2017 prepared by the Securities and Exchange Commission Thailand in order to serve as the guidelines for governing the organization so as to ensure that the company's operation is transparent and takes into account the best interests of the shareholders and all the stakeholders. The Principles of Corporate Governance cover 8 Code of Conduct as follows:

<b>Code of Conduct 1</b>	Roles and responsibilities of the board
<b>Code of Conduct 2</b>	Company's objective
<b>Code of Conduct 3</b>	Promotion of an effective board
<b>Code of Conduct 4</b>	Outsource and improve high level executives and personnel management
<b>Code of Conduct 5</b>	Promote innovation and responsible business operations
<b>Code of Conduct 6</b>	Ensure appropriate risk management and internal control system
<b>Code of Conduct 7</b>	Maintenance of financial credibility and information disclosure
<b>Code of Conduct 8</b>	Promote participation and communication with shareholders

**Code of Conduct 1: Roles and responsibilities of the board**

1.1 The board will understand the roles and recognize the responsibilities as leaders who ensure the good governance of the company which includes:

- 1.1.1 Setting objectives and goals
- 1.1.2 Identifying strategies, operating policies and the allocation of important resources in order to achieve the set objectives and goals



1.1.3 Monitoring, assessment and performance report

1.2 The board will supervise the company leading to good governance outcome as follows:

1.2.1 The ability to compete and to have good outcome while keeping in mind the long-term impact

1.2.2 Ethical business operation, respect of rights, accountability to shareholders and stakeholders

1.2.3 Beneficial to the public and improve or minimize environmental impact

1.2.4 The ability to adapt under dynamic circumstances

In this regard, the board will adhere to the following Code of Conducts in supervising the company leading to good governing outcome.

(A) The board will primarily take into account the ethics and the impacts on the society as well as the environment apart from business profits.

(B) The board will act as an example as leaders in supervising the business to drive the company's integrity which is the commitment to ethics.

(C) The board will establish written policies for the board, executives and employees which demonstrate principles and guidelines of business operations such as Code of Conducts

(D) The board will ensure communications and understanding among the board, executives and employees as well as an adequate system which facilitates the implementation, performance follow-up, and regular policy review and implementation.

1.3 The board will ensure that all members and executives act according to the duty of care, the duty of loyalty, including the legality, regulations and the shareholders' consensus of the operations as well as the established policies and guidelines. Also, having approval processes in place for significant operations such as investment and transactions affecting the company, including related party transactions, acquisitions and disposal of property, and dividend payment.

1.4 The board will understand its roles and responsibilities and clearly set the boundaries for the Chief Executive and the management team on giving assignments. The board will also make sure that the Chief Executive and the management team complete their appointed tasks.

1.4.1 The board will establish boundaries, authorities, duties and responsibilities of the board which indicate the board's responsibilities for the reference of the members' duties. Moreover, there will be a regular review of the boundaries, authorities, duties and responsibilities at least once a year, including the review of the allocation of tasks of the board, executives and the management team so as to ensure the alignment with the organization's direction.

1.4.2 The board will understand its duties and assign the company's management authority to the management department through written documents. However, the assignment shall not be a removal of the board's responsibilities. The board has to ensure that the managing department follows its assigned tasks. The responsibilities of the board, executives and the managing department could be divided as follows:

1.4.2.1 Matters to be operated

The subjects of which the board is the main responsible person to ensure the appropriate operation. However, the board may allow the management team to propose the following matters for consideration.

1. Setting objectives and main goals in business.
2. Creating an ethical corporate culture and role-model behavior.
3. Supervising the structure and the conduct of the board to effectively achieve the objectives and main goals in business.
4. Outsource, develop and determine the remuneration and assessment of the Chief Executive Officer's performance.
5. Establish a remuneration structure deemed motivational for the personnel to operate in accordance with the organization's objectives and main goals.

1.4.2.2 Matters to be cooperated with the management team

The subjects which the board, Chief Executive Officer and the managing department consider collectively. The management team presents for the board's approval and the board will ensure that the overall policies are aligned with the objectives and main goals of business. The board will also assign the management team to operate while monitoring and having the management team report periodically as appropriate. The topics of reports are as follows:

- Determination and review of strategies, objects and annual work plans.
- Adequate risk management and internal control system.
- Determining the authority to appropriately operate in accordance with the responsibilities of the management team.
- Determination of the resource's allocation framework, development and budgeting such as policies and personnel management plans, and information technology policy.

- Monitoring and operational assessment.
- Credibility maintenance of financial and non-financial disclosures.

#### 1.4.2.3 Matters not to be operated by the board

The subjects which the board supervises on the policy level and assigns Chief Executive Officers and the management team as the main responsible people. The matters are as follows:

- Execution following the strategies, policies and work plans approved by the board. Nonetheless, the board should let the managing department be responsible for the operational decisions, procurement, etc. following the established policy framework without intervention with the exception of certain necessities.
- Matters prohibited by the regulations such as the approval of transactions beneficial to the board.

### **Code of Conduct 2 : Determining the company's objectives for sustainability**

2.1 The board will determine or ensure that the company objectives are for sustainability which is the goal in coherence with the creation of value propositions for the company, customers, stakeholders and the society as a whole.

2.1.1 The board is responsible for ensuring that the company has clear and appropriate objectives which can be used as a business model and communicated to everyone in the organization in order to operate accordingly through the company's Visions and Values or Principles and Purposes, including other related approaches.

2.1.2 In achieving the objectives, the board will establish a business model which can create the value proposition for the company, stakeholders and the society altogether by considering.

- (1) The change of circumstances and other factors, including the appropriate use of technology.
- (2) The need of customers and stakeholders.
- (3) Company's readiness, expertise and ability to compete.
- (4) Objectives in founding a company.
- (5) Company's main target group.
- (6) The ability to generate profits or compete by creating value propositions for the company and customers.
- (7) The company's ability to last in the long term under opportunities and risks affecting the company and stakeholders.

2.1.3 The board will promote the good governance corporate values such as accountability, integrity, transparency, consideration of social and environmental responsibility.

2.1.4 The board will promote communications and strengthen the organization's objectives reflected in the decisions and operations of the personnel of all levels until they become the corporate values.

2.2 The board will ensure that the objectives, periodic and annual strategies are in coherence with the approaches to achieve the company's objectives by involving the use of appropriate and safe technology.

2.2.1 The board will plan strategies and annual work plans in accordance with the company's objectives with regards to the company's circumstances at the given time, including opportunities and acceptable risks. The board will also promote the reviews of objectives, strategies for 3-5 years in order to ensure that the annual strategies and work plans take into account the impacts in longer terms and allow room for possible predictions.

2.2.2 In determining annual strategies and work plans, the board will supervise the analysis of the surrounding environment, factors and risk which may affect the related stakeholders throughout the value chain, including any factors influencing the company's objectives achievement by having a mechanism that truly understands the needs of the stakeholders.

- Clearly identify the methods, processes, participating channels of communication channels among the stakeholders in order for the company to access the information or the needs of each group of stakeholders as precisely as possible.
- Identify the both internal and external stakeholders related to the company, including those who are individuals, interest groups, organizations such as employees, investors, customers, partners, communities, governmental and regulating bodies, etc.
- Identify issues and expectations of the stakeholders in order to analyze and prioritize those issues according to their significance and the amount of impact on the company and the stakeholders so as to choose a critical subject to operate which will create value propositions with the stakeholders.

2.2.3 The board will set objectives suitable with the business environment and the company's potential. The board will consider setting both monetary and non-monetary goals. Nonetheless, the board will recognize the risks of setting objectives which might lead to unethical conduct.

2.2.4 The board will supervise the transfer of objectives throughout the organization through the use of strategies and work plans.

- 2.2.5 The board will supervise the allocation of resources and appropriate operations, including monitoring of annual strategies and work plans by appointing the officials responsible for the operational monitoring.

### **Code of Conduct 3: Promotion of an effective board**

3.1 The board is responsible for establishing and reviewing the board's structure in terms of size, compositions, proportions of independent directors appropriate and necessary for achieving the set objectives.

3.1.1 The board will consider the appropriate number of the directors who can effectively carry out their duties consisting of directors of no less than 5 and no more than 12.

3.1.2 The board will set proportions of directors who are and are not executives showing an appropriate balance of power. The independent directors' number and qualifications according to the Securities and Exchange Commission Thailand's criteria. The board will also ensure the compatibility and open opinion sharing among all the directors.

3.1.3 The board will publish policies in determining the compositions of the board with diversity and the directors' information such as age, education, experience, shareholding, the years of the holding of the board position and the board position in other licensed companies on the annual reports and the company's website.

3.2 The board will select the most suitable individual as the board's chairperson and make sure that the compositions and the operations of the board favor the discretion of independent decision making.

3.2.1 The board's chairperson is an independent director.

3.2.2 The board's chairperson and the Chief Executive Officer have different responsibilities. The board will clearly assign authorities of the board's chairperson and the Chief Executive Officer. In order to avoid unlimited power of either party, the company will separate the person holding the position of the board's chairperson from the person holding the position of Chief Executive Officer.

3.2.3 The board's chairperson will take the role of the board's leader. The responsibilities of the board's person will cover the following subjects:

- Supervise, monitor and ensure that the board carries out its duties effectively and achieves the organization's objectives.
- Make sure that all directors participate in the promotion of ethical corporate values and good governance.

- Determine the board meeting's agenda by discussing with the Chief Executive Officer and have the measures in place for important subjects to be included in the meeting agenda.
- Sufficient time allocation for the management team to present and for the board to deliberately discuss critical issues as well as the promotion of the board's attentive discretion and independent opinions.
- The promotion of good relationships between executive and non-executive directors, including the board and management team.

3.2.4 The board will establish policies allowing independent directors to hold positions continuously no longer than 9 years from the day of the first appointment. In case of appointing the same independent director, the board will reasonably consider the necessity.

3.2.5 In order for critical matters to be considered deliberately, the board will appoint a sub-committee to consider specific issues involving the filter of information and present the consideration guidelines before proposing for the board's approval.

3.2.6 The board will require the Audit Committee to perform its duties according to Code of Conduct 3.3 and 3.4. The board will disclose the board and the sub-committee's roles and responsibilities as well as the number of conferences and the attendance of each director in the previous year and report the performance of all sub-committees.

### 3.3 Code of Conduct

3.3.1 The Audit Committee will hold meetings to consider the criteria and methods of recruitment in order to obtain directors with qualifications leading to the board equipped with appropriate knowledge and expertise, including the consideration of the director's biography and propose to the board before presenting before the shareholders who are the appointers. Moreover, the company will inform the shareholders the information of the nominated director for the consideration.

3.3.2 The Audit Committee will review criteria and methods of recruitment in order to suggest to the board before recruiting the director who completed the term. In case of nominating the same director, the Audit Committee will consider the repeatedly nominated director's performance.

3.3.3 In case the board appoints an officer as the Audit Committee's consultant for the process of recruitment and remuneration calculation, publish the consultant's information in the annual report, including the independence or the absence of conflict of interests.

3.4 In proposing the board's compensation for the shareholders to approve, the board suggested by the Audit Committee will consider the structure and remuneration rates appropriate to the responsibilities which are motivational to the board in driving the organization to achieve short-term and long-term goals.

3.4.1 The board's remuneration has to correlate with the company's long-term objectives, experiences, accountabilities and responsibilities, including the expected benefits from each director. In this regard, the expected benefits are comparable to the level of practice in the industry.

3.4.2 The shareholders must approve the board's structure and remuneration in both monetary and non-monetary models. The board suggested by the Audit Committee will consider appropriate remuneration forms, including fixed rate compensation such as fixed remuneration and meeting allowance as well as the company's performance compensation such as bonus and pension by connecting the values which the company has created for the shareholders, but not in the level that is too high leading to short-term performance.

3.4.3 The board will publish policies and criteria for calculating remuneration reflecting the accountabilities and responsibilities of each director, including the form and the amount of the compensation. The disclosed compensation amount also includes the compensation that each director receives from holding the board position of a subsidiary.

3.5 The board is responsible for supervising all directors to be accountable for their duties and sufficiently allocate the time.

3.5.1 The board will ensure the existence of mechanisms supporting the board's understanding of their accountabilities.

3.5.2 The board will determine the criteria for the director's holding of the position in other companies by considering the performance of the directors holding positions in multiple companies. In order to ensure that the board is able to adequately dedicate the time to carry out its duties, the board will determine the number of the licensed companies where each director will hold their positions appropriate to the companies' nature or the business conditions.

3.5.3 The board will reinforce reports for the directors' holding of other positions and publish the information to the public.

3.5.4 In case the active director or executive has direct and indirect interests in other conflicting businesses or is able to use the company's data to their own ends, the company will put in place preventive measures and inform the shareholders as appropriate.

3.5.5 Each director has to attend no less than half of the company's total meetings in the given year with the exception of necessity.

3.6 The board is responsible for the supervision of frameworks and mechanisms in monitoring policies, the subsidiaries' operations and other businesses in which the company has considerably invested in the levels that are appropriate to each business. Other subsidiaries and businesses the company has invested in have to share the same understandings altogether.



3.6.1 The board will consider the policies governing subsidiaries which include:

- (1) The company will send a representative to each subsidiary and other businesses the company has invested in according to the shareholdings in each company in order to supervise subsidiaries and other businesses in which the company has invested in to operate according to good corporate governance policies and along with other company's policies. Nonetheless, the sending of a representative as a director in the subsidiaries and other businesses the company has invested in must be considered and approved by the company's board meeting with regards to the suitability of each company.
- (2) If the transaction or any operations of the subsidiary considered an acquisition or a disposal of assets according to the announcement of asset acquisition or disposal or a list related to the announcement affecting the company, the subsidiary must seek for the approval from the company's board and/or the shareholders meeting or a legally related department before conducting a transaction. The subsidiary can conduct a transaction or operation after receiving the approval from the company's board and/or the shareholders meeting or a legally related department (depending on the case). Moreover, if the transaction or the occurrence of certain events of the subsidiary leading the company to disclose information to the Stock Exchange of Thailand according to the rules determining related announcement of the Stock Exchange of Thailand, the representative director of the subsidiary must immediately inform the company's managing department after knowing that the subsidiary plans to conduct transaction or the aforementioned event.
- (3) The board and the executives of the subsidiary and other businesses in which the company has invested hold important accountabilities and responsibilities according to the related laws such as disclosing of information on the financial status and performance to the company by implementing the announcement related to the Capital Market Supervisory Board and the announcement of the Securities and Exchange Committee Thailand, including disclosing and submitting the information on the interests of oneself and the individuals connected to the board regarding the relationships and transactions with companies, subsidiaries and other businesses in which the company has invested in the manner that may create the conflict of interests and avoid conducting transactions which may result in the conflict of interests.
- (4) The company will determine the necessary work plans and operations in order to ensure that the subsidiaries and other businesses in which the company has invested disclose the information on the performance and financial status and the company will carry out

necessary operations and make sure that the subsidiaries and other businesses in which the company has invested have a system for disclosing the information and sufficient and appropriate internal control system for business operations. Furthermore, the company will closely monitor the performance and the operations of the subsidiaries and other businesses in which the company has invested and present an analysis as well as comments and suggests to the board and board of subsidiaries and other businesses in which the company has invested in order to use them for the consideration of policies and the promotion of continuous development and growth of the businesses of the subsidiaries and other businesses in which the company has invested.

3.6.2 If it is a significant investment in other businesses such as possessing a shareholding proportion with voting rights from 20 percent, but not over 50% and the amount of the investment or possible additional investment is significant to the company, in necessary cases, the board will draft the shareholders' agreement or other agreements for the clarity of the executive authority and participation in making decisions on important matters along with the monitoring of performance for standardized and punctual data preparation of the company's financial statement.

3.7 The board will hold the board's performance review, including each director's performance assessment in order to review performance, problems and obstacles in each year so as to apply the assessment to develop the operations in other aspects.

3.8 The board will ensure the board and each director's understanding of their roles, nature of businesses, and laws related to business operations. The board will also promote all directors to regularly receive workshops and knowledge for the board's performance.

3.8.1 The board will make sure that the person appointed as a new director will receive suggestions and useful information for carrying out the duties, including the understanding of objectives, visions and corporate values, the nature of business and business operation guidelines.

3.8.2 The board will ensure that the directors continuously receive training and improve their knowledge.

3.8.3 The board will comprehend the laws, criteria, standards, risks and the circumstances related to business operations while also acknowledging updated information.

3.8.4 The board will publish the information regarding training and knowledge improvement of the board in the annual report.

3.9 The board will make sure that the board's operations are in order with access to necessary information and the company's secretary who has the knowledge and experiences essential and appropriate for the support of the board's operations.

- 3.9.1 The board will arrange meeting agenda and the board's meeting agenda in advance in order that the directors can manage the time and attend the meeting.
- 3.9.2 The amount of the board's meetings will be appropriate to the accountabilities and responsibilities of the board and the company's nature of business, but no less than 4 times a year.
- 3.9.3 The board will have a mechanism for each director and the managing team to have the freedom to add on the matters beneficial to the company into the meeting agenda.
- 3.9.4 Meeting documents will be delivered to the directors at least seven 7 days prior to the meeting, except in case of urgency in order to protect the rights and benefits of the company to inform of a meeting through other methods and set an earlier meeting date.
- 3.9.5 The board will encourage the Chief Executive Officer to invite high-level executives to attend the board's meeting in order to provide more detailed information due to the executives' direct ties with the issues and to offer an opportunity to get to know high-level executives for the consideration of succession planning.
- 3.9.6 The board will access additional necessary information through Chief Executive Officer, the company's secretary and other executives appointed within the established policy frameworks. In necessary cases, the board may allow independent comment from the consultant or an external practitioner which will be considered as the company's expense.
- 3.9.7 The board may consider setting a policy for non-executive directors to have an opportunity to hold meetings among themselves according to necessity in order to discuss issues related to the focused management without the management team by also informing the Chief Executive Officer the meeting's resolutions.
- 3.9.8 The board will determine the qualifications and experiences of the company's secretary appropriate to carry out the duty in providing suggestions regarding laws and other criteria which the board should know, taking care of the board's meeting documents as well as other important documents and the board's activities, including coordinating to ensure the implementations following the board's resolutions. Moreover, the board will publish the qualifications and experiences of the company's secretary in annual reports and on the company's website.
- 3.9.9 The company's secretary will continuously train and develop knowledge necessary to the duties. In case there is a certified program, the company's secretary will also attend the training.

**Code of Conduct 4: Outsource and improve high-level executives and personnel management**

4.1 The board will ensure that there is an outsourcing and improvement of Chief Executive Officer and high-level executives for them to be equipped with the knowledge, skills, experiences and attributes necessary to achieve the organization's objectives.

4.1.1 The board will consider or assign the Audit Committee to consider the criteria and the methods in recruiting the qualified persons appropriate for the position of Chief Executive Official.

4.1.2 The board will ensure the appropriate high-level executives by at least having the board or the Audit Committee work together with the Chief Executive Officer in order to consider the criteria and the methods in recruiting and appointing personnel nominated by the Chief Executive Officer for the position of high-level executives.

4.1.3 In order for the continuation of business operations, the board will establish a succession plan for the position of Chief Executive Officer and high-level executives.

4.1.4 The board will support and promote the Chief Executive Officer and high-level executives to receive training in enhancing the knowledge and experiences beneficial for the operations.

4.2 The board of directors with the suggestions of the Audit Committee will supervise the establishment of appropriate remuneration structure and assessment.

4.2.1 The board with the suggestions of the Audit Committee will determine a remuneration structure that is deemed motivating to the executives and employees of all levels in operating in line with the organization's objectives and the company's long-term interests.

4.2.2 The board will approve the criteria and factors of assessment, including the remuneration structure for high-level executives and monitor that the Chief Executive Officer assess the high-level executives according to the assessment principles.

4.3 The board will comprehend the structure and relationships of the shareholders which may affect the company's management and operations.

4.3.1 The board will comprehend the structure and relationships of the shareholders which may be in the form of an agreement within a family business whether it is in writing or not as well as the shareholders' agreement or the parent group's policies affecting the authority in supervising the company's management.

4.3.2 The board will ensure that the agreement according to section 4.3.1 does not pose any obstacles to the board's duties such as appointing an appropriate person for the succession of the position.

4.3.3 The board will supervise the publication of agreement's information affecting the company's control.

4.4 The board will monitor the management and personnel development to ensure that the personnel are equipped with appropriate knowledge, skills, experiences and motivations.

4.4.1 The board will ensure to have the human resource management according to the organization's directions and strategies. Personnel of all levels will have the appropriate knowledge, abilities, motivations and receive fair treatment in order to safeguard the company's effective personnel.

4.4.2 The board will take care of the establishment of a provident fund or other mechanisms to ensure that the employees have enough savings for the retirement, including encouraging the employees to have knowledge and understanding of financial management, and selecting the investment policy appropriate for the age range and risk.

#### **Code of Conduct 5: Responsible business operations**

5.1 The board will prioritize and promote the operations contributing business values and generating benefits for the consumers and related individuals while also being responsible for the society and the environment.

5.1.1 The board will prioritize the creation of corporate cultures for the management team to include in the strategy review of the plan for operation improvements and assessment.

5.1.2 The board will promote the operation for adding values for the company according to the constantly changing circumstances which may include the establishment of a business model, methods of creating perceptions in designing and services development, research and improvement of production and operation process, including cooperating with trading partners. Nonetheless, the aforementioned operations should be in the manner that generates mutual interests among the customer business, trading partners, the society and environment with no support for inappropriate, illegal and unethical behaviors.

5.2 The board will supervise the management team to operate business responsibly to the society and environment reflected in the operational plan to make sure that all organization's departments operate in line with the company's objectives and strategies.

5.2.1 The board will supervise the mechanism ensuring ethical and responsible business operations for the society and the environment by not violating the rights of the stakeholders in order to set guidelines for all organization's sections to achieve the sustainable objectives by establishing policies on business ethics that cover subjects as follows:

- Responsibilities to staff and employees

Treatments are in accordance with the laws and related standards. The company must treat staff and employees fairly and respect the human rights, namely a fair remuneration and other benefits, a provision of welfare no less than the requirements set by the laws or more according to

suitability, healthcare and health safety in workplace, capacity-building trainings, promotion for career advancements, including the opportunity for employees to develop skills in other aspects of work.

- Responsibilities to customers the company will operate according to the laws and related standards while acknowledging the health, safety, fairness, customer's information confidentiality, after-sales services throughout the products' lifespan, follow-up for satisfaction feedback for product and services improvement, including responsible advertising and sales promotion that will not contribute to misunderstandings or taking advantage of the customers' misunderstandings.

- Responsibilities to trading partners

The company must have a fair procurement process and contract or agreement terms, provision of knowledge and potential development elevating the production and services ability to meet the standards, explain and ensure that the trading partners respect human rights, fairly treat their labors fairly, and are responsible for the society and the environment, including verify and assess the trading partners for sustainable business operation developments.

- Responsibilities to the community

The company must apply business knowledge and experience to practically improve projects beneficial to the community, including monitor and measure progress and long-term success.

- Responsibilities to the environment

The company has to prevent, reduce and ensure that the company will not create a negative impact on the environment. This includes the use of raw materials, energy, water, renewable resources, business waste disposal and management, emission of greenhouse gases, etc.

- Fair competition

The company must operate business with transparency with no creation of unjust competitive advantages.

- Anti-corruption resistance

The company must operate according to the laws and related standards and inform the policies against corruptions to the public by joining the network in the fight against corruptions, including supporting other business and trading partners to have and announce anti-corruption policy and to join the network.

5.3 The board will ensure the management team to allocate and manage resources in an effective manner in order to sustainably achieve the objectives.

5.3.1 The board will acknowledge the necessity of the required resources and realize that the use of each type of resources will have impacts on the others.

5.3.2 The board will acknowledge that different business models will lead to distinguishing effects on the resources. Therefore, business model decisions need to take into account the impacts and the cost-effectiveness that will take place based on ethics, responsibilities and the company's sustainable values. In this regard, the company must consider at least these four resources, namely financial capital, human capital, social and relationship capital and natural capital.

5.4 The board will ensure the arrangement of regulatory framework and organizational information technology management in accordance with the company's needs. The board will also ensure the use of information technology to increase business opportunities, operation developments and risk management in order for the company to achieve its objectives.

5.4.1 The board will ensure the establishment of policy on the allocation and information technology resources management which covers the sufficient allocation of resources for business operations and establish guidelines in case of not being able to sufficiently allocate the resources as mentioned.

5.4.2 The board will ensure that the organization's risk management also covers the risk management of information technology.

5.4.3 The board will ensure the establishment of policy and security measures of the information system. In this regard, the frameworks for managing the organizational information technology are as follows:

- The company complies with the laws, regulations, and other measures related to the use of information technology.
- The company has a security system for confidentiality, integrity maintenance and information availability. The company also has to prevent the misuse or changes of the information without permission.
- The company has considered the risks regarding information technology and has a measure in managing such risks in different aspects such as business continuity management, incident management and asset management.
- The company has considered the allocation and management of information technology resources and has established criteria and factors in prioritizing work plans regarding



information technology such as the suitability and consistency with the strategies, impacts on business operations, urgency of use, budget, human resources in information technology, and the consistency with the business model.

#### **Code of Conduct 6: Ensure appropriate risk management and internal control system**

6.1 The board will ensure that the company has a risk management system and internal control allowing the effective achievement of the objectives. The board will also ensure that the operations are legal and in line with the related standards.

6.1.1 The board will comprehend the company's critical risks and approve acceptable risks.

6.1.2 The board will consider and approve risk management policy in line with the company's objectives, strategies and acceptable risks for the operational frameworks that leads to the unity of the organization's risk management procedures. In this regard, the board will emphasize the importance of early warning signs and ensure regular risk management policies.

6.1.3 The board will ensure that the company identifies the risks based on both internal and external factors which may prevent the company from achieving the objectives. In this regard, the risks that the board should pay attention to may be divided into strategic risk, operational risk, financial risk and compliance risk.

6.1.4 The board will ensure that the company assesses the impacts and the mentioned risk possibilities in order to prioritize and arrange appropriate risk management.

6.1.5 The board may assign the Audit Committee to revise section 6.1.1 – 6.1.4 before presenting to the board's consideration.

6.1.6 The board will regularly monitor and assess the effectiveness of the risk management.

6.1.7 The board is in charge of the company's compliance with the laws and related standards in both domestic and international level.

6.1.8 In case the company, subsidiary or other businesses in which the company has significantly invested (For example, the shareholding proportion with voting rights from 20 percent but not over 50 percent), the board will consider the internal system and risk management assessment according to section 6.1.1 – 6.1.7.

6.2 The board will establish an Audit Committee which can effectively and independently carry out the responsibilities.

6.2.1 The board will establish an Audit Committee consisting of at least 3 independent directors with qualifications and responsibilities according to the Securities and Exchange Commission Thailand and the Stock Exchange of Thailand.

- 6.2.2 The board will determine the responsibilities for the Audit Committee in writing by at least assigning the duties mentioned in Audit Committee accountabilities and responsibilities.
- 6.2.3 The board will ensure that the company has a mechanism or tools allowing the Audit Committee the access to information necessary to carrying out the assigned duties such as facilitating the Audit Committee to invite the related officers to inform and discuss with the auditor or seeking independent comments from professional consultants to discuss with the Audit Committee.
- 6.2.4 The board will appoint personnel or an internal audit unit with independence in carrying out the duties to be responsible for the development and the review of the risk management and internal control system's effectiveness, including reporting to the Audit Committee and publishing the reviewing reports in the annual reports.
- 6.2.5 The Audit Committee must provide comments regarding the sufficiency of the risk management and internal control system and publish the comments in the annual reports.
- 6.3 The board will monitor and manage conflict of interests which might occur among the company, management team, the board of directors and the shareholders, including preventing the misuse of the company's assets, data, opportunities and transactions with the individuals related to the company.
- 6.3.1 The board will ensure data security which includes determining policies and code of conducts on confidentiality, integrity maintenance, information availability, including the management of market sensitive information. Moreover, the board will ensure that the directors, high-level executives, employees and other related external bodies such as legal and financial consultants operate according to the data security system.
- 6.3.2 The board will ensure the management and monitoring of items which may contain conflict of interests, including ensuring to have the guidelines and code of conducts in place in order that the aforementioned transactions are in line with the operational procedures and disclose the information stated by the laws for the benefits of the company and the overall shareholders. The stakeholders shall not partake in this decision.
- 6.3.3 The board will establish requirements for the directors' report the conflict of interests at least before the consideration of the board's agenda meeting and record it in the board's meeting report. The board will ensure that the directors with the significant conflict of interests in the manner that those directors cannot provide independent opinions refrain from participating in the conference.
- 6.4 The board will ensure the establishment of clear anti-corruptions policies and code of conducts and communicate them with all the levels in the organization and external individuals for the implementation, including promoting activities supporting the employees' compliance with the laws and related regulations.

6.5 The board will ensure that the company has a mechanism to receive complaints and take actions in case there are reported clues.

6.5.1 The board will ensure that there are mechanisms and management procedures for the stakeholders' complaints and ensure that there is more than one convenient channel for receiving complaints, including announcing complaints channels on the website or in the annual reports.

6.5.2 The board will ensure that there are clear policies and guidelines in case there are reported clues by establishing complaints channels through the company's email, independent directors or the company's Audit Committee, including having verification and operation process and report to the board.

6.5.3 The board will ensure that there are protective measures appropriate for the whistleblowers who provide clues with sincere intentions.

#### **Code of Conduct 7: Maintenance of financial credibility and information disclosure**

7.1 The board is responsible for ensuring that the system for financial reports and disclosure of important information is accurate, sufficient, timely and in line with the rules, standards and the related code of conduct.

7.1.1 The company will ensure that the personnel related to the creation and disclosure of information are equipped with knowledge, skills and experiences appropriate to the responsibilities and that there are sufficient numbers of the personnel. The mentioned personnel include the Chief Executive Officer in accounting and finance, accountants, internal audit, the company's secretary and investor relations.

7.1.2 In the approval of disclosing information, the board needs to consider the related factors. In case of financial reports, the board needs to consider the following factors.

- The assessment of the sufficiency of the internal control system.
- The comments of the auditor in the financial reports and the audit's remarks on the internal control system, including the audit's remarks on other channels (if any).
- The Audit Committee's comments.
- The consistency with the company's objectives, strategies and policies.

7.1.3 The board will ensure the disclosure of information which includes financial budget in the annual report and form 56- 1 reflecting the financial status and sufficient performance, including supporting the company to establish Management Discussion and Analysis or MD&A to accompany all quarterly financial statements in order to inform the investors and help them better

understand the changes occurred, financial situations and the company's performance in each quarter in addition to the numerical information in the financial statements alone.

- 7.1.4 In case the disclosure of any information related to a specific director, the director will ensure the accuracy of the disclosure on their part such as the shareholder information of their group and the disclosure related to the shareholders' agreement of their group.

7.2 The board will monitor the sufficiency of financial liquidity and debt serviceability.

- 7.2.1 The board will ensure that the management team follow and assess the company's financial status and report to the board constantly by having the board and the management team work together to seek solutions if there are any signs indicating the issues in financial liquidity and debt serviceability.

- 7.2.2 In the approval of any transactions or suggestions for the approval of the shareholders' meeting, the board will ensure that such transactions will not affect the continuity of business operation, financial liquidity and debt serviceability.

7.3 In the condition that the company encounters financial problems or tends to encounter such problems, the board will ensure that the company has resolution plans or other mechanisms that can resolve financial problems with regards to the stakeholders' rights.

- 7.3.1 In case the company is likely to not be able to pay debt or encounter financial problems, the board will closely monitor and ensure that the company operates business deliberately and complies with the requirements on information disclosure.

- 7.3.2 The board will ensure that the company establishes financial solution plans with regards to the fairness for the stakeholders, including the creditors, including monitoring the solutions by having the management team regularly report the status.

- 7.3.3 The board will ensure that any decisions concerning the company's financial problems must be reasonable.

7.4 The board will consider conducting reports on sustainability as appropriate.

- 7.4.1 The board will consider the suitability in disclosing operational information according to the laws, ethical code of conducts, anti-corruptions policies and treatments towards the employees and stakeholders which include fair treatments and respects of human rights, including the responsibilities to the society and the environment with regards to the report frameworks that are domestically and internationally accepted. In this regard, the mentioned information may be published in the annual reports.

- 7.4.2 The board will ensure that the disclosed information is critical and reflects the operations leading to the company's sustainable values.

7.5 The board will ensure that the management team has the assigned unit or person responsible for investor relations who communicate with the shareholders and other stakeholders such as investors and analysts in an appropriate, equal and timely manner.

7.5.1 The board will set up a communication policy and disclosure policy to ensure that the communication and the information disclosure to external individuals are appropriate, equal and timely through appropriate channels that can protect confidential information and information influential to the stock price, including coherent communication across the organization in complying with the policy.

7.5.2 The board will ensure that there is a responsible person for informing external individuals. The responsible person has to be appropriate for the duties and understands the company's businesses, objectives, values and has to be able to communicate with the capital market well.

7.5.3 The board will make sure that the management team establishes the directions and supports operations related to investor relations such as establishing code of conducts in giving information, internal usage of information policy, including the clear identification of roles and responsibilities of the investor relations in order to have an effective communication and information disclosure.

7.6 The board will promote the use of information technology in publishing the information.

7.6.1 In addition to publishing information according to the established criteria and channels of the Stock Exchange of Thailand, the board will consider disclosing the information in both Thai and English through other channels such as the company's website and will operate consistently with updated information. In this regard, the company will disclose at least the following information on the company's website:

- The company's visions and values.
- The company's nature of business operation.
- List of the board of directors and executives.
- Financial statements and reports on the financial status and performances from the current and the previous year.
- Downloadable form 56-1 and annual reports.
- Information or other documents that the company presents to analysts, fund manager and the media.
- Structure of direct and indirect shareholding.
- Structure of group company, including subsidiaries, associates, joint ventures and Special Purpose Enterprises/Vehicles (SPEs/SPVs).

- Major direct and indirect shareholders who hold shares from 5 percent of the total number of shares sold with voting rights.
- Direct and indirect shareholdings of directors, major shareholders and high-level executives.
- Invitation letter to the general and extraordinary general meeting of shareholders.
- The company's regulations and memorandum.
- The company's governing policy, anti-corruption policy, information technology security policy and risk management policy.
- Charter or accountabilities, qualifications, the board of directors' office terms, including the subjects that require approval from the board, charter or accountabilities, qualifications, the office terms of the Audit Committee and Nomination Committee, and remuneration establishment.
- Business operation ethics.
- Contact information of agencies, complaints or the person responsible for investor relations, the company's secretary such as the names, phone numbers and emails of the individuals able to share information.

**Code of Conduct 8: The promotion of participation and communication with shareholders**

8.1 The board will ensure that the shareholders participate in making important decisions of the company.

8.1.1 The board will supervise important matters which include the subjects issued in the laws and the subjects which may affect the company's operational directions that are considered and/or approved by the shareholders. The important matters will be included in the shareholders' meeting agenda.

8.1.2 The board will encourage the shareholder's participation such as

- The establishment of criteria allowing minority shareholders to suggest meeting agenda prior to the day of the shareholders' meeting. The board will consider including the subjects proposed by the shareholders into the meeting agenda. In case the board denies the subject proposed by the shareholders, the board has to inform the reasons to shareholders' meeting.
- Criteria for minority shareholders to nominate names for directorship.

In this regard, the board will ensure the disclosure of the criteria to the shareholders in advance.

8.1.3 The board will ensure that the notice of the shareholders' meeting is accurate, complete and sufficient for the shareholders' rights.

8.1.4 The board will ensure that the delivery of the shareholders' meeting notice along with the related documents published on the company's website complies with the time frame issued by the laws.

8.1.5 The board will provide the opportunity for shareholders to submit questions prior to the day of the meeting by establishing criteria for the questions in advance and publishing the criteria on the company's website.

8.1.6 The shareholders' meeting notice and the related documents will be translated into English and published altogether with the Thai version. In this regards, the shareholders' meeting notice will include the information as follows:

- Date, time and the location of the shareholders' meeting.
- Meeting agenda by identifying whether it is an agenda for acknowledgement or for approval, including clearly separating the subjects such as the agenda related to the directors, the director's election and the approval of the directors' remuneration into different agendas.
- Objectives, reasons and the board's comment on each proposed meeting agenda, including:
  - Agenda for approving dividend payment – Dividend payment policy, dividend payment rate proposed with attached reasons and information.
  - Agenda for appointment of directors – Identify names, ages, educational and professional backgrounds, the number of licensed and general companies which the directorship is held, criteria and the recruiting methods, and categories of proposed directors. In case it is the nomination of the same directors for the position, identify the information on the attendance of the previous year's meeting as well as the date of appointment.
  - Agenda for approving the directors' remuneration – policy and criteria in determining the remuneration of the directors in each position and the directors' remuneration of every form, including money and other benefits.
  - Agenda for appointing auditors – the auditor's name, affiliated company, professional experiences, independence, audit fees and other services fees.
- Proxy form as issued by the Ministry of Commerce.
- Other meeting information such as the voting procedure, votes counting and notifications, the rights of each type of shares in voting, the information of the independent directors whom the company proposes to be a proxy from the shareholders, the documents that the shareholders shall present before attending the meeting, supporting documents for proxy and the map of the meeting's location, etc.

8.2 The board will ensure that the proceedings on the day of the shareholders' meeting are smooth, transparent, effective and convenient for the shareholders to exercise their rights.



- 8.2.1 The board will determine the date, time and location of the meeting with regards to the shareholders' convenience in attending the meeting such as appropriate time of meeting that is sufficient for the discussions and the meeting location easy for commute, etc.
- 8.2.2 The board will ensure that there will be no limits of opportunity in attending the meeting or excessive burdens. For example, shareholders' proxies are not required to show more documents or prove than those specified in the related guidelines of the regulatory department.
- 8.2.3 The board will promote the use of technology during the shareholders' meeting, including the registration procedures and votes counting and notifications in order that the meeting procedures are fast and accurate.
- 8.2.4 The board's chairperson who is the chairperson of the shareholders' meeting must ensure that the meeting is in line with the laws, related criteria and the company's regulations. The chairperson will also appropriately allocate time for each agenda written in the meeting notice and allow the shareholders to comment and question the meeting on the matters related to the company.
- 8.2.5 In order for the shareholders to partake in important decision makings, the board, as an attendee and shareholders, does not support adding a meeting agenda that is not informed in advance without necessity, especially an important agenda that requires time to study for information before making a decision.
- 8.2.6 Encourage all directors and executives to attend the meeting in order for the shareholders to ask questions on the related subjects.
- 8.2.7 Before starting the meeting, the company has to inform the shareholders the number and proportion of the shareholders attending the meeting in person and by appointing proxies, including the methods of the meeting as well as the voting and votes counting.
- 8.2.8 In case there are many agendas, the chairperson will arrange separate voting for each agenda. For example, the shareholders exercise their rights to appoint individual directors during the agenda for appointing directors.
- 8.2.9 The board will encourage the use of ballots during important agendas and encourage independent personnel to count or verify the votes during the meeting and disclose the voting results of agreeing, disapproving and abstaining votes during each agenda for the meeting's acknowledgement and include them into the meeting report.
- 8.3 The board will ensure that the disclosure of the meeting's resolutions and the shareholders' meeting report are correct and complete.

- 8.3.1 The board will ensure that the company discloses the shareholders' meeting resolutions, including the votes, within the next working day through the news system of the Stock Exchange of Thailand and on the company's website.
- 8.3.2 The board will ensure the delivery of the shareholders' meeting report copies to the Stock Exchange to Thailand within 14 days from the date of the meeting.
- 8.3.3 The board will make sure that the shareholders' meeting report will include the information as follows:
- List of the attending directors and executives as well as the proportion of attending and non-attending directors.
  - The methods of voting, votes counting, meeting's resolution and voting results (approval, disapproval, abstinence) of each agenda.
  - Questions and answers during the meeting, including the names and last names of those who raise and answer the questions.

## 2. Code of business conduct

T.R.V Rubber Products Public Company (Limited) conducted the code of conduct in business operation in order that the executives and employees can comprehend and use it as guidelines in operating business and uphold as a practice in strictly carrying out their duties. The emphasis is on the good governance principles, the importance of treating the stakeholders with equality, justice and transparency, including the consideration of respecting the rights of all stakeholders which will help the company to keep operating the business with transparency in line with the laws and avoid any activities which might lead to the company's conflict of interests. Furthermore, this code of conduct encourages the promotion of confidence in organization for investors and stakeholders so as to let them see the company's adherence to the good quality, culture, image, and standard which will consequently contribute to the excellence of the organization. The duty-bearers, namely the directors, executives, employees, including the individuals acting on behalf or assigned to act on behalf of the company or individuals acting on behalf of the aforementioned personnel, must comply with the code of conduct in business operation with fundamental principles as follows:

- The need to understand the principles according to this policy and to strictly comply with the principles.
- Seeking advice from supervisors when unsure whether the deed is in line with the company's code of conduct in business operations.
- Communications with colleagues or related personnel to ensure the understanding of the company's code of conduct in business operations.

- Report when noticing an action that is against the company's code of conduct in business operation.

#### **1. Treatments towards the shareholders**

The company encourages the shareholders to exercise their fundamental rights and the company is also determined to contribute to the highest satisfaction for the shareholders while considering sustainable growth, the creation of added values and appropriate rewards, including the business operation according to the good corporate governance principles.

#### **2. Treatments towards customers**

The company is committed to yielding the highest satisfaction and confidence for the customers by delivering products with the qualities that meet the customers' need and responding to the customers' demands with speed and punctuality for the customers' highest satisfaction. The company also safeguards the consumers' information and does not use or disclose the customers' information for the benefits of the company and other wrongfully involved individuals, except the use or disclosure of information according to the rules.

#### **3. Treatments towards the trading competitors**

The company has a policy to treat trading competitors with competitive good governance according to the laws, trade customs and code of conduct guidelines in line with international principles under legal frameworks on principles of trade competition and adherence to the rules of good competition. The company shall not seek confidential information of the trading competitors through dishonest and inappropriate approaches. The company also shall not damage the trading competitors' reputations by using negative false claims.

#### **4. Treatments towards the creditors**

The company has a policy on just treatments and responsibilities for creditors which adhere to the strict performance of contract terms, agreements and other conditions promised to the creditors. In the event that the company cannot comply with the aforementioned conditions, the company must notify the creditors in advance to seek solutions together and avoid any damages.

#### **5. Treatments towards the regulatory agencies**

The company has a policy that strictly reinforces the implementations in line with the laws and the regulations prescribed by the regulatory agencies. The policy also promotes cooperation with the regulatory agencies, including reporting of factual information to the regulatory agencies.

**6. Treatments towards the employees**

Employees are the main key players and valuable resources in business operations. Hence, the company has to pay a great deal of attention to the employees by treating all levels of employees in a non-discriminatory manner, respecting the employees' rights according to fundamental international principles, laws and other related regulations, providing fair compensations and giving importance to the health, safety of life and property and the employees' working conditions. The company also shall create good working culture and environment as well as team works and the employee's skills development. The company shall equally listen to the comments and suggestions from the employees of all levels. The company shall not reinforce or promote any forms of force.

**7. Treatments towards the community, society and environment.**

The company focuses on sustainable business growth together with the development of society, community and environment by recognizing the good quality of life of the nearby communities. The company will conduct business in the manner that does not affect the environment by implementing appropriate production process and waste management. Moreover, the company emphasizes the importance of environmental management, occupational safety management, including code of conduct guidelines for sustainable development.

**8. Respects for universal human rights**

The company recognizes the importance of respects for universal human rights by treating everyone equally without discrimination, avoiding actions that violate human rights, giving importance to labors by treating all company's employees with equality without discrimination of origin, race, gender, age, skin color, religion or disability. The company shall operate in accordance with the labor laws and the regulations related to fair labor.

- 1) The company will strictly comply with universal human rights principle in both domestic and international level, including the limitations of labor laws in the countries where the company operates by arranging hygienic, safe and drug-free working environments according to international standards. The company shall treat all employees with equality without discrimination on the grounds of similarity or difference of origin, gender, age, skin color, race, nationality religion, belief, political ideas, disability, family status or other statuses irrelevant to business operations, including respect of personal freedom and the protection of personal information.

- 2) The company will supervise to prevent the business operation from being involved in human rights violations, including ensuring the participation and acceptance of practices beneficial to the society such as the United Nations' Human Rights Principles.
- 3) The company will provide knowledge and understanding of universal human rights principles to the company's staff in order to implement as a part of the operations. The company shall not support any activities that violate universal human rights principles.

#### **9. Respect and compliance with the rules, rules, related regulations and respect of different cultures**

The company is committed to operate businesses according to the laws, rules, and other related regulations. The company also respects local traditions and cultures by establishing code of conduct for directors, executives, and employees on the grounds of 5 main principles as follows:

- (1) Responsible for the decisions and behaviors.
- (2) Transparency.
- (3) Equal treatments for all.
- (4) Determined to create long-term corporate values for the stakeholders.
- (5) Promotion of the best practices.

In this regard, the company has established the code of conduct as follows:

- The company respects each country's traditions and cultures while always being aware that the traditions of each country may have different conditions, procedures and ways of practicing.
- The company's personnel will not support any actions that violate the laws, regulations, operational procedures and other criteria related to the business operation.
- If the directors, executives and employees notice any violations or disobedience of the laws, regulations and criteria, report to the commanders of the related departments or complaints channel according to "Misconduct report policy" and in the event that such action might significantly affect the company, report to the supervisors immediately.

#### **10. The acceptance of gifts, properties or benefits**

The receiving or giving of benefits which include properties, services, facilitations or receptions of individuals related to business can be done in an appropriate manner such as appropriate price and shall not motivate unrighteous decisions. There shall not be any requests or receiving contrary to the customs. To clarify, the company has established the code of conduct as follows:

- (1) The company's staff and/or family shall not request for gifts or properties from the contractors, traders, sellers, joint ventures or individuals related to the company's business in any cases.
- (2) In case the commander considers it is inappropriate to receive gifts , properties or benefits, the rewards must be returned to the giver immediately. If the return is impossible, deliver to the commander to deliver to the human resources department to consider using the rewards for the benefits of the company as a whole.
- (3) The gifts granted to the company and are valuable to commemorate the company's important events such as the signing of joint ventures contracts or souvenirs from participating in a humanitarian activity. In such similar cases, the company may allow the company's employees to receive the gifts on behalf of the company.
- (4) The company's staff shall not give presents to the commanders and the commanders shall not allow or connive to have a family member or relative receive the gifts from the company's inferior employees, except for regular traditions for giving presents such as new year.
- (5) In case the accepting of properties and other benefits from within the countries or foreign countries, whether it is identified as a personal property, necessary to the maintenance of friendships and relationships, the receiver must report to the commander immediately.
- (6) The company's staff shall not receive or promise to receive any benefits or valuable products to motivate or refrain from carrying out a duty, including any similar actions. The company's staff shall not bribe or compensate with any benefits in the similar manner to other staff or external individuals, especially government officials. The giving of gifts, properties or benefits to external individuals, government officials, both within and outside the country, there needs to be an assurance that the action does not go against the local laws and traditions.
- (7) If any employees or commanders intend to neglect or not comply with this code of conduct, consider that person as behaving contradicting to the established company's regulations and may be investigated and punished according to the company's policies and regulations on the personnel's methods of operations.

#### **11. The use of internal information and safeguarding confidential information**

The company recognizes the importance of managing the information within the organization. The information records and reports must be in line with the company's established criteria and the laws. The company shall safeguard the information in a safe and appropriate location, including the company's internal information and the information of the individuals related to business. The company's employees must safeguard confidentiality and not use the internal information to seek profits or interests. Moreover, the internal information must be referable and useful. After the end of the period required by the laws

to safeguard information, the related staff must destroy the information appropriate to the information and each type of documents. In this regard, the collection, use, disclosure and the destruction of information must be in line with the related laws (if any). To clarify, the company has established the code of conduct as follows:

- (1) The company's staff must safeguard the internal information and the documents that cannot be disclosed to external individuals leading to the seek the exploitation of gains for oneself or one's family and friends such as the information affecting the stock price, trading confidentiality, any invention within the company's rights, except the disclosure prescribed by the laws.
- (2) The company's employee will not use the confidential information for personal or others' gains.
- (3) The company's staff who receive or are responsible for personal information must safeguard or use the information carefully according to the laws.
- (4) The company prescribed that the information regarding contract partners and agreements with parties are confidential which cannot be disclosed, except allowed by the company and contract partner or the laws.
- (5) The company should have measures and strict internal information control system within each department in order to prevent the leak of essential internal information before an official publication. Consider the measures and this control system as a part of the company's risk control management measures.
- (6) The company assigns responsibilities to commanders to ensure that there is no leak of the company's important internal information and news by the staff under the commanders' authority before the company's formal publication.
- (7) The common use of internal information among the staff must rest in the frameworks of accountabilities assigned.
- (8) The company's staff shall not disclose the company's confidential information even after the staff no longer works for the company.

## **12. Code of conduct on intellectual property and the use of information technology**

The company encourages staff to use internet for work benefits. The staff shall not behave in a manner that disturbs the computer and internet system of others in the company and use computer and information technology in accordance with the Computer Crimes Act and other related laws and avoid using the company's computer system to publish unethical and inappropriate information to the traditions and laws. The staff shall not conduct any actions contributing to the damage of the country's security,



including the actions violating intellectual property whether it is a copyright, patent or trademark. The company has established the code of conduct as follows:

- (1) The company's staff must operate by using computer programs with legal copyright. If operating on the external computer, always verify the copyright and shall not install or use unlicensed computer programs under the company's properties.
- (2) The company's staff must keep their passwords confidential in order to prevent others from accessing their passwords. The company's staff also shall not access unfamiliar internet websites which might harm the company's computer system.
- (3) The company's staff shall not use computers to violate or disturb others' works. In this regard, the company has established security protection of information technology in accordance with international standards in which the company's staff are responsible for the security protection of the system.
- (4) The company's staff shall not use computers in spying, modifying or looking at others' folders or create false evidence which may lead to information theft.
- (5) The company's staff shall use information technology and communication tools for personal activities as appropriate, but not for personal business matters. The activities must not affect the company's business operations nor disturb others' working effectiveness or create nuisance.
- (6) The company's staff shall carefully use e-mail and internet provided by the company for the company's business and not contribute to the company's reputation damage and shall not use the company's name or logo in public electronic media.
- (7) The company's staff shall not copy other people's copyrighted programs.
- (8) The company's staff are responsible for ensuring the access to folders and programs of external individuals necessary to the works and strictly comply with the laws concerning information technology and communication.
- (9) If the company notices the violations committed by the staff approved by the investigation, there will be consideration for disciplinary and/or legal punishment as appropriate for each case.

### **13. Rights and political neutrality**

The company is politically neutral with no actions in favor of financial or other forms of support for political parties, political coalitions, powerful political people or election candidates both directly and indirectly whether it is in the local, regional or national level. The company will encourage the staff to

exercise their rights as a good citizen according to constitutional laws and the related laws, including promoting the staff to exercise their rights in constitutional elections. The code of conduct is as follows:

- (1) The company attaches great importance to political neutrality without support or participation in favor of any particular political party or powerful political person.
- (2) The company has no policy on using the company's fund or resources on political aids or support for any political party and politician both directly and indirectly for the benefits of that politician or political party.
- (3) The company is not involved in political campaigns for any political party or politician within the company's area or by using the company's resources and properties.
- (4) The company is committed to democracy and encourages the company's employees to vote.
- (5) The company's staff may exercise political rights through the actions under the name of the staff, not the positions or the company's name or logo to persuade people to fund or support politicians or political parties. In this regards, the company's staff shall be careful of any actions which might lead to a misunderstanding that the company sports a political party or a politician. The use of political rights shall not disturb the company's operation nor contribute to the conflict of interests with the company.

#### **14. Conflict of interests**

The company has established a policy preventing the conflict of interests by not allowing the company's staff to take advantage of being the company's employee to seek personal and partisan's gains whether it concerns finance or any aspects. The staff shall avoid being involved in the activities which may lead to the conflict of interests, including in the form of becoming partners, holding positions related to finance or having personal affairs with external individuals. The company has established the code of conduct as follows:

- (1) The company's staff shall make decisions regarding the company's business operation for the highest benefits of the company.
- (2) Avoid conducting transactions related to the employees which may create a conflict of interest with the company. If necessary to do it for the company's benefits, the actions and decisions of the staff must be free of influence of the staff and the individuals related to the staff through blood or personal encounters. When deciding or approving transactions which may lead to conflict of interests, inform the commander of the approval and withdraw from the transaction.
- (3) The company's staff must comply with the company's policies and regulations by performing duties full-time without doing any personal affairs.

- (4) The employees shall not operate business or partake in any businesses that are the company's competitors nor become partners, shareholders with decision power, executives or directors in the businesses in the competitive manner or are similar to the company's business whether the staff receives direct or indirect benefits.
- (5) The company's staff shall avoid being involved in finance and/or with other external individuals which will cause the company the loss of benefits or the creation of conflict of interest or obstruct effective operations.
- (6) The use of the company's internal information is not allowed for personal and others' gains whether there is a damage for the company or not. The staff must also strictly comply with the company's policy on the use of internal information.
- (7) Refrain from any actions in the manner of management which undermines the company's interests or favors the benefits to any person or juristic person for benefits of the staff or of others.
- (8) All levels of the employees must conduct an annual Conflict of Interest Disclosure Report and/or every time a doubt of conflict of interests occurs by presenting the report to hierarchical commanders and the human resources manager will keep the report confidential.
- (9) Abstain from voting or not attending the meeting during the agenda considering the staff's conflict of interests.

#### **15. Connected transactions**

The company upholds operational guidelines related to connected transaction according to the Securities and Exchange Law and Regulations, announcement, orders or requirements of Stock Exchange of Thailand and other related regulations. In this regard, if the company's staff needs to conduct connected transactions, primarily consider the company's benefits and conduct the transaction in the same manner with transaction with external individuals. The code of conduct is as follows:

- (1) The board shall operate in accordance with the Securities and Exchange Law, regulations, announcement, orders or demands of the Stock Exchange of Thailand, including complying to the requirements on the disclosure of connected transaction information and the acquisition and disposition of the company's essential property according to the accounting standards prescribed by the Federation of Accounting Professions.
- (2) In conducting connected transactions under the announcement of the Stock Exchange Thailand, the procedures must be strictly in line with the criteria, methods and ways of disclosing the related information.

- (3) In case the company's staff need to conduct transactions related to the staff, primarily consider the company's benefits and conduct the transaction in the same manner with transaction with external individuals. The company's staff related to the transactions shall not partake in approval consideration.

### 3. Board of Directors charter

#### (1) Objective

The Board of Directors are regarded as the representative of shareholders, therefore they plays an important role in corporate governance, setting directions, setting policy and strategies in business operations to create the most return on investment and benefits for the company and its shareholders. It also has an important duty to supervise and monitor the operations of the management to ensure that the policy and strategy set forth by the Board of Directors are adhered to with responsibility, caution, honesty and in accordance with the law, the company's objectives and articles of association, board resolutions, and shareholders' meeting resolutions.

#### (2) Composition

- 2.1 The Board of Directors consists of any number of directors as the directors deem necessary and suitable for the business conditions at that time but there must be at least 5 people and not less than half of the total number of directors must have a residence in the Kingdom of Thailand. They must have qualifications as required by law and the directors of the company either be or not be Shareholders of the company.
- 2.2 The Board of Directors consists of executive directors, Non-Executive Director and independent director. At least 1 in 3 are independent directors and at least 3 people. Although, there must be at least 1 of non-executive director have experience in core business or industry in which the Company operates. Qualifications of independent directors are as announced of Office of the Securities and Exchange Commission, which is related to the appointment of directors.
- 2.3 The Board may appoint one of the non-executive directors to be the Chairman of the Board of Directors and may appoint the Vice-Chairman of the Board of Directors and such other positions as it deems appropriate.
- 2.4 The Chairman of the Board of Directors must be an independent director and must not be the same person as the Chairman of the Board of Directors and Chief Executive Officer in order to have a clear separation of roles and balance of operations.
- 2.5 The Chief Executive Officer is appointed as a director on the Board of Directors by position.

- 2.6 The company has clearly separated roles and responsibilities between the Board of Directors and the management. The Board of Directors is responsible for policy making and supervising the operation of the management at policy level. While the management is responsible for management of the company in various areas in accordance setting policy. Therefore, the Chairman of the Board of Directors and the Managing Director are different persons. Both positions must be selected by the Board of Directors to obtain the most suitable person.
- 2.7 The Board of Directors selects a person fully qualified and experienced to act as the appropriate Company Secretary. The Company Secretary to act in support work of the Board of Directors relate to the rules ,conduct of directors' meetings and committees meeting which appointed by the respective committees and shareholders' meetings shall be in accordance with the law, the Company's Articles of Association and good practice, including preparation and keeping the directors register, shareholders' meetings invitation letter, minutes of shareholders' meetings, important documents and activities of the Board of directors. Also, coordinating compliance with the Board resolutions providing, advice on legal aspects and rules that the Board should to know. In addition, keeping the stakeholder report reported by the directors or managements, other actions as an announcement by the Capital Market Supervisory and also Submit a copy of the stakeholder report prepared by the directors to the chairman of the board and the chairman of the audit committee within 7 working days from the date the company receives the report. The board must disclose the qualifications and experience of the company secretary in the annual report and on company's website. In addition, the Board shall encourage the Company Secretary to receive continuous training and develop knowledge that will be useful for performance of their duties and get training in Certified Programs related to the performance of the Company Secretary's duties.

### **(3) Qualification**

#### **3.1 Director**

- 1) Has the qualifications required by law and is not prohibited by the Public Company Law, the Securities and Exchange Law and other relevant laws.
- 2) Shall be a [erson who has knowledgeable, competence, expertise, diversity of skills and experience in the work that is useful to the company's business and can devote full time . This position will be considered without limitation of gender, race, religion, age and other specific competences including independence in monitoring the company's operations and others. It is suitable to protect the interests of shareholders and others. It also covers the

features set out in the requirements of the Stock Exchange of Thailand and the Securities and Exchange Commission.

- 3) Shall have a leadership and control over management actions efficiently and effectively.
- 4) Shall holding a position as a director of a company listed on the Stock Exchange of Thailand with no over 5 companies ( including the position as a director of the company).

3.2 Independent Directors: In addition to the qualifications referred to in Clause 3.1 as above, the Independent Directors must meet requirements set by the Capital Market Supervisory Board as follows:

- 1) Shall not hold shares exceeding 1.0% of the total number of voting shares of the Company, its parent company, subsidiary, associate, major shareholder or controlling person, including shares held by related persons of such independent director.
- 2) Shall neither be nor have ever been a director with management authority, employee, staff member, advisor who receives a salary or is a controlling person of the Company, its parent company, subsidiary, associate, same-tier subsidiary company, major shareholder or controlling person unless the foregoing status has ended not less than two years prior to the date of submit an application with the Office of the Securities and Exchange Commission (SEC). Such prohibited characteristics do not include the fact that an independent director was a government official or consultant, a major shareholder or a controlling person of the company.
- 3) Shall not be a person related by blood or legal registration as father, mother, spouse, sibling, or child, including spouse of child of other directors, of an executive, major shareholder, controlling person, or person to be nominated as director, executive or controlling person of the Company or its subsidiary.
- 4) Shall neither have nor have ever had a business relationship with the Company, its parent company, subsidiary, associate, major shareholder or controlling person, in a manner that may interfere with his/her independent judgment, and neither is nor has ever been a significant shareholder or controlling person of any person having a business relationship with the Company, its parent company, subsidiary, associate, major shareholder or controlling person, unless the foregoing relationship has ended not less than two years prior to the date of submit application to the Securities and Exchange Commission(SEC)

The term “business relationship” shall include any normal business transaction, rental or lease of immovable property, transaction relating to assets or services or granting or receipt of financial assistance through receiving or extending loans, guarantees, providing assets as collateral ,and any other similar actions, which result in the applicant or his/her counterparty being subject to

indebtedness payable to the other party in the amount of 3% or more of the net tangible assets of the applicant or 20 Million Baht or more, whichever is lower. The amount of such indebtedness shall be calculated according to the method for calculation of value of connected transactions under the Notification of the Capital Market Supervisory Board governing rules on connected transactions. The consideration of such indebtedness shall include indebtedness incurred during the period of one year prior to the date on which the business relationship with the person commences.

- 5) Shall not be nor have ever been an auditor of the Company, its parent company, subsidiary, associate, major shareholder or controlling person, and not be a significant shareholder, controlling person, or partner of an audit firm which employs auditors of the Company, its parent company, subsidiary, associate, major shareholder or controlling person, unless the foregoing relationship has ended not less than two years prior to the date of submission for approval to the Securities and Exchange Commission.
- 6) Shall not be nor have ever been a provider of any professional services<sup>2</sup> including legal advisor or financial advisor who receives service fee exceeding 2 Million Baht per year from the Company, its parent company, subsidiary, associate, major shareholder or controlling person, and not be a significant shareholder, controlling person or partner of provider of professional services, unless the foregoing relationship has ended not less than two years prior to the date of submission for approval to the Securities and Exchange Commission.
- 7) Not being a director appointed to represent the directors of the Company, a major shareholder, or a shareholder related to a major shareholder.
- 8) Shall not undertake any business in the same nature and in competition with the business of the employee, staff member or advisor whose salary or hold shares exceeding 1% of the total number of shares with voting rights of another company which undertakes business in the same nature and in competition with the business of the Company or its subsidiary.
- 9) Shall not have any other characteristic that limits his or her ability to express independent opinions regarding the Company's operations.

#### **(4) Appointment, Term of Performance and Retire**

##### **4.1 Appointment**

- 1) To appointment of the Board of Directors shall be made in accordance with the law, the Company's Articles of Association and the relevant regulations, and shall be carried out in a transparent and clear manner.



- 2) One shareholder has the same number of votes as one share per share.
- 3) In the election of directors, the voting method may be used to select each director individually or as many at a time as the shareholders' meeting shall deem appropriate, but in each vote, the shareholders shall vote with the votes cast in accordance with Article 2. To what extent all of them shall not be able to divide votes. Therefore, shareholders may not divide their votes in the election of directors so that no one may vote more or less in accordance with Article 70, paragraph 1, of the Limited Liability Companies Act (Non-Commercial Voting only).
- 4) The person who receives the highest number of votes respectively shall be elected as a director. The number of directors who shall have or shall be elected at that time. In the event that the person who is elected in the next order has more than the number of directors who shall have or shall be elected at that time. The chairman of the meeting shall vote.
- 5) The committee responsible for managing the business of the company shall have a term of office in accordance with the Company's Articles of Association. That is, at every annual general meeting of shareholders, the directors shall resign from office in the amount of 1-third of the number of directors. At that time, if the number of directors cannot be divided into three parts, they shall be issued in the nearest number to one-third. Nevertheless, a retiring director is eligible for re-election.

For specific committees, namely the Audit Committee, the term of office shall be three years at a time. One year is defined as the period between the date of the General Meeting of Shareholders of the appointed year to the date of the next General Meeting of Shareholders. A director who retiring from completing the directorship term might be nominated and reappointed.

- 6) In the event that a director who retiring from completing the directorship term, the shareholders' meeting shall consider appointing the directors, wherein the resolution of the appointment of the directors must be passed by a majority of the votes of the shareholders who attend the meeting and cast their votes. If there are equal votes, the chairman of the meeting shall have an additional vote as a casting vote.
- 7) In the event that the position of director becomes vacant due to other reasons than the completion of the directorship term, The Board of Directors shall consider and appoint a person who has qualifications and does not have any prohibited characteristics as a replacement director at the next Board Meeting. The replacement director will be in the position of director only for the remaining term of the director replaces, unless the remaining term of the director is less than 2 months. In this regard, the resolution to appoint a person to be a replacement director must receive a vote of not less than three-fourths of the number of remaining directors.

#### 4.2 Performance

- 1) At every annual general meeting, a director must resign at least one-third . If the number of directors cannot be divided into three parts, they shall be issued in the nearest number to one-third. The resigning director may be elected to the Board of Directors.
- 2) The directors who must resign in the first year and the second year after the registration of the company shall draw lots. Those who will resign in the following years shall be the longest-serving directors who resign. The resigning directors may be considered to be re-elected to the Board of Directors.
- 3) An independent directors have a term of office not exceed 3 consecutive terms.

#### 4.3 Retirement

- 1) The board of director is considered retired from the Board due to
  - 1.1) Completing the directorship term.
  - 1.2) Death.
  - 1.3) Resignation.
  - 1.4) Lack of qualifications or prohibitions by the Public Limited Company Act or by the Securities and Exchange Act.
  - 1.5) The shareholders' meeting votes of no less than 75% of the number of shareholders who are present in the meeting and eligible to vote and holding an aggregate number of shares of no less than half of total number of shares held by all shareholders who are present in the meeting and eligible to vote.
  - 1.6) Retirement order by the court.
- 2) Any director who resigns from the position shall submit the resignation to the Company. The resignation shall take effect from the date of arrival to the Company. The resigning director may also notify his resignation to the Registrar.
- 3) In the case of the dismissal of the entire board, the dismissed committee shall remain in office for the purpose of continuing the business of the company as long as necessary until the new board takes office. Unless the court orders otherwise, in the event of the dismissal of the board by order of the court, the dismissed committee shall hold a meeting of shareholders to elect the new board of directors within 1 month from the dismissal. The notice of the meeting shall be sent to the shareholders not less than 14 days before the date of the meeting. The notice of the meeting shall be advertised in the newspaper not less than 3 days before the date of the meeting and shall be publish 3 consecutive days.

#### **(5) Roles and Responsibilities of the Board of Directors**

- 5.1 Members of the Board of Directors are required to conform to laws, objectives, rules and regulations of the Company, resolutions of the Board of Directors, resolutions for the shareholders' meetings with and perform their duties with accountability, prudence and honesty, with taking into account the equal benefits of all shareholders.
- 5.2 Define the overall vision, mission, policy, direction, financial goals, risks, plans, budgets, as well as key strategies to conduct the company's business with competence and honesty in order to secure the benefit of the company and the benefit of its shareholders. Including regulating and directing the management to implement the assigned policies and plans efficiently, effectively and properly in accordance with the company's regulations, laws and the requirements of various regulatory organizations. Also in compliance with the rules of good corporate governance to maximize the economic value for shareholders and sustainable growth.
- 5.3 Review and approve visions, business strategies, business direction, goals, guidelines, work plans and budgets of the Company and its subsidiaries as proposed by the management.
- 5.4 Continuously monitor the company's performance to ensure that the operations are in accordance with the goals, operational plans and budgets set by the company and able to deal with obstacles and problems that may arise in a timely manner.
- 5.5 Control and supervise the management, handling and performance of the Board of Directors, Chief Executive Officer, Management or any person assigned to such functions in order to comply with the policies, plans and budgets set by the Board of Directors efficiently and effectively.
- 5.6 Ensure that the Company and its subsidiaries with appropriate and effective accounting policies and systems, reliable financial reporting, an effective internal control and internal audit system, and compliance controls and policies that will have an impact on the performance of the Company by establishing an internal audit agency (Internal Audit) and Compliance Unit to ensure that the company operates in accordance with the established guidelines effectively. And organize regular monitoring and evaluation by these unit are independent and report on the performance directly to the audit committee and penalties have been imposed for non-compliance with regulations and policies. In addition, the company has hired a third party (Outsource) to work with the company's internal audit function, or perform the duty of auditing and overseeing the internal control system and checking important items on a regular basis to ensure that the company has an efficient system of internal control system another layer, which

covers both operations and Compliance Control, risk management and the use of priorities for irregular transactions.

- 5.7 The financial statements of the Company and its subsidiaries shall be prepared at the end of the accounting period to be accurate to show the financial position and results of the previous accounting period to be true, complete and accurate in accordance with generally accepted accounting standards and reviewed by the auditor before presenting to the shareholders' meeting for approval.
- 5.8 Consider approving the selection and appointment of auditors and determine the appropriate remuneration as presented by the Audit Committee before presenting to the Shareholders' Meeting at the Annual General Meeting for approval.
- 5.9 Consider establishing a risk management policy (Risk Management) for entire organization and supervise the system or process for risk management by set secondary measures and control methods to reduce the impact on the company's business by appropriately and effectively.
- 5.10 Supervise risk management and internal control measures. The Board of Directors and the Audit Committee must arrange for a consideration and opinion on the adequacy of such matter at least once a year and shall be disclosed in the annual report, as well as taking care of the risk factors so that they do not have a negative impact on the Company's operations.
- 5.11 Supervise the management of information technology and information technology system security measures.
- 5.12 Establish a policy on corporate governance provide a code of business conduct for directors, managements and employees and ensure effective compliance with the policy including monitoring compliance with the policy to ensure that the company is accountable to all stakeholders with fairness and taking into account the sustainable development of the business.
- 5.13 Considering the approval of the appointment of directors to replace the directors completed the term of the board director. Considering the approval of the appointment of qualified persons and without prohibited characteristics as prescribed in the Public Limited Company Act and the Securities and Exchange Act, including the announcement of regulations and/or rules related to the position of directors and the determination of the directors' remuneration as proposed by the Nomination and Remuneration Committee for presentation to the shareholders' meeting for approval.

- 5.14 Appoint qualified and unqualified persons as required by the Public Limited Companies Act and the Securities and Exchange Act, including announcements of relevant regulations and/or rules, to serve in the event that the position of director is vacated for any reason other than the term of office. Review and approve qualified individuals whose qualifications abide by Public Company Act and the Securities and Exchange Act including announcements, rules and regulations or procedures related to the appointment in case that a directorship position is vacant due to other causes apart from official end of term.
- 5.15 Appoint the Audit Committee or any other sub-committees and define their roles and responsibilities of those sub-committees to assist and support the Board of Directors' duties.
- 5.16 Responsible for considering the appointment of independent directors and audit committee members, considering the qualifications and prohibited characteristics of independent directors and audit committee members under the Securities and Exchange Act, including the relevant regulations and/or regulations of the Stock Exchange and/or the Office of the Securities and Exchange Commission, to be presented to the shareholders' meeting for consideration in the appointment of independent directors and audit committee members of the company.
- 5.17 Identify, authorise and adjust the list of authorised directors who can sign and bind the Company.
- 5.18 Appoint any other person to carry on the business of the Company under the control of the Board of Directors or may authorize person to have such powers and/or within such time as the Board of Directors deems fit. The Board of Directors may cancel, revoke, change or modify such powers.
- 5.19 Responsible for considering and approving the acquisition or disposition of assets of the Company, except in the case where such transactions require approval from the shareholders' meeting. In this regard, such approval shall be in accordance with the relevant notifications, regulations and/or regulations of the SET and/or the Office of the Securities and Exchange Commission.
- 5.20 Responsible for considering and approving connected transactions except in the case where such transaction must be approved by the shareholders' meeting. In this regard, such approval shall be in accordance with the relevant notifications, regulations and/or regulations of the SET and/or the Office of the Securities and Exchange Commission.
- 5.21 Responsible for considering and approving the payment of interim dividends to shareholders when it is apparent that the Company is reasonably profitable to do such the matter and to

report such dividend payments to the shareholders' meeting at the subsequent shareholders' meeting.

- 5.22 Responsibility to shareholders on a regular basis. Operate for the benefit of shareholders, accurate disclosure information to investors as a standard and transparent.
- 5.23 Arrange for review and revise scope, role and responsibilities of the Board of Directors in accordance with circumstances.
- 5.24 Consider appointing management in accordance with the definition established by the Securities and Exchange Commission or the Capital Markets Commission.
- 5.25 Provide a succession plan for the succession of directors and top management of the company.
- 5.26 Provide a company secretary to help supervise the activities of the board and help the board and the company comply with relevant laws and requirements. However, the secretary of the Board of Directors neither be or not be a member of board director.
- 5.27 Obtain professional opinions from external organizations if necessary to make appropriate decisions.
- 5.28 Continuously develop operational knowledge, attend training or participate in courses related to the performance of board duties or seminar activities that enhance operational knowledge.
- 5.29 The Board may delegate one or more of its powers to any director or other person acting on behalf of the Board, under the control of the Board, or may delegate such powers to such person as the Board deems appropriate and within such period as the Board deems appropriate. The board may cancel revoke change or amend the delegation of power.

However, delegation must not be in the nature of a power of attorney that allows the person to consider and approve an item for himself or someone who may have a conflict of interest. have a stake or having conflicts of interest in any other manner with the Company or its subsidiaries (if any) (as defined in the Notification of the Capital Market Supervisory Board and/or the Stock Exchange of Thailand and/or any other announcements of the agency related), except for the approval of transactions that are in accordance with the policies and criteria considered by the Board of Directors and already approved.

- 5.30 Consider making decisions on matters of importance such as policies and business plans for large investment projects administrative power Acquisition or disposition of property and any other items required by law.
- 5.31 Supervise the performance of sub-committees in accordance with the scope of authority and responsibility of the Board of Directors.

- 5.32 Establish a policy on corporate governance in accordance with the Code of Business Conduct. Written and effective application of such policy. Also, review the policy and monitor its compliance regularly to ensure that the company is accountable to all stakeholders with fairness.
- 5.33 Report on the responsibility of the Board of Directors to prepare financial statements by showing together with the auditor's report in the annual report and covering important matters in accordance with the policy of good practice for directors of listed companies of the Stock Exchange.
- 5.34 Determine the authority and level of approval of transactions and actions related to the Company's work to the Board or individuals, as appropriate, and in accordance with relevant laws. The Guide to Authority shall be prepared and reviewed at least once a year.
- 5.35 Provide to prepare the financial statement and income statement shall be prepared at the end of the accounting period of the Company and signed to certify such statement for presentation to the shareholders' meeting at the annual general meeting for approval.
- 5.36 Responsibility for supervising and determining the operating policies of the subsidiaries and other businesses that the company has invested significantly. For example, having a shareholding with voting rights of 20 % but not more than 50 %, and if necessary, the board of directors must ensure that a contract between the shareholders or joint venture contract is established ,to provide clarity on management power and participation in key decision-making. To performance tracking to be used as information in the preparation of the Company's financial statements in accordance with the standards and deadlines.
- 5.37 Provide a consultant to determine the guidelines for the development of the potential of directors and executives every 3 years and disclose such information in the annual report.
- 5.38 Understand the structure of the shareholders' relationship and the policies of the parent company group that affect the management control of the subsidiaries.
- 5.39 Provide policy to promote training and education for those involved in the company's corporate governance system, such as directors, audit committee, management and company secretaries, etc. To ensure continuous improvement of operations and systematic documentation and plans to enable those who take office to continue to operate in the event of changes in directors or appointment of new directors. The board of director provide disclosure of training and knowledge in the annual report.
- 5.40 Provide orientation for the directors who serve on the Board of Directors to know the important information of the company that is useful for the performance of their duties. This includes



objectives, policies, goals, vision, mission, corporate values, performance as well as the business nature and business practices of the company, standards, risks and environment related to business operations. Including various rules related to the position of the board of directors. The company secretary has provided a set of documents, the company's annual report, the company's vision video, as well as a visit to the company's place of business to encourage the performance of the duties of the new directors.

- 5.41 Determine the remuneration structure by specifying that the remuneration of independent directors is monthly remuneration and meeting allowance per meeting, which must be on average compared to the other company in same industry by taking into the adequacy of duties and responsibilities for which the directors are responsible. And for executive directors who do not receive monthly remuneration and meeting allowances, the executives will receive annual salary and bonuses based on the Company's operating results. The annual remuneration of the Board of Directors and executives combined must not be unusually high compared to the average return of companies listed on the SET. In this regard, the best interests of shareholders are primarily taken into account and the remuneration of the directors must be approved by the annual shareholders meeting every year.

**(6) Role and functions of the Chairman of the Board of Directors**

- 6.1 Responsible as the leader of the Board of Directors in overseeing, advising, monitoring and supporting the management of the management and other sub-committees to achieve the objectives to ensure that the performance of the Board of Directors effectively and achieve the objectives and main goals of the organization.
- 6.2 Support and encourage the Board of Directors to perform their duties to the best of their abilities in accordance with the scope of duties, responsibilities and in accordance with the principles of good corporate governance to allow all directors to participate in fostering an ethical corporate culture.
- 6.3 Make a meeting of the Board of Directors and act as the chairman of the Board of Directors' meeting. Or if two or more directors request a meeting of the Board of Directors, the Chairman of the Board of Directors shall determine the meeting date within 14 days from the date of receipt of the request.
- 6.4 Consider setting the meeting agenda of the Board of Directors together with the Managing Director and set measure to ensure that important matters are included in the agenda, including keeping the Board of Directors properly informed, clear and timely before the meeting, so that the Board of Directors can make appropriate decisions.

- 6.5 Acting as chairman of board meetings and shareholders' meetings of the Company.
- 6.6 Conduct the Board of Directors' meetings in accordance with the agenda, the Company's Articles of Association and the law, allocate sufficient time and encourage all directors to discuss issues freely exchanging opinions and use discretion carefully taking into account all stakeholders fairly.
- 6.7 The shareholders' meeting shall be conducted in accordance with the Company's Articles of Association and the law, with reasonable time allotted, including the opportunity for the shareholders to express their opinions equally and independently, and to ensure an appropriate and transparent response to the shareholders' inquiries.
- 6.8 Strengthening good relations between executive and non-executive directors and between the board and management.
- 6.9 To be a deciding voter in the event that the meeting of the Board of Directors has an equal number of votes.
- 6.10 Clearly outline the resolutions of the meeting and what is to be done next.
- 6.11 Communicate important information to the Board of Directors.
- 6.12 Encourage the Board of Directors to perform their duties in accordance with the scope, powers, duties and responsibilities of the Board of Directors according to laws, regulations or announcements from relevant agencies and in accordance with the principles of good corporate governance by taking into account the interests of shareholders and stakeholders fairly to allow all directors to participate in fostering an ethical corporate culture.

#### **(7) Meetings and conferences**

- 7.1 The Company requires that the Board of Directors meet at least 6 times a year, with each meeting clearly prescribing the main agenda. And there may be special meetings to consider matters of importance or urgency. In considering the meeting agenda and considering the agenda items, the Chairman and the managing director will consider jointly. And in the month that there is no meeting of the Board of Directors the management shall prepare a summary report of the operation results and forward it to all directors so that the board can supervise, control and supervise the management's performance continually and in a timely manner.
- 7.2 In summoning each meeting of the Board of Directors so that all committees know in advance. The chairman of the board or the company secretary, by the order of the chairman, shall notify the directors of the company to send a notice of meeting not less than 7 days in advance of the meeting date, except in case of urgency, the meeting may be called by other methods or an earlier meeting date is determined and will collect the meeting documents from

the directors and management to deliver to the Board of Directors at least 5 business days in advance of the meeting date and such documents shall provide sufficient information for the Board's independent decision-making and judgment.

- 7.3 At a meeting of the Board of Directors, the directors who have a significant interest in the matters considered must leave the meeting during the consideration of the matter.
- 7.4 At the meeting, the directors must freely express their opinion and exercise their discretion. The directors should attend every meeting except in case of force majeure, which must be notified to the secretary of the Board of Directors in advance. The number of attendance of the Board of Directors must be reported in the annual report .
- 7.5 Assign the non-executive directors to meet at least once a year to discuss management issues that are in their interest without the management being involved.
- 7.6 At the meeting of the Board of Directors, at least half of the total number of the Board of Directors must be present. In the event that the Chairman of the Board of Directors is absent or unable to act, the Board of Directors of the Company who convened the meeting shall elect one of the Board of Directors to preside over the meeting.
- 7.7 The decision of the meeting shall be taken by a majority of votes. One member of the Board of Directors shall have one vote. If the number of votes is equal, the chairman of the meeting shall cast an additional number of votes. However, the opinion of the other members of the Board of Directors who do not vote shall be specified in the minutes.
- 7.8 A member of the Board of Directors has one vote, unless the member of the Board of Directors who has an interest in a matter has no voting rights in that matter.
- 7.9 In the event that the Board of Directors is vacated to less than the number of the meeting, the remaining Board of Directors shall act on behalf of the Board of Directors, but only to hold a Shareholders' Meeting to elect the Board of Directors in place of all vacant positions, and such Shareholders' Meeting shall be held within 1 month from the date of the vacancy of the Board of Directors to less than the number of the meeting.
- 7.10 The secretary of the Company acts as the secretary of the meeting to take notes and prepare minutes of the meeting, which must be complete within 14 days from the date of the meeting to propose to the Chairman of the Board of Directors to sign. And must have a good system of keeping minutes and meeting documents to facilitate the search and confidentiality. Including encouraging the Board of Directors to perform its duties in accordance with the law, regulations and resolutions of the shareholders' meeting. Including coordinating with those involved.

7.11 The Committee encourages the Managing Director to invite senior executives to the Board of Directors to provide more detailed information as directly related to the issue and to have the opportunity to know senior executives for consideration in the succession plan.

#### **(8) Performance appraisal**

The performance of the duties of the Board of Directors, its sub-committee and senior management shall be evaluated individually and in a holistic manner at least once a year, to collect the evaluation score of the Board of Directors and its sub-committees and finalize the analysis of the performance of the Board of Directors in the year. To report to the Board of Directors to consider the work and problems for further improvement. The criteria will be established for comparing the performance. And the overall assessment process and results shall be disclosed in the annual report.

#### **(9) Review of the scope, powers and responsibilities of the Board of Directors**

The scope, powers and responsibilities of the Board of Directors shall be reviewed annually to ensure that it is appropriate and in accordance with the circumstances.

### **4. Audit Committee charter**

#### **(1) Objective**

The Board of Directors has set up an Audit Committee (Audit Committee) to assist the Board of Directors in supervising, monitoring and ensuring that the company has a sound and transparent working standard, as well as a reliable financial reporting system that will be of the greatest benefit to investors and all parties involved, and to comply with the policies of the Stock Exchange of Thailand.

#### **(2) Appointment**

- 2.1 The Board of Directors of the Company appoints an Audit Committee (Audit Committee) consisting of the Board of Directors composed of at least 3 independent directors.
- 2.2 The Board of Directors or the Audit Committee elects one member of the Audit Committee to act as Chairman of the Audit Committee.
- 2.3 The Audit Committee appoints the Chief Executive Officer of the Internal Audit Department or the Internal Audit Manager of the Company as the secretary of the Audit Committee to prepare and organize the meetings of the Audit Committee, as well as the coordinator. The report shall be made to the Board of Investors, Shareholders and the Stock Exchange of Thailand. The Secretary of the Audit Committee is obliged to attend meetings but has no voting rights in the Audit Committee.

**(3) Composition and qualifications of the Audit Committee**

- 3.1 The Audit Committee must be an independent director and be appointed by the Board of Directors or the Shareholders' Meeting of the Company, consisting of at least 3 persons, consisting of the Chairman of the Audit Committee and at least 2 members of the Audit Committee and having the qualifications and duties under the Public Limited Company Act, Rules of the Office of the Securities and Exchange Commission.
- 3.2 Shareholders holding not more than 1 % of the total voting shares of the Company, the mother Company, its subsidiaries, associates, subsidiaries, respectively, entities that may have a conflict with the Company's major shareholders or controlling persons. The shareholdings of the related parties and close relatives of the respective directors shall be included.
- 3.3 Shall able to independently perform the duties and express opinions or report on the performance of the assigned duties without being under the control of the management or major shareholders of the Company, as well as related parties or close relatives of such persons.
- 3.4 Reliable and generally accepted.
- 3.5 Shall be able to devote sufficient time to perform the duties of the Audit Committee.
- 3.6 Directors who do not have or have been involved in the management of the Company, including are not employees, consultants, regular salaried employees, or controlling persons of the Company, its subsidiaries, associates, subsidiaries, respectively. Legal entities that may be in conflict with the majority shareholder or controlling persons of the Company, unless they have been released from such duties not less than 2 years prior to the date of the application for authorization to the Securities and Exchange Commission. Such prohibited characteristics do not include the fact that the independent director was a government official or consultant who was a majority shareholder or controlling person of the Company.
- 3.7 Being a director who does not have a cordial relationship or by legal registration as a parent, spouse, brother and child, as well as the spouse of the child of another director, administrator, majority shareholder, controlling person or a person to be nominated as a director, administrator or controlling person of the Company or its subsidiaries.
- 3.8 A director who does not have or has had a business relationship with a company, a majority company, a subsidiary, an associate or a legal entity that may have a conflict with a majority shareholder or a controlling person of the company in a manner that may impede the exercise of his or her independent judgement, including not being or having been a significant

shareholder or controlling person of a person who has a business relationship with a majority company, a subsidiary, an associate or a legal entity that may have a conflict with a majority shareholder or a controlling person of the company, unless he or she has been relieved of that nature not less than 2 years before being appointed as an independent director.

- 3.9 The business relationship under the first paragraph includes commercial transactions that are normally done to operate, rent or lease real estate, asset or service items, or to provide or receive financial assistance by receiving or lending guarantees, providing assets as collateral for liabilities, as well as other similar events that result in the Company or the counterparty having a debt obligation to the other party of 3 percent of the assets, have a net presence or 20 million baht or more whichever is lower. The calculation of the debt burden shall be in accordance with the method of calculating the value of the connected items according to the announcement of the Capital Market Supervisory Committee on the criteria for making the connected items by subordination, but in consideration of the debt burden, the debt burden incurred during the year preceding the date of the business relationship with the same person shall be included.
- 3.10 Shall be a director who is or has been an auditor of the Company, a majority company, a subsidiary, a joint venture, or a subsidiary of the same rank. A legal entity that may have a conflict with a majority shareholder or a controlling person of the Company in a manner that may impede the exercise of their independent judgement, and is or has not been a significant shareholder, controlling person, or partner of the Office of the Auditor, which has an auditor of the Company, a majority company, a subsidiary, a joint venture, or a subsidiary of the same rank. A legal entity that may have a conflict with a majority shareholder or a controlling person of the Company is affiliated with the Company, unless it has been discharged from having such characteristics not less than 2 years prior to its appointment.
- 3.11 Shall be not or has not been a provider of any professional services, including services as a legal counsel or financial adviser, who receives a service fee in excess of 2 million baht per year from a major company, subsidiary, associate, subsidiary, etc., a legal entity that may be in conflict with the majority shareholder or controlling shareholder of the company, and who is not a significant shareholder, controlling shareholder or partner of that professional service provider, unless he has been discharged from having such characteristics not less than 2 years prior to his appointment.
- 3.12 Shall be a director who is not appointed to represent the directors of the Company, a majority shareholder or a shareholder who is related to a majority shareholder of the Company.

- 3.13 Shall be not operate in the same condition and is a significant competition with the business of the Company or its subsidiaries or is not a significant shareholder in the Partnership or is a director engaged in the management of employees, employees, consultants who receive regular salaries or holds more than 1 percent of the total voting shares of other companies operating in the same condition and is a significant competition with the business of the Company or its subsidiaries.
- 3.14 There are no other characteristics that make it impossible to give an independent opinion on the operation of the Company and its subsidiaries.
- 3.15 After being appointed as an independent director having the characteristics of article no.(2) – (12), an independent director may be assigned by the Board of Directors to decide on the operation of the Company, its subsidiaries, associates, subsidiaries, respectively. Legal entities that may be in conflict with the majority shareholder or controlling person of the Company, the majority shareholder or controlling person of the Company. The decision can be made in the form of a committee (Collective Decision).
- 3.16 Not being a director entrusted by the Board of Directors to make decisions on the operation of the Company, its principal subsidiaries, associates, subsidiaries, respectively, entities that may have a conflict with the majority shareholder or controlling authority of the Company.
- 3.17 Not being a director of a subsidiary or a subsidiary of the same level, only the company is a registered company.
- 3.18 The Audit Committee must have sufficient knowledge and experience to be able to act as an audit committee. There must be at least one audit committee with sufficient knowledge and experience to be able to act in the audit of the reliability of the financial statements.
- 3.19 The Audit Committee must also meet the other qualifications required by the Securities and Exchange Commission.

#### **(4) Scope of duties and responsibilities**

- 4.1 The Audit Committee shall supervise the Company's operations to ensure clarity in the management of honesty and the responsibility of the Executive Directors or Executives to the Company's shareholders. As well as to ensure that the Executive Committee and the Company's executives manage the business in accordance with the policies of the Board of Directors with accuracy, completeness and standards.
- 4.2 The Audit Committee has duties and responsibilities in the tasks assigned by the Board of Directors as follows:



- 4.2.1 Review the scope, powers and responsibilities of the Audit Committee at least once a year and consider any amendments that are deemed necessary and appropriate.
- 4.2.2 Review the financial reports of the Company and its subsidiaries to ensure accuracy, completeness and reliability, including adequate disclosure, in coordination with the external auditors and management responsible for preparing quarterly and annual financial reports, and adequately disclose relevant information of the Company before presenting it to the Board of Directors.
- 4.2.3 Consider and give opinion on significant changes to accounting principles or accounting practices proposed by the company's management.
- 4.2.4 Review the internal control system (Internal Control) and the internal audit system (Internal Audit) of the company and subsidiaries to be appropriate and effective and consider the independence of the internal audit agency. And may suggest a review or check any item deemed necessary and important including presenting recommendations on the improvement or revision of the internal control system Important and necessary propose to the Board of Directors by the audit committee together with the external auditor and the chief executive of the internal audit department or the internal audit manager. Including giving approval to consider appointing, transferring, dismissing the head of the internal audit agency and/or hiring an internal audit company Or any other entity responsible for internal audit.
- 4.2.5 Supervise the independence of auditors and internal audit.
- 4.2.6 Review the Company's operations in accordance with securities and stock exchange laws, the requirements of the stock exchange or laws related to the Company's business.
- 4.2.7 Approve the appointment, transfer or dismissal of the internal audit chief executive or internal audit manager.
- 4.2.8 Consider selecting and appointing the auditors of the company Including considering the remuneration of the auditors to the Board for approval by the shareholders' meeting Including coordinating with the auditor about the purpose of conducting the audit Scope, guidelines, plans and problems encountered during the audit and issues that the auditor considers material Including attending the meeting with the auditor without the management being present at least once a year.
- 4.2.9 Consider and review the internal audit performance report and approve the annual internal audit plan.

- 4.2.10 Consider any connected items or items that may have a conflict of interest in accordance with the laws and requirements of the stock exchange. And consider the acquired or sold items of the company and its subsidiaries in accordance with the laws and regulations of the Stock Exchange of Thailand. As well as the control policy and corporate governance mechanisms that the company invests in to ensure that such items are reasonable and in the best interest of the company and its subsidiaries.
- 4.2.11 Consider disclosing company information in the event of a connected item or a potential conflict of interest to be accurate and complete, and in accordance with the laws and requirements of the stock exchange. Including disclosing information in order to make such a transaction correctly and completely to ensure that such an item is reasonable and in the best interest of the company.
- 4.2.12 The report of the Audit Committee shall be published in the annual report of the Company, which report shall be signed by the Chairman of the Audit Committee and shall contain at least the following information:
- 1) The opinion on the accuracy, completeness and reliability of the financial reports of the Company and its subsidiaries.
  - 2) Opinion on the adequacy of the internal control system of the Company and its subsidiaries.
  - 3) comment on compliance with securities and stock exchange laws, stock exchange requirements or laws relating to the business of the Company and its subsidiaries.
  - 4) Opinion on the appropriateness of the auditor.
  - 5) Comments on items that may have a conflict of interest.
  - 6) Number of Audit Committee meetings and attendance of each Audit Committee member.
  - 7) the overall opinion or observations given by the Audit Committee in the performance of its duties, in accordance with the scope of its mandate and responsibilities.
  - 8) Report on the performance of the Audit Committee to the Board of Directors on a regular basis at least once a quarter.
  - 9) Other items that shareholders and general investors should know within the scope of duties and responsibilities assigned by the Board of Directors.
- 4.2.13 In the performance of the duties of the Audit Committee, if the following items or actions are found or suspected which may have a significant impact on the financial

position and results of the Company, the Audit Committee shall report to the Board of Directors for action within a period of time that the Audit Committee deems appropriate.

- 1) Items in conflict of interest.
- 2) Corruption or significant irregularities or deficiencies in the internal control system.
- 3) Violation of securities and stock exchange laws, stock exchange requirements or laws relating to the business of the Company. If the Board of Directors or Management fails to make corrections within the above period, one of the Directors may report the existence of the above items or actions to the Securities and Exchange Commission or the Stock Exchange.

4.2.14 Hold meetings with auditors without management at least once a year.

4.2.15 Consider the company's key risks and suggest ways to prevent them or notify the board of preventive measures to reduce them.

4.2.16 Making a report on the activities of the Audit Committee and disclosed them in the annual report of the Company, which report is signed by the Chairman of the Audit Committee.

4.2.17 The Audit Committee may seek independent opinions from other professional advisors or subject matter experts when deemed necessary with the Company's expense and approval by the Board of Directors. The hiring shall be carried out in accordance with the regulations of the Company.

4.2.18 Perform any other tasks as assigned by the Board of Directors and agreed by the Audit Committee.

4.2.19 Review regulations and performance in the past year at least once a year.

4.2.20 Ensured that the company had appropriate channels to receive alerts and complaints about inappropriate financial reports or other issues by ensuring an independent review process and appropriate follow-up actions.

4.2.21 When necessary, the Audit Committee can seek the advice of external consultants or professional experts regarding the performance of the audit work at the Company's expense in accordance with its regulations.

4.2.22 Review the accuracy of references and self-assessment forms on anti-corruption measures of the Thai private sector's anti-corruption coalition project.

## **(5) Meetings**

5.1 The Audit Committee is to be convened at least once a quarter.

- 5.2 The Chairman of the Audit Committee may call a special meeting of the audit committee if requested by the audit committee, the internal auditor, the financial auditor or the Chairman of the Board of Directors.
- 5.3 The meeting of the Audit Committee shall be convened by the Chairman of the Audit Committee or the secretary of the Audit Committee by order of the Chairman of the Audit Committee. Send the notice of the meeting to all the members of the Audit Committee not less than 7 days before the date of the meeting, except in case of urgent need will notify the meeting by other methods or set a meeting date earlier than that.
- 5.4 The Audit Committee who has an interest in any matter has no right to vote on that matter.
- 5.5 The vote at the meeting of the Audit Committee shall constitute an important majority of the opinion. In the case of an equal number of votes, the chairman of the meeting shall cast an additional one vote as a decision. However, the opinion of the other Audit Committee members who do not agree shall be presented as a dissenting opinion to the Board.
- 5.6 The Chairman of the Audit Committee shall report the results of the meeting to the next meeting of the Board of Directors for notification every time.
- 5.7 The secretary of the Audit Committee or his/her designee shall record the minutes of the meeting.

#### **(6) Reporting**

- 6.1 The Audit Committee shall regularly report on the results of the meeting or any other report that the Board of Directors deems appropriate to the Board of Directors to be known.
- 6.2 The Audit Committee shall report to the Board of Directors in the event that the Audit Committee finds or suspects the presence of the following items or actions that may have a significant impact on the financial position or results of the Company to make corrective actions within the time limit that the Audit Committee deems appropriate, for example:
- 6.2.1 Items in conflict of interest.
- 6.2.2 Corruption or significant irregularities or deficiencies in the internal control system.
- 6.2.3 Violation of securities and stock exchange laws, stock exchange requirements or laws relating to the business of the Company.

However, if the Board of Directors or management fails to make corrections within a reasonable time without giving a reason, any Audit Committee member shall report the existence of the item or act to the Office of the Securities and Exchange Commission or the Stock Exchange of Thailand.

- 6.3 The Audit Committee shall report the results of the preliminary audit to the Securities and Exchange Commission and the auditor within 30 days from the date of notification from the auditor. In the case of notification of the fact from the auditor about the detection of suspicious behavior the managing director or the person responsible for the operation of the entity has committed an offence according to the article of the law.

#### **(7) Agenda and remuneration**

- 7.1 The Audit Committee shall have a term of office of three years at a time, one year being the period between the date of the General Meeting of Shareholders of the year in which it is appointed and the date of the next General Meeting of Shareholders, the Audit Committee who vacates office upon the completed the term may be nominated and reappointed.
- 7.2 The Audit Committee shall have a term of operation as same as the term of the Board of Directors. The Audit Committee may be reappointed.
- 7.3 In addition to the dismissal of the above-mentioned term, the Audit Committee will be retire when:
- 7.3.1 Death
  - 7.3.2 Resignation
  - 7.3.3 The meeting of the Board of Directors decides to vacate the position.
  - 7.3.4 Lack of qualification as an audit committee member under this regulation or prohibited nature as defined in the Public Companies Law, including not having the appearance of lack of suitability to be entrusted with the management of a public holding company as determined by the Securities and Exchange Commission.
- 7.4 Any Audit Committee member may resign from office before the end of the term, but they shall submit their resignation not less than 30 days in advance to the Chairman of the Board of Directors with reasons and the Board of Directors shall approve. The Company shall notify the resignation with a copy of the resignation letter to the Stock Exchange. After that, the Board of Directors shall appoint the Audit Committee members in full within 90 days from the date of the resignation of that Audit Committee member.
- 7.5 In the event that the Audit Committee is dismissed from its duties as a whole, the Audit Committee that is dismissed shall remain in office to continue its work until the new Audit Committee takes over.
- 7.6 In the event that the position of Audit Committee becomes vacant for any reason other than the issuance of a term, the Board of Directors shall appoint a qualified person to be an Audit Committee member in place of the Audit Committee member within 90 days. The Audit

Committee member shall have the full number of members as determined by the Board of Directors. The person who becomes an Audit Committee member can remain in the position only for the remaining term of the original Audit Committee member.

- 7.7 The audit committee's remuneration, if any, in addition to the directors' remuneration, shall be determined by the shareholders' meeting at the annual general meeting each year and the company must disclose the remuneration in the company's annual report as well.

#### **(8) The Quorum**

- 8.1 The Audit Committee meeting shall be convened by not less than half of the total number of Audit Directors appointed by the Board of Directors to be a complete meeting.
- 8.2 In the event that the Chairman of the Audit Committee is absent from the meeting or unable to perform his duties, the Audit Committee shall select one of the Audit Committee members to preside over the meeting.
- 8.3 The decision of the meeting shall be taken by a majority of the votes cast.
- 8.4 To require one Audit Committee member to have one vote in the vote, but if any Audit Committee member has a stake in a matter, the vote on the matter shall abstain.
- 8.5 The chairman of the meeting shall be required to cast one more vote if the same number of votes in the meeting is required to cast a vote.

#### **(9) Reporting of registered companies to the stock exchange of Thailand.**

- 9.1 Appointment of the Audit Committee
- 9.1.1 Report the meeting resolution of the Board of Directors, including the appointment of the Audit Committee, with the submission of a notification of the list and scope of the Audit Committee in accordance with the requirements of the Stock Exchange.
- 9.1.2 Deliver the certificate and the history of the audit committee together with the reporting of the resolution of appointment of the audit committee to the stock exchange within 3 days from the date of the decision of the committee to appoint the audit committee.
- 9.2 Changes in Audit Committee Members
- 9.2.1 Report the resolution of the Board of Directors of the Company on changes in the membership of the Audit Committee to the Stock Exchange in accordance with the requirements of the Stock Exchange.
- 9.2.2 Submit a certificate and profile of the audit committee for the newly appointed audit committee together with a report on the resolution of the appointment of the audit committee within 3 days from the date of the committee's resolution on such change.

9.3 Report the resolution of the Board of Directors on the changes in the duties and scope of operations of the Audit Committee to the Stock Exchange in accordance with the requirements of the Stock Exchange within 3 days from the date of the resolution of the Board of Directors on such changes.

**(10) Miscellaneous**

10.1 The requirements or practices or refrain from performing any acts specified in the scope of powers, duties and responsibilities of this Audit Committee are subject to the Company's Articles of Association and other relevant laws.

10.2 Amendments to the scope of powers and responsibilities of the Audit Committee shall be made by the Board of Directors meeting.

## **5. Nomination and Remuneration Committee charter**

**(1) Objective**

The Board of Directors has appointed a Nomination and Remuneration Committee to oversee the recruitment and selection of suitably qualified persons to serve as directors and senior executives. The remuneration and remuneration criteria are clearly defined and transparent to be presented to the Board of Directors for further consideration at the Shareholders' Meeting.

**(2) Composition**

2.1 The Nomination and Remuneration Committee consists of not less than 3 members of the Board of Directors appointed by the Chairman of the Nomination and Remuneration Committee, and most of its members should be independent directors to be able to act independently and express their opinions. In the event that such director does not hold a position as an independent director Such directors should be non-executive directors in order to have time to perform their duties, however, if necessary, the appointment of an executive director is included in the Nomination and Remuneration Committee. It should be a small part of the total number of directors. However, such executive directors should not be involved in considering the remuneration of the top executives.

2.2 The chairman of the Nomination and Remuneration Committee should be an independent director for transparency and independence in the performance of his duties.

2.3 The Nomination and Remuneration Committee should not be the chairman of the Board of Directors, so that the functions of the Nomination and Remuneration Committee are truly audited, balanced and independent.



- 2.4 The Board of Directors shall appoint one Nomination and Remuneration Committee member to be the Chairman of the Nomination and Remuneration Committee and the Chairman of the Nomination and Remuneration Committee member to appoint the Secretary of the Nomination and Remuneration Committee member to assist in the operation of the Nomination and Remuneration Committee, in connection with meeting appointments, preparing the agenda, delivering the meeting materials and recording the minutes.

### **(3) Qualification**

- 3.1 Having qualifications and not having any prohibited characteristics under the law governing public limited companies Securities and Exchange Act and other relevant laws
- 3.2 The independent directors must be independent in accordance with the principles of good corporate governance of the Company and adhere to the principles of good corporate governance of the Company.
- 3.3 Shall be a person with knowledge, competence and experience that is useful for performing his/her duties as a Nomination and Remuneration Committee member.
- 3.4 Shall be able to devote sufficient time to perform as a Nomination and Remuneration Committee member to achieve objectives.
- 3.5 Shall be impartial in recruiting and selecting the people who deserve to be nominated for the position. Including presenting the remuneration of the directors and sub-directors. To achieve the expected results appropriately. And to reward the people who helped to make the company's work successful.

### **(4) Appointment, Term of Performance and Retire**

#### **4.1 Appointment**

- 4.1.1 The Nomination and Remuneration Committee must be appointed by the Board of Directors.
- 4.1.2 The Chairman of the Nomination and Remuneration Committee may be appointed by the Board of Directors or by the Nomination and Remuneration Committee select one member to be the Chairman of the Nomination and Remuneration Committee.
- 4.1.3 The Nomination and Remuneration Committee is responsible for appointing the secretary of the Nomination and Remuneration Committee.

#### **4.2 Performance**

- 4.2.1 The Nominating and Remuneration Committee has a term of office of up to 3 years at a time. The term of the Board of Directors and the Nominating and Remuneration Committee can be reappointed if approved by the Board of Directors.

4.2.2 In the event that the position of the Nomination and Remuneration Committee is vacant for reasons except retirement by completed the term, the Board of Directors shall consider and appoint the Company's directors who are fully qualified as the Nomination and Remuneration Committee so that the Nomination and Remuneration Committee meets the amount specified by the Board of Directors in the scope of powers, duties and responsibilities of the Nomination Committee and set this Remuneration.

#### **4.3 Retirement**

4.3.1 The Nomination and Remuneration Committee determines when a position is vacated.

- 1) Completing the directorship term.
- 2) Disqualification from being a director of the Company.
- 3) Death
- 4) Resignation
- 5) Ineligibility or prohibited by public limited company law.
- 6) The Board of Directors voted to retire.

4.3.2 Any Nomination and Remuneration Committee member who resigns from office shall submit his resignation to the Chairman of the Board of Directors. The resignation shall take effect from the date of the resignation to the Company.

### **(5) Scope of authority and responsibilities**

#### **5.1 Recruitment and selection practices for directors and top management.**

- 5.1.1 Consider establishing rules and procedures for the recruitment of directors.
- 5.1.2 Consider the structure, size, composition and qualifications of the Board of Directors and its sub-committees to be appropriate to the company's strategy and changing circumstances.
- 5.1.3 Consider policies and criteria for recruiting qualified individuals to serve as directors and/or senior executives at the end of the term or vacancy. Including selecting individuals and nominating qualified individuals to present to the Board of Directors and/or Shareholders' Meeting for consideration. Appoint to the Board of Directors and/or senior executives of the Company, taking into account the diversity of knowledge, expertise, skills and experience useful to the business operations of the Company .
- 5.1.4 Encourage the company to allow minority shareholders to nominate people for the board of directors before the shareholders' meeting.

- 5.1.5 Review the policies and criteria for nomination of directors and/or high-ranking executives in order to make recommendations to the Board of Directors prior to the selection of retiring directors.
- 5.1.6 Consider selecting a qualified director of the Company to be a director on the Board of Directors of the Sub-Committee for appointment by the Board of Directors, as appropriate, or when there is a vacancy.
- 5.1.7 Review the succession plan of the Chief Executive Officer and senior management, along with the list of suitable candidates to be considered for succession on a regular basis, and propose to the Board of Directors for approval when there is a vacancy or incapacity to perform duties so that the management of the company can continue.
- 5.1.8 Consider establishing criteria for evaluating the work and evaluating the work of directors, sub-committees, and senior management to review the work, problems, and obstacles each year. To be able to use the evaluation results to develop and improve performance in various areas. And present to the Board of Directors for further consideration. And prepare a plan for the development of knowledge to improve the knowledge of current directors and new directors to understand the business and role of directors.
- 5.1.9 Seek professional opinion from outsiders or organizations to provide independent advice or guidance on recruiting to the Nominating Committee and determine the remuneration and related persons. Including the hiring of outsiders only from time to time to assist in the performance of the Nomination and Remuneration Committee so that it can perform its duties to achieve its objectives within the specified period and such employment will be beneficial to the Company.

## 5.2 Consideration and determination of remuneration practices

- 5.2.1 Consider and comment on the structure and composition of the remuneration of the Board and its sub-committees and senior management on an annual basis in accordance with the Company's remuneration rules.
- 5.2.2 Propose appropriate compensation criteria in accordance with the company's long-term strategy and goals Results of business plan evaluation, experience, obligations, scope of roles and responsibilities of the Board of Directors sub-committees and senior management. Including expected benefits from each director which must be on average compared to companies in the same industry as the company and the overall performance of the company to be able to motivate and retain directors who are capable, qualified, and potential.

The remuneration of the Chief Executive Officer shall be presented to the Board of Directors for approval. The remuneration of the directors and their subordinate directors shall be determined by the Board of Directors for approval before presentation to the Annual General Meeting of Shareholders for approval.

However, in determining the criteria for determining remuneration, the amount and proportion of each form of remuneration must be determined appropriately.

The key principles for considering each type of remuneration model are:

- a) Retainer fees, such as monthly remuneration, annual remuneration, etc., should take into account three factors: (1) the practices used by companies in the same industry (2) the company's turnover and business size and (3) the responsibilities, knowledge, abilities and experience of directors or managing directors required by the company.
- b) Incentives should be linked to the value the company generates for its shareholders, such as company profits or dividends paid to shareholders, etc. Directors and Managing Directors' remuneration should not be unduly high.
- c) In addition, directors may receive an attendance fee in addition to the fixed remuneration and remuneration based on the Company's performance. The Nomination and Remuneration Committee should consider it at an appropriate level in order to motivate the directors to perform their duties by attending meetings regularly. However, in considering the overall remuneration of directors, the Nomination and Remuneration Committee, it should be considered appropriate and sufficient to allow the directors to limit the number of companies who will hold directorships so that the directors have enough time to attend meetings and perform their duties as directors for the company to the fullest.

Consider that the payment of remuneration is in accordance with the criteria established by official bodies or relevant recommendations.

Discloses the directors' remuneration policy and rules that reflect their obligations and responsibilities, including the form and amount of remuneration.

Consider approving and reviewing the criteria for assessing the performance of the Board of Directors, its subordinate directors and senior executives to be presented to the Board of Directors for approval. The Board of Directors may assess the performance of the Board of Directors, its subordinate directors and senior executives or entrust the Nomination and Remuneration Committee to assess. Conduct an annual evaluation of the performance of the Board of Directors, its subsidiary directors and senior executives, and apply the results

of such evaluation to determine the appropriate compensation to the Board of Directors, its subsidiary directors and senior executives.

Consider the conditions of the offering of newly issued securities or warrants to purchase shares to directors and employees (if any), in order to create long-term value added for shareholders and to be able to find people of genuine quality and fairness to shareholders.

In addition, if there is any director or employee who will be allocated more than 5% of the total amount of securities to be allocated, the Nomination and Remuneration Committee shall consider appropriate and give its approval. However, there must not be any director in the Nomination and Remuneration Committee who will also be allocated more than 5 % of the securities to have the right to give approval, unless the law and regulations prescribe otherwise.

- 5.2.3 Review and update the charter of the Nomination and Remuneration Committee at least once a year and present it to the Board of Directors for approval.
- 5.2.4 Consider and comment on the proposal of the Chief Executive Officer to present to the Board of Directors about the HR policy with the organization's business strategy.
- 5.2.5 Provide an independent consultant or person to provide opinions or advice as needed.
- 5.2.6 Any other operations as assign by the Board of Directors.

#### **(6) Meetings**

- 6.1 The Nomination and Remuneration Committee shall meet at least once a year with the Chairman of the Nomination and Remuneration Committee proposing the agenda.
- 6.2 The Chairman of the Nomination and Remuneration Committee may call a special meeting upon the request of the Nomination and Remuneration Committee or the Chairman of the Board of Directors when there is a necessary agenda to discuss together.
- 6.3 The Nomination and Remuneration Committee meeting shall be attended by not less than half of the total number of Nomination and Remuneration Committee members.
- 6.4 The Chairman of the Nomination and Remuneration Committee acted as the chairman of the meeting. If at any meeting the Chairman of the Nomination and Remuneration Committee is absent or unable to perform his duties. The Nomination and Remuneration Committee members present at the meeting elect one member of the Nomination and Remuneration Committee to preside over the meeting.
- 6.5 In today's time of technological advancement, directors equipped with telecommuting missions can participate in remote recruitment and remuneration committee meetings via

video/teleconference or any other similar tool such meetings must comply with the guidelines set by the relevant laws.

- 6.6 The decision of the Nomination and Remuneration Committee meeting shall be taken by a majority of votes cast by the Nomination and Remuneration Committee, one vote for each vote, and, if the votes are equal, by the chairman of the meeting, one more vote for each vote cast.
- 6.7 The Nomination and Remuneration Committee has the power to invite the Management or persons associated with the Company to give their opinion, participate in meetings or provide information for consideration, or invite third parties with expertise to be consultants and participate in meetings at the expense of the Company.
- 6.8 The Nominating and Remuneration Committee with a stake in the matters on which a vote is taken shall have no voting rights and shall be removed from the meeting upon consideration of the agenda in which it is involved.
- 6.9 The secretary of the Nomination and Remuneration Committee must deliver the meeting invitation letter and agenda documents to the Nomination and Remuneration Committee at least 7 days in advance of the meeting, except in case of urgent need to maintain the company's benefits, the meeting may be called by other methods and an earlier meeting date may be set.

#### **(7) Reporting.**

- 7.1 The Nomination and Remuneration Committee reports directly to the Board of Directors. The Board of Directors is responsible for reporting to the Board of Directors on the performance or what needs to be significantly improved to the meeting of the Board of Directors at least once a year to make the Board of Directors aware and aware of the significant risks of the company. Including factors that may affect the operation of the organization in the future. In the event that the Nomination and Remuneration Committee considers that there is an urgent need, it may report to the Board of Directors before the next meeting of the Board of Directors.
- 7.2 The Nomination and Remuneration Committee should report on the performance of its duties in accordance with the scope of powers and responsibilities of the Nomination and Remuneration Committee in the past year to the shareholders, such as in the annual report of the Company to the shareholders' meeting, etc.

#### **(8) Performance appraisal**

The Nomination and Remuneration Committee should evaluate its own performance and the Board of Directors should assess the performance of the Nomination and Remuneration Committee on an annual basis

and report any problems or obstacles that cause it to fail to achieve its objectives (if any) to the Board of Directors.

## **6. Risk Management Committee charter**

### **1) Objective**

The Board of Directors has appointed the Risk Management Committee to formulate risk management policies. Risk management framework and supervise the implementation of risk management throughout the organization in order to properly manage various external and internal risk factors for the Company's business operations. The Board of Directors has defined the composition, scope of powers, duties and responsibilities of the Risk Management Committee to be able to perform duties effectively as assigned by the Board of Directors.

### **2) Composition**

The number of risk management committees, as the Board of Directors deems appropriate, may consist of a number of company directors and may consist of a number of company executives.

### **3) Qualification**

- 3.1 Shall be qualifications and does not have any prohibited characteristics under the law governing public limited companies. and other relevant laws.
- 3.2 The risk management committee must be knowledgeable in the business of the company or have specialized expertise that is important for the business of the company to achieve the objectives to establish a risk management policy to cover the entire organization. Including supervising to have a risk management system or process to reduce the impact on the company's business appropriately.
- 3.3 Have knowledge, expertise and understanding of the enterprise risks.
- 3.4 The Risk Management Committee can devote sufficient time to perform its tasks as a Risk Management Committee in order to achieve its objectives.

### **4) Appointment, Term of Performance and Retire**

#### **4.1 Appointment**

- 4.1.1 The Risk Management Committee must be appointed by the Board of Directors.
- 4.1.2 The Chairman of the Risk Management Committee must be appointed by the Board of Directors or the Risk Management Committee. The Chairman of the Risk Management Committee can be selected as the Chairman of the Risk Management Committee.



4.1.3 The Risk Management Committee can appoint a Risk Management Committee Secretary [or designate a person as the Director of Risk Management to act as the Secretary of the Risk Management Committee by the position] to support the operation of the Risk Management Committee in relation to the establishment of the risk management committee's operational plan, schedule meetings, prepare the agenda as directed by the Chairman of the Risk Management Committee, submit the documents for the meeting and record the minutes.

#### 4.2 Performance

4.2.1 The Risk Management Committee, who is the Company's director, has a term of office of 3 years each, with the term of office being completed according to the term of the Company's director. And the risk management committee who vacate office upon the expiration of the term can be re-appointed If approved by the Board of Directors.

4.2.2 In the case that the Risk Management Committee is an executive of the Company, the term of office is as long as the Company's executive, except the Board of Directors resolves with otherwise.

4.2.3 In the event that the position of the Risk Management Committee is vacated for any other reason than the issuance of a term, the Board of Directors shall appoint a fully qualified person as the Risk Management Committee to provide the Risk Management Committee with the number of members as determined by the Board of Directors within the scope of its duties and responsibilities.

#### 4.3 Retirement

The Risk Management Committee is dismissed at the end of the term.

4.3.1 Completion of the term of office of the Board of Directors/Completion of the term of the Company's management (in case by case).

4.3.2 Retired from the company's board of directors/out of the company's management (in case by case).

4.3.3 Death

4.3.4 Resignation

4.3.5 Ineligibility or prohibited by public limited company law.

4.3.6 The Board of Directors voted to retire.

4.3.7 Any risk management director who resigns from office shall submit his resignation to the Chairman of the Board of Directors. The resignation shall take effect from the date of the resignation to the Company.

**5) Scope of authority and responsibilities**

- 5.1 Considers the risk management policy, risk management strategy and corporate risk management framework consistent with the main objectives and goals of the Company's business plan and the acceptable risks of the enterprise in regard to the overall risk management and covers the main risks such as business risks, market risks, liquidity risks, operational risks and risks affecting the reputation of the enterprise, etc., before presenting them to the Board of Directors for approval.
- 5.2 Strategize in accordance with the risk management policy. It can assess, monitor and supervise the level of risk of the organization to the appropriate level. In line with the strategy and business goals Including changing circumstances Including considering determining the level of risk acceptable (Risk Appetite) And the deviation of the level of risk acceptable (Risk Tolerance) before presenting to the Board of Directors for approval.
- 5.3 Identify risks based on both external and internal factors that may result in the company not being able to meet the objectives set before presenting to the Board of Directors for approval.
- 5.4 Assess the impact and potential opportunities of identified risks to prioritize risks and have appropriate risk management practices before presenting them to the Board of Directors for approval.
- 5.5 Maintain and encourage regular reviews of the Company's risk management policies and frameworks at least once a year to ensure that such risk management policies and frameworks remain consistent and appropriate to the overall business conditions and risk management activities of the Company.
- 5.6 Report significant risks of the company, including the status of risks, guidelines for risk management, progress and results of risk management to the Board of Directors to be informed on a regular basis. And in case of significant factors or events which may have a significant impact on the company, must report to the Board of Directors to be informed and considered as soon as possible.
- 5.7 Has the authority to appoint a risk management team as necessary. It supports the risk management team in terms of personnel, budget and other necessary resources in accordance with its area of responsibility.
- 5.8 Provide advice and support to the Board of Directors, Management and the Risk Management Team on corporate risk management matters, and promote and support the continuous improvement and development of the risk management system within the company.

- 5.9 Seek professional opinions from third parties to provide independent advice or advice on risk management to the Risk Management Committee and related parties, as well as hiring third parties from time to time to enable the performance of the Risk Management Working Group to achieve its duties and objectives within a specified period of time, and such hiring will be beneficial to the Company.
- 5.10 Communicate, exchange information and coordinate risks and internal controls with the Audit Committee at least once a year.
- 5.11 Consider the report of the assessment of the potential for fraud as well as the impact that covers various types of fraud, such as making false financial reports, property loss corruption, managements override of internal controls, significant changes to information in reports, acquisition or misuse of property, etc.
- 5.12 Perform any other duties assigned by the Board of Directors.

#### **6) Meetings**

- 6.1 The Risk Management Committee must meet at least once a quarter.
- 6.2 The Chairman of the Risk Management Committee may call additional meetings as he sees fit, or upon request from the Chairman of the Risk Management Committee or the Chairman of the Board of Directors, to consider issues that need to be discussed together. At the meeting of the Risk Management Committee, the Chairman of the Risk Management Committee shall meet in person.
- 6.3 The meeting of the Risk Management Committee must be convened by at least half of the total number of Risk Management Directors in order to complete the meeting.
- 6.4 The Chairman of the Risk Committee acts as Chairman of the Meeting. If at any time the Chairman of the Risk Committee is absent or unable to act, the Chairman of the Risk Committee shall be elected by the Chairman of the Meeting.
- 6.5 The decision of the meeting of the Risk Management Committee shall be taken by a majority of votes cast by one Risk Management Committee member with one vote in favour and, if the votes are equal, by the chairman of the meeting with one more vote.
- 6.6 The Risk Management Committee has the power to invite the management department or persons associated with the company to give their opinion to participate in the meeting or provide information for consideration.
- 6.7 The Risk Committee members who have a stake in the matters on which the vote is taken ,have no voting rights and must leave the meeting when the agenda they are involved in is considered.

6.8 The secretary of the Risk Management Committee must deliver the notice of the meeting and the agenda documents to the Risk Management Committee at least 7 days in advance of the meeting, unless it is urgent to preserve the interests of the company. The meeting can be scheduled by other means and the date of the meeting can be set earlier.

#### **7) Reporting**

The Risk Management Committee, which reports directly to the Board of Directors, is responsible for regularly reporting to the Board of Directors the results of risk management or any significant improvements required to the Board of Directors' meetings. In order for the Board of Directors to be aware and aware of the important risks of the Company. Including factors that may affect the operations of the organization in the future. In the event that the Risk Management Committee deems it urgently necessary, it may report to the Board of Directors before the next Board of Directors' meeting and report the performance of the previous year in the Company's annual report or at the shareholders' meeting.

#### **8) Performance appraisal**

The Risk Management Committee shall evaluate its own performance and the Board of Directors shall annually assess the performance of the duties of the Risk Management Committee and report any problems or obstacles that cause it to fail to achieve its objectives (if any) to the Board of Directors.

#### **9) Other guidelines**

Any other cases that are not specified in the scope of powers, duties and responsibilities of this Risk Management Committee, the Risk Management Committee shall use its discretion in applying the guidelines set forth in accordance with the standards and general risk management guidelines as appropriate in each case.

## Attachment 5

### Report of the Audit Committee

The Audit Committee of T.R.V. Rubber Products Public Company Limited consists of 3 independent directors who are qualified under the requirement mandated by The Securities and Exchange Commission, as follows:

Name	Position
Mr. Weerasil Sattayapakdeewong	Chairman of Audit Committee
Mr. Paiboon Julasaksrisakul	Audit Committee
Ms. Srirat Chuchotthaworn	Audit Committee

The Audit Committee has independently performed within the scope of duties assigned by the Board of Directors, in accordance with the Audit Committee's Charter, which is in line with good practices of the Audit Committee, as set out by the Stock Exchange of Thailand. Advising reviews and encourage the Company to comply with applicable laws, regulations, and other related rules through providing of good corporate governance, adequate internal risk and control management systems, effective and efficient internal audit systems, accurate, complete and timely financial reporting. In 2021, Audit Committee held a total of 5 meetings, inviting the management team members, concerned parties and auditors to attend discussion of issues that may affect the company's business operation, and have hereby attached attendance checklist of the Audit Committee meeting in all occasions as follows;

Name	Position	Number of Attendance / Total number of meetings
Mr. Weerasil Sattayapakdeewong	Chairman	5/5
Mr. Paiboon Julasaksrisakul	Member	5/5
Ms. Srirat Chuchotthaworn	Member	5/5

The Audit Committee has continuously reported its performance of duties to the Board of Directors. The summary for its process completed in 2021 is as follows:

1. Review of quarterly financial statements and annual financial statements 2021, The Committees meet with internal auditors and executives of the company to determine accuracy, completeness of the financial statements provided and adequacy of the disclosure found within financial statements, its accounting policy, as well as any observations made during the process of audit. The audit committee agrees that all documentations provided are in compliance with accounting standards, with sufficiently accurate and adequately disclosed of its financial information, and in accordance with the requirement of applicable laws.

2. Review of operation data records and internal control systems to determine its adequacy and effectiveness that will help ensure target achievements. Based on the review assessment of the internal control system with the auditors and internal auditors, no material defects were found. Property has been appropriate maintained and information has been accurately disclosed, completely and reliable. In addition, the internal control system has been evaluated in accordance with guidelines set out by the Securities and Exchange Commission. Both auditors and internal auditors share observation that the company has proper internal control system in place. The Audit Committee is in line with the auditors and internal auditors.

3. Review of internal audit reviews, taking into account of the process starting from planning, reporting and follow-up activities, implementation of recommendation made by the company's internal auditor for efficiency and effectiveness. Approval of annual audit plan determined from corporate risk level. The Audit Committee has observation on that the company has adequate internal audit systems in place, suitable and effective, in compliance with international standards.

4. Review on its compliance with the Securities and Exchange Act in accordance with Article requirement of the Stock Exchange of Thailand and the laws relating to the company's business, including the compliance with the company's Articles of requirement and its obligations to third parties. the Audit Committee has observed that, no material issues is found on non-compliance with laws applicable laws.

5. Review on the Risk Management System that is linked to the internal control system for risk management throughout the company. The Audit Committee has an observation that the company has reviewed the policy, risk factors, risk management guidelines and progress in risk management. Provides risk management risk management by management; has a risk assessment (assessment) that may significantly affect business operation of the company from internal and external factors; the company has appointed a Risk Management Committee

6. Reviews and comments on connected transactions or transactions that may have conflicts of interest, including the disclosure of such transactions in accordance with the details of the Stock Exchange of Thailand that pertains Board Committees, required by Securities and Exchange. The auditor commented that the transaction relevant company is sufficiently disclosed and lists the items on the financial statements. The Audit Committee has agreed with the auditor and is in line with the opinion made by auditor: The list is reasonable and most useful for the company's business sector and the information is accurately and completely disclosed.

7. To consider appointment and propose remuneration for the auditor in 2021 to the Board of Directors for approval at the 2021 Annual General Meeting of Shareholders. The Audit Committee has reviewed the performance, independence and suitability of the remuneration. Miss Sukhumaporn Wongariyaporn authorized auditor licence 4843 / or Mr.Vichien Kingmontri Authorized Auditor #3977/or Miss Varaporn Vorathitikul

Authorized Auditor #4474 of PricewaterhouseCoopers ABAS Limited was the company's auditor in 2021 with the remuneration of Baht 1,600,000 (Baht sixteen million). The Audit Committee has found that the appointment of the auditors on the previous year, has been working with professional knowledge and suggestions on internal control systems and risks, as well as being independent in the operation performed. There is no relationship with the company. And the proposed remuneration were presented at Board of Directors meeting for approval, and then, for approval from Shareholders of the company at the Annual General Meeting.

The Audit Committee has independently and meticulously performed its duties and provided direct and candid feedback for the best interest of the company, as set out in the Audit Committee Charter approved by the Board of Directors. The Audit Committee found that the company has provided a complete and accurate report of its financial information, implemented appropriate internal control system, internal audit, and effective risk management, in compliance with laws, regulations, required clause, and obligations, as well as properly disclosing connected transactions and performing tasks in accordance with the system mandatory with good corporate governance in a transparent manner. The company has consistently and continually developed operating systems to improve quality of its business operation to meet with good environmental standards.

(Mr. Weerasil Sattayapakdeewong)

Chairman of Audit Committee