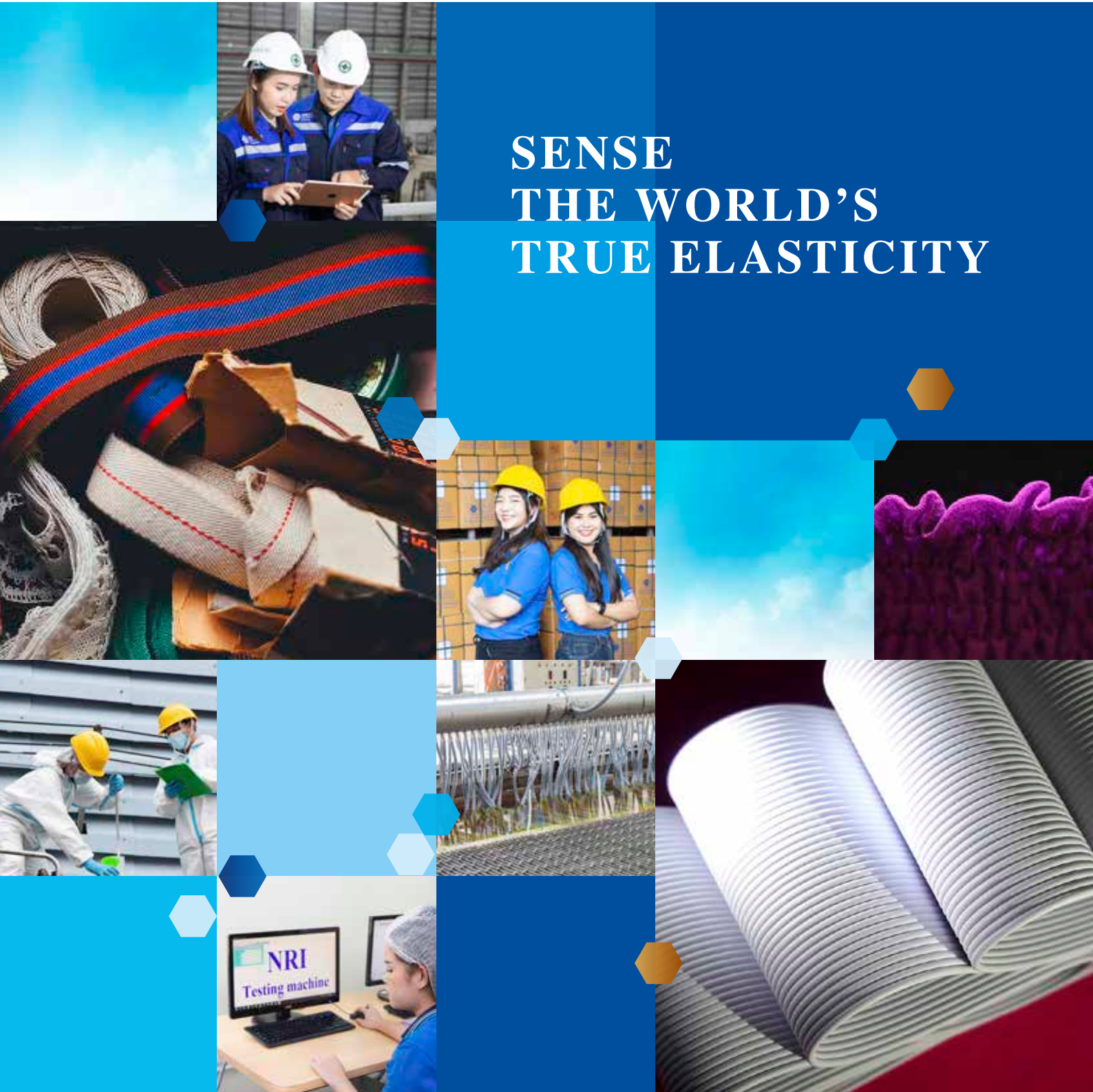


# SENSE THE WORLD'S TRUE ELASTICITY





## A MANUFACTURER OF HIGH-QUALITY NATURAL RUBBER THREAD



World Flex Public Company Limited was listed on the Stock Exchange of Thailand on December 23, 2021 with a very active trading volume. It reflects the confidence of investors in the fundamentals of the company as the world's leading manufacturer and distributor of rubber thread and the first listed on the Stock Exchange of Thailand (SET) with great potential for growth in line with the trends in the world's textile industry that it is growing steadily.





## Content

08	<b>Message from the Chairman</b>
10	<b>Message from the Chief Executive Director</b>
12	<b>Board of Directors</b>
14	<b>Financial Highlights</b>
	<b>Section 1 Business Operations and Performance</b>
17	1. Structure and Business Operations
48	2. Risk Management
62	3. Driving Business Towards Sustainability
75	4. Management Discussion and Analysis
89	5. General Information and Other Important Information
	<b>Section 2 Corporate Governance</b>
91	6. Corporate Governance
99	7. Corporate Governance Structure
117	8. Corporate Governance Performance Report
129	9. Internal Controls and Related Transactions
	<b>Section 3 Financial Report</b>
140	Financial Statements for the year ended on December 31, 2021.
	<b>Attachment</b>
185	Attachment 1 Information of the Board of Directors, Executives, Controlling Persons of Accounting and Financial, and Company Secretary
191	Attachment 2 Detail of Chief of the Office of The Internal Audit
192	Attachment 3 Details on Business Assets and Asset Valuation
208	Attachment 4 Corporate Governance, Code of Business Ethics Policy and Guideline
209	Attachment 5 Audit Committee's Report
211	Attachment 6 Nomination and Remuneration Committee's Report





## VISION MISSION PURPOSE AND VALUES



### OUR VISION

To be one of the leading manufacturers of Natural Rubber Thread in the world, with constant innovation and a professional team ready to deliver quality products and services around the world.



### OUR MISSION

Determined to be the first Natural Rubber Thread producer. World Flex it's a world-class company that serves the needs of customers in various types of industries with an experienced professional team that is focused on delivering maximum satisfaction to the customers. Our company gives priority to our management, leading the organization to continuous growth every year and creating good returns for shareholders, employees and all stakeholders.



### OUR PURPOSE

To manufacture Natural Rubber Thread from Natural Latex and to serve the needs of customers in a variety of industries/countries building good alliances with business partners.



### OUR VALUES

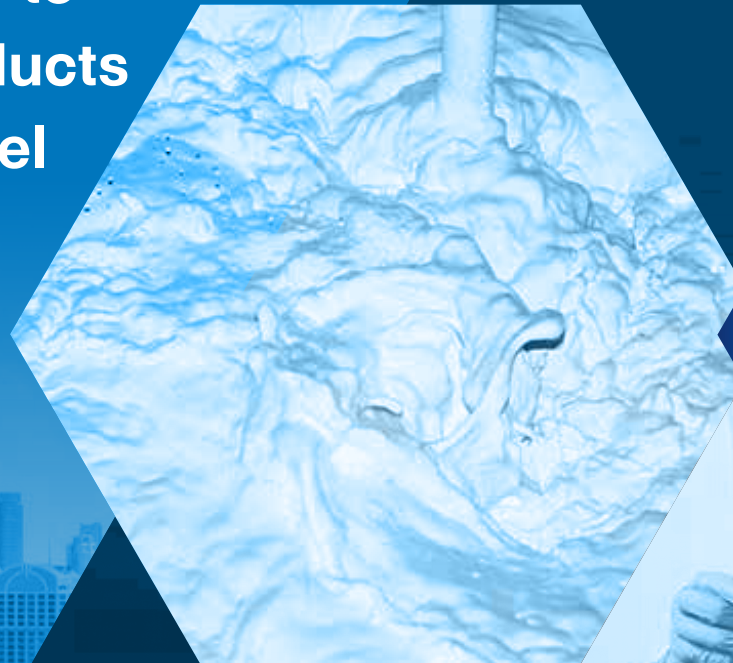
- Provide products of international quality.
- Deliver high customer satisfaction levels.
- Adhere to the principle of conducting business with honesty, integrity, transparency and accountability.
- Build good relationships with customers, suppliers and business partners.
- Promote innovation and adapt our technology at all times.
- Trust in the value of leadership and teamwork.
- Create a learning organization and focus on continuous development of human potential.





## Characteristics of products and services of the main business

**The company has a modern innovations and a professional team ready to deliver high quality products with an international level services.**



### High quality raw materials

The company's production of high quality rubber thread is very carefully selecting only the highest quality raw materials. Latex, as essential raw material, undergoes rigorous inspections in high-tech laboratories to ensure that the raw material meets or exceeds international standards before it goes through the manufacturing process.





### Quality control laboratory

So that it meets or exceeds rigorously set standards and to produce high quality products. The company's laboratories play an important role in the careful selection and inspection of both raw materials and chemicals used in the production process. In addition, the laboratory will sample production results at all stages of the manufacturing process for quality assurance.



## Message from the Chairman

“

Please be assured that we,  
the Board of Directors,  
will always perform our duties with full  
responsibilities and capabilities for  
assuring sustainable growth and  
shareholders' returns.

”





**Dear Shareholders,**

The previous 2021 was a challenging year as we, World flex Public Company Limited (“the Company”) had to encounter economic fluctuation due to several situations; concerns on worldwide pandemic of COVID-19 virus, price war in oil global market, and higher price of all kind of raw materials, resulting in globally economic contraction, diminishing export value, plummeting logistic and tourism service provisions and causing Thailand and its partner countries’ economic to shrink.

The Company have been determining to engage business to achieve continuous and sustainable operation growth for accomplishment of our corporate goal. The Company is aware of the changing of the world situation and continues to monitor and prepare a response plan to adjust its strategy to suit various situations. In addition, the Company is committed to management according to the principles of good governance with the responsibility to all stakeholders and emphasize on conducting business with transparency and fairness, continuous improvement in good corporate governance in accordance with the management approach for sustainable growth with social responsibility

In 2021, our total revenue is 3,776 Million Baht, net profit of 359 Million Baht, equal to 1.10 Baht per share resulting from the adjustment strategies to keep pace with various situation that arise, reflect that although the Company has to face difficult situations, but the Board of Directors together with all employees have put their energy and afford to take the organization through the crisis in 2021 once again.

Ultimately, on behalf of the Board of Directors, I hereby express my gratitude towards all shareholders, partners, financial institutes, business partners and everyone for your consistent and great support for our business operation. Please be assured that we, the Board of Directors, will always perform our duties with full responsibilities and capabilities for assuring sustainable growth and shareholders’ returns.



**Mr. Bunyong Visatemongkolchai**  
Chairman of the Board of Directors  
World Flex Public Company Limited



## Message from the Chief the Executive Officer

“

Investment for Product and Services will continue to expand through offering to a wider range of international customer groups, This is considered a long-term strategy for a sustainable growth.

”



**Dear World Flex Public Company Limited's shareholders**

In 2021, The global spread of COVID-19 substantially impacted our company, which has expanded worldwide. However, even the spread of COVID-19 situations which causes customers to refrain from ordering, but even so, the company can still perform well according to the business performance.

For the 2022 investment, Company's cash flow from listing the company to the Stock Exchange of Thailand and the performance still has a good liquidity. We are able to use cash to invest in various trading strategies effectively. Expansion of investment in goods and production will continue to grow by expanding customer groups in many counties and segments. Which is a long-term sustainable business growth plan. Our company has invested in production capacity and added more machines to support orders from customers from around the world with the current world economic situation. We believe that the consumer confidence will return.

In the end, I would like to thank all of our shareholders for their continued support in our company. We look forward to the achievements we will experience this year.

Your faithfully,



**Mr. Chawalit Tiyadechachai**  
Chief Executive Officer  
World Flex Public Company Limited





## Board of Directors



**Mr. Bunyong Visatemongkolchai**

Chairman of the Board of Directors /  
Independent Director / Audit Committee



**Mr. Bunlue Chantadisai**

Director / Independent Director /  
Chairman of the Audit Committee



**Mr. Surapong Rongsirikul**

Director / Independent Director /  
Audit Committee,



**Mr. Chawalit Tiyadechachai**

Director /Chief Executive Officer



**Mr. Nat Vongsasuttikul**  
Managing Director



**Ms. Chalongkwan Wongsasuthikul**  
Director



**Mr. Kowit Wongsasuthikul**  
Director



**Mr. Prakrit Waraprateep**  
Director



## Financial Highlights

	2019	2020	2021
Total assets	1,361	1,688	2,953
Total liabilities	815	860	911
The equity	545	828	2,953
Total revenue	2,045	2,409	3,777
Net gain (loss)	8.00	58.00	359.00



**2,953** Million baht

- Year 2020 : 1,688
- Year 2019 : 1,361

### Total liabilities



**911** Million baht

- Year 2020 : 860
- Year 2019 : 815

### Total the equity



**2,953** Million baht

- Year 2020 : 828
- Year 2019 : 545

### Total revenue



**3,777** Million baht

- Year 2020 : 2,409
- Year 2019 : 2,045

### Net gain (loss)



**359** Million baht

- Year 2020 : 58
- Year 2019 : 8



	2019	2020	2021
Gross profit	97	178	704
Net profit	8	58	359
Return On Asset (ROA)	0.56	3.79	15.48
Total revenue	2,045	2,409	3,777

#### Gross profit



**704** Million baht

- Year 2020 : 178
- Year 2019 : 97

#### Net profit



**359** Million baht

- Year 2020 : 58
- Year 2019 : 8

#### Return On Asset (ROA)



**15.48** Million baht

- Year 2020 : 3.79
- Year 2019 : 0.56

#### Total revenue



**3,777** Million baht

- Year 2020 : 2,409
- Year 2019 : 2,045

Section 1  
**Business**  
Operations and  
Performance





## Structure and Business Operations

### 1.1 Policies and Business Overview

World Flex Public Company Limited. ("Company" or "WFX") is a manufacturing business and distributor of rubber thread, which is divided into two types, including talcum rubber thread and silicone rubber thread. Our products sell in both the domestic and international markets by offering a wide array of seven brands, including WORLD FLEX, THAITEX, QUALIFLEX, LT RUBBER, CHANGTHAI, PEGASUS (Blue) and PEGASUS (China). The current manufacturing location is located in Pluak Daeng District, Rayong. As of December 31st, 2021, the company had an annual production capacity of all sizes of rubber thread of 35,622 tons per year. The production and distribution are as follows:

#### 1. Talcum Rubber Thread

It is made of rubber threads coated with talcum, which is a talc substance in fine talcum powder form, to prevent stickiness as well as separate each thread while in the manufacturing process. The talcum rubber thread is ideal for various types of industries, for instance, the textile industry, medical textiles, and the furniture industry, etc.

#### 2. Silicone Rubber Thread

It is made of rubber threads coated with silicone, which is a coating agent made by mixing liquid plastic and chemicals. This prevents the rubber threads from getting sticky and separates each thread while being used in the manufacturing process. The silicone rubber thread is ideally suited to industries with a main focus placed on the environment and reducing air pollution from coating manufacturing, such as the textile industry, medical textiles, and furniture industry, etc.

With more than 30 years of experience in the manufacturing business, at World Flex we have a deep understanding of our products along with expertise in rubber thread manufacturing. To achieve that, our company provides extremely high quality products and delivers high customer satisfaction levels. Therefore, we have been trusted and recognized by our business partnership at all points of contact, which has continued to these days.

#### 1.1.1 Vision Mission Purpose and Values

##### Our Vision

To be one of the leading manufacturers of Natural Rubber Thread in the world, with constant innovation and a professional team ready to deliver quality products and services around the world.

##### Our Mission

Determined to be the first Natural Rubber Thread producer. World Flex it's a world-class company that serves the needs of customers in various types of industries with an experienced professional team that is focused on delivering maximum satisfaction to the customers.

Our company gives priority to our management, leading the organization to continuous growth every year and creating good returns for shareholders, employees and all stakeholders.

##### Our Purpose

To manufacture Natural Rubber Thread from Natural Latex and to serve the needs of customers in a variety of industries/countries building good alliances with business partners.





## Our Values

The company has its own values that must be taken and practiced by each and every employee as follows.

- Provide products of international quality.
- Deliver high customer satisfaction levels.
- Adhere to the principle of conducting business with honesty, integrity, transparency and accountability.
- Build good relationships with customers, suppliers and business partners.
- Promote innovation and adapt our technology at all times.
- Trust in the value of leadership and teamwork.
- Create a learning organization and focus on continuous development of human potential.

Develop the organization to grow sustainably with good governance and return profits to society.

### 1.1.2 Transformation and Development

World Flex Public Company Limited (“the Company” or “WFX”) (formerly known as “World Flex Company Limited”) was initially registered on May 2nd, 1991 with an initial registered capital of 1.00 million baht. The purpose of a business is to manufacture powder-coated rubber thread as well as sell our products to both domestic and international customers. Most of the customers are in a wide variety of industries in Asia. Later, the company aggressively expanded its business globally in different continents such as Europe, North America, South America, and Africa, bringing many opportunities to grow its business. Approaching and identifying customer needs requires many possible ways for each industry in various areas. With the aim of satisfying an increase in customer needs, we have, therefore, expanded our new product line in silicone rubber thread for sale.

In 1991, World Flex Company Limited was established by its investors with the purpose of operating as a manufacturer and distributor of rubber threads. We purchased the main raw materials for concentrating latex used in making threads from Thai Rubber Latex Corporation, Thailand Public Company Limited (“TRUBB”). Early on, TRUBB had a golden opportunity to grow its business by manufacturing and distributing rubber threads as their customer base was solidly in the country of origin and overseas. Furthermore, throughout the value chain of the rubber latex industry, demand has been increasing, and this has involved expanding its business operations and creating an even larger variety of products for TRUBB Group. And thus, in 1994, TRUBB decided to agree to co-operate with our company for the purpose of manufacturing and distributing rubber threads until this day. Currently, those investors are typically not shareholders as well as not involved in executive board members.

The company started out as a manufacturer and distributor of powder-coated rubber thread. We aim to sell our products and services to domestic and international customers, who are primarily based in Asia. As our core business, we aim to deliver quality products and services around the world, including Europe, North America, South America, and Africa, etc. At World Flex, we strive to fulfill our customers’ needs by genuinely connecting and accurately presenting products and services that customers need, so we are able to use that information to improve and develop products and services that deliver true satisfaction from the standpoint of each and every industry worldwide. Later, we have expanded our new product line in silicone rubber thread for sale to create new value and provide a wide range of products to fulfill customers’ needs. The current manufacturing location is located in Pluak Daeng District, Rayong. As of December 31st, 2021, the company’s annual production capacity of all sizes of rubber threads was 35,622 tons/year.

Our core business aims to “A Manufacturer of High Quality Natural Rubber Thread,” which is positioned by manufacturing and distributing high quality rubber threads. We take the steps toward finding high quality raw materials, implementing new technologies to improve the manufacturing process, conducting a product quality standard inspection, and delivering products in a timely and appropriate manner to enhance customer satisfaction.

With more than 30 years of experience in the manufacturing business, at World Flex we consistently strive to provide high quality products that meet the requirements of international standards and sincerely enhance customer satisfaction and trust when selecting products and services. In addition, we are delighted that we can ensure businesses continually improve and provide better service with the ISO 9001:2015 standard, which has been widely accepted around the world as it helps companies focus on ensuring the quality and efficiency of products and services. As proof of this, a round natural rubber thread has been certified to the ISO 9001 standard. With this general quality management standard, we continually strive to produce and sell high quality products to exceed our customers’ expectations and consequently earn customer trust both domestically and overseas, as well as continuously gain trust from our business partners.

World Flex Public Company Limited was listed on the Stock Exchange of Thailand under the symbol “WFX” and began trading on December, 23rd, 2021. We currently have a registered paid-up capital of THB 464.20 million, which consists of 464,200,000 ordinary shares at a par value of 1.00 baht per share and a paid-up capital of THB 464.20 million or a paid-up capital of 464,200,000 ordinary shares.

#### Organization Development and Milestones

Year	Organization Development and Milestones
1991	<ul style="list-style-type: none"> <li>World Flex Public Company Limited was initially registered in 1991 with an initial registered capital of 1.00 million baht. The purpose of a business is to manufacture and distribute natural rubber threads.</li> <li>In December 1991, the company increased its registered capital from 1.00 million baht to 30.00 million baht to provide funding for rubber thread machinery in the manufacturing process.</li> </ul>
1993	<ul style="list-style-type: none"> <li>In June 1993, the company started operating the first rubber thread production line with the actual production capacity of all sizes of rubber threads was 1,440 tons/year.</li> </ul>
1994	<ul style="list-style-type: none"> <li>In September 1994, the company increased its registered capital from 30.00 million baht to 60.00 million baht to provide funding for rubber thread machinery in the manufacturing process. To do this, we offered 3,000,000 new ordinary shares at a par value of 10.00 baht per share to Thai Rubber Latex Corporation (Thailand) Public Company Limited (currently named Thai Rubber Latex Group Public Company Limited) (“TRUBB”). Since then, TRUBB has become a shareholder in our company until recently.</li> <li>Regarding, TRUBB purchased new ordinary shares as well as original shares from the existing shareholders. Thus, TRUBB owns about 80% of paid-up capital.</li> </ul>
1999	<ul style="list-style-type: none"> <li>In August 1999, the company increased production capacity of rubber thread, which actual production output of all sizes totaling 4,320 tons/year.</li> </ul>
2002	<ul style="list-style-type: none"> <li>On December 26, 2002, the company was converted into a public limited company, under the name of World Flex Public Company Limited, along with increasing its registered capital from 90.00 million baht to 200.00 million baht to provide funding for rubber thread machinery in the manufacturing process.</li> </ul>

Year	Organization Development and Milestones
2003	<ul style="list-style-type: none"> <li>In January 2003, the company increased production capacity of rubber thread, which actual production output of all sizes totaling 10,080 tons/year</li> </ul>
2004	<ul style="list-style-type: none"> <li>In June 2004, the company earned ISO 9001:2015 from Bureau Veritas Certification for manufacturing round natural rubber threads.</li> </ul>
2005	<ul style="list-style-type: none"> <li>In December 2005, the company decreased its registered capital from 200.00 million baht to 185.33 million baht. The registered capital of the company was increased from 185.33 million baht to 270.00 million baht to provide funding for rubber thread machinery in the manufacturing process.</li> </ul>
2008	<ul style="list-style-type: none"> <li>In December 2008, the company decreased its registered capital from 270.00 million baht to 108.00 million baht by reducing the par value of shares from 10.00 baht per share to 4.00 baht per share due to the offsetting of the accumulated losses. In the same month, we increased our registered capital from 108.00 million baht to 308.00 million baht to provide funding for rubber thread machinery in the manufacturing process.</li> </ul>
2012	<ul style="list-style-type: none"> <li>In January 2012, the company increased production capacity of rubber thread, which actual production output of all sizes totaling 17,760 tons/year</li> </ul>
2018	<ul style="list-style-type: none"> <li>In January 2018, the company increased production capacity of rubber thread, which actual production output of all sizes totaling 25,650 tons/year</li> <li>In November 2018, TRUBB purchased ordinary shares from the existing shareholders. Thus, TRUBB owns about 100% of paid-up capital.</li> </ul>
2020	<ul style="list-style-type: none"> <li>In November 2020, an extraordinary general meeting of shareholders no.1/2020, which was held on November 12<sup>th</sup>, 2020. Resolutions are as follows: <ul style="list-style-type: none"> <li>Approved to change the par value of ordinary shares from 4.00 baht per share to 1.00 baht per share.</li> <li>Approved to increase a registered capital from 308.00 million baht to 322.20 million baht by issuing 14,200,000 new ordinary shares at a par value of 1.00 baht per share as follows: <ul style="list-style-type: none"> <li>Allocated the newly issued ordinary shares in the amount of 13,400,000 shares, with a par value of 1.00 baht for sale to directors, executives, and employees of the company with an offering price of 1.00 baht per share.</li> <li>TRUBB executives offered the newly issued ordinary shares in the amount of 800,000 shares, with a par value of 1.00 baht for sale to private placement shareholders at an offering price of 1.00 baht per share.</li> </ul> </li> </ul> </li> </ul>



Year	Organization Development and Milestones
2021	<ul style="list-style-type: none"> <li>In January 2021, the company increased production capacity of rubber thread, with actual production output of all sizes totaling 36,000 tons/year</li> <li>In August 2021, the company increased its registered capital from 322.20 million baht to 464.20 million baht by issuing 142,000,000 new ordinary shares at a par value of 1.00 baht per share. The allocation of newly issued ordinary shares as follows: <ol style="list-style-type: none"> <li>Allocated of newly issued ordinary shares of not exceeding 11,360,000 shares at a par value of 1.00 baht per share for sale to existing shareholders of Thai Rubber Latex Group Public Company Limited ("TRUBB"), of the company (TRUBB) proportionate to their respective shareholdings (Pre-emptive Right).</li> <li>Allocated of newly issued ordinary shares in an amount not exceeding 14,200,000 shares at a par value of 1.00 baht per share for sale to the company's directors, executives, and/or employees.</li> <li>Allocated the newly issued ordinary shares in the amount of 116,440,000 shares, with a par value of 1.00 baht for an initial public offering (IPO).</li> </ol> </li> <li>The company will be listed on the Stock Exchange of Thailand on December 23<sup>rd</sup>, 2022 in the consumer products industry for the fashion business sector.</li> </ul>

### 1.1.3 Fundraising Objectives

Disclosure of intended use of proceeds on the first day of IPO as of December 31<sup>st</sup>, 2021

Catagory	An approximate amount (million baht)	Estimated time	Details of spending
1. Funds for rubber thread plant expension	350.00	within year of 2022	Spending 37.31 million baht as of December 31 <sup>st</sup> , 2021.
2. Loan payment	400.00	within year of 2021	Paid off as of December 31 <sup>st</sup> , 2021.
3. Adjusted working capital	240.65	within year of 2022	Spending 174.01 million baht as of December 31 <sup>st</sup> , 2021
<b>total</b>	<b>990.65</b>		

### 1.1.4 Registration Statement for Securities Offering

-None-

### 1.1.5 Company Profile as of the date of this document

Company Name (Thai)	: บริษัท เวิลด์ฟเล็กซ์ จำกัด (มหาชน) "บริษัท" หรือ "WFX"
Company name (English)	: World Flex Public Company Limited
Company registration number	: 0107545000390
Business Catagory	: Manufacturing and Distributing Rubber Thread
Contact information Address	: 7/1 Bangna Thani Bldg 3Fl. Room 3B Soi Bangna-Trad 34, Bangna Tai, Bangna Bangkok
Manufacturing Location	: 59/1, 59/4 Moo. 5, Highway No. 3191 Manam Koo Subdistrict, Pluak Daeng District, Rayong Province 21140
Telephone	: 02-398-7188, 02-398-7189
Fax	: 02-398-7187
Website	: www.worldflex.net
Authorized Capital	: 464,200,000 million baht (four hundred sixty-four million, two hundred thousand)
Paid-up Capital	: 464,200,000 million baht (four hundred sixty-four million, two hundred thousand)



## 1.2 Business Overview

### 1.2.1 A Revenue Structure

The company is a manufacturing business and distributes rubber thread, which is divided into two types, including talcum rubber thread and silicone rubber thread. The current manufacturing location is located in Pluak Daeng District, Rayong. We have an annual production capacity of all sizes of rubber thread of 35,622 tons per year. At World Flex, we are a manufacturer and distributor in both the domestic and international markets. To achieve this, we consistently strive to provide high quality products that meet the requirements of international standards and deliver products in a timely manner so that we meet and exceed expectations in customer service, under which we aim to be “A Manufacturer of High Quality Natural Rubber Thread.”

Revenue by Product Categories During 2019 - 2021 as follows:

Revenue	Year 2019		Year 2020		Year 2021	
	Million baht	percentage	Million baht	percentage	Million baht	percentage
<b>1. Rubber Thread</b>						
1.1 Powder coated rubber thread	1,939.01	95.19	2,143.66	89.43	3,532.87	93.81
1.2 Silicone coated rubber thread	94.80	4.65	250.49	10.45	230.65	6.12
<b>Total</b>	<b>2,033.81</b>	<b>99.85</b>	<b>2,394.15</b>	<b>99.88</b>	<b>3,763.52</b>	<b>99.93</b>
2. Scrap rubber <sup>1</sup>	1.62	0.08	0.83	0.03	1.32	0.03
3. Chemicals <sup>2</sup>	1.49	0.07	1.94	0.08	1.18	0.03
<b>Sales revenue</b>	<b>2,036.92</b>	<b>100.00</b>	<b>2,396.92</b>	<b>100.00</b>	<b>3,766.01</b>	<b>100.00</b>
Other Revenues <sup>3</sup>	4.89	0.26	6.70	0.28	9.03	0.24
A foreign exchange gain	3.30	0.16	5.03	0.21	1.53	0.04
<b>Total revenue</b>	<b>2,045.11</b>	<b>100.00</b>	<b>2,408.66</b>	<b>100.00</b>	<b>3,776.58</b>	<b>100.00</b>

#### Noted

- Revenue derived from scrap rubber is a distribution of scrap rubber, that is from the rubber thread manufacturing process or the quality of rubber thread does not meet required standards. In terms of accounting, scrap rubber that is obtained from a manufacturing process that is directly related to the production of goods is recorded as the cost of goods sold as it is similar to the rubber thread manufacturing process. Therefore, revenue derived from scrap rubber is recorded as sales revenue in order to analyze gross profit gain and gain insight into a company's effectiveness.
- Revenue derived from chemicals is a distribution of chemicals used in the manufacturing process to affiliated companies. In terms of accounting, chemicals used in rubber thread manufacturing are recorded as the cost of goods sold. Thus, revenue derived from chemicals is recorded as sales revenue in order to analyze gross profit gain and gain insight into a company's effectiveness.
- Other sources of revenue include tax rebates, asset sale gains, interest income, and so on. In addition, other revenues on the financial statement for the year 2019-2020 would also include foreign exchange gains. However, other revenues, as shown above, were not included in foreign exchange gains for the benefit of comparing foreign exchange gains noticeably.

Sales volume by types of rubber thread for year 2019 - 2021 as follows:

Sales Volume	Year 2019		Year 2020		Year 2021	
	amount (tons)	percentage	amount (tons)	percentage	amount (tons)	percentage
Powder coated rubber thread	26,199	94.84	28,798	89.44	33,204	92.06
Silicone coated rubber thread	1,253	4.53	3,179	9.87	2,380	6.60
Scrap rubber	172	0.62	223	0.69	484	1.34
<b>Total</b>	<b>27,624</b>	<b>100.00</b>	<b>32,199</b>	<b>100.00</b>	<b>36,068</b>	<b>100.00</b>

**Noted:** Scrap rubber is from the rubber thread manufacturing process or the quality of rubber thread does not meet required standards.

## 1.2.2 Product Information

### 1.2.2.1. Types of Products and Services

We manufacture rubber thread by using concentrated latex as the main raw material. And we distribute our products to both domestic and international customers. Our rubber threads are typically a part of finished goods such as clothes, apparel, socks, underwear, medical equipment, furniture, etc. Our rubber thread products come in two different types, including talcum rubber thread and silicone rubber thread. The details are as follows.

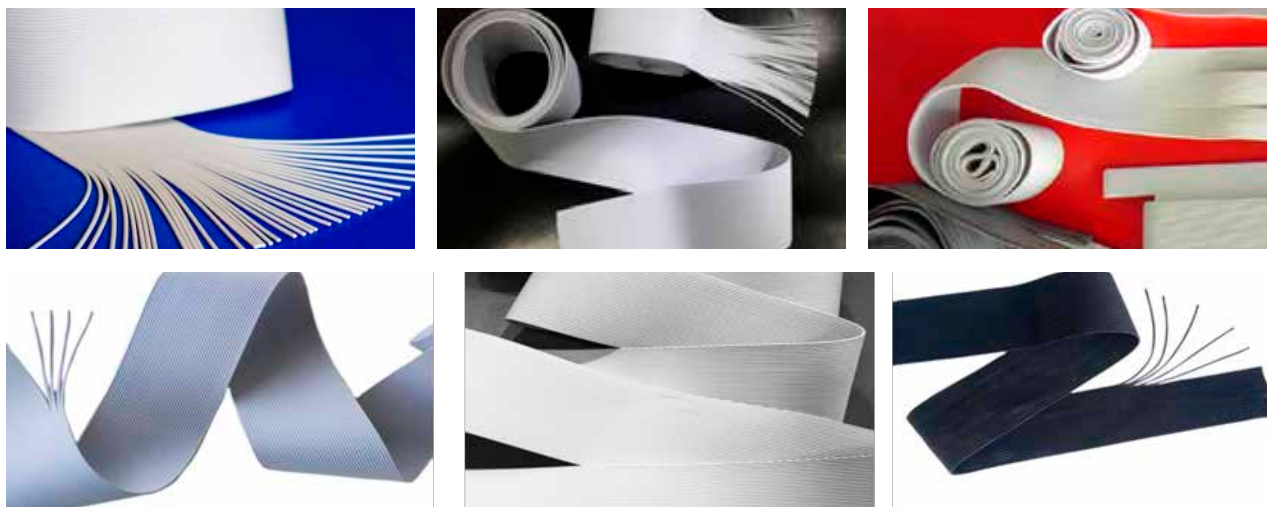
#### 1. Talcum Rubber Thread

It is made of rubber threads coated with talcum, which is a talc substance in fine talcum powder form, to prevent stickiness as well as separate each thread while in the manufacturing process. The talcum rubber thread is ideal for various types of industries, for instance, the textile industry, medical textiles, and the furniture industry, etc.





#### 2. Silicone Rubber Thread

It is made of rubber threads coated with silicone, which is a coating agent made by mixing liquid plastic and chemicals. This prevents the rubber threads from getting sticky and separates each thread while being used in the manufacturing process. The silicone rubber thread is ideally suited to industries with a main focus placed on the environment and reducing air pollution from coating manufacturing, such as the textile industry, medical textiles, and furniture industry, etc.

Rubber Thread Images










Our rubber thread products and a sample of finished goods using rubber thread as a component part as follows:

Size	Samples of finished goods using rubber thread			
Rubber Thread Large (Count 20-28)				
	Furniture Cushion	Bungee jumping cables	Tie Downs & Straps	Hammocks

Size	Samples of finished goods using rubber thread			
Rubber Thread Standard (Count 30-48)				
	Elastic waistband	Elastic Sports Bra	Mask ear straps	Elastic PPE suit
Rubber Thread Medium (Count 50-65)				
	Gloves	Elastic waistband baby diapers	Medical headgear	Elastic underwear
Rubber Thread Small (Count 75-120)				
	Socks	Language tag strap	Gauze bandage	Elastic bandage

**Noted :** "Count is the size of rubber thread. In addition, the count's number represents the number of rubber threads in 1 strip with a 1 inch width. For example, count 42 has 1 rubber thread strip with a 1 inch width, which means there are a total of 42 counts. In general, 1 rubber thread strip in the manufacturing process consists of 40 counts or those counts depend on the customer's preferences. So, the width of the rubber thread strip can be varied depending on the selected count of 1 rubber thread strip.

Currently, at World Flex, we manufacture talcum rubber thread and silicone rubber thread under our own brand, including seven brands, WORLD FLEX, THAITEX, QUALIFLEX, LT RUBBER, CHANGTHAI, PEGASUS (Blue), PEGASUS (China) as follows:

Company Brand Logos				
Premium				
Standard				

WORLD FLEX trademark has been registered in Thailand since 2003. Besides, as of September 30th, 2021, other companies' trademarks have been pending approval in Thailand.

#### 1.2.2.2 Research and Development

We constantly focus on improving product quality to be globally recognised and manufacture a wide range of products that meet and exceed customers' expectations in various industries, as well as opportunities to grow significantly in the future. We give greater attention to education, research, and development, which allows us to select raw materials and improve the manufacturing process and rubber thread products. Plus, we apply modern technology in rubber thread



production to promote productivity growth. Managing cost management effectively and improving quality products helps us to become globally recognised. In regard to this, the company has invested in research and development each year, approximately 1.50-2.00 million baht per year. Learn about our research and development as follows:

### **1. Machine Modernization and Manufacturing Efficiency**

We are significantly implementing technology in rubber thread manufacturing to create product efficiency and monitor the most effective cost management. We have continuously conducted research and studied new technology related to rubber thread manufacturing, with the know-how philosophy by management teams and company employees who have more than 30 years of experience in this rubber thread business. The company has developed and modified machinery to improve efficiency that suits our rubber thread manufacturing for the benefits of product variety, production time, and quality rate in order to identify the customer's needs in different industries and increase the number of orders. Meanwhile, we can also reduce the cost of purchasing and importing machinery from abroad as well. Therefore, the company has a strong competitive advantage over other manufacturers and distributors of rubber thread. We can also grow our customer base, particularly in new countries, as well as expand our products internationally. Providing a range of varieties of globally recognized products has led to our business continually growing over the past period.

### **2. Rubber Thread and Efficiency**

At present, rubber thread is most widely used in many industries, such as the textile industry, medical textiles, and furniture industry, and is used in an astonishing range of multiple tasks. Our laboratory line has been conducting research to allow the development of rubber thread to obtain the high quality of rubber thread that satisfies industrial customers to use in the course of their production. Therefore, we have eagerly studied and conducted research on raw material procurement that is used in rubber thread manufacturing, for instance, concentrate latex and chemicals. Those materials are essentially determinants of rubber thread quality, after which the manufacturing process is completely finished. Additionally, the amount of concentrated latex and chemicals changed in proportion along with chemical changes can affect the quality of rubber thread products. Furthermore, we have eagerly been studying to find the formula of rubber thread for the high quality products that are used in various tasks and enhance our capabilities for new potential industries. Developing and improving the quality and efficiency of rubber thread significantly reduces the defect rate (the company sets a defect rate that is less than 7.00 percent of the total production of rubber thread. Besides, some non-standard products can be sold to produce straps as a part of our sales revenue.

### **3. Sustainability and Environment**

It is vital for a company to manufacture products while also caring for and resolving the environment by using energy and utility sources effectively. Our environmental engineers are responsible for providing a healthy environment in manufacturing plants. To do this, we have studied and performed an experiment on the amounts of heat energy produced by the manufacturing process, to increase energy efficiency and suit the manufacturing process very well. In addition, we have installed a wet electrostatic precipitator to collect exhaust gas streams on our pollution control before they are released into the environment. Through the development of water resources, we have implemented a water supply system by using natural water sources. Through the process of improving water quality, adding liquid aluminum sulfate (alum) causes the dirt particles in the water to coagulate. Later, in filtration, water passes through a filter designed to remove flocs from the water so that it can be used in the manufacturing process and throughout the plant.



We have also installed a wastewater treatment system to improve the water effluent that can be returned to the water cycle in order to reduce our manufacturing costs. It is important that the company fully help in promoting technology related to pollution control systems in manufacturing processes. The pollution in the manufacturing process includes dust pollution and odor pollution. Regarding dust pollution, it may be caused by the power-coated thread production process. To resolve a problem, we have installed dust control equipment to collect dust from the manufacturing process to prevent it from being released into the environment. In this regard, the company has focused strictly on pollution and environmental control systems, always complying with the rules and standards of the Department of Industrial Works and the Pollution Control Department.

### 1.2.2.3 Marketing and Competition

#### 1.2.2.3.1 Marketing Strategy and Competition

##### 1. Product and Industrial Consumer

With the aim of exceeding customers' needs in manufacturing and distributing rubber thread, we provide a wide range of products containing types, sizes, colours, etc. In the past year, we mainly produced power-coated rubber thread. We, however, were able to enter the EU countries and understand their needs. Generally, EU countries pay significantly more attention to both the environment and powder coating dust reduction. Therefore, we decided to introduce a new product line, which we called "silicone coated rubber thread," in order to meet those EU customers' needs. We can successfully manufacture rubber thread in different sizes, so that we meet our customers' expectations for the function they are trying to meet in different industries. This also includes our ability to produce multicolored rubber thread to meet the needs of customers as well.

##### 2. Product Quality Standards Distribution

The company pays conscious attention to every step of the manufacturing process, starting from selecting raw material procurement until delivering final products to customers. We have appropriately set the property standards for the types of concentrate latex and improved the quality of concentrate latex in our laboratory by using concentrate latex as the main raw material. We always verify the concentrate latex from the distributor of concentrated latex before receiving products in our plant as well as before shipping them to manufacturing processes in order to produce the highest quality rubber thread. By setting property standards for the types of concentrate latex during the manufacturing process, we use computers in manufacturing systems to monitor and control the process. These systems help us maintain the quality of the rubber thread in every process. Also, we always perform quality control and improve order accuracy before delivering to ensure our customers get exactly the product they ordered at the right time and to the right place. We aim to carry out business management to be recognized as a global standard. Our company has successfully accredited the ISO 9001:2015 certification, which certifies quality for rubber thread manufacturing. We also have accreditation from STANDARD 100 from OEKO-TEX, which certifies the quality of the manufacturing process of black and white rubber threads. The benefits of accreditation and certification persistently increase customer trust in the products and services of the company.

##### 3. Customer Service and Marketing Around The World

We mainly sell its products to overseas customers. Earlier, we focused on expanding our customer base to various countries in all continents, such as Asia, South Africa, Europe, North America, and South America. We currently have the best sales and marketing teams of more than 10 people who are knowledgeable,

capable, and have a thorough understanding of the products. Our diverse teams are multilingual and speak more than 10 languages, which covers more than 50 countries in the world. Moreover, they are familiar with languages and cultures as well as the concepts of each country. Thus, this allows us to reach more target customers by communicating in a country where many different languages are spoken, and enhances our ability to expand our customer base to other countries. Our sales and marketing teams are available to provide recommendations 24 hours a day, making it easy for us to contact and identify customers' needs in other countries in a timely manner, as well as create the highest satisfaction in delivering services to customers around the world.

#### **4. Product Development**

We have continually developed our products to meet and satisfy the customer's needs, which include quality, appearance, and other characteristics of rubber thread. Studying customer behavior both domestically and internationally is important because it helps us develop our products in various ways, for instance, density, tensile strength, elongation at break, sizes etc. We have eagerly been studying to find the formula of rubber thread for the high quality products that are used in various tasks in different industries. What's more, our engineering teams are knowledgeable and expert in the process of rubber thread manufacturing. We have gradually learned and adapted our knowledge to build our own rubber thread manufacturing machine to increase product quality and efficiency and develop the best high quality product to meet customers' needs. The company always conducts a market demand survey and collects customer feedback on the products we provide, and uses it to improve and develop products so that they will always meet customers' needs.

#### **5. Business Partner Relationships**

We always maintain and build great relationships with our customers, manufacturers, and distributors of raw materials. Our company has been operating for more than 30 years. Our customers are given recommendations and consultation about the products by sales and marketing executives with empathy and the fastest service throughout the selling and buying processes. This helps us gain trust from the customers. Besides, we provide great after-sales service to contribute to overall customer satisfaction. The benefits of after-sales service: we apply that feedback to improve products to meet and satisfy our customers' needs so that our products always win their hearts, and this obviously generates loyal customers toward our company. We have always built good relationships with manufacturers and distributors of raw materials and have earned their total trust whenever we engage in ordering and paying for raw materials. As a result, we have always been recognized on the basis of our conduct with the highest ethical principles by our business partners. It is important for us to maintain a good relationship with all business partners, not only by abiding by the rules of business conduct and ethics in our business operations and management, but also with other agencies and the community toward sustained growth.

#### **6. Employee Potential Development**

At World Flex, it is very important for us to know our ways of working with members and employees in the organization, as they play a major role in sustaining business growth. In particular, in the rubber thread business, we work together with skilled and knowledgeable employees who have expertise in manufacturing processes. We constantly strive to develop and provide hands-on experience for our workers so they will always be ready for a change. To achieve this aim, we provide an operations manual to each department and manufacturing plant as well. This has benefits for both members and employees, who focus on policies and guidelines and carry out standard operating procedures. Aside from that, we always provide hands-on training to help them sharpen their skills and strive to support them in attending a conference or training session outside their workplace.

### 1.2.2.3.2 Distribution Channels and Target Customers

We manufacture and distribute power coated rubber thread and silicone coated rubber thread for both domestic and international markets. Most of our products are delivered to our international customers such as China, Bangladesh, Brazil, Indonesia, Pakistan, Cambodia, Russia, etc., covering other continents, like Asia, South America, Europe, North America, and Africa.

Our rubber thread is widely used in the manufacturing process of finished goods, for instance, apparel, socks, underwear, furniture, fishing lures, etc. We mostly sell our products to distributors so that those distributors sell them to potential industrial customers as follows:

1. Textile industry includes t-shirts, pants, socks, underwear, tights etc.
2. Medical textile industry includes cloth masks, PPE suits etc.
3. Furniture industry includes elastic strap under seat cushion and chairs etc.
4. Auto parts industry includes tie downs & straps for motorcycles.

Revenues by Continents Year 2019 - 2021 as follows:

Revenue	Year 2019		Year 2020		Year 2021	
	Million baht	Percentage	Million baht	Percentage	Million baht	Percentage
Domestic (Thailand)	31.65	1.56	29.57	1.24	37.34	0.99
International						
Asia <sup>1</sup>	1,880.20	92.45	2,178.17	90.98	3,504.50	93.06
South America	48.79	2.40	84.37	3.52	98.20	2.61
Europe	43.03	2.12	74.24	3.10	74.81	1.99
North America	20.39	1.00	25.11	1.05	28.73	0.76
Africa	9.76	0.48	2.68	0.11	19.94	0.53
Subtotal	2,002.16	98.44	2,364.58	98.76	3,726.18	99.01
Total	2,033.81	100.00	2,394.15	100.00	3,763.52	100.00

**Noted:** 1. Revenue derived from power coated rubber thread and silicone coated rubber thread are not included in domestic (Thailand) revenue.

At present, our target customers are mainly in China because China has the world's largest garment and textile manufacturing industry. During the years 2019-2021, our products were sold to customers in China, which accounted for 75.10%, 76.02%, and 77.00 % of the total revenue derived from rubber thread, respectively. Additionally, we sell products to our major trading partner in China, where we have been a good trading partner for more than 10 years. We eventually earn their total trust and loyalty when every year they continually buy our products. This distributor is very reliable and trustworthy and has a good payment history. During the years 2019-2021, we sold our products to only this major distributor, which accounted for 36.06%, 31.41%, and 68.49% of the total revenue derived from rubber thread, respectively. However, we strive even more to expand our market and distribute products to other countries all over the world. We gained new customers by 2020, particularly in European countries such as Germany, Italy, the Republic of Poland, and so on; and in South America, including Brazil, Columbia, and the Argentine Republic, among others. We significantly increased our net profit margin as a result of those customers.

The majority of our company's products are distributed through 2 channels to both domestic and international markets as follows:

1. Distributor: Distributors purchase products from our company and sell them to direct customers in their countries. Through this channel, we have a better chance of distributing products to small customers in many countries.

2. End-user: It is sold directly to end-users, which are industrial customers who use the product in their manufacturing processes, such as garment and textile manufacturers, socks manufacturers, furniture manufacturers, and so on. Selling rubber thread to our domestic customers leads to our end-user.

Revenues by Distribution Channels Year 2019 - 2021 as follows:

Revenue	Year 2019		Year 2020		Year 2021	
	Million baht	Percentage	Million baht	Percentage	Million baht	Percentage
Distributor	1,732.75	85.20	1,822.44	76.12	2,579.49	88.54
End-user	301.06	14.80	571.71	23.88	1,184.03	31.46
<b>Total</b>	<b>2,033.81</b>	<b>100.00</b>	<b>2,394.15</b>	<b>100.00</b>	<b>3,763.52</b>	<b>100.00</b>

We mainly sell products to distributors. During the years 2019-2021, there were 85.20%, 76.12%, and 88.54% of the total revenue derived from rubber thread per year. We have planned to expand our customer base to new countries, especially in South America and Europe. The result was that the percentage of distributors was high. By using this channel, we are able to reach more new customers as well as end-users.

Furthermore, we are expanding our new customer base, which is primarily comprised of end-users. This means our end-user revenue has gradually increased since 2020. During the years 2019-2021, 14.80%, 23.88%, and 31.46% of the total revenue were derived from rubber thread per year. Our net profit margin for end-users was higher than the distributors.

#### 1.2.2.3.3 Industry Trends and Competition

##### Industry Trends

We manufacture and distribute power coated rubber thread and silicone coated rubber thread to both domestic and international. Our rubber thread are widely used in the manufacturing process of finished goods in various industries such as textile industry, medical textile industry, furniture industry etc. It is more likely that the industry trend are consistently grow and this trend certainly affect the demand of goods. As is known in China is the world's largest garment and textile manufacturer, so the percentage of sales in China has rose in the first place, of the total sales derived from rubber thread. Industry trends have had a bigger impact on our business operation. It is a key source to help us raising revenue and profit, also guide our business operation.

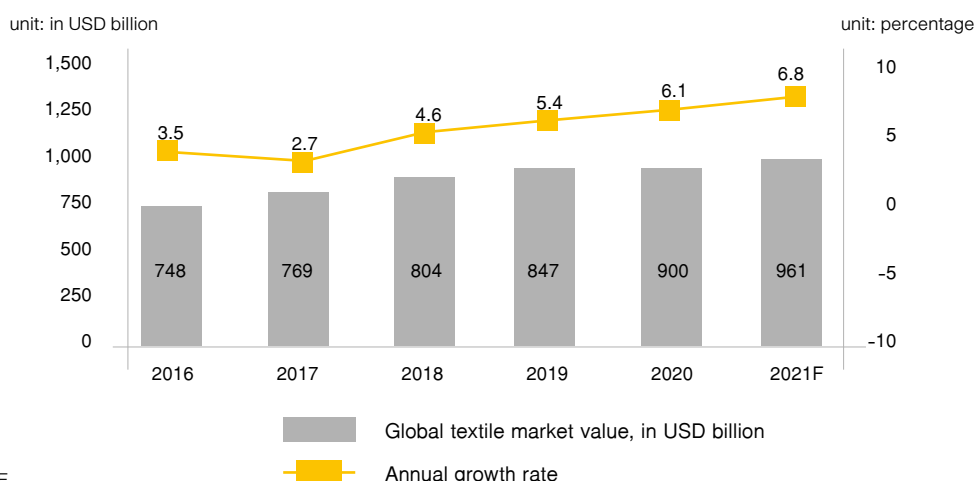
##### Global Textile Industry

The textile industry is comprised of the mid-stream sector and the downstream sector. They have been used in many fields, including apparel, medical, security, safety, etc. The textile products can be divided into 2 groups, which are conventional textiles and such textiles are usually used for apparel and clothing. The second group is technical textiles, which are textiles used in meditech, homotech, protech, etc.

From 2016 - present, the textile industry has gradually increased due to the high demand for textile products. With these materials, the most in-demand products are apparel and clothing, which are among the fundamental factors of human life. As the world's population continues to increase, the demand for apparel and clothing has risen accordingly. The trend in the textile industry is that the use of technology is obviously used in making the textiles so that there are plenty of textiles to add to your needs. Therefore, the demand and prices for the textile industry have surprisingly increased. During the years 2016 - 2021, the global textile market had an average annual growth rate of 14.90%, and MARKETLINE estimated that the global textile market value would increase in 2021 by 6.80% from 2020.



The global textile market value in the year 2016 - 2021

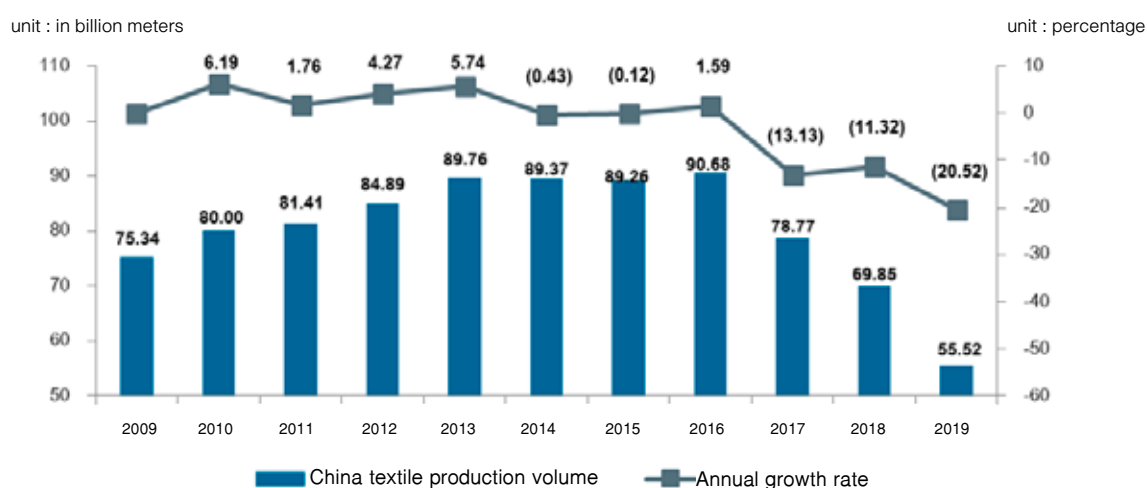


Source: MARKETLINE

### Textile Industry in China

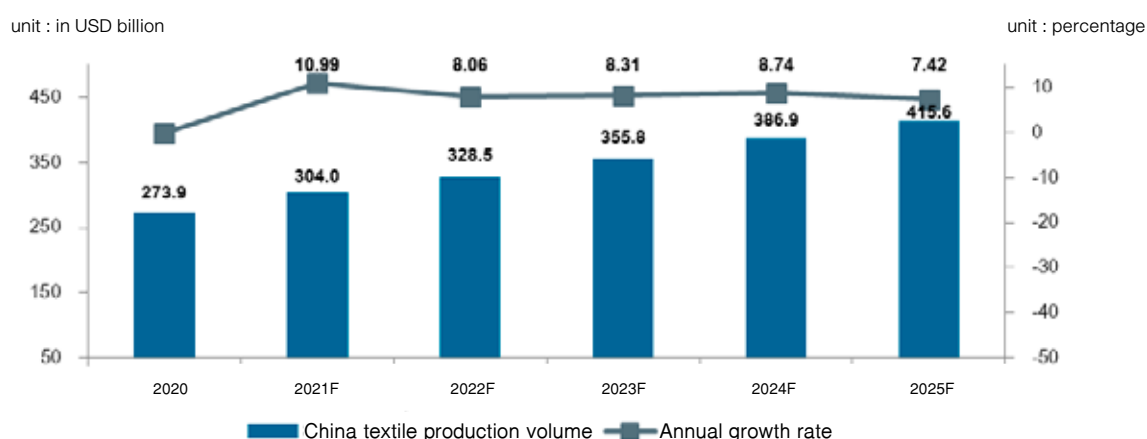
China has the world's largest garment and textile industries and is the largest exporter in the world. It is labor-intensive manufacturing that could remain in China, especially in the textile industry, plus the cost of labor is low. In addition, the Chinese government has launched policies that continually support Chinese textile and garment exports. There are more advantages to doing business in China than in other countries. Most textile manufacturers choose China as their production basement. China's textile products are competitive and the textile industry in China is the largest in the world. During the years 2009-2016, garment and textile exports gradually rose in accordance with global demand. However, during the years 2017-2019, China's textile and garment exports declined by 16.05 percent due to the China-United States trade war. The US has slapped tariffs on imported Chinese products, which affects textile manufacturers operating in China who have moved their production basements to other countries such as Vietnam, Cambodia, and Bangladesh. For those countries, the comparative advantage of manufacturing is as similar to China's and also to their low labor costs. With the trade war between China and the United States looming in 2020, the China-U.S. textile industry may be in a better position thanks to Chinese stimulus policies and technological advancements in the textile industry. There is still a production base in China for sophisticated textile products, especially sweaters and clothing accessories, which require high technology in production. MARKETLINE expects that the value of the textile market in China for 2020-2025 will recover and continue to grow with a CAGR of 8.70%. However, we have focused on expanding the market to customers in different continents. other than in China, to reduce dependence on customers in China. In 2020, we expanded our customer base to new customer groups. Especially in European countries such as Germany, Italy, Poland, etc., and South American countries such as Brazil and Colombia. Argentina, etc.

The textile production volume in China for the years 2009-2019



Source: STATISTA

The textile market value in China for the year 2020 - 2025



Source: MARKETLINE

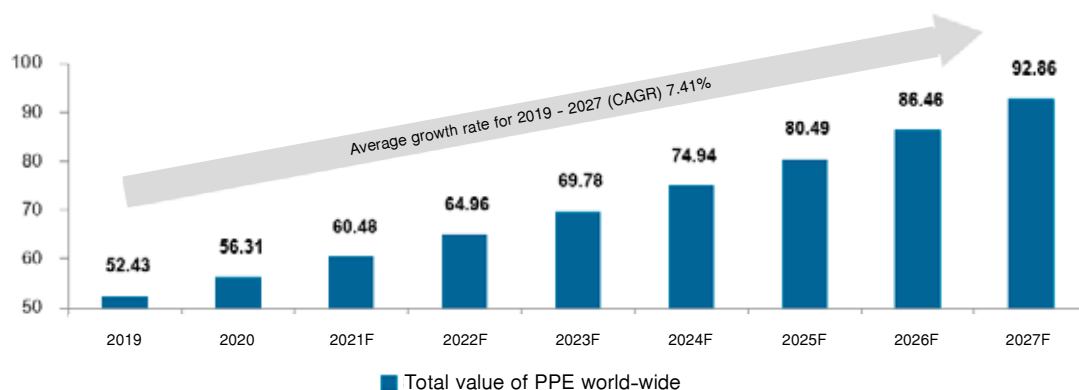
### Medical textile and textile-based personal protective equipment

Medical textiles are classified as technical textiles, which are marketed as niche markets for medical textiles such as bandages, masks, hair caps, shoe covers, etc. Face masks, hair caps, and shoe covers are classified as personal protective equipment (PPE), which accounts for the largest volume of demand among all medical textiles. Generally, the production of medical textiles is proportional to the increasing trend in the number of patients and medical personnel. The overall medical textile industry has a tendency to grow continuously. In addition, consumer behavior around the world has turned more attention to health. As a result of the PM 2.5 particulate matter crisis and the COVID-19 epidemic in 2019, along with the changing behavior of consumers, the demand for medical textiles increased, along with the price of medical textiles. Textile and garment enterprises therefore turn to producing more medical textiles. In which medical textiles are products with higher value than general textiles. Grand View Research forecasts that the global medical textile market value in 2020-2025 will grow at an average rate of 4.90 percent, especially in medical textile personal protective equipment, and STATISTA predicts that the global personal protective equipment market value will have an average growth rate (CAGR) of 7.41 percent. In this regard, with the epidemic of COVID-19 (COVID-19) in 2019, we expect more revenue from the sale of rubber thread for medical textile

production. Our rubber thread product for medical textile manufacturing can generate more profit margins for the company. In addition, the growth of the personal protective equipment market has also positively influenced the company's demand for rubber thread, which provides an opportunity to generate income for the company that increases accordingly.

#### Global textile-based personal protective equipment value for the year 2019 - 2027

unit: in USD billion



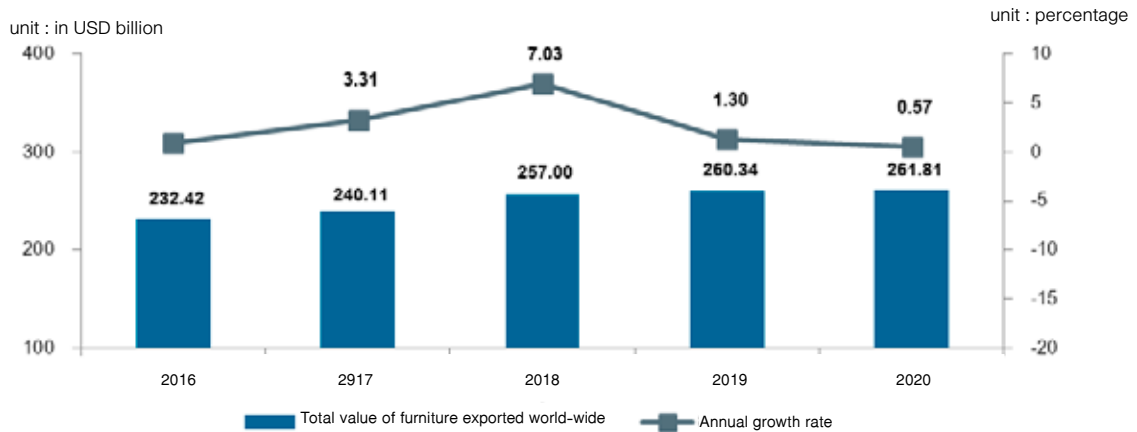
Source: STATISTA

#### Global Furniture Industry

The world furniture industry in 2016-2020 had an average growth rate of global furniture export value of 3.02% per year. The overall trend of the furniture industry is mainly driven by the increasing purchasing power of consumers. The real estate industry's growth and the expansion of urban communities. In 2020, the global furniture industry experienced contracting growth due to the epidemic of the coronavirus disease (COVID-19), which was affecting the trend of the economy and the real estate market was slowing down. Consumers have less purchasing power and must tighten their budgets. Including lockdown policies issued by the governments of each country around the world to control the spread of the coronavirus disease (COVID-19), which increases restrictions on production, trade, and transportation of goods. Both domestically and internationally.

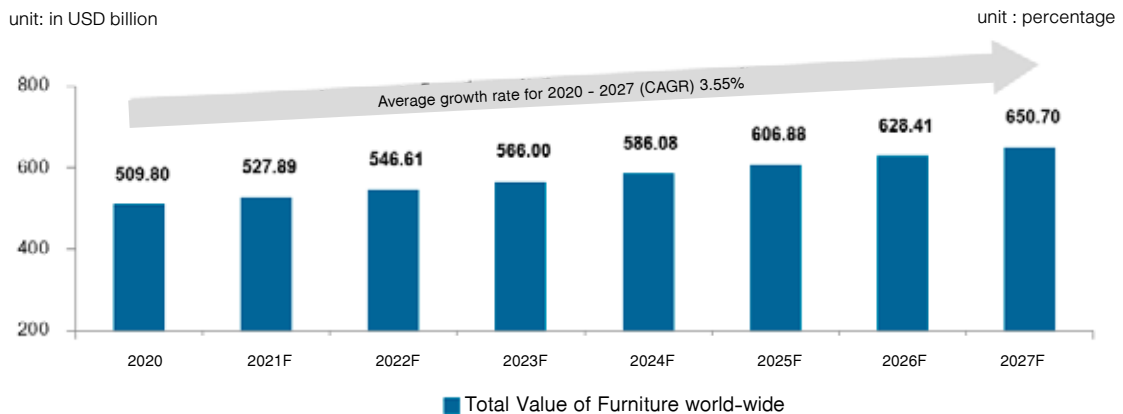
However, Statista forecasts that from 2020 to 2027, the global furniture market will grow at an average rate of 3.55%, with the furniture industry still having a chance to recover and grow. Because many countries around the world have begun to adjust to and recover from the epidemic situation of the coronavirus disease (COVID-19), including consumer behavior using online channels to buy products, Furniture traders therefore turn to online trading channels. making it easier and more accessible to consumers, including the development of technology that makes transportation more convenient. This allows the furniture industry to recover from the COVID-19 epidemic situation and continue to grow in the future. With more than 30 years of business experience, this helps us deepen our knowledge, be recognized, and build long-term relationships with customers. This builds our company's credibility. Moreover, we have a customer base both domestically and internationally, with more than 50 countries around the world. We strive to focus on reaching new customers so that we are able to increase income and profit. Our company's growth is a tendency in every step of each industry's growth.

### Global Furniture Export Value for the year 2016 - 2020



Source: International Trade Center

### Global Furniture Value for the year 2020 - 2027



Source: STATISTA

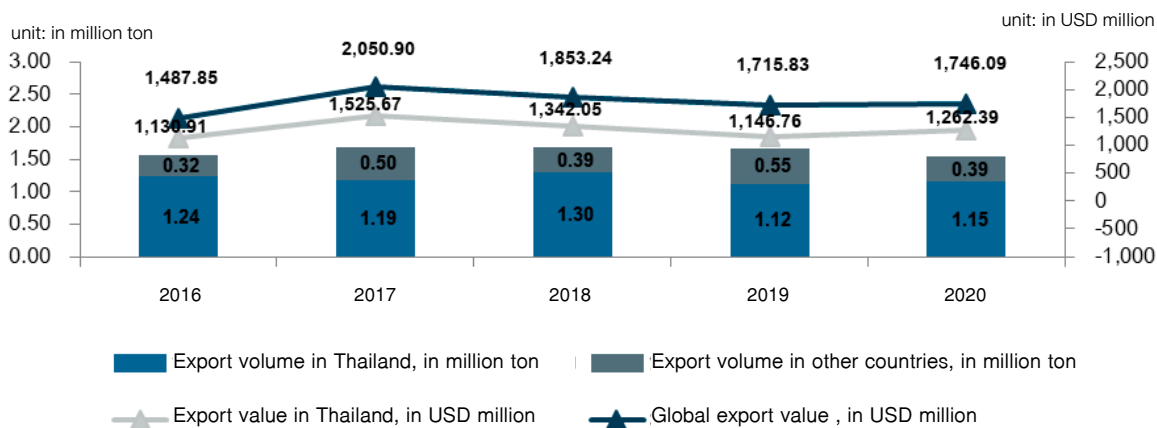
## Adequacy and Price of Raw Materials

### Concentrated Latex Industry

Concentrated latex is the main raw material used in the manufacturing process of rubber thread. Concentrated latex is an intermediate rubber product that is made from field latex. By rotating the field latex at high speeds in centrifugation to separate liquid and other solutions from the rubber, until the concentrated latex contains no less than 60% of the total latex, which has characteristics suitable for raw materials in the production of latex products such as rubber gloves, condoms, rubber threads, etc. In 2020, the world's concentrated latex industry had a total export value of US \$1,746 million from global latex exporters, which has a global export volume of concentrated latex of around 1.54 million tons, with Thailand having the largest market share of latex exports in the world, accounting for 72.30% of the global latex export value. Thailand has more than 80 producers and distributors of concentrated latex throughout the country, As a result, Thailand has a production capacity of more than 3.07 million tons of concentrated latex per year, making it the world's largest exporter of concentrated latex. In 2020, Thailand exported 1,262 million US dollars of concentrated latex. The export value of Thailand's concentrated latex increased by 10.08 percent compared

to the export value of Thailand's concentrated latex in 2019, and the export volume of concentrated latex was 1.15 million tons, representing a growth rate of 2.36% compared to the export volume of Thailand's concentrated latex in 2019. The COVID-19 has spread around the world, so the export value and volume of Thailand's concentrated latex have gone up. This has resulted in the increasing demand for concentrated latex in the rubber glove and medical products industries both domestically and internationally due to the concentration of latex as the main raw material for the production of rubber gloves and medical products used to prevent the spread of COVID-19. (COVID-19). Concentrated latex exports from Thailand are expected to grow by 5.0-8.0% per year between 2021 and 2023, according to Krungsri Research. This is because rubber gloves and medical rubber products are still used for many different things.

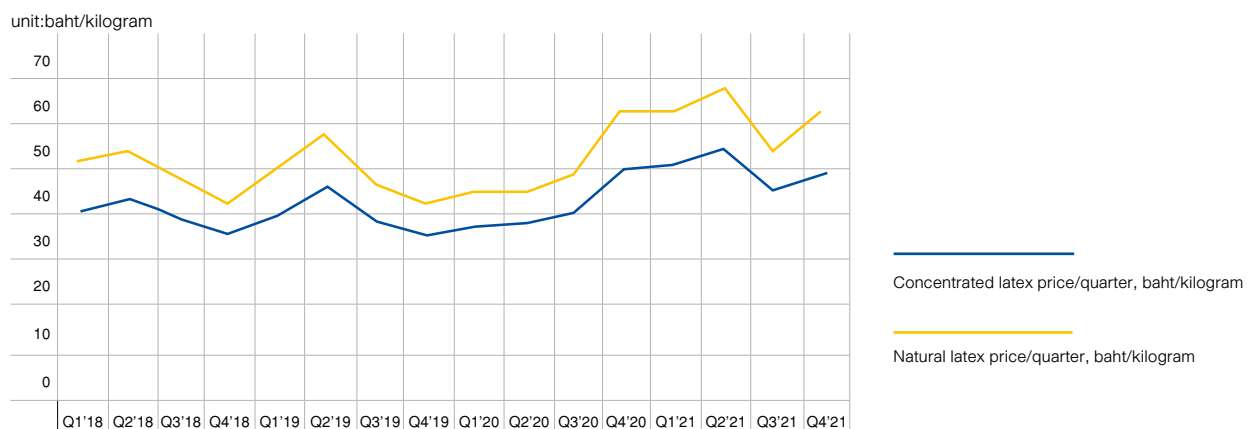
**Export value of concentrated latex and global export volume of concentrated latex for the year 2016-2020**



Source: International Trade Center

The global rubber gloves and medical rubber products industry have expanded as a result of the spread of COVID-19, owing to the addition of new manufacturers and the expansion of production capacity of existing manufacturers. As a result, the demand for concentrated latex has grown as well, because latex is the main raw material for the production of rubber gloves and medical rubber products. As a result, the global export price of concentrated latex in 2020 was 1,133.50 USD per kilogram, an increase of 10.34% over the global export price of concentrated latex in 2019. Meanwhile, the average price of concentrated latex in Thailand in 2018-2021 was 35.33 baht per kilogram, 35.69 baht per kilogram, 36.93 baht per kilogram, and 43.79 baht per kilogram, respectively.

**Concentrated latex prices in Thailand for the years 2018 - 2021: update the graph.**



Source: The Thai Rubber Association



### **Government Policies**

Businesses related to natural rubber and Thailand's exports have been continuously supported by both domestic and international governments. In Thailand, the Thai government has set policies to regularly promote and support natural rubber because Thailand can produce a lot of rubber latex. The government focuses on policies that promote and encourage the use of para rubber in the country to maintain stability in rubber prices in the country as well as income stability for rubber farmers. The aforementioned government's policy example is considered to support the downstream rubber products industry, such as the rubber thread industry, rubber gloves industry, tire industry, etc. In 2021, the Rubber Authority of Thailand (RAOT) has started financing for rubber product entrepreneurs, with a total amount of 25,000 million baht to support downstream rubber processing entrepreneurs in expanding production capacity and modifying manufacturing machinery. The government will compensate the entrepreneurs as it actually paid. But no more than 3.00 % per year throughout the 10-year project period (from 2016-2026); accordingly, interest compensation has important criteria and conditions as follows:

1. Entrepreneurs who receive financing to modify their manufacturing machinery every 00 million baht must increase domestic rubber consumption by at least 4 tons per year. Except for the first 2 years, for every 1.00 million baht, they must increase domestic rubber consumption by at least 2 tons per year from the date of notification of commencement. If the entrepreneurs don't meet these rules, the government won't pay the interest for that year.
2. Entrepreneurs must have a monthly rubber consumption of no less than 333 kilograms per month per loan amount of 1.00 million baht. If the entrepreneurs don't meet the above requirements, the government won't pay them for that month's interest.

However, we are confident that we will be able to fully comply with the criteria and conditions of the rubber product manufacturer's financing program because our production capacity has been expanded to be able to meet customer demand for our company's products. So we are following the rules and conditions of the program when we eat a lot of concentrated latex.

In addition, through international trade cooperation and government policies in many countries around the world, it is conducive to Thailand's exports, especially in terms of tax benefits. For instance, as of the year 2021, the China Customs Tariff Commission announced plans to reduce import tariffs on over 800 products, including rubber thread products. At rates lower than general import tariffs (MFN) and international trade policies of ASEAN countries (ASEAN) under the ASEAN Free Trade Area Cooperation (AFTA), including the preferential tariff program (GSP) in collaboration with the US and the preferential trade program in developing countries (GSTP), in which Thailand is a developing country and thus benefits from international trade cooperation.

### **A Competitive Situation of Rubber Thread Industry**

The business of manufacturing and distributing rubber thread has a large number of manufacturers in the market and is also increasing along with the growth of related industries. However, the process of manufacturing rubber thread requires skills, knowledge, and expertise in the manufacturing process, raw material procurement, and the ability to penetrate target customer groups. Therefore, new manufacturers who enter this business may have such restrictions.



## List of the world's leading manufacturers of rubber thread

Companies <sup>1</sup>	Countries
1. China Hainan Rubber Industry Group Company Limited	China
2. ELPA Elastiki Iplikler San. Ve Ihr.A.S.	The Republic of Turkey
3. Rubberflex SHN. BHD.	Malaysia
4. RUBFILA International Limited	India
5. ZheJiang XinHua Rubber Products Company Limited	China
6. Natural Rubber Thread Company Limited	Thailand
7. World Flex Public Company Limited	Thailand
8. HV Fila Company Limited	Thailand
9. Thai Filatex Public Company Limited	Thailand
10. Long Tex Company Limited	Thailand

Remark(s) : 1. The list of companies is arranged in alphabetical order.

Source : Company

At World Flex we have been in the business of manufacturing and distributing rubber thread for more than 30 years, delivering quality products that are accepted by customers both domestically and internationally in more than 50 countries around the world. And with good business relationships with partners and business alliances, we have gained the trust of customers all over the world in purchasing the company's products.

### 1.2.2.4 Product Procurement and Services

We have rubber thread manufacturing, which is located on Highway No. 3191, Mae Nam Khu subdistrict, Plum Daeng district, Rayong. As of December 31, 2021, we have estimated the actual production capacity of all sizes of rubber thread to total 35,622 tons per year. In 2019 - 2021, we had a capacity utilization rate of 88.23%, 89.41%, and 98.10%, respectively.

The table below show the production volume of rubber thread and the capacity utilization rate of the in 2019 - 2021 as follows:

Production of Rubber Thread	Year 2019	Year 2020	Year 2021
Installed Capability <sup>1</sup> (tons per year)	41,040	41,040	45,720
Estimated production capacity <sup>2</sup> (tons)	31,365	32,000	35,622
Actual production volume (tons)	27,672	28,612	34,945
Powder coated rubber thread (tons)	26,225	25,419	32,677
Silicone coated rubber thread (tons)	1,447	3,193	2,269
Capacity utilization rate <sup>3</sup> (percentages)	88.23	89.41	98.10

Remark(s) :

1. Installed capacity is the maximum capacity that a machine can produce for a single maximum weight of rubber thread. The installed capacity, shown in the table, is the maximum weight of rubber thread that the machine can produce.
2. Estimated production capacity can be calculated from the total average production capacity of all sizes of rubber thread per year. Each size of rubber thread has a different weight. The larger rubber thread is heavier than the smaller ones, which the company says is based on the highest order volume that the company can make in a year, as well as the number of working days and the amount of time the machinery is shut down during that time.
3. The capacity utilization rate is calculated by taking the total amount of rubber thread that can be made and dividing it by the amount of rubber thread that can be made during the time period.

Source: Company

We will focus on expanding the company's production capacity. To support the growth of demand for various products from both existing and new customers, we plan to expand the installed capacity from 45,720 tons per year as of December 31st, 2021 to December 31st, 2022-2023 to 54,800 tons per year and 61,000 tons per year, respectively. However, we will keep increasing our installed production capacity each year to keep up with the demand for the company's goods, so we will keep increasing our capacity.

## Raw Material Procurement

The company pays attention to the selection of quality raw materials according to the specified standards and reasonable prices. In the past, we have continuously built good relationships with distributors, complied with trade agreements and have a good payment history. This is to build our business credibility with business partners over the past 30 years of operation. We have an average credit term of 30-90 days. Providing products and services for the manufacture of rubber thread. The details are as follows:

### 1. Concentrated Latex

Concentrated latex is the main raw material used in the rubber thread manufacturing process. The company has determined the selection and procurement of concentrated latex from the suppliers. Each time we make a purchase of latex, we will definitely contact at least three concentrated latex suppliers to inquire about the volume of concentrated latex that can be sold to our company, as well as the selling price of concentrated latex. In this regard, we will compare the required quantity of concentrated latex and the appropriate price when selecting the latex supplier in order to be beneficial to our company. However, each time we buy concentrated latex, we are more likely to buy it from one or more suppliers, depending on how much concentrated latex we need and how much it costs to buy it.

In this regard, each time we order concentrated latex, we will refer to the trading price at the market price on the order date. This is the price that each supplier sells the concentrated latex to our company. We will consider comparing the appropriateness of the price with the quantity that suppliers can provide before placing an order every time.

In addition, we have specified the properties of the concentrated latex as a standard in the manufacturing product, which has been notified to the latex suppliers prior to purchasing the concentrated latex. We have a two-step quality control process in place for the high quality concentrated latex from our suppliers. i.e., the first inspection is to check the quality of the concentrated latex samples that the suppliers send to our company for a week before the concentrated latex is delivered. The second inspection is to inspect the concentrated latex before delivering it to the rubber thread manufacturing facility in Rayong. To ensure that we obtained the high quality of concentrated latex with the specified properties.

The Concentrated Latex Consumption in 2019 - 2021 as follows:

unit: tons	Year 2019	Year 2020	Year 2021
Concentrated Latex Consumption	35,312	41,021	47,044

### 2. Chemicals

The company purchases chemicals used in rubber thread manufacturing that have the properties determined by the company at competitive prices from many domestic and international suppliers. Every time, we will not only conduct a chemical inspection of the suppliers before delivering but also before using them in the manufacturing process.

### 3. Packaging

The company produces rubber thread under seven brands, namely: WORLD FLEX, THAITEX, QUALIFLEX, LT RUBBER, CHANGTHAI, PEGASUS (Blue), and PEGASUS (China). With packaging, each brand uses corrugated boxes for the outside of the package and plastic packaging for the inside to keep the product safe while it's being moved.

### 4. Fuels and Energy

The main energy source that the company uses in the production of rubber thread is thermal energy. Currently, we use fuels to provide heat energy in the rubber thread manufacturing process, such as coal, chopped wood, oil palm shells, etc. We purchase such fuels from domestic suppliers and import distributors to get high quality fuels at low costs.

### 5. Utilities

The main utilities used in the company's business are electricity and water. In addition, electricity is used for the operation of machinery used in the rubber thread manufacturing process and in the offices. At World Flex, we procure electricity from the Provincial Electricity Authority in Rayong. Also included is the water used in each step of the rubber thread manufacturing process, as well as for consumption in the manufacturing plant. We procure water from natural water sources near the site of the manufacturing. And bring it through the process of improving water quality by adding alum to allow contaminated flocs in the water to precipitate. After that, those contaminated flocs will be filtered out, resulting in clean water. For use in the rubber thread manufacturing process and for consumption in the manufacturing plant.

#### 1.2.2.5 Operating Assets

The main assets used in the company's business are property, buildings, machinery, tools, equipment, vehicles, wastewater treatment systems, assets under construction, licensed assets, and intangible assets as follows:






Items	Net book value As of December 31 <sup>st</sup> , 2021 (million baht)	Proprietary	The Status of Obligations
1. Property	250.89	Company owns	Mortgage collateral loan from 2 financial institutions, amounting to 8 title deeds.
2. Buildings and Building Improvements	321.77	Company owns	None
3. Machinery	231.85	Company owns	Mortgage collateral loan with a financial institutions
4. Tools and Equipment	156.85	Company owns	None
5. Vehicles	22.31	Company owns	None
6. Wastewater treatment systems	8.92	Company owns	None
7. Assets under construction	291.96	Company owns	None
8. A right-of-use-asset <sup>1</sup>	6.39	Company as tenant	None
9. Intangible assets	2.99	Company owns	None
<b>Total</b>	<b>1,284.58</b>		

Remark(s)



1. In 2020, the company has adopted a financial reporting standard No. 16 on lease agreements for the first time. The company recorded the value of office building lease contracts, vehicles, and office equipment as a right-of-use asset.

### 1.2.2.5.1 Trademarks

As of December 31<sup>st</sup>, 2021, the company has seven company trademarks as follows:

Trademark	Ownership	Status
	Company	<p>They have had the trademark registered in Thailand since September 2003. They renewed it in March 2012 as a trademark registration for the category 26 (Elastic Band).</p> <p>In addition, the company filed an additional trademark application with the Department of Intellectual Property in Thailand in February 2021. It is a trademark registration for Class 23 products (rubber thread used in textiles) so that the trademark covers the company's products throughout the present. The mentioned trademark is under consideration by the Department of Intellectual Property and is expected to be approved by February 2022.</p>
	Company	<p>The company filed an additional trademark application with the Department of Intellectual Property in Thailand in February 2021. It is a trademark registration for Class 23 products (rubber thread used in textiles) so that the trademark covers the company's products throughout the present. The mentioned trademark is under consideration by the Department of Intellectual Property and is expected to be approved by April 2022.</p>
	Company	<p>The company filed an additional trademark application with the Department of Intellectual Property in Thailand in February 2021. It is a trademark registration for Class 23 products (rubber thread used in textiles) so that the trademark covers the company's products throughout the present. The mentioned trademark is under consideration by the Department of Intellectual Property and is expected to be approved by February 2022.</p>
	Company	<p>The company filed an additional trademark application with the Department of Intellectual Property in Thailand in February 2021. It is a trademark registration for Class 23 products (rubber thread used in textiles) so that the trademark covers the company's products throughout the present. The mentioned trademark is under consideration by the Department of Intellectual Property and is expected to be approved by April 2022.</p>
	Company	<p>The company filed an additional trademark application with the Department of Intellectual Property in Thailand in February 2021. It is a trademark registration for Class 23 products (rubber thread used in textiles) so that the trademark covers the company's products throughout the present. The mentioned trademark is under consideration by the Department of Intellectual Property and is expected to be approved by February 2022.</p>



Trademark	Ownership	Status
	Company	The company filed an additional trademark application with the Department of Intellectual Property in Thailand in February 2021. It is a trademark registration for Class 23 products (rubber thread used in textiles) so that the trademark covers the company's products throughout the present. The mentioned trademark is under consideration by the Department of Intellectual Property and is expected to be approved by February 2022.
	Company	The company filed an additional trademark application with the Department of Intellectual Property in Thailand in February 2021. It is a trademark registration for Class 23 products (rubber thread used in textiles) so that the trademark covers the company's products throughout the present. The mentioned trademark is under consideration by the Department of Intellectual Property and is expected to be approved by April 2022.

#### 1.2.2.5.2 Licenses and Certificates

As of December 31, 2021, the company has licenses and certificates that have been checked by different agencies.

Licenses and Certificates	Description	Issued date	expiration date	Issued by
Rubber dealing license according to the Rubber Control Act B.E. 2542 (1999)	Buying and selling rubber in the country to establish a rubber manufacturing plant for the export and import of rubber. Selling rubber for the production of rubber.	20 September 2021	19 September 2022	The Department of Agriculture by the Ministry of Agriculture and Cooperatives
Import license	Imported 6,000,000 kgs. of high ammonia natural rubber latex HA 60% DRC from Vietnam.	18 March 2021	17 March 2022	The Department of Agriculture by the Ministry of Agriculture and Cooperatives
Import license	Imported 6,000,000 kgs. of high ammonia natural rubber latex HA 60% DRC from Vietnam.	18 March 2021	17 March 2022	The Department of Agriculture by the Ministry of Agriculture and Cooperatives
STANDARD 100 Product Class 1	International standard certification ensures that products are safe for product users.	9 March 2021	31 March 2022	OEKO-TEX
License for Business Diritmental to health (Form สป. 2)	Production of rubber thread from natural latex	1 February 2021	31 January 2022	River Khu Subdistrict Administrative Organization
- Promotion card number 1316(2)/2556 - Promotion card number 64-1383	To encourage investment in the rubber products industry To encourage investment in the rubber rubber thread	5 March 2013 14 December 2021	15 January 2027 <sup>1</sup> Unprocessed	Investment Board Investment Board
ISO 9001:2015	The organization's quality management system standard.	21 June 2004	19 July 2022	Bureau Veritas
Factory license	Manufacture rubber thread from natural rubber latex	25 April 1994	25 April 2022	Ministry of Industry

Remark(s) : 1.The company started earning commercial income for the first time on January 16<sup>th</sup>, 2019.

### 1.2.2.5.3 Rights and Benefits for Investment Promotion - Update

As of December 31, 2021, the Board of Investment had given the company investment promotion under the Investment Promotion Act B.E. 2520 (1977), which accounted to 2 items as follows:

Promotion card number	1316(2)/2556
Issued date	7 January 2013
Commencement date	12 January 2019
Promotion category	Category 1.16 Manufacture of natural rubber products
Promoted prouct	Rubber thread
Rights and Benefits	<ul style="list-style-type: none"> <li>• Permission to allow the alien skilled craftsman, the alien expert and family to stay in the Kingdom into the Kingdom in accordance with the amount and the length of stay in the Kingdom as determined by the board considers appropriate.</li> <li>• Permission to allow the alien skilled craftsman to stay in the Kingdom to work only in the workplace that has been approved by the board for as long as he is permitted to stay in the Kingdom.</li> <li>• Exemption from import duty for machinery as approved by the board.</li> <li>• Exemption from corporate income tax for net profits from the promoted business that do not exceed 100% of investment, excluding the cost of land and working capital, for a period of 8 years from the date the business begins earning income.</li> <li>• In the case of operating a loss during the period of corporate income tax exemption. The promoted person is allowed to deduct the annual loss incurred during that time from the net profit incurred after the period of corporate income tax exemption for a period of not more than 5 years from the expiration date. The deduction can be chosen from the net profit of any year or several years.</li> <li>• For income tax calculation, exemption from having to include dividends from promoted businesses that are exempt from corporate income tax throughout the period that promoted person are exempt from corporate income tax.</li> <li>• Exemption of import duty on goods imported by promoted person for re-exportation for a period of one year from the date of first importation.</li> </ul>
Project Specific Conditions	<ul style="list-style-type: none"> <li>• Must operate within a period of not more than 36 months from the date of issuance of the promotion certificate.</li> <li>• Must have a paid-up registered capital of not less than 308.00 million baht.</li> <li>• Thai nationals must hold shares of not less than 51% of the registered capital.</li> <li>• Must operate in accordance with the essence of the project being promoted in terms of product types and size of business.</li> <li>• Must have a minimum investment of 1.00 million baht.</li> <li>• Submit a corporate income tax exemption form and report the results within 120 days.</li> <li>• The exemption from corporate income tax is limited to 90.00 million baht, which will be adjusted based on the amount of investment, excluding the real cost of land and working capital on the day of operation.</li> <li>• A quality system certification in accordance with ISO 9000, ISO 14000, or other equivalent international standards must be obtained within two years of starting operations.</li> <li>• Must establish a manufacturing plant in Rayong within 15 years from the date of operation, will not be able to move the plant to set up in another locality.</li> </ul>

Promotion card number	64-1383-1-00-1-0
Issued date	14 December 2021
Commencement date	Not yet open
Promotion category	Category 1.14.2 Manufacture of natural rubber products
Promoted prouct	Rubber Thread
Rights and Benefits	<ul style="list-style-type: none"> <li>• Under Section 25, permission to allow the alien skilled craftsman, the alien expert and family to stay in the Kingdom into the Kingdom in accordance with the amount and the length of stay in the Kingdom as determined by the board considers appropriate.</li> <li>• Under Section 26, an alien who is a craftsman or a specialist who is permitted to stay in the Kingdom under Section 25 may work only in a position and do work that has been approved by the Board for the time period specified.allowed to stay in the kingdom.</li> <li>• Exemption from import duty on machinery approved by the Board under Section 28.</li> <li>• Exemption from corporate income tax under Section 31, paragraph one, for net profits derived from promoted businesses in the aggregate of not more than 100 percent of investment, excluding cost of land and working capital, for a period of eight years beginning on the date of the start of earning from that business.</li> </ul> <p>Paragraph three, the income that must be used to calculate the net profit derived from the business under the first paragraph shall include income from the sale of by-products such as scrap or waste from the production process.</p> <p>Paragraph four, in the case of a loss in business during the period of corporate income tax exemption under paragraph one, the promoted person is allowed to deduct the annual loss incurred during that time from the net profit incurred after the corporate income tax exemption period for a period not exceeding 5 years from the date of its expiration. The deduction can be chosen from the net profit of any year or several years.</p> <ul style="list-style-type: none"> <li>• Under Section 34, exemption from the need to include dividends from the promoted business that are exempt from corporate income tax under Section 31 to include in the calculation of income tax throughout the period that the promoted person is exempt from corporate income tax.</li> <li>• Under Section 36 (1), exemption from import duty on raw and essential materials imported from abroad for use in production for export for a period of 1 year from the date of first import. (Chemicals only)</li> <li>• Section 36 (2) provides for an exemption from import duty on goods imported by promoted person for re-exportation for a period of one year from the date of first importation.(Chemicals only) Since August 24, 2021, which is the date that the board approved the promotion.</li> </ul>

Project Specific Conditions	<ol style="list-style-type: none"> <li>1. The equipment used in the promoted business must be brand new. <ol style="list-style-type: none"> <li>1.1 Machines that are exempted or have their import duties reduced must be brought in by June 14, 2024.</li> <li>1.2 Must apply for approval of the list of machinery before exercising rights and benefits, such as exemption or reduction of import duty on machinery, in the form and manner specified by the office.</li> </ol> </li> <li>2. Must be completed and ready to operate within a period of not more than 36 months from the date of the issuance of the promotion certificate, which must tell the office that they want to open the operation in the way that the office wants.</li> <li>3. Must have at least 308,000,000 baht in paid-up registered capital.</li> <li>4. Must function in accordance with the essence of the promoted project the following <ol style="list-style-type: none"> <li>4.1 Product category: rubber thread</li> <li>4.2 Business Size The production capacity of rubber thread is approximately 12,440 tons per year (working time of 24 hours per day, 360 days/year). By-products are scraps or waste from the manufacturing process.</li> </ol> </li> <li>5. Must have an investment size (excluding the cost of land and working capital) of not less than 1,000,000 baht.</li> <li>6. Must submit a request for corporate income tax exemption rights and benefits and reports on operating results that have been audited by a certified public accountant to the office for approval within 120 days from the end of the accounting period for claiming the rights and benefits of the corporate income tax exemption for that accounting period.</li> <li>7. Section 31 paragraphs one and three provide for corporate income tax exemption. The value is not more than 500,000,000 baht, which will be changed based on how much money is invested, excluding the cost of land and working capital at the start of the project.</li> <li>8. Must obtain a quality system certificate in accordance with ISO 9000 or ISO 14000 or other equivalent standards within 2 years from the date of operation. If you are unable to do so within the specified time, For 1 year, the rights and benefits of the corporate income tax exemption will be revoked.</li> <li>9. Must set up a factory in Rayong. According to the provincial city planning announcement, the establishment of the manufacturing plant must not be in a restricted area. and must obtain permission from the Ministry of Industry or related government agencies within 15 years from the date of operation. They will not be able to move their plant to set up in another locality unless authorized by the board.</li> </ol> <p>The promoted person must comply with the conditions in the promotion certificate or in the license. If such conditions are violated or not met, all or part of the rights and benefits will be revoked and will be considered part of the promotion certificate.</p>
-----------------------------	--

#### 1.2.2.5.4 Policy for Investment in Subsidiary and Associated Company

World Flex Public Company Limited (“the Company”) has a policy of investing in subsidiaries and associated companies that operate businesses in accordance with the goals, vision, and strategy for the company’s growth. to strengthen or promote the company’s ginger business. However, the company may consider investing in other businesses if it is a business with potential for growth or they may expand the business. Or, beneficial to the business of the group, it may consider investing in other businesses if it is a business with potential for growth or can expand the business of the company. However, the company may consider investing in other businesses if it is a business with potential for growth. It can either expand the business, be beneficial to the business of the group, or generate a good return on investment. The company will analyze and consider the possibility of an investment, expected

return on investment, proportional risks include the company's financial position. Prior to making a decision to invest in any project, the approval of a significant investment must be considered at the board of directors' meeting. and/or the shareholders' meeting according to the specified approval authority and in accordance with the rules and regulations related to the capital market supervisory board, Securities and Exchange Commission, and the Stock Exchange of Thailand. This includes rules regarding the acquisition or disposal of assets and the disclosure of information.

In supervising the operations of subsidiaries and associated companies, the company will send representatives who are qualified and have knowledge and competence suitable for the business in which the company invests to be directors, executives, or persons with authority to control the company. And such associates to reflect the company's stake in that subsidiary or associated company. To act as a supervisor over subsidiaries and/or associates in order to ensure that their operations are in accordance with the law, policy and business plan as well as to supervise any person who has a stake in any matter or has a conflict of interest with subsidiaries and associates, whether directly or indirectly participating in the approval of that matter. Consideration and selection of persons to be directors or executives in each company is at the discretion of the Board of Directors meeting or the authority to approve and operate (Delegation Authority) that has been approved by the Board of Directors' meeting.

In this regard, entering into any transaction or any action by a subsidiary that has a significant effect or affects the financial position and performance of the company is considered the acquisition or disposition of assets according to the announcement of the acquisition or disposition of assets, or connected transactions according to the announcement of related transactions. This will result in the company's having a duty to seek approval from the Board of Directors' meeting. And/or seeking approval from relevant legal authorities before entering in a transaction. Subsidiaries can enter into such transactions with the approval of the Board of Directors' meeting. And/or the shareholders' meeting of the company and/or related agencies (depending on the case) already

In addition, the company will determine the measures and necessary steps. To ensure that the subsidiary has disclosed information about the operating results and financial position accurately and completely, the company will take the necessary actions to monitor the disclosure of such information completely and accurately.

Operations Supervision Investment Policy and this management in the subsidiary and associated company will take effect on January 4, 2021.

#### **1.2.2.6 Work that has not yet been delivered**

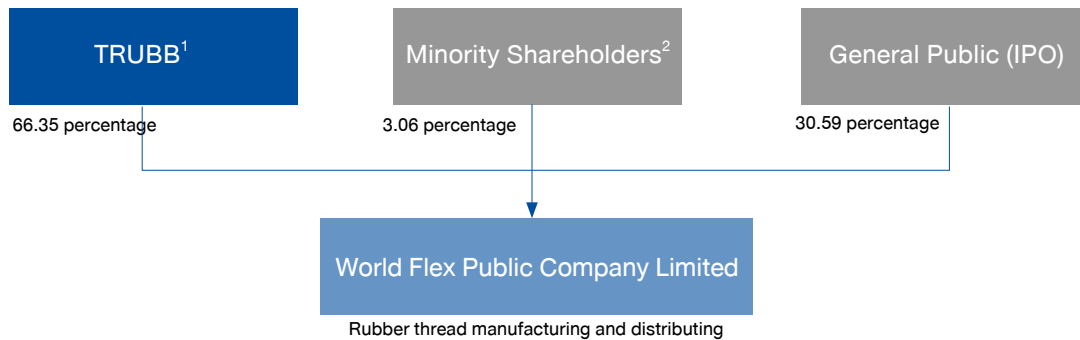
- None -



## 1.3 Shareholder Structure of the Company

### 1.3.1 Shareholder Structure

We do not have any investments in any subsidiaries or associated companies. In December 2021, for the first time, the company sold its shares to the public. It did this by issuing the company's newly issued ordinary shares in the amount of not more than 142,000,000 shares, each worth 1.00 baht. This was 30.59 percent of the ordinary shares that had been sold and paid for after the initial public offering (Initial Public Offering).

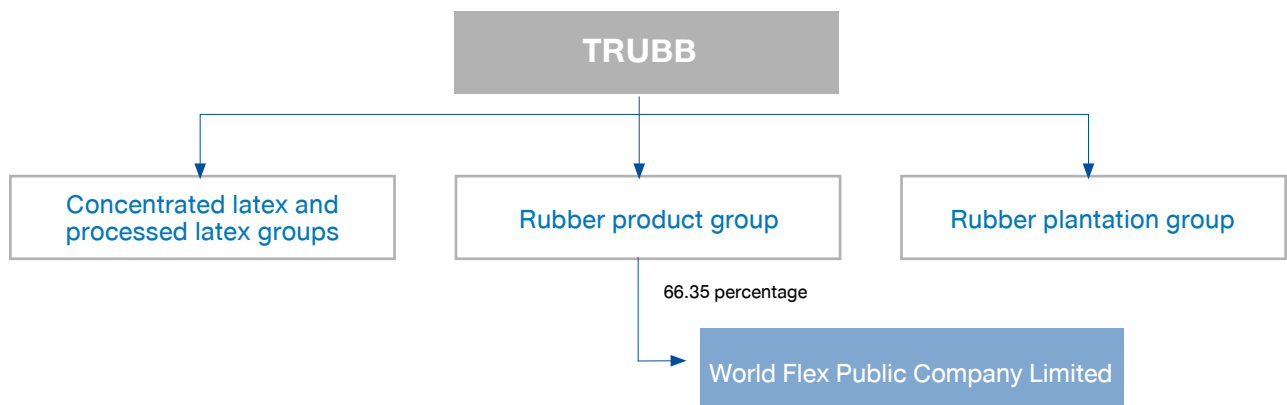


Remark(s)

1. TRUBB is Thai Rubber Latex Group Public Company Limited is a listed company on the Stock Exchange of Thailand.
2. Minor shareholders are general investors, directors, executives, and employees of the company.

### 1.3.2 Relationship with A major Shareholder

After the initial public offering (IPO), TRUBB is a listed company on the Stock Exchange of Thailand, holding shares in the company of 66.35% of the issued and paid-up capital. After the IPO, the relationship between the company and the TRUBB group of companies can be shown as follows:



TRUBB as a major shareholder of our company, has no benefit that may conflict with the best interests of the company, whereby the company and TRUBB and TRUBB's subsidiaries have a clearly separated scope of business, with the company being the flagship company of the TRUBB Group. In the business of manufacturing and distributing rubber thread, while TRUBB and its subsidiaries will be in the business of manufacturing and distributing latex and processed latex. And other rubber products such as rubber blocks, mattresses, latex pillows, etc. including the rubber plantation business. On January 1, 2021, TRUBB signed an action agreement with the company, which has determined that TRUBB will not engage in any business, whether directly or indirectly, that is considered competitive and/or may cause conflicts of interest with the company's business operations. Whether they are running a business on their own or in collaboration with other partners, including being a shareholder, director, or managing partner's employee, employee, consultant, or representative

At present, we procure concentrated latex, which is the main raw material for the production of rubber thread, from TRUBB. Therefore, we have a related transaction with TRUBB, which is a normal business transaction for our company. Such transactions occurred from the past to the present, and such transactions are expected to occur continuously in the future. Although we have a good relationship with TRUBB and our latex procurement from TRUBB is higher than other latex suppliers both domestically and internationally. Manufacturers in Thailand make more than 80 types of concentrated latex that make more than 3.01 million tons of latex a year. This is considered a large quantity to be used in our rubber thread manufacturing process, even in the event that TRUBB is unable to supply us with concentrated latex. According to the quality and quantity required by the company, However, in 2021, we entered into a concentrated latex sales and purchase agreement with TRUBB for a period of one year from January 1, 2021, to December 31, 2021, requiring TRUBB to supply concentrated latex to our company at a minimum quantity of 18,000 tons per year at the market price on the date of ordering the concentrated latex. It is critical that we have confidence in the availability of concentrated latex each year. However, the selling price of concentrated latex from TRUBB is comparable to the price of latex from other concentrated latex suppliers. It is fair and in the best interests of the company. We have established policies and guidelines for the procurement of concentrated latex. At least three latex suppliers' quality, quantity, price, and trade terms will be compared before making a purchase decision every time.

In addition, TRUBB has other business relationships with our company, such as the sale of land in Rayong. Originally, the land was leased to be used as the location of rubber thread manufacturing, credit limit guarantees, etc.

### 1.3.3 Shareholder

#### 1.3.3.1 List of Major Shareholders

As of December 31, 2021, the company had a total of 164 shareholders. The company's shareholder structure as of December 31, 2021 can be summarized as follows:

List of shareholders		As of December 31, 2021	
		number of shares	percentage
1.	Thai Rubber Latex Group Public Company Limited	307,999,100	66.35
2.	Mr. Chawalit Tiyadechachai	9,022,310	1.94
3.	Miss.Chalongkwan Wongsasuthikul	4,561,993	0.98
4.	Thai NVDR Co, Ltd.	2,426,110	0.52
5.	Mr. Nat Vongsasuttikul	2,300,040	0.50
6.	Mr. Vorathep Wongsasuthikul	1,983,378	0.43
7.	Mrs. Thiphawan Suthathipkun	1,623,958	0.35
8.	Mr. Gavin Opaswongkarn	1,500,000	0.32
9.	Mr. Prasit Witanakorn	1,300,000	0.28
10.	Mr. Worrawat Chanpattana	1,100,000	0.24
11.	Other Minority Shareholders	130,383,111	28.09
Total		464,200,000	100.00

## 1.4 Authorized Capital And Paid-up Capital

As of December 31, 2021, the company has a registered capital of 464.20 million baht and a paid-up capital of 464.20 million baht, divided into 464,200,000 ordinary shares with a par value of 1.00 baht per share.

## 1.5 Other Securities Issuance

### 1.5.1 Convertible Securities

- None -

### 1.5.2 Bond

- None -

## 1.6 Dividend Policy

### 1.6.1 Company Dividend Policy

We have a policy of paying dividends to shareholders at a rate of not less than one-third of the net profit from the separate financial statements after corporate income tax and reserve allocation. All types as stipulated in the laws and regulations of the company. The dividend payment may be less than the above rates. Taking into account various factors such as economic conditions, operating results and financial position of the company, cash flows, working capital investment and business expansion plans, loan agreement liabilities, conditions, and restrictions, and other suitability. The board of directors will consider it carefully. However, the annual dividend payment must be approved by the shareholders' meeting. Except for the payment of interim dividends, which the board of directors may from time to time decide to do. When the company has reasonable profits to do so. The company will report the said dividend payment to the shareholders' meeting at the next meeting. It must not be against or in conflict with the law, as the board of directors and/or the shareholders decide.

Details of the company's past dividend payment

Year	2019	2020	2021
Earnings Per Share	0.10	0.19	1.100
Dividend per share	-	0.10	0.465
Dividend payout ratio net profit (%) (percentage)	-	70.00	60.00



## 2. Risk Management

### 2.1 Risk Management Policy and Procedures

At World Flex, we realize the importance of risk management in changes in internal and external factors that may affect our company's business operations. For the company to operate efficiently, we have established the risk management policy and procedures as follows:

We have adopted elements of the Enterprise Risk Management Integrated Framework of the Committee of Sponsoring Organizations of the Treadway Commission (COSO) as a guideline for risk management, which has risk management components as follows:

1. Objective Setting
2. Risk Identification
3. Risk Assessment
4. Risk Response
5. Control Activities
6. Monitoring & Evaluation

From the elements of the risk management process according to the guidelines of COSO above, there are 6 steps that all departments have to perform continuously, known as the "risk management process". In addition, the other two items are the internal environment of the organization and information and communication. It is a part of the 6-step risk management process that makes it more efficient and increases the chances that risk management will meet its goals.

#### Internal Environment

We will provide a favorable environment and atmosphere, which is the basis for other steps. If there is an unpleasant internal environment in the organization, it will affect the strategy and goals of the company. Determination of risk identification, assessment, and management activities

The elements that are important to the environment include:

1. Philosophy, belief, and culture of risk management to create long-term value for the company.
2. The role of the Audit Committee is an important factor in overseeing risk management.
3. Choose personnel with knowledge and abilities that can be developed to meet the job responsibilities.
4. Establish a suitable organizational structure.
5. Determination of appropriate authority to allow employees to perform their duties to achieve the company's objectives

#### Information & Communication

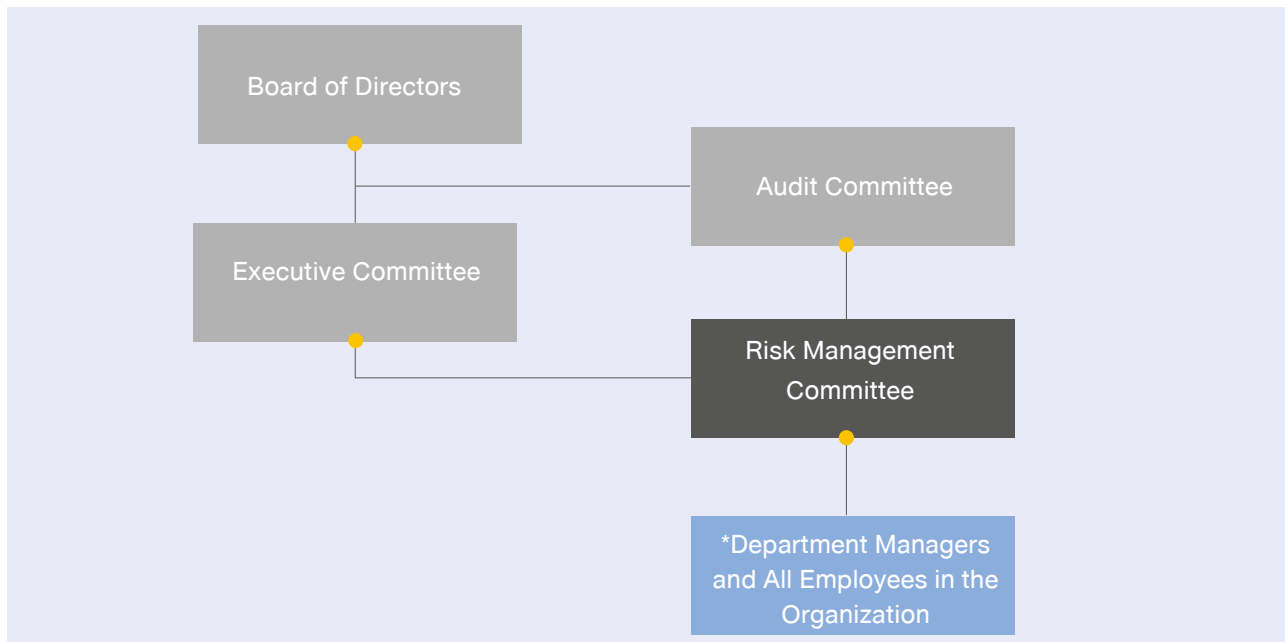
1. There must be clear communication from the board of directors and senior management about risk management policies. This will allow all employees to understand their roles and responsibilities in risk management and change their behavior and/or activities because they expect the risk to be at a level that is safe.
2. In order for executives and employees to stay up-to-date, perform their jobs and communicate effectively, the source of information must be identified, gathered, stored, and communicated in a specific way and at a specific time.

### 2.1.1 Risk Management Structure

The risk management structure consists of the risk management committee and the risk management working group at all levels.

At the corporate level, including the risk management committee under the policy and supervision of the executive committee, there is a chief executive officer as the chairman. They are in accordance with the company's guidelines on accountability measures and responsibilities.

Department level: department manager and all employees within the organization (called the working team) under the supervision of the risk management committee.



### 2.1.2 Risk Management Process

The Company's risk management process according to COSO's guidelines consists of 6 steps as follows:





## Step 1 Objective Setting

To know the scope of operations at each level and analyze the expected risks in their entirety, and to achieve the overall objectives, to achieve the following goals:

1. It must be clear, measurable, practicable, reasonable, and have a time frame for completion. which is in accordance with the principle of “SMART”, which stands for

- Specific : specific / unambiguous
- Measurable : It is measurable.
- Achievable : Achievable / Practical
- Reasonable : Be true and reasonable.
- Time constrained : There is a time limit / time frame.

2. It must be connected to the goals and be in accordance with the objectives of the company. A person’s “Risk Appetite” and his or her “Risk Tolerance” are two indicators that show how much risk he or she can take.

Risk Appetite means the type of risk factor and the level of risk that the company is willing to accept to help the company. Achieve the vision and mission of the company.

Risk Toerance means to the degree of deviation from the type of risk factor and the level of acceptable risk.

## Step 2 Risk Identification

Risk identification is to find out what risks are likely to occur and thus the unit. Risk identification tasks and organizations fail to achieve the objectives for which risk identification involves the following steps:

1. Considering activities, projects, and related work processes, According to the company’s plans, such as annual action plans, annual business plans, and so on, they stop them from meeting their goals and objectives.
2. Identify risks or search for risks and causes by considering the sources of risks, both internal and external factors that affect the performance of each activity, project, work process, failure to achieve objectives and goals.

Here’s how to identify key risks:

1. Analyze the passage of work and documents (or process analysis
2. Brainstorming
3. Plan a workshop
4. Data collection of the history of damage incidents

Sources of internal risk factors. It may come from the following factors:

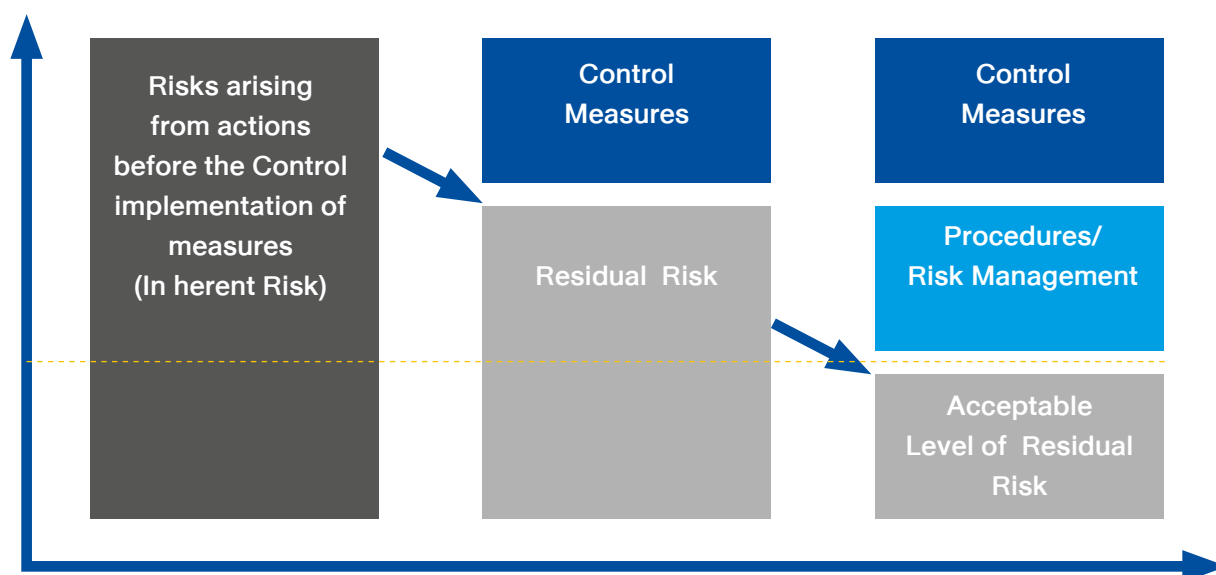
1. Objectives of the Company
2. Policy and Strategy
3. Operation and Workflow
4. Structure of the organization and management system
5. Finance

Sources of external risk factors. It may come from the following factors:

1. Government Policies
2. Economic conditions
3. Competition (Business Rivals)
4. Rules
5. A natural event
6. Miscellaneous



### Step 3 Risk Assessment



Risk assessment is a measure of the severity of a risk by taking the risks identified in Step 2 (Risk Identification) and assessing them. With the following steps:

1. Consider the risks arising from the action before taking the risk control measures derived from the identified risks in Step 2, taking into account the severity of the risks. And the likelihood that it will occur prior to the implementation of control measures (Inherent Risk).
2. Determine the existing control measures (controls) in place to control or reduce the risks associated with each risk cause.
3. Assess the remaining risks after the control measures (residual risk) by analyzing the likelihood and severity of the impact (impact) according to the criteria for determining the level of risk likelihood (likelihood) and the severity of the impact (impact), which can be considered both qualitatively and quantitatively by the company. There are five levels of evaluation criteria.  
“A “risk level” is equal to the product of the likelihood and the severity of the impact.
4. Bring the “risk level” that has been assessed in accordance with item 3 to be prioritized by the importance of the risk, for a total of 4 levels as follows:

Level 1. E: Extremely Risk must be managed immediately. The management must closely monitor (score level 16-25 points)

Level 2. H: High Risk, which requires management’s careful attention (score level of 10-15 points).

Level 3. M: Moderate Risk, which must define the responsibility for risk management (4-9 points)

Level 4. L: Low Risk, which manages the risks with the usual method (score level 1-3 points)

Risk assessment must be carried out both before the preparation of the risk management or management plan and after the implementation of the risk management or management plan. This will determine how efficient and effective the risk management or management plan is and whether the risk management or management plan should be reviewed or improved.

## The Risk Matrix and Acceptable Risk Levels

The “Risk Management Committee” set an acceptable risk level of not more than 5.

### Risk Level and Impact

Level		Insignificant	Minor	Moderate	Major	Catastrophic
Probability		Insignificant	Minor	Moderate	Major	Catastrophic
		1	2	3	4	5
Often	5					
Frequently	4					
Sometimes	3					
Seldom	2					
Rarely	1					

### Step 4 Risk Response

The preparation of a risk management plan means determining the operational guidelines to reduce the likelihood of loss by taking the results of the risk assessment from step 3 and preparing a risk management plan accordingly. The importance of risk to the risk-owner organization who understands the risks that are most relevant to their own departments and develops a risk management/management plan by analyzing how to manage the anticipated risks. One or a combination of methods to reduce the likelihood of this happening. And/or reduce the severity of the impact to an acceptable level and prepare a risk management/management plan for its unit.

#### Methods for risk management

- Assess and manage the anticipated risks. There are four methods of risk management (4T) as follows:
  - Treat is to control risks or find ways to manage risks, such as using technical engineering techniques, preparing an emergency plan, improvements in operating processes, etc.
  - Transfer is to make insurance or hiring a third party to act on your behalf, for example.
  - Terminate is to eliminate risks or avoid accepting them at all, such as changing objectives or stopping activities, etc.
  - Take is because the organization may have effective control systems or sufficient funds to cover potential impacts, or the level of risk may remain within acceptable limits. Or acceptance of risk due to risk management expenses. The control system may be worth more than the results obtained. But there should be a measure of monitoring and supervision.

However, in choosing a risk management method, consideration must be given to comparing the cost of management or management of risks with damages incurred.
- Create additional risk management/management plans by following the steps below:
  - Select methods and alternative measures from risk management methods (4 T) to reduce residual risks to an acceptable level and in accordance with the stated objectives
  - A comparative study of the feasibility and cost of each alternative under (1) taking into account the worthiness of the investment, both monetary and non-monetary, provided that the operating cost must not be high; than expected damage
  - Choose the best method by defining the responsible person/period/budget and setting an action plan.

## Step 5 Control Activities

Control activities are policies and operational guidelines for control established by management to ensure that an effective risk management/management plan is clearly defined for those responsible and the timing of implementation. And that control activity is one of the methods of risk management/management.

**For example** Control activities

1. Maintain control by establishing policies and procedures.
2. Examination and operational supervision
3. Computer system and computer management
4. Physical controls
5. Index of Performance Indicators
6. Separation of duties and responsibilities

The most beneficial control activities should be included in the process to be able to prevent and reduce the risks to an acceptable level. The operating costs must not be higher than the expected damage.

The control activities will enable the intended additional risk management plan to achieve its objectives by providing additional policies and procedures. It clearly defines the responsible person and the time for completion. In some cases, additional internal control processes may be established, clearly stipulating the responsible people and the timing for completion. In other cases, more internal control processes may be set up, such as review, supervision, more separation of duties, and so on.

Control activities are one component of the internal control system in the form of suggestive control in order to improve and develop the operating system and internal control system to suit the situation that the unit has to establish to reduce risks. This is a good thing because it saves money and gives the management more confidence in the effectiveness of the internal control system they already have.

## Step 6 Monitoring & Evaluation

Monitoring and evaluation means the process of quality control, performance, and evaluation. Additional risk management/management plans or control activities that are implemented on an ongoing and consistent basis through performance monitoring and periodic assessments to ensure efficient and effective risk management/management. Therefore, the progress, problems, and obstacles in risk management/management must be reported to serve as a guideline for further review or improvement of the management/risk management plan.

## 2.2 The Operational Risk Factors for a Company

### 2.2.1 Operational Risk Factors

#### 2.2.1.1 The risk of procurement of concentrated latex, which is the main raw material used in the production process.

Concentrated latex is the main raw material for the production of rubber thread. In the past, the amount of concentrated latex used in the production of rubber thread in 2019-2021 amounted to 35,312 tons, 41,021 tons, and 45,720 tons, respectively, in which the company was able to supply sufficient latex to equal the amount of concentrated latex used in the company's production process as always. From 2019-2021, the company purchased a volume of concentrated latex from both domestic and international latex suppliers amounting to 38,155 tons, 39,356 tons, and 47,055 tons per year, respectively. We also purchased the concentrated latex from Thai Rubber Latex Group Public Company Limited ("TRUBB") in 2019-2021 which

accounted for 82.66%, 63.68%, and 66.98% of the total purchase value of latex per year, respectively. In the past, we relied on purchasing concentrated latex from TRUBB in a higher proportion than when purchasing latex from other suppliers. This is because TRUBB's concentrated latex is of the quality specified by our company. In addition, TRUBB has a total of five concentrated latex manufacturing plants located in three regions where there are rubber tree plantations, with a total production capacity of approximately 240,000 tons per year. This enables TRUBB to continuously supply concentrated latex to the company with the quantity and quality that we need throughout the year.

In addition, we have good trade relations with other latex suppliers. In the past, during 2019-2021, we purchased concentrated latex from more than 10 distributors other than TRUBB, whose total concentrated latex production capacity is sufficient to meet our company's consumption of concentrated latex. In addition, we also import latex from abroad in order to create trade alliances with overseas latex distributors. Therefore, we are able to supply the amount of sufficient latex used in the company's manufacturing process. Even though TRUBB is unable to sell concentrated latex to the company according to the quantity required by the company.

In the past, the company never experienced a shortage of concentrated latex, which is the main raw material used in the rubber thread manufacturing process. However, if there is a shortage of concentrated latex both in the domestic and international markets, we are unable to continuously procure latex from other sources of good quality. This directly affects our business operations, finances, and business chances.

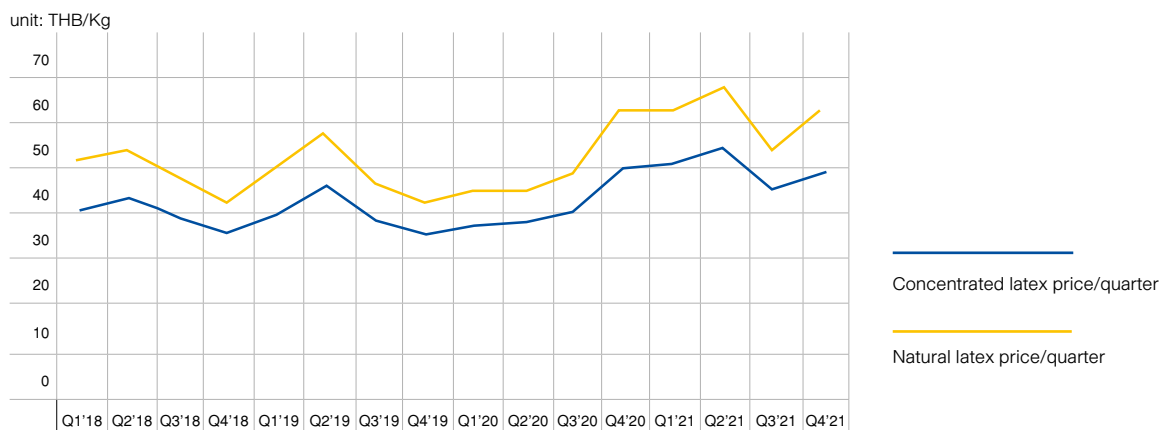
However, since we have been in the business of manufacturing and distributing rubber thread for more than 30 years, we have gained experience and expertise in business operations. As a result, we have been very careful to keep an eye on the latex market and to plan ahead for the purchase of concentrated latex in order to have enough latex for the rubber thread-manufacturing process at the best prices for the company. In addition, we are always prepared to find new distributors of concentrated latex both domestically and internationally as an alternative to the company. In the event that our existing distributors of concentrated latex cannot continuously sell sufficient quantities of concentrated latex to the company.

#### 2.2.1.2 Volatility and Market Risk of Rubber Price

The cost of concentrated latex is the main cost of the company. This is because concentrated latex is the main raw material for the production of rubber thread. From 2019 - 2021, the cost of raw materials of concentrated latex accounted for 56.52%, 62.09%, and 61.51% of the total cost of sales of rubber thread. Therefore, the change in the price of concentrated latex may affect the production cost of the company's rubber thread. Concentrated latex is a midstream product produced from natural rubber latex. Therefore, the price of concentrated latex varies with the price of natural rubber latex. Because natural rubber latex is a commodity, its price changes depending on how much natural rubber there is in the market and how much there is available. This changes because of many different things such as economic conditions, the climate, and the price of product substitution, government regulation, etc. Since 2020, the trend of high latex prices has increased due to the coronavirus disease (COVID-19). The demand for concentrated latex, which is the main raw material for the production of rubber thread, medical rubber gloves, and medical rubber products, has increased. From 2019-2021, the average price of concentrated latex was 35.69 baht per kilogram, 36.93 baht per kilogram, and 43.80 baht per kilogram, respectively.



## Natural rubber latex and concentrated latex prices in Thailand for 2018-2021 - graph update.



Source: Rubber Authority of Thailand and Thai Latex Association

There may also be changes in the price of concentrated latex, which is the main raw material for manufacturing rubber thread. This may lead to higher costs for rubber thread sales, which could hurt the company's profits.

However, we closely monitor the situation of concentrated latex and natural rubber prices in both domestic and international markets by always asking and comparing prices of the quantity and the concentrated latex from each latex supplier, as well as planning to purchase concentrated latex in advance in accordance with the rubber yarn manufacturing plan. In most cases, it is during the period when the price of concentrated latex is lower than in other periods of the year, such as June, November, and December. We will pre-order the concentrated latex in an amount that is consistent with the rubber yarn manufacturing plan. When the price of concentrated latex changes, we can lower our risk and keep the cost of rubber thread production in check. We have a policy of determining the selling price by considering the cost of production plus an appropriate profit margin (Cost Plus Pricing). We have a good relationship with both domestic and international latex distributors, including having a major shareholder in the business of manufacturing and distributing latex and latex by-products. This causes our company to receive information about social movements and trends in the latex market that is beneficial to the company's business strategy planning effectively.

### 2.2.1.3 Competition from manufacturers and distributors of the same product, as well as manufacturers and distributors of substitute products, poses a risk.

At present, there are a large number of manufacturers and distributors of rubber thread both domestically and internationally, and their numbers have increased in line with the growth of the industry related to rubber thread, although World Flex is currently the leading manufacturer and distributor of rubber thread in Thailand and the world. We will have to compete with other manufacturers and distributors of rubber thread both domestically and internationally, especially those from China, Turkey, Malaysia, and India. For this reason, we must compete in terms of product quality, price, and market share. In addition, the increase in the production volume of rubber thread, both from the expansion of production capacity of existing rubber thread manufacturers and distributors and the increase in the number of rubber thread manufacturers and distributors, may result in a portion of the supply. Oversupply in the rubber thread market pushes the price of that rubber thread down, which may affect the operating results, profitability, and business opportunities of the company.

In addition, the company's products are rubber thread made from natural rubber, which can be substituted with synthetic rubber thread (Spandex). Synthetic rubber is a product of the refinery process of crude oil and natural

gas. Producing characteristics and properties resembling natural rubber. However, the price of synthetic rubber is higher than the price of natural rubber. As a result, the price of synthetic rubber thread is higher than natural rubber thread.

However, we focus on the development of our products continually in terms of quality, characteristics, and features to be versatile and suitable for use across a wide range of industries. This includes the development of the company's rubber thread manufacturing process to be more efficient to improve the cost and quality competitiveness of rubber thread. In this regard, with the ability to expand the customer base of the company to cover all regions around the world, the sales volume of the rubber thread and the profitability of the company increase. Moreover, we have also been building and maintaining good relationships with customers both domestically and internationally. And by doing business for more than 30 years, we have earned the trust and acceptance of customers continuously.

#### 2.2.1.4 Process interruption

The company's business operations are dependent on the continuous operation of the rubber yarn manufacturing plant. We are exposed to the risk of the rubber yarn manufacturing plant being interrupted for various reasons, such as machine breakdowns, deterioration of equipment, or natural disasters. This may affect the company's rubber thread production as well as operations and business opportunities.

However, we have inspected and cleaned the machines and every production line. This includes changing spare parts regularly according to the life time of those parts every week. In addition, we have prepared a preventive maintenance plan once a year in order for the machine to have good performance in continuous production. Our company has a maintenance department that has skilled and knowledgeable personnel and expertise in looking after and maintaining various machines and other production lines in the rubber thread manufacturing plant, including sufficient storage of important spare parts, enabling us to maintain various machines and other production lines in the event of a breakdown in a timely manner. In the past, we have not had any problems with the interruption of the rubber thread production process.

#### 2.2.1.5 High Customer Concentration Risk

at World Flex, our rubber thread products are a component used in the production of various finished goods such as clothes, apparel, furniture, etc. by the demand for the company's rubber thread. Most of them are in the garment and apparel industries, which causes our company to sell a high proportion of rubber thread to China. Because China is the world's largest importer and exporter of manufactured goods, From 2019-2021, our company's sales of rubber thread to China accounted for 75.10%, 75.94%, and 76.95% of the revenue from the sale of rubber thread, respectively. Products are sold to customers in China through the distribution channel. (distributor) who buys products from the company and sells them.

From 2019 to 2021, we sold products to one of the Chinese distributors in proportions of 36.06%, 31.41%, and 18.00% of our rubber thread sales revenue, respectively. That revenue could lead to the company's demise if we lost that distributor or their product volume decreased. It would affect the revenue and operating results of the company.

However, we have been good trade partners with that distributor for more than 10 years. In addition, we have been trusted to sell products continuously every year. That distributor is trustworthy and has a good payment history consistently. Therefore, we are confident in maintaining such a customer base.



Additionally, we have good trade partners with other customers as well. At present, our products are sold to more than 200 other customers, and we also focus on expanding the market to new customers in order to grow the customer base to cover all continents around the world. With the good reputation of World Flex and more than 30 years of business operation, we have been able to maintain our customer base well. The key strengths that distinguish us are our ability to consistently improve performance and run a business in a sustainable manner.

#### 2.2.1.6 Seasonal Hazards Risk

The company's rubber thread is a product that is used in the production of various finished goods. The company's rubber thread may rise or fall in each period, especially in the clothing and apparel industries where it is a seasonal product. This means the company's rubber thread income may rise or fall with each period. From 2018 to 2020, the sales revenue of rubber thread during the fourth quarter of each year was higher than in other quarters because it was the changing season of products in the clothing and apparel industry. This makes rubber threads in demand for use in the production of new garments and apparel collections. Spending on consumer goods has gone up because of seasonal changes in demand. Besides, the fourth quarter of the year was a period of high latex production, which caused the company's latex costs to be lower than in previous quarters. The company has a policy of setting the selling price based on the cost. As a result, the selling price of the rubber thread in the fourth quarter was lower than the selling price in the other quarters. Because of this, the company's customers were able to stock up on products for the future because they had more money to buy them.

In 2019-2020, the company's income from the sale of rubber thread in each quarter as follows:

Quarter	Year 2019		Year 2020		Year 2021	
	million baht	percentage	million baht	percentage	million baht	percentage
1	489.31	24.06	533.05	22.26	717.17	19.06
2	499.45	24.56	566.71	23.67	899.22	23.89
3	516.02	25.37	607.74	25.38	964.73	25.63
4	529.03	26.01	686.65	28.68	1,182.40	31.42
<b>Total</b>	<b>2,033.81</b>	<b>100.00</b>	<b>2,394.15</b>	<b>100.00</b>	<b>3,763.52</b>	<b>100.00</b>

Therefore, the company has used business strategies such as credit terms, discounts, and other benefits to customers to promote the company's sales and has been able to maintain the level of income from the sale of rubber thread in each quarter as well.

#### 2.2.1.7 Changes and Cancellation in Government Policies - Rated to Para rubber latex

World Flex is a business that is related to natural rubber. The company has been helped by the government's policy to promote and support natural rubber. This policy encourages the use of para rubber in the country, which helps keep the price of rubber in the country and the income of rubber farmers stable. In the year 2021, the company joined the project to support rubber product manufacturers with a credit limit of 25,000 million baht for the expansion of the company's production capacity. The government will compensate the downstream rubber product processing operators as they actually pay. But not more than 3.00 percent per year for the 10-year project (2016 - 2026). In this regard, interest compensation has important criteria and conditions as follows:

1. Entrepreneurs who receive credit to improve machinery in factories must increase the use of domestic rubber by at least 4 tons per year, except for the first two years, and every 1.00 million baht must increase the amount of domestic rubber by at least 4 tons per year. The use of domestic rubber is not less than 2

tons per year from the date of notification of commencement of operations. If the entrepreneurs are unable to comply with such conditions, the government will not compensate the interest that year.

2. The entrepreneur must consume at least 333 kilograms of rubber per month in order to qualify for a loan of 1.00 million baht. If the entrepreneur cannot comply with the aforementioned conditions, the government will not compensate the interest that month.

However, we are confident that our company will be able to fully comply with the criteria and conditions of the rubber product manufacturer's financing support program. In addition, our production capacity has been increased so that we can meet more orders for the company's products. This means that the amount of concentrated latex we use is in line with the criteria and conditions of the program.

In addition, the company's investment in the manufacturing and distributing of rubber thread is also considered a business that has received investment promotion from the Board of Investment under the Investment Promotion Act, B.E. 2520. Regarding the company's business, it is classified in the 1.16 category, which is a business related to natural rubber manufacturing. This allows the company to receive various privileges, such as corporate income tax exemption for a period of 8 years from the date of receiving income from that investment and exemption of import duties on machinery, raw materials, and essential materials from overseas countries, etc.

However, the changes and cancellations in the government's promotion and support policies are beyond the company's control, so we cannot guarantee the certainty of the government policies related to the company's business operations, which changes or cancellation of those policies may have an impact on the company. Our business expansion plans and capital management must be adjusted. Thus, we have set up rules that will help us carry out the plan and keep the company from losing business opportunities because of changes that are out of our control.

#### 2.2.1.8 The risk of COVID-19 epidemic

The spread of the coronavirus disease (COVID-19) in Thailand and abroad started in January 2020, and the number of infected people has continued to increase until the infection has spread to many countries around the world. The number of infected people in Thailand continues to increase. If the company's employees or personnel are infected with the COVID-19, the company will suffer severe damage and get orders from the government and related agencies to temporarily shut down some or all of the rubber thread manufacturing plant. This may result in the company's losing its business operations and being unable to deliver products as scheduled. Meanwhile, the company's target customers are manufacturing plants that produce various finished products. It may affect the revenue and operating results of the company if our customers are unable to run their businesses effectively. In addition, governments and related agencies in each country around the world have issued preventive measures to control various diseases. In order to control and stop the spread of the Covid-19 virus (COVID-19), Thailand has announced the Emergency Decree on Public Administration in Emergency Situations (Emergency Act) and preventive measures to control various diseases. Interprovincial travel restrictions, international travel restrictions, and so on. This may affect the transportation and delivery of goods to customers, especially those in foreign countries. Also, it may be an obstacle to the company's business operations.

We, however, have a policy of working from home (Work From Home) to reduce the risk of infection to personnel, as well as other cleanliness and hygiene control measures both before and after work, including wearing masks and anti-microbial equipment throughout the working hours. As a result, we have never encountered any



problems with the spread of the Coronavirus Disease (COVID-19), which may have caused the company's business operations to stop. In addition, the company has a management plan to deal with the epidemic of the COVID-19 virus very well and places importance on the health of personnel as the first priority by providing vaccines to all personnel completely.

In addition, during the epidemic of the Covid-19 virus (COVID-19) in the past, we benefited from the fact that some manufacturers and distributors of rubber thread in some countries closed their plants due to COVID-19, resulting in a shortage of products in the market. While there was still a lot of demand for rubber thread, we were able to set high prices and earn a high profit margin. If the COVID-19 situation eases, it may result in a slight decrease in the company's profit margin because the company may not be able to set a selling price with a high profit margin as similar as during the COVID-19 epidemic

We still believe that we can continue to operate the business. With this, we can also generate income and profit for the company, allowing it to grow both under the COVID-19 epidemic situation and after the lockdown, as long as the company's strategies for expanding production capacity. To expand our customer base to new product markets around the world. As a result, we can produce and sell a wide variety of rubber threads. With both sizes and special features, we cover the needs of customers in many industries. World Flex is the only manufacturer and distributor of rubber thread in the world that can produce products to meet the customer's needs in almost every industry. Expanding our production capacity and growing our customer base will help us keep and grow our product sales volume and sales revenue.

#### 2.2.1.9 Foreign Exchange Rate Risk

The company's main income from the sale of rubber thread comes from selling products to international customers in 2019-2021, accounting for 98.44%, 98.76%, and 99.01% of the sales revenue of rubber thread per year, respectively. When selling the company's products in foreign countries, most bids and payments are made in US dollars. So the company's rubber thread income is also in US dollars. While the cost of sales and the main expenses in business operations, such as the cost of raw materials and concentrated latex other raw material costs, transportation costs, and staff costs, for example, are mostly in Thai baht. Therefore, the company is exposed to risks from fluctuations in foreign exchange rates. This may affect the profitability and operating results of the company as well as its ability to compete on price with other international competitors. A decrease in the value of the Thai baht against the U.S. dollar would hurt the company's finances and operations; the sales revenue of rubber thread will decrease.

However, we managed the risks from exchange rate fluctuations by using financial instruments. To accomplish this, we signed up to forward contracts or options, whereby our company has an insurance policy whose minimum risk is not less than 40.0%. And if the exchange rate fluctuates a lot, we will insure a higher proportion of the risk. The decision will be made by the sales department, the finance department, and the company's executives, supervised by the assistant managing director of accounting and finance (CFO) and the executive committee, in order to obtain the expected profit margin from normal business operations.

## 2.2.2 Securities Trading Risk for Shareholders

### 2.2.2.1 The risk of major shareholders owning more than 50% of the total shares

As of December 31, 2021, Thai Rubber Latex Group Public Company Limited ("TRUBB") holds 307,999,100 shares in the company, with a par value of 1.00 baht per share, representing 66.35% of the authorized capital and paid-up capital of 464.20 million baht. Thus, TRUBB is able to control almost all the resolutions of the shareholders' meeting, whether it is the appointment of directors, or requesting resolutions on other matters requiring the majority of the shareholders except for laws or regulations of the company. So, other shareholders may not be able to get enough votes to check and balance all the business matters that the major shareholders want to do.

However, the company has established the organizational structure and guidelines for the board of directors by conducting investigation methods as well as balancing the powers of the stakeholder directors. By appointing a three-member audit committee to inspect, consider, and provide transparency in the operation. In addition, the company has established a policy on related party transactions. As a guideline for conducting related transactions with directors, major shareholder controllers, or individuals who may have conflicts of interest. That person will not have the authority to approve the transaction, which gives rise to the company's being transparent in the operation and also in an auditable system.

### 2.2.2.2 Uncertainty of Risk-Return Tradeoff for Shareholders

The price of the company's ordinary shares can fluctuate due to a number of factors, including:

- The outlook on the rubber thread business and the industrial conditions associated with the rubber thread, as well as the company's business growth opportunities.
- Distinction between actual and expected performance of investors and analysts.
- Changes in the advice or views of analysts towards the company's securities.
- Changes in various factors, affecting industries related to the company's business operations, general economic conditions, or the atmosphere in the stock market.
- Changes in the market valuation and share prices of companies listed on the Stock Exchange of Thailand that operate a business similar to the company, and the volatility of stock prices in the stock market due to various factors as mentioned above, including other factors, may cause the price of the company's ordinary shares to fluctuate. There are fluctuations in the trading price of the company's shares. The share price may be lower than the price paid by investors when they purchased the shares. Or it may be higher than the price at which investors sell their shares. Therefore, investors may be at risk from the uncertainty of the returns that they will receive.

### 2.2.2.3 Risk of Unmasking Opportunity in Dividends that Cannot Meet Shareholder's Expectation

The company's ability to pay dividends depends on many factors, such as operating cash flow. Such factors may have an impact on the company's ability to pay its results, raising the possibility that dividends will be paid at a lower rate than investors anticipate. However, the company has a policy of paying dividends of not less than one-third of the net profit from the separate financial statements after deduction of corporate income tax and reserves. All types as specified in the laws and regulations of the company. (with additional conditions)







### 3. Driving Business Towards Sustainability

World Flex Public Company Limited (“the Company”) realizes the importance of good corporate governance. One of the key goals of the company is to create an organization that can grow sustainably. In this regard, the company has formulated a policy of social responsibility as well as sustainable business practices. As a guideline for doing business with integrity and ethics, including responsibilities to the community, society, and environment, as well as related stakeholder groups, And to strengthen the structure and management system for the company to develop and grow into a stable and sustainable organization covering all dimensions, including the economy, society, the environment, and respect for human rights, including transferring such ideas to various operational levels of the organization and integrating operational plans to be connected. To create a balance in the dimensions of the economy, society, and the environment throughout the supply chain for sustainable development, the greatest benefit to all groups of stakeholders

#### 3.1 Sustainability Management Policy and Goals

Board of directors will supervise the objectives and goals as well as the company’s strategy to accomplish the objectives and main goals of the company and the United Nations Sustainable Development Goals (SDGs). The guidelines for supervision are as follows:

1. The committee supervises the preparation of the annual strategy and plans, along with the company’s main objectives and goals. It will take into account the environmental and social impacts that cover respect for human rights and good corporate governance in all its aspects and will encourage the monitoring and review of the implementation of the strategies and goals that have been set in the short-term, medium-term, and long-term to ensure that the company’s strategies and plans achieve those objectives.
2. The committee will oversee an analysis of the environment. There are factors and risks that may affect stakeholders throughout the business value chain (value chain) in the formulation of annual strategies and plans. This includes considering various factors that may affect the achievement of the company’s main goals in all aspects and truly understanding the needs of stakeholders.
3. The committee will be supervised to ensure proper control over the operations of the company as well as convey the company’s main objectives and goals through strategies and action plans for acknowledging and implementing them to employees throughout the organization.

#### 3.2 Stakeholder Management in the Business Value Chain

##### 3.2.1 Value Chain

The company has always focused on the treatment of its stakeholders. Our business approach takes into account stakeholders throughout the business value chain, from upstream to downstream. It starts with raw material procurement, production, storage, and product delivery, including marketing and serving the company’s customers. In order to satisfy customers both domestically and internationally, which are managed and supervised by the company’s team and personnel, we have a common objective: to promote and create a culture of selling products and providing fair quality customer service throughout the process.

## Main Activities

We focus more on our stakeholder groups as well as the activities of sustainability management throughout the business value chain. To do this, we must create stability and prosperity with products and services that meet the needs of all groups, along with effective risk management. Regarding the main activities our business value chain, as follows:

Main Activities	Description
1. Raw Material Procurement	<ul style="list-style-type: none"> <li>The company places importance on equitable and fair procurement processes for all trading partners.</li> <li>The company procures raw materials of high quality according to the company's standards at fair prices from multiple distributors, to create trade alliances and reduce the risk of relying on one distributor.</li> <li>The company has a process in place to manage the amount of raw materials required for our manufacturing process. Despite this, the company is able to generate profit margins on a consistent basis.</li> <li>The company has long-term relationships with both domestic and international raw material distributors. To support business operations and create sustainable growth, together</li> </ul>
2. Production	<ul style="list-style-type: none"> <li>The company pays attention to the manufacturing process by using efficient machines. In addition, quality checks are carried out on every production process by expert engineers, technicians, and experts to maintain product quality standards</li> <li>The company is committed to reducing greenhouse gas emissions by using clean and efficient technology.</li> <li>The company has measures and guidelines to manage waste arising from the production process properly and appropriately.</li> <li>The company pays more attention to safety. And provide fairness to employees, including respect for human rights for all parties.</li> </ul>
3. Storage and delivery	<ul style="list-style-type: none"> <li>The company has established a manufacturing plant in an area that is convenient for transporting products to ports or various shipping points.</li> <li>The company stores the products in the proper place to maintain the quality of the products. It is convenient to inspect and move them.</li> </ul>
4. Marketing	<ul style="list-style-type: none"> <li>The company creates competitiveness through a wide variety of products in terms of size, color, and properties. We have a large variety of rubber thread products covering a wide range of industries. Of course, we have a good relationship with our partners and also maintain product quality to meet standards.</li> <li>The company puts a high value on communication, giving advice, and providing good service to customers. We advise and assist our customers every day, 24 hours a day, and have sales teams that can communicate in more than 10 different languages.</li> </ul>
5. Customer Service	<ul style="list-style-type: none"> <li>The company has a process in place to solicit customer feedback and suggestions in order to improve and maximize customer satisfaction.</li> <li>The company provides fast and efficient after-sales service. By helping frontline employees in the event that the company's products are damaged during transportation or from the company's production process</li> </ul>

## Support activities

### 1. Human Resources Management

The company recognizes the importance of personnel within the organization, which is an important factor in driving sustainable business growth. In particular, the rubber thread business requires personnel with knowledge and expertise in production. We therefore strive to develop the capabilities, knowledge, and working skills of the personnel to keep up with the changes. We have prepared an operating manual for each work segment both at the office and at the production plant. This is a guideline for employees to perform their duties correctly and in accordance with the same standards. To enhance the skills, knowledge, and abilities of employees, including encouraging them to attend training events in various courses and seminars organized by external agencies.

### 2. Finance and Accounting

The company places high value on management that focuses on maintaining the company's financial stability to ensure stability and sustainability. Our Accounting and Finance Department are responsible for managing, managing and supervising the company's financial status as well as providing funding sources to support the company's business operations. In addition, we realize the importance of preparing financial reports and disclosing financial information about the company. To be accurate and transparent in accordance with the regulations of the relevant agencies for the benefit of the company and all stakeholders.

### 3.2.2 Stakeholders Analysis for Business Value Chain

The company has organized a group of stakeholders both internally and externally, which is related to the business value chain and set out as a guideline to meet the expectations of the stakeholders as follows:

Stakeholder Group	Expectation of Stakeholders	Communication Channel with Stakeholders	Exceeding the expectations of stakeholders
<b>Stakeholders within the Organization</b>			
Shareholders	<ol style="list-style-type: none"> <li>1. Business growth and the ability to consistently generate good profits, along with the stable financial status of the company.</li> <li>2. All shareholders are treated fairly and equally.</li> <li>3. Timely disclosure of accurate and complete information.</li> <li>4. Transparent Business Operations, which you can examine.</li> <li>5. Effective corporate governance and risk management.</li> </ol>	<ol style="list-style-type: none"> <li>1. Shareholders' disclosure of operating results and financial position for the quarter.</li> <li>2. Annual shareholder meeting, as well as other gatherings.</li> <li>3. Annual report.</li> <li>4. The company's press releases and communications to shareholders through various channels.</li> </ol>	<ol style="list-style-type: none"> <li>1. Establishing the company's business strategy on a regular basis to ensure changes in circumstances and business growth as well as the efficient use of capital. To create competitiveness and increase the potential of the company's business operations</li> <li>2. Transparent corporate governance based on best corporate governance practices and adherence to the Code of Business Conduct</li> <li>3. Establishing a distinct and appropriate dividend payment policy</li> <li>4. Accurate, complete, and transparent disclosure of information</li> <li>5. Thorough, systematic, and succinct risk management</li> </ol>

Stakeholder Group	Expectation of Stakeholders	Communication Channel with Stakeholders	Exceeding the expectations of stakeholders
Employees	<ol style="list-style-type: none"> <li>1. Organizing meetings, seminars, and training to help employees develop their skills.</li> <li>2. Professional Advancement</li> <li>3. Fair treatment of all employees and observance of human rights.</li> <li>4. Fair and reasonable remuneration and other benefits and welfare.</li> <li>5. The environment and workplace safety</li> </ol>	<ol style="list-style-type: none"> <li>1. Listening to employees' opinions, suggestions, and problems through various communication channels within the company.</li> <li>2. Annual Townhall Meeting.</li> <li>3. E-mail communication</li> <li>4. Survey of Employee Engagement.</li> <li>5. Employee activities.</li> </ol>	<ol style="list-style-type: none"> <li>1. Training to provide knowledge, develop potential skills, and promote advancement, as well as providing employees with the opportunity to develop their skills in other areas to enhance their potential to keep up with business changes.</li> <li>2. Taking care of your employees, treat them fairly and equally, and make sure they are well-cared for.</li> <li>3. Establishing a fair and lawful hiring process and employment conditions, including compensation and welfare in various fields for employees as required by law, such as social security, and various welfares other than those prescribed by law, such as health insurance and accident insurance, etc.</li> <li>4. Creating a good workplace environment within safety standards, including encouraging employees to pay attention to safety and good hygiene.</li> <li>5. Notifying information and announcements of various news for employees to thoroughly receive information and news</li> <li>6. Organizing activities to increase personnel participation at all levels</li> </ol>
<b>Stakeholders Outside the Organization</b>			
Customer	Getting quality products that meet the customer's needs, and the products are delivered accurately and in a timely manner.	<ol style="list-style-type: none"> <li>1. Customer Satisfaction Survey.</li> <li>2. Reporting incidents when problems arise.</li> </ol>	Opinions, feedback and customer satisfaction are used to improve and develop the products and services of a company.
Business Partner	Conduct business with fairness and professionalism.	Liaison includes reporting problems via telephone and e-mail regularly.	<ol style="list-style-type: none"> <li>1. Establishing a clear and equitable procurement policy for all parties.</li> <li>2. Follow-up coordination with partners to ensure smooth business operations.</li> <li>3. Keeping good relationships with partners</li> </ol>
Community	Conducting business responsibly and without negative impacts on the community.	<ol style="list-style-type: none"> <li>1. Reporting problems and suggestions through various company channels.</li> <li>2. Community activities.</li> </ol>	<ol style="list-style-type: none"> <li>1. Development of a social responsibility policy.</li> <li>2. Organizing activities for social responsibility.</li> </ol>

### 3.3 The Environmental Dimension in Sustainable Development

#### Environmental Policies and Practices

The company strives to focus on the environment, both in terms of air pollution and noise pollution, including greenhouse gas emissions. Therefore, we have established policies and guidelines for energy efficiency and sustainable management. Also, to operate the business in terms of environmental and safety sustainability with the following rules:

##### 3.3.1 Energy Management

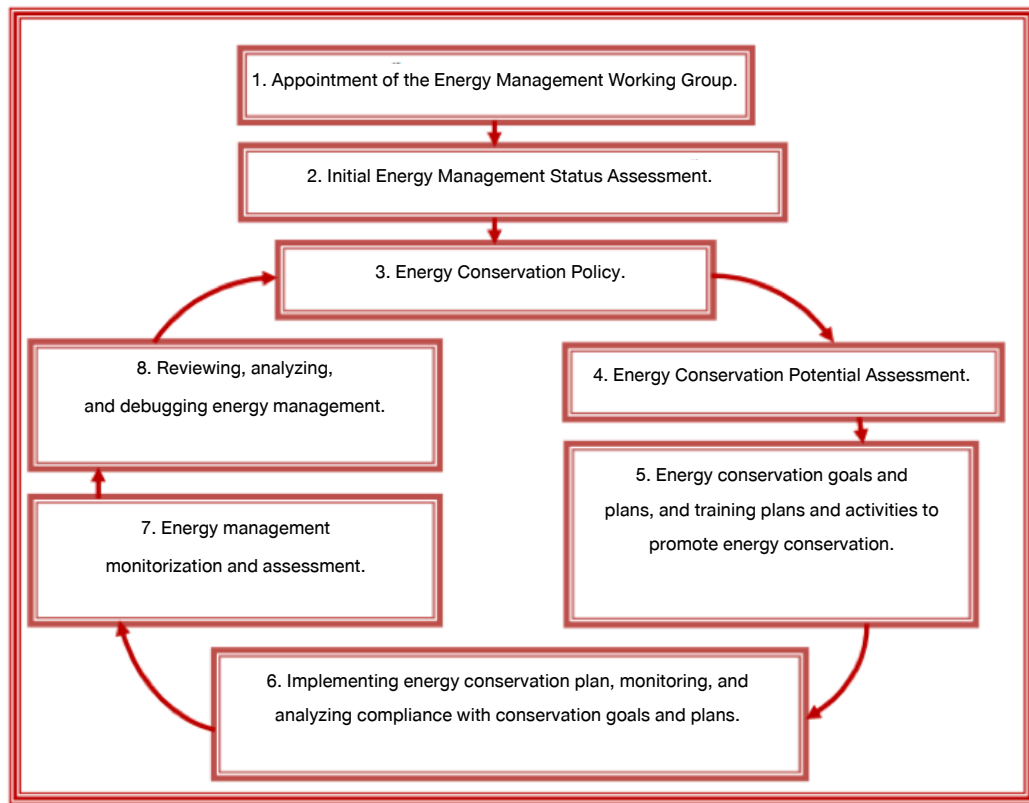
The company has foreseen the benefits of energy management in the organization. The goal is to control the use of energy within the organization effectively and concretely. The company has engaged with the government sector and complied with the procedures prescribed by law. Report the results of the energy audit and certification to the Department of Energy Development and Efficiency (DEDE) by March every year to continuously maintain and manage sustainable energy in safety and the environment.

We realize the importance of efficient use of natural resources and existing energy sources and are more concerned with energy conservation for employees within the organization under the energy management system, so that all employees participate in energy conservation and act in the same way. We aim to reduce the cost of the company together. This includes controlling the energy consumption that exists in the country to maximize benefits in accordance with government energy conservation policies as follows:

1. Energy conservation is considered a part of the company's operations.
2. There is an energy conservation policy that is suitable for the nature and amount of energy use in the manufacturing plant.
3. Our manufacturing plant wants to comply with the laws related to energy conservation and management.
4. Require an annual review of energy management policies, as well as action plans for energy reduction and continuous energy conservation.
5. We continually strive to improve the energy efficiency of the organization as well as aim to achieve the most cost-effective use of energy according to energy management methods.
6. Every year, our energy management working group will review and update policies, targets, and plans for energy conservation operations to push forward the implementation of energy conservation to be concrete, as well as communicate with all employees to understand and adhere to the implementation plan.
7. Every year, the company will review and improve its policies, goals, and plans for energy operations.

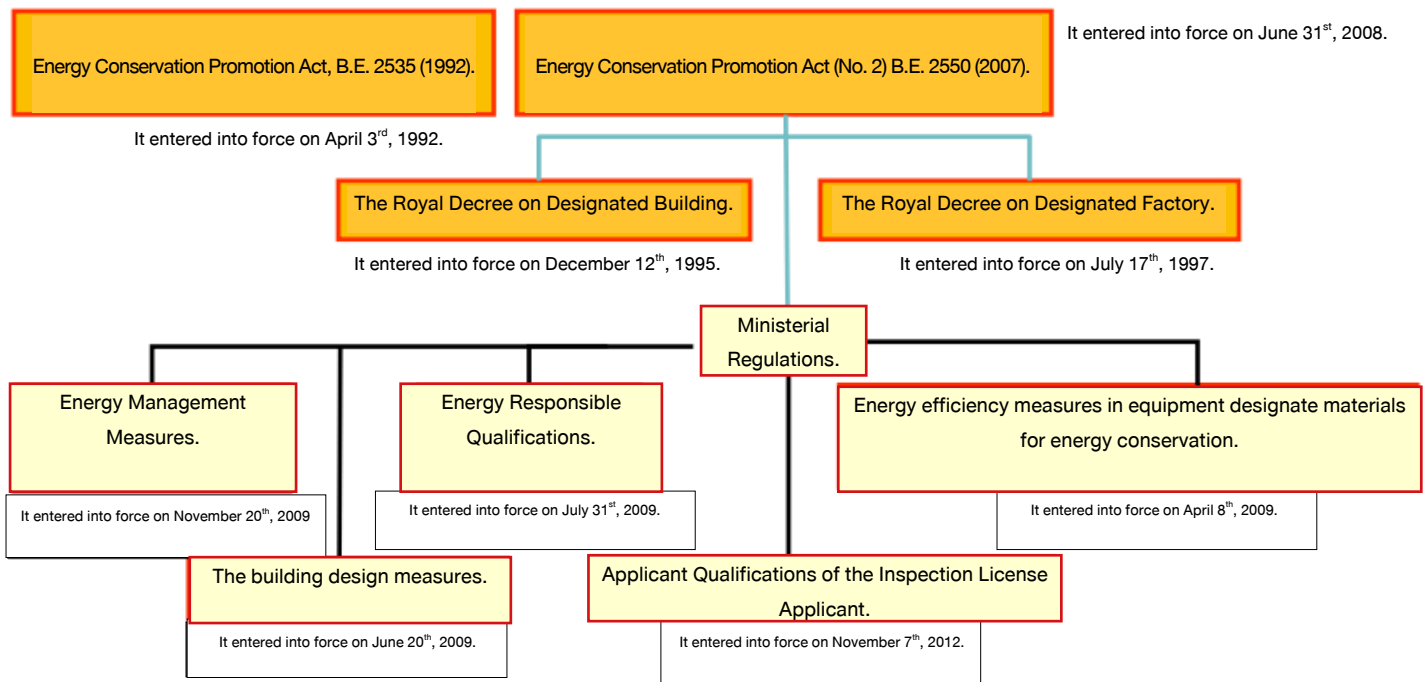
Energy management procedures in operation can be divided into 8 steps as follows:

1. Formation of an Energy Management Working Group
2. Initial assessment of the state of energy management.
3. Policy on Energy Conservation.
4. Evaluation of the Potential for Energy Conservation
5. Establishment of energy conservation goals and plans, as well as training plans and activities to encourage energy conservation.
6. Implementation of the Energy Conservation Plan, as well as monitoring and analyzing the progress of energy conservation goals and plans.
7. Energy management monitoring and evaluation.
8. Review, analysis and editing of energy management.



Driving Business towards Sustainability.

## The Law of Conservation of Energy





## Owner's Responsibilities for Controlled Buildings and Controlled Factories According to the Act.

### Designated Building.

Royal Decree on Designated Building B.E. 2538 (1995)



### Designated Factory.

Royal Decree on Designated Factory B.E. 2540 (1997)



- Electricity meter from 1000 kW and up.
- Transformers from 1175 kVA and up.
- Total energy consumption from 20 million MJ/year or more.

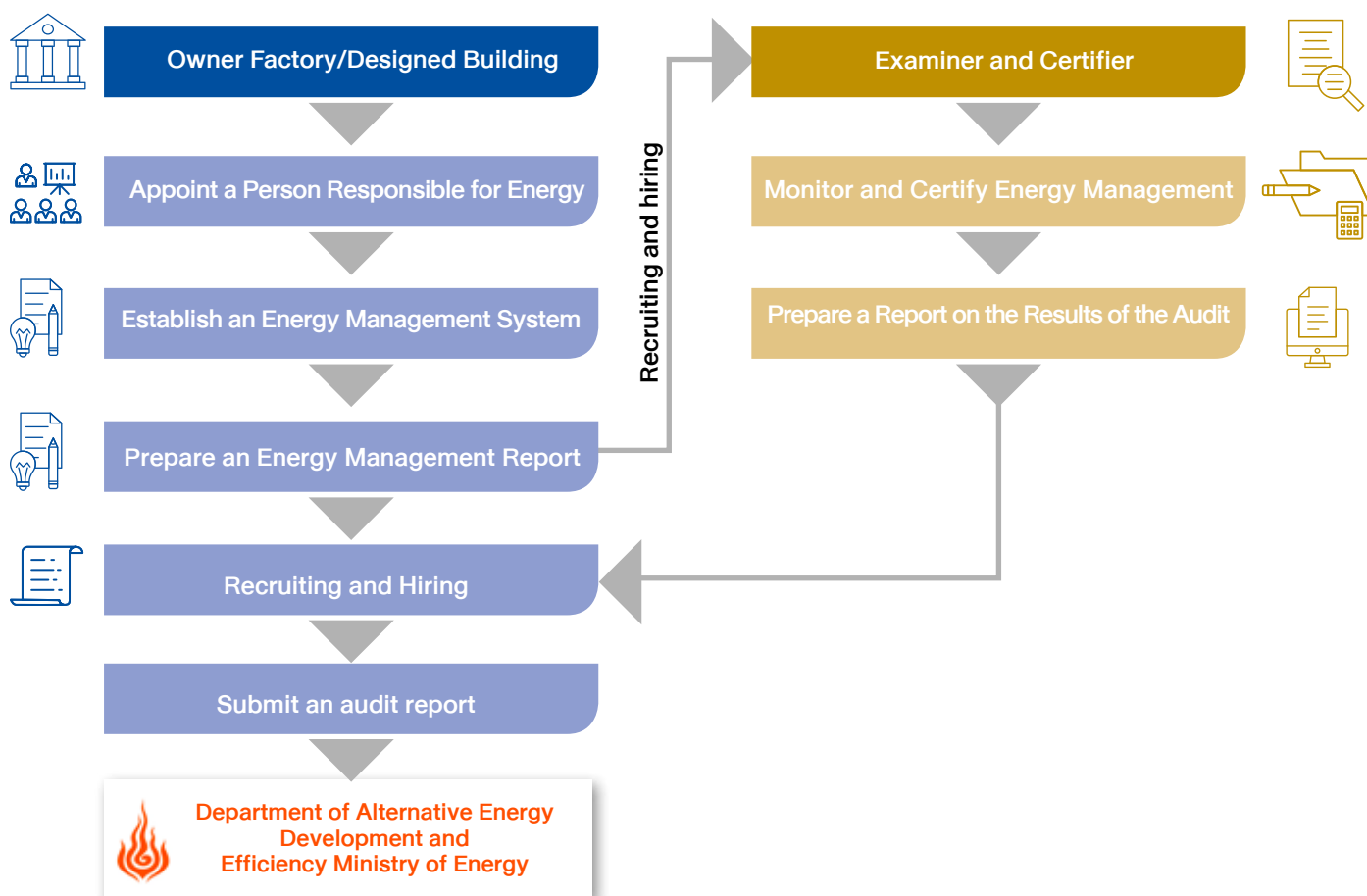
#### Responsibility.

1. Provide a person responsible for energy at the designed factory/designated building with the qualifications, number, and duties as prescribed in the ministerial regulations prescribing qualifications, duties, and number of persons responsible for energy, B.E. 2009.

2. Provide energy management according to the standards, rules, and procedures prescribed in the ministerial regulations, prescribing standards, rules, and procedures for energy management in designated factories and designated buildings, B.E. 2009.

- Implement an energy management system.
- Provide a report on energy management.
- Provide an energy management audit and certification by the inspector and certify.
- Incorporate the energy management report into the audit report and send it to the director general by March of each year.

## Auditing and Certification of Energy Management Systems.



### 3.3.2 Pollution and Waste Management

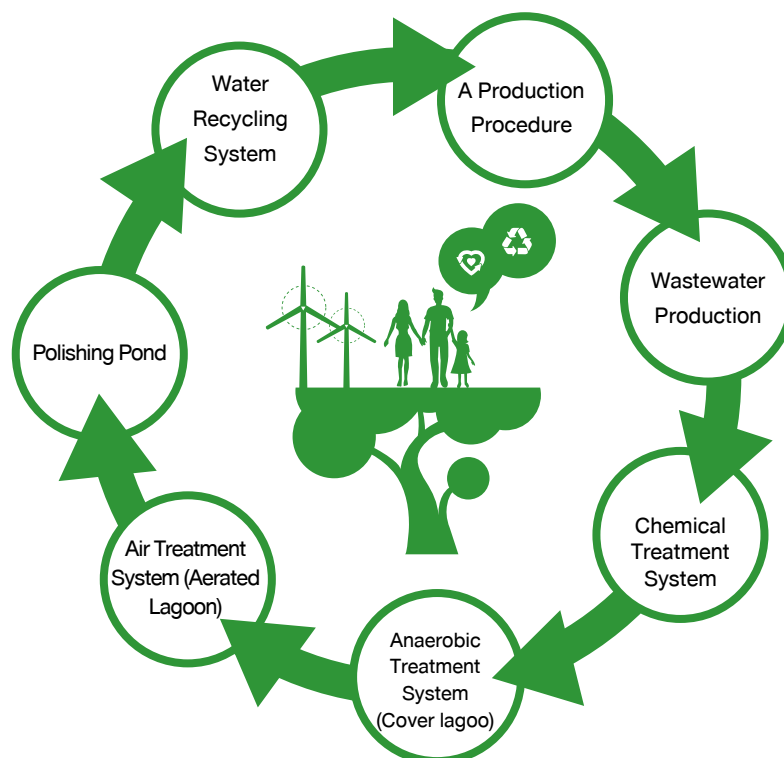
#### Solid-Waste Management

1. **Hazardous and non-hazardous waste** The company sends both hazardous and non-hazardous waste for disposal in accordance with the laws and reports the management of hazardous waste to the regulatory authorities periodically as required by law, such as the SorKor.3 reports. Every time the waste is sent out of the manufacturing plant, it must be notified to the Department of Factory before being taken out (SorKor.2). Furthermore, we monitor the waste disposal from our plant to determine whether it is in accordance with the principles or not, and then report it to the supervisor for further acknowledgment. Every time the waste is taken outside the manufacturing area, we must notify the Department of Factory to prevent illegal dumping that does not meet the requirements of the law.
2. **General Waste Management** General waste, such as food scraps, plastic bags, or cafeteria waste, or garbage from the employee dormitory. The company will sort different types of waste according to the 3 R principle. Unmanageable waste will be disposed of in accordance with the rules and regulations of the Sub-District Administrative Organization or the municipality where the company is located.

#### Waste Management

- 1) **Waste water management** The company's wastewater causes account for 80% of its waste. This comes from the manufacturing process, with the remaining 20% coming from other processes such as floor cleaning and machine cleaning. Those are sent to the wastewater treatment system, where they will go through the following steps to clean them:

All the waste generated by the plant will pass through the wastewater recycling system. In order to recycle water for new uses that will not be released into the environment, it is also the use of resources to the maximum benefit.



## Other Pollution Management

- 1) **Air Pollution Control Strategies and Industrial Air Pollution** such as powder dust from the manufacturing process and acetic acid vapor, there will be a bag filter dust treatment system to trap the powder dust before it is released into the outdoor environment. According to a wet scrubber treatment system, it absorbs the acetic acid vapor that occurs in the production process. This is to prevent air pollution that occurs in the work area that may affect employees. And we will inspect the environment in the working areas for dust and odors from the vents and control the air quality to meet the law. In addition, we have also conducted health check-ups for employees to monitor the impact on their health.
- 2) **Quality and Management in Hot Oil Boiler** The resulting air pollution will go through the processes of the cyclone treatment system and the wet scrubber treatment system. Both systems will work continuously in a series, first through the cyclone system and then through the wet scrubber system. The company will check the air quality from the ventilation shafts twice a year in order to control the treatment process to meet the air quality standards. Then, send the inspection report to the government agencies for further acknowledgment.

### 3.3.3 Reducing Greenhouse Gases

The company is aware of the importance of climate change and supports and promotes the management of greenhouse gases for the benefit of the organization, society, and the country's environment. To meet Thailand's goal of reducing greenhouse gas emissions, the organization will be led to become a low-carbon society along with the government's policies and agreements under the United Nations Framework Convention on Climate Change (UNFCCC). The company announced the greenhouse gas management policy as follows:

1. Set up greenhouse gas management as part of the company's strategic plan, to enhance the sustainable growth of the organization.
2. Make a concerted effort to reduce greenhouse gas emissions through the use of clean and efficient technology. In 2022, the company will begin collecting greenhouse gas emissions data in order to set goals to help reduce greenhouse gas emissions.
3. Promote and develop activities or projects to create a corporate culture that supports the company's low-carbon society according to greenhouse gas reduction measures.
4. Encourage research, technology development, and innovation to reduce greenhouse gas emissions in a sustainable manner, consistent with climate change adaptation.
5. Inform employees throughout the organization about the importance of reducing greenhouse gas emissions



### Greenhouse Gas Management Plan for the Company.

The company attaches great importance to management's ability to reduce greenhouse gas problems. It was found that most of the business activities that generate the greatest amount of greenhouse gas emissions come from the rubber yarn manufacturing process, which is our main business including the use of electricity from the air conditioner in the office and fuel consumption from corporate vehicles. However, in the past, we were determined to reduce greenhouse gas emissions from our business activities with the following guidelines:

1. Inspect equipment and machinery regularly. To maintain the working conditions for maximum efficiency.
2. Reduce energy consumption by improving equipment and changing machines.
3. Maintain the office equipment such as air conditioners should always be in good condition or choose to use electrical appliances with energy-saving labels or low-carbon label.

In addition, the company has set measures to reduce greenhouse gas. To comply with the goals of greenhouse gas management as follows:

1. Making use of high-efficiency machinery or equipment to aid in energy conservation.
2. Manufacturing-process waste management
3. Waste sorting within the organization for disposal in a proper areas.

## 3.4 Social Dimension of Sustainable Development

### Social Policy and Practice

The company realizes the importance of social responsibility and stakeholders and adheres to the behavior of being a good corporate citizen and complying with the law and related regulations in full. The company has encouraged employee participation in societal and community building, as well as improved societal quality of life through knowledge enhancement and job creation including supporting activities that benefit the community and society. This is an important part that will lead to the sustainable growth of the company. Along with the development of a better society and communities, we focus on conducting business with respect for human rights throughout the business value chain under ethical principles as well as operating under the principles of good corporate governance. We aim to be a part of the long-term sustainable social movement. Our company has established policies and guidelines on social issues as follows:

#### 1. Fairness in Business Operation

The company is committed to conducting business with honesty, fairness, transparency, and disclosure of important information that can be checked, as well as being determined to compete in trade equally by following the law, related regulations, and international business ethics, including rejecting any behaviour that impedes fair competition such as seeking competitors' confidential information or requesting, accepting, and offering benefits that are considered fraud. In addition, we have a campaign to get people at all levels of the company and its subsidiary (if there is one) to be socially responsible.

#### 2. Anti-corruption

The company has prepared a written "anti-corruption policy" for the company and its subsidiaries (if any), and the personnel of the company and its subsidiaries (if any) uphold and follow them properly and appropriately in order to ensure that the company's business operations and its subsidiaries (if any) are based on transparency, ethics, and adherence to good corporate governance principles. Abide by the rules and guidelines related to anti-corruption.



### 3. Human Rights

The company has a policy to support and respect the protection of human rights. By treating all stakeholders, such as employees, communities, and surrounding society, with respect for human values. Considering equality and equal freedom does not violate fundamental rights and does not discriminate in matters of race, nationality, religion, language, skin colour, gender, age, education, physical condition, or social status, including ensuring that the company's business is not involved in human rights violations such as not supporting forced labour, anti-child labour, sexual harassment, etc.

### 4. Labour Law and The Principle of Equal Treatment

The company treats workers equally and recognizes the importance of human resource development. This is a factor that will increase the value of the business and enhance the competitiveness and sustainable growth of the company and its subsidiaries (if any) in the future. The company has established policies and guidelines as follows:

- 4.1 Respect the rights of employees according to human rights principles and comply with labor laws.
- 4.2 Establish an employment process and fair employment conditions including compensation and consideration of merits under a fair and appropriate work evaluation process, including creating career stability and fair career advancement opportunities.
- 4.3 Promote human resource development by organizing training, seminars, and training, including sending personnel to attend seminars and training, to improve the knowledge, competence, and potential of personnel and to improve work processes to be efficient. This includes motivating employees to stay with the company to develop the organization further.
- 4.4 Provide welfare in various fields for employees as required by law, such as social security, etc., and other than those required by law, such as provident funds. Different types of grants and accident insurance for employees, etc.
- 4.5 Provide a safe and healthy workplace. There are measures to prevent accidents. We plan and organize training and encourage employees to have a conscience and participate in maintaining a hygienic workplace that is always safe.
- 4.6 Provide channels for employees to express their opinions. Or complaints about unfair practices or misconduct in the company, including providing protection to employees who report such matters.

### 5. Fair Treatment of Customers

We are determined to develop the products and services of the company and its subsidiaries (if any) for the highest satisfaction and benefit of customers and adhere to responsible treatment of customers, honesty, and taking care of customers as follows:

- 5.1 We take into account the quality and standards of products and services. By focusing on producing quality products or services that are safe and meet international standards, we aim to provide customers with the highest level of satisfaction.
- 5.2 We have a policy of providing customers with information about the products and services of the company or its subsidiaries (if any) that is correct, not distorted, and ambiguous. including not exaggerating advertising. To provide customers with accurate and sufficient information to make decisions.
- 5.3 We provide communication with customers. This includes receiving complaints about the quality of goods and services effectively through the company's website in order to respond quickly to customer needs, including preventing problems for customers and using such information to improve or develop such products and services further.

The company will keep the customer's information confidential and will not use such information in abusive ways.

#### 6. Participation in Development of Community and Society.

The company realizes its responsibility to the community and society. The company has a policy to conduct business that is beneficial to the economy and society, and adheres to good citizenship practices as well as complying with all relevant laws and regulations. We are determined to develop, promote and enhance the quality of life of society and communities where the company and subsidiaries (if any) are located to be of better quality, along with the growth of the company and subsidiaries (if any) to strengthen the community and truly give back to society.

#### 7. Dissemination of innovations derived from socially responsible operating environments and stakeholders

We will encourage innovation at the work process level within the organization and between organizations. Which entails thoroughly considering and analysing the work process, covering all aspects of various operations in a new light with the goal of bringing about a positive change and increasing productivity. The production of products and services is standardized quickly. This product or service will provide maximum benefits to all stakeholders, including society and the environment, including the opportunity to discover new products or services that will provide maximum benefits to all stakeholders, including society and the environment. The company will communicate and disseminate innovations to stakeholders both directly and indirectly via various communication channels to make sure that the information from the group of businesses reaches as many people as possible.

#### 8. Corporate Social Responsibility Disclosure

At World Flex, we will prepare a corporate social responsibility report or disclose information about corporate social responsibility as part of the annual registration statement (56-1) to the public.





## 9. Sustainability Activities for Society and Environment (After Process)

The company focuses on operating its business with social responsibility. In the past, the company has organized various projects and activities that promoted social and environmental benefits as follows.



### 1. Release Fish Activities

October 16<sup>th</sup>, 2020, the company held an event to release 20,000 fish species into the New Khu river in order to improve the environment and protect the ecosystem. The Khu river is the public water source at the company's manufacturing site in the Pluak Daeng District, Rayong.



### 2. Tree planting activities

The company, together with the Sub district Administrative Organization, Mae Nam Khu, Old River Khu School, and people in the area, organized tree planting activities to restore the environment and preserve the ecosystem around the water reservoir behind the Khu Kao River Temple, Pluak Daeng District, Rayong on August 22<sup>nd</sup>, 2019.



### 3. Kathina Ceremony

On December 31<sup>st</sup>, 2020, the company and people in the area, organized a Kathina ceremony for the year 2020 to join in the maintenance of Buddhism at Sitthit Samakkhi Temple (Wat Mae Nam Khu Mai), which is a religious place in the community around the manufacturing location.



## 4. Management Discussion and Analysis

### 4.1 Operation Overview

In 2021, the company had total revenue of 3,776.58 million baht, of which 3,766.01 million was sales revenue, an increase of 1,369.37 million baht from the same period of the previous year due to the higher price of latex. As a result, the selling price of rubber thread was increased in line with the rising raw material prices. And the sale of rubber thread in a larger quantity of 3,607 tons. Because we have expanded the production capacity of powder-coated rubber thread, it is able to produce and sell a wider variety of rubber thread. Both in terms of size and quality, which vary. Therefore, it can support the different demands of rubber thread, both from the existing customer base and the new customer base, including the proportion of revenue from selling products to customers who are direct users (End-users). We can sell products to end-user customers at a higher price than those who sell products (Distributor) and the spread of the coronavirus disease (COVID-19) has led to a small increase in the demand for powder-coated rubber threads, which are used in medical devices like mask straps, elastic bands, PPE suits, medical headgear, etc.

In 2021, the company had a gross profit of 704.12 million baht, representing a gross profit margin of 27.19 percent. The company's gross profit increased from the previous year by 526.15 million baht, which was a significant increase. Because the company produces and sells rubber thread in an increase of 6,333.42 tons from the same period of the previous year due to the fact that the company expanded production capacity in January and August 2021 by 3,240 tons and 1,440 tons, respectively. This causes the company to produce a greater variety of products able to meet the needs of more customers from both existing and new customer bases. As a result, the company was able to set selling prices with higher profit margins. In addition, the company has an increased proportion of revenue from selling products to end-user customers, combined with the epidemic situation of the COVID-19 virus. As a result, some manufacturers and distributors of rubber thread in some countries have closed their factories due to COVID-19 infection, resulting in shortages of products in the market at certain periods. The company was therefore able to set a selling price with a higher profit margin. To make things even better, both the gross profit and gross profit margin of 2021 rose a lot. The company made a profit of 359.10 million Thai Baht, or 13.87% of its gross profit.



## 4.2 Performance

The company's revenue structure consists of sales and other income. In 2021, the company had a total revenue of 3,776.58 million baht as follows:

Revenue Structure	Year 2018		Year 2019		Year 2020		Year 2021	
	million baht	percentage	million baht	percentage	million baht	percentage	million baht	percentage
<b>1. revenue from the sale of rubber thread</b>								
1.1 power-coated rubber thread	1,780.44	95.68	1,939.01	94.81	2,143.66	89.00	3,532.87	93.55
1.2 silicone coated rubber thread	54.92	2.95	94.80	4.64	250.49	10.40	230.65	6.11
<b>Total</b>	<b>1,835.37</b>	<b>98.63</b>	<b>2,033.81</b>	<b>99.45</b>	<b>2,394.15</b>	<b>99.40</b>	<b>3,763.52</b>	<b>99.66</b>
2. revenue from scrap rubber <sup>1</sup>	0.79	0.04	1.62	0.08	0.83	0.03	1.32	0.03
3. revenue from chemicals <sup>2</sup>	1.68	0.09	1.49	0.07	1.94	0.08	1.18	0.03
<b>Sales revenue</b>	<b>1,837.84</b>	<b>98.76</b>	<b>2,036.92</b>	<b>99.60</b>	<b>2,396.92</b>	<b>99.51</b>	<b>3,766.01</b>	<b>99.72</b>
Other revenues <sup>3</sup>	23.09	1.24	8.19	0.40	11.74	0.49	10.56	0.28
<b>Total</b>	<b>1,860.92</b>	<b>100.00</b>	<b>2,045.11</b>	<b>100.00</b>	<b>2,408.66</b>	<b>100.00</b>	<b>3,776.58</b>	<b>100.00</b>

Remark(s)

1. Revenue from scrap rubber is the distribution of scrap rubber obtained from the rubber thread manufacturing process or rubber thread that does not meet the specified quality standards. In accounting, scrap rubber is a product obtained from a manufacturing process in which production costs are recorded in the cost of sales, which is the same as the production of scrap rubber. Therefore, revenue from scrap rubber is recorded in sales revenue. In order for the gross profit analysis to reflect the actual performance of the company.
2. Revenue from chemicals is the sale of chemicals used in the production of goods to related companies. In accounting, chemicals are ingredients used in the production of rubber thread, which are recorded in the cost of sales. Because chemicals are sold, they are counted as sales revenue for the gross profit analysis to show how well the company is doing.
3. Other revenues includes foreign exchange gains and tax card income. Profit from the sale of assets, interest income, etc. Other income does not include gains from exchange rates, according to the financial statements for the year 2021. Therefore, the total value of other revenues shown in the above table does not match the value of other income shown in the financial statements.

### Sales Revenue

In 2021, the company had a sales revenue of 3,763.52 million baht, or 99.65% of total revenue. Analysis of sales revenue divided by product characteristics as follows:

#### 1. Revenue from Rubber Thread

Revenue from sales of rubber thread comes from selling talcum rubber thread and silicone rubber thread to customers both domestically and internationally under 7 brands of the company.

In 2021, the company's revenue from the sale of rubber thread amounted to 3,763.52 million baht, representing 99.65% divided by the type of rubber thread sales. The details are as follows:

Revenue from rubber thread	Year 2018		Year 2019		Year 2020		Year 2021	
	million baht	percentage <sup>1</sup>	million baht	percentage <sup>1</sup>	million baht	percentage <sup>1</sup>	million baht	percentage <sup>1</sup>
powder-coated rubber thread	1,780.44	95.68	1,939.01	94.81	2,143.66	89.00	3,532.87	93.55
silicone coated rubber thread	54.92	2.95	94.80	4.64	250.49	10.40	230.65	6.11
<b>Total</b>	<b>1,835.37</b>	<b>98.63</b>	<b>2,033.81</b>	<b>99.45</b>	<b>2,394.15</b>	<b>99.40</b>	<b>3,763.52</b>	<b>99.66</b>

Remark(s) 1. percentage of total revenue

In 2021, the company's sales volume of rubber thread was 35,584 tons as follows:

Sales Volume (Tons)	Year 2018	Year 2019	Year 2020	Year 2021
powder-coated rubber thread	21,817	26,199	28,798	33,204
silicone coated rubber thread	680	1,253	3,179	2,380
<b>Total</b>	<b>22,497</b>	<b>27,452</b>	<b>31,977</b>	<b>35,584</b>

In 2018 - 2021, the average price of latex in Thailand, which is the main raw material for producing rubber thread, as follows.

(baht/kilogram)	Year 2018	Year 2019	Year 2020	Year 2021
average price of concentrated latex	35.41	35.69	36.93	43.79

Our revenue from the sale of rubber thread has continuously increased every year. This was mainly due to two factors, namely the increasing volume of rubber thread sales and the price of concentrated latex increased.

In 2021, the company had revenue from the sale of rubber thread in the amount of 3,763.52 million baht, an increase of 1,369.37 million baht from the previous year, or an increase of 57.20%. This was mainly due to the fact that in 2021, the average price of concentrated latex in the market increased by 6.86 baht per kilogram, or an increase of 18.58% compared to the previous year. As a result, there was an increase in the selling price of rubber thread according to the increase in raw material prices, and the company sold 35,583 tons of rubber thread, an increase of 3,607 tons from the same period of the previous year, or an increase of 11.28%, because in January and August 2021, the company expanded the production capacity of powder-coated rubber thread by 3,240 tons and 1,440 tons, respectively. The utilization rate increased from 89.41% to 98.10%, resulting in the company's being able to produce and sell a wider variety of rubber thread. As a result, it can meet the varying demands of rubber thread, both in terms of size and quality, in order to meet the expectations of its existing customer base as well as an expanding customer base. In addition, the company's revenue proportion from selling products to end-user customers increased from 23.88% to 31.46% when compared to the same period of the previous year. The company can sell its products directly to end-user customers at a higher profit margin than those sold by product dealers. (Distributor) along with the situation with the epidemic of the coronavirus disease (COVID-19). This has resulted in a partial increase in demand for powder-coated rubber thread, which is a component of medical devices such as cloth mask straps, PPE bandage elastics, and medical headgear.

## 2. Revenue from Scrap Rubber

Revenue from the sale of scrap rubber comes from the sale of scrap rubber obtained from the rubber thread manufacturing process. Or rubber thread of a quality that does not meet the specified standards. It is sold to domestic customers for further use in various fields, such as shoe soles and low-quality rubber wheels

In 2021, the company's revenue from scrap rubber was 1.32 million baht, or 0.03% of total revenue. In accounting, scrap rubber is a product obtained from a manufacturing process in which production costs are recorded in the cost of sales, the same as rubber thread production. Therefore, the revenue from scrap rubber is recorded in the sales revenue in order to analyze the gross profit and reflect the actual performance of the company.

## 3. Revenue from Chemicals

Revenue from sales of chemicals comes from sales of chemicals used in the production of products to related companies. Because the company has ordered chemicals from manufacturers and distributors of products in large quantities, As a result, the company has bargaining power. If you want to know more about how chemicals are sold, see Section 2.3.14. The selling price is based on the average cost of the chemicals plus an appropriate profit margin.

In 2021, the company had revenue from chemical sales of 1.18 million baht, or 0.03% of total revenue. In accounting, chemicals are the ingredients used in the production of rubber thread, which are recorded in the cost of sales. Therefore, revenue from chemicals is recognized as revenue from sales. In order for the gross profit analysis to reflect the actual performance of the company.

### Cost of Sales and Gross Profit

The cost of sales and gross profit of the company for the years 2018-2021 as follows:

Cost of Sales and Gross Profit (million baht)	Year 2018	Year 2019	Year 2020	Year 2021
sales revenue	1,837.84	2,036.92	2,396.92	3,766.01
cost of sales	1,749.24	1,940.05	2,218.95	3,061.90
gross profit	88.59	96.86	177.97	704.12
gross margin (percentage)	4.82	4.76	7.42	18.70

The cost of sales consists of the cost of raw materials, concentrated latex and chemicals. Costs related to production, labor costs, and depreciation expenses, etc.

In 2021, the company had a cost of sales of 3,061.90 million baht, an increase of 842.95 million baht from the previous year, or an increase of 37.99%, in line with the increased revenue from the sale of rubber thread. The majority of these were raw material, concentrated latex, and chemical costs, which totaled 2,464.81 million baht and accounted for 80.50 percent of total sales costs. and production expenses amounted to 226.17 million baht. This was an increase as the production of rubber thread increased, This was an increase as the production of elastic yarn increased. Total labor cost was 165.93 million baht, an increase of 37.27 million baht from the same period of last year. The company also increased the number of employees in the rubber thread manufacturing process as well as workers in the maintenance department. It supports the expansion of new production capacity and the production of more products and a depreciation of 66.99 million baht. As a result, the company's gross profit amounted to 704.12 million baht, representing a gross profit margin of 18.70%, which was a significant increase in gross profit margin. The main reason is that the company has increased the installed production capacity in January and August 2021, which makes the company able to produce a wider variety of products in terms of size and quality. Therefore, it can meet the needs of more customers in a variety of industries. Which is a product that the company is able to set selling prices with higher profit margins. In addition, the company's revenue proportion from selling products to end-user customers increased from 23.88% to 31.46% when compared to the previous year. The company can sell its products directly to end-user customers at a higher profit margin than those sold by product dealers. (Distributor) combined with the epidemic situation of the coronavirus disease (COVID-19). So, some manufacturers and distributors of rubber thread in some countries have closed their factories due to COVID-19 infection, resulting in shortages of products in the market at certain times. While the demand for rubber thread persists, the company is therefore able to set a selling price with a higher profit margin. In addition, we produce and sell rubber thread, an increase of more than 2,700 tons from the same period of the previous year. The increase in production volume contributes to lower production costs per unit for the company. Producing more products leads to economies of scale, thus increasing gross profit and gross margin in 2021 significantly.



## Other Revenues

Other revenues consist of foreign exchange gains, income from a tax card, gain on sales of assets, interest income, etc. In 2018–2021, the company had other revenues of 23.09 million baht, 8.19 million baht, 11.74 million baht, and 10.56 million baht, respectively, representing 1.24%, 0.40%, 0.49%, and 0.28% of total revenue, respectively, as follows:

Other Revenues (million baht)	Year 2021
Foreign exchange gain	-
Tax card	4.93
Gain on sales of assets	(0.00)
Interest income	0.05
Gain in the fair value of investment property	
Office rental income - Bangna	
Electricity income	0.03
The rental income from factory	2.32
Miscellaneous	3.24
<b>Total</b>	<b>10.56</b>

In 2021, the company had other income of 10.56 million baht, a decrease of 1.18 million baht from the previous year, or a decrease of 10.05 percent, mainly due to foreign exchange earning of 5.03 million baht, a decrease from the previous year. 5.03 million baht, which is in line with the decrease in revenue from selling products to foreign countries.

## Distribution Cost

In 2021, we have distribution costs of 45.54 million baht, an increase of 16.53 million baht from the same period of the previous year, or an increase of 56.96%, mainly due to an increase in expenses related to benefits of sales representatives and shipping. It increased from the previous year by 15.53 million baht, in line with the increase in the volume of sales to foreign countries. And an increase in salesperson compensation, which was recorded in administrative expenses for the same period of the previous year. But now the expenses have been reclassified. It is written down in the cost of distribution to show how much it costs to get the product out there.

## Administrative Expenses

In 2021, the company had administrative expenses of 187.61 million baht, an increase of 108.52 million baht from the same period of the previous year, or an increase of 137.21%, which was a significant increase. This was mainly due to employee expenses of 124.48 million baht, an increase of 74.54 million baht from the same period of the previous year. Because we increased the number of personnel in the accounting department, finance department, and sales department to support business growth. Including an increase in the salary of employees and an increase in accrued bonuses to serve as morale in return for the company's personnel due to the performance that has grown exponentially, including working together to lead the company to be listed on the Stock Exchange of Thailand. However, the provision for such a bonus has been approved and approved by the nomination and remuneration committee meeting No. 1/2021 and the board of directors meeting No. 7/2021, and the company's effective loss from disuse of assets amounted to 30.51 million baht. Besides, we sold some of the unused assets, such as buildings, machinery, etc., which have been disposed of. The company appraised the assets in 2020, resulting in a surplus from the asset appraisal, which was recorded as a gain from asset revaluation. However, in the year 2021, we sold some of the deprecated assets. As a result, our company knew the surplus from the appraisal of the asset is written off as a loss when the asset is sold in administrative costs.



## Financial Cost

Finance costs consist of interest and bank fees. During the year 2021, the company's financial costs were 23.49 million baht, or 0.01% of its total revenue.

The finance cost of interest is interest on bank overdrafts and short-term loans from financial institutions. Financial lease contracts that refer to accounting under Financial Reporting Standard No. 16 titled "Lease Agreements," including bank fees such as transfer fees international transaction fees for trading with overseas customers and suppliers, etc.

## Net Profit

In 2021, the company had a net profit of 359.10 million baht, representing a net profit margin of 13.87 percent, respectively.

Item	Year 2018	Year 2019	Year 2020	Year 2021
Profit for the Year	19.22	7.72	57.81	359.10
Net profit margin (percentage)	1.03	0.38	2.40	9.51

In 2021, the company had a net profit of 359.10 million baht and a net profit margin of 9.51 percent, with a net profit increasing from the same period of the previous year by 301.29 million baht, or 521.17%, which was a significant increase. Because the company has increased the installed capacity, which makes the company able to produce a greater variety of products in terms of size and quality, able to meet the needs of customers in a variety of industries. Which is a product that the company is able to set selling prices with higher profit margins. The company has an increased proportion of revenue from selling products to end-user customers, whereby the company can sell products to end-user customers at a profit margin that is higher than those from distributors combined with the epidemic situation of the coronavirus disease (COVID-19). As a result, some manufacturers and distributors of rubber thread in some countries have closed their factories due to COVID-19, resulting in a shortage of goods in the market. While the demand for elastic yarn continues to exist, the company produces and sells rubber thread in an increase in volume from the same period of the previous year, while the utilization rate has also increased. The increase in production volume contributes to lower production costs per unit for the company, and producing more products leads to economies of scale, thus increasing gross profit and gross margin in 2021 significantly. Although the company's administrative expenses have increased due to the increase in personnel expenses, and loss from the disposal of discontinued assets. Additionally In addition, there was a net loss on foreign exchange of 21.14 million baht because of forward contracts and options to keep the exchange rate stable. But, the baht value on the delivery date was weaker than the baht on the forward contract date and options date. However, the company still had a net profit and profit margin in 2021, a significant increase from the same period of the previous year.

## 4.3 Financial Stability and Asset Management.

### 1. Assets

As of December 31, 2021, the company had total assets of 2,952.73 million baht, an increase from the previous year. This was mainly due to an increase in land, buildings, and equipment because the company bought property from TRUBB to use as the location of a rubber thread manufacturing plant. Also included an increase in assets under construction by the company.

### Trade Receivables and Other Receivables

Trade receivables are accounts receivable arising from normal business operations. The company's trade receivables are customers who purchase products from the company within the country's domestic. Other receivables of the company consist of accrued income, VAT receivables, etc.

At the end of December 31, 2021, the company had trade and other receivables of 290.33 million baht, or 9.83 percent of total assets. It was trade receivables of 253.10 million baht, an increase of 63.11 million baht from the same period of the previous year, or an increase of 33.22%. The change in trade receivables depends on the increase or decrease in the value of the customer's purchases at the end of the year and the payment of the customer's goods according to the payment period. The company had other receivables of 37.23 million baht, which made up 1.26% of its total assets. This was an increase of 23.56 million baht, or 172.35%, from the previous year. Most of them were VAT receivables from the revenue department, amounting to 19.42 million baht, which is the income from tax cards that the company received compensation for the export value as announced by the Customs Department. In addition, other receivables from general business increased by 2.43 million baht from the previous year, which came from the sale of products around the end of the year. Thus, the payment cycle will be in the next year.

The aging of trade receivables of the company can be displayed as follows:

Trade receivable aging	As of Dec 31 <sup>st</sup> , 2018.		As of Dec 31 <sup>st</sup> , 2019.		As of Dec 31 <sup>st</sup> , 2020.		As of Dec 31 <sup>st</sup> , 2021.	
	million baht	percentage	million baht	percentage	million baht	percentage	million baht	percentage
not yet due	224.04	77.85	160.11	65.76	145.87	76.78	246.86	97.53
past due								
no more than one month	63.68	22.13	61.65	25.32	23.06	12.14	4.74	1.87
over 1 to 2 months	0.06	0.02	18.01	7.40	10.11	5.32	1.50	0.59
over 2 to 3 months	(0.01)	(0.003)	3.69	1.52	10.70	5.63	-	-
over 3 to 6 months	-	-	-	-	-	-	-	-
over 6 to 9 months	-	-	-	-	-	-	-	-
over 9 months	-	-	-	-	0.25	0.13	-	-
<b>Total of trade receivables</b>	<b>287.77</b>	<b>100.00</b>	<b>243.46</b>	<b>100.00</b>	<b>189.99</b>	<b>100.00</b>	<b>253.10</b>	<b>100.00</b>

**Remark(s)** As of December 31, 2018, the company had trade receivables that were overdue for more than 2-3 months with a negative value. Because in 2018, the company issued a credit note to a customer whose customer has not yet used such a credit note. However, such a customer had already used the credit note in 2019.

The company has a policy of considering the credit limit and credit term for each customer. By considering the turnover in financial position and payment history. In addition, the company has determined that each customer must pay a deposit of 10 - 30 percent of the purchase price in advance.

The company has a policy of setting an allowance for doubtful accounts based on the aging of the trade receivables and the uncollectible accounts receivable. By considering the data of each debtor and the aging report together with the analysis of the payment history, debtor's financial status and forecasts about the debtor's ability to repay. The company has a policy of setting an allowance for doubtful accounts of 100.00% in the event that the debtor is overdue for more than 1 year. In the past, the company never set up any allowance for doubtful accounts.

When considering the efficiency of debt collection, it was found that in 2021, the company's average debt collection period was 15.88 days, which is consistent with the credit term that the company gives to its customers on average between 30 and 60 days. And in 2020, the company changed its debt collection policy to be more efficient. As a result, the average collection period was reduced. This means that in 2021, the company's trade receivables were likely to be paid back within the normal time frame of about 97.53% of all trade accounts receivable.

### Inventories

Inventories consist of finished goods, concentrated latex, chemicals, etc. As of December 31<sup>st</sup>, 2021, the company had inventories of 373.87 million baht, or 12.66 percent of total assets. The details are as follows:

Inventories (million baht)	As of Dec 31 <sup>st</sup> , 2018.	As of Dec 31 <sup>st</sup> , 2019.	As of Dec 31 <sup>st</sup> , 2020.	As of Dec 31 <sup>st</sup> , 2021.
finished goods	103.58	56.94	72.10	85.11
work in progress <sup>1</sup>	10.12	-	-	-
concentrated latex	1.15	84.22	48.42	48.17
chemicals	37.32	61.35	70.78	190.72
materials	15.90	22.51	13.92	27.20
raw materials work in progress <sup>2</sup>	-	-	35.66	21.59
deferred assets /foreclosed assets. <sup>3</sup>	-	-	4.62	1.08
<b>Total</b>	<b>168.06</b>	<b>225.02</b>	<b>245.49</b>	<b>373.87</b>

#### Remark(s)

1. work in progress is a product that is in the process of production, is not a finished product.
2. raw materials work in progress is the raw material in transit. Most of them are chemicals ordered from overseas suppliers. In accounting, the company already owns the products. As a result, it was recorded as a list of inventories. In terms of raw materials, work in progress.
3. deferred assets /foreclosed assets is an asset that is amortized on a monthly basis because its lifetime is less than 1 year. Most of them are tools and equipment used in production, such as belts, motors, gas tanks, etc.

As of December 31, 2021, the company's inventories increased from the end of 2020 by 128.38 million baht, or 52.30%, due to an increase in finished goods made of rubber threads awaiting delivery to customers. And also an increase in concentrated latex and chemicals, which are the main raw materials used in the production of rubber thread to support the production.

In addition, the company has a policy of setting aside an allowance for inventories by considering the shelf life of the products from the production date. If inventories are older than one year, the company will set an allowance for diminution in the value of inventories of 100.00% of the inventory value. We have never had inventories older than a year.

In order to consider the efficiency of selling products, it was found that in 2018-2021 the company had average sales periods of 21.32 days, 14.89 days, 10.47 days, and 9.24 days. In the past, the company's sales period had decreased continuously. The primary reason given by the company for its policy was to produce products according to customers' orders (made to order), so that the products were kept in the warehouse for a short period of time to wait for transportation to the next customer.

In 2018 - 2021, the company had a cash cycle of 37.36 days, 24.30 days, 5.71 days, and (4.96) days, respectively. From 2019 to 2021, the company's cash cycle in all those years decreased in order from the previous year. The company's average debt collection period was reduced due to the change in the debt collection policy to be more efficient. Also, the average sales period was reduced due to the product policy based on customer orders (made to order). So, it was able to manage cash in the business effectively.

### **Investment Property**

The investment properties are vacant land owned by the company, which is located in Watthana Nakhon District, Sa Kaeo Province, and has an area of 2,050 rai (48 Square Wah). As of December 31, 2021, the company has investment properties of 339.80 million baht, or 11.51% of total assets. The company has a policy of recording the book value of assets by using the fair value method. We usually assess assets to improve the value of investment properties every year. In 2020, we hired an approved independent appraiser who had been approved by the Securities and Exchange Commission to assess the fair value of investment properties by the market price comparison method, which was valued at 338.27 million baht.

### **Land, Buildings and Equipment**

They consist of land, buildings and building improvements, machinery, tools, equipment, vehicles, wastewater treatment systems, and assets under construction. As of December 31<sup>st</sup>, 2021, the company had land, plant, and equipment in the amount of 1,290.99 million baht, or 43.72% of total assets. An increase of 438.41 million baht from the previous year, or an increase of 51.42%, with significant changes as follows:

1. An increase of land and buildings was 124.00 million baht, which the company purchased from TRUBB to be used as the location of a rubber thread manufacturing plant in Pluak Daeng District, Rayong Province. And TRUBB transferred ownership of that property to the company on June 24th, 2021.
2. An increase in assets under construction in the amount of 202.07 million baht, namely, a rubber thread manufacturing building, machinery, tools, equipment, etc., which is an expansion of the production capacity of rubber thread.

The company has a policy of recording the book value of assets such as land, buildings, building improvements, and machinery with an appraisal-based method, whereby the company will proceed with an appraisal of assets in order to improve the book value of assets on the land, buildings, building improvements, and machinery every 5 years. We hired an approved independent appraiser who had been approved by the Securities and Exchange Commission to assess the fair value of land, buildings, building improvements, and machinery by the market price comparison method and the cost method, which gave a total value of 604.23 million baht.

The company has a policy to depreciate assets calculated by the straight-line method based on the estimated lifetime of each asset component, i.e., the depreciation of buildings and building improvements is approximately 5-20 years, machinery, tools, and equipment about 3-10 years, vehicles about 5 years, and wastewater treatment systems about 10 years. In 2021, the company has a depreciation of 50.52 million baht.

In addition, according to Financial Reporting Standard No. 16, on Lease Agreements, has established the principles of transaction recognition, valuation, presentation, and disclosure of the lease agreement, as well as requires the lessee to recognize assets and liabilities for all leases with a lease term of more than 12 months unless the underlying asset is of low value. We have started using this financial reporting standard for the first time and will be recognize the impact of the improvement as of January 1st, 2020 onwards.

### **Return on Assets**

In 2018-2020, the company's return on total assets was 1.43%, 0.56%, and 3.79%, respectively, and the company's return on fixed assets was 13.93%, 12.97%, and 18.43%, respectively. And in 2021, the company had a return on total assets of 15.48% and a return on fixed assets of 40.08%, where the return on total assets and the return on fixed assets change according to the change in net profit. Total Asset Value and Fixed Asset Value in that year.

## 2. Liabilities

As of December 31<sup>st</sup>, 2021, the company had total liabilities of 910.59 million baht, an increase from the previous year due to an increase in other payables. Most of which are accounts payable arising from the purchase of materials, equipment and tools for the construction of the rubber thread manufacturing expansion. Including advance receipts for products that correspond to increased sales volume, coupled with an increase in long-term borrowing from a financial institution, the first installment of the loan was drawn up in September 2021.

### Trade and other payables

As of December 31<sup>st</sup>, 2021, the company's trade and other payables amounted to 521.00 million baht, respectively, or 17.64 percent of total liabilities and shareholders' equity. Accounts payable arise in the ordinary course of business operations. The company's trade accounts payable are manufacturers and suppliers of raw materials that the company uses in the production of rubber thread, such as concentrated latex, chemicals, various materials, etc.

As of December 31<sup>st</sup>, 2021, the company had trade accounts payable of 351.03 million baht, accounting for 11.89% of total liabilities and shareholders' equity. The change in trade accounts payable depends on the increase or decrease in the value of purchase orders from manufacturers and distributors in order to use them in the production of rubber thread at the end of the period. As a result, the trade account payable at the end of that period increases or decreases accordingly. The increase in trade accounts payable in 2018-2021 was in accordance with the company's sales revenue, which is continually increasing.

If considering the average debt repayment efficiency, it was found that in 2018-2021, the company had average repayment periods of 40.22 days, 37.54 days, 37.31 days, and 35.38 days, respectively, which corresponds to the period of payment for goods (Credit Term) that the company receives from manufacturers and distributors of products approximately 30-90 days. However, the company complies with trade agreements for raw material payment and establishes a good payment history to maintain a good relationship with manufacturers and suppliers of raw materials.

Other payables consist of advance payments for purchases of goods, creditors to the Provincial Electricity Authority, accrued payroll, etc. As of December 31<sup>st</sup>, 2021, the company had other payables of 170 million baht, or 5.76 percent of the total liabilities and shareholders' equity.

As of December 31<sup>st</sup>, 2021, the company's other payables increased significantly from the end of 2020 in the amount of 96.13 million baht, or 130.13 percent, mainly due to an increase in other payables of 100.20 million baht. This was mainly the purchase of materials, equipment, and tools to be used in the construction of the expansion of the rubber thread manufacturing plant, including advance receipts for products amounting to 42.32 million baht. This corresponded to the increased sales volume, as well as an accrued bonus amounting to 12.90 million baht as a reward for the morale of the company's personnel. Due to the performance that has grown exponentially, including cooperating to lead the company listed on the Stock Exchange of Thailand, the bonus provision has already been approved by both the Nomination and Remuneration Committee meeting no. 1/2021 and the Board of Directors meeting no. 7/2021.

### Long-Term Loan

As of December 31<sup>st</sup>, 2021, the company had long-term loans of 64.77 million baht because the company had entered into a long-term loan agreement with a financial institution with a credit line of 400.00 million baht, of which the company had drawn down the first loan of 89.97 million baht in September 2021, with the first loan repayment schedule in October 2022. In this regard, the company receives benefits from participating in financing support for rubber product entrepreneurs from the Rubber Authority of Thailand. The government will compensate the company for the interest it owes, as actually paid, but not more than 3.00% per year for the duration of the 10-year project (2016-2026). But even so, the company participated in the project in 2021, and thus the duration of the company's participation was a total of 5 years (2021-2026), which was consistent with the terms of the financing that the company had received from a financial institution for a five-year period.

## 3. Equity

As of December 31<sup>st</sup>, 2021, the company's shareholders' equity amounted to 2,042.13 million baht, or 69.16% of total liabilities and shareholders' equity. An increase from the end of 2020 by 1,214.27 million baht, or an increase of 146.68%, mainly due to an increase in retained earnings. The company had a net profit from operations in 2021 of 359.10 million baht. In addition, the 2021 Annual General Meeting of Shareholders on April 19th, 2021, resolved to approve the dividend payment at the rate of 0.125 baht per share, totaling a dividend of 40.28 million baht.

In this regard, the Extraordinary General Meeting of Shareholders No. 2/2021, held on August 2, 2021, resolved to approve the increase of authorized capital from 322.20 million baht to 464.20 million baht by issuing new ordinary shares in the amount of not more than 142,000,000 shares at a par value of 1.00 baht, with the details as follows:

1. Allocate newly issued ordinary shares of the company in the amount of not more than 11,360,000 shares with a par value of 1.00 baht per share to offer to the existing shareholders of the company. Thai Rubber Latex Group Public Company Limited ("TRUBB") in proportion to its shareholding in TRUBB (Pre-emptive Right) at the same price as the initial public offering (IPO).
2. Allocate new issued ordinary shares of the company in the amount of not more than 14,200,000 shares with a par value of 1.00 baht per share for offering to directors, executives, and/or employees of the company at the same price as the initial public offering (IPO).
3. Allocate approximately 116,440,000 newly issued ordinary shares of the company with a par value of 1.00 baht per share for the initial public offering (IPO).

### Return on Equity

In 2018 - 2021, the company had a return on equity equal to 3.58%, 1.43%, 8.42%, and 25.02%, respectively, and the change in the return on equity will depend on the increase or decrease in net profit and shareholders' equity each year.





## 4 Capital Structure

As of December 31<sup>st</sup>, 2018 - 2021, the company's debt to equity ratio (D/E ratio) was 1.62 times, 1.50 times, 1.04 times, and 0.45 times, respectively.

As of December 31<sup>st</sup>, 2021, the company's debt-to-equity ratio decreased from the previous year. This was mainly due to the company's capital increase of approximately 116,440,000 shares with a par value of 1.00 baht per share for its initial public offering (IPO), resulting in an increase in shareholders' equity from the previous year by 1,214.27 million baht, and an increase in profit of 301.29 million baht, which resulted in a decrease in the debt to equity ratio.

A packing credit (P/C) loan agreement from a financial institution stipulates that the company must comply with the conditions for maintaining financial ratios that such conditions require. The company shall not incur any obligation, debt, or burden of borrowing, nor shall it guarantee any person, until the debt-to-equity ratio (D/E ratio) exceeds 2 to 1 at any time. However, the D/E ratio must not be less than 0 by auditing the annual financial statements. In addition, a long-term loan agreement from a financial institution stipulates that the company must comply with the conditions for maintaining financial ratios that such conditions require the company to maintain the debt service coverage ratio (DSCR ratio) at a ratio of not less than 1.20 times by checking the annual financial statements. As of December 31, 2018 - 2021, the company had a debt service coverage ratio (DSCR ratio) of 4.40 times, 4.33 times, 7.04 times, and 22.66 times, respectively, which was in accordance with the conditions stipulated in the loan agreement.

In this regard, the company strictly maintains the D/E ratio and the DSCR in accordance with the conditions stipulated in the loan agreement. Additionally, the company has assigned the account manager to be responsible for overseeing, monitoring, and verifying the maintenance of the ratio D/E and DSCR to comply with the conditions stipulated in the loan agreement with the financial institutions. At the end of each quarter, the account manager will monitor the maintenance of the ratio according to the above conditions.

### 4.4 Cash Flow and Liquidity Analysis

In 2021, the company's cash flow and liquidity were as follows:

(Unit: million baht)	2020	2021
Net Cash From (Used In) Operating Activities	245.65	480.56
Net Cash From (Used In) Investing Activities	(147.99)	(532.92)
Net Cash From (Used In) Financing Activities	(82.57)	633.67
<b>Net Increase (Decrease) In Cash and Cash Equivalent</b>	<b>15.10</b>	<b>581.31</b>
Effect Of Exchange Rate Changes on Cash and Cash Equivalents	(0.030)	0.08
<b>Net Increase (Decrease) In Cash and Cash Equivalent - Net</b>	<b>15.07</b>	<b>581.39</b>
Cash And Cash Equivalents, Beginning Balance	9.16	24.22
<b>Cash And Cash Equivalents, Ending Balance</b>	<b>24.22</b>	<b>605.61</b>

In 2021, the company had net cash from operating activities of 480.56 million baht, while the net cash used in investing activities amounted to 532.92 million baht. Most of the money was used for the purchase of land, buildings, and equipment to support the expansion of the production capacity of rubber thread. And the company's net cash used in financing activities amounted to 633.67 million baht, mainly for repayment of overdrafts and short-term loans from financial institutions. At the same time, the company paid dividends to the shareholders of the company. As a result, the company had a net decrease in cash flow of 9.41 million baht and cash and cash equivalents as of December 31, 2021 of 605.61 million baht.

As of December 31<sup>st</sup>, 2021, the company's liquidity ratio was 1.87 times, an increase from the end of the previous year. This was mainly due to an increase in current assets for other receivables, inventories, and other current assets, and an increase in current liabilities in respect of trade and other payables.

As of December 31<sup>st</sup>, 2021, the company's quick liquidity ratio was 1.22, which increased from the end of the previous year. This was mainly due to a decrease in cash and trade accounts receivable, including an increase in current liabilities in respect of trade and other payables.

## **4.5 Main Factors and Influences that may have an Impact on Future Operations or Financial Position**

### **1. Increasing the Production Capacity of Rubber Thread in The Future**

The company focuses on expanding the business of manufacturing and distributing rubber thread to support the needs of customers in various industries, and to increase the capacity to support the continuously growing demand for customers' products as well as support the expansion of new customer bases to cover all continents around the world. We have a marketing and sales team of more than 10 people of various nationalities who can communicate with customers in over 10 languages, covering more than 50 countries around the world. This allows our company to reach more target customers by communicating in the language of that country. Therefore, increasing in the production capacity of rubber thread will increase the opportunity to generate more revenue and operating results.

### **2. Fluctuations in Price of Concentrated Lax as Raw Material Used in Production**

Concentrated latex is the main raw material for the production of rubber thread. Therefore, the change in the price of concentrated latex may affect the production cost of the company's rubber thread. Concentrated latex is a midstream product produced from natural rubber latex that is a commodity, so its price fluctuates according to the demand and supply of natural rubber latex in the market, which changes according to various factors such as economic conditions, the climate, the price of product substitution, government control and support measures, etc. The volatility of the price of concentrated latex, which is the main raw material for the production of the company's rubber thread, may result in higher costs of sales of rubber thread, causing the company's profitability to decrease. However, the company has a plan to purchase concentrated latex in advance, which is in line with the rubber thread production plan. There is also a policy to determine the selling price by considering the cost of production plus an appropriate profit margin (Cost Plus Pricing).

### **3. The Spread of The Coronavirus Disease (COVID-19)**

The epidemic of COVID-19 (COVID-19) began in January 2020. This means that the number of infected people has continued to increase until the infection spreads to many countries around the world. If any of our employees or personnel become infected with COVID-19, the company is at risk of receiving orders from the government and related agencies to temporarily shut down some or all of the rubber thread manufacturing plants. This may result in the company's losing its business operations and cause us to be unable to deliver products to customers as scheduled. Because our target customers are manufacturing plants of various finished products, if the customer group of the company is unable to operate their business, its results may affect the revenue and operating results of the company significantly.



However, the company has a policy to reduce the risk of infection among personnel and also other cleanliness and hygiene control measures both before and after work, including wearing masks and protective equipment to prevent germs throughout the working period. The company has provided vaccines to its personnel in order to build herd immunity. As a result, the company has never encountered any problems from the spread of the coronavirus disease (COVID-19), which has caused the company's business to lose its operations.

In addition, the situation created by the epidemic of the COVID-19 virus (COVID-19) in the past has benefited the company because some manufacturers and distributors of rubber thread in some countries have closed their factories due to the COVID-19 virus (COVID-19), which has resulted in a shortage of goods in the market. While the demand for rubber thread persisted, the company was able to set a selling price with higher margins. If the COVID-19 situation eases, the company's profit margin may decline slightly because the company may not be able to set a selling price at a profit margin that is as high as during the COVID-19 epidemic situation.

At World Flex, we still believe that our company can continue to operate the business and can generate income and profit for the company both under the COVID-19 epidemic situation and after it has eased. Increasing production capacity in line with the company's strategy to expand our new customer base to new product markets around the world. As a result, the company can produce and sell a wide variety of rubber threads, both in size and special features. Covering the needs of customers in many industries, we are the only manufacturer and distributor of rubber thread in the world that can produce products to meet the needs of customers in almost every industry. The company is sure that increasing production capacity and figuring out ways to expand more customer bases will lead to a steady rise in product sales and sales revenue.



## 5. General Information and Other Important Information

### 5.1 Data of the Company

Company Name	: World Flex Public Company Limited
Types of Business	: Manufacturers and distributors of Rubber Thread and textile.
Office	: No. 1/7 Bangna Thani Bldg 3 <sup>rd</sup> Floor. Room 3B Soi Bangna-Trad 34, Bangna Tai, Bangna Bangkok 10260
Factory	: No. 59/ Moo 5, Highway 3191 Manam Koo, Pluakdaeng, Rayong 21140
Registration No.	: 0107545000390
Tel. Office	: 02-398-7188, 02-398-7189
Fax	: 02-398-7187
Website	: <a href="http://www.worldflex.net">www.worldflex.net</a>
Authorized Capital	: 464,200,000 THB
Paid-up capital	: 464,200,000 THB

### 5.2 Information References

#### 5.2.1 Securities Registrar

Securities Registrar	: The Thailand Securities Depository Co., Ltd.
Address	: The Stock Exchange of Thailand Building
Tel.	: 93 Ratchadaphisek Road, Din Daeng, Din Daeng, Bangkok 10400
Fax	: 02-009-9999 02-009-9991

#### 5.2.2 Certified Public Accountant

Certified Public Accountant	: KPMG PHOOMCHAI Audit Co., Ltd.
Address	: No.1 Empire Tower, 50 <sup>th</sup> Floor, Sout Sathorn Road, Yannawa, Sathorn, Bangkok 10120
Tel.	: 02-677-2000
Fax	: 02-677-2222
Website	: <a href="http://www.home.kpmg/th">www.home.kpmg/th</a>

### 5.3 Legal Disputes

None



## Section 2 Corporate Governance





## 6. Corporate Governance

The Board of Directors and executives of WFX adhere to the principles of good corporate governance in accordance with the principles of good corporate governance for listed companies in 2017 of the Securities and Exchange Commission to ensure sustainability in business operations.

### 6.1 Overview of Corporate Governance Policies and Practices

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

##### 6.1.1.1. Nomination, Remuneration of Directors and Executives

1. The Board of Directors will ensure that the nomination and development of chief executive officers and senior executives to have the knowledge, skills, experience and attributes necessary to drive the organization towards the goal.
  - 1.1 The Board of Directors shall consider or assign the Nomination and Remuneration Committee to consider the criteria and procedures for nominating qualified persons to serve as Chief Executive Officer.
  - 1.2 The Board of Directors will monitor the CEO's position to ensure that the appropriate senior executives are presented, at least the Board of Directors or the Nomination and Remuneration Committee will be in conjunction with the Chief Executive Officer to consider the criteria and procedures for nominating and appointing individuals. Approve the person proposed by the Chief Executive Officer to be Senior Executives.
  - 1.3 The Nomination and Remuneration Committee has the authority, duties and responsibilities as assigned by the Board of Directors. as follows:

##### **Recruitment**

- (1) Determine how to recruit the right person to serve as a director to suit the nature and business practices of the organization. By determining the qualifications and expertise of each area that is required and presenting it to the Board of Directors meeting to approve the nomination criteria at a time.
- (2) Nomination of Directors, when it is deemed to nominate directors to the Committee of Consideration, the nomination may be considered from the former director to continue the position, or to accept nominations from shareholders, or to use third parties to help nominate or consider from the House of Professional Directors, or to have each director nominate the appropriate person, etc.
- (3) In the event that the Nomination and Remuneration Committee nominates a director who has completed a term in office to return to the position. The Nomination and Remuneration Committee must also use the performance of the directors in the past year as a condition for consideration.
- (4) Consider the list of nominated persons and select qualified people who meet certain eligibility criteria.
- (5) Verify that the person to be nominated is qualified by the laws and requirements of the relevant authorities.
- (6) To approach a qualified person to meet the criteria set out to ensure that the person is willing to take over as director of the Company. If appointed by shareholders.
- (7) Nominate the names to the Board of Directors to consider and include their names in the invitation to the shareholders' meeting. for the shareholders' meeting to consider and appoint.
- (8) Consider policies, guidelines and procedures for the preparation of a succession plan for appropriate and systematic management continuity for senior management positions. From line director upwards.



## Remuneration

- (1) Consider the remuneration criteria of directors and senior executives to be appropriate by reviewing the appropriateness of the criteria currently in use. Compared to remuneration data of other companies in the same industry as the Company. And set the criteria accordingly to ensure the expected performance, to be fair and in return for the people who helped the company's work to be successful.
- (2) Review all types of remuneration patterns, such as regular compensation. Performance-based remuneration and meeting allowances, taking into account the practices used by the same industry. Performance and size of the Company's business and responsibilities, knowledge Competence and experience of directors and senior executives and high-level executives that the Company needs.
- (3) To consider the criteria for evaluation of the performance of chief executive officer, line executive and senior executive as assigned by the Board of Directors.
- (4) Determine the annual and non-monetary remuneration of the directors. Chief Executive Officer line manager and senior management According to the payment criteria have been considered and presented to the Board of Directors for approval of the Chief Executive Officer's remuneration. line manager and senior management Director's part to the Board of Directors to propose to the shareholders' meeting for approval.
- (5) To consider and review the operating framework of the compensation structure. Annual salary increases, annual bonuses, as well as other benefits as follows:
  - Consider the overview and framework of the compensation structure. Annual salary increases and annual bonuses, as well as any other benefits of senior management and employees, in accordance with management's proposals, to suit and produce the expected performance, fairness and rewarding employees who help the company's work.
  - Consider the annual salary increase budget as well as other special returns at the Company, assign employees.

1.4 To ensure that the business operation continues. The board will oversee the succession plan. (Succession Plan) to prepare for succession of chief executive officers and senior executives and have the Chief Executive Officer report the performance of the succession plan to the Board of Directors periodically at least once a year.

1.5 The Board of Directors will encourage and encourage chief executive officers and senior executives to be trained and developed. To increase knowledge and experience that is useful to the operation.

1.6 The Board of Directors will clearly establish the policies and practices of holding director positions at other companies of the Chief Executive Officer and Senior Management Officer. Both the type of director position and the number of companies that can go to the position.

2. The Board, with the recommendations of the Nomination and Remuneration Committee, will oversee the proper remuneration and evaluation structure.

2.1 The Board of Directors, with the recommendations of the Board of Directors, will establish a remuneration structure that incentivizes executives and employees at all levels to perform their work in accordance with the objectives and goals of the organization and in line with the company's long-term interests, including as follow:

- (1) Determination of the suitability of the proportion of salary compensation Short-term performance.
- (2) Setting remuneration policies Factors such as compensation levels above or equal to approximately the industry level should be taken into account. Performance of the Business.
- (3) Establishing policies regarding evaluation criteria and communication to be acknowledged.



- 2.2 The Board of Directors, excluding executive directors, will play a role in remuneration and evaluation of the Chief Executive Officer, in the following details:
- (1) Approval of the Criteria for Evaluation of The Chief Executive Officer The evaluation criteria should incentivize the Chief Executive Officer to manage the business in accordance with the objectives, main goals, strategies and in line with the long-term interests of the business by communicating to the Chief Executive Officer the assessment criteria in advance.
  - (2) Evaluate the chairman's performance annually or assign the Remuneration Committee to be the assessor, and the Chairman or Senior Director will communicate the results of the hearing, including development issues to the Chief Executive Officer.
  - (3) To approve the Annual Remuneration of the Chief Executive Officer and to consider the evaluation of the Duties of the Chief Executive Officer and including other factors.
- 2.3 The Board of Directors will approve the criteria and factors for evaluating the performance. As well as approving the remuneration structure of senior executives and monitoring the Chief Executive Officer to evaluate senior management in accordance with such assessment principles.
- 2.4 The Supervisory Board shall establish criteria and factors for evaluating performance for the entire organization.
3. The Board of Directors will understand the structure and relationships of shareholders that may affect the management and operations of the Company.
- 3.1 The Board of Directors will understand the structure and relationships of shareholders, which may be in the form of agreements within the family business, whether written or not. Shareholder agreement or parent group policy, which affects the authority to control the management of the Company.
  - 3.2 The Board of Directors shall ensure that the Agreement pursuant to Article 4.3.1 hinders the board's duties. For example, having the right person to inherit the position.
  - 3.3 The Board of Directors will ensure that the disclosure of information in accordance with the agreements affecting the control of the Company.
- 4 The Board of Directors will monitor the management and development of personnel to have the right knowledge, skills, experience and motivation.
- 4.1 The Board of Directors will ensure that human resources are managed in accordance with the direction and strategy of the organization. Employees at all levels have the right knowledge, ability, motivation and are treated fairly to retain the organization's talented personnel.
  - 4.2 The Board of Directors will ensure the establishment of provident funds or other mechanisms to ensure that employees have sufficient savings to support retirement, as well as to encourage employees to have an understanding of money management. Choosing an investment policy that corresponds to the age range, risk level, or take care of a Life Path investment policy.



#### 6.1.1.2 Independence of the Board of Directors from Management

The Structure of the Board of Directors consists of: Executive Director No less than 5 non-executive directors and independent directors, but not more than 12 persons, and directors who are truly independent of management and are free of any business or other relationships that may influence the independent exercise of discretion not less than one-third of the total number of directors, and must not be less than three directors, all directors are free to comment on the company's operations, to ensure that the management's operations are efficient, accurate and transparent, and to ensure that the management and operation of the business is in accordance with good corporate governance policies. The Board of Directors has established sub-committees, including (1) audit committees, (2) nomination and remuneration committees, (3) risk management committees, and (4) executive committees. However, this is The Audit Committee consists of all independent directors and at least three persons, with at least one audit committee member with financial knowledge and experience to review the reliability of financial statements.

#### 6.1.1.3 Development of Directors and Executives

The Board of Directors has a policy to promote and facilitate training and education to the Company's directors and executives in order to continuously improve and operate, both internal and external training courses all board members must be trained to understand their duties as directors. The Board of Directors and senior executives are focused on participating in training or seminars in various courses or developing their knowledge, most of the directors have completed courses with the Thai Institute of Directors Association (IOD), including the Director Certification Program (DCP), the Director Accreditation Program (DAP), the Audit Committee Program.

#### 6.1.1.4 Evaluation of the Performance of Directors' Duties

The Board of Directors will conduct an annual evaluation of the board's duties. The assessment will be used for the further development of duties as follow:

- (1) The Board of Directors and sub-committees will evaluate their performance at least once a year so that the Board of Directors will jointly consider the work and issues to further improve, setting norms to be compared with performance in a principled manner.
- (2) Performance evaluations are evaluated both faculty and individually, at least as a manual assessment method. (Self-evaluation) or use cross evaluation as well as reveal the criteria. The overall assessment process and results are included in the annual report.
- (3) The Board of Directors may consider arranging external advisors to help shape guidelines and suggest issues in evaluating the Performance of the Board at least once every 3 years and disclose such actions in the annual report.
- (4) The results of the board's assessment will be used to determine the suitability of the composition of the Board of Directors.

### 6.1.2 Policies and Practices Relating to Shareholders and Stakeholders

The Company recognizes the importance of maintaining the rights of stakeholders both inside and outside the Company, this will lead to the best interests of all stakeholders, from employees, investors, shareholders and other stakeholders. Therefore, the Company has established the guidelines for treating each group of stakeholders in the Guide to Good Corporate Governance and the Company's Business Ethics, for directors Executives and employees adhere to the practice of operating. The main stakeholders are divided into [2] groups:

1. Key Stakeholders (Primary Stakeholders) who are directly close to the organization and have direct benefits or impacts from the business, such as employees, executives, shareholders, customers, partners, deliverers, family, employees, investors, creditors, communities at the organization area, etc.
2. Secondary Stakeholders are those who are indirectly related to the organization or beyond society. They are the indirect beneficiaries or impacts of business operations such as governments, government agencies, trade associations, professional groups, NGOs, prospective customers or employees, non-resident communities, organization location etc., which are detailed as follows.

#### 6.1.2.1 Equitable Treatment of Shareholders

The Board of Directors has a policy of treating all shareholders equally and fairly. By facilitating shareholders to exercise their rights in the matters they deserve as follows:

1. Give shareholders the right to vote in one share-to-one vote. Same type of stocks Equal voting rights equal to one share per vote.
2. Establish policies and guidelines regarding the prevention of conflicts of interest and prevention of the misuse of internal information for self or others in the Manual on Good Corporate Governance and Business Ethics, and publish them to all directors, executives and employees of the Company to acknowledge and strictly observe. This is to prevent cases where the Company's directors and executives Trade the Company's shares using internal information or connected transactions, as well as trade assets in a manner that violates or fails to comply with sectarian and SEC rules.
3. Designated directors and executives (according to the SEC definition) Implement Section 89 of the Securities and Exchange Act by reporting their interests and related persons (including every time the information is changed), to be able to consider the Company's transactions that may have conflicts of interest to the Company. Directors and executives who have any interest in the matters considered must not participate in expressing their views and are not entitled to vote on the matter.

#### 6.1.2.2 Promoting the Exercise of Shareholders' Rights

1. The company informs the meeting schedule together with the agenda and opinion of the Board of Directors to the Stock Exchange of Thailand, and published via the company's website at least 30 days before the meeting and send a meeting invitation letter with at least documents to shareholders at least 7 days before the meeting date for normal agenda and at least 14 days in case of special agendas such as capital increase, amendment of regulations, etc.
2. Facilitate shareholders who are unable to attend meetings in person. The Company will deliver the proxy statement along with the invitation letter of the meeting, both Form A, Form B and Form C, to shareholders, as well as to attach evidence documents as well as easy-to-understand proxy instructions so that shareholders can prepare correctly and without problems attending the proxies' meetings. Shareholders can also download such proxy form from the Company's website on another channel.



3. Propose the names of at least one independent director of the Company as an option for proxy for shareholders, and the Company attaches details about the name and profile of independent directors along with the invitation letter of the meeting.
4. Conduct the shareholders' meeting according to the agenda specified in the invitation letter and the agenda is not added to the meeting without prior notice to the shareholders. In addition to those specified in the invitation letter, to be fair to shareholders who do not attend the meeting, except where necessary for the benefit of the Company, and to strictly comply with the relevant legal rules.

#### 6.1.2.3 Preventing the use of Internal Data

The Board of Directors has established measures to prevent the misuse of insider trading of the Board of Directors. Executives and Related Employees Internal information means information relating to business operations or information that is critical to changes in the price or value of the Company's securities, such as financial position. Performance Development of critical products, contracts or terminations of contracts, which is information that has not yet been disclosed to the general public.

- (1) Disclosure of any material information that has not been disclosed to the public shall be disclosed carefully, accurately, completely, in time by ensuring that shareholders or investors receive adequate information. Equally and easily accessible using disclosure channels through the STOCK Exchange's electronic information distribution system. (SET Community Portal) or through the Company's website as appropriate.
- (2) Executives Director and employees must not use sensitive internal information for their own benefit to purchase or sell securities of the Company, or provide internal information that has not been disclosed to the STOCK Exchange to other persons not involved in that information, including family members, relatives and friends.
- (3) Executives Director and employees who have been informed of the important internal information affecting the change in the price or value of the Company's securities. The purchase or sale of securities of the Company must be suspended for a period of one month prior to the publication of the Financial Statements or statements of the Company's financial position, as well as other important information, and should wait at least 24 hours After disclosing information to the public, before buying or selling the Company's securities.
- (4) Executives Director and employees (under Section 59 of the Securities and Exchange Act B.E. 2535 (1992) and amended) Responsible for reporting the acquisition or disposition of securities of the Company in accordance with the Order of the Chief Executive Officer regarding the method of conduct regarding the acquisition or disposition of securities of directors. Executives and employees (in accordance with Section 59 of the Securities and Exchange Act B.E. 2535 and amended) to prevent the purchase or sale of securities using inside information and to avoid charges regarding the suitability of buying or selling securities of internal parties.
- (5) Directors and executives are responsible for reporting securities holdings under Section 59 of the Securities and Exchange Act B.E. 2535 (1992) and amended to the Securities and Exchange Commission and sending copies of this report to the Company.
- (6) A person who has the right to disclose important information that has not been made public must be appointed to have the right to respond to inquiries or provide important information that has not been made public or approved by the Chief Executive Officer.
- (7) Executives Director and employees should adhere to the practices of disclosure and confidentiality in accordance with the guidelines specified in anti-corruption practices.

#### 6.1.2.4 Prevention of Conflicts of Interest

The Company realizes the importance of conducting business with transparency and preventing conflicts of interest. The Board of Directors Meeting No. 1/21, dated January 4, 2021, resolved to formulate a policy on the prevention of conflicts of interest on the principle that any decision in carrying out business activities must be in the best interests of the Company, and shareholders of the Company and should avoid actions that may cause conflicts of interest, any action that a person who is involved or has a stake in the transaction benefits or loses benefits, whether directly or indirectly from agreeing to enter into the transaction of the Company or a subsidiary by requiring those who are involved or have interests in the items considered must notify the Company know their relationship or interest in the said transaction, and must not participate in the consideration including no authority to approve such transactions which has the following guidelines:

- (1) Executives Director and employees avoid any quail that is contrary to the Interests of the company, whether due to contact with the company's commercial stakeholders or by using opportunities or information obtained from directorship, executives or employees in the pursuit of personal interests or in relation to business competing with the company or other than the company's work or trading securities of the company.
- (2) Employees should stand up for what is right, fair, legal. Do not act unlawfully or refrain from performing duties so that they or others can benefit unduly or intentionally damage another person.
- (3) Employees shall refrain from holding shares in the Company's competitors. If the shareholding causes the employee to act or refrain from acting in accordance with the duties or have a negative impact on the job.
- (4) Employees shall disclose to the Company in case the employee or family member is a shareholder in any business that may cause interest or cause business conflicts to the Company. Whether an employee or family member acquired the shares prior to becoming an employee or before the Company entered into the business or acquired it through inheritance.
- (5) Directors and executives are obliged to disclose information about their interests and those involved so that the Company can consider the Company's transactions that may have conflicts of interest and can make decisions for the benefit of the Company.

#### 6.1.2.5 Anti-Corruption

The Company has a policy for the Company's directors, executives, staff and employees to do not act in any way related to corruption and corruption in any form. For direct or indirect benefit to oneself, family, friends and acquaintances, whether they are the recipient, giver or offer of bribes, both in monetary or non-monetary to government agencies or private entities with which the Company operates or contacts will follow "Anti-Corruption and Corruption Practice Guidelines" strictly.

In addition, the Company also offers opportunities for all employees and stakeholders of the Company. There are channels to complain. Suggest advice and report illegal activity. Non-compliance with business ethics Fraud and corruption and the Company requires protection against employees and whistleblowers from committing wrongdoing. By anonymizing the whistleblower and keeping relevant information confidential. However, this is the complainant must provide details of the incident to be whistled or complained with the name, address and phone number that can be contacted. Send to the following channels:

- (1) Inform via channel Email of Chairman of the Audit Committee no. [audit.committee@worldflex.net](mailto:audit.committee@worldflex.net)
- (2) Notification via E-mail of Chief Executive Officer no. [marketing@worldflex.net](mailto:marketing@worldflex.net)
- (3) Notification via email of company secretary no. [company.secretary@worldflex.net](mailto:company.secretary@worldflex.net)



- (4) Post office via Company Secretary, World Flex Public Company Limited, No. 1/7 Bangnathani Building, 3<sup>rd</sup> Floor, Room 3B Soi Bangna-Trad 34, Bangna-Trad Road, Bangna, Bangna-Tai, Bangkok 10260

The Company has disclosed details relating to stakeholders in the Good Corporate Governance and Business Ethics Manual as part of Attachment 6.

## **6.2 Business Ethics**

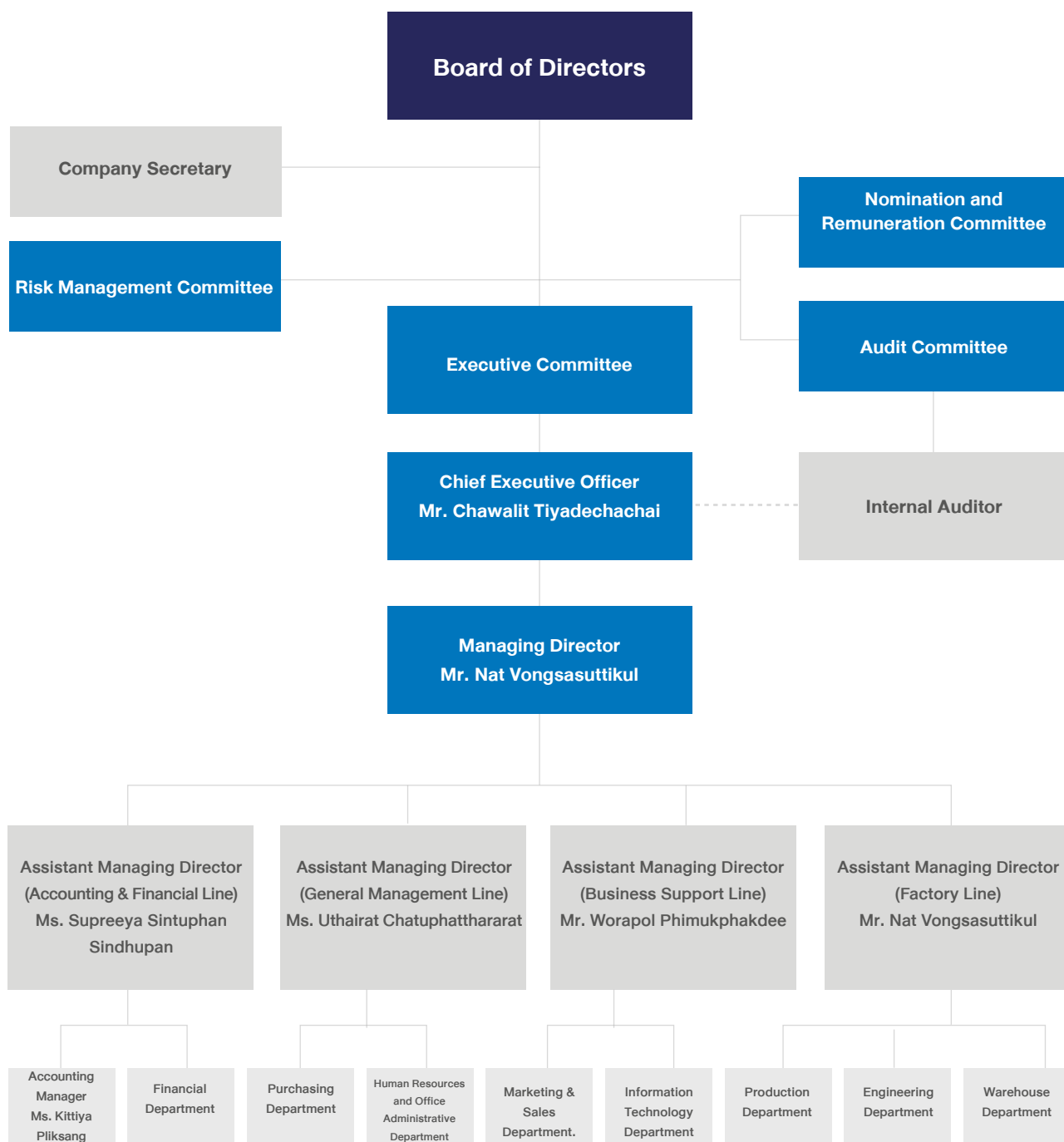
According to the Securities and Exchange Commission (SEC), The company has enacted the corporate governance principles for listed companies. Therefore, the Board of Directors has implemented a business ethics for directors. Executives and employees of all levels are used as a clear and comprehensive course of conduct in responsible operations and tasks with Honesty, transparency, morality and ethics, and aim to ensure that the Company's business operations grow sustainably and acceptably of all parties involved. The term "employee" means full-time, part-time or employee under a special contract. Ask employees to understand this business ethics and strictly adhere to the practice, in addition, the Board of Directors considers this Business Code of Conduct to be part of the Company's "Working Regulations".

## **6.3 Adoption of Good Corporate Governance Principles for Listed Companies 2017**

The Company recognizes the importance of good corporate governance as important to promote the Company's operations to be efficient and sustainable growth, so the Company has established a good corporate governance policy based on good corporate governance principles for listed companies in 2017. respond to changes in accordance with the Company's strategy and business direction.



## 7. Corporate Governance Structure



Note 1. Currently, the Company employs a third-party company, namely the Company. IVL Audit Co., Ltd. is an internal auditor.

2. Ms. Kittiya Pliksang acts as a chief financial officer, preparing financial statements in accordance with financial reporting standards for public interest entities.

The management structure of the Company consists of the Board of Directors and four sub-committees. Such as, audit committee. Executive Committee, Risk Management Committee and Nomination and Remuneration Committee, The Company has a board of directors' structure with at least three independent directors. And not less than a third of the Total Directors of the Company, which is in accordance with applicable laws and regulations of the Company.





## 7.1 Board Structure

### 7.1.1 Director

#### Composition of the Board of Directors

Board of Directors The following elements should be specified:

1. In accordance with the Company's regulations Board of Directors Must consist of at least five and not less than half of all directors and directors must be resident in the Kingdom of Thailand. And the directors of the Company must be qualified as required by law. The director of the Company is not required to be a shareholder of the Company.
2. The Board of Directors consists of executive directors. At least one-third of independent directors and no less than three independent directors, the qualifications of independent directors are as specified by the Stock Exchange of Thailand.
3. Board of Directors Select a director as chairman of the Board of Directors.
4. Board of Directors Select a person to serve as a secretary of the Board of Directors. The Secretary also can be a director.

#### Appointment of Directors and Term of Office

The election of directors of the Company shall be conducted by the Shareholders' Meeting. as follows

1. One shareholder has a vote of one share per vote.
2. In elections, directors may vote for individual directors at a time or several at a time. People, according to the shareholders' meeting, but in each vote, Shareholders must vote with a vote that is in accordance with Article 1, all of which cannot divide the votes to any person. Therefore, shareholders cannot share their votes in the election of directors. In order for anyone less under section 70 paragraph one of the public act (non-cumulative voting only)
3. the person who receives the highest votes, respectively, be elected as a director equal to the number of directors who will be or should be elected at that time. In the event that, the person who is elected in the subsequent order, The same number of votes exceeds the number of directors, who will be required or will be elected at that time, Let the president of the meeting be the decisive voter.
4. The Board of Directors shall have a term of tenure in accordance with the Articles of Association of the Company, i.e., at every annual general meeting of shareholders. The directors left a third of the number of directors at the time. If the number of directors can't be divided into three parts, The directors, who have retired, may be re-elected.

For specific committees, including Audit Committees The Nomination and Remuneration Committee shall have a term of 3 years at a time, with 1 year herein referring to the period between the Annual General Meeting of the appointed year until the next year's Annual General Meeting. Directors who have retired from their term may be nominated and appointed to new positions.

5. In addition to retiring from office on a term basis, the director retired from his position when.
  - (a) die
  - (b) resign
  - (c) Ineligible or prohibited by the law on public limited companies or the Securities and Exchange Act

- (d) The shareholders' meeting voted to leave before the time of issue. With at least three-quarters (3/4) of the number of shareholders who attended the meeting and had the right to vote, and the shares counted together at least half of the shares held by shareholders who came to the meeting and had the right to vote.
- (e) Court order.
- 6. Any director will resign from the position to submit the resignation to the Company. The resignation will be effective from the date of resignation to the Company. Directors who resign in accordance with the first paragraph may also inform the Registrar of their resignations.
- 7. In the event that the director's position is vacated for other reasons.
- 8. The Board of Directors shall select qualified persons and do not have a violate nature under the law on public limited companies or the securities and exchange laws to be a member of directors at the next board meeting, if the term of the director is less than two (2) months, and the person who becomes the director can only be in the position for the remaining term of the director who which replaced.
- 9. The resolution of the Board of Directors in accordance with the first paragraph, must contain at least three-quarters of the remaining votes of the directors.

### 7.1.2 Audit Committee

#### Composition of the Audit Committee

The Audit Committee of the Company must have the following elements:

- 1. The Audit Committee consists of no less than three independent directors.
- 2. The audit committee has the appropriate skills according to the assigned mission. Audit Committee At least one person must have knowledge or experience in accounting or finance.
- 3. The Board of Directors shall select and appoint one audit committee member to chair the Audit Committee.
- 4. The Audit Committee shall appoint a person as secretary of the Audit Committee to help support the Audit Committee in performing its duties and to assist in the appointment of meetings. Preparing an agenda Submission of meeting documents and recording of meetings.

#### Qualifications of the Audit Committee

The Audit Committee must have the following characteristics and qualifications as independent directors:

- 1. Appointed by the Board of Directors.
- 2. Qualifications as stipulated in public law Securities and Exchange Laws and Stock Exchange of Thailand (SET) regulations.
- 3. At least one audit committee member must be knowledgeable in accounting and finance.
- 4. The Audit Committee member must be an independent director and be qualified as an independent board member as follows:
  - (a) holding no more than a percentage of 1% of the company's total voting shares Major Companies Subsidiaries the Company's associates, major shareholders or controlling persons of the Company include the shareholdings of the relevant parties of the independent directors.
  - (b) Not be or have been a director engaged in management. Employees, employees, consultants who receive regular salaries or controlling persons of the Company Major Companies Subsidiaries Associates, subsidiaries of the same order Major shareholders or controlling persons of the Company, unless they



have been out of such characteristics for at least 2 years. Prior to the date of filing the application for permission to the Securities and Exchange Commission. Such prohibited characteristics this does not include cases where independent directors have been civil servants or advisors of government agencies that are major shareholders or controlling authorities of the Company.

- (c) A person who has a blood relationship or by legal registration in the manner of a parent, spouse. Siblings and children, including spouses of children of executives, major shareholders, controlling persons or persons who will be proposed as executives or controlling persons of the Company.
  - (d) No or have ever had a business relationship with the Company. Major Companies Subsidiaries Associates, major shareholders or controlling persons of the Company in such a way that it may impede the independent exercise of judgment, including not being or ever being a meaningful shareholder or controlling person who has business relationships with the Company. Major Companies, Subsidiaries, Associates, major shareholders or controlling persons of the Company, unless they have been out of such characteristics for at least 2 years before being appointed as an independent director.
  - (e) not being or having been an auditor of the Company, parent company, subsidiary company, associated company, major shareholder or the person who has the power to control the company and is not a significant shareholder controller or a partner of the audit firm which has auditors of the Company, parent company, subsidiary companies, associated companies, major shareholders or a person with controlling power of the Company is affiliated with, unless the foregoing relationship has been terminated for not less than 2 years before being appointed as an independent director.
  - (f) not being or having been a professional service provider of any kind; This includes serving as a legal or financial advisor. which receives service fees of more than 2 million baht per year from the Company, mother company, subsidiary company, associated company, major shareholder or the person having control over the Company and is not a significant shareholder controller or a partner of that professional service provider Unless the foregoing relationship has been terminated for not less than 2 years prior to the date of appointment as an independent director.
  - (g) Should be an independent person who is not involved or have any relationship with board of director or any shareholders.
  - (h) Not to operate a business with the same conditions and as a competition with the business of the Company or its subsidiaries, or not to be an implicit partner in the partnership or as a director engaged in management. Employees, employees, consultants who receive regular salaries or hold more than 1% of the total voting shares of other companies operating in the same condition and are competitive with the company's or its subsidiaries.
  - (i) There are no other characteristics that prevent it from providing an independent opinion on the Company's operations.
5. A person who can perform duties and express opinions or report performance independently of the assigned duties without the control of the company's management or major shareholders, including related parties or close relatives of such persons.
  6. It is a trusted and generally accepted person.
  7. Sufficient time can be devoted to carrying out the duties of the Audit Committee.

## Term of Tenure

The term of the Audit Committee is as follows:

1. The Audit Committee shall have a term of 3 years at a time, with 1 year herein referring to the period between the annual agreement meeting of the appointed year until the annual agreement meeting the following year, and the Audit Committee, which has retired from the term, may be nominated and appointed to a new position.
2. In addition to the retirement of the aforementioned agenda. The audit committee member retired from the position when,
  - (a) die
  - (b) resign
  - (c) Ineligible to be a member of the Audit Committee under this Charter or in accordance with the rules of the Stock Exchange of Thailand
  - (d) Retired from the tenure as director
3. Any audit committee member will resign from the position, submit the resignation to the Chairman of the Board of Directors, which should be notified in writing at least 1 month in advance with reasons for the Company to inform the Company of the resignation with a copy of the letter of resignation to the Stock Exchange of Thailand.
4. In the event that the audit committee retires from the entire board of directors, the retired audit committee shall be appointed acting in the position to proceed before the new audit committee takes over.
5. In the event that the position of audit committee is deteriorated for reasons other than the time of term, the Board of Directors shall appoint a fully qualified person as audit committee member within 90 days, so that the audit committee member has the full number specified by the Board of Directors, the person who becomes the audit committee member instead can only be in the position of the remaining term of the audit committee which represented.

### 7.1.3 Executive Director

The nomination of the Executive Directors will be considered by the Nomination and Remuneration Committee and presented to the Board of Directors for approval of the appointment. The executive director is not required to serve as a director. The Executive Committee shall select one executive director to become Chairman of the Executive Committee.

#### Qualifications of Executive Directors

1. Being knowledgeable honesty, have business ethics and have enough time to dedicate knowledge and abilities and perform duties for the company.
2. Has complete qualifications and does not have any prohibited characteristics according to relevant laws.
3. Not being a person who operates businesses of the same nature and is in competition with the Company's business. or become a partner or a director in another juristic person who operates a business of the same nature and is in competition with the business of the Company whether doing it for the benefit of oneself or others unless notified to the Board of Directors' meeting prior to the appointment.

#### Appointment and Tenure of Executive Director

The Board of Directors appoints qualified persons as stated above. The Executive Director has a term of 3 years at a time and shall comply with the term of director (in case the executive director also serves as a director). Executive Directors who have retired from their term may be appointed as Executive Directors. In the event that the Executive Director completes his term or may not hold the position until the end of his term, this will result in



the number of executive directors below 5 members, the Board of Directors shall appoint a new executive director to be fully or late within 3 months from the date of the incomplete number of executive directors. In order to ensure continuity in the performance of the duties of the Executive Committee.

#### **7.1.4 Risk Management Committee**

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

The Risk Management Committee consists of at least 3 members, and the Risk Management Committee is not required to serve as the Company's director.

In this regard, the Board of Directors or the Risk Management Committee elect one member of the Risk Management Committee to be the Chairman of the Risk Management Committee, and appoint a secretary of the Risk Management Committee to assist in the operation of the Risk Management Committee regarding meeting appointments, prepare agenda, submit documents for the meeting and record the minutes of the meeting.

##### **Qualifications of the Risk Management Committee**

1. Being knowledgeable be honest Have business ethics and have enough time to dedicate knowledge and abilities and perform duties for the Company.
2. Fully qualified and not of prohibited characteristics under applicable law.
3. 3. Not being a person who operates businesses of the same nature and is in competition with the company's business, or become a partner or a director in another juristic person who operates a business of the same nature and is in competition with the business of the Company whether they do it for their own benefit or that of others unless notified to the Board of Directors' meeting prior to the appointment.

##### **Appointments and Tenure**

The Board of Directors shall appoint a person who meets the qualifications stated above and has been considered by the Nomination and Remuneration Committee. to hold the position of Risk Management Committee, the Risk Management Committee has a term of office of 3 years and is in accordance with the term of office of the Company's director. (In the case that the Risk Management Committee is also a director of the Company). The risk management committee who retires by rotation may be reappointed as the risk management committee. In the event that the Risk Management Committee has completed the term of office or is unable to hold the position until the end of the term as a result, the number of risk management committees is less than 3 people. The Board of Directors shall appoint a new risk management committee member immediately or at the latest within 3 months from the date the number of risk management committee is incomplete. To ensure continuity in the performance of the Risk Management Committee.

#### **7.1.5 Nomination and Remuneration Committee**

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

1. Must consist of at least 3 directors and should consist of independent directors and most non-executive directors.
2. The Board of Directors shall appoint independent directors who are members of the Nomination and Remuneration Committee. Become chairman of the Nomination and Remuneration Committee.

##### **Qualifications of the Nomination and Remuneration Committee**

1. The Board of Directors appoints the Nomination and Remuneration Committee.
2. Knowledge, experience and expertise in the company's business field. Legal and other aspects.
3. Maturity and stability, courage to express differences of opinion and independence.
4. Can devote time to acting.

## Term of Tenure

The Nomination and Remuneration Committee shall serve a term of up to 3 years, with one year herein referring to the period between the annual agreement meeting of the year appointed until the annual agreement meeting the following year, and the Nomination and Remuneration Committee, which has retired from the term, may be nominated and re-appointed to a new position.

### 7.1.6 Senior Executives

The nomination of the Chief Executive Officer will be considered by the Nomination and Remuneration Committee for the full qualifications. suitable Have knowledge, competence, skills and experience that are useful to the Company's operations and presented to the Board of Directors for further approval. Other senior executives will consider the full qualifications and suitability Director by the Chief Executive Officer.

## 7.2 Information about the Board of Directors

### Board of Directors

As of December 31, 2021, the Board of Directors consists of 8 members as follows:

Name-Surname		position
1. Mr. Bunyong	Visatemongkolchai	Chairman of the Board of Directors / Independent Director / Audit Committee
2. Mr. Banlue	Chantadisai	Director / Independent Director / Chairman of the Audit Committee
3. Mr. Surapong	Rongsirikul	Director / Independent Director / Audit Committee
4. Mr. Chawalit	Tiyadechachai	Chief Executive Officer, Director
5. Mr. Nat	Vongsasuttikul	Managing Director, Director
6. Ms. Chalongkwan	Wongsasuthikul	Director
7. Mr. Kowit	Wongsasuthikul	Director
8. Mr. Prakrit	Waraprateep	Director

With Ms. Uthairat Chatuphatthararat Acting as Company Secretary, appointed by the Board of Directors' meeting. Meeting 3/2021 on 25 February 2021

### Authorized Directors of the Company

The authorized signatories of the Company are Mr. Chawalit Tiyadechachai and Mr. Nat Vongsasuttikul. jointly sign and affix the Company's seal

### Authority, Duties and Responsibilities of the Board of Directors

1. Perform duties in accordance with the law. Objectives, Regulations of the Company, as well as the resolutions of the Shareholders' Meeting.
2. Consider and approve the appointment of a person who has qualifications and does not have any prohibited characteristics as specified in The Public Company Act B.E. 2535 and the Securities and Exchange Act including announcements of regulations and/or regulations related to the position of director in the event that the director's position becomes vacant for reasons other than retirement by rotation.
3. To consider the appointment of the Executive Committee by selecting from the Directors of the Company As well as establishing the scope of authority, duties and responsibilities of the Executive Director.
4. To consider the appointment of independent directors and audit committee members based on the qualifications and prohibited characteristics of independent directors and audit committee members in accordance with the securities and exchange law, including the announcement of regulations and/or related regulations of the SET, or proposed to the Shareholders' Meeting for further appointment as independent directors and audit committee members of the Company.



5. To consider, define and amend the names of directors who have the power to bind the Company.
6. Appoint any other person to operate the Company's business. Under the control of the board or it may authorize such person to have the authority and/or within the time deemed appropriate by the Board of Directors, which the Board may revoke, revoke. Change or modify that power.
7. To consider and approve the transaction of acquisition or disposition of assets of the Company Unless such transaction must be approved by the Shareholders' Meeting. In order to consider such approval in accordance with the notice. Regulations and/or related regulations of the SET.
8. To consider and approve connected transactions unless such transactions must be approved by the Shareholders' Meeting. In order to consider such approval in accordance with the notice. Regulations and/or regulations relating to settling.
9. To consider and approve the interim dividend payment to shareholders When it is clear that the Company has a fair profit to do so and report the dividend payment to the shareholders' meeting at the next shareholders' meeting.
10. It is responsible for determining the company's vision, policies and operational direction. Business strategy, annual budget, and supervision for management to comply with the established policies. Efficiently and effectively to maximize economic value for shareholders and sustainable growth.
11. Responsible to shareholders regularly Operate by maintaining the interests of shareholders. Material information is disclosed to investors accurately and completely. Standardized and transparent.
12. Evaluate performance and determine the remuneration of directors. and senior management.
13. Supervise management to have a proper and effective risk management system.
14. To consider and judge on material matters such as policies and business plans, large investment projects, administrative powers, etc. Acquisition or disposition of property and other items required by law.
15. Establish the authority and level of approval for transactions and actions related to the Company's work to faculty or individuals as appropriate and comply with applicable legal regulations by providing a manual of authority and reviewing at least once a year.
16. Provide accounting system Reliable financial and audit reporting, as well as ensuring the process of assessing the suitability of internal controls.
17. To approve the proposed appointment of the auditor and to consider the annual audit fee for presenting to the shareholders in the approval of the appointment.
18. The Board of Directors' responsibility report to prepare the financial report, expressed in conjunction with the auditor's report in the annual report, and covers important matters in accordance with the Policy of Best Practices for Directors of listed companies of the Stock Exchange of Thailand.
19. Supervise the performance of various sub-committees in accordance with the established charter.
20. The Board of Directors must self-evaluate the performance and evaluate the overall performance.
21. Directors shall not conduct business in the same condition and compete with the Company's business, or become a partner in an ordinary partnership or be an unlimited liability partner in a limited partnership, or be a director of a private company or other company that operates in the same condition and is competitive with the Company's business, whether for the benefit of themselves or for the benefit of others, unless notified to the shareholders' meeting prior to the appointment.



## 7.3 Information about the Sub-Committee

### 7.3.1 Audit Committee

As of 31 December 2021, The Audit Committee consists of three directors. as follows

	Name-Surname		position
1.	Mr. Banlue	Chantadisai	Chairman of the Audit Committee
2.	Mr. Bunyong	Visatemongkolchai	Audit Committee
3.	Mr. Surapong	Rongsirikul	Audit Committee

**Note:** Mr. Banlue Chantadisai, an audit committee member with knowledge and experience in reviewing the reliability of financial statements. Which Mr. Banlue Chantadisai. Graduated with a Master's Degree in Business Administration, University of Chicago Business School, USA, and is a qualified person and experienced to benefit the Company with Ms. Supreeya Sintuphan Acting as Secretary of the Audit Committee, appointed by the Audit Committee Meeting No. 1/2021 on February 25, 2021.

#### Authority, Duties and Responsibilities of the Audit Committee

1. Review financial reports to ensure accurate and reliable, including adequate disclosure. By coordinating with external auditors and executives responsible for preparing both quarterly and annual financial reports.
2. Review the Company's internal control system and internal audit to be appropriate and effective and consider the independence of the internal audit agency, as well as approve the appointment, migration, termination of the head of the internal audit agency or any other agency responsible for internal audits, and may suggest that any items deemed necessary and important, and bring feedback on the revision of the internal control system that is important and necessary to propose to the Board of Directors by reviewing with external auditors and internal audit managers.
3. Review compliance with securities and exchange laws or set requirements, policies, rules, regulations and other laws relating to the Company's business.
4. To consider, select and propose the appointment of independent persons to act as auditors, including to propose the remuneration of the Company's auditors to the Board of Directors, as well as attend meetings with auditors without management attending the meeting at least once a year.
5. Review the Company's Internal Audit Plan According to generally accepted methods and standards.
6. Consider connected transactions or transactions that may have conflicts of interest in accordance with the laws and requirements of the SET. As well as the disclosure of the Company's information in such matters to be accurate and complete. This is to ensure that such transactions are reasonable and in the best interests of the Company.
7. Review the Company's appropriate and effective risk management system.
8. Report the performance of the Audit Committee to the Board of Directors at least 4 times a year.
9. Prepare the audit committee's report as disclosed in the Company's annual report. The report must be signed by the Chairman of the Audit Committee and must contain at least the following information:
  - (a) Opinion on the accuracy, completeness and reliability of the Company's financial reports
  - (b) Opinion on the adequacy of the Company's internal control system
  - (c) Opinion on compliance with securities and exchange laws Set of Rights Regulations or laws relating to the Company's business
  - (d) Opinion on the suitability of the auditor
  - (e) Comments on connected transactions or transactions that may have conflicts of interest
  - (f) Number of audit committee meetings and attendance of each audit committee member
  - (g) Overall opinions or observations received by the Audit Committee for the performance of charter duties
  - (h) Other items that shareholders and investors should be aware of Under the scope of duties and responsibilities assigned by the Board of Directors.

10. To comment on the appointment, removal, evaluation of the work of officials of the Internal Audit Agency.
11. In performing the duties of the scope of duties, the Audit Committee shall have the power to invite management section or employees of the relevant companies to comment. Attend or submit documents deemed relevant or necessary.
12. To have the power to hire consultants or third parties in accordance with the Company's regulations to provide opinions or consultations where necessary.
13. The Audit Committee must evaluate the performance by self-assessment and report the results of the assessment along with operational obstacles that may cause the performance to fail to meet the objectives of establishing the Audit Committee to the Board of Directors every year.
14. To consider, review and update the Charter of the Audit Committee
15. Perform other tasks as assigned by the Board of Directors within the scope of duties and responsibilities of the Audit Committee.

### 7.3.2 Executive Committee

As of December 31, 2021, the Executive Committee consists of five directors are as follows:

	Name-Surname		position
1.	Mr. Chawalit	Tiyadechachai	Chairman of the Executive Committee
2.	Mr. Nat	Vongsasuttikul	Executive Director
3.	Ms. Supreeya	Sintuphan	Executive Director
4.	Ms. Uthairat	Chatuphatthararat	Executive Director
5.	Mr. Worapol	Phimukphakdee	Executive Director

### Authority, Duties and Responsibilities of the Executive Committee

1. The Executive Directors must be appointed by the Board of Directors, consisting of directors who are executives and employees at the executive level, combining at least 5 persons together as executive committee members.
2. Supervise the management of the Company. In accordance with the policies set out by the Board of Directors and report the performance to the Board of Directors. In order to conduct a meeting of the Executive Committee, the Board of Directors must attend the meeting of not less than half of the entire Executive Committee. The executive committee's vote must be voted on by a majority of the meeting.
3. To consider the appropriate determination of individual authority and approval level and to arrange the separation of duties that may facilitate fraud, including establishing procedures and procedures for transactions with major shareholders, directors, etc. executives or persons appropriately associated with such persons; To prevent the transfer of benefits and present them to the Board of Directors for approval of the principles, as well as to regulate compliance with approved principles and requirements.
4. Consider the annual budget and budget spending procedures to present to the Board of Directors and oversee the spending according to the budget approved by the Board of Directors.
5. To consider and optimize the Company's business plan for the benefit of the Company.
6. To consider and approve investments and set investment budgets according to the authority manual.
7. Consider entering into contracts that are binding on the Company in accordance with the authority manual.

8. Responsible for having sufficiently important information of the Company to make decisions of the Board of Directors, shareholders, as well as to prepare reliable financial reports in accordance with good and transparent standards.
9. To consider the company's profits and losses and propose to pay annual dividends to the Board of Directors.
10. To consider the new business operation or dissolution of the business to be presented to the Board of Directors.
11. Supervise procedures for workers to report incidents or unusual or illegal acts. to the Executive Committee in a timely manner and in the event of such an event having a significant impact. Must report to the Board of Directors for revision within a reasonable period of time.
12. Take any action to support the above actions or in the opinion of the Board of Directors or as authorized by the Board of Directors.
13. The submission to the Board of Directors' meeting on any matters which have been voted on and/or approved by the Board of Directors' meeting shall be reported to the Board of Directors at the next Board of Directors meeting.
14. The Executive Director does not approve items that they may have conflicts of interest in. Have interests or may have any other conflicts of interest with the Company and/or its subsidiaries (if any).

### 7.3.3 Risk Management Committee

As of December 31, 2021, the Risk Management Committee consists of three directors are as follows:

Name-Surname			position
1.	Mr. Chawalit	Tiyadechachai	Chairman of the Risk Management Committee
2.	Mr. Nat	Vongsasuttikul	Risk Management Committee
3.	Ms. Supreeya	Sintuphan	Risk Management Committee

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

1. Set risk management policies to cover the entire organization. Determine the company's acceptable risk level (Risk Appetite) and supervise compliance with risk management policies in order to have effective risk management. However, this is Risk assessments must cover at least the following topics:
  - (a) Financial Risk
  - (b) Operational Risk
  - (c) Strategic Risk
  - (d) Compliance Risk
2. Formulate risk management strategies by considering the company's objectives, vision, mission, policy, core goals and business strategy.
3. Establish the company's risk identification process. By analyzing the causes of risks, the likelihood and the degree of risk that affects the Company's operations.
4. Establish risk management practices and hedging measures proposed by the relevant departments to ensure that they cover all types of identified risks and are effective in controlling or reducing such risks in accordance with risk management policies and acceptable risk levels.
5. Supervise the relevant departments to monitor risk management operations in accordance with the guidelines or measures set out on a regular basis to improve or correct them in time if the risks change or are likely to be severe.



6. Supervise the person assigned to collect the risk management follow-up results and report the follow-up results to the Risk Management Committee to consider, acknowledge and suggest improvements. Change risk management practices or risk control measures and present them to the Board of Directors for further consideration.
7. Coordinate with the Audit Committee on major risk issues and have an internal audit department to ensure that the Company has an internal control system appropriate for risk management, as well as that the risk management system is properly implemented and followed by the entire organization.
8. Provide advice, consultation and recommendations to agencies and personnel or working groups involved in risk management as well as consider appropriate approaches to the development of risk management systems.
9. To consider and establish the structure and appoint a risk management working group as appropriate and define roles and responsibilities for the sake of carrying out objectives, as well as to evaluate and monitor risk management.
10. Review the appropriateness and adequateness of the Company's policies, strategies, preventive measures and risk management practices. To ensure that such policies, strategies, preventive measures and practices are in line with the Company's circumstances and business direction.
11. The Risk Management Committee may arrange for an external advisor to jointly consider and determine the guidelines and suggest risk management as necessary and appropriate.
12. Review the Charter of the Risk Management Committee and propose to the Board of Directors to consider amending the Charter of the Risk Management Committee in accordance with the circumstances.
13. Evaluate annual performance by conducting both faculty-by-faculty and individual assessments and annual performance reports to the Board of Directors.
14. Take any other action as assigned by the Board of Directors or in accordance with the policies set by the Board of Directors.

#### 7.3.4 Nomination and Remuneration Committee

As of December 31, 2021, the Nomination and Remuneration Committee consists of 3 directors as follows:

	Name-Surname		position
1.	Mr. Surapong	Rongsirikul	Chairman of the Nomination and Remuneration Committee
2.	Ms. Chalengkwan	Wongsasuthikul	Nomination and Remuneration Committee
3.	Ms. Uthairat	Chatuphatthararat	Nomination and Remuneration Committee

#### Authority, duties and responsibilities for recruitment

1. Determine how to recruit the right person to serve as a director to suit the nature and business practices of the organization. By defining the qualifications and expertise of each area that you want to have.
2. Nomination of Directors When it is time to nominate directors to the Board of Directors for consideration, nomination may be considered by the original directors to continue the position, or to accept nominations from shareholders, or to use third parties to help nominate or consider by individuals from the House of Directors, or to have each director nominate the appropriate person, etc.
3. Consider the list of nominated persons and select qualified individuals who meet the criteria set.
4. Verify that the person to be nominated is qualified by the laws and requirements of the relevant authorities.

5. To approach a qualified person to meet the criteria set out to ensure that the person is willing to take over as director of the Company. If appointed by shareholders.
6. Nominate the Board of Directors to consider and include the names in the letter of the shareholders' meeting for the shareholders' meeting to consider the appointment.
7. To consider the nomination of senior executives as assigned by the Board of Directors.

#### Authority, Duties and Responsibilities for Remuneration

1. Consider the remuneration criteria of directors and senior executives to be appropriate by reviewing the appropriateness of the criteria currently in use. Compared to remuneration data of other companies in the same industry as the Company. And set the criteria accordingly to ensure the expected performance, to be fair and to give back to the person who helped the company's work succeed.
2. Review all types of remuneration patterns, such as regular compensation. Performance-based remuneration and meeting allowances, taking into account the practices used by the same industry. Performance and size of the Company's business and responsibilities, knowledge the competence and experience of directors and senior executives required by the Company.
3. Consider the criteria for evaluating the performance of managing directors. Executive Director and Senior Executive As assigned by the Board of Directors.
4. Determination of annual remuneration of directors managing director The Executive Director and Senior Executive Officer, in accordance with the pay criteria, have been considered and presented to the Board of Directors for approval of the remuneration of the Managing Director. Executive Director and Senior Executive Officer Director's Equity the Board of Directors shall present it to the Shareholders' Meeting for approval.
5. Consider the appropriateness and approval. In the event of an offer of new securities to directors and employees based on the principle of fairness to shareholders and incentivizing directors and employees to perform their duties to create value-added value for shareholders in the long run and to retain truly qualified personnel.

## 7.4 Executive Information

As of December 31, 2021, the Company's executives there are 6 persons as follows:

	Name-Surname		position
1.	Mr. Chawalit	Tiyadechachai	Chief Executive Officer
2.	Mr. Nat	Vongsasuttikul	Managing Director and Assistant Managing Director of Factory Line
3.	Ms. Supreeya	Sintuphan	Assistant Managing Director of Accounting and Financial Line
4.	Ms. Uthairat	Chatuphatthararat	Assistant Managing Director of General Management Line
5.	Mr. Worapol	Phimukphakdee	Assistant Managing Director of Business Support Line
6.	Ms. Kittiya	Pliksang	Accounting Manager

#### Authority, Duties and Responsibilities of the Chief Executive Officer

1. Set direction and formulate the company's strategic policies.
2. Plan and develop processes in accordance with the Company's policies and strategies.
3. View and manage the business operations and/or daily management of the Company in accordance with the policy. Regulations, business plans and budgets set by the Board of Directors and/or as assigned by the Executive Committee

4. Manage the Company's operations in accordance with the Company's vision, mission and goals in accordance with the Company's business plan and budget and related business strategy as defined by the Board of Directors and/or the Executive Committee.
5. Supervise financial operations in order to comply with the Company's business plan, budget and related business strategies as defined by the Board of Directors and/or the Board of Directors.
6. Monitor and evaluate the Company's performance regularly. To cope with potential risks both from external and internal factors.
7. It has the power to approve the operation of various aspects of transactions in terms of trading goods, services, sourcing of raw materials. marketing Personnel management, procurement and general administration for normal transactions of the Company Such approval must be subject to the conditions and restrictions as defined in the Approval and Implementation Authority Regulations approved by the Board of Directors.
8. Have the authority to define and modify the management structure. The Company's management is in line with the Company's policy of conduct and the competitiveness of the industry.
9. Have the authority to hire, appoint, migrate, dismiss. Termination and determination of compensation for employees at a lower level than the Chief Executive Officer, to the extent that it complies with the Company's regulations.
10. have the authority to issue amendments, amendments, improvements, regulations and directives regarding the company's operations. In order for the operation to comply with the Company's policies, as well as to preserve the interests of the Company and to maintain the discipline of work within the organization.
11. Authorize and/or assign others to perform tasks and/or take action on any basis instead. To the extent that it complies with the criteria of approval authority or the regulations or directives set forth by the Board of Directors and/or the Board of Directors.
12. have the authority to approve various operating expenses and/or other expenses which are the company's normal expenses in the approved limits, as well as the pension to be considered. Negotiate and approve the legalization of contracts and/or any actions relating to the Company's operations in accordance with the authority and/or credit limits approved by the Board of Directors and/or the Board of Directors.
13. Take any action as assigned by the Executive Committee and/or the Directors.

In addition, the Board of Directors' Meeting No. 3/2021 on February 25, 2021 resolved to determine the authority, duties and responsibilities of the Managing Director. Details are as follows:

#### Authority, Duties and Responsibilities of the Managing Director

1. Control business operations Plan strategies for the company's daily operations and management.
2. Judging on important matters of the Company Define tasks, objectives. method The Company's policies include management control over various fields.
3. Be a commanding authority. Contact, order, and sign the legal contract. Any instructional documents, notices as specified in the operation manual.
4. Hhave the authority to hire, appoint, migrate individuals as they see fit, as well as determine the appropriate scope of authority, duties and returns, and have the power to dismiss them as appropriate for employees of various levels as specified in the operation manual.

5. Have the authority to set trade conditions for the benefit of the Company.
6. To consider investing in new business or dissolution of business to present to Executive directors and /or directors.
7. Approve and appoint consultants necessary for operations.
8. Take any action as assigned by the Executive Committee and/or the Directors.
9. The Managing Director cannot approve the transaction that the person may have the other conflicts of interest with the Company.

## Executive Remuneration

### (1) Monetary compensation

In 2021, the Company paid monetary compensation to 5 executives (excluding Ms. Kittiya Pliksang, Accounting Manager). Details are as follows:

Executive Remuneration	Year 2021	
	amount (List)	Remuneration (Million Baht)
Salary, bonuses, contributions to provident funds and contributions to social security funds	5	75,811,572.60

### (2) Other compensation

The Board of Directors' Meeting No. 5/2021 on June 23, 2021 and the Extraordinary General Meeting of Shareholders No. 2/2021 on August 2, 2021 resolved to allocate new ordinary shares of the Company. Not exceeding 14,200,000 shares to be offered to directors The Company's executives and employees at the same time as the offering of newly issued ordinary shares to the general public (IPO) and offering shares at the same price as the initial public offering price (IPO).

However, this is the list of executives allocated shares detail are as follows:

List of Executive		position	Number of Shares Allocated
Ms. Supreeya	Sintuphan	Assistant Managing Director, Accounting and Finance	500,000
Ms. Uthairat	Chatuphatthararat	Assistant Managing Director, Executive Division	500,000
Mr. Worapol	Phimukphakdee	Assistant Managing Director, Support Division	500,000

## 7.5 Personnel

### 7.6.1 Total Number of Employees

December 31, 2021, the Company had a total of 753 employees (excluding 5 executives). and 5 people respectively Details are as follows:



Department of Work	As of 31 December 2021,	
	regular regular	daily
1. Accounting Department	9	[None]
2. Financial Department	6	[None]
3. Purchasing Department	4	[None]
4. Human Resources and Office Administrative Department	18	[None]
5. Marketing & Sales Department	24	[None]
6. Information Technology Department	4	[None]
7. Production Department	343	142
8. Engineering Department	154	[None]
9. Warehouse Department	18	5
10. Environment	19	7
<b>Total</b>	<b>753</b>	

## 7.6.2 Employee Compensation

### (1) Monetary compensation

In 2021, the Company paid monetary compensation to employees (excluding 5 executives). Details are as follows:

Department of Work	Employee Remuneration (Million Baht)
1. Accounting Department	4,206,912.00
2. Financial Department	1,509,180.00
3. Purchasing Department	1,376,850.00
4. Human Resources and Office Administrative Department	8,606,481.00
5. Marketing & Sales Department	15,381,108.67
6. Information Technology Department	2,667,558.00
7. Production Department	114,948,728.38
8. Engineering Department	43,973,194.52
9. Warehouse Department	6,313,530.67
10. Environment	6,034,725.17

### (2) Other Compensation

The Board of Directors' Meeting No. 5/2021 on June 23, 2021 and the Extraordinary General Meeting of Shareholders No. 2/2021 on August 2, 2021 resolved to allocate new ordinary shares of the Company. Not exceeding 14,200,000 shares to be offered to directors The Company's executives and employees at the same time as the offering of newly issued ordinary shares to the general public (IPO) and the offering of shares at the same price as the initial public offering price (IPO).

## 7.6.3 Provident Fund

The Company has joined the Sinsathaporn Provident Fund, registered with Bualuang Mutual Fund Management Company Limited, and became a fund management company on May 1, 2013. The objective is to raise employee morale and to incentivize employees to work with the Company for the long term, in accordance with the Provident Fund Act B.E. 2530 (including as amended).

As of December 31, 2021, the proportion of employees participating in provident funds can be summarized as follows:

Number of employees participating in provident fund (persons)	Proportion of employees participating in provident fund/ total number of employees (percentages)
288	37.99

#### 7.6.4 Human Resource Development Policy

The Company has been critical of the importance of training and personnel development. In order to strengthen the knowledge and competence of employees so that employees can work in order to keep pace with the changes and in accordance with the company's strategy. The following guidelines are as follows:

1. Employee training must be prepared as an annual training plan. In accordance with the Company's business plan.
2. Training and developing employees are a duty to do together as follows
  - The company has a goal. Committed to employee training and development It is assigned to human resources management and defines as a guideline for how many trainings each employee should receive per year.
  - Supervisors are responsible for giving subordinates the opportunity to undergo regular training and development. Based on the training plan,
  - Employees must be forced to develop and improve themselves according to the development plan in order to keep up with the changing missions.
3. Employee training and development consists of two parts: training on the job of duty and training on management and other organizational behaviors, with variations in circumstances and necessity.
4. Approval of training expenses requires a review of the budget received, and approval of the use of such budgets in accordance with the designation manual.

#### 7.7 Auditor's Remuneration

The Company paid the audit of the financial statements for the fiscal year 2021 to KPMG Phumchai Audit Company Limited has the following details:

Remuneration (Million Baht)	Year 2021
Auditor's Remuneration	1.35
Other compensation <sup>1</sup>	0.45
<b>combine</b>	<b>1.80</b>

**Note** <sup>1</sup> Other compensation is auditor's compensation for providing other financial services to the Company.

#### 7.8 Other Important Information

##### Company Secretary

The Board of Directors' Meeting No. 3/2021 on February 25, 2021 resolved to appoint Ms. Uthairat Chatuphattharat. As a Company Secretary in accordance with the requirements of Section 89/15 Of the Securities and Exchange Act 1992 (including amendments) With responsibility, caution and integrity, And must comply with the law, Objectives, Articles of Association of the Company, The resolutions of the Board of Directors' Meeting, as well as the resolutions of the Shareholders' Meeting and the Board of Directors meeting No. 3/2021 on February 25, 2021, resolved to define the roles, duties and responsibilities of the Secretary. Details are as follow:

1. Coordinate the schedule of the Board of Directors' meeting throughout the year and annual general meeting of shareholders and inform the Board of Directors in advance.

2. Prepare agenda items, supporting documents, sending to directors along with invitations to the Board of Directors' meetings.
3. Preparation of shareholders' meeting Agenda and Meeting Documents Deliver to the shareholder with the meeting invitation as well as ensure the meeting goes smoothly. And legally.
4. Attend meetings and prepare minutes of meetings of the Board of Directors and shareholder meetings by recording important information in the meeting, as well as useful questions and comments.
5. Monitor the resolutions of the Board of Directors' Meeting and the resolutions of the Shareholders' Meeting, as well as report to the Board of Directors on an ongoing basis.
6. Provide information or advice to the Board of Directors and executives in performing their duties in accordance with the law, including the requirements of the Securities and Exchange Commission and the requirements of the Stock Exchange of Thailand. As well as best practices of listed companies in corporate governance.
7. Prepare an annual information statement (56-1 One Report) with accurate and complete information in accordance with the requirements of the Securities and Exchange Commission of the Stock Exchange of Thailand. Ready to send to such agencies and shareholders (submit only the yearly report).
8. Prepare profile and directors registration to Keep accurate and up-to-date information.
9. Send a copy of the report on the interests of directors and executives or related persons to the Chairman of the Board of Directors and Chairman of the Audit Committee within 7 days from the date of receipt of the report.
10. Keep the following documents complete, systematic and convenience to verify.
  - Invitation letter to attended the meeting and minutes of the Board of Directors meeting and the shareholder's meeting with supporting documents
  - Annual Report
  - Directors Registration
  - Report on the interests of directors and executives or related persons

### Investor Relations

The Company established investor relations section and assigned Ms. Uthairat Chatuphatthararat to represents the Company in the disclosure of information, Including the company's business, by reporting to shareholders, investors, analysts and the general public through the Company's communication channels, including the Company's website, analyst meetings, roadshows, etc. In addition, the Company provides quarterly management discussion and analysis (MD&A) to be published on the Stock Exchange of Thailand website, including the Company's website. Based on transparency, accuracy and auditability, the Company is strong on any disclosures that affect the Company's business operations. In order to cause damage or disadvantage to the Company, but not including limited to performance information. Commercial information or any other information of the Company that has not been made public to be disclosed directly or indirectly.

Investors can link to the investor agency at tel. 02-398-7188 or [www.worldflex.net](http://www.worldflex.net) website or email [management@worldflex.net](mailto:management@worldflex.net).

### Accounting Supervisor

The Company has assigned Miss Kittiya Pliksang, accounting manager, to be directly responsible for overseeing the company's accounting, Refer to the details in Attachment 1.

### Internal Audit

The Company has appointed IVL Audit Co., Ltd. (IVL) as an internal audit service provider, and IVL has assigned Ms. Valdee Siboonruang and Ms. Nathanon Patthanaprasitchai as heads of internal audits, Refer to the details in Attachment 3.



## 8. Corporate Governance Performance Report

### 8.1 The Performance of the Board of Directors in 2021

The performance of the Board of Directors in 2021 can be summarized as follows:

In 2021, The Board of Directors has been focused on corporate governance and sustainable development. Which is the management approach to business operations. Establish good corporate governance policies and practices, including sustainable development, based on the eight principles of good corporate governance principles for listed companies in 2017 (CG Code) to create sustainable value for the business as well as to ensure that the practice is appropriate. Sufficient to adapt under changing factors, consistent with creating value for the whole customer business. The company will review the vision, strategy, goals and plans every year. One of the environmental factors of the business in each period includes setting short-term goals. In the medium and long term, it is committed to ensuring that the proper allocation of resources and control of operations is carried out. From strengthen board effectiveness, the selection of suitable persons with independent directors as chairman of the process of finding and selecting directors and nominating and developing senior executives and personnel management.

#### 8.1.1 Nomination, Development and Evaluation of the Duties of the Board of Directors

Information relating to the nomination, development and evaluation of the board's duties is as shown in Section 6.1.1, "Policies and Practices relating to the Board of Directors".

#### Succession and Executive Development Plan

The successor will be developed in accordance with the Company's normal development strategy and a plan to develop the successor in the performance that the successor lacks. To optimize the succession planning process. Therefore, the human resource management process is supported as follows:

- **Portfolio Management**  
Evaluation of the performance of the successor is conducted regularly and separately from the annual performance evaluation.
- **Training**  
Training in accordance with the theoretical and practical potential development plan.
- **Recruitment and Selection**  
If the position is vacated at any party, there will be nominations or select a group of successors to make the most of the succession planning system and evaluate past performance and select the right successor for the position for key positions that cannot be found in a timely manner. The Company may need to recruit new person to be able to continuously support the Company's mission and strategy and have the highest performance.
- **Creating a Mentoring System**  
Human Resources Management has a policy of creating a mentor system to provide a process to support successors with the opportunity to learn experiences from mentors. To confidently prepare the successor to the main position of the organization.



## 8.1.2 Attendance and Remuneration of Individual Committees

### 8.1.2.1 Board meeting

Chairman of the Board of Directors assigned to the Company Secretary to prepare a schedule for the annual board meeting in advance and inform each director of the schedule so that the directors can allocate the attendance time.

#### **Agenda Considerations**

Chairman of the Board of Directors, Chief Executive Officer the Managing Director and the Assistant Managing Director will jointly consider the selection of matters to the board's agenda and each director is free to propose the meeting, which will be included in other agenda items.

#### **Meeting Documents**

The Company Secretary will send a meeting invitation with agenda items and supporting documents to the Directors at least 5 days in advance of the meeting date.

#### **Conducting a Meeting**

- It takes no less than 1 hour, which is enough for the management to make a proposal and the directors to discuss important issues thoroughly. The chairman of the board encourages careful discretion and all directors pay attention to every issue brought up in the meeting. including issues of corporate governance
- Executives attended the board meeting to provide additional information on issues directly related to the problem. such as the marketing situation procurement of raw materials and production, etc.

#### **Quorum Counting**

The Board of Directors' meeting must be attended by at least half of the total number of directors in order to be considered full of the quorum. The Chairman of the Board of Directors presided over the meeting.

#### **Information Access**

The Board of Directors can request additional necessary information from the Managing Director or company secretary or other designated executives.

### 8.1.2.2 Attendance

#### Board of Directors Meeting

In 2021, Directors attended the Board of Directors' meetings and shareholders' meetings as follows:

Name-Surname	position	Number of times attending the meeting in 2021.		
		Board of Directors	General Meeting shareholder	Extraordinary General Meeting of Shareholders
1. Mr. Bunyong Visatemongkolchai	Chairman of the Board of Director / Independent Director / Audit Committee	7/9	1/1	1/2
2. Mr. Banlue Chantadisai	Director / Independent Director / Chairman of the Audit Committee	7/9	1/1	1/2
3. Mr. Surapong Rongsirikul	Director / Independent Director / Audit Committee	7/9	1/1	1/2
4. Mr. Chawalit Tiyadechachai	Chief Executive officer / Director	9/9	1/1	2/2
5. Mr. Nat Vongsasuttikul	Managing Director / Director	9/9	1/1	2/2
6. Ms. Chalongsak Wongsasuthikul	Director	9/9	1/1	2/2
7. Mr. Kowit Wongsasuthikul	Director	9/9	1/1	2/2
8. Mr. Prakrit Waraprateep	Director	9/9	1/1	2/2

**Note:**

1. Mr. Bunyong Visatemongkolchai, Mr. Banlue Chantadisai and, and Mr. Surapong Rongsirikul were appointed as directors by resolutions of the Board of Directors' Meeting No. 2/2021 on January 21, 2021 and the Extraordinary General Meeting of Shareholders No. 1/2021 on January 29, 2021.
2. Mr. Chawalit Tiyadechachai, Mr. Kowit Wongsasuthikul and Mr. Prakrit Waraprateep were appointed as directors by resolution of the Board of Directors' Meeting No. 3/2020 on June 30, 2020.

### Audit Committee Meeting

Attendance of the Audit Committee for 2021 details as follows:

Name-Surname	position	Number of times attending the meeting in 2021.
1. Mr. Banlue Chantadisai	Chairman of the Audit Committee	4/4
2. Mr. Bunyong Visatemongkolchai	Audit Committee	4/4
3. Mr. Surapong Rongsirikul	Audit Committee	4/4

**Note** The Audit Committee was appointed by the Board of Directors' Meeting No. 2/2021 on January 21, 2021. And the Extraordinary General Meeting of Shareholders No. 1/2021 on January 29, 2021

### Executive Committee Meeting

Attendance of the Executive Committee for 2021 details as follows:

Name-Surname	position	Number of times attending the meeting in 2021.
1. Mr. Chawalit Tiyadechachai	Chairman of the Executive Committee	5/5
2. Mr. Nat Vongsasuttikul	Executive Director	5/5
3. Ms. Supreeya Sintuphan	Executive Director	5/5
4. Ms. Uthairat Chatuphattharat	Executive Director	5/5
5. Mr. Worapol Phimukphakdee	Executive Director	5/5

**Note** The Board of Directors was appointed by resolutions of the Board of Directors' Meeting No. 4/2020 on July 13, 2020.

### Risk Management Committee Meeting

Attendance of the Risk Management Committee for 2021 details as follows:

Name-Surname	position	Number of times attending the meeting in 2021.
1. Mr. Chawalit Tiyadechachai	Chairman of the Risk Management Committee	3/3
2. Mr. Nat Vongsasuttikul	Risk Management Committee	3/3
3. Ms. Supreeya Sintuphan	Risk Management Committee	3/3

**Note** The Risk Management Committee was appointed by resolutions of the Board of Directors' Meeting No. 3/2021 on February 25, 2021.

### Nomination and Remuneration Committee Meeting

Attendance of the Nomination and Remuneration Committee for 2021 Details as follows:

Name-Surname	position	Number of times attending the meeting in 2021.
1. Mr. Surapong Rongsirikul	Chairman of the Nomination and Remuneration Committee	1/1
2. Ms. Chalengkwan Wongsasuthikul	Nomination and Remuneration Committee	1/1
3. Ms. Uthairat Chatuphatthararat	Nomination and Remuneration Committee	1/1

**Note** The Nomination and Remuneration Committee was appointed by resolutions of the Board of Directors' Meeting No. 3/2021 on February 25, 2021.

#### 8.1.2.3 Individual Board of Directors Remuneration

The Company has clearly and transparently defined the remuneration of directors and executives in accordance with the roles and responsibilities of supervising the company's work and passed the appropriate considerations with the best interests of the Company and shareholders.

#### Monetary compensation

The Board of Directors' Meeting No. 3/2021 on February 25, 2021 and the 2021 Annual General Meeting of Shareholders resolved to determine the remuneration of the Nomination and Remuneration Committee. and remuneration of the Risk Management Committee Details are as follows:

Director Position	Remuneration of Directors (Baht)	
	Monthly remuneration	Meeting allowances per time
Chairman of the Board of Director	10,000	15,000
Director <sup>1</sup>	10,000	10,000
Chairman of the Audit Committee	-	15,000
Audit Committee	-	10,000
Chairman of the Executive Committee	-	12,000
Executive Director	-	10,000
Chairman of the Risk Management Committee	-	12,000
Risk Management Committee	-	10,000
Chairman of the Nomination and Remuneration Committee	-	12,000
Nomination and Remuneration Committee <sup>1</sup>	-	10,000

**Note** Executive Directors positions will receive monthly compensation and meeting allowances, but not for the position of sub-directors.



In 2021, the Company paid monetary compensation to the directors as follows:

List of Directors		Remuneration of Directors in 2021 (Baht)				
		Director	Audit Committee	Executive Director	Risk Management Committee	Nomination Committee
1.	Mr. Bunyong Visatemongkolchai	215,000	40,000	-	-	-
2.	Mr. Banlue Chantadisai	180,000	60,000	-	-	-
3.	Mr. Surapong Rongsirikul	180,000	40,000	-	-	12,000
4.	Mr. Chawalit Tiyadechachai	180,000	-	-	-	-
5.	Mr. Nat Vongsasuttikul	180,000	-	-	-	-
6.	Ms. Chalengkwan Wongsasuthikul	170,000	-	-	-	10,000
7.	Mr. Kowit Wongsasuthikul	180,000	-	-	-	-
8.	Mr. Prakrit Waraprateep	170,000	-	-	-	-
<b>combine</b>		<b>1,455,000</b>	<b>140,000</b>	<b>-</b>	<b>-</b>	<b>22,000</b>

**Note**

1. The Executive Committee and the Risk Management Committee are as a executive of the Company, and will not paid for those position.

### Other Compensation

The Board of Directors' Meeting No. 5/2021 on June 23, 2021 and the Extraordinary General Meeting of Shareholders No. 2/2021 on August 2, 2021 resolved to allocate new ordinary shares of the Company. Not exceeding 14,200,000 shares to be offered to directors The Company's executives and employees at the same time as the offering of newly issued ordinary shares to the general public (IPO) and offering shares at the same price as the initial public offering price (IPO).

However, this is the list of directors who have been allocated shares is as follows:

List of Directors	Position	Number of Shares Allocated
Mr. Bunyong Visatemongkolchai	Chairman of the Board of Directors / Independent Director / Audit Committee	-
Mr. Banlue Chantadisai	Director / Independent Director / Chairman of the Audit Committee	200,000
Mr. Surapong Rongsirikul	Director / Independent Director / Audit Committee	-
Mr. Chawalit Tiyadechachai	Chief Executive Officer / Director	2,000,000
Mr. Nat Vongsasuttikul	Managing Director / Director	1,500,000
Ms. Chalengkwan Wongsasuthikul	Director	4,000,000
Mr. Kowit Wongsasuthikul	Director	50,000
Mr. Prakrit Waraprateep	Director	500,000

### 8.1.3 Supervision of Subsidiaries and Associates

The Company has an investment policy in subsidiaries and associates that operate in accordance with the goals. The Company's vision and growth strategy to strengthen stability or promote the company's business. The Company may consider investing in other businesses further if it is a business with growth potential or can further its business or benefit the Group's business or generate a good return on investment. The Company will analyze and consider the feasibility of investing. Proportion of Investment, expected returns, Potential risks Including the Company's financial position before deciding to invest in projects Significant investment approvals must be considered by the Board of Directors' meeting and/ or the Shareholders Meeting in accordance with the specified scope of approval authority. And in accordance with the

relevant rules and guidelines of the Capital Market Supervisory Board, Securities and Exchange Commission and the Stock Exchange of Thailand this includes criteria regarding the acquisition or disposition of property, connected transactions and disclosure of information.

To supervise the operations of subsidiaries and associates. The Company will send representatives of the Company who are qualified and competent to be suitable for the business in which the Company invests in the directors, administrator or controlling authority in such subsidiaries and associates; to reflect the company's shareholding, to act and supervise the subsidiary and/or associated company to operate business in accordance with the law, Policies & Plans Company's Business As well as ensuring that individuals who have any interest in any matter or have conflicts of interest with subsidiaries and associates, whether directly or indirectly, are not involved in any matter. Participate in approving that. however, the consideration of the selection of persons who will be directors or executives in each company shall be at the discretion of the Board of Directors' meeting or the delegation of authority approved by the Board of Directors' meeting.

However, this is any transaction or operation of the Subsidiary, which is significant or affecting the Company's financial position and performance, or is deemed or the acquisition or disposition of assets as announced. Acquisition or disposition of assets or connected transactions in accordance with the announcement of related connected transactions, which will result in the Company being obliged to seek approval at the Board of Directors' meeting and/or seek approval from the Shareholders' Meeting of the Company and/or seek approval from the relevant authorities in accordance with the law prior to the transaction. The subsidiary will enter into the transaction. This can only be done once approved by the Board of Directors' meeting and/or the shareholders meeting of the Company and/or related entities (case by case/if any).

In addition, the Company will establish the necessary measures and procedures to ensure that its subsidiaries disclose information about their performance and financial position accurately. The Company will take the necessary actions to monitor the full and accurate disclosure of such information.

#### **8.1.4 Monitoring Compliance with Corporate Governance Policies and Practices**

The Company recognizes the importance of good corporate governance as it is important to promote the company's operations to be efficient and sustainable growth, which will lead to the best interests of all stakeholders, from employees, investors, shareholders and other stakeholders. In 2017, which was prepared by the Securities and Exchange Commission to guide the corporate governance of the Company.

In 2021, the Company's Board of Directors has followed up to comply with good corporate governance policies. The follow-up results are as follows:

##### **Principle 1: Roles and Responsibilities of the Board of Directors**

- 1.1 The board will understand the role and realize the responsibility as a leader to supervise the organization to have good management. which covers (1) setting objectives and goals, (2) formulating strategies, operational policies, as well as allocating critical resources to achieve objectives and goals, (3) monitoring, evaluating and overseeing performance reporting.
- 1.2 The Board of Directors will supervise the Company to lead to at least the governance outcome. as follows: (1) Be competitive and have good performance with long-term impact in mind, (2) Conduct business ethically. Respect rights and responsibilities to shareholders and stakeholders (3) benefit society and develop or reduce negative environmental impacts (4) can adapt under changing factors.

- 1.3 The Board of Directors will ensure that all directors and executives perform their duties with careful responsibility. (Duty of Care) and honesty to the organization (Duty of Loyalty) and ensure that the operation is in accordance with the law. Regulations and resolutions of the Shareholders' Meeting, as well as policies or guidelines that have been set out, as well as a significant operational approval process.
- 1.4 The Board of Directors will understand the scope of duties and responsibilities of the Board of Directors and clearly define the scope of assignments, duties and responsibilities to the Chief Executive Officer and Management. As well as monitoring the Chief Executive Officer and Management to perform their duties as assigned.

#### Principle 2: Define the Company's Main Objectives and Goals for Sustainability.

- 2.1 The Board of Directors shall determine or ensure that the company's primary objectives and goals (Objectives) are sustainable. It is an objective and goal that is consistent with creating value for the whole company. Customers, Stakeholders and Society.
- 2.2 The board will oversee The Company's objectives and goals, as well as strategies in the medium and/or annual periods of the Company, are in line with achieving the Company's main objectives and goals. The technology is used appropriately and safely.

#### Principle 3: Strengthen an Effective Committee

- 3.1 The Board of Directors is responsible for determining and reviewing the board structure. In terms of composition size. The appropriate proportion of independent directors and necessary to lead the organization towards the intended objectives and goals.
- 3.2 The Board of Directors will select the appropriate person as chairman, and ensure that the composition and operation of the Board of Directors facilitate the exercise of discretion in making independent decisions.
- 3.3 The Committee formed a nomination committee and held a meeting to consider the criteria and procedures for recruiting individuals in order to obtain qualified directors who would provide the Board with the appropriate knowledge and expertise elements. As well as reviewing the criteria and procedures for nominating directors.
- 3.4 In offering the board of directors' remuneration to shareholders for approval. The Board of Directors will consider the structure and remuneration rates to be appropriate for responsibility and incentivize the Board of Directors to lead the organization to pursue both short- and long-term goals.
- 3.5 The Board of Directors has a duty to ensure that all directors are responsible for performing their duties and allocate sufficient time.
- 3.6 The Board of Directors is responsible for overseeing the framework and mechanism for overseeing the policies and operations of subsidiaries (if any) and other entities in which the Company invests significantly. At the appropriate level for each business, including its subsidiaries and other businesses invested in, the Company has a proper understanding.
- 3.7 The Board of Directors will conduct an annual evaluation of the board's duties. The assessment will be used for the further development of duties.
- 3.8 The Board of Directors will oversee each board and directors' knowledge of their roles, duties, business characteristics and laws related to business operations, as well as encourage all directors to receive skills and knowledge for the performance of director duties on a regular basis.



- 3.9 The Board of Directors will ensure that the board's operations are in order, have access to the necessary information, and have a company secretary with the necessary knowledge and experience and appropriate to support the board's operations.

#### Principle 4: Recruitment and Development of Senior Executives and Personnel Management

- 4.1 The Board of Directors will ensure that the nomination and development of chief executive officers and senior executives has the knowledge, skills, experience and attributes necessary to drive the organization towards its goals.
- 4.2 The Board, with the recommendations of the Nomination and Remuneration Committee, will oversee the proper remuneration and evaluation structure.
- 4.3 The Board of Directors will understand the structure and relationships of shareholders that may affect the management and operations of the Company.
- 4.4 The Board of Directors will monitor the management and development of personnel to have the right knowledge, skills, experience and motivation.

#### Principle 5: Promoting Innovation and Responsible Business Operations

- 5.1 The Board of Directors values and supports the creation of innovations that contribute value to the business while creating benefits for customers or related parties. And be responsible for society and the environment.
- 5.2 The Board of Directors will monitor the management of business responsibly for society and the environment and reflect it in the Operational Plan to ensure that all parties of the organization are aligned with their objectives. The Company's main goals and strategies.
- 5.3 The Board of Directors will monitor management to allocate and manage resources efficiently and efficiently. Taking into account the impact and development of resources along the Value Chain line to achieve the main objectives and goals sustainably.
- 5.4 The Board of Directors shall provide a framework for corporate governance and management of information technology in accordance with the company's requirements. As well as ensuring the adoption of information technology to increase business opportunities and improve operations. Risk Management so that the Company can achieve its main objectives and goals.

#### Principle 6: Ensure Appropriate Risk Management and Internal Control

- 6.1 The Board recognizes the importance of risk management in the management system and its operations with the aim of making risk management a culture of all workers. In addition to helping the organization achieve its core objectives and goals, it also encourages the Company to have a concrete value-added operation for the organization. The Board of Directors will ensure that the Company has a risk management system and internal controls that will achieve its objectives effectively and to comply with applicable laws and standards.
- 6.2 The Board will establish an audit committee that can perform its duties effectively and independently.
- 6.3 The Board of Directors will monitor and manage potential conflicts of interest between the Company and management. committee or shareholders, including preventing undue use of assets, information and opportunities of the Company and transactions with people who have undue relationships with the Company in an unreasonable manner.
- 6.4 The Committee will oversee the preparation of clear anti-corruption policies and practices and communicate at all levels of the organization and to outsiders in order to achieve practicality.

- 6.5 The Board of Directors will oversee the Company's mechanism for receiving complaints and taking action in case of clues.

#### Principle 7: Maintain Financial Credibility and Disclosure

- 7.1 The Board of Directors is responsible for ensuring that the system for preparing official reports and disclosure of important information is accurate, adequate, timely, in accordance with the relevant rules, standards and practices.
- 7.2 The Board will monitor the adequacy of financial liquidity and the ability to pay debts.
- 7.3 In the face of financial difficulties or likely problems, the Company has been struggling with financial difficulties. The Board of Directors will consider ensuring that the Company has a plan to resolve the issue or that there are other mechanisms in place to resolve the financial problems. However, this is Under the consideration of stakeholder rights.
- 7.4 The Board of Directors will consider preparing sustainability reports as appropriate.
- 7.5 The Board of Directors shall supervise the management to arrange for the agency or persons responsible for investor relations that are responsible for communicating with shareholders and other stakeholders such as investors, analysts, etc. to be appropriate, equitable and timely.
- 7.6 The Board of Directors will encourage the adoption of information technology to disseminate information.

#### Principle 8: Support engagement and communication with shareholders

- 8.1 The Board of Directors will ensure that shareholders are involved in making decisions on important matters of the Company.
- 8.2 The Board of Directors will ensure that the operation on the day of the shareholders' meeting is carried out. Transparent, efficient and allows shareholders to exercise their rights.
- 8.3 The Board of Directors will ensure that the disclosure of the resolutions of the meeting and the preparation of minutes of the shareholders' meeting shall be accurate and complete. The resolutions of the shareholders' meeting with the results of the vote within the next business day were disclosed through the news system of the Stock Exchange of Thailand and on the Company's website.

## 8.2 Summary of the Performance of the Audit Committee in the past year Reviewing Financial Reports

The Audit Committee reviewed and considered the Company's quarterly consolidated financial statements and consolidated financial statements for the year 2021 together with the Company's management and auditors. Material adjustment of the account statement affecting the financial statements. Scope of audit, adequacy of accounting methods Assessment of internal control and adequacy, accuracy and completeness of disclosure of information in the financial statements.

In addition, The Audit Committee has met with the auditor to determine the scope. The auditor's quarterly and annual audit guidelines and plans and inquire into the risks of irregularities that may occur or that the auditor may encounter during the audit, as well as to determine whether there is suspicious information indicating that there may be fraud. in conclusion the auditor made no observations and found no indication of any suspicious circumstances.



### Reviewing Interfaith Items

The Audit Committee has reviewed the disclosure of connected transactions and items that are likely to be conflicts of interest based on the principles of normal business reasonableness, transparency, adequate disclosure, as done with third parties, for which this information is properly reviewed and disclosed to the Stock Exchange of Thailand (SET) in a timely manner.

### Internal Audit Supervision

The Audit Committee reviews and reviews the internal control system in conjunction with the internal audit department and in conjunction with management and auditors on a quarterly basis. The Organization has an adequate internal control system that is suitable for business operations, which is consistent with the auditor's opinion that there are no material deficiencies that may affect the Company's financial statements.

### Consideration of the Appointment and Remuneration of Auditors

The Audit Committee has selected and considered the remuneration rate of the auditor from KPMG Bhumichai. Audit Limited based on the qualifications of the auditor, knowledge, competency, experience, past quality of work and independence in accordance with the requirements of the SET or other related entities, deemed to be a person who has a good understanding of the company's business by presenting it to the Board of Directors for approval to the annual general meeting of shareholders to consider the appointment of KPMG Bhumichai. Audit Limited and Approve audit fees for the year 2022.

### Consideration of the Charter of the Audit Committee, including the Internal Audit Authority

The Audit Committee considers annually reviewing the Charter of the Audit Committee.

## 8.3 Summary of the Performance of the Duties of the Sub-Committee in the past year.

### 8.3.1 Performance of the Risk Management Committee

The Risk Management Committee was established to help support the Board of Directors in formulating risk management policies throughout the organization. Based on the basic principles of Good Corporate Governance and the COSO Enterprise Risk Management Framework (COSO ERM), which includes identifying risks, offering hedging measures to help reduce the impact on the Company's business.

The Risk Management Committee consists of 3 directors as follows:

1. Mr. Chawalit Tiyadechachai, Chairman of the Risk Management Committee
2. Mr. Nat Vongsasuttikul, Risk Management Committee
3. Ms. Supreeya Sintuphan, Risk Management Committee

In 2021, the Risk Management Committee had two meetings, taking action on the following issues:

- Establish a risk management framework and review risk factors and impacts to implement a systematic and standardized risk management plan. Economic coverage finance as well as managing emerging risks from both internal and external factors, the company's steady growth priorities are highest.
- Comment on the issues and scope of risks of the organization, including operational risks, information technology system risks, fraud risks, corruption risks (in line with anti-corruption policies), risks from external factors such as currency fluctuations, financial risks, and competitor impact risks.

- Monitor and advise the department to analyze the impact of various factors, both external and internal factors, that may affect the work of the organization. To adjust the blackout to keep up with the changes. Reduce the impact of such risks.
- Report on the results of operations to the Board of Directors continuously The Risk Management Committee is confident that the Company has effective risk management in line with internal control systems and good corporate governance practices.

From the above-mentioned operations, The Risk Management Committee has determined that risk management has been conducted systematically, including close monitoring, which is part of the company's ability to achieve its objectives. The company's planned business operations, as well as being able to create added value for the Company to deliver to shareholders and stakeholders of the Company in a sustainable manner.

### 8.3.2 Performance of the Nomination and Remuneration Committee

Nomination and Remuneration Committee the Company has performed the duties as assigned by the Board of Directors to review the criteria for the nomination method and appoint persons deemed appropriate to be the directors of the Company, including offering for remuneration and other benefits for the Board of Directors, the Board of Directors or the Shareholders' Meeting, as well as to nominate and consider the remuneration and performance of the Chief Executive Officer. Managing Director and Assistant Managing Director

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

1. Mr. Surapong Rongsirikul, Chairman of the Nomination and Remuneration Committee  
(Independent Director)
2. Ms. Chalengkwan Wongsasuthikul, Nomination and Remuneration Committee
3. Ms. Uthairat Chatuphatthararat, Nomination and Remuneration Committee

In 2021 The Nomination and Remuneration Committee has held a total of 1 meeting and has reported the performance to the Board of Directors for consideration of matters and report the results of the meeting with comments to the Board of Directors. The Board of Directors considered by summarizing the criteria considered as follows:

- To consider, review and nominate legally qualified persons and the rules relating to the supervision of directors instead of positioning directors who must be issued in accordance with the agenda. By considering, selecting and nominating persons with qualifications, experience and knowledge that are useful and suitable for the business characteristics of the Company, proposed to the Board of Directors' meeting and the Annual General Meeting for further consideration. The directors with stakeholders will abstain from voting.
- To consider the remuneration of the Board of Directors, the Board of Directors, based on the responsibilities assigned to them. Performance, financial status of the Company and remuneration rates, comparable to industry benchmarks. The Company's Board of Directors and the Annual General Meeting of Shareholders for approval.
- Remuneration of Chief Executive Officer, Managing Director and Assistant Managing Director To consider as appropriate for the company's assigned obligations and performance in comparison with the Company's goals as well as economic reality compared to the company's remuneration rates in similar industries.
- Follow and ensure that the Company has a succession plan and continuity of proper management. For senior management positions and important positions. To prepare people to be able to support and comply with business expansion.
- Nomination and Remuneration Committee To carry out the duties assigned to them with careful, transparent, fair and honest opinions in accordance with the principles of good corporate governance for the best interests of shareholders, investors and all stakeholders.



### 8.3.3 Performance of the Executive Committee

The Board of Directors is appointed by the Board of Directors to oversee, manage and control the Company's operations in accordance with the policies and strategies of business operations as specified by the Board of Directors, including the practice of being a charter of the Executive Committee, business ethics and laws related to business operations.

In 2021, The Executive Committee has six meetings to perform the duties assigned to them. The Board of Directors will jointly consider important matters to present to the Board of Directors for approval as the case as below.

1. Report the Company's operating results quarterly.
2. Present goals Business strategy and annual plan to the Board of Directors, as well as responsible for managing the Company's business in accordance with the policy. Directions and goals.
3. Ensure that financial reports are prepared for auditors to audit or review and comment on such financial statements.
4. Consider transactions with connected parties and acquisitions or disposition of assets with careful caution. There is a reasonableness in terms of price and other relevant conditions, taking into account the interests of the Company and its shareholders. Executive directors with stakes will not be involved in the decision. Before presenting the Audit Committee and the Board of Directors respectively, as well as monitoring the operations of each department and the overall company.
5. To consider and approve the Company's annual budget, investments, including financial transactions and business-sensitive loans, before presenting to the Board of Directors for approval.
6. Supervise Encourage the Board of Directors Executives and Employees Have an understanding of anti-corruption policies and the Company's protocols.
7. Review the Charter of the Executive Committee to provide appropriate guidelines for the performance of duties that are appropriate and in accordance with the current situation.

The Executive Committee is committed to managing the business in order to achieve the Company's vision, mission, goals and business strategy. Under the principles of good corporate governance with transparency and accountability, along with conducting business with social and environmental responsibility. for the organization to grow stably and sustainably.



## 9. Internal Controls and Related Transactions

### 9.1 Internal Control

Board of Directors and Executives of the Company Give importance to the internal control system Because it is important to build confidence in the management. In order to prevent damage that will occur to the Company as a whole, the Company has set goals and action plans to guide the operations and the results can be measured. There is an organizational structure that will enable the management to operate efficiently and effectively in accordance with the rules and regulations and to focus on continual development.

In addition, the Company has assigned the Audit Committee to oversee the internal control system in accordance with the appropriateness of the internal control system. The auditor's work and auditors are continuing to conduct operations. Monitor the Company's operations so as not to cause conflicts of interest, as well as to make connected transactions to help prevent assets from leaking. To review the efficiency of controlling the company's internal operations. In various areas continuously.

#### 9.1.1 Opinion of the Board of Directors on Internal Control

The essence of the Company's internal control system that have been defined as follows:

1. Control Environment

The Company has established a good internal control environment. with a clear and appropriate organizational structure and line of work including setting business goals and Key Performance Indicators (KPI) to be used to assess performance in accordance with the Company's goals. Require that there is a manual in the operation of every system in writing to use as a guideline for the operation. Realize good corporate governance by establishing business ethics and Code of Conduct for Executive Directors and employees of the company including promoting anti-corruption and corruption There is an annual training to educate employees. In order to operate with transparency and fairness to all groups of stakeholders.

2. Risk Assessment

The Company has focused on managing potential risks to the business that may prevent it from achieving its intended objectives or goals. By the Company the Risk Management Committee is responsible for overseeing and monitoring the risk management process. Regularly assess the Company's risk through at least 4 risk management committee meetings and report risk assessments to the Company's directors to consider and acknowledge risks from inside and outside. (Key Risk Indicator: KRI) to be used as an early warning tool. For all major corporate and agency-level risks, which cover strategic risks. Operations, finances Compliance and Security Reputation, other aspects and emerging risks, which are regularly reported to the Risk Management Committee. In addition, there is an annual review of risk factors that may affect the Company.

3. Control Activity

The Company has appropriate and adequate control measures. There is a clear separation of the responsibilities of each position and there are manuals/procedures to suit the company's structure and current operations, as well as regularly review the performance in accordance with the regulations, regulations, operating authority manuals and operational manuals to ensure that the operation has adequate, appropriate and effective internal control systems.



#### 4. Information & Communication

The Company has attached importance to information and communication systems. Promote and encourage continuous system development, tight security and standards to ensure accurate and up-to-date information. The Company has adopted modern and efficient information technology as well as data security to ensure the operation and use of important information in the management of information of executives or stakeholders sufficiently in a timely manner. In order to make business decisions, including the provision of intranet system as a communication channel within the Company to publish policies, regulations and operational manuals, as well as news in general, the Company also has an investor relations agency that coordinates with investors to obtain information about the Company's operations and investments. With fast and easily accessible channels such as the Company's website, e-mail, etc.

#### 5. Monitoring & Evaluation

The Company provides continuous monitoring and evaluation of internal control and performance processes. To ensure internal control of the Company. The Board of Directors has provided an internal control system that covers all aspects such as accounting and finance. Work tasks Compliance with laws/regulations by assigning the internal audit agency to be responsible for and evaluate the performance of the annual audit plan to ensure that what is detected from the inspection or review is properly revised in a timely manner.

#### 9.1.2 Internal Audit Supervisor

The Audit Committee Meeting No. 3/2021 on August 10, 2021 considered the qualifications, qualifications, as well as experiences of Ms. Valdee Siboonruang and Ms. Nathanon Patthanaprasitchai and appointed the company. IVL Audit Co., Ltd. (IVL) is an internal audit service provider with Ms. Valdee Siboonruang and Ms. Nathanon Patthanaprasitchai as internal audit supervisors.

The Audit Committee will review the Company. Have an internal control system and an internal audit to be appropriate and effective and consider the independence of the internal audit agency, as well as approve the appointment, migration, termination of the head of the internal audit agency or any other agency responsible for internal audits, and may suggest reviewing or reviewing any items deemed necessary and important, as well as implementing recommendations on the revision of the internal control system that are important and necessary to propose to the Board of Directors by reviewing it in conjunction with external auditors and internal audit managers.

### 9.2 Opinion of the Internal Auditor on the Internal Control System

The Company hired IVL Auditing Co., Ltd. to act as the Company's internal auditor. IVL Audit Co., Ltd. has assigned Ms. Valdee Siboonruang and Ms. Nathanon Pattanaprasitchai, Head of Internal Audit, to be the main responsible for the company's internal auditor duties, where Ms. Valdee Siboonruang and Ms. Nathanon Pattanaprasitchai are qualified and sufficient to perform their internal audit duties because they are knowledgeable and competent, ability and experience to work in internal audits and have been trained in relevant courses regularly.

The Company has been hiring IVL Auditing Co., Ltd. since 2020, with internal auditors reviewing and evaluating the internal control system continuously to date. In 2020, the Company IVL Audit Co., Ltd. has inspected the Company's internal control system, including continuous monitoring and evaluation of internal control systems until 2021, covering the following key work systems:

1. Enterprise internal control
2. Contract management and compliance with legal regulations
3. Revenue cycle
4. Production Management
5. Procurement Management
6. Warehouse management
7. Asset Management and Maintenance
8. Human Resource Management
9. Environmental Management and Safety
10. Accounting Management
11. Financial Management
12. General Control Information Technology System
13. Application Control

The Audit Committee Meeting No. 4/21, held on November 10, 2021, IVL Audit Company Limited, which is an internal auditor, presented the Internal Audit Report No. 4, 2021 to the Audit Committee. The Company has implemented and followed appropriately defined internal control policies and systems.

### 9.3 Inter-Transactions

The Company has transactions between each other and persons who may have various conflicts, including directors. Shareholders, executives and related companies referring to companies with individuals who may have conflicts of interest. Have relationships with directors Executives and shareholders of such companies, who can summarize the relationship characteristics as follows:

Person / Legal entities that may have conflicts	Relationship Nature
Thai Rubber Latex Group Public Company Limited ("TRUBB")	<ul style="list-style-type: none"> <li>The business produces and sells latex and latex by products.</li> <li>It is a listed company on the STOCK Exchange of Thailand.</li> <li>There is one director with the Company, including Ms. Chalengkwan Wongsasuttikul.</li> <li>To be the majority shareholder of the Company, which holds 66.35% of the paid-up capital of Baht 464.20 million.</li> </ul>
Thai Rubber Gloves Co., Ltd. ("TBG")	<ul style="list-style-type: none"> <li>Business producing and selling rubber gloves.</li> <li>There are one directors with the Company, including Ms.Chalengkwan Wongsasuttikul.</li> <li>The company's major shareholder is TRUBB, in which TRUBB holds 100.00% of the paid-up capital of TBG. Baht 200 million.</li> </ul>

### 9.3.1 Inter-transactions in which the Company enters into transactions with persons/juristic persons who may have conflicts

Intercompany transactions in which the Company enters into transactions with persons/juristic persons who may have conflicts for the fiscal year 2021 Details are as follows:

The Company has transactions between Thai Rubber Burlatex Group Public Company Limited ("TRUBB") as follows:

Description	Inter-transactions Value (Million Baht)	Necessity and reasonableness of description	Opinion of the Audit Committee
<b>Buy latex raw materials</b>			
Cost of sales	1,267.66	<p>The Company has purchased latex from TRUBB to be used as the main raw material for the production of elastic yarn, and the price of latex purchased from TRUBB is comparable to the market price. The company will conduct an inquiry into the price of latex and the amount of latex that can be sold from at least 3 latex suppliers to compare the price and amount of latex and choose to buy latex with latex supplier at reasonable price and quantity that supports the company's needs during that time in order to be in the best interests of the Company.</p> <p>However, the Company entered into a one-year latex trading agreement with TRUBB from January 1, 2021 to December 31, 2021, requiring TRUBB to supply the Company with a minimum amount of 18,000 tons of latex per year at the market price as of the date of the latex order, so that the Company can ensure the adequacy of the latex supply each year.</p>	<p>The transaction is a regular business item of the Company, in which the Company has a policy of purchasing latex by conducting inquiries into the price of latex and the amount of latex that can be sold from at least 3 latex suppliers to compare the price and quantity of latex, and to purchase latex with the supplier of latex at an appropriate price and quantity that supports the company's needs. Latex with TRUBB also ensures the adequacy of latex supply each year. so, making this transaction makes sense and is normal business practice as if making transactions with third parties.</p>

Description	Inter-transactions Value (Million Baht)	Necessity and reasonableness of description	Opinion of the Audit Committee
<b>Land Lease</b>  Administrative expenses	0.78	<p>The company rents land at Mae Khu Subdistrict, Pluak Daeng District, Rayong Province, total area of 41 Rai, 3 Ngan, 40.9 sq.wah, to be used as the location of the elastic yarn factory. The total land lease agreements were entered into by 2 issues, the first of which consisted of deeds no. 7570, 7667 and 7644, totaling 28 rai, 1 ngan, 18. At the rental rate of 84,500 baht per month and the second issue consists of deed no. 8236, area 13 rai 2. 22.9 sq.wah at the rental rate of 50,000 baht per month.</p> <p>First Star Consulting Co., Ltd. (the main assessor is Mr. Jaroonsak Fongthong), an independent property assessor approved by the SEC, assesses land rentals by comparing market comparison approaches with an estimated rental rate of 84,500.00 baht per month. The land rent of Contract 1 is based on the land rent according to the appraisal value and the land rental rate of contract 2 is a rent that is comparable to the market price assessed by an independent property assessor.</p> <p>However, on February 10, 2021, the Company signed a contract to purchase land with all such buildings from TRUBB to be used to house the Company's elastic yarn factory, and the Company completed the purchase of the land on June 24, 2021. Therefore, the land lease transaction with TRUBB ended on June 24, 2021 as well.</p>	<p>The transaction is for the benefit of the Company, which is the lease of land to be used as a location for an elastic yarn factory. Land rent can be referenced with the rental rate assessed by an independent property assessor so, The Audit Committee is of the opinion that such transactions are reasonable and does not cause the company to lose any benefits.</p>

Description	Inter-transactions Value (Million Baht)	Necessity and reasonableness of description	Opinion of the Audit Committee
<b>Purchase of Land</b> Property, Plant & Equipment	124.00	<p>In the beginning, company rented land at Mae Khu Sub-district, Pluak Daeng District, Rayong Province, totaling 41 Rai 3 Ngan 40.9 sq.wah from TRUBB to house the elastic yarn factory. Later, for business mobility, the Company entered into an agreement to purchase land with buildings from TRUBB on February 10, 2021 to house the elastic yarn factory in Pluak Daeng District. Rayong province consists of deeds no. 252 253 256 7644 7667 7570 and 8236, including land area of 59 rai, 1 ngan, 16 square wah at a total trading price of 124.00 million baht.</p> <p>First Star Consulting Co., Ltd. (the main assessor is Mr. Thawatchai Dittisawat), an independent asset assessor approved by the SEC, assessed the land by depreciated replacement cost approach of Baht 121.83 million. The price of land with buildings purchased by the Company from TRUBB is comparable to the appraisal price by an independent property assessor.</p>	<p>The transaction is for the benefit of the Company, which is the purchase of land to be used as the location of the elastic yarn factory. The price of land with buildings purchased by the Company from TRUBB is comparable to the appraisal price by an independent property assessor. so, The Audit Committee is of the opinion that such entry is reasonable and does not cause the company to lose any benefits.</p>
<b>Sell Products</b> Sales Revenue	0.62	<p>The Company has sold chemicals used as raw materials for the production of elastic yarn to TRUBB because the Company has ordered such chemicals from manufacturers and distributors in large quantities, giving the Company the power to negotiate prices.</p> <p>However, the Company has determined that from June 2021, the Company will no longer be making such transactions.</p>	<p>The transaction is the sale of chemicals used as raw materials for the production of elastic yarn to TRUBB, the majority shareholder. In addition, the Company has determined that there will be no more such items from June 2021 onwards.</p> <p>The Audit Committee is of the opinion that such entry is reasonable and does not cause the company to lose any benefits.</p>



The Company has transactions between Thai Rubber Glovers Co., Ltd. ("TBG"). Details are as follows:

Description of Item	Inter-transaction Value (Million Baht)	The necessity and reasonableness of description	Opinion of the Audit Committee
<b>Sell Products</b> Sales Revenue	0.48	The Company has sold chemicals used as raw materials for the production of elastic yarn to TBG because the Company has ordered such chemicals from manufacturers and distributors in large quantities, giving the Company the power to negotiate prices.  However, the Company has determined that from June 2021, the Company will no longer be making such transactions.	The transaction is the sale of chemicals used as raw materials for the production of elastic yarn to TBG, a subsidiary of TRUBB. In addition, the Company has determined that there will be no more such items from June 2021 onwards. The Audit Committee is of the opinion that such entry is reasonable and does not cause the company to lose any benefits.
<b>Purchase</b> Consumables  Other Current Liabilities	0.12  0.04	In 2021, the Company purchased medical gloves from TBG for employees to use to prevent harm during factory operations.	The transaction is a regular business support item of the Company, which is the purchase of goods for the prevention of harm to employees during factory operations. Therefore, this transaction is reasonable and does not cause the company to lose any benefits.

### 9.3.2 List of guarantees and mortgages of the Company and persons/juristic persons who may have conflicts.

The list of guarantees of the first financial institute as of December 31, 2021 is as follows:

Guarantor	Asset details guarantee	Detail Credit limit	Total loan amount (Million Baht)	Necessity and reasonableness of the item	Opinion of the Audit Committee
Thai Rubber Latex Group Public Company Limited ("TRUBB")	Title deeds of the Company in Sa Kaeo Province	<ul style="list-style-type: none"> <li>- Letter of Credit and/or Trust Receipt (L/C, T/R) and/or Packing Credit (P/C) and/or Export Bill Purchase (EBP)</li> <li>- promissory note</li> <li>- Letter of guarantee</li> <li>- Forward Contract</li> </ul>	<p>205.00</p> <p>4.00</p> <p>15 USD</p>	Such guarantees are credit guarantees to financial institutions that support credit limits for use in the company's business operations, which are subject to the conditions of financial institutions. Such guarantees are not subject to compensation. However, this is On February 18, in 2021, the Company has submitted a notice requesting the release of guarantees to this financial institution. To relieve TRUBB of guarantees. After the Company has listed on the Stock Exchange of Thailand, the Company will be listed on the Stock Exchange of Thailand. However, this is On December 24, 2021, the financial institutions completed the release of the guarantee to TRUBB.	Such transactions are useful transactions in the company's business operations as working capital and increase liquidity in the business, and the loan from such financial institutions has one guarantor, namely TRUBB, since it is necessary to comply with the conditions for obtaining credit line support from financial institutions. so Therefore, access to this transaction is reasonable and it is for the best benefit of the company.

The list of guarantees and mortgages of the second financial institute as of December 31, 2021 is as follows:

(1) The company's deeds in Sa Kaeo province guarantee credit limits to Thai Rubberbourtex Group Public Company Limited ("TRUBB").

Guarantor	Asset details guarantee	Detail Credit limit	Total loan amount (Million Baht)	Necessity and reasonableness of the item	Opinion of the Audit Committee
-	Title deeds of the Company in Sa Kaeo Province	- Overdraft - Short-term loans - Forward Contract	1,852.00  25.00 USD	Such guarantees are credit guarantees to financial institutions that support credit lines for use in the business operations of Thai Rubber Burlatex Group Public Company Limited ("TRUBB"), which is subject to the conditions of the financial institutions. Such guarantees are not subject to compensation. However, this is On July 24, 2020, TRUBB submitted a notice of guarantee relief to the Financial Institution. To relieve the company of guarantees after the Company has listed on the Stock Exchange of Thailand.  On February 18, 2022, the financial institutions successfully discharged the guarantee to WFX.	Such transactions are useful transactions in TRUBB's business operations as working capital and enhance liquidity in the business. However, such transactions are unreasonable transactions and create financial risks for the Company. The Audit Committee is of the opinion that the list of guarantees to the relevant companies must not happen again in the future.

(2) Thai Rubber Latex Group Public Company Limited (“TRUBB”) Guarantee credit limit to the Company.

guarantor	Asset details guarantee	Detail Credit limit	Total loan amount (Million Baht)	Necessity and reasonableness of the item	Opinion of the Audit Committee
Thai Rubber Latex Group Public Company Limited	<ul style="list-style-type: none"> <li>- Title deed of the Company with buildings in Rayong province of the Company</li> <li>- Company Machinery</li> </ul>	<ul style="list-style-type: none"> <li>- Overdraft</li> <li>- promissory note</li> <li>- Letter of Credit and/ or Trust Receipt (L/C, T/R) and</li> <li>- Packing Credit</li> <li>- Letter of guarantee</li> </ul>	<p>640.00</p> <p>2.00</p>	<p>Such guarantees are credit guarantees to financial institutions that support credit limits for use in the company's business operations, which are subject to the conditions of financial institutions. Such guarantees are not subject to compensation. However, this is On November 19, 2020, the Company submitted a notice requesting the release of guarantees to this financial institution. To relieve TRUBB of guarantees. After the Company has listed on the Stock Exchange of Thailand, the Company will be listed on the Stock Exchange of Thailand.</p> <p>However, this is On January 10, 2022, the financial institutions successfully removed the guarantee to TRUBB.</p>	<p>Such transactions are useful transactions in the company's business operations as working capital and increase liquidity in the business, and the loan from such financial institutions has one guarantor, namely TRUBB, since it is necessary to comply with the conditions for obtaining credit line support from financial institutions. so Therefore, access to this transaction is reasonable and it is for the best benefit of the company.</p>

## Section 3 Financial Report





KPMG Phoomchai Audit Ltd.  
50<sup>th</sup> Floor, Empire Tower  
1 South Sathorn Road, Yannawa  
Sathorn, Bangkok 10120, Thailand  
Tel +66 2677 2000  
Fax +66 2677 2222  
Website home.kpmg/th

บริษัท เคพีเอ็มจี ภูมิไชย สอบบัญชี จำกัด  
ชั้น 50 เอ็มไพร์ทาวเวอร์  
1 ถนนสาทรใต้ แขวงยานนาวา  
เขตสาทร กรุงเทพฯ 10120  
โทร +66 2677 2000  
แฟกซ์ +66 2677 2222  
เว็บไซต์ home.kpmg/th

## Independent Auditor's Report

### To the Shareholders of World Flex Public Company Limited

#### *Opinion*

I have audited the financial statements of World Flex Public Company Limited, which comprise the statement of financial position as at 31 December 2021, the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2021 and its financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

#### *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 is 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 our professional judgment, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



Fair value measurement of investment properties	
Refer to Notes 3(f) and 9	
The key audit matter	How the matter was addressed in the audit
<p>Investment properties are measured at fair value which was determined by independent property valuers regularly.</p> <p>During 2021, the Company engaged independent valuer to measure fair value of its investment properties using valuation techniques of market comparison.</p> <p>Determining fair value requires significant judgment to determine key assumptions used in estimation. Since the value of the investment properties are significant to the statement of financial position, I have determined this matter to be a key audit matter.</p>	<ul style="list-style-type: none"> <li>• Understanding the Company's process and controls over the fair value measurement.</li> <li>• Evaluating qualification, competence, and independence of the independent valuer's.</li> <li>• Using the work of expert engaged by KPMG in evaluating the reasonableness of measurement basis and key assumptions used for estimating fair value of assets; and</li> <li>• Considering the adequacy of the disclosures in accordance with Thai Financial Reporting Standards.</li> </ul>

#### *Other Information*

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

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

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

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the correction be made.

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

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

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

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



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

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 skepticism throughout the audit. I also:

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

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

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



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

(Yootapong Soontalinka)  
Certified Public Accountant  
Registration No. 10604

KPMG Phoomchai Audit Ltd.  
Bangkok  
23 February 2022



# World Flex Public Company Limited

## Statement of financial position

Assets	Note	31 December	
		2021	2020
		(in Baht)	
<b>Current assets</b>			
Cash and cash equivalents	5	605,608,098	24,219,644
Trade accounts receivable	6, 24	253,097,266	189,991,613
Other current receivables		37,234,453	13,666,389
Inventories	7	373,871,451	245,493,325
Derivative assets	24	3,008,643	6,621,573
Other current assets	8	38,917,683	7,143,021
<b>Total current assets</b>		<b>1,311,737,594</b>	<b>487,135,565</b>
<b>Non-current assets</b>			
Investment properties	9	339,800,000	338,270,000
Advance for machinery and equipment purchase		4,300,679	3,094,500
Property, plant and equipment	10	1,290,992,821	852,583,317
Intangible assets		2,996,407	3,946,182
Other non-current assets		2,899,425	2,900,384
<b>Total non-current assets</b>		<b>1,640,989,332</b>	<b>1,200,794,383</b>
<b>Total assets</b>		<b>2,952,726,926</b>	<b>1,687,929,948</b>

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

# World Flex Public Company Limited

## Statement of financial position

		31 December	
Liabilities and equity	Note	2021	2020
		(in Baht)	
<i>Current liabilities</i>			
Short-term loans from financial institutions	11	-	379,840,721
Trade accounts payable	12	351,029,878	250,828,243
Other current payables	13	144,766,799	73,874,537
Current portion of long-term loans from financial institution	11	25,200,000	-
Current portion of lease liabilities	11	2,379,357	3,707,926
Income tax payable		46,919,451	-
Dividend payable	23	102,124,000	-
Derivative liabilities	24	1,021,658	1,429,736
Other current liabilities		27,549,886	6,981,497
<b>Total current liabilities</b>		<b>700,991,029</b>	<b>716,662,660</b>
<i>Non-current liabilities</i>			
Long-term loans from financial institution	11	64,770,896	-
Lease liabilities	11	4,200,154	10,901,123
Non-current provisions for employee benefits	14	11,435,076	11,407,003
Deferred tax liabilities	21	125,360,115	118,471,064
Other non-current liabilities		3,836,311	2,625,664
<b>Total non-current liabilities</b>		<b>209,602,552</b>	<b>143,404,854</b>
<b>Total liabilities</b>		<b>910,593,581</b>	<b>860,067,514</b>

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



# World Flex Public Company Limited

## Statement of financial position

		31 December	
Liabilities and equity	Note	2021	2020
		(in Baht)	
<b>Equity</b>			
Share capital:			
Authorised share capital			
(464,200,000 ordinary shares, par value at Baht 1 per share)	15	464,200,000	322,200,000
Issued and paid-up share capital			
(464,200,000 ordinary shares, par value at Baht 1 per share)		464,200,000	308,000,000
Advance received from share subscription	15	-	14,200,000
Surplus on share-based payment	15	17,395,000	17,395,000
Share premium on ordinary shares	15	855,566,587	-
Retained earnings			
Appropriated			
Legal reserve	16	33,506,200	12,800,000
Unappropriated		301,369,773	76,443,931
Other components of equity	16	370,095,785	399,023,503
<b>Total equity</b>		<b>2,042,133,345</b>	<b>827,862,434</b>
<b>Total liabilities and equity</b>		<b>2,952,726,926</b>	<b>1,687,929,948</b>

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



# World Flex Public Company Limited

## Statement of comprehensive income

		For the year ended	
		31 December	
	Note	2021	2020
		(in Baht)	
<b>Revenue</b>			
Revenue from sales of goods	17	3,766,013,808	2,396,923,712
Other income		10,561,910	6,701,009
Net gains on foreign exchange		-	5,034,613
<b>Total revenue</b>		<b>3,776,575,718</b>	<b>2,408,659,334</b>
<b>Expenses</b>			
Cost of sales of goods	7	3,061,897,610	2,218,954,155
Distribution costs		45,536,587	41,059,961
Administrative expenses		187,607,422	67,042,109
Net losses on foreign exchange		22,926,542	-
<b>Total expenses</b>		<b>3,317,968,161</b>	<b>2,327,056,225</b>
<b>Profit from operating activities</b>		<b>458,607,557</b>	<b>81,603,109</b>
Finance costs	20	(23,485,645)	(21,380,732)
<b>Profit before income tax expense</b>		<b>435,121,912</b>	<b>60,222,377</b>
Tax expense	21	(76,018,588)	(2,410,215)
<b>Profit for the period</b>		<b>359,103,324</b>	<b>57,812,162</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Gains on revaluation of assets	10	-	239,439,626
Losses on remeasurements of defined benefit plans	14	-	(551,815)
Income tax relating to items that will not be reclassified	21	-	(47,777,562)
<b>Other comprehensive income for the year, net of tax</b>		<b>-</b>	<b>191,110,249</b>
<b>Total comprehensive income for the year</b>		<b>359,103,324</b>	<b>248,922,411</b>
Basic earnings per share (in Baht)	22	1.10	0.19

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

**World Flex Public Company Limited**  
Statement of changes in equity

	Note	Issued and paid-up share capital	Advance received from share subscription	Share premium on share-based payment	Retained earnings			Other components of equity	
					Legal reserve (in Baht)	Unappropriated surplus	Revaluation surplus	Total equity	
For the year ended 31 December 2020									
Balance at 1 January 2020		308,000,000	-	-	12,800,000	9,215,554	217,329,469		547,345,023
Transactions with owners, recorded directly in equity									
Contributions by owners of the parent									
Advance received from share subscription	15	-	14,200,000	-	-	-	-		14,200,000
Share-based payment	15	-	-	17,395,000	-	-	-		17,395,000
Total contributions by owners of the parent		-	14,200,000	17,395,000	-	-	-		31,595,000
Comprehensive income (expense) for the period									
Profit for the year		-	-	-	-	57,812,162	-		57,812,162
Other comprehensive income	16	-	-	-	-	(441,452)	191,551,701		191,110,249
Total comprehensive income (expense) for the period		-	-	-	-	57,370,710	191,551,701		248,922,411
Transfer to retained earnings									
Balance at 31 December 2020	16	-	-	-	-	9,857,667	(9,857,667)		-
		308,000,000	14,200,000	17,395,000	12,800,000	76,443,931	399,023,503		827,862,434

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



**World Flex Public Company Limited**  
Statement of changes in equity

	Note	Retained earnings					Other components of equity		
		Issued and paid-up share capital	Advance received from share subscription	Surplus on share-based payment	Share premium (in Baht)	Legal reserve	Unappropriated surplus	Revaluation surplus	Total equity
For the year ended 31 December 2021									
Balance at 1 January 2021		308,000,000	14,200,000	17,395,000	-	12,800,000	76,443,931	399,023,503	827,862,434
Transactions with owners, recorded directly in equity									
Contributions by and distributions to owners									
Issue of ordinary shares	15	142,000,000	-	-	855,566,587	-	-	-	997,566,587
Advance received from share subscription	15	14,200,000	(14,200,000)	-	-	-	-	-	-
Dividends to owners of the Company	23	-	-	-	-	-	(142,399,000)	-	(142,399,000)
Total contributions by and distributions to owners		156,200,000	(14,200,000)	-	855,566,587	-	(142,399,000)	-	855,167,587
Comprehensive income (expense) for the year									
Profit for the year		-	-	-	-	-	359,103,324	-	359,103,324
Total comprehensive income (expense) for the year		-	-	-	-	-	359,103,324	-	359,103,324
Transfer to legal reserve	16	-	-	-	-	20,706,200	(20,706,200)	-	-
Transfer to retained earnings	16	-	-	-	-	-	28,927,718	(28,927,718)	-
Balance at 31 December 2021		464,200,000	-	17,395,000	855,566,587	33,506,200	301,369,773	370,095,785	2,042,133,345

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



# World Flex Public Company Limited

## Statement of cash flows

	For the year ended	
	31 December	
	2021	2020
	(in Baht)	
<b><i>Cash flows from operating activities</i></b>		
Profit for the year	359,103,324	57,812,162
<i>Adjustments to reconcile profit (loss) to cash receipts (payments)</i>		
Tax expense	76,018,588	2,410,215
Depreciation and amortisation	73,514,963	68,841,480
Finance costs	23,485,645	21,380,732
Gain on fair value adjustment of investment properties	(1,530,000)	(390,000)
Loss on impairment of property, plant, and equipment	-	2,315,022
Unrealised gain on exchange	(1,813,808)	(817,654)
Loss (gain) on disposal of plant and equipment	701,489	(569,733)
Loss on write-off of plant and equipment	37,509,254	-
Gain on write-off of finance lease asset	(135,266)	-
Provision for employee benefits	1,234,440	1,616,969
Share-based payment	-	17,395,000
Interest income	(45,312)	(40,019)
	<u>568,043,317</u>	<u>169,954,174</u>
<b><i>Changes in operating assets and liabilities</i></b>		
Trade accounts receivable	(63,554,162)	51,084,771
Other current receivables	(16,946,490)	(4,915,472)
Inventories	(128,378,126)	(20,469,092)
Other current assets	(31,774,662)	(5,115,595)
Other non-current assets	959	(374,960)
Trade accounts payable	100,392,613	41,740,907
Other current payables	48,208,389	7,861,639
Other current liabilities	20,568,388	5,902,651
Other non-current liabilities	1,210,647	(312,800)
Non-current provision for employee benefits	(1,206,367)	(380,377)
Net cash generated from operating activities	<u>496,564,506</u>	<u>244,975,846</u>
Taxes received (paid)	(16,001,733)	674,962
<b>Net cash from operating activities</b>	<u><b>480,562,773</b></u>	<u><b>245,650,808</b></u>

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

# World Flex Public Company Limited

## Statement of cash flows

	For the year ended 31 December	
	2021	2020
	(in Baht)	
<b><i>Cash flows from investing activities</i></b>		
Acquisition of advance for machinery purchase	(1,206,179)	-
Acquisition of property, plant and equipment	(531,994,539)	(145,024,483)
Acquisition of intangible assets	(411,504)	(3,971,570)
Proceeds from sale of plant and equipment	641,350	966,161
Interest income	45,312	40,019
<b>Net cash used in investing activities</b>	<b>(532,925,560)</b>	<b>(147,989,873)</b>
<b><i>Cash flows from financing activities</i></b>		
Decrease in bank overdrafts and short-term loans from financial institutions	(379,840,721)	(72,414,710)
Proceeds from issue of shares	991,358,235	-
Advance received from share subscription	-	14,200,000
Proceed from long-term loans from a financial institution	89,970,896	-
Payment of lease liabilities	(2,872,946)	(2,699,274)
Dividends paid to owners of the Company	(40,275,000)	-
Interest paid	(13,440,364)	(16,634,350)
Other finance cost paid	(11,233,213)	(5,018,895)
<b>Net cash from (used in) financing activities</b>	<b>633,666,887</b>	<b>(82,567,229)</b>
Net increase in cash and cash equivalents		
before effect of exchange rate changes	581,304,100	15,093,706
Effect of exchange rate changes on cash and cash equivalents	84,354	(29,492)
<b>Net increase in cash and cash equivalents</b>	<b>581,388,454</b>	<b>15,064,214</b>
Cash and cash equivalents as at 1 January	24,219,644	9,155,430
<b>Cash and cash equivalents at 31 December</b>	<b>605,608,098</b>	<b>24,219,644</b>

### *Supplemental disclosures of cash flow information*

#### **Non-cash transactions**

Fixed asset payables	23,429,707	1,914,427
Finance costs capitalised as qualify assets	926,788	-
Derivative assets	1,986,985	5,191,837
Finance lease assets	(5,021,326)	17,308,323
Finance lease liabilities	5,156,592	(17,308,323)
Dividend payable	102,124,000	-
Income tax payable	6,208,353	-

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



# World Flex Public Company Limited

## Notes to the financial statements

For the year ended 31 December 2021

Note	Contents
1	General information
2	Basis of preparation of the financial statements
3	Significant accounting policies
4	Related parties
5	Cash and cash equivalents
6	Trade accounts receivable
7	Inventories
8	Other current assets
9	Investment properties
10	Property, plant and equipment
11	Interest-bearing liabilities
12	Trade accounts payable
13	Other current payables
14	Non-current provisions for employee benefit
15	Share capital and share premium
16	Reserves and other components of equity
17	Segments information and disaggregation of revenue
18	Employee benefits expenses
19	Expenses by nature
20	Finance costs
21	Income tax expense
22	Earnings per share
23	Dividends
24	Financial instruments
25	Capital management
26	Commitments with non-related parties
27	Reclassification of accounts
28	Events after the reporting period

# World Flex Public Company Limited

## Notes to the financial statements

For the year ended 31 December 2021

These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by Directors on 23 February 2022.

### 1 General information

World Flex Public Company Limited, the “Company”, is incorporated in Thailand and was listed on the Stock Exchange of Thailand in 2021. The Company’s registered office as follows:

Head office : No. 59/1 Moo 5, Pluakdaeng Road, Tambol Manam Koo, Amphur Pluakdaeng, Rayong  
Bangna branch : No. 1/7 Bangna Thani Building, Floor 3 Room 3B, Soi Bangna-Trad 34, Bangna Tai, Bangna, Bangkok

The parent company during the financial year was Thai Rubber Latex Group Public Company Limited (66.4% shareholding), which was incorporated in Thailand.

The principal activities of the Company are manufacture and sales of latex thread.

### 2 Basis of preparation of the financial statements

#### (a) Statement of compliance

The financial statements are prepared in accordance with Thai Financial Reporting Standards (“TFRS”), guidelines promulgated by the Federation of Accounting Professions and applicable rules and regulations of the Thai Securities and Exchange Commission. The financial statements are presented in Thai Baht, which is the Company’s functional currency.

The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of the Company’s accounting policies. Actual results may differ from these estimates. Estimates and underlying assumptions that described in each note are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

### 3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

#### (a) Foreign currencies

Transactions in foreign currencies including non-monetary assets and liabilities denominated in foreign currencies are translated to the respective functional currencies at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate at the reporting date. Non-monetary assets and liabilities measured at fair value in foreign currencies are translated at the exchange rates at the dates that fair value was determined.

Foreign currency differences are generally recognised in profit or loss.



# World Flex Public Company Limited

## Notes to the financial statements

For the year ended 31 December 2021

### **(b) Financial instruments**

#### *(b.1) Classification and measurement*

Other financial assets and financial liabilities (except trade accounts receivable (see note 3(d)) are initially recognised when the Company becomes a party to the contractual provisions of the instrument, and measured at fair value, taking into account for transaction costs that are directly attributable to its acquisition, except for financial assets and financial liabilities measured at FVTPL, which are initially and subsequently measured at fair value, and any transaction costs that are directly attributable to its acquisition are recognised in profit or loss.

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income (FVOCI); or fair value through profit or loss (FVTPL). Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified prospectively from the reclassification date.

On initial recognition, financial liabilities are classified as measured at amortised cost using the effective interest method. Interest expense, foreign exchange gains and losses and any gain or loss on derecognition are recognised in profit or loss.

Financial assets measured at amortised costs are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by expected credit losses. Interest income, foreign exchange gains and losses, expected credit loss and any gain or loss on derecognition are recognised in profit or loss.

#### *(b.2) Derecognition and offset*

The Company derecognises a financial asset when the contractual rights to receive the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

The difference between the carrying amount extinguished and the consideration received or paid is recognised in profit or loss.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and the Company intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

#### *(d.3) Derivatives*

Derivative are recognised at fair value and remeasured at fair value at each reporting date. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss.



# World Flex Public Company Limited

## Notes to the financial statements

For the year ended 31 December 2021

### *(d.4) Impairment of financial assets other than trade accounts receivable*

The Company recognises allowances for expected credit losses (ECLs) on financial assets measured at amortised cost.

The Company recognises ECLs equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition or credit-impaired financial assets, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

ECLs are a probability-weighted estimate of credit losses based on forward-looking and historical experience. Credit losses are measured as the present value of all cash shortfalls discounted by the effective interest rate of the financial asset.

The Company considers a financial asset to have low credit risk when its credit rating is equivalent to the globally understood definition of 'investment grade'. The Company recognises ECLs for low credit risk financial asset as 12-month ECLs.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due, significant deterioration in credit rating, significant deterioration in the operating results of the debtor and existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Company.

The Company considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

### *(d.6) Write offs*

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering. Subsequent recoveries of an asset that was previously written off, are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

### *(d.7) Interest*

Interest income and expense is recognised in profit or loss using the effective interest method. In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability.

## **(c) Cash and cash equivalents**

Cash and cash equivalents comprise cash balances, call deposits and highly liquid short-term investments which has a maturity of three months or less from the date of acquisition. Bank overdrafts that are repayable on demand are a component of cash and cash equivalents for the purpose of the statement of cash flows.

## **(d) Trade and other accounts receivable**

Trade and other accounts receivable are recognised when the Company has an unconditional right to receive consideration. Trade and other accounts receivable are measured at transaction price less allowance for expected credit loss. Bad debts are written off when incurred.





# World Flex Public Company Limited

## Notes to the financial statements

For the year ended 31 December 2021

The Company estimates lifetime expected credit losses (ECLs), using a provision matrix to find ECLs rate. This method groups the debtors based on shared credit risk characteristics and past due status, taking into account historical credit loss data, adjusted for factors that are specific to the debtors and an assessment of both current economic conditions and forward-looking general economic conditions at the reporting date.

### **(e) Inventories**

Inventories are measured at the lower of cost and net realisable value. Cost is calculated using the weighted average cost principle. Cost includes direct costs incurred in acquiring the inventories. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of production overheads based on normal operating capacity. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

### **(f) Investment properties**

Investment properties are measured at cost on initial recognition and subsequently at fair value, with any change recognised in profit or loss. Cost includes expenditure that is directly attributable to the acquisition of the investment properties. The cost of self-constructed assets includes capitalised borrowing costs. When the use of a property changes such that it is reclassified as property, plant and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting.

Differences between the proceeds from disposal and the carrying amount of investment properties are recognised in profit or loss. When investment properties that was previously classified as property, plant and equipment measured at revalued amounts is sold (see note 3(g)), the amounts included in the revaluation reserve are transferred to retained earnings.

### **(g) Property, plant and equipment**

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses except for land, buildings and machinery which are measured at their revalued amounts. The revalued amount is the fair value determined on the basis of the property's existing use at the date of revaluation less any subsequent accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes capitalised borrowing costs, and the costs of dismantling and removing the items and restoring the site on which they are located including transfers from other comprehensive income of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Differences between the proceeds from disposal and the carrying amount of property, plant and equipment are recognised in profit or loss. When there is a disposal of revalued assets, the amount recognised in revaluation reserve is reclassified to retained earnings.

# World Flex Public Company Limited

## Notes to the financial statements

For the year ended 31 December 2021

### *Revalued assets*

Revaluations of assets are performed by independent professional valuers with sufficient regularity to ensure that the carrying amount of these assets does not differ materially from that which would be determined using fair values at the reporting date. Any increase in value, on revaluation, is recognised in other comprehensive income and presented in the “revaluation reserve” in other components of equity unless it offsets a previous decrease in value recognised in profit or loss in respect of the same asset, the increase is recognized in profit or loss. A decrease in value is recognised in profit or loss to the extent it exceeds the revaluation reserve previously recognised in other comprehensive income in respect of the same asset. The revaluation reserve is utilised by reference to the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset’s original cost and transferred directly to retained earnings. Upon disposal of a revalued asset, any remaining related revaluation reserve is transferred directly to retained earnings and is not taken into account in calculating the gain or loss on disposal.

### *Subsequent costs*

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item when the future economic benefits embodied within the part will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

### *Depreciation*

Depreciation is calculated on a straight-line basis over the estimated useful lives of each component of an asset and recognised in profit or loss. No depreciation is provided on freehold land and assets under construction.

The estimated useful lives are as follows:

Building and building improvements	5 10 and 20	years
Machinery, tool and equipments	3 5 and 10	years
Vehicles	5	years
Waste water treatments system	10	years

### **(h) Intangible assets**

Other intangible assets are measured at cost less accumulated amortisation and impairment losses. Subsequent expenditure is capitalised only when it will generate the future economic benefits. Amortisation is calculated on a straight-line basis over the estimated useful lives of intangible assets and recognised in profit or loss.

The estimated useful lives are as follows:

Software license	3	years
------------------	---	-------



**World Flex Public Company Limited**  
**Notes to the financial statements**  
**For the year ended 31 December 2021**

**(i) Leases**

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

*As a lessee*

At commencement or on modification of a contract, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices of each component.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date, except for leases of low-value assets and short-term leases which is recognised as an expense on a straight-line basis over the lease term.

Right-of-use asset is measured at cost, less any accumulated depreciation and impairment loss, and adjusted for any remeasurements of lease liability. The cost of right-of-use asset includes the initial amount of the lease liability adjusted for any prepaid lease payments, plus any initial direct costs incurred. Depreciation is charged to profit or loss on a straight-line method from the commencement date to the end of the lease term.

The lease liability is initially measured at the present value of all lease payments that shall be paid under the lease. The Company uses the Company's incremental borrowing rate to discount the lease payments to the present value. The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a lease modification, or a change in the assessment of options specified in the lease. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

*As a lessor*

At inception or on modification of a contract, the Company allocates the consideration in the contract to each component on the basis of their relative standalone selling prices.

At lease inception, the Company considers to classify a lease that transfers substantially all of the risks and rewards incidental to ownership of the underlying asset to lessees as a finance lease. A lease that does not meet this criteria is classified as an operating lease.

When the Company is an intermediate lessor, the Company classifies the sub-lease either as a finance lease or an operating lease with reference to the right-of-use asset arising from the head lease. In case of a head lease is a short-term lease, the sub-lease is classified as an operating lease. Those right-of-use assets are presented as investment properties.

The Company recognises finance lease receivables at the net investment of the leases, which includes the present value of the lease payments, and any unguaranteed residual value, discounted using the interest rate implicit in the lease. Finance lease income reflects a constant periodic rate of return on the Company's net investment outstanding in respect of the leases.

**World Flex Public Company Limited**  
**Notes to the financial statements**  
**For the year ended 31 December 2021**

The Company recognises lease payments received under operating leases in profit or loss on a straight-line basis over the lease term as part of other income. Initial direct costs incurred in arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as other income in the accounting period in which they are earned.

The Company estimates lifetime expected credit losses (ECLs), using a provision matrix to find ECLs rate. This method groups the lease receivables based on shared credit risk characteristics and past due status, taking into account historical credit loss data, adjusted for factors that are specific to the debtors and an assessment of both current economic conditions and forward-looking general economic conditions at the reporting date.

**(j) *Impairment of non-financial assets***

The carrying amounts of the Company's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated.

An impairment loss is recognised in profit or loss if the carrying amount of an asset exceeds its recoverable amount, unless it reverses a previous revaluation credited to equity, in which case it is charged to equity.

The recoverable amount is the greater of the asset's value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Impairment losses of assets recognised in prior periods is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognized.

**(k) *Trade and other accounts payable***

Trade and other accounts payable are stated at amortised cost.

**(l) *Employee benefits***

*Defined contribution plans*

Obligations for contributions to the Company's provident funds are expensed as the related service is provided. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

*Defined benefit plans*

The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods. The defined benefit obligations is discounted to the present value, which performed annually by a qualified actuary using the projected unit credit method.

**World Flex Public Company Limited**  
**Notes to the financial statements**  
**For the year ended 31 December 2021**

Remeasurements of the net defined benefit liability, actuarial gain or loss are recognised immediately in OCI. The Company determines the interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

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

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

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

**(m) Provisions**

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

**(n) Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- *Level 1:* quoted prices in active markets for identical assets or liabilities.
- *Level 2:* inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- *Level 3:* inputs for the asset or liability that are based on unobservable input.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.



# World Flex Public Company Limited

## Notes to the financial statements

For the year ended 31 December 2021

If an asset or a liability measured at fair value has a bid price and an ask price, then the Company measures assets and asset positions at a bid price and liabilities and liability positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price - i.e. the fair value of the consideration given or received. If the Company determines that the fair value on initial recognition differs from the transaction price, the financial instrument is initially measured at fair value adjusted for the difference between the fair value on initial recognition and the transaction price and the difference is recognised in profit or loss immediately. However, for the fair value categorised as level 3, such difference is deferred and will be recognised in profit or loss on an appropriate basis over the life of the instrument or until the fair value level is transferred or the transaction is closed out.

### **(o) Revenue from contracts with customers**

Revenue is recognised when a customer obtains control of the goods in an amount that reflects the consideration to which the Company expects to be entitled, excluding those amounts collected on behalf of third parties, value added tax and is after deduction of any trade discounts and volume rebates.

Revenue from sales of goods is recognised on the date on which the goods are delivered to the customers. For the sales that permit the customers to return the goods, the Company estimates the returns based on the historical return data, does not recognise revenue for this transaction and remains recognition of inventory for the estimated products to be returned.

### **(p) Income tax**

Income tax expense for the year comprises current and deferred tax, which is recognised in profit or loss except to the extent that they relate to items recognised directly in other comprehensive income.

Current tax is recognised in respect of the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. Current deferred tax assets and liabilities are offset in the separate financial statements.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

### **(q) Earnings per share**

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding.



**World Flex Public Company Limited**  
**Notes to the financial statements**  
**For the year ended 31 December 2021**

**(r) Share-based payments**

The grant-date fair value of equity-settled share-based payment awards granted to employees is generally recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

**4 Related parties**

A related party is a person or entity that has direct or indirect control, or has significant influence over the financial and managerial decision-making of the Company; a person or entity that are under common control or under the same significant influence as the Company; or the Company has direct or indirect control or has significant influence over the financial and managerial decision-making of a person or entity.

Relationships with key management personnel or other related parties that the Company had significant transactions with during the year were as follows:

<b>Name of entities</b>	<b>Country of incorporation/ nationality</b>	<b>Nature of relationships</b>
Thai Rubber Latex Group Public Company Limited	Thailand	The ultimate parent company with the same directors and executives.
Latex Systems Public Company Limited	Thailand	Subsidiary of the parent company, common directors
Thai Rubber Gloves Company Limited	Thailand	Subsidiary of the parent company, common directors
Key management personnel	Thailand	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Company.

***Significant transactions with related parties***  
***Year ended 31 December***

	<b>2021</b>	<b>2020</b>
	<i>(in thousand Baht)</i>	
<b>Parent</b>		
Sales of goods	615	923
Purchases of raw materials	1,267,655	854,457
Rental expense	780	1,134
<b>Other related parties</b>		
Sales of goods	478	-
Purchases of raw materials	119	-
<b>Key management personnel</b>		
Key management personnel compensation	89,663	21,151



# World Flex Public Company Limited

## Notes to the financial statements

For the year ended 31 December 2021

The Company has entered into agreement for rental of land and building with Thai Rubber Latex Group Public Company Limited, a parent company. Subsequently in June 2021, the Company has entered into agreement for purchasing of such land and building in amounted of Baht 124 million.

Balances as at 31 December with related party was as follows:

	2021	2020
	<i>(in thousand Baht)</i>	
<b>Trade accounts payable</b>		
Parent	132,668	86,983
<b>Total</b>	<b>132,668</b>	<b>86,983</b>

### **Significant agreement with related parties**

#### Letter of guarantee

As at 31 December 2021, the Company guaranteed to secure credit facilities to the financial institution by Thai Rubber Latex Group Public Company Limited, a parent company, amounted to Baht 86.2 million and parent company has issued letter of guarantee to financial institutions to secure credit facilities by the Company amounted to Baht 642.0 million. On 10 January 2022, parent company fully released the guarantee.

#### Latex purchase agreement

On 1 January 2021, the Company entered into contract for the Purchase of Latex with Thai Rubber Latex Group Public Company Limited, a parent company, under the term of which the Company has agreed to purchase latex at the market price.

## **5 Cash and cash equivalents**

	2021	2020
	<i>(in thousand Baht)</i>	
Cash on hand	49	160
Cash at bank	605,559	24,060
<b>Total</b>	<b>605,608</b>	<b>24,220</b>

## **6 Trade accounts receivable**

<b>At 31 December</b>	2021	2020
	<i>(in thousand Baht)</i>	
Within credit terms	246,856	145,874
Overdue:		
1-30 days	4,745	23,056
31-60 days	1,496	10,107
61-90 days	-	10,704
More than 90 days	-	251
<b>Total</b>	<b>253,097</b>	<b>189,992</b>
Less allowance for expected credit loss	-	-
<b>Net</b>	<b>253,097</b>	<b>189,992</b>

Information of credit risk is disclosed in note 24 (b.1.1).



**World Flex Public Company Limited**  
**Notes to the financial statements**  
**For the year ended 31 December 2021**

**7 Inventories**

	2021	2020
	<i>(in thousand Baht)</i>	
Finished goods	85,106	72,096
Raw material - field latex and concentrated latex	48,165	48,417
Raw material - chemical	190,719	70,775
Supplies	28,287	18,544
Raw material in transit	21,594	35,661
<b>Total</b>	<b>373,871</b>	<b>245,493</b>
Inventories recognised as an expense in 'cost of sales of goods':		
- Cost	3,061,898	2,218,954

**8 Other current assets**

	2021	2020
	<i>(in thousand Baht)</i>	
Vat receivable	18,424	4,172
Other prepaid expense	18,176	46
Advance insurance payment	1,297	2,359
Others	1,021	566
<b>Total</b>	<b>38,918</b>	<b>7,143</b>

**9 Investment properties**

	2021	Land 2020
	<i>(in thousand Baht)</i>	
<b>Cost</b>		
At 1 January	338,270	337,880
Gain on fair value adjustments	1,530	390
<b>At 31 December</b>	<b>339,800</b>	<b>338,270</b>

As at 31 December 2021, the Company has pledged investment properties with net book value as collateral against credit facilities from financial institutions to the Company and Thai Rubber Latex Group Public Company Limited, a parent company, amounted to Baht 207.0 million and Baht 132.8 million, respectively (2020: Baht 207.7 million and Baht 130.6 million, respectively).

**Measurement of fair value**

*Fair value hierarchy*

The fair value measurement of investment properties was determined by independent property valuers, at market approach. The fair value has been categorised as a Level 3 fair value based on the input to the valuation technique used.

# World Flex Public Company Limited

## Notes to the financial statements

For the year ended 31 December 2021

### *Valuation technique used in measuring the fair value and significant unobservable inputs used*

The following table shows the valuation technique used in measuring the fair value of land as well as the significant unobservable inputs used.

<b>Valuation technique</b>	<b>Significant unobservable inputs</b>	<b>Inter-relationship between significant unobservable inputs and fair value measurement</b>
Market comparison technique	The quoted prices and actual trading price of a similar comparative investment properties adjusted by other various factor.	The estimated fair value would increase (decrease) if the price per area were higher (lower).



**World Flex Public Company Limited**  
**Notes to the financial statements**  
**For the year ended 31 December 2021**

**10 Property, plant and equipment**

	Note	Land	Building and building improvements	Machinery	Tools and equipments (in thousand Baht)	Vehicles	Waste water treatments system	Assets under construction	Total
<b>Cost / Revaluation</b>									
At 1 January 2020		55,845	237,921	221,093	295,589	13,787	15,834	31,467	871,536
Additions		2,776	1,564	-	16,300	11,957	-	120,449	153,046
Surplus on assets revaluation	16	88,255	96,857	54,328	-	-	-	-	239,440
Transfer		-	1,460	-	6,958	-	10,105	(18,523)	-
Disposals/ Write-off		-	-	(1,297)	(51,637)	(2,466)	-	-	(55,400)
Reversal of surplus on assets revaluation		-	(42,498)	(98,080)	-	-	-	-	(140,578)
<b>At 31 December 2020 and 1 January 2021</b>		<b>146,876</b>	<b>295,304</b>	<b>176,044</b>	<b>267,210</b>	<b>23,278</b>	<b>25,939</b>	<b>133,393</b>	<b>1,068,044</b>
Additions		5,000	1,602	-	30,001	4,716	-	514,718	556,037
Transfer		106,117	68,241	78,621	77,930	10,586	2,959	(344,454)	-
Disposals/ Write-off		(7,102)	(24,087)	(2,693)	(17,110)	(329)	-	(11,692)	(63,013)
<b>At 31 December 2021</b>		<b>250,891</b>	<b>341,060</b>	<b>251,972</b>	<b>358,031</b>	<b>38,251</b>	<b>28,898</b>	<b>291,965</b>	<b>1,561,068</b>
<b>Depreciation and impairment losses</b>									
At 1 January 2020		-	31,133	72,164	214,242	7,880	14,492	-	339,911
Depreciation charge for the year		1,112	12,116	27,213	22,976	2,706	2,693	-	68,816
Disposals/ Write-off		-	-	(1,297)	(51,334)	(2,372)	-	-	(55,003)
Impairment losses		-	2,315	-	-	-	-	-	2,315
Reversal of accumulated depreciation on assets revaluation		-	(42,498)	(98,080)	-	-	-	-	(140,578)
<b>At 31 December 2020 and 1 January 2021</b>		<b>1,112</b>	<b>3,066</b>	<b>-</b>	<b>185,884</b>	<b>8,214</b>	<b>17,185</b>	<b>-</b>	<b>215,461</b>
Depreciation charge for the year		618	13,617	20,116	30,223	4,787	2,792	-	72,153
Disposals/ Write-off		(1,730)	(618)	-	(15,078)	(113)	-	-	(17,539)
<b>At 31 December 2021</b>		<b>-</b>	<b>16,065</b>	<b>20,116</b>	<b>201,029</b>	<b>12,888</b>	<b>19,977</b>	<b>-</b>	<b>270,075</b>

**World Flex Public Company Limited**  
**Notes to the financial statements**  
**For the year ended 31 December 2021**

<i>Net book value</i>									
<b>At 31 December 2020</b>									
Owned assets		Land	Building and building improvements	Machinery	Tools and equipments (in thousand Baht)	Vehicles	Waste water treatments system	Assets under construction	Total
Right-of-use assets		139,774	288,408	176,044	81,090	10,708	8,754	133,393	838,171
		5,990	3,830	-	236	4,356	-	-	14,412
		<b>145,764</b>	<b>292,238</b>	<b>176,044</b>	<b>81,326</b>	<b>15,064</b>	<b>8,754</b>	<b>133,393</b>	<b>852,583</b>
<b>At 31 December 2021</b>									
Owned assets		250,891	321,775	231,856	156,855	22,331	8,921	291,965	1,284,594
Right-of-use assets		-	3,220	-	147	3,032	-	-	6,399
		<b>250,891</b>	<b>324,995</b>	<b>231,856</b>	<b>157,002</b>	<b>25,363</b>	<b>8,921</b>	<b>291,965</b>	<b>1,290,993</b>

In December 2020, land, building and machinery are revalued by market approach and depreciated replacement cost ("DRC") approach. The Company determined fair value based on valuations performed by the independent valuer approved by the Office of the SEC.



# World Flex Public Company Limited

## Notes to the financial statements

### For the year ended 31 December 2021

If land, building and machinery were measured using the cost model, the carrying amounts would be, as follows;

	2021	2020
	<i>(in thousand Baht)</i>	
- Cost	953,667	729,461
- Accumulated depreciation	(562,595)	(558,972)

The gross amount of the Company's fully depreciated property, plant and equipment that was still in use as at 31 December 2021 amounted to Baht 183.3 million (2020: Baht 156.6 million).

The Company bring certain part of land, building and machinery with an approximate net book value of Baht 565.9 million (2020: Baht 562.5 million) as collateral against credit facilities from financial institution.

#### *Measurement of fair value*

##### *Fair value hierarchy*

The fair value of land, building and machinery was determined by external, independent property valuers, having appropriate recognized professional qualifications and recent experience in the location and category of the property being valued. The independent valued provide the fair value of the Company's land, building and machinery portfolio over periods of 3 - 5 years.

The fair value measurement for land, building and machinery has been categorised as a Level 3 fair value based on the input to the valuation technique used.

##### *Valuation technique used in measuring the fair value and significant unobservable inputs used*

The following table shows the valuation technique used in measuring the fair value of land, building and machinery, as well as the significant unobservable inputs used.

<u>Valuation technique</u>	<u>Significant unobservable inputs</u>	<u>Inter-relationship between significant unobservable inputs and fair value measurement</u>
Market comparison technique	The quoted prices and actual trading price of a similar comparative land adjusted by other various factor.	The estimated fair value would increase (decrease) if the price per area were higher (lower).
Replacement cost technique	Construction costs, used machine costs or second hand machine and depreciation of building and machine adjusted by other factors.	The estimated fair value would increase (decrease) and the condition of property and construction cost and used machine or second hand machine would increase (decrease).

# World Flex Public Company Limited

## Notes to the financial statements

For the year ended 31 December 2021

### Leases

In 2021, additions to the right-of-use assets of the Company were Baht 10.2 million.

During 2021, the Company leased building, vehicle and equipment for 3 - 5 years and paid fixed and variable lease payment that are based on usage over the lease term. These payment terms are common in Thailand.

### Extension options

The Company has extension options on property leases exercisable up to one year before the end of the contract period. The Company assesses at lease commencement date whether it is reasonably certain to exercise the extension options and will regularly reassess so.

	2021	2020
	(in thousand Baht)	
<b>Year ended 31 December</b>		
<b>Amounts recognised in profit or loss</b>		
Depreciation of right-of-use assets:		
- Land	618	1,112
- Buildings	962	751
- Vehicles	1,324	945
- Equipment	88	88
Interest on lease liabilities	364	1,079

In 2021, total cash outflow for leases of the Company were Baht 2.9 million. (2020: Baht 2.7 million).

## 11 Interest-bearing liabilities

	2021			2020		
	Secured	Unsecured	Total	Secured	Unsecured	Total
	(in thousand Baht)					
Short-term loans from financial institutions	-	-	-	379,841	-	379,841
Long-term loans from financial institution	89,971	-	89,971	-	-	-
Lease liabilities	-	6,579	6,579	-	14,609	14,609
<b>Total interest-bearing liabilities</b>	<b>89,971</b>	<b>6,579</b>	<b>96,550</b>	<b>379,841</b>	<b>14,609</b>	<b>394,450</b>

As at 31 December 2021, the Company has unutilised credit facilities at the total of Baht 1,274 million (2020: Baht 565 million).

During June 2021, the Company has entered into long-term loans agreement with a local financial institution of Baht 400 million. The Company withdraw the first portion of loan in September 2021 amounting to Baht 90 million. First repayment of long-term loans will be repaid in October 2022.





# World Flex Public Company Limited

## Notes to the financial statements

For the year ended 31 December 2021

Long-term loans from a financial institution of the Company are secured by the mortgage by land and premises thereon, plants and machinery, and also guaranteed by the Company.

Moreover, the Company must be in compliance with the debt covenants and maintain the required financial ratios and other terms as stated in the agreements such as maintaining the debt to equity ratio and leverage ratio. During the year ended 31 December 2021, the Company complied as required according to the loan conditions.

### 12 Trade accounts payable

	2021	2020
	<i>(in thousand Baht)</i>	
Trade accounts payable - Other parties	218,362	163,845
Trade accounts payable - Related party	132,668	86,983
<b>Total</b>	<b>351,030</b>	<b>250,828</b>

### 13 Other current payables

	2021	2020
	<i>(in thousand Baht)</i>	
Other accounts payable	48,426	40,099
Advance received from goods	42,324	15,575
Payable for construction and machinery purchased	23,430	1,914
Accrued bonus	12,900	-
Others	17,687	16,287
<b>Total</b>	<b>144,767</b>	<b>73,875</b>

### 14 Non-current provisions for employee benefit

	2021	2020
	<i>(in thousand Baht)</i>	
Defined benefit obligations	11,435	11,407
<b>Total</b>	<b>11,435</b>	<b>11,407</b>

#### *Defined benefit plan*

The Company operate a defined benefit plan based on the requirement of Thai Labour Protection Act B.E. 2541 (1998) to provide retirement benefits to employees based on pensionable remuneration and length of service. The defined benefit plans expose the Company to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk.

<i>Present value of the defined benefit obligations</i>	2021	2020
	<i>(in thousand Baht)</i>	
At 1 January	11,407	9,619
<b>Recognised in profit or loss:</b>		
Current service cost	1,087	1,342
Interest on obligation	147	274
	<b>1,234</b>	<b>1,616</b>

**World Flex Public Company Limited**  
**Notes to the financial statements**  
**For the year ended 31 December 2021**

***Present value of the defined benefit obligations***

2021                      2020  
*(in thousand Baht)*

***Recognised in other comprehensive income***

Actuarial (gain) loss		
- Demographic assumptions	-	(4,439)
- Financial assumptions	-	(239)
- Experience adjustment	-	5,230
	-	<b>552</b>
Benefit paid	(1,206)	(380)
<b>At 31 December</b>	<b>11,435</b>	<b>11,407</b>

***Principal actuarial assumptions***

2021                      2020  
*(%)*

Discount rate	1.3 - 1.4	1.3 - 1.4
Future salary growth	3.0 - 4.0	3.0 - 4.0

Assumptions regarding future mortality have been based on published statistics and mortality tables.

At 31 December 2021, the weighted-average duration of the defined benefit obligation was 11 years (2020: 12 years).

***Sensitivity analysis***

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

<b><i>Effect to the defined benefit obligation</i></b>	2021	2020	2021	2020
<b><i>At 31 December</i></b>	Increase		Decrease	
		<i>(in thousand Baht)</i>		
Discount rate (1% movement)	(1,087)	(1,059)	1,246	1,221
Future salary growth (1% movement)	1,258	1,113	(1,118)	(991)
Employee turnover rate (20% movement)	(1,537)	(1,346)	1,948	1,691
Future mortality (1% movement)	(6)	(5)	6	5

**15 Share capital**

	Par value per share <i>(in Baht)</i>	2021		2020	
		Number	Amount	Number	Amount
			<i>(thousand share / thousand Baht)</i>		
<b><i>Authorised shares</i></b>					
At 1 January					
- ordinary shares	4	-	-	77,000	308,000
- ordinary shares	1	322,200	322,200	-	-
Change in par value					
- from Baht 4 to Baht 1	1	-	-	231,000	-
Increase of new shares	1	142,000	142,000	14,200	14,200
<b>At 31 December</b>					
- ordinary shares	1	<b>464,200</b>	<b>464,200</b>	<b>322,200</b>	<b>322,200</b>



**World Flex Public Company Limited**  
**Notes to the financial statements**  
**For the year ended 31 December 2021**

	Par value per share (in Baht)	2021		2020	
		Number	Amount (thousand share / thousand Baht)	Number	Amount
<b><i>Issued and paid-up shares</i></b>					
At 1 January					
- ordinary shares	4	-	-	77,000	308,000
- ordinary shares	1	308,000	308,000	-	-
Change in par value					
- from Baht 4 to Baht 1	1	-	-	231,000	-
Increase of new shares					
- 13 January	1	14,200	14,200	-	-
- 20 December	1	142,000	142,000	-	-
<b>At 31 December</b>					
- ordinary shares	1	464,200	464,200	308,000	308,000

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company.

**2021**

***Advance received from share subscription***

The Company received cash for paid-up capital in amount of Baht 14.2 million on 30 December 2020, which was recorded under advance received from share subscription. The Company registered additional paid up share capital with the Ministry of Commerce on 13 January 2021.

***Issue of ordinary shares***

At the Extraordinary General Meeting of Shareholder No. 2/2021 held on 2 August 2021, the meeting approve the increase of the Company's registered capital by the amount of Baht 142 million (increase from the original registered capital of Baht 322.2 million to Baht 464.2 million) by issuing new ordinary shares in the amount 142 million shares with a par value of Baht 1.00 per share. The Company registered the increasing of share capital with the Ministry of Commerce on 16 August 2021.

***Initial Public Offering***

In December 2021, the Company offered 142 million ordinary shares to the initial public offering (from issuance of new 142 million ordinary shares). The new shares were sold at a price of Baht 7.2 per share (par value at Baht 1 and premium on ordinary share at Baht 6.2). The Company received cash from selling of new ordinary shares of Baht 1,022.4 million. The Company registered the increase of paid-up share capital with the Ministry of Commerce on 20 December 2021 and the shares of the Company begin trading in the Stock Exchange of Thailand on 23 December 2021. Expenses directly attributable to the IPO of Baht 24.8 million (net of income tax) was deducted from the IPO's share premium, which was received from shares offering to investors, resulted in net share premium of Baht 855.6 million.

# World Flex Public Company Limited

## Notes to the financial statements

For the year ended 31 December 2021

2020

### *Reduction of par value and issue of ordinary shares*

On 12 November 2020, the extraordinary meeting of the shareholder of the Company passed the resolution to approve the amendment of the Company's Memorandum of Association from the Company's registered share capital from Baht 308 million, 77 million shares at par value of Baht 4 per share, to Baht 308 million, 308 million shares at par value of Baht 1 per shares. The Company registered the Company's Memorandum of Association with the Ministry of Commerce on 23 November 2020 and the shareholder of the Company passed the resolution of the Company to increase its authorized share capital of Baht 14.2 million (from Baht 308.0 million to Baht 322.2 million) by issuing 14.2 million ordinary share at Baht 1 par value. The Company registered the increase of share capital with the Ministry of Commerce on 24 November 2020.

### *Employee Stock Option Plan (ESOP)*

On 12 November 2020, the Extraordinary meeting of the shareholder of the Company approved rights to purchase the Company's share capital under the Employee Stock Option Plan (ESOP) of 14.2 million shares at par of value of Baht 1 per shares, Baht 14.2 million. The share-based expense was recorded under equity for the years ended 31 December 2021 and 2020 of Baht 17.4 million.

### *Share premium*

Section 51 of the Public Companies Act B.E. 2535 requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account ("share premium"). Share premium is not available for dividend distribution.

## 16 Reserves and other components of equity

Reserves comprise:

### *Appropriations of profit and/or retained earnings*

#### **Legal reserve**

Section 116 of the Public Companies Act B.E. 2535 requires that a public company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account ("legal reserve"), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

### *Other components of equity*

#### **Revaluation reserve**

The revaluation reserve comprises the cumulative net change in the valuation of land, building and machinery included in the financial statements at valuation until such land, building and machinery is sold or otherwise disposed of.

	2021	2020
	<i>(in thousand Baht)</i>	
At 1 January	399,024	217,329
Revaluation surplus - net of income tax	-	191,552
Amortisation	(28,928)	(9,857)
<b>At 31 December</b>	<b>370,096</b>	<b>399,024</b>

The revaluation surplus can neither be offset against deficit nor used for dividend payment.



# World Flex Public Company Limited

## Notes to the financial statements

For the year ended 31 December 2021

### 17 Segments information and disaggregation of revenue

Management considers that the Company operates in a single line of business, namely latex thread products, and has, therefore, only one reportable segment.

Segment's performance is measured based on segment profit before tax, as included in the internal management reports that are reviewed by the Company's CODM. Segment profit before tax is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis.

<i>Year ended 31 December</i>	<b>Latex thread products</b>	
	2021	2020
	<i>(in thousand Baht)</i>	
<b>Information about reportable segments</b>		
External revenues	3,764,920	2,396,001
Inter-segment revenue	1,094	923
<b>Total revenue</b>	<b>3,766,014</b>	<b>2,396,924</b>
<b>Disaggregation of revenue</b>		
<b>Primary geographical markets</b>		
Thailand	39,837	41,927
PRC	2,891,533	1,682,876
Bangladesh	179,270	85,227
Indonesia	136,094	81,163
Russia	93,348	40,570
The Federative Republic of Brazil	62,742	89,999
Other countries	363,190	375,162
<b>Total revenue</b>	<b>3,766,014</b>	<b>2,396,924</b>
<b>Timing of revenue recognition</b>		
At a point in time	<b>3,766,014</b>	<b>2,396,924</b>

#### *(a) Major customers*

In 2021, revenue from 3 customers of the Company's represents approximately Baht 1,628 million (2020: Baht 1,249 million) of the Company's total revenue.

#### *(b) Promotion privileges*

The Company has been granted promotional certificates by the Office of the Board of Investment for rubber products. The Company has been granted several privileges including exemption and/or reduction from payment of income tax on the net profit derived from promoted operations with certain terms and conditions prescribed in the promotional certificates.

**For the year ended 31 December 2021**

<i>Year ended 31 December</i>	Promoted businesses	2021 Non- promoted businesses	Total	Promoted businesses	2020 Non- promoted businesses	Total
			<i>(in million Baht)</i>			
Export sales	648	3,078	3,726	702	1,653	2,355
Local sales	7	33	40	12	30	42
<b>Total</b>	<b>655</b>	<b>3,111</b>	<b>3,766</b>	<b>714</b>	<b>1,683</b>	<b>2,397</b>

	2021	2020
	<i>(in thousand Baht)</i>	
Salary, wage and overtime expense	176,404	141,293
Bonus	117,802	22,536
Defined contribution plans	3,872	3,788
Defined benefit plans	1,234	1,617
Equity-settled share-based payments	-	17,395
Others	20,479	15,350
<b>Total</b>	<b>319,791</b>	<b>201,979</b>

The defined contribution plans comprise provident funds established by the Company for its employees. Membership to the funds is on a voluntary basis. Contributions are made monthly by the employees at rates 5% of their basic salaries and by the Company at rates ranging from 5% of the employees' basic salaries. The provident funds are registered with the Ministry of Finance as juristic entities and are managed by licensed fund manager.

The financial statements include an analysis of expenses by function. Significant expenses by nature disclosed in accordance with the requirements of various TFRS were as follows:

		2021	2020
		(in thousand Baht)	
<b>Cost of sales of goods</b>	<i>Note</i>		
Change in finished goods		(13,010)	(15,156)
Raw materials and supplies used		2,465,953	1,752,714
Depreciation and amortisation		66,994	65,228
Employee benefit expenses	18	178,544	137,049
Utility expense		70,763	65,192
Repair and maintenance expense		69,611	57,463
Wastewater treatment expense		30,445	23,272
Oil and gasoline expenses		116,509	70,136
<b>Distribution costs</b>			
Transportation expenses		27,880	25,142
Employee benefit expenses	18	15,869	13,029

# World Flex Public Company Limited

## Notes to the financial statements

For the year ended 31 December 2021

		2021 (in thousand Baht)	2020 (in thousand Baht)
<b>Administrative expenses</b>	<i>Note</i>		
Depreciation and amortisation		6,521	3,281
Employee benefit expenses	18	125,378	51,901

## 20 Finance costs

	2021 (in thousand Baht)	2020 (in thousand Baht)
<b>Interest expense:</b>		
Bank loans and overdrafts	12,253	16,362
Other finance costs	11,233	5,019
<b>Total</b>	<b>23,486</b>	<b>21,381</b>

## 21 Income tax

### Income tax recognised in profit or loss

	2021 (in thousand Baht)	2020 (in thousand Baht)
<b>Current tax expense</b>		
Current year	62,922	-
Income tax directly related to equity	6,208	-
	<b>69,130</b>	<b>-</b>
<b>Deferred tax expense</b>		
Movements in temporary differences	6,889	2,410
<b>Total income tax expense</b>	<b>76,019</b>	<b>2,410</b>

	Before tax	2021 Tax (expense) benefit	Net of tax (in thousand Baht)	Before tax	2020 Tax (expense) benefit	Net of tax
<b>Recognised in other comprehensive income</b>						
Revaluation of property, plant and equipment	-	-	-	239,440	(47,888)	191,552
Defined benefit plan actuarial gains (losses)	-	-	-	(552)	110	(442)
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>238,888</b>	<b>(47,778)</b>	<b>191,110</b>
<b>Recognised in equity</b>						
Expenses directly attributable to the IPO	(31,042)	6,208	(24,834)	-	-	-



**World Flex Public Company Limited**  
**Notes to the financial statements**  
**For the year ended 31 December 2021**

***Reconciliation of effective tax rate***

		2021		2020
	<i>Rate</i> <i>(%)</i>	<i>(in thousand Baht)</i>	<i>Rate</i> <i>(%)</i>	<i>(in thousand Baht)</i>
Profit before income tax expense		435,122		60,222
Income tax using the Thai corporation tax rate	20	87,024	20	12,044
Promotion privileges		(14,957)		(4,800)
Recognition of previously unrecognised tax losses		-		(8,356)
Expenses not deductible for tax purposes		3,952		3,522
<b>Net</b>	<b>17</b>	<b>76,019</b>	<b>4</b>	<b>2,410</b>

***Deferred tax***

	<b>Assets</b>		<b>Liabilities</b>	
<i>At 31 December</i>	2021	2020	2021	2020
		(in thousand Baht)		
Total	4,576	16,749	(129,936)	(135,220)
Set off of tax	(4,576)	(16,749)	4,576	16,749
<b>Net deferred tax liabilities</b>	<b>-</b>	<b>-</b>	<b>(125,360)</b>	<b>(118,471)</b>

Movements in total deferred tax assets and liabilities during the years ended 31 December 2021 and 2020 were as follows:

	(Charged) / Credited to			
	At 1 January 2021	Profit or loss <i>(in thousand Baht)</i>	Other comprehensive income	At 31 December 2021
<b><i>Deferred tax assets</i></b>				
Employee benefit obligations	2,281	6	-	2,287
Loss carry forward	10,681	(10,681)	-	-
Others	3,787	(1,498)	-	2,289
<b>Total</b>	<b>16,749</b>	<b>(12,173)</b>	<b>-</b>	<b>4,576</b>
<b><i>Deferred tax liabilities</i></b>				
Property, plant and equipment <i>(revaluation)</i>	(86,724)	3,486	-	(83,238)
Investment properties <i>(revaluation)</i>	(43,711)	(306)	-	(44,017)
Others	(4,785)	2,104	-	(2,681)
<b>Total</b>	<b>(135,220)</b>	<b>5,284</b>	<b>-</b>	<b>(129,936)</b>
<b>Net</b>	<b>(118,471)</b>	<b>(6,889)</b>	<b>-</b>	<b>(125,360)</b>

# World Flex Public Company Limited

## Notes to the financial statements

For the year ended 31 December 2021

	(Charged) / Credited to			
	At 1 January 2020	Profit or loss <i>(in thousand Baht)</i>	Other comprehensive income	At 31 December 2020
<b>Deferred tax assets</b>				
Employee benefit obligations	1,924	247	110	2,281
Loss carry forward	14,396	(3,715)	-	10,681
Others	24	3,763	-	3,787
<b>Total</b>	<b>16,344</b>	<b>295</b>	<b>110</b>	<b>16,749</b>
<b>Deferred tax liabilities</b>				
Property, plant and equipment <i>(revaluation)</i>	(40,454)	1,618	(47,888)	(86,724)
Investment properties <i>(revaluation)</i>	(43,633)	(78)	-	(43,711)
Others	(540)	(4,245)	-	(4,785)
<b>Total</b>	<b>(84,627)</b>	<b>(2,705)</b>	<b>(47,888)</b>	<b>(135,220)</b>
<b>Net</b>	<b>(68,283)</b>	<b>(2,410)</b>	<b>(47,778)</b>	<b>(118,471)</b>

## 22 Earnings per share

The calculation of basic earnings per share for the years ended 31 December 2021 and 2020 were based on the profit for the years attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding during the year. In 2020, after adjusting the number of the ordinary shares to reflect the impact of the split of par value of shares from Baht 4 per share to Baht 1 per share as disclosed in note 15. The number of ordinary shares used in the calculation are adjusted as if such change had occurred at the beginning of the earliest reporting period as follows:

	2021 (in thousand Baht / thousand shares)	2020 (in thousand Baht / thousand shares)
<b>Basic earnings per share</b>		
<b>Profit attributable to ordinary shareholders of the Company</b>	<b>359,103</b>	<b>57,812</b>
Weighted average number of ordinary shares outstanding at 1 January	308,000	77,000
Issuance of ordinary shares on 13 January 2021	13,733	-
Issuance of ordinary shares on 20 December 2021	4,668	-
Effect of change in par value	-	231,000
<b>Weighted average number of ordinary shares outstanding at 31 December</b>	<b>326,401</b>	<b>308,000</b>
<b>Basic earnings per share (in Baht)</b>	<b>1.10</b>	<b>0.19</b>

## 23 Dividends

	Approval date	Payment schedule	Dividend rate per share (Baht)	Amount (in million Baht)
<b>2021</b>				
2020 Annual dividend	19 April 2021	10 May 2021	0.1	40.3
2021 Interim dividend	24 December 2021	19 January 2022	0.2	102.1

**World Flex Public Company Limited**  
**Notes to the financial statements**  
**For the year ended 31 December 2021**

**24 Financial instruments**

**(a) Carrying amounts and fair values**

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities measured at amortised cost if the carrying amount is a reasonable approximation of fair value.

	<u>Carrying amount</u>	<u>Fair value</u>
	Financial instruments measured at FVTPL	Level 2
	<i>(in thousand Baht)</i>	
<b>At 31 December 2021</b>		
<b><i>Derivatives assets</i></b>		
Forward exchange contract used for hedging	3,009	3,009
<b><i>Derivatives liabilities</i></b>		
Forward exchange contract used for hedging	(1,022)	(1,022)
<b>At 31 December 2020</b>		
<b><i>Derivatives assets</i></b>		
Forward exchange contract used for hedging	6,622	6,622
<b><i>Derivatives liabilities</i></b>		
Forward exchange contract used for hedging	(1,430)	(1,430)

The following tables present valuation technique of financial instruments measured at fair value in the statements of financial position

Type	Valuation technique
Forward exchange contracts	Determined using quoted forward exchange rates at the reporting date

**(b) Financial risk management policies**

***Risk management framework***

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the risk management committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the board of directors on its activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.



# World Flex Public Company Limited

## Notes to the financial statements

For the year ended 31 December 2021

The Company audit committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Company audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

### **(b.1) Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

#### **(b.1.1) Trade accounts receivable**

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

The risk management committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company's commercial terms and conditions are offered. The Company's review. Sale limits are established for each customer and reviewed quarterly. Any sales exceeding those limits require approval from the risk management committee.

The Company limits its exposure to credit risk from trade accounts receivables by establishing a maximum payment period of 3 months. Outstanding trade receivables are regularly monitored by the Company. An impairment analysis is performed by the Company at each reporting date. The provision rates of expected credit loss are based on days past due for individual trade receivables to reflect differences between economic conditions in the past, current conditions and the Company's view of economic conditions over the expected lives of the receivables.

Information relevant to trade accounts receivable is disclosed in note 6.

#### **(b.1.2) Cash and cash equivalent and derivatives**

The Company's exposure to credit risk arising from cash and cash equivalents and derivative assets is limited because the counterparties are banks and financial institutions which the Company considers to have low credit risk.

#### **(b.1.3) Guarantees**

The Company's policy is to provide financial guarantees only for parent company's liabilities. At 31 December 2021, the Company has issued a guarantee to certain banks in respect of credit facilities granted to the parent company (see note 4).

### **(b.2) Liquidity risk**

The Company monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Company's operations and to mitigate the effects of fluctuations in cash flows.

# World Flex Public Company Limited

## Notes to the financial statements

For the year ended 31 December 2021

The following table are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include contractual interest payments and exclude the impact of netting agreements.

At 31 December	Carrying amount	1 year or less	Contractual cash flows		Total
			More than 1 year but less than 5 years	More than 5 years	
			(in thousand Baht)		
2021					
Non-derivative financial liabilities					
Long-term loans from financial institution	89,971	28,544	65,473	-	94,017
Trade and other current payables	495,797	495,797	-	-	495,797
Lease liabilities	6,579	2,578	1,844	2,556	6,978
	592,347	526,919	67,317	2,556	596,792
Derivative financial liabilities					
Forward exchange contracts	1,022	1,022	-	-	1,022
	1,022	1,022	-	-	1,022
2020					
Non-derivative financial liabilities					
Short-term loans from financial institutions	379,841	379,841	-	-	379,841
Trade and other current payables	310,116	310,116	-	-	310,116
Lease liabilities	14,609	4,175	11,514	-	15,689
	704,566	694,132	11,514	-	705,646
Derivative financial liabilities					
Forward exchange contracts	1,430	1,430	-	-	1,430
	1,430	1,430	-	-	1,430

### (b.3) Market risk

The Company is exposed to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is as follows:



**World Flex Public Company Limited**  
**Notes to the financial statements**  
**For the year ended 31 December 2021**

(b.3.1) Foreign currency risk

The Company is exposed to foreign currency risk relating to purchases and sales which are denominated in foreign currencies. The Company primarily utilizes forward exchange contracts with maturities of less than one year to hedge such financial assets and liabilities denominated in foreign currencies. The forward exchange contracts entered into at the reporting date also relate to anticipated purchases and sales, denominated in foreign currencies, for the subsequent period.

<b>Exposure to foreign currency</b> <b>31 December</b>	2021			2020		
	USD	EUR	Total (in million Baht)	USD	EUR	Total
Trade and other current receivables	248	-	248	182	-	182
Trade and other current payables	(29)	-	(29)	(26)	-	(26)
<b>Net statement of financial Position exposure</b>	<b>219</b>	<b>-</b>	<b>219</b>	<b>156</b>	<b>-</b>	<b>156</b>
Forward exchange purchase contracts	83	-	83	77	-	77
Forward exchange selling contracts	(576)	-	(576)	(361)	(7)	(368)
<b>Net exposure</b>	<b>(274)</b>	<b>-</b>	<b>(274)</b>	<b>(128)</b>	<b>(7)</b>	<b>(135)</b>

*Sensitivity analysis*

A reasonably possible strengthening (weakening) of Thai Baht against all other foreign currencies at the reporting date would have affected the measurement of financial instruments denominated in a foreign currency. This analysis assumes that all other variables, in particular interest rates, remain constant.

<b>Impact to the profit or loss</b>	Movement (%)	Strengthening (in million Baht)	Weakening
<b>At 31 December 2021</b>			
USD	10	65.7	(65.7)
<b>At 31 December 2020</b>			
USD	10	42.9	(42.9)
EUR	10	0.7	(0.7)

**Forward exchange contract**

As at 31 December 2021, the Company has entered into forward exchange contracts to sell USD 17.2 million (2020: USD 11.8 million and EUR 0.2 million) at the forward rate of Baht 33.4 - 33.9 per USD (2020: Baht 29.4 - 32.2 per USD and Baht 36.1 per EUR). These contracts are due between 6 February 2022 to 5 July 2022 (2020: 12 January 2021 to 16 August 2021).

## 25 Capital management

The Board of Directors' policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board regularly monitors the return on capital, by evaluating result from operating activities divided by total shareholders' equity, excluding non-controlling interests and also monitors the level of dividends to ordinary shareholders.



**World Flex Public Company Limited**  
**Notes to the financial statements**  
**For the year ended 31 December 2021**

**26 Commitments with non-related parties**

	2021	2020
	<i>(in million Baht)</i>	
<b>Capital commitments</b>		
Building and building improvement	79	-
Machine and equipment	15	1
<b>Total</b>	<b>94</b>	<b>1</b>
<b>Other commitments</b>		
Bank guarantees	5	4
<b>Total</b>	<b>5</b>	<b>4</b>

**Bank guarantees**

As at 31 December 2021, there were outstanding bank guarantees of Baht 5.4 million (2020: Baht 4.1 million) issued by the banks on behalf of the Company to guarantee electricity use as required in the normal course of the Company's business.

**27 Reclassification of accounts**

Certain accounts in the 2020 financial statements have been reclassified to confirm to the presentation in the 2021 financial statements as follow;

	2020		
	Before reclassification	Reclassification (in thousand Baht)	After reclassification
Other current receivables	20,288	(6,622)	13,666
Derivative assets	-	6,622	6,622
Other current assets	10,423	(3,280)	7,143
Advance for machinery purchase	-	3,095	3,095
Other non-current assets	2,715	185	2,900
Other current payables	(59,288)	(14,587)	(73,875)
Derivative liabilities	-	(1,430)	(1,430)
Other current liabilities	(22,998)	16,017	(6,981)
Distribution costs	29,011	12,049	41,060
Administrative expenses	79,091	(12,049)	67,042
		<u>-</u>	

The reclassifications have been made because, in the opinion of management, the new classification is more appropriate to the Company's business.

**28 Events after the reporting period**

At the Board of Director's meeting of the Company, on 23 February 2022 the board of director pass the resolution to propose the shareholders approve the payment of the dividend from operation for 4<sup>th</sup> quarter of 2021 of Baht 0.245 per share amounting to Baht 113.729 million. This dividend payment is subject to the approval by the shareholders of the Company.

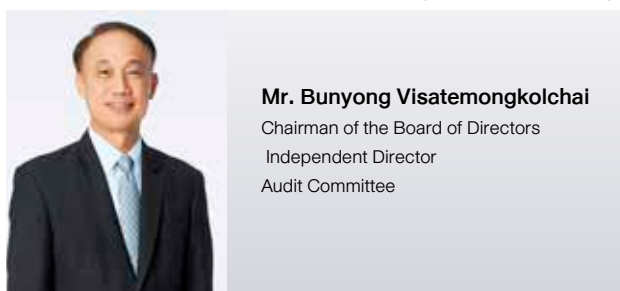


## Attachment





## Attachment 1 Information of the Board of Directors, Executives, Controlling Persons of Accounting and Financial, and Company Secretary



**Mr. Bunyong Visatemongkolchai**

Chairman of the Board of Directors  
Independent Director  
Audit Committee

### Age (year)

- 64

### Educational qualification/ Training

- Master of Laws Temple University, USA
- Bachelor of Laws, Thammasat University
- Mini MBA, Chulalongkorn University
- Advanced Audit Committee Program (AACP) class of 30/2018
- Director Accreditation Program (DAP) class of 119/2015

### Shareholding proportion in company<sup>1</sup> (percent)

- 

### Family relationships between the committee and executive

- 

### Working experience:

29th January 2021 – present	Chairman of the Board of Directors, Independent Director, Audit Committee	World Flex Public Company Limited Manufacture and distribute the natural rubber thread
2019 – present	Director	Bangkok Commercial Asset Management Public Company Limited Asset management
2018 – present	Director	TFD Real Estate Management Co., Ltd. Trust management business
2019 – 2021	Chairman of the Board of Directors	Thai Credit Guarantee Corporation (TCG) Guarantee credit service business for entrepreneurs of all kinds of SME
2017 – 2021	Director, Independent Director, Audit Committee	Latex Systems Public Company Limited Manufacture and distribute the mattress, pillow and other accessories made from 100% natural latex
2017 – 2019	Director	Able Asset Group Co., Ltd. Real estate business
2015 – 2017	Director, Executive Director	Government Housing Bank Bank business
2014 – 2019	Director	Thai Factory Development Public Company Limited Real estate business
2014 – 2016	Director	Total Industrial Services Co., Ltd. Real estate business



**Mr. Bunlue Chantadisai**

Director,  
Independent director,  
Chairman of the Audit committee

### Age (year)

- 72

### Educational qualification/ Training

- M.B.A., University of Chicago Business School, USA
- Bachelor of Engineering Massachusetts Institute of Technology, USA
- Risk Management Program for Corporate Leaders (RCL) class of 15/2019
- Advanced Audit Committee Program (AACP) class of 27/2017
- Director Certification Program (DCP) class of 9/2001

### Shareholding proportion in company<sup>1</sup> (percent)

- 0.04

### Family relationships between the committee and executive

- 

### Working experience:

29 <sup>th</sup> January 2021 – present	Director, Independent director, Chairman of the Audit Committee	World Flex Public Company Limited Manufacture and distribute the natural rubber thread
2560 – present	Chairman of the Board of Directors, Independent Director	Bangkok Bank Berhad Commercial Bank in Malaysia
2558 – present	Director, Chairman of the Audit Committee	Property Perfect Public Company Limited Develop real estate
2556 – 2021	Director	Mitkorn Development Co., Ltd. Tenancy and processing about real estate
2555 – present	Director	Asia Tires Ventures Co., Ltd. Leasing office suite
2012 – present	Director	Wattanachot Co., Ltd. Manage asset investment
2011 – present	Director	Y.C. Real Estate Co., Ltd. Purchasing and selling the real estate
2011 – present	Director	Bangkok Solar Co., Ltd. Real estate business
2011 – present	Director	Chot Chalit Co., Ltd. Allocate land for living
2010 – present	Director	C.S. Capital Co., Ltd. Consult and guide about management
2010 – present	Chairman of the Board of Directors	Lynn Philips Asset Management Co., Ltd. Financial business
2017 – 2021	Director, Independent Director, Chairman of the Audit Committee	Latex System Public Company Limited Manufacture and distribute the mattress, pillow and other accessories made from natural latex
2005 – 2019	Chairman of the Board of Directors	Lynn Philips Mortgage Credit Foncier Co., Ltd. Credit foncier Co., Ltd..





### Mr. Surapong Rongsirikul

Director,  
Independent Director,  
Audit Committee,

#### Age (year)

- 66

#### Educational qualification/ Training

- M.B.A. Thammasat University
- B.B.A in Accounting Ramkhamhaeng University
- B.B.A. in Marketing Thammasat University
- Director Accreditation Program (DAP) class of 152/2018

#### Shareholding proportion in company<sup>1</sup> (percent)

- -

#### Family relationships between the committee and executive

- -

#### Working experience:

29th January 2021 – present	Director, Independent Director, Audit Committee	World Flex Public Company Limited manufacture and distribute the natural rubber thread
2021 – present	Director	Pilatus Marine Co., Ltd. deliver fuels, all kinds of gas by land and sea
2018 – 2021	Director, Independent Director	Latex System Public Company Limited manufacture and distribute the mattress, pillow, and other accessories made from natural latex
2004 – 2015	Deputy Director	Port Authority of Thailand Port service



### Mr. Chawalit Tiyadechachai<sup>2</sup>

Director,  
Chief Executive Officer

#### Age (year)

- 48

#### Educational qualification/ Training

- M.B.A. University of Central Oklahoma, USA
- Bachelor of Engineering in Electronics Engineering Assumption University
- Director Accreditation Program (DAP) class of 179/2021

#### Shareholding proportion in company<sup>1</sup> (percent)

- 1.94

#### Family relationships between the committee and executive

- Husband who doesn't register a marriage certificate Ms. Chalangkwan Wongsasuthikul

#### Working experience:

1 <sup>st</sup> October 2017 – present	Director, Chairman of the Executive Committee, Chief Executive Officer	World Flex Public Company Limited Manufacture and distribute the natural rubber thread
2020 – 2021	Director	Thai Rubber Industry Co.,Ltd Purchase agricultural product
2008 – 2018	Director, Managing Director	Phoenix Rubber Products Co., Ltd. Manufacture and distribute the latex gloves



### Mr. Nat Vongsasuttikul<sup>2</sup>

Director,  
Executive Director,  
Managing Director,  
Assistant Managing Director (Factory Line)

#### Age (year)

- 44

#### Educational qualification/ Training

- M.B.A. Assumption University
- B.B.A. in Business computer Saint John University
- Director Certification Program (DCP) class of 279/2019

#### Shareholding proportion in company<sup>1</sup> (percent)

- 0.50

#### Family relationships between the committee and executive

- cousin of Ms. Chalongkwan Wongsasuthikul and Mr. Kowit Wongsasuthikul

#### Working experience:

14 <sup>th</sup> May 2013 – present	Director, Executive Director, Managing Director, Assistant Managing Director (Factory Line)	World Flex Public Company Limited Manufacture and distribute the natural rubber thread
-------------------------------------	--	--



### Ms. Chalongkwan Wongsasuthikul

Director

#### Age (year)

- 48

#### Educational qualification/ Training

- M.B.A. University of Central Oklahoma, USA
- M.B.A. in Management and Organization Development Assumption University
- Bachelor of Arts in International Economics Chulalongkorn University
- Director Certification Program (DCP) class of 229/2016
- Company Secretary Program (CSP)

#### Shareholding proportion in company<sup>1</sup> (percent)

- 0.98

#### Family relationships between the committee and executive

- Wife who doesn't register a marriage certificate Mr. Chawalit Tiyadechachai
- Older sister of Mr. Kowit Wongsasuthikul cousin of Mr. Nat Vongsasuttikul

#### Working experience:

16 <sup>th</sup> February 2009 – present	Director	World Flex Public Company Limited Manufacture and distribute the natural rubber thread
2021 – present	Director	Thai Rubber Gloves Co., Ltd. Manufacture and distribute the latex gloves
2012 – present	Director	Thai Rubber Latex Group Public Company Limited. Manufacture and distribute concentrated latex
2012 – present	Director	Mae Fah Luang Land and Property Co., Ltd. Buy and sell real estate for residential business
2010 – present	Director	Thai Rubber H P N R Co., Ltd. Manufacture and distribute Standard Thai Rubber
2002 – 2021	Director	PK IMMEX CO., Ltd. Wholesale food product
2007 – 2015	Director	Thai Rubber Land and Plantation Co., Ltd. Rubber plantation





**Mr. Kowit Wongsasuthikul**

Director

**Age (year)**

- 46

**Educational qualification/ Training**

- Master of Business of E-Commerce Assumption University
- Bachelor of Business Administration Assumption University
- Director Certification Program (DCP) class of 147/2018

**Shareholding proportion in company<sup>1</sup> (percent)**

- 0.12

**Family relationships between the committee and executive**

- Younger brother of Ms. Chalengkwan Wongsasuthikul, cousin of Mr. Nat Wongsasuttikul

**Working experience:**

6 <sup>th</sup> July 2020 - present	Director	World Flex Public Company Limited Manufacture and distribute the natural rubber thread
2012 - present	Director	Mae Fah Luang Land and Property Co., Ltd. Buy and sell real estate for residential business
2010 - present	Director	Thai Rubber H P N R Co., Ltd. Manufacture and distribute Standard Thai Rubber
2002 - 2021	Director	PK IMMEX Co., Ltd. Wholesale food product
2018 - 2021	Director	Latex System Public Company Limited Manufacture and distribute the mattress, pillow and other accessories made from natural latex



**Mr. Prakrit Waraprateep**

Director

**Age (year)**

- 44

**Educational qualification/ Training**

- Master of Computer Information Science (CIS) Assumption University
- Bachelor in Marketing Assumption University
- Director Accreditation Program (DAP) class of 177/2020

**Shareholding proportion in company<sup>1</sup> (percent)**

- 0.22

**Family relationships between the committee and executive**

- -

**Working experience:**

9 <sup>th</sup> July 2020 - present	Director	World Flex Public Company Limited Manufacture and distribute the natural rubber thread
2015 - present	Director	Thai Rubber H P N R Co., Ltd. Manufacture and distribute Standard Thai Rubber
2012 - present	Director	Mae Fah Luang Land and Property Co., Ltd. Buy and sell real estate for residential business



### Ms. Supreeya Sinthuphan

Assistant Managing Director  
(Accounting and Financial Line)

#### Age (year)

- 45

#### Educational qualification/ Training

- M.B.A in Management science Sukhothai Thammathirat Open University.
- Bachelor in Accounting Sukhothai Thammathirat Open University.
- CFO's Orientation for New IPOs Program class of 5 Period of training 5<sup>th</sup>-6<sup>th</sup> March 2021, 9-hour training.
- TFRS for NPAs 2020 with the effect of report standard in finance by Dharmniti Seminar and Training Co., Ltd., training period on 8th December 2020, 6-hour training.
- BUDGETING in Annual action plan (Practical part) by Nida Professional Training Co., Ltd. Training period on 18th September 2020, 6-hour training.
- To be the professional in finance Training project: MODERN CFO by Dharmniti Seminar and Training Co., Ltd., Training period 12<sup>th</sup>, 13<sup>th</sup>, 17<sup>th</sup> and 18<sup>th</sup> December 2019, 24-hour training.
- Criterion and procedure of Common Shares Listing Admission in SET: IPO Step by Step by Dharmniti Seminar and Training Co., Ltd., Training period 23<sup>rd</sup> August 2019, 6-hour training.
- 70 problem issues in-depth which are the most meet for accountant and how to correct followed in Thai financial reporting standard by Dharmniti Seminar and Training Co., Ltd., Training period 26th December 2018, 6-hour training.
- Technique for accounting service and essential in clarification of financial budget by Dharmniti Seminar and Training Co., Ltd., Training period 17<sup>th</sup> December 2018, 6-hour training.

#### Shareholding proportion in company<sup>1</sup> (percent)

- 0.15

#### Family relationships between the committee and executive

- -

#### Working experience:

1 <sup>st</sup> March 2019 - Present	Assistant Managing Director (Accounting and Financial Line)	World Flex Public Company Limited Manufacture and distribute the natural rubber thread
2015 - 2019	Manager in Accounting and Financial	Phoenix rubber products Co., Ltd. Manufacture and distribute the latex gloves
2011 - 2020	Director	Chotchuang Commercial Co., Ltd. Medical latex gloves



### Ms. Uthairat Chatuphatthararat

Assistant Managing Director  
(General Management Line)  
and Company Secretary

#### Age (year)

- 52

#### Educational qualification/ Training

- Bachelor in general management Dhurakij Pundit University
- MINI MASTER IN HR MANAGEMENT class of 9 by faculty of Economics, Chulalongkorn University.
- Company Secretary class of 108/2020 by Thai Institute of Directors, Training period 20<sup>th</sup>-21<sup>st</sup> July 2020, 12-hour training.
- Quality Awareness by Value added consulting Co., Ltd. Training period 21<sup>st</sup> September 2019, 6-hour training.
- Role and responsibility of company secretary (CS) by Dharmniti Seminar and Training Co., Ltd. Training period 25<sup>th</sup> July 2019, 6-hour training.
- Effective Quality Management Representative (QMR) by BSI Group (Thailand) Co., Ltd. Training period 17<sup>th</sup> July 2019, 6-hour training.
- Personal Data Protection Act B.E. 2562 (2019) by Dharmniti Seminar and Training Co., Ltd. Training period 11<sup>th</sup> July 2019, 6-hour training.
- Total internal audit by Dharmniti Seminar and Training Co., Ltd. Training period 14<sup>th</sup> June 2018, 6-hour training.

#### Shareholding proportion in company<sup>1</sup> (percent)

- 0.15

#### Family relationships between the committee and executive

- -

#### Working experience:

9 <sup>th</sup> February 2004 - present	Assistant Managing Director (General Management Line) and Company Secretary	World Flex Public Company Limited Manufacture and distribute the natural rubber thread
2011 - 2020	Director	Chotchuang commercial Co., Ltd. Medical latex gloves





### Mr. Worapol Phimukphakdee

Assistant Managing Director  
(Business Support Line)

#### Age (year)

- 43

#### Educational qualification/ Training

- B.A, faculty of Humanities Ramkhamhaeng University

#### Shareholding proportion in company<sup>1</sup> (percent)

- 0.15

#### Family relationships between the committee and executive

- -

#### Working experience:

16 <sup>th</sup> May 2008 – present	Assistant Managing Director (Business Support Line)	World Flex Public Company Limited Manufacture and distribute the natural rubber thread
-------------------------------------	--	---



### Ms. Kittiya Pliksang

Accounting Manager

#### Age (year)

- 39

#### Educational qualification/ Training

- Master in Energic and Environmental management, Shinawatra University.
- Bachelor's in accounting, Ramkhamhaeng University.
- To update the related measurement in taxation program by Faculty of Business Administration Borpitpimuk Chakkawad campus, Training period 26<sup>th</sup> September 2021, 4-hour training.
- The important issue of Thai financial reporting standard program by Faculty of Business Administration Borpitpimuk.
- Chakkawad campus, Training period 25<sup>th</sup> September 2021, 4-hour training.
- Accounting for decision program by Faculty of Business Administration Borpitpimuk Chakkawad campus, Training period 19<sup>th</sup> September 2021, 2-hour training.
- Calculation deferred tax program by Microsoft Excel by Dharmniti Seminar and Training Co., Ltd. Training period 21 July 2021, 4-hour training.
- TFRS for NPAEs 2020 with the effect of Thai financial reporting standard by Dharmniti office of management development Co., Ltd., training period on 8<sup>th</sup> December 2020, 6-hour training.
- Preparation for the changing of tax in New normal for 2021-year program by Dharmniti office of management development Co., Ltd., training period on 3<sup>rd</sup> November 2020, 3-hour training.
- BUDGETING in Annual action plan (Practical part) program by Nida Professional Training Co., Ltd. Training period on 18<sup>th</sup> September 2020, 6-hour training.
- Excel for accounting of production cost and processing cost program by Dharmniti Seminar and Training Co., Ltd., training period on 21<sup>st</sup> August 2020, 6-hour training.
- To update for the changing of accounting in 2020-year program by Dharmniti Seminar and Training Co., Ltd., training period on 11<sup>th</sup> March 2020, 3-hour training by Dharmniti office of management development Co., Ltd., Training period on 11<sup>th</sup> March 2020, 3-hour training.
- Taxation law in 2020 program by Dharmniti office of management development Co., Ltd., Training period on 11<sup>th</sup> March 2020, 3-hour training.
- e-Withholding Tax Program by Dharmniti Seminar and Training Co., Ltd. Training period 19<sup>th</sup> November 2019, 6-hour training.
- Direction of Thai financial reporting standard (PAEs and NPAEs) program by Dharmniti office of management development Co., Ltd., Training period 6<sup>th</sup> November 2019, 3-hour training.
- In-depth in accounting for construction contract and selling real estate for NPAEs by Accounting Training Co., Ltd. Training period 8<sup>th</sup> September 2019, 6-hour training.
- Criterion and procedure of Common Shares Listing Admission in SET: IPO Step by Step by Dharmniti Seminar and Training Co., Ltd., Training period 23<sup>rd</sup> August 2019, 6-hour training.

#### Shareholding proportion in company<sup>1</sup> (percent)

- 0.00

#### Family relationships between the committee and executive

- -

#### Working experience:

1 <sup>st</sup> March 2019 – present	Accounting Manager	World Flex Public Company Limited Manufacture and distribute the natural rubber thread
2017 – present	Director	Meephukdeerunguang Co., Ltd. Interior decoration for condominium

#### Remark

<sup>1</sup> Shareholding proportion in company before offering the stock selling to the public for the first time including the share of conjoint or child not being legal age of aforesaid person and <sup>2</sup> director who has the authorized director of the company





## Attachment 2 Detail Of Chief Of The Internal Audit

World Flex Public Company Limited. has appointed I VL AUDITING Co., Ltd. (I VL) as internal audit and I VL has appointed Ms. Valdee Sibunrueang and Ms. Nathanon Patthanaprasitchai as chief of internal audit as detail follows:

### Ms. Valdee Sibunrueang

Senior Partner

#### Age (year)

- 57

#### Educational qualification/ Training

- Bachelor's degree in accounting theory, Chulalongkorn University
- Certified Public Accountant Registration no. 3829
- Director Accreditation Program (DAP)
- Audit Committee Program

#### Shareholding proportion in company<sup>1</sup> (percent)

- -

#### Family relationships between the committee and executive

- -

#### Working experience:

1994 - Present	Senior Partner	I VL Auditing Co., Ltd. Audit and internal audit
1990 - 1994	Accounting and financial manager	Mancom Corporation (Thailand) Co., Ltd. Supervision in accounting and finance
1989 - 1990	Senior assistance auditor	Deloitte Touche Tohmatsu Jaiyos Co., Ltd. Manage and work as an audit

### Ms. Nathanon Patthanaprasitchai

Partner

#### Age (year)

- 45

#### Educational qualification/ Training

- Master's degree of Business Administration (Accounting) Ramkhamhaeng University
- Bachelor's degree in accounting, Burapha University

#### Shareholding proportion in company<sup>1</sup> (percent)

- -

#### Family relationships between the committee and executive

- -

#### Working experience:

2008 - Present	Partner	I VL Auditing Co., Ltd. Audit and internal audit
2006 - 2008	Finance and accounting assistant manager	Kanebo Cosmetics (Thailand) Co., Ltd. Supervision in accounting and finance
2001 - 2009	Senior assistance auditor	I VL Auditing Co., Ltd. Manage and work as an audit





## Attachment 3 Details on Business Assets and Asset Valuation

### 1. Operating principal assets of the Company

On 31<sup>st</sup> December 2021, the principal assets of the Company such as land, building, machine, equipment and supplies, vehicle, wastewater treatment system, asset under construction, a right-of-use asset, and intangible asset are as follows:

List of assets	Net book value on 31 <sup>st</sup> December 2021 (Million baht)	Type of ownership	Contingency
1. Land	250.89	Company is owner	Mortgage loan as collateral from 2 financial institutions with 8 title deeds
2. Building and under construction part	321.78	Company is owner	none
3. Machine	231.86	Company is owner	Mortgage loan as collateral from a financial institution
4. Equipment and supplies	156.85	Company is owner	none
5. Vehicle	22.32	Company is owner	none
6. Wastewater treatment system	8.92	Company is owner	none
7. Asset under construction	291.97	Company is owner	none
8. A right-of-use asset <sup>1</sup>	6.40	Company is tenant	none
9. Intangible asset	3	Company is owner	none
<b>total</b>	<b>1,293.98</b>		

#### Remark

- In 2020, the company had brought Thai Financial Reporting Standard vol.16 leasing agreement to do for the first time by the company recorded the value of leasing agreement of office, vehicles, and office equipment as right-of-use asset.

#### 1.1. Land

On 31<sup>st</sup> December 2021, the company has net book value of land amount 250.89 million baht that is the location of rubber thread factory, in Pluak Daeng sub-district, Rayong province, as follows:

Location	Usability	Net book value (million baht)	Type of ownership	Contingency
<b>1. No. title deeds 254, 255</b> address 59/1 Sai Nikhom Phatthana - Nong Pla Lhai reservoir (HW no. 3191), Maenam Khu sub-district, Pluak Daeng district, Rayong province Total area: 18-0-60.1 rai	Location of a rubber thread factory	31.94	Company is owner financial amount 642.00 million baht	Mortgage loan as collateral with a financial institution with financial amount 642.00-million-baht and 20.00 million dollar US

Location	Usability	Net book value (million baht)	Type of ownership	Contingency
<b>2. No. title deeds 1750, 1751, 9562, 9563, 20416, 20417</b> address 59/1 Sai Nikhom Phatthana - Nong Pla Lhai reservoir (HW no. 3191), Maenam Khu sub-district, Pluak Daeng district, Rayong province Total area: 56-0-64.4 rai	Location of a rubber thread factory	107.83	Company is owner	Mortgage loan as collateral with a financial institution with financial amount 418.10-million-baht
<b>3. No. title deeds 8756, 8859</b> address 59/1 Sai Nikhom Phatthana - Nong Pla Lhai reservoir (HW no. 3191), Maenam Khu sub-district, Pluak Daeng district, Rayong province Total area: 3-3-99 rai	Location of a rubber thread factory	5.00	Company is owner	None
<b>4. No. title deeds 252, 253, 256, 7570, 7644, 7667, 8236</b> address 59/1 Sai Nikhom Phatthana - Nong Pla Lhai reservoir (HW no. 3191), Maenam Khu sub-district, Pluak Daeng district, Rayong province Total area: 59-1-8.6 rai	Location of a rubber thread factory	106.12	Company is owner	None
<b>Total</b>		<b>250.89</b>		

## 1.2 Building and under construction part

On 31<sup>st</sup> December 2021, the company has net book value of building and under construction part amount 321.78 million baht including rubber thread factory, cargo, thermal power factory and building and another under construction part which is located on the land of the company in Pluak Daeng sub-district, Rayong Province as follows:

Buildings and building improvements	Net book value (million baht)	Type of ownership	Contingency
Rubber thread factory, cargo, thermal power factory, and building and another under construction part	321.78	Company is owner	None

## 1.3 Machine

On 31<sup>st</sup> December 2021, the company has net book value of the machine amount 231.86 million baht which produce the rubber thread, and other machines which concerned with production procedure as follows:

Machines	Net book value (million baht)	Type of ownership	Contingency
The machine which produces the rubber thread, amount 42 machines	231.21	Company is owner	Some machines are mortgage loans as collateral with the financial institution for 1,060.10 million baht and 20.00 million dollar US
Other Machines	0.65	Company is owner	
<b>Total</b>	<b>231.86</b>		

#### 1.4 Equipment and supplies

On 31<sup>st</sup> December 2021, the company has net book value of equipment and supplies amount 115.24 million baht used in office and rubber thread factories.

#### 1.5 Vehicles

On 31<sup>st</sup> December 2021, the company has net book value of vehicles 22.32 million baht which are used in office and rubber thread factory amount 107 lists.

#### 1.6 Wastewater treatment system

On 31<sup>st</sup> December 2021, the company has net book value of wastewater treatment system amount 8.92 million baht which is the system used in treating the wastewater from producing the rubber thread.

#### 1.7 Assets under construction

On 31<sup>st</sup> December 2021, assets under construction have net book value of amount 291.97 million baht including rubber thread factory building, machines, some equipment and supplies used in the production process, environmental system, etc.

#### 1.8 A right-of-use asset

On 31<sup>st</sup> December 2021, the company has net book value of a right-of-use asset amount of 6.40 million baht is the value of the leasing agreement of the company as follows:

right-of-use assets	Net book value (million baht)	Contingency
Office building <sup>1</sup>	3.22	None
Equipment and supplies <sup>2</sup>	0.15	None
Vehicles <sup>3</sup>	3.03	None
<b>Total</b>	<b>6.40</b>	

Note

1. A right-of-use asset in the office building's list is the value of the leasing agreement in the office building area and car park area located at Bangnathani building, Bangna-Trat soi no. 34, Bangna-tai sub-district, Bangna district, Bangkok 10260.
2. A right-of-use asset in the equipment and supplies list is the value of the leasing agreement of rental the copier.
3. A right-of-use asset in the vehicles' list is the value of the leasing agreement of the vehicle for the executive.

#### 1.9 Intangible assets

At 31<sup>st</sup> December 2021, the company has net book value of intangible assets such as an accounting program amount of 3.00 million baht.

### 2. Investment property

On 31<sup>st</sup> December 2021, the company has net book value of investment property such as outlaw land located at Sakaeow province amount 339.84 million baht. Now, the company has a selling and leasing announcement that outlaw land.

Location	Net book value (million baht)	Type of ownership	Contingency
<p>No. title deeds 782, 791 – 797, 799 – 811, 813 – 820, 1406, 1433 – 1436, 1439 – 1440, 1442 – 1443, 1622, 1703 – 1705, 1711, 1768, 2511, 21740 – 21747, 21789 – 21790</p> <p>Saibannon – bannongprue road (sorkor.4012)</p> <p>Wattana Nakhon sub-district, Wattana Nakhon district, Sakaeow province</p> <p>Total area : 2,050-0-48.0 rai</p>	339.84	Company is owner	<p>1. Mortgage loans as collateral with a financial institution for 115.00 million baht</p> <p>2. Mortgage loans as collateral the financial institution, TRUBB, for 1,852.00 million baht and 25.00 million dollar US<sup>1</sup></p>

**Note**


1. The bank will relieve the guarantee which is a mortgage after the company lists the application on the stock exchange.

### 3. Trademark

On 31<sup>st</sup> December 2021, the company has 7 lists of trademarks as follows:

Trademark	Ownership holder	Status
	The company	<p>The company has registered the trademark with the department of intelligent property in Thailand since September 2003 and trademark renewal in March 2012 by registering the trademark for products 26 types (elastic strip)</p> <p>The company has also submitted to register the trademark with the department of intelligent property in Thailand for supplementary in February 2021 by registering the trademark for products 23 types (rubber thread for textile). For this trademark covering the product of the company, now, this trademark is also being considered by the department of intelligent property. It may be authorized in 2022.</p>
	The company	<p>The company has submitted to register the trademark with the department of intelligent property in Thailand in February 2021 by registering the trademark for products 23 types (rubber thread for textile). So that this trademark is being considered by the department of intelligent property. It may be authorized in 2022.</p>
	The company	<p>The company has submitted to register the trademark with the department of intelligent property in Thailand in April 2021 by registering the trademark for products 23 types (rubber thread for textile). So that this trademark is being considered by the department of intelligent property. It may be authorized in 2022.</p>
	The company	<p>The company has submitted to register the trademark with the department of intelligent property in Thailand in April 2021 by registering the trademark for products 23 types (rubber thread for textile). So that this trademark is being considered by the department of intelligent property. It may be authorized in 2022.</p>
	The company	<p>The company has submitted to register the trademark with the department of intelligent property in Thailand in February 2021 by registering the trademark for products 23 types (rubber thread for textile). So that this trademark is being considered by the department of intelligent property. It may be authorized in 2022.</p>



Trademark	Ownership holder	Status
	The company	The company has submitted to register the trademark with the department of intelligent property in Thailand in February 2021 by registering the trademark for products 23 types (rubber thread for textile). So that this trademark is being considered by the department of intelligent property. It may be authorized in 2022.
	The company	The company has submitted to register the trademark with the department of intelligent property in Thailand in April 2021 by registering the trademark for products 23 types (rubber thread for textile). So that this trademark is being considered by the department of intelligent property. It may be authorized in 2022.

#### 4. Property insurance for business

Property insurance policies for business has the details as follows:

##### 4.1 Property assurance policy for producing rubber thread

Party	Bangkok Insurance Public Company Limited
No. of party	521-01551-2038
Type of policy	Industrial all risks insurance policy
property for insurance	<ol style="list-style-type: none"> <li>1. The building (excluding the footing) cafeteria, garage, guardhouse, and other building including under-construction part, electric system, water supply, telephone system, any public utility, any system, door, fence, and spirit house but excluding company name's plate, or every type of ads plate and electric transformer.</li> <li>2. Furniture, built-in, an appliance for decoration and any electronics, equipment, any office equipment, air conditioner, computer with any supplies and every asset concerning with business of insured.</li> <li>3. The machine and supplies, spares, equipment, any appliances in the factory.</li> <li>4. Every type of product's stock, raw material, under-producing product, instant product, material, parcel, and any package.</li> <li>5. Biomass Steam-boiler and Hot Oil 6,000,000 Kcal.</li> <li>6. Work in progress, latex storing bucket, wood vinegar bucket, compound bucket, dispersion bucket, and Cooling Tank.</li> <li>7. Workshop building with supplementary construction, any utility, water bucket storing chemicals, and wood vinegar bucket.</li> <li>8. Including any supplementary decoration and construction and any utility.</li> </ol>
Location of asset	<p>Address 59/1, no. of village 5, Maenamkhu, Pluak Daeng district, Rayong province, being the location of property insured as follows:</p> <ol style="list-style-type: none"> <li>1. Factory building 5 buildings</li> <li>2. Cargo building 5 buildings</li> <li>3. Workshop building 1 building</li> <li>4. Employee camp building 3 buildings</li> <li>5. Wastewater treatment system</li> </ol>
Period	From 4 October 2021 to 4 October 2022 at 16.30 h.
Financial amount protection	1,020.00 million baht
Beneficiary	<ol style="list-style-type: none"> <li>1. The company is the beneficiary in the financial amount of 654.00 million baht, for all the assets, except the assets of factory building 2.</li> <li>2. Bangkok Insurance Public Co., Ltd. is the beneficiary in the financial amount of 336.00 million baht in the assets of factory building 2.</li> </ol>

#### 4.2 Business Interruption Insurance Policy

<b>Party</b>	Bangkok Insurance Public Company Limited
<b>No. of party</b>	521-01550-152
<b>Type of policy</b>	Business Interruption Insurance Policy
<b>property for insurance</b>	The Gross Profit as the result of the decrease of income and the decrease of the expenses in the process by the company will protect for the damage from interruption of business because of any building or any asset which the company uses to run the business at the location of property insured that damage and protected under the policy in no. 5.3.1.
<b>Location of asset</b>	Address 59/1, no. of village 5, Maenamkhu, Pluak Daeng district, Rayong province, being the location of property insured as follows: <ol style="list-style-type: none"> <li>1. Factory building 5 buildings</li> <li>2. Cargo building 5 buildings</li> <li>3. Workshop building 1 building</li> <li>4. Employee camp building 3 buildings</li> <li>5. Wastewater treatment system</li> </ol>
<b>Period</b>	From 4 October 2021 to 4 October 2022 at 16.30 h.
<b>Financial amount protection</b>	100.00 million
<b>Beneficiary</b>	The company is the beneficiary in the financial amount of 100.00 million baht.

#### 4.3 Vehicle insurance policy

On 11<sup>th</sup> October 2021, the company has made the vehicle insurance for running the business and delivering the product, total amount of insurance 17.79 million baht.

#### 5. Business Certificate

To manage the business of the company, there must be an authorization certificate such as Factory license (ror.ngor.4), License for business detrimental to health, rubber trade license, License for being importer the rubber in Thai kingdom, etc.

#### 6. Right and benefit from investment promotion.

On 31<sup>st</sup> December 2021, the company has got the investment promotion by Investment Promotion Act B.E. 2520 from the Board Of Investment (BOI) as follows:

<b>Promotion certificate no.</b>	1316(2)/2556
<b>Authorized certificate date</b>	7 <sup>th</sup> January 2013
<b>Opening promotion date</b>	12 <sup>th</sup> January 2019
<b>Type of promotion certificate</b>	Type 1.16 Business producing the product from natural latex
<b>Promotion product</b>	rubber thread



Right and benefit	<ul style="list-style-type: none"> <li>• authorized for bringing skilled craftsman or specialist foreigner, conjoint, and person in patronization for two kinds into Thai kingdom in number and period as the committee view as proper,</li> <li>• for the skilled craftsman or specialist foreigner authorized to stay in the kingdom to work in the duty that the committee view as proper through the period that was authorized,</li> <li>• except for the import duty for the machine that the committee consider authorized,</li> <li>• except for the corporation tax for net profit which received from running the total promoting business no more than 100 percent of investment budget excluding the land value and circulating fund, period for 8 years from the day having income from the business,</li> <li>• In the case of running the business during the excepting corporate tax time, a promoted person will be authorized to bring the losses from the last year deducting from the net profit after the period that except the corporate tax, which is not more than 5 years, from the expired date. There will be deducted from the net profit of a year or years.</li> <li>• exempt for bringing the dividend from the business, which is promoted and excepting the corporate tax, to calculate for pay the tax through the period that a promoted person receives the exempt from corporate tax,</li> <li>• exempt for import duty for the product that a promoted person enters for return in a period 1 year from the first date of importation.</li> </ul>
Condition for individual project	<ul style="list-style-type: none"> <li>• must be activated within 36 months, from the date of promoting certificate issue,</li> <li>• must have registered and paid-up capital not less than 308.00 million baht,</li> <li>• a person who has Thai nationality must hold all the share not less than 51 percent of registered capital,</li> <li>• must do by the essential of the project which is promoted in the type of product and size of business,</li> <li>• must have the investment size not less than 1.00 million baht,</li> <li>• must apply using the right and benefit of exemption for the corporate tax and report within 120 days,</li> <li>• corporate tax which is exempted the value not more than 90.00 million baht, so that it would be adjusted by the investment budget by excluding the true land's price and circulating fund in the operating day,</li> <li>• must receive the certificate of International Organization for standardization or ISO 9000 or ISO 14000 or international standardization where is equivalent within 2 years from the operating day,</li> <li>• must install the factory in Rayong province, so that, within 15 years from the operating day, the relocation will not be done.</li> </ul>

## 7. Concentrated latex sale contract

On 31<sup>st</sup> December 2021, the company has a concentrated latex sale contract as follows:

<b>Party</b>	The company ("the purchaser") Thai Rubber Latex Group Public Company Limited ("The Seller")
<b>Contract date</b>	1 <sup>st</sup> January 2021
<b>Objective</b>	for purchasing the concentrated latex
<b>Period Contract</b>	1 <sup>st</sup> January 2021 - 31 <sup>st</sup> December 2021
<b>Essential of contract</b>	<ul style="list-style-type: none"> <li>• The purchaser agrees to buy, and the seller agrees to sell the concentrated natural rubber latex (High Ammonia Latex) DRC 60%, for the specification and any details as the agreement for producing the rubber thread.</li> <li>• The seller agrees to deliver the product to the purchaser in the minimum quantity of 18,000 tons/year with the total price as the invoice each time, the price will be adjusted by the market at the day the purchaser buy.</li> <li>• In the case of the seller delivers the product with the different quantity or quality from the day of the purchase order, the purchaser has a right to receive by pay in the proportion or refuse to get all the product or some product by not considering as a side who breaks a contract,</li> <li>• In the case of the seller cannot deliver the product to the purchaser as a contract, the seller agrees to inform by the letter in advance more than 3 days before the delivery day and the purchaser has a right to cancel a contract by not considering as the company who breaks a contract,</li> <li>• Before the expiration of the contract period, If any party would like to continue the contract, deliver the letter to another party before the end of the contract more than 1 month, by term and condition of another party agree to definite in the next contract.</li> <li>• The party has a right to cancel this contract by informing another party in advance of more than 1 month.</li> </ul>

## 8. Loan agreement

On 31<sup>st</sup> December 2021, the company has a loan agreement from 2 financial institutions as follows:

### 8.1 Loan agreement from the first financial institution

#### 8.1.1 Loan agreement issue 1

Party	World Flex Public Company Limited ("The borrower") The 1 <sup>st</sup> financial institution ("The lender")
Date of agreement	21 <sup>st</sup> July 2010
Objective	for spending as a circulated fund in the business
Type of limit	1. Letter of Credit; L/C and/or 2. Trust Receipt; T/R and/or 3. Packing Credit (P/C) and/or 4. Export Bill Purchase (EBP)
Credit limit	190.00 million baht
Another essential condition	<ul style="list-style-type: none"><li>• The borrower can spend the credit limit in the above type in the limit of the circulated fund anytime, not more than the aforesaid amount,</li><li>• In the case of the borrower being in arrear the principal or the interest with any amount and/or breaking the agreement with any number, considering that all the dept of the borrower is due immediately, the borrower must pay all the dept immediately and agrees to pay the interest for the amount in the arrears with the rate equivalent to the interest rate to the lender which the bank charges from the client when the client is in arrear from the day borrower being in arrear until the day the borrower pays all the dept.</li></ul>

#### 8.1.2 Loan agreement issue 2

Party	World Flex Public Company Limited ("The borrower") The 1 <sup>st</sup> financial institution ("The lender")
Date of agreement	21 <sup>st</sup> July 2010
Objective	for spending as a circulated fund in the business
Type of limit	Promissory note (P/N)
Credit limit	15.00 million baht
Another essential condition	<ul style="list-style-type: none"><li>• The borrower can spend the credit limit in the above type in the limit of the circulated fund anytime, not more than the aforesaid amount,</li><li>• In the case of the borrower being in arrear the principal or the interest with any amount and/or breaking the agreement with any number, considering that all the dept of the borrower is due immediately, the borrower must pay all the dept immediately and agrees to pay the interest for the amount in the arrears with the rate equivalent to the interest rate to the lender which the bank charges from the client when the client is in arrear from the day borrower being in arrear until the day the borrower pays all the dept.</li></ul>

### 8.1.3 Loan agreement issue 3

Party	World Flex Public Company Limited ("The borrower") The 1 <sup>st</sup> financial institution ("The lender")
Date of agreement	24 <sup>th</sup> September 2010
Objective	For spending as a circulated fund in the business
Type of limit	Forward Contract
Credit limit	5.00 million dollars united stated
another essential condition	<ul style="list-style-type: none"> <li>The borrower can spend the credit limit in the above type in the limit of the circulated fund anytime, not more than the aforesaid amount,</li> <li>In the case of the borrower being in arrear the principal or the interest with any amount and/or breaking the agreement with any number, considering that all the debt of the borrower is due immediately, the borrower must pay all the dept immediately and agrees to pay the interest for the amount in the arrears with the rate equivalent to the interest rate to the lender which the bank charges from the client when the client is in arrear from the day borrower being in arrear until the day the borrower pays all the dept.</li> <li>The borrower must draw up and copy the balance sheet, annual income statement by approval with authorized accounting audit to clarify to the bank within not more than 150 days from the end of tranche accounting.</li> </ul>

### 8.1.4 Loan agreement issue 4

Party	World Flex Public Company Limited ("The borrower") The 1 <sup>st</sup> financial institution ("The lender")
Date of agreement	6 <sup>th</sup> February 2015
Objective	for spending as a circulated fund in the business
Type of limit	Forward Contract
Credit limit	10.00 million dollars united stated

### 8.1.5 Loan agreement issue 5

Party	The company ("The borrower") The first financial institution 1 ("The lender")
Date of agreement	18 <sup>th</sup> October 2019
Objective	for spending as a circulated fund in the business
Type of credit	Packing Credit (P/C)
Credit limit	100.00 million baht
Collateral	title deeds No.782, 792, 793, 794, 795, 796, 797, 799, 802, 803, 804, 805, 806, 808, 809, 810, 813, 814, 815, 817, 819, 1436, 1439, 1711, 1768, 2511, 21740, 21747 Wattana nakhon sub-district, Wattana Nakhon district, Sakaeow province, company's owner ship, being mortgage as collateral.
another essential condition	<ul style="list-style-type: none"> <li>The borrower must not have a commitment, a dept or any obligation by raising a loan or guaranteeing for whoever until the dept into equity ratio (D/E ratio) in anytime more than 2: 1 so that the debt into equity ratio must be lower than 0 by approval from the annual financial statement,</li> <li>the borrower must not invest or jointly invest in another company for supplementary from the day signing this agreement except agreeing by the bank in writing,</li> <li>the borrower must not offer the loan or any benefit to the third party or any business except agreeing in writing.</li> </ul>

### 8.1.6 Loan agreement issue 6

Party	World Flex Public Company Limited ("The borrower") The 1 <sup>st</sup> financial institution ("The lender")
Date of agreement	17 <sup>th</sup> June 2021
Objective	for investing for constructing a factory and spending for the expanded production project under the promoting loan of entrepreneur of rubber product from rubber authority of Thailand.
Type of credit	Long term loan
Credit limit	400.00 million baht
Collateral	<ul style="list-style-type: none"> <li>Title deeds no.1750, 1751, 9562, 9563, 20416, 20417 Maenamkhu sub-district, Pluak Daeng district, Rayong province, company's ownership, being mortgage as collateral.</li> <li>the machine, which hasn't the registering ownership certificate by the bank, is the company's ownership, now or in the future, wherever to keep it.</li> </ul>
another essential condition	<ul style="list-style-type: none"> <li>the borrower can withdraw the loan for the construction nor more than 80 percent of the cost estimate or the work value which is approved by the bank so that the amount is not more than 222.00 million baht,</li> <li>the borrower, can withdraw the loan for another price of any equipment not more than 80 percent of the invoice and/or the receipt, so it is not more than 215.00 million baht.</li> <li>For withdrawing the loan for the construction and the machine and other equipment, the cost must not be more than 400.00 million baht.</li> <li>The borrower must not have a commitment, a dept or any obligation by raising a loan or guaranteeing for whoever until the dept into equity ratio (D/E ratio) in anytime more than 2: 1 so that the debt into equity ratio must be lower than 0 by approval from the annual financial statement,</li> <li>the borrower agrees to maintain the DSCR ratio by calculating from the profit before deducting the paying interest, revenue, depreciation, and EBITDA and divided by the long-term debt that is due in that pay tranche, including the interest to pay short term and long-term loan in the ratio not less than 1.20 time, by approved with the annual financial statement.</li> <li>the borrower must not invest or jointly invest in the company, excepting the agreement from the bank,</li> <li>the borrower must not offer the loan or any benefit to the third party or any business except the agreement from the bank.</li> </ul>

### 8.1.7 Loan agreement issue 7

Party	World Flex Public Company Limited ("The borrower") The 1st financial institution ("The lender")
Date of agreement	17 <sup>th</sup> June 2021
Objective	for spending as a circulated fund in the business
Type of credit	Forward Contract
Credit limit	18.10 million baht
Collateral	<ul style="list-style-type: none"> <li>title deeds no. 1750, 1751, 9562, 9563, 20416, 20417 Maenamkhu sub-district, Pluak Daeng district, Rayong province, company's ownership, being mortgage as collateral. with another building on the aforesaid land, all this ownership and/or in the future that the bank will provide in the limit of mortgage and the method that bank definite,</li> <li>The machine, which hasn't the registering ownership certificate by the bank, is the company's ownership, now or in the future, wherever to keep it.</li> </ul>

another essential condition	<ul style="list-style-type: none"> <li>the borrow can spend the loan limit in the aforesaid type in the circulated fund anytime, not more than the loan that abovesaid,</li> <li>in the case of the borrow breaking the agreement in any number, or account that brings to be guarantee (if any) seized or withdrawn (all amount or some amount) in any case, the borrower agrees to the bank to calculate the interest in the case of being in arrears on the base of principal from the day the borrower being in arrears, etc. until all debt was paid. The increasing rate from the interest rate in the normal case with the maximum is an agreement in this evidence.</li> </ul>

## 8.2 Loan agreement from the second financial institution

### 8.2.1 Loan agreement issue 1

Party	World Flex Public Company Limited ("The borrower") The 2 <sup>nd</sup> financial institution ("The lender")
Date of agreement	14 <sup>th</sup> February 1996
Objective	for spending as a circulated fund in the business
Type of credit	Overdraft (O/D)
Credit limit	5.00 million baht
Collateral	<ul style="list-style-type: none"> <li>Thai Rubber Latex Corporation Thailand Public Company Limited is guarantor<sup>1</sup></li> <li>Title deeds no. 254, 255 Maenamkhu sub-district, Pluak Daeng district, Rayong Province with the building, company's ownership, being mortgage as collateral,</li> <li>Some part of the machine company's ownership, being mortgage as collateral.</li> </ul>
another essential condition	If the bank renews the overdraft or does a moratorium on a person who does the overdraft to pay a debt with informing the guarantor or not, the guarantor agrees to lengthen the period of the agreement every time and not to consider that the renewal or the moratorium of the agreement as releasing the responsibility of guarantor.

**Remark :** The bank discharged Thai Rubber Latex Group Public Company Limited from the guarantor after the company paid all debt since 10th January 2022

### 8.2.2 Loan agreement issue 2

Party	World Flex Public Company Limited ("The borrower") The 2 <sup>nd</sup> financial institution ("The lender")
Date of agreement	14 <sup>th</sup> February 1996
Objective	for spending as a circulated fund in the business
Type of credit	Overdraft (O/D)
Credit limit	15.00 million baht
Collateral	<ul style="list-style-type: none"> <li>Thai Rubber Latex Corporation Thailand Public Company Limited is guarantor<sup>1</sup></li> <li>Title deeds no. 254, 255 Maenamkhu sub-district, Pluak Daeng district, Rayong Province with the building, company's ownership, being mortgage as collateral,</li> <li>Some part of the machine company's ownership, being mortgage as collateral.</li> </ul>
another essential condition	If the bank renews the overdraft or does a moratorium on a person who does the overdraft to pay a debt with informing the guarantor or not, the guarantor agrees to lengthen the period of the agreement every time and not to consider that the renewal or the moratorium of the agreement as releasing the responsibility of guarantor.

**Remark**

The bank discharged Thai Rubber Latex Group Public Company Limited from the guarantor after the company paid all debt since 10th January 2022

### 8.2.3 Loan agreement issue 3

Party	World Flex Public Company Limited ("The borrower") The 2 <sup>nd</sup> financial institution ("The lender")
Date of agreement	19 <sup>th</sup> November 2020
Objective	for spending as a circulated fund in the business
Type of credit	Promissory note (P/N)
Credit limit	200.00 million baht
Collateral	<ul style="list-style-type: none"> <li>Thai Rubber Latex Corporation Thailand Public Company Limited is guarantor1</li> <li>Title deeds no. 254, 255 Maenamkhu sub-district, Pluak Daeng district, Rayong Province with the building, company's ownership, being mortgage as collateral,</li> <li>Some part of the machine company's ownership, being mortgage as collateral.</li> </ul>

#### Remark

The bank discharged Thai Rubber Latex Group Public Company Limited from the guarantor after the company paid all debt since 10th January 2022

### 8.2.4 Loan agreement issue 4

Party	World Flex Public Company Limited ("The borrower") The 2 <sup>nd</sup> financial institution ("The lender")
Date of agreement	19 <sup>th</sup> November 2020
Objective	for spending as a circulated fund in the business
Type of credit	1. Bill Receivable 2. Bill Receivable Under Letter of Credit 3. Packing Credit 4. Promissory note limit(P/N)
Credit limit	330.00 million baht
Collateral	<ul style="list-style-type: none"> <li>Thai Rubber Latex Corporation Thailand Public Company Limited is guarantor1</li> <li>Title deeds no. 254, 255 Maenamkhu sub-district, Pluak Daeng district, Rayong Province with the building, company's ownership, being mortgage as collateral,</li> <li>Some part of the machine company's ownership, being mortgage as collateral.</li> </ul>

#### Remark

The bank discharged Thai Rubber Latex Group Public Company Limited from the guarantor after the company paid all debt since 10th January 2022

### 8.2.5 Loan agreement issue 5

Party	World Flex Public Company Limited ("The borrower") The 2 <sup>nd</sup> financial institution ("The lender")
Date of agreement	19 <sup>th</sup> November 2020
Objective	for spending as a circulated fund in the business
Type of credit	1. Letter of Credit (L/C) and/or 2. Trust Receipt (T/R)
Credit limit	90.00 million baht
Collateral	<ul style="list-style-type: none"> <li>Thai Rubber Latex Corporation Thailand Public Company Limited is guarantor1</li> <li>Title deeds no. 254, 255 Maenamkhu sub-district, Pluak Daeng district, Rayong Province with the building, company's ownership, being mortgage as collateral,</li> <li>Some part of the machine company's ownership, being mortgage as collateral.</li> </ul>

#### Remark

The bank discharged Thai Rubber Latex Group Public Company Limited from the guarantor after the company paid all debt since 10th January 2022



## 8.2.6 Loan agreement issue 6

Party	World Flex Public Company Limited ("The borrower") The 2 <sup>nd</sup> financial institution ("The lender")
Date of agreement	19 <sup>th</sup> November 2020
Objective	for spending as a circulated fund in the business
Type of credit	Forward Contract
Credit limit	20.00 million dollars united stated
Collateral	<ul style="list-style-type: none"><li>Title deeds no. 254, 255 Maenamkhu sub-district, Pluak Daeng district, Rayong Province with the building, company's ownership, being mortgage as collateral,</li><li>Some part of the machine company's ownership, being mortgage as collateral.</li></ul>

## 9. Letter of guarantee

On 31<sup>st</sup> December 2021, the company made the letter of guarantee with 2 financial institutions as follows:

### 9.1 Letter of guarantee with the 1st financial institution

On 31<sup>st</sup> December 2021, the company had the limit of guarantee with the 1<sup>st</sup> financial institution with the amount of 2.51 million baht as follows:

#### 9.1.1 Letter of guarantee issue 1

Party	World Flex Public Company Limited ("the borrower") The 1 <sup>st</sup> financial institution ("the guarantor")
Date of agreement	21 <sup>st</sup> July 2010
Objective	for supporting the electricity bill
Limit of guarantee	2,512,100 baht
Collateral	<ul style="list-style-type: none"><li>Title deeds no.1750, 1751, 9562, 9563, 20416, 20417 Maenamkhu sub-district, Pluak Daeng district, Rayong province, company's ownership, being mortgage as collateral.</li><li>The machine, which hasn't the registering ownership certificate by the bank, is the company's ownership, now or in the future, wherever to keep it.</li></ul>

### 9.2 Letter of guarantee with the 2nd financial institution

On 31<sup>st</sup> December 2021, the company had the limit of guarantee with the 2<sup>nd</sup> financial institution with the amount of 1.58 million baht as follows:

#### 9.2.1 Letter of guarantee issue 1

Party	World Flex Public Company Limited ("the borrower") The 2 <sup>nd</sup> financial institution ("the guarantor")
Date of agreement	10 <sup>th</sup> September 2019
Objective	for supporting the electricity bill
Limit of guarantee	320,000 baht
Collateral	<ul style="list-style-type: none"><li>Thai Rubber Latex Corporation Thailand Public Company Limited is the guarantor</li><li>Title deeds no. 254, 255 Maenamkhu sub-district, Pluak Daeng district, Rayong Province with the building, company's ownership, being mortgage as collateral,</li><li>Some part of the machine company's ownership, being mortgage as collateral.</li></ul>

**Remark** The bank will release Thai Rubber Latex Group Public Company Limited from the guarantor after the company applies the list on the Stock Exchange of Thailand.



### 9.2.2 Letter of guarantee issue 2

<b>Party</b>	World Flex Public Company Limited (“the borrower”) The 2 <sup>nd</sup> financial institution (“the guarantor”)
<b>Date of agreement</b>	10 <sup>th</sup> September 2019
<b>Objective</b>	for supporting the electricity bill
<b>Limit of guarantee</b>	333,100 baht
<b>Collateral</b>	<ul style="list-style-type: none"> <li>Thai Rubber Latex Corporation Thailand Public Company Limited is the guarantor.</li> <li>Title deeds no. 254, 255 Maenamkhu sub-district, Pluak Daeng district, Rayong Province with the building, company’s ownership, being mortgage as collateral,</li> <li>Some part of the machine company’s ownership, being mortgage as collateral.</li> </ul>

**Remark** The bank will release Thai Rubber Latex Group Public Company Limited from the guarantor after the company applies the list on the Stock Exchange of Thailand.

### 9.2.3 Letter of guarantee issue 3

<b>Party</b>	World Flex Public Company Limited (“the borrower”) The 2 <sup>nd</sup> financial institution (“the guarantor”)
<b>Date of agreement</b>	16 <sup>th</sup> September 2019
<b>Objective</b>	for supporting the electricity bill
<b>Limit of guarantee</b>	800,000 baht
<b>Collateral</b>	<ul style="list-style-type: none"> <li>Thai Rubber Latex Corporation Thailand Public Company Limited is the guarantor.</li> <li>Title deeds no. 254, 255 Maenamkhu sub-district, Pluak Daeng district, Rayong Province with the building, company’s ownership, being mortgage as collateral,</li> <li>Some part of the machine company’s ownership, being mortgage as collateral.</li> </ul>

**Remark** The bank will release Thai Rubber Latex Group Public Company Limited from the guarantor after the company applies the list on the Stock Exchange of Thailand.

### 9.2.4 Letter of guarantee issue 4

<b>Party</b>	World Flex Public Company Limited (“the borrower”) The 2 <sup>nd</sup> financial institution (“the guarantor”)
<b>Date of agreement</b>	21 <sup>st</sup> September 2020
<b>Objective</b>	for supporting the electricity bill
<b>Limit of guarantee</b>	125,900 baht
<b>Collateral</b>	<ul style="list-style-type: none"> <li>Thai Rubber Latex Corporation Thailand Public Company Limited is the guarantor.</li> <li>Title deeds no. 254, 255 Maenamkhu sub-district, Pluak Daeng district, Rayong Province with the building, company’s ownership, being mortgage as collateral,</li> <li>Some part of the machine company’s ownership, being mortgage as collateral.</li> </ul>

**Remark** The bank will release Thai Rubber Latex Group Public Company Limited from the guarantor after the company applies the list on the Stock Exchange of Thailand.

## 10. Policy for investment in subsidiary and associated company

On 31<sup>st</sup> December 2021, the company hasn't an investment in the subsidiary or associated company. However, the company has a policy in the subsidiary or associated company which runs the business match with the objective, vision, and strategic plan in the growth of the company for supporting the stability or supporting the company's business. So that the company may consider investing in the other business as supplementary if it is the business that is efficient to grow or expand the business or is useful for the business of the company's group or returns well the investment by the company will analyze and consider the possibility in the investment, investment proportion, the return that may be a possible risk including the financial status of the company. Before you decide to invest in any project, by the approval of investment that is essential, that will be considered from the board the director and/or shareholder's meeting as the defined approval in the term of authority and being as any rules and criterion which concerning with the board of director of exchange commission, the securities and exchange commission and the stock exchange of Thailand that including the criteria about acquisition and disposition of assets, the connected transaction, and the disclosure checklist.

For supervising the subsidiary company and associated company operation, the company will send the presentative who is qualified and competent to manage the business which the company invests as the executive director or juristic person with controlling power in the subsidiary company and associated company aforesaid to reflect the shareholding proportion of the subsidiary company and associated company, for supervising the subsidiary company and associated company and/or running the business conforms with the law, policy and business plan including supervising the stakeholder or whoever has the conflict of interest with the subsidiary company and associated company direct and indirect way, participate in authorizing any issue. However, the consideration of a person who will be director or executive in each company would be the discretion of the meeting of board of directors or the delegation of authority which is authorized by the meeting of the board of directors.

So, entering the transaction or any actions of a subsidiary company which has the significant value or effect on the financial status and overall operation of the company or being in the scope or acquisition and disposition of assets, the connected transaction in the announcement of the connected transaction, which affects to the company, must be authorized by the meeting of the board of directors and/or the board of shareholder and/or the organization which legally concerned before entering a transaction or any action when getting the authorization from the meeting of the board of directors and/or the board of shareholder and/or the organization (as the case may be).

Furthermore, the company will decide the measurement and the action procedure as needed, for assuring that the subsidiary has a disclosure checklist about the overall operation and financial status correctly. The company will act as needed for following the disclosure checklist aforesaid completely and correctly.





## **Attachment 4 Corporate Governance, Code of Business Ethics Policy and Guideline**

The Company has disclosed information on Corporate Governance Policy and Business Code of Conduct As details appear on the Company's website: ([www.worldflex.net](http://www.worldflex.net))

Corporate Governance Policy <https://worldflex.net/th/investor.php/corporate-governance>



## Attachment 5 Audit Committee's Report

### To The Shareholders of World Flex Public Company Limited

The Audit Committee consists of 3 independent directors who are experts in finance, law, and business. All members of the Audit Committee are qualified as per the provisions of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET) and sufficiently educated and experienced to verify the reliability of the financial statement as follows:

- |                                  |                                 |
|----------------------------------|---------------------------------|
| 1. Mr. Banlue Chantadisai        | Chairman of the Audit Committee |
| 2. Mr. Bunyong Visatemongkolchai | Audit Committee                 |
| 3. Mr. Surapong Rongsirikul      | Audit Committee                 |

where Miss Supreeya Sintuphan, the Assistant Managing Director, Accounting and Financial, act as the Secretary of Audit Committee.

The Audit Committee has performed its duties under the scope of responsibilities specified in the Charter of Audit Committee approved by the Board of Directors which is consistent with the best practices of the Stock Exchange of Thailand for the year 2021. The Audit Committee has held 4 meetings with the Management, Internal Audit Unit, and Auditor of the Company as to the direction and verification of various information of the Company concerning reporting and disclosure of the information regarding finance, internal control, and compliance of the relevant regulatory units, and the minutes have been served to the Board of Directors every time. The subject matters are as follows:

#### Verification of Financial Reports

The Audit Committee has verified and considered the quarterly financial statement and collective 2021 financial statement of this Company together with the Management and Auditor of the Company. The Audit Committee has inquired the Auditor about the accuracy and completeness of the financial statements, adjustments of accounting items of which the subject matters affect the financial statements, scope of audit, sufficiency and suitability of accounting methods, internal control assessment, and sufficiency, accuracy, and completeness of disclosure of information in the financial statements.

Additionally, the Audit Committee has joined the meeting with the Auditor to consider the scope, guidelines, and plans of the quarterly and annual audit of the Auditor and inquired about the risk of the possibility of abnormal items which may be discovered by the Auditor during the audit processes, and considered whether or not the suspicious information identifying any corruption exists. In conclusion, the Auditor expressed no observation and indicators of any suspicious event.

#### Compliance with Applicable Rules, Laws, or Other Provisions

The Audit Committee has verified and monitored the activities of the Company to be in compliance with rules and regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand including any other laws or provisions applicable to the Company's businesses to ensure that the Company has fully complied with such rules.



### Verification of Associated Items

The Audit Committee has verified the disclosure of any associated items and items possible to contradict to benefits by adhering to the principle of reasonability of the due course of business, transparency, and sufficient information disclosure as performed with general third parties. This information has been audited and disclosed to the Stock Exchange of Thailand accurately and in a timely manner.

### Internal Control and Audit

The Audit Committee has verified and reviewed the internal control system together with the Internal Audit Division and the Management and Auditor on a quarterly basis. The organization is equipped with an internal control system sufficient and proper for business conduct which is consistent with the Auditor's opinion that there is no material impairment that may affect the Company's financial statements.

### Appointment of the Auditor for the Year 2022

The Audit has examined and selected and considered the remuneration of the auditor from KPMG Phoomchai Audit Ltd. by considering the qualifications, competencies, experiences, and quality of previous works of the auditor, including his/her independence as per the provision of the Stock Exchange of Thailand or other relevant bodies. It is deemed that the auditor is provided with sufficient understanding of the Company's business and this has been proposed to the Company's Board of Directors to propose the same for approval in the Annual Ordinary Meeting of Shareholders on appointing KPMG Phoomchai Audit Ltd. and the remuneration for audit for the year 2022.

The Audit Committee has performed duties under the scope delegated by the Board of Directors which is consistent with the Charter. The Audit Committee has employed their competencies, precaution, prudence, and independence, including honestly expressing opinions for the maximal benefits of the Company under the good governance principle. The Audit Committee deems that the financial statements prepared by the Company under the standard of financial reporting, the associated items are consistent with the principle of reasonability of the due course of business, transparency, and sufficient information, risk management, and sufficient and efficient internal control system and the applicable laws are fully complied with.



**Mr. Banlue Chantadisai**  
Chairman of the Audit Committee  
February 23<sup>rd</sup>, 2022



## Attachment 6 Nomination and Remuneration Committee's Report

### To The Shareholders of World Flex Public Company Limited

The Nomination and Remuneration Committee has performed duties delegated by the Board of Directors to consider and review the criteria of nomination and appointment of persons appropriate to hold the office of the member of the Board of Director and propose the policy on considering remuneration and other benefits for the Board of Directors and other committees to propose the same to the Board of Directors or the meeting of shareholders as well as to nominate and consider the remuneration and performance of the Chief Executive Officer, Managing Director, and Assistant Managing Director.

The Nomination and Remuneration Committee consists of the 3 following members:

- |                                     |   |
|-------------------------------------|---|
| 1. Mr. Surapong Rongsirikul         | Chairman of the Nomination and Remuneration Committee<br>(Independent director) |
| 2. Miss. Chalangkwan Wongsasuthikul | Nomination and Remuneration Committee   |
| 3. Miss. Uthairat Chatuphatthararat | Nomination and Remuneration Committee   |

In 2021, The Nomination and Remuneration Committee held a meeting and reported the outcome to the Company's Board of Directors to consider various matters and report the respective minutes and opinions to the Board of Directors for consideration. The subject matters thereof are as follows:

- To consider and review and nominate the persons who are qualified as per the laws and criteria relevant to the office of members of the Board of Directors who are retired by rotation by considering, recruiting, selecting, and nominating persons who are qualified, experienced, and competent benefiting and suitable for the nature of business of the Company to propose to the meeting of the Board of Director and the ordinary meeting of shareholders to be further considered where the directors who are stakeholders will not be entitled to cast vote;
- To consider the remuneration of the Board of Directors, any committees, by considering the duties and responsibilities delegated, performance, the financial status of the Company, and rate of remuneration comparable with the industrial standard criteria to propose the same to the Board of Directors and the ordinary meeting of shareholder for consideration;
- To consider the remuneration of the Chief Executive Officer, Managing Director, and Assistant Managing Director as per the suitability for the duties and responsibilities delegated and the performance of the Company by comparing the Company's goals and economic factual conditions by comparing with the rate of remuneration of other companies in the similar industry;
- To monitor and supervise to enable the Company to prepare the successor plan and continuity of proper management for the top management and key offices to prepare the personnel to be capable of supporting and being consistent with the business extension;
- The Nomination and Compensation Committee has performed the duties delegated with precaution, prudence, transparency, equitability, and expressed straightforward opinions under the principle of good governance for the maximal benefits of shareholders, investors, and stakeholders.

**Mr. Surapong Rongsirikul**

Chairman of the Nomination and Remuneration Committee

February 23<sup>rd</sup>, 2022







**WORLD FLEX PUBLIC COMPANY LIMITED**

1/7 Bangna Thani Bldg. 3<sup>rd</sup> Fl., Room 3B, Soi Bangna-Trad 34,  
Bangna Tai, Bangna, Bangkok 10260, Thailand.

Office: (+662) 398-7188, (+662) 398-7189 Sales: (+662) 398-7288

Fax: (+662) 398-7187 Email: [marketing@worldflex.net](mailto:marketing@worldflex.net)