



Annual Report (56-1 One Report): 2021

Shun Thai Rubber Gloves Industry Public Company Limited

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Part 1: Business and Operations

1. Structure and Operations of the Group

1.1 Policy and business overview

Shun Thai Rubber Gloves Industry Public Company Limited (“the Company”) started its business in 1988 and was registered as a public company on September 4, 2001. Its main business is a manufacturer, distributor, and exporter of rubber gloves. It can be divided according to the nature of use into three types:

(1) Medical gloves are divided into two types:

- Surgical gloves are used for surgery. This type of glove is thin, strong, and elbow-length. It must be 100% sterilized using gamma radiation for packaging, making it neat and convenient when unpacking for use. These gloves can be used only once and thrown away to prevent germs.
- Examination Glove is used for the general examination. There are both Powdered and Powder-free types. The production of this type of glove must be designed to suit the application. Easy to wear, quick to unwrap. These gloves do not have left or right sides, an ambidextrous design with either side wearing. These gloves are thin, comfortable, wrist short, and inexpensive. These gloves can be used only once and then discarded to prevent the spread of germs.

(2) Household rubber gloves are large, strong, and resistant to use in contact with water or detergents with long service life. The design emphasizes beauty, comfort, softness, and neat packaging to attract the attention of housewives.

(3) Industrial gloves for general packaging use are not necessarily beautiful. These gloves are suitable for industrial plants such as food processing or ready-to-cook food.

1.1.1 Vision, Objective, Goal

The Board of Directors is involved in determining and approving the vision, mission, strategy, goals, business plan, and budget of the Company. It aims to add maximum economic value to the business by taking into account the sustainable growth of all relevant sectors or stakeholders in the value chain of the business. Also, it supervises the management to operate following the business plan and the set budget for efficiency and effectiveness.

The Board of Directors has arranged for the Company to have an internal control system, internal audit, and effective risk management measures. In addition, such actions are regularly monitored by the Board of Directors' meetings.

Objective

- Transparency and accountability of business operations
- Sustainable Growth for Stakeholders
- Cost reduction
- Marketing efficiency development
- Production process and management improvement
- Product quality improvement to meet the required standards
- Green product development.
- Brand loyalty, creation loyalty

Goal

“The Company has an efficient production process, modern management system, a wide variety of products with international standards, environmentally and community-friendly by emphasizing productivity and marketing, and continually improving the value chain to create sustainable growth for all stakeholders.”

1.1.2 Important changes and developments

Shun Thai Rubber Gloves Industry Co., Ltd. was registered on May 24, 1988, with an initial registered capital of 30 million baht.

In 1998, the Company had a joint venture with B-Mark Co., Ltd., Italy, to establish B-mark-Sunthai Co., Ltd. in Italy. It is the distributor of the Company's rubber gloves to customers in Italy and Europe. The Company holds 40 percent of the share (46,920 shares).

The Company has increased its registered capital to 75 million baht, fully paid up in 1999, and increased to 125 million baht, fully paid up in 2000 to support the growth of the Company and has begun the construction of the second factory.

In 2001, the Company converted to a public company on September 4, 2001, and changed the par value from 10 baht per share to 1 baht per share.

Subsequently, the Extraordinary General Meeting of Shareholders of the Company No. 7/2001, convened on December 28, 2001, resolved to increase the registered capital to 195 million baht by issuing 70 million additional ordinary shares. It is the issuance and offering of 20 million shares to a Private

Placement(PP) at 1 baht per share. The rest is an initial public offering of 50 million shares at 1.80 baht per share.

The year 2002 was an important year for the Company due to the initial public offering of shares. In the same year, the Company's shares were listed on the New Stock Exchange (MAI), which opened for trading on August 1, 2002, using the abbreviation for trading "STHAI."

In 2003, the Company invested 19 percent (95,000 shares) of S.T.Med Company Limited. It is an associated company, established as a limited company in the United States to be a distributor of products in the United States and the American continent.

According to the resolution Extraordinary General Meeting of Shareholders No. 1/2003 held on July 31, 2003, the Board of Directors meeting has increased the registered capital of the Company from 195 million baht to 260 million baht by issuing 65 million new ordinary shares allocated to the existing shareholders in the ratio of 3 existing shares to 1 new share at the price of 1 baht per share.

The said capital increase made the Company's paid-up capital exceed 200 million baht. Therefore, the Stock Exchange of Thailand moved the Company's securities, listed securities in MAI, to be listed securities in the SET by trading in pharmaceuticals products and cosmetics using the abbreviation "STHAI" as before. It has been effective in the trading system since January 1, 2004, which is the beginning of the Company's accounting period.

In 2004, the Company invested 5.77 percent (80,000 shares) in ordinary shares in Latex Systems Co., Ltd. It is a company that manufactures and sells cushions and mattresses made of natural rubber.

2006, the Company issued warrants to purchase ordinary shares of the Company allocated to existing shareholders No. 1 (STHAI-W1) and allocated to directors and employees of the Company No. 1 (ESOP-W1), having 195,000,000 units and 15,000,000 units, respectively. The maturity of 3 years and the first conversion into ordinary shares on 29 September 2006 with the exercise ratio of 1 warrant per 1 ordinary share at 2 baht per share.

The year 2008, at the Annual General Meeting of Shareholders No. 1/2008 on April 21, 2008, there was a resolution to increase the Company's registered capital of 102,657,633 baht from the original registered capital 600,000,000 baht to be the registered capital of 702,657,633 baht. It issued 102,657,633 new ordinary shares at the par value of 1 baht per share. It will be offered to the existing shareholders in the ratio of 4 existing shares to 1 new share at 1.70 baht per share. 26,564,840 shares, totaling 45,160,228 baht, with 76,092,793 remaining unsold shares.

Therefore, at the Board of Directors Meeting No. 4/2008 dated June 10, 2008, it was resolved to allocate 76,092,793 remaining shares from the capital increase by selling them for the second time. It was offered to the existing shareholders in the ratio of 5 existing shares to 1 new share at 1.70 baht. Incidentally, some people exercised their rights to subscribe to 62,198,000 shares, for a total of 105,736,600 baht, which remained unsold shares 13,894,793 shares.

In addition, at the meeting of the Board of Directors No. 4/2008 dated June 10, 2008, it was resolved to sell the investments of S.T Med Company Limited and B- mark Sunthai Company Limited, which are associated companies with shares of 19 percent and 40 percent, respectively. The Company sold its shares of ST. Med Company Limited on July 4, 2008, by selling 95,000 shares to a third party at USD 10,000.

In 2009, the rights were exercised for the last time to convert warrants to purchase ordinary shares of the Company allocated to existing shareholders No. 1 (STHAI-W1) and allocated to directors and employees of Company No. 1 (ESOP-W1). The rights were first exercised in 2006 and expired in 2009, with 60,000 shares being exercised. As a result, the Company has a paid-up capital of 499,453,373 baht and a registered capital of 702,657,633 baht.

At the meeting of the Board of Directors No. 3/2009 held on August 11, 2009, it was resolved to sell the investment of 5.77 percent (80,000 shares) in Latex Systems Co., Ltd., which operates the business of manufacturing and distributing cushions and mattresses made of natural rubber. The Company sold such investment to Thai Rubber Latex Corporation (Thailand) Public Company Limited for 739,200 baht in December 2009.

By the resolution of the Board of Directors Meeting No. 4/2008 dated June 10, 2008, the Company sold its investment of 40% (46,920 shares) in B- mark Sunthai Company Limited, an associated company in Italy and a distributor of rubber gloves in Italy and Europe. It sold to outsiders amounting to 40,000 US dollars and has already transferred ownership in May 2010.

In 2010, the Annual General Meeting of Shareholders No. 1/2010 on April 9, 2010, it was resolved to reduce the registered capital of the Company by cutting off the remaining registered shares from the reserve for the proportional capital increase and the exercise of the conversion rights to purchase the Company's ordinary shares.

The Company has 13,894,793 unsold shares from the reserve for a capital increase, totaling 13,894,793 shares, and the remaining shares from the reserve for the exercise of rights to convert warrants, the remaining 189,309,467 shares. As a result, the Company has 203,204,260 unsold ordinary shares, registered capital of 702,657,633 baht, and a paid-up capital of 499,453,373 baht.

Therefore, after cutting off registered shares according to the resolution of the Annual General Meeting of Shareholders No. 1/2010, the Company's registered and fully paid capital will be 499,453,373 baht.

In addition, at the Annual General Meeting of Shareholders No. 1/2010, it was resolved to amend Clause 4 of the Company's Memorandum of Association regarding the Company's registered capital to be in line with the reduced registered capital. In this regard, The Company has already taken corrective action with the Ministry of Commerce.

In October 2011, Thai Hua Rubber Public Company Limited, a significant shareholder holding a 37.66% stake, sold all of the Company's shares and has already informed in the report on the acquisition or disposal of securities (Form 246-2). Therefore, it changed the proportions of shareholding significantly. It was sold to Thai Hua Holding Company Limited, Evergrow Fertilizer Company Limited, and Mr. Ong Siew Bok, the Company's managing director.

In 2012, the Company submitted its Q3/2012 financial statement delayed due to the change of senior management in the position of Managing Director, including department managers and employees of the Accounting and Finance Department. As a result, the operation and the transfer of work have problems and are not continuous. Then later, the Company delivered the financial statement for the 3rd—quarter of 2012 on January 15, 2013.

In December 2012, Mr. Ong Siew Bok, a Director and Managing Director, was a major shareholder of the Company holding 96,180,774 shares or holding a shareholding ratio of 19.257%, sold all of the Company's shares and has already informed in the report on the acquisition or disposition of securities (Form 246-2) by selling to Mr. Seah Lan Seang, causing significant changes in the shareholding.

In addition, the Company has the policy to manage work, focusing on improving the quality of work and accelerating the expansion of customer groups to generate sales and reduce costs. It aims to generate profits so that the Company's financial position can be strong and generate returns to the shareholders.

In the 2013 Annual General Meeting of Shareholders held on April 26, 2013, the Company did not submit the financial statement for the year 2012 due to the delay in submitting the financial statement for Q3/2012 (delivery on January 15, 2013). It is owing to the fact that the changing of its senior management position of Managing Director, including department managers and employees of the Accounting and Finance Department in the year 2012, resulted in the discontinuing of work transfer. Later, the Company can submit the 2012 financial statement on February 24, 2014.

In addition, at the 2013 Annual General Meeting of Shareholders, it was resolved to increase the Company's registered capital from 499,453,373 baht to 998,906,746 baht by issuing new ordinary shares in the amount of 499,453,373 shares with a par value of 1 baht per share. It is offered to Existing shareholders

at the rate of 1 existing ordinary share per 1 new ordinary share at 0.25 baht per share. After the sale of such newly issued ordinary shares, it resulted in the Company having a paid-up registered capital of 998,906,746 baht and a share of less than 270.90 million baht in common shares due to an increase in capital at a price below par value.

In February 2014, the Company submitted a 2012 financial statement. Consequently, in the 2014 Annual General Meeting of Shareholders held on April 24, 2014, the 2012 financial statement was approved unanimously without the auditor's opinion and emphasized information paragraph. In addition, the shareholders have authorized the Board of Directors to proceed with the financial statement for the year 2012 without having to hold the shareholders' meeting to approve the financial statement again. At this meeting, it was resolved to appoint the auditor for 2013. But after that, the Office of the Securities and Exchange Commission (SEC) has ordered (on May 27, 2014) for the Company to amend the 2012 financial statement to be completed before preparing the 2013 financial statement. The Company can submit the 2013 financial statement on November 7, 2014.

December 2014, at the Board of Directors No. 17/2014 on Friday, December 19, 2014, it was resolved to change the option to rehabilitate the business by preparing a plan to increase capacity. The business is divided into immediate action plans, short-term action plans to be completed within six months, and long-term action plans. Subsequently, the Company has adopted a plan to increase its business potential, proposed to the extraordinary meeting Shareholders No. 1/2014 considered and approved.

At the Extraordinary General Meeting of Shareholders No. 1/2014 on 29 December 2014, a resolution was to increase the Company's registered capital from 998,906,746 baht to 3,995,626,984 baht. It issued new ordinary shares, 2,996,720,238 shares, with a par value of 1 baht per share by offering to existing shareholders at the rate of 1 existing ordinary share to 3 new ordinary shares at the price of 0.10 baht per share, paid on 11-13, 16-17 February 2015. The Company received money from the capital increase equal to 299,672,023.80 Baht after the operation; there are no shares left from the allocation.

In addition, there was also a resolution to approve the business development plan as the Company had already notified the SET.

- **The year 2015**

The Company held an Extraordinary General Meeting of Shareholders No. 1/2015 on Tuesday, April 7, 2015, which resolved to add Article 3 of the Memorandum of Association regarding the Company's objectives by adding 14 more objectives, totaling 56 objectives. It is consistent with the current business operations and the Company's business potential development plan. Subsequently, on Thursday, April 30, 2015, the Company held the 2015 Annual General Meeting of Shareholders.

In June 2015, the Company held an Extraordinary General Meeting of Shareholders No. 2/2015 on Tuesday, June 9, 2015. It resolved to increase the Company's registered capital from 3,995,626,984 baht as registered capital to 19,978,134,920 baht to the Company's existing shareholders in proportion to the number of shares held by each shareholder (Rights Offering), which is divided into two payments. Also, it allocated not more than 3,995,626,984 ordinary shares to reserve for the exercise of the warrants to purchase the ordinary shares of Company No. 2 (STHAI-W2) issued to the Company's existing shareholders after the Company has increased the capital and paid both times.

It offered for sale of newly issued ordinary shares 11,986,880,952 shares to the existing shareholders of the Company in proportion to the number of shares held by each shareholder (Rights Offering), which is divided into two payments, details are as follows:

For the first time, the number of newly issued ordinary shares was offered at 5,993,440,476 at the ratio of 1 existing share to 1.5 new shares at the price of 0.10 baht per share on 15 - 19 June 2015. It received money from the capital increase equal to 599,344,047.60 baht after the operation, and there are no shares left from the allocation.

For the second time, it offered for sale of newly issued ordinary shares in 5,993,440,476 shares. However, due to the allocation of shares in this second-time payment, on the date of the list of shareholders, the Securities Depository (Thailand) has notified the names of securities holders that do not comply with the regulations of the Securities Depository. Their names are under Thailand Securities Depository Co., Ltd. for depositors and/or THAILAND SECURITIES DEPOSITORY CO., LTD FOR DEPOSITORS as the holder. As a result, those names have no right to subscribe for 52,298 newly issued shares (with the right to subscribe for newly issued shares equal to 31,378 shares). Thus, the number of shares that meet the conditions of the Securities Depository and can be allocated in this second tranche is equal to 5,993,409,042 shares.

Therefore, the Company offered to sell newly issued ordinary shares for the second time, equal to 5,993,409,042 shares in the ratio of 1 existing share to 0.6 new shares at the price of 0.10 baht per share on 16 - 22 September 2015. It received money from the capital increase equal to 599,340,904.20 baht. After the operation, there are no shares left from the allocation. For the difference in such shares, the Company registered with the Ministry of Commerce on May 11, 2016. At present, the Company has all registered. 19,978,103,486 baht.

To allocate the Company's newly issued ordinary shares not exceeding 3,995,626,984 shares to reserve the exercise of warrants to purchase ordinary shares of the Company, Generation 2 (STHAI-W2) to the company's existing shareholders after the Company has made payment for both times. In 2016, the Company, by resolution of the Board of Directors No. 10/2016 dated May 19, 2016, allocated warrants to purchase ordinary shares of the Company No. 2 (STHAI-W2) to the existing shareholders of the Company in

the amount of 3,995,605,992 units at 0 baht (zero baht). It had a term of 3 years, which will expire on June 7, 2019 (the exercise ratio of 1 warrant has the right to purchase one share of the Company's ordinary shares at 1 baht per share).

In August 2015, the Board of Directors Meeting No. 12/2015, held on August 18, 2015, resolved to approve the Company to purchase ordinary shares of NORTHERN RENEWABLE ENERGY COMPANY LIMITED ("NRE").

NRE is a company whose main objective is to produce and sell integrated biomass energy and generate electricity from biomass and waste. The Company invested in the purchase of 3,136,000 ordinary shares with a par value of 100 baht per share, equivalent to 48.25 percent of NRE's paid-up capital, at 100 baht per share, totaling 313,600,000 baht from 21 existing NRE shareholders, which is not a connected person of the Company. After entering into the said transaction, the Company held ordinary shares in NRE for 48.25 percent.

In the fourth quarter of 2015, the Company's executives considered the legal control and material matters and recognized that the Company did not participate in the management of important NRE activities. In addition, the approval of the annual budget and investment budget must be approved by a majority of the NRE Board of Directors, which has only two representatives from the Company from all five directors. Therefore, the Company has no power to control the NRE. As a result, the Company's executives reclassified investment in NRE as an investment in an associated company, not a subsidiary.

- **The year 2016**

The Board of Directors Meeting No. 10/2016, dated May 19, 2016, passed a resolution to purchase additional shares of NRE in proportion to the original shareholding, which the Company holds at the rate of 48.25 percent of the registered capital. It purchased 1,688,750 shares at 100.00 baht per share, representing a total payment of 168.88 million baht.

- **The year 2017**

The Board of Directors Meeting No. 2/2017, held on February 14, 2017, resolved to reduce the proportion of investment in the NRE by selling 2.43 million shares of NRE, amounting to 243 million baht. Mr. Phacharinitiriphat was a representative proposed to the Board of Directors' meeting.

The Board of Directors Meeting No. 2/2017, held on February 14, 2017, resolved to reduce the size of the power plant project from 9.9 MW to 3 MW.3 MW.

- **The year 2018**

According to the Board of Directors' meeting No. 2/2018 on January 26, 2018, the change of directors and powers of the Company's directors were notified with the approval of the resignation of the Chairman of the Board of Directors and Independent Director/Audit Committee, total two persons.

Subsequently, in February 2018, according to the Board of Directors' meeting No. 4/2018 on February 14, 2018, there was an announcement of the change of directors and additional directors' powers. It approved the resignation of the Company's director/Chairman of the Executive Committee and one Managing Director. It also approved the appointment of a new Company director to replace one person and change the position of the Board of Directors of three persons.

The Company held the 2018 Annual General Meeting of Shareholders on April 24, 2018, to acknowledge the report of the Company's operating results for the year 2017, which is an agenda for acknowledgment without a resolution. The Company was still unable to submit the 2017 financial statement due to waiting for the separate financial statement of the associated company, Northern Renewable Energy Company Limited (NRE), and Shun Thai Rubber Gloves Industry Public Company Limited, due to its uncompleted appraisal of asset and machinery.

On September 3, 2018, Shun Thai Rubber Gloves Industry Public Company Limited clarified to the Stock Exchange of Thailand regarding the submission of the 2017 financial statement, which the auditor, ANS Audit Company Limited, did not comment on the Company's financial statement, due to the limitations based on the following significant non-commentary criteria:

As shown in Note 10 to the financial statement, the Company presents its investment in NRE as an investment in an associate. The Company did not reveal its investment in the NRE as an investment in a subsidiary and did not bring NRE's financial statement to prepare the Company's consolidated financial statement. As of the date in the auditor's report, the Company does not have a clear plan to dilute its investment, whereby the Company has fully paid for its shares in NRE while the other shareholders of NRE have not paid their shares in full. Based on the consideration of the paid-up share criteria, the Company will have a proportion of paid-up capital in NRE higher than 48.25 percent.

The auditors of Shun Thai Rubber Gloves Industry Public Company Limited are not authorized by the management of NRE to have access to the NRE auditor's work paper or other important NRE company information and evidence, and insufficient appropriate evidence to determine the net realizable value of the investment in the associated company.

The matters mentioned above have a significant impact on the financial statement. Therefore, the auditor of Shun Thai Rubber Gloves Industry Public Company Limited cannot express an opinion on the financial statement.

It is owing to the fact that in 2017, Shun Thai Rubber Gloves Industry Public Company Limited invested in NRE and paid the capital increase of 168,875,000 baht on May 30, 2017. Later, it was found that other shareholders of the NRE have not paid the said capital increase to NRE in any way. Shun Thai Rubber Gloves Industry Public Company Limited, therefore, requested NRE to refund the capital increase of

168,875,000 baht to Shun Thai Rubber Gloves Industry Public Company Limited by sending a letter to NRE No. Inv-Out 031/2018, dated August 30, 2018, requesting the return of capital increase due to its capital increase in NRE being incomplete. Subsequently, the Company notified the stock exchange on September 5, 2018.

During the first quarter of 2018, the Company's directors and executives were changed, so new operations were planned within the organization. It was intended to reduce production costs and improve machine efficiency for better production capacity and quality.

In this regard, the sales department aims to increase the sales in the powder-free market to be more in line with the global market trend, where the rate of powder-containing gloves use has continued to decline due to the problem of protein allergy from starch.

As a result of this control and improvement of the work plan, production costs in 2018 were reduced, and the Company's operating results were grossly profitable.

● **The year 2019**

According to Shun Thai Rubber Gloves Industry Public Company Limited, the “Company” was unable to submit the 2018 financial statement according to the time specified by the official. It is owing to the fact that the auditor did not express an opinion on the 2017 financial statement of the Company submitted to the Stock Exchange of Thailand on August 31, 2018. As the auditor stated in the Criteria for Disregarding Opinion paragraph, the auditor was not able to obtain audit evidence that is sufficiently appropriate to provide a basis for an opinion on the financial statement. Therefore, the Company was unable to prepare the 2018 financial statement, including reports on the financial position and operating results as scheduled (Delivered by April 1, 2019). The cause of the delay was that NRE, an associated company was unable to submit the complete 2017 financial statement; thus, the Company was unable to recognize the results of the Operations of NRE in the 2017 financial statement. The Company has been following along with four letters to NRE, which are:

1. The Company's letter dated February 28, 2018, Subject: Follow up on the submission of the annual financial statement of Northern Renewable Energy Company Limited (NRE) No. 1

2. The Company's letter dated March 28, 2018, Subject: Follow up on submission of annual financial statement of Northern Renewable Energy Company Limited (NRE) No. 2

3. The Company's letter dated May 3, 2018, Subject: Follow up on submission of annual financial statement of Northern Renewable Energy Company Limited (NRE) No. 3

4. The Company's letter dated May 15, 2018, Subject: Follow up on submission of annual financial statement of Northern Renewable Energy Company Limited (NRE) No. 4

But the Company had not received sufficient documents or information from NRE, causing the Company to close the 2017 financial statement without the auditor showing opinion on the Company's comprehensive income statement, and the Company submitted the said financial statement on August 31, 2018, 5 months later than the deadline.

Subsequently, the Company is a major shareholder of NRE; therefore, it is necessary to take all actions for the Company to rectify the event mentioned above. On October 29, 2018, the Company sent a letter requesting NRE to call an Extraordinary General Meeting of Shareholders within 30 days from receipt of the letter to consider and approve the following matters:

Agenda 1: Consider appointing eight new NRE's directors from the original six, totaling 14 people.

Agenda 2: Consider the change of NRE's directors authorized to sign on behalf of the company according to the certificate.

Agenda 3: Authorization of the new authorized NRE's director to consider and specify other details and any action related to the increase in the number of directors and the appointment of new company directors.

However, NRE did not convene the meeting within 30 days as required by law. Therefore, on December 17, 2018, the NRE's directors resolved to hold an Extraordinary General Meeting of Shareholders of NRE No. 1/2019 on February 22, 2019, at the Royal Thai Army Club, VIP room. 2. At that meeting, it was resolved to postpone the Extraordinary General Meeting of Shareholders of NRE. It is owing to the fact that in the said meeting, there is only the Company, the major shareholder, and two new shareholders who have not been registered in the shareholder register book and correct the list of shareholders by NRE's directors. Subsequently, another extraordinary shareholder meeting was held on Tuesday, March 26, 2019, at the Royal Thai Army Club, VIP meeting room 2. In this Extraordinary General Meeting of Shareholders of NRE, the shareholders attending the meeting unanimously resolved to add eight more directors, totaling 14 directors. They unanimously resolved to change the authorized directors and give the new authorized signatory directors the power to consider and determine other details and any action related to the increase in the number of directors and appoint new company directors. However, the Company had not yet brought the resolution of the meeting to register the change of director and director's authority. Because the Company considered that when the Company notified NRE that the Company had sold its shares to Mr. Chai Wattanasuwan and Mr. Ekachai Tangsachatham. In this regard, NRE was required to amend the shareholder register and submit the list of new shareholders of the NRE with the name Mr. Chai Wattanasuwan and Mr. Ekachai Tangsachatham to the Department of Business Development, but the NRE did not do it. If the Company takes the resolution mentioned above to register, it may be contested. Regarding NRE did not amend the shareholder register or submit a list of shareholders named Mr. Chai Wattanasuwan and Mr. Ekachai

Tangsajjatham, the Company has filed a lawsuit against NRE and its directors with the Phra Khanong Provincial Court. Currently, it is in the court's consideration.

To organize an Extraordinary General Meeting of Shareholders of NRE on April 12, 2019, the Directors of NRE were the organizer of the meeting. The Company as shareholders attended the meeting, while Mr. Chai Wattanasuwan and Mr. Ekachai Tangsajjatham as a shareholder also traveled to participate in the meeting. But the NRE Chairman of the meeting was not allowed both of them to attend the meeting. The Chairman claimed that the list of shareholders should be based on the list of shareholders of the NRE's company, and the invitation letter invited nine shareholders. Therefore, NRE shall uphold the name list of shareholders according to the NRE existing list of shareholders.. It is owing to the fact that the Company and NRE have a dispute in court. Thus, Mr. Chai Wattanasuwan and Mr. Ekachai Tangsachatham were unable to attend the Extraordinary General Meeting of Shareholders of NRE No. 1/2019 on April 12, 2019. In considering the various agendas, the shareholders attending the meeting resolved not to add new directors; therefore, it was unable to consider directors' authority. The Company did not agree and is under consideration for further legal action in this matter.

For organizing the 2019 Annual General Meeting of Shareholders of the Company on April 30, 2019, there are agendas related to the Company's directors (who are directors of NRE) in Agenda 5. It was to consider and approve the appointment of directors who retired by rotation (retired on April 30, 2019) to be re-elected as directors of the Company for another term. One of the directors who retired by rotation was Mr. Jongjate Boonkerd. But the shareholders of the Company had a resolution not to allow Mr. Jongjate to return to be a director of the Company for another term. As for other agenda items, a shareholder requested that the meeting agenda be added: "to consider Mr. Suwan Damnoenthong and Mr. Cherdsak Theeranandavanich should be retired from the directorship of the Company before the expiration of their term, effective from April 30, 2019." Shareholders holding shares in aggregate of not less than one-third of the total number of shares sold, amounting to 6,901,041,705.00 votes, agreed to add an agenda item to Agenda 7. The Chairman then asked the meeting to vote. The Company's shareholders resolved that Mr. Suwan Damnoenthong and Mr. Cherdsak Theeranandavanich resigned from the directorship of the Company before the end of their term.

For Mr. Jongjate Boonkerd and Mr. Suwan Damnoenthong, the Company's directors that the shareholders did not choose to return to be the directors and dismissed from being the Company's directors. Both were the former Company's directors whom the Company sent to be the NRE's directors.

After the Annual General Meeting of Shareholders on April 30, 2019, at 1:00 PM, Mr. Chakarn Saengraksawong, Chairman of the Board of Directors, invited Board members to attend the Board of Directors Meeting No. 7/2019 on April 30, 2019, at Thewet Meeting Room, Military Club. Bok No. 195 Vibhavadi Rangsit Road, Samsen Nai Subdistrict, Phaya Thai District, Bangkok. Four directors were attending the

meeting. The Board of Directors' meeting resolved to acknowledge the results of the 2019 Annual General Meeting of Shareholders and to consider changing the name of the Board of Directors authorized to sign on behalf of the Company.

On May 13, 2019, the Company held the Board of Directors' meeting No. 9/2019 in Agenda 3.2 on the matter to consider appointing two directors to replace the vacant positions. The Board of Directors' meeting resolved to appoint Mr. Wisit Kanchanopas as a director to replace Mr. Suwan. Damnoenthonwa, with the remaining term equal to Mr. Suwan, which was until April 30, 2021, and Mr. Anuwat Lalkijrungs serves as a director to replace Dr. Cherdasak with the remaining equivalent to Dr. Cherdasak, which is until April 30, 2021.

Therefore, there are six directors of the Company, namely:

1. Mr. Chakarn Saengraksawong
2. Mr. Ekkachai Tangsatjatham
3. Mr. Sirasit Pasawat
4. Mr. Chai Wattanasuwan
5. Mr. Wisit Kanjanopas
6. Mr. Anuwat Lalkijrungs

The Company has always tried to solve the problem of NRE. Until May 29, 2019, the auditor requested to amend the summary of the type of auditor's report from the audit or review of the Company's financial statement for the year ended December 31, 2017, which had already been submitted on August 30, 2018. "The Auditor's Office has consulted with the supervisory authority (SEC) and agreed that it should revise the form mentioned in item 4 regarding no comment/conclude due to item 4.1.3 Limitation on Scope Imposed by Management, to be item 4.1.2 Circumstances related to the audit method/operating time."

Later, as a shareholder of NRE, the Company recognized that the directors of NRE did not perform their duties. It is owing to the fact that NRE did not prepare the NRE's financial statement until it caused the Company to be damaged. Therefore, on August 5, 2019, the Company has a letter to the directors of NRE to request that an Extraordinary General Meeting of Shareholders of NRE should be held within 30 days, with the following agendas: 1. To consider the removal of 6 directors from NRE's office, namely Mr. Phatchari Nijsiriphat, Ms. Plubplueng Suwan, Mr. Kamol Kovachitsukkul, and Mr. Suwan Damnoenthong, Mr. Jongjate Boonkerd, and Mrs. Charirat Thirarattanacheewin; 2. To consider appointing six new directors of the NRE, namely Mr. Ekkachai Tangsajjatham, Mr. Chai Wattanasuwan, Mr. Chumpol Sonchai, Mr. Wisit Kanchanopas, Mr. Kittipat Intarakaset, and Mr. Anuwat Laikitrun; 3. To consider the change of the NRE's directors authorized to sign on behalf of the company according to the certifying letter from the original "Mr.

Patchari Nijsiriphat, Ms. Plubplueng Suwan, and Mr. Kamol Kovanitasukkul, two of these three directors signed and affixed the seal of the company. It should be amended to “Mr. Ekachai Tangsajjatham, Mr. Chai Wattanasuwan, and Mr. Chumpol Sonchai, two of these three directors sign jointly.”⁴. To consider the authorization of the new NRE ‘s authorized director to have the power to consider other details and any action related to the amendment. It is coupled with changing and/or increasing the number of directors and appointment of new NRE’s directors with the power to sign a document requesting registration with the Department of Business Development, Ministry of Commerce regarding various permission requests, evidence necessary and relevant to the amendment and/or increase the number of directors of NRE. 5. To consider a civil lawsuit and/or criminal cases against directors and/or any other person related to the registration of the company’s capital increase from 650,000,000 baht to 1,000,000,000 baht on May 19, 2016, which may be unlawful, and various offenses according to the Act stipulating offenses relating to registered partnerships Limited Partnerships, Limited Companies, Associations and Foundations, B.E.2499(1956).

The Company asked NRE to call an Extraordinary General Meeting of Shareholders and convene a meeting within 30 days from the date of receiving the Company’s letter dated August 5, 2019. The director of NRE received the letter from STHAI on August 7, 2019. However, the NRE's directors had issued a letter dated September 2, 2019, an invitation to the Extraordinary General Meeting of Shareholders No. 1/2020, by scheduling the meeting for February 26, 2020. It is a delay that NRE did not conduct the meeting within the period prescribed by law. Therefore, the Shun Thai Rubber Gloves Industry Public Company Limited can no longer trust the current NRE's Board of Directors in further management.

Therefore, on September 12, 2019, STHAI sent an invitation letter to the Extraordinary General Meeting of NRE’s Shareholders by scheduling the meeting for September 25, 2019, at 10:00 a.m. The meeting was at the STHAI 's meeting room No. 1, Promphan 2 Building, Room 608, Floor 6, Ladprao Soi 3, Chomphon Subdistrict, Chatuchak District, Bangkok. However, the NRE's Extraordinary General Meeting of Shareholders was canceled on September 25, 2019.

Subsequently, on September 26, 2019, STHAI submitted a letter requesting the NRE to convene the Extraordinary General Meeting of Shareholders for the year 2019 again. It asked the NRE to call an Extraordinary General Meeting of Shareholders and arrange a meeting within 30 days from the date of receiving the STHAI's letter dated September 26, 2019. The NRE 's directors received the letter from STHAI on the same day, but the NRE 's directors did not proceed to arrange an Extraordinary General Meeting of Shareholders within 30 days as requested by STHAI. Therefore, STHAI could no longer trust the current NRE's Board of Directors to manage further.

For reasons stated above, it indicates that the NRE's directors act in bad faith, failing to comply with the duties of the directors to perform in accordance with the management of a limited company that will be under the influence of the General meeting of all shareholders, rules, regulations of the company, and laws to protect the interests of the company and shareholders. Therefore, the NRE's directors must be jointly responsible. In this regard, STHAI requested to change the entire NRE's Board of Directors.

Therefore, STHAI, as a major shareholder, was obliged to take all actions for STHAI to rectify such incidents. By virtue of the Civil and Commercial Laws Sections 1173 and 1174, STHAI called the Extraordinary General Meeting of NRE's Shareholders No./2019 on Thursday, November 7, 2019, at 10:00 a.m. It was held at the STHAI's meeting room No. 1, Promphan 2 Building, Room 608, Floor 6, Ladprao Soi 3, Chomphon Subdistrict, Chatuchak District, Bangkok. On the date scheduled for the Extraordinary General Meeting of NRE's Shareholders No./2562, the meeting has considered and approved the various agendas as follows:

Agenda 1: To consider the removal of six directors from office as follows:

Agenda 1.1 Mr. Phatchari Nijsiriphat

Agenda 1.2 Ms. Plubplung Suwan

Agenda 1.3 Mr. Kamol Kovanaitasukkul

Agenda 1.4 Mr. Suwan Damnoenthong

Agenda 1.5 Mr. Jongjate Boonkerd

Agenda 1.6 Mrs. Charirat Thirarattanachewin

Resolution: The shareholders' meeting was resolved by majority votes to remove all six directors from office.

Agenda 2: To consider the appointment of six new directors of the Company as follows:

Agenda 2.1 Mr. Ekkachai Tangsatjatham

Agenda 2.2 Mr. Chai Wattanasuwan

Agenda 2.3 Mr. Chumphon Sonchai

Agenda 2.4 Mr. Wisit Kanchanopas

Agenda 2.5 Mr. Kittipat Intharakaset

Agenda 2.6 Mr. Anuwat Lalkijrung

Resolution: The shareholders' meeting was resolved by a majority vote to appoint all six new directors of the company.

Agenda 3: To consider the change of authorized directors to sign on behalf of the Company according to the certificate:

Originally, "Mr. Phatchari Nijsiriphat, Ms. Plubplueng Suwan, Mr. Kamol Kovanaisukkul, two of these three directors sign and affix the company's seal."

Amended to "Mr. Ekachai Tangsachatham, Mr. Chai Wattanasuwan, Mr. Chumphon Sonchai, two of these three directors sign and affix the company's seal."

Resolution: The meeting was resolved by a majority of votes to change the authorized director of the Company to be Mr. Ekachai Tangsachatham, Mr. Chai Wattanasuwan, and Mr. Chumphon Sonchai; two of these three directors sign and affix the company's seal."

Agenda 4: To consider authorizing the new authorized company's directors to consider and specify other details and any action related to the amendment, change, and/or increase of the number of directors and the appointment of new directors of the company. It includes the power to sign a document requesting registration with the Department of Business Development, Ministry of Commerce regarding various permission requests and necessary and relevant evidence to the amendment, changing, and/or increasing the number of company's directors. It is coupled with contacting and submitting a request for permission, documentary evidence thereof to government agencies or related agencies, authority to take any other necessary and reasonable actions to the amendment, change and/or increase the number of company's directors, and appoint new company's directors with changing in the directors' authority authorized to sign on behalf of the said company under Agenda 2 and Agenda 3 above.

Resolution: The meeting was resolved by a majority of votes to authorize the new authorized directors of the company to consider other details.

Agenda 5: To consider a civil lawsuit and/or criminal cases against directors and/or any other person related to the registration of the NRE's capital increase from 650,000,000 baht to 1,000,000,000 baht on May 19, 2016, which may not be illegal. It included various offenses under the ACT PRESCRIBING OFFENCES RELATED TO REGISTERED PARTNERSHIPS, LIMITED PARTNERSHIPS, LIMITED COMPANIES, ASSOCIATIONS AND FOUNDATIONS, B.E. 2499 (1956) as stated above.

Resolution: The meeting was resolved by a majority of votes to prosecute a civil case and/or criminal cases against directors and/or any other person involved.

Subsequently, on 19 November 2019, a new group of directors appointed by the shareholders of NRE applied for registration of the change of directors and powers of directors of NRE to the Registrar of the Department of Business Development. The submission of such registration application was the case that those applicant's directors were not named in the company's certificate. Therefore, the Registrar must also send the said registration request to the shareholders and the former directors of NRE, whether they agree or disagree.

It was owing to the fact that during 6-9 December 2019, there were four shareholders of NRE and former directors of NRE who objected to the registration to the Registrar. There were contradicted issues as follows:

1) Is holding the Extraordinary General Meeting of Shareholders No./2019 on November 7, 2019, a duplicate of holding the Extraordinary General Meeting of Shareholders on February 26, 2020?

2) Mr. Somchai or Mr. Chai Wattanasuwan, and Mr. Chumphon Sonchai were not shareholders of NRE. Mr. Somchai or Mr. Chai Wattanasuwan was therefore not authorized to act as the Chairman of the meeting, and Mr. Chumphon Sonchai had no power to be the secretary of the meeting and vote in this meeting.

3) Did Shun Thai Rubber Gloves Industry Public Company Limited has to send the invitation letter to the Extraordinary General Meeting of Shareholders No./2019 to Northern Renewable Energy Company Limited or not?

4) On the meeting date on November 7, 2019, to ensure compliance with the Revenue Code: Did Shun Thai Rubber Gloves Industry Public Company Limited has to clarify the Proxy forms of those attending the meeting on behalf of other shareholders to the meeting's holder to acknowledge or not?

5) Shun Thai Rubber Gloves Industry Public Company Limited filed a lawsuit against NRE with the Prakanong Provincial Court, requesting for registration of the transfer of shares in the register and the list of shareholders of NRE. The case is under consideration by asking the Bangkok Partnerships Registrar to wait for the decision of the Phra Khanong Provincial Court.

6) On December 6, 2019, Mr. Phatchari Nijsiriphat and Ms. Plubplung Suwan submitted a request to revoke the resolutions of the Extraordinary General Meeting of NRE's Shareholders/2019, requesting the Bangkok Partnership Registrar to suspend the change in the name of the NRE's directors.

Currently, the new committee of NRE has prepared a statement of objection to registration to submit to the Bangkok Partnership Registrar. After this, the Bangkok Partnerships and Companies Registrar will continue to give orders on the matters mentioned above.

The board of STHAI has taken legal action against some of NRE's executives and stakeholders. It will soon take further legal action against all NRE executives and stakeholders.

- **The year 2020**

The Company proceeded from the former that the Bangkok Partnership Registrar has already considered the registration request for a change in the number and power of directors of NRE. In addition, there was an order to register the change on January 28, 2020. Therefore, the new committee of NRE has six people, namely Mr. Ekachai Tangsajjatham, Mr. Chai Wattanasuwan, Mr. Chumphon Sonchai, and Mr. Wisit Kanjanopas, Mr. Kittipat Intarakaset, and Mr. Anuwat Lalkijrung. Mr. Ekachai Tangsachatham, Mr. Chai Wattanasuwan, and Mr. Chumpol Sonchai, two of these three directors jointly sign, can act on behalf of NRE.

As for the case that NRE has registered an additional capital increase of 350 million baht (from 650 million baht to a registered capital of 1,000 million baht) with the Bangkok Partnerships Registrar. In this regard, STHAI has examined NRE's financial statement for the year 2016 and transactions Bangkok bank account, the Crystal Branch, account number 906-0-15300-5 accounting period 14/03/2016-12/06/2016. It found out that only two shareholders, namely STHAI and Mr. Somanat Noysakul, had paid for the capital increase's shares. But other shareholders had not made any payment for the capital increase's shares. The preparation of NRE's share payment certificate on May 30, 2016, stated that NRE received payment for capital increase shares from other shareholders, but no actual share payment has been made. The Company delivered the financial statement for the year 2019 on March 31, 2020. In this regard, the Company has filed a complaint to the inquiry official for a long time. However, to avoid any delay, the Company assigns the matter to a lawyer to sue the relevant person asap.

May 2020 At the Board of Directors' Meeting No. 8/2020 on Wednesday, May 20, 2020, resolutions were as follows: 1. to consider and approve the reduction of the unpaid registered capital of 3,995.63 million baht from the original registered capital of 19,978.10 million baht to equal the issued and paid-up capital 15,982.48 million baht. It cut off the number of unissued registered shares of the Company of 3,995,626,984, with a par value of 1.00 baht per share. It also amended the Memorandum of Association Clause 4 regarding the registered capital to comply with the reduction of the Company's registered capital. 2. To consider and approve the reduction of registered capital and issued and paid-up capital of 7,991.24 million baht from the original registered capital of 15,982.48 million baht, amounting to 7,991.24 million baht. It reduced the Company's par value from the original par value of 1.00 baht per share to a par value of 0.50 baht per share. It also amended the Memorandum of Association Clause 4 regarding the registered capital to comply with the reduction of the registered and paid-up capital of the Company. 3. To consider and approve the reduction of registered capital and issued and paid-up capital of 7,174.31 million baht from the original registered capital after reducing the par value of 7,991.24 million baht, amounting to 816.93 million baht. It reduced the number of registered shares and the issued and paid-up capital Number of 14,348,617,498 shares from the number of existing shares of 15,982,476,502 to 1,633,859,044 shares. It also amended the

Memorandum of Association Clause 4 regarding registered capital to be in line with the reduction of the registered and paid-up capital of the Company. It is proposed to the annual general meeting of shareholders in 2020 for approval.

At the 2020 Annual General Meeting of Shareholders on June 26, 2020, with approval: 1. Reducing the unpaid registered capital of the Company from the amount of 19,978,103,486 shares, par value of 1 baht per share, amount of 19,978,103,486 to 5,982,476,502 shares, par value of 1 baht per share, amount 15,982,476,502 baht. It also approved the amendment of the Company's memorandum of association to comply with the reduction mentioned above of registered capital. The Company registered the capital reduction with the Ministry of Commerce on July 10, 2020. 2. Changing the Company's par value from 1 baht per share to 0.50 baht per share. It changed the Company's number of shares from the original number of 15,982,476,502 shares with a par value of 1 baht per share to 31,964,953,004 shares with a par value of 0.50 baht per share. It also approved the amendment of the Company's memorandum of association to be consistent with the change in the par value. The Company registered the change with the Ministry of Commerce on July 13, 2020. 3. Reducing the registered capital of the company from the amount 31,964,953,004 shares, par value 0.50 baht per share, amount 15,982,476,502 baht, to 1,633,859,004 shares, 0.50 baht per share, amount 816,929,502 baht. It is intended to compensate for the undervalue of the ordinary share and compensate for the accumulated loss. It also approved the amendment of the Company's memorandum of association to comply with the reduction mentioned above of registered capital. The Company has already registered the capital reduction with the Ministry of Commerce on September 30, 2020.

- **The year 2021**

On August 24, 2020, the Thai Industrial Standards Institute (TISI) has brought gloves for medical examination, single-use, made of natural latex, uneven surface, powder-free medium (M), non-sterile type, Lot No.3RS3708203, to be inspected by the Central Region Certification Testing Service, Rubber Industry Research and Development Department, Rubber Authority of Thailand. Subsequently, on February 9, 2021, the director of the Standard Inspection Division 3 TISI informed the inspection results of such rubber gloves that it does not meet the standards listed: breaking after accelerating curing.

Therefore, the Company had a letter to the secretary-general of TISI to request to bring such rubber gloves in Lot No.3RS3708203 to another check with the other agency listed in the TISI and the Department of Medical Sciences to confirm the standard of the rubber gloves in the lot mentioned above once again.

On March 31, 2021, the Company applied to resume trading and is currently being considered by the SET.

On July 6, 2021, the Audit Committee reported the Letter No. AC005/2564 dated June 29, 2021, to the Stock Exchange of Thailand. Regarding its informing the shareholders about the conclusion of the Audit Committee's report appearing in the 2020 Annual Report that the Audit Committee did not prepare and approve such report. Also, the Audit Committee had different opinions from the report presented in the 2020 Annual Report. The Company has clarified the events mentioned above to the Stock Exchange of Thailand and published on July 6, 2021 by, Letter No. Inv-Out 033/2564; Date July 13, 2021, Letter No. Inv-Out 036/2564; and August 24, 2021, Letter No. Inv-Out 048/2564. Currently, this issue is being considered by the current Audit Committee.

On July 7, 2021, the 2021 Annual General Meeting of Shareholders considered the following matters:

Considered the approval of the re-appointment of the directors who retired by rotation (completed 30 April 2021) to be the Company's directors for another term as follows:

Meeting's resolution: Disapproved for Mr. Wasit Kanchanopas to be re-elected as a director with a number of disapproving votes, 1,040,431,142 votes, equivalent to 76.4655 percent

Considered the approval of the appointment of additional directors to replace those who have not been appointed

Meeting's resolution: Disapproved the appointment of Dr. Yang Fong as a director to replace the directors who were not appointed by the said shareholders' meeting with 713,087,845 votes, equivalent to 55.7838 percent.

Meeting's resolution: Approved the appointment of Mr. Teerawit Thanakitsunthorn as a director to replace the director who was not appointed by the said shareholders' meeting with 695,421,679 votes, equivalent to 53.1317 percent.

Considered the approval of the appointment of one additional director

Meeting's resolution: Disapproved the appointment of Mr. Wisit Rakwitsitwong as a director with the number of disapproving votes 1,322,795,218 votes, equivalent to 99.8349 percent.

Meeting's resolution: Approved the appointment of Ms. Chun Ching Teng as a director with the number of votes of approval. 1,017,423,585 votes, equivalent to 76.5379 percent.

On April 28, 2021, the Board of Directors Meeting No. 4/21 approved the interim dividend payment at 0.098 baht per share for 1,633,859,004 ordinary shares, totaling a dividend of 160.12 million baht. The said dividend was paid to shareholders on May 24, 2021. The above-mentioned interim dividend payment was presented to the general meeting of shareholders on July 7, 2021.

1.2 Nature of business

1.2.1 Revenue structure

From the distribution of rubber gloves of the Company over ten years, details are as follows:

Year	Distribution of rubber gloves (thousand baht)				Total
	Domestic	%	Overseas	%	
2012	161,713	20.00%	646,886	80.00%	808,599
2013	182,178	26.51%	504,915	73.49%	687,093
2014	226,344	29.95%	529,462	70.05%	755,806
2015	298,915	39.85%	451,136	60.15%	750,051
2016	241,538	33.34%	482,846	66.66%	724,384
2017	224,107	32.00%	476,304	68.00%	700,411
2018	252,979	33.37%	505,121	66.63%	758,100
2019	246,805	37.25%	415,752	62.75%	662,557
2020	735,395	62.22%	446,523	37.78%	1,181,918
2021	940,847	65.82%	488,593	34.18%	1,429,440

1.2.2 Product Information

(1) Characteristics of products, services, and business innovation development:

a. Medical Glove for medical use, which is subdivided into:

- A Surgical Glove is used in surgery. A thin, strong elbow-length characterizes it. It is passed a 100% sterilization process, used only once, and then discarded; and

- Examination Glove is used in medical examination. It is Ambi-type-no left and right with a thin, compact shape, short wrist. It is used once and is discarded without reuse. Examination gloves include powdered and powder-free natural rubber gloves and nitrile rubber gloves.

b. Industrial Glove is used for industrial. It is resistant to industrial work and chemical resistant. It is clean and able to touch food and electronic workpieces.

c. Household Glove is used in the household. It is a rubber glove used by housewives to clean and wash with thick, robust, durable use, a long service life, and comfortable wear.

The Company has produced both in contract manufacturing (OEM) and has own-owned brands such as Pure Glove, Royal Guard, and Sunshine.



The standard of the product is an international standard, which the Company has used as a guideline and reference in the production of rubber gloves for sale to customers. The Company's rubber gloves have been certified for product standards and product quality testing referencing various standards as follows:

No.	Product Standards	Definition
1	TIS 538-2560 (2017) Licensed on 23 Dec. 2020	Industrial Standard, Disposable Sterile Rubber Gloves for Surgery
2	TIS 1056-2556 (2013) Licensed on 26 Jan. 2021	Industrial Standard, Single Use Medical Diagnostic Gloves
3	TIS 2505-2553 Licensed on 9 Sep. 2013	Industrial Standard, Rubber Gloves Used in Food Industry
4	Protective Gloves acc.EN ISO 374-1:2016+A1	Protective gloves standard (Europe)
5	510K FDA (Food Drug Administration) certificate	Standard of medical gloves for examination and surgical gloves (USA)
6	EN455 standard	Standard of medical gloves for examination and surgery (Europe)
7	ASTM D3577, ASTM D3578, ASTM D 6319	Standard of medical gloves for examination and surgery (USA)
8	ISO 11193, ISO 10282	Standard of medical gloves for examination and surgery (international)

In addition, the Company has received factory standards that are certified by many external institutions. It also received the Thai government's Good Performance Exporter of Thailand award, earning the right to be classified as a good exporter from the Revenue Department. The details are as follows.

No.	Factory Standard	Year	Certifier
1	Quality Management System - ISO 9001: 2015	2006	BSI
2	Quality Management System - ISO 13485: 2016 & EN ISO 13485: 2016	2009	BSI
3	510K FDA (Food Drug administration) certificate	1989	USFDA (U.S. Food and Drug Administration)

Quantity of rubber gloves delivered to customers (Order Shipment)

The table shows the volume of glove deliveries to customers from 2017 to 2021 by yearly and quarterly comparisons.

Quantity of rubber gloves delivered to customers by a quarter of 2017-2021

Quarterly glove volume	Volume (thousands of pieces)
Quarter 1/17	170,382
Quarter 2/17	175,938
Quarter 3/17	176,971
Quarter 4/17	162,873
<u>Total glove volume in 2017</u>	<u>686,164</u>
Quarter 1/18	1647,80
Quarter 2/18	195,005
Quarter 3/18	171,365
Quarter 4/18	213,376
<u>Total glove volume in 2018</u>	<u>744,526</u>
Quarter 1/19	182,562
Quarter 2/19	193,031
Quarter 3/19	157,300
Quarter 4/19	178,510
<u>Total glove volume in 2019</u>	<u>711,403</u>
Quarter 1/20	207,982
Quarter 2/20	256,551
Quarter 3/20	254,664
Quarter 4/20	242,233
<u>Total glove volume in 2020</u>	<u>961,430</u>
Quarter 1/21	247,428
Quarter 2/21	221,509
Quarter 3/21	237,785
Quarter 4/21	175,785
<u>Total glove volume in 2021</u>	<u>881,790</u>
The total volume of gloves in years 2017–2021	<u>3,985,313</u>

(2) Competitive Marketing

The Company has established a marketing plan to determine the buyer group or target group, an important variable. It aims to find a position in the business and reduce the impact of fluctuating exchange rate pressures. It maintains the original market, promotes the expansion of more domestic markets, and reduces the proportion of foreign customers. Therefore, the domestic distribution policy was implemented in 2021, accounting for 66 percent, and had sales abroad for 34 percent instead. The details are as follows.

Customer Group	Delivery of rubber gloves in 2019 (%)	Delivery of rubber gloves in 2020 (%)	Delivery of rubber gloves in 2021 (%)
<i>European countries</i>	33	17	13
<i>Asian countries</i>	30	22	21
Total of Overseas Group	<u>63</u>	<u>39</u>	<u>34</u>
Total of Domestic Group	<u>37</u>	<u>61</u>	<u>66</u>
<u>TOTAL</u>	<u>100</u>	<u>100</u>	<u>100</u>

Marketing Strategy

- The Company has a policy to expand its market base by focusing on responding to the needs of customers that are overwhelming during the outbreak. COVID-19 to all over the world. It expands the market in the product group that the Company has potential and high returns, such as powder-free medical gloves of natural latex and nitrile rubber and housekeeper gloves. It is produced under the standard quality requirements and is suitable for the Company's production line.
- The Company's product is distributed through various channels, namely through intermediaries such as traders and brokers. It is also distributed by direct sales to large group users, such as hospital groups, industrial groups, etc., both domestically and internationally.
- For pricing, the Company considers the cost of raw materials, foreign exchange rates, order volume, and the proportion of glove size per order item. Subsequently, it shall compare the gloves price of competitors in the market to determine the selling price.

Domestic market conditions

The demand for rubber gloves in the country is exacerbated by the COVID-19 outbreak worldwide. It caused traders to order a large number of medical gloves for export to sell abroad. As a result, the industry that uses nitrile gloves, for example, the food industry and the electronic industry, are experiencing shortages and pushing the price of rubber gloves, both natural and nitrile rubber gloves, to continue to rise.

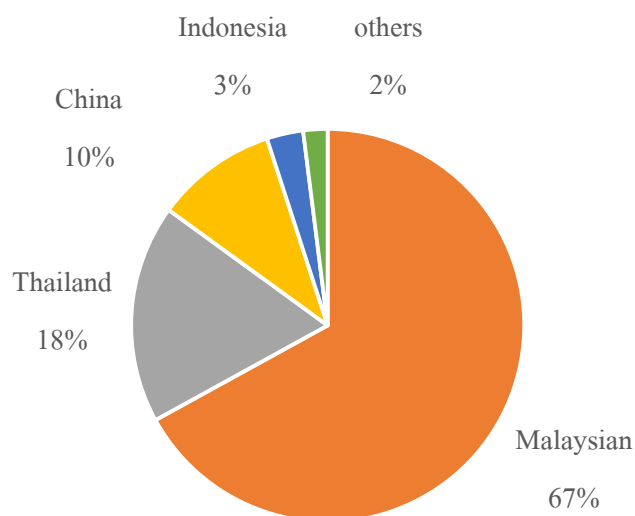
International market situation

COVID-19 is spreading to every corner of the world. The demand for the purchase and use of rubber gloves has dramatically increased. Especially orders from the United States and Europe have continued to rise rapidly. It exceeded the overall production capacity of the existing manufacturers. Thus, it pushed the selling price of gloves to increase according to supply and demand. But glove demand is expected to remain high for the next few years as the COVID-19 pandemic has shifted people's behavior to continue to use personal protective equipment (PPE) despite the vaccine being already distributed in many countries.

Competition in the rubber glove industry

The global rubber glove industry competition is concentrated in Southeast Asia and China. It is owing to the fact that the region is a rubber plantation, an essential raw material for rubber gloves production, as shown in the chart presents the share projection of rubber glove manufacturers by country of production in 2021.

The chart shows the share projection of rubber glove manufacturers by country of production in 2021



Source : MARGMA

The supply of rubber gloves industry

1) Government policy to promote the production and export of rubber gloves

In Thailand, the government encourages increasing domestic use of para rubber and focuses on creating mechanisms for price stability and sustainability in the rubber plantation occupation in the country. This policy supports the manufacturing and exporting of rubber gloves. Therefore, the government has issued a policy to promote the production and export of rubber gloves to stimulate the economy and make the export of rubber gloves compete with exporters from other countries.

2) The sufficiency and price of raw materials

The availability and price of raw materials used in the production of rubber gloves is another factor that affects the supply of rubber gloves and the competitiveness of rubber glove manufacturers worldwide. The primary raw material used in the production of rubber gloves is concentrated latex for natural rubber gloves and synthetic latex for the manufacture of nitrile rubber gloves.

3. Procurement of products and services

Production of rubber gloves

At present, the Company has two rubber glove factories and has 15 sets of machinery for the production of gloves, which can be divided as follows:

- Factory 1: There are seven sets of rubber gloves production lines (Set: 1 – 7).
- Factory 2: There are eight sets of rubber gloves production lines (Set: 8 – 15).

Procurement of raw materials and raw material suppliers

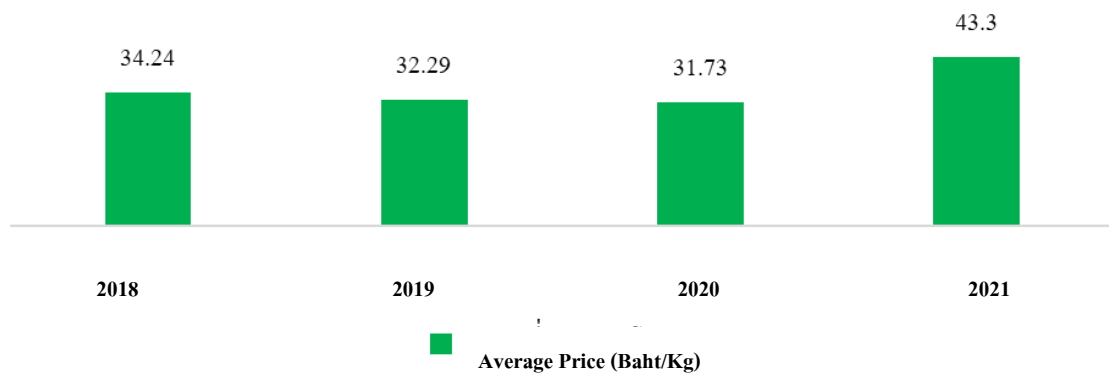
The Company has purchased concentrated latex from producers of concentrated latex in Rayong, Chonburi, and southern provinces such as Surat Thani, etc. It is a purchase of all domestic latex. The Company has given importance to the quality of each supplier's latex. Synthetic latex is procured from foreign manufacturers to support production.

The Company's latex purchasing policy will select the best quality supplier and offer reasonable prices, including credit on more extended payments. The purchase price of latex is based on the market price at that time, and the quotations of at least three suppliers are compared during the same period and compared to the median price with the Rubber Authority of Thailand.

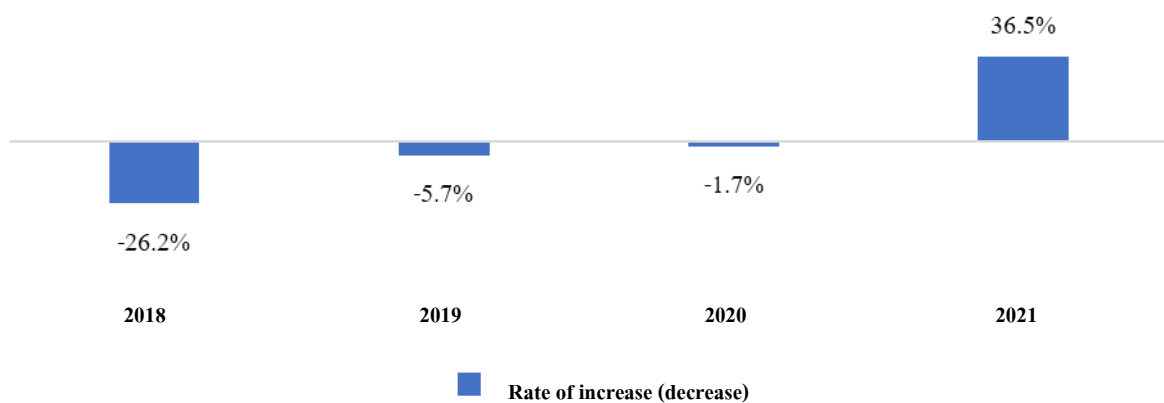
Comparison table of raw materials used in the production of rubber gloves in 2019 - 2021

Production cost	Concentrated latex (%)	Fuel (%)	Chemicals (%)	Labor costs (%)	Depreciation (%)	Electricity bill (%)	Other expenses (%)
Year 2019 Value 636 million baht	36.32	12.86	11.74	15.61	8.51	5.61	9.35
Year 2020 Value 750.47 million baht	36.53	14.44	11.11	14.63	7.24	5.26	10.79
Year 2021 Value 950.36 million baht	42.02	13.31	10.03	11.81	6.03	4.14	2.23

Chart: Comparison of 60% concentrated latex price from 2018 - 2021



The rate of increase and decrease in 60% concentrated latex price compared to the previous year from 2018 - 2021



4. Assets used in business

In 2021 and 2020, there were total assets of 1,491.43 million baht and 1,270.68 million baht, respectively, with most assets comprising cash, fixed assets, inventories, and trade accounts receivable.

In 2021, the Company had net cash or cash equivalents of 538.74 million baht, property, plant, and equipment net of 521.57 million baht, inventories of 172.42 million baht, and net receivables of 63.74 million baht.

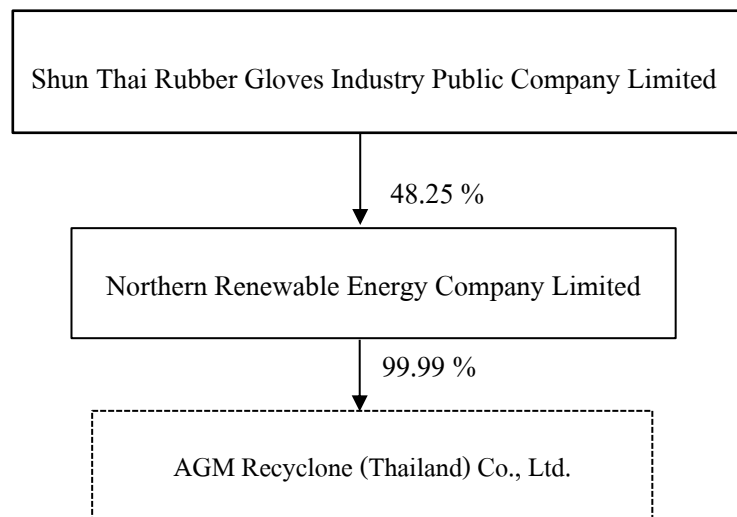
Important characteristics of fixed assets used by the Company in its business as of December 31, 2021

Property Type/Characteristics	Proprietary nature	Book Value (million baht)	Obligation
Land and improvements at Kached Subdistrict, Mueang Rayong District, Rayong Province. Total area 141 rai 0 ngan 60.4 square wa	own	94.34	Area of 108 rai, 1 ngan, 16 square wa, attached to a mortgage worth 70 million baht.
Buildings and improvements at Kached Subdistrict, Mueang Rayong District, Rayong Province.	own	93.08	Factory building attached to a mortgage, worth include land value
Machine and equipment	own	281.14	Attached to a mortgage worth 91.14 million baht.
Furnishings and office equipment	own	1.49	-
Vehicles	own	0	-
Work in progress	own	0.26	-
Total		470.31	

1.3 Group shareholding structure

1.3.1 Group shareholding structure

Shun Thai Rubber Gloves Industry Public Company Limited was registered as a limited company in Thailand on May 24, 1988, and converted to a public company on September 4, 2001. The company currently has registered capital equal to 1,633,859,004 baht, 0.50 baht per share, and 816,929,502 baht paid-up capital, divided into ordinary shares of 1,699,859,004 shares with a par value of 0.50 baht per share.



Company name	Nature of business	Shareholding ratio
1. Main business Shun Thai Rubber Gloves Industry Public Company Limited	Manufacturer, distributor, and exporter of rubber gloves	
2. Other business Northern Renewable Energy Company Limited	Production and distribution of integrated biomass energy to generate electricity from biomass and waste (temporarily suspended)	48.25 %
3. AGM Recyclone (Thailand) Co., Ltd.	Converting biomass into renewable energy to generate environmentally-friendly electricity. (temporarily suspend)	Held 99.99% by Northern Renewable Energy Co., Ltd.

1.3.2 If a person may have a conflict of interest holding 10% of shares in a subsidiary or an associate, explain the reason. (acting on behalf of shareholder)

no conflict

1.3.3 Relationship with the group of major shareholders

no relationship

1.3.4 Shareholders

(1) List of major shareholders

List of the first ten major shareholders of the Company as of March 14, 2022, and the ratio of shareholders are as follows:

No	Major Shareholders	Number of shares	% shareholding
1	UOB KAY HIAN PRIVATE LIMITED	132,896,582	8.13
2	MISS CHUN-CHING TENG	102,760,138	6.29
3	Ms. Chotiros Attakornworodom	82,136,428	5.03
4	Mr. Polpat Nijsiriphat	81,738,644	5.00
5	MISS TENG CHUN-YU	79,718,485	4.88
6	MR.HSUN-MIN YANG	62,026,817	3.80
7	Mr. Apichart Chaipramat	38,454,384	2.35
8	Mr. Phatchari Nijsiriphat	37,098,003	2.27
9	Mr. Pittayut Tangsajjatham	26,168,274	1.60
10	Mr. Lakchai Kittipol	25,807,358	1.58
	Total	668,805,113	40.93

Source: Thailand Securities Depository Co., Ltd.

1.4 Number of registered shares and paid-up capital

The Company has a registered capital of 816,929,502 baht, divided into ordinary shares of 1,633,859,004 with a par value of 0.50 baht per share, and a paid-up capital of 816,929,502 baht, divided into 1,633,859,004 ordinary shares with a par value of 0.50 baht per share.

1.5 Issuance of other securities (Convertible Securities and Debt Securities)

As of December 31, 2021, the Company has not issued convertible securities and debt securities.

1.6 Dividend Policy

The Company has the policy to pay dividends at a rate of not less than 40 percent of the net profit according to the separate financial statement after corporate income tax and after legal reserves of each year. The rate of such dividend payment may change from the specified. It depends on the performance, financial position, liquidity, investment necessity, working capital, additional investment, business expansion,

conditions, and restrictions stipulated in the loan agreement. It also included other factors involved in the administration according to the Board and/or the Company's shareholders deem appropriate. According to the relevant laws, the payment of such dividends will result in retained earnings that appear in the Company's financial statement. Once the Board of Directors has approved the annual dividend payment, it must be presented for approval at the Company's shareholders' meeting. Except it is an interim dividend payment, the Board of Directors has the authority to approve the dividend payment and shall report to the shareholders' meeting at the next meeting.

Year	2019	2020	2021
Earnings per share (Baht/Share)	-0.007	0.010	0.230
Earnings per share (%)	-35.81	21.40	26.26
Dividend per share of the accounting period	no dividends	no dividends	no dividends
Interim Dividend per Share (Baht/Share)	-	-	0.098
Dividend payout ratio to net profit (%)	-	-	-

2. **Risk Management**

2.1 Risk Management Policy and Plan

Shun Thai Rubber Gloves Industry Public Company Limited realizes the importance of good management to support driving the organization towards sustainable success. It may affect the organization's ability to achieve goals. The Company is ready to cope with the changing conditions that the Company has to face, both from internal and external factors.

The business environment is complex and constantly changing, so the Company has adopted risk management systems as a tool to support strategy, management, and operational improvements. It commits to build capacity, increase business opportunities, create added value for the organization and support the achievement of overall objectives. All employees at all levels must be aware of their responsibilities in risk management together as a corporate culture.

- 2.1.1 The Company defines risk management as the responsibility of employees at all levels to be aware of the risks involved in their operations and within the organization. It must focus on managing various risks under systematic internal control to a sufficient and appropriate level.

- 2.1.2 The Company promotes and supports the use of risk management as an essential tool in the Company's critical management that personnel at all levels must understand. There are cooperation and use of risk management to create a good image, strengthen good corporate governance, excellence management, and confidence for the Company's shareholders or stakeholders.
- 2.1.3 The Company provides an efficient risk management process with the integrated principles of Good Corporate Governance. It is intended to help reduce the likelihood of exposure and the impact of risks, reducing uncertainty in overall performance and increasing the chance of success. In addition, it established a risk management reporting system for the Risk Management Committee to operate effectively.
- 2.1.4 The Company promotes and encourages risk management to be a corporate culture by making everyone aware of the importance of risk management.
- 2.1.5 All employees are responsible for complying with the risk management system and processes at the organizational, line, and operational levels as determined by the Risk Management Committee.
- 2.1.6 The risk management committee and executives examine, monitor, and measure performance to manage the organization's risks appropriately.

2.2 Risk Factors for the Company's Business Operations

2.2.1 Business Risk

- **Risks from the competition, marketing, and external factors**

Since 2020, there has been an outbreak of COVID-19. It caused the demand for rubber gloves to increase exponentially. Until 2021, the volatility in the selling price increases and changes rapidly, but the price of the cost of raw materials is also higher. However, the rubber glove industry still has higher performance and operating results than before. It has led many big players to increase their production capacity to fill the market's growing demand. Until the second half of 2021, the selling price tends to decrease due to the relaxation and resolution of the Covid-19 situation. The more relaxed the selling price of rubber gloves will tend to fall and return to equilibrium (New Normal). Still, the demand for the number of rubber gloves will continue to increase as expected from the MARGMA. It reported that the demand for rubber gloves in 2022 and 2023 is expected to be 10% and 15% higher than in 2019 (before COVID-19), respectively, due to the spread of the Omicron strain of COVID-19.

In March 2022, another external factor could affect costs and the rubber glove industry. The war between Russia and Ukraine caused the price of crude oil to soar. It may affect the cost of transportation of

raw materials both inbound and outbound. There is also uncertainty about whether or not it will affect the demand for rubber gloves and in what direction. The Company has closely monitored and managed or planned if there were any changes all the time.

- **Risk factors related to raw material procurement production**

The Company has the main raw material procurement for domestic and international production. The natural rubber latex is ordered from vendors and farmers in nearby areas.

60% Concentrated Latex (Natural Rubber)

The Company has procurement concentrated latex from domestic partners, with risks fluctuation in raw material prices. The 60% concentrated latex is the primary raw material for producing rubber gloves. In 2021, the average concentrated latex price increased from the year 2020 by 36.5%. To prevent the risk of concentrated latex shortage and fluctuating prices, the Company purchases it from various suppliers in the eastern and southern parts of the country. It entered into the purchasing contract in advance and compared the quotations of at least three vendors during the same period with the median price along with a comparison with the average price from the Rubber Authority of Thailand. In addition, the Company also considers the period of payment for goods (Credit Term), which consists of:

Synthetic latex (Nitrile Rubber)

The average price of synthetic latex in 2021 is 123% higher than that of 2020 due to the occurrence of demand more than supply. Therefore, the Company has made a long-term latex purchase plan in advance and plans to receive orders under the latex purchase plan and seeks a new supplier of synthetic latex to increase competition in terms of price and quality. The Company has procurement from all foreign partners at 100 percent of the number of raw materials used.

Fuel for steam power

The Company uses fuel from the fuel source, consisting of four parts: palm kernel shell, wood chips, sawdust sticks, and wood slab. All of these are purchased from domestic trading partners. To provide sufficient raw materials and quality, the Company has ordered them in advance and has enough suppliers to deliver raw materials for production.

- **Production Risk**

Continuity of production is at the heart of business operations. However, the Company has continually improved its machinery to enable continuous production. Additional investments are also made to increase production efficiency, reduce costs, and reduce environmental pollution.

- **Personnel Risk**

The Company considers that the safety of personnel is essential. There are always guidelines and training for employees to create safety awareness.

In terms of compensation, the Company has set reasonable and competitive compensation and has given importance to treating employees fairly and following human rights principles. There is continuous training and development of personnel to maintain a sufficient number of personnel. In addition, it increases the capacity of personnel to keep up with the changes in the current and future competitive world. It also creates opportunities for personnel to grow sustainably with the Company.

- **Inventory Risk**

The Company manages its inventory to keep it at an appropriate level. It considers the sufficient number of products for sale and delivery deadlines to the customer within a specified time. It uses Working Capital to maximize benefit and appropriateness and maintains the inventory level with not too much or too little.

- **Currency risk**

The Company is exposed to foreign exchange risk because it sells products to foreign customers and purchases its primary raw materials abroad. It aims to manage risks using foreign currency received from customers and using the same currency to pay for goods, known as Natural Hedging. The Company has opened foreign currency accounts in both USD and EURO. Therefore, the Company does not have to pay the difference from the exchange rate to exchange foreign currency to baht every time, reducing the risk of currency fluctuations. It also considers additional instruments of financial instruments such as Forward Contracts or Options for foreign currencies that cannot do Natural Hedging, as mentioned above.

- **Risk of accruing payments from customers**

The Company considers the credit term of each Customer differently according to the Company's principles. The policy for selecting each Customer is based on the Customer's reputation and financial position. It ensures that there will be no problems in receiving debt payments that may arise in the future.

Regarding the provision of allowance for doubtful accounts, the Company will determine by the debtor's behavior. Suppose the credit period is exceeded, and there is a clear indication that the debt cannot be repaid to the Company. The Company will set aside allowance for doubtful accounts in full amount and closely follow up on the outstanding debts to reduce loss.

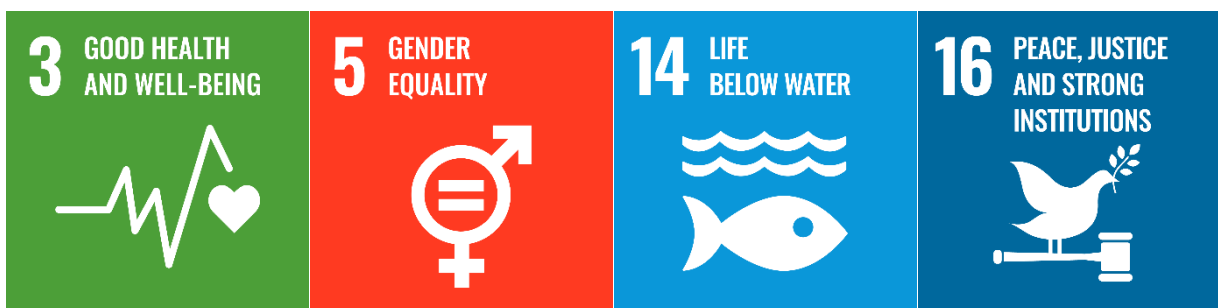
- **Environmental and Community Risks**

The Company operates its business and production located in an area with the community and natural surroundings. In order not to cause problems, the Company has implemented standards and regulations relevant to the production process to ensure that there is no impact negatively on the environment and the community.

3. Driving business for sustainability

3.1 Sustainability Management Policies and Goals

The Company operates its business under good governance, transparency, and accountability, with a commitment to developing the business while creating a balance between the economy, society, and the environment. The Company is determined to maintain itself as a role model for society in sustainable business operations and to be able to manage the business to grow stably and be accepted in society. It is based on ethics and good corporate governance principles, with the United Nations Sustainable Development Goals (SDGs) including the United Nations Guiding Principles on Business and Human Rights (UNGPs). It also commits to generate adequate returns for shareholders by considering the impact of business operations on stakeholders of the Company in all aspects. Therefore, the Company has set up a social responsibility policy as a guideline for the Company's business operations in various fields.



- **Conducting business with fairness**

The Company has set guidelines for taking care of stakeholders in its business code of conduct. It considers responsibility to stakeholders, including shareholders, employees, customers, business partners, contract parties, communities, society, and the environment. It promotes free and fair trade competition and avoids operations that may cause conflicts of interest and violations of intellectual property rights. It also includes anti-corruption in all forms on the following topics:

- **Corporate governance**

The Company commits to conducting business properly, with honesty, fairness, transparency, disclosure of sensitive information, and verifiability. It also adopts the principles of good corporate governance as a guideline for the operation. The Company and its subsidiaries will consider the benefits and reduce the impact on shareholders, customers, business partners, employees, and stakeholders. In addition, it includes sharing benefits appropriately and fairly.

- **Regulating compliance with laws, regulations, and rules**

The Company values compliance with laws and regulations related to the environment, occupational health, and safety and complying with the international code of business ethics. It requires directors, executives, and employees to act within the framework of the law, rules, and regulations. Also, they must not involve, assist, or act in any way that violates the law or other related regulations.

- **Sustainable social responsibility management**

Social and Environmental Responsibility Policy

The Company operates its business under good governance, transparency, and accountability. It is determined to develop business in parallel with the balance of economy, society, and environment by managing the Company's business to grow steadily and be accepted in society. It is based on ethics and good corporate governance principles. In addition, it generates returns for shareholders effectively by considering the impact of business operations on the Company's stakeholders in all aspects. Therefore, the Company has established a social responsibility policy as a guideline for the Company's business operations in various fields.

- **Anti-Corruption**

The Company has the policy to fight against corruption by focusing on enhancing the corporate culture so that personnel at all levels are aware of the dangers of corruption, create the correct values, and increase the confidence of all stakeholders. There are specific anti-corruption policies and guidelines for effective anti-corruption.

- **Human rights respect**

The Company has the policy to support and respect the protection of human rights. It treats all stakeholders such as employees, communities, and the society around them with respect for human dignity. It considers equality and equal freedom without violating fundamental rights. It does not discriminate on race, nationality, religion, language, ethnicity, skin color, gender, age, education, physical condition, or social

status. It also protects the Company's business from getting involved in human rights violations both directly and indirectly, including not using child labor and forced labor.

- **Fair treatment of labor**

The Company realizes the importance of human resource development and treats workers fairly. It is a factor that will increase the value of the business and enhance the competitiveness and sustainable growth of the Company and its subsidiaries in the future. The Company places importance on respecting the rights of employees according to human rights principles and complying with labor laws. It provides a fair process of employment and employment conditions, fair compensation according to the potential of employees, a proper work evaluation process, and appropriate welfare benefits for employees. The Company promotes personnel development at all levels by organizing training, seminars, and technical seminars in various fields related to developing knowledge, competence, and capacity building of personnel. It also instills a positive attitude, morality, ethics, and teamwork in its personnel, creates a happy and respectful working environment, and treats employees at all levels without taking advantage of each other. It also allows employees to express their opinions or complaints about unfair practices or misconduct in the Company and its subsidiaries, including protecting employees who report such matters. Also, it considers safety, occupational health, and the working environment by promoting safety as an important agenda.

- **Responsibility to customers and consumers**

The Company will produce and sell products of standard quality. It commits to creating the highest satisfaction for customers and consumers, providing accurate and sufficient information about products and services to customers, and responding to customer needs with speed and efficiency. It set up a system and channel for customers to make complaints regarding products and services conveniently and efficiently. In addition, the Company treats customers fairly without discrimination and maintains customer confidentiality. It strives to create satisfaction and confidence for customers under appropriate safety and technology to maintain the quality that meets international standards and continually raises standards.

- **Environmental protection**

The Company attaches great importance to conserving natural resources by promoting the efficient use of resources and recognizing the safety of the society, community, and environment. It also instills awareness of social, community, and environmental responsibilities in the Company and employees at all levels continuously and supports activities that contribute to environmental conservation. It operates the business with a standardized operating system and good control and promotes sustainable social and environmental development.

3.2 Managing impact on stakeholders in the business value chain

3.2.1 Business Value Chain

Group of stakeholders within the organization	Communication/ Participation Channels	Need/expectation	How to Meet Expectations	Indicators/Results
Employee	<ul style="list-style-type: none"> ● Monthly Company Meeting ● 5S activities, Safety talk, QCC, KYT ● Complaints and Comments ● Activities 	<ul style="list-style-type: none"> ● Reasonable compensation and good benefits ● Good working environment and safety ● Stability and progress at work ● Develop knowledge and abilities 	<ul style="list-style-type: none"> ● Set appropriate and viable compensation ● Annual health examination ● Provide training. ● Complaint Policy ● Policy on justice 	<ul style="list-style-type: none"> ● Lost Time Injury Frequency Rate over three days in 2021 was zero. ● The number of complaints in 2021 was zero. ● The turnover rate was less than 5% in 2021.
Groups of stakeholders outside the organization	Communication/ Participation Channels	Need/expectation	How to Meet Expectations	Indicators/Results
Shareholder and Investor	<ul style="list-style-type: none"> ● Shareholders' meeting ● Annual Report ● Stock Exchange of Thailand communication channel(ELCID) ● Investor Relations Division 	<ul style="list-style-type: none"> ● Expected return on investment. ● Sustainable return of the company. ● Return growth ● Management transparency. ● Management efficiency. 	<ul style="list-style-type: none"> ● Manage the business to create wealth and sustainability for all shareholders and stakeholders. ● The Company adheres to good 	<ul style="list-style-type: none"> ● Take action to get the Company's shares to be traded on the board again (Resume Trade). ● In 2021, there was an interim dividend of 0.098 baht/share.

Group of stakeholders within the organization	Communication/ Participation Channels	Need/expectation	How to Meet Expectations	Indicators/Results
			management CG. <ul style="list-style-type: none"> ● There is a dividend payment policy. 	
Customer and Consumer	<ul style="list-style-type: none"> ● Satisfaction survey ● Visiting customers ● Product display at various events. ● Activities with customers. ● Communication channels by telephone, e-mail, and website 	<ul style="list-style-type: none"> ● Get quality products as needed. ● Receive products on time. ● Fixed in case of problems. ● Maintain trade secrets. 	<ul style="list-style-type: none"> ● An international standard system such as ISO9001 ● Production control and quality check. ● Business Ethics ● Improve products. 	<ul style="list-style-type: none"> ● Increased sales volume ● Increased sales ● Increased new customers. ● Customer satisfaction
Partners/Suppliers	<ul style="list-style-type: none"> ● Communication channels by telephone, e-mail, and website ● Site Visit ● Meeting 	<ul style="list-style-type: none"> ● Pay on time ● Transparent purchasing system. ● The precise specification of products and services. 	<ul style="list-style-type: none"> ● Fair and transparent procurement policy. ● Complaint Channel ● Anti-Corruption Policy 	<ul style="list-style-type: none"> ● Annual assessment results. ● Deliver the work according to the specified specification and on time.

Group of stakeholders within the organization	Communication/ Participation Channels	Need/expectation	How to Meet Expectations	Indicators/Results
Community	<ul style="list-style-type: none"> Joint activities 	<ul style="list-style-type: none"> Does not have a negative impact on the community. Support community activities. Responsible for the environment and safety in the community. 	<ul style="list-style-type: none"> Employ people in the community. Participate in community activities. Support community activities. 	<ul style="list-style-type: none"> CSR Budget for society and community. Community Employment Employee spending in the community
Relevant government regulators	<ul style="list-style-type: none"> Participation in various projects Meetings and Events 	<ul style="list-style-type: none"> Comply with relevant laws. Cooperate with agencies in solving problems. Support various government projects. 	<ul style="list-style-type: none"> Comply with relevant laws. Cooperate in other fields (if any). 	<ul style="list-style-type: none"> Licensed for continued business operations.

3.2.2 Business Value Chain Stakeholder Analysis

The Company's main business is the production of rubber gloves, both in the part of gloves made of natural rubber and synthetic rubber. The Company has a glove factory to sell to customers domestically and internationally. The steps in the supply chain are as follows:

Main activities	Procurement of raw materials from domestic and overseas	Production and packaging in the Company's factory	Use transportation services to customers both	After-sales service
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			domestically and internationally.	
Support activities	Marketing, Accounting, Finance, Procurement, Personnel, IT			

Main activities

Procurement of raw materials for production

The Company has ordered the primary raw materials: Natural latex, synthetic latex, and chemicals for production. The natural rubber latex is purchased locally, consisting of direct purchase from local and other sources such as Rayong Province, Chonburi Province, and southern provinces such as Surat Thani Province, etc. Synthetic latex is procured from foreign manufacturers to support production. The Company has given importance to the quality of each supplier's latex.

Production and packaging in the Company's factory

The Company manufactures gloves by machines and packs products in the factory according to the needs of each customer. The production and quality are controlled by personnel in the production and engineering departments. The products are produced for domestic and international sales, which must pass different standards that customers want and accept. The Company has been certified by various relevant standards from government agencies and customers.

Outbound product transportation

The Company uses domestic and international transportation services to deliver products to customers with truck and boat transportation for global markets.

After-sales service

The Company has a marketing department and quality service for after-sales products. It has a complaints unit in the event of problems with the product, and corrective action is taken for each customer.

Marketing

The Company has a marketing department responsible for building the Company's credibility and coordinating with customers on new needs or improving products to meet each customer's needs, and developing and maintaining relationships for sustainable growth of both the Company and its customers.

Human resource management

Personnel is critical in business operations. The Company, therefore, attaches importance to personnel. It commits to the sufficiency of human resources, motivating work, promoting the enhancement of personnel's capabilities such as training, and most importantly, the safety of operators.

Accounting and Finance

The Company focuses on having a good accounting and financial system, accurate, precise, and fast to provide timely information for planning for business in today's world.

IT system development

The Company focuses on bringing various technologies that can improve the support work faster and more efficiently. It provides a plan to develop a website and social media to build credibility for the Company, support product information to customers, improve office equipment for personnel, install an ERP system for integrated work, etc.

3.3 Sustainability Management in Environmental Dimensions

3.3.1 Environmental Policies and Practices

- **Water Management**

Water resources are limited resources, and Company should use water resources efficiently. The use of public water resources will follow the law on water resources. The dependence on water resources can also pose a risk to business operations, for example, if operations are disrupted due to water resource shortages, higher operating costs due to scarcity of water resources, or higher water prices. Therefore, the Company has the policy to reduce the water usage per production unit, which details the water usage in the following table:

Liter / 1000 pieces	2020	2021
Groundwater use	1.18	1.35
increase (decrease)		14.14%

- **Garbage and Waste Management**

Any action involved in the Company's waste production (industrial waste, hazardous waste) will harm the environment. At the same time, it may expose the Company to the risk of legal responsibilities arising from waste management. For this reason, the Company shall present information about the amount of

Company waste involved, provide guidelines for waste management and disposal of residues, and reduce the impact of waste resulting from business operations. The results of operations are as follows:

Year	Hazardous waste (ton)	Non-Hazardous waste (ton)	Reduced proportion of hazardous waste (percent)	Reduced proportion of non-hazardous waste (percent)
2020	31.21	161.72	13.4%	20.9%
2021	16.39	87.16	46.5%	45.1%

● Energy Management

Energy is one of the key elements in doing business and one of the significant costs of running a business. At the same time, energy consumption can affect the environment. As a result, the Company must comply with the law promoting energy conservation. It aims to use energy economically, efficiently, and cost-effective and encourage the use of efficient technology. In the past year, the results were as follows:

kw/ million pieces	2020	2021
Power unit	166,304	158,638
Increase (decrease)		-4.61%

● Pollution Management

The Company is legally obliged to comply with the laws regarding promoting and conserving environmental quality. Compliance with the said law will affect the cost of operating the business. Moreover, pollution may pose a risk for the Company to be legally responsible. Therefore, the Company collects information about both direct and indirect emissions to show the Company's risks and the environment caused by emissions. The results of operations are as follows:

Year/ parameter	Boiler 15 T				Boiler 20 T				
	TSP	SO2	NO2	CO	TSP	SO2	NO2	CO	
	Standard	Standard	Standard	Standard	Standard	Standard	Standard	Standard	
	≤320 mg/m3	≤60 ppm	≤200ppm	≤690ppm	≤320 mg/m3	≤60 ppm	≤200ppm	≤690ppm	
2019	1st time	77.5	<1	67	104	78.6	<1	44	259
	2nd time	128	<1	174	40	115	<1	116	336
2020	1st time	3.74	5.08	5.67	457.1	33.4	3.45	278	64.6
	2nd time	190	7.34	8.19	12.1	2.57	1.63	1.82	199
2021	1st time	32.1	<1	52	279	147	<1	164	72
	2nd time	160	<1	184	199	121	<1	108	229

● Hazardous Substance Management

The production, import, export, or possession of hazardous substances is an activity under the Hazardous Substance Act B.E. 2535 (1992). It is owing to the fact that hazardous materials can pose a risk to the health of operators and users and pose a risk to the environment. In doing business related to hazardous substances, Company realizes and understands information about hazardous substances, including environmental management. The results of operations are as follows:

Year	The volume of hazardous waste (tons/million pieces)	Reduced volume (percent)
2020	31.21	13.4%
2021	16.39	46.5%

● Climate Change Impact Management

The Company recognizes the importance of reducing greenhouse gas emissions, both directly and indirectly, to comply with the policies of domestic and international agencies. In 2021, including the previous year, the Company had not yet measured the Greenhouse gases, with plans to begin measuring from 2022 onwards.

3.4 Sustainability Management in Social Dimensions

3.4.1 Social Policy and Practice

● Ensuring freedom of association and protection of the right to collective bargaining

The frustration of employees in the workplace will lead to more or less problems in business operations. Listening to those problems and fixing them is a duty that employers should do.

Because besides giving employees good morale at work, it also makes the employer's business run smoothly. However, each employee has different problems and uneasiness about work. Some issues are personal, and some problems are collective. Solving common issues is a priority that employers should pay attention to. Therefore, employee integration is a platform where employees can express their barriers to work problems and their needs regarding working conditions. If many employees share those needs, it can be implied that it is a critical problem of the establishment or activity that employers and entrepreneurs should pay attention to and resolve. They may join the negotiations to discuss such issues with the employee. Suppose that they cannot reach an agreement. They must meditate on ending that inconsistent desire with good understanding. It will make the answer given to the satisfaction of both sides and bring peace to the labor society. However,

if the negotiation process fails, labor pressure should be tolerated. That is to say, shutdowns and strikes serve as tools that give both sides a chance to reconcile, which may bring about an agreement based on acceptance. A major challenge is that the relevant Thai legal provisions are not entirely consistent with international principles. Therefore, to have good corporate governance that is acceptable following international principles and practices, it is necessary to consider the principles of internationally accepted rules.

The Company has a policy and practice that supports employee union and negotiation, consistent with the Labor Relations Act B.E. 2518 (1975), which is defined for the private organization.

In 2021, there has been no action and no disputes. In 2022, the Company will organize a project to develop potential and create awareness among employees to make them realize the importance of participating in the creative setting of working conditions and employment conditions.

- **Eliminate all forms of forced labor**

The Company has policies and guidelines that do not support the use of forced labor. The Company's employment must be following the law and fair. It considers the importance of determining working days, break times, holidays, and leave days. Also, the payment of remuneration for working both in the regular and holiday cases is according to the Labor Protection Act B.E. 2541 (1998) prescribed to companies as private organizations.

In 2021, there has been no action and no disputes. In 2022, the Company will arrange for the development of potential and create awareness among employees to make them realize the importance of policies and practices that do not support the notification of forced labor to be legal and fair.

- **Abolition of employ child labor and the worst forms of it**

Poverty is a significant impediment to economic and social prosperity. Education is an essential tool for eliminating poverty. A child's work must not impede the child's education, development, reproduction, and dignity as well as children can work in conditions that are not harmful to the body and mind. Therefore, the employment of children must be limited and under strict conditions. Moreover, it must not devalue educational opportunities, learning, and the development of children's experiences. However, fundamentally, this part focuses on governing "Employ child labor" as a condition in which a child is a laborer under the employer's command. It is opposed to the generic term "Child Labor," as a condition in which the child does little work to enhance learning development, which should be done, supervised by the parent or guardian, a legitimate representative. It is not restricted to such frameworks as "Employ child labor."

In 2021, there is no action and no dispute. In 2022, the Company will arrange a project to develop capacity and raise awareness among employees and revise the rules and regulations to make them realize the importance of participating in compliance with the policy.

- **Eliminating employment and occupational discrimination**

Inequities and differences create prejudice, and prejudice is the source of disputes. In labor societies, employment and different types of labor will lead to workers' dissatisfaction. It raises questions of equality and non-discrimination. If the answer to the question is in such a way that the respondent is dissatisfied, it will lead to social problems. Consequently, labor practices should be based on the nature of the work, the efficiency of the work, and the workers' ability. Suppose the working conditions or employment conditions are different due to differences in origin, race, language, sex, age, disability, physical or health condition, individual status, economic or social, religious beliefs, upbringing, or political opinions. In that case, employment and the determination of different working conditions due to such differences should not arise. For this reason, the same or similar functions should be treated the same or equally.

In 2021, there has been no action and no disputes. In 2022, the Company will organize a project to develop capacity and raise awareness among employees and revise the rules and regulations to make them realize the importance of participating in compliance with the policy.

- **Supporting equality of gender and gender identity**

Equality of gender and gender identity is rooted in principles of equality and non-discrimination. It has evolved from calls for gender equality between men and women and now extends to the gender equality of all people regardless of their sexual orientation and gender identity. Besides the labor dimension, business entrepreneurs should adopt the gender lens. In particular, respect for gender equality is intervened in the conduct of their own business and that of their partners. It is intended to prevent gender-based discrimination against other stakeholders by not promoting gender stigma or making sex an object in their advertising media or partner companies. It includes approval of loans to customers regardless of gender or gender identity and respecting the right to privacy regarding customers' sexual orientation, identity, or other stakeholders.

In 2021, there is no action. In 2022, the Company will arrange a project to develop capacity and create awareness among employees and revise the rules and regulations to make them realize the importance of participating in regulatory compliance.

- **Protection of rights to health and safety**

The Company has policies and practices that support the protection of the right to health and safety. It considers action to prevent the Company's goods or products from being unsafe to consumers, which may be an offense under the Liability for Damages from Unsafe Products Act B.E. 2551 (2008). It also commits that the Company's goods or products meet all relevant industry standards in line with the sustainable development goals.

In 2021, there is no action. In 2022, the Company will arrange a project to develop capacity and create awareness among employees and revise the rules and regulations to make them realize the importance of participating in compliance with the policy.

- **Protection of personal rights and personal information**

The Company has policies and practices to protect all customers' personal information. Although the Personal Data Protection Act B.E. 2562 (2019) has not yet come into force, the Company has already begun piloting to improve its internal processes and practices to align with the standards under the said law and sustainable development goals.

In 2021, there has been no action. In 2022, the Company will arrange a project to develop capacity and create awareness among employees to know the importance of participating in the policy implementation.

4. Management Analysis and Explanation (MD&A)

4.1 Analysis of Operations and Financial Position, Major Changes

Overview of operations

In 2021, the Company had the highest revenue in the past. It is due to the demand for rubber gloves during the COVID-19 epidemic. It has been happening since the beginning of 2020. The price of rubber gloves has increased dramatically over the past two years, and the increasing demand and the Company have increased revenue compared to 2019. More than one time. However, the epidemic situation of COVID-19 has eased in the second half of 2021, causing the average selling price to have started to decline steadily since then. But still, it is higher than the price sold before the outbreak or in 2019 itself.

Based on the forecast of the rubber gloves market in the future, MARGMA expects that the demand for rubber gloves in 2022 and 2023 will be 10% and 15% higher than in 2019 (before COVID-19), respectively. As a result of the epidemic of Omicron and in the long term, demand will continue to increase due to the expansion and increased use of rubber gloves in developing countries and behaviors that turned more attention to protection.

Many kinds of raw materials are starting to fluctuate in higher prices. In addition, the impact of the war between Russia and Ukraine that began in March 2022 has resulted in higher oil prices, causing transportation costs and the price of some raw materials to rise accordingly. As of the date of this report, there has been no impact on the transport, which is a risk of raw material shortages and shipping issues.

However, the Company has been monitoring and planning for surveillance all the time to solve immediate problems in a timely manner.

Operating results

Category	2021	2020	2019	2018	2017
Income statement					
Income					
Domestic sales	940,847	735,415	246,851	252,979	224,107
Overseas sales	488,593	446,523	415,752	505,121	476,304
Sales income	1,429,440	1,181,938	662,603	758,100	700,411
Other income	9,354	3,181	2,403	8,194	6,227
Total revenue	1,438,794	1,185,119	665,006	766,294	706,638
Expenses					
Cost of sales	-897,385	-759,627	-654,785	-702,049	-743,298
Selling and administrative expenses	-55,360	-62,211	-64,634	-64,793	-66,373
Interest expense	-	-172	-155	-158	-865
Reversal (loss) on impairment of fixed assets	-	-	-38,298	-	-40,735
Distribution costs	-16,550	-	-	-	-
Impairment of investment in the associated company	-	-81,612	-144,630	-41,640	-
Allowance for doubtful accounts	937	-937	20	-1,958	448
Total expenses	-968,358	-904,559	-902,482	-880,598	-850,823
Net profit (loss) before tax	470,436	280,560	-237,476	-114,304	-144,185
Net Profit (Loss)	470,436	253,377	-237,476	-114,304	-144,185
Surplus from fixed asset appraisal increases				-	2,070
Less corporate income tax	-95,053			-	-
Gain on the valuation of available-for-sale investments - net of tax	-			-58	-253
Profit from actuarial negligence	-	-390	192	-	-
Total comprehensive income (loss) for the year	375,383	252,987	-237,284	-114,362	-142,368

Operating income

Total revenue in 2021 was 1,429.44 million baht, an increase from 2020 with a total income of 1,181.93 million baht, an increase of 247.51 million baht, or an increase of 20.94%. It is due to the increasing demand of customers in the COVID-19 epidemic, which has continued to demand until now, causing the company to have more new customers in the country.

Cost of sales and expenses

The Company's cost of sales in 2021 is 897.39 million baht, compared to the year 2020 at 759.62 million baht, an increase of 137.76 million baht or 18.13%. The increase in the cost of sales in proportion to the increase in sales is caused by increased production at full capacity, resulting in reduced unit costs.

Selling expenses in 2021 were valued at 16.55 million baht, an increase from the year 2020, which was valued at 17.59 million baht, a decrease of 1.04 million baht, or a decrease of 5.94% compared to the previous year due to a reduction in commission.

Net Profit (Loss)

The Company has operating results for the year 2021, net profit of 375.38 million baht, which has increased profit from 2020, net profit of 237.47 million baht due to increased sales of 247.50 million baht, resulting in a gross profit of 532.05 million baht. An increase of 109.74 million baht or 26.00% compared to 2020.

Financial status

Category	2021	2020	2019	2018	2017
Balance sheet					
Cash or cash equivalents and investments	538,741	468,779	75,540	46,516	48,010
Trade accounts receivable - net	63,746	47,874	73,556	113,086	106,436
Inventory – net	172,419	98,628	108,487	109,117	118,981
Short-term loans to subsidiaries	4,000	4,000			
Current assets	778,906	185,771	257,583	268,719	273,427
Property, plant and equipment (net)	521,570	465,631	468,952	527,718	543,943
Other non-current assets	190,956	185,772	-	-	-
Total assets	1491432	1,270,683	970,086	1,184,625	1,317,145
Bank overdrafts and short-term loans from financial institutions				-	-
Trade and other payables	123,955	123,864	118,628	96,992	113,657
Current Liabilities	45,888	41,198	118,628	96,992	116,066
Non-Current Liabilities	12,458	11,755	10,579	9,471	8,554
Total liabilities	182,301	176,817	129,207	106,463	124,620
Issued and paid-up capital	816,930	816,930	15,982,477	15,982,477	15,982,477
Surplus (lower) share value	-	-	-13,756,114	-13,756,114	-13,756,114
Other components of equity	23,949				
Retained earnings - appropriated by law	75,000				
Accumulated profit (loss)	393,252	252,987	-1,409,433	-1,172,149	-1,057,845

Category	2021	2020	2019	22018	2017
Shareholders' equity	1,309,131	1,093,866	840,879	1,078,163	1,192,525
Total liabilities and shareholders' equity	1,491,432	1,270,683	970,086	1,184,625	1,317,145
Cash flow statement					
Cash flow from operating activities - net	344,760	453,742	62,095	39,941	14,425
Cash flow from investing activities - net	-114,676	-60,504	-33,071	-35,157	385
Cash flow from financing activities - net	0	0	0	-2,409	-32,169
Balance at the end of the period	538,741	468,775	75,537	2,375	44,138
Per-share data					
Profit (Loss) per share (Baht)	0.230	0.010	-0.01	0.00	0.00

Asset

Total assets were 1,646 million baht, of which 541 million were cash, and cash equivalents and 522 million baht were fixed assets for operations. Total liabilities were 222 million baht, which were trade accounts payable in the rubber glove business of 124 million baht.

Liabilities

The total liabilities in 2021 and 2020 were equal to 182.30 and 176.81 million baht, respectively, an increase of 5.49 million baht or 3.10%, which is divided into current liabilities, and long-term liabilities as follows:

Current liabilities in 2021 and 2020 were equal to 169.84 and 165.06 million baht, an increase of 4.78 million baht or 2.90% due to the presence of trade accounts payable, income tax payable, and other payables.

Non-current liabilities in 2021 and 2020 were valued at 12.46 million baht and 11.75 million baht, respectively, an increase of 0.71 million baht or 5.98% due to an increase in employee benefits estimates.

The Company has a strong financial profile with no interest-bearing debt.

Shareholders' equity

In 2021, the Company had a registered capital of 816,929,502 baht and a paid-up capital of 816,929,502 baht, no excess (lower) shares, and retained earnings 468.25 million baht, resulting in the shareholders' equity equal to 1,309.13 million baht.

The details of the reduction of registered capital and the change in share value are subject to the resolutions of the 2020 Annual General Meeting of Shareholders held on June 26, 2020, with the following resolutions:

1. Reduction the Company's unpaid registered capital from 19,978,103,486 shares, par value 1 baht per share, amount of 19,978,103,486 baht to 15,982,476,502 shares, par value 1 baht, amount of 15,982,476,502 baht. It also approved the amendment of the Company's memorandum of association to be consistent with reducing the registered capital. The Company had already registered the capital reduction with the Ministry of Commerce on July 10, 2020.

2. The change in the par value of the Company's shares from 1 baht per share to 0.50 baht per share, which results in the change in the number of shares of the Company from the original number of 15,982,476,502 shares with a par value of 1 baht per share to 31,964,953,004 shares with a par value of 0.50 baht per share. It also approved the amendment of the Company's Memorandum of Association to reflect the change in par value. The Company had already registered the change with the Ministry of Commerce on July 13, 2020.

3. Reducing the Company's registered capital from 31,964,953,004 shares, 0.50 baht per share, amount of 15,982,476,502 baht to be 1,633,859,004 shares, 0.50 baht per share, amount of 816,929,502 baht to compensate the lower than the ordinary shares and compensate for accumulated losses. It also approved the amendment of the Company's memorandum of association to comply with the reduction mentioned above of registered capital. The Company had already registered the capital reduction with the Ministry of Commerce on September 30, 2020.

4.3 Financial Ratio

Financial highlight for specific operations		2019	2020	2021
Compare only operations				
Income	thousand baht	662,603	1,181,938	1,429,440
Gross profit	thousand baht	7,818	422,311	532,055
Non-Operation Expenses	thousand baht	(180,505)	(76,545)	10,291
EBIT	thousand baht	(56,816)	357,277	460,145
Net Profit	thousand baht	(56,971)	329,922	365,092
EBITDA	thousand baht	(329)	413,983	518,989
Financial ratios for operations		2019	2020	2021
Liquidity Ratio				
Liquidity ratio	Time	2.17	3.75	4.59
Quick Ratio	Time	1.26	3.13	3.55
Cash flow liquidity ratio	Time	0.58	3.20	2.06
Accounts Receivable Turnover Ratio	Time	7.10	19.47	25.61
Average collection period	Day	52.00	19.00	15.00
Inventory turnover ratio	Time	6.02	7.34	6.62
Average sales lead time	Day	61.00	50.00	56.00
Payable turnover ratio	Time	6.07	6.27	7.24
Repayment period	Day	61.00	59.00	51.00
Cash Cycle	Day	52.00	10.00	20.00
Profitability Ratio				
Gross margin	%	1.18%	35.73%	37.22%
Operating profit margin	%	-8.57%	30.23%	32.19%
Other income to total income ratio	%	0.49%	0.27%	0.35%
Cash-to-profit ratio	%	-109%	138%	94%
Net profit margin	%	-8.60%	27.91%	25.54%
Profit before tax, interest, depreciation and amortization rates	%	-0.05%	35.03%	36.31%
Return on Equity	%	-5.94%	34.10%	30.39%
Efficiency Ratio				
Return on Assets	%	-5.29%	29.45%	26.44%
Return on fixed assets	%	-0.10%	82.74%	85.89%
Asset Turnover	Time	61.50%	105.49%	103.50%
Financial Policy Analysis Ratio				
Interest Bearing Debit:IBD	Time		No IBD	

5. General information and other important information

5.1 General information

Company name

Shun Thai Rubber Gloves Industry Public Company Limited

Registration number

No. 0 1 0 7 5 4 4 0 0 0 8 6 (Formerly No. Plc. 669)

Business

Manufacturer, distributor, and exporter of rubber gloves used in medical, household, industry, etc.

Total number and types of shares sold by the company

Registered capital 816,929,502 baht with a par value of 0.50 baht per share

Paid-up capital 816,929,502 baht

Location of the head office and factory

No. 9, Moo 4, Kached Subdistrict, Mueang District, Rayong Province 21100

Telephone (038) 634-072-3 , 634 - 482-5

Fax (038) 634-001, 634-480

www.shunthaiglove.com

Branch office location

No. 14, Moo 4, Kached Subdistrict, Mueang District, Rayong Province 21100

No. 52/18 Moo 4, Kached Subdistrict, Mueang District, Rayong Province 21100

No. 52/19, Village No. 4, Kached Subdistrict, Mueang District, Rayong Province 21100

Telephone (038) 634 - 482-5 Fax (038) 634-001, 634-480

No. 1 Promphan Building 2 Floor 6 Room 608 Soi Ladprao 3, Chomphon Sub-district, Chatuchak

District, Bangkok 10900, Telephone (02) 511 - 6040 Fax (02) 511 - 6049

Securities registrar

Thailand Securities Depository Company Limited
93 Ratchadaphisek Road, Din Daeng Subdistrict
Din Daeng District, Bangkok 10400
Telephone (02) 009 - 9000 Fax (02) 009 – 9991

Auditor

Ms. Kultida Pasurakul, Certified Public Accountant, Registration No. 5946
ANS Audit Company Limited
100/72, 22nd Floor, Vongvanich Building B, Building No. 100/2
Rama 9 Road, Huai Khwang Subdistrict, Bangkok
Telephone (02)645-0109 Fax (02)645-0110

Corporate secretary

Mr. Thana Euawittaya
No. 1 Promphan Building 2 Floor 6 Room 608 Soi Ladprao 3
Chomphon Sub-district, Chatuchak District, Bangkok 10900
Telephone (02) 511-6040#103 Fax (02) 511-6049
Email : tana.u@shunthaiglove.com

Advisor

Mr. Chumphon Sonchai
Pitchayathan and Associates Company Limited
45/174 Village No. 5, Wat Chalo Sub-district, Bang Kruai District
Nonthaburi Province 11130, Telephone (089) 799 9331

Subsidiary company

(Details of companies in which the Company holds shares of 10 percent or more of the total number of paid-up shares of that company)

Company name

Northern Renewable Energy Company Limited: NRE

Registration number

0 1 0 5 5 5 4 0 4 1 2 4 7

Business

Production and distribution of integrated biomass energy
and generate electricity from biomass and waste

Company's registered capital

1,000,000,000 baht, divided into 10,000,000 ordinary shares,
Par value of 100 baht per share

Company's paid-up capital

1,000,000,000 baht, divided into 10,000,000 ordinary shares,
Par value of 100 baht per share

Number of shares held

Ordinary shares of 4,824,750 baht, or 48.25 percent of the paid-up
capital.

Location of the head office

No. 75/28, The Prime Project Soi Ramkhamhaeng 21, Ramkhamhaeng
Road, Huamark Subdistrict, Bang Kapi District, Bangkok 10240

Location of branches and factories

No. 333/3 Village No. 1, Khao Hin Son Subdistrict Phanom Sarakham
District, Chachoengsao Province
No. 168/1, Village No. 2, Pak Chalui Subdistrict, Tha Chang District,
Surat Thani Province

5.2 Other important information

5.2.1 At present, the company has applied to resume trading (Resume Trade) on March 31, 2021, and is currently considering the request by the SET.

5.2.2 At present, the company is applying for a factory expansion license with the Rayong Provincial Industrial Office.

5.3 Legal Disputes

As of December 31, 2021, other shareholders in NRE, the subsidiary, have not paid the full value of their shares. The Company has paid for shares that are higher than those that were registered because some shareholders have not paid for NRE's shares of 179.45 million baht. There is an outstanding share receivable in the subsidiary's financial statement of 179.45 million baht. According to the registered shareholding with the Ministry of Commerce, the company's management has considered recognizing the proportion of investment in the NRE in the consolidated financial statement at 48.25 percent. The executives and lawyers of the Company's advisors believe that the registration of such a capital increase is void. The Company also found that applying for registration of an increase in the subsidiary's capital contained a false statement. Therefore, on February 19, 2021, the Company filed a lawsuit regarding the misrepresentation of statements with the court. However, because of the coronavirus disease 2019, the court has postponed the hearing on the cause of the complaint. At present, the case is under the preliminary hearing of the court.

5.4 Secondary market

The Company is not listed on the stock exchanges of other countries.

5.5 Constant contact financial institutions (Only in the case of issuing debt securities)

The Company does not issue debt securities.

Part 2 : Corporate Governance

6. Corporate Governance Policy

Shun Thai Rubber Gloves Industry Public Company Limited is confident that good corporate governance processes will enable the Company to have effective and efficient management with its transparent, verifiable, and enhances the Company's performance in building credibility and confidence to shareholders, stakeholders and all related parties as well as helping the Company to achieve and prosper its most important goals by creating sustainable growth and accomplishment for all stakeholders in the business Value Chain. Therefore, the Company has established a corporate governance policy to be used as a guideline and framework of the Company's operations which is in line with the guidelines of the official regulatory body and the United Nations Sustainable Development Goals (SDGs) including the United Nations Guiding Principles on Business and Human Rights (UNGPs).

6.1. Overview of Corporate Governance Policy and Practice

6.1.1 Directors to Management Policy

Shun Thai Rubber Gloves Industry Public Company Limited realizes the importance of good corporate governance which is the main factor in creating fairness for the stakeholders and enhancing the efficiency of the Company's operations in order to create sustainable growth and prosperity for all stakeholders in the value chain of the business. The Company, therefore, aims to promote the operation of the Company in accordance with the principles of good corporate governance with important goals as follows:

- Be competitive and having good business performance by taking into account of the long-term impact;
- Conduct business with ethics, respect the rights and responsibilities of all stakeholders in the business value chain;
- Be friendly to society and environment;
- Capable to adapt under change factors.

6.1.2 Shareholders and Stakeholders Policy

Stakeholders play very important roles for the Company, thus, the set up of system to supervise important stakeholders such as customers, debtors, creditors, business partners, employees and communities in which the Company is located as well as society, government sector, other stakeholders such as competitors and auditors, etc., is prescribing principles and guidelines as follows:

- The Company shall treat each group of stakeholders with regard to their rights under the law or in accordance with the agreement with the Company;
 - The Company shall not take any action to violate the rights of those stakeholders;
 - The Company shall determine compensation measures in the event that stakeholders are damaged from rights violations;
 - The Company shall develop a mechanism for stakeholder participation to enhance the Company's performance in order to create sustainable stability for the business;
 - The Company shall disclose important, relevant information to stakeholders sufficiently to be able to participate in such activity effectively;
 - The Company shall provide measures to report clues to the Committee regarding illegal actions, inaccuracies of financial reports, defective internal control system or unethical behavior and provide a mechanism to protect the rights of such whistleblowers;
 - The Company shall provide social responsibility care especially matters that directly affect the business operations in order to ensure the concerned parties that the business operations of the Company have taken into account of the environmental and social factors for sustainable development.
- **Stakeholder:** The Company shall perform transparent business, determine to accelerate the growth, and continually provide good returns to the shareholders in the long term.
 - **Customer:** The Company shall determine to develop the quality and standard of the products and serve the customers with friendliness to meet the highest customer satisfaction. Moreover, the Company has a section or person to receive complaints regarding finding appropriate solutions as soon as possible with no disclosure of customer confidentiality.
 - **Partner:** The Company shall adhere to and treat all partners equally based on fair practices and mutual benefits.
 - **Creditor:** The Company shall treat the creditor fairly by strictly complying with the contract and financial obligation.
 - **Competitor:** The Company shall follow the international competition standards and treat competitors with fairness, avoid dishonest action and not damage the competitors' reputation.
 - **Employee:** The Company shall deem that the employee is a valuable asset and deserves fair treatment in terms of opportunity, compensation, potential development,

security, quality of life and work safety, and appropriate welfare and provident fund.

- **Society and Environment:** The Company shall determine to perform appropriate business for the country's economy and society, with significant care to the environment. The Company has appointed the Corporate Government Committee to supervise and be responsible to society, promote organizational culture, and build awareness among all personnel to develop and enhance society and the environment, concurrently with the stakeholders and the growth of the Company.

Shareholder's Meeting

The Company has implemented the Public Company Act, Company's Regulations, and Regulations of the SET as guidelines for strictly performing its business. In addition, the quality of the meeting is as follows:

- (1) All directors shall confer on the importance of the attendance of the Shareholders' Meeting;
- (2) The shareholders who are absent from the meeting shall be supported and given opportunities to grant a proxy to another person to attend on the shareholders' behalf:
 - (2.1) If the shareholder is unable to attend the meeting, the Company has provided three types of proxy to be used as appropriate. All proxies consist of a power attorney as required by the Department of Business Development, Ministry of Commerce.
 - (2.2) The proxy is able to be granted to the Independent Director, who would perform on behalf of the proxy. The Company encloses the details of the Independent Director together with the proxy form on an annual basis.
- (3) Equality during the Shareholders' Meeting:
 - (3.1) Before the meeting begins, the Chairman shall clearly inform the shareholders of the meeting criteria and voting process of each agenda;
 - (3.2) In the meeting, the Chairman of the Board of Directors, who attends the meeting and is the Chairman of the meeting, shall give opportunities to shareholders to fully enquire and receive answers about matters related to the meeting agenda or the Company;

- (3.3) The Company shall give opportunities to shareholders to vote for directors individually;
- (3.4) The meeting shall be processed through the agenda in an orderly manner as informed in the invitation letter. The Company has no policy to add more agenda or change the order of the agenda unless the addition or change is reasonable and complies with the related laws;
- (3.5) The Company uses a ballot system with all agenda for transparency. Moreover, computerization is used for registration and voting to save time and to be more precise.
- (4) After the shareholders' meeting, the Company shall prepare the Minutes of the Meeting involving the agenda and resolutions, the number of the vote for, opposed, abstained as well as significant details for consideration within fourteen (14) days, and shall publish to inform the shareholders through the Stock Exchange of Thailand;
- (5) The shareholder shall have a chance to express opinions, ask questions and give advice with sufficient time. The questions and essential issues shall be noted in the Minutes.

6.2 Business Ethics

The Company issued the practice regarding the ethics of the Board of Directors, management, and employee as guidelines for work performance to achieve the Company's mission with honesty and fairness, including the practice of the Company, shareholders, the general public, and society. The Company communicates with the employees on a continuous basis and monitors their compliance with the guidelines on a regular basis. Moreover, the Company has set a disciplinary penalty as well.

6.3 Major changes and developments in policy, practice guidelines, and corporate governance system in the past year

6.3.1 The Company reviewed the Corporate Governance Policy to be in line with the Sustainable Development Goals: SDGs of the United Nations, including the United Nations Guiding Principles on Business and Human Rights (UNGPs);

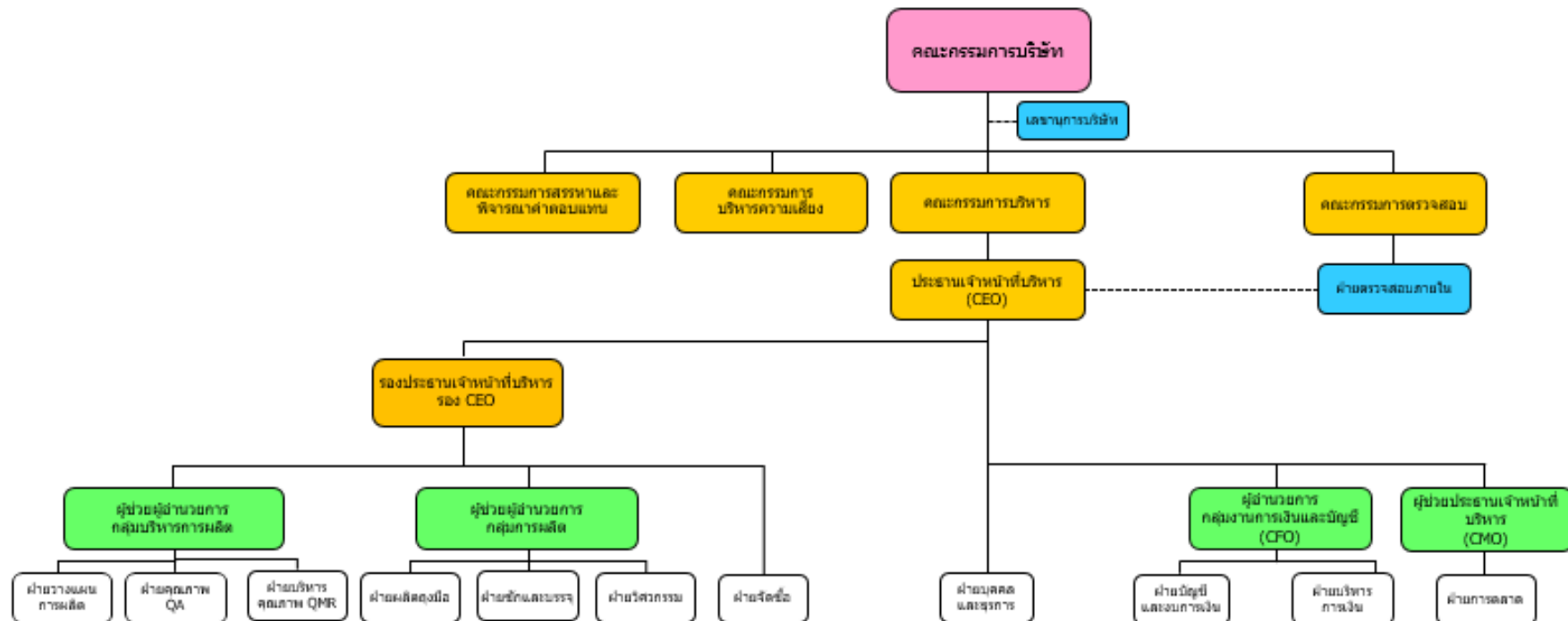
6.3.2 The Company issued policies on Corporate Governance and Management of Subsidiaries and Associated Companies so that the Company can operate both subsidiaries and associates in accordance with the Company's policies, including to comply with the Laws of Public Companies, Securities and Exchange Law, as well as other regulations and requirements related to the Securities and Exchange Commission and the Stock Exchange of Thailand;

6.3.3 The Company has established a Risk Management Committee and appointed all sub-committees comprising 3 persons to supervise the business to have a system or risk management procedure to reduce the impact on the business appropriately.

7. Corporate Governance Structure and Important Information of the Board, Sub-Committees, Executives, Employees, and Others

7.1 Corporate Governance Structure

The Company established a management structure shown in the organization chart (as of December 31, 2021) as follows:



7.2 Directors Information

The Board of Directors' Structure consists of all committees as follows:

7.2.1 Composition of the Board of Directors

Board of Directors consisting of 7 persons, as of March 30, 2021, as follows:

- | | | |
|---|-----------------|--|
| 1. Dr. Chakarn Saengruksawong | Position | Chairman of the Board of Directors,
Independent Director of the Audit
Committee, Chairman of the Nomination and
Remuneration Committee |
| 2. Mr. Ekkachai Tangsatjatham | Position | Chief Executive Officer, Director, Executive
Director, Member of Nomination and Remuneration Committee, Member of Risk
Management Committee |
| 3. Mr. Sirasit Pasawat | Position | Vice Chief Executive Officer, Director,
Executive Director |
| 4. Mr. Chai Wattanasuwan | Position | Director, Chairman of the Executive
Directors Committee, Member of Nomination
and Remuneration Committee, Member of
the Risk Management Committee |
| 5. Miss Chun-Ching Teng | Position | Director |
| 6. Mr. Teerawat Thanakijsunthorn | Position | Chairman of the Audit Committee,
Independent Director, Director, Chairman of the Risk Management Committee |
| 7. Mr. Chatchawat Sethalak | Position | Auditor, Independent Director, Director |

7.2.2 Individual Directors and Authorized Personnel

Two authorized signatories of the Company are as follows:

1. Mr. Ekkachai Tangsatjatham Position Chief Executive Officer, Director
2. Mr. Chai Wattanasuwan Position Director, Chairman of the Executive Directors

Two directors jointly sign with the Company's seal.

Scope of the Board of Directors' Authorization

1. Duties of the Board of Directors

The Board of Directors shall perform its duties with knowledge, capability, and experience in accordance with the objectives, regulations, and resolutions of the Shareholders' meeting with the aim to protect the Company's benefits and responsibilities to the shareholders.

2. Reviews and Agreement to Appropriate Policies

The Board of Directors shall be responsible for reviewing and concurring agreement on the policies and operations proposed by the Executive Directors with the exception of matters for which the Board of Directors should receive the approval from the Shareholders' Meeting prior to taking action, which is required by the related laws in obtaining the resolution from the Meeting.

3. Executive Directors Supervision

The Board of Directors shall supervise the Executive Directors to comply with the policies efficiently and report to the Board of Directors to present any significant matters related to individual transactions in accordance with the regulations stipulated by the SEC and the SET.

If necessary, the Board of Directors shall employ an external advisor or consultant to provide advice or professional opinions for decision-making on matters significantly affecting the business operations.

4. Internal Control and Internal Audit System

The Board of Directors shall supervise the Company to engage in effective internal control and internal audit system by appointing an outsource auditor and monitoring the internal performance as well as cooperating with the Audit Committee.

5. Business Ethics and Code of Conduct

The Board of Directors shall provide the Company's Compliance Manual regarding the Ethics and Code of Conduct for the executives and employees as guidelines for the Company's operation.

7.3 Sub-committee Information

7.3.1 Appointment, Duties and Responsibilities

Authorization of the Executive Committee

The Executive Committee has the authorization, responsibilities, and significant roles in performing Company's business in accordance with strategies, policies, and regulations. In addition, the Executive Committee has the authorization to control the business and other operations assigned by the Board of Directors to achieve the Company's goals and mission.

In addition, the authorization and responsibilities of the Executive Committee are as follows:

1. To plan and perform the Company's business to achieve the set objectives and goals;
2. To supervise and monitor the performance and financial status of the Company, and report to the Board of Directors on a monthly basis;
3. To review and approve any transactions relating to investment and assets distribution, human resource management, finance and accounting management, general management, and other transactions related to the Company's business under the responsibilities approved by the Board of Directors;
4. To consider and provide an opinion which require approval from the Board of Directors, except for any activity assigned to other sub-committee by the Board of Directors;
5. To consider and review risk management and the internal audit system;
6. To provide sub-authorization to an executive or any person to act on a matter or matters as appropriate. However, the approval of the Executive Committee should not be a transaction or transactions related to a conflict of interest or a transaction that the Executive Committee could have any gain and loss as specified in the Company's regulations and the notification of the SEC. The approval of any transaction is to be conducted in accordance with the policy and procedure supervised by the Board of Directors and the government agency;
7. To invite the management or any related person to express opinions, attend meetings, or offer relevant information;
8. To report the significant performance to the Board of Directors on a regular basis, including any significant matters the Board of Directors should acknowledge;
9. To review the appropriateness and efficiency of the regulations to be adequated and up-to-date;
10. To perform any other operations as assigned by the Board of Directors.

Scope of Authorization of the Audit Committee

The Audit Committee has the authorization and responsibilities stipulated in the Audit Committee Charter as follows:

Authorization

1. To invite the management or employees to attend meetings or deliver the document as required;
2. To select, appoint, or terminate the auditor, including consider the remuneration to be proposed to the Company's directors in order to present in the Shareholders' Meeting and evaluate the performance of the auditor annually;
3. To acknowledge other non-audit work with remuneration from such work providing the consideration that the auditor shall not lack independence in the performance of work;
4. To discuss with auditors in a meeting without management at least once a year;
5. To make decisions in the event that the management and the auditor have disagreements about the financial reports or encounter limitations in performing the audit;
6. To review the operating procedures and supervise connected transactions or related transactions that may have conflicts of interest to be in accordance with relevant laws or regulations;
7. To consider the report from the risk management sub-committee and the management of the Company and discuss with the management regarding assessment and risk management Policy;
8. To hire a consultant or external professional to provide advice or recommendations as the Audit Committee considers appropriate;
9. To report to the Board of Directors to rectify any conflicts of interest, frauds, corruption, or deficiencies in internal control and transactions that have not been complied with relevant laws important to the financial position.

Responsibilities

1. To review and ensure that the Company's financial reports are accurate and adequately disclosed;
2. To review and ensure that the Company has an appropriate and efficient internal control and internal audit system, and consider the independence of the internal audit unit (or company) as well as approve the appointment, transfer, and dismissal of the head of the unit (or company) of the internal audit;
3. To provide a process for receiving clues from employees regarding improper financial reports or other issues;
4. To review the Company's compliance with the Securities and Exchange Act and Stock Exchange of Thailand's requirements and laws related to the Company's business;

5. To prepare a report of the Audit Committee with the disclosure in the Company's annual report signed by the Chairman of the Audit Committee. The information in the report shall be as follows:
 - 1) Opinions on the accuracy, completeness, and reliability of the Company's financial reports;
 - 2) Opinions on the adequacy of the Company's internal control system;
 - 3) Opinions on Legal Compliance on Securities and Stock Exchange of Thailand's requirements or Laws related to the Company's business;
 - 4) Opinions on the appropriateness of the auditor;
 - 5) Opinions on transactions that may have conflicts of interest;
 - 6) Number of Audit Committee Meetings and the attendance of each audit committee member;
 - 7) Overall opinions or observations received by the Audit Committee in the performance of its duties in accordance with the Charter;
 - 8) Any other matters that shareholders and general investors should acknowledge under the scope of duties and responsibilities assigned by the Board of Directors;
 - 9) Performance on any other acts as assigned by the Board of Directors with the approval of the Audit Committee.

Scope of Authorization of the Risk Management Committee

The Risk Management Committee has a scope of authorization, duties, and responsibilities stipulated in the Risk Management Committee Charter as follows:

- 1) Determine, review, and approve the risk management policy and framework that are consistent with the objectives, goals, strategies, and acceptable risks of the Company and its subsidiaries in order to propose to the Board of Directors for approval;
- 2) Consider setting guidelines, measures and action plans to manage risks of the Company and its subsidiaries in accordance with the policy and risk management framework approved by the Board of Directors, including considering and expressing opinions on the results of the risk assessment;
- 3) Review the adequacy of policies, strategies, processes, and risk management systems annually in order to improve sufficient efficiency and in accordance with the business conditions of the Company and its subsidiaries;
- 4) Oversee and monitor compliance with risk management policies approved by the Board of Directors, as well as continually develop guidelines and risk management systems for the

- Company and its subsidiaries to have a continued compliance of the efficient risk management system;
- 5) Suggest preventive methods and ways to reduce risks to acceptable levels, including continually monitoring operational plans to reduce risks in order to ensure the adequate and appropriate risks management;
 - 6) Review the risk management report to monitor essential risks of the Company and its subsidiaries and execute to ensure the adequate and appropriate acceptable level of the risk management and that the risk management has been implemented continuously;
 - 7) Oversee and encourage the management and employees of the Company and its subsidiaries to have knowledge, understanding, and awareness of their obligations in risk management of the Company and its subsidiaries, as well as provide advice and consultation to operators involved in risk management;
 - 8) Communicate, exchange information, and regularly coordinate with the Audit Committee on risks and internal controls that have or may have an impact on the Company and its subsidiaries. In this regard, the internal audit unit is the reviewer in order to ensure that the Company and its subsidiaries have appropriate internal controls for the risk management;
 - 9) Report regularly to the Board of Directors of the major risks of the Company and its subsidiaries and the status of the risk including guidelines, progress and results of the risk management;
 - 10) Perform any other tasks related to risk management as assigned by the Board of Directors with the approval of the Risk Management Committee.

Scope of Authorizations and Duties of the Nomination and Remuneration Committee

Details of authorizations, duties and responsibilities of the Nomination and Remuneration Committee set out in the Charter are as follows:

1. Consider and review the qualifications of the person who will take the position of the Company's directors in accordance with the Company's business strategy;
2. Determine the process and consider the nomination, assessment, selection of qualified persons for tenure positions of the Company directors in replacement of the directors who retire or other cases, in order to propose to the Board of Directors and/or the shareholders' meeting for approval;
3. Consider reviewing the independence of the Board of Directors as well as conflicts of interest that may arise in the performance of the director's duties and consider the suitability of the

- Company's directors' position in case of changes related to the qualifications of the Company's directors;
4. Prepare a succession plan for the Chief Executive Officer of the Company to propose to the Board of Directors for consideration;
 5. Propose guidelines and methods for paying remuneration to the Board of Directors and various sub-committees appointed by the Board, including annual bonus and meeting allowance;
 6. Propose the remuneration policy to the Chief Executive Officer of the Company, in this regard, including salary and annual bonuses, to be consistent with the performances of the Company and the Chief Executive Officer;
 7. Evaluate the performance of the Chief Executive Officer to set the remuneration before presenting for approval to the Board of Directors annually;
 8. Consider the salary increase budget, changes in wages, and annual rewards of the Company's employees before presenting for approval from the Board of Directors annually;
 9. Consider, review, study the changes and trends of the Board of Directors' remuneration, including the Chief Executive Officer, regularly presenting to the Board of Directors for approval;
 10. Consider, review and suggest if any changes related to the Nomination and Remuneration Committee Charter on behalf of the Board of Directors to request approval for improvements to be appropriate and always up-to-date;
 11. Authorized to invite management or any person related to the Company to provide opinions or related information to the meetings.

7.3.2 Sub-committee Name List

The Executive Committee consists of 3 members as follows:

- | | | |
|-------------------------------|----------|-------------------------------------|
| 1. Mr. Chai Wattanasuwan | Position | Chairman of the Executive Committee |
| 2. Mr. Ekkachai Tangsatjatham | Position | Director |
| 3. Mr. Sirasit Pasawat | Position | Director |

The Audit Committee consists of 3 members as follows:

- | | | |
|----------------------------------|----------|---------------------------------|
| 1. Mr. Teerawit Thanakijsunthorn | Position | Chairman of the Audit Committee |
| 2. Dr. Chakarn Saengruksawong | Position | Audit Committee |
| 3. Mr. Chachawat Sethaluk | Position | Audit Committee |

The Risk Management Committee consists of 3 members as follows:

1. Mr. Teerawit Thanakijsunthorn Position Chairman of the Risk Management Committee
2. Mr. Ekkachai Tangsatjatham Position Director
3. Mr. Chai Wattanasuwan Position Director

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

1. Dr. Chakarn Saengruksawong Position Chairman of the Nomination and Remuneration Committee
2. Mr. Ekkachai Tangsatjatham Position Director
3. Mr. Chai Wattanasuwan Position Director

● Chief Executive Officer**Scope of Authorization of the Chief Executive Officer**

1. To make decisions on significant matters, set mission, objectives, guidelines and policies, as well as supervise the overview of the performance, products, customer relations, and responsible for the Board of Directors;
2. To approve the project's expenses approved by the Board of Directors and actual expenses or payments;
3. To consider the investment and trading of the Company's fixed assets to propose to the Executive Directors Committee and/or the Board of Directors;
4. To consider the fundraising of the Company to propose to the Executive Directors Committee and/or the Board of Directors;
5. To hire, appoint, discharge, dismiss, terminate, set the wage rate, reward, adjust the salary and compensation and bonus for the lower than the managerial level employees;
6. To approve the bad debt reserve/bad debt and process the purchasing and selling of any obligations not exceeding 500,000 Baht;
7. To act and perform as authorized personnel and represent the Company to external parties in related business and beneficial to the Company;
8. To approve the appointment of consultants in various fields necessary for the Company's operation;
9. To operate the business related to the general administration of the Company.

However, the approval mentioned above does not include the approvals made to the Chief Executive Officer, a person with a conflict of interest in any other way with the Company. It also includes the items requiring shareholders' approval for the connected transaction and the acquisition or disposition of important assets of the Company or associated companies to comply with the Stock Exchange of Thailand regulations in such matters.

7.4 Executives

7.4.1 Name list and Position of the Company's Executives

No.	Name-Surname	Position	Remark
1	Mr. Ekkachai Tangsatjatham	Chief Executive Officer, Director	Started on January 26, 2018
2	Mr. Sirasit Pasawat	Vice Chief Executive Officer –Factory Management	Started on February 14, 2018
3	Mr. Chai Wattanasuwan	Director	Started on February 14, 2018
4	Mr. Tana Uawithya	Assistant Chief Executive Officer, Chief Marketing Officer secretary	Started on February 28, 2018 Started on February 14, 2018
5	Ms. Chanphen Wattanaphichipong	Assistant Director of Production Management	Started on May 18, 2018
6	Mr. Prasit Sokaew	Assistant Director of Production Management	Started on January 4, 2021
7	Ms. Potchana Duangkosol	Senior Accounting Manager	Started on August 17, 2015

7.4.2 Remuneration Policy and Suitability Report

Directors' Remuneration: The Company set the policy for the remuneration of the directors clearly and transparently. The remuneration range is in the same level within the industry and generous enough to treat and retain the qualified directors. The remuneration rate is to be approved in the Shareholders' Meeting, whereas a director who is also a member of the Audit Committee will be entitled to receive additional remuneration according to the workload.

Executive's Remuneration: The remuneration of the executive is in accordance with the criteria and the policy set by the Board of Directors depending on the performance of the Company and the individual executive. The financial remuneration of 2021 are as follows:

7.4.3 Total Remuneration

The Board of Directors' Remuneration; at the Annual General Meeting of Shareholders for the year 2021, it was unanimously resolved to approve the directors' remuneration for the year 2021 at the following rates:

The limit amount of directors' remuneration for the year 2021 was not more than 5 million Baht and was paid monthly without a meeting allowance.

1. Board of Directors
 - 1.1 Chairman of the Board of Directors 35,000 Baht per month;
 - 1.2 Director 20,000 Baht per month.
2. Audit Committee
 - 2.1 Chairman of the Audit Committee 20,000 Baht per month;
 - 2.2 Member of the Audit Committee 15,000 Baht per month.

7.5 Personnel

As of December 31, 2021 the total number of employees of the Company was 572: males 260 and females 312. There were 237 Thai nationality and 335 of other nationalities; which main operation line is classified as follows:

The Company paid compensation as salary and daily wages.

In 2021, the Company paid compensations as follows:

Year 2021	Company/Line/Business/Su bsidiary	Company/Line/Business/Su bsidiary	Company/Line/Business/Su bsidiary
Operations / Service personnel (564)	78.88	-	-
Executive (8)	11.63	-	-
Employees in the head office (person)	-	-	-

Total (572)	-	-	-
Employee compensation (million Baht)	90.51	-	-

In addition, the Company paid other welfare to the employees such as uniforms, accommodation, transportation, meal allowance, special allowance (specialist proficiency), overtime, shift allowance, position allowance, and provident fund.

Employee Development Policy

The Company emphasized appropriate training for the work of each staff to enhance the knowledge and capability of the employee. Both in-house and external training were provided to employees, such as laws and regulations training, which was in accordance with the government's requirements, production environment safety training, accounting, and financial statement training, ISO training, labor development, training required by the SET and SEC, compound rubber production techniques, production system training, chlorine training and assets and equipment training i.e.

In addition, the performance of the employees was assessed after the training to increase the potential for work performance and to review the appropriate compensation.

The Company had no labor dispute during the past 3 years.

7.6 Other Important Information

7.6.1 Responsible Person on Corporate Governance:

The Board of Directors resolved to appoint Mr. Tana Uawithya to take the position of the Company secretary effective February 14, 2018 with the qualifications of the person holding the position as the Company secretary shown in [attachment 1](#)

7.6.2 Head of Investor Relations:

- Nil -

7.6.3 Auditor's Remuneration:

The year 2021, the Company paid audit fees to the auditors of ANS Audit Company Limited and other non-audit service fees, such as accommodation, travel expenses, and allowances for auditors to work in Rayong, the location of the Company's head office, which can be summarized in the table as follows:

List	ANS Audit Co., LTD.					
	YR 2021	YR 2020	YR 2019	YR 2018	YR 2017	YR 2016
1. Audit Fee	2,200,000	2,000,000	2,000,000	2,000,000	2,000,000	1,800,000
2. Non-audit Service Fee	45,700	134,761	109,395	58,165	340,320	122,920
Total	2,245,700	2,134,761	2,109,395	2,058,165	2,340,320	1,922,920

8. Key Performance of Corporate Governance Report

8.1 Summary of the Board of Directors' Performance in the Past Year

The Board reviewed and improved the additional issuing of policies concerned with corporate governance to be consistent with the sustainability report and the format of One Report, including working to prepare in various aspects to comply with the standards of the One Report.

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

A. Independent Director: Selection Criteria, Qualifications, and Recruitment Process

Qualifications of Independent Directors

Independent Director means a person with full qualifications and independence, determined and prescribed by the Securities and Exchange Commission and the Stock Exchange of Thailand as follows:

1. Holding shares not more than 1% of the paid-up capital of the Company, affiliated companies, associated companies, and related companies;
2. Being a director who does not take part in the management, not being an employee, employee, or advisor who receives a regular salary, or a professional service provider who receives a service fee of more than two million Baht per year from the Company, affiliated companies, related companies or juristic persons who may have conflicts of interest in the past 2 years;

3. Being a director who has no interests or a stakeholder, whether directly or indirectly, in terms of finance and management in the Company, affiliated companies, associates, related companies or juristic persons that may have conflicts of interests;
4. Being a director who is not related to or close relative of an executive or a major shareholder;
5. Being a director who is not appointed as a representative to protect the interests of the Company's directors, major shareholders, or shareholders who are related to major shareholders.

In addition, the person must be able to express opinions or report freely in accordance with the assigned tasks without considering any benefits relating to property or position, and not being under the influence of any person or group of persons, including in no circumstances be forced to fail to express opinions.

B. Nomination of Directors and Top Executives, the method to select through the nomination committee.

Nomination of Directors and Executives

Nomination and Remuneration Committee has the duty to select a person to be appointed as a director with consideration of the qualifications, knowledge, ability, experience, and time to regularly attend meetings with the Board of Directors to propose to the Board of Directors' meeting for consideration and propose to the shareholders' meeting to approve the appointment of directors by using a majority of votes in accordance with the following rules and procedures:

1. One shareholder will hold a vote equal to one share per one vote;
2. One shareholder may use all his/her votes under (1) to elect one person or more to be directors but cannot divide the votes to any director more or less than other directors;
3. The person receiving the highest number of votes in order will be appointed as a director equal to the number of directors to have or to be elected at that time. In the case where the persons who are elected in descending order have equal votes exceeding the number that should have or should be elected at that time, the Chairman shall have the casting vote;
4. At every annual general meeting, one-third of the directors must retire and if the number of directors cannot be divided exactly into three parts, the number of directors closest to one-third shall retire. In the first and second year after registering as a public company, the resignation of directors by rotation will be drawn by drawing lots. The director who has been in office for the longest time shall retire from office, and the retired directors by terms may be elected to a new position;

5. Any director who wishes to resign before the expiration of the term must submit a resignation letter to the Company, and the resignation is effective from the date the resignation letter reaches the Company;

6. In the event that the position of the director is vacant for reasons other than the expiration of the term, The Board of Directors shall elect a new director to replace the vacant director position and the new director shall remain in the directorship for only the remaining term of the director he replaces;

7. To vote for any director to retire before the expiration of his/her term of office, the only practice is to be through the resolution of the shareholders' meeting and requires a vote of not less than three-fourths of the number of shareholders attending the meeting and having the right to vote with shares in aggregate not less than half of the number of shares held by the shareholders attending the meeting and having the right to vote.

Appointment of the Audit Committee

The Board of Directors considers and selects persons with qualifications, knowledge, abilities, and work experience related to the benefits of the corporate governance and internal control system to meet the standards and in the correct direction, whereas the selected candidates must have qualifications in accordance with the relevant laws and regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand.

1. In appointing the Audit Committee by the Board of Directors with qualifications according to the requirements of the Securities and Exchange Commission, at least one member of the Audit Committee must have knowledge and experience in finance and accounting sufficiently to be able to review the reliability of the financial statements;

2. The Audit Committee must maintain a number of not less than 3 persons; if the number is reduced to less than that number, the additional appointment within 3 months from the date of reduction must be complete;

3. The Board of Directors shall elect one member of the Audit Committee to act as the Chairman of the Audit Committee and select a person who has qualifications as approved by the Audit Committee to act as the Secretary of the Audit Committee;

4. Persons to be appointed as the Company's Audit Committee members must have the following qualifications:

- (1) Holding shares of the Company's paid-up capital, affiliates, associated company, or related company not more than 1% , including shares held by related parties;
- (2) Being a director who does not participate in the management of the Company, affiliates,

- associates or related companies or major shareholders of the Company, including not being an employee, officer or consultant who receives a regular salary from the Company affiliates, associated company or related company or major shareholder of the Company;
- (3) Being a director who has no interests or a stakeholder, whether directly or indirectly, in terms of finances and management of the Company, affiliates, associated companies, or major shareholders of the Company, including having no interests or a stakeholder in such a manner during the 1 year prior to being appointed as an audit committee, unless the Board of Directors has carefully considered that the person used to have interests or conflicts of interest with no effect to the independent performance of duties and opinions of the Audit Committee;
 - (4) Being a director who is not a related person or a close relative of an executive or a major shareholder of the Company;
 - (5) Being a director who is not appointed as a representative to protect the interests of the Company's directors, major shareholders or shareholders who are related to the major shareholders of the Company;
 - (6) Being a director who can independently perform duties and express opinions or report on the performance of duties assigned by the Board of Directors, without being under the control of the major shareholders of the Company, including related persons or close relatives of such persons;
 - (7) Being a director with appropriate knowledge and skills.

8.1.2 Meeting attendance and remuneration of individual committees

Director's Name	Position	Meeting		
		Board Meeting (Attendance at the Meeting)	Annual General Meeting of Shareholders (Attendance at the Meeting)	Extraordinary General Meeting of Shareholders (Attendance at the Meeting)
Dr. Chakarn Saengruksawong	Chairman of the Audit Committee, Independent Director	14/14	1 / 1	-
Mr. Ekkachai Tangsatjatham	Chief Executive Officer, Director	14/14	1 / 1	-
Mr. Sirasit Pasawat	Vice Chief Executive Officer, Director	13/14	1 / 1	-
Mr. Chai Wattanasuwan	Director	13/14	1 / 1	-
Miss Chun-Ching Teng Appointed in AGM 21	Director	6/6	1 / 1	-
Mr. Anuwat Laikijrung Resigned Nov 5, 2021	Audit Committee, Independent Director, Director	10/12	1 / 1	-
Mr. Wisit Kanjanopas Term ended AGM 21 Not voted to return	Audit Committee / Independent Director, Director	4/8	1 / 1	-

Mr. Teerawit Thanakitsunthorn Appointed in AGM 21	Chairman of the Audit Committee, Independent Director , Director	6/6	1 / 1	-
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Table of Committees' Remuneration for Year 2021 and the Number of Meetings

No.	Name- Surname	Position	Board of Directors	Audit Committee	Risk Management Committee	Nomination and Remuneration Committee	Board of Directors	Remuneration Monthly Jan-Dec21
1	Dr. Chakarn Saengruksawong	Chairman of the Board of Directors, Audit Director, Independent Director, Chairman of the Nomination and Remuneration Committee	14 / 14	6/11	-	2 / 2	-	600,000
2	Mr. Ekkachai Tangsatjatham	Chief Executive Officer, Director, Executive Director, Member of Nomination and Remuneration Committee , Member of Risk Management Committee	14 / 14	-	2 / 2	2 / 2	19/19	240,000
3	Mr. Sirasit Pasawat	Vice Chief Executive Officer, Director, Executive Director	13 / 14	-	-	-	19/19	240,000
4	Mr. Chai Wattanasuwan	Director, Chairman of Executive Committee, Member of Nomination and Remuneration Committee, Member of Risk Management Committee	13/ 14	-	2 / 2	2/2	19/19	240,000
5	Miss Chun-Ching Teng	Director	6 / 6	-	-	-	-	116,000
6	Mr. Anuwat Laikijrung	Audit Committee, Independent Director, Director	10 / 12	9 / 9	-	-	-	388,166.67
7	Mr. Wisit Kanjanopas	Audit Committee, Independent Director, Director	4 / 8	6 / 6	-	-	-	218,166.67

8	Mr. Teerawit Thanakitsunthorn	Chairman of the Audit Committee , Independent Director , Director, Chairman of Risk Management Committee	6 / 6	5 / 5	2 / 2	-	-	222,666.67
9	Mr. Chatchawat Sethalak	Member of the Audit Committee, Independent Director, Director	0 / 1	-	-	-	-	10,666.67
Total			2,275,667					

8.1.3 Supervision of Subsidiaries and Associated Company

The Company has established important guidelines for corporate governance of its subsidiaries and associated companies in order that the Company could be able to operate for both subsidiaries and associated companies to perform its business in accordance with the Company's policies as well as to comply with the laws of public companies, securities and exchange, as well as other regulations and requirements related to the Securities and Exchange Commission and the Stock Exchange of Thailand as follows:

1) The Company, by its Board of Directors, will appoint a person to be a director, an executive, or an authorized personnel to oversee subsidiaries and associated companies according to the percentage of shareholding in each company;

2) The Company will determine the scope of duties and responsibilities of directors, executives, or authorized persons who are representatives of the Company under Clause 1. to supervise the subsidiary and associated companies to operate in accordance with good corporate governance policy, including other Company's policies;

3) In the event that any transaction falls within the scope or is a connected transaction, subsidiaries company can enter into such transaction or proceed with the approval of the Board of Directors' meeting and/or the Company's shareholders' meeting, and if in entering into such transaction by the subsidiary company, the Company has a duty to disclose information to the Stock Exchange of Thailand, directors who are representatives of the subsidiaries are obliged to inform the Company as soon as they know that the subsidiary plans to enter into such transactions;

4) Directors, executives, or authorized persons representing the Company are responsible for disclosing information about financial status and results of operations to the Company and shall perform duties in accordance with the relevant notifications of the Capital Market Supervisory Board and the Notifications of the Board of Governors of the Stock Exchange of Thailand;

5) Directors, executives, or authorized persons representing the Company shall disclose and submit information of their interests and related persons to the Board of Directors of the relationship and transactions with the Company, subsidiaries, and associated companies in a manner that may cause conflicts of interest and avoid transactions that may cause conflicts of interest;

6) The Company will monitor the performance and operations of the subsidiary and associated companies and present the results of the analysis as well as express opinions or suggestions to the Board of Directors in order to use that information to consider the outline of policy or improvements to promote the operations of the subsidiary and associated companies.

8.1.4 Monitoring to ensure compliance with corporate governance policies and practices.

The Company plans at least one Board meeting per month to consider the main agenda that has been set each year. However, the Chairman of the Board of Directors shall call a meeting when important agenda occurs, which will be notified in advance, not less than the period specified by law. In 2021, the Board of Directors held a total of 14 meetings. The authorizations, duties, and responsibilities of the Board of Directors had been set by reference to the Public Companies Act, Securities and Exchange Company Articles of Association of the Stock Exchange of Thailand, and Articles of Association of the Company.

The scope of duties and responsibilities of the Board of Directors are as follows:

- 1) To perform with authorizations, duties, and responsibilities in administering the Company in accordance with the law, objectives, and articles of association of the Company as well as the resolutions of the shareholders' meeting based on the principle of "Good Practice for Directors of Listed Companies" as prescribed by the Stock Exchange of Thailand;
- 2) To arrange a shareholder meeting is an annual general meeting;
- 3) To prepare the balance sheet and income statement of the Company at the end of the accounting period of the Company, which the auditor has audited and presented to the shareholders' meeting at the annual general meeting for consideration and approval;
- 4) To set vision, mission, goals, guidelines, policies, business plans, and the Company's budget and supervise and oversee the administration and management of the Executive Committee to be in accordance with the assigned policy. However, matters governed by law to receive resolutions of the shareholders meeting such as, increase or reduction in stock capital, debenture, sale or transfer of the entire business of the Company or some important parts to other people or the purchase or acceptance of transfer of other companies' business to the Company, amendments to the memorandum of association or Articles of Association, etc., must be approved by the Board of Directors before proceeding;
- 5) To follow up and ensure that the management operates in accordance with the plan and budget continuously as well as regularly reviewing such policies, plans, and budgets;
- 6) To oversee that the Company complies with the law on securities and exchange, the announcement of the Capital Market Supervisory Board, regulations of the Stock Exchange of Thailand such as connected transactions, acquisition or disposition of important assets, laws related to the Company's business;
- 7) To consider the management structure with the authorization to appoint the Executive Committee, Chairman of the Executive Committee, other sub-committees as appropriate, and Chief Executive Officer (CEO), including defining the scope of duties and responsibilities of the Executive Committee, the Chairman of the Executive Committee, other sub-committees and Chief Executive Officer (CEO) as appropriate;

- 8) To prepare the annual report of the Board of Directors and responsible for the preparation and disclosure of financial statements in order to represent the financial position and operating results in the previous year and propose to the shareholders' meeting for consideration and approval;
- 9) To appoint a Company Secretary who will be responsible for various operations for the benefit of the Company's operations or the Board of Directors, such as registering the directors of the Company, notice of the Board of Directors' meeting, a notice of the shareholders' meeting of the Company, etc.

1. Prevention of Conflicts of Interest

The Board of Directors: Shun Thai Rubber Gloves Industry Public Company Limited has set a policy to prevent conflicts of interest on the principle that any decision to enter into any transaction or transactions of the Company must be in the best interests of the Company and shareholders by Company personnel including directors, executives, and employees who shall not take the opportunity as acting as individuals of the Company to seek benefits for themselves and their comrades whether in finance or any other side and must try to avoid any misunderstandings and involvement in activities that may cause conflicts of interest. Any business either in the name of a private person or in the name of a juristic person in which they have a stake in the company shall disclose such transactions in accordance with the rules prescribed by the Company, and it is the duty of directors, executives and employees to maintain the legitimate interests of the Company by limiting the scope of freedom in various activities of the executive director and staff to a minimum.

2. Inside Information

Shun Thai Rubber Gloves Industry Public Company Limited operates the business with transparency and realizes the importance of inside information using in order to comply with the Securities and Exchange Act B.E. 2535 (including any amendments), including various relevant rules. Therefore, the Company has set a policy on the use of inside information and a method to prevent directors, executives, including those holding executive positions in the accounting or finance line at the level of departmental manager or equivalent, and employees of the Company in bringing confidentiality and/or Company Insider which have not yet been disclosed to the public to use for personal gain or others whether directly or indirectly and whether to receive a return or not, including the use of such information for trading securities. The Company operates its business in accordance with the inside information using policy to seek benefits and communicate to the directors, management, and staff to adhere as a guideline for practices.

3. Anti-corruption

Shun Thai Rubber Gloves Industry Public Company Limited attaches great importance to anti-corruption and, therefore, has set an anti-corruption and whistleblowing policy with complaints reports in giving importance to communication with directors, executives, and employees to use as a guideline and define

whistleblowing and complaint policy in order to listen to opinions, suggestions or complaints, both from personnel and outsiders who are affected or risk affected by the Company's business operations or from illegal acts or business ethics behavior that is considered a corruption of the Company's personnel. Thus, the Company has implemented an appropriate internal control to reduce corruption risks as well as create awareness and values for anti-corruption among the Company's personnel, which is an important factor to help preventing corruption in the organization through anti-corruption measures.

4. Whistleblowing

4.1 Consulting Channel

Before being a whistleblower, if a person is not sure that the action is in the category of behavior according to Clause 2 : “Scope of Whistleblowing” and requires information about the whistleblowing policy and procedure, information can be found in the Code of Business Conduct as well as a consulting can be made with the agencies responsible for receiving whistleblowing and complaints or a regulatory agency as well as the Office of Sustainability and Corporate Governance Management.

4.2 Whistleblowing Channel

A person, outsider, business partners, and business allies can report clues of behavior under Article 2: “Scope of Whistleblowing” through the following channels:

- 1.1 Agencies and whistleblowing channels established by a business group or each company, such as creating accounts, users, emails to receive specific whistleblowers, sealed letters etc.
- 1.2 Website of Shun Thai Rubber Gloves Industry Public Company Limited) : www.shunthaiglove.com;
- 1.3 HR Department electronic mail: hr@shunthaiglove.com;
- 1.4 Electronic mail to the Audit Committee Whisitleblow@shunthaiglove.com;
- 1.5 Postal mail to the Board of Directors or the Audit Committee

Shun Thai Rubber Gloves Industry Public Company Limited

Address: 1 Promphan Building II, Room 608, 6th Floor, Ladprao Soi 3, Jomphon Subdistrict
Chatuchak District, Bangkok 1 0 9 0 0 , or

Shun Thai Rubber Gloves Industry Public Company Limited

Address: 9 Moo 4, Kached Subdistrict, Mueang District, Rayong Province 2 1 1 0 0

8.2 Performance of the Audit Committee in the Past Year

8.2.1 Number of meetings and attendance of the individual Audit Committee members

Audit Committee

List of Directors	Position	Number of meeting/time	Remark
Mr. Teerawit Thanakitsunthorn	Chairman of the Audit Committee	5 / 5	Appointed from the Board of Directors' resolution on July 21, 2021 No.7/2021
Dr. Chakarn Saengruksawong	Member of Audit Committee	6 / 11	Appointed from the Board of Directors' resolution on January 26, 2018, No. 001/2018
Mr. Anuwat Laikijrong	Member of Audit Committee	9 / 9	Resigned from the position of Audit Committee member on November 5, 2021 No. 055/2021
Mr. Wisit Kanjanopas	Member of Audit Committee	6 / 6	Retired from position according to the resolution of the AGM meeting on July 7, 2021 No. 034/2564

In this regard, Mr. Teerawit Thanakitsunthorn is a director who has adequate knowledge, understanding and experience in accounting or finance or auditing to review the reliability of the Company's financial statements.

8.2.2 Explanation of the performance of the Audit Committee

As of December 31, 2021 the Audit Committee consists of 3 independent directors who were fully qualified under the Securities and Exchange Act and Notifications of the Capital Market Supervisory Board, including announcements, regulations, and/or rules of the SET by the rules according to the Notification of the Capital Market Supervisory Board including the Stock Exchange of Thailand. In this regard, at least one member of the Company's Audit Committee was designated as a knowledgeable director or having experience in accounting and finance which could review the reliability of the financial statements, whereas the Audit Committee had authorizations and responsibilities as prescribed in the Audit Committee Charter in the following matters:

Authorization

1. To invite management or employees to attend the meeting in order to express opinions or deliver requested documents as necessary;
2. To consider the selection, appointment, or dismissal of an auditor, including considering compensation to propose to the Board of Directors, the general meeting of shareholders, and annually assess the performance of the auditors;
3. To acknowledge other non-audit work with remuneration from such work in order to prevent the auditor's lack of independence in the performance of work;
4. To have a meeting with auditors to discuss without management at least once a year;
5. To consider making decisions in the event that the management and the auditor have disagreements on the financial reports or limitations in performing the audit;
6. To review the operating procedures and supervise the related items of connected transactions that may have conflicts of interest to be in line with relevant laws or regulations;
7. To consider the risk management sub-committees and the Company's management reports and discuss with the management regarding to assessment and risk management policy;
8. To provide external consultants or professional experts to provide advice, consult or give opinions as the Audit Committee considers appropriate;
9. To report to the Board of Directors to rectify any conflicts of interest, fraud, corruption, or deficiencies in internal control and items that have not been complied with relevant laws that are important to the financial position.

Responsibility

1. To review that the Company's financial reporting process is accurate and adequately disclosed;
2. To review that the Company has an appropriate and efficient internal control and internal audit system, and consider the independence of the internal audit unit (or company) as well as approve the appointment, transfer, and dismissal of the head of the unit (or company) of the internal audit;
3. To provide a process for receiving clues from employees regarding improper financial reports or other issues;
4. To review the Company's compliance with the Securities and Exchange Act, Stock Exchange of Thailand's requirements and laws related to the Company's business;
5. To prepare a report of the Audit Committee, which is disclosed in the Company's annual report whereas the Chairman of the Audit Committee signed the report, which consists of information as follows:

- 1) Opinions on the accuracy, completeness, and reliability of the Company's financial reports;
- 2) Opinions on the adequacy of the Company's internal control system;
- 3) Opinions on legal compliance on Securities and Exchange, Stock Exchange of Thailand's requirements or laws related to the Company's business;
- 4) Opinions on the suitability of the auditor;
- 5) Opinions on transactions that may have conflicts of interest;
- 6) Number of the Audit Committee meetings and the attendance of each audit committee member;
- 7) Overall opinions or observations received by the Audit Committee in the performance of its duties in accordance with the Charter;
- 8) Any other items that shareholders and general investors should be aware of under the scope of duties and responsibilities assigned by the Board of Directors;
- 9) Any other performances as assigned by the Board of Directors with the approval of the Audit Committee.

8.3 Performance Results of Other Sub-committees

8.3.1 Number of meetings and attendance of individual sub-committees:

Executive Committee

List of Directors	Position	Number of meetings / 19 Meetings	Remark
Mr. Chai Wattanasuwan	Chairman	19 / 19	Appointed from the Board of Directors' resolution on May 8, 2019, No. 8/2019
Mr. Ekkachai Tangsatjatham	Director	19 / 19	Appointed from the Board of Directors' resolution on May 8, 2019, No. 8/2019
Mr. Sirasit Pasawat	Director	19 / 19	Appointed from the Board of Directors' resolution on May 8, 2019, No. 8/2019

Ms. Chanphen Wattanapichitpong acting as the secretary to the Executive Committee.

Risk Management Committee

List of Directors	Position	Number of meetings / 2 Meetings	Remark
Mr. Teerawit Thanakitsunthorn	Chairman	2/2	Appointed from the Board of Directors' resolution on September 15, 2021 No. 9/2021
Mr. Ekkachai Tangsatjatham	Director	2/2	Appointed from the Board of Directors' resolution on September 15, 2021 No. 9/2021
Mr. Chai Wattanasuwan	Director	2/2	Appointed from the Board of Directors' resolution on September 15, 2021 No. 9/2021

Ms. Chonnanee Panthavee acting as the secretary to the Risk Management Committee.

Nomination and Remuneration Committee

List of Directors	Position	Number of meetings / 2 Meetings	Remark
Dr. Chakarn Saengruksawong	Chairman	2 / 2	Appointed from the Board of Directors' resolution on September 15, 2021 No. 9/2021
Mr. Ekkachai Tangsatjatham	Director	2 / 2	Appointed from the Board of Directors' resolution on September 15, 2021 No. 9/2021
Mr. Chai Wattanasuwan	Director	2 / 2	Appointed from the Board of Directors' resolution on September 15, 2021 No. 9/2021

Ms. Kimfaan Wattanapichitpong acting as the secretary to the Nomination and Remuneration Committee.

8.3.2 Performance explanation of the sub-committees assigned by the Board of Directors:

Executive Committee

Scope of duties and responsibilities of the Executive Committee:

1. To oversee the management of the Company in accordance with the law, objectives, regulations, resolutions of the shareholders' meeting, resolutions of the Board of Directors' meeting with honesty, caution and protect the interests of the Company by holding a meeting of the Executive Committee at least once a month;

2. To be responsible for scrutinizing the following matters as necessary for business operations and present them to the Board of Directors for approval:
 - 2.1 Policies, goals, and annual plans of the Company;
 - 2.2 Annual budget of the Company;
 - 2.3 Guidelines, policies, and investment goals as a framework for management to put into practice;
3. To perform actions as assigned by the Board of Directors;
4. To be authorized with duties to act in relation to the following matters within the scope set forth according to the following details:
 - 4.1 Control and set guidelines for investment management to operate other businesses of the Company within the scope assigned by the Board of Directors and in accordance with the law;
 - 4.2 Authorized to issue orders, regulations, announcements, and records to ensure that operations are in accordance with the policies and benefits of the Company and maintain the discipline of working within the organization.

Composition

- 1) The Executive Committee consists of not less than two (2) persons of the Company's directors;
- 2) The Board of Directors shall appoint one (1) executive director to be the Chairman of the Executive Committee;
- 3) The Executive Committee shall appoint one (1) of the Company's employees to act as the Executive Committee's secretary to assist the Executive Board's operations in scheduling meetings, preparing the meeting agenda, submitting meeting documents, and recording minutes of meetings.

Risk Management Committee

The Risk Management Committee's scope of authorizations, duties and responsibilities as stipulated in the Risk Management Committee Charter as follows:

- 1) To determine, review and approve the risk management policy and risk management framework that are consistent with the objectives, goals, strategies and acceptable risks of the Company and its subsidiaries to propose to the Board of Directors for approval;
- 2) To consider setting guidelines, measures and action plans to manage the risks of the Company and its subsidiaries in accordance with the policy and risk management framework approved by the Board of Directors, including considering and expressing opinions on the results of the risk assessment;
- 3) To review the adequacy of policies, strategies, processes, and risk management systems annually in order to improve efficiency and sufficiency in accordance with the business conditions of the Company and its subsidiaries;
- 4) To oversee and monitor compliance with risk management policies approved by the Board of Directors as well as continually develop guidelines and risk management systems in order for

- the Company and its subsidiaries to have an efficient risk management system that is continually conformed;
- 5) To suggest prevention methods and ways to reduce risks at an acceptable level and continually monitor operational plans to reduce risks and ensure that risks are adequately and appropriately managed;
 - 6) To review the risk management report and monitor important risks of the Company and its subsidiaries and take steps to ensure that risk management is adequate and appropriate with the capability to manage risks to an acceptable level and risk management has been implemented continuously;
 - 7) To supervise and encourage the management and employees of the Company and its subsidiaries to have knowledge, understanding, and awareness of their obligations in risk management of the Company and its subsidiaries, as well as providing advice and consultation to practitioners involved in risk management;
 - 8) To communicate, exchange information, and regularly coordinate with the Audit Committee on risks and internal controls that have or may have an impact on the Company and its subsidiaries. The internal audit unit shall act as the reviewer to ensure that the Company and its subsidiaries have appropriate internal controls for risk management;
 - 9) To report regularly to the Board of Directors of the major risks of the Company and its subsidiaries, as well as the status of the risk, including risk management guidelines, progress, and results of risk management;
 - 10) To perform other tasks related to risk management as assigned by the Board of Directors, with the approval of the Risk Management Committee.

Nomination and Remuneration Committee

The authorizations, duties and responsibilities of The Nomination and Remuneration Committee are as follows:

The Nomination and Remuneration Committee of the Company: Shun Thai Rubber Gloves Industry Public Company Limited, appointed by the Board of Directors to perform independently within the scope of duties and responsibilities specified in the Nomination and Consideration Committee Charter in accordance with the requirements and guidelines of Good Corporate Governance provided by the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand.

During the year 2021, the Nomination and Remuneration Committee held a total of 2 meetings, with all 3 directors attending the meetings. In this regard, a summary performance report of the Nomination and Remuneration Committee was presented to the Board of Directors' meeting. The important issues of the report are summarized as follows:

1. Consideration and review of the qualifications of the person who would take the position of the Company's directors in accordance with the Company's business strategy. The Nomination and Remuneration Committee determined the qualifications of the person who would take the position of the Company's directors to have qualifications of the Audit Committee and Independent Directors;

2. Consideration and check the qualification of each candidate. Upon completion, the members of the Nomination and Remuneration Committee would propose to the Chairman to propose all qualified candidates to the Board of Directors for consideration and approval;

3. The shareholders and/or Company Directors were entitled to nominate the candidates and submit the candidate's name to the CEO and determined the candidate's eligibility on December 10, 2021.

9. Internal Control and Related Transaction

9.1 Internal Control

The Company attaches great importance to the internal control system. The Board of Directors has appointed the Audit Committee to be an independent agency to support and act on behalf of the Board of Directors, which is an important tool for good corporate governance to ensure that the organization's operations are in compliance with the requirements and operating in accordance with the code of conduct, maintaining an efficient internal control system without conflict of interest and corruption. In this regard, the Company had arranged for the review and follow-up of the internal control system and provided sufficient personnel to operate in accordance with the internal control system as well as monitoring the operations of the Company and subsidiary to ensure the appropriateness of the internal control and internal audit system with efficiency and effectiveness.

At the Board of Directors' meeting on February 28, 2021, three members of the Audit Committee of the Company attended the meeting with considering and assessment of the adequacy of the Company's and subsidiaries' current internal control system, according to the sufficiency assessment form of the office's internal control system of the SEC, including the enquiry for information from the management and related departments of the Company and its subsidiaries regarding the adequacy of the Company's internal control system. The Board of Directors expressed its opinion that the Company and its subsidiaries had appropriate internal control and internal audit systems with adequacy for the size of the business, which abled to protect the Company's and subsidiaries' assets from loss or use by unauthorized persons. In addition, they were capable

of dealing with significant risks and enabled the accounting and financial reports of the Company and the subsidiary to be accurate with complete disclosure of information adequately with credibility, including executives and employees of the Company and subsidiaries had performed accordingly to the outline of the internal control system. In addition, ANS Audit Company Limited, which was the Company's auditor, commented that no weakness situation of the internal control system which had a material impact on the Company's and subsidiaries' financial statements was found.

In this regard, the Company had resolved to appoint Ascent Advisory Co., Ltd. to assess the internal control system in reference to the international standard of COSO 2013 (The Committee of Sponsoring Organization of Treadway Commission), which specifies the 5 main components necessary for internal control as follows:

- (1) Control Environment;
- (2) Risk Assessment;
- (3) Control Activities;
- (4) Information and Communication; and
- (5) Monitoring.

Audit Committee's Opinion for the Head of Internal Audit

Ms. Chonnanee Panthavee was the secretary of the Audit Committee and Internal Audit Manager appointed by the Audit Committee Meeting No. 5/21 on Wednesday, June 16, 2021. Ms. Chonnanee Panthavee was appropriate to perform her duties as the head of the internal audit unit of the Company effectively due to having educational qualifications, and operational experience and had been trained in courses related to internal audit operations. Subsequently, the Audit Committee Meeting No. 8/21, held on Wednesday, September 15, 2021, resolved to appoint Ascent Advisory Company Limited to act as the Company's internal auditor from the 3rd quarter of 2021 and the third quarter No. 4/2564 as proposed for approval of the audit's plan from the Audit Committee, including the assessment of the sufficiency of the Company's internal control system according to the COSO 2013 guidelines in 17 items for the year 2021, which covers the following:

- (1) Control Environment;
- (2) Risk Assessment;
- (3) Control Activities; and
- (4) Information and Communication.

9.2 Related Party Transaction

Please see the financial statement section: Notes to Statements Number 4.

Part 3 : Financail statement

SHUN THAI RUBBER GLOVES INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED DECEMBER 31, 2021

Independent Auditor's Report

To the Shareholders and the Board of Directors of Shun Thai Rubber Gloves Industry Public Company Limited:

Opinion

I have audited the consolidated and separate financial statements of Shun Thai Rubber Gloves Industry Public Company Limited and its subsidiary, and of Shun Thai Rubber Gloves Industry Public Company Limited, respectively, which comprise the consolidated and separate statements of financial position as at December 31, 2021, the consolidated and separate statement of comprehensive income, the consolidated and separate statements of changes in shareholders' equity and the consolidated and separate statements of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying consolidated and separate financial statements referred to above present fairly, in all material respects, the consolidated and separate financial position of Shun Thai Rubber Gloves Industry Public Company Limited and its subsidiary, and of Shun Thai Rubber Gloves Industry Public Company Limited, respectively, as at December 31, 2021, and their 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 Group in accordance with the Federation of Accounting Professions' Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of Matter

As described in Notes to Financial Statements No 8, as at December 31, 2021, other shareholders in the subsidiary have not fully paid for shares to which they have subscribed. As a result, there is an outstanding share subscription receivable of Baht 179.45 million in the financial statements of the subsidiary.

Management of the Company recognized 48.25% of its investments in the subsidiary in the consolidated financial statement, according to the proportion of shares registered with the Ministry of Commerce. This is, despite that the Company paid for the shares with a higher than registered proportion, as other shareholders have not paid Baht 179.45 million for the share increase. Management of the Company and its legal counsel believe that the registered capital increase of the subsidiary is invalid. On February 19, 2021, the Company files a lawsuit to the court. Due to the situation of the COVID-19 epidemic, the court postponed preliminary examinations. Presently, these cases are under preliminary examinations.

However, my opinion is not modified in respect of the above matters.

Key Audit Matters

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

Allowance for impairment of investments in subsidiary

Risk

As described in Note to Financial Statements No. 8, in the separate financial statements, the Company has investments in subsidiary as at of December 31, 2021, in the amount of Baht 144.59 million, representing 9.69 percent of total assets. The subsidiary ceased operation since April 1, 2020, resulting in loss from operation. This is an indication of the impairment of the investment. Most of assets of the subsidiary company are property plant and equipment. The management engaged an independent appraiser to evaluate of property, plant and equipment. The independent appraiser has evaluated the land by using the Market Approach, and plant and equipment by using the Depreciated Replacement Cost method for the management to use as a basis for determining the value of the business.

I focused on this area because of the value of investment in the subsidiary are significant in the separate financial statements. This also involves the use of important judgments of independent appraisers and executives in considering the reasonableness of important assumptions used in the valuation of such assets.

Auditor's Response

I obtain an understanding about the valuation of investments in subsidiary and perform the following procedures:

- Understand and evaluate the appropriateness of the methods that the independent appraiser assess the value of property, plant and equipment, to be in accordance with financial reporting standards.
- Understand the assumptions which the appraiser uses that are reasonably comparable data, such as sale price comparisons of adjacent land as well as compare cost of construction with the appraised value from the announcement of the Valuers Association of Thailand.
- Ensure the qualification, knowledge and independence of the independent appraisers.
- Compare the property values according to the appraisal report of the independent appraiser with the fixed assets register and the carrying amount as at December 31, 2020 and check the approval for setting of allowance for impairment of assets.
- Observe the assets of the subsidiary to prove the existence and to ensure that the subsidiary has ceased its operation.
- Compare between investments in subsidiary - net and recoverable amount from investments in subsidiary to assess the impairment of investments in subsidiary.

Other information

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these 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 consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

Kultida Pasurakul

Certified Public Accountant

Registration Number 5946

ANS Audit Company Limited

Bangkok, February 28, 2022

SHUN THAI RUBBER GLOVES INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENTS OF FINANCIAL POSITION
AS AT DECEMBER 31, 2021

		Unit: Thousand Baht				
		Consolidated Financial Statements		Separate Financial Statements		
Notes		December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020	
Assets						
Current assets						
	Cash and cash equivalents	5	540,688	472,277	538,741	468,775
	Trade and other current receivables - net	4, 6	62,918	48,257	63,743	47,874
	Short-term loans to subsidiary	4	-	-	4,000	4,000
	Inventories - net	7	172,419	98,628	172,419	98,628
	Other current financial assets		397	397	3	1
	Total current assets		776,422	619,559	778,906	619,281
Non-current assets						
	Other non-current financial assets		31,734	25,826	31,734	25,826
	Investments in subsidiary - net	8	-	-	144,593	144,593
	Investment properties - net	9	301,608	308,462	-	-
	Property, plant and equipment - net	4, 10	521,570	465,631	521,570	465,631
	Intangible assets - net		29	68	29	68
	Deferred tax assets	11	13,186	13,769	13,186	13,769
	Other non-current assets	4	1,499	1,586	1,414	1,515
	Total non-current assets		869,626	815,342	712,526	651,402
	Total assets		1,646,048	1,434,901	1,491,432	1,270,683

SHUN THAI RUBBER GLOVES INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
 STATEMENTS OF FINANCIAL POSITION
 AS AT DECEMBER 31, 2021

Unit: Thousand Baht					
Notes	Consolidated Financial Statements		Separate Financial Statements		
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020	
Liabilities and Shareholders' Equity					
Current liabilities					
Trade and other current payables	4, 12	156,091	154,798	123,955	123,864
Current portion of lease liabilities		-	26	-	-
Short-term borrowings from related person	4	7,475	7,475	-	-
Income tax payable		45,888	40,846	45,888	10,816
Other current financial liabilities	23	-	352	-	352
Total current liabilities		209,454	203,497	169,843	165,062
Non-current liabilities					
Deferred tax liabilities	11	5,987	5,987	5,987	5,987
Non-current provisions for employee benefit	13	6,471	5,768	6,471	5,768
Total non-current liabilities		12,458	11,755	12,458	11,755
Total liabilities		221,912	215,252	182,301	176,817
Shareholders' Equity					
Share capital					
Authorized share capital					
1,633,859,004 ordinary shares, at Baht 0.5 each	14	816,930	816,930	816,930	816,930
Issued and paid-up share capital					
1,633,859,004 ordinary shares, at Baht 0.5 each	14	816,930	816,930	816,930	816,930
Retained earnings					
Appropriated - legal reserve	16	75,000	13,000	75,000	13,000
Unappropriated	17	460,497	312,433	393,252	239,987
Other components of shareholders' equity		23,949	23,949	23,949	23,949
Total Shareholders' Equity attributable to owners of parent		1,376,376	1,166,312	1,309,131	1,093,866
Non-controlling interests	8	47,760	53,337	-	-
Total Shareholders' Equity		1,424,136	1,219,649	1,309,131	1,093,866
Total Liabilities and Shareholders' Equity		1,646,048	1,434,901	1,491,432	1,270,683

SHUN THAI RUBBER GLOVES INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2021

	Notes	Unit: Thousand Baht			
		Consolidated Financial Statements		Separate Financial Statements	
		2021	2020	2021	2020
Revenue from sales	4	1,429,440	1,182,660	1,429,440	1,181,938
Costs of sales		(897,413)	(763,063)	(897,585)	(739,627)
Gross profit		532,029	419,597	532,055	442,311
Other incomes	4	5,807	3,211	5,059	3,181
Gain on exchange rate		4,295	3,803	4,295	3,825
Reversal (loss) on credit of receivables		933	(937)	937	(937)
Distribution costs		(16,533)	(17,726)	(16,590)	(17,597)
Impairment loss on investments in subsidiary	8	-	-	-	(81,602)
Administrative expenses	4	(64,765)	(82,884)	(59,360)	(47,433)
Profit before finance costs and tax expenses		460,956	344,086	470,436	280,732
Finance costs	4	(1,298)	(911)	-	(1,722)
Profit before tax expenses		459,658	343,175	470,436	280,560
Tax expenses	13	(85,053)	(27,183)	(95,053)	(27,183)
Profit for the years		364,605	315,992	375,383	253,377
Other comprehensive income (loss)					
<i>Components of other comprehensive income that will not be reclassified to profit or loss</i>					
Loss on remeasurements of defined benefit plans		-	(390)	-	(390)
Other comprehensive loss for the years		-	(390)	-	(390)
Total comprehensive income for the years		364,605	315,602	375,383	252,987
Profit attributable to					
Equity holders of the parent		370,182	305,803	375,383	253,377
Non-controlling interests		(5,577)	(9,811)	-	-
		364,605	315,992	375,383	253,377
Total comprehensive income attributable to					
Equity holders of the parent		370,182	325,455	375,383	252,987
Non-controlling interests		(5,577)	(9,811)	-	-
		364,605	315,644	375,383	252,987
Basic earning per share (Baht)					
Equity holders of the parent	19	0.227	0.003	0.230	0.000
Weighted average number of issued ordinary shares (Thousand shares)					
	19	1,633,859	24,257,872	1,633,859	24,257,872

SHUN THAI RUBBER GLOVES INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
 STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
 FOR THE YEAR ENDED DECEMBER 31, 2021

		Unit: Thousand Baht												
		Consolidated Financial Statements												
		Equity attributable to shareholders' equity of the Company												
		Retained earnings				Other components of shareholders' equity								
						Other comprehensive income								
						Losses on revaluation of		Total other components of shareholders' equity	Total Shareholders' Equity of the Company	Noncontrolling interests	Total Shareholders' Equity			
		Issued and paid-up share capital		Discount on ordinary share capital		Appropriated - legal reserve						Unappropriated		defined benefit plans
Notes														
	Balance as at January 1, 2020	13,982,477	(13,156,134)	-	(1,469,453)	-	-	23,949	23,949	840,875	-	840,875		
	Changes in shareholders' equity for the year:													
	Legal reserve	36	-	-	13,008	(13,008)	-	-	-	-	-	-	-	
	Capital increase	14	(13,165,347)	13,156,134	-	1,469,453	-	-	-	-	-	-	-	
	Increase in non-controlling interests	8	-	-	-	-	-	-	-	-	83,908	83,908	83,908	
	Transferred to retained earnings (deficit)		-	-	-	(390)	390	-	390	-	-	-	-	
	Total comprehensive income (loss) for the year		-	-	-	375,823	(390)	-	(390)	375,433	(9,810)	365,623	365,623	
	Balance as at December 31, 2020	815,930	-	13,080	312,433	-	-	23,949	23,949	1,198,512	74,107	1,272,619		
	Changes in shareholders' equity for the year:													
	Legal reserve	16	-	-	82,900	(82,900)	-	-	-	-	-	-	-	
	Dividends	17	-	-	-	(198,118)	-	-	-	(198,118)	-	(198,118)	(198,118)	
	Total comprehensive income (loss) for the year		-	-	-	376,182	-	-	-	376,182	13,177	389,359	389,359	
	Balance as at December 31, 2021	815,930	-	71,880	458,897	-	-	23,949	23,949	1,574,694	87,284	1,661,978		

SHUN THAI RUBBER GLOVES INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
 STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
 FOR THE YEAR ENDED DECEMBER 31, 2021

		Unit: Thousand Baht							
		Separate Financial Statements							
		Retained earnings				Other components of shareholders' equity			
						Other comprehensive income			
		Issued and paid-up share capital	Discount on ordinary share capital	Appropriated legal reserve	Unappropriated	Losses on re-assessments of defined benefit plans	Revaluation surplus on land and land improvements	Total other components of shareholders' equity	Total Shareholders' Equity
Notes									
	Balance as at January 1, 2021	15,882,477	(13,756,110)	-	(1,408,433)	-	23,949	23,949	843,879
	Changes in shareholders' equity for the year:								
	Legal reserve	06	-	13,800	(13,800)	-	-	-	-
	Capital decrease	14	(15,882,347)	-	1,408,433	-	-	-	-
	Transferred to retained earnings (deficits)		-	-	(390)	390	-	390	-
	Total comprehensive income (loss) for the year		-	-	253,377	(390)	-	(390)	252,987
	Balance as at December 31, 2020	816,930	-	13,800	238,987	-	23,949	23,949	1,083,666
	Changes in shareholders' equity for the year:								
	Legal reserve	35	-	62,800	(62,800)	-	-	-	-
	Dividends	14	-	-	(168,118)	-	-	-	(168,118)
	Total comprehensive income for the year		-	-	373,383	-	-	-	373,383.00
	Balance as at December 31, 2021	816,930	-	75,800	393,252	-	23,949	23,949	1,309,131

SHUN THAI RUBBER GLOVES INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2021

	Unit: Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2021	2020	2021	2020
Cash flows from operating activities:				
Profit for the years	364,605	315,992	375,383	253,377
Adjustments to reconcile loss for the period to net cash flow from (used in) operating activities:				
Tax expenses	95,053	27,183	95,053	27,183
Depreciation and amortization	65,699	65,178	58,844	56,706
Loss on credit of receivables (reversal)	(933)	937	(937)	937
Allowance for devaluation inventory (reversal)	564	(2,304)	566	(4,771)
Loss on impairment of investments in subsidiary	-	-	-	81,612
Gain on disposal and write-off of fixed assets	(321)	(244)	(321)	(244)
Loss on disposal and write-off of investment properties	-	1,114	-	-
Long-term employee benefits (reversal)	703	(864)	703	688
Unrealized loss on exchange rates	4,070	3,766	4,070	3,766
(Gain) loss on fair value of derivative instrument	(352)	352	(352)	352
Interest incomes	(980)	(381)	(1,053)	(381)
Finance costs	1,298	911	-	172
Profit from operating activities before changes in operating assets and liabilities	529,406	411,640	531,956	419,397
Operating assets (increased) decreased				
Trade and other current receivables	(17,798)	21,379	(18,648)	20,878
Inventories	(74,356)	15,403	(74,357)	14,630
Other non-current assets	85	(103)	100	(103)
Operating liabilities increased (decreased)				
Trade and other current payables	(4,681)	(1,111)	(4,864)	(879)
Cash provided by operating activities	432,656	447,208	434,187	433,923
Interest paid	(278)	(172)	-	(172)
Income tax paid	(89,427)	(8)	(89,427)	(9)
Net cash provided by operating activities	342,951	447,028	344,760	433,742

SHUN THAI RUBBER GLOVES INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2021

	Unit: Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2021	2020	2021	2020
Cash flows from investing activities:				
Decrease (increase) in other non-current financial assets	(5,908)	(10,189)	(5,908)	(10,189)
Increase in short-term loans to subsidiary	-	-	-	(4,000)
Cash paid for acquisition of fixed assets	(109,931)	(46,916)	(109,931)	(46,916)
Cash received from disposal of fixed assets	463	244	463	244
Cash received from disposal of investment properties	-	2,830	-	-
Cash paid for acquisition of intangible assets	-	(24)	-	(24)
Cash received from interest incomes	980	381	700	381
Cash in from controlling of subsidiary during the year	-	2,016	-	-
Net cash used in investing activities	(114,396)	(51,658)	(114,676)	(60,504)
Cash flows from financing activities:				
Repayment for lease agreements	(26)	(180)	-	-
Cash paid for dividends	(160,118)	-	(160,118)	-
Cash received from short-term borrowings from related person	-	1,530	-	-
Net cash provided by (used in) financing activities	(160,144)	1,370	(160,118)	-
Net increase in cash and cash equivalents	68,411	396,740	69,966	393,238
Cash and cash equivalents at beginning of the years	472,277	75,537	468,775	75,537
Cash and cash equivalents at end of the years	540,688	472,277	538,741	468,775
Supplemental disclosures of cash flows information				
Non-cash transaction				
Purchase of fixed assets	4,954	1,782	4,954	1,782

SHUN THAI RUBBER GLOVES INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

1. GENERAL INFORMATION

Shun Thai Rubber Gloves Industry Public Company Limited (“the Company”) was incorporated as a limited company in Thailand on May 24, 1988 and converted to a Public Company on September 4, 2001, which was also the date that the Company’s common shares were approved as listed securities on the Stock Exchange of Thailand. The registered office of the Company is at No.1, Promphan Tower 2, Room No. 608, 6th Floor, Soi Lat Phrao 3, Chom Phon, Chatuchak, Bangkok. Factory is located at No. 9, 14, 52/18, 52/19 Moo 4, Tambon Kached, Amphur Muang, Rayong Province.

The Company mainly engages in the manufacture and distribution of rubber gloves.

2. BASIS FOR THE PREPARATION OF THE FINANCIAL STATEMENTS

The accompanying financial statements are prepared in accordance with Thai Financial Reporting Standards (“TFRS”) including related interpretations and guidelines promulgated by the Federation of Accounting Professions (“FAP”) and applicable rules and regulations of the Thai Securities and Exchange Commission.

Presentation of the financial statements complies with Notification of the Department of Business Development, dated December 26, 2019, issued under the Accounting Act B.E. 2543.

The accompanying financial statements have been prepared in Thai language and expressed in Thai Baht. Such financial statements have been prepared for domestic reporting purposes. For the convenience of the readers not conversant with the Thai language, an English version of the financial statements has been provided, translated based on the Thai version.

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

Preparation of the financial statements in conformity with Thai Financial Reporting Standards (“TFRS”) requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying amounts of assets and liabilities that are not readily apparent from other sources. Subsequent actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, and in the period of the revision and future periods, if the revision affects both current and future periods.

Basis for preparation of the consolidated financial statements

a) The consolidated financial statements included the financial statements of Shun Thai Rubber Gloves Industry Public Company Limited and its subsidiary (that together referred to as “the Group”).

The details of the Company’s subsidiary as at December 31, 2021 and 2020 are as follows:

Company's name	Nature of business	Percentage of shareholding	
		2021	2020
<u>Subsidiary</u>			
Northern Renewable Energy Co., Ltd.	Manufacture and distribution of biomass energy solutions and power generation from biomass and waste (temporary cease operation)	48.25	48.25
<u>Subsidiary shareholding by Northern Renewable Energy Co., Ltd.</u>			
AGM Recyclone (Thailand) Co., Ltd.	Transform biomass to renewable energy and manufacture power friendly generation (temporary cease operation)	99.99	99.99

b) The financial statements of the subsidiary are included in the consolidated financial statements from the date that control commences until the date that control ceases.

c) The financial statements of the subsidiary are prepared using the same significant accounting policies as the Company.

d) The balances between the Company and its subsidiary, and significant intercompany transactions have been eliminated in the consolidated financial statements.

The financial statements of Northern Renewable Energy Co., Ltd. are included in the consolidated financial statements because the Company has power to control over their financial and operating policies, even though the Company’s shareholding less than 50 percent, therefore, they are regarded as subsidiary company.

Non-controlling interests represent the portion of profit or loss and net assets of the subsidiary that are not belong to the Company and are presented separately in the consolidated statement of comprehensive income, and within equity in the consolidated statement of financial position.

The separate financial statements, which present investments in subsidiary under the cost method, have been prepared solely for the benefit of the public.

New financial reporting standards

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

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

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

- b) Financial reporting standards that will become effective for fiscal years beginning on or after January 1, 2022

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

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

3. SIGNIFICANT ACCOUNTING POLICIES

Revenues and expenses recognition

Revenue from sale

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

Other revenues and expenses

The Group recognized revenues and expenses on an accrual basis.

Cash and Cash Equivalents

Cash on hand is kept for general use purposes within the Group. Cash equivalents are savings deposits and current accounts, highly liquid investments that are readily convertible to known amounts of cash that are subject to an insignificant risk of change in value.

Trade receivables

Trade receivables are amounts due from customers for goods sold or service performed in the ordinary course of business.

Trade receivables are recognized initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognized at present value.

The Group applies simplified approach to measure expected credit losses which calculated based on its historical credit loss experience and consider for forward-looking information specific to the debtors and the economic environment. The simplified approach requires expected lifetime losses to be recognised from initial recognition of the receivables.

The Group applied accounting guidance on temporary accounting relief measures for additional accounting options in response to impact from the situation of COVID-19 in preparing the financial statement for the year ended December 31, 2020 on not to consider forward-looking information to measure the expected credit losses of trade receivables when using simplified approach.

As the accounting guidance already expired on December 31, 2020, the Group have assessed the impact and there was no material impact to financial statements. Therefore, the Group did not adjust the value of trade receivables in 2021.

Financial assets and financial liabilities

Classification and measurement of financial assets and financial liabilities

Classification

The classification of financial assets depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows of financial assets.

The Group classifies its financial assets in the following measurement categories:

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

The Group reclassifies debt instruments when and only when the Group change its business model for managing those assets.

The equity instruments held must be irrevocably classified to two measurement categories; i) at fair value through profit or loss (FVPL), or ii) at fair value through other comprehensive income (FVOCI) without recycling to profit or loss.

Measurement

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

There are three measurement categories into which the Group classifies its debt instruments:

- *Amortised cost:* A financial asset will be measured at amortised cost when the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows. In addition, the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets is included in financial income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented in profit or loss.
- *FVOCI:* A financial asset will be measured at FVOCI when it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets. In addition, the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest income and related foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss and recognised on other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of comprehensive income.

- *FVPL*: A asset that does not meet the criteria for amortised cost or FVOCI is measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

Equity instruments shall be subsequently measured at fair value and the fair value change is to be recognised through profit or loss or other comprehensive income depending on the classification of such equity instrument.

Derivatives are classified and measured at fair value through profit or loss except derivatives for hedge.

Dividends from such investments continue to be recognised in profit or loss when the Group's right to receive payments is established.

Impairment

Expected credit losses associated with financial assets carried at amortized cost and FVOCI, and assets from loan commitments and financial guarantees, are assessed without the increases in credit risk. The Group applies the general approach to the measurement of expected credit losses. In the case of trade receivables, however, the Group applies the simplified approach to measure expected credit losses.

Inventory

Inventories are stated at the lower of cost or net realizable value, by using the following methods:

Finished goods and work in process	-	at first-in, first-out method
Raw materials and factory supplies	-	at average cost method

Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of overheads based on operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Investments in subsidiary

Investment in subsidiary is applied by using the cost method less allowance for impairment losses (if any) in the separate financial statements.

Investment properties

Investment properties are properties which are held to earn rental income, for capital appreciation or for both, but not for sale in ordinary course of business, for the production or supply of goods or services or for administrative purposes.

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

Depreciation of investment properties is calculated by reference to their costs on the straight-line basis over estimated useful lives of 3 - 20 years.

Depreciation of the investment properties is included in determining operation performance.

No depreciation is provided on land.

On disposal of investment properties, the Company and subsidiary recognized the difference between the net disposal proceeds and the carrying amount of the asset profit or loss in the period when the asset is derecognized.

Property, Plant and Equipment

Land and land improvements are stated at revalued amounts according to assessment report dated March 5, 2018. Revaluations are performed with sufficient regularity by an independent professional valuator with to ensure that the carrying amount of these assets does not differ materially from that which would be determined using fair values at the financial reporting date .

Buildings and equipment are stated at cost less accumulated depreciation and allowance for impairment losses (if any). When assets are sold or retired, their cost and accumulated depreciations are eliminated from the accounts and any gain or loss resulting from their disposal is included in statement of profit or loss.

The Group records the differences incurred from revaluation as follows:

- When an asset's carrying amount is increased as a result of a revaluation, the increase is recognized in other comprehensive income and accumulated in equity under the heading "Revaluation surplus of fixed assets". However, the increase is recognized in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognized in profit or loss.
- When an asset's carrying amount is decreased as a result of a revaluation, the decrease is recognized in profit or loss. However, the decrease is recognized in other comprehensive income to the extent of any credit balance existing in the revaluation surplus in respect of that asset. The decrease recognized in other comprehensive income reduces the amount accumulated in equity under the heading "Revaluation surplus of fixed assets".

The revaluation surplus of fixed assets is not available for dividend distribution.

Upon the disposal of the revalued property, plant and equipment, the relevant portion of the revaluation surplus realized in respect of the previous valuation is released from the property, plant and equipment valuation surplus directly to retained earnings or deficit.

Depreciation

Depreciation of plant and equipment is calculated according to the straight-line basis over the following estimated useful lives:

	Useful lives (Years)
Land improvements	20
Buildings and building improvements	5 to 20
Machinery and equipment	3 to 20
Furniture, fixtures and office equipment	3 to 10
Vehicles	5

Intangible assets

Computer Software

Computer software acquired by the Group is stated at cost less accumulated amortization and allowance for impairment losses (if any).

Amortization

Amortization of computer software is calculated by reference to its costs on a straight-line basis for the periods of 3 to 5 years.

Impairment of non-financial assets

The Group reviews the impairment of assets whenever events or changes in circumstances indicate that the recoverable amount (the higher of the asset's selling price or value in use) of assets is below the carrying amount. The review is made for individual assets or for the cash-generating unit.

If the carrying value of an asset exceeds its recoverable amount, the Group recognizes the impairment losses by reducing the carrying value of the asset to its recoverable amount and recording the devaluation in profit or loss or reducing revaluation increment in assets in case that those assets were previously revalued. The reversal of impairment loss recognized in prior years is recorded as part of other income or as a revaluation increments in assets when there is an indication that the impairment losses recognized for the assets no longer exist or are decreased. Such a reversal should not exceed the carrying amount that would have been determined (net of the associated depreciation or amortization).

Leases

Leases - where the Group is the lessee

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

The Group recognizes right-of-use asset and lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, initial direct costs and estimated costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any incentive received.

The lease liability is initially measured at the present value by discounting lease payments that are not paid at the commencement date using the interest rate implicit in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Group uses the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- Fixed payments including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee;
- The exercise price, under a purchase option that the Group is reasonably certain to exercise, whereby the exercise price is considered as lease payments in an optional renewal period; and
- Payments of penalties for early termination of a lease if the Group is reasonably certain to terminate early.

To apply a cost model, the Group measures the ROU asset at cost, less accumulated depreciation and accumulated impairment loss and then makes adjustments for any remeasurement of the lease liability. The ROU asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the ROU asset or the end of the lease term. However, if the lease transfers ownership of the underlying asset to the Group by the end of the lease term or if the cost of the ROU asset reflects that the Group will exercise a purchase option, the Group depreciates the ROU asset from the commencement date to the end of the useful life of the underlying asset. The useful life of the ROU asset is determined on the same basis as those of property, plant and equipment.

The lease liability is re-measured when there is a change in future lease payments arising from the following:

- A change in an index or a rate used to determine those payments
- A change in the Group's estimate of the amount expected to be payable under a residual value guarantee
- The Group changes its assessment of whether it will exercise a purchase, extension or termination option

When the lease liability is re-measured to reflect changes to the lease payments, the Group recognises the amount of the remeasurement of the lease liability as an adjustment to the ROU asset. However, if the carrying amount of the ROU asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognises any remaining amount of the remeasurement in profit or loss.

Short-term leases and leases of low-value assets

The Group has elected not to recognise ROU assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Related party transactions

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

They also include associated companies and individuals which directly or indirectly own a voting interest in the Group that gives them significant influence over the Group, key management personnel, directors and officers of the Group and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

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

Business combinations

The Group applies the acquisition method for all business combinations when control is transferred to the Group other than those with entities under common control.

The acquisition date is the date on which control is transferred to the acquirer. Judgment is applied in determining the acquisition date and determining whether control is transferred from one party to another.

In a business combination achieved in stages, the Group shall remeasure its previously held equity interest in the acquiree to its acquisition-date fair value and recognize the resulting gain or loss in profit or loss.

Goodwill is measured as the fair value of the consideration transferred including the recognized amount of any non-controlling interest in the acquiree, less the fair value amount of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date. Any gain on bargain purchase is recognized in profit for the period immediately.

Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, and equity interests issued by the Group. Consideration transferred also includes the fair value of any contingent consideration and share-based payment awards of the acquiree that are replaced mandatorily in the business combination.

A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably.

Transaction costs that the Group incurs in connection with a business combination, such as legal fees, and other professional and consulting fees are expensed as incurred.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date.

Foreign Currency Transactions

Foreign currency transactions are accounted for at the exchange rates prevailing on the date of the transactions. Monetary assets and liabilities at the statement of financial position dates denominated in foreign currencies are translated into Baht at the rates prevailing on the transaction dates. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognized in the statements of comprehensive income as incurred.

Provision

A provision is recognized when the Group has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. A provision is reviewed at the statement of financial position date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

Employee Benefits

Short-term benefits

The Group recognizes salaries, wages, bonuses and social security contributions as expenses on an accrual basis.

Post-employment benefits

(A) Defined contribution plans

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

(B) Defined benefit plans and other long-term employee benefits

The employee benefit obligation for severance payment under labor law is recognized as a charge to results of operations over the employee's service period. It is calculated by estimating the amount of future benefit earned by employees in return for service provided to the Group in the current and future periods, with such benefit being discounted to determine the present value. The reference point for setting the discount rate is the yield rate of government bonds as at the reporting date. The calculation is performed by actuarial technique using the Projected Unit Credit Method.

Actuarial gains and losses arising from post-employment benefits are recognized immediately in the other comprehensive income and actuarial gains and losses arising from other long-term employee benefits are recognized immediately in the profit or loss.

Finance Costs

Interest expenses and similar costs are charged to the statement of profit or loss for the year in which they are incurred, except to the extent that they are capitalized as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to be prepared for its intended use or sale. The interest component of finance lease payments is recognized in the statement of profit or loss using the effective interest rate method.

Income Tax

Income tax expenses represent the sum of corporate income tax currently payable and deferred tax.

Current tax

The Group records current income tax at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

The Group recognizes deferred income tax on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

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

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

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

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Group apply a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Group measure fair value using valuation technique that are appropriate in the circumstances and maximizes the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy into three levels based on categories of input to be used in fair value measurement as follows:

Level 1 Use of quoted market prices in an observable active market for such assets or liabilities

Level 2 Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Group determine whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

Basic earnings per share

Basic earnings per share are computed by dividing net profit for the years by the weighted average number of common shares outstanding during the years.

Significant accounting judgments and estimates

The preparation of the financial statements in conformity with Thai Financial Reporting Standard requires management to make judgments and estimates. Judgments and estimations will affect the amounts in the financial statements and the information presented in the Notes to financial statements. Actual results may differ from these judgments and estimates. Significant judgments and estimates are as follows:

Allowance for expected credit losses of trade receivables

In determining an allowance for expected credit losses of trade receivables, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the forecast economic condition for groupings of various customer segments with similar credit risks. The Group's historical credit loss experience and forecast economic conditions may also not be representative of whether a customer will actually default in the future.

Impairment of investment in subsidiary

The Company treats investments in subsidiary as impaired when there has been a significant or prolonged decline in the fair value below its cost or where other objective evidence of impairment exists. The determination of what is "significant" or "prolonged" requires judgment of the management.

Property, plant and equipment and depreciation

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and residual values of the plant and equipment and to review estimate useful lives and residual values when there are any changes.

In addition, the management is required to review property, plant and equipment for impairment on a periodic basis and record impairment losses when it is determined that their recoverable amount is lower than the carrying amount. This requires judgment regarding forecast of future revenues and expenses relating to the assets subject to the review.

Deferred tax assets

Deferred tax assets are recognized in respect of temporary differences only to the extent that it is probable that taxable profit will be available against which these differences can be utilized. Significant judgment by management is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of estimate future profits.

Post-employment benefits under defined benefit plans

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

Provisions

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

4. TRANSACTIONS WITH RELATED PARTIES

The following presents relationships with enterprises and individuals that control or are controlled by the Group, whether directly or indirectly, or have common directors or shareholders with the Group as follow:

Related Company	Nature of relationship
1. Northern Renewable Energy Co., Ltd.	Subsidiary
2. Thai Hua Holding Co., Ltd.	Shareholders
3. Advance Power Conversion Co., Ltd.	Common shareholders
4. Bright Blue Water Corporation Co., Ltd.	Common shareholders
5. Akasit Automation Technology Co., Ltd.	Common shareholders
6. M.R.I. Co., Ltd.	Common directors
7. Ploenchit Capital Co., Ltd.	Common directors
8. AGM Recyclone (Thailand) Co., Ltd.	Shareholding by Northern Renewable Energy Co., Ltd.

The Group had significant related parties transactions, both directly and indirectly related through common shareholders and/or common directors. The Group had significant transactions for the years ended December 31, 2021 and 2020, as follows:

	Unit: Thousands Baht				The pricing policy
	Consolidated Financial Statements		Separate Financial Statements		
	2021	2020	2021	2020	
Transactions between related parties					
Shareholder					
Finance costs	468	460	-	-	6.25% per annum.
Thai Hua Holding Co., Ltd.					
Northern Renewable Energy Co., Ltd.					
Finance costs	-	-	354	-	6.97% per annum
Revenues from domestic sales	46,521	-	46,521	-	Mutually agreed which
Other income	51	-	51	-	reference to market price
M.R.I. Co., Ltd.					
Revenues from domestic sales	-	4,597	-	4,597	Mutually agreed which reference to market price
Ploenchit Capital Co., Ltd.					
Financial advisory expenses	3,300	450	3,300	450	Base on the agreement

The outstanding balances with the relate parties as at December 31, 2021 and 2020 were as following:

	Unit: Thousands Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2021	2020	2021	2020
Statements of financial position				
Trade receivables				
Thai Hua Holding Co., Ltd.	4,396	-	4,396	-
Other receivables				
Northern Renewable Energy Co., Ltd.				
Other receivables	-	-	1,261	405
Interest income receivables	-	-	354	-
<u>Less</u> Credit loss allowance	-	-	(405)	(405)
Net	-	-	1,210	-
Short-term loans to subsidiary				
Northern Renewable Energy Co., Ltd.	-	-	4,000	4,000
Machinery and equipment				
Northern Renewable Energy Co., Ltd.				
Factory equipment (purchase price)	2,010	2,010	2,010	2,010
Vehicles (purchase price)	820	820	820	820
Advance Power Conversion Co., Ltd.				
Machinery - Boiler (purchase price)	49,500	49,500	49,500	49,500
Boiler control system (purchase price)	5,500	5,500	5,500	5,500
Roof structure (purchase price)	18,000	18,000	18,000	18,000
Bright Blue Water Corporation Co., Ltd.				
Machinery - water supply system (purchase price)	45,595	45,595	45,595	45,595
<u>Less</u> Allowance for impairment of machinery	(34,158)	(34,158)	(34,158)	(34,158)
<u>Less</u> Accumulated depreciation	(11,437)	(11,437)	(11,437)	(11,437)
Net	-	-	-	-
Non-current assets				
Akesit Automation Technology Co., Ltd.				
Non-current assets - deposits for feasibility study of power plant	36,000	36,000	36,000	36,000
<u>Less</u> Allowance for impairment of deposits	(36,000)	(36,000)	(36,000)	(36,000)
Net	-	-	-	-

	Unit: Thousands Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2021	2020	2021	2020
Accrued expenses				
Ploenchit Capital Co., Ltd.				
Accrued financial advisory expenses	1,605	-	1,605	-
Shareholder				
Short-term borrowings from related person	7,475	7,475	-	-
Accrued interest expenses	1,095	626	-	-

Short-term loans to subsidiary will be repaid within 1 year from the agreement date with land and building as collateral. The loan bears interest at 6.97% per annum. Currently, the contract has been renewed for 1 year.

Short-term borrowings from related person are due at call without collateral. The loan bears interest at 6.25% per annum.

As at December 31, 2021, Northern Renewable Energy Co., Ltd. (Subsidiary) had outstanding loan to AGM Recyclone (Thailand) Co., Ltd. of Baht 9.17 million. This is due at call without collateral. The loan bears interest at the rate of 6.25% per annum. As AGM Recyclone (Thailand) Co., Ltd. temporary cease operation, the subsidiary's management provide full allowance for credit loss - loans to and accrued interest income of Baht 10.39 million.

The Company purchases the assets from related companies according to mutually agreed price.

Compensation – for key management personnel

Compensation – for key management personnel for the the years ended December 31, 2021 and 2020, consisted of:

	Unit: Thousands Baht	
	Consolidated Financial Statements / Separate Financial Statements	
	2021	2020
Short-term benefits	12,796	12,343
Post-employment benefits	139	120
Total	12,935	12,463

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as at December 31, 2021 and 2020, consisted of:

	Unit: Thousands Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2021	2020	2021	2020
Cash	64	32	64	32
Cash at banks	540,472	471,695	538,525	468,193
Cheque received that are due	152	550	152	550
Total	540,688	472,277	538,741	468,775

6. TRADE AND OTHER CURRENT RECEIVABLES – NET

Trade and other current receivables - net as at December 31, 2021 and 2020, consisted of:

	Unit: Thousands Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2021	2020	2021	2020
Trade receivables				
Trade receivables - others	126,945	114,990	107,500	95,545
Trade receivables - related company	4,396	-	4,396	-
<u>Less</u> Credit loss allowance	(77,924)	(73,519)	(58,479)	(54,078)
Total trade receivables - net	53,417	41,471	53,417	41,467
Other current receivables				
Other receivables - related company	-	-	1,261	405
<u>Less</u> Credit loss allowance - related company	-	-	(405)	(405)
Other receivables - related company - net	-	-	856	-
Value added tax receivable	37	37	-	-
Prepaid expenses	4,946	3,546	4,896	3,488
Input VAT not yet due	2,923	672	2,659	417
Others	1,595	2,531	1,915	2,502
Total other current receivables	9,501	6,786	10,326	6,407
Total trade and other current receivables - net	62,918	48,257	63,743	47,874

The Group has trade receivables classified by age analysis as follows:

	Unit: Thousands Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2021	2020	2021	2020
Undue	42,624	27,405	42,624	27,405
Overdue				
Within 3 months	6,397	15,000	6,397	15,000
Over 3 - 6 months	4,396	-	4,396.00	-
Over 12 months	77,924	72,585	58,479	53,140
Total trade receivables	131,341	114,990	111,896	95,545

Due to the short-term nature of trade and other current receivables, there carrying amount is considered to be the same as their fair value.

7. INVENTORIES – NET

Inventories – net as at December 31, 2021 and 2020, consisted of:

	Unit: Thousands Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2021	2020	2021	2020
Finished goods	69,551	35,772	67,215	33,434
Work in process	49,034	26,844	49,034	26,844
Raw materials and supplies	61,818	34,777	61,688	34,648
Goods in transit	-	8,654	-	8,654
Total inventories	180,403	106,047	177,937	103,580
<u>Less</u> Allowance for devaluations	(7,984)	(7,419)	(5,518)	(4,952)
Total inventories - net	172,419	98,628	172,419	98,628

8. INVESTMENTS IN SUBSIDIARY – NET

Investments in subsidiary – net as at December 31, 2021 and 2020 consisted of:

		Unit: Thousands Baht					
Company's name	Nature of business	Percentage of shareholding		Paid up share capital		At cost	
		2021	2020	2021	2020	2021	2020
Northern Renewable Energy Co., Ltd. (NRE)	Manufacturing and distribution of biomass energy solutions (temporary cease operation)	48.25	48.25	1,000,000	1,000,000	482,475	482,475
<u>Less</u> Allowance for impairment on investments in subsidiary						(337,882)	(337,882)
Investments in subsidiary - net						144,593	144,593
<u>Subsidiary shareholding by Northern Renewable Energy Co., Ltd.</u>							

		Unit: Thousands Baht					
Company's name	Nature of business	Percentage of shareholding		Paid up share capital		At cost	
		2021	2020	2021	2020	2021	2020
AGM Recyclone (Thailand) Co., Ltd. (AGM)	Transform biomass to renewable energy and manufacture power friendly generation (temporary cease operation)	99.99	99.99	100,000	100,000	100,000	100,000
<u>Less</u> Allowance for impairment on investments						(82,000)	(82,000)
Investments - net						18,000	18,000

As Northern Renewable Energy Co., Ltd. was cease its operation since April 1, 2020, the management of the Company consider to provide loss on impairment of investment according to the appraisal report of fair value of assets issued by the independent appraiser. Therefore, the Company recorded loss on impairment of investment in subsidiary of Baht 81.61 million in statement of comprehensive income for the year 2020.

BUSINESS COMBINATIONS BY CHANGING CONTROLLING IN AN ASSOCIATE

On January 28, 2020, Northern Renewable Energy Co., Ltd. (“NRE”), the Company’s associate, registered a change of directors and authorized directors with the Department of Business Development. NRE’s new board of directors consists of four Company directors and two outside directors, whereas two Company directors and one outside director are authorized jointly sign by two of three to bind the associate. As a result of the change, the Company acquired control of NRE on January 28, 2020. Therefore, the Company, on January 28, 2020, prepared its consolidated financial statements by including the financial statements of the associate and classifying the investment in NRE as an investment in a subsidiary.

Identifiable assets acquired and liabilities assumed

	Unit: Thousand Baht
Cash and cash equivalents	2,016
Current investments - net	394
Trade and other current receivables - net	592
Inventories	3,241
Other current assets	292
Investment properties - net	320,878
Deposit - net	71
Trade and other current payables	(25,782)
Lease liabilities	(207)
Short-term borrowings from related person	(5,925)
Other current liabilities	(4,645)
Non-current provisions for employee benefits	(1,552)
Net Assets	289,373
Less accept payment from capital increase	(170,555)
Net assets of the associate before accept payment from capital increase	118,818
Non-controlling interests before accept payment from capital increase	(61,488)
Fair value of investment exiting at the date of control	57,330
Capital increase of the Company**	168,875
Book value of invest in an associate	226,205
Non-controlling interests before accept payment from capital increase	61,488
Plus Capital increase of non-controlling interests	1,680
Total non-controlling interests	63,168

**As at December 31, 2021, the other shareholders in the subsidiary have not yet made fully payment for the subscription shares. As a result, there was share subscription receivable outstanding on the financial statements of the subsidiary amounting to Baht 179.45 million.

Management of the Company recognized 48.25% of its investments in the subsidiary in the consolidated financial statement, according to the proportion of shares registered with the Ministry of Commerce. This is, despite that the Company paid for the shares with a higher than registered proportion, as other shareholders have not paid Baht 179.45 million for the share increase. Management of the Company and its legal counsel believe that the registered capital increase of the subsidiary is invalid. On February 19, 2021, the Company files a lawsuit to the court. Due to the situation of the COVID-19 epidemic, the court postponed preliminary examinations. Presently, these cases are under preliminary examinations.

Subsidiary have significant non-controlling interests as follows:

Subsidiary Company	Country of incorporation and main place of business	Owner and voting rights held by non- controlling interests (percent)	Unit: Thousands Baht			
			Total comprehensive loss attributable to non-controlling interests		Accumulated non-controlling interests	
			2021	2020	2021	2020
			Northern Renewable Energy Co., Ltd.	Thailand	51.75%	(5,577)

The financial information of the subsidiaries before eliminating related transactions is as follows:

	Unit: Thousands Baht	
	Northern Renewable Energy Co., Ltd.	
	2021	2020
Current assets	2,726	4,278
Non-current assets	301,693	308,533
Current liabilities	44,820	42,435
Non-current liabilities	-	-
Non-controlling interests	47,760	47,760
Non-controlling interests (percent)	51.75%	51.75%
Revenue	35	753
Net loss during the year of non-controlling interests	(5,577)	(9,831)
Net comprehensive income of non-controlling interests	(5,577)	(9,831)
Net cash flows from (use in)		
Operating activities	(1,808)	(6,713)
Investing activities	280	2,830
Financing activities	(26)	5,370
Net increased (decreased) in cash	(1,554)	1,487

9. INVESTMENT PROPERTIES – NET

Investment properties – net as at December 31, 2021, consisted of:

	Unit: Thousands Baht			
	Consolidated Financial Statements			
	As at January 1, 2021	Increase	Decrease	As at December 31, 2021
Cost				
Land and Land improvements	396,305	-	-	396,305
Factory and building	57,519	-	-	57,519
Machinery	60,879	-	-	60,879
Factory equipment	49,083	-	-	49,083
Furniture, fixtures and office equipment	4,677	-	-	4,677
Vehicles	778	-	-	778
Total	569,241	-	-	569,241
Accumulated depreciation				
Land and Land improvements	2,503	170	-	2,673
Factory and building	13,599	2,772	-	16,371
Machinery	17,324	1,255	-	18,579
Factory equipment	13,085	2,392	-	15,477
Furniture, fixtures and office equipment	4,560	110	-	4,670
Vehicles	606	155	-	761
Total	51,677	6,854	-	58,531
Allowance for impairment				
Land and Land improvements	177,125	-	-	177,125
Factory and building	1,533	-	-	1,533
Machinery	30,444	-	-	30,444
Total	209,102	-	-	209,102
Net book value	308,462			301,608

Fair value of investment properties

Fair value of investment properties as at December 31, 2021 and 2020, as follows

	Unit: Thousands Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2021	2020	2021	2020
Land and land improvement	292,294	292,294	-	-
Machinery	21,504	21,504	-	-
Other assets (book value)	18,278	19,864	-	-
Total	332,076	333,662	-	-

The fair value measurement for investment properties has been categorized as a Level 2 fair value based on the inputs to the valuation technique used, which is the cost approach and market approach.

Land of Baht 50.21 million and building of Baht 1.37 million of subsidiary were pledged as a security on borrowings from the Company (Note 4).

10. PROPERTY, PLANT AND EQUIPMENT – NET

Property, plant and equipment - net as at December 31, 2021 consisted of:

	Unit : Thousand Baht				
	Consolidated Financial Statements/Separate Financial Statements				
	As at January 1, 2021	Increase	Decrease	Transfers in/(out)	As at December 31, 2021
Cost					
Land and Land improvements					
- Historical cost	75,057	-	-	-	75,057
- Revaluation surplus	29,936	-	-	-	29,936
Buildings and building improvement	236,128	766	(210)	11,490	248,174
Machinery and equipment	916,197	32,345	(21,087)	15,442	942,897
Furniture, fixtures and office equipment	-	-	-	-	-
	11,003	377	(2,555)	-	8,825
Vehicles	6,831	-	-	-	6,831
Construction in progress	9,449	81,398	(113)	(26,932)	63,802
Total	1,284,601	114,886	(23,965)	-	1,375,522

Unit : Thousand Baht					
Consolidated Financial Statements/Separate Financial Statements					
	As at				As at
	January 1, 2021	Increase	Decrease	Transfers in/(out)	December 31, 2021
Accumulated depreciation					
Land and Land improvements	11,468	766	-	-	12,234
Buildings and building improvement	138,382	8,928	(188)	-	147,122
Machinery and equipment	591,050	48,619	(21,081)	-	618,588
Furniture, fixtures and office equipment	10,076	327	(2,553)	-	7,850
Vehicles	6,098	164	-	-	6,262
Total	757,074	58,804	(23,822)	-	792,056
Allowance for impairment					
Buildings and building improvement	11,851	-	-	-	11,851
Machinery and equipment	50,045	-	-	-	50,045
Total	61,896	-	-	-	61,896
Net book value	465,631				521,570

The Group engaged an independent appraiser to appraise the value of asset in 2018 as follow;

- Land and land improvement were revalued using the market approach.
- Building and improvement were revalued using the depreciated replacement cost approach.
- Machinery and equipment were revalued using the depreciated replacement cost approach.

As at December 31, 2021 and 2020, the Group had revaluation surplus net of tax presented in other components of shareholder's equity of Baht 23.95 million.

As at December 31, 2021 and 2020, the property and equipment of the Company amounting to Baht 539.51 million and Baht 482.99 million, respectively, are fully depreciated but still in use.

As at December 31, 2021 and 2020, all of the Company's land, buildings and improvements that exist or that are to be constructed thereon including a portion of machinery and equipment are mortgaged/pledged as collateral for credit facilities from several local banks as discussed in Note 22.1.

11. DEFERRED TAX ASSETS AND LIABILITIES

Movements in deferred tax assets and liabilities during the year were as follows:

	Unit: Thousands Baht			
	Consolidated Financial Statements / Separate Financial Statements			
	As at January 1, 2021	Profit (loss)	As at December 31, 2021	
Deferred tax assets				
Credit loss allowance for trade receivables	455	(455)	-	
Allowance for stock obsolescence	990	113	1,103	
Allowance for impairment of fixed assets	11,170	(382)	10,788	
Non-current provisions for employment benefit	1,154	141	1,295	
Total	13,769	(583)	13,186	
Deferred tax liabilities				
Gains on revaluation of assets	(5,987)	-	(5,987)	
Net	7,782	(583)	7,199	
	Unit: Thousands Baht			
	Consolidated Financial Statements / Separate Financial Statements			
	As at January 1, 2020	Profit (loss)	Other comprehensive of income	As at December 31, 2020
Deferred tax assets				
Credit loss allowance for trade receivables	-	455	-	455
Allowance for stock obsolescence	-	990	-	990
Allowance for impairment of fixed assets	-	11,170	-	11,170
Non-current provisions for employment benefit	-	1,056	98	1,154
Total	-	13,671	98	13,769
Deferred tax liabilities				
Gains on revaluation of assets	(5,987)	-	-	(5,987)
Net	(5,987)	13,671	98	7,782

12. TRADE AND OTHER CURRENT PAYABLES

Trade and other current payables as at December 31, 2021 and 2020, consisted of:

	Unit: Thousands Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2021	2020	2021	2020
Trade payables	83,059	83,585	77,563	78,089
Other current payables				
Other payables	15,228	13,225	5,321	3,318
Payable for purchase of assets	4,954	6,218	4,954	6,218
Advance received for goods	16,356	19,320	11,356	14,320
Accrued expenses	35,244	28,670	24,080	18,707
Others	1,250	3,780	681	3,212
Total other current payables	73,032	71,213	46,392	45,775
Total trade and other current payables	156,091	154,798	123,955	123,864

Due to the short-term nature of trade and other current payables, their carrying amount is considered to be the same as their fair value.

13. NON-CURRENT PROVISIONS FOR EMPLOYEE BENEFIT

Movement of the present value of non-current provisions for employee benefits for the years ended December 31, 2021 and 2020, as follows:

	Unit: Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2021	2020	2021	2020
Non-current provisions for				
employee benefit at beginning of year	5,768	4,592	5,768	4,592
Include in profit or loss:				
Current service cost	619	552	619	552
Interest cost	84	136	84	136
Include in other comprehensive income:				
Actuarial (gain) losses arising from				
Financial assumptions changes	-	1,068	-	1,068
Demographic assumptions changes	-	(884)	-	(884)
Experience adjustments	-	304	-	304
Increase from business combinations	-	1,552	-	-
Decrease from employee resigned	-	(1,552)	-	-
Non-current provisions for				
employee benefit at ending of year	6,471	5,768	6,471	5,768

Employee benefit expenses in profit or loss for the the years ended December 31, 2021 and 2020, were as follows:

	Unit: Thousands Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2021	2020	2021	2020
Cost of sales	495	494	495	494
Administrative expenses	208	(1,358)	208	194
Total employee benefit expenses	703	(864)	703	688

The actuarial assumption of discount rate is estimated from weighted average of yield rate of government bonds as at the end of reporting date that reflects the estimated timing of benefit payments.

The actuarial assumption of mortality rate for reasonable estimation of probability of retirement in the future is estimated from the mortality table.

Principal actuarial assumptions as at December 31, 2021 and 2020, (represented by the weighted-average) consisted of:

	(Percentage/annum)	
	Consolidated Financial Statements /	
	Separate Financial Statements	
	2021	2020
Discount rate	1.47	1.47
Salary increase rate	3.00	3.00
Mortality rate	100% of Thai Mortality Ordinary Tables of 2017	
Turnover rate		
Under 31 years old	25.00	25.00
31 - 40 years old	17.00	17.00
41 - 50 years old	16.00	16.00
Above 51 years old	0.00	0.00

The result of sensitivity analysis for significant assumptions that affect the present value of the non-current provisions for employee benefit as at December 31, 2021 are summarized below:

	Unit: Thousand Baht	
	Consolidated Financial Statements /	
	Separate Financial Statements	
	Increase 1%	Decrease 1%
Discount rate	(758)	819
Salary increase rate	817	(763)
Turnover rate	(49)	59

As at December 31, 2021, the maturity analysis of undiscounted cash flows of benefit payments was as follows:

	Unit : Thousand Baht
Within 1 year	103
Over 1 and up to 5 years	579
Over 5 years	18,934

14. SHARE CAPITAL

The Annual General Meeting of Shareholders of the Company held on June 26, 2020, resolved to:

- 23.1.** Decrease the Company's registered capital from the existing registered capital of 19,978,103,486 shares at Baht 1 per share totalling Baht of 19,978,103,486 to the newly registered capital of 15,982,476,502 shares at Baht 1 per share totalling of Baht 15,982,476,502. (Amendment of the Company's Memorandum of Association so as to correspond with Company's registered capital decrease was also approved.). The capital decrease was already registered with the Ministry of Commerce on July 10, 2020.
- 23.2.** Change of the par value of the Company from Baht 1 per share to Baht 0.50 per share, resulting in the number of shares of the Company changed from the previous 15,982,476,502 shares, the par value of Baht 1 per share, in the amount of 31,964,953,004 shares, the par value of Baht 0.50 per share. (Amendment of the Company's Memorandum of Association so as to correspond with Company's registered capital decrease was also approved.). The change of par value was already registered with the Ministry of Commerce on July 13, 2020.
- 23.3.** Decrease the Company's registered capital from the existing registered capital of 31,964,953,004 shares at Baht 0.50 per share totalling Baht of 15,982,476,502 to the newly registered capital of 1,633,859,004 shares at Baht 0.50 per share totalling of Baht 816,929,502 in order to compensate the discount on paid-up capital of ordinary shares and the deficits. (Amendment of the Company's Memorandum of Association so as to correspond with Company's registered capital decrease was also approved.). The capital decrease was already registered with the Ministry of Commerce on September 30, 2020.

15. TAX EXPENSES

Tax expenses for the years ended December 31, 2021 and 2020, as follow:

	Unit: Thousands Baht	
	Consolidated Financial Statements /	
	Separate Financial Statements	
	2021	2020
Current tax expenses		
Current year	94,470	40,854
Deferred tax expenses		
Movement in temporary differences	583	(13,671)
Total	95,053	27,183

Tax expenses recognized in other comprehensive income for the years ended December 31, 2021 and 2020, as follows:

	Unit: Thousands Baht	
	Consolidated Financial Statements /	
	Separate Financial Statements	
	2021	2020
Loss on remeasurement of defined benefit plans	-	98

Reconcile between income tax expenses and the product of accounting profit multiplied by the applicable tax rates are as follows:

Unit: Thousands Baht				
Consolidated Financial Statements				
2021		2020		
Tax rate		Tax rate		
(%)	Unit: Thousands Baht	(%)	Unit: Thousands Baht	
	459,658		343,175	
Profit before tax expenses				
Income tax using the corporate tax rate	20.00	91,932	20.00	68,635
Expenses not deductible for tax purposes		1,310		1,583
Double expense by the revenue code		(122)		(81)
Unrecorded deferred tax assets		1		493
Net loss in current year are not recognized				
as deferred tax		1,477		3,602
Net losses entitled to be deducted by the revenue code		-		(30,727)
Effect on eliminate transactions		455		(16,322)
Tax expenses	20.68	95,053	7.92	27,183

Unit: Thousands Baht				
Separate Financial Statements				
2021		2020		
Tax rate		Tax rate		
(%)	Unit: Thousands Baht	(%)	Unit: Thousands Baht	
	470,436		280,560	
Profit before tax expenses				
Income tax using the corporate tax rate	20.00	94,087	20.00	56,112
Expenses not deductible for tax purposes		1,088		1,879
Double expense by the revenue code		(122)		(81)
Net losses entitled to be deducted by the revenue code		-		(30,727)
Tax expenses	20.21	95,053	9.69	27,183

16. LEGAL RESERVE

Under the provisions of the Thai Public Company Limited Act B.E. 2535, the Company is required to appropriate at least 5% of its annual net income after deduction of the deficit brought forward (if any) as reserve fund until the reserve equal to 10% of authorized share capital. The reserve is not available for dividend distribution.

17. DIVIDENDS

On April 28, 2021, at the Board of Directors' Meeting No. 4/2021 passed a resolution on the approval of an interim dividends payment at Baht 0.098 per share for 1,633,859,004 ordinary shares, totalling Baht 160.12 million. The interim dividend was

proposed to the Annual General Shareholders' Meeting held on July 7, 2021 for acknowledgement. These interim dividend were paid to shareholders on May 24, 2021.

18. EXPENSE BY NATURE

Significant expenses by nature for the years ended December 31, 2021 and 2020, were as follows:

	Unit: Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2021	2020	2021	2020
Change in inventories of finished goods				
and work in progress decrease	(55,969)	(11,999)	(55,970)	(11,291)
Raw materials and consumable used	679,893	523,771	679,893	523,705
Employee expenses	152,005	144,264	151,457	142,447
Depreciation and amortization	65,699	65,178	58,844	56,706
(Reversal) loss on credit of receivables	(933)	937	(937)	937
Impairment loss on investments in subsidiary	-	-	-	81,612
(Reversal) loss for obsolescence				
stock presented in costs of sales	3,742	(2,304)	3,742	(4,771)
Electricity expenses	39,663	39,884	39,387	39,598
Maintenance expenses	33,413	7,155	33,413	7,095

19. BASIC EARNING PER SHARE

Basic earning per share for the years ended December 31, 2021 and 2020, as follow:

	Consolidated Financial Statements		Separate Financial Statements	
	2021	2020	2021	2020
Profit attributable to equity holders				
of the parent (Thousands Baht)	370,182	325,823	375,383	253,476
Weighted average number of issued				
ordinary shares (Thousands Shares)	1,633,859	24,257,872	1,633,859	24,257,872
Basic earning per share (Baht)	0.227	0.013	0.230	0.010

20. OPERATING SEGMENTS

The Group is engaged in the production and distribution of rubber gloves. Therefore, revenue, profit (loss) and assets reflected in the financial statements are related to the business segments as discussed.

The Group's operations sales portions by geographical segments for the years ended December 31, 2021 and 2020, were as follows:

	(Percentage of total net sales)			
	Consolidated Financial Statements		Separate Financial Statements	
	2021	2020	2021	2020
Net foreign sales	34.18	37.76	34.18	37.78
Net domestic sales	65.82	62.24	65.82	62.22
Total	100.00	100.00	100.00	100.00

The Group's operations sales portions by type of customer for the years ended December 31, 2021 and 2020, were as follows:

	Unit: Thousands Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2021	2020	2021	2020
Net individual sales	41,515	52,563	41,513	52,480
Net corporate sales	1,387,927	1,130,097	1,387,927	1,129,458
Total	1,429,442	1,182,660	1,429,440	1,181,938

21. PROVIDENT FUND

The Company has established a contributory registered provident fund in accordance with the Provident Fund Act B.E. 2530 and based on the approval from the Ministry of Finance on April 23, 2004. Under the plan, members and the Company contribute to the fund at 3% of the employees' basic salaries. The Company appointed a fund manager to manage the fund in accordance with the terms and conditions prescribed in the Ministerial Regulation No. 2 (B.E. 2532) issued under the Provident Fund Act B.E. 2530.

Provident fund contributions made by the Company for its employees and recorded as expense in profit or loss for the years ended December 31, 2021 and 2020 of Baht 0.49 million for both years.

22. COMMITMENTS AND CONTINGENT LIABILITIES

22.1 As at December 31, 2021, the Company obtained credit facilities (short-term borrowings, bank overdraft, forward contracts, bank guarantees, and liabilities under packing credit) from two local banks totaling Baht 162.85 million. The loans bear interest at the MOR and MLR per annum. These credit facilities are collateralized by a pledge of the Company's fixed deposits and mortgage/pledge of the Company's land, buildings and improvements that exist or are to be constructed thereafter, and a portion of machinery and equipment as discussed in Note 10. Moreover, the loan agreements contain conditions and restrictions, such as not to create an additional pledge on those assets, etc.

22.2 As at December 31, 2021, the Company obtained letters of guarantee issued by a local bank amounting to Baht 18.70 million guaranteed by a pledge of deposits with financial institutions.

22.3 As at January 1, 2022, the Company entered into operating lease agreements for office buildings which expires on June 30, 2022. The Company is committed to pay rent at the rate of Baht 51,450 per month, and a service charge at the rate of Baht 23,593.50 per month.

22.4 As at December 31, 2021, the Company had capital expenditure contracted as at the statement of financial position date but not recognized in the financial statements is as follows:

	Unit: Million Baht
Building construction and Building improvement agreement	2.43
Machinery improvement agreement	17.39
Equipment improvement agreement	3.18
Total	23.00

23. FINANCIAL INSTRUMENTSCapital maintenance

The Group's objective in the management of capital is to maintain the ability to run the operation and generate the return to equity holder and for the benefit of other shareholders, and to maintain proper equity structure to reduce the cost of capital.

The Group may adjust dividend payment policy to equity holder, return capital to equity holder, issue new equity, or sell assets to reduce debt burden in order to maintain its capital structure.

Foreign exchange risk

The Group's exposure to foreign currency risk relate primarily to the purchase of major raw materials and sales of goods which are denominated in foreign currencies, primarily US Dollars and Euro. The Group's management believes that foreign exchange rate risk will have no material effect to their operational results as they use forward currency contracts to hedge such risk as necessary and appropriate.

Credit risk

Credit risk is the risk that a counter-party is unable or unwilling to meet a commitment that it entered into with the Group. The risk is controlled by the application of credit approvals from time to time and monitoring procedures.

The carrying amount of accounts receivable recorded in the statements of financial position net of allowance for expected credit losses of trade receivables accounts represents the maximum exposure to credit risk.

Interest rate risk

Interest rate risk arises from the fluctuation of market interest rates, which may impact current and future operations of the Group. The Group is exposed to interest rate risk related primarily to its deposits at financial institutions, investment in restricted fixed deposits, short-term loans to subsidiary, short-term borrowings from related person. However, most of the Group's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rates. As such, the management considers the interest rate risk as minimal. Hence, the Group has no hedging agreement to protect against such risk.

Significant financial assets and liabilities classified by type of interest rate in the consolidated financial and in separate financial statements were as follows:

	Unit : Million Baht									
	Consolidated Financial Statements									
	Fixed interest rates		Floating interest		No interest rate		Total		Average interest rate	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Financial assets										
Cash and cash equivalents	-	-	484.55	453.00	56.14	19.27	540.69	472.27	0.13 - 0.25	0.13 - 0.25
Trade and other current receivables - net	-	-	-	-	62.92	48.25	62.92	48.25	-	-
Other current financial assets	-	-	-	-	0.40	0.40	0.40	0.40	-	-
Other non-current financial assets	15.88	15.82	15.85	10.00	-	-	31.73	25.82	0.40 - 0.50	0.50
Financial liabilities										
Trade and other current payables	-	-	-	-	156.09	154.79	156.09	154.79	-	-
Lease liabilities	-	0.03	-	-	-	-	-	0.03	-	0.44
Short-term borrowings from related person	7.48	7.48	-	-	-	-	7.48	7.48	6.25	6.25
Other current financial liabilities	-	-	-	-	-	0.35	-	0.35	-	-

	Unit : Million Baht									
	Separate Financial Statements									
	Fixed interest rates		Floating interest		No interest rate		Total		Average interest rate	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Financial assets										
Cash and cash equivalents	-	-	482.60	449.50	56.14	19.27	538.74	468.77	0.13 - 0.25	0.13 - 0.25
Trade and other current receivables - net	-	-	-	-	63.74	47.87	63.74	47.87	-	-
Short-term loans to subsidiary	4.00	4.00	-	-	-	-	4.00	4.00	6.97	6.97
Other non-current financial assets	15.88	15.82	15.85	10.00	-	-	31.73	25.82	0.40 - 0.50	0.50
Financial liabilities										
Trade and other current payables	-	-	-	-	123.96	123.86	123.96	123.86	-	-
Other current financial liabilities	-	-	-	-	-	0.35	-	0.35	-	-

Derivatives

The Group has the following derivative instruments:

	Unit: Thousands Baht	
	Consolidated Financial Statements/ Separate Financial Statements	
	December 31, 2021	December 31, 2020
	Current liabilities	
Foreign currency forwards contract - held for trading	-	352

Fair value of forward foreign contracts are within level 2 of the value hierarchy.

The fair values of foreign exchange forward contracts have been calculated using market price rates quoted by the banks as if such forward contracts were to be terminated at the financial position date.

24. EVENT AFTER REPORTING PERIOD

The Board of Directors' Meeting No. 2/2022 held on February 28, 2022, approved to pay a dividend at Baht 0.11 per share for 1,633,859,004 ordinary shares, totalling Baht 179.72 million. The dividend will be paid to the shareholders on May 2022.

25. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements were authorized for issue by the Board of Directors on February 28, 2022.

Attachment

Attachment 1: Details about Directors, Management, Authorized Supervisors, and Company Secretary in 2021

Name Position	Age (years)	Education/Training	Shareholding in the Company (%) (1)	Family relationships with Directors and management (2)	Work experience		Organization
					Period	Position	
1. Dr. Chakan Sangkraksawong - Chairman of the Board of Directors. - Chairman of the Nomination and Remuneration Committee. - Independent Director. - Member of the Audit Committee. - Director.	72	- Bachelor of Science in Agriculture, Chiang Mai University. - Master's Degree in Agricultural Promotion, Kasetsart University. - National Defence College (Class 4414). - Politics and Governance in Democratic Systems for Executives (Class 8), King Prajadhipok's Institute. - Doctor of Philosophy Program in Soil Science and Natural Resource Management, Chiang Mai University.	No	No	2019-present 2011-2016 2009-2011 2009-2011 2008-2009	Chairman of the Board of Directors. Chairman of the Executive Committee. Chairman of the Board of Directors. Director. Director.	- Shun Thai Rubber Gloves Industry Public Company Limited. - Central Laboratory (Thailand) Co., Ltd. (Under the supervision of the Ministry of Industry and the Ministry of Finance). - Provincial Waterworks Authority, Ministry of Interior. - Airport of Thailand Co., Ltd. (Thailand), Ministry of Transport. - Provincial Waterworks Authority, Ministry of Interior.
2. Mr. Ekachai Tangsajjatham - Chief Executive Officer. - Member of the Nomination and Remuneration Committee. - Executive Director. - Director. (Company's Authorized Signatory).	40	- Bachelor of Business Administration (Business Computer), Bangkok University. - Business Chinese, Shanghai International Studies University, Shanghai, China. - Director Accreditation Program (DAP 154/2018), Thai Institute of Directors (IOD).	0.426%	No	2019-present 2014-2020 2009-2013 2006-2015	Chief Executive Officer Advisor Advisor Manager	- Shun Thai Rubber Gloves Industry Public Company Limited. - Sinchok Kaset Co., Ltd. - Nutraco (Thailand) Co., Ltd. - Sinchoke Rubber Co., Ltd.

Name Position	Age (years)	Education/Training	Sharehold ing in the Company (%) (1)	Family relationships with Directors and management (2)	Work experience		Organization
3. Mr. Sirasit Pasawat - Deputy Chief Executive Officer. - Executive Director. - Director.	69	- Business Administration in Taiwan.	0.125%	No	2019-present 1988-present 2016-present	Deputy Chief Executive Officer. Director. Director. Vice-Chairman of the Chonburi Provincial Industry Chapter.	- Shun Thai Rubber Gloves Industry Public Company Limited. - MRI Co., Ltd. - Chonburi Provincial Industry Chapter.
4. Mr. Chai Wattanasuwan - Director. - Chairman of the Executive Committee. - Member of the Risk Management Committee. - Member of the Nomination and Remuneration Committee. (Company's Authorized Signatory).	56	- Master of Business Administration, University of Baltimore (Sigma Iota Epsilon). - Bachelor of Public Administration, Thammasat University. - Director Certification Program (DCP), Class 177/2013. - Advanced Audit Committee Program (AACP), Class 15/2014.	0.503%	No	2020- present 2019- present 2018-present 2018-present 2018 - present 2018-present 2016-present 2014-present 2009 - present	Managing Director Director. Independent Director, Member of the Nomination and Remuneration Committee, and Chairman of the Audit Committee. Director. Director. Director. Chairman of the Risk Management Subcommittee. Independent Director. Director.	Ploenchit Capital Co., Ltd. Ploenchit Capital Co., Ltd. K.C. Property PCL. W.S. Surry 2014 Co., Ltd. W Wellness Inter Co., Ltd. Shun Thai Rubber Gloves Industry Public Company Limited. E for L Aim Public Company Limited. Wuttisak Pharmacy Inter Co., Ltd. PCL Planer Co., Ltd.
5. Miss Chun-Ching Teng - Director.	46	MSC in Social Psychology, Media and Communications, LSE United Kingdom. BA of Advertising, Cheng-Chi University, Taiwan.	6.29%	No	2021-present 2021-present 2011-2020	Director. Chief Executive Officer. Marketing Manager.	- Shun Thai Rubber Gloves Industry Public Company Limited. - Blueseeds. - Unilever Taiwan & Hong Kong.
6. Mr. Teerawit Thanakitsunthorn - Chairman of the Audit Committee.	42	- Bachelor of Business Administration, Department of Accounting, Kasetsart University. - Bachelor of Laws, Thammasat University.	No	No	2021-present 2018-present	Chairman of the Audit Committee/ Independent Director. Director. Director.	- Shun Thai Rubber Gloves Industry Public Company Limited.

<p>- Chairman of the Risk Management Committee.</p> <p>- Independent Director.</p> <p>- Director.</p>					<p>2015-present</p> <p>2015-2021</p>	<p>Independent Director/Member of the Audit Committee.</p> <p>Director/Auditor.</p> <p>Independent Director/Chairman of the Audit Committee.</p>	<p>- Villa Kunalai Co., Ltd.</p> <p>- BAS Audit Co., Ltd.</p> <p>- PP Prime Co., Ltd.</p>
<p>7. Mr. Chatchawas Sethaluck</p> <p>- Audit Committee Member.</p> <p>- Independent Director.</p> <p>- Director.</p>	45	<p>- Bachelor of Laws, Chulalongkorn University.</p> <p>- Master of Laws, Bangkok University.</p>	No	No	<p>Present</p> <p>2015-present</p> <p>2016-present</p> <p>2011-present</p> <p>2008-present</p>	<p>Member of the Audit Committee /Independent Director/Director.</p> <p>Chief Executive Officer/Family Business Succession Advisor/Family Affairs Advisor/Family Relationship Advisor.</p> <p>Chief Executive Officer.</p> <p>Chief Executive Officer.</p> <p>Activity & Event Advisor.</p> <p>Chief Executive Officer and Business and Legal Advisor.</p>	<p>- Shun Thai Rubber Gloves Industry Public Company Limited.</p> <p>- Settaluck Family in Law Co., Ltd.</p> <p>- Dylan Consult Co., Ltd.</p> <p>- Nine Infinity Co., Ltd.</p> <p>- Settaluck Co., Ltd.</p>

Directors and Management (Resigning in 2021)

Name Position	Age (years)	Education/Training	Shareholding in the Company (%) (1)	Family relationships with Directors and management (2)	Work experience		Organization
					period	position	
1. Mr. Wisit Kanjanopas - Audit Committee Member/Independent Director.	59	- Bachelor of Laws, Thammasat University. - Thai Bar Association under the Royal Patronage. - Master of Laws, Chulalongkorn University. - Master of Laws, Monash University, Melbourne, Australia.	No	No	2019- present 2017-present 2009-present 2009-2011	Member of the Audit Committee /Independent Director/Director. Member of the Audit Committee/ Independent Director. Lawyers and Legal Counsel. Advisor.	- Shun Thai Rubber Gloves Industry Public Company Limited. - Pace Development Corporation Public Company Limited -W&S International Law Office, Bangkok. - Hutchison CAT Wireless Multimedia Co., Ltd.
2. Mr. Anuwat Maytheewibulwut - Chairman of the Audit Committee. - Independent Director	67	- Master of Business Administration, Chulalongkorn University.	0.746%	No	2019-2021 Present	Chairman of the Audit Committee/Independent Director. Director. Director.	- Shun Thai Rubber Gloves Industry Public Company Limited. - ALK International Co., Ltd.

Company Secretary

Name Position	Age (years)	Education/Training	Shareholding in the Company (%) (1)	Family relationships with Directors and management (2)	Work experience		Organization
					Period	Position	
1. Mr. Thana Eua wittaya Assistant Chief Executive Officer Company Secretary	52	<ul style="list-style-type: none"> - MBA in International Business Administration, Exeter University, United Kingdom. - Bachelor of Engineering (Mechanical), City University, United Kingdom - Company Reporting Program, CRP 21/2018. - Company Secretary Program, CSP 89/2018 - Director Certification Program, DCP 193/2014 - Director Accreditation Program, DAP 109/2014 - Financial Statements for Directors FSD, 22/2013 Thai Institute of Directors. 	No	No	<ul style="list-style-type: none"> 2019-present 2015-2017 2013-2014 2014-present 1994-2013 	<ul style="list-style-type: none"> Assistant Chief Executive Officer. Deputy Managing Director, Operations Group 1. Chief Executive Officer/Director. Director. General Manager. 	<ul style="list-style-type: none"> Shun Thai Rubber Gloves Industry Public Company Limited. Shun Thai Rubber Gloves Industry Public Company Limited. Shun Thai Rubber Gloves Industry Public Company Limited. Yoda Herbs (Thailand) Co., Ltd. Niji (Thailand) Co., Ltd.

Company Secretary's responsibilities

The Company Secretary shall perform his/her duties provided in Sections 89/15 and 89/16 of the Securities and Exchange Act (No. 4) B.E. 2551 (2008), effective from 31 August 2008, with a sense of responsibility, prudence, and integrity and in compliance with the law, the Company's objectives, and regulations, as well as resolutions passed by the Board of Directors and shareholders' meetings. His/Her legal duties are as follows:

1. Prepare and store the following documents:
 - Register of Directors.
 - Board of Directors' Meeting Invitations and Minutes and the Annual Reports of the Company.
 - Shareholders' Meeting Invitations and Minutes.
2. Keep the Interest Reports submitted by the Directors or management and send copies of the Interest Reports, under Section 89/14, to the Chairman of the Board of Directors and the Chairman of the Audit Committee within seven business days from the date when the Company receives the reports.
3. Take other actions as prescribed by the Capital Market Supervisory Board.

Other duties of the Company Secretary are as follows:

- Provide advice and conduct coordination and monitoring to ensure that the Board of Directors complies with the Company's objectives and regulations, resolutions passed by the Board of Directors and shareholders, as well as relevant legal requirements and rules.
- Conduct the Board of Directors' Meetings and Shareholders' Meetings.
- Provide orientation for, and give advice to, newly appointed directors.
- Recommend necessary and appropriate training courses to the Board of Directors.
- Coordinate with the Company's internal units to ensure their compliance with the resolutions passed by the Board of Directors and the Shareholders' Meetings and report correct and complete information to regulators and the general public as required by law.
- Ensure that the Company's treatment of all shareholders is equitable and fair, is compliant with the law, and strengthens a positive relationship with small shareholders.
- Serve as the central unit which coordinates matters among shareholders, directors, management, and all stakeholders.
- Perform other tasks assigned by the Company.

Attachment 2: Details about the Directors and Management in the Subsidiary

List of Directors and Executive Directors	Company (STHAI)	Subsidiary (NRE)
1. Mr. Ekachai Tangsajjatham	//	//
2. Mr. Chai Wattanasuwan	/	/

Remarks:

1. / = Director **X** = Chairman of the Board of Directors // = Executive Director
2. Related companies refer to legal entities which may have conflicts under the Notification.
3. STHAI refers to Shun Thai Rubber Gloves Industry Public Company Limited.
4. NRE refers to Northern. Renewable Energy Co., Ltd., from which Shun Thai Rubber Gloves Industry Public Company Limited acquired ordinary shares. Shun Thai Rubber Gloves Industry Public Company Limited invested in 3,136,000 ordinary shares of “NRE” with a par value of 100 baht per share, representing 48.25 percent of NRE’s paid-up registered capital.

Attachment 3: Details about Internal Audit and Compliance Supervisor**1) Internal Audit Supervisor**

Ms. Chananee Pantawee is holding the positions “Secretary of the Audit Committee” and “Internal Audit Manager,” appointed at the Audit Committee Meeting No. 5/2021 on Wednesday, 16 June 2021. The Audit Committee Meeting No. 8/2021, held on Wednesday, 15 September 2021, resolved to appoint Ascent Advisory Co., Ltd. to serve as the Company’s internal auditor between Q3/2021 and Q4/2021, as per the proposal for approval of the Audit Plan by the Audit Committee and evaluation of the adequacy of the Company’s internal control system under COSO 2013, Section 17, 2021, which included:

- (1) Environmental control.
- (2) Risk assessment.
- (3) Control activities.
- (4) Corporate Information and communication.
- (5) Monitoring.

Scope of work

- (1) Assess significant operational risks to develop the Company’s Internal Audit Plan.
- (2) Present the Internal Audit Plan for approval.
- (3) Review risk assessment, adequacy of the Company’s internal control system, and implementation of the principles of good corporate governance to determine the appropriateness of current operating conditions and future operational plans.
- (4) Conduct internal audits based on proposed and approved plans and conduct monitoring from previous Internal Audit Reports.
- (5) Present quarterly Internal Audit Reports to the management and the Audit Committee.

2) Compliance Supervisor

- No.

Attachment 4: Details about the Asset Valuation Report

In 2021, the Company did not conduct new asset valuation during the accounting period.

Attachment 5: Full Corporate Governance Policy and Business Ethics**Board of Directors' Announcement****No. ST07/2022****Subject: Corporate Governance Policy**
-----**1. Principles**

Shun Thai Rubber Glove Industry Public Company Limited is confident that a good corporate governance process will ensure its management which is efficient, effective, transparent, and auditable; upgrades its performance; builds trust and confidence among shareholders and other stakeholders and relevant parties, and helps it to achieve its paramount goals/targets by creating sustainable growth and prosperity for all its stakeholders in the value chain. Accordingly, the Company has established its corporate governance policy as its operational guidelines and framework, which are in line with the guidelines of the government regulators, Sustainable Development Goals (SDGs), and the United Nations Guiding Principles on Business and Human Rights (UNGPs).

2. Corporate Governance Policy and Goals

Shun Thai Rubber Glove Industry Public Company Limited recognizes the importance of good corporate governance as a key factor in ensuring fairness for its stakeholders and optimizing its operations to create sustainable growth and prosperity for all stakeholders in the value chain. Thus, the Company focuses on encouraging its operations to be in line with the principles of good corporate governance, with the following key goals:

- 2.1 Stay competitive and have good performance, taking into account its long-term impacts.
- 2.2 Conduct business with ethics, respect for rights, and a sense of responsibility to all stakeholders in the value chain of the business.
- 2.3 Be socially- and environmentally friendly.
- 2.4 Adapt to change factors.

3. Stakeholders in the business value chain**3.1 Shareholders and investors**

The Company recognizes its shareholders' legitimate rights by protecting their rights, facilitating the exercising of their rights, and ensuring that their rights are well protected and treated. The Company will not do any acts which violate or take away their rights. It has established relevant principles and practices, which state that it shall:

- 3.1.1 Ensure that its shareholders are treated well and properly within the scope of the law.
- 3.1.2 Ensure that its shareholders enjoy basic rights, such as the rights to:

- 1) Trade or transfer shares and tender offer by the Company on an equal basis.
 - 2) Enjoy shares of the profit of the undertaking on an equal basis.
 - 3) Receive adequate information about the undertaking.
 - 4) Attend meetings to exercise their voting right to pass resolutions on matters as follows:
 - (1) Nomination, appointment, or removal of individual directors to allow shareholders to exercise their right to elect their desired directors.
 - (2) Auditor nomination.
 - (3) Dividend allocation
 - (4) Formulation or amendment of the Company's Regulations and Memorandum of Association.
 - (5) Capital reduction or capital increase.
 - (6) Approval of special transactions.
 - (7) Other matters affecting the Company required by law.
- 3.1.3 Facilitate and encourage all shareholders' attendance at the shareholders' meetings by sending shareholders' meeting invites and documents.
- 3.1.4 Provide channels for communicating with shareholders and investors to provide them with information and answer their questions.
- 3.1.5 Organize shareholders' meetings.
- 1) Inform its shareholders of the rules and methods involved in attending the meetings.
 - 2) Provide its shareholders with sufficient information for consideration of respective agenda items timely before the meetings.
 - 3) Allow shareholders to ask questions to directors at the meetings and submit questions in advance.
 - 4) Prepare meeting minutes and disclosure of shareholders' meeting resolutions.

Equitable treatment of shareholders

The Company recognizes the ownership of all shareholders, including shareholders who are management, non-management, and foreign shareholders, and provides them with equitable and fair treatment. Accordingly, it has established relevant principles and practices, which state that it shall:

- 3.1.6 Ensure that its shareholders are well treated and enjoy the protection of their basic rights as mentioned in Section 2.1 on an equal basis.
- 3.1.7 Ensure the shareholder meeting process supports the equitable treatment of all shareholders.
- 3.1.8 Allow minority shareholders to nominate candidates to serve as directors timely in advance.
- 3.1.9 Allow shareholders who are unable to attend the meeting in person to exercise their voting right by proxy.
- 3.1.10 Allow minority shareholders to propose an additional agenda item in advance before the shareholders' meetings.
- 3.1.11 Provide measures for preventing any directors and management from exploiting internal information/data for abusive self-dealing, which involves taking advantage of other shareholders, e.g. insider trading and

disclosing internal information/data to individuals related to any directors or management which causes damage to shareholders as a whole.

- 3.1.12 Require directors and management to disclose information on their and related persons' interests to enable the Board of Directors to consider the Company's transactions which may involve conflicts of interest and to make decisions for the Company's interests – Directors and management who have interests in transactions conducted with the Company are not allowed to be involved in decision-making about the transactions.

3.2 Stakeholders in the business value chain

Stakeholders play a very important role for the Company, and the Company will provide an oversight system for key stakeholders, such as customers, receivables, creditors, partners, employees, communities surrounding the Company, society, the government sector, as well as other stakeholders, e.g. competitors and auditors. It has established relevant principles and practices, which state that it shall:

- 3.1.13 Treat respective groups of stakeholders while considering their rights under law or agreements with the Company.
- 3.1.14 Take no action that violates stakeholder rights.
- 3.1.15 Define the measures on compensation for stakeholders affected by the violation of the right.
- 3.1.16 Develop a stakeholder participation mechanism to enhance the Company's performance to ensure sustainable stability for the undertaking.
- 3.1.17 Disclose adequate, relevant key data/information to stakeholders to allow their efficient engagement.
- 3.1.18 Put in place the measures for whistleblowing to the Board of Directors on issues relating to illegal acts, inaccuracies of financial reports, impaired internal control systems, or unethical acts; and provide a mechanism for protecting the whistleblowers' rights.
- 3.1.19 Ensure social responsibility, particularly for matters which have a direct impact on the business, to result in its stakeholders feeling confident that the Company's business operations take into account environmental and social factors in sustainable development.

4. Disclosure and transparency

The Company recognizes the importance of disclosing information which is important to the decision-making of shareholders, investors, and other stakeholders, including financial and non-financial information, in compliance with the government's requirements. The information must be correct, complete, and transparent; be disseminated in a timely matter; be communicated through easy-to-access channels in an equitable and reliable manner. It has established relevant principles and practices, which state that it shall:

- 4.1 Ensure reporting of activities and policy compliance implemented by the Directors and Committee Members in the past year.

- 4.2 Provide a reliable, accurate, complete, and high-quality reporting system to ensure that shareholders and the third parties are confident that the data included in the Financial Reports are accurate, meet generally accepted accounting standards, and are audited by an independent auditor.
- 4.3 Provide a person responsible for providing data and information, conducting public relations, and answering questions asked by the shareholders, investors, and the third parties who will act with prudence.
- 4.4 Assign a unit or an individual to be responsible for “**investor relations**” to communicate with the third parties, such as shareholders, institutional investors, general investors, analysts, and relevant government bodies, in an equitable and fair manner.

- 4.5 Provide the opportunities to meet the Company’s management as appropriate under the principle that the provided data/information is already publicly available.

5. Board of Directors’ responsibilities

The Board of Directors plays a key role in corporate governance to achieve the Company’s maximum interest and sustainable growth and prosperity for all stakeholders in the business value chain with prudence. It has established relevant principles and practices, which state that the Board of Directors shall:

- 5.1 Have leadership, vision, and independence in decision-making in the best interests of the Company and all stakeholders.
- 5.2 Provide a clear system for separating roles and responsibilities between the Board of Directors and management.
- 5.3 Ensure that the Company has a working system that ensures that the Company’s activities are carried out in a lawful and ethical manner.
- 5.4 Consists of directors equipped with a wide range of qualifications, including skills, experience, and specialized abilities which benefit the Company and dedication of time and effort to perform duties to strengthen the Company’s Board of Directors.
- 5.5 Ensure a process for nominating candidates for the shareholders’ meetings to elect which is transparent, free from the influence of dominant shareholders or management, and create confidence among the third parties.
- 5.6 Put in place committees to assist in the study and screening of work as necessary, especially in cases requiring impartiality in diagnosis and formulating policies, roles, responsibilities, and processes, e.g. conducting meetings and reporting to the Board of Directors.
- 5.7 Understand the Directors’ duties and responsibilities and the nature of the Company’s business and be ready to express opinions independently.
- 5.8 Perform self-updates constantly.
- 5.9 Act with integrity and prudence while considering the Company’s best interests and fairness to all shareholders and stakeholders and obtaining accurate and complete information; dedicate sufficient time for responsibility fulfillment; and attend all board meetings, except for cases with special reasons.

- 5.10 Not approve remuneration for directors but provide a transparent remuneration process and seek approval of the shareholders, with the level and composition of remuneration being appropriate and sufficient for incentivizing and retaining directors with desired qualifications while avoiding excessive remuneration.

This announcement is effective from 30 March 2022.

Announced on 30 March 2022



(Mr. Chakan Sangkraksawong)

Chairman of the Board of Directors

Shun Thai Rubber Glove Industry Public Company Limited

Announcement of the Board of Directors

No. ST09/2022

Subject: Practices in Business Conduct and Ethics of Directors, Management, and Employees

1. Introduction

Amidst intense business competition, to allow Shun Thai Rubber Glove Industry Public Company Limited to enjoy success in its business operations gracefully, it not only aims for business success but also takes into consideration the processes which affect business success. It is aware of the ethics of its personnel as a key foundation for supporting and upgrading good corporate governance, ensuring stable and sustainable business growth, and allowing the Company to achieve its business objectives.

2. Persons in charge

Those who are obliged to follow the codes of conduct and ethics include directors, management, employees, and advisors, as well as those acting or those assigned to act on behalf of the Company or the persons mentioned above.

3. Basic principles

Basic principles of the codes of conduct and ethics:

- 3.1 Perform duties with integrity, virtue, and responsibility.
- 3.2 Maintain confidentiality and don't exploit internal or confidential data/information for yourself or others illegally.
- 3.3 Prevent or avoid any actions which may lead to conflicts of interest.
- 3.4 Act like professionals equipped with knowledge, expertise, and prudence.

4. Codes of Conduct and Ethics

The Company's personnel, including directors, management, employees, advisors, and those acting or those assigned to act on behalf of the Company or the persons mentioned above, shall adhere to the Codes of Conduct and Ethics as follows:

4.1 Conduct and behavior

- 1) Perform duties in accordance with laws relevant to the Company's business operations, objectives, regulations, principles of corporate governance, and shareholders' meeting resolutions.
- 2) Study and seek knowledge and experience to make yourselves knowledgeable and capable to ensure more efficient and effective performance.

- 3) Adhere to virtue and seek no titles, merit, or other benefits in a wrongful way from the supervisor or any other person.
- 4) Refrain from all vices and drug substances, and don't behave in a way that can cause you and the Company disgrace and defamation; for example, don't have a heavy debt burden, don't be obsessed with all types of gambling, and don't be involved with all kinds of drug substances.
- 5) Don't pursue a career or profession or take any act that will affect your or the Company's, performance or reputation.
- 6) Avoid financial obligations with individuals conducting business with the Company or between employees, which refer to lending, borrowing, solicitation, and collection of money, shares, etc.; and avoid charitable and public events.
- 7) Don't seek unlawful interests, directly or indirectly.
- 8) Don't take any action in the way that it manages other companies and then undermines the Company's interests or favors any person or entity, whether for your own interests or others' interests.
- 9) Maintain and create harmony.

4.2 Treatment of colleagues

- 1) Strengthen teamwork through cooperation and mutual assistance for the Company's interests and common interests.
- 2) Treat colleagues with politeness, kindness, and good human relations, adapt to working with others and don't hide information needed for colleagues' work.
- 3) Respect others without taking credit for their work.
- 4) Behave in the way that your subordinates respect you, be a role model for your subordinates, and be polite to your subordinates and colleagues at all levels.
- 5) Treat your supervisors with respect.
- 6) Listen to your supervisors' instructions – Act under your immediate supervisor's instructions unless you are given instructions by the supervisor above your immediate and be polite to employees and colleagues at all levels.
- 7) Avoid disclosing and criticizing personal or professional information/data or stories of other employees in a way that will damage them or the corporate image.
- 8) Don't commit any immoral acts or conduct sexual harassment against other employees, which will result in trouble, annoyance, discouraging, adversarial, or aggressive work environment, and unreasonable disturbance to other employees' work, including molestation, and obscenity, sexual abuse, verbally or physically.

4.3 Treatment of the Company

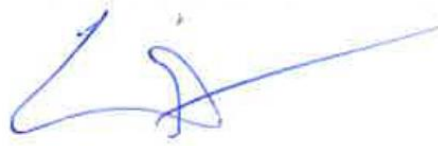
- 1) Perform duties with a sense of responsibility, integrity, and determination; dedicate physical and intellectual strength to work, and comply with the Company's regulations and policies, values, and traditions by taking into account the Company's interests as a priority.
- 2) Perform duties in accordance with the occupational health, safety, and environmental policy.
- 3) Strictly keep secrets of the Company and its customers and partners confidential and be careful not to let the Company's confidential documents or information leak to irrelevant persons, which may cause damage to the Company.
- 4) Refrain from defaming or acts leading to disunity or damage within the Company or related persons.
- 5) Maintain your dignity while making yourself accepted within the Company.
- 6) Establish positive relationships through cooperation with society, community, government agencies, and related organizations while informing employees at all levels to perform their duties prudently to ensure the Company's interests and common interests.
- 7) Pay attention to, and take any action that will result in the protection of the working environment and atmosphere and corporate development to achieve excellence.
- 8) Avoid offering and/or accepting articles or avoid accepting any entertainment or any benefits from partners or persons related to the Company's business, except for legitimate benefits from the Company's business operation or those offered in reference to festivals or customs, at a reasonable value, whose recipients should consider. If a cash or non-cash gift offered is worth more than three thousand baht, refuse to accept it and return it.
- 9) Do not engage in any acts or conceal any acts that may cause a conflict of interest with the Company or engage in concealing any illegal acts.

4.3 Treatment of customers, partners, or competitors

- 1) Treat customers, partners or competitors with a positive understanding and cooperation.
- 2) Offer high-quality services to customers with warm friendship and generosity.
- 3) Exercise reasonable caution when giving advice or deciding to take any action on behalf of customers while taking into account appropriateness.
- 4) Protect shareholders' interests.
- 5) Support social missions at the right opportunities and participation in activities for public interests, education, and country advancement.

This announcement is effective from 30 March 2022.

Announced on 30 March 2022

A handwritten signature in blue ink, consisting of several loops and a long horizontal stroke extending to the right.

(Mr. Chakan Sangkraksawong)

Chairman of the Board of Directors

Shun Thai Rubber Glove Industry Public Company Limited

Attachment 6: Report from the Audit Committee

Dear Shareholders of Shun Thai Rubber Glove Industry Public Company Limited

The Audit Committee of Shun Thai Rubber Glove Industry Public Company Limited consists of three independent directors who are qualified in finance, accounting, law, and management. They possess complete qualifications specified in the requirements of the Securities and Exchange Commission and the Stock Exchange of Thailand. They are not the management of the Company and are independent in performing duties specified in the Audit Committee Charter. The composition of the Audit Committee is as follows:

1. Mr. Teerawit Thanakitsunthorn, Chairman of the Audit Committee and Independent Director.
2. Dr. Chakan Sangkraksawong, Member of the Audit Committee and Independent Director.
3. Mr. Chatchawas Sethaluck, Member of the Audit Committee and Independent Director.

(Taking office on 27 January 2022).

Remarks: Mr. Anuwat Maytheewibulwut resigned from the positions “Member of the Audit Committee” and “Independent Director” on 5 November 2021.

The Internal Audit Manager acts as the Secretary of the Audit Committee.

The Audit Committee performed their duties and responsibilities as prescribed in the Audit Committee Charter. In 2021, they convened 11 meetings, with details outlined below:

- **Review of financial reports**

The Audit Committee reviewed and considered the Company’s and its subsidiaries’ quarterly and annual financial statements for the year 2021 together with the Company’s auditors and related management to give clarifications and make inquiries in relation to the accuracy, completeness, key accounting policies, updates to key transactions which affected the financial statements, and adequate disclosure. They presented them to the Board of Directors to ensure that the Company prepared proper financial statements in accordance with financial reporting standards.

The Audit Committee was of the opinion that the Company’s financial statements ending on 31 December 2021 demonstrated the Company’s financial position and performance, which were correct and complete as they should be, reliable, and beneficial to users of the financial statements.

- **Review of internal control and internal audit systems**

The Audit Committee reviewed the Company’s internal control and internal audit systems and approved the assessment of the adequacy of the internal control system to achieve an appropriate level for business operations, support for the internal audit unit and internal auditor to be independent, reporting directly to the Audit Committee, and review of the Annual Audit Plan with the internal auditor to ensure that the performance was in line with the approved Annual Audit Plan. The Audit Committee Meeting No. 8/2021, on Wednesday 15 September 2021, selected and hired Ascent Advisory Co., Ltd. to serve as the Company’s Internal Auditor between Q3/2021 and Q4/2021. In relation to the results of the audit in 2021 conducted by the Internal Auditor, the management took corrective actions to the internal control and internal audit systems based on the recommendations provided by the Audit Committee and Internal Auditor to ensure that the Company had appropriate and effective internal control and internal audit systems.

- **Review of risk management**

The Board of Directors recognized the importance of corporate risk management and always reviewed the guidelines for risk management to ensure that risk management was in line with existing situations of business and was effective and efficient. The Board of Directors resolved to appoint the Risk Management Committee (RMC) at the Board of Directors' Meeting No. 9/2021, held on Wednesday, 15 September 2021. It also assigned the RMC and management to jointly ensure the assessment of corporate risks which might affect the Company's business operations and jointly develop the Risk Management Plan. The RMC resolved to select Altima Advisory Co., Ltd. to serve as an advisor on the placement of a system under the framework of enterprise risk management (ERM). The Audit Committee continued to communicate with the RMC to monitor risk management reviews to ensure that they were effective by means of reviews of the internal control and internal audit systems.

- **Review of related party transactions and connected transactions**

The Audit Committee attached great importance to reviews of related party transactions, connected transactions, or transactions that might involve conflicts of interest of the Company and its subsidiaries to ensure that they complied with the Securities and Exchange Commission's and the Stock Exchange of Thailand's Notifications. The Audit Committee was of the opinion that in 2021, the Company complied with the general trade conditions, which was fairness, reasonable, was in the best interest of the Company.

- **Good corporate governance**

The Audit Committee reviewed compliance with the laws on securities and stock exchange, requirements of the Stock Exchange of Thailand, and other laws pertaining to the Company's business operations. The Audit Committee was of the opinion that during 2021, the Company complied with the laws on securities and stock exchange, requirements of the Stock Exchange of Thailand, and other laws relating to the Company's business operations.

- **Consideration of appointment of auditors and their remuneration**

The Audit Committee selected auditors and their remuneration based on their qualifications, knowledge, competence, reliability, independence, audit experience, as well as the remuneration rate for audits and performance over the past year. They also checked if their qualifications met the requirements provided by the Securities and Exchange Commission. They resolved to propose the candidates to the Board of Directors for consideration and approval at the Annual General Meeting of Shareholders.

In conclusion, the Audit Committee was of the opinion that the Company prepared correct and reliable financial reports, published adequate disclosures on related party transactions, put in place risk management, were equipped with proper and effective internal control and internal audit systems, as well as had good corporate governance. The Company continued to focus on achieving its goals of repossession the qualifications to resume trading (resume stage) to maximize shareholders' interests.

On behalf of the Audit Committee

Shun Thai Industrial Rubber Gloves Public Company Limited



(Mr. Teerawit Thanakitsunthorn)

Chairman of the Audit Committee