



Annual Registration Statement / Annual Report **2022** (56-1 One Report)

Polynet Public Company Limited

Contents

Message of the Board of Directors and Chief Executive Officer	4	
Vision and Mission	6	
Company's General Information	7	
Financial Highlight	8	
Part 1 Business operation and performance	9	
Organizational structure and operation of the group of companies	10	
Risk Management	45	
Business sustainability development	55	
Management Discussion and Analysis: MD&A	66	
General information and other material facts	77	
Part 2 Corporate Governance	78	
Corporate governance policy	79	
Corporate governance structure and significant information related to the Board of Directors, subcommittees, executives, employees and others	89	
Corporate Governance Performance Report	107	
Internal control and related party transactions	118	
Part 3 Financial Statements	134	
Attachments		
Attachment 1	Attachment 1: Details of directors, executives, controlling persons, the person assigned to take the highest responsibility in Accounting and Finance, the person assigned to take direct responsibility for accounting supervision	181
Attachment 2	Details of the directors of subsidiaries	190
Attachment 3	Details of the Heads of the Internal Audit and Compliance	192
Attachment 4	Details of asset appraisal	195
Attachment 5	Corporate Governance Policy and Code of Conduct	197
Attachment 6	Audit Committee Report	199

Message of the Board of Directors



“ For more than 20 years, the company has initially operated by adhering to the principles of outstanding governance and sustainable development regarding environmental and social responsibility.”

2022 is an important step for the company to enhance confidence, enhance potential and expand competitiveness to make the company develop its business steadily and sustainably in the future. Furthermore, the company has prepared to be listed on the Stock Exchange of Thailand (SET).

In the past 20 years, the company's operation is based on the principles of suitable governance and sustainable development, while taking into account its responsibility for the environment and society. It is also committed to developing and operating its business to ensure its continuous and stable growth for the benefit of all stakeholders.

On behalf of the Board of Directors, I would like to thank all shareholders, customers, financial institutions, partners, and stakeholders, including employees and executives who are committed to supporting the company's operations to achieve business objectives. In this regard, the company will continue to be committed to developing the organization to make it more stable, sustainable, and better internationally.

Mr. Chaiyaporn Nitaswarakul
Chairman of the Board of Director

Message of Chief Executive Officer



“
**All Stakeholders
Grow Together**
”

In 2022, the economy began to recover with the full-scale reopening of the country since the middle of the year, following the alleviation of the COVID-19 pandemic situation. The vaccination rate increased, and many countries lifted their travel restrictions. In Thailand, the country was able to fully reopen since the middle of the year 2022, resulting in a gradual recovery of economic activities in the country. Based on various events and experiences, the online polls have adapted to the economic situation, including aspects such as cost, customers, management, and productivity knowledge. However, for POLY, the most significant factors are its “vision and determination” to enable all stakeholders to grow steadily and sustainably.

On November 16, 2022, the company's has registered to the Stock Exchange of Thailand resulting in significant interest from new business partners keen on investing in the company. This development is seen as a positive sign that enhances the company's potential for business expansion.

On this occasion, the board of directors would like to express our gratitude to shareholders, partners, customers, and business allies, as well as all the management and employees who have supported the company's operations over the years. The company will continue to operate with good management principles, exercising caution, taking social and environmental responsibility, in order to maintain sustainable and steady growth.

Mrs. Kanchana Laowrattana
Chief Executive Officer

Vision

We are an innovative company, continuously developing and improving our manufacturing techniques to create quality products at a fair price. Our commitment is to become one of the top three manufacturing companies in the fields.

Mission



To uphold high quality standards in every process to ensure the best quality products.



To create robust systems that allow our employees to excel in their work.



To develop innovation and consolidate the management system to provide quality products that meet the needs of our consumers.

Company's General Information

Company's Name	POLYNET PUBLIC COMPANY LIMITED ("POLY")
Company's Registration	0107565000212
Business Type	Molding, manufacturing, and distributing products related to rubber, plastic, and silicone mold for the automotive industry, tools, and medical devices and goods.
Head Office and Plant 1	888 Moo 11, Bangsaotong, Bangsaotong, Samutprakan 10570
Plant 2	124 Moo 4, Bangsaotong, Bangsaotong, Samutprakan 10570
Telephone	0-2397-9094
Website	www.polynet.co.th
Registered Capital	450,000,000 Baht
Paid-up Capital	450,000,000 Baht
The par value of each share	1 Baht
References	<p>Securities Registrar Thailand Securities Depository Co., Ltd. No. 93, 14th Floor, Ratchadapisek Road, Din Daeng, Bangkok 10400 Telephone: 0-2009-9999</p> <p>The Auditor PricewaterhouseCoopers ABAS Co., Ltd. 179/74-80 Floor 15th Bangkok City Building, South Sathorn Road, Tungmahamek, Sathorn, Bangkok 10120 Telephone: 0-2844-1000 Fax: 0-2264-0789</p>

Financial Highlights

Statement of financial position

Unit: Million Baht

Statement of financial position	2020	2021	2022
Total Assets	944.5	1,134.9	1,692.9
Total Liabilities	478.2	547.7	489.6
Total Equity	466.3	587.2	1,203.3

Operation results

Unit: Million Baht

Operation results	2020	2021	2022
Revenue from sales	522.7	786.1	1,082.3
Cost of goods sold	422.3	563.8	813.0
Gross profit	103.2	222.3	269.2
Selling expenses	12.0	12.9	13.8
Administration expenses	49.5	56.5	64.3
Net profit	21.8	120.9	161.7
Basic EPS	0.07	0.37	0.47

Financial ratios

Unit: Million Baht

Significant financial ratio	2020	2021	2022
Gross profit margin	19.2%	28.3%	24.9%
Net profit margin	4.2%	15.4%	14.9%
Debt per equity ratio	1	0.92	0.4
ROA	2.4%	11.6%	11.4%
ROE	4.8%	23.0%	18.1%
Current ratio	0.6	0.8	2.8

PART 1
BUSINESS OPERATION AND
PERFORMANCE

Organizational structure and operation of the group of companies

Policy and Overview of Business Operation

Polynet Public Company Limited (“Company” or “POLY”) was established on June 28, 1999 by Mr.Srichai and Mrs.Kanchana Laworattana, to produce and sell molds for the rubber industry. In 2011, the company saw the growth opportunity of rapid growth molding business. Therefore, They have become the manufacturer and distributor of rubber and plastic molding in automotive parts. The main customers are Thai automotive parts manufacturers. In the past 20 years, the company has an expertise and a good understanding of the auto parts industry to reduce the risk of fluctuations in the automotive industry. Moreover, the management’s vision is to enter other industries with high growth prospects. In 2019, the company expanded its rubber parts, plastic, and silicone molding for medical equipment and rubber, plastic, and silicone molding for consumer goods responding to the trend of people who love health and saving the world.

The company has passed several quality and management standards certifications to build customer and consumer confidence in the products, such as: ISO9001 quality management system standard, ATF16949 automobile industry quality management system certification, and BSI ISO 13485 Medical device quality management system certification, etc. In addition, the company attaches importance to environmental protection. ISO14001 environmental management system standard and ISO 14064-1 greenhouse gas measurement and reporting standard certification build consumer confidence that all processes have passed the greenhouse gas emission assessment test.

At present, the company produces and sells rubber, plastic, and silicon molding products, which can be divided into the following industries:

1. **Automotive parts industry**, such as rubber air hose, dust rubber, shockproof rubber, wire hose, glass edge rubber, etc.
2. **Medical devices industry**, such as silicone sleeves, silicone valves, silicone tubes, respirators, nasal intubation, sperm conductors, oxygen masks, sanitary cups, surgical medical equipment parts, etc.
3. **Consumer products industry**, such as food silicone bags, packaging rubber seals, and electrical components (such as Silicone Cap Heaters, Steam drain rubber for rice cookers, etc.

Vision Mission Strategy

Vision

We are an innovative company, continuously developing and improving our manufacturing techniques to create quality products at a fair price. Our commitment is to become one of the top three manufacturing companies in the fields.

Mission

- To uphold high quality standards in every process to ensure the best quality products.
- To create robust systems that allow our employees to excel in their work.
- To develop innovation and consolidate the management system to provide quality products that meet the needs of our consumers.

Objectives and strategies

Business strategy

The company provides a one-stop service from mold design, and formula development to molding. Our goal is to meet all the needs of customers to diversify the risk of relying on the income of specific industries, the company expands its business to other growing industries and has a high demand for products in this industry. Therefore, the company began to expand its business and manufacture molded products for the medical device and consumer goods industry. Consumption. The goal is to expand the income ratio of the two industries to match the income ratio of the automotive industry.

Production strategy

The company focuses on the production of various products, including rubber, plastic, silicone resin, and sponge, including the integrity of injection molding, compression, and extrusion technology. The size of the (extrusion) machine varies from 50 tons in small size to 650 tons. In addition, the company is committed to developing a product design and patented production formulas for copyright, including the use of automation technology in production to improve speed and efficiency.

Human resources strategy

The company supports and drives the organization of learning by establishing a learning center to be a center for training basic knowledge that is necessary for employees from starting to work and during work by determining the knowledge and skills of personnel that is necessary for work. In this regard, employees will develop through internal and external training and other non-training methods, such as conducting effective training, guidance or self-study according to the training roadmap of each employee, and annual training plan, including providing facilities in various fields to promote a good working environment for employees, such as canteen, parking lot and entertainment area (such as football field, fitness room, and snooker table)

The company focuses on proactive work and selects talents in the organization by selecting tools. The main tool is to measure the past performance of employees to assess their potential and the appropriateness of their current positions. Potential employees will be selected as representatives or successors of senior management, including increasing external recruitment from outside.

Major Changes and Developments

- 1999** Established with a registered capital of THB 1,000,000 for the production and sale of molds for the rubber industry.
- 2001** The registered capital was increased to THB 5,000,000 offering to existing shareholders.
- 2008** The registered capital was increased to THB 30,000,000 offering to existing shareholders.
- 2009**
 - Began to expand mold making factory.
 - Built the new factory covers an area of 840 square meters, located in Bangsaotong District, Samutprakan. (Plant 1)
 - ISO 9001 quality management system certification
- 2010** Transformed core business into rubber and plastic molding in the automotive industry. IATF16949 Automotive Industry Quality Management System Certification
- 2011** Built and installed machinery for mixing rubber compounds, which are raw materials for automotive manufacturing and molding
- 2012** The registered capital was increased to THB 200,000,000 offering to existing shareholders.
- 2015** Obtained ISO 14000 environmental management certification
- 2017**
 - June: increase the registered capital to THB 330,000,000 offering to existing shareholders.
 - October: Entire business transfers from Hi-Tech Elastomer Co., Ltd. Under common control (The main shareholders are: Mr. Srichai and Mrs. Kanchana) to POLY. The main assets were factories and machines, located in Bangsaotong District, Samutprakan (Plant 2)
- 2018** ISO 13485 quality management system for the medical device industry certification. Bought additional adjacent land to prepare for the construction of additional production buildings.
- 2019** March: Clean room and Control room were built to support production, increasing medical equipment and consumer goods demand
The second quarter: Began to produce medical equipment parts and consumer goods in both types, silicone and plastic

- **2020** The company became the First Tier of an automotive manufacturer by directly producing parts for car maker companies. At that time, it is still in the early stage, so this part of revenue is not large.
- **2021** Purchased additional land in Plant 1 to prepare for the construction of POLY's mold making factory. Move all molds and mold production parts out of the production area of plant 1 for distribution for the new production line to meet the growing customer demand
- **2022**
 - February: passed ISO14064-1 quality inspection and Greenhouse gases report
 - March: (1) Transformed to a public company limited
(2) Increase the registered capital to THB 450,000,000 with a par value of THB 1 per share.
(3) Dividend payment in a total amount of THB 234,135,000
 - November: listed on the Stock Exchange of Thailand on November 16, 2022
 - As of December 31, 2022, the registered and paid-up capital of the company was THB 450,000,000 The Laowrattana family holds 78.44% of the shares, and the rest 21.56% is held by the public domestically and internationally.

The company issued 120 million new common shares (IPO) for the first time from November 9th to 11th in 2022. Each share will be 6.80 Baht, with a total capital increase of about 785.1 million baht. After deducting the expenses related to the issuance of new shares, as of December 31, 2022, about THB 3.705 million

Expenses Objectives	The expenses expected to be spent by purpose	Amount spent until December 31, 2022	Remaining
To repay the loan from financial institutions that are not related to that financial advisor and/or manager of distribution and sales insurance	320.0	310.6	9.4
To be used as working capital in business operations	370.0	60.5	309.5
To be used for investment in expansion projects factory and additional investment in machinery	95.1	43.5	51.6
Total	785.1	414.6	370.5

Business Operation Characteristic

Original equipment manufacturers (OEMs), and sell rubber, plastic, and silicone molding according to customer needs that are 3 main industries: automotive, medical devices and consumer products which the company has knowledge and expertise in molding products well from the design and manufacture of molds, invention, research and development of raw material formulas as well as molding workpieces into products.

Revenue structure

As of December 31, 2019, to the fiscal year 2022, the company's main revenue structure is classified by customer industry, and is summarized as follows:

Industry income	2020		2021		2022	
	Million Baht	%	Million Baht	Million Baht	%	%
Sales revenue						
Automotive	329.1	62.9%	484.0	61.5%	559.2	51.6%
Consumer Products	104.6	20.0%	198.2	25.2%	394.6	36.4%
Medical Devices and Equipment	89.0	17.0%	103.9	13.2%	128.5	11.9%
Total sales revenue	522.7	99.9%	786.1	99.9%	1,082.3	99.9%
Other income ¹	0.5	0.1%	1.0	0.1%	1.4	0.1%
Total revenue	523.2	100.0%	787.1	100.0%	1,083.7	100.0%

¹ Other income includes waste sales income and interest income. Most of the company's revenue (more than 90% of its total revenue) comes from domestic sales, and the main overseas revenue comes from the United States.

Product and service information

Product characteristics

The company produces rubber, plastic, and silicone molding products according to customer requirements. The company's main customer groups include three industries: automotive, medical equipment, and consumer products. The details of products by industry are as follows:

Automotive Industry

The auto parts produced by the company can be divided into two categories: internal parts and external parts. The 2 parts of the product life cycle are different according to the change in external components. According to the exterior part appearance change, it should be replaced every 4-5 years, while the internal components of the engine should be replaced every 10 years according to the changes of new models. The maximum sales volume will be between 2-5 years after 10 years. The release and sales of new models will gradually decline until the next model is released 10 years after the release of new models. These cars will become obsolete, and these auto parts will be produced to replace 10 replacement parts.







Most companies are OEMs (original equipment manufacturers). The product parts include rubber parts, plastic and silicone resins, depending on each type of application, which required different molding material properties, such as oil resistance, water resistance and heat resistance, etc. The parts currently produced by the company include automotive parts in the following systems:

- Safety systems, such as airbag cover, harness and silicone valve.
- Heating, cooling and ventilation system components, including air filter
- Engine components, including air delivery joint
- Vibration systems, such as dustproof rubber, stable rubber, ductile iron and shaft sleeve.
- Braking system: rubber dust brake
- Exhaust system, including exhaust hanger
- Bumper, fender and rubber cover, such as conduit, rubber pad, door and fender.

Medical Devices and Equipment Industries

According to the development of new products, the product life cycle of medical equipment components is usually 15-20 years. The development of each medical device and equipment takes a long time to produce and develop when new technology replaces the original products. The medical equipment, produced by the company is composed of silicone resin and plastic components. Our components include silicone sleeve, silicone valve, silicone hose and breathing hose, nasal intubation, sperm conductor, oxygen mask, sanitary cup and medical equipment parts for various operations

Sample of silicone part

Breathe Pillow Entrainment interface (Elastomeric Pump)	Oxygen Generator
 <p>Source: Bbraun</p>	<ul style="list-style-type: none"> • Silicone breathing tube  <ul style="list-style-type: none"> • Nasal pillow
Sperm guide to enhancing fertility opportunities	The Menstrual Cup for menstruation
	

Sample of plastic part



Syringe locks (Q-FLO, Q-LOCK) to reduce the risk of direct contact with drugs.



Consumer Products Industry

The consumer parts, produced by the company include rubber, silicone and plastic parts, such as rubber on the surface of basketball and packaging rubber seals, bulb rubber seals, silicone food bags, the steam drain of a rice cooker, tea strainer, bottle cover and food box cover, etc. Generally, the product life cycle of consumer product parts is about 10 years.

Sample of Rubber part

Basketball surface rubber seal	Packaging rubber seal
	

Sample of Silicone part

Silicone food pouches	
	

Sample of Plastic part



About products and services

Customer Acquisition Strategy

The company believes that maintaining product standards will bring confidence to existing customers, leading to the mutual recommendations. There are many new customers from this way. In addition, the company continues to carry out marketing through domestic and foreign exhibitions to show our ability in product molding.

Customer Relationship Strategy

Since the company's business is business-to-business (B2B), the company focuses on maintaining relationships with customers. The company provides a lounge for each customer and provides consulting and innovation space. We also develop products together with the company's research team and engineers, and believe that we can fully meet the needs of customers in terms of quality value, punctual delivery and good service which will enable customers to have confidence and trust in the company, and regard the company as the primary task. Therefore, there is an opportunity to produce various products and grow steadily from the existing customer base

Product Development Strategy

The company has many years of professional knowledge in the automotive industry and is equipped with a team of mold design engineers, raw material formula team and a molding design engineer team. The company opens for joint ventures with small enterprises (start-ups) with high potential for product research and development to improve the potential of developing products to meet the needs of the company's customers, not limited to customers in the automotive industry, consumer goods and medical equipment industry. The company is also committed to developing products to meet the needs of customers in the industry who want to use rubber and silicon parts with high growth trends, such as electricity and energy.

Pricing Strategy

The company implements a cost-plus pricing strategy based on the unit cost of raw material consumption and labor costs, the production time, packaging and transportation costs. They will be taken into account the sales price, gross profit rate and order quantity. The company will send the details of raw materials, production methods and unit prices to the customer before approving the production order of the automotive customer. The company and customers will consider the product price every 3 months to meet the current price of raw materials. For medical

equipment and consumer product customers, when the price of raw materials rises, the customer will be notified 1 month before the unit price adjustment.

Customer Characteristics and Target Customers

The company is an OEM contractor, and more than 90% of its customers are Thai companies. Each customer group has different product use modes, as shown below:

Customer Group	Product Use Mode
1. Automotive industry	
Automotive companies	automotive companies assemble the parts produced by the company into cars for sale to the end users.
Automotive part manufacturer Tier-1	an auto parts manufacturer Tier-1 assembles the parts produced by the company into another auto part to deliver them to another automotive company.
Automotive part manufacturer Tier-2	an auto parts manufacturer Tier-2 assembles the parts produced by the company into auto parts and delivers them to the manufacturer Tier 1
2. Medical device and equipment industry	
Medical equipment manufacturing and distribution company	medical equipment manufacturing company imports silicone parts or plastic molding from the company to assemble them into a medical device, such as a silicone sleeve, for assembling into a blood vessel solution control device (Elastomeric Pump), etc., focusing on innovative companies or start-ups that focus on producing innovative products. This will help the system improve the quality of life of patients and improve the efficiency and accuracy of treatment.
The company sells medical equipment	the company sells medical equipment directly sells molded products to consumers, such as infertility sperm guides, etc.
3. Consumer Products Industry	
The company produces and sells consumer products	the company uses its rubber, silicone or plastic molded parts to assemble electrical appliances, packaging boxes and other products
The company sells consumer good	the company directly sells its molded product to consumers, such as silicone food bags (Silicone Pouch), etc.

Remark: POLY's main customers in the automotive industry are the first-tier auto parts manufacturers. In the medical device industry and consumer product industry, the customer group is distributed between manufacturing and distribution companies and distribution companies.

Sales and Distribution Channels

The company deals directly with the customer company by the use of the sales personnel and marketing personnel coordinating with customers from contacting customers to after-sales service. The company also has a learning center as a channel to show products and provide knowledge to interested customers.

Industry Overview and Manufacturing Trends

Global Economy

In 2022, the global economy is gradually recovering from COVID-19 and gradually returning to normal. In January 2022, the International Fund (IMF) predicted that the global economy would grow by 4.4% in 2022. In Advanced Economies (Aes), such as the United States, the United Kingdom and Europe, there are relatively good economic growth rates from the high vaccination rate and the government's economic stimulus. This benefit has been passed on to the export-dependent countries, for example, Mexico, Vietnam and Thailand. However, the world still faces problems that have a negative impact on the economy, including:

1. The shortage of supply chain links, especially semiconductors, which is a key component in many industries. Due to the different recovery rates of each country, there is an imbalance between demand and supply. However, the Bank of Thailand (BOT) is expected to ease in the second half of 2022. In recent years, semiconductor supply may increase due to capacity expansion and investment in new factory construction.

2. As many countries are able to control COVID-19, the shortage of containers in the transport sector may continue to improve.

3. The tension between Russia and Ukraine has led the global crude oil price to the highest level since 2008 and pushed commodity prices up, causing global inflation risk. The future direction of this situation depends on two factors: the extension of war and international sanctions which will affect trade and transportation, energy, prices, income and money markets.

Thai Economy

The Bank of Thailand (BOT) said that the Thai economy might gradually recover like the global economy. Thailand's economic growth rate is expected to be about 3.9%, supporting the following factors:

1. People have been vaccinated more, so they do not have to take broader epidemic control, it will restore normal life. The consumption, investment and business expenditure has increased.

2. The export sector continues to grow due to the recovery of global demand

3. The economic stimulus measures and the economic reinforcement of the government economy, including consumers and entrepreneurs. However, The Thai economy still faces the same problems as the global economy. Supply chain disruption affected the earlier rise in commodity prices and the indirect impact of the conflict between Russia and Ukraine on the rise of commodity and energy prices. This includes the slowdown recovery of the tourism industry, which has a relatively small direct impact on exports, imports and investment of Russia and Ukraine.

For the export investment, Thailand is facing more and more environmental protection challenges, which will become a condition of the global trade structure. The United States and Europe have implemented stricter environmental policies and promulgated import control laws focusing on carbon footprint. China has also issued measures to control greenhouse gas emissions. Thai entrepreneurs exporting products must be prepared to adapt to the changes in products that require more environmental considerations.

Competitive Conditions

Thailand's rubber and plastic molding competition is very fierce because there are many manufacturers from small to large. Major manufacturers have advantages in terms of production capacity and sales price. However, due to the benefits of economies of scale, for high-tech manufacturers, it also has complex molding technology. In terms of workpiece pricing, there are still a small number of advantages, which can obtain better profits than low-complexity workpieces. There are many manufacturers of silicone in the high-density rubber market, while liquid silicone rubber manufacturers are rare because it is very complex in the process of raw material mixing, mold manufacturing and molding is. Therefore, compared with solid silicone molding, liquid silicone molding has lower market competition.

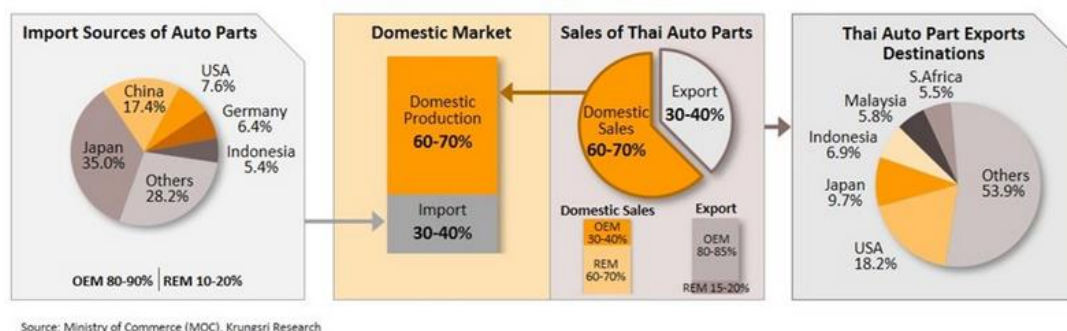
POLY is considered as a large parts manufacturer with high production capacity and can meet the needs of various customers. We also specialize in mold design and manufacturing, formula research and development and manufacturing technology. Therefore, POLY with the advantages of producing low-complexity parts and high-complexity parts, then POLY can meet the needs of customers of various types and industries.

Automotive Parts Industry

Due to the COVID-19 outbreak situation, the auto industry and auto parts industry was affected by the decline in purchasing power and the decline in the automotive cycle. 2020 is a challenging year for entrepreneurs. However, from 2021 to 2022, KrungSri Research expects that domestic auto production will recover by 3-4, consistent with the global economic recovery. In 2021, Thailand's auto parts industry accounted for 60-70% of domestic production and 30-40% of export production. The main export markets are: The United States, Japan, Indonesia and Malaysia. In 2020, the number of auto parts manufacturers in Thailand is about 1,800, divided into 720 first-tier suppliers and more than 1100 second-tier suppliers. It can be divided into the following two groups:

1. **The original equipment manufacturer (OEM)** market is the market for the production of parts entering the automotive factory for assembling new models or motorcycles. Manufacturers of such parts can be divided into three groups.
 - a) The first-tier manufacturer is the direct component manufacturer of the automotive factory. It must have the technical ability to produce parts that meet the standards of automotive manufacturers. The parts produced by the group include: Engine parts, suspension parts, brakes, body parts and transmission system parts, etc.
 - b) The second-tier manufacturer is the sub-part manufacturer of the first-tier manufacturer, as a component of the manufacturer's part production. The first layer and the other layer use simple production technology.
 - c) The third-tier manufacturer produces or supplies raw materials for the first and second-tier manufacturers, which use simple production technology.

- The replacement equipment market (REM) is a market for the production of spare parts to replace the old automotive-wearing parts. The main customers of the replacement parts market include the spare parts service center in the car services, the spare parts store and the general garage.



Source: KrungSri research (auto parts industry from 2020 to 2022)

Automotive Industry

The auto parts industry has a positive relationship with the auto industry and will develop in the same direction in 2022. The automotive industry is likely to improve. The domestic automotive production is 1,883,515 vehicles, an increase from 197,810 vehicles in 2021. Mainly from domestic sales. According to information from Krungsri Resarch, from 2022 to 2024, the industry is expected to improve gradually. The main reason is that the vaccination has covered more people and the problem of semiconductor shortage will be alleviated in the second half of 2022.

Status of the Automobile Industry in 2017-2022

	2017	2018	2019	2020	2021	2022
Automobile production	1,988,823	2,167,694	2,013,710	1,427,275	1,685,705	1,883,515
% Change	-	9.0%	-7.1%	-29.1%	18.1%	11.7%
Thailand sales	871,650	1,041,739	1,007,552	792,146	759,119	849,388
% Change	-	19.5%	-3.3%	-21.4%	-4.2%	11.9%
Export	1,139,696	1,140,640	1,054,103	735,842	959,194	1,000,256
% Change	-	0.1%	-7.6%	-30.2%	30.4%	4.3%
Registered electric vehicle	-	20,204	25,804	28,520	40,710	83,780
% Change	-	-	27.7%	10.5%	42.7%	105.6%

Source: Thailand Automotive Institute (Automotive Industry Conditions 2017 – 2022)

Future Direction of the Auto Parts Industry

In the past few years, many countries in the world have begun to promote policies to promote the use of electric vehicles. In 2021, the global sales of electric vehicles increase by 108%, resulting in a decline in the demand for internal combustion engines, which will be replaced by electric vehicles. National Electric Vehicle Policy Committee launches 30@30 the goal is to produce at least 30% of zero-emission vehicles. By 2030, the goal is to produce electric vehicles, passenger cars and pickup trucks 725,000 cars and 675,000 motorcycles. According to the data of the Automobile Research Institute, there will be electric car in Thailand in 2022, including electric vehicles (Evs), hybrid electric vehicles (HEVs) and plug-in electric vehicles (PHEVs) registered in Thailand, with 83,780 vehicles, a year-on-year increase. In 2021, there were 43,070 cars, with a growth rate of 105.6%. This change has affected the overall situation of the auto parts industry because diesel locomotives consist of 30,000 parts per vehicle, while electric vehicles only use 1,500-3,000 parts per vehicle. This is an obstacle for manufacturers of internal combustion engine components such as engine components, fuel tank, exhaust pipe, transmission, etc. However, auto parts manufacturers not related to the engine, including the company, are not affected by this because it is two combustion vehicles and electric vehicles, such as tires, vibration systems, car seats, light bulbs, lamps, car body, air conditioning system, etc. The above changes are something that Thai auto parts manufacturers must adapt to the arrival of electric vehicle technology

Comparison of Vehicle Types between Combustion Vehicles and Electric Vehicles

The part type	Same	Similarity	Difference	Poly produces
Body group				
Car frame	✓			
Color	✓			
Mirror	✓			
Internal and external car components	✓			
Seating	✓			
Dashboard		✓		
Safety System	✓			✓
Electronics for body	✓			
Cooling and ventilation components		✓		✓
Powertrain Group				
Power transmission shaft			✓	
Clutch and accessories			✓	
Transmission control			✓	
Engine Set				
Engine			✓	
Exhaust control			✓	
Engine parts			✓	✓
Cooling system			✓	
Chassis Group				
Suspension system	✓			
Anti-Vibration System	✓			
Steering System		✓		
Brake System		✓		✓
Exhaust system			✓	✓
Tank			✓	
Rear gear	✓			
Wheels and tires	✓			
Bumper, fender and fender edge	✓			✓
Chassis electronics		✓		✓
Other accessories	✓			✓
Lubricant	✓			

Source: The impact of the transition to electric vehicles on workers in the auto parts manufacturing industry by Dr. Kiriya Kulkolkarn (August 2019)

Remark:

1. 'Same' as the original parts, including automotive, internal combustion engines and electric vehicles.
2. 'Similarity' refers to parts that have been adjusted to adapt to electric vehicles.
3. 'Difference' refers to the parts that are not available in electric vehicles.

By 2022, POLY will only produce engines and parts of the exhaust systems for 3% and 4% of its total revenue. Therefore, even if the production of electric vehicles increases, it will not affect the overall performance of the company.

Medical Devices and Equipment Industry

The medical device and equipment industry accounts for 1.9% of Thailand's gross domestic product (GDP). In 2020, the value of Thailand's medical device and equipment industry was THB 190,408 million, an increase of 1% over 2018. As this is an industry of vital importance to health, its sensitivity to economic conditions is limited. (Source: International Trade Administration) In 2020, the total number of medical equipment and equipment manufacturers registered with the Business Development Department was 595 consist of 29% of SMEs and 71% of major manufacturers (source: Krungsri Research, the medical device industry, 2020- 2022). Medical equipment can be divided into the following three categories:

1. Medical single-use equipment is medical materials used for general treatment, and the production technology is not high. Most are disposable, such as syringes, rubber gloves, syringes, hoses, catheters, insertion shafts, dental equipment and materials and other eye equipment, etc.

2. Durable medical device is a kind of durable medical equipment with long service life. It covers nonhigh-tech medical equipment such as first-aid kits, wheelchairs and beds, and/or medical science equipment, such as surgical equipment, dental equipment, electric diagnostic equipment and X-ray machine, etc.

3. Reagents and test kits, diagnostic equipment and reagent products used to prepare or collect body sample, for example, blood type test kit, pregnancy test kit, HIV test kit and food contamination test kit.

The medical equipment produced by POLY is a group of medical consumables that need innovation to be produced. It requires high skills and high production technology, such as cardiopulmonary surgical instruments and syringe locks, silicone transfusion vessels (Wound Drain and Surgical Drain), silicone urethral intubation, silicone rubber tube, silicone nasal intubation, silicone sleeve, etc.

According to the data of the customs department in 2021, Thailand has the highest import and export value of medical equipment in ASEAN. Thailand's import and export ratio of medical equipment is 35:65, resulting in a trade surplus of medical equipment in Thailand. The export value is THB 176,777 million, while the import value is about THB 96,109 million. Thailand's export products are mainly medical devices in the consumable industry, accounting for 88% of the total export value of medical devices. Secondly, medical supplies accounted for 11%, reagent kits, and diagnostic kits accounted for 1%. The medical equipment exported mainly was basic medical equipment, primarily using domestic raw materials, such as rubber and plastics which can be classified according to their uses as follows:

1. Medical rubber gloves: Thailand has advantages in raw material cost because it is the largest rubber production source in the world. The export proportion of medical rubber gloves accounts for 90% of the total sales. 2) The raw material to produce catheters and syringes is plastic which there are manufacturers and processors of petrochemical products in Thailand. This helps to provide advantages in raw materials for manufacturers of catheters and syringes.

2. Medical equipment: operators account for 27% of the total number of medical equipment market operators. There are important export tools and equipment, such as equipment for transporting patients.

3. Kit and diagnostic kit: The number of operators accounts for 5% of the total number of operators in the medical device market. The main export products are such as diabetes, kidney disease and hepatitis detection reagents. (Source: Krungsri Research, medical device industry 2020 to 2022)

The direction of the Medical Device Industry

According to the data of the International Trade Administration in the USA, the healthcare market is likely to grow steadily. It is estimated that Thailand's medical expenditure in 2026 will be about US \$47.9 million or an average annual growth rate (CAGR) of 6.6%, supporting the following factors:

1. In 2020, the number of patients with infectious and non-communicable diseases may increase. Thailand has 209,613,842 outpatients and 20,941,174 inpatients, with an average year-on-year growth. In 2011, the annual rate was 2.2% and 6.3% respectively (source: Ministry of Public Health), with the continuous growth of the number of elderly people. The Office of the National Economic and Social Development Board (NESDB) predicts that the number of elderly people over 60 will increase from 11.2 million people in 2021 to 13.5 million people in 2023, most of whom will suffer from non-chronic infectious diseases. Especially in high blood pressure syndrome for almost half of the total number of the elderly, followed by diabetes, heart disease, angina pectoris and cancer. Therefore, the demand for all types of medical equipment has increased in all areas. In particular, medical equipment that uses advanced technology to diagnose diseases.

2. Expand hospital business to support patients domestically and abroad because Thailand has advantages in service quality. Medical standards and medical expenses make Thailand become the largest medical tourism destination in the world. Therefore, this has had a positive impact on the hospital business, leading many large hospitals to expand their branches to meet the growing demand. Krungsri's research estimated the number of hospitals and beds by 2022, patients may increase by at least 2000 beds, resulting in an increase in the demand for tools and equipment in all types of medical care are increasing.

3. The government supports promoting Thailand to become a medical center in 2017 - 2026. The Board of Investment of Thailand (BOI) provides investment benefits in the medical device group. See table for details.

Investment Benefits from BOI: medical device and parts manufacturing

Business Type & Condition	Business Group	Benefits
1. Production of high-risk or high-tech medical equipment (such as X-ray, MRI, CT scanning, and materials embedded in the body) or medical equipment that will be commercially produced by government research results or cooperation with the government).		
<ul style="list-style-type: none"> For Research & Development and Innovation 	A1	8-year corporate income tax exemption (unlimited amount)
<ul style="list-style-type: none"> Without R&D and innovation 	A2	8-year corporate income tax exemption
2. Other medical device manufacturing businesses (excluding medical devices made of fabric or fiber)	A3	5-year corporate income tax exemption
3. Medical equipment manufacturing business from fabrics or fibers of various types, such as gowns, coveralls, hats, face masks, and gauze.	A3	5-year corporate income tax exemption
<ul style="list-style-type: none"> In the case of producing gauze or cotton wool must start from raw cotton fabric or cotton fiber 	A4	3-year corporate income tax exemption
Medical device manufacturing industry for special economic development zones in Tak, Sa Kaeo, Chiang Rai, Nakhon Phanom, Kanchanaburi, Narathiwat	A1-A4	8-year corporate income tax exemption (unlimited amount for business group A1) + 50% corporate income tax reduction for additional 5 years

Remark

A1: knowledge-based industry, focusing on design and research and development to improve national competitiveness.

A2: The country develops infrastructure business and uses advanced technology to create a value-added business. However, there is an investment or no investment in Thailand.

A3: High-technology activities that are important to the country's development with a few productions bases.

A4: Businesses that do not have the same level of technology as the A1-A3 group, but help create added value for domestic raw materials and strengthen the supply chain.

Source: Office of the Board of Investment, Krungsri Research (Medical Device Industry 2020-2022).

POLY has received benefits from BOI in group A3. Those who are encouraged to invest in plastic or synthetic rubber to manufacture medical devices or parts of medical devices. For other types of medical device production (except medical devices made of fabric or fiber), see Section 4.7. Investment promotion card

Domestic Food Container and Packaging Market

According to the data of Reportlinker, it is estimated that by 2027, the domestic food container and packaging market (Household Food Storage Container) in the world will reach US \$28.5 billion, with an average annual growth rate (CAGR) of 2.9% compared with 2020. US \$23.3 billion. The main market is plastic food storage containers. It is estimated that this year from 2019 to 2027, the global total value of the plastic container market will grow at an annual rate of 2.9% to reach 14.9 billion US dollars which are 52% of the total market value of containers and packaging in 2027. The main countries consuming domestic food containers and packaging are: USA and China

The growth of the domestic food container and packaging market is driven by changes in consumer behavior. Consumers have a busier lifestyle and daily life, and need to carry food packaging with leak-proof function, maintaining the quality and taste of food, preventing air from entering or microwave oven, etc. Especially today, more and more women work in different industries, increasing family income. This makes it possible to purchase high-quality food packaging with the above functions. The growth factor of the reusable containers and packaging market is to develop complete packaging with the above functions to meet customer needs. In the long run, consumption can reduce costs and thus increase the demand for such products. In addition, another factor is the increase of active environmental protection consumers or consumers with environmental protection values. It actively improves and changes environmental sustainability and strives to minimize waste.

In 2021, according to KANTAR's survey, the number of consumers actively concerned about the environment increased from 16% to 22%, and it is expected to continue to grow in the future. The increase in this group of consumers has promoted the increase of domestic food containers and packaging. Because of the value of the product, it can be cleaned and reused, it is in line with the environmental protection values and garbage reduction behaviors of this group of consumers.

Product and Service Supply

Currently, POLY operates in the following two locations:

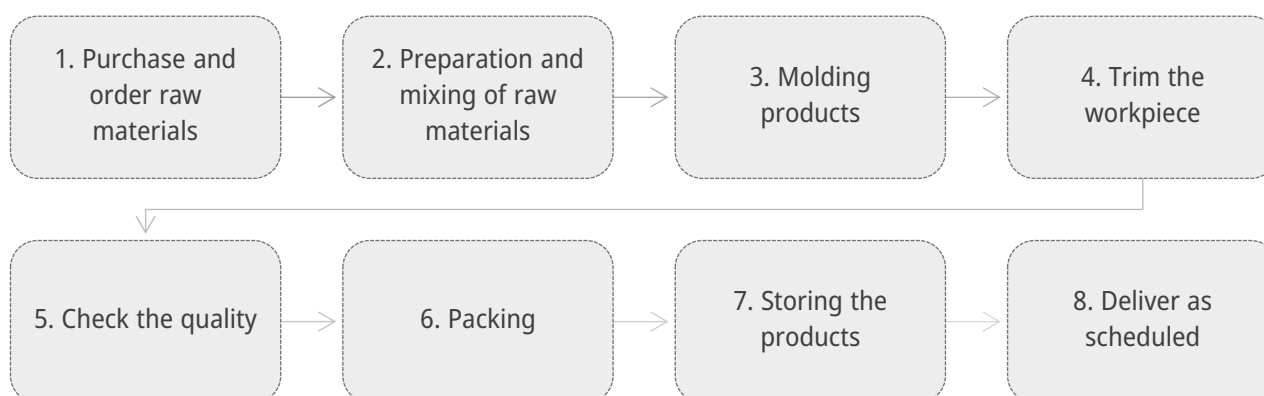
Branches according to the company certificate	Address	Purpose	Estimated production capacity	Actual production capacity and capacity utilization in 2022
Plant 1	888 Moo 11, Bangsaotong, Bangsaotong, Samutprakan	The product is automotive, medical devices and consumer products	4,545 tons/year	the actual output is 2,906 tons, accounting for 63.94% of the capacity utilization rate
Plant 2	124 Moo 4, Bangsaotong, Bangsaotong, Samutprakan	The product is a medical devices and consumer products	583 tons/year	In 2022, the actual output is 435 tons, accounting for the capacity utilization rate of 74.61%

Production Capacity Breakdown by Industry

(Unit: ton/year)	For the financial year ended December 31		
	2020	2021	2022
Automotive industry			
Rubber Type			
Max Run Capacity	2,531	2,539	2,531
Utilized Capacity	1,243	1,465	1,712
Utilization Rate (%)	49%	58%	68%
Plastic Type			
Max Run Capacity	336	336	1,207
Utilized Capacity	240	293	591
Utilization Rate (%)	71%	87%	49%
Medical Devices and Equipment Industries			
Maximum operating capacity			
Max Run Capacity	142	177	213
Utilized Capacity	110	141	164
Utilization Rate (%)	78%	80%	77%
Consumer Products			
Rubber type			
Max Run Capacity	24	86	646
Utilized Capacity	18	37	518
Utilization Rate (%)	75%	43%	80%

(Unit: ton/year)	For the financial year ended December 31		
	2020	2021	2022
Plastic Type			
Max Run Capacity	-	158	532
Utilized Capacity	-	79	356
Utilization Rate (%)	-	50%	67%

Procurement and Production Process



Purchase and order of raw materials

Purchase of raw materials

The company gives priority to selecting high-quality and qualified raw materials designated by customers. It must pass the international standard certification in various fields. The raw material suppliers in the automotive industry must pass the standard certification suppliers of ISO9001, IATF16949 or other systems and raw materials used in the medical device and equipment industry must pass the certification ISO9001, ISO13485 or other systems. In addition, the raw materials used by the company for production must pass the test of prohibited substances in international standards, such as Substances of (Environmental) Concern (SoC), the EU requirements on reducing environmental impact at the end of vehicle service life (SoC) 4 kinds of lead, mercury, cadmium and chromium. The restriction of hazardous substances (RoHS) EU Regulation on the Use of Hazardous Substances in Electrical and Electronic Equipment and REACH (Registration), EU's assessment, authorization and restriction of chemical substances on chemical quarantine. Raw materials are mainly purchased from partners in Thailand, accounting for 70% of the total orders and the rest 30% is purchased from overseas partners. The raw materials purchased from abroad are carbon black and polymer. The price trend of the company's main raw materials will change according to the raw materials produced in each period, such as carbon black, oil, rubber and plastic is the same as the price of oil. Due to the rise of crude oil prices and the increase in demand for raw materials such as silicone, the price of raw materials may rise. This may have a negative impact on the profitability of POLY. However, the average cost price of POLY plastics is due to the increase and decrease in the production of plastic products for consumer goods. These products are formed from plastic particles at low prices. Therefore, the average unit price decreased.

Details of Raw Material Supply

Our main raw materials are rubber compounds, silicone rubber and plastic particles.

- a) Rubber compounds are the main raw materials for the molding of automotive products. The production of rubber compounds is a combination of natural rubber or synthetic rubber, oil and carbon black. The main rubber produced by the company is as follows:
- Natural Rubber: NR is a natural rubber with excellent flexibility and tensile strength at room temperature and low temperature. It is high tensile strength and tear strength (tear strength), so it is usually used to produce rubber buffer parts.
 - Ethylene Propylene Diene Rubber: EPDM is a synthetic rubber with excellent heat resistance, oxygen, ozone, chemicals and has high elasticity and high fatigue resistance. Therefore, they are usually used to produce parts that are often in contact with water, such as: glass edges rubber, door edges rubber, radiator hoses, etc.
 - Nitrile Rubber: NBR is a synthetic rubber with excellent oil resistance, heat resistance and oxygen resistance, ozone resistance and high abrasion resistance. Therefore, it is usually used to produce parts that often contact with oil, such as suction or delivery oil hose, O-ring rubber and sealing rubber.

The Proportion of Rubber Compound Molding is Rough as follows:

Main Raw Materials	Proportion of Mixed Rubber Compound
Natural rubber or synthetic rubber	40%
Oil	30%
Carbon black	20%
Chemicals	10%

The procurement department will plan to purchase at least 1-3 months in advance to select raw materials from the approved supplier list (AVL) that has more than 50 new partners and new partners. Then compare and select partners for raw materials, price and credit semester. The delivery time is 1 month, and 1-2 months of delivery time is reserved. This month, due to the submission of raw material usage forecast to partners, the company has never encountered the problem of raw material shortage.

- b) Silicone rubber is an important raw material in the medical equipment and consumer product industry. There are about 3-4 major silicone manufacturers in the world. For the procurement of raw materials, the company must be purchased through dealers in the country where each manufacturer is located. The company purchases raw materials from its account partners (AVL). In case of shortage, the company will purchase with the following partners in AVL which has more than 7 companies to choose partners with similar quality of raw materials that the company lacks. Raw materials will be purchased 1-3 months before actual production. There are two main types of silicone rubber we produce:
- High Consistency Silicone Rubber (HCR) is a solid form of silicone rubber with a wide range of hardness and can form workpieces of various shapes.
 - Liquid Silicone Rubber (LSR) is a liquid silicone rubber in clear form with low viscosity. It is transparent that can be easily colored and has a wide range of hardness, which is suitable for forming complex products.
- c) Plastic beads are the raw materials used in all industries. The company's AVL partners include more than 10 suppliers, and orders are placed 5-21 days in advance of the actual production.
-

International Production and Export Standards Obtained by POLY



ISO 9001:2015

of Lloyd's Register International (Thailand) Limited

It is a quality management system conforming to international standards to ensure that every process of the company is controlled and inspected. It ensures that employees of the company understand the job responsibilities and procedures by specifying the system of the work process by recording the data and checking the consistency between the recorded data and the system requirements guidelines for correcting errors and preventing repeated errors, including understanding the company's requirements, understanding stakeholder needs for risk and opportunity actions. This is the basis for helping the sustainable development of the organization.



IATF 16949

of Lloyd's Register Quality Assurance Limited

It is a globally recognized quality management system standard for the automotive industry. It can be applied to all businesses related to the automotive industry. The requirements of this standard relate to product safety, risk management and change management guidelines, assurance and management of sub-suppliers



ISO 13485

of BSI Assurance UK Limited

It is an international standard for medical equipment and other equipment quality management, covering design, development, manufacturing and distribution, quality management system, product development and distribution guide, risk management guide, confirm process, compliance, and effective assurance



ISO 14001

of SGS (Thailand) Limited and SGS United Kingdom Ltd.

It is an international standard for the environmental management systems of pollution and energy use, mainly including three aspects: 1) raw material management and efficient use of energy and utilities to save costs, including reducing energy consumption and reducing waste on ecosystems. 2) Continuously improve the company's management and make better progress in preventing pollution and reducing energy consumption every year. 3) Comply with energy conservation laws



ISO 14064-1

of LRQA (Thailand) Ltd.

It is the international standard for monitoring and reporting greenhouse gas emissions of the company by informing the criteria and covering all issues such as designing the development, reporting greenhouse gas emissions, and the results of board of Directors Greenhouse gas database

Environmental impact management

Recognizing the importance of the environment, the company has formulated management guidelines through policies and measures for reducing and preventing the release of toxins or wastes into the environment. Continuously improving the business activities from receipt to delivery, will ensure that the company has complied with environmental requirements and standards without disputes or issues related to environmental impact. In 2022, the company released the requirements for monitoring and reporting greenhouse gas emissions which have been added to enable the company to monitor and control and take better care of greenhouse gas emissions in the future.

The company manages various business activities to reduce environmental impact. Since the import of raw materials, banned chemicals have been tested according to SoC, RoHS and REACH standards to ensure that products are not toxic chemical pollution to the environment and human beings

We use high-quality machines and tools to produce products. To reduce power consumption and production errors resulting in waste, the company has formulated a policy to use renewable energy of solar energy, or solar cell system for power generation. In addition, the company continuously improves the logistics system by effectively arranging transportation routes, reducing transportation costs and greenhouse gas emissions

For the management of wastewater and toxic substances, the company treats wastewater and toxic substances according to the requirements of laws and international standards. To manage the waste or surplus waste in production, the company will sell the waste to the legally licensed waste destructor.

In addition, the company has also carried out activities of planting trees around the factory to increase the green area of society, including the preparation of greenhouse gas emission reports. The 2 factory complies with the international standard ISO14064-1 to continuously monitor and improve the greenhouse gas emissions of the entire production chain. The greenhouse gas emissions from 2021 to 2022 are reported as follows:

Greenhouse gas emission by Polynet in 2021-2022

Greenhouse gas emission	2021	2022	Unit
Direct greenhouse gas emissions from production or leak during process (Direct GHG emission)	268	441	TonCO ₂ e
Indirect greenhouse gas emissions from buying energy sources such as electricity, heat (Indirect GHG emissions)	4,742	5,723	TonCO ₂ e
Other indirect greenhouse gas emissions, such as raw materials, fuels, and indirect activities	2,906	4,445	TonCO ₂ e

Assets used in business operation

As of December 31, 2022, POLY has the following main assets:

1. Lands, buildings and equipments

Description	Net book value (million) as of December 31, 2022	Ownership	Obligation
Lands	123.3	Owned	Some are guaranteed by banks
Building and building improvement	333.9	Owned	Details according to the building information table
Machines	386.6	Partially owned	-
Tools and factory equipment	53.7	Owned	No obligation
Furniture and office equipment	13.7	Owned	No obligation
Electrical system and water system	40.7	Owned	No obligation
Computer equipments	1.9	Owned	No obligation
Vehicles	11.8	Owned	Encumbered by car leasing contracts
Construction in progress	3.5	Owned	No obligation
Total	969.1		

2. POLY Land Ownership

Title deed number	Area (Rai-Ngan-Wah)	Usage	Ownership	Net book value (million) as of Dec 31, 2022	Obligation
Head Office and Plant 1					
888, Moo 11, Bangsaotong, Bangsaotong, Samutprakran (same area)					
39292	8-2-25	Head Office the factory building & warehouse	Owned	36.8	Pledge to the bank. Details bank loan agreement
39293	5-3-25.7	Factory building, Learning center, staff dormitory	Owned	13.2	
9791	5-1-54.2	R&D building, clean room, parking lot building and cafeteria	Owned	47.6	
16072	0-0-31	Mold factory	Owned	0.4	None
36428	0-2-41	Mold factory	Owned	3.0	None
16073	0-0-31	Mold factory	Owned	0.4	None
36518	0-2-48	Mold factory	Owned	3.0	None
Plant 2					
124 Moo 4, Bangsaotong, Bangsaotong, Samutprakran (2.6 km. from Plant 1)					
61029	10-0-0	Factory and warehouse	Owned	18.9	Pledge to the bank. Details bank loan agreement
Total				123.3	

3. Construction and Renovation

Title deed number	Usage	Ownership	Net book value (million) as of Dec 31, 2022	Obligation
Head Office and Plant 1				
888, Moo 11, Bangsaotong, Bangsaotong, Samutprakran (same area)				
39292	Head Office the factory building & warehouse	Owned	126.5	Pledge to the bank. Details according to the table on the loan contract
39293	Factory building, Learning center, staff dormitory	Owned	34.4	Pledge to the bank. Details according to the table on the loan contract
9791	R&D building, clean room, parking lot and cafeteria	Owned	124.6	Pledge to the bank. Details according to the table on the loan contract
16072		Owned		None
36428		Owned	13.2	None
16073	Mold factory	Owned		None
36518		Owned		None
Plant 2				
124 Moo 4, Bangsaotong, Bangsaotong, Samutprakran (2.6 km. from Plant 1)				
61029	Factory and warehouse	Owned	37.2	Pledge to the bank. Details according to the table on the loan contract
Total			335.9	

4. Intangible Assets

As of December 31, 2022, the book value of intangible assets of THB 4.7 million was a computer program.

5. POLY Trademark

As of December 31, 2022, there was no registered trademark.

Important licenses for business operation

POLY's business is mainly regulated by the Factory Law B.E.2535 (1992) of the Ministry of Industry. POLY has obtained the following key business licenses:

	License	Start Date	End Date	License Type
1	Factory License (R.N.4) (formerly the license of Hitech Elastomer Co., Ltd., transferred to POLY on January 11, 2017) (Plant 2)	June 1, 2009	N/A	POLY is allowed to produce rubber and plastic-related products, such as rubber pipes, waterproof rubber and plug holes and rubber or plastic used to cover electric wires of automobiles or automobile equipment.
2	The factory license (R.N. 4) (Plant 1)	August 3, 2011	N/A	allowing POLY to produce rubber products, such as rubber parts and auto parts
3	Factory license (R.N.4) (Plant 1)	January 30, 2013	N/A	allowing POLY to the produce rubber compound
4	Factory license (R.N.4) (Plant 1)	September 27, 2021	N/A	allowing POLY to produce medical equipment such as silicone hose, silicone sleeve, etc.
5	Factory license for taking unusable waste outside of factory (Plant 1)	August 25, 2022	August 24, 2023	allowing to remove waste or unused materials, such as waste rubber, silicone resin and plastic, carton paper, scrap steel, vehicle manure, pollution containers, electric lights, electronic waste, spray cans, pollution materials, waste oil outside the factory in a specified amount.
6	Factory license for taking unusable waste outside of factory (Plant 2)	November 13, 2022	November 12, 2023	according to the specified quantity, including contaminated oil absorption materials, electronic bulbs, electronic waste, spray cans, and waste oil outside of the factory.
7	Registration certificate of medical equipment manufacturing organization (Plant 2)	July 14, 2020	December 31, 2024	Produce medical equipment manufacturing according to a restriction (medical safety glasses).
8	Health hazard business license (Or. Por. 2) (Plant 1)	March 25, 2022	May 21, 2023	Forging, turning, stamping, various metals, use rubber, plastic, cellulite and Baker Light to make electrical appliances.
9	Health hazard business license (Or. Por. 2) (Plant 2)	February 15, 2022	February 27, 2023 (Currently renewed until February 27, 2024)	manufacture of equipment using artificial rubber, plastic, celluloid, Baker Light.

	License	Start Date	End Date	License Type
10	Solid waste storage certificate (Plant 1)	June 15, 2021	N/A	prove that POLY can store general solid waste and have a vehicle transport it to the waste treatment center.
11	Solid waste storage certificate (Plant 2)	June 15, 2021	N/A	prove that POLY can store general solid waste and have a vehicle transport it to the waste treatment center.

Investment Promotion Card

As of December 31, 2022, POLY received investment promotion certificates from the Board of Investment which received privileges and conditions for specific projects, which can be summarized as follows:

No.	Business type	Benefits	Specific conditions	Date of approval
1	Use plastic or synthetic rubber to manufacture medical devices or medical device parts	<ul style="list-style-type: none"> - Machines approved by the Board of Directors are exempt from import tax. - The company's income tax is exempted, and the total net profit to promote business operation does not exceed 100% of the investment. (excluding land and working capital) The term is 5 years from the date of business income. - The import duty-free period for raw materials and necessary materials is one year. - Exemption from import tax within 1 year from the date of the first import 	<ul style="list-style-type: none"> - The machine must be imported before April 27, 2023. - It must be completed and put into operation within 36 months from the date of issuance. - The registered capital shall not be less than THB 330 million. - Product type produced according to restriction - Business scale and production capacity - The factory must be established in Samutprakan and must not be relocated to other places within 15 years. - Tax-exempt enterprise income tax does not exceed 28,370,000 Baht (excluding land and working capital) - Must pass ISO 13485 certification - Operating revenue from November 2020 - 5 years from the beginning of operating revenue (2024) 	September 21, 2020
2	Production of plastic parts for different industries	<ul style="list-style-type: none"> - Machines approved by the board of directors are exempted from import tax. - The import duty-free period for raw materials and necessary materials is one year. - Exemption from import tax within 1 year from the date of the first import 	<ul style="list-style-type: none"> - The machine must be imported before July 14, 2023. - It must be completed and put into operation within 36 months from the date of issuance. - The registered capital shall not be less than THB 330 million. - Product types in electrical, electronic, automotive and other industries. - The factory must be established in Samutprakan Province and cannot be relocated within 15 years. 	December 7, 2020

No.	Business type	Benefits	Specific conditions	Date of approval
			<ul style="list-style-type: none"> - Starting to import raw materials in July 2021 - There is no expiry date, but the use of benefits must comply with regulations, that is, import raw materials and deliver finished products within the expiry date. 1 year from the date of the first import 	
3	Manufacturing medical devices or medical component parts with plastic or synthetic rubber	<ul style="list-style-type: none"> - Machines approved by the Board of Directors are exempt from import tax. - The company's income tax is exempted, and the total net profit to promote business operation does not exceed 100% of the investment. (Excluding land and working capital) The term is 5 years from the date of business income. - The import duty-free period for raw materials and necessary materials is one year. - Exemption from import tax within 1 year from the date of the first import 	<ul style="list-style-type: none"> - The machine must be imported before March 21, 2024 - It must be completed and put into operation within 36 months from the date of issuance. - The registered capital shall not be less than THB 330 million. - Product type produced according to the restriction - Business scale and production capacity according to the restriction - The factory must be established in Samutprakan Province and cannot be relocated within 15 years. - Tax-exempt enterprise income tax shall not exceed THB 128,780,000 (excluding land and working capital) - Must pass ISO 13485 certification - No operating income - 5 years from the first date of invoice 	On July 12, 2021

However, from the measures of the Prime Minister's Office through the Office of the Board of Investment (BOI) in promoting SMEs to increase their potential and grow sustainably according to the Announcement of the Board of Investment No.17/2021, dated 29 March 2021, with a measure that in the event that promotion in the form of a company Polynet Co., Ltd. And during the receiving Promotion can be transformed into Polynet Public Company Limited and raise funds in Stock Exchange of Thailand The Office of the Board of Investment (BOI) will grant the right to promote in the value of 100% additional from the amount of money that has been promoted by the promotion certificate received additional rights from such measures consists of 2 promotion certificates as follows:

1. **Promotion certificates: card number 63-1179-1-00-1-0**
Dated October 27, 2020, is exempt from corporate income tax with a value of no more than THB 28,370,000 (twenty-eight million and three hundred seventy thousand Baht)
2. **Promotion certificates: card number 64-0954-1-00-1-0**
Dated September 21, 2021, is exempt from corporate income tax with a value of no more than THB 128,780,000 (one hundred twenty-eight million and seventy-eight thousand Baht)

Loan Agreement Contract

As of December 31, 2022, POLY has a credit line and outstanding loans. Details are as follows:

Borrower	Lender	Loan Type	Contract Date	Installment Payment Plan (THB million/month)	Total loans (THB million)	Outstanding loan (Million Baht) on December 31, 2022	Annual interest rate (%)	Collateral, guarantees	Key financial conditions
1	POLY BSL Leasing Co., Ltd. ("BSL")	Used as working capital	March 29, 2017	1 st to 72 th installment: the total amount of principal and interest is THB 1.3 million	80.0	2.6	MLR-0.50%, using the MLR of Bangkok Bank ("BBL")	<ul style="list-style-type: none"> Title deed number 39292 Bangsaotng Street, Bangsaotng District, Samutprakan with buildings as mortgage. The mortgage amount is THB 80.0 million 	N/A
2	POLY BSL	Term loan constructing buildings	July 22, 2019	1 st to 60 th installment: total principal and interest of THB 1.4 million	70.0	29.1	MLR-0.75% By using BBL's MLR	<ul style="list-style-type: none"> Title deed number 39293 Bangsaotng Street, Bangsaotng District, Samutprakan with buildings as mortgage. The mortgage amount is THB 70.0 million 	N/A
3	POLY BSL	Used as working capital	March 10, 2020	1 st to 60 th installment: total principal and interest of THB 1.8 million	95.0	56.7	MLR-0.50% per year by using BBL of MLR	<ul style="list-style-type: none"> Title deed number 61029 Bangsaotng Street, Bangsaotng District, Samutprakan with buildings as mortgage. The mortgage amount is THB 95.0 million 	N/A
4	POLY BSL	Used as working capital	September 9, 2021	1 st to 60 th installment: principal and interest of THB 2.1 million	110.0	87.8	MLR-0.50% by using BBL's MLR	<ul style="list-style-type: none"> Land Ownership Certificate of No. 9791, Bangsaotng Street, Bangsaotng District, Samutprakan with buildings as mortgage. The mortgage amount is THB 110.0 million 	N/A
5	POLY BSL	Leasing machinery (10 contracts)	Start from 2017 to 2022	Follow the contract	N/A	11.9	N/A	<ul style="list-style-type: none"> Assets under leasing agreement. 	N/A
6	POLY BBL	OD	May 8, 2020	N/A	10.0	-	MOR	<ul style="list-style-type: none"> The registration of the commercial guarantee contracts, POLY's 8 machines are mortgage. 	N/A

Borrower	Lender	Loan Type	Contract Date	Installment Payment Plan (THB million/month)	Total loans (THB million)	Outstanding loan (Million Baht) on December 31, 2022	Annual interest rate (%)	Collateral, guarantees	Key financial conditions
7	POLY	Used as working capital	June 13, 2022	within 1 year after the first withdrawal	80.0	1.9	MOR-0.375%	<ul style="list-style-type: none"> Guaranteed by Mrs. Kanchana and Mr. Srichai 	N/A
		Total Loan		Total Loan	445.0	190.0			
Other funds from the bank									
8	POLY	Electricity expense	May 8, 2020	N/A	5.0	N/A	N/A	<ul style="list-style-type: none"> The registration of the commercial guarantee contracts, POLY's 8 machines are mortgage. 	N/A

Remark: For the fifth trading limit, the essence of the transaction is to sell and lease from BSL which the transaction is a loan from POLY, therefore, is classified as a loan.

Hire Purchase and Leasing

	Lender	Contract types	The number of assets under the contract	The duration of time of contract term	Effective Interest Rate	Debt under Hire Purchase or Leasing as of June 30, 2022 (THB million)	Collateral and guarantor
1	BSL	Hire-purchase (19 contracts)	machinery and factory equipment	5 years	4.7% - 5.5%	74.3	<ul style="list-style-type: none"> Assets under the contract
2	BSL	Leasing (7 contracts)	Machine and vehicles	4-5 years	5.9% - 6.3%	16.3	<ul style="list-style-type: none"> Assets under the contract
3	Arburg Pte Ltd.	Hire-purchase (3 contracts)	3 machines	2 years	2.0% - 2.2%	11.2	<ul style="list-style-type: none"> None
					Total	101.8	

Insurance policy

No.	Company	Insurance company	Insurance details	Insurance type	Insurance amount (million baht)	Beneficiary insurance	Start date	Term of validity
1	POLY	Bangkok Insurance Co., Ltd.	Assets of Plant 1 a. Factory building, office, dormitory, merit hall, parking lot (excluding foundation), building expansion, furniture Office appliances, electrical appliances, computers and computer systems, utilities, etc. b. Machinery, accessories, spare parts, molds Assets of Plant 2 Factory building, office, parking lot, Brahma shrine (excluding foundation), building expansion, furniture, office supplies, electrical appliances, computers and computer systems, utilities, etc. Machinery, accessories, spare parts, molds	Property risk insurance	1,070	BSL	May 10, 2022	May 10, 2023
2	POLY	Bangkok Insurance Co., Ltd.	Protect the legal liabilities arising from the operation of the business and the use of the insured premises (Plant 1)	Public liability insurance	For personal injury and property damage to third parties THB 3,000,000 for each accident during the whole insurance period	-	May 10, 2022	May 10, 2023
3	POLY	Bangkok Insurance Co., Ltd.	Protect the legal liabilities arising from the operation of the business and the use of the insured premises. (Plant 2)	Public liability insurance	For personal injury and property damage to third parties THB 2,000,000 per accident during the whole insurance period	-	May 10, 2022	May 10, 2023
4	POLY	Chubb Samaki Insurance PCL	A consumer goods company, produces and sells silicone packaging products according to the contract.	Product liability insurance	Not exceeding USD 5,000,000 (total amount and each transaction)	-	March 4, 2022	March 4, 2023

Equity structure of the company

POLY has no subsidiaries or affiliates.

Persons with potential conflicts of interest hold more than 10% of the total voting shares of subsidiaries or affiliated companies

- None, because POLY has no subsidiaries or affiliates -

Relationship with major shareholders

POLY has no significant relationship or connection with other business operations of the founding group.

Shareholders

	Name	No. of Shares	% of Total Shares
1	Mrs. Kanchana Laowrattana	121,772,000	27.06
2	Mr. Woraphat Laowrattana	110,455,000	24.55
3	Ms. Janjira Laowrattana	102,955,000	22.88
4	Mr. Taweerat Prungpattanasakul	23,000,000	5.11
5	Mr. Supachoke Panchasarp	19,470,000	4.33
6	Mr. Srichai Laowrattana	17,807,000	3.96
7	Mr. Chotikorn Panchasarp	13,000,000	2.89
8	Mr. Tananun Jirawititchai	5,409,100	1.20
9	Thai NVDR Company Limited	5,408,963	1.20
10	UBS AG SINGAPORE BRANCH	4,000,000	0.89
	Total Shareholders	423,277,063	94.06%

Remark: The top 10 shareholders as of 26 December 2022

Agreements between major shareholders affect the issuance and offer of securities or the management and operation essence of Poly

- None -

Investment policies of subsidiaries and related companies

The company has the policy to invest in the company according to the company's goals, vision and growth strategy. This will enable the company to Increase the operating performance or profit, or invest in the business that is beneficial to the company (synergy) to improve the company's competitiveness. In order to achieve the goal of becoming a leading entrepreneur in the company's core business, the company, subsidiaries and joint ventures and/or related companies may consider investing in other businesses if the business has growth potential or can expand business or benefit the company by considering the investment of companies, subsidiaries and joint ventures, and/or related companies. The company will analyze the feasibility of investment and consider the potential and risk factors of investment through appropriate investment analysis procedures. Board of Directors, Board of Directors or General Meeting (as the case may be) in applying for subsidiaries, joint ventures and/or The above-affiliated companies must comply with the notice of the Capital Market Supervision Committee and the relevant notice of the Stock Exchange of Thailand.

Registered capital and paid-in capital

As of December 31, 2022, POLY's registered capital was THB 450,000,000 divided into 450,000,000 ordinary shares and fully paid-up share capital of THB 450,000,000 value of 1 THB per share.

Issuance of other securities

Convertible securities

- None -

Bond

- None -

Dividend Policy & Payment

Dividend payments to shareholders shall be paid in the amount not less than 40% of the net profit of POLY's separate financial statements after the deduction of corporate income tax, and other legal reserves as annually or regulation of POLY.

However, dividend payments and dividend pay-out ratios that differ from the specified ratio depending upon POLY 's operating performance, financial position, cash flows, working capital, investment plans, and business expansion, as well as necessities and other related factors considered and deemed appropriate by the Board of Directors. Such dividend payments shall not have a significant impact on the normal operations of POLY.

Company executive board agreed that annual dividend payments have to be approved from shareholders except interim dividend payment which the company executive board has authority to approve from time to time when POLY has sufficient profit to pay without affecting the normal company operation. Meanwhile, the mentioned interim dividend payment shall be notified in the next shareholder meeting accordingly.

Risk Management

Risk management policies and plans

POLY recognizes the importance of risk management because risk management is fundamental to business management. The risk management process as well as regular supervision and review of risks are the active management that POLY must take, the following risk management policies which POLY launched the policies that were approved by Board of Directors No. 1/2022 of February 25, 2022, as follows:

1. POLY will establish a risk management system and process throughout the organization (including POLY Group) according to its business strategy and objectives. According to international standards, the company's enterprise risk management principles (ERM) have been implemented according to the following risk management framework: COSO (The Committee of Sponsoring Organizations of the Treadway Commission) is based on COSO ERM 2017, which is an international standard risk management guide.

2. POLY will register risk lists according to COSO ERM2017 and conduct a quarterly review. POLY will manage risks at an acceptable level or the deviation does not exceed the acceptable level of POLY.

3. The Board of Directors is responsible for supervising the internal risk management of the organization and approving solutions.

4. The Audit Committee has the responsibility to review whether POLY has an appropriate and effective risk management system. We also support the Board of Directors to monitor the overall risk of POLY and help the Management Committee screen opinions and suggestions and follow up to ensure effective and effective risk management.

5. The Executive Committee is responsible for the organization's risk management, including the identification and evaluation process, prioritizing, responding and reporting risks, and determining the roles, responsibilities and performance responsibilities of executives and senior managers. The company reviews risk management operations and acceptable performance deviations, and provides appropriate recommendations. POLY communicates risk management information to the Audit Committee and the Board of Directors on a quarterly basis.

6. Chief Executive Officer is responsible for implementing the risk management policy throughout the organization and supervising its continuous implementation to achieve the plan and set goals

7. The management will manage the risks of POLY and supervise the management of each risk according to its responsibilities and responsibilities, including: assessing and managing risks within the organization as part of its responsibilities. To ensure that the management complies with the policy of POLY or the designation of the Executive Committee, the company shall report its risk management performance to the Executive Committee at least quarterly for approval or recommendation

8. The management department is responsible for training and guiding each department to implement the risk management policy and continuously monitor the implementation of risk management policies.

9. Personnel at all levels and POLY departments are responsible for the identification assess and manage risks within the organization as part of its responsibilities, managing risks at the organizational, departmental and operational levels according to the responsibilities or assignments of the management. The Board of Directors and/or Management Committee and encourage employees to realize the importance of risk management.

10. The management is responsible for providing suggestions, and suggesting risk management guidance to all departments within the organization and reporting to the Executive Committee regularly or as appropriate.

11. All employees are obliged to comply with the company's risk management systems and procedures at the organizational, departmental and operational levels following the policy from Executive Committee or Management

12. Internal auditors or internal audit institutions are responsible for reviewing internal control through an annual audit to review risks in the operation process.

Risk management plan

Risks are divided into five categories:

1. **Strategic Risk** are risks related to organizational policies and strategic plans, including management decisions that affect the direction of operations in a way that hinders the implementation of the strategy. Therefore, the operation cannot achieve its objectives according to the strategic plan, such as operational risk and organizational image risk that is inconsistent with the goals or objectives, risk of meeting the needs of customers or stakeholders

2. **Operational Risk** refers to the risk generated by each step of operation due to the lack of good governance or good internal control of factors related to processes, equipment and information technology, operator and property safety

3. **Financial Risk** refers to risks related to liquidity, financial management and financial statements. For example, the risk of improper budget allocation, budget preparation error, capital budget use and market factor fluctuation, market risk and credit risk.

4. **Legal risk and compliance risk** refer to risks from different institutions complying with legal and organizational obligations, such as default risk, lack of compliance reporting risk or failure to comply with relevant laws and regulations.

5. **Emerging Risk** refer to the losses caused by risks that have not yet occurred but may occur in the future due to environmental changes. This kind of risk is a slow risk, and it is difficult to determine. The occurrence frequency is low, but once it happens, it will have a serious impact. The risk of reoccurrence is usually the result of political change, legal, social, technical, physical environment or natural change. Sometimes, the impact of such risks may not be determined at present, for example, problems arising from nanotechnology or climate change, etc.

The risk management structure is divided into the following four levels

1. **The Audit Committee** will develop a risk management policy covering the entire organization and oversee the risk management system, and develop the risk management plan and risk management process of the whole organization, including determining the acceptable risk level and proposing preventive measures and how to reduce the risk to an acceptable level and continuously monitor the operation plan to reduce the risk. The Audit Committee shall review the risk management policy and framework at least once a year and report to the Board of Directors.

2. **The Executive Committee** is responsible to managing an organization's risk, which includes various processes used to identify, assess, rank, respond, and report risks, defining roles, responsibilities, and accountability for executives and senior management in managing risks and monitoring compliance, testing the risk management process and identifying areas of vulnerability in acceptable performance outcomes, providing accurate and appropriate advice, and communicating risk management to the audit committee and board of directors every quarter.

3. **The Chief Executive Officer** is responsible to applying the risk management policy throughout the organization and ensuring that it is consistently implemented to achieve the planned goals and objectives. The head of management appoints a risk assessment committee for POLY, consisting of personnel from various departments involved in the organization to identify, assess, and develop the risk management plan, including updating the risk management plan every quarter and reporting to the management committee at least once every quarter.

4. Personnel at all levels and POLY departments are responsible for identification assess and managing risks within the organization as part of its responsibilities, manage risks at the organizational, departmental and operational levels according to the responsibilities or assignments of the management to report to the Board of Directors and/or Management Committee, and encourage employees to realize the importance of risk management.

Risk factors of the company's business operation

Risks to the company's business operation

1. Risk of price fluctuation of main raw materials and shortage of main raw materials.

The main raw materials of POLY products are synthetic rubber made of silicone rubber, plastic and crude oil.. Therefore, if the price of silicone rubber changes, silicon minerals and crude oil will directly affect the price of POLY's main raw materials. If the high cost cannot be passed to customers, in 2022, China is the largest silicon production base in the world, and has announced to reduce in the capacity of the high-power industry. This includes the silicon smelting industry. Due to the power shortage in the country, the Chinese government must issue strict control measures. In 2022, the Chinese government will focus on investing in clean energy, which is expected to revive the situation. The world's leading silicone rubber manufacturers and distributors, such as Dow Chemical, Wacker Chemical A.G., Momentive, Elkem and Shin-Etsu Chemical that will take time to increase the production of silicone rubber.



Source: <https://tradingeconomics.com> As of December 31, 2022

However, in the past, POLY has never experienced a shortage of raw materials due to its implementation of the following measures:

- 1) Closely monitor the price trend of main raw materials with raw material suppliers.
- 2) The raw material purchase plan shall be carried out 1-3 months in advance according to the raw material demand to adapt to POLY's production plan. We plan our work together with key customers every year, and track the average order quantity of customers three months in advance. POLY will calculate the number of raw materials required according to the customer order and combine the latest raw material inventory data and track the raw material estimates on the market by closely inquiring about suppliers. We will notify the supplier of the delivery plan (scheduled delivery time) at least 1-3 months in advance to ensure that the quantity of raw materials is consistent with the production plan.

- 3) POLY will store the main raw materials in a proper place and will not deteriorate due to silicone, synthetic rubber and other chemical components for long-term storage. The age is about 2 years old, 3 years old and 3 years old respectively.
- 4) Due to the price adjustment of raw materials and significant negative impact, the company will negotiate with customers and adjust the sales price according to the change in raw material price. The sales price and cost will be reviewed quarterly to maintain the profitability of POLY. In the past, POLY can negotiate sales price adjustments with customers at any time.
- 5) POLY researches and develops similar raw materials that do not affect the product quality and appearance, such as those determined by the customer in advance, to support the target case of raw materials, mainly of specific types, lack of market

2. High competitive risk of automotive parts and consumer products

Auto parts and consumer product groups compete fiercely because there are many entrepreneurs and the production technology is not complicated. For the medical equipment industry, there are few competitors because it needs a lot of investment to build clean rooms, including the production process that needs professional knowledge and experience to design and control the production process. If there are new entrepreneurs, POLY may face the risk of sales revenue, which may be under the pressure of intensified competition. Therefore, POLY depends on its competitiveness in the market and has a deep understanding of the use of each production raw material, expertise in designing and controlling the production process and effective cost and cost control. POLY will not use the strategy of reducing the price. POLY focuses on the quality of products and services, including innovative production. POLY has advantages in the following key areas:

- 1) POLY can provide one-stop manufacturing services, that is, we can provide services from mold design and manufacturing to finished product production.
- 2) POLY can produce rubber, plastic, silicone and sponge products, which can be used in all types of businesses, and has the potential of molding products: Injection, compression and extrusion
- 3) Various sizes of machines are available, ranging from 50 tons to 650 tons.
- 4) POLY have a strong R&D team and an experienced quality control department.
- 5) POLY understand the answers and maintain a good relationship with key partners for a long time, including attaching importance to the continuous development of good relations with new partners to increase future business opportunities.
- 6) The management team is talented and has more than 10 years of business experience.
- 7) With a corporate culture, middle managers can visit and share their opinions with senior managers to find solutions to problems to start a new plan together.
- 8) Due to economies of scale, the efficiency of controlling costs and costs leads to POLY being able to set the sales price at a competitive level and maintain profitability.

3. The risk of sales revenue is still concentrated in the auto parts business.

From 2020 to 2022, POLY accounted for the sales revenue of the following industries:

Revenue by Industry	2020		2021		2022	
	Million Baht	%	Million Baht	%	Million Baht	%
Automotive	329.1	62.9%	484.0	61.5%	559.2	51.6%
Consumer Products	104.6	20.0%	198.2	25.2%	394.6	36.4%
Medical Devices and Equipment Industries	89.0	17.0%	103.9	13.2%	128.5	11.9%
Total sales revenue	522.7	99.9%	786.1	99.9%	1,082.3	99.9%
Other revenue	0.5	0.1%	1.0	0.1%	1.4	0.1%
Total revenue	523.2	100.0%	787.1	100.0%	1,083.7	100.0%

Although in 2022, no customer accounted for more than 30% of POLY's total sales revenue. In the same year, POLY had four major customers who collectively generated approximately 57% of total sales revenue, with each customer contributing less than 20% of total sales revenue. These customers belong to the automotive component sector and the consumer products sector. If POLY loses any one of these major customers, it will have a negative impact on the organization's revenue and net income.

Automotive

Auto parts are parts with high production quality requirements because they are directly related to the safety of auto users. A carefully designed and accurate and verifiable production process must be carried out before the manufacturer of the parts each supplier will be designated by the OEM or Tier 1 supplier, auto parts manufacturer ("parts manufacturer") inspection must be carried out in each process of production, and the test will employ materials of multiple production cycles. The auto parts industry in Thailand is composed of more than 1,800 parts manufacturers (source: Thailand Automobile Research Institute) There are 720 first-tier suppliers and more than 1,100 second-tier suppliers.

Participants in the major automotive manufacturing and distribution businesses include:

- 1) Automobile manufacturers and dealers (Automakers OEMs)
- 2) The manufacturer and dealer of a first-tier supplier, a company that produces and sells auto parts to OEM directly.
- 3) In the second stage, auto parts manufacturers and dealers (secondary suppliers), a company that produces and sells auto parts to the primary level to assemble and resell to OEM or secondary suppliers
- 4) The manufacturer and dealer of the third-tier supplier, a company that produces and sells auto parts to the second tier.

The competition is very fierce. If every component manufacturer wants to become the employer's first choice, it must be able to produce products by the specified quantity and quality, and provide all-round services. Innovation can produce complex products and produce products at competitive prices. In addition, the automotive industry is transforming from an internal combustion engine to an electric vehicle. Electric vehicles will use fewer parts and will affect many manufacturers. POLY has the following risk management guidelines to reduce the negative impact:

- 1) Focus on producing rubber products for internal combustion engines and electric vehicles such as Grommet, anti-vibration groups, crushing valve group and other rubber parts. Therefore, it will not have a significant impact on the changes in the automotive industry that will soon shift from internal combustion engines to electric vehicles.
- 2) Focus on maintaining good relationships with existing customers.
 - Work closely with customers to plan orders in advance to plan production and delivery to customers.
 - Timely delivery of high-quality products
 - Invent and develop a variety of complex rubber products through the use of years of accumulated knowledge (Know-How) over the past 20 years. We have been able to produce unique products and meet customers' needs in a short time.
 - Maintaining the consistency of product and service quality through traceability is the key to the production of auto parts.

Therefore, POLY wins the trust of existing customers to order continuously. In addition, if customers order any type of product according to the replacement period of each model, the production will last for 5-10 years and outdated auto parts will be produced for replacement parts for about 10 years. In addition, POLY focuses on mold design and manufacturing. We provide a full range of services. We have modern machines. Every machine has a replacement. The production efficiency has been maintained for 10 years. In each production process, there are personnel specialized in design and manufacturing and regularly conduct design procedure training with the machine supplier.

- 3) Expand new customer base
 - Regularly participate in domestic and foreign trade exhibitions.
 - Establish a good relationship with old customers because some new customers are obtained through referrals.
- 4) Increase revenue, increase the proportion of sales revenue of consumer products, medical products and other industries, using rubber and silicon raw materials and has a high growth trend, such as electricity and energy.
 - Consumer products: POLY predicts the growth of consumer products in lifestyle used in daily life such as anti-leak and reusable silicone rubber bags. The sales department expects that due to the increasing popularity of global trends, such products will be in a market with very high purchasing power in the future. It can also generate a high gross profit margin. POLY signed the contract and gained trust with a large consumer product manufacturer and dealer in the United States which contains many types of lifestyles in consumer products and in 2019, POLY began to invest in clean rooms and R&D facilities to support the production of the consumer product and medical product. With the trust of these partners, POLY executives believe that POLY can increase their Income sustainably.
 - Medical Products: executives see the growth of the market due to the development of medicine. We need efficient treatment equipment and treat equipment, but still have a good quality of life for patients, such as silicone rubber tubes, silicone urethra and silicone rubber are used to remove the waste in the body, syringe lock and silicone sleeve used for the delivery of drugs. Medical products must be produced in clean rooms with high investment. In addition, the production level must be strictly controlled, resulting in a relatively high-profit margin for such products as POLY is trusted by many customers and continue to produce such products
 - Other industries that use rubber and silicone rubber materials and have high growth prospects: feasibility studies of multiple projects are underway.

4. Risk of relying on key customers

Although by 2022, POLY has no customers whose revenue is considered to depend on or exceed 30% of the total sales revenue. In 2022, POLY has about 4 major customers, with total sales revenue accounting for 57% of total sales revenue. The proportion of sales revenue of each customer shall not exceed 20%, including 2 auto customers, 1 consumer and 1 medical customer. If POLY lost a customer, POLY will face a negative impact on POLY's revenue and net profit.

However, three major customers, two automotive customers and one medical customer, have been customers of POLY for many years. POLY produces high-quality and timely products to meet the needs of customers, then they keep placing production orders to POLY. One consumer, they are American customers. They are new customers who have just started to be delivered products in 2021. POLY helps product development and production process. In addition, POLY focuses on becoming a One-Stop service that focuses on the development of innovative products to make a difference. We are committed to maintaining a long-term good relationship with customers and expanding a new customer base from businesses with high growth prospects to reduce the risk of relying on specific customers in the future.

5. Product quality and safety risks

Because the safety of products produced by POLY is a very important factor, whether it is auto parts customers or consumer product customers or medical device groups. Minor error, whether a non-standard product, contaminated product or foreign matter may seriously affect the safety and reliability of all POLY products, so POLY has obtained international quality standards such as ISO 9001 (quality), ISO14001 (environment), ISO18001 (health and safety), IATF 16949 (2016) (quality assurance), ISO 13485 (medical equipment) and ISO 14064-1

6. Risk of COVID-19

COVID-19 is a pandemic in 2019 spreading around the world, which began in Thailand at the end of this quarter. In 2020, the number of infected people will increase rapidly from 2020-2021. Thailand cannot control the spread of COVID-19. This has led to a serious economic slowdown as some customers closed production lines, and orders slowed down. Many car manufacturers in Thailand announced that they would temporarily close factories between March and April 2020 to reduce the spread of disease. Therefore, some customers have to postpone the pilot production plan of the new model and postpone the order. The above factors have had some negative effects on the performance of POLY. Between 2020 and 2021, when it broke out seriously, the production line at POLY has never been closed, but strict measures have been taken to prevent the spread of bacteria in the business operation area by screening employees before entering the office and factory, and employees are required to wear masks at all times to keep distance and employees are reduced working days. We prepare hand sanitizer in public areas, and increase the cleaning cycle at different risk points. The staff shall be isolated to control the transmission of infected persons. The written guidelines to prevent the spread of COVID-19 will be communicated to employees to confirm and strictly follow.

From October 1, 2022, the government announced to cancel of COVID-19 as a dangerous infectious disease and designate it as an infectious disease to be monitored and canceled the quarantine period for COVID-19 patients because most of the population has been vaccinated, the infection will not cause widespread serious damage and will not cause a serious economic slowdown in 2020 and 2021 which the government has declared a state of emergency for the whole kingdom, leading to enterprises, shopping centers and restaurants and the service must be temporarily shut down. However, at present, POLY continues to take strict policies to prevent the spread of the virus in the business operation area.

Risk and impact of COVID-19 on business operation

- **Sales revenue**

POLY is not affected by sales revenue from 2020-2022. Please see further information in 2.2.4 Analysis and Examination of the management

- **Following the policy from contracts with suppliers**

As of December 31, 2022, POLY is not affected by following policy from contracts with suppliers. We can produce and deliver according to customers' orders.

- **Impact on labor force**

In the second quarter of 2021, Samut Prakan Province was declared as a dark red area in May 2021, and strict measures were taken. This includes the prohibition of organizing activities of more than 20 people and crossing the area, resulting in the headquarters and production plants located in the POLY in Bangsaotong District. Due to the influence of the workers provided by POLY, the government cannot go to work in the government. In addition, some workers fell ill or were detained because of their proximity to patients. POLY closely takes care of the sick or detained workers and manages the labor force in production by dividing production groups. However, POLY can still produce according to customer orders. The highest red control area of Samut Prakan was canceled in December 2021.

Risk and impact of the COVID-19 on funding sources and liquidity

As of December 31, 2022, the COVID-19 has not had a negative impact on the funding liquidity of POLY. In addition to the funding liquidity generated by operating cash flow, POLY also has undrawn bank credit lines (overdraft lines) THB 10 million and THB 80 million are used for the purchase of machinery and equipment for the new production line. As of December 31, 2022, the amount of 78.1 million has not been paid. In addition, as of December 31, 2022, the cash amount was 410.0 million Baht.

Risk and impact of COVID-19 on financial statements

As for the negative impact on income and net profit in 2020, POLY executives believe that this is a temporary impact. From 2021, POLY's performance may improve with the increase of the proportion of revenue in industries with high-profit margins and the increase of revenue brought by new business opportunities. COVID-19 is expected to be resolved and become a local disease and it will not have a significant impact on the operation of POLY.

As of December 31, 2022, most of POLY's debtors were affected by COVID-19, but the situation has been resolved, and all debtors are still paying their debts regularly. POLY has been paying close attention to it and believes that there is no reason to set up additional bad debt reserves.

7. Greenhouse gas emission risk

POLY recognizes the importance of greenhouse gas emissions leading to global warming, which have a negative impact on extreme weather conditions. In addition to realizing the importance of POLY, the extinction of natural ecosystems and various animal species. Without effective emission reduction measures, greenhouse gas emission risks may occur, including: may be subject to environmental complaints or not being selected as a manufacturer due to export investment. Thailand is facing more and more environmental protection challenges, which will become a condition of the global trade structure. The United States and Europe have implemented stricter environmental policies and promulgated import control laws focusing on carbon footprint while China has also issued measures to control greenhouse gas emissions. Thai entrepreneurs exporting products must be prepared to adapt to changes in products that require more environmental considerations. The measurement to reduce greenhouse gas emissions are as follows:

- Plan production processes and improve production equipment to improve energy efficiency.
- Select machines or tools with high-quality production lines to reduce the power consumption of POLY production.
- Dispose of waste and toxins according to academic principles and legal requirements and through the law and the same standard as industrial plants in different countries. The high-quality machines will be selected to minimize waste. This includes the selection of industrial waste treatment contractors that meet the standards prescribed by law.
- Design cost-effective products and production layouts to reduce production waste.
- Produce products that help reduce global warming
- Improve logistics systems to reduce greenhouse gas emissions and provide other types of fuel or renewable energy to reduce oil consumption.
- Increase green space by planting trees in the open factory area to increase the green space of society. POLY has been implementing this policy consistently.
- The details of solar renewable energy generation in the production process are being studied.
- Plan and prepare greenhouse gas emission report to monitor the sustainable development of greenhouse gas emission reduction

Financial risk

Interest rate risk

The main risk from fluctuations in interest rates for the company arises from its long-term borrowings, which have variable interest rates, as well as from fixed interest rates that may be subject to price adjustments over time. The company may be affected by the volatility of these interest rates. To mitigate such risks, the company plans to secure funding at lower interest rates than those prevailing in the market, in order to support its future operations.

On December 31st, 2022, POLY had long-term loans from lenders (BSL Leasing and commercial banks) totaling 188.1 million baht, with the majority of the loan costs set as floating interest rates. If the interest rates increase, it will result in higher loan costs for POLY, leading to a decrease in its profit margin. The management team has assessed the impact of potential interest rate adjustments on the company's profitability and determined that a 1% increase in interest rates would likely reduce profits by approximately 0.5 million baht. To mitigate this risk, the company plans to secure funding with lower interest rates than the market rate for future operations.

Moreover, due to POLY's consistent good performance and strong relationship with its lenders and commercial banks, POLY has been able to negotiate interest rates lower than the MLR rate for its long-term loans. Additionally, after obtaining permission to offer public shares and listing on the stock market, and raising additional capital, POLY has used a portion of the funds to repay its loans. This will result in a long-term reduction in borrowing costs and a decrease in interest rate risk.

Management risk

The risk of the founders and management reaching retirement age

POLY has a retirement policy that sets the age limit at 55. Mr. Srichai Laowrattana (Chief Marketing Officer) reached retirement age in November 2020, while Ms. Kanchana Laowrattana (Chief Executive Officer) will reach retirement age in April 2022. However, both executives have expressed a desire to continue serving in their positions. As such, both have entered into a new 5-year contract with POLY, which runs from 2022 to 2027. Additionally, POLY has already prepared a Succession Plan for all executive positions.

Investor risk

The risk of having a majority of the shares held by a family group, Laowrattana, exceeding 50% of the paid-up capital

As of December 26, 2022, the Laowrattana family holds 78.4% of the registered and paid-up share capital of POLY. As the Laowrattana family holds positions as both directors and executives of POLY, minority shareholders may be at risk of the family's influence in policy-making and management, as they can almost entirely control the resolutions passed at shareholder meetings, including matters such as the appointment of directors or other significant issues that require a majority vote. The exception to this is for matters required by law or company regulations to receive a 3 in 4 majority vote at shareholder meetings.

However, the management structure has defined the scope of authority, duties, and responsibilities of the board of directors and audit committee clearly and transparently. Measures have also been put in place to link the board with major shareholders, those with controlling power, and potentially conflicting individuals who do not have the right to vote on those particular issues. Furthermore, an independent audit committee is established to participate in the consideration and decision-making process for transparency and to provide confidence to shareholders that POLY's management structure has a balanced power and effective management.

Business sustainability development

Sustainability management policy and goals

The company realizes the importance of good corporate governance and sustainable development. In this regard, the company has formulated policies and guidelines to ensure stable and sustainable development of the organization. Our company considers the social, economic and environmental aspects in our business practice, from the supply chain to our customers, to bring the greatest benefit to all groups and stakeholders.

The board of directors will supervise the objectives and strategies of the company to ensure that it is in line with the United Nations Sustainable Development Goals (SDGs). These guidelines include:

- 1) **Supervise the preparation of the strategy:** Considering the environmental and social impacts, including human rights, in our objectives and business strategy. The company will encourage frequent review of our objectives and strategies to ensure that our practices are sustainable.
- 2) **Ensuring that the environment is analyzed:** The company will complete thorough analysis of the factors and risks that may affect stakeholders throughout the business value chain. The company will also consider various factors that could impact the needs of our stakeholders.
- 3) **Supervise the control of business operations:** The company will ensure that our employees understand, and are part of the planning process of our sustainable development strategies.

Management of the Value Chain

Business value chain

The value chain of main activities in the Company's value chain are as follow:

Main Activities	Description
1. Material Sourcing	<ul style="list-style-type: none">• Strict selection of material based on the quality of the product to minimize the risk of depending on only one source and to gain comparative advantage in the market
2. Product Operation and Manufacturing	<ul style="list-style-type: none">• Relies on modern and high-technology operations to manufacture products that minimizes environmental risk while also considering the customers and employees' safety as a primary concern• Engages with skilled engineers and employees who can quickly and efficiently solve unexpected problems within the factory
3. Product Distribution and Service	<ul style="list-style-type: none">• Currently have an inventory storage system and logistics that can efficiently distribute the products while minimizing damages
4. Marketing	<ul style="list-style-type: none">• Consists of an experienced team to explore new opportunities in the market and develop new marketing channels along with high-quality products that meet the demands of the market and customers
5. Post-Transaction Service	<ul style="list-style-type: none">• Fast and efficient post-transaction service, handling customers with care. Open to suggestions and areas of improvement from customers to strengthen the customers' impressions towards the Company

Support activities in the company's value chain are as follows:

Supporting Activities	Description
1. Human resources management	<ul style="list-style-type: none"> Encourage senior managers and employees to receive various skills training regularly. Welfare and equipment support to ensure smooth work of employees, commitment and dedication to the organization
2. Technical development of products and services	<ul style="list-style-type: none"> Encourage innovation to improve the efficiency of workflow. At the same time, create social benefits by focusing on the use of technology, making it easy to use and obtain the maximum benefits.
3. Procurement	<ul style="list-style-type: none"> Comply with the terms of trade with trading partners and ensure the transparency of procurement. Do not conduct any transactions with partners listed in the database of the Anti-Money Laundering Office.
4. Infrastructure	<ul style="list-style-type: none"> Monitor, develop and improve key systems so that they always have the latest technology. Be able to accurately, efficiently and timely support all people and customers in the organization.

Analysis of stakeholders in the enterprise value chain

The stakeholder group	Expectation	Method	Response of the company
Shareholders / Investors / Analysts	<ul style="list-style-type: none"> Good returns Good corporate business Stable business growth Information is accurate, complete, timely and transparent. Risk management system Good audit and control system 	<ul style="list-style-type: none"> Arrangement of shareholders' meeting Quarterly performance introduction Financial analysts meeting Meeting activities between listed companies and investors Invite investors to visit the factory 	<ul style="list-style-type: none"> Conduct corporate governance in a transparent, fair and accountable manner Appropriate dividend payment Disclosure of information Develop a business strategic plan Carefully manage risks
Customers	<ul style="list-style-type: none"> Correctly receive information about products and services Reasonable price Price competition is transparent Access to quality products and services Quick problem solving Confidentiality of customer information 	<ul style="list-style-type: none"> Meeting with customers Closely coordinate every step with customers Customer satisfaction survey Provide customers with the opportunity to visit the production process. Conduct activities with customers 	<ul style="list-style-type: none"> Conduct corporate governance in a transparent, fair and accountable manner Develop anti-corruption policies Quality management through ISO 9001, IATF 16949, ISO1 3485 and other systems. Code of conduct for the confidentiality of customer information Invite customers to visit the production process Develop high-quality products to meet customer needs

The stakeholder group	Expectation	Method	Response of the company
			<ul style="list-style-type: none"> Keep customer information strictly confidential
Partners	<ul style="list-style-type: none"> Fulfill contracts and mutual agreements Conduct business together in a transparent, fair and equitable manner Confidentiality of supplier information 	<ul style="list-style-type: none"> Clear product and service transaction contract Partners satisfaction assessment Carry out activities with partners 	<ul style="list-style-type: none"> Improve the efficiency of procurement-related workflow Strictly keep partners' information confidential
Employees	<ul style="list-style-type: none"> Good salary, career development opportunities and company stability Suitable working environment and area There is sufficient equipment for operation and it is available at any time. Welfare and safety in operation 	<ul style="list-style-type: none"> Convey relevant information through appropriate communication channels and frequency Employee satisfaction assessment Listen to ideas and suggestions through various channels 	<ul style="list-style-type: none"> Train and encourage employees to continuously develop skills and knowledge Joint activities between executives and employees Human resources development policies and plans Safety and occupational health practice guidelines and guidelines Succession plans to plan career development for key positions.
Society and Community	<ul style="list-style-type: none"> Reduce environmental impact on surrounding communities Safety production conforms to safety standards. Make contributions to the development of the community, create jobs and income, and create stability for the people in the surrounding communities. 	<ul style="list-style-type: none"> Take into account the potential impact on society and communities, and be responsible for the society of surrounding communities. Listen to opinions and suggestions through company channels • Follow occupational safety and health guidelines 	<ul style="list-style-type: none"> Optimize resource utilization reduce the impact of greenhouse gas emissions

The company will evaluate the expectations of stakeholders at least once a year through listening to opinions and satisfaction surveys, meetings or other participation channels to understand the impact and related issues between companies, and positive and negative stakeholders to achieve comprehensive and sustainable development.

Environmental sustainability management

Environmental policies and practices

The company recognizes the importance of global warming and greenhouse gas (GHG) emissions, which are mainly caused by carbon dioxide (CO₂), leading to climate change, earth's surface temperature and natural disasters. The company is aware of the future problems and consequences caused by its business operation. Directly related to greenhouse gas emissions, the company has formulated the following social and environmental responsibility policies

“Greenhouse gas emissions (carbon footprint)”. In addition, the company has developed a strategy to use renewable energy to manage greenhouse gases, including other important methods.

Environmental performance

Energy consumption

The company continues to implement energy conservation projects and ISO 14001 environmental projects every year. In 2022, the company, according to the environmental sustainability policy, realizes and supports the efficiency of the company's internal production process. The company has also improved its employee's awareness and participation in reducing power consumption. The company has taken the following actions

- 1) The company has a policy to utilize renewable energy and to produce electricity using solar cells. Many of our buildings and manufacturing sites are sizable and suitable for the installation of solar panels. This helps lower our energy consumption and costs.
- 2) The logistic system is enhanced with a purpose to reduce transportation cost and to limit greenhouse gas emission. The company will optimize the transportation route efficiently – including direct delivery or from the supplier to directly to the customer – by prioritizing the importance of each transportation in the same direction. As well as finding better sources of energy to reduce petrol consumption.
- 3) The company has policies in choosing machineries or tools with high quality production line that is able to reduce the usage of electrical energy for the productions of the company.

Electricity Usage

The company effectively manages energy. In 2022, the electricity consumption will be 11,587,000 kWh. 3,468 kWh per ton, 1,239 kWh less than last year. Due to the efficient use of energy-saving machinery and efficient production management, the overall power consumption is high efficiency.

Water Usage

According to academic principles and legal requirements, the company treats waste water and toxins with correct methods and the same standards as industrial plants in different countries. However, the machines used by the company for production will not discharge wastewater. In 2022, the company's total water consumption was 55,443 cubic meters, or 16.59 cubic meters per ton of product, higher than 2021's few numbers. Due to the increase in the variety of product production in 2022, water is needed in the production process higher.

Waste and pollution management

We will choose high-quality machines to minimize waste. This includes the selection of industrial waste treatment contractors that meet the standards prescribed by law to deal with wastes and other wastes in the production process, for example, solid waste, and canteen waste. The company has developed a guideline to classify waste before it is delivered to the waste collection unit in 2022. The amount of garbage is 346,701 kg., which is divided into 48% of general garbage, 29% of industrial garbage, 20% of recycled garbage and 4% of hazardous garbage. The amount of garbage decreases compared with the previous year due to previous year during COVID-19 situation therefore the staff stay at the company. Moreover, the in the production of parts in 2022 has lower defect.

Performance	Waste quantity (kg.)	Waste type			
		General garbage (%)	Industrial waste (%)	Recycled waste (%)	Hazardous waste (%)
2022	346,701	48	29	20	4
2021	351,100	52	31	15	2

The company has delivered the wastes in the production process to the experts with the disposal license for transportation and disposal. The company's environmental treatment system complies with the regulations of the Ministry of Industrial Engineering. In addition, waste treatment inside the company also considers the impact on the environment and safety. The company also organizes internal activities to continuously reduce the amount of waste every year.

Management of greenhouse gas reduction

The company has taken measures to reduce greenhouse gas emissions, including the use of renewable energy and the improvement of transportation systems to reduce greenhouse gas emissions, select high-quality machines to reduce power consumption in the production line, produce products that help reduce global warming. In addition, the company also formulated a policy to increase green space by planting trees in the open factory area. To increase the green space of society, the company will continue to implement the above policies in 2021. The monitor policy of carbon footprint of organizations and companies for greenhouse gas emission report to monitor the sustainable development of greenhouse gas emission reduction.

Greenhouse gas emission by Polynet in 2021 to 2022

	2021	2022
Greenhouse gas emission volume for area 1 (Ton CO ₂ e)	268	441
Greenhouse gas emission volume for area 2 (Ton CO ₂ e)	4,742	5,723
Greenhouse gas emission volume for area 3 (Ton CO ₂ e)	2,906	4,445

Note: according to the accounting standard regarding greenhouse gas emission (GHG Protocol) for the public and private sectors, which is developed by the World Resource Institute (WRI) in conjunction with the World Business Council for Sustainable Development (WBCSD), direct and indirect emission of greenhouse gases can be categorized into 3 scopes. Scope 1: all direct GHG emission Scope 2: indirect GHG emission from purchasing electricity, heat, or steam Scope 3: indirect GHG emission outside of the scope 2 (e.g., GHG emission from activities related to the transportation with vehicles not controlled or owned by the reporter, etc.)

In 2022, the company appointed LRQA (Thailand) Limited ("LRQA"), a reviewer of carbon footprint evaluation who is registered with Thailand Greenhouse Gas Management Organization (Public Organization) or TGO, to review the company's carbon footprint report. On March 20, 2023, LRQA provided an opinion that there was no reason to suspect any substantial misinformation.

Social sustainability management

Social Environmental policies and practices

The company is dedicated to balancing between its economic, social, and environmental values. The company strives to become a Good Corporate Citizen that leads sustainable business growth while maintaining ethical and socially responsible practices to yield efficient returns to shareholders. The Company will take all of the following into account:

Social Responsibility Policy

The policy has been executed accordingly:

1) Ethical Business Practices

- The company's business is transparent, and fair. All important information can be examined.
- Conducting business in accordance with social responsibility policies based on ethical principles, along with the principles of good corporate governance, is a way to maintain the sustainability of operations in economic, community, social, and environmental aspects, leading to the development of a successful and sustainable business.
- The company strictly complies with the environmental, occupational health, and safety laws. The company strongly urges all personnel to abide by these laws and avoid taking any action that can be deemed as breaking or bending the law, or any other company rules.
- The company does not support any action that is considered violating intellectual property by setting guidelines for the board of directors, executives, and employees to operate within the framework of laws, regulations, and rules, and must not be involved in any actions that violate laws, regulations, or other rules related to intellectual property.
- The company supports its personnel to use resources in the most efficient manners.

2) Anti-Corruption

The company operates transparently and fairly to resist any corruption that may arise through its Anti-Corruption Policy to aid with trustworthy business transactions.

3) Respect of Human Rights

The company strives to bring forth equality in judgment for all races, genders, ages, religions, status, or other factors that do not directly relate to an employee's ability to work.

4) Employee Fairness

The company has a policy to provide a working environment that is happy and acceptable to all employees to work together, and there is a practice towards employees at all levels like brothers and sisters. There is no discrimination, including taking care of Thai and foreign employees equally. The company has a fair compensation system and provides appropriate benefits. In addition, the company also promotes and supports all employees to have opportunities for advancement. The company has established a Learning Center to promote learning and development of employees at all levels of the organization, both in the short and long term, and to develop skills to enhance professionalism in a suitable working environment.

5) Customer Responsibility

The company manages our products and services ethically and are always kept up to standard.

6) Taking Care of the Environment

The company pays close attention to its community and immediate surrounding area, as it is also part of that community. The company will strive to develop the area's environment, and spare no effort to maintain a good relationship with the current residents so it may continue to do business with the community's approval.

7) Developing the Community

The company will run its business in a way that aims to bolster the economy and its society while strictly complying to the law. The company is motivated to develop and increase the quality of life of the community together with the company.

Anti-Corruption Policy

The company will create a culture that ensures everyone realizes the dangers of corruption by building good values and trust in all parties to resist corruption. Further details are as follows:

1. Prohibits any board of director, manager, or any employee of any level to abuse their power or break any law to gain unworthy benefits in any way (For example demand, accept, or present capital or other benefits to government officials or individuals that do business with the company).
2. The act of giving or accepting presents should not be considered equivalent to giving, accepting, or requesting for incentives or any other benefits that could be considered corruption. If it is necessary, giving or accepting gifts should be reasonable, kept transparent, and devoid of any hidden meanings or business dealings
3. The act of giving or accepting presents should not be considered equivalent to giving, accepting, or requesting for incentives or any other benefits that could be considered corruption. If it is necessary, giving or accepting gifts should be reasonable, kept transparent, and devoid of any hidden meanings or business dealings
4. The Anti-Corruption Policy is communicated to employees at every level within the company, including during training and through various internal communication devices.
5. Set up appropriate channels to allow anyone to notify suspicions or acts of corruption. The notifier will strictly remain anonymous and will receive the appropriate protection to avoid any unfair punishments. The company will also appoint personnel to investigate every report of corruption to ensure the validity and truth of the claims.
6. The company will continue to develop its Anti-Corruption Policy to keep it relevant to any new laws regarding moral code. This is done by continually inspecting the risk of any activity that could be considered corruption, as well as continually coming up with the appropriate respective preventive measures.

Social Performance

The company realizes the importance of its social impact and has decided to take the following actions:

Employee Engagement

The company has a policy to allow all employees to work together in a happy and accepting work environment, with everyone treating each other like siblings. There is no comparison or bias towards anyone, and the company takes care of its employees by providing fair compensation and suitable benefits. In 2022, the company had a turnover rate of 2.02%. The rate has increased since 2021.

Customers

The company will continually develop and adjust its manufacturing processes to answer customer demands with ethical responsibility and honesty. In 2022, The company received satisfaction feedback of 97% from customers, and had received no major complaints.

Community

The company runs the business with responsibility towards the community by strictly following the social responsibility policies set in place. We avoid any actions that could create a negative impact towards the surrounding community of the company. As a result, the business has received no major complaints from the community in 2022.

Motivation and human resources development

Polynet Company Limited (corporation) recognizes the importance of people development in driving the business to sustainable growth. We have adopted a tool, so called "Competency," to drive the organization direction into the strategic and continuous people management and capability development. The company has determined our core and managerial competency and skills based on our vision, mission, and strategy, as well as task-specific skills, to be a direction for people development and efficiency improvement. Furthermore, high-level managers are aware of the significance of personnel and employees as a main factor to drive competitive advantages. As a result, we developed talent management and succession plans, with a goal to attract and retain capable and moral employees, with high ability and potential. This will support the sustainable growth of the organization and will prevent the scarce of talent in positions critical to business success in the future.

Therefore, people development strategy of Polynet Company Limited (Corporation) emphasizes the recruitment and selection, training and development, performance evaluation, and talent attraction to retain capable and moral employees and ensure their well-being.

Human resources development strategy

1. Recruitment strategy

Starting from the strategy of recruiting talents and good people to join the company, the focus is to work more actively. Find tools for selecting more talents and the main tool used is performance. It is factors to measure past performance and tools to assess employees' potential assess the current and future capabilities of employees and increase external recruitment channels.

2. Training and development strategy

Through the support and promotion of the company, it will become a learning organization. By encouraging employees to continuously develop production line employees and support line employees, the company has established a learning center. The internal learning center provides employees with the basic knowledge training center from the beginning of work to work by determining the knowledge and skills of personnel required for operation. In this regard, employees will develop through internal and external training and other non-training methods, such as: conducting effective self-research training according to the training roadmap of each employee, basic knowledge, hard skills, soft skills according to the organization's human resources development strategic plan.

3. Retain and Motivation strategy

The company has found ways to motivate and retain potential employees to stay in the organization for a long time and faces challenges at work and don't get tired of what they do. Therefore, the career path structure is ready to cover the determination of knowledge, skills, abilities, annual training plan, training arrangement, and development

guide, training evaluation, and tracking required by personnel. The company also transfers potential employees (Talent Pool) as a representative of Successor to the following Successor.

4. Knowledge management strategy

The company's human resources development policy develops all employees, committee, and executive through internal and external training and other non-training methods (such as on the job training) and effective self-study guidance according to the appropriate personal employee development guidelines and in line with the organization's personnel development strategic plan. According to the requirements of the career paths and international standards, the company has established an internal teacher plan (Internal trainers) who are divided into internal teachers according to their job levels and internal teachers according to their teaching responsibilities to improve the potential of internal teachers and formulate teaching standards systematically. We have created a variety of teaching courses and teaching tools to prevent employees from getting bored during training, including plans and managing knowledge within the organization by collecting existing knowledge in the organization whether it is to collect knowledge from individuals or documents to develop a system so that everyone in the organization can acquire knowledge and develop themselves, apply the acquired knowledge to the work. The department will review and collect the department's knowledge and support all materials for knowledge management.

Personnel development program

1. Learning Center

The company prioritizes career development from entering the company to being a full-time employee. In order to make employees knowledgeable, the company has built an internal training facility for basic knowledge about the company such as company history, product information, safety rules, etc. The learning curriculum follows 70:20:10 mode through hands-on training in order to make the activity engaging. This has been proven to promote learning better than in-class lessons.

2. Internal Trainer

The internal trainer could be grouped into by level trainer and by responsibilities. The trainers are being trained through "Train the trainer" curriculum such as Control and On the Job training to enable the trainee to act as a trainer in on-the-job training situations. The company has created such curriculum such as forklift operation, search and Completely Check Completely Find-Out (CCCF), chemical safety training, etc.

3. Corporate Core Culture

Systematically approach to performance is a tool to convert the company's strategy to personnel's development. It is the foundation to human resource management and directing the company's approach to improving employee's skills. The company has brought "Competency model" into the company and adapted it to recruit prospective employees and develop existing employees to increase everyone's productivity, which consists of 7 core cultures. The core culture is being adapted to the upper management and employees for everyone in which the trainer is from the aforementioned trainer training program.

Occupational Health and Safety

The company acts according to the law and standards about health and safety. Employees are assigned responsibilities that lead to the structures that promote safety within the area of noise, dust, chemical substance, and other environmental concerns. The company also provides health services to the employees especially in the area that promotes their wellbeing and preventive care that could affect productivity.

Occupational Health and Safety Project

Results	2020	2021	2022
Fatalities			
- Employee (Persons)	0	0	0
- Contractor (Persons)	0	0	0
Injuries from working (not included dead)			
- Employee (Persons)	0	0	1
- Contractor (Persons)	0	0	0
Lost-Time Injuries Frequency Rate			
- Employee (Persons)	1	0	1
- Contractor (Persons)	0	0	0
Serious injurie (Cases)	0	0	0

Personal Protective Equipment (PPE)

According to the safety, biological safety, and working environment act 2011 BE, the law requires the employer to put on warning sign and ensure that the employees wear proper PPE that follows the listed standards.

- Assigned safety personnel indicates the type of required PPE and assign the PPE to employees once per year without any cost.
- Review and check the PPE to be in a working order at all times. The equipment must follow the guideline listed by the law and suitable to the work of the employee.
- Employees working in dangerous conditions must wear proper PPE and follow the company's safety rules.

Heat, lighting, and noise within the workspace

The company aspires to follow the laws involving work safety and wellbeing of the employees. The company evaluates heat, lighting, and noise within the workspace yearly according to Thai laws, and to ensure the well-being of the employee. The company also enacted a safety committee and actively re-evaluate and improved the working conditions.

Employee stewardship COVID-19 Control measures

Since 2020, continuing to 2022, there has been a continuous spread of the COVID-19 virus. The company has realized and prioritized the health care of employees both preventively. strictly epidemic to build morale and encouragement for all employees to be able to work with confidence. The practice guidelines are as follows:

1. The company posts COVID-19 information on billboards to communicate with the employees and outsiders.
2. Masks are required for all employee and outsiders

3. Provide hand sanitizers on the exits/entrances.
4. Body temperature check and background check for both authorized and outside personnel.
5. 1-2 Meters social distancing is required for all personnel especially in the common areas such as resting area, meeting room, etc.

Spraying disinfectant against COVID-19

The company focuses on preventing the spread of COVID-19. The company sanitizes the workspace by spraying sanitizer chemicals both indoors and outdoors for the safety of everyone.

COVID-19 Vaccines for employees

The board member cared and realized the importance of the employee's well-being, therefore initially Sinopharm vaccines were purchased for the employees in order to reduce the spread of COVID-19. The above-mentioned vaccination plans also boost confidences in our health policy and business practices for our business partners. All of our employees were given at least 2 doses of COVID-19 vaccine within September 2021. We also ordered Moderna COVID-19 vaccines as a booster dose for our employees.

Management Discussion and Analysis

Operational analysis and financial position

Overall Business Performance

For the year 2022, it is an important milestone for POLY, with a significant growth being the company's registration to be listed on the Stock Exchange of Thailand to offer its shares to the public as an initial public offering (IPO) on November 16, 2022, along with growth in both revenue and profits.

During the year, there were several significant events that may have impacted the operation results, such as the Russia-Ukraine war which affected both the energy sector and semiconductor shortages, as well as the worldwide inflation that caused the economy to be vulnerable. This led to a more intense financial policy direction both domestically and internationally. Nonetheless, the management team continued to monitor the economic situation and various potential impact factors such as interest rate adjustments, inflation, as well as new trends and opportunities to constantly plan and adjust strategies to achieve the set goals.

The overall revenue growth for the year 2022 increased by 37.6% compared to the previous year 2021, especially in the consumer goods category, which is a new product with relatively high sales volume. This is because the product has been well-received and is in line with the global trend and fast-paced lifestyle of the present time.

The gross profit for the year 2022 also grew, with an increase of 46.9 million baht or 21.1% compared to the previous year 2021. The net profit was 161.7 million baht, an increase of 40.8 million baht or 33.7% from the previous year.

The company continues to focus on risk management by reducing its dependency on any one industry for revenue, and instead, attempts to distribute revenue to industries with growth potential for long-term sustainability. This was achieved in 2022 as a preliminary goal, with the company successfully increasing the proportion of revenue from the consumer goods industry in addition to the automotive industry.

(Unit: million baht)	2020	2021	2022	Increase (Decrease)
Revenue portion by products				
Automotive	62.9%	61.5%	51.6%	(9.9%)
Consumer products	20.0%	25.2%	36.4%	11.2%
Medical devices	17.0%	13.2%	11.9%	(1.3%)
Other income	0.1%	0.1%	0.1%	-
Total	100.0%	100.0%	100.0%	

The company aims to increase the proportion of revenue from all three groups by distributing it more evenly, while ensuring sustainable growth in each group to diversify business risks. The proportion of revenue from the automotive group has been consistently decreasing, from 70.4% in 2019 to 63.0% in 2020, and 61.6% in 2021, and in 2022 it accounted for 51.6% of the total revenue. This is due to increased sales of consumer goods, which have seen a growing trend and are expected to continue to grow in the future.

Important financial information

Statement of financial position

Unit : Million baht	2020	2021	2022	Increase (Decrease)	% Increase (Decrease)
Assets					
Cash and cash equivalents	17.0	11.1	410.0	398.9	3,593.7%
Trade and other receivables - net	82.7	114.4	201.6	87.3	76.3%
Inventories - net	38.2	57.7	63.8	6.1	10.6%
Unbilled receivables	0.9	25.6	25.9	0.3	1.2%
Other current assets	1.5	5.7	5.5	(0.2)	(3.5%)
Total current assets	140.2	214.5	706.8	492.3	229.5%
Restricted deposits at financial institution	0.6	0.6	-	(0.6)	(100.0%)
Property, plant and equipment - net	796.9	912.8	969.0	56.2	6.2%
Intangible assets - net	5.2	4.5	4.5	-	0.0%
Other non-current assets	1.6	2.6	12.5	9.8	376.9%
Total non-current assets	804.2	920.4	986.0	65.6	7.1%
Total assets	944.5	1,134.9	1,692.9	558.0	49.2%
Liabilities and equity					
Liabilities					
Short-term loans	76.0	11.0	9.9	(1.1)	(10.0%)
Trade and other payables	75.5	97.9	141.6	43.7	44.6%
Current portion of					
- Long-term loans - net	55.9	80.6	63.6	(17.0)	(21.1%)
- Lease liabilities - net	30.4	30.0	28.8	(1.2)	(4.0%)
Income tax payable	0.5	14.5	3.2	(11.3)	(77.9%)
Contract liabilities	1.8	29.1	1.1	(28.0)	(96.2%)
Other current liabilities	6.8	2.2	4.0	1.8	81.8%
Total current liabilities	246.8	265.3	252.2	(13.1)	(4.9%)
Long-term loans - net	172.8	180.8	124.6	(56.2)	(31.1%)
Lease liabilities - net	25.7	66.8	73.0	6.2	9.3%
Deferred tax liabilities - net	22.2	23.0	30.5	7.5	32.6%
Employee benefit obligations	1.7	11.9	9.4	(2.5)	(21.0%)
Total non-current liabilities	231.4	282.4	237.4	(45.0)	(15.9%)
Total liabilities	478.2	547.7	489.6	(58.1)	(10.6%)
Equity					
Issued and fully paid-up share capital	330.0	330.0	450.0	120.0	36.4%
Share premium	3.9	3.9	679.9	676.0	17,333.3%
Retained earnings	130.0	251.0	70.6	(180.4)	(71.9%)
Other components of equity - net	2.4	2.4	2.8	0.4	16.7%
Total equity	466.3	587.2	1,203.3	616.1	104.9%
Total liabilities and equity	944.5	1,134.9	1,692.9	558.0	49.2%

Comprehensive income

Unit : million baht	2020	2021	2022	Increase (Decrease)	% Increase (Decrease)
Revenue from sales	522.7	786.1	1,082.3	296.2	37.7%
Cost of goods sold	(422.3)	(563.8)	(813.0)	(249.2)	44.2%
Gross profit	100.4	222.3	269.2	46.9	21.1%
Other income	0.5	1.0	1.4	0.4	40.0%
Selling expenses	(12.0)	(12.9)	(13.8)	(0.9)	7.0%
Administrative expenses	(49.5)	(56.5)	(64.3)	(7.8)	13.8%
Expected credit losses (reversal)	2.9	2.2	(0.1)	(2.3)	(104.5%)
Other gains (losses)	(5.2)	(0.7)	24.3	25	(3,571.4%)
Finance costs	(11.4)	(14.1)	(24.0)	(9.9)	70.2%
Profit before income tax	25.6	141.2	192.7	51.5	36.5%
Income tax expense	(3.8)	(20.3)	(31.1)	(10.8)	53.2%
Net profit for the year	21.8	120.9	161.7	40.8	33.7%
Other comprehensive income:					
Item that will not be reclassified to profit or loss	-	-	0.4	0.4	100%
Other comprehensive income for the year	-	-	0.4	0.4	100%
Total comprehensive income for the year	21.8	120.9	162.1	41.2	34.1%
Basic earnings per share	0.07	0.37	0.47	0.10	27.0%

Cash flows

Unit : million baht	2020	2021	2022	Increase (Decrease)	% Increase (Decrease)
Cash flows from operating activities					
Profit before income tax	25.6	141.2	192.7	51.5	36.5%
Adjustments:	102.3	103.8	117.8	14.0	13.5%
Changes in operating assets and liabilities:	(19.4)	(55.0)	(159.8)	(104.8)	190.5%
Cash generated from operating activities	108.5	190.1	150.8	(39.3)	(20.7%)
Net cash flows used in investing activities	(84.6)	(115.4)	(57.5)	(57.9)	(50.2%)
Net cash flows used in financing activities	(14.2)	(80.6)	305.6	386.2	479.2%
Net increase (decrease) in cash and cash equivalents	9.7	(5.9)	398.9	404.8	6,861.0%
Opening balance of cash and cash equivalents	7.3	17.0	11.1	(5.9)	(34.7%)
Closing balance of cash and cash equivalents	17.0	11.1	410.0	398.9	3,593.7%

Performance and Profitability

Revenue from sales

In 2022, following the economic recovery after the COVID-19 pandemic, as well as the ongoing Russia-Ukraine conflict and the high inflation rate worldwide, POLY continued to maintain its continuous revenue growth through successful sales, achieving a revenue of 1,082.3 million baht, representing a growth of 37.6% compared to 2021. The details are as follows

Revenue by Segment	2020		2021		2022		Increase (Decrease)	% Increase (Decrease)
	Million baht	%	Million baht	%	Million baht	%		
Sale Revenue								
Automotives	329.1	62.9%	484.0	61.5%	559.2	51.6%	75.2	15.5%
Consumer products	104.6	20.0%	198.2	25.2%	394.6	36.4%	196.4	99.0%
Medical devices	89.0	17.0%	103.9	13.2%	128.5	11.9%	24.6	23.6%
Total	522.7	99.9%	786.1	99.9%	1,082.3	99.9%	296.2	37.6%
Other income	0.5	0.1%	1.0	0.1%	1.4	0.1%	0.4	40.0%
Total revenue	523.2	100.0%	787.1	100.0%	1,083.7	100.0%	296.6	37.6%

Automotive

The products in the automotive parts group continue to grow by 15.5%, and account for 51.6% of the total revenue. This is due to the recovery of car sales, as well as production for new customers that began in the third and fourth quarters of 2022, and for existing customers who ordered additional parts due to the improving situation in the automotive industry.

Consumer products

The products in the consumer goods group are a significant contributor to the revenue growth, with a high growth rate of 99.0% and accounting for 36.4% of the total revenue. Particularly, packaging products made of silicon have seen a continuous increase in orders from customers since 2021, and have been produced and sold since the end of that year. These products have received good feedback from customers due to the continuous trend of increasing consumer demand and their ability to perform well in foreign markets under a globally recognized brand.

Medical devices

The medical equipment group saw a revenue increase of 24.6 million baht, representing a growth rate of 23.6% and accounting for 11.9% of the total revenue. This is due to a significant increase in sales volume, driven by the availability of a wider variety of products in the group.

Cost of sales and gross profit margin

Unit: Million baht	2020	2021	2022	Increase (Decrease)	% Increase (Decrease)
Cost of Sales	422.3	563.8	813.0	249.2	44.2%
Gross profit margin	100.4	222.3	269.2	46.9	21.1%
Gross profit margin (%)	19.2%	28.3%	24.9%	(3.4%)	

The gross profit for the year 2022 was 269.2 million baht, an increase of 46.9 million baht or 21.1% from the previous year, primarily due to higher sales volume. However, the gross profit margin decreased from 28.3% to 24.9% due to the type of revenue. In 2021, revenue from mold making, which has a higher gross profit margin than the sales of goods, was recognized in the fourth quarter of 2021. But in 2022, the majority of revenue was generated from the sales of goods, resulting in a lower gross profit margin compared to the previous year.

Cost of sales	2020		2021		2022		Increase (Decrease)	% to revenue Increase (Decrease)
	Million baht	% to revenue	Million baht	% to revenue	Million baht	% to revenue		
Raw material cost	199.2	38.1%	286.2	36.4%	464.5	42.9%	178.3	6.5%
Labor cost	75.3	14.4%	110.7	14.1%	149.5	13.8%	38.8	(0.3%)
Depreciation and amortization	74.0	14.2%	74.6	9.5%	86.2	8.0%	11.6	(1.5%)
Other overhead cost	73.8	14.1%	92.3	11.7%	112.8	10.4%	20.5	(1.3%)
Total cost of sales	422.3	80.8%	563.8	71.7%	813.0	75.1%	249.2	3.4%

For the year 2022, the gross profit rate is reduced from 28.3% to 24.9% due to the proportion of revenue from the sale of printing machines, which have a cost structure that differs from the sale of products. The printing machines have a relatively high initial profit rate, with the majority of the increased revenue in 2022 coming from the sale of products with a lower initial profit rate. In addition, the cost of raw materials, petrochemicals, and basic materials increased significantly compared to the same period in 2021, as a result of the Russia-Ukraine conflict that caused crude oil prices to soar. Adjusting product prices is not immediately feasible due to quarterly price reviews with customers, which affects the ratio of raw material costs that have increased from 38.2% to 43.3% as shown in the table above. Labor costs, depreciation, and other production expenses have decreased proportionally due to improved production capacity.

The analysis of revenue, Cost of sales and gross margin of each product group can be shown as follows

Automotive

Unit: Million baht	2020	2021	2022	Increase (Decrease)	% Increase (Decrease)
Revenue	329.1	484.0	559.2	75.2	15.5%
Cost of sales	309.7	392.2	458.9	66.7	17.0%
Gross profit	19.4	91.8	100.3	8.5	9.3%
% Gross profit margin	5.9%	19.0%	17.9%	(1.1%)	

In 2022, the revenue of auto parts increased by 75.2 million Baht, or 15.5%, compared with the previous year, and the gross profit was 100.3 million Baht. Due to the recovery of auto manufacturers, it increased by 8.5 million Baht or 9.3% over the previous year, including new workpiece orders for existing customers and new customers due to the impact of the Russian-Ukraine war from the second quarter to the third quarter, the gross profit rate has decreased, resulting in a continuous rise in the price of raw materials. The fourth quarter was affected by the weakening of the Thai baht exchange rate. However, POLY can negotiate with customers to adjust prices quarterly. The gross profit rate will be affected in a short time before the new sales price takes effect.

Consumer products

Unit: Million baht	2020	2021	2022	Increase (Decrease)	% Increase (Decrease)
Revenue	104.6	198.2	394.6	196.4	99.1%
Cost of sales	77.3	131.9	300.7	168.8	128.0%
Gross profit	27.3	66.3	93.9	27.6	41.6%
% Gross profit margin	26.1%	33.4%	23.8%	(9.7%)	

Consumer goods revenue increased by 196.4 million Baht, or up 99.1%, and gross profit increased by 27.6 million Baht or 41.6%. The orders of new customers started from mold production in 2021, and the sales of workpieces have started this year. In 2022, the product will enter the market in the first quarter of 2022 and continue to expand sales channels. As a result, the growth of consumer goods income was relatively high, and the gross profit margin fell from 33.4% to 23.8%. Since the income realized in 2022 is mainly workpieces, the gross profit rate is lower than that of molds.

Medical devices

Unit: Million baht	2020	2021	2022	Increase (Decrease)	% Increase (Decrease)
Revenue	89.0	103.9	128.5	24.6	23.7%
Cost of sales	35.3	39.7	53.5	13.8	34.8%
Gross profit	53.7	64.2	75.0	10.8	16.8%
% Gross profit margin	60.3%	61.8%	58.4%	(3.4%)	

The revenue of the medical equipment group increased by 24.6 million Baht, or up 23.7%, and the gross profit increased by 10.8 million Baht or 16.8%, due to the growth of existing customers and new products, the gross profit margin is relatively high. However, due to the new products that will be sold in 2022, there may be a slight decline. It has a different cost structure from products, and its gross profit rate is not as high as the main products sold before. It reduces the gross profit margin of medical equipment.

Overall expenses

Overall expenses	2020		2021		2022		Increase (Decrease)	% to revenue Increase (Decrease)
	Million baht	% to revenue	Million baht	% to revenue	Million baht	% to revenue		
Selling expenses	12.0	20.4%	12.9	19.2%	13.8	17.7%	0.9	6.6%
Administrative expenses	49.5	84.5%	56.5	84.1%	64.3	82.2%	7.8	36.0%
(Reversal) Expected credit losses	(2.9)	4.9%	(2.2)	(3.3%)	0.1	0.2%	2.3	3.5%
Total Expenses	58.6	100.0%	67.2	100.0%	78.2	100.0%	11.0	16.4%

In 2022, total expenditure increased from 67.2 million baht to 78.2 million baht, an increase of 11 million baht or 16.4%. Most of this was due to an increase of 7.8 million baht in administrative expenses and the changes in expected credit losses that will increase reserves and record as expenses in 2022 by 0.1 million Baht, but compared with 2021, the credit loss is expected to increase due to the debtor's repayment by 2.3 million baht.

Selling expenses

Selling expenses	2020		2021		2022		Increase (Decrease)	% to revenue Increase (Decrease)
	Million baht	% to revenue	Million baht	% to revenue	Million baht	% to revenue		
Salary and remuneration	7.9	1.5%	8.8	1.1%	9.8	0.9%	1.0	(0.2%)
Marketing expenses	1.3	0.3%	0.8	0.1%	0.4	0.1%	(0.4)	-
Other selling expenses	2.8	0.5%	3.3	0.4%	3.6	0.3%	0.3	(0.1%)
Total selling expenses	12.0	2.3%	12.9	1.6%	13.8	1.3%	0.9	(0.3%)

In 2022, the sales expenses were 13.8 million Baht, an increase of 0.8 million Baht or 0.3% over 2021. Most of them are changes in wages and salaries, which are caused by wage adjustments and the resignation of old employees and new employees. At present, due to the high sales volume, the ratio of sales expenses to revenue is 1.3%, down from 1.6% in the previous year, but most of the sales expenses are fixed costs.

Administrative expenses

Administrative expenses	2020		2021		2022		Increase (Decrease)	% to revenue Increase (Decrease)
	Million baht	% to revenue	Million baht	% to revenue	Million baht	% to revenue		
Salary and remuneration	25.6	4.9%	26.7	3.4%	29.8	2.8%	3.1	(0.6%)
Consulting and professional fees	5.7	1.1%	9.4	1.2%	10.1	0.9%	0.7	(0.3%)
Utilities and maintenance	6.0	1.2%	7.1	0.9%	8.0	0.7%	0.9	(0.2%)
Depreciation and amortization	8.3	1.6%	8.5	1.1%	9.0	0.8%	0.5	(0.3%)
Other administrative expenses	3.9	0.7%	4.9	0.6%	7.4	0.7%	2.5	51.0%
Total administrative expenses	49.5	9.5%	56.5	7.2%	64.3	5.9%	7.8	(1.2%)

In 2022, the administrative expenses will be 64.3 million baht, an increase of 7.8 million baht or 13.8% over 2021. This is mainly due to the increase of 0.7 million baht in the service fees and consultants of the stock exchange. The expenses of management and employees increased by 3.1 million baht, due to the increase of bonuses based on better performance and other management expenses increase of 2.5 million baht, most of which are related to the listing of the Stock Exchange of Thailand. The proportion of administrative expenses in sales revenue decreased to 5.9% because most of the expenses are fixed and will not change according to income.

Other income

The main components of the "Other income/(loss)" category are mainly profit/loss from unrealized foreign exchange rate differences and profit/loss from asset sales.

For the year 2022, POLY had a net other income of 6.1 million baht. The majority of this income came from a net profit on the sale of equipment of 23.6 million baht. This item represents the sale of machinery to customers who require the full capacity of said machinery for their own production, and do not want it to be used for other non-customer-related production.

Finance cost

Unit: Million baht	2020	2021	2022	Increase (Decrease)	% Increase (Decrease)
Loan interest	9.0	11.7	19.1	7.4	63.3%
Hire purchase interest	2.4	2.4	4.9	2.5	104.2%
Interest expenses	11.4	14.1	24.0	9.9	70.2%

In 2022, the financial cost was 24 million baht, increasing of 9.9 million baht or 70.2% over the previous year, including the increase in loan interest of 7.4 million baht because the company increased short-term loans, and the other part increased debt interest under the lease agreement at 2.5 million baht because the company purchased

machines for operation and supported sales growth. Another factor leading to the rise of financial costs is the policy interest rate adjustment of the Bank of Thailand. Since August 2022, the policy interest rate has increased, and increased twice in September and November in 2022. The policy interest rate rose to 0.75%, increasing financial costs in the third and fourth quarters of 2022.

Net profit and Net profit margin

Unit: Million baht	2020	2021	2022	Increase (Decrease)	% Increase (Decrease)
Net profit	21.8	120.9	161.7	40.8	33.7%
Net profit margin	4.2%	15.4%	14.9%	(0.4%)	

The net profit for the year 2022 was 161.7 million baht, an increase of 40.8 million baht or 33.7% from the previous year. The main reason for the increase is due to the increase in revenue. However, the net profit margin decreased slightly due to the decreased initial profit margin and increased financial costs. Moreover, the selling and administrative expenses as a proportion of revenue decreased, combined with other profits from machinery sales to customers, resulting in a slight decrease in the net profit margin.

Statement of financial position

Unit : Million baht	2020	2021	2022	Increase (Decrease)	% Increase (Decrease)
Assets					
Current assets	140.2	214.5	706.8	494.1	230.4%
Non-current assets	804.2	920.4	986.0	63.9	6.9%
Total assets	944.5	1,134.9	1,692.9	558.0	49.2%
Liabilities					
Current liabilities	246.8	265.3	252.2	(23.0)	(8.7%)
Non-current liabilities	231.4	282.4	237.4	(35.1)	(12.4%)
Total liabilities	478.2	547.7	489.6	(58.1)	(10.6%)
Equity					
Shares capital	330.0	330.0	450.0	120.0	36.4%
Shares premium	3.9	3.9	679.9	676.4	17,343.6%
Retained earnings	130.0	251.0	70.6	(180.4)	(71.9%)
Other components of equity	2.4	2.4	2.4	-	-
Total equity	466.3	587.3	1,203.3	616.1	104.9%

Assets

As of December 31, 2022, the total assets of the company were 1,692.9 billion Baht, increasing 558 million Baht, or 49.2%, divided into current assets 494.1 million baht, and non-current assets increased by 63.9 million baht. The main reasons for the increase in current assets are: raised funds through the Stock Exchange of Thailand and increased cash and bank deposits trade receivables and inventory growth in the same direction as revenue growth. Non-current assets increased due to investment in more machines for supporting the expansion of the production capacity of existing customers and new customers who need additional machines.

Liabilities

As of December 31, 2022, the company's total liabilities were 489.6 million Baht, decreasing of 58.1 million Baht or 10.6%, which was divided into current liabilities 23 million baht, non-current liabilities decreased by 35.1 million baht, and current liabilities decreased by 23 million baht, mainly due to the decrease in contractual liabilities 28 million baht due to the reduction of delivery and income tax in November. After deducting the increase of trade creditors, the increase of trade creditors is in the same direction as the increase in sales of 43.7 million baht. Non-current liabilities decreased due to the repayment of principal during the period.

Equity

As of December 31, 2022, the total shareholders' equity of the company was 1,203.3 billion Baht, increasing of 616.1 million Baht because of raising funds through Stock Exchange of Thailand total 796 deducted expense. The increase in accumulated profit is due to the net profit of the year of 161.7 million baht, less the total dividend payment during the period of 342.1 million baht.

Significant Financial Ratios

Financial Ratios	2020	2021	2022	Increase (Decrease)
Liquidity Ratio (time)	0.6	0.8	2.8	2.0
Gross Profit Margin	19.2%	28.3%	24.9%	(3.4%)
Net Profit Margin	4.2%	15.4%	14.9%	(0.5%)
Return on Equity	4.8%	23.0%	18.1%	(4.9%)
Return on Asset	2.4%	11.6%	11.4%	(0.2%)
Debt to Equity Ratio (time)	1.0	0.9	0.4	(0.5)
Interest-Bearing Debt to EBITDA Ratio (time)	3.0	1.5	1.0	(0.5)

Liquidity Ratio (time)

Due to the increase in cash raised by IPO through the Stock Exchange of Thailand, the liquidity ratio increased from 0.8 times to 2.8 times and the increase of operating assets, while the balance of current liabilities decreased, increasing the liquidity ratio.

Return on Equity

As the company's net profit increased by 33.7% over the previous year, the shareholder's rate of return decreased from 23.0% to 18.1%. At the same time, due to raising funds through the stock exchange in the fourth quarter of 2022, shareholders' equity increased by 104.9% over the previous year. As a result, the return rate of shareholders is reduced. However, in the long run, the company is expected to benefit from fundraising by investing in machines to accommodate more customers and developing production methods to improve competitiveness. It can create higher long-term shareholder returns in the future.

Return on Asset

The return on assets decreased slightly from 11.6% to 11.4%. As the assets of the automotive and motorcycle headlamp production project are under construction, the project was launched in the first quarter of 2022, and it will be completed in the fourth quarter, and the revenue in the fourth quarter will be recognized recently, which may have a slight impact on the return on assets.

Debt to Equity Ratio (time)

The debt to equity ratio decreased from 0.9 times to 0.4 times, mainly due to the increase in shareholders' equity from fundraising through the Stock Exchange of Thailand. In addition, the decrease in total liabilities due to debt repayment during the period, and delivery under the contract resulting in lower debt-to-equity ratio.

IBD/EBITDA Ratio

IBD/EBITDA decreased from 1.5 times to 1 time, mainly due to higher operating profit and lower interest burden than last year. Due to the payment within the year, the financial ratio decreased.

General and other important information

General information

Company name	Polynet Public Company Limited
Abbreviation	POLY
Registration No.	0107565000212
Business type	Molding, manufacturing, and distributing products related to rubber, plastic, and silicone mold for the automotive industry, tools, and medical devices and goods.
Head Office and Plant 1	888 Moo 11, Bangsaotong, Samutprakan 10570
Plant 2	124 Moo 4, Bangsaotong, Samutprakan 10570
Telephone	0-2397-9094
Website	www.polynet.co.th
Registered Capital	THB 450,000,000
The par value of each share	THB 450,000,000

Other important information

Other important information affecting investors' decisions

- None -

Restrictions of foreign shareholders, if the company has policies requiring the shareholders' meeting to pass the resolution of issuing new shares or issuing transferable subscription rights (TSR) to shareholders according to the shareholding ratio. It shall not be issued and issued to shareholders to enable the company to perform its duties in accordance with foreign laws.

- There is no such situation -

Legal disputes

As of December 31, 2022, the Company has no legal disputes that may cause damage to the company's assets more than 5% of the shareholders' equity and no other legal disputes that may materially affect the Company's business operations.

PART 2

CORPORATR GOVERNANCE POLICY

Corporate governance policy

Corporate governance policy

Overview of corporate governance policies and practices

The company recognizes the importance of good corporate governance, which is essential to promote the company's operation and improve efficiency and sustainable growth, which will bring maximum benefits to all stakeholders, including employees and investors. Therefore, the Board of Directors agreed to formulate corporate governance policies covering key principles such as the structure, roles, duties, and responsibilities of the board of directors. The principle of managing executives in a transparent, clear and verifiable manner according to the 2017 Guidelines on Good Corporate Governance of Listed Companies of the Securities and Exchange Commission ("SEC") as the guideline of the Board of Directors to ensure the long-term good business performance of shareholders as investors and all stakeholders of listed companies on the Stock Exchange of Thailand ("SET"). As a guideline for organizational management, it ensures that any operation of the company is fair and takes into account the best interests of shareholders and all stakeholders, is effective and ethical in operation and carries out businesses beneficial to society and develops or reduce the negative impact on the environment. This includes being able to adapt to changes in business conditions and create sustainable value for the business which satisfies the wishes of enterprises, investors, capital markets, and the whole of society.

In addition, the Board of Directors also appointed a subcommittee to oversee the audit, internal control and risk management system and the company's corporate governance, while encouraging executives and employees to work clearly and fairly to ensure that all stakeholders adhere to the principles of good corporate governance and trust the company Board of Directors Corporate governance includes the following eight principles:

- Principle 1: Roles and responsibilities of the board of directors
- Principle 2: Company's objectives and main objectives
- Principle 3: Strengthen the effective board of directors
- Principle 4: Recruitment and development of senior management and human resource management
- Principle 5: Promote innovation and responsible business operation
- Principle 6: Ensure appropriate risk management and internal control system
- Principle 7: Maintain financial reputation and disclosure
- Principle 8: Encourage shareholders to participate and communicate

An overview of corporate governance policies and practices can be summarized as follows: the complete corporate governance policies and guidelines can be found in Appendix 4.

Principle 1: Recognize the role and responsibility of the board of directors as an organizational leader to create sustainable value.

1. The board of directors should understand its role and be aware of its responsibilities as a leader to supervise the good management of the organization. Goals and objectives, strategies and operational policies and allocate important resources to achieve goals and objectives, and monitor, evaluate and monitor performance reports.

2. The Board of Directors shall supervise the company to achieve at least good governance results, namely: Considering the long-term impact, competitive and good business performance, ethical operation, respect the rights and responsibilities of shareholders and stakeholders, benefit the society, develop or reduce the negative impact on the environment. It can also adapt to changes in business conditions.

3. The Board of Directors shall ensure that all directors and executives perform their duties with a sense of responsibility, prudence, and honesty (Loyalty obligation) and ensure that the operation complies with laws, regulations, and resolutions of the General Meeting of Shareholders and policies or guidelines, identify and approve important businesses that have a significant impact on the company, such as investment and transaction, transactions with related parties, asset acquisition/disposal, dividend payment, etc. shall comply with legal requirements.

4. The board of directors should understand the scope of responsibilities of the board of directors and clearly define the responsibilities and scope of responsibility distribution of the CEO and management that specifies duties and responsibilities as well as monitor and supervise the Chief Executive Officer and the management to perform their assigned duties by preparing a charter or the corporate governance policy of the Board of Directors (Charter of Board of Directors) The Company shall review the Articles of Association at least once a year and assign the management power to the management through written records, that is, authorization.)

Principle 2: Determine the company's sustainable development goals and main objectives

1. The Board of Directors shall determine or monitor the company's goals and objectives to achieve sustainability. Goals and objectives are consistent with creating value for the company, customers, partners, other stakeholders, and the whole society.

2. The Board of Directors shall monitor the objectives and strategies in the medium term (3-5 years) and/or in the year. Through the proper and safe use of technology, it is in line with the company's objectives and main objectives. The Board of Directors will set goals according to the business environment and the company's potential. The Board of Directors will consider setting monetary and non-monetary targets. In addition, The board of directors should be aware of the risk that setting goals may lead to illegal or unethical behavior.

Principle 3: Strengthen the effective board of directors

1. The Board of Directors is responsible for determining and reviewing the size and composition of the Board of Directors, and an appropriate proportion of independent directors, including skills, experience, ability, and specific characteristics, including gender and age. This is crucial for achieving the organization's goals and main objectives, and for enabling the organization to achieve the established goals and main objectives. The Board of Directors shall consider the appropriate number of directors who can effectively perform their duties. The number of directors shall not be less than 5 people, up to 12 people. The board of directors should account for a certain proportion between executive directors and non-executive directors to reflect the appropriate balance of power. The numbers and qualifications of independent directors meet the standards of the SEC and the Stock Exchange of Thailand. This includes ensuring that independent directors can effectively cooperate with all boards of directors and can express their opinions independently.

2. The Board of Directors shall select a suitable person to be the chairman and ensure that the composition and operation of the board of directors are conducive to the discretion of independent decision-making. The chairman is an independent director. If the chairman is not an independent director, the board of directors must be composed

of more than half of the independent directors. The board meeting agenda should balance the power between the board of directors and the management.

The company shall separate the person who is the chairman of the board from the person who is the chief executive officer. It also formulated policies to allow independent directors to serve for no more than 9 consecutive years from the date of the first appointment of independent directors. If an independent director is appointed to continue to hold the position, the Board of Directors will give reasonable consideration to the necessity.

To carefully consider important matters, the Board of Directors will consider appointing two subcommittees: Audit Committee and Executive Committee Board of Directors

3. The Audit Committee will conduct the meeting to consider the criteria and procedures for nominating qualified directors, so that the audit committee has the following knowledge and expertise, including the history of the above person. The Board of Directors provides shareholders with sufficient information about the nominee to make decisions.

4. In proposing the remuneration for the Board of Directors to the shareholders for approval, the Board of Directors shall consider the appropriate structure and remuneration according to the recommendations of the Audit Committee and encourage the Board of Directors. The Board of Directors leads the organization to achieve short-term and long-term objectives according to the company's strategy and long-term objectives, experience, the scope of responsibilities, and the expected interests of each director. This is equivalent to the industry practice level. Shareholders must approve the structure and remuneration of directors in both monetary and non-monetary forms. The Board of Directors will disclose the policies and standards of directors' remuneration to reflect everyone's obligations and responsibilities, including the form and amount of compensation.

5. The Board of Directors has the responsibility to supervise all directors to perform their duties and allocate sufficient time. There is a mechanism to encourage directors to understand their roles and responsibilities and determine the criteria for directors to serve in other companies by considering the work efficiency of directors holding multiple positions to ensure that directors can fully devote their time to performing their duties in the company. The number of listed companies that each director will serve in shall be determined according to the nature of the company or business conditions, but shall not exceed 5 companies. Committees shall attend at least 75% of the board meetings unless necessary. It also includes establishing a system for reporting other positions of directors and making it public for confirmation to ensure that the company has taken adequate measures to prevent conflicts of interest.

6. The Board of Directors is responsible for supervising the development of frameworks and mechanisms to monitor the policies and operations of subsidiaries and other businesses of the company and make major investments at a level suitable for each business, including other businesses of subsidiaries and companies. The company will send a person representing the company to serve as director and executive or the holding person of each subsidiary or other business invested by the company according to the shareholding ratio of each company to supervise other businesses invested by subsidiaries or companies and supervise the subsidiaries to comply with the announcement of asset acquisition or disposal transactions or related party transactions.

7. The Board of Directors and subcommittees shall evaluate the performance of the entire Board of Directors at least once a year. The Board of Directors can apply the evaluation results to the development and improvement of various fields.

8. The Board of Directors shall supervise the Board of Directors and each director to understand their roles, responsibilities, and business nature and laws related to business operation, and encourage all directors to regularly acquire the skills and knowledge to perform their duties as directors.

9. The Board of Directors shall ensure the smooth operation of the Board of Directors and be able to obtain necessary information. There is a company secretary who has the necessary and appropriate knowledge and experience to support the operation of the board of directors. The Board of Directors will arrange the agenda of the

meeting and the agenda of the Board of Directors in advance so that the directors can arrange the time and attend the meeting at least 4 board meetings are held every year. The board will ensure that each director has their criteria. The management is free to propose matters that are conducive to the company's agenda. The meeting documents shall be submitted to the directors at least 7 working days before the meeting date. Unless it is urgent to protect the rights or interests of the company, the meeting can be notified by other means and the date of the meeting can be determined in advance.

Principle 4: Recruitment and development of senior management and human resource management

1. The Board of Directors shall ensure that the Chief Executive Officer and senior management have the knowledge and skills in recruitment and development, experience, and qualifications required to drive the organization to achieve its goals and monitor succession plans to prepare for the succession of CEO and senior management. The CEO shall report the performance of the succession plan to the Board of Directors at least 1 time annually for confirmation.

2. The Board of Directors supervises the determination and proper evaluation of the remuneration structure by making recommendations to the Audit Committee.

3. The board of directors should understand the shareholder structure and relationship that may affect the management and operation of the company.

4. The Board of Directors will supervise management and train personnel with appropriate knowledge, skills, experience, and motivation.

Principle 5: Promote innovation and responsible business operation

1. The Board of Directors concerns with the importance and support of the operation that creates value for the enterprise and creates a corporate culture that promotes innovation. At the same time, it creates benefits for customers or interested parties and is responsible for society and the environment. Improper conducting, illegal or unethical activities are not encouraged.

2. The Board of Directors will supervise the management to conduct business in a socially and environmentally responsible manner and incorporate it into the operation plan (Operation plan) to ensure that all parties of the organization work in accordance with the objectives, main objectives, and strategies. The company has formulated a business ethics policy covering the following matters:

- Responsibilities to staffs and employees
- Responsibilities to customers
- Responsibility to partners
- Responsibility to the community
- Responsibility to the environment
- Fair competition and
- Anti-corruption

3. The Board of Directors will supervise the effective allocation and management of resources by the management by considering the impact and resources of the whole value chain to achieve the main goals and objectives of sustainability.

4. The board of directors shall establish an information technology supervision and management framework at the organizational level according to the company's requirements, including the introduction of supervision technology.

Principle 6: Ensure appropriate risk management and internal control systems suitably

1. The Board of Directors shall ensure that the company establishes a risk management system and internal control to effectively achieve objectives and comply with relevant laws and standards.

2. The Board of Directors shall establish an audit committee, which can effectively and independently perform its duties, at least composed of directors at least 3 persons, all of whom must be independent directors and have qualifications and responsibilities in accordance with the provisions of the SEC and the Stock Exchange of Thailand. The duties of the audit committee shall be determined in writing. The board of directors shall supervise the company and provide mechanisms or tools to enable the Audit Committee to access the information required to perform its assigned duties, such as the Audit Committee is allowed to convene relevant personnel to provide information and discuss with auditors or seek the independent opinions of other professional consultants for consideration by the Audit Committee and the Board of Directors. The effectiveness of the risk management system and internal control shall be reported to the Audit Committee and the audit report shall be disclosed in the annual report. The Audit Committee shall discuss the adequacy and internal control and disclosure in the annual report

3. The Board of Directors shall supervise and manage the possible conflicts of interest between the company and the management of the Board of Directors or shareholders, including preventing improper use of the company's property, information and opportunities and conducting transactions with persons associated with the company in inappropriate ways.

4. The Board of Directors shall supervise the formulation of clear anti-corruption policies and guidelines, and communicate at all levels and outside the organization, implement and support activities to promote and train all employees to comply with the law and relevant regulations.

5. The Board of Directors shall supervise the company to establish a complaint mechanism and take action when clues appear by contacting the Chairman of the Audit Committee directly via email or mail, including the process of reviewing information, operation and reporting to the Board of Directors. The Board of Directors shall ensure that appropriate protective measures are taken for the informants who report clues in good faith.

Principle 7: Maintain financial reputation and disclosure

1. The Board of Directors is responsible for ensuring that the preparation of financial reports and the disclosure of important information are accurate and sufficient, in timely operation with relevant rules, standards and guidelines. Chief Executive Officer of Accounting and Finance Internal auditors, company secretaries and investor relations personnel have appropriate knowledge, skills and experience, and have sufficient capabilities.

2. The Board of Directors will monitor the adequacy of financial liquidity and solvency.

3. If the company faces financial problems or may have problems, the board of directors will consider ensuring that the company has plans to solve the problems or there are other mechanisms to solve financial problems and regularly monitor solutions, taking into account the rights of stakeholders

4. The Board of Directors will consider the preparation of sustainable and appropriate development reports.

5. The Board of Directors shall supervise the management to arrange a unit or investor relations principal to communicate with shareholders and investors, analysts and other stakeholders should be appropriate, equal and on time.

6. The Board of Directors shall promote the application of information technology in information dissemination.

Principle 8: Encourage shareholders to participate and communicate

1. The Board of Directors shall ensure that shareholders participate in the decision-making of important matters of the company.

- a) The Board of Directors shall supervise important matters, including issues prescribed by law and issues that may affect the company's operation direction. The company has been reviewed
-

and/or approved by the shareholders. The important matters have been included in the agenda of the shareholders' meeting.

- b) The Board of Directors will support the participation of shareholders, such as: determining the criteria for minority shareholders to propose additional agenda before the shareholders' meeting. The Board of Directors will review the agenda items proposed by shareholders. If the board of directors rejects the agenda item proposed by the shareholders, the board of directors must inform the shareholders' meeting of the reason. In addition, the Board of Directors shall ensure that such standards are disclosed to shareholders in advance.
- c) The Board of Directors shall ensure that the invitation to the general meeting of shareholders contains accurate, complete and sufficient information to exercise the rights of shareholders.
- d) The board of directors shall ensure that the notice of the general meeting of shareholders and relevant documents are at least published on the company's website 14 days before the date of the meeting or the time limit prescribed by relevant laws and regulations. The Board of Directors will allow shareholders to submit issues before the date of the meeting and set the criteria for submitting issues in advance and publish the above rules on the company's website.

2. The Board of Directors shall ensure that the operation of the general meeting of shareholders is smooth, clarified and efficient. The Board of Directors will determine the date, time and place of the meeting, considering the convenience of shareholders attending the meeting, such as appropriate and sufficient meeting time for discussion. The meeting place is convenient for travel, etc. The board of directors will ensure that no action is taken and limit the opportunity to attend the meeting or impose a burden on shareholders, such as shareholders or agents shall not carry documents or identity certificates that exceed the guidelines of relevant regulatory authorities. The Board of Directors and relevant management are encouraged to attend the meeting for being asked by shareholders.

3. The Board of Directors shall ensure that the disclosure of the resolutions of the meeting and the preparation of the shareholders' meeting are accurate and complete. The Board of Directors shall ensure that the company discloses the resolutions and voting results of the General Meeting of Shareholders within the next working day through the news system of the Stock Exchange of Thailand and the company website and will ensure that a copy of the shareholders' meeting is submitted to the Stock Exchange of Thailand within 14 days from the date of the shareholders' meeting.

Business Ethics

Persons who are obliged to perform their duties.

The persons who are obliged to comply with this business ethics include directors, officers, employees, employees and consultants counterparty as well as the persons or designated persons acting on behalf of the company or behalf of a person above of the company and its subsidiaries.

Basic principles

- 1. Perform duties with integrity, ethics and responsibility.
- 2. Keep secret and not use internal information or confidential information to seek benefits for yourself or others.
- 3. Prevent or avoid any behavior that may lead to a conflict of interest.
- 4. Act as a professional with knowledge, expertise and prudence.

Behavior and Conduction

1. Perform duties according to the laws related to business operations, objectives, articles of association and corporate governance principles and the general meeting of shareholders
2. Learn knowledge and experience to enhance your knowledge and ability to improve operational efficiency and effectiveness.
3. Adhere to ethics and do not seek positions, advantages, preferences or any other improper interests from superiors or any other person.
4. Avoid bad habits and all drugs. Do not act in a way that may damage your own and the company's reputation, such as: don't act like a person who is heavily in debt, indulging in all kinds of gambling, and don't interfere with all kinds of drugs.
5. They shall not engage in any occupation that may affect their performance of duties or reputation.
6. Avoid financial obligations with people or employees who have business relations with the company. This includes giving loans or loans, claims, sharing, etc., except for charitable and public activities.
7. Do not seek illegal benefits directly or indirectly.
8. Maintain and create team unity.

Practice and Behave to the company

1. Fulfill duties with responsibility, honesty, determination, energy and thought and abide by the company's rules and policies, values and traditions, and put the company's interests first.
2. Perform duties according to occupational health, safety and work environment policies.
3. Do not slander or take any action that may cause internal division or damage to the company or its related personnel.
4. Protect the company's assets from damage and loss, and use assets effectively to fully benefit the company. The property of the company shall not be used for its benefit or the benefit of others.
5. Maintain one's accepted honor in the company.
6. Do not participate in any activities that may conflict with the interests of the company or conceal any act, or participate in any concealment illegally.
7. Pay attention to and assist in taking any action to protect the working environment and environment, including the excellent development of the organization

Gift exchange, entertainment

1. Shall not require, accept or agree to accept money, goods or any other benefits of persons related to the business of the company
2. Giving or receiving gifts can be done in accordance with tradition, not to encourage or avoid any improper behavior, affecting business decisions or causing unfair benefits
3. The gift exchange shall be conducted in public and shall not exceed the normal value after the exchange, and report to the superior. If the value of gifts received in the form of money or goods exceeds 3,000 Baht, they will be rejected and returned.

Employment practice

1. For the company's overall interests, strengthen team cooperation through cooperation and mutual help.
 2. Ensure that the working environment is safe for the life and property of employees.
 3. Promote the training and development of employees' knowledge, skills and abilities by providing fair and outstanding opportunities. Also, provide an appropriate and fair response
 4. Appointment, transfer, promotion, reward and punishment shall be conducted fairly based on knowledge and ability, experience and appropriateness of employees
 5. Unfair discrimination against employees is prohibited.
 6. Strictly abide by laws and regulations related to employment.
-

Employee behavior and act towards a colleague

1. For the overall interests of the company, strengthen team cooperation through cooperation and mutual help.
2. Treat colleagues with courtesy, kindness and good interpersonal relationship, so that they can cooperate with others and do not conceal the information needed by colleagues.
3. Respect others and do not use others' works to be their works.
4. The superior should respect and become an example for the subordinate, including politeness to subordinates and colleagues at all levels
5. Subordinates should respect their superiors.
6. Subordinates should listen to the instructions of their superiors and should not act beyond their superiors unless the above superior commands, including courtesy to personnel and colleagues at all levels.
7. Avoid disclosing information or stories of other people related to operations and personal affairs or criticizing in a way that may cause damage to employees' reputations or the overall image of the company.
8. Do not conduct any unethical or sexual harassment to others. Such behavior will cause trouble and annoyance or create a demoralizing, hostile or aggressive work environment, including interference with the work of other people without cause. Such acts include indecency, indecency or sexual harassment, whether verbal or physical.

Act toward customers, suppliers, creditors and competitors

1. Treat customers, partners and creditors equally and fairly based on fair returns.
2. Strictly abide by the contract and agreed on conditions. In case of failure to comply with any conditions, inform both parties in advance to jointly consider solutions.
3. Report accurate and complete financial information on time to creditors on a regular basis. In case of unable to comply with the conditions of the agreement or contract between the creditor and the company, negotiate with creditors in advance to jointly find solutions and prevent damages, including the management of funds to enable creditors to have confidence in the company's financial condition and good repayment ability.
4. Provide customers with enough accurate service information so that customers have enough information to make decisions. Do not exaggerate advertisements to mislead customers about the quality, conditions or prices of products and/or services.
5. Meet customer needs quickly and efficiently and provide customers with convenient and efficient complaint service systems and channels.
6. Do not seek confidential information of competitors in dishonest or inappropriate ways, such as paying employees of competitors.
7. Treat competitors under good competition rules without damaging their reputation.
8. Strictly keep the confidential information of customers, partners and companies, and pay attention not to disclose confidential documents or news or fall on unrelated personnel who may cause damage to relevant personnel and the company.

Social and environmental responsibilities

1. Be responsible for protecting the environment, customs and local customs of the company's location.
2. Through cooperation with society, communities, government agencies and relevant organizations, social activities are carried out on appropriate occasions and good relations are established.
3. According to standards, regulations and laws related to the company's business operation, prevent accidents and control waste discharge below international standards.
4. Respond quickly and effectively to events that affect the environment and community due to the company's operation and fully cooperate with government officials and relevant institutions.
5. For the benefit of the company and the public, personnel at all levels should act with caution.

Violation or non-compliance with business ethics

To comply with the business ethics policy, there is a penalty if directors, executives and employees, including employees, consultants, contractors, and persons acting on behalf of or designated to act on behalf of the company or on behalf of the above company's persons and its subsidiaries that shall not comply with or take any action that does not comply with the provisions of this policy according to the following measures:

- 1) Verbal or written warning
- 2) No salary increase or annual bonus will be considered
- 3) Probation or suspension order
- 4) Dismissal, lay off or termination of employment

Complaint channels

Stakeholders who are found to have violated or failed to comply with the business ethics can raise questions or express opinions through the following channels:

Channel 1

E-mail

Contact person: Chairman of the Audit Committee

E-mail address: ac@polynet.co.th

Channel 2

Mail

Contact person: Chairman of the Audit Committee

Polynet Public Company Limited

888 Moo. 11 Bangsaotong District Samutprakan 10570

Telephone: 02-397-9094-6

Significant changes and developments in policies, guidelines and corporate governance system in the past year

Significant changes and developments in policies, guidelines and corporate governance system in the past year as follows

- 1) Review organizational values and strategies.
 - 2) Review the Articles of Association of the Board of Directors, the Sub-Committee, the Chief Executive Officer and the Internal Audit Organization.
 - 3) Review the authorized operation manual.
 - 4) Approve the following policies:
 - Business ethics
 - Good corporate governance policy
 - Risk management policy
 - Policy to complain and report misconduct and corruption
 - Internal information use policy
 - Information technology supervision, management and security policy
 - Related transactions and connected transactions policy
 - Conflict of interest policy
 - Investment policies and governance of subsidiaries, joint ventures and associated companies
 - Corporate social responsibility policy
 - Anti-corruption policy
 - Human resources development policy
 - Dividend payment policy
 - Policy for disclosure and submission of financial statements
 - Succession Plan Policy
 - Social and environmental responsibility policies for greenhouse gas emissions
-

- Enterprise value chain stakeholders influence management policies
- Sustainable development policy
- Personal information protection policy

Other matters in compliance with the principle of good corporate governance

The company reviews the corporate governance policy annually.

Corporate governance structure and significant information related to the Board of Directors, subcommittees, executives, employees and others

Corporate governance structure

The organization chart as of December 31, 2022, is as follows:



According to the principle of good corporate governance, the Board of Directors may establish a subcommittee to supervise the nomination committee and other matters. The Remuneration Committee ensures qualified directors in the nomination process and considers to determine the structure and compensation rate suitable for the responsibility, or the Risk Management Committee is responsible for checking and screening to ensure that the company has an appropriate risk management system. However, since POLY has only one company, the number of business projects is small and not complex. Therefore, the Board of Directors assigns the responsibilities of the Nomination Committee and the Risk Management Committee to the Audit Committee. The audit committee is composed of independent directors, the Remuneration Committee and the Board of Directors shall perform the above duties. The Board of Directors is composed of 7 members which are 3 Independent Audit Committee people, accounting for 42.9%, and have no conflict of interest and can express their opinions independently. In addition, on the agenda of reviewing the remuneration of directors with conflict of interest, for example, the CEO, directors and interested parties must abstain.

5 executives are the Chief Executive Officer, Chief Marketing Officer, Chief Financial Officer, Chief Operation Officer, Chief Product Officer.

The company appoints Unique Advisor Ltd to be the one that evaluates an internal control system. The internal control system evaluation contract is once a year until the end of December 2022. The company has formulated a policy to continue to use the services of external assessors to assess the internal system continuously.

Table of authorization to approve important matters

	CEO	Executive Committee	Board of Directors	Shareholder
Annual Budget	-	-	✓	-
Annual total investment budget	≤ 5 million baht	5 million baht < transaction amount ¹ <15%	15% ≤ transaction amount <50%	Project scale ≥50%
Asset sales	≤ 5 million baht	5 million baht < transaction amount ¹ <15%	15% ≤ transaction amount <50%	Project scale ≥50%
Investment/venture capital	≤ 5 million baht	5 million baht < transaction amount ¹ <15%	15% ≤ transaction amount <50%	Project scale ≥50%
Stock investment deposit instrument - project scale	-	transaction amount <15%	15% ≤ transaction amount <50%	Project scale ≥50%
For all types of financing	-	<100 million baht, the D/E ratio shall not exceed twice the budget approved by the Board of Directors.	≥ 100 million baht or D/E ratio over 2	-

¹ Calculate the trading scale according to the announcement of the Board of Directors of the Stock Exchange of Thailand. Information disclosure and operation on acquisition or disposal of assets by listed companies, B.E.2547 (2004)

Information of the Board of Directors

Composition of the Board of Directors

The Board of Directors is composed of independent directors, executive directors and non-executive directors total 7 persons. According to Section 68 of the Listed Limited Companies Act B.E.2535 (1992) and the notice of the Capital Market Supervision Commission, they are qualified persons. Reply No. Tor Jor.39/2559 (2016) : The license and issuance of the newly issued shares issued on September 30, 2016, have been amended in all aspects

Term of Position

One-third of the directors shall retire at each annual general meeting. The directors with the longest term of office shall retire, in case the retired directors cannot be divided into one-third, the latest number should be one-third. The retired directors can be reappointed. To comply with the principle of good corporate governance, the term of position of the independent director should not exceed 3 terms, or for 9 consecutive years or according to the opinion of the Board of Directors. The retirement by rotation, directors shall retire under the following circumstances:

- Dead
- Resignation
- Lack of qualification or characteristics prohibited by law
- The General Meeting of Shareholders shall adopt a resolution by not less than three-fourths of the number of shareholders who attend the meeting and have the right to vote. In addition, the total number of shares shall not be less than half of the total number of shares held by the shareholders who attend the meeting and have the right to vote
- The court issued a decision to dismiss

Personal information of the company's board of directors and the controller

The list of 7 directors is as follows:

Name	Position
1. Mr. Chaiyaporn Nitaswarakul	Chairman of the Board of Directors / Chairman of the Audit Committee / Independent Director
2. Ms. Tyawadee Ngamwongwan	Director / Independent Director
3. Ms. Khemika Thiwong	Director / Independent Director
4. Mrs. Kanchana Laowrattana	Director
5. Mr. Srichai Laowrattana	Director
6. Mr. Therdsak Chalermwattananon	Director
7. Ms. Noppamas Fahchusawad	Director

Note: All directors are appointed by the 2022 annual general meeting held on March 15, 2022.

There are 3 non-executive directors, namely the 1-3 directors, accounting for 42.9% of the total number of directors who have authorization with the company.

The authorized directors are Mrs. Kanchana Laowrattana or Mr. Srichai Laowrattana. One of them signed an agreement with Mr. Therdsak Chalermwattananon or Noppamas Fahchusawad, totaling 2 people, and affixed the company seal.

The details of the Board meetings as of December 31, 2020, 2021, and 2022 are as follows:

Name	Total number of meetings		
	2020	2021	2022
1. Mr. Chaiyaporn Nitaswarakul	1/1	3/3	8/8
2. Ms. Tyawadee Ngamwongwan	1/1	3/3	8/8
3. Ms. Khemika Thiwong	1/1	3/3	8/8
4. Mrs. Kanchana Laowrattana	1/1	3/3	8/8
5. Mr. Srichai Laowrattana	1/1	3/3	8/8
6. Mr. Therdsak Chalermwattananon	1/1	3/3	8/8
7. Ms. Noppamas Fahchusawad	1/1	3/3	8/8

Roles and responsibilities of the Board of Directors

At the 2022 annual general meeting held on March 15, 2022, the terms of reference of the Board of Directors are as follows:

1. Perform duties in accordance with laws, objectives, articles of association and resolutions of the board of directors with responsibility, caution, and honesty.

2. Consider and approve the vision, mission, business strategy, business direction, business policies, objectives and guidelines, operating plans and budgets of the company and its subsidiaries, following the Executive Committee and the management preparation.

3. Supervise the management and performance of the Chairman of the Board of Directors, the Audit Committee, the Executive Committee and the Chief Executive Officer. The management or any person assigned to perform its duties to comply with its vision, mission, business strategy and business direction, business policies, objectives, guidelines, operation plans and budgets formulated by the Board of Directors

4. Continuously monitor the company's and its subsidiaries operating performance to meet the company's operating plan and budget.

5. Ensure that the company and its subsidiaries adopt appropriate and effective accounting systems. This includes providing an effective internal control system and internal audit system and providing a process for evaluating the applicability of the consolidated system. Under the recommendation of the Audit Committee, the company and its subsidiaries regularly conduct an internal audit.

6. Prepare the balance sheet of profit and loss statement at the end of the financial year of the company and its subsidiaries, and sign to certify the financial statements for presenting to the Annual General Meeting Accounting statements and submit to the Stock Exchange of Thailand within the time limit prescribed by law and prepare and submit quarterly financial statements reviewed by auditors within the time limit prescribed by law.

7. Consider and develop risk management policies covering the entire organization and supervise the risk management system or process to support the standards and control methods to reduce the impact on the company's business under the presentation of the audit committee

8. Consider and approve the selection and appointment of auditors, and consider the appropriate remuneration proposed by the Audit Committee before presenting to shareholders in Annual General Meeting for approval.

9. Formulate corporate governance policies based on written good governance principles and effectively implement such policies. Ensure that the company is fair and accountable to all stakeholders.

10. Consider and approve the appointment of personnel with legal qualifications and without prohibited characteristics Public Limited Company, B.E.2535 (including amendments), Securities Exchange Act, B/E.2535 (including

amendments) Office of the Board of Directors and approve the appointment of directors to replace the retiring directors by rotation, and determine the remuneration of directors for submission to the General Meeting of Shareholders for approval

11. Consider and propose remuneration (monetary and non-monetary) and other benefits of the Board of Directors including fixed remuneration (such as regular remuneration, conference allowance) and remuneration based on the company's performance (such as bonus, and reward) according to the board of Directors creating for shareholders, but not too high, leading to focus on short-term performance. Also, consider from the size of the business of the board of the director and compare it with compensation information of other registered companies in the same type of business and companies that are almost the same kind to present in the meeting of shareholders for further approval

12. Appoint sub-committees, including the Audit Committee, the Executive Committee or any other sub-committee to determine the powers and responsibilities of the Board of Directors to assist and support the Board of Directors in performing its duties and consider determining appropriate remuneration (monetary and non-monetary) and other benefits, including fixed remuneration (such as regular remuneration, conference allowance) and performance remuneration (such as bonus and reward) of sub-committees (Not more than the total amount approved by shareholders).

13. Consider the remuneration of the CEO and company secretary. This includes authorizing the CEO to appoint executives according to the definition prescribed by the Securities and Exchange Commission and Capital Market Supervision Committee and consider compensation for the above director.

14. Consider and approve the expenditure of investment, operation, loan or any loan application from financial institutions and as guarantors for the normal business operation of the company, subsidiaries and affiliated companies, there are no restrictions under the company's restriction, including the restriction of Stock Exchange of Thailand and Capital Market Supervision Commission

15. Consider and approve related transactions and/or any transactions between subsidiaries. The Company cooperates with related parties as stipulated in the Securities Exchange Act B.E.2535 (1992) (including revision) Stock Exchange of Thailand and Capital Market Supervision Commission General terms of trade between the company and its subsidiaries and the executive director or related personnel. The executive framework gives the management the power to conduct such transactions within the framework and scope of relevant laws and regulations

16. Provide appropriate communication channels for each shareholder group and monitor information disclosure to ensure accuracy, clarity, reliability and the highest standards

17. Disclose appropriate information about persons in conflict of interest, stakeholders and interested parties. It shall be accurate, complete, and appropriate within the specified period, and comply with relevant laws, announcements, rules and regulations.

18. Consider and determine the management structure of subsidiaries and affiliated companies to be able to effectively control the management and responsibilities of subsidiaries and affiliated companies.

19. Appoint a person to be a director or officer of a subsidiary or associated company at least in proportion to the shareholding ratio of subsidiaries or affiliated companies. The powers, responsibilities and scope of responsibilities of the appointed directors and executives are specified. This includes determining the power framework for exercising clear discretion when voting on important matters at the board meeting of the subsidiary or affiliated company, including the disclosure of financial status, operating performance and related transactions and correctly acquiring or disposing of important assets.

20. Consider approving dividend payment

21. Review, determine and modify the names of the directors who have the right to sign the articles of association according to the restriction of the company.

22. If necessary, seek professional opinions from external organizations to make appropriate decisions.

23. Supervise the effective operation of the company and protect any interests related to all stakeholders

24. The annual general meeting of shareholders shall be held within four months after the end of the accounting period of the company. The board meeting shall be held at least once every three months.

25. Prepare the annual report of the Board of Directors, and be responsible for preparing and disclosing the financial statements of the company and its subsidiaries. Determine the financial status and operating performance of the company and its subsidiaries in the past year and submit them to the General Meeting of Shareholders for review and approval.

26. Evaluate the performance of the entire board of directors and evaluate the performance of each director to review problems and obstacles annually. Be able to apply the evaluation results to the development and improvement of various fields.

27. Be responsible for complying with the Personal Information Protection Law through the regulatory authority of the Board of Directors, including consideration of approval policy and internal detail duty, procedures for handling any matters related to the protection of personal information of the company, in particular.

28. Conduct and supervise the management and operation of the company and its subsidiaries in accordance with the provisions of the Securities Exchange Law related to the prohibition of bribery or corruption, and announcements of various rules and regulations correspondent to Capital Market Supervision Commission, Securities and Exchange Commission and Stock Exchange of Thailand. For example, make related party transactions and the acquisition or disposal of important assets without violating other laws. This includes providing adequate and appropriate internal control systems and internal audits.

29. The directors shall not use the company's internal information which does not disclose to the public for personal interests, including securities trading.

30. The directors shall not take any action that may lead to a conflict of interest and must notify the company to understand their relationship or interests in such transactions. They shall not participate in the review and have no right to approve the transaction or others.

31. The Board of Directors may authorize and/or designate other persons to perform specific tasks on its behalf to grant or grant such powers within the scope of authorization specified in the power of attorney and/or comply with the rules, regulations or orders prescribed by the Board of Directors and/or the company. The distribution of the powers, duties and responsibilities of the Board of Directors does not constitute a delegation to the Board of Directors or the person authorized by the Board of Directors who may approve the transaction of the person or persons who may have conflicts. (According to the notice of the Securities and Exchange Commission and/or the notice of the Capital Market Supervision Commission and/or the Stock Exchange of Thailand) and/or relevant institutions determine) may have a conflict of interest or conflict of interest with the company in any way or a subsidiary of the company unless the transaction is approved in accordance with the policies and rules approved and approved by the General Meeting of Shareholders or the Board of Directors. According to the notice of the Securities and Exchange Commission, transactions that meet normal business and normal trading conditions and/or the notice of the Capital Market Supervision Committee and/or the Stock Exchange of Thailand and/or relevant institutions.

32. Review the Articles of Association of the Board of Directors at least once a year.

Information about the Subcommittee

The Board appointed two subcommittees, consist of Audit Committee and Executive Committee.

Audit Committee

As of December 31, 2022, the Audit Committee consists of the following three independent directors:

Name	Position
Mr. Chaiyaporn Nitaswarakul	Chairman of the Audit Committee
Ms. Tyawadee Ngamwongwan	Member of the Audit Committee
Ms. Khemika Thiwong	Member of the Audit Committee

Note: The Audit Committee was appointed at the Board Meeting No. 1/2022 held on February 25, 2022.

Mr. Chaiyaporn Nitaswarakul, a member of the Audit Committee, has sufficient knowledge and experience in auditing and the credibility of the financial statements to review for the company and there is Ms. Weerawan Ngampolpun as a secretary of the Audit Committee, appointed at the Board Meeting No. 1/2022 held on February 25, 2022

The term of office of the members of the Audit Committee is three years, and the members of the Audit Committee retire by rotation and could return to the position again. The term of office of the Audit Committee shall not exceed 9 years. In the case of appointing members of the Audit Committee to hold such positions, the Board of Directors shall reasonably consider the necessity.

Members of the Audit Committee have the following qualifications:

1. Holding no more than 1% of the total number of voting shares of the company, parent company, subsidiaries, and affiliated companies, the major shareholders or controlling persons of the company, including the shares of related parties.

2. Neither a director, employee, receiving fixed salary consultant or controller of the company's management, major company, subsidiary, an affiliated company, a subsidiary at the same level, major shareholder or controller of the company unless the above characteristics retire from those not less than 2 years before asking the allowance to the Office of the Securities and Exchange Commission or the date of appointment.

3. No blood relationship or legal registration with parents, spouses, siblings and children (including children's spouses). Other directors, officers, major shareholders, controllers or persons nominated as directors, officers or controllers of the company or subsidiary.

4. Never had any business relationship with the company, its major company, subsidiary, affiliated company, major shareholder or controlling person in a way that may hinder its independent judgment, including being neither having been a major shareholder nor the controller of a person who has business relations with the company, major company, subsidiary, affiliated company or major shareholder or the controlling person of the company unless the above characteristics retire from those not less than 2 years before asking the allowance to the Office of the Securities and Exchange Commission or the date of appointment by the business relationship, including the normal transactions conducted for the business, lease real estate, transactions related to assets or services, or provide or obtain financial assistance through acceptance or loan, guarantee and provide assets as debt collateral, including other similar situations that lead to the company, or the party is obliged to pay the other party 3% of the company's net tangible assets or 20 million Baht or more of the debt whichever is lower. Therefore, the calculation of the above debt burden shall be based on the capital market supervision committee's when carrying out connected transactions, but when considering such debts, the debt burden generated within 1 years before the establishment of a business relationship with the same person should be calculated.

5. He/she shall not or has served as the auditor of the company, its major company, subsidiary, an affiliated company, major shareholder or controller. It shall not be a major shareholder, controller or partner of the audit firm, which has auditors of the company, major company and subsidiary companies. The company's affiliates, major shareholders or controlling persons, unless the above relationship is terminated for at least two years.

6. Never or has been any professional service provider, including providing services as legal counsel or financial adviser which receives more than 2 million Baht per year of service fees from the company, its major shareholders or controlling persons and is not a major shareholder and director or partner of a professional service provider unless the above relationship is terminated for at least two years before handing the allowance to the Office of the Securities and Exchange Commission or the date of appointment

7. Never be appointed directors as representatives of major of the company, major shareholders, or shareholders associated with major shareholders.

8. He/She is not allowed to engage in business with the same conditions and significant competition as the business of the company or its subsidiaries or he/she is not an important partner of the partnership, or a director, employee, or consultant receiving a fixed salary or hold more than 1% of the total voting shares of other companies, engaged in businesses with the same conditions and significant competition with the company or its subsidiaries.

9. Shall not have any other characteristics that cannot express an independent opinion on the company's operation.

10. Shall not serve as directors appointed by the Board of Directors to determine the business operations of the company, subsidiaries, affiliated companies and subsidiaries at the same level, major shareholders or controlling persons of the company.

11. Shall not be a director of the major company, subsidiary or equivalent subsidiary of the listed company.

Details of the audit committee meetings as of December 31, 2020, 2021, and 2022 are as follows:

Name	Attendance/Total number of meetings		
	2020	2021	2022
Mr. Chaiyaporn Nitaswarakul	1/1	3/3	6/6
Ms. Tyawadee Ngamwongwan	1/1	3/3	6/6
Ms. Khemika Thiwong	1/1	3/3	6/6

Role of the Audit Committee

1. Review the accuracy and adequacy of the company's financial statements through coordination with the external auditors and executives responsible for preparing quarterly and annual financial reports to disclose relevant information about the company. The Audit Committee may recommend that the auditors review or review any transaction. This is considered important and necessary during the company's audit.

2. Review whether the company's internal control system and internal audit system are appropriate and effective. Consider the independence of the internal audit department and approve the appointment, transfer and dismissal of the head of the internal audit department and/or hire internal audit companies or other institutions responsible for internal audit.

3. Develop risk management policies covering the entire organization, including supervision of the company. Establish a risk management system or process to appropriately reduce the impact on the company's business. The scope is as follows:

- 1) Determine the risk management plan and risk management process of the whole organization, including risk appetite and the deviation of risk tolerance before submission to the Board of Directors for approval.
- 2) Supervise and support the success of the organization's risk management, propose methods to prevent and reduce the risk level and track the operation plan to continuously reduce risks and adapt to business conditions. Ensure that risks are adequately and appropriately managed.
- 3) Monitor and evaluate the compliance of the whole organization with the risk management policies and framework.
- 4) Supervise and support the review and review of risk management policies and frameworks at least annually. Ensure such risk management policies and frameworks that it is consistent and appropriate with the company's overall business conditions and risk management business.

4. Review the Company's compliance with the requirements of the Securities and Exchange Law and the Stock Exchange of Thailand and laws related to the company's business.

5. Consider, select and nominate independent persons as auditors of the company and present those persons to the board of directors for considering the reliability and adequacy of resources, the audit workload of the Audit Office and the experience of designated personnel. Audit the company and coordinate with auditors on audit objectives, scope, guidelines and plans and the problems found during the investigation and the problems that the

auditor considers important. This includes attending at least one meeting with the auditor every year without the presence of the management.

6. Consider related party transactions, acquisition and disposal of company assets or transactions with a potential conflict of interest, including the disclosure of information in such transactions in an accurate and complete manner and comply with the laws and regulations of the Stock Exchange of Thailand to ensure that the transaction is reasonable and bring maximum benefits to the company and its shareholders.

7. Prepare the audit committee report and disclose it in the company's annual report. The report must be signed by the chairman of the audit committee. It must contain at least the following information:

- 1) Opinions on the accuracy, completeness and credibility of the company's financial report;
- 2) Opinions on the adequacy of the company's internal control system;
- 3) Opinions on compliance with the Securities Exchange Law and the Regulations of the Stock Exchange of Thailand or laws related to the company's business.
- 4) Opinions on the appropriateness of auditors
- 5) Opinions on transactions that may have conflicts of interest;
- 6) The number of meetings of the Audit Committee and the attendance of each member.
- 7) The general opinions or opinions received by the Audit Committee in performing its duties in accordance with the Articles of Association; and
- 8) Other transactions that shareholders and ordinary investors should know within the scope of responsibilities assigned by the Board of Directors.

8. In performing the duties of the audit committee, if the following transactions or behaviors are found or suspected which may have a significant impact on the company's financial condition and operating performance, the Audit Committee shall report the improvement to the Board of Directors within the time limit deemed appropriate by the Audit Committee.

- 1) Conflicts of Interest Transactions
- 2) Fraud, abnormality or major defect in the internal control system
- 3) Violation of the Securities Exchange Law, the Regulations of the Stock Exchange of Thailand or laws related to the company's business

If the Board of Directors or the management fails to take corrective measures within the above period without reasonable reasons, a member of the Audit Committee may report the above transactions or actions to the Securities and Exchange Commission and Stock Exchange of Thailand.

9. Report the operation of the Audit Committee to the Board of Directors regularly once a quarter, and review the rules and regulations and performance of the past year at least annually. The performance evaluation of the audit committee can adopt the self-assessment method as an individual and whole before reporting to the Board of Directors.

10. Ensure that the company has channels to receive clues and complaints about improper financial statements or other problems by ensuring that whistleblowers have independent review procedures and appropriate follow-up actions.

11. Appoint an independent person as the receiver of the complaint or lead. Audit Committee Office Manage, manage, collect, screen and review complaints or clues received, and consider the adequacy of preliminary evidence. If there is true information, an investigation will be conducted to collect evidence and report to the Audit Committee. The Audit Committee may appoint individuals or subcommittees to investigate persons related to corruption and consider the information and other evidence received from the complaint. If it is believed that the misconduct is intentional, the Audit Committee will consider taking appropriate measures for improving the situation suitably.

12. If necessary, the Audit Committee may seek the opinions of external consultants or professionals on the audit work. The company is responsible for the expenses according to the company's regulations.

13. Have the right to request or request information from all departments and subsidiaries of the company for further consideration.

14. Review the accuracy of reference documents and self-assessments related to anti-corruption measures according to the private sector collective action alliance plan in Thailand's anti-corruption

15. Consider the criteria and procedures for nominating and nominating suitable candidates to serve as directors and chief executives when it is the end of their term or another Board of Directors that the company provides. The Board of Directors shall consider and submit to the Board of Directors and/or the General Meeting of Shareholders (as the case may be).

16. Propose the list of directors who will serve on each committee of the company.

17. Consider and determine the criteria for evaluating the performance of each committee and submit.

18. Evaluate the performance of the executive director and subcommittees in order to review the problems and obstacles in each year's work, and to be able to use the results of the assessment for the development and improvement of work practices in various areas, and present them to the company's board of directors for further consideration.

19. Perform any other operations as assigned by the company's board of directors with the approval of the audit committee.

20. Review the audit committee charter at least once a year.

Executive Committee

The Executive Committee consists of the following five members:

Name	Position
1. Mrs. Kanchana Laowrattana	Chief Executive Officer
2. Mr. Srichai Laowrattana	Chief Marketing Officer
3. Mr. Therdsak Chalermwattananon	Chief Product Officer
4. Ms. Noppamas Fahchusawad	Chief Operation Officer
5. Mr. Chanawut Kanaprasertkul	Chief Financial Officer

Note: The Executive Committee was appointed at the Board Meeting No. 1/2022 held on February 25, 2022.

Details of the Board of Executive Committee meetings as of December 31, 2020, 2021 and 2022 are as follows:

Name	Attendance/Total number of meetings		
	2020	2021	2022
1. Mrs. Kanchana Laowrattana	11/11	12/12	12/12
2. Mr. Srichai Laowrattana	11/11	12/12	12/12
3. Mr. Therdsak Chalermwattananon	11/11	12/12	12/12
4. Ms. Noppamas Fahchusawad	11/11	12/12	12/12
5. Mr. Chanawut Kanaprasertkul	-	-	12/12

Note: Mr. Chanawut Kanaprasertkul was appointed at the Board Meeting No. 1/2022 on February 25. At the Executive Committee meetings in 2020 and 2021, Mr. Chanawut attended each meeting as the Chief Financial Officer.

Roles and responsibilities of the Executive Committees

1. Operate and manage the business of the Company and its subsidiaries according to objectives, regulations, policies, regulations and orders and resolutions of the Board of Directors and General Meeting of Shareholders.

2. Review and screen policies, directions, business strategies, objectives and operational plans, financial objectives and budgets, and human resources management. The investment, expansion and public relations of the company and its subsidiaries shall comply with the framework approved by the Board of Directors and supervise the operation of the appointed working group through proper consideration of operational factors to achieve the objectives. The Executive Committee will review the use of the approved budget as appropriate.

3. Supervise, examine and follow the business operation of the company and its subsidiaries according to policies, business strategies, objectives and operation plans. The company's financial objectives and budget approved by the Board of Directors shall be effective and conducive to business conditions and report to the Board of Directors including giving advice and suggesting the method to manage to the Executive Directors.

4. Consider the profit and loss of the company, review and provide suggestions on the dividend payment of the company and its subsidiaries and report to the Board of Directors and the Shareholders' meeting for further approval, except for the interim dividend payment which the Board of Directors can approve.

5. Study the possibility of investment in new projects, and have the right to consider and approve the investment or joint venture between the company and individuals and legal persons in the case that the Board of Directors approve for operating under the company's objective and consider and approve the expenditure of such investment, sign legal contracts and/or take any action related to the above matters until the specified limit and/or relevant laws and regulations and/or the Articles of Association are reached.

6. Track the performance and progress of each enterprise investment project and report the results, problems or obstacles and improvement guidelines to the Board of Directors.

7. Review and put forward suggestions or opinions on any project, proposal or transaction to the Board of Directors. Any related to the company's business operation, including considering the option of raising funds when necessary, and exceeding the specified limit and/or relevant laws and regulations or the Articles of Association require the General Meeting of Shareholders and/or the Board of Directors to approve.

8. Consider and approve financial transactions with financial institutions to open accounts, loans, mortgages, mortgages, guarantees, etc. This includes the purchase and registration of any land ownership for the company's business interests and signing legal contracts, submitting requests, suggestions and contacts. Sign legal acts with the government agencies to obtain the rights of the company and/or take any action related to the above matters until the specified limit and/or relevant laws and regulations or the Articles of Association are reached.

9. Review and approve human resources, finance, general management and transaction management related to the company's business operation and/or subsidiaries within the limits prescribed by relevant laws and regulations and/or the Articles of Association.

10. Review and approve the company's rules and regulations, management policies and business operations or any action binding on the company, including consideration and review of risk management and systems and risk control of the company and its subsidiaries

11. Appoint and/or assign one or more executive directors or one or more of them to take any action within the terms of reference of the Executive Committee, or within such period as the Executive Committee deems appropriate. The Executive Committee may cancel, revoke or modify the authorized person or the authorized person as it thinks fit. Persons who may have conflicts of interest shall not be authorized to cooperate with the company in any other way unless the transaction is approved in accordance with the policies or rules set by the Board of Directors or normal business transactions with general terms of trade. Such transactions must comply with the rules and conditions and the prescribed methods related to related transactions and the acquisition or disposal of assets of listed companies in accordance with the notice of the Capital Market Supervision Committee and/or other relevant notices. In this regard, the above authorization shall be reported to the Board of Directors at the next meeting of the Board of Directors.

12. Arrange senior management, management or employees to attend the executive committee meeting or provide information related to the matters discussed at the Executive Committee meeting.

13. Arrange consultants or personnel who provide independent opinions shall provide opinions or suggestions as required.

14. Regularly report to the Board of Directors on the business carried out by the Executive Committee within the scope of the powers and responsibilities of the Executive Committee, including others that are necessary to report to the Board of Directors

15. Review and approve the operation of normal business transactions of the company according to the investment budget or budget approved by the Board of Directors. The limit of each transaction complies with the limit specified in the authorization form approved by the Board of Directors. However, it shall not exceed the annual budget approved by the Board of Directors, including the signing of contracts related to such matters.

16. Have any powers, duties and responsibilities assigned by the Board of Directors or in accordance with the policy.

17. Is obliged to report the performance results to the Board of Directors at least once a year; and review the Constitution of the Executive Committee at least once a year to ensure that its contents meet the objectives. The objectives and strategies are consistent with the changes required by the Board of Directors. Major amendments to the Articles of Association must be approved by the Board of Directors.

Information relating to Executive

List of executives and positions

As of December 31, 2022, the company has 5 executives, as follows:

Name	Position
1. Mrs. Kanchana Laowrattana	Chief Executive Officer
2. Mr. Srichai Laowrattana	Chief Marketing Officer
3. Mr. Therdsak Chalermwattananon	Chief Production Officer
4. Ms. Noppamas Fahchusawad	Chief Operation Officer
5. Mr. Chanawut Kanaprasertkul	Chief Financial Officer

Terms of reference, duties and responsibilities of the Chief Executive Officer

1. Ensure to determine the company's vision, business direction, policy, business strategy, objectives, operation plan and annual budget plan to report to the Executive Committees and/or the Board of Directors for further approval.

2. Communicate the company's vision, business direction, policies, strategies and objectives that have been approved by the Board of Directors to be used by the company's CEO as a framework for planning and managing businesses in each department.

3. Manage the business and supervise the operation of the company according to the plan, strategy and budget approved by the board of directors. It includes compliance with the laws, regulations and requirements of relevant organizations, as well as the company's rules and regulations and the resolutions of the Board of Directors and/or the General Meeting of Shareholders of the company and bringing about the performance of setting targets in terms of financial and non-financial targets.

4. Formulate policies and sign any contracts and/or obligations related to the company's current and future operations within the scope of authorization. The above operations must comply with the relevant laws, policies and rules stipulated by the company.

5. Sign or terminate any contracts or obligation other than those specified in Article 4 within the scope of the authorization of the Executive Committee and the Board of Directors.

6. Review the company's report and business plan.

7. Consider and approve any costs, including any compensation according to the budget, plan or operational framework approved by the Executive Committee and/or the Board of Directors, and according to the assigned authority.

8. Ensure that the company has an appropriate internal control system according to the guidelines specified by the Audit Committee and/or the Board of Directors.

9. Ensure that the company has an appropriate risk management and control system according to the guidelines specified by the Audit Committee and/or the Board of Directors

10. Seek new business opportunities and investments related to the company's core businesses and subsidiaries to increase the company's revenue.

11. Supervise the company's human resources management.

12. Appoint executives according to the definition of the Securities and Exchange Commission or the Capital Market Supervision Commission and consider determining the remuneration of executives, including employment, appointment, dismissal, transfer, postponement, salary reduction or disciplinary action or dismiss employees on behalf of the company. This includes any other officer in the appointment and compensation management team and all subordinates with positions lower than the CEO. The management shall come down and delegate the powers and responsibilities assigned to the above officials to them as appropriate.

13. Approve the appointment of consultants in various fields necessary for the business operations and to be in line with requirements of the Securities and Exchange Commission and the Stock Exchange of Thailand within the authority and financial limit as specified in the Approval Authority Guide and/or as determined by the Executive Committee and/or the Board of Directors.

14. The CEO has the right to publicize the organization to the public through a press conference on behalf of the company, disseminate information, answer questions from shareholders, investors or analysts, and have the right to answer questions or provide various important information that is not disclosed as far as possible, especially in terms of establishing a good image of networks and organizations at the national and international levels. Such actions must be supported by the Board of Directors to provide shareholders with appropriate and regular communication channels and provide information disclosure in a standard and transparent manner.

15. Have the power to sub-authorize and/or assign other persons to perform certain specific tasks on their behalf by such sub-authorization and/or delegation within the scope of a delegation under the power of attorney and/or in accordance with the rules, regulations, or orders given by the Board of Directors and/or sub-committees and/or specified by the company. In this regard, the assignment of authority and duties or the responsibilities of the CEO or the person authorized by the CEO will not be in the form of an authorization or sub-authorization that allows the CEO or the person authorized by the CEO to approve the transaction that he or a person who may have conflicts (According to the definition announced by the Supervisory Board Securities and Exchange Commission and/or the announcement of the Capital Market Supervisory Board and/or the Stock Exchange of Thailand and/or related agencies) may have a stake or may benefit in any way, or there may be any other conflicts of interest with the company or subsidiaries of the company, except for the approval of transactions in accordance with the policies and criteria approved by the shareholders' meeting or the Board of Directors and is the approval transactions that are in accordance with normal business and normal trading conditions in accordance with the announcement of the Securities and Exchange Commission and/or the announcement of the Capital Market Supervisory Board and/or the Stock Exchange of Thailand and/or related agencies.

16. Perform other tasks assigned by the Board of Directors and/or the Executive Committee and/or the Sub-Committee from time to time under the corporation and policy of the Securities Act Capital Market Supervision Commission, Securities and Exchange Commission and Stock Exchange of Thailand

Remuneration policy for Executive Directors and Executives

The remuneration of the Board of Directors must be approved by the General Meeting of Shareholders. The Board of Directors will consider the remuneration based on the performance of the CEO. The CEO will consider the remuneration of executives and propose remuneration (monetary and non-monetary), including other benefits related to the company's responsibilities, performance and operations' results of the company. The consideration of remuneration must take into account long-term incentives rather than too high, which leads to the focus on short-term performance. In addition, the annual executive compensation will be paid within the annual budget framework reviewed and approved by the Board of Directors.

The remuneration of executives of the company includes salary, bonus, and other remuneration, such as social security contributions and provident fund contributions, fixed vehicles (only for the CEO, CMO and CPO), etc.

Total remuneration of Executive Directors and Executives

Monetary compensation

The Executive Director shall not receive any compensation, except for Executive compensation. The executive compensation is as follows:

Types of Executive compensation	2020		2021		2022	
	Quantity (Persons)	Value (THB Million)	Quantity (Persons)	Value (THB Million)	Quantity (Persons)	Value (THB Million)
Wages	5	10.1	5	11.0	5	11.6
Bonus	5	1.5	5	1.1	5	1.5
Social security fund contribution and Provident fund contribution	3	0.1	3	0.1	3	0.2
Total		11.7		12.2		13.3

Non-monetary compensation

The official car of Mrs. Kanchana Laowrattana and Mr. Srichai Laowrattana and Mr. Therdsak Chalermwattananon

Employees

As of December 31, 2022, the total number of employees (excluding executives) of the company was 674, which can be divided into the following categories:

Departments/ Number of employees as of December 31, 2022	December 31, 2020 (person)	December 31, 2021 (person)	December 31, 2022 (person)
Accounting and Finance Department	6	6	6
Sales Department	6	8	6
New model Development Department	4	4	4
R&D Department	2	2	1

Departments/ Number of employees as of December 31, 2022	December 31, 2020 (person)	December 31, 2021 (person)	December 31, 2022 (person)
Human Resources Department	14	12	13
HR Specialist	1	0	1
Purchasing Department	4	4	4
Information Department	2	2	2
Warehouse Department	28	31	35
Production Department	3	3	3
Quality Assurance Department	79	102	117
Maintenance Department	12	15	17
Mold Engineering Department	19	17	18
Mold set up Department	9	11	13
Production Department	286	401	399
Medical Device Specialist	2	1	1
Engineer Specialist	1	1	1
Compound Specialist	25	24	24
Document control Department	3	3	3
Safety Department	2	2	2
Secretary Department	1	1	4
Total	509	650	674

Number of employees by nationality

Number of employees as of December 31 (person)	2020	2021	2022
Thai employees	240	249	233
Foreign employees	269	401	441
Total	509	650	674

Number of employees by employment

Number of employees as of December 31 (person)	2020	2021	2022
Daily	163	301	345
Monthly	346	349	329
Total	509	650	674

The company employed 6 disabled persons or other vulnerable groups and contributed to the fund according to law.

Significant changes in the number of employees have occurred over the past 3 years

In 2020, the number of employees of the company increased by 50, mainly due to the increase in the number of employees in the quality assurance, molding and mold engineering departments to support significantly increased production.

In 2021, the number of employees of the company increased by 141, mainly due to the increase of employees in the molding department, quality assurance department and maintenance department, warehouse and distribution, and sales department to support significantly increased production and more effective operational processes.

In 2022, the number of employees in the company increased by 24, mainly due to the increase of employees in the molding department and quality assurance department, department of warehouse and distribution, and secretary department to support significantly increased production and more effective operational processes.

COVID-19 in the second quarter of 2021 led to Samut Prakan being declared a dark red area in May 2021 which caused the prohibition of arranging events, combining more than 20 people, including the prevention of commuting across the areas. POLY's headquarters and production plant are located in Bang Sao Thong District, Samutprakan Province is affected by the workers hired by POLY who could not go to Samutprakan to work. In addition, some workers became patients or were quarantined because of their proximity to patients. POLY closely took care of the sick or quarantined workers and manage the labor force in production by dividing production groups. However, POLY can still produce according to customer orders. In December 2021, the dark red top control area of Samutprakan was canceled. At present, POLY does not affect COVID-19.

Employee compensation

Employee compensation includes salary, bonus, overtime and other benefits.

Compensation type	2020 (Million Baht)	2021 (Million Baht)	20202 (Million Baht)
Number of employees	509	650	674
Salary	76.3	90.4	105.9
Bonus	4.0	11.6	13.3
Overtime pays	12.0	27.3	39.9
Social security fund contribution and Provident fund contribution	2.8	2.7	3.6
Other benefit*	9.6	9.4	9.3
Total	104.7	141.4	172.0

* Other benefits include meal allowance, transportation , retirement compensation, dismissal compensation

Provident fund

The company has set up a provident fund under the management of Thanachart Asset Management Co., Ltd. in the name of Thanachart Taweeka provident fund since July 15, 2018. The company has formulated a 3% payment policy for wages.

Major labor disputes in the past three years

- None -

Human resources policy

Human resource management policy focuses on cultivating competitive personnel to support business expansion, establish appropriate organizational structure and human resources, develop the potential of personnel at all levels and prepare for work to create a good performance, meet business objectives and be able to continue to grow in the field of work. In addition, it also includes training personnel associated with the organization and maintaining continuous cooperation between personnel and organizations

Other important information

Company Secretary

The 2022 annual general meeting held on March 15, 2022 decided to appoint Ms. Weerawan Ngampolpan as the company secretary.

Name: Ms. Weerawan Ngampolpan
Position: Company Secretary
Education: Bachelor of Business Administration in Accounting,
Thanyaburi Rajamangala Polytechnic University

Responsibilities of company secretary

1. Provide the Board of Directors and management with preliminary information and suggestions related to legal compliance related to business, the company's rules and regulations, policies and rules and regulations, and regularly supervise and ensure compliance. This includes reporting significant changes in legal requirements to directors and executives, including suggesting the above to the Board of Directors.

2. Supervise and follow information disclosure and related information reporting according to regulations and announcements of the Stock Exchange of Thailand, Securities and Exchange Commission and Capital Market Supervision Commission

3. Summary of realty holdings and changes in realty holdings of directors, managers and executives of the company and their spouses or persons living together as husbands, wives and minor children, including the juristic person of directors, managers and executives, the spouse, or persons living together as husbands, wives and minor children of directors, managers and executives are told above holding 30% of the total voting rights of the juristic person to the meeting of the Board of Directors for acknowledge every 3 months.

4. Follow and supervise the general meeting of shareholders and the meeting of the board of directors in accordance with laws, the Articles of Association and relevant procedures, including following the practice according to the resolutions of the General Meeting of Shareholders and the Board of Directors

5. Prepare, maintain and keep the following important documents:

- a) Registration of directors
- b) Shareholder registration
- c) The invitation letter for the meeting of the board of directors and the invitation letter for the meeting of the subcommittee as well as the report of the meeting of the board of directors and the subcommittee.
- d) Invitation letter and report of shareholders' meeting
- e) Annual report of the company

6. To arrange for the directors, executives and other personnel deemed appropriate by the board of directors to keep the stakeholder report and the independent certificate of the report of the director or senior manager, and send a copy to the chairman and the chairman of the audit committee within 7 working days from the date of receiving the report.

7. Arrange the Shareholders' Meeting and the Board of Directors' Meeting which shall be held in accordance with the laws, the Articles of Association and relevant procedures, including the report of the meeting.

8. Ensure that information is disclosed and reported to the competent department of the company, following the Securities and Exchange Commission and Stock Exchange of Thailand. In addition, the preservation system of relevant documents and evidence must be established should be accurate and complete and can be checked within not less than 5 years from the date of preparation of documents or information.

9. Contact and communicate with ordinary shareholders to confirm their rights and the company's news.

10. Establish knowledge and understanding of the guidelines and encourage the company to have good corporate governance.

11. Supervise the activities of the Board of Directors and other activities in accordance with laws and/or the provisions of the Capital Market Supervision Committee and/or assigning from the Board of Directors.

Chief Financial Officer

Name: Mr. Chanawut Kanaprasertkul
Education: Bachelor's Degree of Accounting, Kasetsart University
Work Experience: 2015-2017 as Senior Associate of Audit at PricewaterhouseCoopers ABAS Ltd.

Personnel assigned to supervise accounting directly.

Name: Miss Chanyakorn Chayapornamornsuk
Education: Bachelor's Degree of Accounting, Sukhothai Tummathirat University
Bachelor's Degree of Business Administration, Suan Dusit Rajabhat College
Work Experience: 2015-2017 Accounting Manager of Island Resort Hotel Co., Ltd
2008-2015 Acting Accounting Manager of the Accounting and Finance Department of Andaman Club Co., Ltd.
2001-2007 Assistant auditor of DIA Audit Firm

Head of Investor Relations

Name: Mr. Chanawut Kanaprasertkul
Address: Polynet Public Company Limited
888 Moo 11, Bangsaotong, Samutprakan
E-mail address: ir@polynet.co.th
Website: www.polynet.co.th
Telephone: 02-397-9094-6 #1111

Head of Internal Audit

Company name: Unique Consulting Co., Ltd.
Name of designated person: Mr. Koson Yamleemoo
Education: Bachelor of Science in Business Information Technology, Chulalongkorn University
Bachelor's degree in Accounting, Finance and Banking, Thammasat University

Auditor's remuneration

The company's auditor is PricewaterhouseCoopers ABAS Ltd, and Ms. Sakuna Yamsakul is a certified public accountant. Registration No.: 4906

The Company paid the auditor an audit fee of THB 2.25 million in 2021, without any other fees. The 2022 annual general meeting held on March 15, 2022, approved the 2022 annual audit fee of THB 3.3 million.

Corporate Governance Performance Report

Summary of the performance of the Board of Directors in the past year

Nomination, development, and evaluation of the responsibilities of the Board of Directors

Nomination of directors and sub-committee members

The Board of Directors is composed of three independent directors out of seven directors. Individuals have the responsibility to consider, select and determine qualified persons to serve as directors.

The company has formulated the following criteria and procedures for director nomination as followed:

1. minority shareholders are allowed to nominate qualified persons to be elected as directors and were nominated by major shareholders.
 2. The qualification of candidates must comply with relevant laws and regulations, namely the Public Limited Company Law, and Securities Exchange Act, B.E.2535 (1992), Articles of Association and principles of appropriate corporate governance
 3. To be reviewed according to the nomination criteria of directors of the Stock Exchange of Thailand.
 4. Focus on skills, experience, specialties and qualifications in various fields which the Board of Directors are lack and necessary to the business and do not subject to gender and race restrictions or discrimination to make the component of the committees is complete and sufficient to the company.
 5. Consider whether the knowledge, experience and ability are suitable for the main business or industry the company operates. Provide the Board of Directors with elements of business, strategy, law, finance, accounting, economics, international business and information technology. Integrate knowledge and capabilities that are conducive to the company's operation.
 6. Consider the dedication time of the director. If the former director will be re-elected, his performance during the term of office can be considered. The company shall consider the number of companies that each director will hold to adapt to the nature or business conditions of the company to ensure that the performance will not be degraded.
 7. In the case of the appointment of independent directors, considering the independence of the persons to be nominated as independent directors according to the standards set by the SEC Office. According to the definition, independent directors have the independent qualifications specified in the corporate governance manual and are disclosed on the company's website.
 8. Performance in the past year (if any)
 9. Provide useful feedback
- Then, the list of nominated directors will be submitted to the shareholders' meeting for an appointment. The general meeting of shareholders shall appoint directors. The appointment of each director shall be approved by more than half of the total number of votes. Shareholders present at the meeting and entitled to vote by:
- 1) Each shareholder shall have one vote per share.
-

- 2) For the election of directors, the company provides the shareholders to use voting cards to elect directors individually. Each shareholder shall use all existing votes to elect one director, or many people can serve as directors, but they cannot share their votes with anyone.
- 3) The person who has obtained the highest or lower number of votes shall be elected as a director, and the number of directors shall be the same as the number of directors to be elected for the time being. If the next elected person has the same number of votes as the number of directors, the chairman of the meeting shall have a casting vote.

If the position of director is vacant for reasons other than rotation and retirement, the Board of Directors shall consider appointing qualified personnel without prohibited characteristics by laws at the next meeting of the Board of Directors unless the term of office of retired directors is less than 2 months. A person appointed as an alternate director will only serve as a director for the remainder of the term of the position of his alternate director. The resolution appointing a substitute director must obtain not less than three-quarters of the votes of the remaining directors.

Independent director qualification

1. Holding no more than 1% of the total number of voting shares of the company, major company, subsidiary company and affiliated company, the major shareholders or controlling persons of the company, including the shares of relevant personnel of independent directors.

2. Never or used to be the executive director, employee, consultant with fixed salary or controller of the company, major company, subsidiary, affiliated company, subsidiary at the same level, major shareholder or controller unless the above characteristics are not less than 2 years, asking the allowance to Office of the Securities and Exchange Commission or appointment date.

3. No blood relationship or legal registration as parents, spouse, siblings and children, including the spouse of the children of other directors, executives, major shareholders, controlling persons or persons nominated as directors, executive or controlling person of the company or subsidiary

4. Never had any business relationship with the company, its major company, subsidiary, an affiliated company, major shareholder or controller in a way that may hinder its independent judgment, including being neither nor having been a major shareholder or the controller of a person who has business relations with the company, major company, subsidiary, affiliated company or major shareholder or the controlling person of the company, unless the above characteristics are not less than 2 years, asking the allowance to Office of the Securities and Exchange Commission or appointment date. Business relationships, including business transactions for business operation, rent or lease of real estate, transactions related to assets or services, or providing or receiving financial assistance by accepting or providing loans, guarantees, the provision of assets as debt collateral, including other similar situations, led to the company, or the party is obliged to pay the other party 3% of the company's net tangible assets or 20 million Baht or more of the debt whichever is lower. The calculation of the above debt burden shall be based on the capital market supervision committee's when conducting connected transactions, but when considering such debt burden, the debt burden generated within 1 year before the establishment of a business relationship with the same person should be calculated.

5. Never or was the auditor of the company, its major company, subsidiary, an affiliated company, major shareholder or controller. It shall not be a major shareholder, controller or partner of the company, major company or subsidiary, the company's affiliates, major shareholders or controllers unless the above characteristics are terminated at least more than 2 years.

6. Never or has been any professional service provider, including legal counsel or financial adviser which receives more than 2 million Baht of service fees from the company, its major shareholders or controlling persons every year and is not a major shareholder, the controlling agency or partner of the professional service provider unless the above characteristics are terminated more than 2 years before presenting the allowance to the Office of the Securities and Exchange Commission or appointment date.

7. Never were directors who are appointed as representatives of the company's directors, major shareholders of the company or shareholders associated with major shareholders.

8. Not allowed to engage in business with the same conditions as the business of the company or its subsidiaries and with the significant competition or is not an important partner of the partnership, or a director, employee, or consultant receiving a fixed salary who participates in the management or hold more than 1% of the total voting shares of other companies engaged in businesses with the same conditions and significant competition with the company or its subsidiaries.

9. Shall not have any other characteristics that hinder independent opinions on the operation of the company.

10. Shall not serve as directors appointed by the Board of Directors to determine the business operations of the company, subsidiaries, affiliated companies and subsidiaries at the same level, as major shareholders or controlling persons of the company

11. Shall not be a director of the parent company, subsidiary company or subsidiary company at the same level as the listed company.

Executive recruitment

The Board of Directors will nominate and develop the positions of Executive Committee and top management to equip them with the knowledge and skills, experience and functions required for driving the company's objectives which the Board of Directors will supervise and take care of the framework of appropriate compensation and evaluation at all levels, and supervision of the management and development of personnel so that they have appropriate knowledge, skills, experience and motivation.

In this regard, the company has specified the important positions for which succession plans must be formulated, namely, Chief Executive Officer, Chief Marketing Officer, Chief Production Officer, Chief Operation Officer, Chief Financial Officer. The above 5 positions must work with the management to determine the main characteristics and responsibilities of the position, including qualifications, behavioral and occupational characteristics.

The selection of personnel in the succession plan will use human resources management strategies, such as the development of potential personnel or an external recruitment plan and work with management to develop strategies for developing potential candidates to develop successors. The Board of Directors appoints the Chief Executive Officer.

Human resources development

The company's goal is to continuously promote the development of personnel at all levels so that they have the knowledge and ability for career development. By providing the new directors with basic training and knowledge about the organization, they can understand their work, roles and responsibilities, and also encouraged to develop the knowledge to the Board of Directors by covering all aspects to effectively perform duties and adapt to changes in the external environment and the development of the company and sustainable development.

Board performance evaluation

The Board of Directors requires that performance evaluation be conducted at least once a year in the form of group and individual evaluations. The results of the assessment will be used as a framework for reviewing the implementation of responsibilities, problems and obstacles and use the evaluation results to analyze the performance of directors and put forward suggestions for improving operations.

The evaluating the performance of the board of directors, there are 2 types of assessments as follows:

1. Performance evaluation of group of board, assessing various aspects, including:

- Structure and qualifications of the Board of Directors
 - Roles, responsibilities, and duties of the Board of Directors
 - Board of Directors meetings
-

- Duties of the directors
- Relationship with management
- Professional development of directors and management

2. Performance evaluation of individual board member's, assessed in various aspects including:

- Structure and qualifications of the Board of Directors
- Board of Directors meetings
- Roles, responsibilities, and duties of the Board of Directors

Summary of self-assessment of the board of directors for the year 2022

Self-assessment	Average score (%)	Results
Audit Committee		
Group of board	90.42	ดีมาก
Individual	89.39	ดีมาก
Executive Committee		
Group of board	91.15	ดีมาก
Individual	90.91	ดีมาก
Board of Directors		
Group of board	90.83	ดีมาก
Individual	89.29	ดีมาก

Note:

1. A score equal to or greater than 85% means "excellent".
2. A score in the range of 75-84% means "good".
3. A score in the range of 65-74% means "fairly good".
4. A score in the range of 50-64% means "satisfactory".
5. A score below 50% means "needs improvement".

Attendance and remuneration of individual directors

Attend meetings

The attendance of the Board of Directors as of December 31, 2020, 2021 and 2022 is as follows:

Name	Attendance/total number of meetings		
	2020	2021	2022
1. Mr. Chaiyaporn Nitaswarakul	1/1	3/3	8/8
2. Ms. Tyawadee Ngamwongwan	1/1	3/3	8/8
3. Ms. Khemika Thiwong	1/1	3/3	8/8
4. Mrs. Kanchana Laowrattana	1/1	3/3	8/8
5. Mr. Srichai Laowrattana	1/1	3/3	8/8
6. Mr. Therdsak Chalermwattananon	1/1	3/3	8/8
7. Ms. Noppamas Fahchusawad	1/1	3/3	8/8

Remuneration

The remuneration of the Board of Directors includes expenses for each meeting. In this regard, the directors as executive directors will not receive the remuneration of directors.

Position	2020 (Per time)	2021 (Per time)	2022 (Per time)
Chairman of the Board of Director	12,000	12,000	12,000
Director	8,000	8,000	8,000

The remuneration of the Board of Directors in 2020, 2021 and 2022 is as follows:

Name	Position	Monetary remuneration (Baht)		
		2020	2021	2022
1. Mr. Chaiyaporn Nitaswarakul	Chairman of the Board of Director	12,000	36,000	120,000
2. Ms. Tyawadee Ngamwongwan	Director	8,000	24,000	80,000
3. Ms. Khemika Thiwong	Director	8,000	24,000	80,000
4. Mrs. Kanchana Laowrattana	Director	-	-	-
5. Mr. Srichai Laowrattana	Director	-	-	-
6. Mr. Therdsak Chalermwattananon	Director	-	-	-
7. Ms. Noppamas Fahchusawad	Director	-	-	-
Total		28,000	84,000	280,000

Supervise the operation of subsidiaries and associated companies

The company's policy is to invest in the company according to the company's goals, vision and growth strategy plan. This will enable the company to increase business performance or profit or invest in the company's collaborative business to improve the company's competitiveness. To achieve the goal of becoming a leading entrepreneur in the company's core business, the company, subsidiaries and joint ventures and/or associated companies may consider investing in other businesses if these businesses have growth potential or business expansion or it is beneficial to the company's business. By considering the investment of the company, subsidiaries and joint ventures, it can generate a good return on investment and/or related companies, the company will analyze the investment feasibility and consider the investment potential and risk factors. An appropriate investment analysis procedure requires the approval of the Executive Committee and/or the Board of Directors or the general meeting of shareholders of the company (as the case may be) to apply for investment approval of subsidiaries and joint ventures and/or related companies must comply with the notice of the Capital Market Supervision Committee and the announcement of the Board of Directors of Stock Exchange of Thailand.

The company has formulated governance and management policies for subsidiaries, joint ventures and affiliated companies. The objective is to develop direct and indirect measures and mechanisms so that the company can supervise and manage the business of its subsidiaries, joint ventures and associated companies, including monitoring subsidiaries, joint ventures and associated companies to comply with various measures and mechanisms that can be defined as if it were the company's department and in accordance with the company's policies and related

laws. This is to maintain the benefit of investment of the company, in subsidiaries, joint ventures and such associated companies, the details are as follows:

1. The company will send personnel representing the company to serve as directors of subsidiaries, joint ventures and/or affiliated companies to supervise subsidiaries, joint ventures and/or associated companies according to the shareholding ratio of each company, complying with other laws and policies of the company. However, the company representative is appointed as the director of each subsidiary, joint venture and/or associated company must be considered and approved by the Board of Directors to consider the appropriateness of each company.

2. If any transaction or action of the subsidiary is deemed to be the acquisition or disposal of the assets specified in the relevant notice or related transactions in the relevant notice, which will result in the company's obligation to obtain the approval of the board of directors and/or the general meeting of shareholders of the company, or seek the approval of the relevant authorities before conducting the transaction according to law. The subsidiary can only conduct such transactions after the approval of the board meeting and/or the general meeting of shareholders of the company and/or relevant institutions (as the case may be) has been completed.

In addition, if the company and its subsidiaries and affiliated companies conduct connected transactions, the transaction must comply with business reasons according to the reasonable market price and clear support principle, including in the case of certain events in the subsidiary which make the company be obliged to disclose information to the Stock Exchange of Thailand in accordance with the rules specified in the relevant notice of the Board of Directors of the Stock Exchange of Thailand, directors, officers or controlling persons of subsidiaries once it is known that the subsidiary plans to trade or such event occurs.

3. The Board of Directors and executives of each subsidiary, joint venture and/or associated company According to relevant laws, it has important powers, duties and responsibilities, such as disclosing financial status and operating performance information to the company which uses the announcement relating to the Capital Market Supervision Commission and Stock Exchange of Thailand Board of Directors, including reporting own benefits and the related person with the Board of Directors know about the relationships and transactions conducting with the company, subsidiaries, joint ventures and/or associated companies in ways that may lead to conflicts of interest and avoid using items that may cause conflicts of interest.

4. The company will develop necessary plans and actions to ensure that subsidiaries and joint ventures and/or related companies disclose information about operating performance and financial status, and the company will take necessary actions and supervise its subsidiaries, joint ventures and/or associated companies to have adequate and appropriate information disclosure systems and internal control systems.

In addition, the company will closely monitor the business performance and operation of its subsidiaries, joint ventures and/or affiliated companies and present to the Board of Directors and its subsidiaries, joint ventures or affiliated companies to consider formulating policies or improving the business of subsidiaries and/or affiliates to gain sustainable development and growth

Supervise compliance with corporate governance policies and guidelines

Compliance with laws, regulations and restrictions

The company attaches great importance to comply with laws and regulations related to the local environment, occupational health and safety at the national and regional levels, including compliance with the International Business Ethics by conducting the directors, executives and employees are required to act within the framework of laws, regulations and restrictions, and must not participate in, assist or commit any violation of any laws and regulations of the company. The company does not support any infringement of intellectual property rights, and requires directors, executives and employees to act within the framework of laws, regulations and restrictions, and must not participate in, assist or commit any violation of any other laws and regulations related to intellectual property.

Preventing conflicts of interest

The company has formulated the following policies to prevent conflicts of interest:

1. Directors, executives and employees should avoid engaging in the same business that competes with the company's business or subsidiaries, whether for personal benefit or with other persons who may directly or indirectly harm the company or become partners or shareholders or executives who have decision-making power in businesses that compete with the company or its subsidiaries or have the same characteristics unless it can be proved that there is a mechanism to ensure that such actions will not affect the company. The directors, executives and employees should report to the Chairman of the Audit Committee immediately.

2. Directors, executives and employees should avoid holding a large number of shares in the business of competitors if such actions lead to the directors, executives and employees cannot perform the responsibilities provided by the company promptly. If the director, executives and employees obtained the shares before they served as directors, officers and employees or before the company entered the business, the directors, executives and employees must immediately report to the company in accordance with the procedures prescribed by the Board of Directors.

3. All directors, executives and employees shall disclose their business or their families or relatives' business, or guardians which may have a conflict of business interests with the company or its subsidiaries and prepare direct and indirect interest disclosure documents every year or the disclosed details have been changed significantly, such as:

- Joint ventures or interests with suppliers or company customers who have business relations with the company
- Serve as a supplier or customer of the company who has business relations with the company, even as a consultant
- Trade goods or services directly with the company or its subsidiaries or through others

4. Directors, executives and employees shall not use the company's confidential information (such as the plan, revenue, meeting resolution, business forecast, or personal interest bidding,) to seek benefits for themselves or others regardless of whether it causes damage to the company or not, including following the company's internal information use policy strictly.

5. Directors, executives and employees involved in Shareholders with conflicts of interest in any agenda must abstain from voting or not attending the meeting on the agenda that they have conflicts of interest and those who are involved or have interests in the transaction may cause conflicts of interest. Report the cause of a conflict of interest with the company must notify the company of the relationship or interest of them in the list as well.

6. The company's directors, executives and employees must make decisions on the company's business operations in the best interests of the company.

7. The directors, executives and employees of the company shall do their best to work full-time and shall not engage in any personal business affecting the company's performance of duties and working hours.

8. The directors, executives and employees of the company shall not take any action that may harm the interests of the company or for the benefit of any individual or legal person, whether for the benefit of himself or others.

9. The directors, executives and employees of the company shall avoid participating in finance and/or relationships with other third parties. This will lead to a loss of interest or conflict of interest of the company or hinder its effective operation.

Supervise the use of internal information

The company has formulated a policy and procedure to prevent directors, executives and employees from using internal information that has not been disclosed to the public to seek personal interests, including securities trading, to ensure that the company operates transparently in accordance with good corporate governance. Details are as follows.

1. The company shall provide the directors, executives and auditors with knowledge about their obligation to report their securities holdings, and the holding of their spouses or persons living together as husbands, wives and minor children, including directors and executives, the spouse of directors and executives or people living with, wife and minor children and those directors who hold the share more than 30% of the shareholders of the total number of corporate voting rights submitted to the Securities and Exchange Commission according to Article 59; and section 275 of the Securities Exchange Act B.E.2535 (1992) (as amended) (the "Securities Exchange Act"). This includes the acquisition or disposal of securities of the reporting company in accordance with the penalties outlined in sections 246 and 298 of the Securities Exchange Act.

2. The company requires the directors and executives of the company to prepare and submit a report on the securities held by their spouses or persons living together as husbands, wives and minor children, including directors and executives, the spouse or spouse and minor children of the above directors and executives who hold the share more than 30% of the total voting rights of the legal person specified in the securities holding report submitted to the company secretary. Shall prepare and submit within 30 days from the date of appointment as director and/or executive. In addition, whenever there is a change, prepare a report on the changes in ownership of securities according to the prescribed report form and submit it to the company secretary within 3 business days from the date of purchase, sale, transfer, or receipt of the securities in order to forward it to the Securities and Exchange Commission. Furthermore, the company secretary is required to summarize the report on the ownership of securities and changes in the ownership of securities for regular presentation at every quarterly meeting of the board of directors.

3. The company requires that directors and executives, including those holding executive positions in accounting or finance at the level of a department manager or equivalent, and related workers, including persons presumed to know or own inside information according to the Act Securities and Exchange who have been informed of material inside information that affects the change in price or value of securities must suspend trading, offer to buy or sell, or solicit other people to trade, or offer to buy or sell the company's securities either directly or indirectly in the period before the release of the financial statements or the disclosure of information about the financial position and status of the company until the company has disclosed the information to the public throughout the use of inside information that has not been disclosed to the public (Embargo Period), which means a period of 1 month before and until the date of announcing the financial results of the company quarterly and annually. The company secretary will notify the directors and executives including senior positions, management in accounting or finance who is the level of a department manager or equivalent and related personnel to refrain from trading in the company's securities in written form for at least 1 month before public disclosure and should wait at least 24 hours after the information has been disclosed to the public, including prohibiting the disclosure of material information to other people by any means. In addition, the audit committee will assign an internal control system assessor to review the written notification as follows in every quarter.

4. The company prohibits the directors, executives and employees of the company and its subsidiaries, including the use of the company's inside information by persons who are deemed to know or have inside information under the Securities and Exchange Act and subsidiaries that may affect the price changes of the company's securities, which have not been disclosed to the public for the users to purchase, sell, offer to buy, offer to sell or solicit others to buy, sell, offer to buy or offer to sell company securities whether directly or indirectly, and whether such behavior is for the benefit of oneself or others or disclose such facts so that others can do so without or with benefiting from them.

5. The company requires directors, executives and employees of the company and its subsidiaries, or former directors, officers and employees who resign to protect the confidential and/or internal information of the company

and its subsidiaries as well as the confidential information of the company and its subsidiaries' partners, confidential and/or internal information of the company and its subsidiaries and confidential information of customers or business partners of the company and its subsidiaries for use by other companies and to be known to third parties although such disclosure will not cause damage to the company, subsidiaries, customers or partners.

6. The company requires the directors, executives and employees of the company and its subsidiaries not to disclose the internal information of the company and its subsidiaries. They shall not take advantage of their positions in the company and/or subsidiaries, nor use confirmed internal information or important information or confirm during the work of the company and/or its subsidiaries that these subsidiaries have not been disclosed to the public to obtain improper benefits or directly or indirectly disclose to a third party for their own or others' interests regardless of whether they obtain any benefits.

7. The company stipulates that the directors, executives and employees of the company and its subsidiaries are obliged to comply with the internal information use guidelines of the act of the Stock Exchange of Thailand, including other restrictions.

8. The company is limited to the top management and restricts access to non-public information and only discloses to employees of the company when necessary and informs employees that this is confidential information and there are restrictions on use.

9. The owner of the information that the company requires not to disclose to the public must instruct the relevant personnel to strictly follow the safety procedures.

10. The company will impose disciplinary sanctions on those who violate the inside information for personal gain, starting with a written warning, reduce the allowance, reduce wages, temporarily suspend or leave without pay, and compensate the company in case of financial losses. The punishment will be determined according to the intention of the act and the seriousness of the crime.

Anti-corruption

The company is committed to properly conducting business and recognizes the importance of anti-corruption. Encourage employees to work with morality and good citizenship through legal business operations and benefit society. The company has formulated anti-corruption policies as guidelines to prevent and combat corporate corruption. By creating a corporate culture, we can make everyone aware of the danger of corruption, create correct values and make them clearer and improve the confidence of all stakeholders to effectively combat corruption. Details are as follows.

1. Directors, executives and employees at all levels of the company and its subsidiaries shall not directly or indirectly participate in any form of corruption or bribery and various forms of improper exploitation, such as soliciting, accepting, offering or providing property, including any other interests with government officials or any other person conducting business with the company for their own benefit or create business opportunities for the company, covering all business areas, whether domestic or foreign, including all relevant departments.

2. The company has formulated a policy of complying with the relevant laws and standards of anti-corruption in Thailand and in all countries where the company conducts business on behalf of the main company.

3. The company and its subsidiaries or business representatives of the company accept to follow these policies.

4. If directors, executives and employees take any action that violates or does not comply with this policy, whether directly or indirectly, they will be considered in accordance with the discipline set by the company and may also be punished according to the law if the action is illegal. In this regard, the company's personnel and its subsidiaries must understand and comply with the Anti-Corruption Policy at every step of the operation. If ones see an action that violates this policy, inform your supervisor or departments/persons in charge immediately

5. Supervisors who ignore the breach or fail to comply with this policy by their subordinates or are aware of such actions but fail to manage, correct or notify clues will be considered for disciplinary action according to the regulations set by the company

6. If an agent or contractor of the company violates this policy, the company will proceed to terminate the contract with the agent or the contracting party.

7. The company shall not punish, demote or adversely affect any director, executive or employee who denies corruption although refusal will cause the company to lose business opportunities.

Whistleblowing and complaints

Prosecutors: Chairman of the Audit Committee
Email: ac@polynet.co.th
Mail: Polynet Public Company Limited
888 Moo 11, Bangsaotong, Bangsaotong, Samutprakan

During 2020, 2021, and 2022, the company has no complaints of corruption.

Receiving complaints and reporting clues about the offensive act (Whistleblowing)

The company has formulated a policy of accepting complaints and reporting complaints related to corporate governance or supervising the operation of all stakeholders whether they come from internal personnel or not or from a third party, who requests to file a complaint in written files and send or follow up the complaint as follows:

Whistleblowing and complaints

Prosecutors: Chairman of the Audit Committee
Email: ac@polynet.co.th
Mail: Polynet Public Company Limited
888 Moo 11, Bangsaotong, Bangsaotong, Samutprakan

During 2020, 2021 and 2022, the company did not find any complaints.

Performance report of the Audit Committee

Number of audit committee meetings

The attendance of the Audit Committee meetings as of December 31, 2020, 2021 and 2022 is as follows:

Name	Attendance/Total number of meetings		
	2020	2021	2022
Mr. Chaiyaporn Nitaswarakul	1/1	3/3	6/6
Ms. Tyawadee Ngamwongwan	1/1	3/3	6/6
Ms. Khemika Thiwong	1/1	3/3	6/6

The audit committee meetings since 2021 are joint meetings of the audit committee, auditors, and internal auditors. There are no executives every time.

Results of the audit committee's performance of duties

(Appears in the report of the Board of Auditors.)

Remuneration payment

The remuneration for the audit committee is as follows, meeting fees per session. However, if there are 2 committees meeting on the same day, only one committee will be paid for the meeting fee.

Position	Number of attendances / Total number of meetings		
	2020	2021	2022
1. Chairman of the Board of Director	12,000	12,000	12,000
2. Director	8,000	8,000	8,000

Remuneration of the Audit Committee in 2020, 2021 and 2022

Name	Position	Monetary Remuneration		
		2020	2021	2022
1. Mr. Chaiyaporn Nitaswarakul	Chairman of the Audit Committee	-	-	-
2. Ms. Tyawadee Ngamwongwan	Audit Committee	-	-	-
3. Ms. Khemika Thiwong	Audit Committee	-	-	-
Total		-	-	-

Remark: In the case of two committees having meetings on the same day, the meeting fee should be paid only for one committee.

Performance report of the Executive Committee

Number of executive committee meetings

Attendance of the Executive Committee meetings as of December 31, 2020, 2021 and January to June 2022 is as follows:

Name	Number of attendances / Total number of meetings		
	2020	2021	2022
1. Mrs. Kanchana Laowrattana	11/11	12/12	12/12
2. Mr. Srichai Laowrattana	11/11	12/12	12/12
3. Mr. Therdsak Chalermwattananon	11/11	12/12	12/12
4. Ms. Noppamas Fahchusawad	11/11	12/12	12/12
5. Mr. Chanawut Kanaprasertkul	-	-	12/12

Note: Mr. Chanawut Kanaprasertkul was appointed at the Board Meeting No. 1/2022 on February 25. At the executive committee meetings in 2020 and 2021, Mr. Chanawut attended each meeting as Chief Financial Officer.

Results of the Executive Committee's performance of duties

Executive Committee (According to the report of the Executive Committee)

Remuneration Payment

The company does not pay remuneration to the executive committee because they are company personnel and are paid in the form of salary and bonuses and other benefits.

Internal Control and Related Transaction

Internal control

Adequacy and appropriateness of internal control system

The Board of Directors recognizes the importance of a good internal control system and believes its responsibility is to ensure that POLY has an appropriate and adequate internal control system to ensure that its operations comply with goals, objectives and laws and related restrictions effectively. Also, prevent the risks and damage to POLY and stakeholders. This includes the preparation of accurate and reliable accounting and financial reports and full disclosure of information at the right time.

POLY has hired UA to evaluate all internal control systems in 2022, including monitoring all internal control systems. The appointment of the UA was considered at the Audit Committee Meeting No. 1/2022 on February 28, 2022, to supervise and evaluate the internal control in 2022. In the opinion of the Audit Committee, UA has the qualification and expertise of internal audit which UA will report the performance directly to the audit committee.

In addition, the Board of Directors corporates risk management framework through identification and evaluation, risks are effectively managed and managed at the organizational level and in each activity. Analyze the internal and external risk factors that affect the realization of the company's objectives. The risk management framework will guide managers and employees at all levels to systematically control and manage risks. The Board of Directors has appointed the Audit Committee to supervise the implementation of the risk management policy and framework, monitor the risk management process to ensure the adequacy of key risk management, and support and develop risk management at all levels of the organization.

The 3 audit committee members have evaluated the adequacy of the internal control system in accordance with the COSO (The Committee of Sponsoring Organizations of Treadway Commission) framework, which includes:

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

The Board of Directors believes that POLY's internal control system is adequate and appropriate for POLY's business operation which the company appoints an internal audit unit (hire a unique consultant limited company or "UA") to evaluate the adequacy of the internal control system and track the operation of POLY's internal control system quarterly to ensure that there is a procedure to supervise the operation according to the goals, objectives and laws effectively. Also, prevent asset fraud and avoid abuse by directors or executives, including providing the accounting and outstanding and no discriminated reports with the Audit Committee. Therefore, POLY considered and approved the 2022 internal control system adequacy assessment form.

Auditor's opinion on POLY's internal control system

PricewaterhouseCoopers ABAS Limited (PwC) as an auditor allowed by POLY reported the opinions and suggestions on the internal control system in the audit of the financial statements for the year ended December 31, 2022 to the Audit Committee Meeting No. 1/2022 without any suggestions from the auditor relating to the internal system of POLY.

Opinions of internal auditors on POLY's internal control system

POLY hired UA to review and evaluate the adequacy of POLY's internal control system to report the results to the Audit Committee. UA reviewed various systems covering key business processes and began to audit POLY's internal control system. All are as follows.

No.	Reporting Performance	Checked Item Scope	Objectives of Duties	Audit Work System
1	Internal control system review report for the period ended July 31, 2021, the reporting date was from February 25, 2022	August 2021 - January 2022	Audit the progress of all identified observations from the previous audit and randomly select items to verify that actions have been taken and completed since the date of the POLY operation	1 - 11
2	Internal Control Assessment Report for the fiscal year 2021, dated February 25, 2022	As at December 31, 2021	Internal Control System Assessment at Organizational Level (COSO Framework)	-
3	Internal Audit Report For the Quarter Ending March 31, 2022	January - March 2022	Review internal control system audit and assessment at the business cycle level (covering the audit and assessment of specific system controls, including IT application controls of SAP B1 system).	4-5, 12
4	Internal Audit Report For the Quarter Ending June 30, 2022	January – June 2022	Assess and evaluate the internal control system at the business process level (covering the examination and evaluation of IT Application Controls of the SAP B1 system), and review the progress of observations found in the previous assessment.	1, 3, 7
5	Internal Audit Report For the Quarter Ending September 30, 2022	January – September 2022	Review an internal control system audit and assessment at the business cycle level, covering the testing and evaluation of IT application controls in the SAP B1 system. Also, perform a review of the progress of observations identified during the previous audit, including the procurement/purchasing system, payment system, and fixed asset management system, as well as the financial reporting system and report preparation.	2, 6, 10

No.	Reporting Performance	Checked Item Scope	Objectives of Duties	Audit Work System
6	Internal Audit Report For the Quarter Ending December 31, 2022	January – December 2022	Review and evaluating the internal control system at the enterprise-level covering auditing and evaluating specific IT application controls for SAP B1 system, as well as auditing and evaluating the procurement/contracting, expenses and payment systems, and the fixed assets management and financial reporting systems. Additionally, auditing and evaluating the general IT controls (ITGC), enterprise risk management (ERM), and sustainable business operations processes (ESG).	8, 11, 13

Notes

1. Revenue system, revenue recognition and payment recognition
2. Procurement, cost and payment
3. Finance and cash management
4. Human resources management
8. General control system of information technology
9. System program control
10. Accounting system and financial statement preparation
11. Enterprise risk management and good corporate governance
12. Preparation of the Personal Information Protection Act (PDPA)
13. Sustainable Business Operations

UA has reviewed an internal audit and follow-up of POLY's internal controls for the year 2022 and found that POLY has improved its internal controls at both the process design and implementation levels, in line with UA's recommendations. This includes improvements in the control environment, development of important policies and procedures, and process-level controls. During the 4 follow-up visits in 2022, UA identified medium and low-risk issues, which were reported and presented to the audit committee at a meeting.

- 1/2022 on May 12, 2022
- 2/2022 on August 11, 2022
- 3/2022 on November 14, 2022
- 4/2022 on February 24, 2023

The following table shows the low and medium risks found in the review of the internal control system (no high-risk problems found) which all issues have been solved during the first follow-up as above.

Issues found	Recommend	Correction
<p>Operation for preparing compliance with the Personal Data Protection Act (PDPA)</p> <p>1. Considerations for preparing for compliance with the Personal Data Protection Act (PDPA).</p> <p>Due to the increasing number of violations of the privacy rights of personal data that have caused annoyance, damage, or harm to the data subjects and the overall economy, consulting firms currently reviewing the operations of companies have found that the company (1) has established and developed policies for personal data protection, (2) has formed a PDPA team to study and understand the context of the law and prepare the organization's operations to comply with the requirements of the law, including (3) beginning to survey data from each department related to the use of personal data and assess the impact on personal data protection to create a record of related activities in the future. However, the company is still incomplete in complying with the law's requirements in important areas, which poses a risk of being penalized for non-compliance, both civilly and criminally, if data subjects file complaints for violations or if the company does not fully comply with the law.</p> <p>Risk - Moderate</p>	<p>Protection Act (PDPA)</p> <ul style="list-style-type: none"> • Appoint a data protection officer to monitor the collection, use, disclosure, and coordination of personal data and to address any issues that may arise. • Maintain records of activities related to personal data throughout its life cycle, from collection to destruction. • Establish criteria and methods for obtaining consent that align with the rights of data owners. • Implement measures to ensure the security of personal data. • Provide training to employees on their responsibilities with regard to the rights of data owners. 	<p>Solutions</p> <p>PDPA team that will develop a PDPA plan with a timeline for each step based on suggestions and recommendations, to prepare for compliance with the personal data protection laws before they become effective. The team will also communicate policies, important legal requirements, related documents, and the rights of data subjects. Additionally, training will be provided to all employees in the organization to ensure that they are aware of and comply with the personal data protection laws.</p>
<p>Asset Management and Maintenance</p> <p>2. Preventive maintenance plan does not correspond with the importance level of the machinery.</p> <p>When receiving and inspecting the fixed assets of machinery and factory equipment, the MU department manager will register the machinery/tools/equipment in the "Machinery Control Register", which is divided into 1) Group A machinery: machinery with limited production capability and can only produce one part, and cannot be used as a substitute for other machinery (PM every 3 months), 2) Group B machinery: multiple machinery of the same type that can be used</p>	<ul style="list-style-type: none"> • The MU department should consider adjusting the process of checking the accuracy and completeness of the annual preventive maintenance and repair plan to be more stringent. The department manager should ensure that the maintenance plan is consistent with the inventory of all registered machinery, so that they can be confident that all machinery and factory equipment have been checked and included in the plan for preventive maintenance and repair according to their level of importance. 	<p>Solutions</p> <p>The management team should proceed with the recommendation to improve the accuracy and completeness of the preventive maintenance plan by requiring the manager of the MU department to verify the accuracy and completeness of the maintenance plan against the inventory of registered machinery before approving the plan. The updated and verified plan should then be implemented accordingly.</p>

Issues found	Recommend	Correction
<p>interchangeably (PM every 6 months), and 3) Group C machinery: tools and equipment that support machinery (PM once a year). It was found that there were 66 machines in Group A, 165 machines in Group B, and 22 machines in Group C registered in the Machinery Control Register. Four machines were found to not meet the criteria of the preventive maintenance plan and the frequency of inspections specified for their importance level.</p> <p>Risk – Low</p>		
<p>3. The company has not installed CCTV cameras that can store data for retrospective searches.</p> <p>The company provides 24-hour security personnel to monitor the premises. There is only one entrance and exit, which the security personnel monitor all the time. The raw material storage and warehouse are opened and closed at specific times, and CCTV cameras are installed. However, currently, there are no CCTV cameras installed that can store data or events for retrospective searches. The company has planned and evaluated control points to install CCTV cameras in the factory 2 according to the 2022 plan. Currently, the procurement department is comparing prices to select the best vendor, and the installation of CCTV cameras will be completed according to the scheduled plan.</p> <p>Risk - Moderate</p>	<ul style="list-style-type: none"> The company should expedite the procurement and installation of CCTV cameras in the factory 2 area to be complete according to the evaluated points, along with configuring the data backup policy in CCTV cameras to ensure that if there are any abnormalities or incidents, the company can detect or retrieve data promptly for problem-solving. 	<p>Solutions</p> <p>Management believes that it is necessary to proceed with the procurement and installation of CCTV cameras at all designated control points in the layout of Factory 2.</p>

Issues found	Recommend	Correction
<p>The sustainable business operation process based on ESG principles</p> <p>4. Considerations for driving sustainable business in environmental, social, and governance (ESG) dimensions in each process.</p> <p>Sustainable development of an organization is a concept that investors use to evaluate their investments, giving importance to doing business with fundamental responsibilities in the aspects of environment, society, and governance (ESG). Based on the evaluation process for driving sustainable business, it is found that companies nowadays have policies for sustainable development covering all dimensions including economic, social, environmental, and clear respect for human rights. They also have policies and disclose the management practices that impact stakeholders in the value chain on their website. The management team is currently considering additional planning to align with sustainable business development guidelines for the registered company.</p> <p>Risk - Moderate</p>	<p>Analysis of the relationship between business and stakeholders, both directly and indirectly affected, to identify sustainability issues and prioritize them accordingly.</p> <ul style="list-style-type: none"> Establish a task force to create cross-functional linkages for addressing key sustainability issues, including defining roles and responsibilities for driving sustainability issues clearly. Develop a sustainability strategy for the organization under an operational framework that considers economic, social, and environmental dimensions in the short, medium, and long term, with clearly defined timelines for implementation. Implement the operational framework to drive sustainability, including setting targets and quantitative indicators, assigning responsibility for driving each issue, and managing sustainability issues clearly. Establish a data collection and management system for sustainability information with clearly defined responsibilities for each aspect of the data. 	<p>Solutions</p> <p>The management believes that it is necessary to improve the processes and will act on the suggestions, as well as to establish plans to drive sustainable development in all dimensions. This includes delegating responsibilities to each department to implement the plan, with performance measurement and reporting every 3 months.</p>
<p>IT General and application control</p> <p>5. Regular Firewall Log auditing is missing.</p> <p>The company has installed equipment and software to control the security of the network, data and information of the company. This includes the installation of Panda software to prevent viruses (Anti-virus) and installation of Firewall to help prevent hackers (Virus, Malware) from accessing the company's network, or being attacked, robbed or hacked from cyberspace, etc. Additionally, the IT department has mandated that network readiness checks be performed daily, including checking the readiness of the network system, server room equipment, and server room temperature and humidity. Checking the status of Anti-virus updates and the success of</p>	<ul style="list-style-type: none"> The company should establish regular firewall log testing as one of the standards for checking the network and system readiness. This is to enable timely detection of intrusion attempts or abnormalities and to analyze the results for appropriate future actions. 	<p>Solutions</p> <p>The IT department will access the Firewall system to perform daily checks and record the results in the PFM-IT-01-05/Server System check sheet document. In addition, the management is in the process of acquiring a Firewall with the capability to notify external intrusion attempts via email or other channels.</p>

Issues found	Recommend	Correction
<p>automatically configured data backups are also part of the regular checks. Each of these checks is recorded in writing. However, it was found that there is currently no regular auditing of Firewall log activity. The IT assistant manager explained that this is because the company's Firewall is an IPS Firewall (Intrusion Prevention System) that can detect and stop attacks, so regular Firewall log checks are not performed.</p> <p>Risk – Moderate</p>		
<p>6. Incomplete control of computer and IT equipment maintenance.</p> <p>The Procedure Manual for Electronic Media Control requires the IT department to review and update the assets they manage and control every six months, including the Computer Registry, Monitor PC List, Printer List, Switch and Access List, UPS List, and Scanner Barcode List. Based on the latest review conducted on June 27, 2022, it was found that some computer equipment and IT devices recorded in the accounting department's asset registry were not found in the IT department's asset registry. The IT department explained that during the review and updating of their asset registry, they cross-checked it with the Purchase Request (PR) documents. Since the IT department is responsible for purchasing IT assets and devices, they used the PR list to check and update their asset registry instead of relying on the accounting department's asset registry.</p> <p>Risk - Low</p>	<ul style="list-style-type: none"> The IT department should review the process of verifying and updating the inventory of computers, Monitor PC List, Printer List, Switch and Access List, UPS List, and Scanner Barcode List to ensure that they are accurate and in line with the company's assets recorded in the asset inventory maintained by the accounting department. The IT department should verify the inventory list against the COP and COO inventory list maintained by the accounting department at least every 6 months to ensure that all computer equipment and IT devices are well maintained and ready for use. 	<p>Solutions</p> <p>The IT department will conduct a review of the computer and IT equipment inventory using data from the Fixed Assets Register provided by the accounting department. This review will be cross-checked with the IT department's asset inventory to ensure that the information is accurate and consistent during every 6-month audit.</p>

For the quarter that ended June 30, 2022, UA reviewed 1) the revenue system, revenue recognition and collection 2) the financial management system, budget and cash management and 3) the human resource management system and no medium-high risk observation was found. There is only one low-risk income system, revenue recognition and revenue reception. In other words, the company has not formulated and stipulated the rules for the collection of raw material price data in the past 6 months to analyze and establish benchmarks to review the appropriateness of the selling price of each product which will be able to timely review the sales price according to the raw material cost, conversion cost and other costs. This may affect the expected profit margin. POLY has completed the revision in August 2022.

For the quarter that ended September 30, 2022, UA reviewed 1) the purchasing/hiring system, expenses and payments 2) the fixed asset management system and maintenance 3) the accounting system and financial report preparation 4) monitor the observed results of detected and undetected medium-high risks. The review report will be submitted to the Audit Committee and the Board of Directors on November 14, 2022.

For the quarter ended December 31, 2022, UA has been audited on 1) the sustainable business operations process based on ESG principles, 2) general IT control, and 3) follow-up on previously identified observations. The audit found moderate and low levels of risk.

Issues found	Risk level
1. Additional considerations should be taken in each process to drive sustainable business in the dimensions of environment, society, and governance.	Moderate
2. Inadequate Firewall Log auditing.	Moderate
3. Incomplete IT equipment and computer maintenance controls.	Low

For the internal control review in 2022, the audit plan covers all major processes of POLY which each process will cover the review and evaluation of IT application control in each relevant important activity.

POLY will continue to hire UA to perform internal audit duties for POLY continuously. They will present the 2023 audit plan at the Audit Committee and Board of Directors meeting on February 24, 2023. The audit plan will cover all major processes of POLY as detailed in the table below.

Period	Objectives	Working period	Status
January – March 2023 (Quarter 1)	<ul style="list-style-type: none"> Procurement, expenditure, and payment system Inventory management system Financial management, budgeting, and cash management system Follow-up on previously identified audit observations that are still in the process of being addressed. 	March 2023	Planned

April – June 2023 (Quarter 2)	<ul style="list-style-type: none"> • Production management and production cost system • Research and development system for products • Fixed asset management and maintenance system • Follow-up on previously identified observations that are being addressed. 	June 2023	Planned
July – September 2023 (Quarter 3)	<ul style="list-style-type: none"> • Revenue management system, revenue recognition, and collection • Related party transactions • Business supervision and sustainable organizational development • Follow-up on previously identified observations that are still being addressed. 	September 2023	Planned
October – December 2023 (Quarter 4)	<ul style="list-style-type: none"> • Human resource management • General control over information technology • Preparation of the "Assessment of Internal Control System Adequacy according to COSO guidelines" report, and • Follow-up on previously identified observations being addressed. 	December 2023	Planned

POLY Internal Audit Supervisor

POLY employs Outsource as an internal auditor which hires Unique Advisor Co., Ltd. ("UA") as its internal auditor since 2021. Mr. Koson Yamleemoon served as the head of the internal audit and in the meeting of committees on February 28, 2022, No. 1/2012, UA was appointed as the internal auditor of POLY in 2022. UA has appointed Mr. Koson Yamleemool, the Managing Director, as the main responsibility of POLY's internal auditor.

The Audit Committee considered the qualifications of UA and Mr. Koson Yamleemool and considered them appropriate because of their independence and qualifications, education, work background as internal audit experience and receive training courses related to the proper implementation of internal audit, namely, internal auditors (CIA), Financial Services Internal Auditor (CFSA), Certified Public Accountant (CPA), including IT audit courses and internal audit courses through the Accounting Professional Association of Institute of Internal Auditors, etc.

Review and approve the appointment, dismissal and transfer of the head of POLY's internal audit department will be approved by the Audit Committees. See Appendix 2 for the qualification of the person in charge of the internal audit.

Related transactions

Transaction information with parties that may have conflicts

During the period from 2022, there are the following transactions between POLY and people who may conflict:

Individuals who may conflict	Relationship with POLY
Kemoplast Co., Ltd.	<ul style="list-style-type: none">• Kemoplast is engaged in the import and distribution of solid silicon and liquid silicon chemical products. The chemical composition of silicone rubber is designated as the distributor of Dow Corning silicone rubber and chemicals from Dow Chemical Group (USA) officially.• Kemoplast is a company founded by Mr. Srichai Laowrattana (Director and CEO, Chief Marketing Officer). In the past, Mr. Srichai and Mrs. Kanchana held 26,000 shares, accounting for 87% of the total shares. On November 20, 2016, sold the share to their relative and Mr. Srichai and Mrs. Kanchana resigned as directors of Kemoplast on November 21, 2016.• Kemoplast has 3 shareholders of Mr. Srichai's siblings (not holding POLY shares), as follows:<ol style="list-style-type: none">1) Mr. Pavijaya Vorathanakul (40% of the total shares)2) Ms. Suporn Vorathanakul (40% of the total shares)3) Mr. Chokchai Vorathanakul (20% of the total shares)• Kemoplast has two directors, Khun Pavijaya Worathanakul and Khun Suporn Worathanakul (POLY has no joint directors)
Mrs. Kanchana Laowrattana	<ul style="list-style-type: none">• Director and authorized director of POLY• Served as CEO of POLY• As of 26 December, 2022, major shareholders accounted for 27.06% of the total shares
Mr. Srichai Laowrattana	<ul style="list-style-type: none">• Director and authorized director of POLY• Served as Chief Marketing Officer (CMO)• As of 26 December, 2022, major shareholders accounted for 3.96% of the total shares

In 2021, POLY entered into the following transactions with people who may have conflicts: (Please consider other related transactions in the notes to the financial statements.)

Companies may conflict	Types of transactions	Amount (THB)	Opinions of the Audit Committee
Kemoplast Co., Ltd.	Purchasing costs: Item value: outstanding balance	7,093,316 2,895,046	<p>Project source and necessity</p> <ul style="list-style-type: none"> The main products purchased by POLY from Kemoplast are solid silicone resins used in the consumer industry, such as rubber seals for rice cookers and food box seals, and lamp sealing: liquid silicone resin used for medical equipment manufacturing, such as silicone sleeves that is part of the medical equipment used for intravenous infusion. POLY's customers have requested the brand or not requested the silicone brand, used in the production. The raw materials for the logo brand will be specified in written form. In the specification table of each part ordered, one of the brands designated by some customers is Dow Corning. Dow Silicone Company (Dow Silicone Company) is a highly reliable brand. When it is used in production, the product is beautiful and has less waste. Dow Corning will only sell silicone through its designated dealers. In Thailand, there are only two dealers, Kemoplast and the other Japanese company (Japanese dealer which Kemoplast's products do not overlap with Japanese dealers. Japanese dealers sell raw materials for auto parts while Kemoplast Sales of raw materials for consumer products and medical equipment. In addition, Japanese dealers will only sell products to their Japanese corporate customer network which POLY customers as a Japanese company will coordinate with the above-mentioned Japanese suppliers in advance to sell products to POLY. This will be the silicone raw material in the auto parts of those Japanese customers. If POLY contacts to purchase the silicone raw material brand, Dow Corning, is used for other customers. Japanese dealers cannot sell it. Due to the limited quantity, it must be reserved for its Japanese network customers. However, if POLY requires purchasing Dow Corning silicone raw materials, it is used for consumer products and medical equipment. Japanese dealers do not provide these products because it only imports the raw materials of auto parts. Therefore, POLY needs to order products from Kemoplast. <p>Reasonable Price</p> <ul style="list-style-type: none"> For raw materials with comparable prices, whether Dow Corning brand or not Dow Corning brand, the price of silicon raw materials Dow Corning purchased from Kemoplast is equivalent to the price Kemoplast sells to other Kemoplast customers. For 1 Dow Corning liquid silicone raw material, QP1-40, which is Medical Grade as specified by the customer, is used to produce Silicone Sleeve for intravenous infusion and Silicone Chest Tube, which is unmatched by other brands. Since there is no producer in Thailand to use this raw material, and Dow Corning only sells through its distributors, POLY must order it through Kemoplast. operation fee transportation costs and related expenses. POLY purchases QP1-40 from Kemoplast.

Companies may conflict	Types of transactions	Amount (THB)	Opinions of the Audit Committee
Hako and CO Co.,Ltd.	Sales of goods	10,083.6	<p>Terms of trade</p> <ul style="list-style-type: none"> • Payment terms within 30 days are equivalent to those of other suppliers. <p>Audit committee's opinion</p> <ul style="list-style-type: none"> • This project is necessary and a normal business project because POLY needs high-quality raw materials that meet customer requirements. The transaction price is equivalent to the price that Kemoplast sells to others. For unmatched items, Kemoplast's price is according to the price and conditions, it is sold at the cost price plus no more than 10% profit to pay the import and operating expenses. Therefore, the above items are considered appropriate. <p>The rationale for pricing</p> <ul style="list-style-type: none"> • The cost of production is still a factor in determining the selling price, with a profit margin of 30%. <p>Terms of trade</p> <ul style="list-style-type: none"> • Payment is required within 30 days from the date of billing. <p>Audit committee's opinion</p> <ul style="list-style-type: none"> • The above transaction is a normal business transaction since the selling price is determined based on the seller's pricing structure, which is in line with pricing and conditions criteria. Therefore, it is considered appropriate.

Credit guarantee, pledges, and mortgage

A) Bank loan agreement as of December 31, 2022

Lender	Type of loan	Amount	Balance	Interest rate	Obligation
Bangkok Bank PCL	Overdraft (OD)	10	-	MOR	The registration of the commercial guarantee contracts, POLY's 8 machines are mortgage.
BSL Leasing ("BSL")	Used as working capital	80.0	2.6	MLR-0.50%, using the MLR of Bangkok Bank ("BBL")	Title deed number 39292 Bangsaotong Street, Bangsaotong District, Samutprakan with buildings as mortgage. The mortgage amount is THB 80.0 million
	Term loan constructing buildings	70.0	29.1	MLR-0.75% By using BBL's MLR	Title deed number 39293 Bangsaotong Street, Bangsaotong District, Samutprakan with buildings as mortgage. The mortgage amount is THB 70.0 million
	Used as working capital	95.0	56.7	MLR-0.50% per year by using BBL of MLR	Title deed number 61029 Bangsaotong Street, Bangsaotong District, Samutprakan with buildings as mortgage.
	Used as working capital	110.0	87.8	MLR-0.50% by using BBL's MLR	The mortgage amount is THB 95.0 million Land Ownership Certificate of No. 9791, Bangsaotong Street, Bangsaotong District, Samutprakan with buildings as mortgage.
	Leasing machinery	N/A	11.9	N/A	Assets under leasing agreement.
	Used as working capital	80.0	9.9	MOR-0.375%	Guaranteed by Mrs. Kanchana and Mr. Srichai
	Total Loan	445.0	190.0		
	Other funds from the bank				
Bangkok Bank PCL	Letter guarantee for electricity	5.0	5.0	N/A	

Opinion of the Audit Committees

The director's guarantee is a transaction necessary to provide liquidity for Poly in the past, and the guarantee director does not charge any guarantee fee. POLY is a listed company on the Stock Exchange of Thailand, and there will be no such transactions in the future.

Policies or trends of future connected transactions

Measures or procedures for approving connected transactions

Board meeting 1/2022 on February 25, 2022, POLY's trading policy and conflict of interest policy recognize the importance of conducting business clearly, taking into account all stakeholders. POLY's business standardization policy about the related transactions conducted in accordance with the Securities Exchange Law, the details are as follows:

1. Carry out connected transactions in accordance with the Securities and Exchange Law and the notice of the Capital Market Supervision Commission Reply to Tor Jor.21/2551 (2008) Topic: Related transaction rules and the notice of the Board of Directors of Stock Exchange of Thailand (Bor.Jor.Por.22-01) Topic: Information disclosure and operation of listed companies in connected transactions, B.E.2546 (2003), including rules and regulations Securities and Exchange Commission (SEC) and relevant Stock Exchange of Thailand and comply with the disclosure requirements of mutual transactions in the notes to the financial statements audited by the auditors and the summary of the board meetings

2. If POLY is required by law, the approval of the board of directors or the general meeting of shareholders must be obtained before any connected transaction that is carried out and strictly comply with the approval authority of relevant laws and regulations. The report will be submitted at the Board of Directors or Shareholders' Meeting (as the case may be) to ensure that the proposed transaction is in the best interests of POLY.

3. The transaction is conducted according to the general trade terms between Poly and its related parties according to the notice of the Board of Directors of the Stock Exchange of Thailand (Bor.Jor.Por.22-01). The terms and conditions of the general trade agreement are the same as that of the general contracting parties under the same circumstances and conduct trade negotiations without affecting the status of its directors, executive or related personnel. By allowing the Executive Committee to approve the above transactions as usual, POLY will prepare a transaction summary report between each other. It shall be submitted to the Board of Directors for review at least once a year.

4. Non-general trade terms transaction before submitting to the Board of Directors and/or the General Meeting of Shareholders for further approval, the Audit Committee shall consider and make comments. Must follow the restriction of Securities and Exchange Law Capital Market Supervision Commission and Stock Exchange of Thailand related party transaction disclosure requirements

5. If the audit committee lacks professional knowledge in the consideration of possible connected transactions, POLY will appoint independent experts or auditors of POLY and expresses opinions on connected transactions for the decision of the Executive Committee and the Board of Directors and/or shareholders (as the case may be) to ensure that the transaction is necessary and reasonable, taking into account the following interests of POLY. In addition, POLY will disclose related transactions under the restriction of the Board of Directors and attach notes to the financial statements audited by the auditors.

6. In the future, POLY will comply with POLY's related party transaction policy following Securities and Exchange Law Capital Market Supervision Commission and Stock Exchange of Thailand and POLY related party transaction disclosure requirements according to the Thai Institute of Accountants and Certified Public Accountants

7. Directors shall not directly or indirectly participate in the approval of their conflicts of interest.

Future trend of connected transactions

The mutual transaction that will continue in the future is the transaction in that POLY purchases raw materials from Kemoplast. POLY will comply with the provisions, regulations, notices, orders or requirements of the Securities and Exchange Law, the Capital Market Supervision Commission, the Securities and Exchange Commission and the Stock Exchange of Thailand. Such transactions will not transfer or transfer the interests of POLY or its shareholders, but POLY's transactions consider the best interests of POLY and all shareholders.

The reason why people who may have conflicts hold more than 10% of the shares of subsidiaries and affiliated companies instead of directly holding the shares of the company.

No because POLY has no subsidiaries or affiliates.

PART 3

FINANCIAL STATEMENTS

Independent Auditor's Report

To the shareholders and the Board of Directors of Polynet Public Company Limited

My opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of Polynet Public Company Limited (the Company) as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRS).

What I have audited

The Company's financial statements comprise:

- the statement of financial position as at 31 December 2022;
- the statements of comprehensive income for the year then ended;
- the statements of changes in equity for the year then ended;
- the statements of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

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

Key audit matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements of the current period. I determine *revenue recognition* as key audit matter. This matter was addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on this matter.

Key audit matter	How my audit addressed the key audit matter
<p>Revenue recognition</p> <p>Refer to Note 4.16 (Accounting policies) and Note 8 (Segment information).</p> <p>Revenue from sales is significant to the Company's financial statements. The Company has revenue from selling parts and mold both domestically and internationally, which trade terms are different for each sales contract and channel, and there is a large number of sales transactions. Revenue recognition is therefore complicated due to the types of transactions, the performance obligations and the timing of revenue recognition of each contract.</p> <p>I focused on the sales transactions' occurrence, accuracy and cut-offs, the contractual compliance of performance obligations and the correct timing of the revenue recognition for each revenue type according to TFRS 15 - Revenue from contracts with customers.</p>	<p>My key audit procedures in respect of the revenue recognition are:</p> <ul style="list-style-type: none">• Gained comprehensive understanding of the different revenue types and internal controls relevant to the revenue and receivables cycle, which included understanding of accounting policy on revenue recognition and assessing whether it is in line with TFRS 15 - Revenue from contracts with customers• Understood and evaluated general control environment relevant to any IT systems used in data processing and accounting records relevant to the revenue and receivables cycle• Evaluated and tested the internal control design's effectiveness relevant to the revenue and receivables cycle by performing haphazard testing on sales transactions occurred during the year to evaluate whether the control activities align with the Company's designed controls• Sent out accounts receivable confirmations as of 31 December 2022 and performed subsequent receipts of payments after the date in case any confirmations were not replied• Inquired with management of key trading conditions and performed haphazard testing on sales transactions and related contracts to evaluate whether the revenue recognition was in line with the performance obligations and conditions specified in the contracts and the Company's accounting policy• Performed haphazard testing on sales transactions issued before and after the end of the reporting period and credit notes issued after the end of the reporting period <p>From these audit procedures, I determined that the revenue recognition was reasonable and in line with the Company's accounting policy.</p>

Other information

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

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

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

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

Responsibilities of the directors for the financial statements

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

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

PricewaterhouseCoopers ABAS Ltd.



Sakuna Yamsakul
Certified Public Accountant (Thailand) No. 4906
Bangkok
24 February 2023

Polynet Public Company Limited
Statement of Financial Position
As at 31 December 2022

	<u>Notes</u>	<u>2022 Baht</u>	<u>2021 Baht</u>
Assets			
Current assets			
Cash and cash equivalents	9	409,969,502	11,093,925
Trade and other receivables - net	10	201,659,095	114,366,325
Inventories - net	11	63,756,070	57,651,308
Unbilled receivables	12.1	25,918,109	25,646,558
Other current assets		5,544,597	5,739,473
Total current assets		706,847,373	214,497,589
Non-current assets			
Restricted deposits at financial institution		-	600,000
Property, plant and equipment - net	13	969,048,526	912,764,177
Intangible assets - net	14	4,515,464	4,485,624
Other non-current assets		12,448,100	2,554,880
Total non-current assets		986,012,090	920,404,681
Total assets		1,692,859,463	1,134,902,270

Polynet Public Company Limited
Statement of Financial Position (Cont'd)
As at 31 December 2022

	Notes	2022 Baht	2021 Baht
Liabilities and equity			
Current liabilities			
Short-term loans	16	9,893,220	11,000,000
Trade and other payables	17	141,625,584	97,893,486
Current portion of			
- Long-term loans - net	18	63,580,312	80,591,213
- Lease liabilities - net	19	28,796,342	29,974,832
Income tax payable		3,230,549	14,457,472
Contract liabilities	12.2	1,111,514	29,146,379
Other current liabilities		3,959,223	2,206,462
Total current liabilities		252,196,744	265,269,844
Non-current liabilities			
Long-term loans - net	18	124,550,391	180,768,437
Lease liabilities - net	19	72,956,748	66,811,410
Deferred tax liabilities - net	15	30,461,864	22,974,899
Employee benefit obligations	20	9,410,860	11,859,715
Total non-current liabilities		237,379,863	282,414,461
Total liabilities		489,576,607	547,684,305

Polynet Public Company Limited
Statement of Financial Position
(Cont'd)
As at 31 December 2022

	Notes	2022 Baht	2021 Baht
Equity			
Share capital	21		
Authorised share capital			
Ordinary shares, 450,000,000 shares at par value of Baht 1 each (2021: Ordinary shares, 3,300,000 shares at par value of Baht 100 each)		450,000,000	330,000,000
Issued and fully paid-up share capital			
Ordinary shares, 450,000,000 shares paid-up of Baht 1 each (2021: Ordinary shares, 3,300,000 shares paid-up of Baht 100 each)		450,000,000	330,000,000
Share premium	21	679,911,012	3,900,000
Retained earnings			
Appropriated - legal reserve	22	22,550,000	4,000,000
Unappropriated		48,019,116	246,961,710
Other components of equity - net			
Surplus arising from business combination under common control		(3,900,000)	(3,900,000)
Remeasurements of post-employment benefit obligations		6,702,728	6,256,255
Total equity		1,203,282,856	587,217,965
Total liabilities and equity		1,692,859,463	1,134,902,270

Polynet Public Company Limited
Statement of Comprehensive Income
For the year ended 31 December 2022

	Notes	2022 Baht	2021 Baht
Revenue from sales		1,082,258,493	786,079,304
Cost of goods sold	11	(813,014,324)	(563,819,794)
Gross profit		269,244,169	222,259,510
Other income	23	1,426,560	997,772
Selling expenses		(13,827,815)	(12,889,767)
Administrative expenses		(64,284,401)	(56,544,759)
Expected credit losses (reversal)	10	(118,132)	2,219,075
Other gains (losses)	24	24,280,577	(734,499)
Finance costs	26	(23,974,484)	(14,110,865)
Profit before income tax		192,746,474	141,196,467
Income tax expense	27	(31,064,604)	(20,264,217)
Net profit for the year		161,681,870	120,932,250
Other comprehensive income:			
<i>Item that will not be reclassified to profit or loss</i>			
Remeasurement of post-employment benefit obligations	27	558,091	-
Income tax on items that will not be reclassified subsequently to profit or loss	27	(111,618)	-
Other comprehensive income for the year		446,473	-
Total comprehensive income for the year		162,128,343	120,932,250
Earnings per share			
Basic earnings per share	28	0.47	0.37

Polynet Public Company Limited
Statement of Changes in Equity
For the year ended 31 December 2022

	Notes	Authorised, issued and fully paid-up share capital Baht	Share premium Baht	Retained earnings		Other components of equity - net				Total Baht
				Appropriated - legal reserve Baht	Unappropriated Baht	Other comprehensive income	Remeasurements of post-employment benefit obligations Baht	Surplus arising from business combination under common control Baht		
Opening balance at 1 January 2022		330,000,000	3,900,000	4,000,000	246,961,710	6,256,255	(3,900,000)		587,217,965	
Changes in equity for the year 2022										
Total comprehensive income for the year		-	-	-	161,681,870	446,473	-	-	162,128,343	
Ordinary shares issued	21	120,000,000	676,011,012	-	-	-	-	-	796,011,012	
Dividends paid	29	-	-	-	(342,074,464)	-	-	-	(342,074,464)	
Appropriation to legal reserve	22	-	-	18,550,000	(18,550,000)	-	-	-	-	
Closing balance at 31 December 2022		450,000,000	679,911,012	22,550,000	48,019,116	6,702,728	(3,900,000)		1,203,282,856	
Opening balance at 1 January 2021		330,000,000	3,900,000	4,000,000	126,029,460	6,256,255	(3,900,000)		466,285,715	
Changes in equity for the year 2021										
Total comprehensive income for the year		-	-	-	120,932,250	-	-	-	120,932,250	
Closing balance at 31 December 2021		330,000,000	3,900,000	4,000,000	246,961,710	6,256,255	(3,900,000)		587,217,965	

Polynet Public Company Limited
Statement of Cash Flows
For the year ended 31 December 2022

	Notes	2022 Baht	2021 Baht
Cash flows from operating activities			
Profit before income tax		192,746,474	141,196,467
Adjustments:			
Depreciation and amortisation charges	13, 14	95,185,056	83,077,701
Expected credit losses (reversal)	10	118,132	(2,219,075)
Allowance for slow-moving and obsolete inventories (reversal)	11, 25	(2,082,395)	5,774,288
Allowance for inventory cost in excess of net realisable value (reversal)	11, 25	(403,691)	354,271
Unrealised (gains) losses from exchange rate		(596,045)	483,302
Net loss from disposals of equipment		101,597	370,872
Net loss from write-off of assets		-	246,845
Employee benefits obligations	20	1,617,959	1,645,769
Amortisation of deferred interest expense of long-term loans	18	11,225,499	8,503,424
Finance cost of lease liabilities	19	4,930,127	2,469,619
Interest income		(91,263)	(2,816)
Finance costs		7,818,858	3,137,822
Cash flows before changes in operating assets and liabilities		310,570,308	245,038,489
Changes in operating assets and liabilities:			
Trade and other receivables		(87,397,484)	(29,485,706)
Unbilled receivables		(271,551)	(24,133,401)
Inventories		(3,618,675)	(25,605,488)
Other current assets		194,876	(4,829,427)
Other non-current assets		-	(934,000)
Trade and other payables		(9,051,363)	13,223,581
Contract liabilities		(28,034,865)	22,346,410
Other current liabilities		1,752,761	425,838
Employee benefit obligations	20	(3,508,723)	(506,798)
Cash generated from operating activities		180,635,284	195,539,498
Interest received		91,263	4,894
Income tax paid		(29,918,935)	(5,477,713)
Net cash flows provided by operating activities		150,807,612	190,066,679

Polynet Public Company Limited
Statement of Cash Flows (Cont'd)
For the year ended 31 December 2022

	Notes	2022 Baht	2021 Baht
Cash flows from investing activities			
Decrease in restricted bank deposits		600,000	-
Cash paid for purchases of property, plant and equipment		(57,837,577)	(116,723,317)
Cash paid for purchases of intangible assets	14	(881,030)	(117,350)
Cash received from disposals of equipment		605,966	1,470,204
Net cash flows used in investing activities		<u>(57,512,641)</u>	<u>(115,370,463)</u>
Cash flows from financing activities			
Cash received from short-term loans		305,000,000	-
Cash paid for short-term loans		(316,000,000)	(65,000,000)
Cash received from long-term loans	18	8,900,000	198,000,000
Cash paid for long-term loans	18	(82,128,947)	(165,268,698)
Cash received from issue of ordinary shares	21	816,000,000	-
Cash paid for ordinary share issuing costs	27	(24,986,235)	-
Cash paid for dividends	29	(342,074,464)	-
Cash paid for interest expenses		(23,974,484)	(14,547,659)
Cash paid for principal elements of lease payment		(35,155,264)	(33,761,419)
Net cash flows used in financing activities		<u>305,580,606</u>	<u>(80,577,776)</u>
Net increase (decrease) in cash and cash equivalents		398,875,577	(5,881,560)
Opening balance of cash and cash equivalents		11,093,925	16,975,485
Closing balance of cash and cash equivalents	9	<u>409,969,502</u>	<u>11,093,925</u>
Non-cash transactions			
Purchases of assets during the year which have not been paid		52,928,589	5,020,610
Additions in right-of-use assets and lease liabilities	13	40,559,612	78,090,870
Additions in advance payments for equipment and loans		9,893,220	-

1 General information

Polynet Public Company Limited (“the Company”) is a public limited company which listed on the Stock Exchange of Thailand. The Company is incorporated and domiciled in Thailand. The address of the Company’s registered office is 888 Moo 11, Bangsaothong, Bangsaothong, Samutprakarn.

The Company registered to transform to a public limited company on 29 March 2022 with the Department of Business Development. As a result, the Company changed its name from Polynet Company Limited to Polynet Public Company Limited. The Company is listed on the Stock Exchange of Thailand which its ordinary shares were initially traded on 16 November 2022.

The principal business operations of the Company are forming, manufacturing and selling products related to rubber, plastic, silicone and molds.

These financial statements were authorised for issue by the Board of Directors of the Company on 24 February 2023.

2 Basis of preparation

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

The financial statements are prepared under the historical cost convention except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with Thai Generally Accepted Accounting Principles requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 7.

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

3 New and amended financial reporting standards

New and amended Thai Financial Reporting Standards effective for the accounting periods beginning on or after 1 January 2022 do not have significant impacts to the Company.

Amended financial reporting standards that are effective for the accounting period beginning or after 1 January 2023 and relevant to the Company, management has assessed that they do not have significant impacts to the Company.

4 Accounting policies

4.1 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Company's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Baht, which is the Company's functional and the Company's presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. Conversely, when a gain or loss on a non-monetary item is recognised in profit and loss, any exchange component of that gain or loss is recognised in profit and loss.

4.2 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less from acquisition date.

4.3 Trade receivables

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

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

The impairment of trade receivables is disclosed in Note 4.5.

4.4 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined by the first-in, first-out method. The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventory, such as import duties and transportation charges, less all attributable discounts, allowances or rebates. The cost of finished goods and work in progress comprises design costs, raw materials, direct labour, other direct costs and related production overheads based on normal operating capacity. It excludes borrowing costs.

Net realisable value is the estimate of the selling price in the ordinary course of business, less applicable variable selling expenses. Allowance is made, where necessary, for obsolete, slow-moving and defective inventories.

4.5 Financial assets

a) Classification

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

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

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

b) Recognition and derecognition

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

c) Initial recognition

At initial recognition, the Company measures a financial asset at its fair value plus or deduct 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.

d) Subsequent measurement

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

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

e) Impairment

The Company applies the TFRS 9 simplified approach in measuring the impairment of trade receivables and unbilled receivables based on lifetime expected credit losses of the receivables since the initial recognition.

In measuring the expected credit losses, trade receivables and unbilled receivables are grouped based on shared credit risk characteristics and the days past due. The expected credit loss rates are based on payment profiles, historical credit losses as well as forward-looking information and factors that may affect payments.

The expected loss rates are based on the payment profiles of sales over a period of 3 years in the past and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors that may affect the customers's ability to pay.

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

4.6 Property, plant and equipment

Property, plant and equipment comprise land, building and building improvement, electric system, machinery, factory equipment, furniture and fixture, office equipment, vehicles and construction in progress.

Land is stated at cost less an allowance for impairment. All plant and equipment are stated at historical cost less accumulated depreciation and allowance for impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives as follows; except for land which is considered to have an indefinite life.

Buildings	30 - 35 years
Building improvement	10 years
Machinery	10 - 20 years
Factory equipment	5 - 10 years
Furniture, fixture and office equipment	5 - 10 years
Electric and water system	10 - 15 years
Computers	5 - 10 years
Vehicles	5 - 10 years

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

The asset's carrying amount is written-down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains or losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other gains/(losses)' in profit or loss.

Right-of-use assets is presented together with equipment. The related accounting policies are disclosed in Note 4.9.

4.7 Intangible assets

Computer software

Costs associated with maintaining computer software programs are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Company are recognised as intangible assets when the following criteria are met:

- It is technically feasible to complete the software product so that it will be available to use;
- Management intends to complete the software product and use or sell it;
- There is an ability to use or sell the software product;
- It can be demonstrated how the software product will generate probable future economic benefits;
- Adequate technical, financial and other resources to complete the development and to use or sell the software product are available
- The expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Computer software development costs recognised as assets are amortised using straight-line method over their estimated useful lives, which does not exceed 10 years.

4.8 Impairment of assets

Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

4.9 Leases - where the Company is the lessee

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

The Company allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices for contracts that consist of lease and non-lease components, except for leases of real estate for which the Company is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

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

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

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

Right-of-use assets, presented together with equipment, are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

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

4.10 Financial liabilities

a) Classification

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

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

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

b) Measurement

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

c) Derecognition and modification

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

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

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

4.11 Current and deferred income taxes

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

Current income tax

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

Deferred income tax

Deferred income tax is recognised on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. However, deferred income tax is not recognised for temporary differences arise from initial recognition of an asset or liability in a transaction other than a business combination that affects neither accounting nor taxable profit or loss is not recognised.

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

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

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

4.12 Employee benefits

a) **Short-term employee benefits**

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

b) **Defined contribution plan**

A defined contribution plan is a plan under which the Company pays fixed contributions into a separate entity. The Company has no legal or constructive obligations to pay further contributions once the contributions have been paid even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The Company pays contributions to a separate fund which is managed by an external fund manager in accordance with the Provident Fund Act. B.E. 2530. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

c) **Retirement benefit plan**

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

The defined benefit obligation is calculated by an independent actuary using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yield of government bonds that matches the terms and currency of the expected cash outflows.

Remeasurement gains and losses are recognised directly to other comprehensive income in the period in which they arise. They are presented as a separate item in statements of changes in equity.

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

4.13 Provisions

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

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

4.14 Share capital

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

4.15 Dividend distribution

Dividend distribution to the Company's shareholders is recognised in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders and the Board of Directors.

4.16 Revenue recognition

Revenue comprises the fair value of the consideration received for the sale of goods in the ordinary course of the Company's activities. Revenue is shown net of value-added tax, returns, rebates and discounts.

Revenue from sales of goods and other income are recognised when the performance obligation is satisfied at a point in time since the control of goods is transferred to a customer once a customer has accepted a goods and the Company has no other obligation after that.

Interest income is recognised on a time proportion basis, taking account of the principal outstanding and the effective rate over the period to maturity, when it is determined that such income will accrue to the Company.

An unbilled receivable is recognised when the Company has recognised revenue for fulfilment of a contractual performance obligation before the customer pays consideration or a payment is due according to the contract.

A contract liability is recognised when the customer has paid consideration or a payment from the customer is due before the Company fulfills a contractual performance obligation.

Contract liabilities are set off against unbilled receivables for each contract with customer.

5 Financial risk management

5.1 Financial risk factors

The Company is exposed to normal business risks from changes in foreign exchange and interest rate, credit risk, and liquidity risk. The Company does not have a policy to enter into financial instrument transactions which are derivatives, whether for trading or speculative purposes.

5.1.1 Foreign exchange risk

The Company has low foreign exchange risk. There are few transactions denominated in foreign currencies which occurred from lease liabilities in Euro currency. The Company considered that it is not necessary to use derivatives for purchasing goods to protect such risk due to short-period transaction. Management believes that the fluctuation in foreign exchange in the market in the future does not have significant impact to the Company's financial performance.

5.1.2 Interest rate risk

The Company's main interest rate risk arises from long-term loans with variable and fixed rates, periodically contractually repriced, which the Company might be affected from the fluctuation in such interest rate. The Company protected such risk by planning to find capital that its interest rate is lower than market interest rate to use in the operation in advance.

The exposure of the Company's long-term loans to interest rate changes at the end of the reporting period is as follows:

	2022		2021	
	Baht	% of total loans	Baht	% of total loans
Variable rate long-term loans	176,194,618	93.7	240,199,517	91.9
Fixed rate long-term loans	11,936,085	6.3	21,160,133	8.1
Total long-term loans	188,130,703		261,359,650	

Sensitivity

The sensitivity of profit or loss to changes in interest rates, holding all other variables of financial assets and liabilities constant, at the end of the reporting period are as follows:

	Impact to net profit	
	2022 Thousand Baht	2021 Thousand Baht
Interest rate - increase 1%	(483)	(1,835)
Interest rate - decrease 1%	470	1,563

5.1.3 Credit risk

The Company's main credit risk arises from cash and cash equivalents as well as credit exposures to trade and other receivables which the counterparties cannot or are not willing to satisfy the agreement made with the Company. The exposure to credit risk of financial assets are considerably equal to the gross carrying amount as shown in the financial statement at the end of the reporting period.

Risk management

Credit risk is managed on a group basis. For banks and financial institutions, only independently rated parties with a minimum rating of 'BBB' are accepted.

For customer credit risk, management controls such risk by setting policy to control credit sales by approving appropriate credit limit and considering the financial position of the counterparties. The Company regularly reviews the appropriateness of credit limit given to each customer.

Impairment

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

- Cash and cash equivalents
- Trade and other receivables
- Unbilled receivables

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

For trade receivables and unbilled receivables, the consideration and calculation of expected credit losses is disclosed in Note 4.5.

Details and reconciliation of the allowance for expected credit losses for trade receivables as at 31 December 2022 and 2021 is disclosed in Note 10.

5.1.4 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. The Company sets a policy to manage liquidity risk that might occur by arranging credit facilities adequate for business operations in advance which is disclosed in Note 18.

Management regularly considers the Company's cash flow projections based on a) working capital reserves (from unused credit facilities), and b) cash and cash equivalents. In addition, the Company's liquidity management policy involves projecting cash flows in major currencies, considering highly liquid assets, monitoring liquidity ratios against regulatory requirements, and maintaining financing plans.

a) Maturity of financial liabilities

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

	As at 31 December 2022					Book value liabilities Thousand Baht
	On demand Thousand Baht	Within 1 year Thousand Baht	1 - 5 years Thousand Baht	Over 5 years Thousand Baht	Total Thousand Baht	
Short-term loans	-	9,893	-	-	9,893	9,893
Trade and other payables	-	141,626	-	-	141,626	141,626
Long-term loans	-	71,635	131,730	-	203,365	188,131
Lease liabilities	-	35,217	83,560	-	118,777	101,753
Total financial liabilities	-	258,371	215,290	-	473,661	441,403

	As at 31 December 2021					Book value liabilities Thousand Baht
	On demand Thousand Baht	Within 1 year Thousand Baht	1 - 5 years Thousand Baht	Over 5 years Thousand Baht	Total Thousand Baht	
Short-term loans	-	11,000	-	-	11,000	11,000
Trade and other payables	-	97,893	-	-	97,893	97,893
Long-term loans	-	91,262	193,867	-	285,129	261,359
Lease liabilities	-	35,665	77,469	-	113,134	96,786
Total financial liabilities	-	235,820	271,336	-	507,156	467,038

5.2 Capital management

The Company's objectives when managing capital are to:

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

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

Consistent with others in the industry, the Company regularly monitors capital based on the debt-to-equity ratio by limiting such ratio to not exceed 2 times.

6 Fair value estimation

Fair values are categorised into hierarchy based on inputs used as follows:

- Level 1: The fair value of financial instruments is based on the closing price by reference to the Stock Exchange of Thailand.
- Level 2: The fair value of financial instruments is determined using significant observable inputs and, as little as possible, entity-specific estimates.
- Level 3: The fair value of financial instruments is not based on observable market data.

The fair value measurement of financial assets and liabilities is according to the accounting policies disclosed in Note 4.5 and 4.10.

Financial assets that are not measured at fair value as at reporting date are cash and cash equivalents, trade and other receivables, unbilled receivables and restricted deposits at financial institutions and financial liabilities that are not measured at fair value as at reporting date are trade and other payables, short-term loans. Fair value of such financial assets and financial liabilities is the balance shown in the statement of financial position which is approximately closed to book value due to short repayment term.

(a) Financial instruments in level 1

The fair value of financial instruments traded in active markets is based on quoted market prices at the statement of financial position date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1.

(b) Financial instruments in level 2

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Fair value of long-term loans from financial institutions, both floating and fixed interest rate, is approximate to book value as the management has assessed that effective interest rate of such loans are comparable with the market effective interest rate.

(c) Financial instruments in level 3

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Transfer between fair value hierarchy

The Company recognises transfers between fair value hierarchy as at the date of the event or change in circumstances that caused the transfer.

There are no transfers in fair value hierarchy and no changes in the valuation techniques during the year.

7 Critical accounting estimates and judgements

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

(a) Impairment of inventories

The Company sets up allowance for slow-moving and obsolete inventories and allowance for inventory cost in excess of net realisable value as disclosed in Note 11, which results from the past experience of sales of goods. The Company assesses the appropriateness of the assessment at the end of the reporting period.

(b) Useful life of property, plant and equipment

The Company assesses useful life of property, plant and equipment at the end of reporting period in order to be in accordance with economic benefits of such assets. The useful life of property, plant and equipment is disclosed in Note 4.6.

(c) Deferred taxes

Deferred tax assets come from the estimation of some temporary difference effects which is probable to utilise tax benefit. Management's estimation comes from an assumption based on an available future income and any factors or external exposures which might affect the projected future performance. The Company also considered the utilisation of the past tax losses and assessed the estimation on a conservative basis.

(d) Employee benefit obligations

The present value of the retirement benefit obligations depends on a number of assumptions. Key assumptions used and impacts from possible changes in key assumptions are disclosed in Note 20.

(e) Determination of lease terms

Critical judgement in determining the lease term, the Company considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

For leases of properties, the most relevant factors are historical lease durations, the costs and conditions of leased assets.

Most extension options on vehicles leases have not been included in the lease liability, because the Company considers i) the underlying asset condition and/or ii) insignificant cost to replace the leased assets.

The lease term is reassessed if an option is actually exercised (or not exercised) or the Company becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstance affecting this assessment occur, and that it is within the control of the Company.

(f) Determination of discount rate applied to leases

The Company determines the incremental borrowing rate as follows:

- Where possible, use recent third-party financing received by the individual lessee as a starting point, adjusting to reflect changes in its financing conditions.
- Make adjustments specific to the lease, e.g. term, country, currency and security.

(g) Impairment of financial assets

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

Polynet Public Company Limited
Notes to the Financial Statements
For the year ended 31 December 2022

8 Segment information

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

Segment information is as follows:

	For the year ended 31 December							
	Automotive		Consumer products		Medical		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
Revenue from sales	559,200,909	484,046,052	394,564,386	198,152,857	128,493,198	103,880,395	1,082,258,493	786,079,304
Cost of goods sold	(458,851,777)	(392,236,506)	(300,668,999)	(131,883,748)	(53,493,548)	(39,699,540)	(813,014,324)	(563,819,794)
Gross profits by segment	100,349,132	91,809,546	93,895,387	66,269,109	74,999,650	64,180,855	269,244,169	222,259,510
Other income							1,426,560	997,772
Selling expenses							(13,827,815)	(12,889,767)
Administrative expenses							(64,284,401)	(56,544,759)
Expected credit losses (reversal)							(118,132)	2,219,075
Other gain (losses)							24,280,577	(734,499)
Finance costs							(23,974,484)	(14,110,865)
Profit before income tax expense							192,746,474	141,196,467
Income tax expense							(31,064,604)	(20,264,217)
Net profit for the year							161,681,870	120,932,250
Timing of revenue recognition								
At a point in time	559,200,909	484,046,052	394,564,386	198,152,857	128,493,198	103,880,395	1,082,258,493	786,079,304
Revenue from sales	559,200,909	484,046,052	394,564,386	198,152,857	128,493,198	103,880,395	1,082,258,493	786,079,304

Polynet Public Company Limited
Notes to the Financial Statements
For the year ended 31 December 2022

	As at 31 December									
	Automotive		Consumer products				Medical		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
Inventories - net	30,553,448	26,366,224	23,859,036	17,895,855	4,252,638	7,826,042	58,665,122	52,088,121		
Property, plant and equipment - net	158,524,954	69,647,244	93,587,011	80,973,562	35,027,124	37,501,717	287,139,089	188,122,523		
Intangible assets - net	-	-	35,378	39,376	-	-	35,378	39,376		
Unallocated assets							1,347,019,874	894,652,250		
Total assets							1,692,859,463	1,134,902,270		
Segment liabilities	21,643,051	19,733,038	59,767,702	71,684,491	1,506,189	5,607,681	82,916,942	97,025,210		
Unallocated liabilities							406,659,665	450,659,095		
Total liabilities							489,576,607	547,684,305		

For the year ended 31 December 2022, the Company had revenue from sales of goods to 3 major customers, which was 54% of the total revenue (2021: 53% of the total revenue).

During the year 2022, the Company changed the segment information disclosure to be consistent with the internal reporting presented to the Chief Executive Officer. The Company has considered to change the segmentation from the nature of products to the nature of industry of their customers. The comparative segment information for the year 2021 has been presented to be consistent with the current segment information.

Polynet Public Company Limited
Notes to the Financial Statements
For the year ended 31 December 2022

9 Cash and cash equivalents

	2022	2021
	Baht	Baht
Cash on hand	90,000	90,000
Deposits held at call with bank	409,879,502	11,003,925
Total	409,969,502	11,093,925

As at 31 December 2022, the interest rate on deposits held at call with bank was 0.25% - 0.30% per annum (2021: 0.12% - 0.37% per annum).

10 Trade and other receivables

Trade and other receivables as at 31 December 2022 and 2021 are as follows:

	2022	2021
	Baht	Baht
Trade receivables - other companies	199,690,640	111,501,085
<u>Less</u> Allowance for expected credit losses	(125,775)	(7,643)
	199,564,865	111,493,442
Prepaid expenses	2,084,129	2,861,616
Accrued interest income - other companies	-	1,872
Others	10,101	9,395
Total	201,659,095	114,366,325

Trade accounts receivable - other companies and allowance for expected credit losses as at 31 December 2022 and 2021 are classified by the aging as follows:

	Not yet due	Up to 1 month	1 - 3 months	3 - 6 months	6 - 12 months	More than 12 months	Total
	Baht	Baht	Baht	Baht	Baht	Baht	Baht
As at 31 December 2022							
Gross carrying amount - Trade receivables	123,294,126	48,343,627	28,052,887	-	-	-	199,690,640
Allowance for expected credit losses	-	4,779	120,996	-	-	-	125,775
	123,294,126	48,343,627	28,052,887	-	-	-	199,690,640
As at 31 December 2021							
Gross carrying amount - Trade receivables	81,823,563	28,116,226	1,561,296	-	-	-	111,501,085
Allowance for expected credit losses	-	3,704	3,939	-	-	-	7,643
	81,823,563	28,116,226	1,561,296	-	-	-	111,501,085

Polynet Public Company Limited
Notes to the Financial Statements
For the year ended 31 December 2022

Reconciliation of allowance for expected credit losses of trade receivables is as follow:

	2022	2021
	Baht	Baht
As at 1 January	7,643	2,226,718
Increase (decrease) in expected credit losses recognised in profit or loss during the year	118,132	(483,124)
Reversal of allowance for expected credit losses	-	(1,735,951)
As at 31 December	125,775	7,643

11 Inventories - net

	2022	2021
	Baht	Baht
Raw materials	26,240,339	31,829,488
Work in process	10,840,143	10,335,931
Semi-finished goods	15,715,162	11,737,322
Finished goods	20,837,029	16,149,952
Spare parts	531,447	492,751
	74,164,120	70,545,444
<u>Less</u> Allowance for slow-moving and obsolete inventories		
- raw materials, finished goods and semi-finished goods	(8,859,377)	(10,941,772)
Allowance for inventory cost in excess of net realisable value		
- raw materials, finished goods and semi-finished goods	(1,548,673)	(1,952,364)
Total	63,756,070	57,651,308

Amounts recognised as cost of sales in profit or loss for the years ended 31 December 2022 and 2021 are as follows:

	2022	2021
	Baht	Baht
Cost of goods sold	815,500,410	557,691,235
Write-down for slow-moving and obsolete inventories (decrease)	(2,082,395)	5,774,288
Write-down inventory cost in excess of net realisable value (decrease)	(403,691)	354,271
Total	813,014,324	563,819,794

As at 31 December 2022, raw materials, finished goods and semi-finished goods in the financial statement of Baht 7,294,557 is carried at net realisable value which is lower than cost (2021: Baht 8,139,262).

12 Unbilled receivables and contract liabilities

12.1 Unbilled receivables

Unbilled receivables as at 31 December 2022 and 2021 are as follows:

	2022	2021
	Baht	Baht
Unbilled receivables - other companies	25,918,109	25,646,558
<u>Less</u> Allowance for expected credit losses	-	-
Total	25,918,109	25,646,558

Balance of unbilled receivables as at 31 December 2022 and 2021 classified by the period expected to be billed from customers in the future are as follows:

	2022	2021
	Baht	Baht
Period to expected billing		
Up to 1 month	785,254	984,003
In over 1 and up to 3 months	2,123,139	1,787,989
In over 3 and up to 6 months	2,241,911	2,240,368
In over 6 and up to 12 months	4,479,022	5,419,962
More than 12 months	16,288,783	15,214,236
Total	25,918,109	25,646,558

12.2 Contract liabilities

Contract liabilities are cash received in advance from the Company's customers for producing products for such customers.

Polynet Public Company Limited
Notes to the Financial Statements
For the year ended 31 December 2022

13 Property, plant and equipment - net

	Land Baht	Building and building improvement Baht	Machinery equipment Baht	Fixture and office equipment Baht	Computers Baht	Vehicle Baht	Construction in progress Baht	Total Baht
As at 1 January 2021								
Cost	116,251,495	435,161,037	779,148,951	40,748,755	3,955,937	22,714,319	51,254,944	1,526,665,416
Less Accumulated depreciation	-	(163,432,579)	(475,292,802)	(28,173,548)	(2,219,603)	(16,027,726)	-	(729,804,469)
Net book amount	116,251,495	271,728,458	303,856,149	12,575,207	1,736,334	6,686,593	51,254,944	796,860,947
For the year ended 31 December 2021								
Opening net book amount	116,251,495	271,728,458	303,856,149	12,575,207	1,736,334	6,686,593	51,254,944	796,860,947
Additions	7,032,400	1,065,970	74,686,158	1,104,382	518,888	5,982,330	96,256,277	200,271,591
Transfer in (out)	-	102,720,393	7,910,990	3,702,811	4,047	-	(117,317,413)	-
Disposals - cost	-	(16,473)	(8,858,645)	(377,998)	(203,459)	-	-	(10,326,017)
- accumulated depreciation	-	16,462	7,290,276	275,158	169,897	-	-	8,484,940
Write-off	-	-	-	-	-	-	-	(246,845)
Depreciation charge (Note 25)	-	(17,616,937)	(44,961,882)	(4,854,012)	(730,561)	(1,657,101)	-	(82,280,439)
Closing net book amount	123,283,895	357,897,873	339,923,046	12,425,548	1,495,146	11,011,822	29,946,963	912,764,177
As at 31 December 2021								
Cost	123,283,895	538,930,927	852,887,454	45,177,950	4,275,413	28,696,649	29,946,963	1,716,364,145
Less Accumulated depreciation	-	(181,033,054)	(512,964,408)	(32,752,402)	(2,780,267)	(17,684,827)	-	(803,599,968)
Net book amount	123,283,895	357,897,873	339,923,046	12,425,548	1,495,146	11,011,822	29,946,963	912,764,177

Polynet Public Company Limited
Notes to the Financial Statements
For the year ended 31 December 2022

	Land Baht	Building and building improvement Baht	Machinery Baht	Machinery equipment Baht	Fixture and office equipment Baht	Computers Baht	Vehicle Baht	Construction in progress Baht	Total Baht
For the year ended									
31 December 2022									
Opening net book amount	123,283,895	357,897,873	339,923,046	36,779,884	12,425,548	1,495,146	11,011,822	29,946,963	912,764,177
Additions	-	2,013,457	81,957,487	20,507,462	760,455	1,117,013	2,635,514	42,334,390	151,325,778
Transfer in (out)	-	37,305,817	13,617,557	12,313,864	5,459,625	111,733	-	(68,808,596)	-
Disposals - cost	-	-	(19,015,030)	(72,714)	(186,840)	(23,475)	-	-	(19,298,059)
- accumulated depreciation	-	-	18,327,093	70,038	172,315	21,050	-	-	18,590,496
Depreciation charge (Note 25)	-	(22,669,708)	(48,215,982)	(15,854,644)	(4,969,718)	(809,752)	(1,814,062)	-	(94,333,866)
Closing net book amount	123,283,895	374,547,439	386,594,171	53,743,890	13,661,385	1,911,715	11,833,274	3,472,757	969,048,526
As at 31 December 2022									
Cost	123,283,895	578,250,201	929,447,468	125,913,506	51,211,190	5,480,684	31,332,163	3,472,757	1,848,391,864
Less Accumulated depreciation	-	(203,702,762)	(542,853,297)	(72,169,616)	(37,549,805)	(3,568,969)	(19,498,889)	-	(879,343,338)
Net book amount	123,283,895	374,547,439	386,594,171	53,743,890	13,661,385	1,911,715	11,833,274	3,472,757	969,048,526

As at 31 December 2022, the Company has pledged the land including its premises with net book value of Baht 403,599,613 (2021: Baht 419,872,838) as collateral for short-term loans (Note 16) and long-term loans (Note 18), the machinery with net book value of Baht 39,307,775 (2021: Baht 51,277,869) as collateral for long-term loans (Note 18), and the machinery with net book value of Baht 9,575,453 (2021: Baht 12,655,113) as collateral for overdrafts from a financial institution and electricity guarantee (Note 31.1).

Polynet Public Company Limited
Notes to the Financial Statements
For the year ended 31 December 2022

Depreciation for the years ended 31 December 2022 and 2021 comprises the following:

	2022	2021
	Baht	Baht
Depreciation is presented under		
Cost of production	86,122,304	74,537,446
Administrative expenses	8,211,562	7,742,993
Total	94,333,866	82,280,439

As at 31 December 2022 and 2021, book value of right-of-use assets included above is as follows:

	2022	2021
	Baht	Baht
Machinery	130,519,483	130,112,385
Total	130,519,483	130,112,385

For the years ended 31 December 2022 and 2021, amounts charged to profit or loss and cash flows relating to leases are as follows:

	2022	2021
	Baht	Baht
Depreciation charge of right-of-use assets:		
Machinery	11,443,838	6,666,091
Total	11,443,838	6,666,091
Addition to the right-of-use assets during the year	40,559,612	78,090,870

For the years ended 31 December 2022 and 2021, the Company did not recognise the expense relating to short-term leases and leases of low-value assets.

14 Intangible assets - net

	Computer programme Baht
As at 1 January 2021	
Cost	8,112,459
<u>Less</u> Accumulated amortisation	<u>(2,946,923)</u>
Net book amount	<u>5,165,536</u>
For the year ended 31 December 2021	
Opening net book amount	5,165,536
Additions	117,350
Amortisation (Note 25)	<u>(797,262)</u>
Closing net book amount	<u>4,485,624</u>
As at 31 December 2021	
Cost	8,229,809
<u>Less</u> Accumulated amortisation	<u>(3,744,185)</u>
Net book amount	<u>4,485,624</u>
For the year ended 31 December 2022	
Opening net book amount	4,485,624
Additions	881,030
Amortisation (Note 25)	<u>(851,190)</u>
Closing net book amount	<u>4,515,464</u>
As at 31 December 2022	
Cost	9,110,839
<u>Less</u> Accumulated amortisation	<u>(4,595,375)</u>
Net book amount	<u>4,515,464</u>

Amortisation expense for the years ended 31 December 2022 and 2021 comprises the following:

	2022 Baht	2021 Baht
Amortisation is presented under		
Cost of production	359,629	356,255
Administrative expenses	491,561	441,007
Total	<u>851,190</u>	<u>797,262</u>

15 Deferred income taxes - net

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

	2022 Baht	2021 Baht
Deferred tax assets	4,227,835	10,798,170
Deferred tax liabilities	(34,689,699)	(33,773,069)
Deferred income tax - net	(30,461,864)	(22,974,899)

The movements of deferred tax assets and liabilities during the years are as follows:

	2022 Baht	2021 Baht
Balance as at 1 January	(22,974,899)	(22,151,723)
Charged to profit or loss (Note 27)	(7,375,347)	(823,176)
Charged to other comprehensive income (Note 27)	(111,618)	-
Balance as at 31 December	(30,461,864)	(22,974,899)

	(Charged)/Credited to			31 December 2022 Baht
	1 January 2022 Baht	Profit or loss Baht	Other comprehensive income Baht	
Deferred tax assets				
Amortisation	16,595	-	-	16,595
Employee benefit obligations	2,371,943	(378,153)	(111,618)	1,882,172
Allowance for slow-moving and obsolete inventories and for inventory cost in excess of net realisable value	2,578,827	(497,217)	-	2,081,610
Allowance for expected credit losses	1,529	23,626	-	25,155
Contract liabilities	5,829,276	(5,606,973)	-	222,303
	10,798,170	(6,458,717)	(111,618)	4,227,835
Deferred tax liabilities				
Right-of-use assets - net	(28,402,918)	(1,103,159)	-	(29,506,077)
Unbilled receivables	(5,370,151)	186,529	-	(5,183,622)
	(33,773,069)	(916,630)	-	(34,689,699)
Deferred tax liabilities - net	(22,974,899)	(7,375,347)	(111,618)	(30,461,864)

Polynet Public Company Limited
Notes to the Financial Statements
For the year ended 31 December 2022

	(Charged)/Credited to			31 December 2021 Baht
	1 January 2021 Baht	Profit or loss Baht	Other comprehensive income Baht	
Deferred tax assets				
Amortisation	16,595	-	-	16,595
Employee benefit obligations	2,144,149	227,794	-	2,371,943
Allowance for slow-moving and obsolete inventories and for inventory cost in excess of net realisable value	1,353,115	1,225,712	-	2,578,827
Allowance for expected credit losses	445,344	(443,815)	-	1,529
Contract liabilities	1,359,994	4,469,282	-	5,829,276
	5,319,197	5,478,973	-	10,798,170
Deferred tax liabilities				
Right-of-use assets - net	(27,168,289)	(1,234,629)	-	(28,402,918)
Unbilled receivables	(302,631)	(5,067,520)	-	(5,370,151)
	(27,470,920)	(6,302,149)	-	(33,773,069)
Deferred tax liabilities - net	(22,151,723)	(823,176)	-	(22,974,899)

16 Short-term loans

	2022 Baht	2021 Baht
Promissory notes	9,893,220	11,000,000
Total	9,893,220	11,000,000

The movements of promissory notes for the years ended 31 December 2022 and 2021 are as follows:

	2022 Baht	2021 Baht
Balance as at 1 January	11,000,000	76,000,000
Additions during the year	325,430,561	29,520,998
Repayments during the year	(326,537,341)	(94,520,998)
Balance as at 31 December	9,893,220	11,000,000

As at 31 December 2022, the promissory notes are denominated in Thai Baht bearing interest rate at 5.87% per annum (31 December 2021: 4.00% per annum). They are due for repayments within March 2023 (31 December 2021: within January 2022).

17 Trade and other payables

	2022 Baht	2021 Baht
Trade payables - other companies	94,132,859	64,672,046
Other payables - other companies	45,635,931	24,399,449
Accrued expenses	1,856,794	4,426,577
Retention deposit	-	4,395,414
Total	141,625,584	97,893,486

18 Long-term loans - net

	2022 Baht	2021 Baht
Current		
Current portion of long-term loans	63,580,312	80,591,213
Total current loans	63,580,312	80,591,213
Non-current		
Long-term loans	124,550,391	180,768,437
Total non-current loans	124,550,391	180,768,437
Total long-term loans	188,130,703	261,359,650

The movements of the long-term loans for the years ended 31 December 2022 and 2021 comprise the following:

	2022 Baht	2021 Baht
Beginning book balance - net	261,359,650	228,628,348
<u>Add</u> - Loans	10,118,060	214,815,870
- Deferred interest expense	(1,218,060)	(16,815,870)
Repayments of loans	(93,354,446)	(174,208,916)
Amortisaion of deferred interest expense	11,225,499	8,940,218
Total long-term loans	188,130,703	261,359,650
<u>Less</u> Current portion of long-term loans - net	<u>(63,580,312)</u>	<u>(80,591,213)</u>
Ending book balance - net	124,550,391	180,768,437

Polynet Public Company Limited
Notes to the Financial Statements
For the year ended 31 December 2022

As at 31 December 2022 and 2021, details of long-term loans are as follows:

Start date	Maturity date	Amount (Baht)		Interest rate (%)	Principle and interest repayment
		2022	2021		
07/02/2017	07/01/2022	-	77,558	6.64	Monthly basis
29/03/2017	28/02/2023	2,570,329	17,564,249	MLR - 0.50	Monthly basis
03/07/2017	03/07/2022	-	2,080,250	6.28	Monthly basis
14/03/2018	14/02/2023	1,184,954	7,818,614	6.03	Monthly basis
18/05/2018	18/04/2023	381,713	1,453,123	6.04	Monthly basis
22/08/2018	22/07/2023	736,553	1,892,593	5.92	Monthly basis
08/08/2019	08/07/2024	6,823,520	10,884,376	MLR - 0.75	Monthly basis
09/12/2019	09/11/2024	3,274,105	4,871,288	MLR - 0.75	Monthly basis
10/01/2020	10/12/2024	6,392,166	9,374,710	MLR - 0.75	Monthly basis
02/03/2020	02/02/2024	1,313,734	2,353,038	5.75	Monthly basis
10/03/2020	10/02/2025	2,298,483	3,284,593	MLR - 0.75	Monthly basis
18/03/2020	18/02/2025	4,596,916	6,569,135	MLR - 0.75	Monthly basis
23/03/2020	23/02/2024	1,099,614	1,722,090	6.00	Monthly basis
08/04/2020	08/03/2025	5,716,873	8,074,167	MLR - 0.75	Monthly basis
27/04/2020	27/03/2024	2,306,120	3,762,867	6.00	Monthly basis
10/07/2020	10/06/2025	2,638,798	3,608,076	MLR - 0.50	Monthly basis
16/07/2020	16/06/2025	5,277,585	7,216,152	MLR - 0.50	Monthly basis
10/09/2020	10/08/2025	4,486,152	6,024,662	MLR - 0.50	Monthly basis
09/10/2020	09/09/2025	2,885,882	3,843,611	MLR - 0.50	Monthly basis
12/10/2020	12/09/2025	5,771,752	7,687,221	MLR - 0.50	Monthly basis
12/11/2020	12/10/2025	14,837,904	19,607,497	MLR - 0.50	Monthly basis
11/01/2021	11/12/2025	6,260,084	8,152,732	MLR - 0.50	Monthly basis
10/02/2021	10/01/2026	2,568,632	3,322,672	MLR - 0.50	Monthly basis
09/03/2021	09/02/2026	6,582,438	8,460,021	MLR - 0.50	Monthly basis
05/04/2021	05/03/2026	2,022,798	2,583,827	MLR - 0.50	Monthly basis
08/04/2021	08/03/2026	3,371,339	4,306,380	MLR - 0.50	Monthly basis
09/11/2021	09/10/2026	12,554,656	15,464,297	MLR - 0.50	Monthly basis
09/12/2021	09/11/2026	14,403,413	17,663,707	MLR - 0.50	Monthly basis
22/12/2021	22/11/2026	47,211,176	57,897,705	MLR - 0.50	Monthly basis
27/12/2021	27/11/2026	11,202,658	13,738,439	MLR - 0.50	Monthly basis
10/01/2022	10/12/2026	2,446,959	-	MLR - 0.50	Monthly basis
18/02/2022	18/06/2026	4,913,397	-	5.31	Monthly basis

Unused credit facilities

As at 31 December 2022 and 2021, the Company has unused credit facilities as follow:

	2022	2021
	Million Baht	Million Baht
Long-term loans		
- Due for payment within 1 year	-	-
- Due for payment over 1 year	-	3
Total	-	3

As at 31 December 2022, the Company has unused credit facilities for bank overdrafts for the amount of Baht 10 million (2021: Baht 10 million).

19 Lease liabilities - net

The changes in lease liabilities for the year ended 31 December 2022 and 2021 comprise the following:

	2022	2021
	Baht	Baht
Balance as at 1 January	96,786,242	56,128,147
<u>Add</u> - Lease liabilities	45,494,875	83,527,784
- Deferred interest expense	(4,935,263)	(9,488,085)
Payments for lease liabilities	(40,085,391)	(36,231,038)
Amortisation of deferred interest expense	4,930,127	2,469,619
Foreign exchange adjustments	(437,500)	379,815
Balance as at 31 December	101,753,090	96,786,242

20 Employee benefit obligations

The movements of employee benefit obligations during the years are as follows:

	2022	2021
	Baht	Baht
Balance as at 1 January	11,859,715	10,720,744
Increase during the year		
- Current service cost	1,445,250	1,485,526
- Interest cost	172,709	160,243
Remeasurements		
- Gain from change in demographic assumptions	(88,915)	-
- Gain from change in financial assumptions	(531,057)	-
- Gain from experience	61,881	-
Payments due to retirement	(3,508,723)	(506,798)
Balance as at 31 December	9,410,860	11,859,715

The principal actuarial assumptions used are as follows:

	2022	2021
Discount rate (% per annum)	2.28	1.69
Salary increase rate (% per annum)	3 - 6	3 - 7
Turnover rate (% per annum)		
- Less than 30 years	27 - 50	35 - 50
- 30 - 50 years	5 - 30	5 - 30
- More than 50 years	0	0
Mortality rate (% per annum)	103 of Thai Mortality Ordinary Table 2017	103 of Thai Mortality Ordinary Table 2017
Retirement age (years)	55	55

Polynet Public Company Limited
Notes to the Financial Statements
For the year ended 31 December 2022

Sensitivity analysis for significant actuarial assumptions are as follows:

	31 December 2022		
	Employee benefit obligations		
	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	1%	Decrease 9%	Increase 10%
Salary increase rate	1%	Increase 11%	Decrease 10%
Turnover rate	20%	Decrease 12%	Increase 17%

	31 December 2021		
	Employee benefit obligations		
	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	1%	Decrease 7%	Increase 8%
Salary increase rate	1%	Increase 10%	Decrease 9%
Turnover rate	20%	Decrease 12%	Increase 16%

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the employee benefit obligations to significant actuarial assumptions use the projected unit credit method.

As at 31 December 2022, the weighted average duration of the defined benefit obligation is 12.7 years (2021: 9.8 years).

Expected maturity analysis of undiscounted employee benefit is as follows:

Maturity	2022 Baht	2021 Baht
Within 1 year	62,863	3,634,088
1 - 5 years	4,184,492	3,698,583
Over 5 years	25,576,620	21,783,405

21 Share capital and share premium

	Issued and paid-up share capital			
	Number of shares	Ordinary shares	Share premium	Total
	Shares	Baht	Baht	Baht
As at 1 January 2021	3,300,000	330,000,000	3,900,000	333,900,000
Issue of shares	-	-	-	-
As at 31 December 2021	3,300,000	330,000,000	3,900,000	333,900,000
Split of par	326,700,000	-	-	-
Issue of shares	120,000,000	120,000,000	696,000,000	816,000,000
Less Share issuance expense - net	-	-	(19,988,988)	(19,988,988)
As at 31 December 2022	450,000,000	450,000,000	679,911,012	1,129,911,012

Polynet Public Company Limited
Notes to the Financial Statements
For the year ended 31 December 2022

At the Annual General Meeting on 15 March 2022, the meeting approved the followings:

- the transformation from limited company to public limited company;
- the split of par of ordinary shares from 3,300,000 shares at Baht 100 par value to 330,000,000 shares at Baht 1 par value;
- the increase in authorised share capital of the Company by 120,000,000 shares at Baht 1 par value for initial public offering, from authorised share capital of 330,000,000 shares at Baht 1 par value to 450,000,000 shares at Baht 1 par value, with the registration of the increase of authorised share capital with the Ministry of Commerce on 29 March 2022.

On 14 November 2022, the Company received payments for the share capital increase of 120,000,000 shares at Baht 1 par value for initial public offering, at Baht 6.8 per share totalling to Baht 816,000,000 (before deducting expenses directly attributable to the issuance of shares). The Company recognised expenses directly attributable to the issuance of shares of Baht 19,988,988 (net of tax benefit) as a deduction of share premium, and has registered for payments of the share capital increase with the Ministry of Commerce.

22 Legal reserve

	2022 Baht	2021 Baht
As at 1 January	4,000,000	4,000,000
Appropriation during the year (Note 29)	18,550,000	-
As at 31 December	22,550,000	4,000,000

Under the Public Companies Act., B.E. 2535, the Company is required to set aside as statutory reserve at least 5% of its net profit after accumulated deficit brought forward (if any) until the reserve is not less than 10% of the registered capital. This reserve is not available for dividend distribution.

23 Other income

	For the years ended 31 December	
	2022 Baht	2021 Baht
Scrap sales	993,718	635,530
Interest income	131,444	2,816
Other	301,398	359,426
Total	1,426,560	997,772

24 Other gains (losses)

	For the years ended 31 December	
	2022	2021
	Baht	Baht
Gain (loss) from disposals of assets	23,622,562	(370,872)
Gain (loss) from exchange rate	658,015	(363,627)
Total	24,280,577	(734,499)

25 Expenses by nature

	For the years ended 31 December	
	2022	2021
	Baht	Baht
Purchase of raw materials	492,573,710	305,566,106
Change in raw material	(5,589,149)	13,077,164
Change in work in process	504,212	2,418,492
Change in semi-finished goods	3,977,840	5,265,356
Change in finished goods	4,687,077	4,858,816
Allowance for slow-moving and obsolete inventories (Note 11)	(2,082,395)	5,774,288
Allowance for inventory cost in excess of net realisable value (Note 11)	(403,691)	354,271
Factory and office supplies	22,225,113	17,836,399
Employee related expenses	195,858,336	161,327,811
Utility expenses	46,987,306	32,773,060
Depreciation (Note 13)	94,333,866	82,280,439
Amortisation (Note 14)	851,190	797,262

26 Finance costs

	For the years ended 31 December	
	2022	2021
	Baht	Baht
Interest expense from		
- Loans	19,048,672	11,676,653
- Lease liabilities	4,925,812	2,434,212
Total	23,974,484	14,110,865

27 Income tax expense

Income tax for the years ended 31 December 2022 and 2021 comprise the following:

	For the years ended 31 December	
	2022 Baht	2021 Baht
Current income tax:		
Current income tax on taxable profit for the year	23,689,257	19,441,041
Total current income tax	23,689,257	19,441,041
Deferred income tax:		
Items arising from temporary differences (Note 15)	7,375,347	823,176
Total deferred income tax	7,375,347	823,176
Total income tax expense	31,064,604	20,264,217

Reconciliation of income tax for the years ended 31 December 2022 and 2021 comprise the following:

	For the years ended 31 December	
	2022 Baht	2021 Baht
Profit before tax	192,746,474	141,196,467
Tax calculated at the tax rate 20%	38,549,295	28,239,292
Tax effect of:		
Income not subject to tax	(7,295,280)	(6,845,953)
Expenses not deductible for tax purpose	336,695	265,312
Additional expenses deductible for tax purpose	(525,816)	(556,826)
Adjustment in respect of prior year	(290)	(837,608)
Tax charge	31,064,604	20,264,217

The tax relating to component of other comprehensive income is as follow:

	For the years ended 31 December					
	2022			2021		
	Before tax Baht	Tax Baht	After tax Baht	Before tax Baht	Tax Baht	After tax Baht
Remeasurement on retirement benefit obligations	558,091	(111,618)	446,473	-	-	-
Other comprehensive income	558,091	(111,618)	446,473	-	-	-

The tax recognised directly to equity is as follows:

	For the years ended 31 December					
	2022			2021		
	Before tax Baht	Tax Baht	After tax Baht	Before tax Baht	Tax Baht	After tax Baht
Expenses directly attributable to the issuance of shares	24,986,235	(4,997,247)	19,988,988	-	-	-
Equity	24,986,235	(4,997,247)	19,988,988	-	-	-

28 Basic earnings per share

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

During the year 2022, the Company split the par value of the ordinary shares from 3,300,000 shares at Baht 100 par value to 330,000,000 shares at Baht 1 par value. The number of outstanding ordinary shares is adjusted to reflect the stock split as if the event has occurred at the beginning of the comparative period for the purposes of comparable earnings per share.

	For the years ended 31 December	
	2022	(Restated) 2021
Net profit for the year (Baht)	161,681,870	120,932,250
Weighted average number of paid-up ordinary shares in issue (Shares)	345,780,822	330,000,000
Basic earnings per share (Baht per share)	0.47	0.37

The Company did not have dilutive ordinary shares during the years ended 31 December 2022 and 2021.

29 Dividends

At the Annual General Meeting of the Company on 15 March 2022, the meeting approved the dividend payment from retained earnings at Baht 70.95 per share to Company's shareholders, amounting to the total of Baht 234.1 million, and appropriated its retained earnings to legal reserve amounting to Baht 12,250,000. The dividend was paid on 22 March 2022.

At the Board of Directors Meeting of the Company on 15 June 2022, the meeting approved the interim dividend payment from net profit and retained earnings at Baht 0.138 per share to Company's shareholders, amounting to the total of Baht 45.5 million, and appropriated its retained earnings to legal reserve amounting to Baht 2,500,000. The dividend was paid on 23 June 2022.

At the Board of Directors Meeting of the Company on 11 August 2022, the meeting approved the interim dividend payment from net profit and retained earnings at Baht 0.08 per share to Company's shareholders, amounting to the total of Baht 26.4 million, and appropriated its retained earnings to legal reserve amounting to Baht 1,600,000. The dividend was paid on 31 August 2022.

At the Board of Directors Meeting of the Company on 14 November 2022, the meeting approved the interim dividend payment from net profit and retained earnings at Baht 0.08 per share to Company's shareholders, amounting to the total of Baht 36 million, and appropriated its retained earnings to legal reserve amounting to Baht 2,200,000. The dividend was paid on 13 December 2022.

30 Related party transactions

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

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

The relationship with related parties can be summarised below:

Company/Individual	Country/nationality	Relationship with the Company
Kemoplast Company Limited	Thailand	Related company as the person controlling the entity is the related person of shareholder and director
Mr.Srichai Laowrattana	Thai	Shareholder and director
Mrs.Kanchana Laowrattana	Thai	Shareholder and director
Ms.Janjira Laowrattana	Thai	Shareholder
Mr.Woraphat Laowrattana	Thai	Shareholder
Mr.Therdsak Chalermwattananon	Thai	Shareholder and director
Ms.Noppamas Fahchusawad	Thai	Director
Ms.Weerawan Ngamphonpan	Thai	Related person of shareholder and director
Mr. Manachai Chivachatrikasem	Thai	Related person of shareholder and director
Ms.Plaithong Cheewachatrikasem	Thai	Related person of shareholder and director

The following significant transactions were carried out with related parties:

	2022	2021
	Baht	Baht
Cost of purchase		
Related companies	16,770,466	13,801,810
Key management compensation		
Short-term benefits	13,380,120	12,558,718
Post-employment benefits	306,956	334,241

The Company paid a post-employee benefit to management during the year ended 31 December 2022 amounting to Baht 3,397,333 (2021: None).

31 Commitments

31.1 Bank guarantee

As at 31 December 2022, the Company has letters of guarantee issued by banks for electricity usage for the amount of Baht 4,957,100 (2021: Baht 3,657,100) with land and its premises as collateral disclosed in Note 13.

31.2 Commitments from service contracts

The Company has entered into non-cancellable service contracts. The future payments are as follows:

	2022 Baht	2021 Baht
Not later than 1 year	3,071,328	2,921,100
Later than 1 year but not later than 5 years	-	-
Total	3,071,328	2,921,100

31.3 Commitments from capital expenses

As at 31 December 2022, the Company has commitments from capital expenses related to property, plant and equipment for the amount of Baht 1,202,500 (2021: Baht 1,056,590).

32 Promotional privileges

The Company received promotional privileges from the Board of Investment on 21 September 2020 for the manufacture of medical equipment or components thereof made from plastic or synthetic rubber. The main privileges include an exemption of import duty on machinery, a reduction of import duty for raw materials imported from overseas using in production for exportation for a period of one year, and an exemption of corporate income tax for net profit generated from the promoted activities for a period of five years starting on 2 November 2020. In addition, the Company must comply with other conditions and restrictions relating to the rights and privileges included in the promotional certificates.

The Company has domestic sales during the years ended 31 December 2022 and 2021. The classification as sales under BOI and Non-BOI promoted activities are as follows:

	2022		
	BOI Baht	Non-BOI Baht	Total Baht
Revenue from sales	59,554,660	1,022,703,833	1,082,258,493
Total	59,554,660	1,022,703,833	1,082,258,493
	2021		
	BOI Baht	Non-BOI Baht	Total Baht
Revenue from sales	53,656,668	732,422,636	786,079,304
Total	53,656,668	732,422,636	786,079,304

33 Event after the reporting period

At the Board of Directors' meeting held on 24 February 2023, the meeting resolved to approve a proposal to the Annual General Meeting of Shareholders to approve a dividend payment from the operating results for the year ended 31 December 2022 in addition to the interim dividend payments already paid during the year at Baht 0.08 per share amounting to Baht 36 million and an allocation of retained earnings amounting to Baht 2,200,000 as a legal reserve.

Attachment 1

Details of directors, executives, controlling persons, the person assigned to take the highest responsibility in Accounting and Finance, the person assigned to take direct responsibility for accounting supervision

Board of Directors and Management Team

Details of directors, executives, controlling persons, and designated persons responsible for the accounting and finance department and a person directly responsible for accounting supervision and company secretary

Name and position	Age (year)	Education and Training	Proportion holding stock in a company	Family relationship between directors and other executives	Work Experiences		
					Period	Position	Name/Company/Business Type / Unit
1. Mr. Chaiyaporn Nitaswarakul - Chairman of the Board of Directors - Chairman of the Audit Committee (member of the Audit Committee with accounting and financial knowledge and experience)	55	Education - Master of MBA, Thammasat University - Bachelor of Accounting, Kasetsart University Training - DAP 154/2018	-	-	2019 - Present	Director	Nitadfurniture Co., Ltd. / Interior decoration contractor
					2008 - Present	Consultant	Business Consultant / Financial Accounting Consultant
2. Ms. Tyawadee Ngamwongwan - Director - Independent Director - Audit Committee	55	Education - Bachelor of Public Administration, Ramkhamhaeng University - Training DAP 153/2018	0.0980%	-	2014 - Present	Director	DD Clean Services Ltd., Part. / Sanitation work
					2014 - Present	Sales Manager	Marketing / D Care Products and Service Co., Ltd. / Hygiene Services
					2003 - 2013	Sales	Marketing Manager / Pacific Health Co., Ltd. / Cosmopolitan Magazine

Name and position	Age (year)	Education and Training	Proportion holding stock in a company	Family relationship between directors and other executives	Work Experiences		
					Period	Position	Name/Company/Business Type / Unit
3. Ms. Khemika Thiwong - Director - Independent Director - Audit Committee	44	Education - Bachelor of Accounting, Ramkhamhaeng University Training - DAP 153/2018	0.0044%	-	2022 - Present	Sales Executive	Prosoft Comtech Co., Ltd. / IT Service
					2011 – 2022	Sales Manager	SOS Rubber and Mold Ltd., Part. / Trading
					2009 - 2011	Sales Manager	Polynet Public Co., Ltd. / Manufacturer and distributor of molded rubber, plastic and silicone
					2007 - 2009	Sales Manager	Chemoplast Co., Ltd. / Trading
Notes: - SOS Rubber Mold Co., Ltd. is a partnership of Mr. Srichai Loawrattana's siblings. - Prosoft Comtech Co., Ltd. has no relationship with the Loawrattana family.							
4. Mrs. Kanchana Loawrattana - Director (Authorized to sign) - Chairman of the Executive Committee - Chief Executive Officer	55	Education - Bachelor of Accounting, Ramkhamhaeng University Training - DAP 147/2018	27.0604%	Spouse of Mr. Srichai Loawrattana	2018 - Present	Chief Executive Officer / Director	Polynet Public Co., Ltd. / Manufacturer and distributor of molded rubber, plastic and silicone
					1994 – 2016	Director	Chemoplast Co., Ltd. / Sale and import of chemical products
					1994 – 2017	Director	Director / Hi-Tech Elastomer Co., Ltd. / Manufacture, sell, import and export rubber and chemical products

Name and position	Age (year)	Education and Training	Proportion holding stock in a company	Family relationship between directors and other executives	Period	Work Experiences	
						Position	Name/Company/Business Type / Unit
5. Mr. Srichai Laowrattana - Director (Authorized to sign) - Member of the Executive Committee - Chief Marketing Officer	57	Education - Bachelor of Science (Chemistry), Mahidol University Training - DAP 147/2018	3.9571%	Spouse of Mrs. Kanchana Laowrattana	1994 – 2017	Accounting Manager	Thai Chuan Rubber Co., Ltd. / Rubber Rice Mill
					1999 - Present	Chief Marketing Officer	Polynet Public Co., Ltd. / Manufacturer and distributor of molded rubber, plastic and silicone
6. Mr. Therdsak Chalermwattananon - Director (Authorized to sign) - Member of the Executive Committee - Chief Product Officer	35	Education - Bachelor of Mechanical Engineering, King Mongkut's University of Technology North Bangkok Training - DAP 147/2018	0.7116%	Spouse of Mrs. Weerawan Ngampolpan	1998 - 2017	Director	Hi-Tech Elastomers Co., Ltd. / Production, distribution, import and export rubber and chemical products
					1994 - 2006	Director, Managing Director	Chemoplast Co., Ltd. / Sales and import of chemical products
					2017 - Present	Chief Product Officer	Polynet Public Co., Ltd. / Manufacturer and distributor of molded rubber, plastic and silicone
					2014 - 2016	Production Manager	Polynet Public Co., Ltd. / Manufacturer and distributor of rubber, plastic and molded silicone

Name and position	Age (year)	Education and Training	Proportion holding stock in a company	Family relationship between directors and other executives	Work Experiences		
					Period	Position	Name/Company/Business Type / Unit
7. Ms. Noppamas Fahchusawad - Director (Authorized to sign) - Member of the Executive Committee - Chief Operations Officer	42	Education - Bachelor of Business Administration - Accounting, Ramkhamhaeng University Training - DAP 147/2018	0.0800%	-	2017 – Present	Chief Operating Officer	Polynet Public Co., Ltd. / Manufacturing and distributing molded rubber, plastic and silicone
					2009 – 2017	Production Planning Office	Polynet Public Co., Ltd. / Manufacturer and distributor of molded rubber, plastic and silicone
8. Mr. Chanawut Kanaprasertkul - Member of the Executive Committee - Chief Financial Officer	33	Education - Bachelor of Accounting, Kasetsart University Training - CFO's Orientation Course (CFO 0282), Office of Insurance Commission and Federation of Accounting Professions - Thai Chartered of Management Accountants Course (TCMA) class 1/2022, Office of Insurance	0.0980%	-	2004 – 2009	Production Planning Officer	Hi-Tech Elastomers Co., Ltd. / Rubber Manufacturing
					2003 – 2004	Customer Training Officer	Prosoft Comtech Co., Ltd. / IT Service
					2018 - Present	Chief Financial Officer	Polynet Public Co., Ltd. / Manufacturer and distributor of molded rubber, plastic and silicone
					2015 - 2017	Senior Associate	PricewaterhouseCoopers ABAS Co., Ltd. / Auditor

Name and position	Age (year)	Education and Training	Proportion holding stock in a company	Family relationship between directors and other executives	Work Experiences		
					Period	Position	Name/Company/Business Type / Unit
9. Ms. Weerawan Ngampolpan - Company secretary	36	Commission and Federation of Accounting Professions - Corporate Finance Course class 2/64, Federation of Accounting Professions Education - Bachelor of Business Administration in Accounting, Rajamangala University of Technology Thayaburi Training Company Secretary Program (CSP 97/2019)	-	Spouse of Mr. Tedsak Chalermwattananon	2016 - Present	Company Secretary	Polynet Public Co., Ltd. / Manufacturer and distributor of molded rubber, plastic and silicone
10. Ms. Chanyakorn Chayapornamornsuk - Persons assigned direct responsibility for supervision bookkeeping	44	Education - Bachelor of Accounting, Sukhothai Thammathirat Open University - Bachelor of Business Administration (Accounting), Suan Dusit Rajabhat University Training - Account Recording Problems during the end of the year - the beginning of the year for accountants.	-	-	2017-present	Manager of Accounting and Finance Department	Polynet Public Co., Ltd. / Manufacturer and distributor of molded rubber, plastic and silicone
					2009 – 2016	Account Manager	Island Resort Hotel Co., Ltd./ Hotel
					2013-2015	Acting Manager of Accounting and Finance Department	Andaman Club/Hotel

Name and position	Age (year)	Education and Training	Proportion holding stock in a company	Family relationship between directors and other executives	Work Experiences		
					Period	Position	Name/Company/Business Type / Unit
					2009 – 2015	Internal Audit Manager	Andaman Club/Hotel
					2007-2007	Account Manager	Pacific Fruit Co., Ltd. / buy and sell

Notes:

- A) Shareholding ratio as of December 26, 2022
- B) Mr. Chanawut Kanaprasertkul was assigned to be high responsible for accounting and finance.
- C) Ms. Chanyakorn Chayapornamornsuk was assigned to supervise accounting directly.

Terms of powers, duties and responsibilities of the company secretary

At the 1/2022 board meeting held on February 25, 2022, it was decided to appoint Ms. Weerawan Ngampolpan as the company secretary. The company secretary shall perform the duties specified in sections 89/15 and 89/16 of the Securities Exchange and Stock Exchange of Thailand in 1992 (including the revised version), and the powers, duties and responsibilities of the company secretary were as follows:

1. Provide the Board of Directors and executives with basic information and suggestions on compliance with business-related laws and regulations, the company's rules and regulations and policies and rules and regulations regularly monitor compliance. This includes reporting significant changes in legal requirements to directors and executives, including providing the above suggestions to the newly appointed directors.

2. Supervise information disclosure and related reports according to regulations and notices of the Stock Exchange of Thailand, Securities and Exchange Commission and Capital Market Supervision Commission

3. Summary report on securities holdings and changes in securities holdings of directors, managers, executives and their spouses or persons living together as husbands, wives and minor children, including juristic person of directors, managers and executives, spouse or persons living together as husbands, wives and minor children of directors, managers and executives that are shareholders held 30% of the total voting rights of the legal person to the board meeting every three months to confirm.

4. Supervise and ensure that the general meeting of shareholders and the meeting of the board of directors comply with laws, the articles of association and relevant practices, the resolutions of the General Meeting of Shareholders and the Board of Directors

5. Prepare, maintain and save the following important documents:

(a) Directors' registration

(B) Shareholder registration

(C) Invitation letter for the board meeting, invitation letter for subcommittee meeting and report of the board meeting

(D) Invitation letter and report of shareholders' meeting

(E) Annual report of the company

6. Ensure the directors, executives and other persons deemed appropriate by the board of directors, keep stakeholder reports, and the independence certificate of the report of the director or senior manager, and send a copy to the chairman of the board of directors and the chairman of the audit committee within 7 working days from the date of receiving the report.

7. The Shareholders' Meeting and the Board of Directors' Meeting shall be held in accordance with the laws, the Articles of Association and relevant practices, including the report of the meeting

8. Ensure disclosure of information and reports to regulators following the restriction of the Securities and Exchange Commission and Stock Exchange of Thailand according to the regulations and requirements of the above-mentioned institutions. The arrangement of a system for preserving the above-mentioned documents and relevant evidence must also be established accurately and completely and can be checked within not less than 5 years from the date of preparation of documents or information.

9. Contact and communicate with ordinary shareholders to confirm shareholders' rights and company news.

10. Establish knowledge and understanding of the practice and promote good corporate governance.

11. Supervise the activities of the Board of Directors and any other actions required by law and/or Capital Market Supervision Committee and /or by the Board of Directors

Term of Position of Directors, Executives and Authorized persons

	Company	Affiliates		
		Nitat Furniture Co., Ltd.	D D Cleaning Service Co., Ltd.	Muses Publishing Co., Ltd.
1. Mr. Chaiyaporn Nitaswarakul	X, Ax, ID	D		
2. Ms. Tyawadee Ngamwongwan	ID, A			
3. Ms. Khemika Thiwong	ID, A		D, M	
4. Mrs. Kanchana Laowrattana	D, Ex, M			
5. Mr. Srichai Laowrattana	D, E, M			
6. Mr. Therdsak Chalermwattananon	D, E, M			D
7. Ms. Noppamas Fahchusawad	D, E, M			
8. Mr. Chanawut Kanaprasertkul	E, M			

Notes:

X = Chairman of the Board of Directors

Ax = Chairman of the Audit Committee

A = Audit Committee

Ex = Chairman of the Executive Committee

D = Director

ID = Independent Director

E = Executive Director

M = Manager

Punishment records of directors, executives and authorized persons in the past 5 years

- None -

Attachment 2

Details of Directors of Subsidiaries

Details of Directors of Subsidiaries

- None -

Attachment 3

Details of the Heads of the Internal Audit and Compliance

Details of the Head of Internal Audit and Head of Company Operation

The company has hired a unique consulting limited company ("UA") before the first quarter of 2022, to review and evaluate the adequacy of the internal control system of each operation process. At present, UA has been the internal auditor employed by the company since 2018. It includes monitoring the improvement results and solving various problems. The persons appointed as the head of internal auditors are as follows:

Company	Unique Consultants Co., Ltd.
Name of the person assigned as a supervisor	Mr. Kosol Yamleemool
Position	General Manager
Education	<ul style="list-style-type: none"> - Bachelor of Science in Business Information Technology, Chulalongkorn University - Bachelor's degree in accounting, finance and banking, Thammasat University - Certificate for Business Advisor, Kasetsart University - Certificate of real estate Entrepreneur, Kasetsart University - Certified Public Accountant Registration No. 4575 (Certified Public Accountant: CPA) - Certified Internal Auditor (CIA) - Certified Financial Services Auditor (CFSA)
Training	<ul style="list-style-type: none"> - Orientation Course – CFO Focus on Financial Reporting Class 4/2018 - Participate in the SME reference document evaluation independent auditor course of the CAC SME certification program - Anti-Corruption Working Paper Course - COSO 2013 Theory and Practice - Accounting Federation IT Audit Course - Institute of Internal Auditors, Federation of Internal Audit Course - Tax and tax planning courses - Ongoing course in financial reporting standards and auditing standards - Improved accounting standards courses - Monitor and the use of software course - Advanced COSO ERM course - Financial Advisor Program of the Association of Thailand Securities Companies
Work Experience	2013 - Present Managing Director of Unique Advisor Co., Ltd 2002 - 2013 Partner and director of Grant Thornton Co., Ltd. 2001 - 2002 International Audit Manager Grant Thornton LLP Seattle, USA 2000 - 2001 Senior manager of Grant Thornton Co., Ltd. 1995 - 2000 Senior Manager of PricewaterhouseCoopers ABAS Co., Ltd.

Head of Company Operation

The company has no position of head of the company operation, so to coordinate with internal auditors, the company secretary will act as the main coordinator, and the staff will assist in coordination.

The company secretary is assigned to perform the duties of the head of the company operation, supervise and coordinate all departments to comply with relevant laws, regulations, rules, resolutions of the Board of Directors and resolutions of the General Meeting of Shareholders, including good corporate governance policies and business ethics. (For details of directors, please refer to the education qualification and work experience of the company secretary in Appendix 1. Details of director, executive, controller and company secretary)

Responsibilities of Internal Audit Supervisor

- Develop an annual audit plan according to the company's audit plan policies and major plans.
- Determine the specified inspection method and follow the inspection guidelines.
- Report the progress of work, report the investigation results in case of emergency, and summarize the findings.
- Discuss and exchange views with inspectors and relevant agencies on the problems found to summarize solutions.
- Submit audit summary report to the Audit Committee and senior management.

Attachment 4

Details of asset appraisal

Assets for Conducting Business

For details, Assets for conducting business

Details of the valuation list

- None -

Attachment 5

Corporate Governance Policy and Code of Conduct

Corporate Governance

Complete corporate governance policies disclosed on the company's website:

<https://investor.polynet.co.th/en/esg/governance/corporate-governance-policy>

Anti - corruption

The company focuses on conducting business honestly, clearly, and responsibly, and abides by good corporate governance principles. The company established an anti-corruption policy disclosed on the company website:

<https://investor.polynet.co.th/en/esg/governance/whistleblowing-channel>

Code of Conduct

To ensure that the company's business operations are accurate, clear, fair, and auditable, including fair treatment of workers, the company has disclosed its complete business ethics on its website:

<https://investor.polynet.co.th/en/esg/governance/code-of-conduct>

Articles of Association of the Board of Directors, the Audit Committee, and the Executive Committee

The company has disclosed on its website:

<https://investor.polynet.co.th/en/esg/governance/charter-board-and-subcommittee>

Attachment 6

Audit Committee Report

Report of the Board of Auditors

The audit committee of Polynet Public Company Limited ("the Company") performs its duties independently and clearly to protect the interests of the company and perform its duties following the Articles of Association of the Audit Committee. In addition, the Audit Committee attaches importance to the review of financial reports, internal control systems, and related transactions. This is crucial to the company's business operation, good corporate governance and the trust of shareholders and the company's stakeholders.

The Board of Directors has appointed the Audit Committee to evaluate and review the effectiveness of the internal control system provided by the management. The Audit Committee reviews the audit results of the internal audit unit and the opinions of the external auditors on the company's internal control system, including attending the meeting of the Board of Directors, internal auditors, and auditors for receiving the information, discussing, exchanging opinion and setting an appropriate measurement. In 2022, the Audit Committee held a meeting, which concluded as follows:

1. The Board of Auditors has reviewed the annual financial statements as of December 31, 2021 which the external auditor audited the figures and important information in the financial statements, including important issues. The auditors and relevant management shall clarify and confirm the information used in the financial statements, and review the disclosure of notes to the financial statements to ensure the company's operation with legal requirements and financial reporting standards. The Audit Committee approved the financial statements audited by the external auditors.

2. The Audit Committee reviewed the internal control system to ensure that the company has an adequate, appropriate, and effective internal control system by evaluating the audit results of the external company's internal control system auditors, including monitoring the improvement of the company's problems to ensure that the management makes improvements according to the recommendations of the auditors of the internal control system within the specified time. Based on the above review, the Audit Committee believes that the company's overall internal control system is appropriate and adequate. In addition, no major defects affecting the Company's financial statements were found.

3. The Audit Committee considered and reviewed the scope of work, duties, and responsibilities, following the annual plan of the internal control system auditor, so the company has an appropriate, concise and efficient internal control and audit system without any mistakes that may affect the company's financial statements and business operations.

4. The Audit Committee considers, selects, nominates, appoints and proposes the auditor's remuneration for 2022 to be proposed to the Board of Directors and the shareholders' meeting for approval.

5. The Audit Committee reviewed and approved the company's relevant policies before making the following recommendations to the Board of Directors, such as mutual transaction policy and good corporate governance policy to effectively and clearly which cover operations and it is responsible for all stakeholders and interested parties and creates sustainable value for the enterprise and complies with relevant requirements and regulations.

6. The Audit Committee reviewed the integrity, accuracy, reasonableness, and fairness of related transactions. The Audit Committee believes that connected transactions are reasonable, and it is conducive to the company's business operation.

7. The Audit Committee reviewed the company's performance to comply with the regulations and laws related to the company's business operation. To ensure that the company conducts its business in a correct, clear and reasonable manner, to build shareholder confidence. The Audit Committee believes that the company has supervised and reviewed the performance of all departments to ensure the company's operation with relevant requirements and regulations

8. The Audit Committee reviewed the company's risk management process to ensure that the risk management method is consistent with the company's mission and business plan, considering from the risk management assessment of the Risk Management Committee. The Audit Committee believes that the company's risk management system is effective enough.

In conclusion, the Audit Committee has fulfilled its responsibilities as stipulated in the Articles of Association of the Audit Committee by carefully using its knowledge and freedom to do its duties by receiving knowledge and cooperation from the company's management. The Audit Committee suggests that the company should:

- (1) provide accurate financial reports in accordance with generally accepted accounting standards.
- (2) There should be an appropriate, concise, and effective internal control and internal audit system that is sufficient and free of any major errors that may affect the company's financial statements and business operations
- (3) The related party transactions generated are reasonable enough
- (4) There should be sufficient and effective enterprise risk management system
- (5) Comply with the law, restrictions, and appropriate relevant terms and regulations



(Mr. Chaiyaporn Nitaswarakul)
Chairman of The Audit Committee



Polynet Public Company Limited
888 Moo.11 Bangsaothong, Bangsaothong,
Samutprakarn 10570 Tel. +66 (0) 2397-9094-6



www.polynet.co.th