



A.J. PLAST PUBLIC COMPANY LIMITED



ONE 
REPORT
2022

WORLD CLASS FILM PRODUCTS

For Ultimate Customer
Satisfaction





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High Performance Solutions



Message from the President

During 2022, the global economy faces various challenges, for example, volatility, global supply chain disruption that affects energy and commodity prices, causing pressure on costs and inflation, Covid-19 epidemic including the fluctuation of exchange rates and fuel cost, etc. during 2022. As the global demand of plastic films is continuously increasing, the company has established strategies, policies and measures to meet the growing demand by expanding production bases both domestically and internationally as well as investing in modern machines. Additionally, the company also pay a high attention on the development of Sustainable Development Goals (SDGs) of the United Nations, As a result, the company has stood out in sustainability by receiving the Rising Star Sustainability Awards from the SET Award 2022

In terms of comparing the performance results between 2022 and the previous year, it was found that revenue from sales decreased by 273.07 million baht or 2.93% from 9,334.73 million baht in 2021 to 9,061.66 million baht in 2022. Other income also decreased by 39.40 million baht from 109.73 million baht in 2021 to 70.33 million baht in 2022. Due to the fact that since August, the company has stopped production of a BOPP film line to carry out dismantling and relocate machines to its subsidiary in Vietnam, this resulted in a decrease of production volume in Thailand. Furthermore, the company has to limit and reduce exports to the customers with high profit margins to support local market, as well as the fluctuation of the Thai baht currency value during the past year, which has led to a decrease in export sales value. As a result, the company's operational performance decreased by 393.74 million baht or 94.32% from 417.46 million baht in 2021 to 23.72 million baht in 2022. However, the company has added new efficient production line with modern technology to meet the rise of customer demand.



Finally, I and the Board of Directors of the company thank you to stakeholders in all sectors for your trust and support to the company. The company will operate to the best of its capability and strive to create stable and sustainable growth within the company.

(Mr. Narong Suthisamphat)

President

A.J. Plast Public Company Limited

The Board of Directors



Mr. Narong Suthisamphat
President



Mrs. Napaporn Suthipongchai
Vice President



Mr. Kittiphat Suthisamphat
Vice President



Mr. Supote Tonurat
Director



Mr. Surasak Gosayachinda
Director

Mr. Ninnat Olanvoravuth
Director

Mrs. Chavida Srisangnam
Director

Mr. Sakchai Patiparnpreechavud
Director

Mr. Kasemsit Pathomsak
Director



Part 1

Business Operation and Performance

1. Structure and Business Operation

1.1 Policy and Business Overview

1.1.1 Vision – Objective – Goal or Strategy in conducting business

The company clearly sets the vision in order to be a leader in plastic film manufacturing. The company is acknowledged as having a continuous investment and development in its innovation – to be fair to trade partners – to deliver good products and services – to encourage social responsibility and concentrate on work safety. Serve with quality products and fair price in the direction to create the maximize benefit to the shareholders. The Board of Directors sets objectives concerning vision, strategy, target, policy, direction and monitoring to ensure that the company's strategy is compliant. Prepare the long-term strategy and annual budget and delegate the management to make a presentation. The Board expressed its opinion together with the management before approval and set duties and responsibilities of the Board, Management, Audit Committee, Search and Compensation Committees, Risk Management Committee, Corporate Governance and Sustainability Management Committees and the Managing Director, especially the responsibilities in financial operation (Details in No.7 Corporate Governance Structure and Key Information Related to Directors and Sub-Committees).

1.1.2 History and path of business development

A.J. Plast Public Company Limited was founded on 25 March 1987 with a registration capital of 1 million baht – Mr. Narong Suthisamphat was the founder (changed to Public Company Limited on May 3, 1994) with its objective to produce and sell BOPP films. The first factory was located at No. 19/111 Moo 7 Thakarm Road, Kwaeng Samaedam, Khet Bangkhuntien, Bangkok and on the 1st of June 2010, the household registration changed to No.95 Thakarm Road, Kwaeng Samaedam, Khet Bangkhuntien, Bangkok. Later on, the factory was relocated to Laemchabang Industrial Estate, Thungsukala Subdistrict, Sriracha District, Cholburi Province. The reason to move out was that the old location was too small and difficult to handle future expansion. Besides that, the new factory is near to Laemchabang seaport and near to the source of the raw materials (Polypropylene resin) in Rayong, which is an advantage to save a considerable transportation cost.

The company has started to increase production lines which are the second BOPP film line, a BOPET film line and a METALLIZED film line in the middle of 2001. Additionally, the company introduced the third BOPP film line and the second METALLIZED film line at the end of second quarter and the third quarter of 2003, respectively. The second BOPET film line was added in 2004, and the first BOPA film, Nylon film, line was introduced at the beginning of 2006. The company added the fourth BOPP film line in 2008 and the third METALLIZED film line in 2009 respectively. In addition, the second BOPA film, Nylon film, line was increased in 2011. The third BOPET film line was added in 2012, the fifth BOPP film line in 2013 and the fourth BOPET film line was installed toward the end of 2013. In 2014, the company has introduced the sixth BOPP film line in the fourth quarter and the fourth line of METALLIZED film in the third quarter. In 2015, the company increased the fifth METALLIZED film in the first quarter. Moreover, in the last quarter of 2015, the company installed the sixth line of METALLIZED film and introduced the first line of CPP film,

which are mostly used in packaging industry. In 2018, the company installed the seventh METALLIZED film line. As per the above, in 2010, the company sold off its first BOPP film line and the first METALLIZED film line. In 2012, the company sold off the first and the second BOPET film lines. In the end of 2016, the company has sold the second line of BOPP film since it was an out-of-date machine that had been in operation for a long period of time. In 2018, the company has sold the second line of METALLIZED film production. In 2022, the company expanded its production capacity of BOPP film to the seventh line at the newly constructed factory at Pinthong 5 Industrial Estate. A.J. Plast (Vietnam) Co., Ltd. is another result of capacity expansion as we moved the fourth BOPP film production line here to continue the installation. Currently, the company operates total 16 lines as follows:

- BOPP Film	5 Lines
- BOPET Film	2 Lines
- BOPA Film	3 Lines
- CPP Film	1 Lines
- METALLIZED Film	5 Lines

In 2020, the company has invested in Vietnam to support future market growth by establishing a subsidiary A.J. Plast (Vietnam) Co., Ltd. and signing a Joint Venture Agreement with SCG Chemicals Public Company Limited to support the growing market.

At present the Suthisamphat group is the largest shareholders as of December 31, 2022, holding shares ratio of 46.68 percent of number of shares subscribed.

1.1.3 General Information

A.J. Plast Public Company Limited, a public company registration number 0107537001285 (formerly 375), is engaged in manufacturing and distributing packaging films including BOPP film, BOPET film, BOPA film (Nylon), CPP film and METALLIZED film. Production capacity for each individual product is specified as 182,000 tons per year for BOPP film, 62,000 tons per year for BOPET film, 30,000 tons per year for BOPA film, 16,000 tons per year for CPP film and 23,500 tons per year for METALLIZED film. The company's products are flexible packaging materials that can be used in various applications such as food and snack packaging, garment bags, flower sleeves, gift wrap, lamination wooden coating, electrical wire wrapping, insulation and frozen foods packages.

The company's products receive promotional privileges from the Board of Investment (BOI) Zone 3. The factory is located at the Leamchabang Industrial Estate in Chonburi province, Thailand.

Head Office is located at No. 95, Thakarm Road, Kwaeng Samaedam, Khet Bangkhuntien, Bangkok 10150, Tel : 0 2415 0035 Fax : 0 2415 3795 Website : <http://www.ajplast.co.th>

The first factory is located at Leamchabang Industrial Estate No. 38/11 Moo 5, Thungsukala Subdistrict, Sriracha District, Cholburi Province 20230 Tel : 0 3849 0330 – 5 Fax: 0 3849 0337 Website : <http://www.ajplast.co.th>

The second factory is located at Pinthong 5 Industrial Estate, 8 Moo 8, Khaokansong Subdistrict, Sriracha District, Chonburi Province 20110 Website : <http://www.ajplast.co.th>

The company has a registered capital at December 31, 2022 of 440,000,000 Baht, which are 440,000,000 ordinary shares at 1 Baht par value. The paid-up capital is 440,000,000 Baht, which are 440,000,000 ordinary shares.

1.2 Nature of Business

1.2.1 Nature of Business

The company is engaged in manufacturing and distributing flexible packaging materials i.e. BOPP film, BOPET film, BOPA film (Nylon), CPP film, METALLIZED film and COATED film. The company's products are used in producing consumer goods packaging, such as food and snack packages, garment bags, flower sleeves, gift wraps, paper and wooden lamination, insulations to keep building cool, liquid products packages and frozen foods. The products are distributed to domestic and international customers at a ratio of 45.38% and 54.62% respectively (calculated from net sales in 2022).

1.2.2 Revenue Structure

The company has only one product line, which is flexible packaging material. However, the revenue structure by type of raw material can be shown as follows:

Type of Products	2022		2021		2020	
	Thousand Baht	%	Thousand Baht	%	Thousand Baht	%
Domestic						
- BOPP Film	2,469,400	27.25	2,618,771	28.05	1,824,635	25.10
- BOPET Film	661,359	7.30	713,753	7.65	546,575	7.52
- METALLIZED Film	343,293	3.79	337,945	3.62	228,027	3.14
- BOPA Film (Nylon)	459,537	5.07	402,346	4.31	210,944	2.90
- CPP Film	173,808	1.92	178,847	1.92	55,862	0.77
- COATED Film	4,752	0.05	3,490	0.04	3,696	0.04
Total	4,112,149	45.38	4,255,152	45.58	2,869,739	39.47
International						
- BOPP Film	1,876,223	20.71	1,826,967	19.57	1,594,245	21.93
- BOPET Film	1,365,250	15.07	1,500,107	16.07	1,371,040	18.86
- METALLIZED Film	512,386	5.65	488,361	5.23	505,530	6.95
- BOPA Film (Nylon)	1,022,814	11.29	1,105,155	11.84	754,719	10.38
- CPP Film	154,283	1.70	145,225	1.56	161,373	2.22
- COATED Film	18,553	0.20	13,765	0.15	13,148	0.19
Total	4,949,509	54.62	5,079,580	54.42	4,400,055	60.53
Total Sales Revenue	9,061,658	100.00	9,334,732	100.00	7,269,794	100.00

1.2.3 Business Goal

The company implements its business plan in order to be the leader in the plastic film manufacturing. From the previous year, the company had sufficient capacity of BOPP film, BOPET film, BOPA film, METALLIZED film, CPP film and COATED film to support market's need and meet customers' requirement, this resulted from continuous capacity expansion. For future market growth, the company has expanded production base to Vietnam by establish subsidiary company in Vietnam under the name "A.J. Plast (Vietnam) Co., Ltd." by signing joint venture agreement with SCG Chemicals Public Company Limited. In 2022, the plant is under construction and installation of BOPP production line and it is expected to be able to operate in 2023.

The company is expanding the production capacity at Pinthong 5 Industrial Estate, as in 2022, the seventh BOPP film production line has been completed and the fifth BOPET film production line is expected to be installed, processed, and be able to generate the revenue around Q4 2023.

In addition, the company has focused on developing business strategies and set short-term and long-term sustainability goals in order to become a leader in sustainability in the plastic film business.

1.2.4 Flexible Packaging Industry

Flexible Packaging

The packaging industry is continuously expanded especially the flexible packaging which has growth rate (comes from the domestic and export markets) higher than other packaging types. The growth of flexible packaging comes from the following factors;

- (1) Population growth
- (2) Growth of income per capita
- (3) Consumer behavior
- (4) Increasing number of packaging converters
- (5) Expansion of distribution channels especially modern trade
- (6) Excellent uniqueness that adds value to the products
- (7) Lower cost than other packaging materials

The flexible packaging types which the company produces are as follows, BOPP film, BOPET film, BOPA film (Nylon), CPP film, METALLIZED film and COATED film are directly linked to foods and confectionary industries by around 70 percent, and the rest belongs to other packaging types. The flexible packaging will eventually continue to grow no matter the level of economic growth.

Those film types will be used for different applications which the users must compare the characteristic of film which is suitable to products, price can be a factor to decide the purchase from users.

1.2.5 Product Characteristics

The company manufactures and distributes BOPP film, BOPET film, BOPA film (Nylon), CPP film, METALLIZED film and COATED film which have been used extensively in many industries such as packaging, adhesive tapes, cassette tapes, frozen food industry etc. These six types of films can be used together or substituted one another depending on the final product's characteristic and customers' choice.

Characteristics of BOPP Film

BOPP film is made of polypropylene resin, which can be used in:

- (1) Packaging production for consumer products packaging as it can be combined with other types of film to enhance its properties to be more efficient, improved products' appearances and extended their shelf lives
- (2) Adhesive tapes production
- (3) Paper and wooden lamination
- (4) Packaging of products such as garment and flower
- (5) Making gift wrapping paper

Characteristics of BOPET Film

BOPET film is made of polyester Terephthalate resin, which can be used in:

- (1) Packaging production or laminating over BOPP film for preserving food's odor and freshness
- (2) Microwave heating as it can stand the high temperature
- (3) Producing adhesive tapes
- (4) Making the insulation in electrical wire, battery and capacitor industry

Characteristics of BOPA (Nylon) Film

BOPA film is made of Polyamide resin which has dominant characteristics in high puncture resistance, resistance to hot and cold temperatures. Therefore, it is widely used in the food industry that are liquidity and consumable products such as

- (1) Retort food and liquid food
- (2) Household chemicals such as liquid soap, shampoo, fabric softener, cleanser
- (3) Vegetable oils and seasoning
- (4) Frozen food
- (5) Rice
- (6) Vacuum packaging

Characteristics of CPP Film

CPP film is manufactured from Polypropylene resin similarly to BOPP film. CPP film has a superior characteristic for sealing with other types of film with lower heat requirement therefore, the film is widely used in printing job for confectionary foods or constant noodles. Moreover, CPP film has an outstanding characteristic of being glossy and having good texture so it is popularly used for food or bread package that could add more product value.

Characteristics of METALLIZED Film

METALLIZED film is made by feeding BOPP, BOPET, BOPA, or CPP film through metalizing process. This film is considered as a specialty film which has better selling price than regular film and can generate additional revenue to the company. The important characteristics of METALLIZED film are,

- (1) Sparkling effect on packages
- (2) Barrier properties: Both of Oxygen and Moisture resistance are better than normal BOPP, BOPET, BOPA and CPP film

Characteristics of COATED Film

COATED film is made by feeding BOPP, BOPET, BOPA, CPP, or METALLIZED films through coating process that is equipped with specific chemicals. The film is considered another type of specialty film that gives higher value to the products by increasing preserving property and keeping odor of food and extending the shelf life of food. Also, the film itself can be quoted higher due to its more superior characteristics.

1.2.6 Important privileges which are granted:

The company's products are under promotional privilege by BOI's Zone 3 at Leamchabang Industrial Estate in Chonburi province (details per no.22 privilege from promotion in notes to financial statement as at December 31, 2022).

The current corporate tax rate is 20% of net profit, since the year 2022, the company had investment promotion under no. 22 privilege from promotion in notes to financial statement as at December 31, 2022, exempt for corporate tax. Therefore, the corporate tax that the company actually pays (Effective Tax Rate) is equal to 0% of the net profit from operations before tax.

1.2.7 Market and Competition

(A) Marketing of Products and Services

Marketing Policy and Characteristics

Competition Strategy. The company has competition strategy as follows:

- Producing products with high quality standard to satisfy customers and support production in the related industry
- Offering reasonable prices to customers
- Ensuring on-time delivery
- Providing excellent after sales service that is fast and on time as the company's products will be processed by customers, providing customers with information and suggestions will benefit the customers and consequently strengthen the relationship

Target Customers' Characteristics. The company's customers can be categorized as follows:

- Printing factories, Side Seal bags and other packages printing factories, which the products used as the products, food, snack packages
- Adhesive tapes manufacturers

No customer contributes more than 30% of the company's total revenue.

Distribution and Distribution Channels. The company distributes to both domestic and international customers with the distribution channels as of December 31, 2022 as follows:

- Domestic market: The company sells directly to all types of customers. The domestic sale was 45.38% of total sales revenue.
- International market: The company distributes products to various countries including Japan, South Korea, Australia, Taiwan, Hong Kong, Vietnam, Malaysia, Italy, Philippines, Singapore, Indonesia, Mexico and the United States for instance. In most cases, the products are sold through agents who directly coordinate with customers. The customers open the L/C directly to the company and the agents receive the commission. The international sale accounted for 54.62% of total sales.

(B) Industry Condition and Competition

Plastic Packaging Industry

Plastic packaging products which the company produces and distributes to both domestic and export markets consist of BOPP, BOPET, BOPA, CPP, METALLIZED and COATED films. The products are used by printing houses and converted to packaging for food and non-food applications.

The demand of packaging materials has expanded rapidly especially in food industry which relies on plastic packaging because plastic is light, easy to transport with low cost. In addition, the design of plastic packaging is attractive in the eyes of end consumers. The demand of packaging materials is attributed by the growth of population and economy which create purchasing power and demand for consumption.

Competition

The packaging materials are well received and very much in demand which leads to capacity expansion in order to respond to market growth. As competition can occur at any level of market demand, therefore, the company has developed personnel in marketing and production in attaining a high level of efficiency. The company's policy is to produce quality products at a reasonable price and with fast deliveries.

The plastic raw materials and products imported from free trade areas of which Thailand is a member, i.e. ASEAN-Korea, ASEAN-China are eligible for 0% import duty. This would allow the company products to obtain lower production cost and become more competitive compared with products from other producers outside the free trade areas. Thailand is searching for more economic partnership in order to expand international trade that will promote business activities and wealth to people as the whole. Peru is the latest partnership agreement which came into effect in 2012. The change of AFTA's status to AEC in 2015 means that the

activities will expand rapidly not only in trade but there will be a flow of investment, service and labour across the whole region. The coming negotiation is the European Union (EU) which will come in place of the GSP (Generalized System of Preference) which Thailand will not be eligible for the preference of import duty from 2014 due to the rise of the national income.

- **BOPP Film**

BOPP film is frequently used in flexible packaging industry because of its low cost and is able to efficiently preserve shelf life of foods and snacks. The demand of BOPP film is growing at a fast rate due to the growth of population and economy levels which in turn create a constant demand for consumer goods. Market price is determined mainly by demand and supply.

There are two domestic competitors which are Thai Film Industries Public Company Limited and SRF Industry Company Limited. The Company have product quality, good service and customer relationship enhancement, the company was able to maintain its domestic market share. And also the company has competitive advantage over overseas competitors based on product quality and delivery lead time. In the past, high import duty served as a barrier to protect local producers. However, the import duty is gradually reduced in line with World Trade Organization (WTO) and FTA commitments. The company is aware of the situation and have prepared measures.

- **BOPET Film**

BOPET film is another type of film that is commonly processed into packaging. It has a superior property for air permeability and is suitable for odor and flavor retaining, also extend product life. Therefore, a decision to use either BOPP film or BOPET film depends on the applications. Apart from the extensive use in food industry, BOPET film can be applied in various industries as it has finest heat resistance properties such as electric wire wrapping, building heat insulation, audio vision, air duct and apparel decorations due to its excellent heat resistance and electrical insulation.

There are two domestic competitors which are Polyplex (Thailand) Public Company Limited and SRF Industry Company Limited, both of them only produce BOPET film. These competitors give no direct impact on company's position because of high level of demand in the market. Furthermore, as most customers require a combination of BOPP, BOPET, and CPP film at the same time, they generally prefer to order all film types from a single producer rather than making split orders. The company, therefore, has higher potential to serve these preferred needs. The company also has a competitive advantage over imported films as the local customers not only consider product quality and standard, but also lead time to delivery, import duty, and term of payment.

- **BOPA Film (Nylon)**

BOPA film is being used extensively in packaging for liquid food industry, retort and frozen food because of its excellent characteristics in puncture resistance, heat and cold resistance, oil resistance, and abrasive resistance. Therefore, BOPA film, BOPP film and BOPET film are the company's products which can be used extensively in food and consumable product industries.

While there is another domestic producer, Thaipolyamide Company Limited, who started producing the BOPA film at the same time, the company has been using past experience in films production and distribution to quickly gain market penetration. The success is also caused by product quality, after sales service and the company's business nature which has no conflict of interest with customers.

For competition against imported product, as there was no domestic manufacturer of BOPA film in the past, the product is still imported now but at a lower proportion. The company is confident that, within a short time, it will be able to compete based on its product quality and service and will capture more market share.

- **CPP Film**

CPP film is produced from the same type of resin of BOPP film. It has better properties on heat seal strength and high gloss therefore, it is suitable to be used as the inner layer of packaging.

In 2015, the company installed the first CPP line during the last quarter of the year. The capacity is around 16,000 tons per year. CPP film is widely used with other types of films from the company; BOPP, BOPET and BOPA films. This could be considered as giving higher value to customers when it comes to selecting single supplier. Competitors for this product are smaller-sized manufacturers in Thailand and importer from Indonesia, for instance. The company expects that the market for CPP films will keep on growing from domestic and international needs. Moreover, the addition of CPP film production capacity has helped to expand the base of the product range to be more diverse and comprehensive compared to the competitors which would better respond to the customers' needs.

- **METALLIZED Film**

This film is made by metallizing plain film with Aluminum, which allows the film to better prevent air and humidity permeability and further extends the life of packaged product compare with using regular films. Thus, METALLIZED film is suitable for product packaging. Moreover, this product can be used in other industries in many applications such as flower wrap or air duct cover as it can also prevent heat circulation.

Currently, the company has a total of 5 METALLIZED lines. The first 4 machines are designed for Wire-Feed processing. In principle, the process calls for the evaporation of the coating material inside a vacuum chamber. Inside this chamber, aluminum wire is fed onto individual, resistance-heated inter-metallic evaporators, where the aluminum becomes molten and evaporates onto the film. The latest machine is Crucible type vacuum Metallizer machine which employs the method of melting aluminum in a crucible pot which provides excellent deposition quality and uniformity. This creates higher valued added to our product. The company expects that the market needs for two different metallized products will continue to grow and will lead to less competitive environment in the METALLIZED film segment.

- **COATED Film**

COATED film is a film that gets coating processed with specific chemicals. This film will possess better air and humidity permeability and further extend product life. This product could add more value to the company due to its superior characteristics.

There is competition from small producers in Thailand and imported films from Japan. However, the Company expects that the coating film market will continue to grow both domestically and internationally.

In addition, the expansion of the product base has made the products of the company more variety and comprehensive to be able to meet the needs of more customers.

1.2.8 Product Procurement

(A) Characteristics of the product procurement

Production

The company manufactures film by extruding and processing plastic resin through injection and biaxial orientation into film sheets. Then the sheet will be slitted into sizes according to customers' orders. The company currently has 3 factories location, which are located in Leamchabang Industrial Estate, Chonburi Province and another two are under the construction at Pinthong 5 Industrial Estate in Chonburi province, and at Bau Bang Industrial Estate, Vietnam. In 2022, the company has a total production capacity of 313,500 tons per year.

Production capacity for each individual product is as follows:

- BOPP Film	5 Lines	(182,000 tons/years)
- BOPET Film	2 Lines	(62,000 tons/years)
- BOPA Film	3 Lines	(30,000 tons/years)
- CPP Film	1 Lines	(16,000 tons/year)
- METALLIZED Film	5 Lines	(23,500 tons/years)

Production Policy

It is the company's policy to produce a high-quality product and to conform to ISO 9001: 2015 ISO 14001:2015 and GHP & HACCP standard in order to be well accepted in both domestic and international markets. This enables our customers to utilize our products effectively in downstream business. Below are the derive factors in quality and standard improvement.

- Human resource needs to be developed and trained to effectively work to support the industry's expansion
- Machinery needs to be innovated to respond to the increasing customers' demand and allow production control to be more effective and efficient
- Raw material needs to be procured from a high quality and fairly priced sources
- Focusing on sustainable business operations with environmental, social and governance (ESG) in mind

Procurement of Raw Material

The raw materials used in film production are Polypropylene resin for BOPP film CPP film, and Polyethylene Terephthalate. For the production of BOPET film and plastic resin, Polyamide is used to produce BOPA film. For METALLIZED film and COATED film, the raw materials used are BOPP, BOPET, BOPA, or CPP films, which are considered the company's main products that are processed through Aluminum metalizing and chemical coating process, respectively.

In 2022, most resin supplies came from domestic sources which accounted for 82.33 percent while 17.67 percent were imported. The company purchases plastic resin from one domestic producer more than 30% of total purchases and this producer is not related to the company. The rest of the plastic resin was imported from United States, Korea, Japan, Hong Kong, Singapore, and China etc.

Plastic resin is considered a commodity which enables the company to procure the raw materials with equal quality from domestic and oversea sources. At present, most raw materials are procured from the domestic suppliers because the price is competitive and the inventory can be efficiently managed as there is no need to keep high stocks. However, some of the resins are imported in order to reduce risk of relying on a few domestic suppliers.

(B) Impact on environment

Operation to reduce impact on environment

Plastic film production method is to extrude plastic resin and progress to produce plastic film which pollution free such as odors, noise, smoke and polluted water. The company has hired the expert to check the present system which the data collected are within the standard set by the industrial ministry and poses no impact to environment.

Investment cost to control the environment during the past three years

- None -

Conflict or legal dispute related to environment

- None -

The impact when compared to regulations set

- None -

1.2.9 Assets used in business undertaking

Major fixed assets

Major fixed assets consist of land building equipment and machinery as of December 31, 2022 are as follows:

Type of assets	Ownership	Net book value (Thousand baht)	Obligation
Land	Owner	364,101	-
Building and Plant	Owner	861,011	-
Machinery and Equipment	Owner	5,907,533	2 machines with mortgage (see notes to the financial statements no. 14)
Vehicle	Owner	5,751	-
Office furniture	Owner	28,370	-
Assets under construction	Owner	2,045,995	-
Total		9,212,761	

Long-term asset lease agreement

The company has entered into 6 long-term asset lease agreements, including land lease agreements at industrial estate the contract can be summarized as follows:

- 1) Land lease agreement at Laemchabang Industrial Estate, Tung sukla, Sriracha, Chonburi.
 Remaining contract period (as of December 31, 2022) : 27 years 8 months
 Rental rate : 12.92 Million baht per year
 Obligation : None
- 2) Land lease agreement at Laemchabang Industrial Estate, Tung sukla, Sriracha, Chonburi.
 Remaining contract period (as of December 31, 2022) : 18 years 2 months
 Rental rate : 5.00 Million baht per year
 Obligation : None
- 3) Land lease agreement at Laemchabang Industrial Estate, Tung sukla, Sriracha, Chonburi.
 Remaining contract period (as of December 31, 2022) : 2 years 7 months
 Rental rate : 0.24 Million baht per year
 Obligation : None

4) Land lease agreement at Laemchabang Industrial Estate, Tung sukla, Sriracha, Chonburi.

Remaining contract period (as of December 31, 2022) : 20 years 10 months
 Rental rate : 1.18 Million baht per year
 Obligation : None

5) and lease agreement at Nong Kham, Siracha, Chonburi.

Remaining contract period (as of December 31, 2022) : 1 year
 Rental rate : 1.15 Million baht per year
 Obligation : None

6) Building lease agreement at Bang Pla, Bang Phli, Samut Prakan.

Remaining contract period (as of December 31, 2022) : 2 months
 Rental rate : 2.64 Million baht per year
 Obligation : None

Investment Policy in Subsidiaries and Associated Companies

The Board of Directors Meeting no. 10/2020 on October 29, 2020 have approved to establish a subsidiary and a joint venture in Vietnam with SCG Chemicals Public Company Limited. On November 5, 2020, the company entered into a Joint Venture Agreement with SCG Chemicals Public Company Limited to established a company in Vietnam for manufacturing and distributing packaging films. The joint venture company has a registered capital of 700 million baht, of which the company hold 55% of the total issued and paid-up capital.

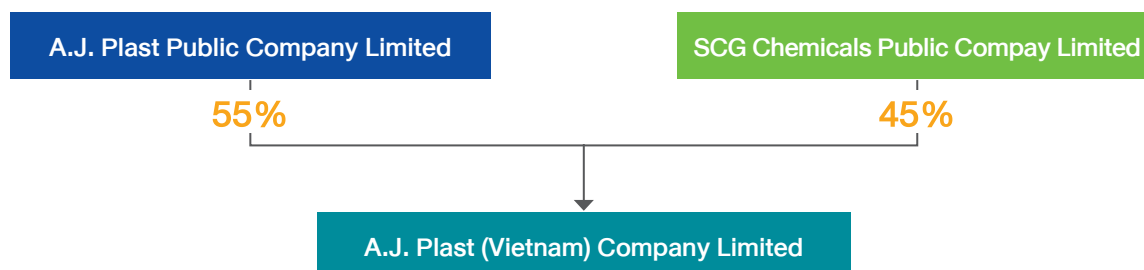
Work has not yet been delivered

-None-

1.3 Shareholding structure of the group

1.3.1 Shareholding structure of the group

In November 2021, the company was registered to establish a joint venture company in Vietnam under the name A.J. Plast (Vietnam) Company Limited according to a Joint Venture Agreement with SCG Chemicals Public Company Limited.



Information of the joint venture company are as follows:1. Joint Venture Company Name and Location

Name: A.J. Plast (Vietnam) Company Limited
 Registration number: 3703013449
 Location: Lot C-12B-CN, Bau Bang Expansion Industrial Park, Lai Uyen Town, Bau Bang District, Binh Duong Province, Vietnam.

2. Registered capital

Issued and paid-up share capital 710,622,955.61 Baht (483,857,960,000 VND)

3. Shareholding structure

	List of shareholders	shareholding
(1)	A.J. Plast Public Company Limited	55%
(2)	SCG Chemicals Public Company Limited	45%

4. Structure of the directors of a joint venture company

Name	Position
1. Mr. Kittiphat Suthisamphat	Chairman (representative from the company)
2. Mr. Thosphol Chinandej	Director (representative from the company)
3. Mr. Prasan Onwong	Director (representative from the company)
4. Mr. Sakchai Patiparnprechavud	Director (representative from SCG Chemicals Public Company Limited)
5. Mr. Nawee Butsunorn	Director (representative from SCG Chemicals Public Company Limited)

5. Source of funds

The company plan to use the company's working capital to invest not more than 389,938,585 baht, and gradually pay according to the joint venture agreement.

Cross shareholding in the group

The company has cross-shareholdings in related company, according to note to the financial statements no.8 investments in related party.

Pyramid shareholding structure in the group

-None-

1.3.2 Shareholders

The following table illustrates a list of ten largest shareholders by combining the related parties under section 258 of the Securities and Exchange Act B.E. 2535 as of December 31, 2022 as follows:

Name	No. of Shares	Ratio (%)
1. Suthisamphat Group¹	205,375,107	46.68
Mr. Narong Suthisamphat ²	31,365,422	7.13
Mr. Kittiphat Suthisamphat ³	121,882,819	27.70
Mr. Pumpanchat Suthisamphat ⁴	46,426,666	10.55
Ms. Ajala Suthisamphat	5,700,200	1.30
2. SCG Chemicals PLC.	40,560,773	9.22
3. Cholkadeedamrongkul Group	30,935,900	7.03
4. Mr. Narat Ngarmapichon	8,600,000	1.96
5. Bualuang Long-Term Equity Fund	6,595,100	1.50
6. Mrs. Parinya Khancharoennsuk	4,214,944	0.96
7. Mr. Tittanon Nakasiri	4,152,000	0.94
8. THAI NDVR Co., Ltd.	4,093,578	0.93
9. Mr. Somkiat Therdtaveedech	3,000,000	0.68
10. Mr. Santichai Teawsomboonkij	2,700,000	0.61
Total	310,227,402	70.51

1. Mr. Narong Suthisamphat and Mr. Kittiphat Suthisamphat are acting in concert according to the announcement of the capital market supervisory board 7/2009 subject: specification of relationship or behaviors that are considered acting with other individuals and section 246 and section 247
2. Including spouse's shares and companies that Mr. Narong or spouse owns more than 30%
3. Including spouse and child under 20 years old's shares and companies that Mr. Kittiphat or spouse owns more than 30%
4. Shows separately from Mr. Kittiphat Suthisamphat because he has reached the age of majority.

1.4 Amount of registered and paid-up capital

As of December 31, 2022, the company has a registered capital of 440,000,000 baht, paid-up of 440,000,000 baht, divided into 440,000,000 ordinary shares with a par value of 1 baht per share and has one class of shares which is ordinary share. Securities symbol “AJ” (listed on the Stock Exchange of Thailand)

1.5 Dividend policy

The company has a policy to pay dividend not less than 30% after allocation to statutory reserve. This depends on the use of cash flow, investment plan, conditions of money and capital markets and conditions set by financial institutions. The interim dividend payment depends solely on the discretion of the Board of Directors, share dividend can be substituted for cash dividend.

For the fiscal year ended December 31, 2022, the company has paid dividends, details are as follows:

Year	2022	2021	2020
Earnings per share	0.07	0.97	1.33
Dividend per share	0.38	0.65	0.70
Dividend payout ratio (%)	398.31%	64.66	55.58%

2. Risk Management

2.1 Risk management policy and plan

The company recognizes the importance of adequate and appropriate risk management and internal control systems for business operations in order to comply with relevant laws, effectively manage and mitigate risks to the company’s assets. The company has established a systematic risk management system in accordance with international standards and integrates it with the organization’s business operations by determining a policy framework and risk management operating system that covers the company’s operations. The company adheres to the corporate risk management guidelines the Committee of Sponsoring Organizations of the Treadway Commission–Enterprise Risk Management (COSO–ERM) and the organization’s quality management system standards (International Organization for Standardization – Quality Management System: ISO 9001) to identify risks and opportunities in business appropriately and timely, and to be able to manage risks to an acceptable level or look for opportunities to create added value for the organization in order to achieve the specified objectives, including meeting stakeholders’ expectations, supporting sustainable business operations and in accordance with the principles of good corporate governance.

The company has set up a risk management structure consisting of the Risk Management Committee and the Risk Management Department which are independent from business operation units. Mr. Thosphol Chinandej, Deputy Managing Director and Head of the Risk Management Department, is the highest-level responsible person for the operational level of the organization's risk management, with responsibility for overseeing the Risk Management Department and determining the organization's risk management framework, defining risk management processes, including analyzing, evaluating, and monitoring risks in accordance with policy framework. Risk Management Department's operations are connected to the risk owners, and there is a process in place for reporting risk management performance to the Risk Management Committee and the Board of Directors.

In addition, the Board of Directors has established an internal audit unit that is independent from the risk management structure and has a direct reporting line to the Audit Committee. Miss Sarinthip Thanawadee, Head of Internal Audit Department, is the highest-level responsible person for internal audit operations of the organization, who is responsible for auditing and reviewing the organization's internal control system and risk management system to ensure that management is efficient and effective, as well as in compliance with the company's guidelines. The audit results and findings are regularly reported to the Audit Committee and the Board of Directors.

2.2 Risk management process

The company puts an emphasis on risk management in order to prevent, mitigate and adapt to various risks including the pursuit of business opportunities. The global risk management framework of COSO-ERM 2017 has been applied as a tool for managing risks throughout the organization, divided into 5 components as follows:

- (1) Governance and Culture
- (2) Strategy and Objective-Setting
- (3) Performance
- (4) Review and Revision
- (5) Information, Communication and Reporting

The following risk management methods are used by the company to reduce the likelihood of a risk events and the impact of damage from a risk event to an acceptable level:

- (1) Risk Acceptance
- (2) Risk Reduction
- (3) Risk Sharing
- (4) Risk Avoidance

2.3 Risk assessment

The company identifies, analyzes, and prioritizes risks by assessing the potential likelihood and impact based on event conditions, factors, indicative activities, and severities in order to prepare a risk management plan and implementation as well as reporting the risk management performance to the committee for reviewing and following-up.

2.4 Risk factors on business operation

2.4.1 Significant Risk associated with the Company

Significant risk factors that may have an impact on the company's operations, performance and financial condition which are classified into two main categories which are current risks and emerging risks as follows:

Emerging Risks

Key Risks	Cause and Impact	Risk Management Strategies and Mitigation Measures
Risks from Trend toward Low-Carbon Economy Causing Changes in Consumer Behavior	<ul style="list-style-type: none"> • Consumer needs and lifestyles are changing toward a new trend (New Normal) • Changes in sales of each product • Changing customer needs • Business competition in the direction of sustainability • Greater environmental consciousness • Changes in communication channels Merchandising channels • Allocate investments in accordance with the changing direction while maintaining the company's financial and investment credibility. 	<ul style="list-style-type: none"> • Come up with innovations to meet the needs of customers • Negotiate with customers and conducting joint research for market-friendly products • Create campaign to raise awareness of plastics for society and communities • Enhance the company's sustainability by linking important sustainability issues with the organization. • Support sustainable development goals (SDGs) • The Company's policies focus on sustainable development, such as sustainability management policies. Corporate Governance Policy, etc., etc. • Develop green and innovative products to meet customer needs. Increase market competitiveness • The process of reusing plastic raw materials from the production process and reducing waste from the production process. • There is a systematic process for determining the allocation of investments, giving importance to investments that will result in the acquisition of good performance in a short period of time. • Considerate of funding sources with expertise, skills and experience to negotiate common solutions for broad and sustainable business growth.

Current Risks

(1) Strategic Risks

Key Risks	Cause and Impact	Risk Management Strategies and Mitigation Measures
Risks of reliance on major raw material suppliers	<ul style="list-style-type: none"> Impact on business continuity as distributors might be unable to deliver goods in a timely manner Higher production costs due to the cost of sourcing raw materials 	<ul style="list-style-type: none"> Set reserve sources of raw materials to support the risk of dependence on large suppliers. To find more potential raw material producers both at local and international to foster strong partnership while also increasing capacity.
Risks of relying on small number of large customers	<ul style="list-style-type: none"> Customers have too much bargaining power, which affects the company's selling price. Customer concentration 	<ul style="list-style-type: none"> To have a wide and diverse customer base. Ethical and ethical business practices to be consistent with the quality and price. Products are invented and developed together with customers to achieve the greatest customer satisfaction. Send the product exactly as the customer wants. Training to promote the potential of salespeople Customer satisfaction surveys are conducted both inside and outside the country.

(2) Financial Risks

Key Risks	Cause and Impact	Risk Management Strategies and Mitigation Measures
Risk from Exchange Rate Loss	<ul style="list-style-type: none"> There is a risk of exchange rate fluctuation from selling products in foreign currencies, which could have a significant impact on the company's revenue and profit margin. 	<ul style="list-style-type: none"> The exchange rate has been closely monitored by the company in order to assess the situation and trend to determine the selling price that reflects the exchange rate at different times. Formulate strategies and predict a short-term and long-term exchange rates as the company's strategy.

(3) Operational Risks

Key Risks	Cause and Impact	Risk Management Strategies and Mitigation Measures
<p>Risk of accidents in manufacturing sector</p>	<ul style="list-style-type: none"> • The production process was disrupted due to an accident. • There is a risk of damage to the manufacturing operation • An indirect affects from community surrounding 	<ul style="list-style-type: none"> • The company has occupational health and safety policies and measures that are clear, concise, and communicated to employees. • Before entering the production area, all employees are given personal protective equipment and must follow a uniform policy. • Machines must be inspected and maintained at all times to ensure that they are ready for use. • Educate employees on Total Productive Maintenance (TPM) • Providing occupational safety training such as fire prevention training, occupational health and work environment safety training for new employees. • Company safety promotion projects such as Safety Week, Safety Talk, White Factory, emergency drills, and so on. • Corrective and preventive actions such as Kiken Yochi Training (KYT), etc. • Goals and measures have been established in order to maintain a zero-accident fatality organization. • Providing disaster risk insurance to the company's assets and employees including third-party workers who come to work in the production plant. <p>Additional measures</p> <ul style="list-style-type: none"> • Cultivating a safety culture throughout the organization

Key Risks	Cause and Impact	Risk Management Strategies and Mitigation Measures
Risks from the Covid-19 Pandemic	<ul style="list-style-type: none"> Production process is disrupted due to the pandemic. 	<ul style="list-style-type: none"> To install thermometers at visitor screening points and designate specific areas for visitors. Allocate space for external contactors. In case there is a need to test for COVID before entering the factory and use online meetings. An online Covid Care Team has been formed to provide care and counseling to those who have been infected. In the event of a Covid-19 outbreak, emergency plans and drills have been prepared. Supporting the vaccination of employees with 100% full doses and additional doses to stimulate the immunity The company has a policy of providing Covid-19 vaccine to all employees, as well as supporting and promoting Covid-19 vaccination to stakeholders such as suppliers, contractors and customers, as appropriate. To arrange training and awareness campaigns to educate employees on how to behave during a pandemic. Work from home and online meetings are in place case by case to reduce the risk of virus spread and workplace congestion. If they are required to work, they must be tested for Covid-19 before entering the factory.

(4) Compliance Risks

Key Risks	Cause and Impact	Risk Management Strategies and Mitigation Measures
International Trade Risks from Anti-Dumping Measures	<ul style="list-style-type: none"> Loss of trade opportunities from tariff barriers The company's sales declined. 	<ul style="list-style-type: none"> The company has measures and procedures in place to clarify and demonstrate to the countries where its customers and business partners are located that the company does not engage in dumping trade. The company has legal advisors with expertise to advise on compliance with laws and regulations The company has policies and measures to assist customers and business partners as needed to prevent product shortages.
Risks associated with changes in laws and regulations	<ul style="list-style-type: none"> The decrease in demand for traditional plastic products, which has led to an increase in production costs and research of new products in response to market demand and to be compliance with the law. Stricter regulations may affect the image of the organization. 	<ul style="list-style-type: none"> Monitoring Relevant regulations of both domestic and international partners regularly to prepare for changes Modern innovative research in line with domestic and international market demands.

(5) Environmental Risks

Key Risks	Cause and Impact	Risk Management Strategies and Mitigation Measures
Drought risk	<ul style="list-style-type: none"> Drought or inadequacy to meet water demand may cause disruption of production processes or may lead to higher production costs. From higher water supply costs 	<ul style="list-style-type: none"> Set a team to manage water usage in the production process with measures to reduce water consumption. (Closed Loop System) Provide sufficient water reserve for use. Reduce water consumption in cooling system from Cooling Water Chiller to Air Cooled Chiller Set guidelines for backing up water use in times of crisis. <p>Additional measures</p> <ul style="list-style-type: none"> Rainwater harvesting pond project for water circulation within the factory
Climate Risks	<ul style="list-style-type: none"> A more intense global climate change has resulted in a dramatic increase in the frequency and severity of disasters such as flash floods, droughts, and other natural 	<ul style="list-style-type: none"> Concentrate on alternative energy through the installation of electric power panels. Implement Greenhouse Gas Emission Reduction Projects and Measures

Key Risks	Cause and Impact	Risk Management Strategies and Mitigation Measures
	<p>disasters. Countries must collaborate to find solutions to these problems, resulting in national policy changes to cope with the crisis.</p> <ul style="list-style-type: none"> The change in human lifestyle that affects the cost of production, competition in a changing market for sustainable business growth 	<ul style="list-style-type: none"> The company has initiated an energy conservation project. Join the Thailand Carbon Neutral Network (TCNN) to acquire knowledge and assistance in developing management processes that effectively reduce corporate greenhouse gas emissions. Monitor environmental operations include air quality from chimneys and in workplaces, Water Quality Control Waste and Hazardous Waste Management System Research and development of environmental products Implement a Green Office project. Environmental Policy and Environmental Goals The company is in the process of applying for ISO 14001 certification for its environmental management system. <p>Additional measures</p> <ul style="list-style-type: none"> Certification for Sustainable Carbon Management (ISCC PLUS) Certify the Circular Economy Management System to drive circular economy policy.
Risk of cyber threat and functionality of server network and software/ application	<ul style="list-style-type: none"> Due to the leap in technology development, it has helped to achieve speed. Increased ease of operation. On the other hand, there is also a greater risk of cyber threats. Reduced data security Data leakage may result in disruption of the Company's operations. Work and transmission are disrupted due to technological systems and data not being able to respond and support them. Delays in shipping, contact with partners, business partners, customers, etc., as well as on-premises support. 	<ul style="list-style-type: none"> Daily system monitoring is recorded. Monitor and monitor cyber threats Monitoring & Surveillance Server or Network functionality and Software or Application It has an information technology security system. IT Helpdesk <p>Additional measures</p> <ul style="list-style-type: none"> Cyber threat response plan
Corporate image and reputation risks	<ul style="list-style-type: none"> The Company's operations lacked continuity to the point of business interruption. Reputation and credibility of the Company Property damage A company employee was injured to the point of death. 	<ul style="list-style-type: none"> An annual community impact survey is conducted. There are social development projects. Conduct business with business ethics in mind. Corporate Governance Policy Business continuity is planned.

3. Business Sustainability Development

3.1 Policies and objectives of sustainable management

The company's Board of Directors, Executives, and all employees are committed to enhancing the company a leader in the production of plastic films with the intention of sustaining growth through good corporate governance, eco-friendly business operations, and human resource development in accordance with the organization's business direction and strategy, national strategy, and the United Nations' Sustainable Development Goals (SDGs).

In 2021, to improve operational efficiency in relation to key sustainability issues, the company established Corporate Governance and Sustainability Development Committees in 2022. Meanwhile, the company has formulated a corporate sustainability management policy that takes into account the development of sustainability in the dimensions of the environment, society, and corporate governance, as well as respect for human rights of all stakeholders. The company considers all impacts, as well as establishing management guidelines to minimize potential impacts on the environment, community, and society, and also has published corporate sustainability management policies and goals. Moreover, the company has assigned each department the responsibility of integrating sustainable goals and indicators into its operational processes in line with the organization's sustainability policies and goals, as well as having a process for monitoring and evaluating operating results in order to disclose information to stakeholders through the company's annual sustainability report.

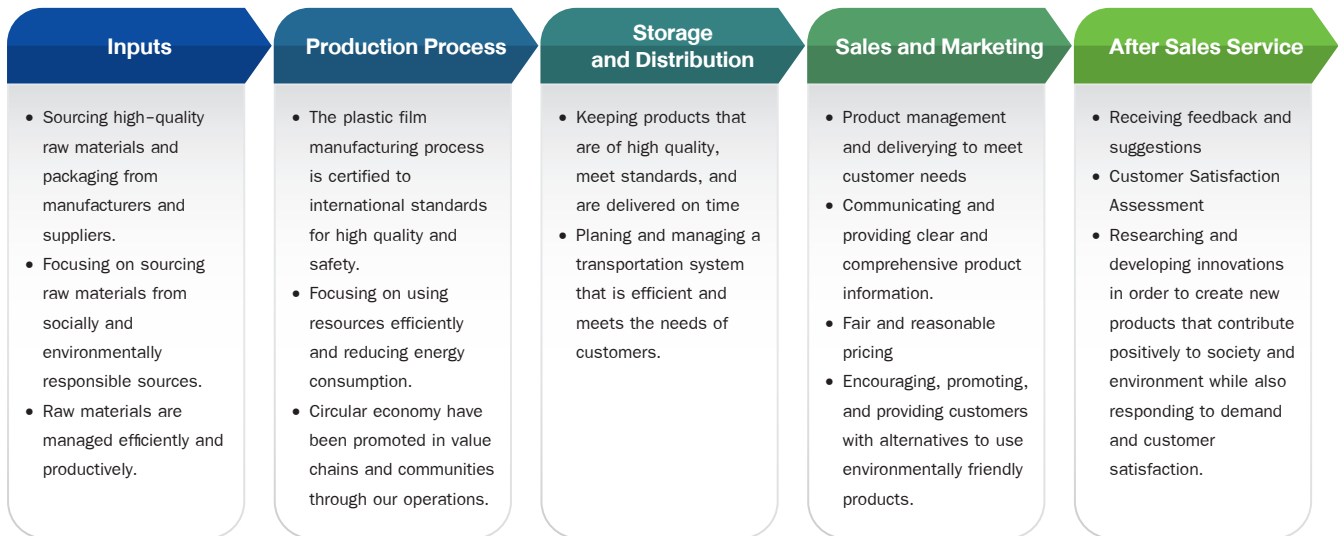
3.2 Management of impacts on stakeholders in the business value chain

3.2.1 Business value chain

The company recognizes that in order to be effective and sustainable, business operations must consider the opinions and expectations of stakeholders throughout the business value chain. Therefore, the company manages its operations by focusing on the participation of all stakeholder groups, taking into account management in the environment, society, and good corporate governance in reducing risks that may arise, as well as being able to meet stakeholders' expectations.

The company has a policy that focuses on sustainable management and development of the value chain, which is important to operating the business for long-term success, and also on innovation and technology development to increase efficiency throughout the business value chain for raw material stability, quality management systems, transportation systems, and business continuity.

Business Activities



The following are supportive activities that help the main activities achieving their objectives more effectively:

- **Corporate Governance:** To foster a culture of ethical business practices, good governance, anti-corruption in all forms, and to develop guidelines for fair procurement processes that take the environment and society into account. It operates in compliance with international principles and standards through a process of monitoring Code of Conduct compliance, handling complaints, and preventing Code of Conduct violations.
- **Risk Management:** To minimize the risks that may occur in the operation in terms of strategy operational, financial, regulatory, including social and environmental aspects that may occur by defining a range of acceptable risk levels, evaluating the likelihood and impact of key risks, defining indicators with risks, establishing a business continuity management system (BCM), and has continuous monitoring, evaluation, and fostering a culture of risk management in the organization through operations linked to risk owners, promoting risk management awareness to directors, executives, and employees at all levels, and defining risk indicators as a measure of employee performance
- **Human Resource Management:** To develop capabilities, support employee advancement, and encourage new innovations, the company has analyzed, set goals, planned operations, and conducted training programs to develop ability for employees so that employees can acquire knowledge and skills that, in line with career growth, work efficiency is increased, and employees can respond to customer needs more efficiently. It also includes overseeing operations in accordance with human rights principles, evaluating employee satisfaction in order to improve employee care and retention systems, and supporting business continuity.

- **Innovation and Technology:** Technology systems are used in the development of work processes in accounting management, corporate procurement, project implementation, supporting business agility and reducing work processes, resulting in the ability to reduce work time and deliver products on time.
- **Occupational Health, Safety and Environmental Management:** To ensure business continuity and reduce the risk of accidents that may harm employees, communities, and the environment including health risks and pandemics. The company has assessed the potential health and safety risks that may arise throughout the operation process and set goals, measures, and programs to effectively control and minimize these risks.

3.2.2 Analysis of stakeholders in the business value chain

The company values its stakeholders' expectations because it recognizes that stakeholders are important to the company's growth. For this reason, the company conducts an annual assessment of stakeholder expectations and prioritizes responding to those expectations through various engagement channels. In this regard, stakeholders, both individuals or entities that are directly and indirectly related to the company's business operations, are divided into

- 1) internal stakeholders including shareholders, investors, and employees and
- 2) external stakeholders including customers, business partners, suppliers, service providers and contractors, communities and society, competitors, creditors and financial institutions, local and government regulators, as well as the media and non-governmental organization (NGO).

Stakeholders	Stakeholders	Company' Responses
Internal Stakeholders		
Shareholders and Investors	<ul style="list-style-type: none"> • Corporate governance with honesty, transparency and equitable adhering to business ethics • Short-term and long-term risk management • Continuous growth, increased competitiveness, efficient and effective managerial direction • Good performance, good return and worth the investment 	<ul style="list-style-type: none"> • Transparently and regularly communicate the company's news and information via the website, media, and publications based on the situation • Increasing shareholder and investor confidence by demonstrating performance • Analyzing, evaluating, monitoring and developing strategies for managing short-term and long-term risks including emerging risks and crises • Partners with leading companies to expand business, both domestically and internationally, in order to increase production and customer base
Employees	<ul style="list-style-type: none"> • Respecting employees' rights, fair treatment • Fair compensation, employment and performance evaluations • Employee development and career advancement • Occupational Health and Safety • Good working environment 	<ul style="list-style-type: none"> • Communicating policies and organizational directions to employees, such as employment policy, human rights policy, inclusivity and equality policy, whistleblowing policy, occupational health and safety policy and environment, corporate happiness policies, and so on

Stakeholders	Stakeholders	Company' Responses
External Stakeholders		
Customers	<ul style="list-style-type: none"> • Product and service quality that meets customer requirements and international standards • Customer satisfaction with products and services • Product delivery in accordance with the contract and requirements • Product development to meet customer needs as well as societal and environmental responsibility • Enhancing customer confidence • Reasonable prices 	<ul style="list-style-type: none"> • Customer Satisfaction Survey • Receiving suggestions, feedback, and complaints to be discussed in the meeting in order to formulate problem solutions and following up on resolutions • Providing advice and recommending on products, appropriate applications, technologies and new market trends, as well as related technical knowledge • Delivering products that meet the needs of customers and are on time • Sharing knowledge and working collaboratively on product development
Business Partners	<ul style="list-style-type: none"> • Clear business directions for future collaboration • Conducting business with honesty, transparency and fairness in accordance with business ethics 	<ul style="list-style-type: none"> • Raising the confidence of business partners • Collaboration to expand business, both at local and international, in order to increase production capacity and customer bases
Suppliers, Service Providers and Contractors	<ul style="list-style-type: none"> • Communicating policies, standards, rules, regulations, work procedures, and also communication channels • To conduct business with honesty, transparency, ethics, and fairness in accordance with the Code of Conduct and business ethics • Collaboration with Suppliers, Service Providers and Contractors for sustainable development 	<ul style="list-style-type: none"> • Communicating policies, standards, rules, regulations, work procedures as well as human rights policies covering safety, equality and anti-corruption to suppliers, service providers and contractors • Establishing a Supplier Code of Conduct that applies to suppliers, service providers and contractors • Developing suppliers' capacity by conducting Supplier Self-Assessment that covers the governance, social, and environmental dimensions • Maintaining integrity, transparency and fairness in the operations • Enhancing quality and service to be efficient and sustainable together • Developing knowledge for suppliers, service providers, contractors and partners in order to work together to maximize efficiency and effectiveness in operations as well as enhancing competitiveness

Stakeholders	Stakeholders	Company' Responses
Communities and Societies	<ul style="list-style-type: none"> • The impact on communities societies and environment from the company's operations • Community, societal and environmental impact and responsibilities • Transparent, accurate and timely disclosure of information, news and operations of the company 	<ul style="list-style-type: none"> • Emphasizing on minimizing the environmental impact • Communicating and disclosing the company's work in a transparent, complete, accurate, and timely manners • Opinions, suggestions, whistleblowing and complaints, from the community and society, are welcome through corporate communication channels and community surveys • Carry out social and community activities, such as educating youth and women as well as community health project
Competitors	<ul style="list-style-type: none"> • Against unfair competition • Conducting business with integrity, transparency and fairness in accordance with the company's business ethics 	<ul style="list-style-type: none"> • Conducting business with integrity, transparency and fairness in accordance with the company's business ethics • Fair competition without acting or entering into any agreements with competitors that affect the division of trade competition. Also, avoid using competitors' confidential information by dishonest, inappropriate or unlawful means, including not to accusing or wrongfully damaging the reputation of competitors with exaggerated or untrue information
Creditors and Financial Institutions	<ul style="list-style-type: none"> • Conducting business with honesty, transparency and fairness in accordance with the Code of Conduct • Business growth • Disclosing of information with accuracy, clarity, timeliness • Repayment in full and on time 	<ul style="list-style-type: none"> • Conducting business with honesty, transparency, and fairness in accordance with the principles of good corporate governance and business ethics. • Operating the business with efficiency and effectiveness in line with international standards. • On a regular basis, information will be disclosed in a transparent, complete and timely manner via the website, media and publications • Enhancing the trust of creditors and financial institutions by revealing their operating results • Analyzing, assessing, monitoring and developing strategies for managing short-term and long-term risks including emerging risks and crises

Stakeholders	Stakeholders	Company' Responses
Local and Government Regulators	<ul style="list-style-type: none"> Cooperating with government agencies and local regulators. Accurate and timely information disclosure Conducting business with transparency and accountability 	<ul style="list-style-type: none"> Complying with relevant laws Supporting and collaborating with government agencies and local regulators to assess the situation and potential consequences in order to find preventive measures and solutions Communicating with government officials and local regulators to build mutual trust
Media and Non-Governmental Organization (NGO)	<ul style="list-style-type: none"> Collaborating with the media and non-profit organizations Accurate and timely disclosure of information to the general public 	<ul style="list-style-type: none"> Disclosure of accurate, complete, appropriate, clear and to-the-point updated information To allow the media to meet and to talk with the company's executives and/or representatives Collaborating with independent organizations to promote environmental cooperation, such as the circular economy and environmentally friendly products etc Participating in meetings organized by non-profit organizations such as Women's Empowerment Principles (WEPs)

3.3 Management of environmental sustainability

3.3.1 Environmental Policies and guidelines

Environmental performance is one of the corporate strategies for long-term growth. The company is committed to conduct business with environmental considerations, focusing on innovation development to support environmentally friendly products, aiming to foster a social drive-in environmental stewardship, and having a process in place to reduce negative impacts on the environment, community and society throughout the business value chain. The company has a policy framework that is in accordance with relevant laws and regulations including the United Nations Sustainable Development Goals (SDGs), which are essential to drive the company toward becoming a leader in sustainability.

The Board of Directors has established environmental management policies and procedures that cover a wide range of areas, such as energy management and greenhouse gas management, water management, waste and pollution management, product responsibility, resource efficiency in accordance with the 5Rs principle, and the rejection of the use of hazardous substances in the manufacturing process. In response to the company's environmental policies, in 2022, the company continues to build product responsibility cooperation with all stakeholders throughout the value chain in consistence with the circular economy concept and efficient use of natural resources as well as creating added value to waste from the manufacturing processes, In 2022, the Company has been certified with the International Organization for Standardization-Environmental Management System (ISO 14001:2015) and Global Recycle Standard (GRS). In addition, the company has set environmental performance as company goals and indicators, and also communicate and educate employees, and there is a process in place for reporting company's performance to stakeholders. Furthermore, technology is used to monitor performance, review operations and increase efficiency for continuous improvement.

3.3.2 Environmental operating results

3.3.2.1 Energy Management

To support Goal 12 of the Sustainable Development Goals (SDGs) in terms of sustainable consumption and production, as well as to promote resource efficiency in conformity with the company's policy, the company has implemented an energy management program to reduce energy consumption from fossil energy sources and increasing the proportion of energy usage from renewable energy sources in the company's business operations.

In 2022, the company initiated a solar rooftop installation project with a total capacity of not more than 1 megawatt in the area of the company's factory at Laem Chabang Industrial Estate to produce renewable energy for use within the factory, resulting in the company being able to reduce energy consumption by approximately 1.42 million kilowatt-hours per year and greenhouse gas emissions by 693 tons of Carbon dioxide equivalent per year, as well as saving approximately 3.44 million baht per year.

Furthermore, the company's factory area at Pinthong 5 Industrial Estate has a total capacity of 4.26 MW. This is expected to reduce energy consumption by approximately 5,854 million kilowatts. The company has achieved greenhouse gas emissions of 3,222 tons of CO₂ equivalent per year, as well as saving electricity consumption by approximately 31 million baht per year and has set a goal to reduce electricity consumption per product unit by 5% by 2023 compared to the base year 2022. In 2022, electricity consumption was 158,704,417 kWh and decreased 7% from 2021. Additionally, energy management carried out through various projects as follow:

- (1) Formulating sustainable energy management policies and goals for energy management
- (2) Goal-setting and energy-saving planning
- (3) New machinery installation project in the production process to reduce energy consumption and to enhance performance
- (4) Rooftop Solar Power installation project
- (5) Efficient cooling system installation project
- (6) Direct Flake Dosing (DFD) system installation reduces the process of melting plastic waste and processing it into recycled plastic pellets.
- (7) Developing a process for continuous performance review, measurement, and evaluation

3.3.2.2 Water Management

Water resource management is critical today because Thailand is one of the most vulnerable regions to the effects of extreme weather changes, such as rising sea levels and severe disasters like droughts and flash floods, as well as effects in the quantity and quality of natural water bodies due to changes in rainfall in many areas. The company is aware of the potential risks associated with water shortages in its production processes and has developed water management policies and directions in line with Goal 6 of the Sustainable Development Goals (SDGs) in establishing guidelines to improve production process by using water resources in the most efficient and productive way, including controlling factory effluents that are more stringent than the effluent laws and regulations required. Besides, the company also working on a rainwater harvesting project to circulate and reduce the use of water within the company's factory. The company set a target of reducing water consumption per unit of product by 5% by 2025 from the base year 2021 and by 2023, the target is to reduce water consumption per unit of product by 1% by through water management and various projects, which have been carried out as follows:

- (1) Determining environmental management policies and consumption targets
- (2) Developing process flow diagrams, analyzing data on input and output water quality, and continuously measuring water usage
- (3) Increased recycling by circulating water from the production process for using in the cooling system.
- (4) Wastewater treatment systems before disposal outside the plant.
- (5) Initiate rainwater harvesting projects for circulation within the Company's factories.
- (6) To meet standards and reduce water loss, there is a maintenance plan in place, as well as continuous inspection of the water supply systems

For water management performance in 2022, the Company had a total water consumption of 239,907 cubic meters, which is decrease by 13% from 2021 due to the circulation of water that has been used in the production process back into the cooling system of the machinery, as well as the regular inspection and maintenance of the water supply system to be the most efficient and achieve the target of 2022. However, the Company has developed operational processes to increase water efficiency through various projects such as the rainwater harvesting for circulation project. The company expects to reduce water consumption, which will result in the Company's net water consumption decreasing by 2023.

3.3.2.3 Pollution and Waste Management

The company manages resource scarcity risks, diminishes environmental impact, reduces waste disposal costs, and fosters a culture of preserving and protecting natural resources throughout the business value chain. Waste sorting, storage, and operational processes have been carried out to reduce the volume and add value to waste by promoting its use as a raw material for other products or industries in comply with the 5Rs principle, contributing in lower greenhouse gas emissions from waste, and also less landfill waste, as well as leading to more sustainable production and consumption. The company is dedicated to develop and improve work processes based on the circular economy concept in order to reduce the amount of waste disposal by zero landfills through the development and modification of highly efficient operations and processes.

In 2022, the company has set a target of increasing the rate of post-consumer recycled (PCR) and Bio-based resin usage in plastic film production to more than 12,000 tons per year by 2025, including goals and plans to reduce the amount of waste sent to landfill by 50% by 2022 and 80% by 2025, as well as a 10% reduction in hazardous waste by 2022. There is also the Green Office project that aims to encourage employees to participate in the cost-effective use of resources for the company's head office and sub-branches, as well as setting targets to increase the rate of plastic waste left over from within the factory, re-enter the production process as raw material for plastic film production as well as to reduce the amount of waste exported outside the factory. The company has managed to reduce the amount of waste, contaminated waste, including hazardous waste through various ongoing projects as follows:

- (1) Developing waste and contaminant management policies and targets
- (2) Calculating greenhouse gas emissions from each of the waste management and disposal methods
- (3) Collaborating with business partners to develop and improve technology, and innovations for reducing and reusing hazardous waste

- (4) Plastic film production planning for each cycle to fit the customer's orders to reduce excess plastic film around the edges
- (5) Incorporating plastic waste into the quality improvement process and use it as a raw material to produce alternative products
- (6) Projects to encourage employees to participate in the cost-effective use of resources through the Green Office Project.
- (7) Design new innovations to increase the rate of plastic resins derived from recycled plastics. Natural and biodegradable materials.
- (8) Waste materials from the manufacturing process are sold to nearby communities and factories for community use, where they can be traded, processed into products, or used as fuels to generate income for the community more than 65 million baht.

In 2022, the company had a total waste of 5,978 tons, which decrease by 24% compared to 2021, and 5,770 tons of waste recycled, reducing 97% of the overall waste volume. In addition, the company has more than 108 million baht in revenue from the sale of waste from the production process. This represents an increase of 30% from 2021, including a total of 190 tons of hazardous waste or a decrease of 18% of the total hazardous waste volume compared to 2021.

In 2022, the company launched a project to reduce air pollution by installing filters, which has been ongoing since 2021, which can reduce emissions to the atmosphere. The Company has set a target to reduce the concentration of air pollution by 10% from the base year 2022, compared to 2021. In 2022, the average particulate matter content was 3.8 milligrams per cubic meter, and the average amount of Sulfur Dioxide, Oxides of Nitrogen and Carbon Monoxide was <3.4, <1.9 and 1.5 ppm, which decreased by 8%, 71, 98 and 99% from the base year 2021, respectively. It is still substandard, according to the Ministry of Industry. Furthermore, the company has kept a close eye on the environmental quality around the area where it operates. The air quality standards, water, noise in the workplace, and lighting were all found to be within normal legal limits, and no cases of chemical spills from company operations, and also the company had no issues with environmental laws or regulations.

3.3.2.4 Climate Change Management

The Company has set targets and operational plans to reduce greenhouse gas emissions in accordance with the Absolute Emission principle by setting a target to reduce greenhouse gas emissions by 7% by 2025 from the base year 2021, and to develop business processes to meet the greenhouse gas reduction targets after 2020 according to INDCs (Intended Nationally Determined Contributions), including the implementation of national and international standards in organizations, processes, and products consisting of Environmental Management Systems (ISO 14001:2015), Carbon Footprint of Organization (CFO), Carbon Footprint of Products (CFP). For product stewardship, the company was certified Global Recycle Standard (GRS) and ISO 14001:2015 system. In 2022, the company has implemented greenhouse gas management as follows:

- (1) Determining environmental management policies and greenhouse gas emission reduction targets
- (2) Identifying and investigate sources of greenhouse gas emissions throughout the value chain
- (3) Assessing and analyzing greenhouse gas reduction through 5Rs principle
- (4) Collaborating with stakeholders to develop/improve processes, raw materials, technology, and innovations to reduce greenhouse gas emissions
- (5) The usage of renewable energy in the manufacturing process
- (6) Preparing a greenhouse gas reduction project in accordance with Thailand Voluntary Emission Reduction Program (T-VER)
- (7) Initiating a Green Office project, focusing on changing behaviors to reduce energy consumption and implementing environmentally friendly activities such as reducing waste through reduce, reuse, recycle including eliminating the use of hazardous substances, procuring environmentally friendly products and services (Green Procurement)
- (8) Prepare and improve the organization's environmental management system and achieve ISO 14001:2015 certification.
- (9) Develop environmentally friendly products. The remaining plastic waste from the factory is returned as raw materials to be produced as a plastic film and certified by Global Recycle Standard (GRS).
- (10) Continuously improve the production process proven by the Green Industry level 3 certification in 2022. In 2023, the company plans to upgrade its development to Green Industry Level 4 by encouraging the development and upgrading of environmental, safety and energy saving management.
- (11) International Sustainability & Carbon Certification (ISCC PLUS) is in progress.
- (12) Participated in and entered into a memorandum of agreement as a pilot company for the research project on "Development of the Circular Economy Management System Audit and Certification System to Drive Circular Economy Policy. Operated by V Green Faculty of Environment, Kasetsart University and Office of Industrial Standards, The Ministry of Industry is a joint agency funded by the National Competitiveness Enhancement Management Unit (BOB).

The company has implemented measures and mechanisms to drive greenhouse gas reduction operations in line with the objectives of INDCs, and has developed into a low-carbon business by reducing greenhouse gas emissions throughout the value chain by developing environmentally friendly production processes and products, developing alternative and renewable energy instead of fossil fuel energy, and developing technologies and innovations to increase productivity, and assess the efficiency of production processes, products and organizations in accordance with national and international standards. Furthermore, the company has joined the Thailand Carbon Neutral Network (TCNN), a collaborative effort to promote cooperation among government agencies, the private sector, the sector, and the community to reduce greenhouse gas emissions with the common goal of achieving carbon neutrality, supporting Thailand's Net Zero goals. The company also has a training program in place to educate employees about the environmental impact and issues related to climate change.

In 2021, the company joined and signed a Memorandum of Understanding on the Carbon Footprint Promotion Project of Industrial Organizations with the Federation of Thai Industries to collect and analyze the organization's greenhouse gas emissions, which include verification, certification, and a summarization of greenhouse gas emissions as follows: The direct greenhouse gas emission was 18,247 tons CO2 equivalent, and the indirect greenhouse gas emission was 74,912 tons CO2 equivalent, for a total of 93,159 tons CO2 equivalent. The company is currently undergoing data verification by an external auditor in accordance with the guidelines of Thailand Greenhouse Gas Management Organization (TGO). In 2022, the Company plans to apply for corporate carbon footprint certification in the industrial sector.

3.4 Social sustainability management

3.4.1 Social policies and guidelines

3.4.1.1 Human Rights and Equality,

Human Rights Policy

The company values society, respects human rights throughout the value chain, and is not involved in human rights violations. The company has a comprehensive human rights due diligence (HRDD) audit in terms of labor rights, responsible production and services, and participation in community and social development. The company has developed a human rights policy based on the core principles of conducting business in accordance with corporate governance, Code of Conduct, justice, no dealing with human rights violations, being accountable to all stakeholders, as well as respecting human dignity in rights, freedoms and equality. Human rights are one of the company's intentions, and it respects and protects the human rights of all groups of people both inside and outside the organization, as well as throughout the company's value chain, by operating in compliance with the laws of the country in which it operates. It also adheres to international principles such as the Universal Declaration of Human Rights (UDHR), the United Nations Guiding Principles on Business and Human Rights (UNGPs), and the International Labor Organization Declaration on Fundamental Principles and Rights at Work.

(1) Employees, business partners, suppliers, service providers and contractors

The company values labor rights, both within and outside of the organization, does not use illegal labor child and forced labor. The company promotes equality, fair compensation, and non-discriminatory evaluation of employee performance, as well as employee training and development and promotion consideration processes, and provides employment for disadvantaged groups such as the disabled, elderly, outcasts, and others. Also, promoting transparent, fair and non-discriminatory procurement with all business partners by prioritizing and selecting the Company's partners and conducting monthly de-liverer evaluations.

(2) Customers

Conducting business responsibilities in terms of producing products, providing services to customers, communicating, educating, and engaging with customers while adhering to Code of Conduct, business ethics, respecting for human rights, and treating customers equally.

(3) Competitors

Conduct business with a focus on fair, transparent, and ethical competition; do not use your power to compete unfairly, and will not do anything to change the competitive market; do not seek confidential information from competitors through dishonest means; and do not falsely accuse or damage competitors' reputations with exaggerated or untrue information.

(4) Communities, societies and environment

It is dedicated to be a good neighbor and partner for the communities surrounding the company's location, as well as to promote local culture and traditions. In addition, various projects are undertaken to develop the community and support the local community's well-being.

Gender Equality Policy

The company respects and complies with the law and prioritizes gender equality without discrimination, does not promote violence, harassment, and all forms of sexual exploitation, respects human rights and believes that everyone deserves equal rights.

(1) Employees

The factors in the selection of new employees, work evaluation, and employee compensation, maternity leave, and parental leave, including not promoting violence, harassment, and all forms of sexual exploitation in the workplace, are all emphasized by the company.

(2) Suppliers

Issues of race, nationality, ethnicity, gender, language, age, skin color, physical differences, religion, culture, ideological beliefs, political opinions, education, and social status are not used to determine the credibility of the suppliers and have no influence on decision making when doing business together.

(3) Communities and Society

Promoting social responsibility and public interest activities related to gender equality.

3.4.1.2 Employees and Workforces

Human Capital Development Policy

The company recognizes that employees play an important role in enhancing the organization's competitiveness. thus, it has formulated a policy that expresses the management's commitment to the principles of business operations with respect for human rights and giving importance to employee diversity, and to treat employees equally, fairly, and to encourage equality in respect of age, gender, race, disability and ethnicity, as well as to recognize differences in values and beliefs. The company focuses on the entire business process including recruiting, hiring, promotion, learning, employee development, compensation, and employee treatment, as well as job evaluation.

Employment Policy

The Company places importance on employment in accordance with the laws, regulations and regulations of the country where the establishment is located, such as the Thai Labor Protection Act. Labor laws that serve as a guideline for treating employees for fair employment and appropriate working conditions, such as fair remuneration, appropriate holidays. For sustainable growth and business operation, taking into account.

(1) Labor and Human Rights Practices

The Company does not discriminate and does not discriminate against racial differences. Nationality, race, gender, language, age, skin color, physical differences, disability, religion, culture, creed beliefs, political opinions, education, and social status. It also provides employees with the right to freedom of association to form groups to negotiate with the Company regarding employee welfare, such as the establishment of welfare committees, etc.

(2) Employment and performance evaluation

The Company has an equal process for recruiting and selecting personnel. Transparency, fairness, appropriate to the rate of force and structure of the organization, including consideration of employment and promotion based on knowledge, ability and potential based on the position.

(3) Remuneration

The Company has established an appropriate wage structure in accordance with the labor laws of the country where the establishment is located. Not less than the minimum wage rate in accordance with the wage rate in the relevant market, reflecting the work potential of employees, fair, equitable, non-discriminatory, in line with the company's growth.

(4) Holidays and leave

The Company treats its employees in accordance with the laws of each country where the establishment is located. There are holidays and leave according to each country where the company is located.

Compensation and Benefits Policy

The company is confident that a long-term successful company must be able to attract talented employees, retain competent employees, and provide employees with reasonable compensation according to market guidelines as well as promoting savings and build financial security in order to provide motivation and encouragement to work and bring success for the company to grow in a sustainable business.

According to labor law, the company has set up an appropriate wage structure that is not less than the minimum wage rate and is aligned with the labor wage rate in the relevant market and employee performance. The company has set corporate key performance indicator by considering the aspects of operations across all business units. The indicators are related to the performance of the Managing Director, Deputy Managing Director, executive level, department manager level, and all employees, respectively, and are also used to assess knowledge, competence, and personnel development, as well as measure work efficiency in relation to the organization goals.

(1) Short-term compensation and benefits

The company determines remuneration in conformance with labor law that is not less than the minimum wage rate, in line with the wage rate in the relevant market, and comparable to the general pay rate of other organizations in the industry. Moreover, the company pays quarterly and annual bonuses based on an evaluation of individual employee performance and the company’s performance.

(2) Long-term compensation and benefits

The company has determined that compensation is paid based on the evaluation of employees’ performance in relation to the company’s indicators and performance. The company is willing to pay reasonable compensation to employees with high competences, as well as promote and support them to grow along the career growth in line with the company’s long-term business plans and goals.

The company also takes care of various welfare matters. In addition to remuneration to employees, such as supporting accident insurance for individual employees, annual health check-ups, other support related to the situation etc.

There are also guidelines to promote savings and create financial security. By supporting provident funds for all employees. The Company contributes to provident fund as follows

Employment Period	Provident fund of the Company
1 year or more	50% of accumulated funds
3 year or more	70% of accumulated funds
5 year or more	100% of accumulated funds

*The provident fund is derived from 3% of the company’s employees’ salaries.

3.4.1.3 Occupational Health and Safety

Occupational Health, Safety and Environment Policy

The company places a high value on the safety, health, and quality of life of all employees and has developed policies to improve occupational safety, health, and the environment in parallel with employees' regular work, as outlined below:

- (1) Workplace safety is everyone's priority
- (2) Contributing to improving working conditions and ensuring a safe environment
- (3) Supporting and promoting various safety activities that raise employee awareness
- (4) Supervisors at all levels must serve as role models, train employees, and encourage them to work safely
- (5) At all times while working, all employees must keep their own and their coworkers' safety, as well as the assets of the company
- (6) All employees are responsible for keeping the workplace clean and neat
- (7) All employees must participate in the company's occupational safety and health program and have the right to provide feedback on how to improve working conditions and safe working methods
- (8) The company will evaluate the implementation of the policies outlined above on a regular basis

3.4.1.4 Customer Relationship Management

Quality Policy

The company focuses on managing the business that satisfies and meets the needs of customers in terms of quality and service by constantly reviewing and improving the efficiency of quality systems using the criteria below:

- (1) Complying with relevant laws and regulations
- (2) Communicating and disseminating the quality policy to employees to ensure a thorough understanding.
- (3) Controlling, recording, reviewing, and monitoring quality management system for continuous improvement

Innovation Management Policy

The company places an emphasis on research, development and innovation, focusing on new product innovations and manufacturing process innovations, as well as promoting research and development with external agencies to meet customer satisfaction, safety, security needs and environmental conservation, using the following approaches:

- (1) Promoting high value-added products
- (2) Putting an emphasis on the concept of Circular Economy
- (3) Committed to the research and development of environmentally friendly products
- (4) Collaborating with researchers and experts from outside the organization
- (5) Employees at all levels receive training, education, and the development of innovative initiative skills

3.4.1.5 Community and Social Responsibilities

The company recognizes the importance of communities as key stakeholders in driving sustainability goals together, and believes that business success cannot be achieved alone. The company's long-term growth can be achieved through the collaboration of all stakeholders. The company, therefore, has a corporate citizenship policy that focuses on closely supporting the community by promoting social activities and conducting surveys of the community's opinions, needs, and concerns.

3.4.2 Social operating results

3.4.2.1 Human Rights and Equality

The company complies with the company's human rights policy and has a Human Rights Due Diligence (HRDD) process by conducting a human rights risk assessment to prevent human rights violations and human rights issues that may arise, including assessing human rights impacts that may occur on stakeholders throughout the value chain. In 2022, the company conducts HRDD through the following steps:

- (1) Defining the scope of the assessment
- (2) Identification of human rights risk issues
- (3) Human Rights Risk Assessment by analyzing the severity of the impact and the likelihood that it will occur, as well as prioritizing human rights risks within the organization and throughout the supply chain
- (4) Determination of measures to prevent and mitigate human rights impacts consistent with the risks
- (5) Preparation of human rights monitoring plans and reports
- (6) Determination of human rights remedies

According to the human rights risk assessment, the company still had a moderate residual risk, which is the risk due to accidents from operations, because even though the company had a policy on occupational safety, health, and the environment, as well as occupational health and safety training, accidents from operations still occurred to employees. As a result, the company has developed the following additional guidelines for human rights risk management:

- (1) Measures must be strictly implemented, and existing projects must be reviewed on a regular basis
- (2) Job-specific safety training programs
- (3) Projects to improve the organization's overall safety culture
- (4) Setting objectives for becoming a Zero-Accident Organization
- (5) Communication to ensure that employees understand the company's commitment to human rights, both directly and indirectly, and that they are able to effectively comply with the company's policies, measures, and operating guidelines

Moreover, the outstanding human rights and equality in the workplace. As a result, in 2022, the company received the honorable mention WEPS AWARDS in the category of Inclusive Workplace from UN WOMEN.

3.4.2.2 Employees and Workforces

Employment

2022	Quantity
Total number of employees (persons)	1,311
Employees by genders (persons)	
Male	906
Female	405
Employees by age (persons)	
Below 30 years old	590
30–50 years old	651
Over 50 years old	70
Employees with disability (persons)	
Male	8
Female	7
Employees by level (persons)	
Top executives	3
Middle executives	35
Junior executives	20
Supervisors and operations	1,253
Total of employee turnover (%)	28.60

The company recognizes that employees play an important role in enhancing the organization's competitiveness. thus, it has formulated a policy that expresses the management's commitment to the principles of business operations with respect for human rights and the importance of treating employees equally, fairly and promoting equality in terms of age, gender, race and nationality, as well as realizing differences in values and culture, disability without discrimination. The company emphasizes the recruitment process, job evaluation based on role, promotion, learning, employee development, compensation, and employee care throughout the business process.

In 2022, the company has implemented a process to promote and develop knowledge and skills for employees at all levels to provide opportunities for career advancement and to strengthen the organization to be prepared for changing customer behavior. It can also improve employees' ability to lead the organization's growth by enhancing the quality of human resource management system to be more efficient, which consists of

- (1) Developing Human Resources Policy and Strategy
- (2) Improving work processes and information management systems through the use of digital technology with the goal of reducing work processes and ensuring management continuity, as well as achieving the goal of developing employee capacity and enhancing employee engagement. It also helps to store documents and information efficiently and easily.
- (3) Analyzing the need for training to improve employees' abilities based on their roles, responsibilities, and performance in order to develop an annual training and skill development plan that promotes employee advancement, as follow:
 - Being an effective manager
 - Orientation for executive level
 - Time management skills
 - Coordination, coaching and problem-solving skills
 - Giving feedback to improve efficiency
 - Production control to meet the target
 - Understanding and operating in accordance with standards such as quality management of goods and services Environmental management system, etc.
 - The Company's sustainability aspects cover environmental, social and corporate governance.

This includes other skills development courses, which continuously conduct annual training plans through the analysis of individual, departmental and departmental data in accordance with the capacity development plan and promote employee progress, such as production capacity development, multiplication maintenance, etc. Quality Standards Environment, risk management, business ethics, etc. A total of 28 courses were completed, with an average of 17.88 hours of training or knowledge development activities for employees per year, out of 22,819 total hours attended by the total employees and a target of 10 hours per person per year.

3.4.2.3 Occupational Health and Safety

The company has a policy to develop and improve the efficiency of safety operations for employees, customers and suppliers, as well as to continually promote a safe working culture to reduce the risk of illness and injury, and to appropriately care for employees' health and wellbeing with the goal of maintaining a zero fatal organization. In 2022, the company had a significant occupational health and safety performance, with zero fatality, 60 work-related accidents, and 30 cases of lost time injury. The total number of work-related accidents in 2022 decreased by 16.7% compared to 2021, and occupational injury accidents to the point of stopping work in 2022 decreased by 6.2% compared to 2021. The following projects are being implemented by the company to prevent such accidents:

- Annual health check-up and health check-up based on risk factors
- Measuring the working environment regarding the level of heat, lighting and noise within the workplace.
- Air pollution measurement
- Annual Building Inspection
- Electrical System and Electrical Service Certification
- Crane Tracking, Inspection and Testing
- Emergency Equipment Monitoring
- Occupational safety training for new employees and contractors
- Annual safety, occupational health and working environment review training
- Primary Fire Fighting Training and Fire Evacuation Training
- Chemical Work Safety Training and Chemical Spill Plan Training
- Training on proper and safe forklift driving
- Safety and Environment Day Activities

Furthermore, the company emphasizes its employees' health and well-being. In 2022, the company established a welfare committee comprised of employee representatives to discuss and give an opinion to employers on the appropriate allocation of welfare benefits to the company's employees, including monitoring and supervising the provision of welfare to employees without discrimination. Also, promote the idea of balancing work and personal life to reduce the impact of overwork. Employees can take unannounced leave for better performance.

The situation with the Covid-19 pandemic causing disruption to global business is a test of the company's ability to manage its employees' well-being. Therefore, the company has changed its working style to be able to operate the business normally and efficiently by allowing employees to work from home to reduce the risk of infection and provide necessary equipments and welfare for performing tasks by requiring employees to work from home to reduce the risk of infection or coming to work at the workplace, depending on the suitability and situation of the operation, covid-19 vaccines are provided to all employees, etc. COVID-19 testing kit and providing vaccinations for employees, etc.

The company conducts an annual employee engagement survey in order to plan for ways to improve employee engagement. In 2022, it was found that the assessment of employee engagement with the organization was equal to 65%.

3.4.2.4 Customer Relationship Management

The company has a policy of focusing on continuous product development to meet customer satisfaction with responsibilities, fairness, and ethics, taking the safety and health of customers into account. Specify product details correctly and completely through adhering to the company's business ethics. There are processes in place to rigorously control and monitor for compliance with the rules, regulations and related requirements, while also concerning the quality and safety of products in accordance with international standards, consisting of

- (1) Quality management system standards
- (2) Safety certification standards for food production

- (3) Quality standards and packaging inspection in accordance with factory sanitation requirements.
- (4) Environmental management system standards

Moreover, new innovations that are environmentally friendly and can improve the quality of life of the community and society, as well as respond to customer needs, are being developed, including channels and processes for participation and listening to opinions in joint development planning. The company's goal is to achieve a level of customer satisfaction of at least 82 percent for both international and domestic customers.

In the year 2022, the company achieved 86% of domestic customer satisfaction and 64% of foreign customer satisfaction.

3.4.2.5 Community and Social Responsibilities

The company actively supports communities and society through a variety of activities and projects, as follow:

- (1) Recycling waste to generate income or to use as an energy source
- (2) Reducing environmental impact by planning to reduce landfill waste and increase the rate of waste material recycling and reuse in order to reduce the burden of waste management in the area's communities
- (3) Participation in community activities
- (4) Water supply and maintenance project
- (5) Donate used electronic equipment to the Mirror Foundation.
- (6) Tree conservation project following the path of sufficiency economy, planting mangrove forests to increase green space.
- (7) Participate in blood donation activities with Laem Chabang Industrial Estate Office and Somdej Sriracha Hospital.
- (8) Participate in the merit making of the royal sacrifice.
 - Khao Kaew Worawihan Temple, Saraburi
 - Bang Klong Temple, Sukhothai
 - Temple in the Palace Royal Monastery, Songkhla

Furthermore, the company has a process in place to survey the community's opinions, needs, and concerns on a regular basis in order to develop or improve the business process, so that it can respond to the community's needs and reduce the impact on the community both directly and indirectly.

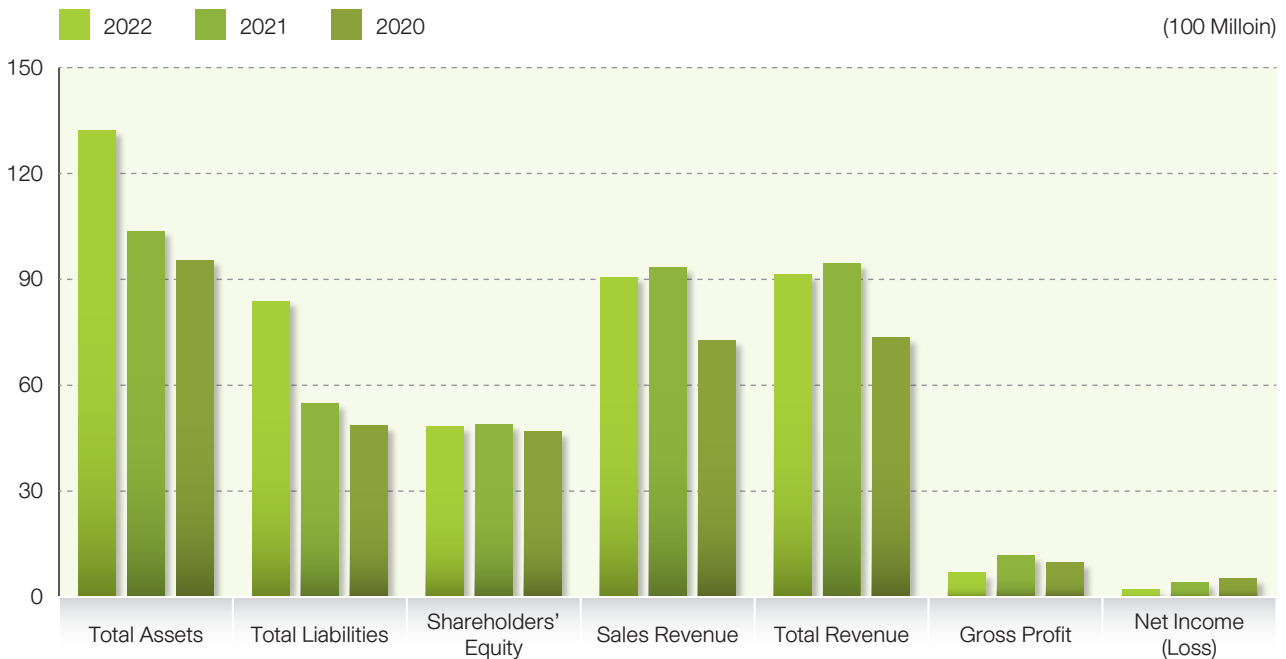
In 2022, based on a survey of community opinions, needs and concerns, the company discovered that the company's operating process had no direct impact on the community and society. However, it was found that the community's main concerns were in the areas of safety promotion and management, environmental conservation, and waste management, as well as the need for additional assistance in terms of stimulating economic growth and income. Therefore, the company is determined to carry out 20 activities for society in order to meet the expectations of the community and society.

4. Management Discussion and Analysis (MD&A)

4.1 Performance and financial position analysis

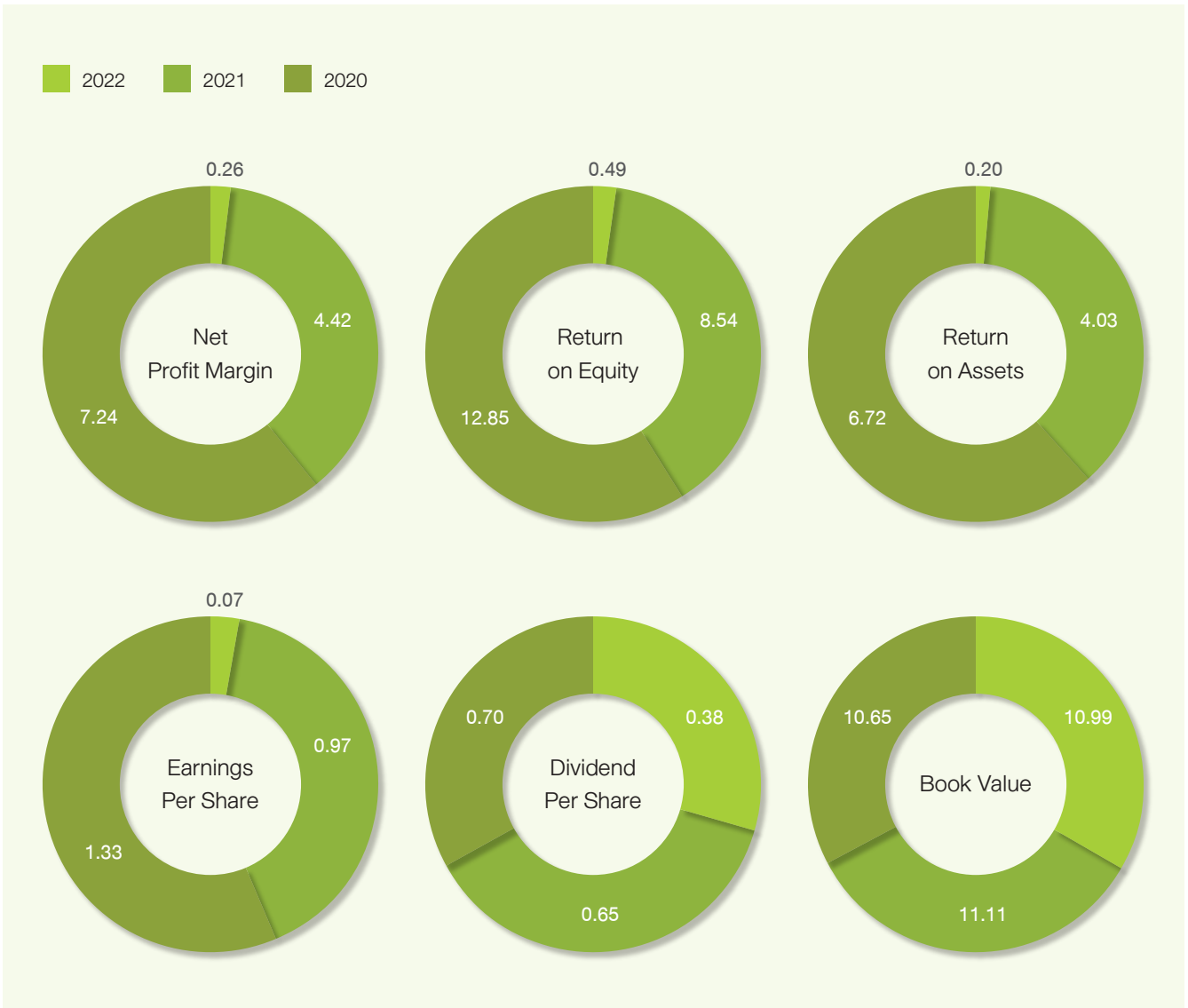
The following analysis of financial position and performance is the analysis of financial information according to the consolidated financial statements for the year ended December 31, 2022. In reading the Management Discussion and Analysis, investors should study information in the supporting documents, including the consolidated financial statements along with the notes to the financial statements and the information presented in this report.

Financial Information



(Unit: Baht)

	2022	2021	2020
Total Assets	13,218,721,627	10,370,795,317	9,539,698,058
Total Liabilities	8,383,489,602	5,483,677,302	4,853,395,634
Shareholders' Equity	4,835,232,025	4,887,118,015	4,686,302,424
Sales Revenue	9,061,658,158	9,334,733,002	7,269,794,437
Total Revenue	9,131,983,788	9,444,461,369	7,346,520,836
Gross Profit	681,526,379	1,169,538,143	980,932,432
Net Income (Loss)	23,723,819	417,464,380	532,252,423



Key Financial Ratio

	2022	2021	2020
Net Profit Margin (%)	0.26	4.42	7.24
Return on Equity (%)	0.49	8.54	12.85
Return on Assets (%)	0.20	4.03	6.72
Earnings Per Share (Baht)	0.07	0.97	1.33
Dividend Per Share (Baht)	0.38	0.65	0.70
Book Value (Baht)	10.99	11.11	10.65

Overview of Past Operating Result

Sales revenue has increased (details in table 1.2.2 Revenue Structure). The company has expanded both domestically and internationally to maintain market share since there has been an expansion in product needs. Currently, the company is the domestic market leader for BOPP, BOPET, BOPA and METALIZED films, and continued to expand the market share of CPP and COATED. Furthermore, the company gains competitive advantage over foreign manufacturers from cost of shipping which make higher cost than the company. More importantly, the company has prioritized the strategy on producing high-quality products, satisfying customers' needs, and having reasonable pricing. Also, the company has placed importance on excellent after-sales service and maintaining close relationship with customers. Also, promote sustainable business operations, take into account both environmental, social and corporate governance and be able to meet the needs of environmental products as well. In addition, we continuously cooperate with both partners and customers to design and develop raw materials and products that meet environmental needs.

The company has closely monitored the movement of foreign exchange by continuously evaluating, sequencing, managing risk, and monitoring. Attend and agree with the Risk Management Committee twice a year. The company has made a forward exchange contract with domestic financial institutes to prevent risks from volatile foreign exchange that may cause an impact by receiving less Thai currency from export sales or payment to foreign creditors details in notes to financial statement no.24 and 28 as of December 31, 2022.

Past Operating Performance

In 2022, sales revenue decreased by 273.07 million baht or 2.93 percent (from 9,334.73 million baht in 2021 to 9,061.66 million baht in 2022). The main reason was due to last August that the Company has stopped 1 BOPP production line for demolition and moving the machinery to its subsidiary in Vietnam. In addition, the Company reduced exports to overseas customers with high profit margins to support the domestic industry, as well as fluctuations in the Thai Baht during the past year, causing the value of export sales to decrease. However, the company has added 1 new BOPP production line to meet the needs of customers which help rise the sale in the last December. Cost of sales to revenue ratio increased by 5.01% compared to sales revenue (from 87.47% in 2021 to 92.48% in 2022) due to an increase in raw material prices compared to the same period last year. Others income decreased by 39.40 million baht from THB 109.73 million in 2021 to THB 70.33 million in 2022. Others income of the company consists of scrap film, tax card income and capital gains from the disposal of assets, together with foreign exchange losses of 9.52 million baht. The loss was 202.32 million baht due to the exchange rate fluctuations in the Baht. However, the company entered into buying and selling forward exchange contracts in order to hedge against the fluctuation in the foreign. Our selling and administrative expenses increased by 87.06 million baht (from 605.22 million baht in 2021 to 692.28 million baht in 2022) due to higher exports cost for sea freight compared to the previous year. This affected the performance to be decreased by 393.74 million baht or 94.32% (from 417.46 million baht in 2021 to 23.72 million baht in 2022). However, the company expects that the demand of the film products BOPP, BOPET, BOPA, METALLIZED and CPP will still be in a great demand and continue to expand.

Financial Position

Assets

Total assets ending 2020-2022 are 9,539.70 million baht 10,370.80million baht and 13,218.72 million baht respectively. The assets compose of land, building, and equipment equivalent to 62 - 70 percent, net trade account receivable notes 7 - 12 percent, and net inventories 12 - 14 percent. The increase/decrease of net assets between 2020 - 2022

mainly came from increase in right of use assets in 2021 and 2022 according to Thai Financial Reporting Standard No.16, lease agreement (details in notes to financial statement no. 3.8 and 10 as of December 31, 2022). Also, the increase in trade accounts receivable according to increase in sales volume and advance payment for machinery as details in note to financial statement no. 24.2 Contract of the machine, and no. 24.3 Contract for construction of factory buildings and increase in investment in related party from fair value measurement as details in notes to financial statement no.3.5 and no.7.

The amount of account receivable from 2020 to 2022 were 752.42 million baht, 1,051.14 million baht and 791.21 million baht respectively, increase in account receivable according to increase in sales volume and increase in inventories due to the company had inventory management. The inventories in 2020 were 1,268.28 million baht, 2021 were 1,355.88 million baht, and 2022 were 1,653.11 million baht respectively. The increase in inventories is in line with the rise in sales volume to accommodate the growing customer demand from the current situation that is beginning to recover. The Company continuously tries to improved debt collections and inventories turnover together with the products demand in the market that helped the efficiency of the circulated assets management in the past three years. The average period of debt collection was 39 days in 2020, 36 days in 2021, and 38 days in 2022 as compared to age of debtors and granting credit policy which the company considered from the basic of financial position, payment history and the purchase volume of customers which appeared that debt collection has improved and the majority of debt outstanding not yet matured (details in notes to financial statement no.5 as of December 31, 2022).

As of December 31, 2022, the total assets were 13,218.72 million baht. Main assets consist of land, building and net assets totaled of 9,212.76 million baht, net trade account receivable 972.57 million baht, inventories of 1,653.11 million baht and the right of use assets of 811.84 million baht. The total assets increased was derived from the right of use assets, account receivable and advance payment for machinery.

The long-term investment at the end of 2022 was 159.48 million baht because the majority of shareholders group wished to delist from the stock exchange, that caused the propose price higher than the stock exchange price at the end of 2002 (details in notes to financial statements no. 3.5 and 7 as of December 31, 2022).

Liquidity

In the past 3 years, the circulation of cash from operations has improved due to the efficiency in managing trade accounts receivable and inventories, the improvement of average receivable collection period and the average inventories turn over caused an improvement of cash circulation. For investment activities, the company invested in fixed assets in order to increase production capacities of BOPP, BOPET and METALLIZED films. Apart from this the company attempted to pay back long-term loan in order to reduce interest payment.

However, despite the improvement in trade accounts receivable, inventories and trade account payable management, the company still depends on the short-term loan for operation activities.

The ability to pay bank interest, the proportion to pay bank interest at the end of 2020 to 2022 is equivalent to 12.73, 11.78, and 5.49 times respectively. However, while the debt service coverage from 2020 to 2022 is equivalent to 0.78, 0.55, and 0.16 times respectively, the company ability to pay obligation less than 1 times, however, the company

believes that the financial institutions will provide support in granting overdraft, short term and long-term loans as the company has continuously. In 2022 the company early repayment loan as agreed with the financial institutions 120.74 million baht (details in notes to financial statements no.14).

Source of fund

Liabilities were 4,853.40 million baht in 2020, 5,483.68 million baht in 2021 and 8,383.49 million baht in 2022. Most liabilities consist of short term and long term loans totaled 3,002.89 million baht in 2020, 3,123.11 million baht in 2021 and 6,391.98 million baht in 2022. Other items such as account payable from procurement of raw materials and packaging materials totaled 1,725.53 million baht in 2020, 2,175.12 million baht in 2021 and 1,893.08 million baht in 2022 which the company continuously repays the debt.

At the end of 2022, the company has total liabilities of 8,383.49 million baht, mostly compose of bank overdraft and financial institutions totaled 5,706.36 million baht, trade accounts payable 1,893.38 million baht. The decrease of these liabilities derived from the company was able to repay its long-term debt and interest before due (Details in notes to financial statements no.14 as of December 31, 2022).

In 2022, the company has a paid-up capital of 440.00 million baht and premium on share capital of 1,531.67 million baht (details in notes to financial statements no. 17 as of December 31, 2022) and accumulated profit of 2,543.66 million baht. The shareholders' equity was 4,835.23 million baht. From the operation results of the pasts years that enabled the company to maintain liabilities to equity ratio equal to 1.73 as committed to the financial institutions.

The company expects that the cash flow from operations will be sufficient for the repayment of capital and interest which can affect the liabilities to equity ratio to be reduced in future.

Audit Report

Auditor's report for the financial statements as of December 31, 2020, 2021 audited by Mr. Chaikon Unpitipongsa and 2022 audited by Mr. Virach Aphimeteetamong from Dr. Virach and Associates Office Company Limited unconditional opinion that the financial statements show the financial position, performance, change in shareholders' equity and cash flow are correctly in accordance with Thai Financial Reporting Standards.

Factors affecting future performance

The company has a plan to invest in a joint venture company in Vietnam totaling approximately 391 million baht, to be able to expand customer base to Southeast Asia including in other countries, there is a tariff barrier with Thailand but no tariff barrier with Vietnam. The main source of fund is expected to be used for investment will come from net cash flows from operating, estimated annual usage as follows:

	(Million Baht)		
Company	2021	2022	Total
A.J. Plast (Vietnam) Company Limited	167	223	390

4.2 Key financial information

(B) Summary of financial statements

Transaction	Audited					
	December 31, 2022		December 31, 2021		December 31, 2020	
	Thousand Baht	%	Thousand Baht	%	Thousand Baht	%
Cash and cash equivalents	184,363	1.39	83,031	0.80	13,369	0.14
Trade and other current receivables	972,573	7.36	1,218,896	11.75	835,509	8.76
Inventories	1,653,111	12.51	1,355,885	13.07	1,268,279	13.29
Other current assets	23,909	0.18	14,181	0.14	66,269	0.69
Other non-current financial assets	159,480	1.21	117,764	1.14	90,469	0.95
Property, plant and equipment	9,212,761	69.69	6,479,760	62.48	6,502,214	68.16
Right-of-use assets	811,836	6.14	836,765	8.07	661,557	6.94
Other non-current assets	200,689	1.52	264,513	2.55	102,032	1.07
TOTAL ASSETS	13,218,722	100.00	10,370,795	100.00	9,539,698	100.00
Bank overdrafts and short-term loans from financial institutions	2,030,314	15.36	1,341,511	12.94	740,574	7.77
Trade and other current payables	1,893,076	14.32	2,175,123	20.97	1,725,532	18.10
Current portion of leases liabilities	10,092	0.08	11,201	0.11	10,199	0.11
Current portion of long-term loans	419,714	3.18	83,500	0.81	412,495	4.33
Other current liabilities	5,915	0.04	54,922	0.53	40,092	0.42
Other financial current liabilities	10,853	0.08	50,605	0.49	-	-
Lease liabilities	675,528	5.11	679,253	6.55	660,559	6.92
Long-term loans	3,256,337	24.63	1,007,640	9.72	1,184,945	12.43
Non-current provisions for employee benefits	81,662	0.62	79,922	0.77	79,000	0.82
TOTAL LIABILITIES	8,383,490	63.42	5,483,677	52.88	4,853,396	50.88
Authorized share capital	440,000		440,000		440,000	
Issued and paid-up share capital	440,000	3.33	440,000	4.24	440,000	4.61

4.2 Key financial information

(B) Summary of financial statements

Transaction	Audited					
	December 31, 2022		December 31, 2021		December 31, 2020	
	Thousand Baht	%	Thousand Baht	%	Thousand Baht	%
Premium on share capital	1,531,673	11.59	1,531,673	14.77	1,531,673	16.07
Unappropriated	2,564,741	19.40	2,812,329	27.12	2,714,629	28.47
Other components of shareholders' equity	(12,116)	(0.09)	(22,907)	(0.22)	-	-
Non-controlling interests	310,934	2.35	126,023	1.22	-	-
TOTAL SHAREHOLDERS' EQUITY	4,835,232	36.58	4,887,118	47.12	4,686,302	49.15
Sales	9,061,658	100.00	9,334,733	100.00	7,269,794	100.00
Total Revenues	9,131,984	100.78	9,444,461	101.18	7,346,522	101.06
Cost of sales	8,380,132	92.48	8,165,195	87.47	6,288,862	86.51
Sale and Administrative expenses	692,279	7.64	605,223	6.48	476,935	6.56
Finance cost	85,895	0.95	78,954	0.85	79,900	1.10
PROFIT (LOSS) FOR THE PERIODS	23,724	0.26	417,464	4.47	532,252	7.32
Earnings (Loss) per Share (Baht)	0.07		0.97		1.33	
Issued and paid-up share capital	440,000		440,000		440,000	
Share Value (Baht per Share)	1		1		1	
Book Value (Baht per Share)	10.99		11.11		10.65	
cash flows from operating activities	(210,195)		855,320		1,129,847	
cash flows from investing activities	(2,786,232)		(584,415)		(483,583)	
cash flows from financing activities	3,090,502		(200,725)		(639,421)	
Net increase (decrease) in cash and cash equivalents	94,075		70,181		6,843	

(C) Financial Ratio

Financial Ratio	Audited		
	December 31, 2022	December 31, 2021	December 31, 2020
<i>Liquidity Ratios</i>			
Current ratio (times)	0.65	0.72	0.75
Current ratio (times)	0.26	0.35	0.29
Cash flow liquidity ratio (times)	-0.55	0.24	0.36
Accounts receivable turnover (times)	9.79	10.32	9.36
Collection period (days)	37.29	35.38	39.01
Inventory turnover ratio (times)	18.11	22.98	18.11
Inventory turnover (days)	20.15	15.88	20.15
Accounts payable turnover (times)	4.99	4.79	4.43
Payable period (days)	73.11	76.25	82.40
Cash Cycle (days)	-15.66	-24.99	-23.33
<i>Profitability ratios</i>			
Gross profit margin (%)	7.52	12.53	13.49
Operating profit margin (%)	-0.12	6.05	6.93
Other income to total income (%)	1.33	(0.69)	1.47
Net profit margin (%)	0.26	4.42	7.24
Return on Equity (%)	0.49	8.72	12.85
<i>Operating Efficiency ratios</i>			
Return on assets (%)	0.20	4.19	5.84
Return on fixed assets (%)	3.25	11.36	13.20
Asset turnover (times)	0.77	0.95	0.81
<i>Leverage ratios</i>			
Debt to equity (times)	1.73	1.12	1.04
Interest coverage (times)	5.49	11.78	12.73
Interest-bearing debt to earnings before interest, income tax expense, depreciation and amortization (times)	15.79	3.93	3.31
Debt service coverage (times)	0.16	0.55	0.78
Dividend payout (%)	398.31	64.71	55.58

5. General Information

5.1 General information and other references

Company name	A.J. Plast Public Company Limited
Securities symbol	AJ (Listed on the Stock Exchange of Thailand)
Business	Manufacturing and selling plastic films in Thailand and Overseas
Registration number	0107537001285
Head office	No. 95, Thakarm Road, Kwaeng Samaedam, Khet Bangkhuntien, Bangkok 10150
The factory	<ul style="list-style-type: none"> - Leamchabang Industrial Estate No. 38/11 Moo 5, Thungsukala Subdistrict, Sri Racha District, Chonburi Province 20230 - Pinthong 5 Industrial Estate, 8 Moo 8, Khaokansong Subdistrict, Sriracha District, Chonburi Province 20110
Telephone number	0 2415 0035
Website	www.ajplast.co.th
Registered capital	440,000,000 baht
Issued and paid-up capital	440,000,000 baht which are 440,000,000 ordinary shares at 1 Baht par value
Preferred shares	None
Other references	
Share Registrar	<ul style="list-style-type: none"> - Thailand Securities Depository Co., Ltd. The Stock Exchange of Thailand, Tower A, 14th Floor 93 Ratchadaphisek Road, Kwaeng Dindaeng, Khet Dindaeng, Bangkok 10400 Tel: 0 2009 9383, 0 2009 9389 Fax: 0 2009 9476
Auditor	<ul style="list-style-type: none"> - Mr. Virach Aphimeteetamrong No.1378 Dr. Virach and Associates Office Co., LTD. No. 518/3 Maneeya Center North Building, 7th Floor, Ploenchit Road, Kwaeng Lumpinee, Khet Patumwan, Bangkok Tel: 0 2254 8386 Fax: 0 2253 8730

5.2 Other Information

The Board of Directors Meeting No. 10/2020 on October 29, 2020 considered to approved the establishment of a subsidiary and approved a joint venture in a Joint Venture Company in Vietnam and signing of a Joint Venture Agreement with SCG Chemicals Public Company Limited. On November 5, 2020, the company entered into a Joint Venture Agreement with SCG Chemicals Public Company Limited. to manufacturing and distributing packaging films by established in Vietnam. The joint venture has a registered capital of VND 491,409 million (USD 21,186,000) or approximately 700 million baht, of which the company hold 55% of the total issued and paid-up capital.

On November 15, 2021, A.J. PLAST (Vietnam) Company Limited has been registered in Socialist Republic of Vietnam, authorized share capital amount of 210,611 million VND or about 306 million baht.

The Company has paid capital as follows:

Date	Paid-up investments		
	USD	Million VND	Baht
22 December 2021	4,994,000	115,836	167,397,890
28 February 2022	3,329,150	77,220	108,733,702
31 May 2022	3,329,150	77,220	113,806,993
Total	11,652,300	270,276	389,938,585

On November 18, 2022, the registered capital of A.J. PLAST (VIETNAM) COMPANY LIMITED was changed from VND210,611 million to VND 491,409 million (USD 21,186,000).

5.3 Legal Disputes

-None -



Part 2

Corporate Governance

6. Corporate Governance Policy

6.1 Overview of Corporate Governance Policy and Regulations

A.J. Plast PLC realizes the importance of the good corporate governance which can be attained by adhering to fairness and honesty and would like to see the responsibility of employees toward their works with clarity and integrity supporting fair, equitable and reliable practices of all stakeholders. Committed to create value for the business and its long-term mutual interests for the company and the company have stable and sustainable growth in the future.

The Board of Directors have set polices on good corporate governance as a guideline in conducting business which people will have to comply with, as follow:

- (1) To construct the management structure that set scope of responsibility of directors, executive directors and sub-committees that determine the company's policies and operating direction, supervise management to effectively implement the policy. For the long-term benefit of shareholders within the framework of regulations and code of conduct, there is a clear, reliable and effective separation of duties between the Board of Directors and management.
- (2) Ensuring that all procedures being carried out with efficiency under a good internal control system and an appropriate balance of power including clarity operation that can be checked and an efficiency in disclosing information.
- (3) Ensuring that the company does not take any actions that violate official regulations or violations of law.
- (4) Ensuring that the report of financial statements reflexives true results of its operations including appropriate steps to risk assessment.
- (5) To proceed with conflicts of interest with rational prudence based on the company's interests.
- (6) Cultivating virtues and good consciences for management and employees to behave well and honestly. Disciplined and conscientious in their duties and responsibilities, and being ready to adjust to the better and respond to all the time.
- (7) To realize and respect the right of shareholders, stakeholders' ownership, including how to treat them with fair, quality and non-discriminatory. To allow stakeholders to participate in comments and to be provided channels for whistleblowing. In the event that the stakeholder is damaged by a violation of the legal rights, they will be compensated by the measure.
- (8) To have obligations to all shareholders, stakeholders, and to promote social responsibility in order to preserve environment and to participate in sustainable development in accordance to the company's status.
- (9) To prevent anybody using inside information for personal gain.
- (10) To take action on anti-corruption law, policy and measures including measures and procedures for who do not comply. To set measurements policies and regulations in reporting any wrong doing or an offense against law place which may mar the company's reputation or the financial position. The company will report the case at once and try to remedy the impact and to prevent any recurrence.

The company sets a policy for Good Corporate Governance 5 headings as follows:

1. Right of Shareholders

The Board of Directors is well aware the importance of shareholders' rights by setting a good corporate governance policy in order to create a confidence that the basis rights of shareholders will be protected such as buying-selling or transferring shares, the rights to receive adequate information, participation in shareholders' meeting including the voting rights for important issues and the rights to share the profit.

The Board of Directors imposes a policy to facilitate shareholders to attend the meetings, as follows:

- Sending the invitation of shareholders' meeting and supporting documents sufficiently in advance.
- Invitation letter of shareholders' meeting contains details of the meeting agendas with the Board of Directors opinions and list of all independent directors. Proxy forms are supported for shareholders to authorize to attend the meeting instead.
-
- Map of the meeting are provided.
- In addition, shareholders are able to reach all information relating the meeting via the company's website, <https://www.ajplast.co.th/set-news.php>, at least 30 days before the meeting.
- The company allows shareholders to register at least one hour before the meeting and the minute of the meeting are recorded in full.
- The minutes of the meeting are recorded accurately and completely.
- Adopt technology system to facilitate shareholders during shareholders' meeting.

The Board of Directors emphasize the right and equality of shareholders including promoting the exercise of shareholders' rights that include the right to receive sufficient information in time. Moreover, the right of shareholders in meeting attention and the vote to decide on the change on policies, the right to elect and remove directors, and the right to approve the appointment of an auditor are all emphasized.

Shareholder's Meeting

The Board of Directors, Audit Directors and Independent Directors are well aware the importance of meeting attention. Before starting every meeting, The Chairman of the Board clearly explains voting and counting methods including to allocate appropriate meeting time and conducting appropriate and transparent meetings. During the meeting, shareholders have equitable rights in giving opinions, and making queries before vote casting and summarizing solution of each agenda, including giving rights to shareholders one day in advance to questions issues related to the meeting.

There was a meeting in 2022 which was an Annual General Meeting of Shareholders No.1/2022 on 28 April 2022, held at the Meeting room at the Wisdom Building of A.J. Plast Public Company Limited, No. 101/5, Thakarm Road, Samaedam, Bangkhuntien district, Bangkok. The company's directors gave importance of the meeting and all directors included the Audit Committee and independent directors, as well as managing directors and executives of the Company attended the meeting.

2. Equitable Treatment of Shareholders

The company is giving the importance of equitable treatment to shareholders on the following:

- (1) The company send out invitation letter prior to the meeting including annual report/One report, proxy forms and map of the meeting at least 7 days in advance and at least 14 days in advance in case of urgent matter.
- (2) The company establish policies that Board Directors and management to inform the Board of Directors the trading of the company's shares at least a day in advance before trading.
- (3) Before every meeting, the company gives ballot papers to shareholders and proxies. Also, giving opportunities to query before vote casting of each agenda.
- (4) The shareholders' meeting follows the agenda informing in invitation letter of the meeting. Meeting agendas are not added on in case that the company does not inform shareholders and shareholders have opportunity to study the agenda information before making a decision.
- (5) List names of all independent directors in proxy forms that can lead and support shareholders to give authorization and an opportunity to give authorization to any independent directors.
- (6) To record minutes of the meeting in full and send the report of the meeting to The Stock Exchange of Thailand within 14 days after the meeting and to display the report in website together with pictures taken in the meeting.
- (7) To set direction of written procedures concerning the use of inside information by warning directors – managements – staffs and related persons not to use significant inside information to change the share price not yet release to public.

According to the Securities Exchange act B.E 2535 (1992) states that directors – executive or department manager or equivalent to finance and accounting level must report stock holding at beginning of taking office and to report to stock exchange commission with 3 days of stock transaction and the director and executives should regularly submit to the Board a report on ownership of the company's shares.

3. Role of Stakeholders

The company is giving importance of rights to all group of stakeholders regardless of internal stakeholders such as employees or the management or the external stakeholders such as customers, suppliers, creditors, competitors or related parties because the company's aware of strong support coming from stakeholders for competitiveness and profitability which eventually can be accounted as the long-term success.

The company provides channels of information for stakeholders and related parties – one of the channels is the company's website. This channel gives stakeholders chances to give opinions, leave comments, or inform complaints when discovered unfair treatment, unlawful behaviors or unethical behaviors by the company. The company's website (www.ajplast.co.th) displays financial report and internal control system by Audit Committee. The company have a system to protect the informers and will treat as confidential publishing on annual report/ one report.

Treatment of Stakeholders

(1) Customers

The company aware the importance of customers toward business success and wishes to efficiently respond the demand from customers by setting policies, customer service in code of conduct, strictly keeping commitments made with customers by providing good services, and punctual deliveries with fairly price. Information is updated and strictly conforming to conditions including set a system concerning with quality, volume and product safety of products and services including recommendations the use of products and services. Moreover, the company emphasize to confidentiality of customers and unlawfully used.

(2) Shareholders and Investors

The company are well aware the importance and interested in operation concerning the right of shareholders in regulations and measures following good corporate governance honestly, transparently, and fairly. Regarding code of conduct, the company realize enterprise risk management, business growth and good performance of the company. In addition, informing information, press releases and news via the company's website, media and publication continually to shareholders and investors that can reach correct, accurate, transparent information in time.

(3) Employees

The company is aware that employees are a main factor to reach objective; therefore, the company sets a policy on employee treatment in business ethical manual, it is the policy that the company should give fair treatment concerning with opportunity and reward including development of efficiency. In the previous years, the company has motivated employees to reach work target by offering quarterly incentive bonus which yielded a considerable success, and also set work environmental manual for safety reason in order to protect assets and life of employees.

(4) Business Partners

The company focuses on clear, honest and transparent business operation for creating future cooperation with both domestic and international business partners. To set goals and develop knowledge together for efficient and sustainable operation.

(5) Creditors and Financial Institutions

The company emphasize and focus on honest, transparency and fairness for accurate disclosure via the company's website, media and publication, including full and timely repayment. The company concerns policy and measures for creditors, especially guarantee terms and capital management including overdue and delay payments that following fair and responsible treatment for creditors of the company.

(6) Suppliers, Service Providers and Contractors

The company's policies and measures are determined to follow fairly and equally and concerning maximum benefit of the company base on obtaining fair returns for both parties and avoiding situations cause conflicts of interest. Refer to supplier code of conduct of the company, reaching more details at <https://www.ajplast.co.th/sustainability/suppliercodeofconduct.php>

(7) Community, Social and Environment

Business operation by concerning economic and social benefits and emphasizing to preserve customs and traditions. The company's location in Laem Chabang and Pinthong 5 Industrial Estate, Chonburi Province producing plastic film by extruding and casting processes. Film production processes do not cause pollution, harm the environment including smell, noise, smoke and wastewater. Wastewater is treated and examination within criteria of the Ministry of Industry.

(8) Competitors

The company treat competitors under international principles within the framework of the law relate to commercial competitive practices, anti-unfair competition, anti-corruption following code of conduct. Additionally, no infringing on the confidentiality or knowing the trade secrets of competitors illegally and the company has no disputes with competitors in the past year.

(9) Government Agencies and Local Authority

Good cooperation with government agencies and local authority following related laws. To support, collaborate and communicate with department staff that can build good relationship and mutual understanding.

(10) Mass Media and Independent Organization

The company cooperate with mass media and independent organization by disclosing to the public properly and timely. Opportunities for media to meet and talk with company representatives and/or management and promoting environmental cooperation with independent organizations including meeting attention with various independent organizations.

4. Disclosure and Transparency

Information disclosure is important to Good Corporate Governance which the company must give importance to information that is to give information to The Stock Exchange of Thailand and shareholders completely, recently, equitably and transparently. The company has an office for investor relations in order to give information and answer questions. Details of information disclosure and transparency are as follows:

(1) Remuneration of Directors and Management

See details of Directors and Management's remuneration, heading 7.5.2

The company discloses role and duties of the Board of Directors, Audit Committee, Management Committee, Search and Compensation Committees, Risk Management Committee, Corporate Governance and Sustainability Management Committees and managing director including number of attending meeting under heading 7.3 Sub-Committee and the number of each director attended the meeting, under heading 8.3.1 Number of meetings and attendance.

(2) Report of the Board of Directors

The Board of Directors has a responsibility toward the company's financial statements and financial information that appear on annual report/one report. The financial statements are prepared to certified generally according to accounting principles and choosing an appropriate accounting policy with consistent practice including adequate disclosure of financial important information in the notes. The financial information disclosed to shareholders has been reviewed quarterly and audited by the auditors annually.

The Board of Directors has recognized the important good corporate governance continually and concerned the important of shareholder's right in receiving the correct, adequate, complete and equal company information for making decision in the shareholder's meeting and the company has given all shareholders with equitable right in checking company's operations, questioning, giving opinion and suggestion.

In this respect, the Board of Directors has appointed an Audit Committee which composed of independent directors they are responsible for the quality of financial reports and the internal control system. The opinion of the Audit Committee in this respect appeared in the committee's report as shown in annual report/one report

The company has policies for the Board of Directors that must report securities holding and staking in every meeting including clearly stated in the agenda in every board meeting.

Information of Change in Management's Securities Holding (as of December 31, 2022)

Name/Position ¹	Ratio of share-holding ²	Buying/Selling shares	Amount
Mr. Narong Suthisamphat, President	29,880,000	-	29,880,000
Spouse	222,222	-	222,222
Mrs. Napaporn Suthipongchai, Vice President, Chairman of Corporate Governance and Sustainability Management Committees and Risk Management Director	-	-	-
คู่สมรส Spouse	-	-	-
Mr. Kittiphat Suthisamphat, Vice President, Chairman of Risk Management Committee and Managing Director	115,447,842	-	115,447,842
Spouse and underage children	5,611,111	-	5,611,111
Dr. Ninnat Olanvoravuth, Chairman of Audit Committee, Corporate Governance and Sustainability Management Director, Risk Management Director and Independent Director	-	-	-
Spouse	-	-	-
Mrs. Chavida Srisangnam, Audit Director, Search and Compensation Director and Independent Director	15,555	-	15,555
Spouse	-	-	-

Name/Position ¹	Ratio of share-holding ²	Buying/Selling shares	Amount
Mr. Surasak Gosayachinda, Chairman of Search and Compensation Committees, Audit Director and Independent Director	18,000	-	18,000
Spouse	-	-	-
Mr. Supote Tonurat, Search and Compensation Director and Independent Director	10,000	-	10,000
Spouse	-	-	-
Mr. Sakchai Patiparnpreechavud, Corporate Governance and Sustainability Management Directors	-	-	-
Spouse	-	-	-
Mr. Thosphol Chinandej, Deputy Managing Director and Company Secretary	-	68,200	68,200
Spouse	-	4,000	4,000
Mr. Peter Barnes, Research and Development Manager	-	-	-
Spouse	-	-	-
Mr. Fritz Friedrich Schanzer, General Manager Consultant	-	-	-
Spouse	-	-	-
Mr. Prasarn Aunvong, Assistant Managing Director and Factory Manager	-	50,000	50,000
Spouse	-	-	-
Ms. Pacharaporn Suebsantiwong, Planning Manager	-	-	-
Spouse	-	-	-
Mrs. Pratchaya Somyapukdee, Accounting and Financial Manager	-	-	-
Spouse	-	-	-
Mr. Pannasak Charoennet, Procurment Manager	-	-	-
Spouse	-	-	-
Mr. Sarawut Nusati, IT Manager	-	-	-
Spouse	-	-	-
Mr. Phongthep Khangsarikit, Human Resources and Administration Manager	500	11,900	12,400
Spouse	-	-	-

The board considered and satisfied with the control system which will create reasonable credibility in the financial statements as of December 31, 2022.

(3) Relation Investors

The Board of Directors is aware of importance of financial and non-financial disclosure related to business and operating performance with accuracy, sufficiency and credibility, which shows the company's performance and the true financial status of the company including the future performance. In doing this, the company must act in compliance to law and regulations related to the disclosure of information set by The Stock Exchange of Thailand by passing information to shareholders through channel information of The Stock Exchange of Thailand. In addition, appropriate communication with shareholders, investors and analyst.

The interested and related parties are able to request information from relation investors department by contacting Mr. Thosphol Chinandej, Tel +66 2415 0035, Ext. 144, Fax +66 2415 3795 or e-mail: investment@ajplast.co.th.

(4) Securities Analysts Meeting

A total 30 online and on-site meetings with securities analysts and institutional investors are arranged to inform the company's operating results and summarize the overall business of the company.

(5) Opportunity Day

In 2022, the opportunity day event is not participated by the company.

(6) Newsletter

The Company communicates its information in 2022 by publishing news online. Details are as follows:

- (1) Bruckner's high-speed BOPP line for Thailand's AJ Plast announced at K Show Follow the news links for more: <https://packagingsouthasia.com/type-of-packaging/flexible-packaging/bruckners-high-speed-bopp-line-for-thailands-aj-plast-announced-at-k/>
- (2) A.J. Plast and Brückner Maschinenbau contracted another highlight project for a high-speed BOPP line at K Show Follow the news links for more: https://www.brueckner-maschinenbau.com/en/News/A.J.Plast-and-Bruckner-Maschinenbau-contracted-another-highlight-project-for-a-high-speed-BOPP-line-at-K-Show_n_409535
- (3) The Company received Rising Star Sustainability Awards ๓๗๓ SET Awards 2022 Follow the news links for more: <https://www.thaipr.net/manufacturing/3259544>
- (4) A.J. Plast received an "Excellent" Corporate Governance Rating (5 stars) Follow the news links for more: <https://www.prnewsthailand.com/view/63042>
- (5) A.J. Plast wins the Sustainability Disclosure Awards 2022 Follow the news links for more: https://www.matichonweekly.com/publicize/article_638833
- (6) A.J. Plast elevates its BCG MODEL with GO GREEN innovation factory. Follow the news links for more: <https://www.ajplast.co.th/News-Clippings-Detail.php?id=342>

5. Responsibilities of the Board of Directors

(1) Structure of The Board

(1.1) Component of the Board

The board must consist of all independent directors are not less than one-third of the entire Board of Directors. The operation and administration of the executive directors are under the impartial supervision of non-executive directors and independent directors that can balance adequately. Moreover, the Board Committee must be diverse professional skills, specialized expertise, genders and ages including considering knowledge, experiences, necessary skills to drive the organization towards the goal.

The board consists of 9 directors which is appropriate to the size of the organization and can be divided as follows:

- | | |
|-----------------------------------|--|
| 1. Mr. Narong Suthisamphat | President |
| 2. Mr. Kittiphath Suthisamphat | Vice President, Chairman of Risk Management Committee and Managing Director |
| 3. Mrs. Napaporn Suthipongchai | Vice President, Chairman of Corporate Governance and Sustainability Management Committee and Risk Management Director |
| 4. Dr. Ninnat Olanvoravuth | Chairman of Audit Committee, Corporate Governance and Sustainability Management Directors, Risk Management Directors and Independent Directors |
| 5. Mrs. Chavida Srisangnam | Audit Directors, Search and Compensation Director and Independent Director |
| 6. Mr. Surasak Gosayachinda | Chairman of Search and Compensation Committees, Audit Directors and Independent Director |
| 7. Mr. Supote Tonurat | Search and Compensation Director and Independent Director |
| 8. Mr. Sakchai Patiparnpreechavud | Corporate Governance and Sustainability Management Directors |
| 9. Mr. Kasemsit Pathomsak | Independent Director |

The board consists of 2 female directors, representing 22.2% of the total directors as follows:

- | | |
|--------------------------------|---|
| 1. Mrs. Napaporn Suthipongchai | Vice President and Chairman of Corporate Governance and Sustainability Management Committee |
| 2. Mrs. Chavida Srisangnam | Audit Director and Independent Director |

The board consists of 5 independent directors which are 3 audit directors, representing 55.6% of the total directors as follows:

- | | |
|-----------------------------|--|
| 1. Dr. Ninnat Olanvoravuth | Chairman of Audit Committee, Corporate Governance and Sustainability Management Directors, Risk Management Directors and Independent Directors |
| 2. Mrs. Chavida Srisangnam | Audit Directors, Search and Compensation Director and Independent Director |
| 3. Mr. Surasak Gosayachinda | Chairman of Search and Compensation Committee, Audit Directors and Independent Director |
| 4. Mr. Supote Tonurat | Search and Compensation Director and Independent Director |
| 5. Mr. Kasemsit Pathomsak | Independent Director |

The board consists of 1 executive director, representing 11.1% of the total directors as follows:

- | | |
|--------------------------------|---|
| 1. Mr. Kittiphath Suthisamphat | Vice President, Chairman of Risk Management Committee and Managing Director |
|--------------------------------|---|

The board consists of 8 non-executive directors, representing 88.9% of the total directors as follows:

- | | |
|-----------------------------------|--|
| 1. Mr. Narong Suthisamphat | President |
| 2. Mrs. Napaporn Suthipongchai | Vice President, Chairman of Corporate Governance and Sustainability Management Committee and Risk Management Director |
| 3. Dr. Ninnat Olanvoravuth | Chairman of Audit Committee, Corporate Governance and Sustainability Management Directors, Risk Management Directors and Independent Directors |
| 4. Mrs. Chavida Srisangnam | Audit Directors, Search and Compensation Director and Independent Director |
| 5. Mr. Surasak Gosayachinda | Chairman of Search and Compensation Committees, Audit Directors and Independent Director |
| 6. Mr. Supote Tonurat | Search and Compensation Director and Independent Director |
| 7. Mr. Sakchai Patiparnpreechavud | Corporate Governance and Sustainability Management Directors |
| 8. Mr. Kasemsit Pathomsak | Independent Director |

Therefore, the operation and administration of the executive directors are under the impartial supervision of non-executive directors, and independent directors that can balance adequately.

(1.2) Tenure of Directors

Search committee review the criteria and procedures for searching directors and present to the Board of Directors prior to director nomination after the end of their term. Details under 8.1 recruitment of directors and management.

(1.3) To Define Qualification of Independent Directors

The company define qualification of independent directors and considering selection criteria including diversity in skills, experiences, talent, characteristics, genders and ages including clear defining the position of independent directors that should be not more than 9 years without exception as details under 8.1 recruitment of directors and management.

(1.4) Combining or Splitting a Position

The chairman is a representative of major shareholders – holding 46.68% of total shares

The chairman is not the same person as the managing director, both are the representative from the same group of major shareholders, but the role and power of authorities are clearly separated in order to create a balance of power in managing the organization. However, the structure of the Board consists of more than one-third of total directors which creates a balance of power that can effectively review the performance of the management. Additionally, the Board of Directors determine that managing directors and managements are required to able to hold directorship or other positions in listed companies, not more than 3, and other companies that are not listed companies, not more than 5.

(1.5) Company Secretary

Secretary of the company must have necessary and appropriate qualifications, knowledge and experience to support the board's operations, to take responsibilities for overseeing and advising the Board of Directors and management relate to regulations that the Board of Directors must be informed and practice, and to oversee the activities of the Board of Directors. In addition, cooperating the implementation of the Board's resolutions to comply with good corporate governance, and arranging the Board of Directors and shareholders' meetings, including helping the Board of Directors ensure compliance with resolutions and maintaining the information sheet. Moreover, Company Secretary must be trained and developed useful knowledge to perform duties continuously such as the Company Secretary Program (CSP) from the Thai Institute of Directors Association (IOD).

(2) Duties and Responsibilities of the Board of Directors

(2.1) Corporate Governance Policy

The Board believes that system and process relate to corporate governance are important factors to achieve success and optimal benefit to the organization and shareholders. The company is well aware of effective corporate governance in enhancing transparency and competitiveness because of business importance, necessary and growth. By doing this, the Board has defined a corporate governance policy and measures of the company by efficient operating for a long-term shareholders' benefits under 5 sections relate to the law and code of conduct, those are, rights of shareholders, equitable treatment, role of stakeholders, disclosure of information and responsibilities of the Board.

(2.2) Leadership and Vision

The company clearly sets the vision in order to be a leader in plastic film producer with international standards. Focusing on new environmentally friendly products developments and innovation for sustainability development, including increasing competitiveness internationally, and to be accepted to be the company which develop and invest in plastic film continuously, to be fair trade partner, to be professional, to have good products and services, to be aware of social responsibility and to be concentrate on work safety along with concerning and protecting environment. Serving customers with good quality products, reasonable price and concerning optimal benefits for shareholders. The Board of Directors ensure the preparation of vision, goals, policies, operational direction, long-term strategic plan, other plans and annual budget of the company and executive committee take responsibilities to present and is given opinion, suggestion and approved by the Board of Directors. Additionally, defining scope, duties, responsibilities of the Board of Directors, Executive Committee, Audit Committee and managing director, especially determining authority of responsibilities. Financial operation shown in annual report/one report in heading 7 corporate governance structure and key information related to Directors, Sub-Committees, Executives, Employees and others.

(2.3) Conflict of Interest

The company set an important policy to not allow directors, management and employees take any advantages for their own interests following code of conduct and anti-corruption policy and measures, including the acts of directors of management and employees, and trying to avoid connected transactions which may lead to a conflict of interest with the company and in case that is in avoidable and for the sake of company interest which the board must comply to conditions set by the Stock Exchange of Thailand and must strictly follow the criterion and disclose information related to the listed company.

Moreover, the Board will forbid the use of information received for their own interests or doing a business competing with the company or related transactions including not to use internal information for stock transactions or giving information to the outsiders for stock transactions which the company can make pensions as follows:

(2.3.1) Transactions may be led to conflict of interest, the Board considers the connected transactions appropriately which may lead to conflict of interest including the compliance of criterion set by the Stock Exchange as if conducting transactions with the outsiders.

(2.3.2) According to the Stock Exchange Act 1992 – directors and the management must report the holding of company stocks once in the office and giving report for stock transactions within 3 days to the Stock Exchange Commission and must also report to the Board of Directors of the company.

(2.4) Code of Conduct

In order to give maximum benefits to shareholders for which the Board has a policy to emphasize equally together with target achievement; therefore, the Board of Directors set the target and procedure in order to reach the target as mentioned in the vision and principal chapters and corporate governance policy including to establish code of conduct which are informed measures, regulations and expectation clearly to management and employees including other stakeholders – shareholders, customers, suppliers, creditors, competitors and social. Additionally, it is a duty of the director management and all employees to acknowledge and observe policy and regulation as stipulated in code of conduct and management take responsibilities and focus on operation of subordinates to be informed, be understood and follow code of conduct strictly.

(2.5) Control System and Internal Audit

The company has policy in order to ensure efficiency and adequacy with acceptable risk level and suitable to surrounding conditions of the organization. The internal auditor regularly monitored activities in order to adjust control measures more suitable to the surrounding and changeable risks. The Board of Directors has evaluated the company's control system and concluded that the present control system is adequate and appropriated and can prevent the improper usage of assets from management and unauthorized persons. In the past, there was no flaw of this system and the company is confidence that the internal auditor will efficiently control the operations as directed by the company.

The Board gives the importance of risk management including prevention and management of risks related to company's operation according to heading risk management under the related law and regulations of corporate governance.

(3) The Board of Director's Meeting

There were 6 meetings in 2022 of the Board of Directors in 2022 at each meeting, with more than or equal to 6 board meetings scheduled per year. Invitation letters, together with agenda, were sent out at least 7 days in advance allowing them enough time to study and adequacy of meeting time. Before the meeting, the schedule will be allocated appropriately including pre-arranging all meetings schedule throughout the year.

In the Board of Directors' meeting, directors can discuss and give opinions openly and a Chairman of the Board concludes and summarizes the meeting agendas. In case that related directors must leave during the meeting, directors of the company must be in the meeting not less than two-third of the total of directions. On average, the Board of Committee must attend at least 80% of all meetings of the Board. In 2021, each director of the company attends at least 75% of the Board's meeting.

The Board of Directors' meeting in 2022 were arranged 6 meetings as follows:

1. February 25, 2022
2. May 11, 2022
3. August 11, 2022
4. October 18, 2022
5. November 11, 2022
6. December 21, 2022

The Board of Non-Executive Directors' meeting in 2022 were arranged 4 meetings as follows:

1. February 25, 2022
2. May 11, 2022
3. August 11, 2022
4. November 11, 2022

(4) Remuneration of Directors and Management

(4.1) Remuneration of Directors

The company has clearly and transparently set the remuneration of the director, which corresponds to that of the industry and competitive enough to maintain the directors with the required qualification. The company has proposed all forms of remuneration, including monetary and other remuneration, including benefits, etc., and has sought approval from the shareholders' meeting. Remuneration was approved by shareholders including there was an increase in Audit Committee's remuneration according to the increase in their amount of work. In addition, duties, responsibilities, the performance appraisal of the Board of Directors related to financial, social, environmental and corporate governance are factors to determine the directors' remuneration. The remuneration should be adequate to supervise and maintain directors who have the required qualifications considering knowledge, specialization, experience, skills required to drive the organization to achieve the goal and shareholders are requested to approve, the details in heading 7.5.2.

(4.2) Remuneration of Management

Management's remuneration follows the company's policies by considering duties, responsibilities and the performance assessment of individual executives related to the company's performance, the details in heading 7.5.2.

(5) Development of Directors and Management

The Board of Directors has policy to development directors to always encourage self-improvement by attending seminars, webinars, meetings with Thai-IOD, The Stock Exchange of Thailand, The Securities and Exchange Commission, Thailand and other related associations. In 2022, the company has encouraged the committee to participate in anti-corruption training.

- (1) Anti-Corruption Training Topics consists of:
- Anti-Corruption Guidelines
 - Punishment
 - Complaint and whistleblowing channels
- (2) Business ethics training topics consists of :
- Corporate Vision and Mission
 - Corporate Culture
 - Corporate Core Values
 - Maintaining business ethics as an employee
 - Related topics include human rights and non-discrimination, occupational health and safety, goods and services. Environment, confidentiality, data security and information systems Promoting a safe and well-being environment Anti-Corruption Conflicts of interest, anti-unfair competition Respect for intellectual property rights, use of inside information for exploitation
 - Penalties
 - Whistleblowing Channel Complaints and Consultations
- (3) Human rights training consists of topics:
- Human rights case studies related to business
 - Human Rights with A.J. Plast
 - Whistleblowing Channel Complaints and Consultations
- Including personal data protection training topics consists of:
- Privacy Policy
 - Disclosure
 - Aggregation and Use of Data
 - Security
 - Data collection period
 - Rights of personal data subjects
 - Company Contact Channel

6.2 Code of Conduct

The company determine policies and measures in code of conduct to set the code standard and regulations for management and employees to practice by defining business operation principles and the company's value. The compliances of code of conduct following the law, regulations including corporate governance and expectation. For maximum benefits to standardize, the Board of Directors, management, employees and other stakeholders operate following morality, integrity, equality to build foundation to be an organization with sustainable growth.

The company defines practice guidelines and operations to lead to create the organization's value under code of conduct as follows:

- (1) To operate business in accordance with the principles of fairness, honesty, transparency and fairness under the law, regulations and other requirements to ensure that all related parties are confident in the operation. However, actions and decisions are in the best interests of all stakeholders concerning society and environment.
- (2) To be clear set scope, powers, duties and responsibilities of the managing director, executive committee and subcommittees including employees to be efficient, transparent, fair and checked operations.
- (3) To be on duties with knowledge, specialty in the management with determination and prudence to create sustainable progress and growth including suitable returns for shareholders.
- (4) The company provides an adequate and appropriate internal control system and preventive measures have been put in place, checking mechanism and control and balance the exercise of power appropriately and clearly to prevent corruption.
- (5) No seeking for personal benefits and related persons' benefit from internal information usage or customers' confidential information revealing to outsiders, including actions that cause conflicts of interest. To provide adequate and appropriate internal control system, to put preventative measures, to control and balance the exercise of power appropriately and clearly, and inspection mechanism for anti-corruption.
- (6) Appropriate and cautious operations of conflicts of interest by taking the company's interests as the premise, considering duties, responsibilities to shareholders, stakeholders, community and social for supreme fairness.
- (7) To support and respect in human rights base on humanity, discrimination, privileges against any individual groups, e.g., gender, racial and physical equality.
- (8) To adhere to the safety and hygiene of workplace and to promote both physical and mental health including safety of life and property for employees.
- (9) To determine duties, responsibilities, rules and regulations clearly and efficiently regarding the performance of the company's directors, executives and all employees. To Consider corporate governance policy, anti-corruption policy, code of conduct of the company, to prevent as mentioned above from committing offense or causing damages to oneself, colleagues, outsiders and the company.
- (10) To define policy and procedures for whistleblowing to notify when fraud, corruption, suspicion of corruption, violation of the law or unusual actions that may affect the reputation and financial position of the company significantly by reporting supervisors immediately for correcting occurring deficiencies or impacts including preventive measures.
- (11) Monitoring and auditing the Board of Directors, management and employees to practice following code of conduct, including to support genuine compliances to build stakeholders trust and to incorporate code of conduct as part of the corporate culture.
- (12) Following-up processes to ensure compliance with code of conduct through whistleblowing channels for receiving clues and complaints including follow-up clues and complaints processes.
- (13) To communicate code of conduct to directors, management and all of employees annually. code of conduct training is arranged annually with explaining of the appropriated penalties in case of the violation regarding code, rules, regulations and related requirements. Post-test of training is taken and the dissemination of code of conduct to both internal and external personnel, for example, investors, business partners and customers are thoroughly informed and can use as a guideline to follow the direction of the company's business operations.

6.2.1 Human Rights and Discrimination

The company has human rights policy, employment policy, gender equality policy to present the importance of respect for human rights, treatment of labor, employees and all groups of stakeholders, both inside and outside the organization, and providing equality and non-discrimination to all groups of stakeholders, for example, employees, business partners, customers, communities, etc. including different acceptant in gender, age, race, nationality, physical, religion, language, age, skin color, education and social status without discrimination, mutual respect, and no special privileges are granted to any particular groups.

6.2.2 Responsibility to Stakeholders

(6.2.2.1) Occupational Health and Safety

The company attaches importance to the health and safety of its employees, business partners, communities and stakeholders by organizing a safe operation plan, workplace rules and how to use machinery, equipment and raw materials correctly. To reduce the risk in the operation as much as possible, employees and related persons focus on safety and good health as well as instilling awareness in such matters among employees and related parties to proceed according to the guidelines in various matters.

(6.2.2.2) Products Responsibility

The company operates in all aspects to ensure suppliers, customers and related parties in the safety and quality of products and services. Standard certified that meet or exceed the standards required by the law. Regarding international standards, raw materials, imported raw materials, production processes, development, completed products checking are all in the standard which are ISO 9001:2015, Good Hygiene Practices (GHPs), and Hazard Analysis and Critical Control Point (HACCP) standards. In addition, employee services and after-sales services are evaluated.

(6.2.2.3) Environment

The company protects the environment by considering the clean production and low pollution processes including the development of environmentally friendly products. The company has invested in production processes, modern machinery and continuous application of technology in production processes for reducing carbon dioxide emissions, electricity usage and negative effects on the environment. Employees and related persons in business operations are cultivated environmental awareness.

6.2.3 Confidentiality of Information

The company has a policy to keep confidential information of the company and customers, which will be operated rigorously and strictly. It is the duty and responsibility of the directors, executives and all employees who are responsible especially internal information that cannot or should not be disclosed to the public. Directors, executives, employees and all related persons must not use internal information for Insider trading, dealing, or personal gains in trading that affect the business or the price of securities to ensure equality and fairness to all groups of stakeholders. In addition, confidential information must not be disclosed to business competitors. If any director, executives or employees are found to have violated discipline, the company has maximum penalty for termination of employment.

6.2.4 IT Security

The company places importance on efficient information usage technology systems. Policies and regulations for information usage technology are clear and secure to prevent abuse or unauthorized usage including the destruction of resources and computer networks.

6.2.5 Promotion of Safe and Well-Being Environment

The company promotes and develops safe and hygienic workplace and environment including training and educating knowledge on proper and appropriate operational guidelines. For safety and well-being of employees, suppliers and related parties in order to avoid the risk of accidents as much as possible, the company define policies, measures, projects and activities to support safe environment and well-being of employees and related parties.

6.2.6 Anti-Corruption

The company is committed to conduct business with honesty, transparency and fairness, including to support and cultivate culture of anti-corruption within the organization to all level of employees. Anti-corruption policy and measures are determined related to corporate governance policy of the company.

The company has taken actions against corruption and all form of corruption including anti-corruption measures as follows:

- (1) Giving and receiving gifts, entertainment and others
- (2) Sponsorships and donations
- (3) Political contributions
- (4) Conflicts of Interest
- (5) Facilitation payment
- (6) Employment of government employees

Anti-corruption practices as follows:

- (1) To determine anti-corruption policy and measures to the Board of Directors and employees
- (2) To promote and support all level of employees to emphasize and aware of anti-corruption and internal controlling to prevent anti-corruption, giving or receiving bribes in all forms, and complying with the law of every country in which the company operates.
- (3) Anti-corruption practices covering the personnel management processes from recruiting personnel, promotion, training, performance appraisal and employee compensation. Requiring all supervisors who must communicate and understand guidance, with employees, to be used in business activities. Moreover, Supervising the practice to be effective in accordance with the guideline and to preventing recurrence of cases by the preventive guideline.
- (4) Employees should not be neglected or ignored when seeing or having doubts about actions that are considered frauds and corruptions by notifying supervisors or in-charged team or via designated reporting channels. Also, cooperating in investigations.
- (5) Risk management team coordinate investigations for fraudulent activities and corruption immediately after being informed including no ignorant of acts to consider corruption related to the company and parties. All acts in such matters must are reported and cooperated in the investigation.

- (6) No policy of the company to demote, punish or give negative results to employees who refuse to corruption even though that action makes the company lost business opportunities.
- (7) Anti-corruption policy, practice and measures of the company are determined including whistleblowing channels for complaints and suggestions, for example, new employees' orientation, all-level employees training, newsletters, public relations boards, etc. The company build knowledge and understanding to all employees including suppliers, business partners, customers to cooperate in continuous compliance.
- (8) The company has in place internal control system to review information of finance, accounting departments including important activities, for example, sales, marketing, procurement, contraction of sales department and dealing with external agencies. To ensure that the internal control system achieve the goals, including checking the operation following operating procedures, requirements, and regulations related to anti-corruption. The result of internal control is communicated to the responsible personnel and suggested in the efficient operating system improvement.
- (9) Person, who commits corruption, considering an offense under regulations relating to the work of personnel management. for employees, which have to be considered for the disciplinary action that is imposed including may be punished by law If the act is illegal.

6.2.7 Conflict of Interest

The company focuses on being ethical organization in line with the corporate culture. Therefore, the performance of employees' duties must be upfolded for the best interests of the company. To aware of conflicts of interest, or conflicts between personal interests and common interests of the company, the company must adhere to ethical and legal principles cause to reduce conflicts of interest that affect the company, both directly and indirectly. Thus, all employees have to avoid any acts related to conflicts of interest.

Any action shall be in accordance with cause and effect based on actions for the benefit of the Company. Not contrary to the Company's rules, regulations, guidelines and ethics. as follows

- (1) Not operate or be a consultant, independent director, partner of the Company that directly or indirectly competes with the Company, and does not conduct business in the same manner as the Company.
- (2) Not performing or being a consultant, independent director, partner of the company that provides the purchase and sale of raw materials or involvement in other services of the Company or use of authority from the position of duty to seek benefits.
- (3) Employees of the Company do not involve or participate in any activities that cause conflicts of interest of the Company.
- (4) Do not take information or what employees know from their positions for exploitation.
- (5) All employees help each other to monitor or if there is an act or circumstance that is considered a conflict of interest with the Company, employees are required to report such conflicts of interest through their supervisors, risk management agencies or through whistleblowing and complaint channels.

6.2.8 Antitrust/Anticompetitive Practices

The company emphasize fair competition that is one of factors affecting the company's development continuously regarding to ethical principles for operating competitors, suppliers, customers and other stakeholders.

However, all employees must follow code of conduct under the same standard and find more code of conduct in the company's website, <https://www.ajplast.co.th/sustainability/codeofconduct.php>, including supplier code of conduct that is presented to suppliers to be clear and correct understood and can reach more details in the company's website, <https://www.ajplast.co.th/sustainability/suppliercodeofconduct.php>

6.2.9 Respect of Intellectual Property Rights

The company attaches importance to intellectual property rights, which is important factors to support business operation efficiently, and to respect to all intellectual property rights of the company and stakeholders considering, both inside and outside the organization.

The company has no intellectual property violations, for example, trademarks, patents, trade secrets and other copyrighted works, etc. By using, distributing or modifying any intellectual properties, only permission from the property owner is required. Employees take responsibilities to protect the company's intellectual property including no supporting and promoting partners that infringes on intellectual property rights, both directly and indirectly.

6.2.10 Use of Inside Information for Insider Trading/Dealing

The Company supervised an appropriate use of internal information by considerate the exploitation of business for the Company only. Do not seek the interests of any particular person or group of persons and conduct corporate culture and provide knowledge through training to employees, executives and directors of the Company.

6.3 Major Changes and Developments

The company is aware of social changes and the needs of all stakeholders including sustainable business operations. The Board of Directors emphasize to review visions, strategies, policies, practices, measures, operating processes and good corporate governance in 2022 as follows:

- (1) To update corporate governance policy Business Ethics, Whistleblowing, and complaint measures
- (2) To set the Corporate Governance and Corporate Sustainability Development Compliance Committee.
- (3) To improve the performance assessment form of the Board of Directors and sub-committees to cover both individual and groups, including the performance assessment form of the Managing Director.
- (4) To invite business partners to join the Anti-Corruption Network (CAC) and participate in CAC Change Agent Day 2022

In addition, in 2022, some guidelines in corporate governance policy are not yet able to be implemented as follows:

- (1) The Chairman of the Board is not an independent director.

The company define the role and responsibilities of the Chairman of the Board clearly focusing on the interest of the company, shareholders and all stakeholders. Powers are given to independent directors to hold meetings without any other directors or executives attending to consider matters as independent directors see fit to propose to the Board of Directors.

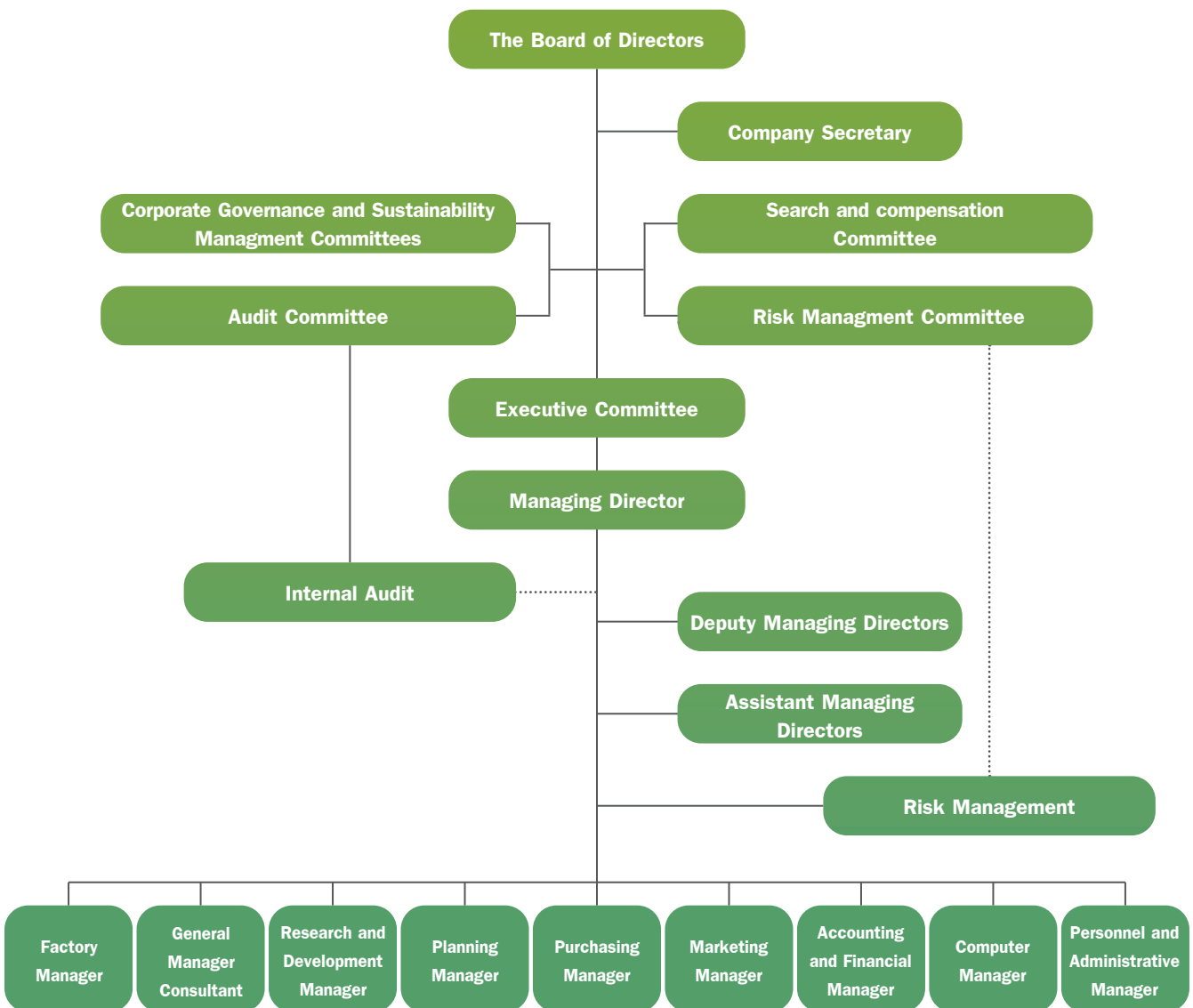
- (2) Independent directors hold office for more than 9 years.

The Board considers the necessity of proposing to be reinstated as a director by allowing the Board to consider the independent qualifications of such directors if the Board comment that is appropriate.

7. Corporate Governance Structure and Key Information Related to Directors, Sub-Committees, Executives, Employees and Others.

7.1 Corporate Governance Structure.

The Company's Management Structure.



7.2 Board of Directors

7.2.1 Component of the Board of Directors

According to the company's policies, the Board of Directors must not less than 5 members and half of the directors must be residents of Thailand. Board members must be the Board of Directors in the listed company not more than 3 companies.

In voting for directors' selection, the shareholders meeting will choose the director by representing one share for one vote. Each of the shareholders needs to vote for all the shares in possession to select one or more person to be directors, but the vote shall not be distributed. The persons, who receive the highest scores, will be appointed as directors as many as the available positions allow.

In the case of equal score, the Chairman of the Board will make the final decision.

In every annual shareholder meeting, one-third or nearest to one-third of the directors will be retired. For the official appointment of directors with legally bound signatures, the chairman or the vice chairman needs to sign and affix the company's seal or two of the directors jointly sign and affix the company's seal on. The Board of Directors has the authority to change legally bound directors.

The Board of Directors consists of 9 members (as of December 31, 2022)

- | | |
|-----------------------------------|---|
| 1. Mr. Narong Suthisamphat | President |
| 2. Mrs. Napaporn Suthipongchai | Vice President, Chairman of Corporate Governance and Sustainability Management Committees and Risk Management Director |
| 3. Mr. Kittiphat Suthisamphat | Vice President, Chairman of Risk Management Committee and Managing Director |
| 4. Mr. Ninnat Olanvoravuth | Chairman of Audit Committee, Corporate Governance and Sustainability Management Director, Risk Management Director and Independent Director |
| 5. Mrs. Chavida Srisangnam | Audit Director, Search and Compensation Director and Independent Director |
| 6. Mr. Surasak Gosiyachinda | Chairman of Search and Compensation Committees, Audit Director and Independent Director |
| 7. Mr. Supote Tonurat | Search and Compensation Director and Independent Director |
| 8. Mr. Sakchai Patiparnpreechavud | Corporate Governance and Sustainability Management Director |
| 9. Mr. Kasemsit Pathomsak | Independent Director |

Authorized Persons with Legally Bound Signatures

- | | |
|--------------------------------|--------------------------------------|
| 1. Mr. Narong Suthisamphat | President |
| 2. Mrs. Napaporn Suthipongchai | Vice President |
| 3. Mr. Kittiphat Suthisamphat | Vice President and Managing Director |

Sign and affix the company's seal on or two other directors jointly signed and affix the company's seal on.

Non-Executive Directors consists of 8 members (as of December 31, 2022)

1. Mr. Narong Suthisamphat	President
2. Mrs. Napaporn Suthipongchai	Vice President, Chairman of Corporate Governance and Sustainability Management Committees and Risk Management Director
3. Mr. Ninnat Olanvoravuth	Chairman of Audit Committee, Corporate Governance and Sustainability Management Director, Risk Management Director and Independent Director
4. Mrs. Chavida Srisangnam	Audit Director, Search and Compensation Director and Independent Director
5. Mr. Surasak Gosiyachinda	Chairman of Search and Compensation Committees, Audit Director and Independent Director
6. Mr. Supote Tonurat	Search and Compensation Director and Independent Director
7. Mr. Sakchai Patiparnpreechavud	Corporate Governance and Sustainability Management Director
8. Mr. Kasemsit Pathomsak	Independent Director

Scope of Authorities of the President

The President has a duty and responsibility to direct the company according to the law, objective and the internal rules of the company, the duty and responsibility of the president are as follows:

- (1) Calling a meeting of the Board of Directors, as a chairman of the Board of Directors' meeting and shareholders' meeting, including to set the meeting agenda.
- (2) Controlling the meeting to be effective in accordance with the rules and articles of association, supporting and providing opportunities for directors to freely express opinions.
- (3) Supporting and encouraging the Board of Directors to perform duties to the best of their ability by responsibility and in accordance with the principles of good corporate governance of the company.
- (4) Monitoring the management of the Board of Directors and other sub-committees to achieve the objectives.
- (5) Casting the decisive vote in case the Board of Directors' meeting gets the equal votes of both parties.

Scope of Authorities of the Board of Directors

The Board of directors has a duty and responsibility to direct the company according to the law, objective and the internal rules of the company, including passing resolutions at the shareholders' meeting by the law with honesty and taking care of the interest of the company. Except for matters requiring approval from the shareholders' meeting, such as matters required by the law to be approved by the shareholders' meeting on related transactions and buying or selling important assets according to the regulations of the Stock Exchange of Thailand, etc. In short, the duty and responsibility of the board are as follows:

- (1) Performing duties based on skills, knowledge and experience in order to make the company achieve its goal and best interests in compliance to the laws, company's policies as well as shareholders' decisions with prudence and responsibility to the shareholders.
- (2) Reviewing and considering the policies and business direction proposed by the management committee including any decisions that are beyond the management committee and the managing director's authorities.

- (3) Monitoring the Management Committee to effectively manage according to the company's policies. Have the Management Committee presents only issues that have a significant impact on the business including acquisition or sale assets of the registered companies and related company's transactions in compliance with the regulations of the Securities Exchange Commission and Securities Exchange of Thailand and have them approved by the director who has no conflict of interest.
- (4) Reviewing any operation according to the ethics of doing business, management, and staff and used such ethics as guidelines in the organization.
- (5) Electing some of the directors to be members of the management committee. Authorize and determine the scope of the authorization and command to the management committee and the managing director in a way that the company's objective can be achieved. Such authorization must not be given to the party that may have any conflict of interest with the company or the company's subsidiaries.
- (6) Appointing and removing authorized directors with legally bound signatures.

7.2.2 Director Knowledge Development

The Company has a policy to continuously promote and develop knowledge for the Directors by preparing the annual training plan of the directors and the number of directors who must attend the training and it is must be more than 75% of the total number of directors.

In 2022, There are courses and attendance of directors' training as follows

1) Business Ethics Training

The number of directors participating was 8, or 89% of the total directors.

2) Human Rights Training

The number of directors participating was 7, or 78% of the total directors.

3) Anti-Corruption Training

The number of directors participating was 7, or 78% of the total directors.

4) Personal Data Protection Training

The number of directors participating was 7, or 78% of the total directors.

7.3 Sub-Committees

Management Committee

Component and Appointment of the Management Committee

The Board of Directors appoints the management committee by choosing from the Board of Directors.

The Management Committee consists of 3 members (as of December 31, 2022)

- | | |
|--------------------------------|--------------------------------------|
| 1. Mr. Narong Suthisamphat | President |
| 2. Mrs. Napaporn Suthipongchai | Vice President |
| 3. Mr. Kittiphat Suthisamphat | Vice President and Managing Director |

Scope of Authorities of the Management Committee

The management committee has a duty and responsibility to manage normal operations, the duty and responsibility of the management committee as follows:

- (1) Approving important policies by aligning the company's objectives, mission and guidelines as well as the supervision of manufacturing and distribution.

- (2) Approving the acquisition of fixed assets under 50 million baht in compliance with the Stock Market of Thailand's regulation regarding acquisition or sale of the registered companies' assets or the related transaction or any other related regulatory agencies.
- (3) Approving investment in a new project or business expansion and submitting to the Board of Directors for further approval.
- (4) Performing regular business operations that are beyond the authority of the managing director.

Audit Committee

Component and Appointment of the Audit Committee

The Board of Directors appoints the Audit Committee by choosing at least three qualified persons according to the Security Exchange of Thailand's notification. Each Audit Committee member has a two-year tenure term.

The Audit Committee consists of 3 members (as of December 31, 2022)

- | | |
|-----------------------------|-----------------------------|
| 1. Mr. Ninnat Olanvoravuth | Chairman of Audit Committee |
| 2. Mrs. Chavida Srisangnam | Audit Director |
| 3. Mr. Surasak Gosiyachinda | Audit Director |

Mrs. Chavida Srisangnam, an Audit Committee No.2, has knowledge and experience in reviewing the audited financial statements of the company. In 2022, she has deliberately audited and reviewed quarter and annual financial reports and agreed with the auditor that the reports are, as per requirement by accurate accounting and reporting standards.

Scope of Authorities of the Audit Committee

- (1) To review the company's financial statements for accuracy and adequacy purposes.
- (2) The committee will ensure that the company must have an appropriate and efficient internal control system and consider the independence of the internal audit unit, including review in the appointment, reassignment or dismissal of the internal audit.
- (3) To ensure that the company has duly complied with the laws on securities and exchange, the Stock Exchange of Thailand's (SET) requirements and other laws relating to the company's business.
- (4) To consider and propose to appoint the independent financial auditor and consider dismissing and fixing his auditing fee, and to hold a meeting at least once a year with the auditor without the presence of the management.
- (5) To review the disclosure of the company's information in case there is any connected transaction or any transaction with a possible conflict of interest to ensure that the transaction is accurate, complete and transparent.
- (6) Preparing a report of the Audit Committee and disclose, which must be signed by the chairman of the Audit Committee and contain at least the following information:
 - (A) The opinion related to the acceptability and appropriateness of the financial accounting report.
 - (B) The opinion related to the adequacy of the internal audit control.
 - (C) The opinion related to the compliance of regulations set by the Stock Exchange or other laws related to company business.
 - (D) The opinion is concerned with the appropriateness of the auditor.

- (E) The opinion concerned with the business relations which may lead to a conflict of interest.
 - (F) Number of meeting and the presence of each Audit Committee.
 - (G) The opinion concerned with the feedback from the performance of their duties.
 - (H) Other opinion that the investors should be informed under the scope of responsibilities authorized by the Board of Directors.
- (7) To act according to designation by the Board of Directors upon the Audit Committee's approval.

Search and Compensation Committee

Component and Appointment of Search and Compensation Committees

The Board of Directors appoints Search and Compensation Committees by selecting from a number of company's directors, who for selection of suitable director and to consider compensation and meeting fee and other which is in line with other industries of the same size. Most of selected committees are independent directors (more than 50%) and the Chairman of Search and Compensation Committees is an independent director, with two-year tenure.

Search and Compensation Committee consists of 3 members (as of December 31, 2022)

- | | |
|-----------------------------|---|
| 1. Mr. Surasak Gosiyachinda | Chairman of Search and Compensation Committee |
| 2. Mrs. Chavida Srisangnam | Search and Compensation Director |
| 3. Mr. Supote Tonurat | Search and Compensation Director |

Scope of Search and Compensation Committee

- (1) To consider the structure of organization, factors and qualifications of the director and managing director.
- (2) To consider and select persons, who have knowledge and abilities that are suitable and consider according to the company's business strategy and the board skill matrix such as engineering expertise, petrochemical and material industries, economics, business administration, law, food industry, packaging, including retail business, etc., without restrictions on gender, race, nationality, religion, skin color and culture, in order to determine the qualifications of the nominated directors and nominated as a director or managing director with the vacant position including to propose to the Board of Directors or to the shareholders' meeting for consideration and appointment.
- (3) To consider and propose the remuneration structure for the directors, or the managing director such as remuneration by monthly and yearly, meeting's fees, gratuity, bonuses and other benefits either in cash or non-cash payment.
- (4) To find suitable candidates for future replacement of the current managing director and the president.
- (5) To perform other tasks as delegated by the board, regarding to search and compensation

Risk Management Committee

Component and Appointment of Risk Management Committee

The Board of Directors appoints a Risk Management Committee by selecting from a number of company's directors for the purpose of overseeing various risks, with two-year tenure.

Risk Management Committee consists of 3 members (as of December 31, 2022):

- | | |
|--------------------------------|---------------------------------------|
| 1. Mr. Kittiphath Suthisamphat | Chairman of Risk Management Committee |
| 2. Mrs. Napaporn Suthipongchai | A committee member |
| 3. Mr. Ninnat Olanvoravuth | A committee member |

Scope of Authority of Risk Management Committee

- (1) To review and propose policies and the framework of risk management to the Board of directors for approval.
- (2) To consider the review and recommending risk that is acceptable, and to propose to the Board for approval.
- (3) To monitor the development and continuously follow the framework of risk management in order that the company attains the efficiency of risk management.
- (4) To coordinate with the Audit Committee relating to important risks and to have the internal auditor as the reviewer to ensure that the company has a suitable internal control system for risk management including implementing the risk management system to the organization.
- (5) To perform tasks relating to management risk as delegated by the board.

Corporate Governance and Sustainability Management Committee

Component and Appointment of Corporate Governance and Sustainability Management Committee

The Board of Directors appoints the Corporate Governance and Sustainability Management Committee by selecting from a number of company's directors and must consist of at least one independent director. Operate the business by focusing on responsibility and ready to take on challenges go along with creating value with stakeholders and sustainability management, that consists of 3 components such as commitment to growth the business through good corporate governance; operate the business by perspectives of the environment preservation and develop the human and social resource.

Corporate Governance and Sustainability Management Committee consists of 3 members (as of December 31, 2022)

- | | |
|-----------------------------------|--|
| 1. Mrs. Napaporn Suthipongchai | Chairman of Corporate Governance and Sustainability Management Committee |
| 2. Mr. Ninnat Olanvoravuth | Corporate Governance and Sustainability Management Director |
| 3. Mr. Sakchai Patiparnpreechavud | Corporate Governance and Sustainability Management Director |

Scope of Authority of Corporate Governance and Sustainability Management Committee

- (1) To review and propose the corporate governance policy, sustainability management policy and related policy to the Board of Directors to approve, supervise, advise and encourage the practice to executives and employees at all levels.
- (2) To supervise, advise and encourage the operations in accordance with corporate governance policy, disclose information effectively for checking in order to achieve the goals that have been set, as well as presenting to the Board of Directors for acknowledgment.
- (3) To review corporate governance policy, sustainability management policy and related policy regularly at least once a year. To ensure that be appropriate, compliance with the law and practices of leading companies.
- (4) To supervise the development and compliance of corporate governance policy, sustainability management policy and related policy regularly to ensure that the company has effective supervision and continual practice.

- (5) To coordinate with other sub-committees on issues related to governance and sustainability management and has an internal audit to review to ensure that the company has an internal control that is suitable for managing risks, including adopting risk management to comply with the company's operations.
- (6) To perform other tasks as required by the Board of Director's assignments related to corporate governance and sustainability management.

7.4 New Directors

7.4.1 Criteria for Selection of New Director

The new director of the company must have multi skills, specialists and experience in various fields of work including various in gender, age and religious diversity or other restrictions. The company is considered based on knowledge, ability and experience related to business in accordance with the company's strategy, which uses the director pool database from the Thai Institute of Directors Association (IOD) as a factor in the selection of new directors to identify suitable directors or executives. However, directors or executives of the company must have qualifications under the Public Limited Companies Act B.E. 2535, laws and related regulations.

7.4.2 The Process for Appointing New Directors

- (1) Search and Compensation Committee proposes and selects suitable persons by reference to the criteria for selecting new directors and having the qualifications as announced by the Stock Exchange of Thailand.
- (2) Nomination of the Board of Directors will nominate persons with multi skills, specialist and experience in various fields work including various in gender, age and religious diversity or other restrictions.
- (3) New directors must be approved and appointed by the Board of Directors of the company more than two-thirds of the total number of committees.

7.4.3 Orientation for New Directors

The company realizes the performing of new directors; therefore, arranging the company overview introduction, structures and related companies for new directors to understand workflows, structures, culture and key information that are important and necessary to understand the company's policies, measures, practices, relevant laws, etc. and also, meeting with the president, vice president, Board of Directors and sub-committees.

7.5 Management

7.5.1 The company's management, at 31 December 2022, consisted of 10 persons

- | | | |
|-----|-------------------------------|--|
| 1. | Mr. Kittiphath Suthisamphat | Managing Director |
| 2. | Mr. Thosphol Chinandej | Deputy Managing Director, Company Secretary and Acting Marketing Manager |
| 3. | Mr. Prasarn Aunvong | Assistant Managing Director and Factory Manager |
| 4. | Mr. Fritz Friedrich Schanzer | General Manager Consultant |
| 5. | Mr. Peter Barnes | Research and Development Manager |
| 6. | Ms. Pacharaporn Suebsantiwong | Planning Manager |
| 7. | Mrs. Pratchaya Somyapukdee | Accounting and Financial Manager |
| 8. | Mr. Pannasak Charoennet | Procurement Manager |
| 9. | Mr. Sarawut Nusati | IT Manager |
| 10. | Mr. Pongthep Khaengsarikit | Human Resources and Administration Manager |

Scope of Authorities of the Managing Director

- (1) Supervising, managing and operating the business for the best interest of the company under the authority given by the Board of Directors.
- (2) Approving trade terms for example determining customers' credit limit, term of payment, procurement and sales contract as well as change in trade terms.
- (3) Approving the acquisition of fixed assets under Baht 20 million.
- (4) Hiring, appointing, penalizing, and dismissing employees as well as promote and adjust employees' rewards excluding any employees hired, appointed, penalized or dismissed by the Board of Directors.
- (5) Determining the operational procedure for the company in compliance with the company's policies, the Board of Directors' decision, labor law or any related regulations.

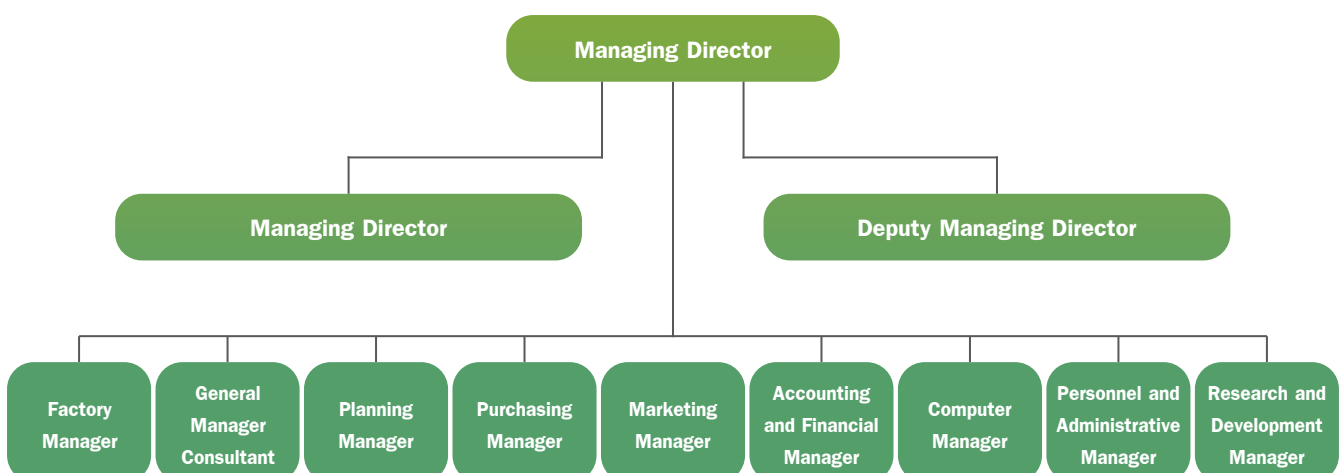
Appointment of Company's Director in Other Company

The Board of Directors and managing directors realize the duties of the company's directors and executives with efficiency. The company has determined the number of companies that the managing directors and executives holding the position at other companies to maintain efficiency in the performance.

Managing directors and executives can hold the position in other companies. However, must not be an obstacle to the performance of the director and managing director of the company and comply with the guidelines defined by the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand.

The Board of Directors has determined the managing directors and executives of the company are able to hold directorship at other listed companies not more than 3 companies and other companies or non-listed subsidiaries not more than 7 companies, excluding subsidiaries affiliates and the joint venture company which is necessary to management to protect the interest.

Management Structure Chart of the Company



7.5.2 Remuneration of directors and management

7.5.2.1 Remuneration of directors

The company has clearly set the remuneration of the directors, which corresponds to the industry and competitive, enough to maintain the directors with the required qualification. The company has proposed all forms of remuneration, including monetary and other remuneration, including benefits, etc., and was approved by the shareholders. In addition, there was an increase in the Audit Committee's remuneration according to the increased workload.

7.5.2.2 Remuneration of managing directors and management

Managing director and executive remuneration follow the company's policies by relating to the performance of the company and each individual managing director and executive.

Short-term and long-term remuneration of managing director and executive are as follows:

(1) Short-term remuneration

The company determines the remuneration according to the appropriate wage structure that complies with the labor laws of the establishment located and not less than the minimum wage rate complies with the labor wage rate in the relevant market and comparable to the other organizations in the same business. In addition, the company has quarterly and annual bonuses according to the performance of the managing director, individual executives and the company's performance.

(2) Long-term remuneration

The company determines the remuneration according to the performance of managing director & executives, which corresponds to the indicators, the company's performance, business plan and long-term goals. In addition, also have welfares besides the compensation to managing directors and executives such as health insurance and accident insurance, annual health check, provident fund and other support related according to the situation.

The remuneration of directors and management in 2022 are as follows:

7.5.2.3 Monetary compensation

Directors

	2022		2021	
	No. of directors	Total (million baht)	No. of directors	Total (million baht)
Director's fee	9	6.22	8	5.71
Other rewards		-		-
Total	9	6.22	8	5.71

Non-Directors

	2022		2021	
	No. of directors	Total (million baht)	No. of directors	Total (million baht)
Director's fee	8	5.64	7	5.12
Other rewards		-		-
Total	8	5.64	7	5.12

Managing directors and management

	2022		2021	
	No. of directors	Total (million baht)	No. of directors	Total (million baht)
Salary and Bonus	12	47.09	12	49.00
Provident Fund	12	0.96	12	0.97
Total	12	48.05	12	49.97

Other remuneration not in the form of monetary

Directors - None -

Executive directors and management - None -

7.6 Employees

7.6.1 Number of employees as of December 31, 2022, and the remuneration including salary, bonus and provident fund in 2022 as follows:

Departments	Number of employees
Managing Directors	1
Production	1,205
Marketing	26
Office	79
Total	1,311

7.6.2 Remuneration in the form of salary and bonus is 472.78 million baht and the provident fund is 6.25 million baht.

7.6.3 No significant turnover of labor and no conflict of employment during the past three years.

7.7 Other information

Company secretary

According to new regulations issued by the Stock Exchange of Thailand relating to and conducting a Good Corporate Governance, the company must have a secretary (currently is Mr. Thosphol Chinandej) whose role and responsibility is to advise the board and management to follow rules and regulations and his responsibility is to call the board and the shareholders meeting, assisting the board to perform according to solutions and to keep related files and documents. (see the detail of the company secretary as attachment 1)

Name Mr. Thosphol Chinandej : Deputy Managing Director and Company Secretary

Education

Bachelor's degree in Faculty of Political Science, Chulalongkorn University

Master's degree in Organization Development U.S. International University

Experience

2006 - Present: Deputy Managing Director and Company Secretary - A.J. Plast Public Company Limited

Training

- DCP Class 208/2015-IOD

- TLCA's EDP #5

- Company Secretary Program (CSP 133/2022)

The person supervising accounting

Name Mrs. Pratchaya Somyapukdee : Accounting and Finance Manager

Education

Bachelor's degree in Accountancy Bangkok University

Master's degree in MBA, Accounting Ramkhamhaeng University

Experience

2016 - 2018 : Accounting and Finance Manager - Nanyang Garment Company Limited

2018 - 2022 : Financial Controller - PACK FOOD Public Company Limited

2022 - Present : Accounting and Finance Manager - A.J. Plast Public Company Limited

Head of Internal control

Name Miss Sarinthip Thanawadee : Head of internal audit department

Education

Bachelor's degree of Accountancy, University of the Thai Chamber of Commerce

Experience

2016 - Present : Internal Audit Manager - A.J. Plast Public Company Limited

2015 - 2016 : Assistant Internal Audit Manager - Index Living Mall Company Limited

2008 - 2015 : Assistant Internal Audit Manager - Advanced Research Group Company Limited

Training

- Internal Audit Procedure - The Institute of Internal Auditors of Thailand

- CPIAT - The Institute of Internal Auditors of Thailand

Investors Relationship

The Board of Directors is aware of the importance of financial and non-financial disclosure related to business and operating performance with accuracy, sufficiency and credibility, which shows the company's performance the true financial status of the company including the future performance. In doing this, the company must act in compliance with laws and regulations related to the disclosure of information set by the Stock Exchange of Thailand by passing information to shareholders through channel information of the stock exchange.

The interested parties can receive information from the relation investor office by contacting Mr. Thosphol Chinandej, Tel 0 2415 0035, Ext. 144, Fax 0 2415 3795 or e-mail: investment@ajplast.co.th

Auditor's fee

- (1) Audit fee: The company paid audit fee to the auditor totaled baht 2,045,000.00
- (2) Non-audit fee: The company paid for the other service by checking that the company must follow conditions set by the Board of Investment (BOI) to the auditor totaled baht 420,000.00

8. Report on Key Performance in Corporate Governance

8.1 Summary of the performance of the Board of Directors

Committee report

The Board of Directors is responsible for the company's financial statements and financial information appearing in the annual data list/annual report (Form 56-1 One Report). Such financial statements are prepared in accordance with generally accepted accounting standards in Thailand by choosing an appropriate accounting policy and consistently implementing it and use discretion carefully including adequate disclosure of important information in the notes to the financial statements. The financial information disclosed to shareholders has been reviewed in the quarterly financial statements and has been audited by the auditor for the annual financial statements.

The Board of Directors has always realized the importance of complying with the principles of good corporate governance of the organization and realized the importance of shareholders' rights in receiving the company's information that is correct, complete, sufficient, timely and equitable for use in decision making at the shareholders' meeting. The company has given shareholders the opportunity to have equal rights to inspect the company's operations, ask questions, express opinions and provide suggestions to the company.

In this regard, the Board of Directors has appointed an Audit Committee that consists of non-executive directors and independent directors. The Audit Committee is responsible for the quality of financial reports and internal control systems, and the opinion of the Audit Committee appeared in the report of the Audit Committee. which is already shown in attachment 3 the Audit Committee report.

The company focuses to the nomination process of the Board of Directors and operates in accordance with the principles of good corporate governance with fair and transparency. The Board of Directors of the company has variety of skills, professions, specializations, knowledge, ability, and experience in various fields. The Board of Directors of the company also has gender, age and religious diversity or any other restrictions in accordance with the strategy, vision and goals of sustainable business operations.

The company determines the criteria for nominating and appointing directors and top management as follows:

8.1.1 Nomination, Development and Performance Assessment of the Board of Directors

8.1.1.1 Nomination Criteria and Appointment of Independent Directors

In the nomination of independent directors, the company stipulates the criteria for nominating independent directors. The person who has qualifications in accordance with the criteria for nominating the company's directors. In addition, the qualifications of independent directors refer to the definition of independent directors of the company under criteria that are equivalent to the criteria set by the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET)

Qualifications of Independent Directors

- (1) Holding shares not exceeding 0.5% of the voting shares the company including the shares held by persons related to the independent director.
- (2) Must not be or have been a director who participates in management, employees, staff, consultants that receive a regular salary. Person with controlling power in the previous 2 years is relieved in the case of being a government official or advisor of a government agency which is a major shareholder or Person with controlling power in less than 2 years.
- (3) Must not have blood relationship or by legal registration with directors or executives
- (4) Never conducting transactions or being a significant shareholder or the person having the authority to control the juristic person doing transactions with the company with transaction value more than or equal to 20 million baht or 3% of net asset value (NTA), whichever is lower than in the previous 2 years.
- (5) Must not be or have been an auditor of the company, parent company, subsidiary company, associated company, major shareholder, person with controlling power during the previous 2 years
- (6) The company has set a policy for independent directors to hold the position not more than 9 years without exception.
- (7) Must not be or have been a provider of other professional services or being a significant shareholder, person with controlling power, partner of a legal entity providing services in excess of 2 million baht in the previous 2 years
* In the event that a person who does not have qualifications in accordance with Clause 4) and Clause 6) will be able to hold the position of an independent director only when the Board of Directors clarify that the Person has been considered in accordance with Section 89 / 7 that does not affect the performance of duties and independent opinions and must disclose the information specified in the notice of the shareholders' meeting
- (8) Must not be the representative of the company's directors major shareholder or a person related to a major shareholder
- (9) Do not operate businesses that are in the same condition and are in competition with the company and subsidiary or holding shares more than 1%, or being a director who participates in the management, employees, staff, consultants who receive a regular salary person having controlling power over such business

- (10) There is no other characteristic that prevents the Person from expressing independent opinions on the company's operations.
- (11) Independent Directors can be independent directors of companies in the group. However, the Audit Committee shall not be a director of the parent company, subsidiary or subsidiary of the same level which is a listed company.
- (12) After being appointed as an independent director, such independent director may be assigned by the Board of Directors to make decisions on the operation of the company's business, the parent company, subsidiary company, associated company, sister company, major shareholder or a person who has the power to control. The decision is made in a collective decision, but the Audit Committee is prohibited from participating in the decision making in the operation.

Independent director who serves as the Audit Committee appointed by the Board of Directors or at the shareholders' meeting of the company by nomination from the company's directors which has qualifications for independence according to the announcement of the SEC of the company, that at least one Audit Committee member must have knowledge in accounting and finance. To perform audits and supervise the operations of the company including overseeing financial reports, internal control system, nomination of auditors and consideration of conflicts of interest.

In the election of directors to replace the vacant position for reasons other than the expiration of the term. The Board Committee may elect a director to fill the vacant position with a vote of not less than three-fourths of the remaining directors. The person who becomes a replacement director will hold office only for the remaining term of the director he replaces.

8.1.1.2 Selection criteria, Nomination and Appointment of company Directors

8.1.1.2.1 Criteria for selecting directors of the company

Criteria for selecting directors of the company

The company has appointed the Search and Compensation Committee to perform the duties of considering the selection of directors and high-ranking executives with criteria for recruiting, considering the nature of business operations and the company's strategy. Therefore, the qualifications of the directors to be nominated have been determined to be appropriate and consistent with the business strategy by considering the necessary skills that are still lacking and has a policy of diversity in the structure of the Board of Directors (Board Diversity) and senior management by the Board of Directors of the company and senior management must have a variety of skills, professions, specializations knowledge, ability, experience in various fields including gender, age and religious diversity or any other restrictions. Criteria includes consideration from the knowledge, abilities and experiences related to the business in accordance with the company's operational strategy, which uses the Director Pool database from the Thai Institute of Directors Association (IOD) as a component in the nomination of new directors to identify suitable persons to be directors or executives. However, the person who has been appointed to be a director or executive of the company must have qualifications under the Public Limited Companies Act B.E. 2535, other laws and related regulations.

Currently, the Board of Directors consists of 9 directors, the number of which is suitable for the company's business conditions as well as being a director who has the knowledge and abilities necessary for the elements of the structure, Directors who are still absent. By considering the expertise (Board Skill Matrix) both in engineering expertise, Petrochemical and Materials Industry, Economics, Business Administration,

Accounting and Finance, Law, Sustainability, Food Industry, Packaging, Retail Crisis Management including supply chain management, etc. to combine knowledge abilities that are beneficial to the company's operations which makes the composition of the Board of Directors of the company. At present, there are people with qualifications, experience, expertise from various professions and covering all areas appropriately without limitation in gender, race, nationality, religion, skin color and culture or any other restrictions.

8.1.1.2.2 Components of the Board of Directors

According to the company's regulations, there are not less than 5 of the Board of Directors, of which not less than half of the total directors must be residents of Thailand and that person who will take the position of the company's director must hold directorship in not more than 3 listed companies

In voting for the election of directors, the shareholders' meeting will elect directors. It shall be deemed that one shareholder has a vote equal to one share per one vote. And each shareholder must use all his/her votes to elect one person or more people to be directors, but cannot divide the votes to any person to any extent. Persons receiving the highest approval votes in descending order shall be elected as directors equal to the number of directors to be elected at that time. In the event that the persons elected in descending order have equal votes exceeding the number of directors to be elected at that time, the chairman shall have a casting vote.

When an ordinary meeting is held every year, one-third of the directors shall retire from office at the rate or the number nearest to one-third of the directors which will be signed as an important binding company. The chairman of the board or any vice chairman shall sign and affix the company's seal, or two other directors jointly sign and affix the company's seal. The Board of Directors has the power to determine and amend the names of the directors who are authorized to sign and bind the company.

8.1.1.2.3 Nomination and appointment of the Board of Directors

Selection of persons to be appointed as directors must go through the nomination process of the Search and Compensation Committee and was approved by the shareholders' meeting. The company gave an opportunity to all shareholders in every group in nominating a person to be considered for the position of director. The names can be submitted through the company's website in advance at the scheduled time prior to the annual general meeting of shareholders. This is usually during the 4th quarter of every year and the voting for the election of directors will use individual ballots. The rules and procedures are as follows:

- (1) A shareholder has a vote equal to 1 share per 1 vote.
- (2) Each shareholder may use all his/her votes under Clause 1 to elect one person or more persons to be directors. In the case of electing several people to be directors, the votes cannot be split to any individual to any extent.
- (3) The persons receiving the highest number of votes in descending order are elected and shall be directors equal to the number of directors to be or to be elected at that time. The meeting is the casting vote.

At every annual general meeting of shareholders, The company requires one-third of the directors to resign from office at that time. If the number of directors cannot be divided exactly into three parts, there shall be retired by the number nearest to one-third of the directors who must retire from office in the first

and second year after the registration of that company. A lot shall be drawn. In subsequent years, the member who has been in office the longest shall retire from office. Directors who vacate office may be re-elected from retirement by rotation. A director vacates office upon death, resignation, disqualification, or having prohibited characteristics under the law on securities and exchange, The shareholders' meeting resolved to issue and the court has issued an order.

8.1.1.3 Assessment of the performance of the Board of Directors

In 2022 , the company has determined that the Board of Directors' performance is assessed.

8.1.1.3.1 Performance appraisal process

Company Secretary delivers performance appraisal form to each director for self-assessment every year-end. After each director has completed the evaluation. The performance appraisal form will be submitted for both the faculty and the individual back to the company secretary to collect assessment scores and a summary report to the Board of Directors' meeting to determine measures to improve the performance of the Board further.

8.1.1.3.2 Assessment criteria performance

Evaluation of the performance of the Board of Directors of the company uses an assessment form prepared in accordance with the Stock Exchange of Thailand's guidelines. By adapting to suit the nature and structure of the organization. The results of the assessment will be an important part in the development of the duties and operations of the Board of Directors to be more efficient and effective.

The self-assessment of the entire Board of Directors consists of 7 topics as follows:

- (1) Board structure and qualifications
- (2) Board meetings
- (3) Roles, Duties and Responsibilities of the Board of Directors
- (4) Director's duties
- (5) Relationship with management
- (6) Environmental awareness and importance Society and Corporate Governance
- (7) Director's self-development and executive development

The self-assessment of the individual Board of Directors consists of 4 topics as follows:

- (1) Structure and Qualifications of the company's Directors
- (2) Meeting of the Board of Directors
- (3) Roles, duties and responsibilities of the company's directors
- (4) Environmental awareness and importance Society and Corporate Governance

Scoring is done by specifying the opinion of each judge by specifying a mark (/) in only one score box from 0 – 4 in the assessment form or has a rating ranging from strongly disagree or no action in that regard to strongly agree or has done excellent in that regard. Then take all the scores obtained for evaluation by percentage of the full score which is defined as the following criteria

- 90 % = excellent
- 80 % = very good
- 70 % = good
- 60 % = Fair
- Below 60 percent = need to improve

8.1.1.3.3 Performance appraisal of the Board of Directors of the company

The performance appraisal of the entire Board of Directors

- The average overall score is 95.30%, which is excellent.
- 1. Structure and qualifications of directors
 - The average overall score was 87.5 percent. which is very good
- 2. Meetings of the Board of Directors
 - The average overall score was 90.0%, which is excellent.
- 3. Roles, Duties and Responsibilities of Directors
 - The average overall score was 87.5 percent, which is very good.
- 4. Duties of the Board of Directors.
 - The average overall score was 83.2 percent, which is very good.
- 5. Relationship with management
 - The average overall score of 100.0%, which is excellent.
- 6. Environmental awareness and importance
 - The average overall score was 100.0%, which is excellent.
- 7. Self-development of the Board of Directors and Executive Development.
 - The average overall score of 100.0%, which is excellent.

Performance assessment of individual directors

- Average overall score 97.20% which is excellent

8.1.2 Meeting attendance and remuneration of individual committees

8.1.2.1 Board meeting attendance

Attendance the meeting of the Board of Directors Each person in 2022 can be summarized as follows:

Name – Surname	Position	Number of times attending the meeting				
		Board of Directors	Audit Committee	Search and Compensation Committee	Risk Management Committee	Corporate Governance and Sustainability Management Committee
1. Mr. Narong Suthisamphat	President	6/6				

Name – Surname	Position	Number of times attending the meeting				
		Board of Directors	Audit Committee	Search and Compensation Committee	Risk Management Committee	Corporate Governance and Sustainability Management Committee
2. Mr. Kittiphat Suthisamphat	Vice President, Chairman of the Risk Management Committee and Managing Director	6/6			2/2	
3. Mrs. Napaporn Suthipongchai	Vice President, Chairman of Corporate Governance and Sustainability Management Committees and Risk Management Director	6/6			2/2	2/2
4. Mr. Ninnat Olanvoravuth	Chairman of Audit Committee, Corporate Governance and Sustainability Management Director Risk Management Director and Independent Director	6/6	4/4		2/2	2/2
5. Mrs. Chavida Srisangnam	Audit Director, Search and Compensation Director and Independent Director	6/6	4/4	2/2		
6. Mr. Surasak Gosiyachinda	Chairman of Search and Compensation Committees, Audit Director and Independent Director	6/6	4/4	2/2		
7. Mr. Supote Tonurat	Search and Compensation Director and Independent Director	6/6		2/2		
8. Mr. Sakchai Patiparnpreechavud	Corporate Governance and Sustainability Management Director	6/6				1/2
9. Mr. Kasemsit Pathomsak	Independent Director	5/5*				

*Mr. Kasemsit Pathomsak was appointed as a director on April 28, 2022

8.1.2.2 Director's Remuneration

In this regard, the Annual General Meeting of Shareholders No. 1/2022, on April 28, 2022, resolved to pay the directors' remuneration of 500,000 baht per year and the remuneration to the Audit Committee of 300,000 baht per year besides from receiving remuneration as a director of the company and meeting allowance for the directors 10,000 baht per person per meeting

Salary and bonus of 12 executive directors and executives totaling 47.09 million baht.

(1) Monetary compensation for the year 2022

Name – Surname	Position	Director's Remuneration				
		Board of Directors	Audit Committee	Search and Compensation Committee	Risk Management Committee	Corporate Governance and Sustainability Management Committee
1. Mr. Narong Suthisamphat	President	560,000.00				
2. Mr. Kittiphath Suthisamphat	Vice President, Chairman of the Risk Management Committee and Managing Director	560,000.00			20,000.00	
3. Mrs. Napaporn Suthipongchai	Vice President, Chairman of Corporate Governance and Sustainability Management Committees and Risk Management Director	560,000.00			20,000.00	20,000.00
4. Mr. Ninnat Olanvoravuth	Chairman of Audit Committee, Corporate Governance and Sustainability Management Director Risk Management Director and Independent Director	560,000.00	340,000.00		20,000.00	20,000.00
5. Mrs. Chavida Srisangnam	Audit Director, Search and Compensation Director and Independent Director	560,000.00	340,000.00	20,000.00		

Name – Surname	Position	Director's Remuneration				
		Board of Directors	Audit Committee	Search and Compensation Committee	Risk Management Committee	Corporate Governance and Sustainability Management Committee
6. Mr. Surasak Gosiyachinda	Chairman of Search and Compensation Committees, Audit Director and Independent Director	560,000.00	340,000.00	20,000.00		
7. Mr. Supote Tonurat	Search and Compensation Director and Independent Director	560,000.00		20,000.00		
8. Mr. Sakchai Patiparnpreechavud	Corporate Governance and Sustainability Management Director	560,000.00				10,000.00
9. Mr. Kasemsit Pathomsak	Independent Director	550,000.00				

(2) other compensation

Contributions to the provident fund of 12 executives and executives in amount of 0.96 million baht.

8.1.3 Supervision of operations of subsidiaries and associated companies

The company has appointed representatives to take positions as directors with controlling powers in subsidiaries and joint venture companies. To monitor and supervise the management of subsidiaries and joint venture companies in accordance with the strategic guidelines and policies of the company and in accordance with the strategies agreed upon and as stipulated in the joint venture agreement efficiently and effectively.

8.1.4 Follow-up to have compliance with policies and guidelines for corporate governance

8.1.4.1 Prevention of conflicts of interest

The company considers prevention of conflicts of interest is an important policy to prevent directors, executives and employees from taking advantage of the opportunity seeking personal benefit. Therefore, prevention of conflicts of interest has been stated in the Code of Conduct as to the guidelines for directors, executives and employees of the company to avoid making transactions related to yourself that may cause conflicts of interest with the company. In the event that such transactions are necessary for the benefit of the company, the Board requires compliance with the regulations of the Stock Exchange of Thailand with prices and conditions as a transaction with a third party. Whereby directors or employees who have conflict of interest in the transaction must not participate in the approval process. In the case that it is a related transaction under the announcement of the Stock Exchange of Thailand must strictly comply with the rules, procedures and disclosure of related transactions of listed companies.

Moreover, the company create a culture within the organization, instills the concept of business ethics for employees, executives and directors. Also, to understand and be aware of the ongoing prevention of conflicts of interest. There is a business ethics training according to the annual training plan to enhance the concept and guidelines to prevent conflicts of interest for all employees, executives and Directors of the Company

In addition, the Board of Directors prohibits the use of opportunities or information obtained from being directors, executives or employees for personal benefit or doing business that competes with the company or related business including not using inside information for their own benefit in trading the company's shares or provide inside information to others for the benefit of trading in the company's shares. The company has protections as follows:

- (1) Transaction that may have conflicts of interest: The Board is aware of the conflict of interest transactions and related transactions and considered the appropriateness carefully every time including complying with the rules of the Stock Exchange of Thailand by the price and conditions as a transaction with a third party. In the past year, there is no transaction that may have conflicts of interest.
- (2) According to the Securities and Exchange Act B.E. 2535 , directors and executives are required to report their holdings of the company's securities when first took a position and report every time when purchase or sale of securities within 3 business days to the SEC and will inform the Board of Directors' meeting regularly.

In 2022, the company has monitored its performance in accordance with the company's Code of Conduct. In the event of a violation of the Code of Conduct, including an internal audit according to the 2022 audit plan, and no cases or violations related to conflicts of interest within the company were found.

8.1.4.2 Supervision of the use of inside information

In supervising the use of the company's inside information, the company has stipulated in the company's work regulations to ensure equality and fairness to all shareholders by notifying the directors, executives and employees that are prohibited from using inside information that has not been disclosed to the public to use for personal benefit or others, both directly and indirectly. Employees must be ethical in their work and must not seek other benefits or accept benefits from others either directly or indirectly. If found that the director, executive and employee commits a breach of discipline, the company has a maximum penalty for termination of employment. In summary, the key policies and practices are as follows:

- (1) The company has determined that the directors, executives and employees are aware of the relevant announcement of the SEC stipulating that directors and executives are responsible for reporting changes in securities holdings to the SEC in accordance with Section 59 of the Securities and Exchange Act B.E. 2535 within 3 days from the date of the change in securities holdings, and inform the company secretary for acknowledgment in order to prepare a memorandum of changes and summarize the number of securities of directors and executives individual to present to the Board of Directors will be informed in the next meeting. The Company also notifies the penalties if there is a violation or non-compliance with the said requirements.
- (2) In the case of directors, executives or people who have access to internal information wishing to trade in the company's securities, it is mandatory to inform the information of entering into the transaction to the company secretary which has been assigned by the Board of Directors at least 1 business day in advance of the transaction date.

- (3) The company has a regulation prohibiting the use of financial statements or other information that affects the company's stock price that is known to be disclosed to outsiders or those who are not involved and prohibited trading of securities in the period of 1 month before the financial statements or other information that affects the company's securities price and must not trade in the company's securities until the period of 24 hours has elapsed since the disclosure of such information. Non-compliance with such requirements is considered a violation of the company's discipline. If directors, executives or employees have access to important inside information whoever commits a violation of discipline, will be punished by warning, wage deductive suspension from work without pay until the termination of employment.
- (4) The company cultivates, communicates and trains the use of inside information for the benefit of the company, which is a topic under the Code of Conduct Training.

The aforementioned approach has been approved by the Board of Directors.

The company discloses the securities holdings of directors and senior executives in the annual information list/annual report (Form 56-1 One Report) as prescribed by the Office of the Securities and Exchange Commission and report to the Board of Directors to acknowledge every time such person changes their securities holdings. In order to achieve good corporate governance practices, the company proceeded as follows:

- (1) Non-public information, let be known only to those involved as needed.
- (2) Owner of information that has not been released to the public must urge those involved to strictly follow the security procedures to prevent the leak of confidential files and documents.

In 2022, the company has monitored its performance regarding the use of internal data in accordance with the Company's Code of Business Conduct. In the event of a violation of the Code of Conduct, including an internal audit according to the 2022 audit plan, and no cases or violations related to the use of information within the Company for exploitation.

8.1.4.3 Anti-corruption and corruption

The company has an anti-corruption policy that business operations are conducted with fairness, honesty, transparency and responsibility to all groups of stakeholders. It will be the main support for sustainable business growth. The company is committed to preventing and combating all forms of corruption. Promote and instill a culture of anti-corruption within the organization for all employees and all levels on anti-corruption, such as donations, sponsorships, political assistance, conflict of interest, facilitation payment, hiring government employees, giving and receiving gifts and entertainment. The company has set an anti-corruption policy in writing to be used as a framework for further business operations. In this regard, you can study the anti-corruption policy on the company's website at <https://www.ajplast.co.th/ir-corporate-governance.php>. The company has communicated an anti-corruption policy and guidelines to employees at all levels, business partners and customers, with a commitment to communicate the entire supply chain of the company.

Cultivating an anti-corruption culture

The company is committed to promote and cultivate a culture of anti-corruption both inside and outside the organization for all employees and all levels with anti-corruption and all forms of corruption, such as donations,

sponsorships, political assistance, conflict of interest, facilitation payment, hiring government employees, giving and receiving gifts, entertainment including prohibiting the payment of bribes for the company's business benefits.

– **Anti-Corruption Training**

The company provides training for employees to communicate policies, practices and provide knowledge about anti-corruption by organizing training once a year for directors, executives and employees at all levels.

– **Promoting and supporting anti-corruption in the entire supply chain**

The company promotes and supports anti-corruption in the entire supply chain, such as business partners, customers, etc. Join the network to combat corruption, bribery and corruption, and communicate anti-corruption and anti-corruption policies and measures to both business partners and customers. as well as implementing anti-corruption measures in giving and receiving gifts entertainment, customer support, etc.

The declaration of intent is the Thai Private Sector Collective Action Coalition Against Corruption.

In 2022, the company was certified to be the Thai Private Sector Collective Action Coalition Against Corruption (CAC).



8.1.4.4 Business ethics

Cultivating a culture of business ethics

The company is committed to promote and cultivate a culture of business ethics to the company's employees by conducting training to communicate the policies, guidelines and operations of the company's Code of Conduct. The company organize training once a year for directors, executives and employees of all levels.

In 2022, there are 1,238 employees, executives and directors participated in the company's business ethics training and passed the knowledge test, representing 87.06% of the total employees. 2.79% from base year 2021 as follows:

- Corporate Vision and Mission
- Corporate Culture
- Core Corporate Values
- Maintaining business ethics as an employee, which the related topics are:
 - Human Rights and Non-Discrimination
 - Occupational Health and Safety
 - Products & Services

- Environment
- Confidentiality
- Data security and information systems
- Promoting a safe and well-being environment
- Anti-Corruption
- Conflict of interest
- Combating unfair competition
- Respect for intellectual property rights
- Use of inside information for exploitation
- Penalties
- Whistleblowing Channels, Complaints and Consultations

In addition, the Company has been awarded the Moral Awards 2021 in the category of Community and Organization. On August 25, 2022, it represents an organization that promotes moral behavior within the appropriate organization. It is worth honoring and continuously expressing the good culture of Thai society.

Violation of the Code of Conduct

During the year 2022, the Company has 3 cases of violation of business ethics and violations of the Company's rules and regulations, details of which are as follows:

Case 1: Violation of the Company's Rules and Regulations Violation of The Company's Regulations Article 32 Prohibition of Conduct (b) Entering the establishment in a state of intoxication from alcohol, intoxication, psychotropic substances or drugs, either while on or outside of work hours. If at work time, it is considered absenteeism.

Case 2: Complaints related to sales services due to difficulty being reached by salespeople, but this case is not considered a serious offense that violates the Company's rules or regulations. The risk management agency has reported the complaint to the salesman's supervisor. Verbal warnings are given as it violates the Code of Business Code of Conduct on the topic of responsibility for goods and services.

Case 3: 1 complaint related to the delivery of goods, the delivery of the goods does not meet the specified time, resulting in the company losing credibility and reputation, which may affect the customer. The case is in the process of being investigated.

8.1.4.5 Whistleblowing

The company is committed to listen to complaints, suggestions, opinions or clues from all sectors. both inside and outside the organization with integrity and ethics, transparency and fairness, and implementing whistleblowing and complaints policy by adhering to the principles of good corporate governance and in accordance with the company's Code of Conduct, since from the process of receiving complaints, considering and communicating to both whistleblowers complainant complainant and those involved with morality and ethics. There are also measures for protection and fairness from the company for those involved. The company will operate equally with fairness by taking into account the safety of those involved with confidentiality is paramount.

The company has given importance to the rights of all groups of stakeholders whether internal stakeholders including employees and executives of the company or external stakeholders such as customers, business partners, creditors, competitors or other relevant parts because the company is aware of support from various stakeholders which will create the ability to compete and create profits for the company. This is considered to create the long-term success of the company.

The company has provided channels for stakeholders and related parties to have the opportunity to express their opinions, whistleblowers and complaints on the violation of rights in the event of unfairness case of violation fraud and corruption cases or issues related to illegality, rules and Code of Conduct including other cases.

The company has a mechanism to protect whistleblowers and complaints and execute confidentially without disclosing the name of the whistleblower and the complaint and there are agencies that responsible for receiving clues and complaints. An investigation has been made to determine the cause of reporting clues and complaints. If there are any offenders, they will be punished according to the company's rules and regulations.

Whistleblowing and complaint channels

In case of doubt, you want to notify or file a complaint in the event that your rights are violated. Please contact or inquire at the risk management unit of the company, details of the channels as follows:

- Company website at <https://www.ajplast.co.th/contact.php>
- Phone 0 2415 0035 ext. 202 to contact the risk management unit
- Email: whistleblow@ajplast.co.th
- Company complaint box, located at the company's factory at Laem Chabang Industrial Estate, Offices 1 and 2

In case of wanting to contact the independent board of the company directly (not through the company's executives) please contact Dr. Ninnat Olanvoravuth (Chairman of the Audit Committee) via e-mail as below:

- Email: ninnat.o@chula.ac.th

The whistleblower or the complainant will receive protection and fairness as stipulated by the company. as follows

- The company will operate confidentially. The safety of the whistleblower and those involved in the data source is taken into account.
- The names of whistleblowers and complaints are not disclosed which will be kept secret
- In the event that the whistleblower realizes that he is in an unsafe situation or suffers damaged by reporting, the whistleblower can request the right to be protected from the company, which the company will consider as appropriate on a case-by-case basis.

Complaint Management Follow-up Process

- (1) The Risk Management department will receive whistleblowing from various channels provided that it can be accessed by both internal and external stakeholders.

- (2) Gather facts, review and verify information
 - The company will consider and coordinate to contact the complainant. In the case of requesting additional information and details including other cases, as appropriate and follow up on the progress within 15 days.
 - Operations since compilation consider the information examine will act in secret.
 - At this stage, if the whistleblower becomes aware that he or she is in an unsafe situation or has suffered damage or distress. The whistleblower or the complainant can request the right of protection from the company and the company will consider it as appropriate according to each case.
 - In the event that there is a reason to suspect a complaint, the company may consider taking action as it deems appropriate according to the rules Related Guidelines.
- (3) Collect the facts, consider, and check the information.
 - The company will consider and coordinate to contact the complainant. In the case of requesting additional information and details including other cases as appropriate and follow up on the progress within 15 days.
 - Operations since compilation consider the information examine will act in secret.
 - At this stage, if the whistleblower becomes aware that he or she is in an unsafe situation or has suffered damage or distress. The whistleblower or the complainant can request the right of protection from the company and the company will consider as appropriate according to each case.
 - In the event that there is a reason to suspect a complaint, the company may consider taking action as it deems appropriate according to the rules Related Guidelines.
- (4) Reporting results and summary of operating results.
 - Risk management unit prepares a summary of complaints clue and report the results to the whistleblowers, the complainant, Audit Committee, Executives and Corporate Governance and Sustainability Management Committee who cooperate in the investigation of complaints or related persons as necessary and report on audit results, clues and complaints report a complaint investigation and penalties (if any) to the management and the Managing Director approves the penalties (if any), including a summary of the offenses submitted to Corporate Governance and Sustainability Management Committee annually.
- (5) Report and summary of follow-up results along with laying out preventive and corrective measures to prevent incidents from recurring, as well as review procedures to resolve violations of the Code of Conduct.

8.2 Report on the performance of the Audit Committee

During the year 2022, the Audit Committee has performed its duties in accordance with the scope, duties and responsibilities as assigned by the Board of Directors which complies with the regulations of the Stock Exchange of Thailand. In the fiscal year 2022, there were 4 meetings of the Audit Committee and a meeting in 2023, until the reporting date, a total of 5 meetings, and internal auditors also attended the meeting (See attachment 3 Report from Audit Committee).

8.3 Summary of the performance of the sub-committees and others

8.3.1 Number of meetings and attendance

There were 4 meetings of the Audit Committee in the year 2022. The attendance of each meeting can be summarized as follows:

Name	Position	Attendance of all meetings (times)
1. Mr. Ninnat Olanvoravuth	Chairman of Audit Committee and Independent Director	4/4
2. Mrs. Chavida Srisangnam	Audit Director and Independent Director	4/4
3. Mr. Surasak Gosiyachinda	Audit Director and Independent Director	4/4

There were 2 meetings of the Search and Compensation Committee in 2022. The attendance of each meeting can be summarized as follows:

Name	Position	Attendance of all meetings (times)
1. Mr. Surasak Gosiyachinda	Chairman of the Search and Compensation Committee	2/2
2. Mrs. Chavida Srisangnam	Search and Compensation Committee	2/2
3. Mr. Supote Tonurat	Search and Compensation Committee	2/2

There was 1 meeting of the Risk Management Committee in 2022. The attendance of each meeting can be summarized as follows:

Name	Position	Attendance of all meetings (times)
1. Mr. Kittiphat Suthisamphat	Chairman of the Risk Management Committee	2/2
2. Mrs. Napaporn Suthipongchai	Risk Management Committee	2/2
3. Mr. Ninnat Olanvoravuth	Risk Management Committee	2/2

There was 2 meeting of Corporate Governance and Sustainability Management Committee in 2022. The attendance of each meeting can be summarized as follows:

Name	Position	Attendance of all meetings (times)
1. Mrs. Napaporn Suthipongchai	Chairman of the Risk Corporate Governance and Sustainability Management Committee	2/2
2. Mr. Ninnat Olanvoravuth	Corporate Governance and Sustainability Management Committee	2/2
3. Mr. Sakchai Patiparnpreechavud	Corporate Governance and Sustainability Management Committee	2/2

Board meeting who are not executives in 2022, there are 4 times. The meeting attendance of each person can be summarized as follows:

Name	Position	Attendance of all meetings (times)
1. Mr. Narong Suthisamphat	President	4/4
2. Mrs. Napaporn Suthipongchai	Vice President	4/4
3. Mr. Ninnat Olanvoravuth	Independent Director	4/4
4. Mrs. Chavida Srisangnam	Independent Director	4/4
5. Mr. Supote Tonurat	Independent Director	4/4
6. Mr. Surasak Gosiyachinda	Independent Director	4/4
7. Mr. Sakchai Patiparnpreechavud	Director	4/4
8. Mr. Kasemsit Pathomsak	Independent Director	4/4

8.3.2 Sub-committee performance evaluation process

Company Secretary delivers the performance appraisal form to all sub-committees for self-assessment every year-end. After each director has completed the evaluation, the performance appraisal form will be sent back to the company secretary in order to collect assessment scores and do a summary report to the Board of Directors' meeting to determine measures to improve the performance of the Board further.

8.3.3 Criteria for evaluating the performance of sub-committees

Sub - committees of the company's Board of Directors uses an assessment form prepared in accordance with the guidelines of the Stock Exchange of Thailand which are adapted to suit the nature and structure of the Board of Directors. The results of the assessment will be an important to development of duties and operations related to the sub-committees to be more efficient and effective.

8.3.3.1 The self-assessment of the sub-committees, both the committee and the individual, consists of 3 topics as follows:

- Structure and Qualifications of the company's Directors
- Meeting of the Board of Directors
- Roles, duties and responsibilities of the company's directors

Scoring is done by specifying the opinion of each judge by specifying a mark (/) in only one score box from 0 – 4 in the assessment form or has a rating ranging from strongly disagree or no action in that regard to strongly agree or has done excellent in that regard. Then take all the scores obtained for evaluation by percentage of the full score which is defined as the following criteria:

- 90 % = Excellent
- 80 % = Very good
- 70 % = Good
- 60 % = Fair
- Below 60 % = Need to improve

8.3.4 Performance appraisal results of sub-committees

8.3.4.1 Performance assessment of the Audit Committee

The results of the performance appraisal of the whole Audit Committee

- Average score of 100% which is excellent

8.3.4.2 Performance evaluation of the Search and Compensation Committee

The results of the performance appraisal of the whole Search and Compensation Committee

- Average score of 97.0 % which is excellent

8.3.4.3 Performance assessment of the Risk Management Committee

The results of the performance assessment of the whole Risk Management Committee

- Average score of 99.1 % which is excellent

8.3.4.4 Performance evaluation of the Executive Committee

The results of the performance appraisal of the whole Executive Committee

- Average score of 99.1 % which is excellent

8.3.4.5 Performance Assessment of the Corporate Governance and Sustainability Management Committee

The results of the performance appraisal of the whole Executive Committee

- Average score of 96.9 % which is excellent

8.4 Summary of the performance of the Managing Director, Succession plans for top executives, etc.

8.4.1 Nomination, developing and evaluating the performance of the Managing Director and executive management

8.4.1.1 Criteria for Nomination Managing Director

- (1) Qualifications of the Managing Director must be a person with knowledge, abilities, skills, experience in management and experience in doing business that is consistent with the company's business, having specialized expertise that are beneficial to the company's business and in line with business strategies without discrimination of sex, age, race, etc.
- (2) Have leadership visionary, morals and ethics as well as having a good attitude towards the organization able to devote enough time which is beneficial to the company's business operations
- (3) Have a transparent work history including not having any prohibited characteristics as prescribed by the notification of the Securities and Exchange Commission.

8.4.1.2 Criteria for Nomination Executives Management

- (1) Qualifications of executive management must be a person with potential, efficiency, competence, skills, experience in management, having specialized expertise in accordance with the position and duties assigned and does not discriminate against race, nationality, ethnicity, sex, language, age, skin color, physical differences, religion, culture, cult beliefs, political views, education and social status.
- (2) Have leadership visionary, morals and ethics as well as having a good attitude towards the organization able to devote enough time which is beneficial to the company's business operations
- (3) Have a transparent work history no wrongdoing both directly and indirectly

8.4.1.3 Nomination and appointment of Managing Director and executive management

Nomination and Appointment of Managing Director

The company has a policy to select the person to be responsible for the position of Managing Director of the company to be appropriate and transparent and ensure that the management is professional by the Search and Compensation Committee who will be responsible for the nomination of the Managing Director position.

Managing Director Selection Process

- (1) Search and Compensation Committee select the right person by screening from qualified persons which can be obtained from insiders and outside the organization.
- (2) In the nomination of the Managing Director, Search and Compensation Committee will select persons with knowledge, abilities, skills and experiences that are beneficial to the operation of the business or from nominations from the Board of Directors or senior executives of the company.
- (3) After selecting the right person, Search and Compensation Committee will nominate such person to the Board of Directors' meeting to consider appointing.

Nomination and Appointment of Executives Management

The company has a policy to select the person to be responsible for the position being the top management of the company to be appropriate and transparent to ensure that the management is professional, and has specific expertise. The Managing Director is responsible for recruiting and appoint the incumbent.

8.4.1.4 Evaluation of the performance of Managing Director

In 2022 , the company has determined that the Managing Director's performance assessment

8.4.1.4.1 Managing Director's performance evaluation process

Company Secretary has delivered the performance appraisal form to the Managing Director for self-assessment every year-end. After the Managing Director has completed the evaluation, the performance appraisal form will be sent back to the company secretary to collect assessment scores and do a summary report to the Board of Directors' meeting to determine measures to improve the performance of the Managing Director further.

8.4.1.4.2 The Managing Director's Performance Appraisal Criteria

The evaluation of the Managing Director's performance was based on an assessment form prepared in accordance with the Stock Exchange of Thailand's guidelines by adapting to suit the nature and structure of the organization. The results of the assessment will play an important part in the development of duties and operations related to the Managing Director to be more efficient.

Self-assessment of both individual and individual sub-committees consisting of 14 topics

Scoring is done by specifying the opinion of a Managing Director by specifying a mark (/) in only one score box from 0 – 4 in the assessment form or has a rating ranging from strongly disagree or no action in that regard to strongly agree or has done excellent in that regard. Then take all the scores obtained for evaluation by percentage of the full score which is defined as the following criteria

- 90 % = Excellent
- 80 % = Very good
- 70 % = Good
- 60 % = Fair
- Below 60 % = Need to improve

8.4.1.4.3 The results of the performance appraisal of the Managing Director

- Average score of 93.8% which is Excellent

The performance assessment results are divided into 14 topics as follows:

1. Leadership
The average overall score of 100.0%, which is excellent.
2. Strategy formulation
The average overall score 97.0%, which is excellent.
3. Strategy compliance
The average overall score of 85.0%, which is very good.
4. Planning and financial performance
The average overall score of 93.8%, which is excellent.
5. Relationship with the Board of Directors
The average overall score was 87.5 percent, which is very good.
6. External relations
The average overall score of 90.0%, which is excellent.
7. Management and relationship with personnel
The average overall score of 87.5%, which is excellent.
8. Succession
The average overall score is 83.2%, which is excellent.

9. Knowledge of products and services
The average overall score of 100.0%, which is excellent.
10. Environmentally
The average overall score is 100.0%, which is excellent.
11. Taking into account employees
The average overall score is 100.0%, which is excellent.
12. Human Rights and Gender Equality
The average overall score was 100.0%, which is excellent.
13. Community and social awareness
The average overall score of 100.0%, which is excellent.
14. Characteristics of the Managing Director
The average overall score is 95.8%, which is excellent.

8.4.2 Succession plan for top management

In order to prepare for the future, the company has a policy to plan development on the necessary skills for the person who is the successor for important positions of the company. Succession planning will be supervised by the Executive Committee with support from the Human Resources Department, the company's Search and Compensation Committee that will supervise the preparation of a succession plan of the company's top management. In order to operate the business smoothly and continuously, the plan will be reviewed annually.

9. Internal Control System and Related Party Transactions

9.1 Internal Control and Risk Management

The Board of Directors' Opinion

The Board of Directors are aware of the importance of risk management and adequacy of internal control to suit business activities, which is one of the components of good corporate governance, in order for efficient management, reliability of financial report and other reports and can prevent or reduce risk or damage to company's assets including compliance the regulations and related law, however, the company has taken important steps related to the internal control as follows:

- (1) To set the organization's structure to be according to the company's objective and nature of business, including determine responsibilities and line of command within the company.
- (2) To set authorities of management and operator, approval authorities, separate the duties and responsibilities on the part of the operator and management in order to have a balance of power and a counter check.
- (3) The Audit Committee considered the internal control system related to the accounting system and financial report is accurate, including the asset management and compliance with regulations or legal requirements.

9.1.1 The adequacy and suitability of the internal control system

The Board of Directors' meeting no. 6/2022 on December 21, 2022, which the Audit Committee attended the meeting, and evaluated the adequacy of the internal control system comply with COSO (The Committee of Sponsoring Organization of Treadway Commission) by making queries to the management covering 5 issues such as organization and environment, risk management, the operation control from management, information and communication, and follow up system. The committee considered that the company has an adequate internal control system including transactions with major shareholders, directors, management or related persons. The company's activities are under 5 significant elements as follows:

(1) Control Environment

The company strives to create a culture and environment of sound and effective internal controls, conducting the businesses honestly and transparently by adhering to the principles of good corporate governance and business ethics as well as promoting the corporate value driving the company toward sustainability. Assignments of responsibility, explicit authorities of executives at each level and in each matter, requiring management and employees to comply with the principles in the code of conduct and the corporate governance policy.

The Board of Directors has appointed sub-committees to help and support the performance of the Board of Director such as Search and Compensation Committee, Corporate Governance and Sustainabilities Management Committee, Audit Committee and Risk Management Committee, with charters that clearly define each committee's roles and responsibilities.

The company has defined the approval authority to determine the authority and step for approval of the transaction, as well as encourage and develop personnel in order to use their knowledge to reach the potential to perform.

(2) Risk Assessment

The company has defined risk management policy included as part of the good corporate governance policy, including setting a risk management approach to be in one direction for the whole organization and approaches have been disseminated to employees at all levels for acknowledgment.

The company's risk management process follows the best practices of the risk management framework. The process includes risk identification covering external and internal factors that may impact the ability of the company's operations to achieve the target such as strategic, financial, operating, rules, social and environment, which required all of management and operation have the responsibilities to manage risks. The risk management unit has the duty to coordinate, advise, and monitor all units and summarized the risk management report to analyze and determine adequate and appropriate measures to avoid or reduce the potential impact on the company.

(3) Control Activities

The company has prepared the policies, rules and regulations, operational manuals and authorization level, such as determine approval authority limits, segregation of duties among approval, as well as the information technology control, including the administration, follow up operations in accordance with the laws and regulations and business ethics as well as able to comply with the good corporate governance of the office of the Securities and Exchange Commission according to the corporate governance framework of the company.

(4) Information and Communication

The Company recognizes the importance of the information management system. This includes the communication and disclosure of information that is accurate, credible, and timely as well as security of the information system.

The company established an investor relations unit to coordinate and communicate with investors or interested person can contact the company for information. In addition, the company provides channels for insiders and outsiders to report complaints or communicate about other matters through the company website at <https://www.ajplast.co.th/contact.php> or Tel 0 2415 0035 – 202 contact risk management unit or by e-mail whistleblow@ajplast.co.th

(5) Monitoring Activities

The company has an internal audit unit, which reports directly to and receives functional guidance from Audit Committee. The internal audit conducts an audit according to the annual audit plan, for evaluating the adequacy and effectiveness of internal controls and compliance with company policies and procedures, which is in accordance with the plan of the operation control system as well as being able to express their opinions on the results of the audit independently.

The internal audit unit has control and follow-up operations, in terms of performance and compliance with policy and methodology to help the monitoring governance more effectively.

9.1.2 Head of Internal control

The company has assigned Miss Sarinthip Thanawadee to be the head of the internal audit unit of the company. Because of experience and had been trained in courses related to operations and have an understanding of the company's operating activities. Therefore, she was able to perform the duties appropriately. (Details of the head of internal audit are shown in Attachment 4.)

9.1.3 Information about the Audit Committee

The Audit Committee has the duty to review the company's internal control and internal audit system are appropriate and efficient, including considering the independence of the internal audit unit as well as approving the appointment, transfer and dismissal of the head of the internal audit unit.

9.2 Related Parties Transaction

Below is a list of related transactions that the company and subsidiaries have entered into with persons/companies who may have a conflict of interest, for the year ended 31 December 2022

Company	Relationship	Transaction	Amount (Million Baht)	
			2022	2021
A.J. Plast (Vietnam) Company Limited	Subsidiary Company	Short term loan to related parties		128.47
		Interest income		2.64
		Consulting fee	1.16	
All Marketing Co., Ltd.	Related Company	Administrative expenses	1.01	1.57
United Rice Company Limited	Related Company	Administrative expenses	0.34	-

The Necessity and Rationality of the Related Transactions

The related transaction entered by the company with person who may have conflict of interest has been thoroughly reviewed by the Audit Committee, the transaction was reasonable and beneficial to the company and shareholders.

The policy of future related party transactions

The company's policy on related transactions satisfies good corporate governance by prescribing conditions in compliance with normal characteristics of business operations and market prices that are on an arm's length basis for non-related persons. Furthermore, such transactions shall be proposed to the Audit Committee for consideration of the suitability of the price and reasonableness of the transaction.

In the case of transactions in the ordinary course of business of the company and ongoing in the future, the company will determine the rules and practice guidelines according to normal of business with reference to prices and terms that believes are appropriate, fair, reasonable, and verifiable. and proposed the transactions to the Audit Committee consider to appropriate of the transaction. In case of the Audit Committee cannot consider, the company will arrange an independent appraiser or financial advisor to be used as a guideline for comparison and decision making of the Board of Directors or the shareholders, however, the Board of Directors will consider and approve the transaction.

Further, in case the directors have an interest in the related party or connected transaction or change in terms and conditions regarding transactions with major shareholders, director, executive and persons who may have conflicts or connected persons of the company. The directors with interests will not attend the Board of Directors' meeting in the agenda relating to the consideration of entering into the transaction.



Part 3

CONSOLIDATED FINANCIAL STATEMENTS
AND THE SEPARATE FINANCIAL STATEMENTS

Report of The Board of Directors’ Responsibilities for The Financial Statements

The financial statements of A.J. Plast Public Company Limited have been established in accordance with the financial reporting standards issued by the Federation of Accounting Professions under the Royal Accounting Act B.E. 2547 and the Accounting Act B.E. 2543 of the Securities and Exchange Commission by choosing appropriate accounting policies and observing regularly. Also, carefully considering the reasonableness of the financial statements and sufficiently disclosing important information in the notes of the financial statements, the auditors have expressed their opinions on the company’s financial statements in the report of the auditors of the company.

The Board of Directors is responsible for the financial reports of the Company prepared to ensure that the statements of financial position, the comprehensive income statements, statements of change in shareholders’ equity and the statements of cash flows are true and reasonable. It provides accurate accounting records, complete and sufficient to maintain assets, including fraud prevention and irregular operations. The company has always been aware of the importance of complying with the principles of good corporate governance and it has emphasized the importance of the right of shareholders to receive the information of the Company that must be complete, adequate, timely and equitable. For making decisions in the assembly of shareholders. The Company has given shareholders equal rights to review the Company’s operations to freely express their opinions and suggestions.

The Board of Directors has appointed an audit committee consisting of 3 independent non-executive directors to oversee the quality of financial reports and internal control system which contain the opinion of the Board of Directors in the annual report.

The Board of Directors Meeting No. 6/2022 held on December 21, 2022 assessed the adequacy of the internal merger system and the Company’s good corporate governance policy. The Board of Directors has an opinion that the Company has a good internal merger and governance system as a whole at a satisfactory level and can create a rational commitment and reliability of Financial Statements of A.J. Plast Public Company Limited as of December 31, 2022



(Mr. Narong Suthisamphat)

President

A.J. Plast Public Company Limited

Independent Auditor's Report

To the Shareholders A.J. PLAST PUBLIC COMPANY LIMITED

Opinion

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

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

Basis for Opinion

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

Key Audit Matters

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

1. The inventories exist and properly valuation

As at December 31, 2022, the Company has inventories after deduction of provision for diminution inventories and provision for deteriorated inventories amount of Baht 1,653.11 million, were disclosed in Note 6 to the financial statements, which are significant to the financial statements. Finished products of the Company are plastic film packagings, so management has to make judgment carefully in the estimation of loss on diminution in inventories may be occurred, which considering based on the fluctuation of the plastic film market price and the foreign exchange rates including the past experience.

I have audited the existence of inventories and the appropriateness of the assumptions used by the management to estimate loss on diminution in inventories by:

- Evaluating the internal control system on inventories management.

- Attend the meeting of the Company to plan checking inventories and observing the physical checking of inventories together with the staff of the Company from beginning to the end, and test the accuracy of inventories reconciliation from checking date to the end of the period. To ensure inventories exist and quantity at the end of the period are properly and complete.
- Testing the validity of the preparation of the Company's production costs. To ensure accurate unit costs and allocation of related expenses to such products properly.
- Comparing the cost of inventories against expected net realizable value calculating from the selling price after year ended less selling expenses.

The results of a audited are satisfactory, and I found no material misstatement.

2. The completeness of the revenues recognition from export sales

According to Note 3.1, sale of goods are recognized when the Company has transferred control over the goods to the customer.

According to Note 26, the Company has revenues from the sales for the year 2022 total amount of Baht 9,061.66 million, with revenues from export sales amount of Baht 4,949.51 million, which is significant to the financial statements. Due to the term of transferring the control to customer is different. Therefore, the revenues recognition from export sales with many condition terms may have effect to the accuracy and completeness of revenues recognition.

I have assessment and testing of revenue recognition system, accounts receivable and settlements, cut-off and examine the accuracy of related supporting documents of the revenues from export. All audited to ensure the revenue recognition from export sales are properly recorded and complete.

Based on our testing, the result is satisfactory, and I found no material misstatement.

3. Value of other non-current financial assets – investments in related parties

As of December 31, 2022, the consolidated and separate financial statements have other non-current financial assets – investments in related party shown the fair value amount of Baht 159.48 million according to Note 7 to the financial statements which is significant item in the financial statements. The Company provided fair value appraisal of other non-current financial assets – investments in related party by the independence appraiser.

I have assessed the competence and independence of the appraiser in accordance with the auditing standards and consider the appropriateness of appraisal method chosen by the appraiser, data accuracy, including the appropriateness of the assumptions used in calculation.

Based on our testing, the result is satisfactory, and I found no material misstatement.

Other Information

Management is responsible for the other information. The other information comprise the information included in 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 do not express any form of assurance conclusion thereon.

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgment and maintain professional skepticism throughout the audit. I also :

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

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

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

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

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



(Dr. Virach Aphimeteetamrong)

Certified Public Accountant Registration No. 1378

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2022

A.J. PLAST PUBLIC COMPANY LIMITED AND SUBSIDIARY

BAHT

	Notes	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
		2022	2021	2022	2021
ASSETS					
Current Assets					
Cash and cash equivalents	3.2 and 4	184,362,616	83,031,413	5,713,562	2,483,286
Trade and other current receivables	3.3 and 5	972,572,694	1,218,506,849	950,009,378	1,194,292,718
Inventories	3.4 and 6	1,653,111,092	1,355,884,987	1,653,111,092	1,355,884,987
Other current financial assets					
Receivables from Buying and Selling					
Forward Exchange Contracts		914,504	14,181,168	914,504	14,181,168
Other current assets		22,994,077	-	-	-
Total Current assets		2,833,954,983	2,671,604,417	2,609,748,536	2,566,842,159
Non-current Assets					
Other non-current financial assets					
Investments in related party	3.5 and 7	159,480,400	117,764,000	159,480,400	117,764,000
Investments in subsidiary	3.6 and 8	-	-	389,938,585	167,397,890
Property, plant and equipment	3.7 and 9	9,212,760,917	6,479,759,865	8,600,751,874	6,479,475,572
Right-of-use assets	3.8 and 10	811,835,820	836,765,400	605,297,078	628,891,337
Intangible assets					
Deferred computer softwares	3.9 and 11	21,354,457	1,566,380	1,409,381	1,566,380
Other non-current assets					
Prepaid assets		171,782,601	253,592,185	113,497,021	253,203,141
Guarantee for leasing assets		1,226,625	1,198,442	1,226,625	1,198,442
Accounts receivable-Customs Department		5,476,766	7,175,309	5,476,766	7,175,309
Others		849,058	1,369,319	849,058	1,369,319
Total other non-current assets		179,335,050	263,335,255	121,049,470	262,946,211
Total Non-current Assets		10,384,766,644	7,699,190,900	9,877,926,788	7,658,041,390
TOTAL ASSETS		13,218,721,627	10,370,795,317	12,487,675,324	10,224,883,549

Notes to the financial statements form an integral part of these statements.

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2022

A.J. PLAST PUBLIC COMPANY LIMITED AND SUBSIDIARY

		BAHT				
		CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS		
Notes		2022	2021	2022	2021	
LIABILITIES AND SHAREHOLDERS' EQUITY						
Current Liabilities						
Bank overdrafts and short-term loans						
	from financial institutions	12	2,030,314,209	1,341,510,522	2,030,314,209	1,341,510,522
	Trade and other current payables	13	1,893,076,349	2,175,122,771	1,869,488,382	2,174,199,180
	Current contract liabilities		5,914,673	54,922,417	5,914,673	54,922,417
	Current portion of long-term loans	14	419,713,733	83,500,000	383,933,846	83,500,000
	Current portion of leases liabilities	3.8 and 15	10,091,868	11,201,147	10,091,868	11,201,147
Other current financial liabilities						
	Payables from Buying and Selling Forward Exchange Contracts		10,852,767	50,605,039	10,852,767	50,605,039
Total Current Liabilities			4,369,963,599	3,716,861,896	4,310,595,745	3,715,938,305
Non-current Liabilities						
	Long-term loans	14	3,256,336,626	1,007,640,000	2,916,427,692	1,007,640,000
	Lease liabilities	3.8 and 15	675,527,746	679,253,427	637,599,811	644,773,486
	Non-current provisions for employee benefits	3.12 and 16	81,661,631	79,921,979	81,661,631	79,921,979
Total Non-current Liabilities			4,013,526,003	1,766,815,406	3,635,689,134	1,732,335,465
TOTAL LIABILITIES			8,383,489,602	5,483,677,302	7,946,284,879	5,448,273,770

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2022

A.J. PLAST PUBLIC COMPANY LIMITED AND SUBSIDIARY

		BAHT			
		CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
Note		2022	2021	2022	2021
LIABILITIES AND SHAREHOLDERS' EQUITY (CONTINUED)					
Shareholders' Equity					
Share capital					
Authorized share capital					
	440,000,000 common stocks of Baht 1 par value	440,000,000	440,000,000	440,000,000	440,000,000
	Issued and paid-up share capital				
	440,000,000 common stocks at Baht 1 each	440,000,000	440,000,000	440,000,000	440,000,000
	Premium on share capital	1,531,672,784	1,531,672,784	1,531,672,784	1,531,672,784
Retained earnings					
Appropriated					
	Legal reserve	60,000,000	60,000,000	60,000,000	60,000,000
	Unappropriated	2,504,741,247	2,752,329,022	2,530,794,996	2,766,014,330
	Other components of shareholders' equity	(12,115,998)	(22,907,278)	(21,077,335)	(21,077,335)
	Total Shareholders' Equity of the Parent	4,524,298,033	4,761,094,528	4,541,390,445	4,776,609,779
	Non-controlling interests	310,933,992	126,023,487	-	-
	Total Shareholders' Equity	4,835,232,025	4,887,118,015	4,541,390,445	4,776,609,779
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		13,218,721,627	10,370,795,317	12,487,675,324	10,224,883,549

STATEMENTS OF COMPREHENSIVE INCOME (1/2)

FOR THE YEAR ENDED DECEMBER 31, 2022

A.J. PLAST PUBLIC COMPANY LIMITED AND SUBSIDIARY

BAHT

	Notes	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
		2022	2021	2022	2021
Revenues					
Sales		9,061,658,158	9,334,733,002	9,061,658,158	9,334,733,002
Other incomes					
Scrap sales		24,666,711	83,633,005	24,666,711	83,633,005
Tax cards income		10,881,589	11,223,948	10,881,589	11,223,948
Gain on assets disposal		-	-	1,253,478	-
Others		34,777,330	14,871,414	35,895,922	14,871,414
Total other incomes		70,325,630	109,728,367	72,697,700	109,728,367
Total Revenues		9,131,983,788	9,444,461,369	9,134,355,858	9,444,461,369
Expenses					
Cost of sales		8,380,131,779	8,165,194,859	8,380,131,779	8,165,194,859
Distribution costs		379,566,180	337,184,672	379,566,180	337,184,672
Administrative expenses		306,493,313	262,328,396	281,942,758	257,931,413
Directors' remuneration	18	6,220,000	5,710,000	6,220,000	5,710,000
Other expenses					
Loss on exchange rates		18,643,470	38,289,997	29,640,894	24,705,277
Loss from unused equipment		512,708	190	-	190
Other (gain) loss					
(Gain) loss on measurement at fair value of Buying and Selling Forward Exchange Contracts		(28,157,519)	164,033,621	(28,157,519)	164,033,621
Gain on measurement at fair value of financial assets					
- Investments in related party	7	(41,716,400)	(27,295,300)	(41,716,400)	(27,295,300)
Total Expenses		9,021,693,531	8,945,446,435	9,007,627,692	8,927,464,732
Profit from operating activities		110,290,257	499,014,934	126,728,166	516,996,637
Finance incomes		427	461	427	2,643,934
Finance costs	20	(85,895,402)	(78,954,265)	(84,079,561)	(74,736,666)
Impairment loss in accordance with TFRS 9					
- Allowance for expected credit loss		(671,463)	(2,596,750)	(671,463)	(2,596,750)
PROFIT FOR THE YEARS		23,723,819	417,464,380	41,977,569	442,307,155

Notes to the financial statements form an integral part of these statements.

STATEMENTS OF COMPREHENSIVE INCOME (2/2)

FOR THE YEAR ENDED DECEMBER 31, 2022

A.J. PLAST PUBLIC COMPANY LIMITED AND SUBSIDIARY

BAHT

Note	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	2022	2021	2022	2021
Other comprehensive income (loss) for the years				
Components of other comprehensive income (loss) that will be reclassified to profit or loss :				
Exchange rate differences on translation of financial statements	19,620,508	(3,366,773)	-	-
Total comprehensive income for the years	43,344,327	414,097,607	41,977,569	442,307,155
Profit (loss) attributable to				
Equity holders of the parent	29,609,128	428,621,847	41,977,569	442,307,155
Non-controlling interests	(5,885,309)	(11,157,467)	-	-
	23,723,819	417,464,380	41,977,569	442,307,155
Total comprehensive income (loss) attributable to				
Equity holders of the parent	40,400,408	426,791,904	41,977,569	442,307,155
Non-controlling interests	2,943,919	(12,694,297)	-	-
	43,344,327	414,097,607	41,977,569	442,307,155
Earnings per share of the parent company	3.14			
Basic earnings per share (Baht)	0.07	0.97	0.10	1.01
The number of common stocks used in computation (shares).	440,000,000	440,000,000	440,000,000	440,000,000

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2022

A.J. PLAST PUBLIC COMPANY LIMITED AND SUBSIDIARY CONSOLIDATED

BAHT

Notes	Equity holders of the parent							Non-controlling interests	Total shareholders' equity	
	Issued and paid-up share capital	Premium on capital shares	Retained earnings		Other components of the shareholders' equity					
			Legal reserve	Unappropriated	Other comprehensive income (loss)		Total other components of the shareholders' equity			Total equity of the parent
					Translation of financial statement differences	Loss from employee benefit plan				
Beginning balances as at January 1, 2021	440,000,000	1,531,672,784	60,000,000	2,675,706,975	-	(21,077,335)	(21,077,335)	4,686,302,424	-	4,686,302,424
Increase in non-controlling interests during the year										
- from investments in subsidiary	-	-	-	-	-	-	-	-	138,717,784	138,717,784
Dividend payment	18	-	-	(351,999,800)	-	-	-	(351,999,800)	-	(351,999,800)
Profit (loss) for the year 2021	-	-	-	428,621,847	-	-	-	428,621,847	(11,157,467)	417,464,380
Other comprehensive income (loss) for the year										
Exchange differences on translating financial statements	-	-	-	-	(1,829,943)	-	(1,829,943)	(1,829,943)	(1,536,830)	(3,366,773)
Total comprehensive income (loss) for the year 2021	-	-	-	428,621,847	(1,829,943)	-	(1,829,943)	426,791,904	(12,694,297)	414,097,607
Balances as at December 31, 2021	440,000,000	1,531,672,784	60,000,000	2,752,329,022	(1,829,943)	(21,077,335)	(22,907,278)	4,761,094,528	126,023,487	4,887,118,015
Increase in non-controlling interests during the year										
- from investments in subsidiary	-	-	-	-	-	-	-	-	181,966,586	181,966,586
Dividend payment	18	-	-	(277,196,903)	-	-	-	(277,196,903)	-	(277,196,903)
Profit (loss) for the year 2022	-	-	-	29,609,128	-	-	-	29,609,128	(5,885,309)	23,723,819
Other comprehensive income for the year										
Exchange differences on translating financial statements	-	-	-	-	10,791,280	-	10,791,280	10,791,280	8,829,228	19,620,508
Total comprehensive income for the year 2022	-	-	-	29,609,128	10,791,280	-	10,791,280	40,400,408	2,943,919	43,344,327
Balances as at December 31, 2022	440,000,000	1,531,672,784	60,000,000	2,504,741,247	8,961,337	(21,077,335)	(12,115,998)	4,524,298,033	310,933,992	4,835,232,025

Notes to the financial statements form an integral part of these statements.

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2022

A.J. PLAST PUBLIC COMPANY LIMITED AND SUBSIDIARY
THE SEPARATE FINANCIAL STATEMENTS

BAHT

Notes	Issued and paid-up share capital	Premium on share capital	Retained earnings		Total other components of shareholders' equity	Total
			Legal reserve	Unappropriated	Loss from employee benefit plan	
Beginning balances as at January 1, 2021	440,000,000	1,531,672,784	60,000,000	2,675,706,975	(21,077,335)	4,686,302,424
Total comprehensive income for the year 2021	-	-	-	442,307,155	-	442,307,155
Dividend payment	18	-	-	(351,999,800)	-	(351,999,800)
Balances as at December 31, 2021	440,000,000	1,531,672,784	60,000,000	2,766,014,330	(21,077,335)	4,776,609,779
Total comprehensive income for the year 2022	-	-	-	41,977,569	-	41,977,569
Dividend payment	18	-	-	(277,196,903)	-	(277,196,903)
Balances as at December 31, 2022	440,000,000	1,531,672,784	60,000,000	2,530,794,996	(21,077,335)	4,541,390,445

STATEMENTS OF CASH FLOWS (1/3)

FOR THE YEAR ENDED DECEMBER 31, 2022

A.J. PLAST PUBLIC COMPANY LIMITED AND SUBSIDIARY

BAHT

	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	2022	2021	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES :				
Profit for the years	23,723,819	417,464,380	41,977,569	442,307,155
Adjustments to reconcile profit for the years to cash provided from (used in) operation :				
Depreciation of plant and equipment	275,564,226	278,796,596	275,553,452	278,796,596
Depreciation of right-of-use assets	31,491,209	30,956,375	26,707,894	26,855,879
Amortization of computer softwares	387,507	553,985	387,507	553,985
Allowance for expected credit loss	671,463	2,596,750	671,463	2,596,750
Loss on deteriorated inventories (reversal)	(1,541,566)	(2,408,528)	(1,541,566)	(2,408,528)
Loss on diminution in inventories	78,187,858	316,959	78,187,858	316,959
(Gain) loss on disposal/unused assets	512,708	190	(1,253,479)	190
Unrealized (gain) loss on exchange rates	(11,574,389)	619,233	(4,343,087)	26,719
Unrealized loss on measurement at fair value of Buying and Selling Forward Exchange Contracts	9,938,263	36,423,871	9,938,263	36,423,871
Gain on measurement at fair value of financial assets - Investments in related party	(41,716,400)	(27,295,300)	(41,716,400)	(27,295,300)
Increase in other income from the write-off of trade and other payables	(10,247,637)	(744,837)	(10,247,637)	(744,837)
Increase in production cost from prepaid assets	2,516,671	906,042	2,516,671	906,042
Increase in production cost from machinery under installation	245,960	533,810	245,960	533,810
Interest expenses	73,741,177	67,541,795	71,925,336	63,324,196
Long-term employee benefits expenses	5,611,984	5,758,611	5,611,985	5,758,611
Profit from operation before changes in operating assets and liabilities items	437,512,853	812,019,932	454,621,789	827,952,098
Changes in operating assets and liabilities items (Increase) decrease in operating assets items				
Trade and other current receivables	245,044,094	(385,018,373)	243,393,280	(360,804,242)
Inventories	(388,666,022)	(85,514,663)	(388,666,022)	(85,514,663)
Receivables from Buying and Selling Forward Exchange Contracts	14,181,168	66,268,942	14,181,168	66,268,942
Other current assets	(22,994,077)	-	-	-
Other non-current assets	2,190,621	3,015,632	2,190,621	3,015,632

Notes to the financial statements form an integral part of these statements.

STATEMENTS OF CASH FLOWS (2/3)

FOR THE YEAR ENDED DECEMBER 31, 2022

A.J. PLAST PUBLIC COMPANY LIMITED AND SUBSIDIARY

BAHT

	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	2022	2021	2022	2021
Changes in operating assets and liabilities items (continued)				
Increase (decrease) in operating liabilities items				
Trade and other current payables	(404,770,007)	436,383,288	(407,063,365)	435,538,944
Current contract liabilities	(49,007,744)	14,831,010	(49,007,744)	14,831,010
Payables from Buying and Selling Forward Exchange Contracts	(50,605,039)	-	(50,605,039)	-
Long-term employee benefits expenses	(3,872,333)	(4,836,233)	(3,872,333)	(4,836,233)
Cash provided from (used in) operating activities	(220,986,486)	857,149,535	(184,827,645)	896,451,488
Translation of financial statement differences	10,791,280	(1,829,943)	-	-
Net Cash Provided from (used in) Operating Activities	(210,195,206)	855,319,592	(184,827,645)	896,451,488
CASH FLOWS FROM INVESTING ACTIVITIES :				
Purchase of property, plant and equipment	(2,574,872,029)	(225,957,709)	(2,375,816,230)	(225,673,416)
Payment for right-of-use assets	-	(177,494,618)	-	-
Purchase of computer softwares	(20,175,584)	(345,640)	(230,508)	(345,640)
Cash received from disposal assets	1,121,494	-	384,529,635	-
Payment for interest recorded as cost of assets	(14,580,729)	-	(11,001,762)	-
Raw materials used and recorded as cost of assets	(30,040,010)	-	(30,040,010)	-
Prepaid for assets	(147,684,838)	(180,616,574)	(89,399,258)	(180,227,530)
Payment for investments in subsidiary	-	-	(222,540,695)	(167,397,890)
Net Cash Used in Investing Activities	(2,786,231,696)	(584,414,541)	(2,344,498,828)	(573,644,476)
CASH FLOWS FROM FINANCING ACTIVITIES :				
Increase (decrease) in bank overdrafts and short-term loans from financial institutions	688,803,687	600,936,391	688,803,687	600,936,391
Proceeds from long-term loans	2,800,688,821	286,000,000	2,425,000,000	286,000,000
Repayment for long-term loans	(215,778,462)	(792,300,000)	(215,778,462)	(792,300,000)
Repayment for leases liabilities	(11,396,589)	(10,170,597)	(11,396,589)	(10,170,597)
Repayment for assets acquisition payables	(16,311,871)	(2,770,919)	(16,311,871)	(2,770,919)
Interest expenses paid	(69,102,760)	(67,600,547)	(60,588,178)	(63,461,968)
Decrease in non-controlling interests from exchange rate differences from translations of financial statements	8,829,228	(1,536,830)	-	-
Proceeds from investments in subsidiaries of non-controlling interests	181,966,586	138,717,784	-	-
Dividend payment	(277,196,903)	(351,999,800)	(277,196,903)	(351,999,800)
Net Cash Provided from (Used in) Financing Activities	3,090,501,737	(200,724,518)	2,532,531,684	(333,766,893)

Notes to the financial statements form an integral part of these statements.

STATEMENTS OF CASH FLOWS (3/3)

FOR THE YEAR ENDED DECEMBER 31, 2022

A.J. PLAST PUBLIC COMPANY LIMITED AND SUBSIDIARY

BAHT

	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	2022	2021	2022	2021
Net increase (decrease) in cash and cash equivalents before exchange rate effects	94,074,835	70,180,533	3,205,211	(10,959,881)
Exchange rates effects on cash and cash equivalents	7,256,368	(517,969)	25,065	74,318
Cash and Cash Equivalents as at January 1,	83,031,413	13,368,849	2,483,286	13,368,849
Cash and Cash Equivalents as at December 31,	184,362,616	83,031,413	5,713,562	2,483,286
Additional Disclosure Items to Cash Flows Statements				
Non-cash flows items comprise :				
Increase in plant, machineries and equipment from assets acquisition payables	149,181,296	16,104,483	133,113,298	16,104,483
Increase in plant, machineries and equipment from prepaid assets	226,977,751	13,617,856	226,588,707	13,617,856
Interest recorded as cost of assets	4,550,327	-	168,288	-
Increase in vehicle from right-of-use assets transferring				
- Cost	-	4,300,000	-	4,300,000
- Accumulated depreciation	-	(3,103,406)	-	(3,103,406)
Increase in right-of-use assets from leases liabilities	3,113,635	43,086,096	3,113,635	8,606,155
Increase in right-of-use assets from lease liabilities adjustment	3,447,994	-	-	-
Decrease in right-of-use assets from rental rates changing	-	(13,219,242)	-	(13,219,242)
Increase in machinery under installation from spare parts (Inventories).	14,793,625	-	-	-

A. J. PLAST PUBLIC COMPANY LIMITED AND SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2022

1. GENERAL INFORMATION

Company status	A juristic person established under Thai law and listed on the Stock Exchange of Thailand.
Company location	
Head office	95, Thakarm Road, Kwaeng Samaedam, Khet Bangkhuntien, Bangkok.
Branch 1 (Factory location)	Laemchabang Industrial Estate, 38/11 Moo 5, Thungsukala Subdistrict, Sriracha District, Chonburi Province.
Branch 2 (Warehouse location)	Laemchabang Industrial Estate, 46/3 Moo 5, Thungsukala Subdistrict, Sriracha District, Chonburi Province.
Branch 3 (Warehouse location)	333/4 TIP 8 Building project, Moo 9, Bangpla Subdistrict, Bangphli District, Samutprakan Province.
Branch 4 (Factory location)	Pinthong Industrial Estate, 8 Moo 8 Khao Khan Song Subdistrict, Sriracha Subdistrict, Chonburi Province.
Type of business	1) Manufacturing and selling plastic films both local and exporting to foreign countries, scraps are sold both in local and abroad. 2) Investing in its subsidiary which carries on business according to Note 8 to the financial statements.

2. BASIS FOR PREPARATION OF FINANCIAL STATEMENTS

2.1 The consolidated and the separate financial statements are prepared in accordance with the Accounting Standards and Financial Reporting Standards issued by Federation of Accounting Professions under the Accounting Profession Act, B.E. 2547 (2004), the Accounting Act, B.E. 2543 (2000) and the Notification of the Office of the Securities and Exchange Commission and the Notification of the Department of Business Development regarding "The Brief Particulars in the Financial Statements (No.3) B.E. 2562 (2019)". Except the financial statements of overseas subsidiary are prepared in accordance with Accounting Standards of the country where the subsidiary is located. The preparation of the consolidated financial statements have been adjusted to conform with the accounting policies of the Company.

2.2 Financial reporting standards that became effective in the current year

During the year, the Group has adopted the revised and new financial reporting standards and interpretations which are effective for fiscal periods beginning on or after January 1, 2022. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

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

2.3 Financial reporting standards that became effective for fiscal years beginning on or after January 1, 2023

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after January 1, 2023. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and, for some standards, providing temporary reliefs or temporary exemptions for users.

Management of group companies is evaluating the impact of such financial reporting standards on the financial statements in the year when they are adopted.

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

2.5 The consolidated financial statements included the financial statements of A. J. Plast Public Company Limited with its subsidiary as follows :

COMPANY	% HOLDING		ESTABLISHED IN
	2022	2021	
SUBSIDIARY			
A.J. Plast (Vietnam) Company Limited	55.00	55.00	Socialist Republic of Vietnam

2.6 Inter-company balances and significant transactions of the Company and its subsidiary have been eliminated from the consolidated financial statements.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Revenues and expenses recognition

Revenue from product sales is recognized when the Company has transferred control over the goods to the customer. Revenues from the sales are stated at the invoiced without VAT and after discount.

Interest income is recognized on an accrual basis based on the effective rate of interest.

Other revenues and expenses are recognized on an accrual basis.

3.2 Cash and cash equivalents

Cash and cash equivalents are cash on hand and fixed deposit at the financial institutions due not more than 3 months from the date of acquisition with no obligation.

3.3 Trade accounts receivable and allowance for expected credit loss

Trade accounts receivable are stated at the net realizable value, the Company provides allowance for expected credit loss that may arise from collection of receivables by considering the aging of debt according to the simplified approach.

3.4 Inventories

Inventories are stated at cost or net realizable value, whichever is the lower. Cost is determined by the weighted average method.

The Company set up provision for diminution in deteriorated inventories which are expected to be unsaleable and for the inventories which have net realizable value lower than cost.

3.5 Investments in related party

Investments in related party undertaking mean the company in which, directly or indirectly, has common management, major shareholder or some related person.

The Company recorded investments in related party at fair value.

3.6 Investments in subsidiary

Subsidiary is company in which the group of the Company has power to govern the financial and operating policies. The Company included the subsidiary in the consolidated financial statements since the date that the group Company has power to govern until the date of the power to govern is ended.

The investments in subsidiary for the separate financial statements are presented by the cost method after deducting impairment of investment.

3.7 Property, plant and equipment

The property, plant and equipment are stated at cost net from accumulated depreciation and allowance for impairment assets (if have). Depreciation is calculated by the straight-line method based on the estimated useful life of the following assets:

PARTICULARS	CONSOLIDATED AND THE SEPARATE FINANCIAL STATEMENTS
	USEFUL LIFE (YEARS)
Land	No depreciation
Plant and factories	20 – 40
Condominium	10 – 20
Condominium improvements	5
Machineries	15 – 30
Tools and accessories	5
Vehicle	5
Computer accessories	3 – 8
Office furniture and equipment	5
Natural gas system	5

Financial expenses which are directly related to the acquisition, construction and manufacturing of assets are recorded as cost of fixed assets.

An impairment loss is recognized when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.

3.8 Leases

Right-of-use assets

The Group recognizes right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses. The recognized right-of-use assets are depreciated on a straight-line basis from the commencement date of the lease to the earlier of the end of the useful life of the right-of-use assets or the end of the lease term.

If the lease transfers ownership of the underlying asset to the lessee by the end of the lease term or if the cost of the right-of-use assets reflects that the lessee will exercise a purchase option, the lessee shall depreciate the right-of-use assets from the commencement date to the end of the useful life of the underlying asset.

Leases liabilities

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of the lease payments to be made over the lease term, discounted by the interest rate implicit in the lease or the Group's incremental borrowing rate.

Short-term lease and lease of low-value assets

Payments under leases that, have a lease term of 12 months or less at the commencement date, or are leases of low-value assets, are recognized as expenses on a straight-line basis over the lease term.

3.9 Intangible assets

Deferred computer softwares are stated at cost net from cumulative amortization which is calculated by the straight-line method based on the estimated 3 – 5 years.

3.10 Deferred tax assets/liabilities

Deferred tax assets/liabilities are recognized for temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes as at the statements of financial position date. They will be realised in future period when the income is realised, or the expenses provided for are actually incurred and considered deductible for income tax purposes.

Deferred tax assets are recognized for deductible temporary differences or addtble tax are deferred tax liabilities if it is highly probable that the Company will generate sufficient taxable profits from its future operations to utilise these assets.

At each statements of financial position date, the Company reviews and reduces the carrying amount of deferred tax assets/liabilities to the extent that it is no longer probable that sufficient taxable profit be available to allow all or part of the deferred tax asset or deferred tax liabilities to be utilised.

3.11 Impairment of non-financial assets

At the end of each reporting period, the Group performs impairment reviews in respect of the property, plant and equipment and right-of-use assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.

The Group is recognized impairment loss in profit or loss.

3.12 Employee benefits**Short-term employee benefits**

The Company and its subsidiary recognized salaries, wages, bonuses and contributions to the social security fund as expenses when incurred.

Long-term employee benefits**Defined contribution plan**

The Company provided a provident fund, which is a defined contribution plan, the assets of which are held in a separate trust fund and managed by the external fund manager. Such provident fund is contributed by payments from employees and the Company. Contributions to the provident fund are charged to the operation in the incurred year.

Defined benefit plan

The provision for employee retirement benefits is recognized as an expense of operations over the employee's service period. It is calculated by estimating the amount of future benefit earned by employees in return for service provided to the Company in the current and future periods, with such benefit being discounted to determine the present value. The reference point for setting the discount rate is the yield rate of government bonds as at the reporting date. The calculation is performed by a qualified actuary using the Projected Unit Credit Method.

3.13 Income tax expenses (revenues)

Income tax expenses (revenues) from profit/loss for the period consist of current income tax and deferred tax. Income tax expenses (revenues) recognized in statements of comprehensive income unless part of transaction recorded in shareholders' equity recorded directly to equity.

3.14 Earnings per share

Basic earnings per share is calculated by dividing the profit for the year by the number of weighted average common stocks held by outsiders during the year.

3.15 Foreign currency transactions

Foreign currency transactions incurred during the year are recorded in Baht at the rate ruling on the date of transactions. Outstanding foreign currency assets and liabilities on the statements of financial position are converted to Baht at the rate of exchange in effect on that date.

Gain and loss on exchange rates included in the calculation performance.

For preparation of the consolidated financial statements, the financial statements of the subsidiary denominated in foreign currencies are converted to Baht based on the following exchange rates:

- Assets and liabilities were translated by the average exchange rate at the end of the year.
- Shareholders' equity and depreciation were translated by the exchange rate in effect on the transaction dates.
- Revenues and expenses were translated by the average exchange rate for the year.

The translation of financial statement differences in foreign currencies was shown in other comprehensive income.

3.16 Related party

The party which has, directly and indirectly, some common management, major shareholders or some common related persons are accounted for as related parties.

3.17 Financial instruments

Classification and measurement of financial assets

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

Financial assets measured at amortized cost

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

Financial assets at amortized cost are subsequently measured using the effective interest rate method and are subject to gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

Financial assets measured at fair value through profit or loss

Financial assets measured at fair value through profit or loss are carried in the statements of financial position at fair value with net changes in fair value recognized in profit or loss. These financial assets include derivatives, equity investments which the Company has not irrevocably elected to classify at fair value through other comprehensive income and financial assets with cash flows that are not solely payments of principal and interest.

Classification and measurement of financial liabilities

Except for derivative liabilities, at initial recognition the Group financial liabilities are recognized at fair value net of transaction costs and classified as liabilities to be subsequently measured at amortized cost using the method gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the amortization process in determining amortized cost, takes into account any fees or costs that are an integral part amortization is included in finance cost in profit or loss.

The Group may elect to measure financial liabilities at fair value through profit or loss if doing so eliminates, or significantly reduces a recognition inconsistency.

Impairment of financial assets

The Group uses the simplified approach to compute expected credit loss for trade accounts receivable. Therefore, every day at the end of the reporting period, the Group recognizes the allowance for anticipated credit loss over the life of the trade receivables based on credit loss data from past experience updated with forward-looking information about the receivable and the economic environment.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statements of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

3.18 Derivatives and hedge accounting

The Group derivatives are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. The subsequent changes are recognized in profit or loss. Derivatives are carried as financial assets when the fair value is greater zero and as financial liabilities when the fair value is less than zero.

The Group uses derivatives are Buying and Selling Forward Exchange Contracts to hedge from fluctuation of exchange rate risk.

Hedge accounting

For the purpose of hedge accounting, The Group hedges are classified as follow :

- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognized firm commitment.

Fair value hedges

The change in the fair value of a hedging instrument is recognized in profit or loss. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognized in profit or loss.

Any adjustment to the carrying value of fair value hedges relating to items carried at amortized cost, is amortized through profit or loss over the remaining term of the hedge using the effective interest method. The amortization may begin as soon as an adjustment exists or no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged. If the hedged item is derecognized, the unamortized fair value is recognized immediately in profit or loss.

3.19 Fair value measurement

Fair value is the amount for which an asset could be exchange, or a liabilities settled between knowledgeable, willing parties in an arm's length transaction. The Group applies a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Group measures fair value using valuation technique that are appropriate in the circumstances and maximizes the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy into 3 levels based on categorize of input to be used in fair value measurement as follows:

- Level 1 Use of quoted market prices in an active market for such assets or liabilities.
- Level 2 Use of other observable inputs for such assets or liabilities, whether directly or indirectly.
- Level 3 Use of unobservable inputs such as estimates of future cash flows.

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

The carrying amount of cash and cash equivalents, other current financial assets, trade receivables, amounts due from related parties, trade payables, accounts payable-plant and equipment, amounts due to related parties are assumed to approximate their fair value due to the short maturities of these instruments.

3.20 Presentation currency

The financial statements are prepared and presented in Thai Baht. All financial information presented in Thai Baht has been rounded to the nearest Baht unless otherwise stated.

3.21 Significant accounting judgments and estimates

In preparation of financial statements in accordance with generally accepted accounting principles requires management to use judgments on various estimates and assumptions that will affect the reported amounts of revenues, expenses, assets and liabilities including the disclosure of contingent assets and liabilities. Actual results may differ from those estimates.

Estimates and assumptions are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions of significant accounting relate primarily to allowance for expected credit loss, provision for deteriorated inventories, provision for diminution inventories, gain (loss) on measurement at fair value of other non - current financial assets, allowance for depreciation of plant and equipment, allowance for depreciation of right-of-use assets, allowance for impairment assets, amortization of intangible assets and provision for long-term employee benefits. All other estimates mentioned above are further disclosed in the corresponding notes to the financial statements.

4. CASH AND CASH EQUIVALENTS

(AMOUNT IN BAHT)

PARTICULARS	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	2022	2021	2022	2021
Cash	825,000	705,000	825,000	705,000
Bank deposit	183,537,616	82,326,413	4,888,562	1,778,286
Total cash and cash equivalents	184,362,616	83,031,413	5,713,562	2,483,286

5. TRADE AND OTHER CURRENT RECEIVABLES

(AMOUNT IN BAHT)

PARTICULARS	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	2022	2021	2022	2021
Trade accounts receivable				
Current	761,325,784	997,454,264	761,325,784	997,454,264
Over due within 3 months	7,384,117	12,609,496	7,384,117	12,609,496
Over due within 3 - 6 months	1,201,414	--	1,201,414	--
Over 12 months	4,978,056	4,306,593	4,978,056	4,306,593
Total	774,889,371	1,014,370,353	774,889,371	1,014,370,353
Post - dated cheque	21,300,163	41,077,210	21,300,163	41,077,210
Total Trade accounts receivables	796,189,534	1,055,447,563	796,189,534	1,055,447,563
<u>Less</u> Allowance for expected credit loss	(4,978,056)	(4,306,593)	(4,978,056)	(4,306,593)
Total trade accounts receivable - net	791,211,478	1,051,140,970	791,211,478	1,051,140,970
Other current receivables				
Other receivables	25,686,216	21,697,129	25,686,216	21,697,129
Refundable value added tax	107,948,885	105,632,546	85,022,442	85,406,384
Prepaid spare parts	6,843,037	8,823,099	6,843,037	8,823,099
Prepaid interest	6,656,199	6,709,130	6,656,199	6,709,130
Other	34,226,879	24,503,975	34,590,006	20,516,006
Total other current receivables	181,361,216	167,365,879	158,797,900	143,151,748
Trade and other current receivables	972,572,694	1,218,506,849	950,009,378	1,194,292,718

6. INVENTORIES

(AMOUNT IN BAHT)

PARTICULARS	CONSOLIDATED AND THE SEPARATE FINANCIAL STATEMENTS	
	2022	2021
Finished products	557,867,742	367,540,466
Work in process	30,593,371	25,276,294
Raw materials	763,819,655	551,478,851
Packaging materials	28,166,685	31,542,913
Lubricant	7,814,702	4,840,574
Other consumed supplies	10,694,738	6,449,814
Spare parts	177,167,582	176,897,738
Goods in transit	95,556,855	170,686,318
Raw materials in transit	62,050,727	14,442,132
Spare parts in transit	--	5,891,371
Other consumed supplies in transit	82,185	4,895,374
Total	1,733,814,242	1,359,941,845
<u>Less</u> : Provision for deteriorated inventories	(339,349)	(1,880,915)
<u>Less</u> : Provision for diminution inventories	(80,363,801)	(2,175,943)
Inventories - net	1,653,111,092	1,355,884,987

7. OTHER NON-CURRENT FINANCIAL ASSETS - INVESTMENTS IN RELATED PARTY

Other non - current financial assets measured at fair value through profit or loss consisted of the following

(AMOUNT IN BAHT)

PARTICULARS	CONSOLIDATED AND THE SEPARATE FINANCIAL STATEMENTS
Beginning balance as at January 1, 2021	90,468,700
Gain on measurement at fair value of investments	27,295,300
Ending balance as at December 31, 2021	117,764,000
Gain on measurement at fair value of investments	41,716,400
Ending balance as at December 31, 2022	159,480,400

Investment in United Foods Public Company Limited, which is a related company due to they have related shareholders and directors as follows :

Nature of business	The number of shares	% Holding	Cost (BAHT)	Paid-up share capital (BAHT)	Dividend (BAHT)	
					2022	2021
Food	998,000	4.99	23,952,000	200,000,000	--	--

8. INVESTMENTS IN SUBSIDIARY

Subsidiary	Type of Business	Paid-up share capital (USD)		% Holding	Cost Method (BAHT)	
		2022	2021		2022	2021
A.J. Plast (Vietnam) Company Limited	Manufacturing products from plastic	21,186,000	9,080,000	55.00	389,938,585 (USD 11,652,300)	167,397,890 (USD 4,994,000)

In 2020, the Company and SCG Chemicals Public Company Limited. have joint established the company in Socialist Republic of Vietnam. The authorized share capital is VND 491,409 million (USD 21,186,000) or about Baht 700 million. The Company will hold the portion in 55% of total of issued and paid – up share capital, the rest is held by SCG Chemicals Public Company Limited.

On November 15, 2021, A.J. PLAST (Vietnam) Company Limited has been registered in Socialist Republic of Vietnam, authorized share capital amount of VND 210,611 million (USD 9,080,000) or about Baht 306 million. The Company has paid as follows :

Date	Paid-up share capital		
	USD	Million VND	BAHT
December 22, 2021	4,994,000	115,836	167,397,890
February 28, 2022	3,329,150	77,220	108,733,702
May 31, 2022	3,329,150	77,220	113,806,993
Total	11,652,300	270,276	389,938,585

On November 18, 2022, A.J. PLAST (VIETNAM) COMPANY was registered capital changing VND 210,611 million to be VND 491,409 million (USD 21,186,000).

Financial statements of subsidiary in the foreign country

The financial statements of the Company's subsidiary in the foreign country was used to prepare consolidated financial statements have been translated into Baht, which was audited by other certified public accountants the details are as follows :

(AMOUNT IN MILLION BAHT)

Subsidiary in the foreign country	Total Assets		Total Revenues	
	2022	2021	2022	2021
A.J. Plast (Vietnam) Company Limited	1,124.28	313.31	11.03	--

9. PROPERTY, PLANT AND EQUIPMENT

PARTICULARS	CONSOLIDATED (BAHT)					
	Land	Plant and factory	Condominium and improvements	Machinery	Factory tools and equipment	Vehicle
At Cost						
January 1, 2021	364,101,194	808,772,611	21,079,731	8,681,986,705	129,636,329	18,798,422
Purchase	--	--	--	7,580,517	45,017,861	532,000
Disposal/unused	--	--	--	--	--	(1,154,172)
Transfer in/(transfer out)	--	--	--	4,047,526	3,123,998	--
Transferred to expenses	--	--	--	--	--	--
Transferred from						
- Right-of-use assets	--	--	--	--	--	4,300,000
- Prepaid assets	--	--	--	1,564,920	5,313,617	--
December 31, 2021	364,101,194	808,772,611	21,079,731	8,695,179,668	183,091,805	22,476,250
Purchase	--	268,611,406	--	1,023,690,930	30,531,322	--
Disposal/unused	--	--	--	--	--	(5,228,000)
Disposal assets to subsidiary						
- Machinery and equipment	--	--	--	(840,845,960)	(19,679,942)	--
- Spare parts (Inventories)	--	--	--	--	--	--
Recorded as assets transactions						
- Interest	--	--	--	--	--	--
- Raw materials used	--	--	--	30,040,010	--	--
Transfer in/(transfer out)	--	74,222,507	--	71,305,295	--	--
Transferred to expenses	--	--	--	--	--	--
Transferred from prepaid assets	--	17,089,264	--	17,012,945	3,553,502	--
December 31, 2022	364,101,194	1,168,695,788	21,079,731	8,996,382,888	197,496,687	17,248,250
Accumulated depreciation						
January 1, 2021	--	287,956,308	5,351,295	3,205,698,617	80,609,642	12,433,658
Depreciation for the year 2021	--	17,158,978	821,113	225,789,542	23,433,925	453,755
Disposal/unused	--	--	--	--	--	(1,154,155)
Transfer in/(transfer out)	--	--	--	--	--	--
Transferred from						
right-of-use assets	--	--	--	--	--	3,103,406
December 31, 2021	--	305,115,286	6,172,408	3,431,488,159	104,043,567	14,836,664
Depreciation for the year 2022	--	18,490,201	820,717	217,643,509	26,849,166	254,000
Disposal/unused	--	--	--	--	--	(3,593,798)
Disposal Machinery and equipment to a subsidiary	--	--	--	(486,009,367)	(7,668,206)	--
December 31, 2022	--	323,605,487	6,993,125	3,163,122,301	123,224,527	11,496,866
Net Book value						
December 31, 2021	364,101,194	503,657,325	14,907,323	5,263,691,509	79,048,238	7,639,586
December 31, 2022	364,101,194	845,090,301	14,086,606	5,833,260,587	74,272,160	5,751,384

PARTICULARS	CONSOLIDATED (BAHT)				
	Computer accessories	Office furniture and equipment	Natural gas system	Assets under construction and installation	Total
At Cost					
January 1, 2021	9,348,435	60,443,936	7,881,000	47,049,250	10,149,097,613
Purchase	3,723,505	7,789,348	--	177,418,961	242,062,192
Disposal/unused	(2,118,022)	(19,278,557)	--	--	(22,550,751)
Transfer in/(transfer out)	308,233	2,776,372	--	(10,256,129)	--
Transferred to expenses	--	--	--	(533,810)	(533,810)
Transferred from					
- Right-of-use assets	--	--	--	--	4,300,000
- Prepaid assets	--	2,738,818	--	4,000,501	13,617,856
December 31, 2021	11,262,151	54,469,917	7,881,000	217,678,773	10,385,993,100
Purchase	5,346,947	5,447,009	1,880,900	1,383,994,484	2,719,502,998
Disposal/unused	--	--	--	--	(5,228,000)
Disposal assets to subsidiary					
- Machinery and equipment	--	--	--	366,848,329	(493,677,573)
- Spare parts (Inventories)	--	--	--	14,793,625	14,793,625
Recorded as assets transactions					
- Interest	--	--	--	19,131,056	19,131,056
- Raw materials used	--	--	--	--	30,040,010
Transfer in/(transfer out)	--	--	--	(145,527,802)	--
Transferred to expenses	--	--	--	(245,960)	(245,960)
Transferred from prepaid assets	--	--	--	189,322,040	226,977,751
December 31, 2022	16,609,098	59,916,926	9,761,900	2,045,994,545	12,897,287,007
Accumulated depreciation					
January 1, 2021	4,837,874	42,343,270	7,653,130	--	3,646,883,794
Depreciation for the year 2021	2,845,033	8,066,390	227,860	--	278,796,596
Disposal/unused	(2,117,979)	(19,278,427)	--	--	(22,550,561)
Transfer in/(transfer out)	9,571	(9,571)	--	--	--
Transferred from					
right-of-use assets	--	--	--	--	3,103,406
December 31, 2021	5,574,499	31,121,662	7,880,990	--	3,906,233,235
Depreciation for the year 2022	3,632,804	7,827,451	46,378	--	275,564,226
Disposal/unused	--	--	--	--	(3,593,798)
Disposal Machinery and equipment to a subsidiary	--	--	--	--	(493,677,573)
December 31, 2022	9,207,303	38,949,113	7,927,368	--	3,684,526,090
Net Book value					
December 31, 2021	5,687,652	23,348,255	10	217,678,773	6,479,759,865
December 31, 2022	7,401,795	20,967,813	1,834,532	2,045,994,545	9,212,760,917

PARTICULARS	THE SEPARATE FINANCIAL STATEMENTS (BAHT)					
	Land	Plant and factory	Condominium and improvements	Machinery	Factory tools and equipment	Vehicle
At Cost						
January 1, 2021	364,101,194	808,772,611	21,079,731	8,681,986,705	129,636,329	18,798,422
Purchase	--	--	--	7,580,517	45,017,861	532,000
Disposal/unused	--	--	--	--	--	(1,154,172)
Transfer in/(transfer out)	--	--	--	4,047,526	3,123,998	--
Transferred to expenses	--	--	--	--	--	--
Transferred from						
- Right-of-use assets	--	--	--	--	--	4,300,000
- Prepaid assets	--	--	--	1,564,920	5,313,617	--
December 31, 2021	364,101,194	808,772,611	21,079,731	8,695,179,668	183,091,805	22,476,250
Purchase	--	268,611,406	--	1,023,690,930	30,531,322	--
Disposal/unused	--	--	--	--	--	(5,228,000)
Disposal of assets to a subsidiary	--	--	--	(840,845,960)	(19,679,942)	--
Recorded as assets transactions						
- Interest	--	--	--	--	--	--
- Raw materials used	--	--	--	30,040,010	--	--
Transfer in/(transfer out)	--	74,222,507	--	71,305,295	--	--
Transferred to expenses	--	--	--	--	--	--
Transferred from prepaid assets	--	17,089,264	--	17,012,945	3,553,502	--
December 31, 2022	364,101,194	1,168,695,788	21,079,731	8,996,382,888	197,496,687	17,248,250
Accumulated depreciation						
January 1, 2021	--	287,956,308	5,351,295	3,205,698,617	80,609,642	12,433,658
Depreciation for the year 2021	--	17,158,978	821,113	225,789,542	23,433,925	453,755
Disposal/unused	--	--	--	--	--	(1,154,155)
Transfer in/(transfer out)	--	--	--	--	--	--
Transferred from right-of-use assets	--	--	--	--	--	3,103,406
December 31, 2021	--	305,115,286	6,172,408	3,431,488,159	104,043,567	14,836,664
Depreciation for the year 2022	--	18,490,201	820,717	217,643,509	26,849,166	254,000
Disposal/unused	--	--	--	--	--	(3,593,798)
Disposal machinery and equipment to subsidiary	--	--	--	(486,009,367)	(7,668,206)	--
December 31, 2022	--	323,605,487	6,993,125	3,163,122,301	123,224,527	11,496,866
Net Book value						
December 31, 2021	364,101,194	503,657,325	14,907,323	5,263,691,509	79,048,238	7,639,586
December 31, 2022	364,101,194	845,090,301	14,086,606	5,833,260,587	74,272,160	5,751,384

PARTICULARS	THE SEPARATE FINANCIAL STATEMENTS (BAHT)				
	Computer accessories	Office furniture and equipment	Natural gas system	Assets under construction and installation	Total
At Cost					
January 1, 2021	9,348,435	60,443,936	7,881,000	47,049,250	10,149,097,613
Purchase	3,723,505	7,789,348	--	177,134,668	241,777,899
Disposal/unused	(2,118,022)	(19,278,557)	--	--	(22,550,751)
Transfer in/(transfer out)	308,233	2,776,372	--	(10,256,129)	--
Transferred to expenses	--	--	--	(533,810)	(533,810)
Transferred from					
- Right-of-use assets	--	--	--	--	4,300,000
- Prepaid assets	--	2,738,818	--	4,000,501	13,617,856
December 31, 2021	11,262,151	54,469,917	7,881,000	217,394,480	10,385,708,807
Purchase	4,999,759	5,447,009	1,880,900	1,162,598,152	2,497,759,478
Disposal/unused	--	--	--	--	(5,228,000)
Disposal of assets to a subsidiary	--	--	--	--	(860,525,902)
Recorded as assets transactions					
- Interest	--	--	--	11,170,050	11,170,050
- Raw materials used	--	--	--	--	30,040,010
Transfer in/(transfer out)	--	--	--	(145,527,802)	--
Transferred to expenses	--	--	--	(245,960)	(245,960)
Transferred from prepaid assets	--	--	--	188,932,996	226,588,707
December 31, 2022	16,261,910	59,916,926	9,761,900	1,434,321,916	12,285,267,190
Accumulated depreciation					
January 1, 2021	4,837,874	42,343,270	7,653,130	--	3,646,883,794
Depreciation for the year 2021	2,845,033	8,066,390	227,860	--	278,796,596
Disposal/unused	(2,117,979)	(19,278,427)	--	--	(22,550,561)
Transfer in/(transfer out)	9,571	(9,571)	--	--	--
Transferred from right-of-use assets	--	--	--	--	3,103,406
December 31, 2021	5,574,499	31,121,662	7,880,990	--	3,906,233,235
Depreciation for the year 2022	3,622,030	7,827,451	46,378	--	275,553,452
Disposal/unused	--	--	--	--	(3,593,798)
Disposal machinery and equipment to subsidiary	--	--	--	--	(493,677,573)
December 31, 2022	9,196,529	38,949,113	7,927,368	--	3,684,515,316
Net Book value					
December 31, 2021	5,687,652	23,348,255	10	217,394,480	6,479,475,572
December 31, 2022	7,065,381	20,967,813	1,834,532	1,434,321,916	8,600,751,874

As at December 31, 2022 and 2021, the Company mortgaged some machineries with the bank for guarantee long-term loans from financial institutions. (See also Note 14 to the financial statements).

The Company and its subsidiary have depreciation of plant and equipment presented in the statements of comprehensive income for the years ended December 31, 2022 and 2021, as follows :

(AMOUNT IN BAHT)

PARTICULARS	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	2022	2021	2022	2021
Cost of sales	247,151,333	262,595,883	247,151,333	262,595,883
Administrative expenses	28,412,893	16,200,713	28,402,119	16,200,713
Total	275,564,226	278,796,596	275,553,452	278,796,596

10. RIGHT-OF-USE ASSETS

As at December 31, 2022 and 2021, the Company and its subsidiary have right-of-use assets as follows :

(AMOUNT IN BAHT)

PARTICULARS	CONSOLIDATED		
	Land Leases	Vehicle	Total
Net book value as at January 1, 2021	658,335,122	3,221,775	661,556,897
<u>Add</u> Increase during the year	220,580,714	--	220,580,714
<u>Less</u> Decrease during the year	(13,219,242)	--	(13,219,242)
<u>Less</u> Decrease in right-of-use assets from transferring to fixed assets			
- At cost	--	(4,300,000)	(4,300,000)
- Accumulated depreciation	--	3,103,406	3,103,406
<u>Less</u> Depreciation for the year	(30,648,817)	(307,558)	(30,956,375)
Net book value as at December 31, 2021	835,047,777	1,717,623	836,765,400
<u>Add</u> Adjust during the year	3,447,994	--	3,447,994
<u>Add</u> Increase during the year	--	3,113,635	3,113,635
<u>Less</u> Depreciation for the year	(31,019,389)	(471,820)	(31,491,209)
Net book value as at December 31, 2022	807,476,382	4,359,438	811,835,820

(AMOUNT IN BAHT)

PARTICULARS	THE SEPARATE FINANCIAL STATEMENTS		
	Land Leases	Vehicle	Total
Net book value as at January 1, 2021	658,335,122	3,221,775	661,556,897
<u>Add</u> Increase during the year	8,606,155	--	8,606,155
<u>Less</u> Decrease during the year	(13,219,242)	--	(13,219,242)
<u>Less</u> Decrease in right-of-use assets from transferring to fixed assets			
- At cost	--	(4,300,000)	(4,300,000)
- Accumulated depreciation	--	3,103,406	3,103,406
<u>Less</u> Depreciation for the year	(26,548,321)	(307,558)	(26,855,879)
Net book value as at December 31, 2021	627,173,714	1,717,623	628,891,337
<u>Add</u> Increase during the year	--	3,113,635	3,113,635
<u>Less</u> Depreciation for the year	(26,236,074)	(471,820)	(26,707,894)
Net book value as at December 31, 2022	600,937,640	4,359,438	605,297,078

As at December 31, 2021, the subsidiary paid for land use rights of Baht 177.49 million in full according to the lease agreement. The remaining service fee (Based on area) monthly payment, for a contractual period of 45 years (See also Note 15 to the financial statements).

The Company and its subsidiary have depreciation right-of-use assets presented in the statements of comprehensive income for the years 2022 and 2021 as follows:

(AMOUNT IN BAHT)

PARTICULARS	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	2022	2021	2022	2021
Cost of sales	22,011,381	24,149,826	22,011,381	24,149,826
Administrative expenses	9,479,828	6,806,549	4,696,513	2,706,053
Total	31,491,209	30,956,375	26,707,894	26,855,879

The Company and its subsidiary have leasing expenses recognized in the statements of comprehensive income for the years 2022 and 2021 as follows :

(AMOUNT IN BAHT)

PARTICULARS	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	2022	2021	2022	2021
Depreciation of right-of-use assets	31,491,209	30,956,375	26,707,894	26,855,879
Interest expenses from leases liabilities	1,308,228	339,052	154,828	164,294
Expenses related to leases of low-value assets	52,300	51,600	52,300	51,600

11. INTANGIBLE ASSETS

(AMOUNT IN BAHT)

PARTICULARS	CONSOLIDATED				
	1-Jan-2021	INCREASE	31-Dec-2021	INCREASE	31-Dec-2022
At cost					
- Computer softwares	4,123,524	345,640	4,469,164	230,508	4,699,672
- Computer softwares installation	1,007,500	--	1,007,500	19,945,076	20,952,576
Total cost	5,131,024	345,640	5,476,664	20,175,584	25,652,248
<u>Less</u> Accumulated amortization	(3,356,299)	(553,985)	(3,910,284)	(387,507)	(4,297,791)
Net book value			1,566,380		21,354,457
Amortization for the years			553,985		387,507

(AMOUNT IN BAHT)

PARTICULARS	THE SEPARATE FINANCIAL STATEMENTS				
	1-Jan-2021	INCREASE	31-Dec-2021	INCREASE	31-Dec-2022
At cost					
- Computer softwares	4,123,524	345,640	4,469,164	230,508	4,699,672
- Computer softwares installation	1,007,500	--	1,007,500	--	1,007,500
Total cost	5,131,024	345,640	5,476,664	230,508	5,707,172
<u>Less</u> Accumulated amortization	(3,356,299)	(553,985)	(3,910,284)	(387,507)	(4,297,791)
Net book value			1,566,380		1,409,381
Amortization for the years			553,985		387,507

The Company and its subsidiary have amortization intangible assets presented in the statements of comprehensive income for the years 2022 and 2021, as follows:

(AMOUNT IN BAHT)

PARTICULARS	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	2022	2021	2022	2021
Administrative expenses	387,507	553,985	387,507	553,985

12. BANK OVERDRAFTS AND SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS

(AMOUNT IN BAHT)

PARTICULARS	CONSOLIDATED AND THE SEPARATE FINANCIAL STATEMENTS	
	2022	2021
Bank overdrafts	1,940,651	813,325
Trust receipt	505,330,153	167,737,950
Domestic letters of credit	1,523,043,405	1,172,959,247
Total	2,030,314,209	1,341,510,522

The Company has entered into agreement with the financial institutions (see also Note 24.1 to the financial statements).

13. TRADE AND OTHER CURRENT PAYABLES

(AMOUNT IN BAHT)

PARTICULARS	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	2022	2021	2022	2021
Trade accounts payables	1,465,059,860	1,891,820,955	1,465,059,860	1,891,820,955
Other current payables				
Assets acquisition payables	149,181,296	16,316,713	133,113,298	16,316,713
Accrued interest	5,561,885	976,400	1,179,845	897,380
Others	273,273,308	266,008,703	270,135,379	265,164,132
Total other current payables	428,016,489	283,301,816	404,428,522	282,378,225
Total	1,893,076,349	2,175,122,771	1,869,488,382	2,174,199,180

14. LONG-TERM LOANS

(AMOUNT IN BAHT)

PARTICULARS	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	2022	2021	2022	2021
Beginning balances as at January 1,	1,091,140,000	1,597,440,000	1,091,140,000	1,597,440,000
<u>Add</u> Increase during the years	2,800,688,821	286,000,000	2,425,000,000	286,000,000
<u>Less</u> Repayment during the years	(215,778,462)	(792,300,000)	(215,778,462)	(792,300,000)
Ending balances as at December 31,	3,676,050,359	1,091,140,000	3,300,361,538	1,091,140,000
<u>Less</u> Current portion of long - term loans	(419,713,733)	(83,500,000)	(383,933,846)	(83,500,000)
Long - term loans-net	3,256,336,626	1,007,640,000	2,916,427,692	1,007,640,000

The portion of long-term loans due within one year was shown under current liabilities.

The details of long-term loans as at December 31, 2022 are as follows:

Loans per Agreement	Repayment Condition	Collateral	Principal Balances (AMOUNT IN MILLION BAHT)
Baht 250 million (Agreement dated on August 28, 2014)	<ul style="list-style-type: none"> - The principal will be repaid by quarterly at Baht 10.42 million with the first installment in December 2017 and will be finished within September 2023. - Monthly payment of interest at interest rate of 3 month personal fixed deposit plus the rate as specified in the agreement. 	No collateral	21
Baht 100 million (Agreement dated on June 22, 2018)	<ul style="list-style-type: none"> - The principal will be repaid by quarterly at Baht 6.25 million with the first installment in the twenty-first month from the month of withdrawal. (March 2019) and will be finished within August 2024. - Monthly payment of interest at interest rate of 3 month of the juristic person fixed deposit plus the rate as specified in the agreement. 	No collateral	31
Baht 800 million (Agreement dated on June 22, 2018)	<ul style="list-style-type: none"> - The principal will be repaid by quarterly at Baht 33.50 million with the first installment in the twenty-seven month from the month of withdrawal. (April 2019) and will be finished within March 2027. - Monthly payment of interest at interest rate of 3 month of the juristic person fixed deposit plus the rate as specified in the agreement. 	2 Machineries	532

Loans per Agreement	Repayment Condition	Collateral	Principal Balances (AMOUNT IN MILLION BAHT)
Baht 250 million (Agreement dated on September 23, 2019)	<ul style="list-style-type: none"> - The principal will be repaid by quarterly at Baht 15.62 million with the first installment in the fifteen month from the month of withdrawal. (November 2019) and will be finished within October 2024 - Monthly payment of interest at interest rate of 3 month of the juristic person fixed deposit plus the rate as specified in the agreement. 	No collateral	94
Baht 300 million (Agreement dated on September 25, 2020)	<ul style="list-style-type: none"> - The principal will be repaid by quarterly at Baht 25 million with the first installment in January 2021 and will be finished within 3 years from the month of withdrawal. (September 2020) - Monthly payment of interest at interest rate of MLR minus the rate as specified in the agreement. 	No collateral	100
Baht 136 million (Agreement dated on March 4, 2021)	<ul style="list-style-type: none"> - The principal will be repaid by quarterly at Baht 11.33 million with the first installment in June 2021 and will be finished within 3 years from the month of withdrawal. (March 2021) - Monthly payment of interest at interest rate of 3 month of the juristic person fixed deposit plus the rate as specified in the agreement. 	No collateral	34
Baht 150 million (Agreement dated on April 22, 2021)	<ul style="list-style-type: none"> - The principal will be repaid by quarterly at Baht 12.50 million with the first installment in August 2021 and will be finished within 3 years from the month of withdrawal. (April 2021) - Monthly payment of interest at interest rate of MLR minus the rate as specified in the agreement. 	No collateral	75
Baht 150 million (Agreement dated on September 10, 2021)	<ul style="list-style-type: none"> - The principal will be repaid by quarterly at Baht 11.54 million with the first installment in November 2022 and will be finished within 3 years 6 months from the month of withdrawal. (May 2022) - Monthly payment of interest at interest rate of MLR minus the rate as specified in the agreement. 	No collateral	138

Loans per Agreement	Repayment Condition	Collateral	Principal Balances (AMOUNT IN MILLION BAHT)
Baht 1,175 million (Agreement dated on May 30, 2022)	<ul style="list-style-type: none"> - The principal will be repaid by quarterly at Baht 49 million with the first installment in the twenty-seven month from the month of withdrawal. (December 2022) and will be finished within 8 years. - Monthly payment of interest at interest rate of 3 month of the juristic person fixed deposit plus the rate as specified in the agreement. 	Waiting for mortgaging machinery	1,175
Baht 1,100 million (Agreement dated on September 30, 2021)	<ul style="list-style-type: none"> - The principal will be repaid by quarterly at Baht 45.83 million with the first installment in the twenty-seven month from the month of withdrawal. (November 2022) and will be finished within 8 years - Monthly payment of interest at interest rate of 3 month of the juristic person fixed deposit plus the rate as specified in the agreement. 	Waiting for mortgaging machinery	1,100
THE SEPARATE FINANCIAL STATEMENTS			3,300
VND 446,500 million (about Baht 710 million) (Agreement dated on August 9, 2022)	<ul style="list-style-type: none"> - The principal will be repaid by quarterly at VND 12,224 million (about Baht 19 million) with the first installment in 12 months from the first withdrawal of the loan and will be finished within 6 years. - Quarterly payment of interest from the first withdrawal of the loan at interest rate of VND Cost of Fund + 1.75% per annum. 	No collateral	376
CONSOLIDATED			3,676

The Company must comply according to the following conditions;

1. To maintain the ratio of debt to shareholders' equity as specified in the agreement.
2. To insure all collateral assets which are legally mortgaged, whereas the amount of insurance must not be less than amount of loans obtained from the bank. And to specify that the bank will be the sole beneficiary and the Company has to pay its own insurance premium until the repayment of debt is finished.

The Company has made payment of loans before due date agreement with commercial bank in 2022 for Baht 120.74 million.

15. LEASE LIABILITIES

(AMOUNT IN BAHT)

PARTICULARS	CONSOLIDATED		
	2022		
	Land Leasing	Vehicle	Total
Liabilities under the lease agreement as at January 1,	995,248,001	1,632,094	996,880,095
<u>Add</u> Adjust during the years	10,869,924	--	10,869,924
<u>Add</u> Increase during the years	--	3,394,127	3,394,127
<u>Less</u> Decrease from rental rates changing	--	--	--
<u>Less</u> Payment during the years	(12,043,419)	(661,398)	(12,704,817)
Liabilities under lease agreement as at December 31,	994,074,506	4,364,823	998,439,329
Deferred interest as at January 1,	306,328,862	96,659	306,425,521
<u>Add</u> Adjust during the years	7,421,930	--	7,421,930
<u>Add</u> Increase during the years	--	280,492	280,492
<u>Less</u> Decrease from rental rates changing	--	--	--
<u>Less</u> Interest expenses during the years	(1,226,564)	(81,664)	(1,308,228)
Deferred interest as at December 31,	312,524,228	295,487	312,819,715
Lease liabilities - net	681,550,278	4,069,336	685,619,614
<u>Less</u> Current portion of financial leases	(9,059,067)	(1,032,801)	(10,091,868)
Lease liabilities - net from current portion of lease liabilities	672,491,211	3,036,535	675,527,746

(AMOUNT IN BAHT)

PARTICULARS	CONSOLIDATED		
	2021		
	Land Leasing	Vehicle	Total
Liabilities under the lease agreement as at January 1,	902,441,433	2,108,830	904,550,263
<u>Add</u> Adjust during the years	--	--	--
<u>Add</u> Increase during the years	117,658,000	--	117,658,000
<u>Less</u> Decrease from rental rates changing	(14,818,519)	--	(14,818,519)
<u>Less</u> Payment during the years	(10,032,913)	(476,736)	(10,509,649)
Liabilities under lease agreement as at December 31,	995,248,001	1,632,094	996,880,095
Deferred interest as at January 1,	233,634,656	157,290	233,791,946
<u>Add</u> Adjust during the years	--	--	--
<u>Add</u> Increase during the years	74,571,904	--	74,571,904
<u>Less</u> Decrease from rental rates changing	(1,599,277)	--	(1,599,277)
<u>Less</u> Interest expenses during the years	(278,421)	(60,631)	(339,052)
Deferred interest as at December 31,	306,328,862	96,659	306,425,521
Lease liabilities - net	688,919,139	1,535,435	690,454,574
<u>Less</u> Current portion of financial leases	(10,770,554)	(430,593)	(11,201,147)
Lease liabilities - net from current portion of lease liabilities	678,148,585	1,104,842	679,253,427

(AMOUNT IN BAHT)

PARTICULARS	THE SEPARATE FINANCIAL STATEMENTS		
	2022		
	Land Leasing	Vehicle	Total
Liabilities under the lease agreement as at January 1,	886,548,759	1,632,094	888,180,853
<u>Add</u> Increase during the years	--	3,394,127	3,394,127
<u>Less</u> Decrease from rental rates changing	--	--	--
<u>Less</u> Payment during the years	(10,890,019)	(661,398)	(11,551,417)
Liabilities under lease agreement as at December 31,	875,658,740	4,364,823	880,023,563
Deferred interest as at January 1,	232,109,561	96,659	232,206,220
<u>Add</u> Increase during the years	--	280,492	280,492
<u>Less</u> Decrease from rental rates changing	--	--	--
<u>Less</u> Interest expenses during the years	(73,164)	(81,664)	(154,828)
Deferred interest as at December 31,	232,036,397	295,487	232,331,884
Lease liabilities - net	643,622,343	4,069,336	647,691,679
<u>Less</u> Current portion of financial leases	(9,059,067)	(1,032,801)	(10,091,868)
Lease liabilities – net from current portion of lease liabilities	634,563,276	3,036,535	637,599,811

(AMOUNT IN BAHT)

PARTICULARS	THE SEPARATE FINANCIAL STATEMENTS		
	2021		
	Land Leasing	Vehicle	Total
Liabilities under the lease agreement as at January 1,	902,441,433	2,108,830	904,550,263
<u>Add</u> Increase during the years	8,784,000	--	8,784,000
<u>Less</u> Decrease from rental rates changing	(14,818,519)	--	(14,818,519)
<u>Less</u> Payment during the years	(9,858,155)	(476,736)	(10,334,891)
Liabilities under lease agreement as at December 31,	886,548,759	1,632,094	888,180,853
Deferred interest as at January 1,	233,634,656	157,290	233,791,946
<u>Add</u> Increase during the years	177,845	--	177,845
<u>Less</u> Decrease from rental rates changing	(1,599,277)	--	(1,599,277)
<u>Less</u> Interest expenses during the years	(103,663)	(60,631)	(164,294)
Deferred interest as at December 31,	232,109,561	96,659	232,206,220
Lease liabilities - net	654,439,198	1,535,435	655,974,633
<u>Less</u> Current portion of financial leases	(10,770,554)	(430,593)	(11,201,147)
Lease liabilities – net from current portion of lease liabilities	643,668,644	1,104,842	644,773,486

The Company and its subsidiary have lease expenses recognized in the statements of comprehensive income for the years ended December 31, 2022 and 2021 as follows :

(AMOUNT IN BAHT)

PARTICULARS	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	2022	2021	2022	2021
	Interest expenses on lease liabilities	1,308,228	339,052	154,828

The portion of liabilities under financial leases due within one year was shown under current liabilities.

The Company has entered into Land Leasing Agreement at Tambol Nong Kham, Sriracha, Chonburi Province with the other person which renew from old agreement as follow:

Title deed	Total area	The term of lease	Annual Rental (Million Baht)
69315	5 Rai 96 Square Wah	3 years (January 1, 2021 - December 31, 2023)	1.15

The Company has entered into Land Leasing Agreement at the Industrial Estate Project and Laemchabang Exporting Zone at Sriracha, Chonburi Province with the Industrial Estate of Thailand as follows

The plot of land Nos.	Total area	The term of lease	The period	Annual Rental (Million Baht)
12G-1 and 12G-4	25 Rai 3 Ngan 42.17 Square Wah	30 Years (March 16, 2011 - March 15, 2041)	The 1 st - 5 th years The 6 th - 10 th years The 11 th - 15 th years The 16 th - 20 th years The 21 th - 25 th years The 26 th - 30 th years	4.13 4.54 5.00 5.50 6.05 6.65
CP 27 (March 16, 2021, Announcement of Laem Chabang Industrial Estate No.7/2021 changed the rental rate which, effective for year 2021 - 2025)	1 Rai 1 Ngan 19.63 Square Wah	3 Years (August 1, 2019 - July 31, 2022)	The 1 st year The 2 nd year The 3 rd year	0.21 0.23 0.23
		3 Years (August 1, 2022 - July 31, 2025)	The 1 st year The 2 nd year The 3 rd year	0.24 0.26 0.26
B5-2	6 Rai 2 Ngan 76.53 Square Wah	30 Years (November 1, 2013 - October 31, 2043)	The 1 st - 30 th years.	1.18
			<i>Note:</i> Rental rate possibly to change as according to the lessor setting	
12G-1/1, 12G-2, 12G-3, and 12G-4/1 (March 16, 2021, Announcement of Laem Chabang Industrial Estate No.7/2021 changed the rental rate which effective for year 2021 - 2025)	48 Rai 2 Ngan 85.83 Square Wah	30 Years (August 31, 2020 - August 30, 2050)	The 1 st year The 2 nd year The 3 rd year The 4 th year The 5 th year The 6 th - 30 th years	12.17 12.67 12.92 13.18 13.44 The rental rate will increase 10% from the former rental every 3 years.

The Company has entered into Building Lease Agreements with a company for storage of goods at Tambol Bang Pla, Bangphli, Samut Prakan Province as follow :

Title deed	The term of lease	Start from - Ending	The period	Annual Rental (Million Baht)
ITP8-4	2 Years	March 1, 2021 - February 28, 2023	The 1 st year	2.40
			The 2 nd year	2.64

The Company has entered into vehicle lease agreements as follows :

Vehicle lease agreements Nos.	The term of lease	Start from - Ending	Monthly Rental (Including VAT) (Baht)
L15 - 00722	5 years	May 20, 2020 - May 22, 2025	39,728
FL22 - 000964	5 years	August 22, 2022 - August 28, 2027	30,680
FL22 - 001414	5 years	September 14, 2022 - September 20, 2027	25,853

The subsidiary has entered into Land Leasing Agreement including the infrastructure maintenance and management fee at the Bau Bang Expansion Industrial Estate with a company in Socialist Republic of Vietnam as follows :

The plot of land Nos.	Lease Agreement	Total area	The term of lease	The period	Annual Rental (Million VND)
C-12B-CN	Land	70,673 Square Meter	45 Years (January 1, 2021 - April 26, 2066)	As at December 31, 2021 the subsidiary has fully paid for right of use of the land under the contract	
	Maintenance and management fees (monthly charge)	70,673 Square Meter	45 Years (January 1, 2021 - April 26, 2066)	The 1 st - 5 th years	3,836.13
				The 6 th - 10 th years	4,681.38
				The 11 th - 15 th years	5,656.67
				The 16 th - 20 th years	6,827.01
				The 21 th - 25 th years	8,192.41
				The 26 th - 30 th years	9,850.40
				The 31 th - 35 th years	11,898.51
				The 36 th - 40 th years	14,336.72
				The 41 th - 45 th years	15,734.64

16. PROVISION FOR LONG-TERM EMPLOYEE BENEFITS

(AMOUNT IN BAHT)

PARTICULARS	CONSOLIDATED AND THE SEPARATE FINANCIAL STATEMENTS	
	2022	2021
Commitments under the defined benefit plan		
Beginning balances as at January 1	79,921,979	78,999,601
<u>Add</u> Current service cost	4,826,274	4,984,794
Interest cost	785,711	773,817
<u>Less</u> Employee benefits paid during the years	(3,872,333)	(4,836,233)
Ending balances as at December 31	81,661,631	79,921,979

The Company and its subsidiary have provision for long-term employee benefits presented in the statements of comprehensive income for the years ended December 31, 2022 and 2021, as follows :

(AMOUNT IN BAHT)

PARTICULARS	CONSOLIDATED AND THE SEPARATE FINANCIAL STATEMENTS	
	2022	2021
Cost of sales	3,147,790	3,222,102
Distribution cost	548,849	618,840
Administrative expenses	1,915,346	1,917,669
Total	5,611,985	5,758,611

The significant assumptions used in determining the employee benefit liabilities are shown as follows:

PARTICULARS	CONSOLIDATED AND THE SEPARATE FINANCIAL STATEMENTS	
	2022	2021
Discount rate	1.50% per annum	1.50% per annum
Salary increase rate	4.50% per annum	4.50% per annum
Staff turnover rate (depends on the age)	2.39 - 28.65% per annum	2.39 - 28.65% per annum

Sensitivity analysis for each significant assumption used is as follows :

(AMOUNT IN BAHT)

PARTICULARS	CONSOLIDATED AND THE SEPARATE FINANCIAL STATEMENTS	
	2022	2021
Discount rate		
Decrease in percentage 0.50	58,289,744	57,133,631
Increase in percentage 0.50	(53,890,262)	(52,727,905)
Salary growth rate		
Decrease in percentage 0.50	(53,207,665)	(52,352,696)
Increase in percentage 0.50	59,208,184	57,694,474

17. LEGAL RESERVE

In compliance with the Public Company Act, B.E. 2535 (1992), the Company has to set aside a portion of annual net profit for legal reserve not less than 5% of annual net profit less deficits brought forward (if any) until this reserve is not less than 10% of authorized capital. Such reserve is not allowed to pay for dividend. The Company has allocation legal reserve which duly met 10% of authorized share capital.

18. DIVIDEND PAYMENT AND DIRECTORS' REMUNERATION

The meeting	Month/Day/Year		Dividend payment		Number of shares (million)	The dividend payment		Directors' Remuneration (million Baht)	Directors' meeting allowance for each time (Baht)
	Resolution	Dividend payment	Dividend	Year		Per share (Baht)	Total dividend payment (million Baht)		
The Ordinary General Shareholders	April 28, 2021	May 25, 2021	Annual	2020	440.00	0.40	176.00	4.90	10,000 per person
The Board of Directors	August 11, 2021	September 9, 2021	Interim	2021	440.00	0.40	176.00	--	--
The Ordinary General Shareholders	April 28, 2022	May 20, 2022	Annual	2021	440.00	0.25	110.00	5.40	10,000 per person
The Board of Directors	August 11, 2022	September 9, 2022	Interim	2022	440.00	0.38	167.20	--	--

19. EXPENSES BY NATURE

(AMOUNT IN BAHT)

PARTICULARS	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	2022	2021	2022	2021
Increase in finished goods and work in process	(120,514,891)	(96,619,577)	(120,514,891)	(96,619,577)
Raw materials and consumables used	6,920,789,154	6,844,167,079	6,920,789,154	6,844,167,079
Management benefit expenses	52,335,397	55,677,144	52,335,397	55,677,144
Employee benefit expenses	528,806,693	465,342,277	521,718,705	465,300,080
Depreciation and amortization expenses	307,442,942	310,306,956	302,648,853	306,206,460

20. FINANCE COST

(AMOUNT IN BAHT)

PARTICULARS	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	2022	2021	2022	2021
Interest expenses	73,741,177	67,541,795	71,925,336	63,324,196
Bank charges	12,154,225	11,412,470	12,154,225	11,412,470
Total	85,895,402	78,954,265	84,079,561	74,736,666

21. FOREIGN CURRENCY TRANSACTIONS

21.1 As at December 31, 2022 and 2021, the Company and its subsidiary have outstanding assets and liabilities denominated in foreign currencies as follows :

(AMOUNT IN BAHT)

PARTICULARS	CONSOLIDATED				THE SEPARATE FINANCIAL STATEMENTS			
	2022		2021		2022		2021	
	Foreign currencies	Converted to Baht	Foreign currencies	Converted to Baht	Foreign currencies	Converted to Baht	Foreign currencies	Converted to Baht
Assets								
EUR	--	--	0.104	3.89	--	--	0.104	3.89
USD	7.412	254.19	10.209	338.46	3.159	108.33	7.830	259.58
JPY	38.459	9.86	9.985	2.86	38.459	9.86	9.985	2.86
Total Assets		264.05		345.21		118.19		266.33

(AMOUNT IN BAHT)

PARTICULARS	CONSOLIDATED				THE SEPARATE FINANCIAL STATEMENTS			
	2022		2021		2022		2021	
	Foreign currencies	Converted to Baht	Foreign currencies	Converted to Baht	Foreign currencies	Converted to Baht	Foreign currencies	Converted to Baht
Liabilities								
- Portion due within on year								
EUR	1.105	41.11	2.255	86.34	1.105	41.11	2.255	86.34
USD	5.918	205.56	5.195	174.51	5.918	205.56	5.195	174.51
JPY	14.873	3.93	13.904	4.09	14.873	3.93	13.904	4.09
GBP	0.004	0.16	0.002	0.08	0.004	0.16	0.002	0.08
Total Liabilities		250.76		265.02		250.76		265.02

21.2 The Company has entered into Buying and Selling Forward Exchange Contracts with the local commercial bank for hedging against the fluctuation in exchange rates. It can be summarized as follows :

As at December 31, 2022, as follows :

(AMOUNT IN MILLION)

CONSOLIDATED AND THE SEPARATE FINANCIAL STATEMENTS	Foreign currency	Fair value		Exchange rates on the delivery date	Delivery dates
		USD	BAHT		
Buying Forward Exchange Contracts					
EUR	0.222	0.237	8.18	USD 1.0506 to EUR 1	January 2023

(AMOUNT IN MILLION)

CONSOLIDATED AND THE SEPARATE FINANCIAL STATEMENTS	Foreign currency	Fair value (Baht)	Exchange rates on the delivery date	Delivery dates
Buying Forward Exchange Contracts				
USD	3.487	119.51	Baht 37.6100 Baht 35.4600 - 37.4100 Baht 34.7642 - 35.2500 Baht 36.4301 - 37.0200 to USD 1	January 2023 February 2023 March 2023 May 2023

(AMOUNT IN MILLION)

CONSOLIDATED AND THE SEPARATE FINANCIAL STATEMENTS	Foreign currency	Fair value (Baht)	Exchange rates on the delivery date	Delivery dates
Selling Forward Exchange Contracts				
USD	2.000	72.21	Baht 34.5976 - 34.6476 to USD 1	January 2023
JPY	506.245	132.77	Baht 0.2640 - 0.2661 Baht 0.2617 - 0.2668 Baht 0.2608 - 0.2652 Baht 0.2608 - 0.2668 Baht 0.2638 to JPY 1	March 2023 April 2023 May 2023 June 2023 July 2023
Total		204.98		

As at December 31, 2022, as follows :

(AMOUNT IN MILLION)

CONSOLIDATED AND THE SEPARATE FINANCIAL STATEMENTS	Foreign currency	Fair value		Exchange rates on the delivery date	Delivery dates
		USD	BAHT		
Buying Forward Exchange Contracts					
EUR	21.310	24.23	809.13	USD 1.2069 - 1.2109 USD 1.2146 USD 1.1862 - 1.2151 USD 1.1906 - 1.1953 to EUR 1	January 2022 February 2022 March 2022 July 2022

(AMOUNT IN MILLION)

CONSOLIDATED AND THE SEPARATE FINANCIAL STATEMENTS	Foreign currency	Fair value (Baht)	Exchange rates on the delivery date	Delivery dates
Selling Forward Exchange Contracts				
USD	42.855	1,427.24	Baht 32.2570 - 32.9020 Baht 32.7260 - 33.4830 Baht 32.3670 - 33.7621 Baht 33.2280 - 33.9650 Baht 32.7470 - 33.5820 Baht 33.4490 - 33.9900 to USD 1	January 2022 February 2022 March 2022 April 2022 May 2022 June 2022
JPY	483.227	140.57	Baht 0.2985 - 0.3051 Baht 0.3025 - 0.3064 Baht 0.2985 - 0.3055 Baht 0.3025 - 0.3050 Baht 0.2983 - 0.3003 to JPY 1	January 2022 February 2022 March 2022 April 2022 June 2022
Total		1,567.81		

22. PROMOTIONAL PRIVILEGES

A.J. Plast Public Company Limited was granted the promotional certificates from the Board of Investment 15 promotional certificates as follows :

1.Promotional certificates Nos. (Date)	2. Effective dates of Promotional Certificates	3. The promotional privileges for manufacturing of	4. Expiry dates according to items 5.1 and 5.2
1459/2538 July 10, 1995	May 1, 1995	BOPP FILM and CPP FILM, category of plastic products or plastic coated	April 30, 2003
1048(1)/2545 January 22, 2002	May 23, 2003	BOPP FILM, category of plastic products or plastic coated	May 22, 2011
1674(2)/2548 July 29, 2005	April 1, 2006	BOPA FILM, category of plastic products or plastic coated	March 31, 2014
1804(2)/2552 October 14, 2009	February 2, 2010	Metal coated or ANODIZE (SURFACE TREATMENT)	February 1, 2018
1919(2)/2553 August 27, 2010	March 16, 2011	BOPA FILM, category of plastic products or plastic coated	March 15, 2019
1291(2)/2554 March 11, 2011	April 26, 2012	BOPET FILM, category of plastic products or plastic coated	April 25, 2020
1008(2)/2555 January 12, 2012	April 26, 2013	BOPP FILM, category of plastic products or plastic coated	April 25, 2021
1358(2)/2555 March 22, 2012	November 26, 2013	BOPET FILM, category of plastic products or plastic coated	November 25, 2021
2897(2)/2555 December 18, 2012	October 24, 2014	BOPP FILM, category of plastic products or plastic coated	October 23, 2022
1649(2)/2556 May 16, 2013	December 24, 2015	CPP and LLDPE FILM, category of plastic products or plastic coated and/or metal coated	December 23, 2023
1372(2)/2557 March 25, 2014	July 1, 2014	Plating or coating or ANODIZE	June 30, 2022
2368(2)/2557 October 29, 2014	March 3, 2015	Plating or coating or ANODIZE	March 2, 2023
58-1874-0-00-1-0 July 8, 2015	October 15, 2015	Plating or coating or ANODIZE	October 14, 2023
61-0320-1-18-1-0 March 21, 2018	June 25, 2019	BOPA FILM, category of plastic products or multi-layer plastic	June 24, 2025
65-0587-1-00-1-0 May 25, 2022	November 28, 2022	BOPP FILM, category of plastic products of not less than 3 layers (film) that form CO - EXTRUSION	November 27, 2028

5. Important privileges which are granted:

- 5.1 Exemption from corporate income tax on net profit of promotional operations as follows:
- 5.1.1 Exemption from corporate income tax on net profit of promotional operations for 8 years. Whereby the promotional certificates 2897(2)/2555, 1649(2)/2556, 1372(2)/2557, 2368(2)/2557 and 58-1874-0-00-1-0 have limited amount for corporate income tax exemption maximum of Baht 843 million, Baht 420 million, Baht 97 million, Baht 230 million and Baht 112 million, respectively.
- 5.1.2 Exemption from corporate income tax on net profit of promotional operations for 6 years. Whereby the promotional certificates 61-0320-1-18-1-0 and 65-0587-1-00-1-0 have limited amount for corporate income tax exemption maximum of Baht 845 million and Baht 1,103 million, respectively.
- These will be varied according to the amount of investment excluding land and effective working capital on the opening date of operation according to the promotional project.
- 5.2 Exemption from income tax on dividend from promoted business which was exempted from income tax as 5.1, Income tax is calculated during the exemption income tax period of each card.
- 5.3 Allowance for reduction the corporate income tax from promotional net profit at 50% of normal rate since the exemption of 5.1 expired of the promotional certificates No.1804(2)/2552, 1919(2)/2553, 1291(2)/2554, 1008(2)/2555 and 1358(2)/2555 for 5 years.
- 5.4 Exemption from import duty on raw materials and necessary supplies imported from overseas for export production, commencing from the first date of importation for 5 years.
- 5.5 Allowance to deduct the annual loss incurred during the income tax exemption period as 5.1 from the net profit incurred since the exemption from corporate income tax was expired within 5 years, by which can be deducted from net profit of any year or several years.

As a promoted industry, the Company must strictly comply with certain terms and conditions stipulated in the promotional certificates.

The Company has sales both local and export for the years ended 2022 and 2021, respectively according to Note 26 to the financial statements.

23. INCOME TAXES

The Company's income taxes are calculated from the accounting profit adjusted with other revenues and some expenses which are exempted from income tax or being disallowable expenses in income tax computation purposes and adjusted with net loss brought forward under Revenue Code not exceeding 5 accounting years prior to the current year.

The BOI business without the exemption privilege from income tax and the non-BOI business, the income tax computation is calculated at the rate of 20% in 2022 and 2021.

The BOI business with the exemption privilege from income tax, the Company calculated according to the promotional privileges which are granted (see also Note 22 to the financial statements).

The Company has no income tax to be paid in 2022 and 2021.

Corporate income tax of subsidiary in the foreign country have been calculated using foreign statutory rate.

The Company has no deferred tax assets/liabilities and income tax expenses recognized in statements of comprehensive income due to the Company has exemption from corporate income tax for the promoted industry.

24. COMMITMENT AND CONTINGENT LIABILITIES

24.1 The Company has commitment and contingent liabilities as follows :

(AMOUNT IN MILLION)

PARTICULARS	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	2022	2021	2022	2021
Letters of guarantee issued by commercial banks (Baht)	65.74	43.42	65.74	43.42
Letters of credit				
EUR	4.39	39.03	4.39	39.03
USD	1.79	1.04	1.79	1.04

The subsidiary has entered into a letter of credit agreement to purchase machinery amount of EUR 569,160 and paid deposit for guarantee the letter of credit contract amount of USD 671,153.47 (The company recorded as other current assets in the consolidated financial statements).

The Company has entered into agreement with the financial institutions as follows: (see also Note 12 to the financial statements).

(AMOUNT IN MILLION BAHT)

PARTICULARS	CONSOLIDATED AND THE SEPARATE FINANCIAL STATEMENTS	
	2022	2021
Bank overdrafts facilities	200	200
Short-term loans agreement	690	740
Letters of credit and trust receipts facilities	4,950	4,270

24.2 Machinery buying agreement

As at December 31, 2022, the subsidiary has purchased machineries which recorded as assets, as follows:

Agreement date	Currency	AMOUNT IN MILLION		
		Machineries price	Recorded as assets	
			Amount	Percentage (%)
June 2022	VND	4,616.87	3,693.50	80
November 2022	USD	1.53	0.87	56.86
March 2022	VND	12,881.15	9,721.07	75.47
January 2022	EUR	0.26	0.02	10
December 2021	EUR	0.63	0.06	10

24.3 Factory building construction contract

As at December 31, 2022, the subsidiary has factory building construction contract at the Bau Bang Expansion Industrial Estate amount of VND 149,449 million or about Baht 218 million. The subsidiary has advance payments amount of VND 106,850 million or about Baht 162 million (71.50% of the contract).

25. TRANSACTIONS WITH RELATED PARTIES

The Company and its subsidiary have accounting transactions with their related parties, with the relationship as follows:

RELATED PARTIES	RELATIONSHIP
1. Subsidiary	See Note 8 to the financial statements
2. Related companies	
United Foods Public Co., Ltd..	See Note 7 to the financial statements
All Marketing Co., Ltd.	Directors are shareholders of the company
United Rice Co., Ltd.	Directors are shareholders of the company

The significant related accounting transactions with related parties in the financial statements are as follows :

(AMOUNT IN BAHT)

TRANSACTIONS IN STATEMENTS OF FINANCIAL POSITION	THE SEPARATE FINANCIAL STATEMENTS	
	2022	2021
Trade and other current receivables		
Other current receivables – subsidiary		
Other receivables	374,980	--
Short-term loans to related party		
Subsidiary		
Beginning balances	--	--
Add Lending during the year	--	128,471,572
Less Received during the year	--	(128,471,572)
Ending balances	--	--
Accrued interest income	--	--

(AMOUNT IN BAHT)

TRANSACTIONS IN STATEMENTS OF COMPREHENSIVE INCOME	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	2022	2021	2022	2021
Other income				
Subsidiary	--	--	1,155,352	--
(Rate is in accordance with the mutual agreement)				
Finance income (Interest income)				
Subsidiary	--	--	--	2,643,473
(Rate is in accordance with the mutual agreement)				
Administrative expenses				
Related parties	1,349,242	1,570,456	1,349,242	1,570,456
(Price is in accordance with the mutual agreement)				

26. FINANCIAL INFORMATION BY SEGMENT

The Company and its subsidiary operate in one industrial segment that is packaging.

The financial information by segment of the Company and its subsidiary for the years ended December 31, 2022 and 2021 are as follows:

(AMOUNT IN MILLION BAHT)

CONSOLIDATED	2022			2021		
	Local	Export	Total	Local	Export	Total
Sales	4,112.15	4,949.51	9,061.66	4,255.15	5,079.58	9,334.73
Cost of sales	(3,917.25)	(4,462.88)	(8,380.13)	(3,846.52)	(4,318.67)	(8,165.19)
Distribution costs	(78.73)	(300.84)	(379.57)	(75.17)	(262.01)	(337.18)
Segment profit	116.17	185.79	301.96	333.46	498.90	832.36
Profit for the years			23.72			417.46
Property, plant and equipment			9,212.76			6,479.76

27. PROVIDENT FUND

The Company has set up and registered Provident Fund in accordance with the Provident Fund Act, B.E. 2530 (1987), in order to be the savings and welfare promotion, as well as the fringe benefits upon resignation or retirement to its employees according to the Company's regulation. The fund is partly contributed by the employees and another part by the Company at the rate 3% of their basic salaries. Hereby, the Company has appointed the TISCO Asset Management Company Limited to be the fund manager.

Provident fund contributions made by the Company for the employees and recorded as expenses in the statements of comprehensive income for the years ended December 31, 2022 and 2021 are Baht 6.25 million and Baht 5.85 million, respectively.

28. DISCLOSURE OF FINANCIAL INSTRUMENTS

The Company has information relating to financial instruments both in and off statements of financial position as follows:

28.1 Accounting policies

- Accounting policies are disclosed in Note 3 to the financial statements.

28.2 Risk from breach of contracts

- Due to the contracting party does not follow the requirement in the contract which caused damage to the Group
- For the financial assets shown in the statements of financial position, the book value of such assets is net from various provisions to be estimated fair value. Such provisions are assumed to be the highest value of risk incurred from breach of contracts.

28.3 Risk relating to interest rate of financial assets and liabilities

Risk from the fluctuation in interest rate may have negative effect to the Company for the current and the following years. The Company expects that it can manage the contingent risk, due to the Company has set up a plan and follow up the situation closely.

28.4 Hedging against risk from foreign currency transactions

The Group has bought and sold some forward exchange contracts for hedging against risk arising from the fluctuation in exchange rates of foreign currencies.

28.5 Determination of fair values

The following methods and assumptions are used to estimate the fair value of financial instruments:

- Financial assets shown at book value which equal to estimated fair value.
- Financial liabilities shown at book value which equal to estimated fair value. Loans carrying interest rates close to the market rates.

The Company and its subsidiary have assets and liabilities that were measured at fair value disclosed using different levels of inputs as follows :

(AMOUNT IN BAHT)

	CONSOLIDATED AND THE SEPARATE FINANCIAL STATEMENTS AS AT DECEMBER 31, 2022			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Financial assets measured at fair value through profit or loss				
- Receivables from Buying and Selling Forward Exchange Contracts	--	914,504	--	914,504
- Investments in related party	--	--	159,480,400	159,480,400
Liabilities measured at fair value				
Financial liabilities measured at fair value through profit or loss				
- Payables from Buying and Selling Forward Exchange Contracts	--	10,852,767	--	10,852,767

(AMOUNT IN BAHT)

	THE SEPARATE FINANCIAL STATEMENTS AS AT DECEMBER 31, 2021			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Financial assets measured at fair value through profit or loss				
- Receivables from Buying and Selling Forward Exchange Contracts	--	14,181,168	--	14,181,168
- Investments in related party	--	--	117,764,000	117,764,000
Liabilities measured at fair value				
Financial liabilities measured at fair value through profit or loss				
- Payables from Buying and Selling Forward Exchange Contracts	--	50,605,039	--	50,605,039

29. CAPITAL MANAGEMENT

The objectives of the Company in capital management are to maintain its ability to continue as a going concern and to maintain appropriate capital structure. In addition, it has to maintain debt to equity ratio as stipulated in loan agreement.

The Company and its subsidiary have the ratio of debt to shareholders' equity as follows:

PARTICULAR	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	2022	2021	2022	2021
The ratio of debt to shareholders' equity	1.73 : 1	1.12 : 1	1.75 : 1	1.14 : 1

30. EVENTS AFTER THE REPORTING PERIOD

The Company has made Buying and Selling Forward Exchange Contracts with the local commercial bank after the reporting period to the date of independent auditor's report for hedging against the fluctuation in exchange rates, as follow:

1) The new Buying and Selling Forward Exchange Contracts.

(AMOUNT IN MILLION)

CONSOLIDATED AND THE SEPARATE FINANCIAL STATEMENTS	EXCHANGE RATES	DELIVERY DATES
Buying Forward Exchange Contracts		
USD 0.578	Baht 32.8100 – 33.0600 to USD 1	April 2023
Selling Forward Exchange Contracts		
USD 14.50	Baht 32.7296 – 34.3229 Baht 32.9650 – 33.7250 to USD 1	February 2023 March 2023
JPY 140.00	Baht 0.2648 – 0.2668 Baht 0.2585 – 0.2596 to JPY 1	July 2023 August 2023

2) The Buying and Selling Forward Exchange contracts which renew from old Contracts.

(AMOUNT IN MILLION)

CONSOLIDATED AND THE SEPARATE FINANCIAL STATEMENTS	EXCHANGE RATES	DELIVERY DATES
Buying Forward Exchange Contracts		
EUR 0.222	USD 1.0664 to EUR 1	April 2023
Selling Forward Exchange Contracts		
USD 6.00	Baht 32.9231 Baht 33.0580 – 33.7153 to USD 1	February 2023 March 2023

31. RECLASSIFICATION

Certain accounting transactions in the consolidated financial statements for the year 2021, have been reclassified to conform with the current year classifications. The reclassifications had no effect to previously reported financial performance or shareholders' equity. The reclassifications are as follows:

The consolidated statements of financial position as at December 31, 2021.

CONSOLIDATED	AMOUNT IN BAHT	
	RECLASSIFIED	PREVIOUSLY REPORTED
Assets		
Current assets		
Trade and other current receivables	1,218,506,849	1,218,895,893
Non-current assets		
Other non-current financial assets		
Advance payment for assets	253,592,185	253,203,141

CONSOLIDATED	AMOUNT IN BAHT	
	RECLASSIFIED	PREVIOUSLY REPORTED
Statements of cash flows		
Cash flows from operating activities		
Trade and other current receivables	(385,018,373)	(385,407,417)
Cash flows from investing activities		
Advance payment for assets	(180,616,574)	(180,227,530)

32. FINANCIAL STATEMENTS APPROVAL

These financial statements are duly approved by the Company's directors on February 27, 2023.



ATTACHMENT

Attachment 1

Details of Directors and Executives and Company Secretary as of December 31, 2022

Name / Position ¹	Age	Education/ Training	Ratio of share-holding ²	Relationship among managements	Work Experiences in the last five years		
					Period	Positioning	Organization
Mr. Narong Suthisamphat - President	80	<u>Education</u> M.A. Economic, USC, California, U.S.A. <u>Training</u> DCP Class 143/2011-IOD	29,880,000 shares or 6.79% Spouse or dependents 222,222 shares or 0.05%	Father of Mr. Kittiphath Suthisamphat	Relevant Important Positions in Listed Companies		
					1987 - Present	President	A.J. Plast PLC
					Relevant Important Positions in Non-Listed Companies		
					1975 - Present	President	United Food PLC (Snack Industry)
					1986 - Present	Director	International foods Limited
					2006 - Present	Director	All Suwan Co., Ltd.
					2010 - Present	Director	Japonica Rice Co., Ltd.
					2013 - Present	Director	United Rice Co., Ltd.
					2013 - Present	Director	All Marketing Co., Ltd.
					April 25, 2019 - Present	Director	Sawasdee Holding Co., Ltd.
Mrs. Napaporn Suthipongchai - Vice President - Chairman of Corporate Governance and Sustainability Management Committees - Risk Management Director	78	<u>Education</u> MBA, St. Mary's University, Texas, U.S.A. <u>Training</u> DCP Class 44/2004-IOD	Shares -None- Spouse or dependents shares -None-	Spouse of brother of Mr. Narong Suthisamphat's spouse	Relevant Important Positions in Listed Companies		
					2000 - Present	Vice President	A.J. Plast PLC
					Relevant Important Positions in Non-Listed Companies		
					2012 - Present	Director	Convenience Supply Co., Ltd.

Name / Position ¹	Age	Education/ Training	Ratio of share-holding ²	Relationship among managements	Work Experiences in the last five years		
					Period	Positioning	Organization
Mr. Kittiphat Suthisamphat - Vice President - Chairman of Risk Management Committee - Managing Director	51	<u>Education</u> - MBA Sloan School of Management Massachusetts Institute of Technology, U.S.A. - Bachelor of Engineering (B.Eng) Industrial Engineering Chulalongkorn University <u>Training</u> DCP Class 72/2006- IOD	115,447,842 shares or 26.24% Spouse and child under 20-year old's 5,611,111 shares or 1.28%	Son of Mr. Narong Suthisamphat	Relevant Important Positions in Listed Companies		
					2000 - Present	Vice President & Managing Director	A.J. Plast PLC
					October, 2015 - Present	Independent Director and Audit Director	Thai Plaspac PLC
					April, 2016 - Present	Director	National Power Supply PLC
					Relevant Important Positions in Non-Listed Companies		
					2000 - Present	Director	Suthiland Co., Ltd.
					April 25, 2019 - Present	Director	Sawasdee Holding Co., Ltd.
					2000 - Present	Associate Judge	Central Intellectual Property and International Trade Court.
					2020 - Present	Director	The Federation of Thai Industries.
					2020 - Present	Director	Super Dee Co., Ltd.
Mr. Ninnat Olanvoravuth - Chairman of Audit Committee - Corporate Governance and Sustainability Director - Risk Management Director - Independent Director	76	<u>Education</u> Ph.D., Leadership and Organization Behavior U.S. International University <u>Training</u> DCP Class 121/2009-IOD	Shares -None- Spouse or dependents shares -None-	-	Relevant Important Positions in Listed Companies		
					1994 - Present	Director	A.J. Plast PLC
					Relevant Important Positions in Non-Listed Companies		
1981 - Present	Secretary General	Association of Southeast Asian Institute of Higher Education					
Mrs. Chavida Srisangnam - Audit Director - Search and Compensation Director - Independent Director	78	<u>Education</u> B.A. Economics Thammasat University <u>Training</u> DCP Class 72/2006- IOD	15,555 shares or 0.0035% Spouse or dependents shares -None-	-	Relevant Important Positions in Listed Companies		
					2000 - Present	Director	A.J. Plast PLC

Name / Position ¹	Age	Education/ Training	Ratio of share-holding ²	Relationship among managements	Work Experiences in the last five years		
					Period	Positioning	Organization
Mr. Supote Tonurat - Search and Compensation Director - Independent Director	86	<u>Education</u> BSC, Chulalongkorn University <u>Training</u> DAP Class 48/2005- IOD	10,000 shares or 0.0023% Spouse or dependents shares -None-	-	Relevant Important Positions in Listed Companies		
					1991 - Present	Director	A.J. Plast PLC
Mr. Surasak Gosayachinda - Chairman of Search and Compensation Committees - Audit Director - Independent Director	80	<u>Education</u> B.A. Law Thammasat University <u>Training</u> DAP Class 48/2005- IOD	18,000 shares or 0.0041% Spouse or dependents shares -None-	-	Relevant Important Positions in Listed Companies		
					2002 - Present	Director	A.J. Plast PLC
					1998 - Present	Director and Audit director	Dynasty Ceramic PLC (Ceramic Industry)
					Relevant Important Positions in Non-Listed Companies		
1999 - Present	Director	United Food PLC (Snack Industry)					
Mr. Sakchai Patiparnpreechavud - Corporate Governance and Sustainability Management Director	55	<u>Education</u> - Bachelor of Engineering chemical engineering Chulalongkorn University - Master of Business Administration, Thammasat University - Advanced Management Program (AMP) Harvard Business School USA <u>Training</u> DAP 148/2018-IOD	Shares -None- Spouse or dependents shares -None-	-	Relevant Important Positions in Listed Companies		
					2021 - Present	Director	A.J. Plast PLC
					Present	Director and Vice President	SCG Chemical PLC And Subsidiaries
					Relevant Important Positions in Non-Listed Companies		
					2021 - Present	Representative of the Engineering Alumni Association	Chulalongkorn University
					2019 - Present	Consultant	Thai Chamber of Commerce
2015 - 2019	Director	Plastic Institute					
2009 - 2017	Managing Director	SCG Plastics Co., Ltd.					
2005 - 2009	Managing Director	Mehr Petrochemical Company, Iran					

Name / Position ¹	Age	Education/ Training	Ratio of share-holding ²	Relationship among managements	Work Experiences in the last five years		
					Period	Positioning	Organization
Mr. Kasemsit Pathomsak - Independent Director	52	<u>Education</u> Bachelor's degree of Business Administration at Northeastern University, Massachusetts, USA Owner / President Management Executive Program Harvard Business School, Massachusetts, USA Master Degree of Financial Management at Bentley College, Massachusetts, USA	Shares -None- Spouse or dependents shares -None-	-	Relevant Important Positions in Listed Companies		
					2021 – Present	Director	A.J. Plast PLC
					Jun 2018 – Present	Director	WP Energy PLC
					Relevant Important Positions in Non-Listed Companies		
					Oct 2019 – Present	Commissioner of Civil Aviation	Civil Aviation Authority of Thailand
					Oct 2019 – Present	Subcommittee on Air Transport Policy and Strategy	Civil Aviation Commission, Ministry of Transport
					Oct 2019 – Present	Advisor to the Subcommittee on Education and Monitoring the Implementation of the Foreign Relations Strategy of the Foreign Affairs Commission	House of Representatives
					May 2019 – Present	Director, ESCAP Business Sustainability Network and Digital Economy	United Nations
					Sep 2018– present	President	Thai-Singapore Business Council
					Sep 2018– present	Committee	Asia-Pacific Economic Cooperation Framework Business Advisory Council
					Sep 2018– present	Referee ASEAN Activities Committee	Federation of Thai Chambers of Commerce
					Sep 2018– present	ASEAN Director	3 Private Sector Joint Committees

Name / Position ¹	Age	Education/ Training	Ratio of share-holding ²	Relationship among managements	Work Experiences in the last five years		
					Period	Positioning	Organization
Mr. Thosphol Chinandej - Deputy Managing Director and Company Secretary	54	<u>Education</u> - M.A., Organization Development U.S. International University - Bachelor's degree Faculty of Political Science, International Relations Chulalongkorn University <u>Training</u> DCP Class 208/2015-IOD	Shares 68,200 Shares Spouse or dependents 4,000 Shares	-	Relevant Important Positions in Listed Companies		
					2006 - Present	Deputy Managing Director and Company Secretary	A.J. Plast PLC
Mr. Peter Barnes - R&D Manager	62	<u>Education</u> Diploma (Dms) Operation University	Shares -None- Spouse or dependents shares -None-	-	Relevant Important Positions in Listed Companies		
					2006 - Present	R&D Manager	A.J. Plast PLC
Mr. Fritz Friedrich Schanzer - General Manager Consultant	76	<u>Education</u> Mechanical Engineer Major: Special Machine Building for Biaxially Oriented Polypropylene Film	Shares -None- Spouse or dependents shares -None-	-	Relevant Important Positions in Listed Companies		
					2008 - Present	General Manager Consultant	A.J. Plast PLC
Mr. Prasarn Aunvong - Assistant Managing Director	68	<u>Education</u> - MBA. Burapha University - B.ENG(IE) Rajamangala University of technology Thanyaburi (RMUTT)	Shares 50,000 Shares Spouse or dependents shares -None-	-	Relevant Important Positions in Listed Companies		
					2008 - Present	Assistant Managing Director	A.J. Plast PLC

Name / Position ¹	Age	Education/ Training	Ratio of share-holding ²	Relationship among managements	Work Experiences in the last five years		
					Period	Positioning	Organization
Ms. Pacharaporn Suebsantiwong - Planning Manager	59	Education B.Sc. Kasetsart University	Shares -None- Spouse or dependents shares -None-	-	Relevant Important Positions in Listed Companies		
					1990 - Present	Planning Manager	A.J. Plast PLC
Mrs. Pratchaya Somyapukde - Accounting and Financial Manager	45	Education - Bachelor's degree in Accountancy Bangkok University - Master's degree in MBA, Accounting Ramkhamhaeng University	Shares -None- Spouse or dependents shares -None-	-	Relevant Important Positions in Listed Companies		
					2022 - Present	Accounting and Financial Manager	A.J. Plast PLC
					2018 - 2022	Financial Controller	Pakfood PLC
					Relevant Important Positions in Non-Listed Companies		
2016 - 2018	Accounting and Finance Manager	Nanyang Garment Co., Ltd.					
Mr. Pannasak Charoenet - Procurement Manager	35	Education Bachelor of Business Administration (English Program), Rajamangala University Phranakhon Commercial Campus	Shares -None- Spouse or dependents shares -None-	-	Relevant Important Positions in Listed Companies		
					Present	Procurement Manager	A.J. Plast PLC
					Relevant Important Positions in Non-Listed Companies		
					2019 - 2022	Senior Procurement Specialist	Dockweiler Asia Co., Ltd.
2017 - 2019	International Manager	Sevenfive Distributor Co., Ltd.					
Mr. Sarawut Nusati - IT Manager	39	Education Bachelor of Science in Information Technology, King Mongkut's University of Technology Thonburi	Shares -None- Spouse or dependents shares -None-	-	Relevant Important Positions in Listed Companies		
					2021 - Present 2015 - 2021	IT Manager Digital & Data Processing Manager	A.J. Plast PLC Shera PLC
Mr. Pongthep Khaengsarikit - Human Resources and Administrative Manager	55	Education B.A. electrical engineering, electric power Technology Mahanakorn University	500 Shares or 0.00011 % Spouse or dependents shares -None-	-	Relevant Important Positions in Listed Companies		
					Nov 2021 - Present 2001 - Present	Personnel and Administrative Manager Electrical Maintenance Manager	A.J. Plast PLC A.J. Plast PLC

Notes: ¹ Authorized person with legally bound signatures are Mr. Narong Suthisamphat or Mrs. Napaporn Suthipongchai, Vice President or Mr. Kittiphath Suthisamphat, Vice President sign and affix the company's seal on or two other directors jointly signed and affix the company's seal on.

² Including shares of spouse or dependents

Attachment 2

Details of Directors of Subsidiaries and Associated Companies

Name	A.J. Plast PLC.	A.J. Plast (Vietnam) Co., Ltd. ¹	United Food PLC. ²
Mr. Narong Suthisamphat	President		President
Mrs. Napaporn Suthipongchai	Vice President		
Mr. Kittiphath Suthisamphat	Vice President and Managing Director	President	
Mr. Sakchai Patiparnpreechavud	Director	Director	
Mr. Surasak Gosiyachinda	Independent Director		Director
Mr. Ninnat Olanvoravuth	Independent Director		
Mrs. Chavida Srisangnam	Independent Director		
Mr. Supote Tonurat	Independent Director		
Mr. Kasemsit Pathomsak	Independent Director		
Mr. Prasan Onwong	Independent Director	Director	
Mr. Thosphol Chinandej	Deputy Managing Director and Company Secretary	Director	
Mr. Nawee Butsunorn		Deputy Managing Director and Company Secretary	

Note ¹ Subsidiary

² Related companies

Attachment 3

Report of the Audit Committee

Audit Committee Report

The Audit Committee composed of three independent directors who possess the required qualifications set by the Stock Exchange of Thailand: Mr. Ninnat Olanvoravuth, Chairman, Mrs. Chavida Srisangnam and Mr. Surasak Gosiyachinda as members, and Mrs. Sarinthip Thanawadee served as the secretary to the Audit Committee.

The Audit Committee has performed duties within the scope and responsibility as assigned by the Board of Directors for the conformity of regulations set by the Stock Exchange of Thailand. The Audit Committee held four meetings in 2022 and once since 2021 till now or a total of 5 meeting. There were joint meetings with the external and internal auditors, which can be summarized as follows:

1. The Audit Committee reviewed quarterly and annual financial statements for 2022 and agreed with the external auditors that the audited financial statements were prepared in accordance with Thai Accounting Standards and Financial Reporting Standards.
2. The internal control system was reviewed in terms of adequacy, appropriateness, and efficiency. The consideration of the internal control reports and the completed assessment form found no important deficiencies relating to the upkeep and safeguarding of assets with adequate revelation of reliable information. It is the opinion of the Audit Committee that the company has a proper and effective control system.
3. The company has a policy on related party transactions to prevent conflict of interest including the full disclosure of information according to regulations set by the Stock Exchange of Thailand and the Securities and Exchange Commission. The external auditor has properly disclosed related information pertaining to financial statements and notes to financial statements. The Audit Committee has the same opinion as the external auditor that the said transactions are reasonable and fully disclosed.
4. In 2023, the Audit Committee has recommended the nomination of Dr. Virach Apimeteetamrong, Certified Public Accountant (Thailand) No. 1378 or Mr. Chaiyakorn Ounpitipongsa, Certified Public Accountant (Thailand) No. 3196 or Mr. Apiruk Ati-anuwat, Certified Public Accountant (Thailand) No. 5202 or Miss Ratcharin Charoenkijpailert Certified Public Accountant (Thailand) No. 7037 of Dr. Virach and Associated as the company's auditors to be the external auditors with the auditing fee for 2023 not more than baht 2,600,000 which can breakdown as follow – audit fee for separate financial statement baht 950,000 and audit fee for consolidate financial statement baht 80,000 the reviewing fee for separate financial statement baht 300,000 per quarter and reviewing fee for consolidate financial statement baht 55,000 per quarter the auditing fee on compliance with BOI terms and conditions at 30,000 baht for each BOI promotion certificate. The Audit Committee submits to the Board of Directors for consideration and for approval at the shareholders' meeting the appointment of an external auditor as follows:

- The external auditor has performed duties that require knowledge and professional skill including recommendations for ensuring the effectiveness of internal control.
- In complying with regulations set by the Stock Exchange of Thailand, public company must rotate the authorized public accountants every five years.
- The external auditor is independent and has no relationship with the company in performing duty with professional competence.

In summary, the Audit Committee has fulfilled the responsibility in compliance with the Audit Committee Charter that was approved by the Board of Directors and the requirements of the Securities and Exchange Commission and the Stock Exchange of Thailand. The Audit Committee is of the opinion that the company has a proper financial reporting system to disclose its financial and operational information sufficiently, correctly and consistently. The Board of Directors has the ultimate responsibility for an effective internal control and the adequacy of risk management system for ensuring compliance with laws and regulations and disclosure of related party transactions with transparency under the good corporate governance principles.



Ninnat Olanvoravuth
Chairman of Audit Committee

Attachment 4

Details of Head of Internal Audit

Name Miss Sarinthip Thanawadee

Education

Bachelor of Accountancy, University of the Thai Chamber of Commerce

Experience

2016 - Present	Internal Audit Manager - A.J. Plast Public Company Limited
2015 - 2016	Assistant Internal Audit Manager - Index Living Mall Company Limited
2008 - 2015	Assistant Internal Audit Manager - Advanced Research Group Company Limited

Training

Internal Audit Procedure - The Institute of Internal Auditors of Thailand
CPIAT - The Institute of Internal Auditors of Thailand

Attachment 5

Business Assets and Details on Asset Valuation

-None-



BANGKOK COMMERCIAL OFFICE

95 Thakarm Rd., Samaedam, Bangkhuntien,
Bangkok 10150 Thailand
Tel : 662 415 0035 Fax : 662 415 3795

LAEM CHABANG FACTORY

38/11 Moo 5, Laem Chabang Industrial Estate,
Thungsukala, Sriracha, Chonburi 20230 Thailand
Tel : 6638 490 330-5 Fax : 6638 490 337

PINTHONG 5 FACTORY

8 Moo 8, Pinthong Industrial Estate 5, Khao Khan Song,
Siracha, Chonburi 20110 Thailand

www.ajplast.co.th



HACCP



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