



ANNUAL REPORT 2021 (FORM 56-1 ONE REPORT)

ONE REPORT 2021

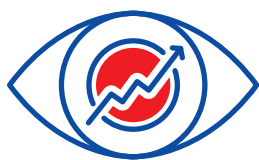
CREATIVE BUSINESS FOR A SUSTAINABLE FUTURE



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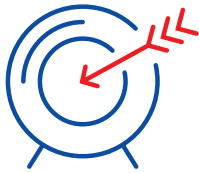


Visions

Integration Beyond A Chemical Distributor
with Diverse Services for Sustainability

Aiming to become a leading organization in
providing the integrated services of chemicals
distribution, covering our supply chain in all
industries at all sizes.





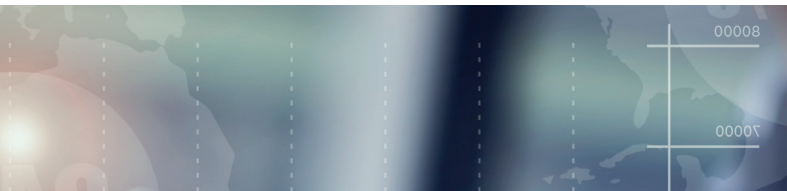
Goals

We have envisioned our business operations in the next 5 years as follows:

1. To become a leading organization in providing the integrated services of the chemicals distribution that meet the customer's needs, covering all industries at all sizes for a sustainable growth together with our customers.
2. Develop the distribution centers that cover the service area, aiming to support the business expansion of customers in the new industries.
3. Develop business, innovation, and new technology that cover our corporate value chain. This aims to increase the variety of products and services that meet the needs of the current and future customers, starting from chemicals procurement, chemicals storage, chemicals blending, chemicals logistics, and chemicals disposal.
4. Create more business alliances for developing the integrated services of chemicals distribution that covers our entire supply chain in all industries at all sizes.



MESSAGE FROM BOARD OF DIRECTORS



Message from Chairman of the Board

Despite the global effects of the COVID-19 pandemic continuing in 2021, there were still significant changes in global economic growth. Thus, we leveraged the technology and applied the safety practices to our suppliers and employees. Moreover, the new normal way of living created greater impacts toward the current working processes. Along with another reason that came from the ongoing disruption during the crisis such as the impact of Russia-Ukraine conflicts affecting the entire global trade, for example gas price, shortage supply, changes in consumer's consumption behaviors, including the growth of technology business and green business, etc.

Hence, the new ways of running activities between the onsite workplace and online work-from-home are integrated through the efficient technology platforms, as our business resilience.

Due to the pandemic of COVID-19 and the inter-conflicts between the two countries, the changes have transformed the global economy in macro level including the Company's visions, goals, and missions as well. This pandemic has stimulated us to rethink and recalibrate the business strategies, goals, and performance by aiming to become a leading company in chemical distribution with the diverse goods and services covering the supply chain of various industries at all sizes.

In addition, we shifted the external risk into a business opportunity. New potential businesses have emerged and transformed its business operations as response to such pandemic. To thrive in investing in new businesses that support our core businesses, the Company created the new competitiveness that meets market's demands with proper planning and consideration. This aims to ensure that the Company's long-term benefits are sustained for future growth, as well as maintaining strong relationships with shareholders and other stakeholders aligning with the principles of good corporate governance. With their hard work, commitment, and contribution, we are proud to share our success in 2021. In which its sales of goods revenue increased from 2,542.60 million baht in 2020 to 3,033.62 million baht in 2021 (an increase of 19.31%). And this year, we are able to distribute the economic value to shareholders amounting 116.20 million baht arising from 97.11 million baht in 2020 (an increase of 19.66%).

Lastly, on behalf of the Board of Directors. I would like to thank our shareholders and stakeholders in all sectors for their continued trust and support. I truly appreciate it.

(Mr. Bhala Sukhavej)
Chairman of the Board



Message from Board of Directors



Message from the Executive Chairman

In 2021, the global economy had dropped suddenly in the first half of the year before gradually recovering from the pandemic both in the country and the region. But still slowing down investments in many business sectors due to uncertainty concerns of new variants that continued to cause new outbreaks and the virus's impact. The controversy surrounding COVID-19's origin continues to heat up between US. and China, including the conflicts between Ukraine and Russia that negatively affect the global economy, particularly energy, food, and commodities. While the government still makes some adjustments in major economies and investment policies in terms of both domestic and external that directly and wholly affect the Company's business growth.

In this year, we stepped up to the challenge by reinventing itself in response to the pandemic. Setting new visions, missions, and goals through innovations focusing by rapidly adapting their business strategies towards the internal and external changes. Applying the business resilience strategy during the pandemic enables us to strengthen the foundation of our core business to be more diverse. We built the complete value chain from customers' perspectives which we are taking into account the environmental management and the value consumption of resources by conducting activities which are actively engaged with all stakeholders. However, we are committed to improving our services and performances in the industrial market. We also provide the highest quality products with excellent value that meet customers' needs in both existing and potential markets. In addition, we still make the necessary investments such as the corporate infrastructure system by constructing new warehouses located in areas of the Eastern Economic Corridor. Not lastly, we started to explore new business opportunities among the chemicals distribution industry to support our core business or new businesses that respond to the global economy crisis. Sustainable growth is vital to us, making efforts to promote social well-being and environmental sustainability that are fully aligned with customer's business growth.

Finally, the Board of Directors, Executives, and employees of Union Petrochemical Public Company Limited would like to thank all shareholders and stakeholders for their confidence, trust, and support in our business operations as always. We are committed and dedicated to performing every project a great success with our best efforts in order to strengthen a business foundation for a stable and continual growth, aligned with the principles of good corporate governance. As well as enhancing the economic values to shareholders and stakeholders of all sectors fairly along with creating value for both business and community for sustainable growth together.

(Mr. Virat Suwannapasri)
Executive Chairman



Message from Board of Directors



Message from the Managing Director

Dear valued shareholders,

The current pandemic of COVID-19 has been threatening everyone for more than a year, including the challenges arising from such a crisis that affected the day-to-day lives and activities in operating its businesses.

Such a pandemic has been a challenge for us as well but we still ensure the Company will grow. In 2021, we adapted the corporate strategies that support our visions to be more resilient and be able to respond to the mega global changes, including the changes arising from both the national and international economic policies. In which those changes may affect the long-term growth as well as the entire value chain of the Chemicals and Solvents industry. By applying the principle of adaptation to the changes, our missions are formulated and well-aligned with the good corporate governance principles and sustainable development. We emphasize more on building sustainable business resilience and development during the pandemic, based on the principles of value consumption and smart people engagement.

It is certain that our employees are regarded as the greatest resource, we therefore focused on the human capital development and fair treatment of the employees according to their competency and performance as appropriate. Moreover, we realized the significance of employees' career path development that will support the achievement of sustainable growth together with the organization. By such practices, it also includes many motivations toward the employees to be engaged in the energy efficiency that reduces effects of air pollution along with promoting an environmental awareness to all of them as well. In the meanwhile, we are committed to protect the environment and provide a safe and healthful workplace for all employees and the communities where we are operating its businesses.

Plus, the Company started to explore industrial trends and its new business opportunities, aiming to sustain its business stability. Not only to continue the operating business within an industrial sector but to expand a certain business by providing more diverse products and services, aiming to serve the existing markets and new potential markets in the target industries prescribed by the government.

Likewise, we foresaw the rapid growth in the innovation and technology businesses. Not waiting so long, we conducted the study of market feasibility and maximized its returns by investing in various business sectors such as manufacturing and distributing goods produced from the coconut processing, short-term loan business for passenger cars sale or floor plan financing, and digital asset businesses such as bitcoin mining.

By strengthening our market position as a leading chemical and solvent distributor, we developed our working processes, based on the business resilience strategy. It aims to maintain its operations under the unpredictable circumstances in the Year 2021, with a profitable and growing business performance than the Year 2020.

The outstanding performance was derived from the hard work, commitment and invaluable contributions from the entire team during the difficult times that drove our corporate revenues in 2021 to greater heights. As the Company's representative, I would like to thank our customers, suppliers, shareholders and the financial institutions for their support and also be grateful for your trust and confidence in the Company all along.

I sincerely thank all stakeholders for your continued patronage and look forward to your support for sustainable growth that creates the best interests for all sectors.

(Mr. Peerapol Suwannapasri)
Managing Director



Report of the Audit Committee



Dear Valued Shareholders,

The Audit Committee of Union Petrochemical Public Company Limited consists of 3 independent members who are qualified and knowledgeable, along with full expertise and broad experiences in law, business administration, chemical engineering, and financial accounting. Our three committees are namely Mr. Pulsak Tansitthiphan, Chairman of the Audit Committee, Mr. Vorapote Uchoopaiboonvong, and Professor Dr. Tharapong Withitsan, as members of the Audit Committee. Qualifications of each committee member meet the requirements as prescribed by the Stock Exchange of Thailand. To avoid the conflicts of interest, each committee member has not held the Company's shares, nor participated in the management, nor sought any private benefits from the Company both directly or indirectly.

The Audit Committee performed their duties as assigned by the Board of Directors and in accordance with the charter of the Audit Committee of Union Petrochemical Public Company Limited, aligning with the requirements prescribed by the Securities and Exchange Commission of Thailand. Our policy emphasizes compliance with good corporate governance principles and its operations are in compliance with the laws, including rules and regulations that are related to business operations. Moreover, to protect the investment of shareholders, the Audit Committee regularly governs and reviews the Company's performance in all aspects related to business operations with the effective and reliable internal audit mechanisms.

In 2021, the Audit Committee held a total of 8 meetings as follows:

1. Mr. Pulsak Tansitthiphan, Chairman of the Audit Committee, attended 8/8 meetings
2. Mr. Vorapote Uchoopaiboonvong, Audit Committee member, attended 8/8 meetings.
3. Prof. Dr. Tharapong Vitidsant, Audit Committee member, attended 7/8 meetings.

Best practice guidelines for the Audit Committee

1. Review the Company's financial reporting process.

The Audit Committee reviewed key information of the quarterly and annually financial report of the year 2021, including the connected transactions or the transactions that may lead to conflicts of interests. The auditors and executives in the

accounting and finance department were invited to attend the audit meeting for the consideration of the financial statements. It aims to clarify and reply to any questions to the Audit Committee regarding the accuracy and completeness of the financial statements or any accounting adjustment entries that affect the financial statements. Moreover, the adequacy of information also disclosed in the financial statements and the auditor's remarks which the Audit Committee gave an opinion on the accuracy and completeness of the Company's financial report and properly presented in compliance with the Thai Financial Reporting Standards.

2. Review the risk management

The Audit Committee monitored the overall risk management from the financial reporting process and oversaw the internal audit report and the external auditor. While the Risk Management Working Team is responsible for formulating risk management strategies required by the Committee to acknowledge a result of all major risks - this covers both risk management policy approval and framework before having the Board of Directors' approval. In addition to monitor risk assessments, control and approve risk management measures at appropriate level in different situations, the performance summary in all aspects shall be regularly reported to the Board of Directors to ensure the compliance with the Company's policy and strategy.

3. Review the internal control system

The Audit Committee reviewed the sufficiency and appropriateness of the Company's internal control system to reasonably ensure that its operations are efficient and effective. However, the ongoing efforts meet the objectives and goals stipulated in the audit report of the internal and external auditor, as well as the performance monitoring report according to the auditor's recommendations. This also includes an assessment of the adequacy of the internal control system according to the framework of internal control practices presented by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) to assess the internal control system, risk management, and reliability of financial reports. In which



Report of the Audit Committee

the results of the assessment are reasonable to presume that the Company conducted the adequate and effective internal control system for its business operations.

4. Review and govern the internal audit process

The Audit Committee governed the internal audit entity to be independent while reported directly to the Audit Committee as defined in the Internal Audit Charter that needs to be reviewed on an annual basis. In addition, to conduct an annual review of the internal audit performance in accordance with the approved audit policy and internal audit plan, the Audit committee considered the significant issues from the auditors and the useful suggestions for improving the efficiency of the internal audit system along with monitoring the performance of the internal audit on a regular basis. The Audit Committee gave importance to the internal audit career development continually in order to increase effectiveness of individuals and the internal audit entity by enhancing the level of knowledge, competence, and quality of audit work to be in line with International Standards for the Professional Practice of Internal Auditing.

5. Review of good corporate governance

The Audit Committee focused on the corporate ethics policies by reviewing the correctness and giving opinions on every related party transaction, or the connected transactions with potential conflict of interest by considering to be complied with the regular trade practices - with reasonable cause and price setting based on an appropriate market price, and Third-Party Transactions including complaints review process of whistle-blowing. This includes suggestions, complaints management, corrections, and any results or actions from the complaints to comply with the principles of good corporate governance as well as to ensure that information is fully disclosed in compliance with the regulations of the Stock Exchange of Thailand.

Along with conducting business with integrity, transparency, and fairness, the Audit Committee encouraged the Company to renew membership of the Thai Private Sector

Collective Action Against Corruption (CAC) as well as considering the necessary and significant issues raised by the auditor, as well as giving recommendations and support to staffs in order to perform more duties for improving the efficiency of the internal audit system. This also includes the continuous monitoring practices of the auditing results on a regular basis.

6. Review of legal compliance

The Audit Committee oversighted and reviewed the Company's operations to be in compliance with the law on the Securities and Exchange Act, regulations of the Stock Exchange of Thailand, industrial law or laws related to the business of the Company. The Audit Committee agreed that the corporate internal audit system was efficient with effective performance of duties and in compliance with the aforementioned laws.

7. Consider, select and nominate an auditing firm of Year 2021

The Audit Committee was responsible for considering, selecting, nominating, appointing, and proposing remuneration, including offering to remove the Company's auditor. This aims to create independence based on qualifications, competence, and professional expertise. When deemed appropriate, it was therefore resolved to appoint Dharmniti Auditing Company Limited as the Company's auditing firm, and proposed to the Board of Directors for consideration before proposing for approval to the shareholders any further. In addition, during the annual audit, the Audit Committee considered the other services of the auditing firm to ensure the suitability and independence of the external auditor process that did not affect the internal audit duties of examination and evaluation.

In conclusion, in 2021, the Audit Committee performed its duties independently and responsible to all activities assigned by the Boards of Directors, with caution and prudence. It also includes expressing opinions and suggestions which were beneficial to the Company to ensure that our corporate financial reports were accurate, complete, and reliable.

(Mr. Pulsak Tansitthiphan)
Chairman of the Audit Committee



SECTION 1

BUSINESS OPERATIONS AND PERFORMANCE



1. Business Operations

1.1. Policy and Business Overview

1.1.1 Objectives, Missions, and Strategies

Objectives

Union Petrochemical Public Company Limited (UKEM) engages in the business of importing and distributing chemicals and solvents. We have entered its 40th year with business resilience and professional management, aiming to meet the diverse needs of customers that rapidly change according to the economic situation and competition in the world market. Moreover, the Company aims to be a chemical distributor that supplies a variety of products and provides integrated solution services in the chemicals industry, together with a business network that fully meets the needs of customers in all industries, creating a sustainable business growth together. Currently, our main business groups are as follows;

1. Commodity Chemical and Solvent

We have divided Commodity Chemical and Solvent into 2 categories, namely 1) Solvent and 2) Other Chemicals. With the function of solvent, its main property is to dissolve other chemicals in both forms of solid and liquid. Our solvent is mainly used in the Paint industry, Packaging industry, Printing industry, and so forth. While our “Other Chemicals” will be used in many industries according to customer’s needs.

Moreover, we classified our Commodity Chemical and Solvent into 7 groups, depending on the solubility property of each product, covering all diverse needs of our customers in various industries as follows.

1. Alcohol; used as the main ingredient in the paint industry, chemical manufacturing industry, packaging industry, print industry, and other relevant industries, sold through our dealers.

2. Aliphatic hydrocarbon; used as the main component in the paint industry and other relevant industries, sold through dealers.

3. Aromatic hydrocarbon; mainly used in paint industry, chemical manufacturing industry, packaging industry, and other relevant industries, sold through our dealers.

4. Ester; the main ingredient in the paint industry, packaging industry, and other relevant industries, sold through our dealers.

5. Glycols; used as the main ingredient in the chemical manufacturing industry.

6. Ketone; used as the main ingredient in the paint industry, chemical manufacturing industry, and packaging industry.

7. Monomer; the main ingredient in other relevant industries.

2. Specialty Chemical and Solvent

This group of products will be distributed through Gratitude Infinite Public Company Limited and Lion Asia (Thailand) Co., Ltd., our subsidiaries. We clearly identify the different target group, as mentioned below;

- Gratitude Infinite Public Company Limited is one of our subsidiaries, listed on the Stock Exchange of Thailand (SET) as well. With our clear target group, this group of products will be distributed to customers who produce the finished goods in the category of household care products, body care products, cosmetic products, and food and drug products.

- Lion Asia (Thailand) Co., Ltd. is also one of our subsidiaries, distributing the specialty chemicals and solvents that are blended according to our specific formula. It is targeted for the specific applications or with specific characteristics to meet our customers’ requirements, such as containing a property of higher solubility than the pure substances that are environmentally friendly and not harmful to humans; free from hazardous substances, free from odors, and colors, etc.

3. Rubber and Polymer

We classify the plastic pellets and materials that are necessary for producing rubber in the packaging industry and medical device industry in this group of products.

4. Other Businesses, Innovation and Technology Business

We cannot deny that innovation and technology play a major role in business operations nowadays. With an aim to conduct a sustainable business growth, together with our customers, we have therefore added more varieties of

products to serve our all target industries. This enables us to continuously grow in the chemicals business. In addition, we also created opportunities in a group of our other businesses, both businesses in our corporate value chain and new businesses that respond to the global mega trends. This includes the economic policies both domestically and internationally as well. From such situation, we studied and assessed its feasibility and risks of investment before commencing to operate its business in this group, including;

- Production and distribution of all types of products obtained from coconut processing.
- Floor Plan Financing
- Digital assets such as Bitcoin mining.

Missions

- Create the diversified chemical business alliances that cover our supply chain both the chemicals manufacturers and chemicals users.
- Develop new businesses and services, creating the integrated services of chemicals distributions that are able to quickly respond to market demands.
- Promote our employees to deploy the innovation and technology, aiming to enhance the values of our products and services.
- Develop and enhance our employees' competency both in the form of "Reskill" and "Upskill", aiming to achieve work efficiency and better quality of life.
- Raise awareness of value resource consumption for the best interests of the Company, covering activities in our corporate value chain as well as driving such practices towards the executives and employees at all levels, aiming to create a corporate culture that is environmentally friendly.
- Regulate our organization in accordance with the principles of good corporate governance along with compliance with the laws related to its business operations in terms of economic, social, and environmental dimensions, aiming to sustain confidence among all groups of our stakeholders and for a sustainable growth.

Corporate Strategies

With an aim for sustainable growth, we have set goals, aligned with our visions to become the integrated service provider of chemicals distribution that operates its businesses for a sustainable growth, together with customers. Thus, we have established the corporate core strategies as follows:

Marketing Strategy and Distribution Strategy

In addition to being a distributor of chemicals that covers a variety of products and services, we also have initiated the integrated services of chemicals distributions for creating the value-added to organization. This aims to respond to the business growth of customers in all types of industries, starting from the commencement of its business operations to jointly building a sustainable business growth together. By adhering to our commitment, we have procured and customized our products (blending) according to the trading formulas as well as supplying a various sizes of chemicals packaging for delivery as required by customers. Moreover, we developed a package-return system that is convenient to repack the products, aiming to reuse the packages, as our principle of value consumption. It is able to respond to customer demands and our corporate sustainability policy very well.

As we have known about the crisis caused by the pandemic of COVID-19, we, as one of numerous companies who have been affected by such problems, understand the situation well. Thus, we adapted our marketing strategy, aiming to remedy the situation by offering our customers who have a demand to make a long-term agreement for the advance orders on a quarterly basis. This aims to create business resilience and sustain the production costs for customers. In addition, we also focused on building a robust relationship with our customers, thus we added the inventory management service by the Vendor-Managed Inventory system, the speedy logistics service, and the offer of the special credit terms for the certain customers as appropriate.

As we are taking more steps to the global market, we conducted a plan to study the trend of market changes due to the global changing situations or megatrends in various matters of each product continually. This aims to create the business continuity of our organization and to create the opportunity of investment in new businesses that meet the needs of our current customer's demands and the potential customers in new industries according to the business promotion policy by the government, such as the targeted industries or New S-Curve, or the industrial groups located in new investment promotion zones, such as the Eastern Economic Corridor (EEC), etc.

In this regard, we still focus on building a good and robust relationship with customers in the long-run, thus we arranged for our marketing officers to work with customers continuously and closely. Our Marketing and Sales teams adhere to the practice

of responding to the needs of customers in a timely manner, aiming to create the highest satisfaction with their best efforts.

Distribution Strategy: Logistics Service and Warehouse Management Service

With our expertise in providing chemical warehouse management, it leads us to create more flexibility in warehouse management for customers who demand for a longer period for storing their products with us. From that situation and to serve more demands of customers, we planned to establish more warehouses, aiming to support the business expansion of the chemicals industry that will be established in the new investment promotion zones such as the Eastern Economic Corridor (EEC). Our goals are to facilitate the logistics services that cover the business operating areas of existing and new customers, as well as increasing the warehouse space to reserve products for customers' validity within 3-6 months.

To achieve customer satisfaction, we focused on safety at the workplace in our warehouse management system, including a control system of packing or repacking products that meets the standard, the on-time and correct delivery of products to customers, and a logistics system that is aligning to the laws. Moreover, we provide the flexible, speedy logistics services that respond to the needs of customers efficiently.

Investment Strategy

Technology disruption and climate change have vastly resulted in business operations around the world. It also resulted in many organizations to adapt their corporate strategies in conducting activities of both government and private sectors to be more aware of environmental and social responsibility. Moreover, the way of living for people has changed into "New Normal", accelerating most companies to adapt their investment strategy, aligned with new socioeconomic context as well. Thus, our goals of new investments in both new chemicals products and innovation and digital business are taken into consideration for creating a business continuity with a sustainable growth as material.

In this year, we started to study for the new investment in new chemicals that are used in consumer's products, the agrochemicals, and environmentally friendly chemicals, such as Animal Chemical Nutrition, environmentally friendly solvent, Post-Consumer Recycling (PCR) pellets, and chemical products from coconut, and so forth.

As digital currency was widely recognized by investors, we started to study and plan for investment of Digital Crypto Currency, Token Digital, and Foreign Currency, including Funds & Bonds, both domestically and internationally. Moreover, we have already invested and operated in the Floor Plan Financing.

As the aforementioned, we conducted the study and plan for investment of new business comprehensively, aiming to create more income and worthy yields. As well as creating a sustainable business growth through an analytical mechanism of concrete data by the experts before investment.

Funding Strategy

Liquidity management is vital to take into consideration. We managed it without using short-term funds for long-term investment (Funding Mismatch). Moreover, we conducted cash-flow projections along with a monitoring and regular review. Cash reserves are kept at a level sufficient to meet the needs of business operations. If our liquidity is satisfied, the excess shall be invested in order to generate the appropriate returns, based on the criteria of corporate risk tolerance. We will analyze the information and set the investment framework with each financial institution. To conduct the secured investment, we prepare for a short-term working capital, together with loans from various financial institutions to support our operations as appropriate. To support our principle of business resilience, we offered our customers the credit-term by stipulating rules and procedures for credit granting that are suitable for its business operations, with standards comparable to leading companies in the same industry. This also includes an administration of credit for our best interests, taking into account the various risks that may cause the problematic debts and bad debts to the Company. Currency exchange management is one of our vital responsibilities for risk management. We aim to monitor the risks on exchange rate and make it reduced according to the criteria of our risk tolerance. And we do not expect to make a profit from the exchange rate. If any action is taken, the Company shall be notified before taking action, aiming to reduce the risks on exchange rate.

1.1.2 Major changes and development

Union Petrochemical Public Company Limited ("the Company") has made significant developments, along with sequential growth. Especially, in the past 3 years (2019- 2021), there have been significant changes until the present as follows;

Year	Significant Changes
1981	<p>22 May 1981</p> <p>Established Union Trading and Industry Company Limited with initial registered capital of 15 million baht to engage in the business of importing and distributing chemicals. The Company started business as a distributor of solvents for Thai-MC Co., Ltd., a subsidiary of Mitsubishi Corporation, Japan. Initially, we were the only distributor for Thai-MC Co., Ltd. and have been entrusted to be a distributor until the present. At that time, we supplied about 10 types of products, as one of distributors, such as Alcohols, Aromatic, Ketone, and Ester, etc.</p>
1985	<p>5 October 1985</p> <p>Appointed by Thai-MC Co., Ltd., a subsidiary of Mitsubishi Corporation, Japan to become the major distributor of chemical products (solvents). Currently, we are still the major distributor of Thai -MC Co., Ltd.</p>
1986	<p>We expanded its business by importing chemicals from foreign countries such as Korea, Taiwan, Singapore, and Europe, etc. We also brought in products of the Exxon Chemical group to distribute in Thailand. Thus, we started renting a farm tank, with a capacity of 750,000 liters of chemicals, from Siam Kemi Public Company Limited.</p>
2004	<p>1 June 2004</p> <p>We invested in Union Intraco Company Limited amounting to 5 million baht by acquiring all shares from the existing shareholders. It consisted of Suwannapasri Family and Lion Asia (Thailand) Co., Ltd. It is due to the reason that Union Intraco Co., Ltd. that was established to operate the business of importing and distributing specialty chemicals. In which it requires specialists with knowledge and expertise more than other general chemicals. Thus, we decided to hold major shares at 99.86% of the paid-up capital.</p> <p>1 December 2004</p> <p>Next step of us was to invest in Lion Asia (Thailand) Co., Ltd. by acquiring shares from the existing shareholders, namely Suwannapasri Family and Union Siam International Co.,Ltd., representing 75% of the registered capital of 15 million baht (paid-up capital equals to 10 million baht), or representing an investment of 7.5 million baht. This made us hold shares in Lion Asia (Thailand) Co., Ltd. originally from 18.37%, increasing to 99.99% of the registered capital. On December 1, 2004, Lion Asia (Thailand) Co., Ltd. called for an additional payment of 2.25 million baht, causing Lion Asia (Thailand) Co., Ltd. to have a total paid-up capital of 12.25 million baht from the registered capital of 15 million baht.</p> <p>2 December 2004</p> <p>Renamed Union Trading and Industry Co., Ltd. to Union Petrochemical Co., Ltd.</p> <p>29 December 2004</p> <ul style="list-style-type: none"> With the big move, the Company has increased the registered and paid-up capital from 15 million baht to 110 million baht, or an increase of 95 million baht. This aimed for acquiring the additional shares of Union Intraco Co., Ltd. and reserving as a working capital in business operations [According to the resolutions of the Extraordinary General Meeting of Shareholders No. 4/2004 and 5/2004 dated on December 12, 2004 and December 29, 2004 respectively] On January 14, 2005, Union Intraco Co., Ltd. increased its registered capital from 5 million baht to 58 million baht. In which the Company acquired all the aforementioned shares of 53 million baht, resulting in the Company's shareholding proportion at 99.99% of the registered and paid-up capital of 58 million baht. After that, the Company has restructured its group companies to prepare for being listed in the Market for Alternative Investment (MAI) by selling securities held by the Company that are not related to its core business, namely Corporation Co.,Ltd. and First Traco Co.,Ltd.

Year	Significant Changes
2005	<p>7 March 2005</p> <p>Increased the registered and paid-up capital from 110 million baht to 115 million baht, reserving as a working capital in the business operations.</p> <p>7 April 2005</p> <p>Sold its investment in Nippon Refine (Thailand) Co., Ltd. in order to restructure its business to be apparent and prepared for being listed in the Market for Alternative Investment (MAI).</p> <p>9 May 2005</p> <p>Increased the registered and paid-up capital from 115 million baht to 131 million baht or an increase of 16 million baht, reserving as a working capital in the business operations.</p> <p>2 June 2005</p> <p>Increased its registered capital from 131 million baht to 165 million baht or an increase of 34 million baht, in order to offer to the public and transformed to a Public Company. In the past 5 years, the organizational structure relating to authority in managing its business has not significantly changed. The major shareholders of the Company are still Suwannapasri Family.</p>
2007	<p>2 April 2007</p> <p>Union Intraco Co.,Ltd. increased its registered and paid-up capital from 58 million baht to 78 million baht or an increase of 20 million baht.</p>
2008	<p>24 September 2008</p> <ul style="list-style-type: none"> Changed the par value from 1.00 baht (one baht) per share to 0.25 baht (twenty-five satang) per share, causing the total number of shares issued and offered for sale by the Company increased from 165,000,000 shares to 660,000,000 shares. Established Multi Kross Operation Limited in the Hong Kong, Special Administrative Region, People's Republic of China, engaged in a business of Import and Export of chemicals.
2009	<p>5 November 2009</p> <ul style="list-style-type: none"> Issued warrants to acquire common stock No. 1, allocating to the existing shareholders in the ratio of 4 shares to 1 warrant and free of charge. The total number of such warrants is 165,000,000 units, with a maturity of 5 years from the date of issuance and offering, with an exercise ratio of 1 unit of warrants per 1 common stock at a price of 0.50 baht (fifty satang) per share, and traded on November 30, 2009. Established UChem Ethanol & Esters Co., Ltd., engaged in operating an ethanol production and distribution business. At the present, the operation has not yet begun due to inability to find the suitable funding sources. Currently, UChem Ethanol and Esters Company Limited was renamed to UChemtech Co.,Ltd.
2010	<p>The Annual General Meeting of Shareholders No. 1/2010, held on April 27, 2010, resolved to approve the plan to list Union Intraco Company Limited ("Subsidiary") in the Market for Alternative Investment: MAI (Spin-off). This offering of the common stocks was for the general public in the amount of 52,000,000 shares with a par value of 1.00 baht per share, representing 40% of the total registered capital. After the offering, the allotment of newly issued common stock of Union Intraco Company Limited ("Subsidiary") to the common stockholders of Union Petrochemical Public Company Limited according to their shareholding proportions (Pre-emptive Right), not more than 13,000,000 shares with a par value of 1.00 baht per share, equivalent to 10% of the total registered capital after this offering.</p>

Year	Significant Changes
2011	<p>3 June 2011</p> <p>The common stocks of Union Intraco Public Company Limited were traded for the first time on the Market for Alternative Investment (MAI). The Company's and its subsidiaries' performance generated the net profit, exceeding 100 million baht for the first year since the commencement of the Company.</p>
2012	<p>The Company's and its subsidiaries' performance generated the net profit, exceeding 100 million baht for the consecutive 2 years</p>
2013	<p>3 September 2013</p> <p>Dissolved its subsidiary, Multi Kross Operation Limited, and has completed the liquidation.</p>
2014	<ul style="list-style-type: none"> • Dissolved its subsidiary, UChemtech Co., Ltd, in which it is in the process of liquidation. • Union Intraco Public Company Limited, a subsidiary of the Company, was renamed to Gratitude Infinite Public Company Limited • Gratitude Infinite Public Company Limited has established a subsidiary, Gratitude Supplement Co., Ltd., holding 79.99 percent of the shares, engaged in operating a business of manufacturing and selling health supplements.
2015	<p>Gratitude Supplement Co., Ltd. was renamed to Lavish Laboratory Co., Ltd.</p>
2016	<p>Gratitude Infinite Public Company Limited, a subsidiary in which the Company holds 59.99%, increased its investment in Lavich Laboratory Co., Ltd. from 79.99% to 99.99% and established Ligit Co.,Ltd., with a registered capital of 5 million baht, 99.99% held by Gratitude Infinite Public Company Limited.</p>
2017	<ul style="list-style-type: none"> • Increased its capital in Lion Asia (Thailand) Co., Ltd., a subsidiary that the Company holding shares of 99.99%, from 15 million baht to 30 million baht. • Gratitude Infinite Public Company Limited, a subsidiary of the Company, which holding 56.07% shares, established Natural Gift Society Co.,Ltd., with registered capital of 1,000,000 baht, held by Gratitude Infinite Public Company Limited at 93.98%, engaged in operating business of distributing and marketing perfume and cosmetic products, including food supplement products. • Gratitude Infinite Public Company Limited, a subsidiary, increased capital in the affiliated companies, namely Lavich Laboratories Co., Ltd., originally from 33 million baht to 50 million baht.
2018	<ul style="list-style-type: none"> • The Extraordinary General Meeting of Shareholders No. 1/2018 held on January 31, 2018, resolved to increase the registered capital and paid-up capital, originally from 206.25 million baht to 309.07 million baht. This aimed to support stock dividend payment and increase the registered capital (Unpaid) to 334.84 million baht to support the issuance of warrants for acquiring the Company's common stocks No. 2 (UKEM-W2) • The Extraordinary General Meeting of Shareholders No. 1/2018, held on January 31, 2018, resolved to approve the issuance and offering of warrants for acquiring common stocks of the Company No. 2 or UKEM-W2 in the amount of 103,028,450 units to the existing shareholders according to the shareholding proportion and free of charge, at the rate of 8 existing common stocks per 1 unit of warrant. The warrants were valid for 2 years from the issuance date (15 March 2018), with the exercise ratio of 1 warrant per 1 newly-issued common stock at the exercise price of 0.50 baht per share. The warrant holders can exercise the rights to convert on the last business day of May and November of each calendar year throughout the life of the warrants. • Gratitude Infinite Public Company Limited, a subsidiary, increased capital in the affiliated companies, namely Natural Gift Society Co., Ltd., originally from 1 million baht to 5 million baht. • Gratitude Infinite Public Company Limited conducted the Treasury Stock on the Stock Exchange of Thailand. After the project ended in January 2019, the Treasury Stock was at 12 million shares.
2019	<ul style="list-style-type: none"> • On June 12, 2019, increased a registered capital obtained from the offering of warrants for acquiring the Company's common stock No. 2 or UKEM-W2, amounting to 5,500 shares, resulting in the Company's paid-up capital increased to 309,070,184.75 baht (1,236,280,739 shares)

Year	Significant Changes
2020	<p>24 March 2020</p> <p>Increased a registered capital, obtained from the offering of warrants for acquiring common stocks No. 2 or UKEM-W2, amounting to 612 shares, thus the paid-up capital was increased to 309,070,337.75 baht (1,236,281,351 shares)</p> <p>12 November 2020</p> <p>The Board of Directors' Meeting No. 8/2020 resolved to approve the treasury stock project for the Company's financial management, with the number of 123 million shares, or 9.95% of the total number of shares sold by trading in the Stock Exchange of Thailand, at 66 million baht. The treasury stock project period is scheduled from 27 November 2020 to 26 May 2021. As of December 31, 2020, the Company reacquired 20,390,800 common stocks in total (equivalent to 1.65% of the paid-up capital). The reacquired cost was approximately 13.86 million baht.</p> <p>25 December 2020</p> <p>Certified for quality management standard ISO 9001 : 2015 by SGS Thailand Co., Ltd.</p>
2021	<p>30 September 2021</p> <p>Conducted the treasury share project of 53.84 million shares, totaling 52.17 million baht, accumulated to 74.23 million shares in total, representing 6% of the total issued common stocks. The total cost of this project was approximately 66.02 million baht.</p> <p>10 December 2021</p> <p>The Board of Directors' Meeting No. 11/2021 resolved to approve reduction of the paid-up capital for 74.23 million shares of treasury shares that could not be sold within the specified period and registered to the Department of Business Development, Ministry of Commerce.</p> <p>20 December 2021</p> <p>Reduced the paid-up capital for 74.23 million shares of treasury shares that could not be sold out within the specified period of time, and registered to the Department of Business Development, Ministry of Commerce.</p>

1.1.5 Entity and Business Location

Company's name (Thai)	:	บริษัท ยูเนี่ยน ปิโตรเคมีคอลล จำกัด(มหาชน)
Company's name (Eng)	:	Union Petrochemical Public Company Limited
Type of Business	:	Chemicals distribution
Business Registration ID	:	0107548000391
Capital	:	316,285,186.00 baht (as of 31 December 2021)
Paid Capital	:	290,513,063.00 baht (as of 31 December 2021)
Total number and types of shares issued and sold	:	Common Stock: 1,162,052,251 shares (31December 2021)
Par Value	:	0.25 baht per share

Head Office	:	728 Union House Building, Borommaratchachonnani Road, Bang Bamru, Bang Phlat, Bangkok 10700
Telephone	:	0-2881-8288
Facsimile	:	0-2433-7243-4
Website	:	http://www.unionpetrochemical.com
Corporate Secretary	:	Tel: 02 - 6773325 -7 e-mail: ladawan@unionpetrochemical.com
Investment Relation	:	Tel: 02- 6773325 -7 e-mail: sureepron.d@unionpetrochemical.com

1.2 Nature of business

1.2.1 Income Structure

Income of the Company and its subsidiaries classified by type of solvents.

Type of Products	2019	%	2020	%	2021	%
Commodity Solvents	1,921.19	67.95	1,819.81	71.57	2,441.80	80.49
Specialty Solvents & Others	906.01	32.05	722.79	28.43	591.82	19.51
Total (MB)*	2,827.20	100.00	2,542.60	100.00	3,033.62	100.00

1.2.2 Product characteristics

We imported and distributed two groups of products according to their physical characteristics as follows:

Liquid - A liquid product with a specific color and odor depending on the type of substance. Some products are flammable and hazardous for direct contact, contained in metal drums or Intermediate Bulk Container (IBC).

Solid - It is a granular product, packaged in bags or sacks. And it consists of four subgroups as follows:

1. The Commodity Solvents is the liquids categorized by their solubility and industrial applications as follows

- **Alcohol** - Clear, colorless, volatile, highly flammable, and soluble in water. It is commonly used as a solvent in industry.

- **Glycols** - Clear, colorless, odorless, and soluble in water. It is commonly used as an antifreeze and coolant including the application as a substrate in other industries.

- **Glycol ethers** - Clear, colorless with a characteristic odor, containing the good solubility properties in both aqueous medium and other substances. It is commonly used as a solvent in industry.

- **Ketone** - Clear, colorless, highly volatile, highly flammable, and well soluble in water and other organic compounds. Thus, it is commonly used as a solvent in industry.

- **Ester** - A liquid with a characteristic odor, flammable, insoluble in water.

- **Hydrocarbon** - Divided into subcategories: aromatic, non-dearomatized, saturated hydrocarbon — liquids obtained from further processing of refined oils and their properties modified to suit the use of solvent-based oils, with characteristic odor, flammable, and insoluble in water. It is commonly used as industrial solvents or degreasers in the Liquid Monomers industry, and used as the main ingredient in other industries.

- **Liquid monomer** – A liquid commonly used as a substrate in other industries such as the adhesive industry or the production of foams.

2. Specialty Solvents/Chemicals product are solvents with special characteristics, divided into 2 subgroups as follows:

- **Hydrocarbon** such as heavy aromatics, dearomatized, isoparaffins

- **Products developed and formulated according to** customer requirements. (Blending)

3. Specialty Solvents/Chemicals categorized into the group of Branched alcohols such as Exxal® 10, 13 and Neo Acid C10.

4. Polymer products are solids in which its characteristics are white or clear granules, used as raw materials in the packaging industry.

1.2.3 Market and Competitiveness

We understand that the practices of delivering the quality of various products that meet customer's requirements with the timely manner, consistency in service before and after the sale as well as building a good and robust relationship with customers on a regular basis, are vital to us aiming to sustain the market share. However, we are still in the highly competitive market amidst the five major competitors in Thailand.

Our target groups

Our major customers are those who are from the different industries that commonly use solvents as a core component in the production, including the paint industry, packaging industry, adhesive industry, agrochemical industry, and so forth. Moreover, most of them have had long-term business relationships with us since the establishment of the Company. Our products meet the standard and needs of customers. As a result, we are entrusted by customers and they normally increase the number of orders for us all the time. In the past 3 years, we were not selling our products to any customers with a sales proportion of more than 30% each year due to our risk management policy that

does not require to rely much more on any single customer. Our customers can be divided into the segments according to the industry as follows:

1. Paint Industry

Customers in this segment are those who apply solvents as the main ingredient in their paint production. Most of which are the production of paints for the interior purpose, automotive paints, and industrial paints.

2. Packaging Industry

Customers in this segment are the customers who apply solvents as a component in the production of various packaging such as plastic bags, plastic sacks, and ink for printing packaging labels. Our products are used as a solvent in the production process.

3. Agrochemicals Industry

Customers in this segment are customers who apply solvents as an ingredient in the production of agrochemicals such as pesticides, herbicides, etc.

4. Adhesive Industry

Customers in this segment are customers who apply solvents as a component in the production of industrial adhesives such as rubber adhesive and PU adhesive, etc., including other industries.

5. Other Industries

Customers in other industries who apply our products in the production process, such as plastic industry, adhesive industry, ink industry, tanning industry, etc.

6. Shops and our authorized dealers

Customers in this segment are those who purchase our products for resale. Their businesses will be in the forms of authorized dealers or small shops.

We established a policy for business growth, covering both existing industries and new industries with potential for future orders, such as the packaging industry and printing ink industry, etc. However, we do not focus on selling to a certain industry or any single customer, allowing the Company to monitor the risks that may affect the corporate income gained from different industries.

Summary of Competitive Situations for Solvents Industry in 2021

Domestic situations	Oversea situations
<p>As we are engaged in the business of importing and distributing chemical products in the form of solvents in Thailand. We found that a total market value of such businesses was approximately 20,000 million baht per year (Source: Estimated by the Company) and approximately 20-30 operators are running this business (Source: Estimated by the Company). When considering the sale volume, it was found that there are approximately 5-6 large operators with the total sales of more than 10,000 million baht, of which the Company is the top three with the highest sales (Source: Estimated by the Company). However, when compared to other large operators, we are considered to be the company with the longest experiences. Thus, we are entrusted by many customers. The competitive advantages of the Company asides other operators is the long-standing and robust relationship with customers. We also conducted a study of market demands and some specific customers continuously, along with a longer credit-term, sufficient stock that meets customers' needs at all time, efficient procurement system, product quality, and on-time delivery service.</p>	<p>At the present, we found that the competition from foreign entrepreneurs tends to decrease due to the changes in distribution strategy and policy that focus on sourcing the domestic distributors instead. It aims to reduce risks and its operating costs. In addition, local distributors adapted themselves to be more steadily efficient and the structure of the import and distribution business is not as complicated as the manufacturing business, such as the management structure, financial structure, etc. This enables the domestic operators to run their businesses with lower managerial costs. They are also able to understand the local market conditions and customers' segments, as well as having better expertise in the country than foreign operators. For such reasons, entrepreneurs from overseas began to formulate the policy and focus more on sourcing dealers in the form of Local Strategic Partners to distribute their products. Due to our long expertise and experience, we are entrusted and became one of the potential distributors as a Local Strategic Partner.</p>

The trend of the chemical industry in Thailand will depend on other industries as well because solvents are products that are used as part of the raw materials for production in various industries. Most of which are related to the paint industry, agrochemicals manufacturing industry, and packaging industry. Thus, the change in such industrial conditions in the country may affect the state of the chemicals industry as well.

Industry for importing and distributing solvents

Since, solvents are commonly used as the main ingredient in the production process of various industries such as paint industry (interior and exterior paint, automotive paint, and industrial paint, etc.), including packaging industry, ink industry, tanning industry, and cosmetics, etc., the growth of solvents will depend on with the growth of such industries as well, including and the country's economy. During the past 5 years, most of our corporate income (its subsidiaries' income is included) are mainly gained from the paint industry. Thus, our revenue growth at present is in line with the growth trend of the paint industry as well. And it is also related to the property development in-

dustry due to approximately 50 percent of the total paint market belongs to the interior and exterior paint market, the rest belongs to the automotive paint market, etc.

Paint Industry

Solvents are considered the main component in paint production. It is commonly used for dissolving paints and other components to be homogeneous. It is also a paint viscosity adjuster suitable for storage and distribution according to the purpose of application. The Solvents sold by us are mostly for the production of interior and exterior paints for buildings, automotive paint, and industrial paint, relating to the market overview of the property development industry as well as the sales and distribution of automobiles.

Automotive Industry

In 2021, the production volume of all types of passenger cars increased by 18.20%, aligning to the same direction of motorcycle production that increased by 10.24%, compared to the same period of the previous year.

Data of Motorcycle and Passenger cars Production

	Production Volume (units)			Change (%)		
	2019	2020	2021	2019	2020	2021
Passenger Car	2,013,710	1,426,970	1,686,705	(7.10)	(29.14)	18.20
Motorcycle*	1,948,480	1,615,319	1,780,654	(5.55)	(17.10)	10.24

Source: Thailand Automotive Institute and the Federation of Thai Industries

Product Sourcing Procedure

It is divided into two processes as follows;

1. **Domestic Sourcing:** products presented by the local distributors or products required by customers.

2. **Oversea Sourcing:** Products required by customers and we perform sourcing processes from oversea markets or products required by the Company for developing new markets.

Sourcing	Sourcing Proportion (%)
Domestic	60.78
Oversea	39.22

We are the authorized distributor for large manufacturers, namely;

1. Esso (Thailand) Public Company Limited, a subsidiary of ExxonMobil of the United States. We have been operating business with Esso (Thailand) since 1986 and appointed as a Branded Distributor in 2005 as our pride.

2. Evict (Thailand) Co., Ltd., a subsidiary of the Mitsubishi Corporation Group, Japan. We have been appointed as an authorized distributor since 1985.

3. Group companies of PTT PCL and PTT Global Chemical PCL, namely IRPC Public Company Limited, PTT Phenol Co.,Ltd., and GC Glycol Co., Ltd.

In addition, we directly import a certain product from overseas, mostly in Asia such as Japan and Korea. In which such countries have been operating in the chemicals industry for a long time. From the fact that costs and quantity of the imported products are mainly determined by the local demand of such products in the producing country. Thus if local demand of our desired products is high in a certain period, it will be affected towards the demand with a higher cost. From such factors, before the procurement of various types of products

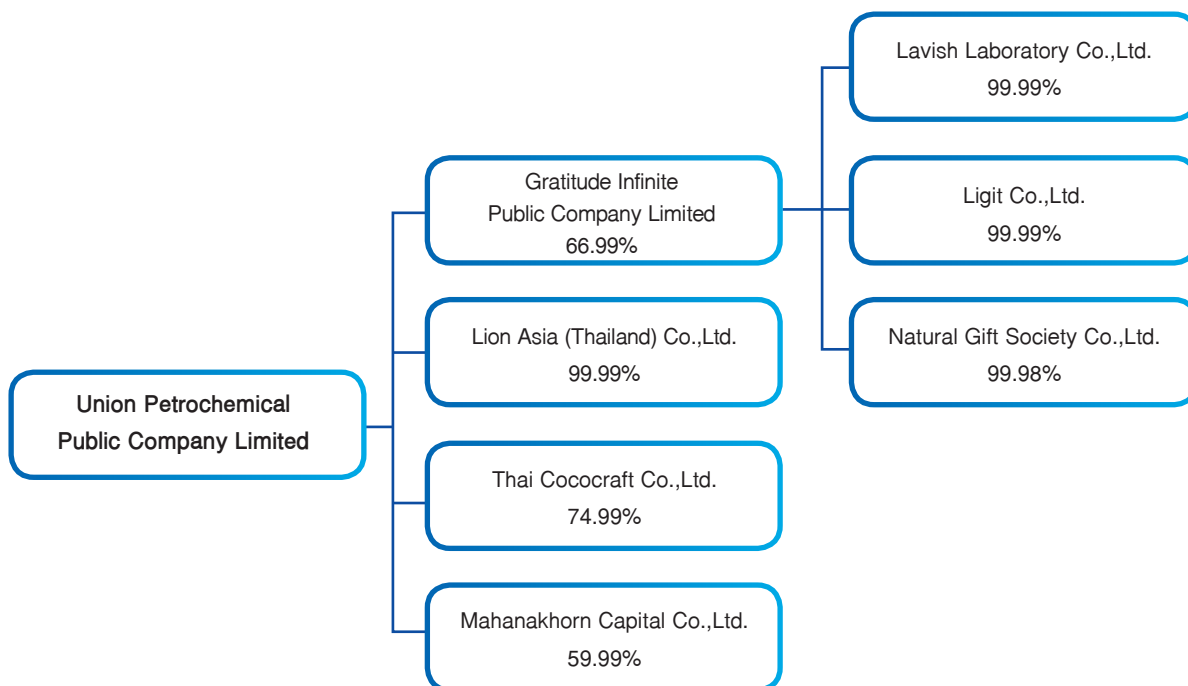
executed by our marketing department, they have to forecast and plan to order products in each period of time for ensuring the right quantity for distribution and reserve them for inventory. Moreover, we will periodically monitor the trends of the products in the world market for analyzing and forecasting the demand in foreign countries, the quantity of products produced, including a domestic demand as a basis for an appropriate procurement, with appropriate period of time and price that can be the most profitable for the Company. Moreover, we also attended meetings with our major suppliers in each country to trace the market trends of Thailand. This also includes the quantity of products that will be delivered to Thailand in the following years as well. As one of the Branded Distributors for major suppliers, we are considered one of their strategic partners. It led us to have a bargaining power both in terms of quantity and price. After agreement, products will be shipped by sea or transported by large trucks. Later, our goods will be taken and stored in the tank farm, rented from Siam Kemi Public Company Limited before delivering to customers via bulk trucks (Bulk) or contained into 200-liter drums for further distribution to customers.

Company's Assets

It mainly consists of fixed assets used in business operations; warehouses, office buildings, property for investment, trucks for transporting chemicals, passenger cars, various electrical devices, machinery, equipment and tools, with a total value of 175.86 million baht. Moreover, there are also the vital lease agreements such as the lease agreement of property for the purposes of the workplace (office), chemical storage tanks, and warehouses. The commercial lease agreements are such as raw material procurement contract, purchase orders, and a contract of the authorized distributor as detailed in the attachment.

1.3 Shareholding Structure

1.3.1 Shareholding Structure of the Companies Group



Entity	Shareholder's Equity	Nature of Business
Infinite Public Company Limited		it has a registered capital of 454.03 million baht, with a paid-up capital of 412.81 million baht, held by the Company at a ratio of 66.99 percent. It is engaged in the operating business of importing and distributing the Specialty Chemical for various industries. We focus on distributing its products to the industries that need chemicals that serve to create unique characteristics for the products. In addition, the aforementioned subsidiary will be the procurer of specialty chemicals to enter into new markets more in the future.
Lavish Laboratory Co., Ltd.	66.99%	It is a subsidiary of Gratitude Infinite Public Company Limited. As of December 31, 2021, it has a registered capital of 50 million baht, and paid-up capital was at 50 million baht, held by Gratitude Infinite Public Company Limited at 99.99% of shares. It is engaged in operating the business of manufacturing and distributing healthy food supplements.

Entity	Shareholder's Equity	Nature of Business
Lavish Laboratory Co.,Ltd.	99.99%	it has a registered capital of 454.03 million baht, with a paid-up capital of 412.81 million baht, held by the Company at a ratio of 66.99 percent. It is engaged in the operating business of importing and distributing the Specialty Chemical for various industries. We focus on distributing its products to the industries that need chemicals that serve to create unique characteristics for the products. In addition, the aforementioned subsidiary will be the procurer of specialty chemicals to enter into new markets more in the future.
Ligit Co.,Ltd.	99.99%	It is a subsidiary of Gratitude Infinite Public Company Limited. As of December 31, 2021, it has a registered capital of 5 million baht and its paid-up capital was at 5 million baht, held by Gratitude Infinite Public Company Limited at 99.98% of shares and it is engaged in operating the business of distributing equipment used in refineries and power plants.
Natural Gift Society Co., Ltd.	99.98%	It is a subsidiary of Gratitude Infinite Public Company Limited. As of December 31, 2021, it has a registered capital of 5 million baht, held by Gratitude Infinite Public Company Limited at 99.98% of shares. It is engaged in operating business related to distribution of medical devices and medical products, perfume, cosmetics, and food supplements.
Lion Asia (Thailand) Co.,Ltd.	99.99%	It is a subsidiary of the Company. As of December 31, 2021, it has a registered capital and paid-up capital of 30 million baht, held by the Company at 99.99% of shares, engaged in the operating business of importing and distributing chemicals. The subsidiary was established to distribute Specialty Solvents, most of which are non-hazardous to the environment.
Thai Cococraft Co.,Ltd.	74.99%	It is a subsidiary of the Company, registered on December 23, 2020. As of December 31, 2021, it has a registered capital of 3.5 million baht, held by the Company at 74.99% of shares, engaged in manufacturing and distributing all types of goods and products derived from coconut processing.
Mahanakhorn Capital Co., Ltd.	59.99%	It is a subsidiary of the Company, registered on December 14, 2020. As of December 31, 2021, it has a registered capital of 30 million baht and held by the Company at 59.99% of shares, engaged in operating a business of providing credit services to passenger car dealers (Floor Plan Financing).

1.3.2 Agreement between Group Companies

Since, the Company and Gratitude Infinite Public Company Limited are both listed companies, thus, to avoid competition and inter-conflicts, both parties agreed not to distribute the same or similar products.

1.3.3 Major Shareholders

A shareholding structure of Union Petrochemical Public Company Limited, as of December 31, 2021, is shown as follows:

Ranking No.	Title of Shareholder	Number of Shares held by shareholder	Shareholding Proportion
1	Mr. Peerapol Suwannapasri	304,840,027	26.233
2	Ms. Chatprapha Suwannapasri	118,552,450	10.202
3	Ms. Suthida Suwannapasri	75,689,037	6.513
4	Mr. Wichian Srimuninnimit	35,000,000	3.012
5	Thai NVDR Co.,Ltd.	33,392,461	2.874
6	Mr. Peerajet Suwannapasri	17,600,000	1.515
7	Ms. Pathamaporn Kitwanichsathien	16,028,000	1.379
8	Mr. Thansit Khunpluem	14,608,000	1.257
9	Mr. Wichai Kangwanchokchai	12,000,000	1.033
10	Mr. Kriengsak Thanasoonthornpaisan	11,211,000	0.965
11	Ms. Kanda Sathanakulpanich	10,675,200	0.919
12	Ms. Wasawan Silakham	8,384,500	0.722
13	Mr. Chanin Tayakkanon	8,186,000	0.704
14	Mr. Santawat Sinacharoen	8,000,000	0.688
15	Mr. Yothin Wanichwarakit	6,948,100	0.598

Shareholders No. 1, 2, 3 and 6 are related as family. Shareholders No. 1 and 3 are director and top executive of the Company.

1.4 The registered capital and paid-up capital

As of December 31, 2021, the registered capital and paid-up capital were at 316.29 million baht and 290.51 million baht respectively, divided into common stocks of 1,162,052,251 shares with a par value of 0.25 baht per share.

1.5 Issuance of other securities

The Company issued and offered warrants with the rights to acquire common stocks to the existing shareholders according to each shareholding proportion No. 1 (UKEM-W1) on November 5, 2009, amounting to 164,999,491 units with the exercise ratio of 1 unit per 1 common stock at the conversion price of 0.50 baht (fifty satang) per share. The warrants expired on November 5, 2014 and as of December 31, 2014, there were the unexercised warrants, amounting to 772,404 units. Whereby, the Company has proceeded to reduce the registered capital for the shares reserved for the warrants that have not exercised the convertible rights and already expired in 2018.

The Company has issued and offered for warrants with the right to acquire common stocks to the existing shareholders according to each shareholding proportion No. 2 (UKEM-W2) on March 15, 2018, amounting to 103,028,450 units with the

exercise ratio of 1 warrant per 1 newly-issued common stock at the right price of 0.50 baht per share. The warrants were exercised at a total of 6,112 units, convertible to common stocks of 6,112 shares. And the Company registered the capital increased from the exercise of 1,528 baht (the value that par 0.25 baht per share) with the Ministry of Commerce and the Stock Exchange of Thailand already accepting the newly issued common stocks as securities.

1.6 Dividend Policy

Our dividend policy was determined to pay dividends to shareholders at a rate of not less than 40 percent of net profit after corporate income tax and other reserves. The following factors are taken into consideration such as the performance and corporate financial statement. This includes our liquidity, business growth, and other factors relating to the corporate management. The aforementioned dividend payment shall be approved by the Board of Directors and the shareholders' meeting as appropriate.

The history of dividend payment over the past 3 years of Union Petrochemical Public Company Limited is shown as follows:

Year	2019	2020	2021
Earnings per share	0.040	0.069	0.159
Dividend per share	0.0162	0.0550	0.1120
Dividend payout ratio (%)	40.05	77.93	70.02
Dividend payment date	30 April 2020	20 May 2021	6 May 2022

2. Enterprise Risk Management

2.1 Risk Management Policy and Plan

Risk management is vital to the growth of the Company. Thus, we have formulated the comprehensive enterprise risk management policy and handbook to raise the awareness of employees and monitor the potential risks that may affect our business operations. The Risk Owners will be responsible for studying, analyzing, assessing the likelihood and severity of impacts that may cause the problems to their activities. And seek measures to limit, prevent, and control those risks in accordance with the corporate objectives, goals, and strategic plans, as well as assessing the performance of the risk management, monitoring the risk situations, and risk factors that may change over time. Then report to the Audit Committee and the Board of Directors. Moreover, we conduct a review of the policy and risk management approaches at least once a year.

The objectives of Enterprise Risk Management consist of:

- To direct the implementation of the risk management system throughout the organization and define risk management to be a part of decision-making in formulating the corporate strategies, plans, and business operations in various areas.
- To define guidelines for risk management that still remain, aligned with the risk appetite as set by considering the mitigation measures to effectively reduce the likelihood and/or impacts of potential risks, aiming to achieve the goals set at both the organizational and at the departmental levels.
- To allow the directors, executives, and risk management working team to be knowledgeable of the key risks, including its trends and the overview of those risks for making decisions. This also includes directing risk management efficiently and effectively.

The extent of Enterprise Risk Management Policy

To monitor all potential risk factors successfully, we determined the scope of enterprise risk policy that covers all business groups. This aims to delegate its responsibilities and duties to the executives and employees at all levels to take actions in assessing and monitoring those significant risks, aligned with the degree of corporate risk appetite on a regular basis. Thus, we are taking into account the competency and the

practice as appropriate, aiming to balance the operating costs and the effects obtained from those risk management. This also aims to create an awareness and knowledge-transfer of risk management knowledge among the employees on a regular basis. Moreover, it aims to develop employees' competency to comprehend the risk situations and take ownership of those risks, as well as creating joint-responsibility of the enterprise risk management.

Duties and responsibilities of the Enterprise Risk Management Working Group

- Determine corporate strategies and guidelines for risk management of each responsible department, aligned with the enterprise risk management policy. It shall be assessed, monitored, and the degree of corporate risks shall be controlled to stand at an appropriate level (Risk Appetite).
- Determine and review the enterprise risk management policies on a regular basis, including governing and monitoring the compliance with the policy.
- Determine the degree of risk tolerance that is acceptable according to the organizational context.
- Study risks information and risk statistics at both national and regional levels and apply the issues of those risks to conduct the action plan.
- Collect the risks information occurring in the same industry for reviewing the enterprise risk management policy and plan.
- Determine the degree of corporate risk appetite.
- Determine measures used for the enterprise risk management appropriate to the situation.
- Implement measures on enterprise risk management, aiming to achieve the goals as set.
- Govern and support the implementation of the enterprise risk management and stakeholder's management, aligned with the corporate strategy and goals, including the situations that change as the time files.
- Support members of the risk management working group in terms of personnel, budget and other necessary resources in accordance with the scope of its own responsibility and duty.
- Jointly propose the guidelines to improve the

enterprise risk management system to be more efficient.

- Conduct the internal PR campaign to relevant entities and employees about the enterprise risk management policy and plan, including performance of that risk management as scheduled.

- Attend a meeting to review the performance of risk management on a monthly basis with the separate meeting agenda regarding the implementation and the risk monitoring status of each department, including any changes and the certain matters that are needed to be improved, aiming to comply with the policy and the strategy as set.

- In the event that the risk is unable to be controlled as set in the corporate risk appetite, the Enterprise Risk Management Working Group shall further consider the business continuity plan.

2.2 Risk Factors

2.2.1 Current Risks and Emerging risk

(1) Risk arising from policy change of key suppliers.

As known well, we are engaging in its main business in distributing solvents and chemical products. In the past years, the growth of the solvents and chemical products business would depend on the policy and management plan of the key suppliers. In which they reviewed their domestic distribution policies, including the formulation of rules and regulations, such as adding the domestic distributors in all countries around the world, etc. This affects our investment plan and its business expansion. Moreover, this may result in lower revenues and profits. Thus, we adapted ourselves to control such risks by sustaining robust relationships with our key suppliers. We maintained the trading volumes that met mutually the targets as set each year. This also includes the increase in the volume of chemicals trading between each other, as well as strengthening relationships with both domestic and international suppliers.

(2) Risk arising from the distribution of specialty goods

Our chemical products or solvents are the basic chemicals in the production process of almost all industries. So, the disruption of distribution may occur in the event that the manufacturer suspends production or the delayed delivery. Or it may be caused by more demand of customers in application of specialty chemicals, resulting in a decrease in the demand

for commodity chemicals, in which it will directly affect our incomes and margins to be lower. From such a situation, we have undertaken risk management by studying and planning to focus more on the alternative chemical products. This includes the procurement service of specialty chemicals according to the properties that customers require, such as a cold-pressed coconut oil business, food supplement business, agrochemicals business, chemicals blending services according to the formulas specified by customers, etc. All aim to increase the variety of chemical products and create a more competitive market.

(3) Risk arising from fluctuations in product prices

Many of us may know that prices of the chemical products will vary according to the fluctuation of prices in the world market due to various factors which we, as a buyer cannot control. As a result, we were inevitably affected by the fluctuation of chemical prices. In which it arises from various factors, such as the global and regional economy, changes in demand, supply, and reserves of raw materials for the production of chemical products in the global market, political stability of the producing and exporting countries. Especially, the Middle East region, a major producer and exporter, the formulation of Petroleum Production Policy by OPEC (Organization of the Petroleum Exporting Countries), including climate change, accidents, and natural disasters that may affect the chemical product manufacturers and transportation. Last few years, we set up the analyst team to monitor the changes in raw material and product prices, including its market buying and selling prices continuously, ensuring such risks are controlled.

In addition, we conducted a long-term price guarantee contract with our suppliers by setting targets of price, volume, and period to implement an appropriate risk management, in accordance with our business plan and risk management policy, based on the trading prices under the uncertain factors of both cost management and buying price. This also includes the risk management of the selling price, aiming to reduce the impacts towards the price fluctuations that may affect our returns and performance.

With this practice, we have set a structure and process for corporate governance, enterprise risk management, and auditing process, aligned with the international standards. This includes determining the trading value limits for international

trade's transactions and regularly reporting the risk monitoring status to the executives and related entities on a regular basis, aiming to control the risk arising from the price fluctuation, not too high than the acceptable level as defined in the corporate risk tolerance.

(4) Risk arising from Occupational Health and Safety

One of our core businesses is warehousing, functioning as our chemical products storage for sale and reserve. Thus, it's possible for the employees to directly contact those hazardous substances. As a result, it leads us to comply with the laws and regulations relating to the occupational health and safety and environmental impacts that may arise from our activities. We believe that the strict system of occupational health and safety at the workplace can create confidence among our employees and customers both in terms of warehousing and logistics. We engage in the following practices, aiming to control such risks, for example risks arising from the accident caused by fires in chemical warehouses, an accident caused by the chemicals spills, etc. Thus, to control such potential risks that may arise from our operations in our own warehouses and the warehouses that we rented from other companies, we therefore established measures for occupational health and safety at the workplace as well as setting up the monitoring entity to control its operations, aligned with the strict compliance with the said measures. Together with the training on occupational health and safety and the response to emergency due to the events of fire and chemical spills that were provided to the relevant staff on an annual basis.

(5) Risk arising from shortage of financial liquidity

One of the key risks that we focus on, is the risk relating to the financial liquidity due to the financial reserve required for the procurement of goods under the forward trading agreement with our suppliers. Such practice aims to sustain confidence and performance in delivering products to customers as well as maintaining the stable trading prices. In addition, we also require some products that are highly fluctuated in price, reserved as our inventory for 3-6 months. From such a situation, it may lead to confronting the problems of the financial liquidity. Thus, to control such risk, we studied cash-flows arising from the changes in the purchase orders of the forward agreement

by the sales department. This aims to conduct the financial projection of which cash is needed each month and also to maintain the liquidity of assets, as well as providing sources of funds sufficient to the demand of the working capital used for procuring goods. Moreover, we defined a financial strategy that is able to manage the reserves for working capital for at least 1 year. And managed the account receivables that meet the target set in the plan when the payment is due, ensuring we have the financial liquidity sufficient to the demands in both business-as-usual and emergency conditions.

2.2.2 Risk arising from Emerging Risk

Our enterprise risk management working group analyzed the current and emerging risks in the next 2-5 years. It could be both opportunity and challenge or impacts that may directly and indirectly affect our business operations. We also found that most of the potential emerging risks are those arising from the external factors and shown as follows;

(1) Risk arising from Economic Crisis

Since, the pandemic of COVID-19 has been still continuing until the present. It causes the global economic conditions to grow slowly due to the conditions of inflation and deflation. This may affect our customers with the lower purchasing power, resulting from the ability in paying the outstanding debts and lacking of financial liquidity. Moreover, we are still confronting the problems arising from the political conflicts between Russia and Ukraine where they are the major producers and exporters of crude petroleum, petrochemicals, chemical products, and any necessary energy. As a result, this situation inevitably affects our products' prices to be more fluctuated in the future. Thus, we conducted a plan and guidelines to control such risk. We started to look for new targets in the industries that are promoted by the government and add some certain products and services to be more diverse.

(2) Risk arising from Climate Change

We cannot deny that the impacts arising from global climate change are becoming more apparent. It causes the natural disasters and changes that are not according to seasons such as blizzards and fluctuations in climate of each season, etc. Such effects may cause delays in the import of chemicals

from overseas due to the natural disasters in the producing countries. However, we conducted an action plan to monitor such risks by stocking up the imported products from overseas. This aims to support the needs of customers for at least 3 months and to build confidence among customers who require such products.

(3) Risk arising from Epidemics

Due to the epidemic of COVID-19, everyone had to comply with the preventive measures set by the government. One of them is the Work-From-Home measure (New Normal), as a social distancing measure. It led all of us to rely more on the application of technology and the internet. As a result, it resulted in the Company, customers, and suppliers to adjust the working process together, such as product proposal through an online meeting system instead or limiting the number of attendees in meetings, etc. Moreover, we conducted measures to prevent the spread of COVID-19 for our employees as well and reviewed the marketing strategies and models to approach customers according to the new normal context. From that practice, it led us to create more opportunities to reach new target groups and be able to maintain a strong relationship with existing customers on an ongoing basis. As a result, we achieved the sales target as set in 2021.

(4) Risk arising from Cyber Threats

At the present, our works rely more on technology and information systems as the vital tools in driving the businesses and organizations progressively and speedy. This also includes adjusting its business models to the digital transformation. It results in us facing more risks from cyber threats. We found that the risk management in terms of personnel, working processes, and IT tools within the organization become the materiality that needs more attention, aiming to reduce the likelihood of interruption towards the use of our vital information in conducting business through the online system. This may be caused by a data breach, data theft or data destruction, aiming to make us unable to provide services, such as cyber threats on data, digital files and documents attacked by the ransomware, data theft and data damage by various malware, etc.

With such risk, in the year 2021, we conducted the IT security measures against cyber threats that are concise to monitor the aforementioned risk into the appropriate level. This aims to conduct preparedness for dealing with cyber threats that may arise any time, such as the application of licensed computerized programs that are well recognized by the international standards, organizing training to introduce the risks that may cause the data leaks to the relevant staff, review and amendment of technology and information systems policies, aligned with the newly issued laws, installing uninterruptible power supplies for computer systems, and the preparedness for the business continuity plans in terms of technology and information systems, etc.

2.2.3 Risk arising from Investment of Security Holders

(1) Risk arising from major shareholders of more than 25%

Our major shareholders are members of Suwannaphasri's family, holding 44.46% of the total number of shares sold. Thus, the said shareholders may exercise their rights to object or disapprove the resolutions of the shareholders' meeting on various matters that the Company's Articles of Association or related laws require that the votes shall be exercised at least three-fourths of all votes by shareholders who attend the meeting and have the right to vote.

(2) Risk arising from administration in subsidiaries that operate core business of less than 75% shareholding

We, as the Company which does not operate any significant core business of its own (The Company natured as a holding company), our main income therefore comes from a subsidiary that operates its core business. In which the Company holds more than 51% but less than 75% of the total shares in such subsidiaries. Despite having more than half of the voting rights at the shareholders' meeting, the Company is unable to control most of the resolutions of the shareholders' meeting. It is due to some certain types of transactions that require the votes of not less than three-fourths, such as the increase in capital, the reduction in capital, business acquiring or sale, etc.

3. Driving business for sustainability

3.1 Sustainability Policy and Goals

We aim to operate its business for sustainability, we therefore established policies and goals for sustainability development, used as a management guideline aligned with our business direction and corporate strategies, including laws and regulations relating to sustainability materiality in terms of 3 dimensions, namely economic and governance, social, and environmental. To uplift our organization to be widely recognized, we also conducted policies aligned with the Sustainable Development Goals (SDGs) of the United Nations as well.

A framework for corporate sustainable development was established and used for driving sustainable development with the goals to achieve by 2030 through three strategic frameworks as follows:

- **Economic strategy:** We focus on “Business Resilience and Development”. To be aligned with the definition, we are engaged in operating businesses that are flexible and able to compete in the chemicals distribution business, along with the development of new business, aiming for the continuous and sustainable growth. The materiality that we focus on in terms of the economic are Corporate Governance, Enterprise Risk Management, Innovation and Process Development, and Business Resilience, etc.
- **Environmental Strategy:** To achieve sustainability, our business operations focused on the principle of Value Consumption, together with the strategy that manages the resources consumed in the supply chain responsibly. This

includes reducing greenhouse gas emissions and air pollution, as well as promoting environmental conservation in the community nearby. For materiality that we focused on, in terms of environmental, are such as Supply Chain Management, Carbon & Energy Management, and Environmental Management and biodiversity, etc.

- **Social strategy:** One of our corporate values is the stakeholders’ engagement. With the belief in the principle of Smart People Engagement, we therefore promote stakeholder engagement, aiming to build relationship, confidence, and satisfaction in delivering values of products and services to customers. Moreover, we developed the employees’ competency, aiming them to have a better quality of life and at the same time, we delegated the best effort by working closely with the suppliers, aiming to sustainably grow together. The materiality that we focus on, in terms of social, are Customer and Product Stewardship, Employee Management and Development, Occupational Health and Safety at the workplace, and community engagement (Corporate Philanthropy), etc.

To achieve our corporate sustainability goals, in 2021, we organized a training course on corporate sustainability development. This aimed to build a comprehension’s foundation regarding sustainability within the organization. Moreover, we also organized an activity of workshop on the development of sustainability initiatives at the executive level, including employees to understand about the preparation of sustainability project reports, aligning with the Global Reporting Initiative (GRI) standards, as well as building a comprehension of sustainable development that is in accordance with the UN SDGs as well.



Sustainability Training for the executive level

Sustainability Strategies		
Business Resilience and Development Flexibility and Development	Value Consumption Responsibly consume resource	Smart People Engagement Responsibly consume resource
Materiality		
Innovation and Process Development Promote an application of innovation and technology for working process development	Supply Chain Management Aiming to create the responsible resource consumption	Customer and Product Stewardship สร้างความเชื่อมั่นและความพึงพอใจ Build confidence and satisfaction in delivering the values of products and services to customers
Business Resilience Create the competitiveness that is flexible and adaptable to the global changes	Carbon & Energy Reduce greenhouse gas emissions by increasing energy efficiency in transportation systems and working processes.	Employee Management and Development build competency and confidence in the workplace for good health, with working balance and good environment
Enterprise Risk Management Assess and manage corporate risks in all dimensions for business continuity.	Environmental Management Enhance efficiency in water management, energy management, pollution and waste management according to the 3Rs principle.	Occupational Health and Safety Create an efficient working process and safe delivery of goods and services that are in compliance with the laws.
Corporate Governance Create corporate values and culture of sustainable corporate governance	Biodiversity Uplift the quality of the environment and the ecosystem for the community.	Corporate Philanthropy Promote community engagements and social care through all sectors.

Material Topic	UN SDGs																
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
Corporate Governance																•	
Innovation and Process Development								•	•								
Enterprise Risk Management								•								•	
Business Continuity Management								•			•						
Business Resilience								•	•								
ESG Compliance																•	
Supply Chain Management								•				•				•	
GHG Emission							•						•				
Energy Management												•	•				
Water Management						•						•					
Waste Management						•						•					
Biodiversity															•		
Customer and Product Stewardship																•	
Employee Management						•											
Human Capital Development						•											
Occupational Health and Safety						•											
Corporate Philanthropy		•															•

- Direct Contribution
- Indirect Contribution

3.2 Value Chain Management

3.2 Value Chain Management

One of our corporate materiality is the stakeholders' engagement. At the same time, we are still taken into account the sustainability management throughout the value chain, divided into 2 main activities. In which they are Primary activities and Support activities as described below;

Primary activities

Core activities in the corporate value chain consist of 5 main activities that are continuously connected. It enables us to deliver the values of products and services to customers with satisfaction. Details are described as follows;

1. Inbound logistics

As stipulated in our marketing strategies, we continue to develop new businesses along with the fundamental products management with the existing customers. To perform such duty, the Business Development Department is responsible for studying information and situations and trends on the global chemical market together with the sales team. This aims to provide products that meet the needs of customers. The business development department will collect the information and apply it to the plan for selecting the potential domestic and overseas suppliers. Once the process of supplier's selection is complete, we will apply for the various licenses with government agencies such as import permit for chemicals from overseas, exemption from excise tax, requesting privileges under the agreement of Free Trade Area (FTA), etc. After that, we will commence the process of importing chemicals from overseas and store them in the warehouse. This also includes transporting chemicals from the domestic suppliers to our warehouses as well.

2. Operations

When the process of importing chemicals is complete, the warehouse staff will arrange the spaces available for storing those chemicals in warehouses. Currently, we operate 2 types of warehouses, namely 1) our own warehouses and 2) the warehouse that we leased. We also conducted the warehousing procedures with the standard working processes, complying with the Occupational Health and Safety Law including laws related to the hazardous chemicals management. Our sizes of chemicals packaging and storage are in accordance with the size required by the customers, such as a 20-liter drum, a 200-liter drum, an ISO Tank, and a farm tank, etc. Moreover, we conducted the inspection before each delivery, aiming to ensure the quality and quantity that are accurate, and the safe logistics.

3. Marketing and Sales

Our marketing and sales department will closely work together with the finance department, aiming to assess the credit limit that is suitable for each customer and to verify the volume of purchase orders for both spot and contract basis. This data will be stored in our database system for further analysis. Moreover, we also set meetings with customers on a regular basis for inquiring about the customers' needs. This also includes the presentation of new products and services. Price and services are formulated and managed, aligning with the standards as appropriate. When the sale condition is agreed, the details of that agreement will be submitted to the Customer Service Representative to coordinate between the customer and the warehouse for delivering products at the specified and agreed timeframe.

4. Customer services

Customer service department will act in coordination with the sales department and customers for the daily-checks of the details of that purchase order from sales representatives and customers. They will perform the responsibility in coordinating between the warehouse and customers for delivery, as well as hearing the opinions and suggestions from customers regarding the products and services. This aims to use for further analysis to improve the service continuously, as well as conducting a customer satisfaction assessment.

5. Outbound logistics

When the warehouse staff has been informed of the quantity and details of the delivery, the warehouse management department will inspect the products and its quantity according to the delivery standards. After that they will prepare the product according to the packaging sizes as required by the customers, along with planning the transportation route, the preparation of transport vehicles that are in accordance with the type of chemicals and the transportation method. It aims to deliver goods safely and on time as agreed with customers.

Support activities

The support activities will be executed by the entities that support all main activities, namely the Accounting and Finance Department, Marketing and Procurement Planning Department, Human Resource Management Department, Good Corporate Governance, Enterprise Risk Management, Occupational Health and Safety, and information technology systems, etc.

Value Chain					
Inbound Logistics	Operations	Marketing and Sales	Customer Services	Outbound Logistics	Support Activities
<ul style="list-style-type: none"> • Business Development • Procurement of quality and safe chemicals and raw materials from domestic and overseas suppliers. • Application for import license of chemicals imported from overseas with the custom department. • Application for excise Tax exemption • Application for privilege under the agreement of FTA • Importing chemicals from foreign countries into dangerous goods warehouses. • Domestic transportation of chemicals into dangerous goods warehouses. 	<ul style="list-style-type: none"> • Storage of chemicals into our own warehouses and the leased warehouse. • Warehouse space management. • Chemicals Packaging • Quality inspection according to the goods standards. 	<ul style="list-style-type: none"> • Conduct and update customer database • Appropriate pricing and services • Provide accurate and complete information about usage. • Customer Relationship Management 	<ul style="list-style-type: none"> • Customer Service Management • Coordinate between warehouse and customer for delivery • Product quality assurance and satisfaction • Complaints management 	<ul style="list-style-type: none"> • Warehousing Management • Logistics Management • Quality and on-time delivery of goods and services 	<ul style="list-style-type: none"> • Accounting and Finance • Procurement • Human Resource management • Corporate Governance • Enterprise Risk Management • Occupational Health and Safety • Technology and Information system

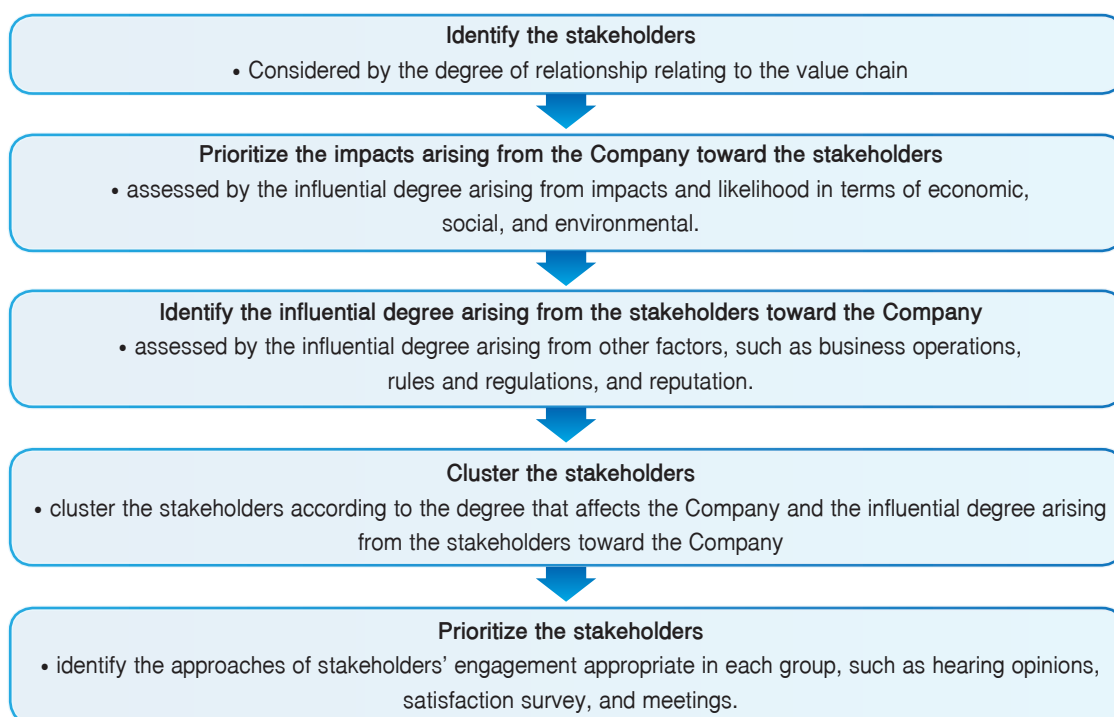
3.2.2 Stakeholders Analysis in Value Chain

Our stakeholder analysis procedures are in line with the analysis guidelines set out in the GRI Standard, a standard used to improve corporate sustainability worldwide. Thus, the stakeholder analysis was conducted on an annual basis through a public hearing process, satisfaction survey, and meetings. It aims to understand the impacts and materiality related to the Company and stakeholders in terms of both positive and negative. The results obtained will be applied to develop a framework and guidelines for the corporate stakeholders' engagement.

In 2021, we conducted the stakeholders' analysis and it was divided into 10 groups; employees, customers, suppliers, business alliances, creditors, shareholders, communities, government agencies and state enterprises, media, and business rivals. In this regard, we classified its stakeholders into 2 groups as follows:

1. Internal Stakeholders such as employees, shareholders, and business alliances, etc.
2. External stakeholders such as customers, suppliers, communities, creditors, government agencies and state enterprises, media, and business rivals, etc.

Procedures for Stakeholders Analysis



Stakeholders Analysis in Value Chain			
Stakeholder	Approaches of engagement	Expectation of stakeholders	Responses toward expectation by the stakeholders
Employees	<ul style="list-style-type: none"> Internal communication between the HR department and the employees. Employees' meeting on a monthly basis Communication through online media, intranet, and email. Survey of Employee Engagement toward Organization on an annual basis. 	<ul style="list-style-type: none"> Business direction and corporate performance. Business ethics Employee's quality of life Compensation, welfare, benefits as appropriate Career development and its stability. Good working environment Competency and Skill development 	<ul style="list-style-type: none"> Good CG Challenge and Opportunity Business Ethics and Anti-corruption Innovation and Working process development Employee Care Human Capital Development Occupational Health and Safety
Customers	<ul style="list-style-type: none"> Customer Satisfaction survey on an annual basis. Engaged in customer relations activities/marketing activities Direct visit and meetings Online communication/email Customer Service 	<ul style="list-style-type: none"> A quality after sale service Customer Relationship Management Environmental Management Effective responses toward the customer's complaints. Risk and Crisis Management 	<ul style="list-style-type: none"> Product and Customer Stewardship GHG emission Environmental management, such as water, energy, and waste

Stakeholders Analysis in Value Chain			
Stakeholder	Approaches of engagement	Expectation of stakeholders	Responses toward expectation by the stakeholders
Suppliers	<ul style="list-style-type: none"> Meetings with the key suppliers on a monthly, quarterly, and annual basis. Communication through online media/email Business Activity Business site visit 	<ul style="list-style-type: none"> Good Corporate Governance and business ethics Equality in conducting business. A transparent and fair procurement process. 	<ul style="list-style-type: none"> Supply Chain Management Good Corporate Governance Anti-corruption Human Rights Occupational Health and Safety Legal compliance
Communities	<ul style="list-style-type: none"> Visit and engaged in activities with communities 	<ul style="list-style-type: none"> Good relationship with communities Law compliance on Social and Environmental 	<ul style="list-style-type: none"> Community engagement Social activities Legal compliance
Shareholders	<ul style="list-style-type: none"> organize the Annual General Meeting of Shareholders Board of Directors' meetings in subsidiaries and associated companies Op Day Presentation at the Stock Exchange of Thailand. Investor Meetings on a quarterly basis. Communication through corporate website Whistleblowing 	<ul style="list-style-type: none"> Corporate performance and sustainable and profitable growth New business development in a consistent manner. Enterprise Risk Management 	<ul style="list-style-type: none"> Good Corporate Governance Economic distribution to the stakeholders Enterprise Risk Management and Business Continuity Plan Legal compliance
Business Alliance	<ul style="list-style-type: none"> Board of Directors' meetings in subsidiaries and associated companies Meetings with business alliances/ investors meetings though standardized online platform 	<ul style="list-style-type: none"> Operates its business with integrity that is fair and transparent. Collaboration in business development and together growth New business development in a consistent manner. 	<ul style="list-style-type: none"> Economic distribution to the stakeholders Enterprise Risk Management and Business Continuity Plan
Creditors	<ul style="list-style-type: none"> Meeting with financial analysts Meetings with creditors Online communication/email 	<ul style="list-style-type: none"> Compliance with the terms of the loan and debentures. Enterprise Risk Management 	<ul style="list-style-type: none"> Economic distribution to the stakeholders Enterprise Risk Management and Business Continuity Plan
Government and State Enterprise agencies	<ul style="list-style-type: none"> Engaged in government projects Business visits 	<ul style="list-style-type: none"> Compliance with the laws and related regulations Transparent disclosure of operating information. 	<ul style="list-style-type: none"> Community engagement and social activities Legal compliance
Media	<ul style="list-style-type: none"> PR News/Press Conference Special interviews as required by the press Disclosure of information or reports based on facts. 	<ul style="list-style-type: none"> Obtaining complete, accurate and timely information Disclose information that is true and correct. Treat the media with good relations. 	<ul style="list-style-type: none"> Good Corporate Governance Anti-corruption Community engagement and social activities
Business Rivals	<ul style="list-style-type: none"> Joint meetings at various industry-related organizations. Working together as a network according to government policies. 	<ul style="list-style-type: none"> Fair and legal competition. 	<ul style="list-style-type: none"> Good Corporate Governance Challenge and Opportunity Business Ethics Anti-corruption

3.2.3 Materiality Assessment on Sustainability

Materiality Assessment on sustainability was used for prioritizing its materiality on corporate sustainability based on the Global Reporting Initiative (GRI) standard. The assessment will be focused on the impacts toward the Company and its stakeholders, covering the dimensions of economic, environmental, and social that stakeholders are interested in and expect the best interests. The results of such assessment will be reviewed and approved by the Board of Directors on an annual basis.

Procedures of Materiality Assessment

1. Identifying materiality that affect the organization and its stakeholders

We perform the duty to collect data and information of materiality from stakeholders of both internal and external organizations through communication channels suitable for each group of stakeholders, such as meetings, conducting satisfaction surveys, etc. In addition, we also summarized the materiality that is vital to our business operations from the opinions of the Board of Directors and our executives from various meetings. Especially, the issues arising from the enterprise risk, opportunities and challenges that create both positive and negative impacts toward our businesses. It also includes the trends of changes in global and regional economic conditions.

2. Clustering the Materiality

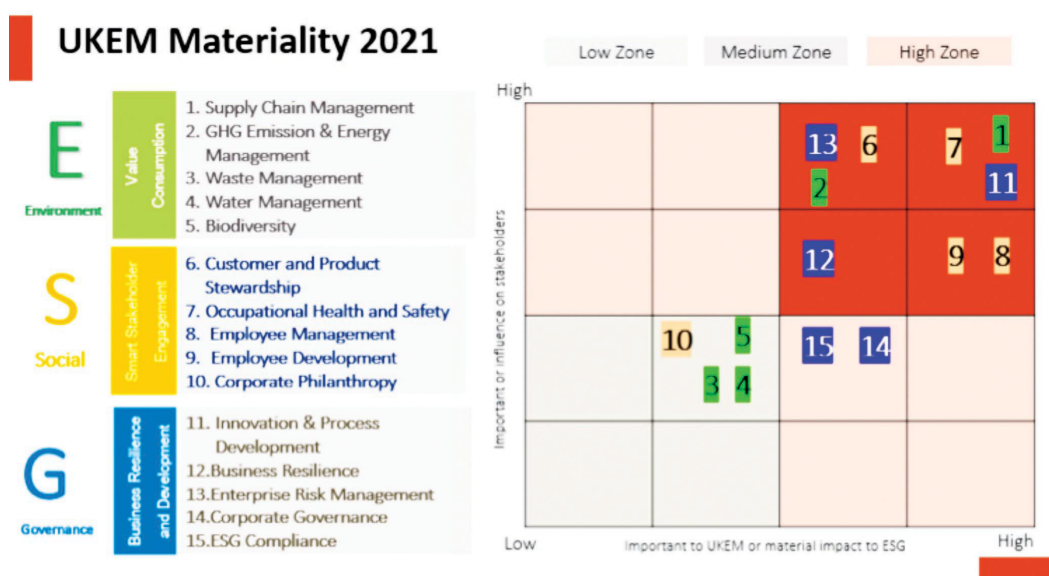
The Board of Directors assigned the executives and the entities related to the corporate governance and sustainability, working on the preparation of the corporate sustainability plan.

Then, the executives and employees responsible for the corporate governance and sustainability will jointly consider grouping and prioritizing the corporate materiality on sustainability. The factors to consider are the degree of impact from our business operations that affects the economy, community, and environment and the influential degree toward the assessment and decision-making on materiality by the stakeholders, aligned with the guidelines set out in the Global Reporting Initiative Standards (GRI Standards). Our corporate materiality will be defined in the form of the Materiality Matrix. The horizontal (X-axis) axis shows the degree of impacts arising from our business operations toward the economy, community, and the environment. And on the vertical axis (Y-axis) shows the influential degree that affects the assessment and decision-making of stakeholders.

3. Review of Materiality

To be successful in sustainability, the executives and employees responsible for the corporate governance and sustainability together consider and agree on the corporate materiality of sustainability and prioritize them. It also includes setting guidelines for responding to stakeholders on various issues and assigning the relevant entities to proceed.

In 2021, we dedicated our best efforts to identify and prioritize the materiality of sustainability for the first time, based on the Corporate Sustainable Development Framework, aligning with GRI Standards, aiming to provide accurate and clear materiality on our sustainability. The fifteen materiality was shown in the materiality matrix below:



3.3 Sustainability Management on Environmental

3.3.1 Environmental Policies and Practices

Environmental management is vital to our business operations for sustainable growth. We therefore established environmental policies and practices to achieve the corporate goals, aligning with the corporate vision of becoming a leading chemical distributor with the continuous and sustainable growth and development in Thailand. It resulted in the top executives and all employees committed to the responsible resources consumption and the efficient environmental management as follows:

- Responsibly manage the resources consumption in all working processes to be more efficient by reducing the activities that create impacts on the environment in the warehousing system as well as our corporate value chain.
- Perform duties to protect, preserve and be responsible for the environment surrounding the employee's workplace in accordance with the laws, including compliance with the national and international standards, guidelines, and certifications.
- Determine objectives, goals, and action plans that focus on promoting the efficient consumption of resources and creating the best interests for the Company's business.
- Manage water and air pollution arising from the Company's business operations as required by law.
- Manage waste according to the 3Rs principle (Reduce, Reuse, and Recycling) for reducing the amount of waste generated as well as the environmental impacts.
- Comply with the laws relating to the energy, environment, and climate management seriously. And continually improve performance and energy consumption to suit the nature of the business operations, production technology, and the internationally recognized best practices.
- Assign the energy management, environment and climate as the responsibility of the executives and employees at all levels, engaged in the implementation of the measures as specified and ready to conduct the internal PR activity for making all relevant parties to understand and practice properly.
- Support the resources needed to efficiently enable the energy, environment, and climate management. This includes personnel, budget, timeframe, and training. It aims to encourage the employees' engagement in making suggestions that are beneficial to such activities.
- Encourage employees and stakeholders to realize the impacts arising from business operations toward biodiversity and raise awareness among employees to be responsible for the Company's biodiversity activities.

- Raise awareness and the corporate culture of all employees and stakeholders in being responsible for environmental quality.

- Promote and encourage our subsidiaries to comply with the Company's environmental policies and practices.
- Conduct the internal PR campaigns regarding the environmental policies and practices to employees and stakeholders through the activities.
- Prepare a report summarizing the performance of the environmental policy and practice and disclose its information to stakeholders on an annual basis.

3.3.2 Environmental Performance

(1) Energy Management

The logistic system for delivery goods to customers is one of the core activities in the value chain that we emphasize, due to the fuel consumption. It also includes the electricity consumption in any activities as well by both head office and warehouses. As a result, we focus on promoting the efficiency of energy and fuel consumption in the value chain.

In 2021, the electricity was consumed at 135,199 kWh in total. Since, we have conducted an energy management project in 2021, we can save electricity costs in the amount of 34,603 baht or 5.48% compared to the previous year, the activities are such the following:

1. Installing the warning signs around the lighting switches with the sentence of "Turn off the light when not in use" and also a warning sign at the air conditioner remote control with the sentence of "Do not turn on the air conditioner before working time and turn off the air conditioner before lunch and 15 minutes before the end of work."



2. Installing the solar power generation system at the parking area. In which it could generate the electricity of 0.5 kWh/lamp. Currently, we have 4 solar lamps at the parking lot used during the night.



3. Conducting the action plans and the working processes for maintenance of machines on a daily and monthly basis.

(2) Water Management

Aside from energy management, we also focus on water management. In 2021, our company's water consumption was at a total of 16,028 cubic meters of water per year. However, we also installed the campaigning signs at the areas around the sinks and toilet with the sentence of "Don not forget to turn off the water", as well as to continuously maintain and inspect the conditions of the water distribution system within the warehousing system to meet standards. For office buildings, water-saving sanitary ware was selected to comply with such measure.



(3) Waste Management

Since, the waste problem is critical to the environmental responsibility, then we conducted the waste management framework, aiming to reduce the impact toward the environment according to the law strictly and continuously. We adhered to the 3Rs principles, aligned with the local and international guidelines, such as reducing the amount of waste generated by reducing the use (Reduce), reusing waste (Reuse), and recycling (Recycle). Most of the waste generated was from activities in offices and areas of the hazardous goods warehouses. Most of them were classified as a general waste and we shall comply with the relevant laws and regulations, namely the Public Health Act, B.E. 2535 (1992), etc. Moreover, we found that the waste generated from the production process was not considered industrial waste. We categorized our general waste generated into four groups: organic waste, recycled waste, general waste, and hazardous waste. Our current waste management framework will focus on reducing the amount of waste generated at the source, waste sorting, waste collecting, and waste transportation for disposal with the proper method.

By conclusion, in 2021, a total amount of garbage and waste was at 7.4 tons per year. Aside from our waste management framework, we also inspected the environmental quality in the office and around our operating areas at least once a year. In 2021, we found that the air quality standards, odor, noise, and lights were within normal standards as required by law. And there were no cases of chemical spills from our business operations. Our waste management project in 2021 started by returning the 200 liters drums to clean with the recycling company that is registered with the Department of Industrial Works, aiming to reuse those drums. It also includes a returning program for the chemical drums from the customers and training on waste separation according to the 3Rs principles for the executives and employees as well.



Training on Waste Separation according to the 3Rs principles

(4) House Gas Emission Management

For our management framework of the greenhouse gas emissions, we are in the process of collecting data of energy consumption, used for conducting action plans according to the Carbon Footprint Assessment Guidelines by the Carbon Footprint of Organization, aligned with the principles prescribed by the Greenhouse Gas Management Organization (Public Organization). For the year 2021, we started to collect data on energy and fuel consumption, aiming to calculate the fundamental data regarding the Company's greenhouse gas emissions. The Carbon Footprint Assessment Guidelines by the Greenhouse Gas Management Organization (Public Organization) has set objectives, aiming to assess the major sources of greenhouse gas emissions of the organization. At the same time, we already

determined the extent of greenhouse gas emissions from our various activities.

Due to our emphasis on the practices that aim to reduce greenhouse gas problems, we, therefore, determined its base line. We found that the volume of the direct greenhouse gas emissions was at 337,456 tons of carbon dioxide equivalent and the volume of the indirect greenhouse gas emissions was at 160,313 tons of carbon dioxide equivalent, or it was at 497,769 tons of carbon dioxide equivalent in total. Moreover, we also conducted a plan to reduce greenhouse gas emissions through the energy conservation and energy saving programs, such as the energy saving campaigns, machine maintenance program, and controlling the electricity consumed by the air conditioner system in the office, including fuel consumption from corporate vehicles.

Operating areas	Corporate activities		
	Scope 1	Scope 2	Scope 3
Head Office	Mobile combustion	Amount of electricity consumed by activities in the head office	Amount of paper used in any activities.
Warehouse and its common area	Non mobile combustion	The amount of electricity consumed by activities in the warehouse and its common areas, security guard house, lighting system in common areas, and canteen.	Amount of paper used in any activities Volume of water consumption
	Mobile combustion		
	The use of coolant		

Source of Greenhouse Gas Emission	Unit	2019	2020	2021
Scope 1 (Direct GHG Emission)	Ton CO ₂	308,638	334,251	337,456
Scope 2 (Indirect GHG Emission)	Ton CO ₂	144,758	143,028	135,199
Scope 3 (Other Indirect GHG Emission)	Ton CO ₂	33,308	31,770	25,114
Total Greenhouse Gas Emission	Ton CO ₂	486,704	509,049	497,769

3.4 Sustainability Management on Social

3.4.1 Social Responsibility Policy and Practice

As we are one of the leading chemical distributors in Thailand, engaged in the hazardous substances, we are therefore, committed to the business growth along with social responsibility as well as compliance with legal requirements or other requirements, including the relevant international guidelines, aiming to develop and build a foundation of a continuous and sustainable responsibility with a social responsibility policy. Details are as follows;

We are determined to become the ASEAN leader in the integrated chemicals provider and solution service platform that is able to provide services covering the upstream to downstream businesses. Thus, we created the credibility to investors and stakeholders toward our business operations, along with the added-value and promotion of a corporate sustainable growth. It also includes our sustainability management framework based on the principles of good governance that is well recognized internationally. In which it is beneficial to the community, aiming

to achieve the goals and sustain the integrity that is the business foundation of a leading organization.

1. Conducting business based on the business ethics and good governance.

1.1 The Company focuses on conducting its business with honesty, fairness, ethics, and is committed to engaging its business in accordance with the law, business ethics, principles of fair trade competition, and paying taxes correctly and on time. Thus, the Company promotes and raises awareness among its employees at every level, along with the practices on social responsibility.

1.2 The Company operates its business based on the principles of good governance or corporate governance with responsibility toward shareholders. We respect the rights of shareholders, the equitable treatment toward shareholders, along with providing the information sufficient for investors to make decisions. It also includes the information related to the corporate changes that are vital and the disclosure of the

inside information to any person that may cause any damage or disadvantage to shareholders. Moreover, we determined the remunerations of directors and executives that are transparent and verifiable. Our financial reports and non-financial information are conducted and disclosed correctly, completely and in a timely manner in accordance with the standards that are well recognized generally.

2. Anti-corruption

The Company manages its business on the basis of transparency, ethics and in compliance with policies and laws related to the protection against the corruption, giving or receiving bribes or the unreasonable benefits to government officials or the private sector. Our organizational structure covered duties and responsibilities, the work-flow, and the chain of command in each department in a clear manner. It aims to balance the authority and create a conciseness in a process of the internal audit between persons or entities appropriately. In this regard, we conducted a manual on measures against corruption, covering the policies, the code of conduct, rules, regulations, and procedures for the directors, executives, and employees to comply with. Moreover, we have been joining as a member of the Collective Action Against Corruption (CAC) since May 21, 2019 until the present.



Renew membership of CAC



Training on Anti-corruption Policy and Practice

3. Human Rights

At the present, the principles of human rights are being embedded in the corporate governance policy of various companies, thus, we conducted a policy that supports, respects and protects human rights by treating all stakeholders such as employees, communities, and surrounding people with respect for human values. We considered the equality and liberty that does not violate the fundamental rights and discrimination in matters of race, nationality, religion, language, skin color, gender, age, education, physical condition or social status. It also includes the actions that do not support the Company to get involved in human rights violations such as child labor, forced labor, and sexual harassment etc. Moreover, we also promoted the performance monitoring procedures to avoid such situations as well.

The human rights requirements are executed by engaging in expressing opinions and our complaints channels. It is conducted for those who have suffered by the rights violations arising from the Company's business operations. The remedial actions of such damage will be executed after the complete investigation. Moreover, the Company organized training or conducted the internal PR campaign on the human rights principles as well as raising awareness among the employees, aiming all to comply with human rights principles.

4. Fair treatment toward labor

Since, labor is one of our vital factors, the Company therefore focused on human capital development with fair treatments. Moreover, it is a factor that will increase the value of the business that enhances its competitiveness and a corporate sustainable growth in the future. Thus, we established the policies and guidelines as follows.

4.1 Respect the rights of employees according to the labor laws and human rights principles

4.2 Provide an employment process and its employment conditions that are fair. It also includes the compensation and a process of the fair performance evaluation.

4.3 Promote human capital development by organizing the inhouse training, seminars, workshops, including the external seminars and training in various skills. It aims to improve knowledge and competency of the employees as well as raising the awareness of creating good attitudes that are moral and ethical along with good teamwork skills.

4.4 Provide the appropriate scheme of welfare for the employees as required by laws, such as the social security,

provident funds, etc., and other than those required by laws, such as health insurance and personal accident insurance, etc. It also includes providing the appropriate subsidies for employees such as scholarships for children and funeral assistance, etc.

4.5 Provide annual health check-up services for the employees at all levels, considering the risk factors according to the position, age, gender, and working environment of each person.

4.6 Regulate the employees to work under the occupational health and safety guidelines. As a result, we conducted measures to prevent accidents and enhanced the employees' safety awareness. This also includes organizing training and encouraging the employees to maintain their wellbeing and the workplace that is always sanitary and safe.

4.7 Give opportunities for the employees to express their opinions or complaints regarding the unfair practices or improper actions in the Company, as well as providing protection to employees who report such matters.

5. Product and Customer Stewardship

To create the most satisfaction of customers, we are always committed to developing its products and services that build confidence and satisfaction for customers. Thus, we adhered to treating customers with responsibility and integrity, aligned with the following policies;

5.1 We take into account the quality and standards of the products as important. Moreover, we focused on providing the quality products and services according to the standards required by the customers. And improved the services regularly, aiming to create the most satisfaction toward customers.

5.2 We always take into account the safety of providing warehousing services and goods delivery services to customers and strive to provide customers with the quality products that are safe in accordance with the both national and international safety standards and regulations.

5.3 We adhere to the fair marketing execution by providing customers with the accurate information regarding the Company's products and services without distorting, ambiguous, or exaggerating advertisements. It aims to provide customers with the information and data that are accurate and sufficient for making decisions about our products and services.

5.4 We developed the customer relationship management system, used as a communication channel with customers. This also includes the complaints management system regarding the quality of products and services effectively, aiming to be able to respond quickly to the exact needs of customers.

5.5 We always keep the customer's data confidential and never use such data in an inappropriate way.

6. Treatments towards suppliers, creditors, business rivals

With our belief in fair treatment to all groups of stakeholders, we adhere to the fair contractual obligations with its suppliers. We always comply with the anti-corruption measures set out to respect the rights of property or ownership of suppliers, without taking advantage of them and encouraging them to carry out the social responsibility activities together with the Company.

Moreover, we also comply with agreements with creditors in various aspects. In the event that the Company is unable to pay the debt as scheduled, we will notify the creditors to jointly find a solution.

Lastly, we conduct its business competitions fairly, without the unfair business execution, exclusion, or taking any actions that are prohibited by laws to prevent the event of the unfair competition.

7. Community Engagement

One of our vital missions toward social responsibility is to develop and strengthen the community, aiming to sustainably grow together. We therefore formulated a policy that provided social assistance and development. From that policy, it led us to cooperate in various activities with the surrounding communities in the area where its business has been operating as appropriate. Such activities performed a duty in promoting the local workers to gain opportunities to work with us, in which it responded to events affecting that community, people, and environment due to the activities arising from our business operations speedier and more efficiently. In addition, we also encouraged its employees to be aware of responsibility toward the environment and community. With our intention of social responsibility, we will provide cooperation together with our group of companies or other business networks in the development of the targeted community each year.

8. Promoting innovations that meet the goals of a social responsibility

It started with our employees, we encouraged them to create innovations that meet the goals of social responsibility policies in many areas. This includes the cost-effective consumption of water and energy resources, waste management according to the 3Rs principle, waste discharge control, etc. Moreover, we also emphasized the applications of innovations,

aiming to improve or develop the working processes for creating the more effective performance. We will disclose the information of innovations that are beneficial to the community and environment as appropriate, aiming to stimulate the further development of innovations.

Corporate Social Responsibility Policy Review and its Monitoring Process

We realize that the success does not only come from the economic performance but it shall come together with the continual implementations of social responsibility activities as well. Thus, we will monitor, evaluate, and review the various projects that we have supported and will consider the future CSR activities cautiously, continuously, and consistently.

In conclusion, we reported on sustainability performance in accordance with the framework of the Global Reporting Initiative (GRI), the standard edition. We disclosed the information of both economic, environmental, and social dimensions, in which it began in 2021 for the first year and was disclosed in the Annual Report in the form of 56-1 One Report.

3.4.2 Social Performance

(1) Employee Care and Employment

We considered the employees one of the valuable assets, we therefore formulated a policy that covers the equality of the employees at all levels, including the employees of our subsidiaries. It includes the practices regarding welfare, appropriate compensation, occupational health and safety, as well as the well-being of themselves and their family members. The details are described as follows;

Labor practices and human rights

To achieve the goal of sustainability on social performance, we adhere to the principle of Code of Conduct and Good Governance in recruiting and hiring employees to work with us. It was executed by selecting candidates for employment in various positions with the manners of fairness, taking into account the appropriate qualifications of the position, along with the educational qualifications, experience, knowledge, competency, and the moral attitude. By such selection criteria, we respect the humanity of all in the terms of honor and dignity. It shall be without discriminations regardless of gender, age, race, religion, skin color, physical disability or political values, etc. To conduct a fair and transparent recruiting process, we will compare the qualifications in each position for selection of the most qualified person. In 2021, we have a total of 148 employees, positioned at both head office and warehouses. In addition, we adhere to the ethical principles in recruitment, aligned with the

rules of not seeking personnel who are employees of suppliers to join the Company while taking a position in a supplier's company. It aims to create fairness to our suppliers as well.

Moreover, we conducted clear communication channels for the complaints against labor practices. It aims to receive complaints from the executives and employees, and to be fair to all parties that provide protection to the employees who report about the labor practices as required. All complaints will be treated fairly by the Human Resources Management system or the Directors that are appointed by the Company for considering such complaints. And they will be reported to the Human Resource Development entity for acknowledgement and keep such information confidential. In 2021, the Company received no significant complaints against the labor practices among employees. Our communication channels for complaints against labor practices are such as e-mail: ratchaneekorn@unionpetrochemical.com or phone at 0-2677-3324-6 and (089) 818-2323.

Compensation

We determined the compensation to the employees fairly according to their work conditions, qualifications, professions, knowledge and competency, and performance as importantly. The employees will receive compensation in the form of regular income, such as salary and other incomes such as overtime pay, traveling allowance, bonuses, the provident fund, etc.

In addition, in order to motivate and drive the employees to achieve our corporate goals, we brought the performance evaluation guidelines together with the Key Performance Indicators (KPIs) to apply as a tool for the compensation management, varying according to the individual performance as well.

Employee Care

We focus on good care for the life balance and well-being of the employees, we therefore provide health insurance to alleviate the burden of expenses during illness. It also includes the provident fund, aiming to provide the employees with savings when leaving the organization, as well as welfare or other benefits that are more than as required by law, such as group insurance, COVID-19 vaccination service, COVID-19 test kits, and so forth. In addition, we also recognize the importance of proper time management that balances the working time and the personal life with family. It aims to create a corporate culture and good working environment; the employees therefore are allowed to work no more than 48 hours per week.

In addition, the employees are also encouraged to be healthy both physically and mentally according to the principles "HAPPY WORKPLACE". It aims to create a life balance between

work and personal life of employees. This makes the employees live better health and quality of life, resulting in the Company to become a happy organization and be able to grow sustainably, ready to deal with the future changes. Such activities are also in line with the corporate philosophy of a happy organization according to the principles of “HAPPY WORKPLACE”. Details are described as follows:

- **Happy Body:** Health promotion activity such as an annual health check-up, group insurance, the COVID-19 vaccination service, and COVID-19 test kits



- **Happy Heart:** Activities to promote true happiness such as activities of Happy Birthday, Happy Valentine's Day, Happy New Year.

- **Happy Relax:** Activities to encourage the employees to relax both their bodies and their brains by organizing the recreational activities, exercise, and badminton, etc.

- **Happy Brain:** Activities to encourage the employees to learn more as well as self-development through training with various courses.



- **Happy Soul:** Activities to encourage the employees to adhere to the religious and ethical principles by supporting the participation of Buddhism activities in temples, the principles of do-good deeds, think good and do good, and other religious activities on various occasions.

- **Happy Money:** Activities to promote knowledge of saving and create an awareness of the saving habits through saving money with the provident fund.

- **Happy Family:** Activities to encourage the employees to be loving and live their lives with the warm families, to be healthy through the welfare assistance for COVID-19 testing, welfare assistance in managing funerals for their family members, etc.

- **Happy Soul & Society:** Activities to encourage the employees, engaged in the activities relating to social responsibility such as the charitable activities, donations for the religious activities at temples, donations to hospitals for procuring the medical equipment, and food and any necessary supplies for the children in need, etc.

Termination of employment

The Company regards the employees as the most valuable resource of the organization. Therefore, we focused on enhancing the corporate culture, along with creating a good working environment and the equal treatments of employees. Thus, all employees will not be terminated without reasonable cause, unless that employee commits a serious breach of discipline according to the Company's rules and regulations. Or there are any other reasons for the rules and regulations relating to the corporate framework. The Company has clearly stated procedures for and operates with transparency, fairness, and legality without any discrimination.

Assessment of Employee Engagement toward the organization

As the employees are regarded as one of our valuable assets, a good relationship between employees and the organization therefore was considered as a driving tool to achieve the corporate goals. The employees are not just those who perform only the assigned duties but they are the vital resources that deliver the values of our products and services to customers. Moreover, they represent the Company in creating a good image and are one of the parts that drive a stable and sustainable success.

We therefore conducted the activities that support our employees to bond with the Company on the following matters:

1. Organized the various activities that created a bond for employees, such as a New Year's party, activity of making

merit in the important Buddhist festivals, activity of the traditional ceremony by watering the executives' hands as prayed for success, activity of making merit on the day of Buddhist Lent, etc. All activities were executed to create unity among the employees.

2. Conducted public relations campaigns, aiming to make the employees understand such activities and provide communication channels that can be thoroughly accessed by the employees. This aims to make the employees motivated and engaged in all activities conducted by the Company.

3. Conducted the employee engagement survey on a regular basis, aiming to inquire regarding the opinions of employees towards the organization on various matters. And the collected data deriving from the questionnaire will be applied to develop and improve the employee care programs for the better bonded relationship.

In 2021, the Company did not conduct an employee engagement survey toward the organization. But we applied the results of the employee engagement survey in 2020 for formulating an action plan. This aims to improve, develop, and

encourage the employees with more engagement with the organization. The next employee engagement survey will be conducted during February – March 2022.

The practices for the employee engagement management plan aims to increase the degree of employee engagement. It will be measured by the turnover rate of the employees who are required to be maintained in each department. It also includes the encouragement of employees to create better performance. From such practices, the supervisors and executives must carry out various activities to maintain the employees, such as;

- Supervising and coaching new employees.
- Conduct activity for the individual competency development and coach them through the Personal Development Plan (IDP).
- Encourage and support the employees to grow according to their career path.
- Conduct the activity to develop the executive's leadership skills, aiming to create the attitudes, aligned with the context of leadership set by the Company.

	Unit (s)	2019				2020				2021			
		Male	Female	Others ⁽²⁾	Total	Male	Female	Others ⁽²⁾	Total	Male	Female	Others ⁽²⁾	Total
Total number of employees ⁽¹⁾	persons	83	68	-	151	77	71	-	148	74	74	-	148
- Bangkok and its vicinity ⁽³⁾	persons	83	68	-	151	77	71	-	148	74	74	-	148

Note: (1) The permanent employees are the employees who have been contracted with the Company. without a time frame limit and shall work in full time as required by law.
 (2) The other gender is the alternative gender.
 (3) The vicinity is Nakhon Pathom, Nonthaburi, Pathum Thani, and Samut Prakan.

Full-time employee's welfares or benefits	Description
1. Life Insurance	Group life insurance covered by AIA Company Limited.
2. Health Insurance	Group health insurance covered by AIA Company Limited.
3. Insurance coverage for disable people or disability arising from work-related accidents.	A compensation fund is provided by AIA Co., Ltd.
4. Maternity leave and child care	By the rights according to the law and conditions prescribed by the Social Security Office.
5. Retirement welfare	Welfare is provided according to the accounting standards.
6. Others: Provident Fund	The Company's provident fund is provided through the registered K Master Pool Fund.

	Unit	2019			2020			2021		
		Male	Female	Total	Male	Female	Total	Male	Female	Total
The total number of new employees	persons	12	10	22	5	18	23	7	22	29
	%	54.55	45.45	100.00	21.74	78.26	100.00	24.14	75.86	100.00
Number and proportion of new employees by age	persons	12	10	22	5	18	23	7	22	29
	%	54.55	45.45	100.00	21.74	78.26	100.00	24.14	75.86	100.00
- less than 30 years old	persons	6	4	10	-	9	9	-	4	4
	%	60.00	40.00	100.00	-	100.00	100.00	0	100.00	100.00
- 31-40 years old	persons	6	6	12	2	7	9	3	8	11
	%	50	50	100	22	78	100	27	73	100
- 41-50 years old	persons	-	-	-	3	2	5	3	10	13
	%	-	-	-	60	40	100	23	77	100
- 51-60 years old	persons	-	-	-	-	1	1	1	-	1
	%	-	-	-	-	100	100	100	-	100
- more than 60 years old	persons	-	-	-	-	-	-	-	-	-
	%	-	-	-	-	-	-	-	-	-
Number and proportion of employee turnover by age	persons	13	12	25	9	20	28	5	14	19
	%	52	48	100	32	71	100	26	74	100
- less than 30 years old	persons	-	7	7	-	5	5	2	6	8
	%	-	100	100	-	100	100	25	75	100
- 31-40 years old	persons	10	5	15	3	7	10	1	4	5
	%	67	33	100	30	70	100	20	80	100
- 41-50 years old	persons	3	-	3	4	8	12	1	4	5
	%	100	-	100	33	67	100	20	80	100
- 51-60 years old	persons	-	-	-	-	-	-	1	-	1
	%	-	-	-	-	-	-	100	-	100
- more than 60 years old	persons	-	-	-	2	-	2	-	-	-
	%	-	-	-	100	-	100	-	-	-

(2) Employees' Training

One of our business philosophies said that the business successes always come from the employees. Thus, we dedicated our best efforts in developing the individual competency of all employees at all levels according to the degree of knowledge and the positions they perform the duties. It aims to enhance the competency of employees that create the efficient working processes, emphasizing on-the-job training, in-house training, and external training (Public Training).

In 2021, we conducted the human capital development plan that focused on the performance evaluation according to the employee's competency profile, connected to the roles according to the position (functional competency). In which it

will lead to the human capital development plan in the forms of learning the new ways of working process (Up-Skill) or developing more advanced working skills for the new ways of working process (Re-Skill). By such a plan, we organized training courses and encouraged the employees to participate in activities, aiming to increase their skills and competencies.

The training courses are shown as follows:

1. CXO — Chief Exponential Officer
2. Comp TIA IT Fundamentals
3. Professional Practices for Modern HR
4. Guidelines on taxation in accounting system for investment in Cryptocurrency

5. CFO Refresher, the 2nd Generation/2121
6. Calculation of the employee's benefits by the actuarial principles 2021
7. Updates of Taxation Act 2021 and any necessary tax benefits for accountants
8. Summary of the necessary materiality of TFRS for PAEs used and changed in 2021
10. ESG Disclosure in 56-1 One Report Confirmation
11. Intensive tutoring course for the listed companies

12. THE NEW CFO 2021, The New Technology Empower CFO with Technology Trend

The Company has set an average training hour per person per year at 8 hours. From the target as set, 80% of all employees will participate in training according to the plan. And the remaining 20% is reserved for new employees (in probation period), aiming to drive all employees to efficiently develop their working skills and competency.

Employee's training	Unit	Fiscal Year		
		2019	2020	2021
Average number of training hours for all full-time employees	hours/person	8	8	8
Average number of training hours by age				
- Male	hours/person	8	8	8
- Female	hours/person	8	8	8
Average number of training hours by position				
- Top Executive	hours/person	8	8	8
- Middle Executive	hours/person	8	8	8
- Junior Executive	hours/person			
- Supervisor and Employee	hours/person	8	8	8
Average training costs	Baht/person	223,614.65	277,561.68	242,241.68

(3) Occupational Health and Safety at the workplace

Safety is regarded as the most vital factor for all employees at all levels. It also includes other stakeholders related to our business operations. Moreover, we consider safety at the workplace as a risk that must be controlled and monitored due to our hazardous chemical warehouses as a part of our value chain in forms of both self-operated and leased warehouses. Thus, we have reviewed the policies, strategies, and goals on an annual basis, used for governing occupational health and safety, aligned with the Hazardous Substances Act, B.E. 2535 (1992) and its amendments, including practices of the relevant industry groups as well.



Fire Evacuation Drill

Our occupational health and safety management framework consists of;

1. Hazard identification and risk assessment: Apply a tool of hazard identification that covers both risks of full-time employees and part-time employees as required by law, such as Job Safety Environmental Analysis, etc.

2. Determination of risk management measures: It shall be in accordance with the hierarchy of controls, as well as establishing a communication plan, risk surveillance and monitoring programs. By such practice, the supervisor is responsible for assessing risks and informing all staff before starting to work. In addition, all employees and contractors' workers are able to suspend working if hazards and the risks on safety are found.

3. Controlling the working environment: It is executed by measuring and assessing the working environment on a regular basis, such as air quality monitoring and measuring the intensity of light in the operating areas. This ensures that all staff work in an environment that is suitable and not harmful to their health. The results of the measurements in 2021 were shown that such risks were monitored and controlled within the standards prescribed by law. As well as providing personal protective equipment, emergency equipment, first aid kit to the staff appropriate to the nature of the works, sufficient to use and easy to access.

4. Reporting and investigating the incident: In the event of an accident during operations, employees or eyewitnesses shall notify their supervisors to assess the severity of that incident and report further to the relevant persons in the sequence according to the specified procedures. For serious accidents, the Company has set up an incident investigation committee consisting of the experienced and knowledgeable experts for analyzing the true causes of that incident. In which it leads to the formulation of the preventive measures that eliminate and reduce those risks. From such practices, the incident investigation report, the measures to prevent the recurrence of such incidents, including the monitoring status of corrections will be reported at the management meeting on a monthly basis.

5. Preparedness and Response to Emergency: The Company provides the fire trucks and chemicals that are needed to extinguish fires in our entire business establishment, including the leased warehouse at 24 hours a day.

6. Communicating through an engagement process from the staff at all levels: such as the establishment of Occupational Health, Safety and Work Environment Committee, consisting of representatives at the supervisory level and representatives of workers to jointly explore the unsafe working conditions and consider the safety plans. It also includes the communication channels that are able to easily access, aiming to prevent and reduce the work-related accidents or illnesses, such as sending the information or news of occupational health and safety via electronic mail, the morning talk before starting to work, activity of safety knowledge exchange, and any activities relating to the occupational health and safety at the workplace, etc.

7. Competency development: The Company supports and organizes training on occupational health and safety for the executives and employees according to the necessity of each job and in accordance with the laws, such as the fire evacuation drill and basic training on fire-fighting, occupational hazard analysis, appraisal for the effectiveness of training, etc.

8. Health Promotion: The Company provides the annual health checks for all employees according to risk factors in each working environment. Moreover, we also monitor the potential impacts arising from our operations such as the efficiency tests of lung and hearing based on the employee health and illness database system, together with other health promotion activities on a regular basis.

In 2021, we continually improve and enhance the efficiency of the safety programs, aiming to reduce the risk of work-related illness, injury, or death. It also included the employee care program for the quality of life of the employees and workers as appropriate. Our major practices are, for example, the following; raise awareness of creating good health with safety, comply with the safety laws, and formulate this policy seriously and strictly, and work closely with the staff who are potential to the risks. With our performance, in 2021, there were no cases of the Lost Time Injuries.

Injury Frequency Rate (IFR)	Unit	2019	2020	2021
Number of hours worked				
- Employees	hours	332,441	325,836	325,836
- Workers (contractor)	hours	37,427	37,427	37,427
Number of accidents				
- Employees	times	5	2	0
- Workers (contractor)	times	0	0	0
Lost Time Injury				
- Employees	times	5	2	0
- Workers (contractor)	times	0	0	0
Total Recordable Injury Frequency Rate: TRIFR (person/1 million hours worked)				
- Employees		15.04	6.14	0
- Workers (contractor)		0	0	0
Lost Time Injury Frequency Rate: LTIFR (person/1 million hours worked)				
- Employees		15.04	6.14	0
- Workers (contractor)		0	0	0

(4) Product and Customer Stewardship

The guidelines for product and customer stewardship was defined by focusing on the efficiency in providing services and delivering products to customers as follows:

- The delivery of products shall meet the quality of the customer's needs.
- Goods delivery shall be safe from the warehouses to the customer's premise.
- Goods prepared for the delivery shall be sufficient to meet the needs of customers at all times.
- Services are provided by the knowledgeable and competent staff who are ready to resolve the customer's problems accurately and promptly.
- Operations throughout the value chain shall comply with the standards of the Company and its customers, aligned with the business ethics and good corporate governance.

In addition, the we conducted various approaches to building relationships with customers that are suitable for each nature of businesses, such as visiting customers on a regular basis, setting up the meetings with customers, developing business solutions that meet the needs of the specific chemical applications with customers, preparing the Material Safety Data Sheet (MSDS) in accordance with the international regulations and standards upon the customer's request,

and assigning staff to provide information regarding products to ensure that customers are able to make the correct decisions of our products, etc.

To continually develop products and services to be more efficient and to ensure the security of customers' personal data, the Company conducted the management mechanisms and guidelines as follows:

1. Complaint Management Process: Customers can make a complaint regarding sales, goods quality, goods delivery, and after-sales services by phone, electronic mail or our corporate website. We use a system to record the customer complaints, including setting time frame for correction, the monitoring system for correction, the preparation of investigative reports to find root causes and solutions to such problems, and responding to complainants within the specified time (Initial response within 1 day). We clearly established an entity to perform such duties. As a result, this ensures that all customer complaints are resolved within the stipulated time frame.

2. Customer Satisfaction Survey was conducted by sending questionnaires to customers, as well as assigning our staff from the customer relationship management entity to interview customers on a face to face basis. This aims to be aware of the specific customer's problems and needs. It also strengthens good relationships with customers constantly.

3. Protection of customer's personal data: Customer-related data will only be used, with an aim to improve the efficiency of services and products. As a result, the customer's personal data will be protected from the access by other parties who are not authorized. In the event that the Company's employees require those data for providing any services or analysis. They shall strictly comply with the requirements of confidentiality for the personal data.

In 2021, we assessed the customer satisfaction and an average rating was at 86.27%, ranking in the good criteria. And there are no complaints from customers in any significant matters.

1. "Lunch for All" program, aiming to remedy and mitigate the problems of those affected by COVID-19 on July 30, 2020.



2. Kid Dee Family Project together with the Children's Foundation, donating the necessary supplies for the children affected by the impact of COVID-19 on June 12, 2021



(5) Community Engagement and Corporate Philanthropy

As known well, the Company operates its business with responsibility to communities, emphasizing the reduction in the environmental impacts and avoidance of any operations that may cause a negative impact toward the quality of life in the communities surrounding the operating areas. In 2021, we found that there were no any significant complaints on the social and environmental matters from the community. Moreover, we contribute efforts in improving the quality of life and promoting community engagement as well. In 2021, we organized the community programs together with the community as follows;

3. Charitable Program: to donate the necessary medical equipment and supplies, such as alcohol, PPE kits, and medical equipment to the Phrasamut Chedi Sawatyanon Hospital, Samut Prakan on May 12, 2021.



4. Charitable Program: to donate the medical supplies and financial support used in the treatment of COVID-19, to the Bangchak Hospital, Samut Prakan on May 12, 2021.



4. Management Discussion and Analysis

Executives Summary

Performance Overview

Unit: Baht	2020	2021	% (+/-)
Sales Volume (EBITDA)	2,542,595,478.00	3,033,624,915.00	19.31%
Net Profit	112,930,583	122,296,904	8.31%
Earnings Per Share (Baht/Share)	0.079	0.099	25.32%

Unit: Baht	2020	2021
Net Profit	112,930,583.00	122,296,904.00
Shareholding Ratio	1,220,909,873.00	1,210,736,433.00
ROE	9.25%	10.10%

The performance in 2021 as of December 31, 2021, the Company and its subsidiaries gained a net profit of 122.30 million baht compared with 2020, which gained a net profit of 112.93 million baht, with an increase of 9.37 million baht or an increase of 8.31%. An increase in sales volume of 491.03 million baht or 19.31%, resulted from good sales management. The average cost of sales increased by 22.08%, which varied with the increase in sales due to good product management.

In addition, financial expenses decreased by 11.05% due to lower bank interest rates. In 2021, the Company and its subsidiaries gained a net profit margin with an increase of 8.31%, and the ROE ratio increased from 9.25% to 10.10% despite the economic volatility arising from global oil prices and the ongoing spread of the COVID-19 epidemic.

Assets

As of December 31, 2020, the Company and its subsidiaries had total assets of 2,311.06 million baht, with an increase of 286.20 million baht or 14.13%. The most significant increase in assets was the inventory, from 307.44 million baht in 2020 to 584.51 million baht in 2021, or an increase of 90.13%. In 2021,

the assets of the Company and its subsidiaries were divided into the total current assets of 1,910.75 million baht and the total non-current assets of 400.31 million baht or 82.68% and 17.32% of total assets, respectively. The first two assets with the highest proportion of total assets are inventories, which amounted to 584.51 million baht or 90.12%. It was an increase in Commodity Solvents products, the Company's main products. The higher product average cost per unit increased the end-of-period inventories, followed by trade receivable and other current receivables, which amounted to 841.45 million baht or increased by 31.02%, in which it was related to the increase in sales revenue mainly from the Commodity Solvents sector. Such two items of assets represented 61.70% of the total assets.

Liabilities

As of December 31, 2021, the Company and its subsidiaries had total liabilities of 1,100.32 million baht, which increase of 296.37 million baht, or 36.86% compared to 2020. It was the current liabilities of 1,040.84 million baht and non-current liabilities of 59.48 million. The top two liabilities of total liabilities were trade payables, and other payables equivalent to 348.06

million baht or 48.49%. The short-term loans from financial institutions amounted to 654.29 million baht or which increase of 44.89%, of which the two liabilities accounted for 91.10% of the total liabilities.

Shareholder's Equity

As of December 31, 2021, the Company and its subsidiaries had the total shareholders' equity equivalent to 1,210.74 million baht, with a decrease of 10.17 million baht or 0.83% compared to 2020.

Factors and circumstances that are significant in the future.

External Factors

When the Thai baht exchange rate fluctuates, financial instruments are applied to the purchase and sale of foreign goods by allowing the relevant entities to closely monitor the movement of the currency and enter into the forward foreign exchange contracts in payment of goods.

In addition, due to the global changing situations or megatrends in various forms of each category of products, the Company conducted a plan to continuously study the trends of market changes as well. It aims to sustain its business continuity and increase the opportunity to invest in new products that meet customers' needs in the existing industry and new industries according to the government's promotion policy, such as the target industries or New S-Curve, and the industrial groups located in new investment promotion zones, the Eastern Economic Corridor (EEC).

Internal Factors

Along with being a chemical distributor, the Company also focused on creating the diverse products and services. It was executed by starting to provide the integrated chemical services that respond to the customers' growth in all industries. Starting from the commencement of the business to jointly creating business growth. From such practice, we developed products according to the trade formula required by customers, increased various sizes of shipping packaging, and imple-

mented the packaging-return system for repackaging, as one of cost-effective method. As a result, we were able to respond to customer demands and sustainability policies very well.

However, the Company still aims to build a good long-term relationship with customers by assigning marketing team to work closely and continuously with customers. It aims to provide services that meet their needs and create a maximum satisfaction for customers as well as increasing its work efficiency.

Business Development Projects

The Company planned to invest in new businesses that have the opportunity in generating income and profitable outcomes to support our core businesses to grow. In this regard, when considering to invest in new business, we will study and prepare investment plans together with conducting a study of its business feasibility. It aims to ensure a decent return on investment in which it creates the opportunity for a sustainable business growth with the careful and concise decision-making. Moreover, we also consider the allocation of the budget based on the particular business experts' analysis as well.

With the investments in new chemicals businesses, the Company started to explore an investment plan in consumer chemicals, for example chemicals made from the agricultural raw materials. It also includes green chemicals such as animal chemical nutrition, environmentally friendly solvents in the MEK group of products, post-consumer recycling plastic pellets (PCR), and chemical products made from coconuts, and so forth.

In terms of investment in the innovation and new technology business sector, the Company began exploring its investment plans in mining, production, procurement, acquisition, trading, distribution of digital assets, cryptocurrencies, digital tokens, foreign currencies, and financial instruments both domestically and internationally. In addition, the Company started to invest in financial business, such as floor plan financing.

5. Other Important Information

Registrar — Common Stock

Thailand Securities Depository Company Limited

93 The Stock Exchange of Thailand Building, 14th floor

Dindaeng Subdistrict, Dindaeng District,

Bangkok 10400

Telephone: 66 (0) 2-009-9000

Facsimile: 66 (0) 2-009-9991

Website: www.set.or.th/tsd

Auditor

Ms. Thanyaphorn Tangthanopajai

Certified Publication Accountant Registration No.9169

Dharmniti Auditing Company Limited

178 Dharmniti Building, 6th-7th Floor, Soi Permsap

(Prachachuen 20), Prachachuen Road,

Bangsue Subdistrict, Bangsue District,

Bangkok 10800

Telephone: 66 (0) 2-596-0500

Facsimile: 66 (0) 2-596-0566

Website: www.dharmniti.co.th

Legal Dispute

As of December 31, 2021, the Company and its subsidiaries have no significant legal disputes that cause an impact on the Company's assets or businesses.



SECTION 2 **CORPORATE GOVERNANCE**

6. Corporate Governance Policy

The Board of Directors and the Executives are aware of the importance of good corporate governance for the organization, aiming to create sustainable growth based on the principles of good governance. By conducting business with responsibility for all groups of stakeholders, building trust and good relationships with surrounding people, enhanced the Board of Directors' understanding of the business context, stakeholders' expectations, opportunities, risks affecting business operations. It also was aligned with the corporate governance principles that are transparent, honest, and fair and can be audited under the "Corporate Governance Policy, Ethics and Code of Conduct", approved by the Board of Directors in writing. In addition, communication is conveyed to all directors, executives, and employees for acknowledgement and understanding. Moreover, it can be applied as a guideline for treating all stakeholders thoroughly, accurately, and clearly.

6.1 Overview of Corporate Governance Policies and Practices

6.1.1 The policies and practices regarding the Nominating Committee, Board of Directors, and Sub-Committees: The Company considers the knowledge, competency, expertise, supervision, policy formulation, and experiences conforming to the Company's businesses. Including visionary, integrity, reliability, competency to build good interrelationships, and motivate all parties involved. And adhering to the principles of human rights and treating the Board of Directors members, executives, employees, shareholders, and other essential stakeholders equally. Moreover, it shall be able to separate the authorities of governance and management transparently and independently in performing their duties within their scopes and authorities. This aims to identify the number of director members and compensation appropriate to the business context, ready to lead the Company towards goals and success, aligned with the principles of the good corporate governance, published on the corporate website, adhering to the practices of good corporate governance for the listed companies of the Securities and Exchange Commission (SEC) 2017. And according to the assessment criteria by various external agencies, such as the

Stock Exchange of Thailand (SET), recommendations from the Corporate Governance Assessment Report of the Thai Institute of Directors Association (IOD).

6.1.2 The corporate governance policies and practices cover the nomination and remuneration of directors and executives, the independence of executives, the development of directors' competency, and the evaluation of the Board's performance. This also includes providing the equal treatments to shareholders, promotion of the exercise of the voting rights and the rights formulation for shareholders. As well as preventing inside information exploitation, preventing conflicts of interest, commitment to stakeholders, anti-corruption, and measures for actions against those who fail to comply with the laws and the Company's policies and practices.

6.2 Business Ethics

The Company included the ethics and business codes of conduct in the Corporate Governance Policy and Business Code of Conduct that requires the executives and employees to adhere to the Company's shared values, in conjunction with the rules and regulations. Moreover, it was aligned with the visions, goals, missions, and strategies, including the materiality on economic, social, and environmental dimensions, aiming for the management and operations frameworks that are sustainable, transparent, clear, fair, and efficient. In which the ethics are communicated to the employees through various channels, such as disclosure on the corporate website and the internal communication channels. This also includes the new employee orientation, annual re-skill training, ethical activities, and more.

6.3 Significant changes and developments in policies, practices, and corporate governance systems in the past years

6.3.1 The Company reviewed the committee charter in the past year, aiming to be in line with the actual practices, scopes of authorities and duties of the Board of Directors. It was reviewed in December 2021 and scheduled for review on an annual basis. It aims to be aligned with the current market conditions and its economic context. And it was presented to

the Board of Directors at the Meeting No. 1/2564. In December 2021, the Company established the enterprise risk management policy, aligning with the current economic situations, focusing on the risk factors that may affect the business operations and corporate goals. It was also presented to the Audit Committee at the Meeting No. 8/21, dated on December 23, 2021 for review, and will be proposed to the Board of Directors at Meeting No. 1/2565 for approval. The scope of corporate governance was extended as well to cover the materiality on sustainability. Thus, it was also considered to amend the corporate governance policy, ethical standards, and business code of conduct in December 2021. And it will be proposed to the Board for approval in 2022. Details will be disclosed on the corporate website. Directors, executives, employees, and stakeholders who are interested in this matter can read the details on the corporate website after getting approval at www.unionpetrochemical.com/.

Nevertheless, the Board of Directors assigned the directors who were responsible for the good corporate governance to determine plans and its performance monitoring measures. This aims to ensure compliance with the good corporate governance policies, business codes of conduct, anti-corruption, whistle-blowing policy or complaints relating to the anti-corruption policy. This also includes the human rights, equitable treatment for all stakeholders, and considering corporate governance practices that cover the materiality in terms of economic, social, and environmental in accordance with the corporate context and current economic situations. It aims to enhance the corporate governance standards for sustainability any further.

6.3.2 Other practices in accordance with the good corporate governance principles

Leveraging the Good Corporate Governance for Listed Companies 2017

The directors who are responsible for the good corporate governance assigned by the Board of Directors, adopted the Principles of Good Corporate Governance for Listed Companies 2017 (CG Code) to develop the working processes in various operations continually according to the business context as appropriate. As a result, the Company was well able to operate its business in accordance with the CG Code. Our practices in 2021 are described as follows:

1. Rights and Equal Treatment to Shareholders

The Company assigned the Corporate Secretary to liaison with the shareholders in matters relating to the equal

protection of all shareholders' rights. These include the rights to buy and sell securities, rights to gain dividends, rights to attend and participate in an annual general meeting, rights to vote for important issues at shareholders' meetings, and the rights for convenience in the event that shareholders are not able to attend such meetings. The Company informs shareholders of the time, place and agenda of the annual shareholders' meeting, together with additional information intended to assist shareholders in making decisions regarding important issues under discussion. The AGM invitations will be sent to shareholders and the registrar not less than seven (7) days before the scheduled date of the meeting. Notices appear in newspapers over three (3) consecutive days, not less than three (3) days before the meeting date. Invitations are sent to shareholders in Thailand by registered mail, while foreign shareholders are notified by fax or email. The acknowledgement of the invitation's receipt shall be made by registered airmail.

The Annual General Meeting

- Determining the date, time, and place to facilitate and encourage all groups of shareholders, including institutional investors, to attend the meeting.

The Company determines to hold an annual general meeting within four (4) months from the end of the corporate fiscal year specifying the date, time, and place, that are able to facilitate and encourage all groups of shareholders, including institutional investors, to attend the meeting with the following policies:

1. The meetings shall not be held on public holidays, bank holidays. They shall be held in the afternoon, allowing shareholders to submit the registration or proxy form to the Company in advance.
2. The meetings shall be held in Bangkok or the area the Company's head office is located so that shareholders can commute to attend the meeting easily and quickly. The shareholders shall be notified of the date, time, location and agenda.
3. The annual general meeting and extraordinary general meeting invitation or the meeting agendas shall state the clarifications and reasons supporting each agenda or resolution.
4. There is no restriction on the opportunity of the shareholders to study the Company's information.
5. The Company will call an extraordinary general meeting on a case-by-case basis if there is an urgent need to propose a particular agenda that affects or relates to the interests of shareholders or relates to conditions, rules, and the governing law requires approval from shareholders.

From January 1, 2021, to December 31, 2021, the Company held one shareholder meeting, namely the Annual General Meeting 2021, held on April 8, 2021, at 2:00 p.m. The venue of such meeting was at the Pinklao 2 room, 9th floor, the Royal City hotel, located at 800 Borommaratchachonnani Road, Bang Bamru Subdistrict, Bang Phlat District, Bangkok 10700.

Meeting attendance of directors and executives

This year, the annual general meeting was conducted in compliance with the Public Company Limited Act, B.E. 2538, Thailand's Stock Exchange regulations, and the Securities and Exchange Commission, to ensure the meeting was in accordance with the relevant laws and regulations and aligned with the quality assessment of the annual general meeting.

At the Annual General Meeting 2021, voting was considered in sequence according to the specified agenda before meeting every time. The Corporate Secretary clarified voting methods, vote counting, and ballot method. Six (6) directors and the top executive, including the legal advisors and the Company's auditing firm, attended the meeting from the beginning.

- Before commencing a shareholders' general meeting

- **For foreign shareholders,** the Company assigned the Securities Registrar, the Company's Thailand Securities Depository Company Limited, to deliver the English version of meeting invitations, supporting documents, and the essential and necessary supporting information for decision-making at least twenty-one (21) days before the meeting date. In addition, the Company published the invitations and information of such matters (excluding an annual report) on the corporate website (<http://www.unionpetrochemical.com>) more than thirty (30) days in advance of the meeting date. This allows sufficient time for shareholders to study the information and make decisions in advance. In addition, it was published in the newspaper informing the date, time, place, and agenda of the meeting in both Thai and English for three (3) consecutive days at least seven (7) days before the meeting.

- **The objectives,** reasons, positive and negative impacts (if any), and the Board of Directors' opinions shall be stated clearly on each agenda specified in the invitations. In addition, the Company specified an additional information for various agendas as follows:

The appointment of directors requires attaching a brief biography of each nominating director, such as name and surname, educational background, work experience profile, number of companies holding director positions. This also includes selection criteria and types of directors proposed,

such as director, independent directors. In case of nominating additional directors to take up a new position, it shall include information about the attendance of the previous year's meetings and the number of years that have served as directors in the Company. For the appointment of auditors and determination of audit fees, the Company shall specify details of the auditors, including name, the Company title, experiences, competency, suitability, and the independence, together with the qualifications approved by the auditor's company and the Office of the SEC. As well as specifying the auditor's fees and other fees (if any) so that shareholders can consider the suitability of the auditor before considering and approving the dividend payment. Moreover, the Company disclosed the dividend payment policy and plan, rate, and amount of dividends payment with reasons and supporting information. In the case of an offer to refrain from paying dividends, the Company shall disclose the reasons and information for consideration.

Other matters that may affect the Company include the determination or amendment of the articles of association and the memorandum of association, capital reduction, or capital increase, and approval of particular items.

- At Shareholder General Meeting Date

- The Company determined that the meeting procedure shall be conducted in compliance with the laws, taking into consideration the convenience as well as the rights and equitable treatments toward the shareholders. The Company provides staff to facilitate the document verification of the attendees. The registration shall be available at least one hour and a half before the time of meeting.

- At each shareholder meeting, the Chairman of the Board, Committees, Chairman of all sub-committees, Managing Director and the executive team shall attend the meeting to allow shareholders to inquire regarding the Company. At the same time, the Company's auditors act as the inspector.

- Before commencing the meeting, the Corporate Secretary shall introduce the Board of Directors, Chairman of all sub-committees, executive team, and the Company's auditor who attend the meeting. The Corporate Secretary shall be assigned to conduct the meeting.

- The Corporate Secretary shall notify the quorum of the number of shareholders attending the meeting in person, the number of proxies that attend the meeting on behalf of shareholders, and the number of shareholders appointing the independent directors of the Company as a proxy. And shall explain the voting method as well as vote counting to the share-

holders before the meeting commences. With such practices, it is under the Company's regulations and the Public Limited Companies Act, Section 107(1) as said, one share shall be counted as one vote. If the votes are equal, the chairman of the meeting shall exercise an additional vote as a casting vote.

- The Corporate Secretary shall commence the meeting according to the sequence of agenda as informed in the invitations without adding any other agenda not specified in the invitations. It aims to be fair to the shareholders who did not attend the meeting.

- For every agenda that requires voting, the Board of Directors shall arrange ballots for transparency that can be verified later if there is a dispute. The vote-counting process, voting results, and meeting resolutions are clearly recorded in the meeting minutes.

- The Chairman of the meeting shall allocate sufficient time allowing shareholders to exercise the equal rights to inquire and raise opinions on matters related to the meeting agenda and the Company's operations. It also includes recording inquiries, clarifications, and essential comments in the meeting minutes for the shareholders who did not attend the meeting to be acknowledged.

- After the Shareholder Meeting

- The Company shall notify the resolutions of the shareholder meeting via the SET's news channel within the next business day. By specifying the votes of approval, disapproval, and abstention in each agenda. Including preparing the meeting minutes and submitting them to the Stock Exchange and the relevant entities within fourteen (14) days from the meeting date, so that shareholders can verify such information without waiting for the next meeting. There shall be a good meeting minutes storage system that can be reviewed and referenced.

The Board of Directors assign the Corporate Secretary to prepare the minutes of the shareholders' meeting to be complete and accurate, containing the following details:

1. The names and positions of directors, sub-committees, managing director, senior executives, and the auditors who attended and are not able attend the meeting (if any).

2. The quorum consists of the number of shareholders who attended the meeting in person, the number of proxy holders, and the number of shareholders who appoint the independent directors of the Company to act as proxies.

3. The voting methods in each agenda and vote counting are the resolutions of the shareholders' meeting before the meeting and guidelines for using ballots.

4. The inquiries, clarifications, and comments that are material.

5. The agreeing, disapproving, and abstaining votes in every agenda require voting. Specify names and number of shares of those with no rights to vote in each agenda (if any).

2. Equal Treatment to Shareholders

The Board of Directors realizes that treatment of all shareholders equally, fairly, and sustainably, regardless of major shareholders, minor shareholders, institutional investors, or foreign shareholders, by conduct the following practices:

The proposal of the meeting agenda and names of persons to be elected as directors:

- Provide an opportunity for shareholders to propose additional agenda in advance of the meeting by publicly notifying them through the communication channels of the Stock Exchange of Thailand. Including announcing rules and specifying its selection criteria on the Company's website.

- Provide an opportunity for shareholders to nominate persons to be elected as directors. The nominated persons shall have the qualifications in accordance with the Company's requirements and consent to the nomination. By announcing the nomination including the selection criteria via the Stock Exchange of Thailand communication channels before the meeting, and publicizing such information on the corporate website. In this regard, the Company arranges for voting to elect the individual directors.

The rights to vote and appoint the proxy to attend the meeting and vote.

1. To grant the voting rights to shareholders according to the equal number of shares held, where one share is equal to one vote.

2. To always conduct the shareholders' meetings according to the agenda as stated in the invitations and formulate a policy that does not add agendas to the meeting without notifying the shareholders in advance. This allows the shareholders an opportunity to study information on the agenda before making a decision.

3. To attach the proxy form as prescribed by the Ministry of Commerce (Form A, Form B, and Form C) and the meeting notice, it allows the shareholders to determine their voting direction for each agenda and also allows those who cannot attend the meetings to appoint the independent directors or

other persons to attend the meetings and vote on their behalves. All details shall be published on the corporate website so that shareholders can download those details and procedures for assigning proxies.

4. The persons receiving the highest votes in descending order shall be appointed as directors equivalent to the vacant number of directors or the proposed number at that time. If the persons elected in descending order receive equal votes and it exceeds the number of committees that should be or will be elected at that time, the Chairman of the meeting shall exercise a casting vote.

Roles of Stakeholders

The Company's business operations involve the numerous groups of stakeholders; shareholders, investors, employees, customers, suppliers, creditors, debtors, competitors, regulators and government agencies as well as the communities, people, and the environment. In which each party has different needs and interests. Therefore, the Company is aware of the critical roles of all stakeholders. We adhere to the integrity as the principle of operating its businesses under the laws and official requirements. We will not assist, promote, or support any unlawful activities and transactions. It also includes the human rights violations, infringement of intellectual property or any actions relating to the copyright of others. The Company shall not solicit or accept money, gifts or prizes or any other consideration from other persons unless it is received due to the traditional giving by occasions. Moreover, we resist corruption and do not pay bribes for business benefits, and will cooperate and support measures of the government and the private sector against corruption and human rights violations.

Nevertheless, the Company also supports the development of working processes that may affect each group of stakeholders to be appropriated and aligned with the organizational context. It aims to create a sustainable growth together with all parties by defining practices for treating stakeholders of all sectors as follows:

The Treatments toward Stakeholders Policy

The Company established a policy to treat stakeholders in each sector appropriately and fairly. And we provide the adequate communication channels for each sector of them.

- **Shareholders and Investors** — the Company commits to conducting its business with transparency and fairness, taking into consideration the business ethics and the rights of all groups

of shareholders equally, whether they are the minor investors or institutional investors. It aims to build confidence and the trust toward shareholders and enhance competitiveness that creates the added-value for shareholders in the long run. Thus, we provided an accurate disclosure of important information to all shareholders completely and promptly through various communication channels as specified in 1) Rights of Shareholders and 2) Equitable Treatments of Shareholders.

- **Employees** — the Company treats employees equally and fairly, with the focus on the human rights principles regardless of gender, nationality, race, religion, or belief. The employees are regarded as the most valuable resource and an essential factor in supporting our business operations to succeed. Thus, we provide the reasonable compensation scheme to employees with fair treatment, the respect for their rights, aligning with the humanity principles in accordance with the relevant laws and standards in terms of opportunities, compensation, necessary welfare, and other benefits. It also includes the opportunities in their career path in terms of appointment, job rotation, career advancement, competency development, the necessary working skills, and others.

- **Employee compensation and welfare policies and practices**

To maintain knowledgeable, competent, and potential personnel in the organization, including building morale at work, the Human Resources Department, established a compensation policy at an appropriate rate according to the market guidelines compared to the same industry. We are responsible for maintaining the working environment to be safe for the life and property of the employees at all times and providing the adequate and appropriate working facilities by strictly adhering to the labor law in preventing loss of life arising from accidents, as well as preventing the work-related injuries and illness. Moreover, we formulated a policy on compensation that was aligned with the corporate performance, taking into consideration the profitability of each year and performance evaluation based on their duties and responsibilities. It also includes the employee welfare, such as provident funds, aiming for creating the attitude of saving and creating a security for the employees and their families. This contribution is based on the employee's willingness and service years, the employee's contribution rate, the Company's contribution rate, including the group life and health insurance, and emergency allowance according to the Company's regulations. In addition, we also organized the recreational activities for creating unity and as a reward program for the employees.

- **Competency development policies and practices**

We believed that to develop knowledge, competency, and enhance the employee experience is a vital factor. The Company therefore organized the onsite and offsite training, aiming to develop skills of the employees that are able to apply in performing duties effectively, and keep up with changes in innovations of transactions, rules and regulations of the external entities that the Company shall comply with. Moreover, it ensures that all employees understand the rules, regulations, and business ethics that make them perform their duties properly. Thus, we organized the internal communication campaigns to deliver such information through various activities, including the orientation for new employees to understand the rules and comply with such practices.

- **Customers** — the Company adheres to the business code of ethics in treating customers fairly, paying attention and being equally responsible to every customer. And servicing with quality, standards, and accuracy that meet the customers' needs. It also includes the speedy logistics system, aligning with the laws stipulated in the transportation for safety and building confidence in the Company's services based on the following practices:

- 1) To deliver the quality goods and services that meet standards under fair price and variety of products. It aims to continuously lift up the standards to the height, including an information disclosure regarding our products and services in the full, complete, accurate manners without distorting the facts.

- 2) To provide adequate information regarding goods and services that are accurate and up-to-date to the customers. It aims to provide the sufficient information to those customers for making decisions, without presenting the exaggerated information that may cause the misleading manners regarding the quality, quantity or any condition of goods or services.

- 3) To respond to customers' needs quickly and provide the adequate warehousing and logistics management systems that meet the safety standards as required by law. Together with the warehousing management principles that are resilient, allowing goods to be available for delivery at all times according to customer requirements.

- 4) To provide opportunities for customers to make complaints regarding the defects of goods and unsatisfied services, including the prompt corrective actions.

- 5) To sustain the confidentiality of the customer's personal data without actions of misusing such data unless it

is the data that shall be disclosed to a relevant third party as required by law.

For additional implementation in 2021, the details can be found under Sustainability Management on Social Dimension.

- **Suppliers, Creditors, Debtors** — the Company treats suppliers with equality and fairness based on obtaining fair interests to both parties as well as the strict compliance with commitments. Thus, we established the policy to treat suppliers, aligning with the principles of good governance in the procurement process. Our procurement allows all suppliers (seller/contractor/lessor) to enter the bidding system with transparency and fairness and we avoid any situations that may cause conflicts of interest.

Supplier's selection, procurement and practices toward suppliers

1. Comply with contracts, agreements or conditions toward suppliers. In the event of non-compliance, the Company will negotiate with such suppliers to jointly seek solutions and prevent the damages that may occur.

2. The procurement shall be transparent, preventing corruption in every single step of the procurement process.

3. Treat all suppliers equally and based on fair interests for both parties.

4. Not demanding, accepting or giving any dishonest interests to all suppliers.

Supplier's Selection Methods and Assessment

1. Supplier shall have a reliable operating and financial history including the potential to grow with the Company in the long run.

2. Produce or sell goods or provide services with quality and standards that meet the needs in terms of quantity and price, and its quality can be verified.

3. Assess the punctuality in the delivery of goods and services.

4. Assess the skills of coordination, problems-solving, and the team's preparedness.

- **Creditors** — the Company adheres to treating suppliers and creditors fairly with integrity and without taking advantage of each other, aiming to create the highest mutual interests. The Company established policies and practices regarding creditors with responsibilities of not defaulting on payment. It also includes strict compliance with the conditions specified in the contracts and agreements.

Practices toward creditors

1. Strictly comply with contracts or agreements made with the officials, such as terms of guarantees, governance of collateral securities, capital management, and maintenance of financial ratios according to the agreements. And not using the loan in a way that is contrary to the objectives of the loan. In case of non-compliance, the Company shall negotiate with the authorities in advance for jointly seeking a solution and prevent any damages that may occur.

2. Assure the creditors by creating confidence in the management structure, financial status and ability to repay their debts.

3. Consistently disclose the accurate and complete financial information.

- **Competitors or Business Rivals** — the Company treats its competitors fairly without infringing or seeking their trade secrets by dishonest means. Perform duties according to the principles of good competition, maintain the norms of business code of conduct in the competition, do not damage the reputation of competitors by making negative allegations and without factual information. The practices are as follows:

1. Operate its businesses within the management framework according to the principles of good competition.

2. Do not seek confidential information of competitors by dishonest or inappropriate means.

3. Do not damage the reputation of competitors by making negative allegations.

4. Support and promote free trade that is fair, not monopolized or requires the customers to trade with the Company only.

5. Establish a policy on the non-infringement of intellectual property or copyright and encourage the employees to perform their duties under the laws or regulations relevant to the rights of intellectual property.

- **State Enterprise or Government Agencies** — the Company places importance on acquiring any contract or agreement from government agencies and state enterprises and it shall comply with the rules of the law aligning with the anti-corruption policy.

For additional implementation in 2021, details can be found in the section of Sustainability Management on Social Dimension, re: Collective Action against Corruption (CAC).

- **Community and Environment** — the Company believes that our business operations will connect to the

people's way of livings. Thus, we focused on the activities that are beneficial to the context of socioeconomics of that community and its community engagement, along with social activities. It aims to create socio economic development and better quality of environment through nurturing the awareness of social and environmental responsibility and defining it as our corporate values to employees at all levels continuously. Moreover, we are ready to cooperate and govern our business operations, strictly aligned with the intent of the law and regulations prescribed by the regulatory agencies.

For additional implementation in 2021, details can be found in the section of Sustainability Management on Environmental Dimension, re: energy, water, and waste management and Sustainability Management on Social Dimension, re: Community Engagement.

Policies and Practices regarding Non-Infringement of Intellectual Property

The Company respects and complies with the laws relating to intellectual property. The policy was established with an aim to prohibit all types of actions regarding the intellectual property violations. Such practices were set out in the Code of Business Conduct as follows:

1. All employees shall protect and maintain the confidentiality of the Company's intellectual property not to leak and shall not use various types of intellectual property of the Company for personal interests or others without permission.

2. All employees shall respect and honor the intellectual property of others and not use the intellectual property of others, whether in whole or in part, without the owner's permission.

Respect of laws and the universal human rights principles

The Company requires directors, executives, and employees to comply with laws, regulations, customs, and traditions, including human rights principles and humanity without discrimination of race, skin color, gender, language, religion, social status, wealthiness, birthplace, political opinion, and other statuses. It also includes being aware of their rights, duties and responsibilities toward community and other people.

To allow the employees to adhere to the best practice in performing their duties properly, the Company established the human rights policy in 2021. Details can be found on our corporate website.

Our Board of Directors, executives, and employees shall realize the importance and respect for all individual human rights

in all terms, as well as the community engagement according to the laws of each country and based on the treaty that each country obligates to perform, namely:

1. Equitable treatment of all people in compliance with the human rights principles without discrimination.
2. Avoid actions that may violate the human rights
3. Promote activities relating to the human rights
4. Conduct communication, dissemination of information regarding the human rights as well as creating knowledge, understanding, setting practices, the monitoring mechanism, and providing support to those involved in business operations throughout the value chain; suppliers, contractors, and joint venture companies, to engage in business operations with virtue, respect of human rights and treatment toward everyone in compliance with the human rights principles, aligning to this policy.

In this regard, details of the practices toward stakeholders of all sectors can be viewed in our corporate website (www.unionpetrochemical.com).

4. Disclosure and Transparency

The Board of Directors shall disclose important information of the Company in a comprehensive, reliable, and timely manner through various media. For example, the Stock

Exchange of Thailand news channel to disclose information in both Thai and English and press releases on the corporate website. The information disclosed includes both financial information and non-financial information. The Company shall carefully prepare such information in straightforward, concise, and easy-to-understand language. Moreover, we assigned Ms. Sureeporn Dusadee to act as investor relations to publicize information accurately and equally based on transparency. It also includes a reply section for any inquiries from shareholders, investors, securities analysts, and other relevant stakeholders. The investor relations are also responsible for liaising with the Securities and Exchange Commission and the Stock Exchange of Thailand to strictly comply with the rules and regulations as prescribed, including the compliance of the good corporate governance principles. In the past year, we participated in the program organized by the Stock Exchange of Thailand on a regular basis, aiming to meet investors and analysts and reply to all received inquiries. Moreover, we published information on our corporate performance consistently.

In 2021, the Company joined Opportunity Day (Opp Day), aiming to present information to foreign investors, institutional investors, minor investor and securities analysts. Details are as follows:

Activity Title	Number of presentations
Listed companies meet investors	4 Opp Day
Investors meet the executives.	4 Opp Day
Securities analyst meeting and holding press releases for the media	2 Stock Focus
Corporate presentation to domestic investors	6 Opp Day Stock Focus
Corporate presentation to foreign investors	-

In addition, the Board of Directors is responsible for the corporate financial statements and financial information that is disclosed in the annual report. In which such financial statements are prepared under the well-recognized accounting standards in Thailand. We selected the appropriate accounting policies and applied the same accounting policies in each fiscal year. Moreover, the Board of Directors appointed the Audit Committee to be responsible for the quality of financial reports and the corporate internal control system. It also includes the

adequate disclosure of vital information to ensure that the accounting transactions are recorded with accuracy, completeness, and sufficiency, as for the interests of all shareholders and investors.

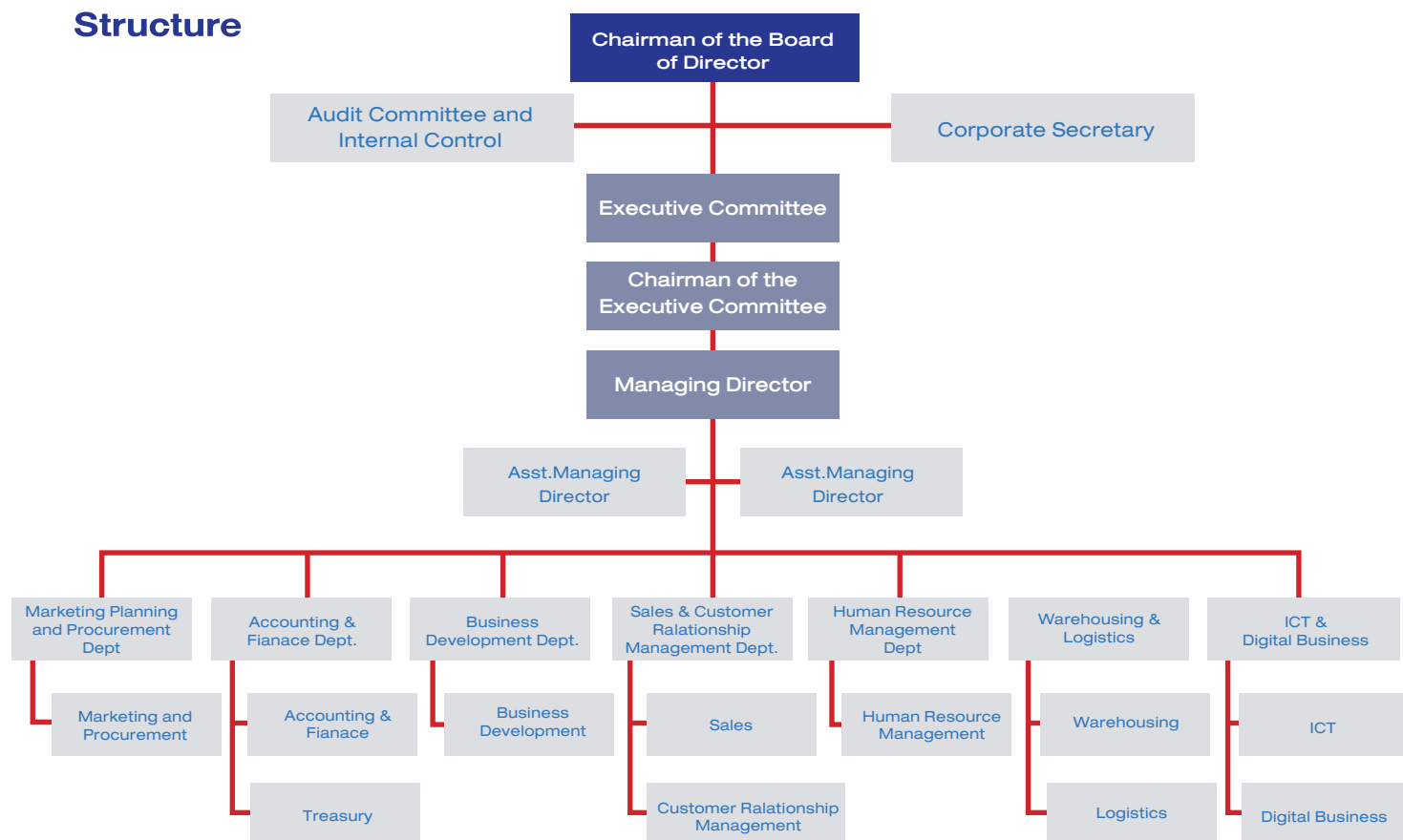
In 2021, there was no incident where the Company was taken action by regulators due to non-compliance or non-disclosure of material information within the specified period.

7. The corporate governance structure and important information about the Board of Directors, Sub-committees, executives, employees, and others.

7.1 Corporate Governance Structure

The corporate governance structure for the accounting period of January 1, 2021 - December 31, 2021, of Union Petrochemical Public Company Limited (“the Company”) consists of the Board of Directors and two (2) sub-committees, namely the Executive Committee and Audit Committee. The chain of commands is divided into the different entities, summarized as a diagram of the corporate management structure as follows:

Corporate Governance Structure



7.2 Information about the Board of Directors

The Company’s Articles of Association stipulates that the Board of Directors shall consist of at least five directors. No less than half of all directors shall reside in the Kingdom of Thailand. In which the directors can be the shareholders of the Company.

7.2.1 Structure of the Board

1. According to the Securities and Exchange Commission rules and regulations, the independent director means

a director who is fully qualified and independent. Details about the independence of independent directors are available on our corporate website (www.unionpetrochemical.com).

2. The Non-Executive Director means a director who does not hold an executive position and is not involved in the Company’s regular management, may or may not be an independent director.

3. The Executive Director means a director who holds an executive position and is involved in the Company’s regular management.

At the present and in conclusion, the Board of Directors consists of

(1) One female Non-Executive Director out of ten directors and it represents less than one-third of the entire board of directors.

(2) Four Executive Directors, one of them is a female.

(3) Five Independent Directors.

7.2.2 Information of the Board of Directors and the person with authority to control the Company

As of December 31, 2021, the Board of Directors consists of ten (10) qualified directors with qualifications, skills, knowledge, competencies, and the specific experiences that are beneficial to the Company, namely:

Full Name	Position	Appointed Date
1. Mr. Bhala Sukhavej	Chairman of the Board of Directors and Independent Director	January 1, 2012
2. Mr. Virat Suwannapasri	Chairman of the Executive Directors	December 14, 2015
3. Mrs. Kanjana Suwannapasri	Director	November 25, 2005
4. Dr. Khien Vongsuriya	Director and Independent Director	November 25, 2005
5. Mr. Somjate Saifon	Executive Director	April 23, 2018
6. Mr. Peerapol Suwannapasri	Managing Director	December 14 2015
7. Ms. Suthida Suwannapasri	Assistant Managing Director	February 24, 2020
8. Mr. Pulsak Tansitthiphun	Chairman of the Audit Committee and Independent Director	May 12, 2017
9. Mr. Vorapote Uchoopaiboonvong	Audit Committee and Independent Director	November 25, 2005
10. Prof. Dr. Tharapong Vithidsant	Audit Committee and Independent Director	May 12, 2017

Ms. Ladawan Intravichai is the Corporate Secretary (awaiting an appointment)

The Chairman of the Board of Directors is an independent director as prescribed by the Stock Exchange of Thailand and has no relationship with the management. He is not the same person as the Managing Director, to clearly and transparently separate the responsibilities and duties in formulating the corporate governance policies and management policies.

The Board of Directors established a policy on diversity in the Board of Directors structure. It consists of gender, age, educational level, knowledge, competence, professional skills, work experiences, and the specific expertise. With the confidence that it is an essential factor that helps balance the Board of Directors' thinking, quality of work, and efficiency in decision-making that are beneficial to the Company's business operations.

All directors of the Company are fully qualified and do not have any prohibited characteristics under the Public Company Limited Act and the Securities and Stock Exchange Act, as well as a qualification of trustworthy according to the rules and regulations prescribed by the Office of the Securities and the Exchange Commission and other relevant laws.

The Company developed a board structure and management approaches that are adequate for auditing with balances of power. The number of independent directors shall be at least one-third of all directors, but not less than three. And the Audit Committee shall consist of at least three independent directors, performing the duties as stipulated in the regulations of the Stock Exchange of Thailand. They shall have full qualifications with knowledge and experiences in reviewing the reliability of financial statements by at least one director. It also includes performing other duties as an audit committee, with a clear delegation of authorities between the Board of Directors and the management.

Authorized Director (s) (According to the Company's Certificate of Affidavit as of December 31, 2021)

The authorized directors according to the Company's Articles of Association and the Certificate of Affidavit by the Department of Business Development, Ministry of Commerce are Mr. Peerapol Suwannapasri together with Mr. Virat Suwannapasri or Ms. Kanjana Suwannapasri or Ms. Suthida Suwannapasri with the Company Seal, or Mr. Virat Suwannapasri or Ms. Kanjana Suwannapasri together with Mr. Peerapol Suwannapasri or Ms. Suthida Suwannapasri with the Company Seal.

7.2.3 Duties and Responsibilities of the Board of Directors

The Board of Directors shall comply with the law, objectives, the Company Articles of Association, and resolutions of the shareholders' meeting. By performing its duties with integrity, transparency, and accountability with care to maintain the interests of shareholders both at the present and in the future. Moreover, they shall perform its duties in considering the determination of the corporate visions, objectives, policies, goals, strategies, plans, and annual budgets. As well as governing the operations in approving the important transactions, including compliance with the rules and regulations of the Stock Exchange of Thailand, the Securities and Exchange Commission and the Capital Market Supervisory Board. Details of roles, duties, responsibilities and the authorities of the Chairman of the Board of Directors and the Committee are available on our corporate website (www.unionpetrochemical.com).

Roles, Duties, and Responsibilities of the Chairman of the Board

1. Govern, monitor, and ensure that the performance of the Board of Directors are effective and able to achieve the corporate objectives and goals.
2. Ensure that all directors participate in fostering an ethical corporate culture and good corporate governance.
3. Convene the Board of Directors meetings and determine the agenda by discussing with the managing director with measures to ensure that important matters are included in the agenda. And all directors receive sufficient and complete information in advance before such a meeting.

4. Allocate adequate time for the management to present all matters specified in agenda and for directors to discuss essential materials. This encourages directors to apply the prudent discretion to express their opinions freely.

5. Strengthen good relationships between the executive directors and non-executive directors and between the board and the management.

Sub-Committee

The Board of Directors attaches great importance to compliance with the principles of good corporate governance. It resolved to appoint sub-committees to monitor the performance and oversee the efficiency and thoroughness of the operations in all dimensions under the principles of good corporate governance. The details of sub-committees are described below:

- 1) Executive Committee
- 2) Audit Committee

The two sub-committees perform roles, duties, and operations as follows:

1. Audit Committee (AC)

The Board of Directors approved the appointment of the Audit Committee selected from directors who have qualifications required by the Securities and Exchange Act. As of December 31, 2021, the Audit Committee consists of three independent directors, namely:

Full Name	Position in the Audit Committee	Position in the Board of Directors
1. Mr. Pulsak Tansitthiphun	Chairman of the Audit Committee	Independent Director
2. Mr. Vorapote Uchoopaiboonvong	Audit Committee	Independent Director
3. Prof. Dr. Tharapong Vitidsant	Audit Committee	Independent Director

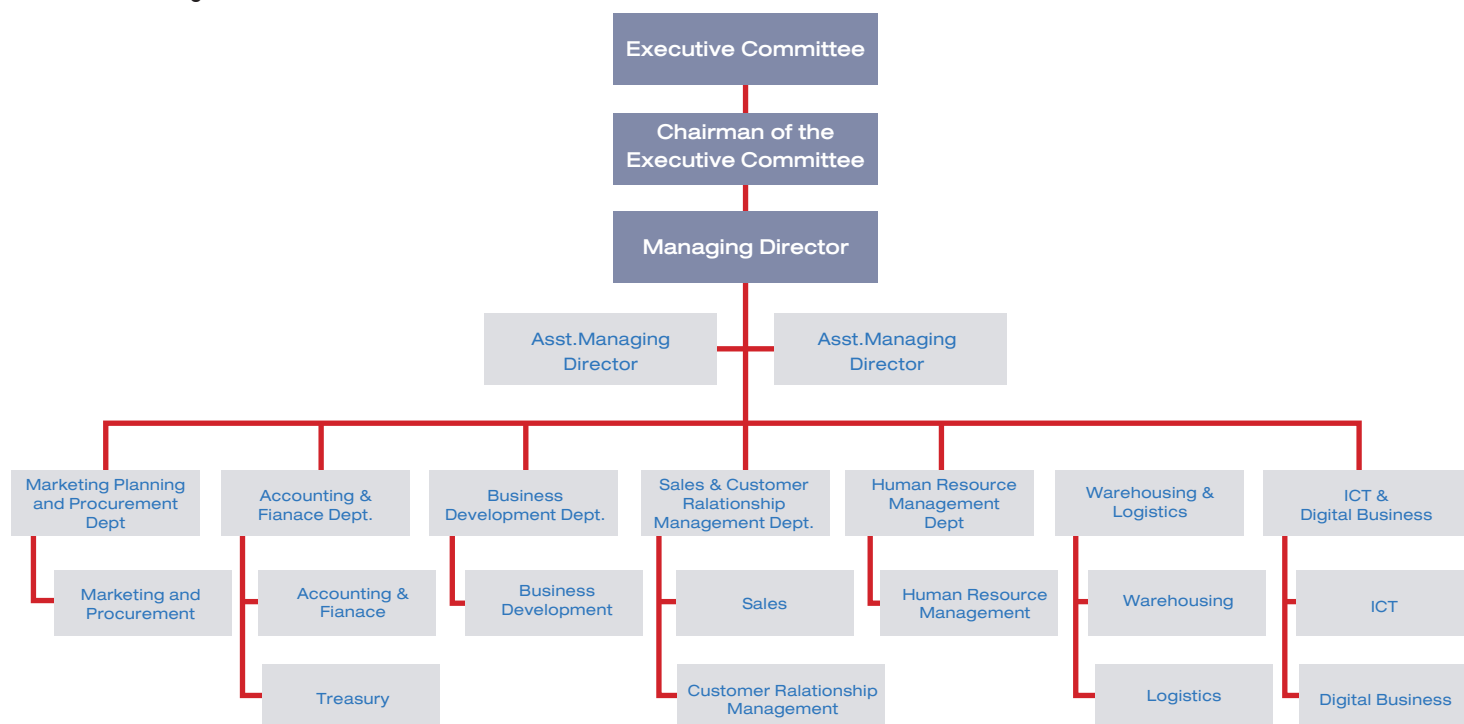
And the Secretary of the Audit Committee is Ms. Ladawan Intravichai.

Notes:

1. Mr. Pulsak Tansitthiphun was appointed as the Chairman of the Audit Committee on May 12, 2017, with the knowledge and experiences in reviewing the accuracy and reliability of financial reports and expertise in business law both domestically and internationally for a long time.
2. Mr. Vorapote Uchoopaiboonvong was appointed as the Audit Committee from November 25, 2005, with the knowledge and experiences in reviewing the accuracy and reliability of financial reports including knowledge and experiences in accounting and finance for a long time.
3. Prof. Dr. Tharapong Vitidsant was appointed as the Audit Committee on May 12, 2017, with the knowledge and experiences in reviewing the accuracy and reliability of financial reports including skills in technology in addition to knowledge of accounting and finance.

The Audit Committee is responsible for reviewing the accuracy and reliability of financial reports, including the connected transactions or transactions that may cause conflicts of interest. It also includes performing the duties of internal control and internal audit, operations control and monitoring practices, enterprise risk management, good corporate governance, compliance with relevant laws, and any other tasks assigned by the Board of Directors. Details regarding the Audit Committee's roles, duties, responsibilities, and authorities are available on our corporate website (www.unionpetrochemical.com).

**7.4 Information on the management structure
and the executives**
Management Structure



7.4.1 Executive Committee (EC) and the Executives

The Board of Directors appointed the Executive Committee and the Executives to supervise the Company's business operations to be efficient aligning with the corporate policies, goals, strategies, action plans, and annual budgets

approved by the Board of Directors. It also includes scrutinizing the matters to be presented to the Board of Directors as assigned by the Board of Directors. As of December 31, 2021, the Executive Committees and the Executives consist of 5 directors in total, namely:

Full Name	Position in the Executive Committee	Position in the Board of Directors
1. Mr. Virat Suwannapasri	Chairman of the Executive Directors	Director
2. Mr. Peerapol Suwannapasri	Managing Director	Director
3. Ms. Suthida Suwannapasri	Assistant Managing Director	Director
4. Mr. Somjate Saifon	Director	Director
5. Mrs. Apinya Pleamruk	Finance and Accounting Manager	-

All executives of the Company are fully qualified and do not have untrustworthy characteristics as prescribed by the do not have any prohibited characteristics under the law, and Securities and Exchange Commission.

Notes:

1. Mr. Virat Suwannapasri was appointed as Chairman of the Executive Directors on December 14, 2015.
2. Mr. Peerapol Suwannapasri was appointed as the Managing Director on December 14, 2015.
3. Ms. Suthida Suwannapasri was appointed as the Assistant Managing Director on February 24, 2020.
4. Mr. Somjate Saifon was appointed as the Executive Director on April 23, 2018.
5. Mrs. Apinya Pleamruk was appointed as the Finance and Accounting Manager from October 15, 2020.

Scope of duties and responsibilities of the Executive Committee

To scrutinize and present to the Board of Directors to consider the determination of the corporate visions, missions, policies, strategies, goals, business plans, annual budgets, and management authority, and investments in new businesses. It also includes the determination of the organizational structure and the effective management framework, supervision and approval of the matters related to the Company's operations. In addition, they shall summarize the analysis of the Executive Committee's performance evaluation on an annual basis, and report to the Board of Directors. Details regarding roles, duties, responsibilities, and authorities of the Executive Committee are available on our corporate website (www.uionpetrochemical.com).

Scope of authorities, duties, and responsibilities of the Managing Director

The Managing Director is the top executive of the organization selected by the Board of Directors and appointed from one member of directors according to the Company's Articles of Association. It aims to perform the duties in managing the Company, aligned with the corporate policies and directions set by the Board of Directors under the authority framework. In addition, the Company's Articles of Association stipulates that the Managing Director receives remuneration and other benefits as the top management of the Company, whose responsibilities are summarized as follows:

1. Being authorized to manage and supervise business operations related to the Company's general management.
2. Being authorized to hire, appoint, dismiss, terminate, determine the compensation rate, reward, as well as increasing salaries, compensation, and bonuses. It also includes appointing employer's representatives to the Company's provident fund committee regarding all employees.
3. Being authorized to approve and sub authorize the disbursement for purchasing raw materials for production according to customer's purchase orders as well as purchasing assets. In addition, it also includes the approval for the financial operations for various Company transactions within the scope of its own approval authority that has been approved by the Board of Directors.
4. Being authorized to issue orders, regulations, announcements, and memos to ensure the operations are aligned with the corporate policies and its interests and also maintain work discipline within the organization.

5. Being authorized to act and represent the Company to outsiders in activities that are related and beneficial to the Company.

6. To appoint consultants as necessary for the operations of the Company.

7. To perform other duties as assigned by the Board of Directors or the Executive Committee from time to time.

However, the approval of transactions as the aforementioned excludes the approval that causes the Managing Director or another person who may have conflicts of interest in any other manners with the Company and its subsidiaries. It also includes transactions requiring approval from shareholders in entering into the connected transactions or the acquisition or disposition of essential assets of the Company. It aims to ensure compliance with the regulations of the Stock Exchange of Thailand.

Appointment of Directors and Executives

Although the Company still does not appoint the Nomination Committee for conducting the selection process of the directors or the executives but the Company has already set such practices and details are described as follows:

- The Board of Directors, excluding stakeholders, shall adhere to the criteria for selecting the candidates who are knowledgeable, competent, and visionary, with good attitude and able to dedicate sufficient time as best efforts to the Company and present them to the shareholders' meeting.
- The Company's Articles of Association requires at least one-third (1/3) of the directors to retire at every shareholder meeting. After the second year, the longest-serving director shall resign from the position. For the directors who resign by rotation may be re-elected to hold a new position. In this regard, the Company's Articles of Association stipulates that director shall be elected in the shareholders' meeting based on the rules and procedures as follows:
 1. One shareholder has one vote equivalent to one share per vote.
 2. Shareholders cast their votes to elect the individual director.
 3. The directors' candidates who receive the highest votes in descending order shall be appointed as directors equivalent to the vacant number of directors or the proposed numbers. If the persons elected in descending order have the equal votes, exceeding the number of directors that should be or will be elected at that time, the Chairman of the meeting shall exercise a casting vote.

7.4.2 Performance evaluation policy and the remuneration of the Executive Committee and the Executives

The Company evaluates performance of the management on an annual basis in the forms of the key indicators (KPI), financial performance, portfolio of implementing the strategic objectives, and corporate performance. It also includes compliance with obligations, responsibility, the executive's competency development, and the current economic situation with transparent and fair compensation aligned with the same industry.

Notes:

At the moment, the Company has not yet appointed the Remuneration and Nomination Committee, and the progress of such establishment will be disclosed in the following report.

In this regard, such actions are under the governance framework of the Board of Directors, in which the Company also established the enterprise risk management working group, to study the action plans and the establishment of the Enterprise Risk Management Committee and it shall be presented to the Board of Directors for further consideration and approval.

7.4.3 The total compensation package for the Executive Committee and the Executives

Details	Total Compensation		
	2019	2020	2021
Total (Person)	6	5	5
Total Amount (million baht)	11.86	8.6	8.7

Employee

7.5 Employee Information

The Company pays attention to employees considering everyone as an integral part of the Company's business. We are determined to develop a human resource management

system by determining the number of employees appropriate in each entity, aligned with the business direction in the current economic situation. As of December 31, 2021, we have a total of 148 employees and details are as follows:

Department	Total number of employees (Person)
1. Administration	8
2. Marketing Planning and Procurement	3
3. Finance and Accounting	28
4. Business Development	2
5. Sales and Customer Relationship Management	22
6. Human Resource Management	15
7. Warehousing and Logistics	66
8. ICT and Digital Business	4

Details of attending the training during 2019-2021

Types of Training	Total
Total number of the trained employees (unit:person)	97
Onsite Training (unit:course)	2
Offsite Training (unit:course)	35
Total expenses (unit:baht)	743,418.01

Average training hours during 2019 — 2021

Training	2019	2020	2021
Number of employees (person)	16	58	23
Training hours (hour)	204	110.58	187
Average training hours (hour/person/year)	12.75	2	8

Note: 1. During 2019 — 2021, the Company organized internal training, such as preparation for quality system (ISO), enterprise risk management.
2. During 2019 — 2021, the Company arranged for employees to attend off-site training, such as preparation for submitting financial statements, HR Practices in Today's Era, accounting practices, taxation in Cryptocurrency investment, and training courses for CFE Refresher.
3. Due to the ongoing and severe situations of the COVID-19 epidemic during 2020 — 2021, the Company arranged training courses necessary only aligned with the government's measures to prevent the spread of COVID-19.

Employee Compensation

The total monetary compensation of employees in the accounting period of January 1, 2021 - December 31, 2021, equals 60.95 million baht. It is in the form of salary, bonus, other welfare, contributions, provident fund that the Company contributes for employees. Details are as follows.

(Unit : Million Baht)

Type of Compensation	2019	2020	2021
1. Salary, Wages, and Bonus	61.90	67.62	60.62
2. Provident Fund	0.33	0.33	0.33
3. Others ⁽¹⁾	-	-	-
Total	62.23	67.95	60.95

Notes : ⁽¹⁾ Other benefits include social security expenses, training expenses, medical expenses, health and life insurance premiums, termination benefits and other welfare.

Other Compensations

Our other compensations for employees are described as follows:

1. According to the Fund Act, a provident fund has been established for employees at the rate of 2% of the net income salary by the K Master Pool Fund services, a fund with credibility and authorized license.

2. The Company established a statutory reserve for employee benefits. They are entitled to the Company's contribution in the event of death, retirement, inability to work,

or resignation after working with the Company for not less than three years.

3. The Company provides group insurance for employees and executives in the event of emergency illness, accident and death.

Labor Dispute

In 2021, the Company had no significant disputes regarding labor.

7.6 Other Important Information

• Corporate Secretary

During the fiscal year 2021, Ms. Ladawan Intravichai is acting as the Corporate Secretary (awaiting an appointment).

The Corporate Secretary plays a vital role in supporting and governing the activities of the Board of Directors that ensure efficiency and effectiveness based on the laws, rules, regulations, and good corporate governance principles. The Board of Directors shall appoint the corporate secretary based on her knowledge, competence, and qualifications to perform the duties as Corporate Secretary. At the present, it is in the process of appointment. Thus, the Company has set its duties and responsibilities as follows:

1. Prepare and maintain documents related to the registration of directors, annual report, notices of the Board of Directors' meeting and its meeting minutes, including notices of the shareholders' meeting and its meeting minutes.
2. Keep the directors' and executives' stakeholder reports
3. Submit copies of the reports on the interests of directors and executives or related persons to the Chairman of the Board and the Chairman of the Audit Committee within seven working days from the date the Company receives the report.
4. Perform duties in organizing meetings of the Board of Directors and the shareholders in compliance with the rules, regulations and relevant laws.
5. Supervise the Company and the Board of Directors to perform their duties and practices, aligning with the law and related regulations including the resolutions of the Board of Directors/shareholders meetings and good corporate governance principles, such as the Company's Articles of Association, Securities and Exchange Act, Public Company Limited Act, and other relevant laws.

6. Act as a middle party for communication between directors, executives, and shareholders.

7. Coordinate and monitor the performance according to the resolutions of directors and shareholders.

8. Disclose the information and information reports relevant to the regulatory agencies based on the regulations and requirements of the authorities.

9. Perform other acts as prescribed in the Securities and Exchange Act B.E. 2535, Section 89/15 and Section 89/16 and its amendments. or as assigned by the Board of Directors.

Note: The profile and responsibilities of the corporate secretary will be disclosed on our website (www.unionpetrochemical.com) after being approved by the Board of Directors.

• Persons who are directly responsible for accounting supervision

Mrs. Apinya Pleamruk has been appointed as a Finance and Accounting Manager, effective from October 15, 2020, to supervise the company's accounting with full qualifications as prescribed by the SEC.

• Head of Internal Audit and Head of Compliance Department

Miss Ladawan Intravichai was appointed as Head of Internal Audit and Compliance by the Audit Committee on 14th November, 2016. She has the experiences of internal audit practices, and understands the Company's activities and operations. Thus, her qualifications are suitable and sufficient to perform its duties. In this regard, the selection, appointment, transfer, and dismissal of the head of internal audit shall be approved or agreed upon by the Audit Committee.

Note: The profile and responsibilities of the head of internal audit are disclosed on the Company's website (www.unionpetrochemical.com).

7.6.2 Investor Relations; to inquire about the Company's information

Full Name - Position	Address
Ms. Sureepron Dussadee	Head Office: 728 Union House Building, Baromrajchonnee Road, Bangbumru, Bang Phlat, Bangkok 10700 Telephone: 02-881-8288 BUSINESS SUPPORT CENTER 25 South Sathorn Road, Thung Mahamek, Sathorn, Bangkok 10120 Telephone: 02-677-3324-6 Email: sureepron.d@unionpetrochemical.com

7.6.3 Auditor's Fee

In the fiscal year 2021, the Company paid audit fees to Dharma-niti Auditing Company Limited in the amount of 1,120,000 baht excluding non-audit fee and other services fees. Details are described as follows:

Audit Fee

Item	Payer	Auditor	Audit Fee (Baht)
1	Union Petrochemical Public Company Limited	Ms. Thanyaphorn Tangthanopajai	1,120,000

Non-audit Fee

In the fiscal year 2021, the Company did not receive any other services from Dharma-niti Auditing Company Limited, the auditing firm that the Company's auditors are affiliated with, and from any person or business related to the auditor and the auditing firm that auditor is affiliated with.

8. Report on Key Performance of Corporate Governance

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

The Board of Directors has placed great emphasis on good corporate governance and sustainable development, a critical management approach, due to the challenging conditions in business operations in the past year. By adhering to the eight (8) principles of the Good Corporate Governance Principles for Listed Companies 2017 (CG Code) under the Apply or Explain principles. It aims to create value for businesses and conduct its business based on sustainability and legal compliance. In addition, to ensure that such practices are appropriate enough to adapt to changing factors aligning with creating value throughout the value chain and all stakeholders, we reviewed the corporate visions, strategies, goals, missions, and plans on an annual basis. Considering the business environmental factors in each value chain and the period for setting the short, medium, and long-term goals under supervision that ensures the optimal resource allocation and operational control. Starting from the effective board structure, selecting suitable persons for each position and duty, with an independent director as the Chairman of the Board, along with the competency development for senior executives and human resource management aligned to the context of organization. The Board promoted the leveraging innovation, conducted its business with responsibility, and monitored the management's business operations as prescribed in the action plan. Considering the impact and development of resources throughout the value chain, aiming to increase business opportunities, improve working processes, control risk management at appropriate level, and internal control. By providing policies and guidelines on corporate governance, business ethics, anti-corruption, and respect for human rights. It also includes a mechanism for receiving complaints and actions in case of clues to help make the internal control system more efficient while maintaining financial credibility and disclosure.

The Board established the practice with responsibility to ensure that the financial reporting system and the disclosure of important information are accurate, adequate, timely, and under the standard rules as well as the related practices. This includes support in engagement and communication with shareholders.

It ensures that the proceedings relating to the shareholders' meetings are regularly carried out neatly, transparently, and efficiently. In this regard, at the meeting of the committee responsible for good corporate governance, the implementation of the aforementioned principles has been regularly monitored and applied including reporting to the Board of Directors for acknowledgement at least once a year.

8.1.1 The nomination, individual competency development and performance evaluation of the Board and the Executives

Although, the Nomination Committee has not been yet appointed to handle the selection of the members of the Board of Directors but the Company established guidelines for selecting and appointing directors as follows:

1. Excluding stakeholders, the Board of Directors shall consider the selection criteria based on qualifications with experiences, knowledge, competence, sufficient time to devote to the Company, and attitude. Normally, it will be presented at the next shareholders' meeting.

2. At every annual general meeting of shareholders, the Company's Articles of Association requires at least one-third (1/3) of the directors to resign.

The draw lots method shall be applied for the first two years after being listed, to pick which directors to resign. From the third year onward, the directors who have been in the position for the longest time shall resign. The directors who resign by rotation are eligible to be repositioned. Provided that the Company's Articles of Association states to elect directors at the shareholder meeting according to the following rules and procedures:

1. One shareholder has one vote equivalent to one share per vote.

2. Shareholders cast their votes to elect the individual director.

3. The persons who receive the highest votes in descending order shall be appointed as directors equivalent to the vacant number of directors or the proposed number. If the persons elected in descending order have equal votes, exceeding the number of committees that should be or will be elected, the Chairman of the meeting shall exercise a casting vote.

Even though the members of the Audit Committee have not been selected under the procedure of the Nomination Committee, however, the Company has set criteria that at least one of the audit committees shall be competent with accounting or finance. For other members, the Company focuses on recruiting candidates with legal knowledge or having experience in management. The Company's audit committee have a term of office of 3 years

The Board of Directors shall select and appoint one of the directors according to the Company's Articles of Association to be the managing director, the highest executive of the organization, to manage the Company under the policies and directions set by the Board of Directors within a scope of authority. In addition, the regulations stipulate that the managing director receives compensation and other benefits as well.

The Directors' Competency Development and Training in 2021

Directors	Course/Topic and Activity	Organization
Mr. Peerapol Suwannapasri	Brain 4 th	Federation of Thai Industries
Mr. Peerapol Suwannapasri	EXO-Chief Exponential Officer	Disrupt Technology Venture Company Limited

Note: All 10 directors have completed training in the Director Certification Program : DCP or Directors Accreditation Program (DAP) organized by Thai Institute of Directors Association (IOD).

Competency Development for directors and executives

The Company supports the Board of Directors, executives, and employees to attend training and seminars. Such policy encourages them to attend training and seminars with the Thai Institute of Directors Association, the Stock Exchange of Thailand, the SEC, and other related agencies or institutions for the continuous performance development and improvement.

of the corporate performance, in accordance with obligations, responsibility, including competency development for the executives and current economic situations with transparency and fairness, aligned with the situations in the same industry.

Performance Evaluation of Directors, Sub-committees, and the Executives

The Company applies a self-assessment method, a guideline from the Stock Exchange of Thailand to assess at least once a year. Moreover, the results will be applied for improving performance, aiming to support the practices of the Board of Directors and the Company's business operations.

8.1.2 Individual Directors' Meeting Attendance and Remuneration

The Company conducts the Board of Directors' meetings at least four times a year, and the additional meetings are held as needed. Unless there is a necessity, the directors shall attend every meeting.

The performance evaluation of the entire Board of Directors was at an average score of 90%, ranking the excellent.

The performance evaluation of the individual members of the Board of Directors was at an average score of 90%, ranking them excellent.

In this regard, the Corporate Secretary is assigned to set the date in advance each year so that the directors can manage the time and attend the meeting. In addition, the Corporate Secretary shall record and write meeting minutes completely and accurately and keep all certified meeting resolutions. This includes the Board's opinions, meeting minutes, copies of the meeting invitations, and the necessary documents. All shall be kept in forms of electronic data and hard-copy in the safe place and shall be available only for data retrieval or auditing by directors or persons with rights and involvement.

The Company applies the key performance indicators (KPIs) to evaluate the performance of the executives on an annual basis. It also includes the corporate financial performance, portfolio of implementing strategic objectives, the performance

The Company established the criteria and quorum of the Board of Directors Meeting as follows:

1. The meeting of the Board of Directors shall be under the rules of law and the Company's Articles of Association.

2. The meeting of the Board of Directors shall be held at least once every three months, and the additional meetings are held as needed.

3. The Chairman of the Board shall summon the Board of Directors Meeting with the notice signed by the Chairman of the Board or Corporate Secretary. Such notice and meeting agenda shall be sent to all directors at least seven days prior the meeting date. Allowing the directors, the time to study and consider the information in advance, except in case of urgent necessity to preserve the rights or interests of the Company, may notify by other means and set an earlier meeting date.

In considering any matter, the directors have the right to request a viewing or examining relevant documents, and request the management to clarify additional details, and arrange for a consultant or external experts to give opinions at the expense of the Company.

4. The Board of Directors appoints the corporate secretary who complies with the Securities and Exchange Act to prepare and maintain the following documents: The list of the Board members, the Board meeting notice, the Board meeting minutes, annual report, notice of the shareholders meeting, shareholder meeting minutes, and reports on the interests of the directors and executives. It also includes any other related

matters as well as clarifying and providing information regarding rules, regulations, and other criteria related to the Securities and Exchange Act to the directors for consideration on issues related to good corporate governance.

5. The Board of Directors meeting can be held via electronic media. Thus, a conference control system with an information security process shall proceed. The meetings shall record at least the sound or sound and video of all directors attending the meeting throughout the session, and having the computer traffic data generated from such records. Such conference control systems shall be in compliance with the applicable laws and regulations.

At the Board of Director meeting every year, the Board will jointly review the visions, missions, the strategic and annual action plans. In 2021, the Board of Directors had jointly considered the strategic and operational plans for 2022. After that, the Board of Directors shall monitor the performance to be consistent with the management's plans. The management will report the performance to the Executive Committee meeting on a monthly basis and then report to the Board of Directors on a quarterly basis.

In 2021, the Company held a total of twelve Board of Directors meetings. Details are described as follows:

Full Name	Position	Board Meeting (attendance to the meeting/right to attend)	Annual General Meeting of Shareholders (attendance to the meeting/right to attend)
1. Mr. Bhala Sukhavej	Chairman of the Board of Directors and Independent Director	11/11	1/1
2. Mr. Virat Suwannapasri	Chairman of the Executive Committee	11/11	0/1
3. Mrs. Kanjana Suwannapasri	Director	0/11	0/1
4. Dr. Khien Vongsuriya	Director and Independent Director	10/11	0/1
5. Mr. Peerapol Suwannapasri	Managing Director	11/11	1/1
6. Ms. Suthida Suwannapasri	Assistant Managing Director	10/11	1/1
7. Mr. Somjate Saifon	Director	11/11	1/1
8. Mr. Pulsak Tansitthiphun	Chairman of the Audit Committee and Independent Director	11/11	1/1
9. Mr. Vorapote Uchoopaiboonvong	Audit Committee and Independent Director	11/11	1/1
10. Prof. Dr. Tharapong Vitidsant	Audit Committee and Independent Director	11/11	0/1

Each Director's Remuneration in the Past Year

(Unit : Baht)

Full Name	Director Remuneration by year		
	2019	2020	2021
1. Mr. Bhala Sukhavej	2,100,000	2,250,000	2,350,000
2. Mr. Virat Suwannapasri	4,160,000	4,160,000	4,160,000
3. Mrs. Kanjana Suwannapasri	2,210,000	2,210,000	2,210,000
4. Dr. Khien Vongsuriya	1,235,000	1,330,000	1,485,000
5. Mr. Peerapol Suwannapasri	1,235,000	1,235,000	1,235,000
6. Ms. Suthida Suwannapasri	300,000	330,000	330,000
7. Mr. Somjate Saifon	300,000	330,000	350,000
8. Mr. Pulsak Tansitthiphun	435,000	445,000	650,000
9. Mr. Vorapote Uchoopaiboonvong	380,000	400,000	600,000
10. Prof. Dr. Tharapong Vitidsant	370,000	420,000	490,000
Total	12,725,000	13,110,000	13,860,000

8.1.3 Governance of Subsidiaries

By stipulating that the subsidiary can manage its businesses according to the scope of authority of each company to be efficient and effective. The Company supervises its subsidiaries by monitoring their performance and entering into the cooperation agreement with subsidiaries where they operate their business with the same type of chemical products, the same trade titles and grades. It aims to control the overlapping the sale distribution channels except for selling products to the distinct target groups or with an aim to facilitate customers. It shall be reporting to the Board of Directors on a quarterly basis for the best interests to the shareholders.

8.1.4 Monitoring to Ensure Compliance With Governance Policies and Practices

Prevention of Conflicts of Interest

It was taken into consideration as a vital factor to monitor and manage conflicts of interest between the Company, the management, the board of directors, and shareholders. It also includes preventing the excessive exploitation of assets, information and opportunities, as well as improper transactions. Thus, the Company established a policy to allow the Board of Directors, executives, and employees to perform their duties for the best interests of the Company. If any person has a stake or is involved in the items under consideration, it shall be notified with the Corporate Secretary. It aims to maintain stakeholder reports reported by the directors or executives. Such practices

support the examination and governance to prevent the events arising from the conflicts of interest.

In the past year, the Company examined and found no transactions related to the Board of Directors, the executives, and the employees.

Use of Inside Information

The Company established measures to prevent the unreasonable transactions, such as requiring all directors, executives, and employees to refrain from trading in the Company's securities for one month prior to the information disclosure date of the corporate performance to the public. It aims to prevent the use of inside information that may affect securities prices for the interest of oneself or others or acquainted persons, whether directly or indirectly and by any means. In addition, the additional regulatory measures were established according to the Stock Exchange of Thailand guidelines and the Securities and Exchange Act for equality of all shareholders.

Last year, within such a period, the Company found no security trading by the directors or executives.

Anti-Corruption

The Company operates its business with transparency and anti-corruption for both inside and outside activities. It was executed by cooperating with various organizations to promote activities relating to anti-corruption. It also included encouraging the executives and employees to comply with relevant laws

and regulations and discourage the actions for success by any fraud.

In 2018, the Company engaged in the anti-corruption program by declaring intent against corruption together with the Collective Action Against Corruption (CAC). Various policies were formulated in compliance with the anti-corruption practices. Moreover, a manual on anti-corruption measures as a guideline for executives and employees was also conducted, aiming to allow them to understand and implement such practices. It also included a campaign to promote the anti-corruption program with suppliers to be aware of the policy and invited them to join the coalition against corruption. The Company was certified as a member of the Thai Private Sector Collective Action Coalition Against Corruption on May 21, 2019, and remains its membership until the present, demonstrating our commitment to anti-corruption.

Human Rights

The Company formulated the policy to ensure fairness to all stakeholders by complying with laws and regulations and adhering to the principles of the universal human rights principles. Without discriminations of origin, race, skin color, religion, gender, age, disability, social status, wealth, education background, and other statuses in which it is not directly related to business operations. It also includes maintaining the working environment without violating the rights of privacy. It shall respect each other as well as providing assistance, comments, suggestions in problem-solving together.

Fair Treatment toward Employees

The employees are regarded as valuable resources, and therefore, it was aimed to support the competency development of human capital as for the best interests of the Company. It also encourages employees to build an excellent working culture and atmosphere. And promoting teamwork, listening to opinions and suggestions from the employees at all levels equally. It also includes providing reasonable and fair compensation and welfare.

Moreover, the Company continuously encourages the employees in developing their knowledge, competence, skills, and experiences. With our belief, it will lead them to work effectively. Thus, we provided training for the employees that are necessary for each department. Moreover, we also arranged

the off-site training for the employees, aiming them to enhance their knowledge to be broader. After completing the training, they could share such knowledge with colleagues, such as accounting practices, taxation on investments in Cryptocurrency, and CFE Refresher, and so forth.

Whistleblowing

It is critical for considering performance that is appropriate and fair to all stakeholders. Thus, we established the complaint management system, as a channel for receiving internal and external complaints (whistleblowing), as well as actions to responses to those complaints. It also includes developing measures to protect and maintain the confidentiality of complainants, aiming to encourage the employees to conduct business properly, with fairness, integrity, transparency, and verifiability.

If any suspicious or adversely affected action is found, please submit a complaint to:

1) Postal: Deliver to Chairman of the Audit Committee, Union Petrochemical Public Company Limited

No. 728 Union House Building Borommaratchachon-nani Road, Bang Bamru, Bang Phlat, Bangkok 10700

2) Audit Committee email: auditcommittee@unionpetrochemical.com

3) Website: <http://www.unionpetrochemical.com/corruption.html>

4) Suggestion Box: A suggestion box is available to the public allowing the complainant to file a complaint conveniently.

After the Audit Committee has received complaints, such complaints or clues will be recorded in the system for verification. If the case is valid, the Audit Committee shall investigate those involved and find solutions to resolve it and improve the monitoring process to prevent the repetition. Furthermore, the Company implemented measures to protect and maintain confidentiality by keeping the information and identity of the informant or the complainant confidential. Taking into account the safety and damage of the person reporting the source of information or persons involved.

In conclusion, the Company found no significant complaints or clues relating to violations of the Code of Business Conduct, Anti-Corruption Policy, and human rights violations in the past year.

8.2 Report on the Performance of the Audit Committee

The Company requires the Audit Committee to hold meetings at least once a quarter together with the external auditors. The internal audit entity, the management, and the executives are responsible for accounting and finance. It aims to review the financial statements and such analysis will be

reported to the Board of Directors afterward.

In 2021, the Audit Committee held eight meetings together with the external auditors on a quarterly basis. The meeting attendance of each individual director was summarized as follows:

8.2.1 Number of Meetings and Attendance

Full Name	Total number of meetings	Meeting Attendance
1. Mr. Pulsak Tansitthiphun	8	8
2. Mr. Vorapote Uchoopaiboonvong	8	8
3. Prof. Dr. Tharapong Vitidsant	8	7

8.2.1 Performance of the Audit Committee

The performance evaluation of the entire Audit Committee was at an average score of 95.8, ranking the excellent.

The performance evaluation of individual members of the Audit Committee was at an average score of 100, ranking them excellent.

8.3 Report on the Performance of the Executive Committee

The Company requires the Executive Committee to hold meetings at least once a quarter for considering various matters in accordance with the responsibilities and duties assigned by the Board of Directors.

In 2021, the details of the meeting were as follows:

8.3.1 Number of Meetings and Attendance

Full Name	Total Meetings	Meeting Attendance
1. Mr. Virat Suwannapasri	11	11
2. Mr. Peerapol Suwannapasri	11	10
3. Ms. Suthida Suwannapasri	11	11
4. Mr. Somjate Saifon	11	11
5. Mrs. Apinya Pleamruk	11	11

8.3.2 Performance Evaluation of the Executive Committee

The performance evaluation of the entire Executive Committee was at an average score of 98.2, ranking them excellent.

The performance evaluation of the individual members of the Executive Committee was at an average score of 100, ranking them excellent.

9. Internal Control and Connected Transactions

9.1 Internal Control

The Board of Directors, Audit Committee, and the Management understand well about establishing the internal control system and mechanism that are efficient and sufficient to govern the business operations. In which our internal control system is under the responsibilities of the Audit Committee. It also includes the compliance monitoring process on an annual basis, working together with various departments within the organization. It aims to ensure that our working processes in every aspect are efficient and effective as defined.

In 2021, the internal control performance evaluation was conducted by the Audit Committee, such as the corporate internal control, enterprise risk assessment, operational control, information and communication systems, and the evaluation of performance monitoring process, aligning with the performance evaluation form prescribed by the Office of the Securities and Exchange Commission ("SEC"). Moreover, the audit report was also conducted and presented to the Audit Committee meeting. It was signed by the Chairman of the Audit Committee.

In this year, the Company held eight Audit Committee meetings. The meetings were conducted by the Corporate Internal Control entity, covering the following matters- the annual audit plans, review of connected transactions, enterprise risk management, and good corporate governance. Recommendations were also provided in the meetings as necessary for further improvement, along with the monitoring processes of the executives' performance according to the recommendations in various related matters written in the report.

At the Audit Committee Meeting No. 1/2022 on February 22, 2022, it reported about the analysis toward the sufficiency of the corporate internal control system for 2021. The results showed that our internal control system was sufficient and appropriate. By the aforementioned meeting, all five independent directors attended the meeting as well. The Board of Directors agreed that the corporate internal control system was sufficient and able to build confidence and credibility, aligned with its consolidated financial statements of the Company and its subsidiaries. In this regard, it was also agreed that the Company arranged the appropriate personnel to govern such a system by the effective performance, along with the performance monitoring process by the top executive on a regular basis.

Furthermore, our auditor, the Dharmniti Auditing Company Limited, who handled the auditing process of financial statement 2021 on a quarterly and an annual basis, commented in the audit report that the consolidated financial statements of the Company and its subsidiaries as of December 31, 2021, including the consolidated performance, the cash flows ended on the same day, the status of the specific statement of financial position as of December 31, 2021, as well as the year's performance and its cash flows ended on the same date, were accurate and in accordance with the Thai Financial Reporting Standards.

The sufficiency assessment of the internal control system was summarized as follows:

1. Internal Control

Our internal control monitoring systems are efficient and appropriate and it is in conclusion as follows:

- We operate its business with ethics, aligning with a good corporate governance policy. Our anti-corruption working group was also appointed in writing. Moreover, we conducted internal activities to convey such practices to the directors, executives, and employees through the official rules and regulations and publicized them on the corporate website. For the individual performance evaluation, we apply the self-assessments practice based on the Code of Conduct and Good Corporate Governance Principles through an online platform on an annual basis. In which it includes a system to manage the actions of non-compliance with the Code of Conduct and Good Corporate Governance Principles, which can be notified through the designated complaint channels.

- The Board of Directors are strongly knowledgeable in conducting businesses and independent from the management. The Charter of the Board of Directors and sub-committees are clearly stated so that the performance of the Board of Directors is efficient, effective, fair, and aligned with the Company's good corporate governance practices. Before proposing to the Board of Directors for consideration, it shall complete the nomination and remuneration process.

- Our corporate goals were set clearly and measurably. With an emphasis on the employees, regarded as a valuable resource, we organized the training, aiming to develop the individual competency of the employees, aligning with the Company's growth, together with offering the incentives and conducting the activities for employees.

2. Enterprise Risk Management

The Company established the enterprise risk management policy and appointed its working group. It consists of the employees from all departments. From such practice, it aimed to define and assess the risk owned by each department, covering both internal and external factors, aligning with such a policy. In 2021, a risk assessment related to the business operations of all departments was conducted by considering the external factors, the internal management, and the impacts that may arise from the risks in terms of the strategies, financial transactions, operations, legal compliance, the environmental and social management, including the emerging risks. We studied numerous data and statistics within the country and from overseas for reviewing the enterprise risk. This aims to determine the measures for the enterprise risk management to control such risk to be at a level appropriate to the corporate context. As well as communicating this information to the relevant staff to be aware of the enterprise risk management plan. The meetings are normally held for reviewing the performance of various measures on a monthly and a quarterly basis.

3. Operational Control

It aims to control the business operations to be efficient and to monitor the degree of risk appetite effectively by implementing the necessary measures as follows:

- To support a proper process of internal control, the Company established the policies and practices to control such critical risk, such as the approval procedure of transactions: finance, procurement, and general administration. Responsibilities and duties are separated as appropriate, aligning with anti-corruption measures.

- The approval authority was determined for reviewing the approval authority and reasonable internal control.

- The Company operates its businesses in accordance with the ISO 9001:2015, the international standards and through a reliable information technology system. The security control system was also determined according to the information security policy and information security standards. In which it was published in the "Code of Conduct and Corporate Governance Principles" handbook. The IT Audit entity performs its duties in reviewing the operations. It aims to improve the internal control system for information systems. More details can be found at <http://www.unionpetrochemical.com/>.

4. Information and Communication Systems

Our information and communication systems are efficient according to international standards. Details are described as follows:

- Our internal and external communication channels are activated through the intranet system and corporate website. The interested persons can access through such communication channels for the Company's news and information. It also includes some other communication channels as well.

- For information security, the Company requires the Board of Directors to perform his duties to govern its operations. It also includes establishing policies and practices for confidentiality, integrity, and availability of information, as well as the management of market sensitive information. And to ensure those directors, executives, employees, and third parties involved complying with the information security system.

- The Company kept essential documents systematically and categorized, as well as improving the document storage method to be more in electronic format as for convenience of the data retrieval and preventing loss of documents.

5. Tracking System

- The Company monitored the performance for assuring that the corporate goals are achieved, through the quarterly Board of Directors meeting, for four times in 2021. If the performance differs from the goals as set, the Company shall correct them within a reasonable period. The head of each department shall monitor its progress and report to the executives on a regular basis through meetings of the Executive Committee.

- The Company conducted an audit of compliance with the internal control system based on the internal audit plan for 2021, whereby the internal audit officer will report the audit results to the Audit Committee on a quarterly basis. In conclusion, there were eight Audit Committee meetings in 2021, and the internal auditors were encouraged to improve their performance to meet the requirements continually.

- The Company established and supervised to develop the appropriate communication channels between each other adequately and promptly through various channels so that the management can report to the Audit Committee and the Board of Directors more conveniently.

Head of Internal Audit

At present, Miss Ladawan Intravichai positions as the head of internal audit and head of compliance.

9.2 Connected Transactions

In 2021, our connected transactions arose from the short-term lease contracts of real estate with a lease term of not more than three years and other types of transactions related to property or services. In which the Company complied with the rules and regulations prescribed by the Securities and Exchange Commission regarding connected transactions.

Details are shown as follows:

1. The rental or service fees for immovable properties under the contract, was the market price assessed by the appraiser, whom the Securities and Exchange Commission has approved.
2. The rental price comparison with the nearby office buildings was conducted before decision-making.
3. The transaction above was beneficial to the Company, and it was rational under the normal trading conditions as approved by the Audit Committee.

The Company disclosed details of connected transactions for the fiscal year 2021, as follows:

No.	Individuals/Juristic Persons with Joint Interests	Relationship	Transactions	Connected Transaction (baht)	
				Jan - Dec 2021	31 Dec 2021
1. Firstraco Company Limited operates an investment and real estate rental business ⁽¹⁾	Jointly between Director and major shareholder	Office Rental Fee	2,695,680	0	
		Utility Fee	160,192	0	
		Outstanding	0	0	
2. Lion Asia (Thailand) Company Limited and Firstraco Company Limited operate investment and real estate rental business ⁽²⁾	Jointly between Director and major shareholder	Office Rental Fee	122,880	0	
		Utility Fee	18,782	0	
		Outstanding	0	71,074	
3. The Company and Gratitude Infinite Public Company Limited operate a specialty chemical products, import and distribution business ^{(3),(4)}	Jointly between Director and major shareholder	Sale	2,698,924	0	
		Storage Rental Fee	207,432	0	
		Utility Fee	7,100	0	
		Purchase Assets	180,000	0	
		Outstanding	0	1,997,209	
4. Lion Asia (Thailand) Company Limited operates a chemical products, import and distribution business ⁽⁵⁾	Jointly between Director and major shareholder	Purchase	102,883,463	21,280,754	
		Sale	68,773,368	37,000,024	
		Other services	933,305	94,895	

- Note: (1) The Company leased the office building space from Firstraco Company Limited, with an area of 702 square meters at 320 baht per square meter, amounting to 224,640 baht per month. The lease term is three years, ending on August 31, 2022. The utility bills are paid based on the actual cost (according to the invoices of the Metropolitan Electricity Authority and the Metropolitan Waterworks Authority)
- (2) The subsidiary, Lion Asia (Thailand) Company Limited, leased the office space from Firstraco Company Limited, with an area of 32 square meters at 320 baht per square meter, amounting to 10,240 baht per month. The lease term is three years, ending on June 30, 2022. The utility bills are paid based on the actual cost (according to the invoices of the Metropolitan Electricity Authority and the Metropolitan Waterworks Authority)
- (3) The Company allows its subsidiary, Gratitude Infinite Public Company Limited, to rent the warehousing space with utility service fees. A rental area is 320 square meters at 120 baht per square meter, amounting to 38,400 baht per month. And the utility fee is 13,457.95 baht per month (excluding VAT). The lease term is valid for one year, ending on August 31, 2021. On February 1, 2021, the Gratitude Infinite Public Company Limited submitted a letter requesting termination of the lease agreement including utility contracts, effective on May 1, 2021. It deemed the termination of the lease. In 2021, the Company sold chemical products to the Gratitude Infinite Public Company Limited, amounting to 2.70 million baht for business purposes and to facilitate customers in the cosmetic business. So, it was considered a different target group and in accordance with the business cooperation contract.
- (4) During Q3/21 and Q4/21, the Company purchased assets, the forklifts from Gratitude Infinite Public Company Limited, at the price of 180,000 baht. Such price was the market price assessed by three assessors who are expertised in the used machinery. It aimed for price comparison. (in compliance with the rules and regulations prescribed by the Securities and Exchange Commission)
- (5) The Company sold products to the Lion Asia (Thailand) Company Limited at the price of 68.77 million baht for production and purchased products from Lion Asia (Thailand) Company Limited at the price of 102.88 million baht, a specialty chemical product to sell to customers.

Necessity and Reason

The Audit Committee considered the aforementioned connected transactions and expressed the following opinions: The sale transaction of products to a connected company was under the normal trading conditions of the Company and its subsidiaries. The Company and its subsidiaries have set the selling price and the terms of payment for the product under the price and conditions of selling products to general customers without giving any special conditions to such connected companies. In addition, sales of goods to the connected companies are still minimal in comparison with the total sales volume of the Company and its subsidiaries. Therefore, the sale of products was necessary and rational according to the best interests of the Company and its subsidiaries.

Measures or Procedures for Approval of Connected Transactions

In the event that the connected transactions of the Company are related to the people who may have conflicts of interest at the present or in the future. In such a case, the Company will require the Audit Committee to comment on the necessity and appropriateness of the transactions. Suppose the Audit Committee does not have expertise in considering such connected transactions, the Company will assign independent experts or the Company's auditors to comment on the said connected transactions. So that it can be used in making decisions of the Audit Committee or shareholders, as the case may be.

Policy and Trend of Future Connected Transactions

The Company speculates that in the future, there may be other normal business transactions, general commercial terms, and conditions for mutual trade that are in the sense of connected transactions. To protect investors, the Company will therefore continue to adhere to the policy for assuring that

such connected transactions are in the normal practice of business and are of the best significant interest to the Company. In this regard, the Company will assign the Audit Committee, the Company's auditor, or independent experts to review and comment on the suitability of the price and the reasonableness of the transactions. For the connected transactions incurred with a person who may have a conflict of interest, an addition to the regular trade between the aforementioned. The Company will assign the Audit Committee to comment on the necessity and appropriateness of the transactions, including the resolution of the directors who have no interests. Suppose the Audit Committee does not have expertise in considering such connected transactions, the Company will assign independent experts or the Company's auditors to comment on the said connected transactions. It can be used in making decisions of the Audit Committee or shareholders, as the case may be. The Company will disclose the connected transactions in the notes of the financial statements that the Company's auditors have audited, including the connected transactions that may incur in the future. Thus, the Board of Directors shall comply with the Securities and Exchange Act including rules, regulations, notifications, orders, or requirements of the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission. And complying with the regulations regarding disclosure of connected transactions and the acquisition or disposition of important assets. In addition, in various guarantees, the Company formulated a policy to guarantee only to its subsidiaries, and it will guarantee only in proportion to the shareholding. And such guarantee items shall be reviewed by the Audit Committee and approved by the Board of Directors or the shareholders' meeting, as the case may be. This shall be in accordance with the regulations of the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission.



SECTION 3

FINANCIAL STATEMENTS



INDEPENDENT AUDITOR'S REPORT

เสนอ The Shareholders and Board of Directors of
Union Petrochemical Public Company Limited

Opinion

I have audited the consolidated financial statements of Union Petrochemical Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at December 31, 2021, and the consolidated statement of comprehensive income, consolidated statement of changes in shareholders' equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and I have audited the separate financial statements of Union Petrochemical Public Company Limited (the Company), which comprise the statement of financial position as at December 31, 2021, and the statement of comprehensive income, statement of changes in shareholders' equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of Union Petrochemical Public Company Limited and its subsidiaries as at December 31, 2021, and its consolidated financial performance and its consolidated cash flows for the year then ended and the separate financial position of Union Petrochemical Public Company Limited as at December 31, 2021, and its financial performance and its 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 Company in accordance with the Federation of Accounting Professions 'Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

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

Recognition of sales revenue

The group has sales revenue of Baht 3,033.62 million or 99.68 percent of the group's total revenues which is a significant amount and has numerous transactions of revenue recognition. Therefore, I paid attention to the audit of revenue recognition from the group's sales and the transfer of product controlling power to customer.

Risk response by the auditor

My audit approach on such matter was by assessing the accounting policy related to revenue recognition from sales and service, understanding, testing and assessment of the efficiency of the compliance to internal control. The accounting record supporting document of revenue into general journal and general ledger in the core system, auditing selling documents during the year and near the end of the accounting period to verify revenue recognition on sales whether it is consistent with the accounting policy of the group disclosed in the notes to the financial statements including auditing credit note and return items after year end to see if product controlling power may affect the revenue recorded by the company, comparative analysis of accounting information and other financial information related to sales revenue, verifying the irregularity that may arise of sales transactions throughout the accounting period.

Impairment of asset in subsidiaries

Gratitude Infinite Public Company Limited, a subsidiary has decreased in total income and from operating was a net loss which was caused by a decrease in the order quantity and had high price competition. As a result, the subsidiary had to reduce the gross profit ratio to maintain the total revenue. Therefore, it was an indication of impairment of inventories, property, plant and equipment and intangible assets. The management had to use judgment in using the information of independent appraiser in considering the impairment of such group of assets. Such group of assets had a net book value in the consolidated financial statements of Baht 113.46 million and recorded an allowance for impairment of Baht 18.50 million, which was a balance that was material to the consolidated financial statements of the Group. I therefore stated that the impairment of the such group of assets was the issue that I paid attention to the audit.

Risk response by auditors

Regarding to the response to such matter, I had considered the management's judgment in determining the indications of assets impairment, understood the process of valuing the recoverable amount. including assessed the competence and independence of the assessment expert in accordance with the Auditing Standards Re: Use of the Work of Other Professionals and the adequacy of the entity's estimated allowance for impairment, as well as to test the recalculation in the transactions of independent appraiser that the adequacy assessed of disclosures in accordance with financial reporting standards. From such responses, it was found that the value of such group of assets has been appropriately stated and sufficient information was disclosed in the notes to the financial statements.

Other Information

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

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

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

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance in order for those charged with governance to correct 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 consolidated financial statements and separate 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 consolidated financial statements and separate financial statements, management is responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and 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 and the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with 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 consolidated financial statements and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated financial statements and separate 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 and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements and separate financial statements, including the disclosures, and whether the consolidated financial statements and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I have communicated 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 the internal control system that I have identified during my audit.

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

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

The engagement partner responsible for the audit resulting in this independent auditor's report is Ms. Thanyaphorn Tangthanopajai.

(Ms. Thanyaphorn Tangthanopajai)
Certified Public Accountant
Registration No. 9169

Dharmniti Auditing Company Limited
Bangkok, Thailand
February 27, 2022

UNION PETROCHEMICAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2021

(Unit: Baht)

	Note	Consolidated		The Company Only	
		2021	2020	2021	2020
Assets					
Current assets					
Cash and cash equivalents	9	389,133,355	543,871,102	146,370,109	252,878,440
Trade and other current receivables	8, 10	841,452,159	642,238,094	786,337,458	587,219,283
Receivable under the loan agreement	11	31,808,200	-	-	-
Inventories	12	584,511,009	307,435,457	571,543,898	278,021,887
Other current financial assets	13	35,456,598	45,000,000	35,456,598	45,000,000
Other current assets	14	28,384,864	21,084,555	24,972,434	18,150,776
Total current assets		1,910,746,185	1,559,629,208	1,564,680,497	1,181,270,386
Non-current assets					
Other non-current financial assets	15	54,916,219	101,675,412	5,261,219	5,261,219
Investments in subsidiaries	16	-	-	210,178,269	189,553,669
Investment properties	17	87,153,000	13,959,000	13,959,000	13,959,000
Property, plant and equipment	18	175,857,246	239,308,537	61,796,934	65,551,041
Right-of-use assets	19	65,541,449	86,859,963	62,105,431	79,905,009
Intangible assets	20	2,138,009	1,818,720	1,717,281	277,228
Deferred tax assets	21	12,340,346	14,227,515	8,275,649	5,812,381
Other non-current assets		2,366,272	7,381,819	1,389,989	374,713
Total non-current assets		400,312,541	465,230,966	364,683,772	360,694,260
Total assets		2,311,058,726	2,024,860,174	1,929,364,269	1,541,964,646

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

UNION PETROCHEMICAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT DECEMBER 31, 2021

(Unit: Baht)

		Consolidated		The Company Only	
	Note	2021	2020	2021	2020
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institutions	22	654,287,941	451,571,863	654,287,941	428,527,292
Trade and other current payables	8, 23	348,059,985	234,401,782	333,683,958	223,817,963
Current portion of lease liabilities	19	23,407,655	23,423,398	23,140,506	21,564,159
Accrued corporate income tax		11,588,714	13,885,231	10,840,045	12,734,353
Other current liabilities		3,493,786	1,782,222	1,277,626	900,628
Total current liabilities		1,040,838,081	725,064,496	1,023,230,076	687,544,395
Non-current liabilities					
Lease liabilities - net of current portion	19	35,192,038	54,995,444	34,581,787	54,118,044
Provision for long-term employee benefits	24	24,292,174	23,890,361	23,448,656	21,999,815
Total non-current liabilities		59,484,212	78,885,805	58,030,443	76,117,859
Total liabilities		1,100,322,293	803,950,301	1,081,260,519	763,662,254

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

UNION PETROCHEMICAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT DECEMBER 31, 2021

(Unit: Baht)

	Note	Consolidated		The Company Only	
		2021	2020	2021	2020
Liabilities and Shareholders' equity (continued)					
Shareholders' equity					
Share capital	26				
Registered					
1,265,140,744 ordinary shares of Baht 0.25 each		316,285,186		316,285,186	
1,339,369,844 ordinary shares of Baht 0.25 each			334,842,461		334,842,461
Issued and fully paid up					
1,162,052,251 ordinary shares of Baht 0.25 each		290,513,063		290,513,063	
1,236,281,351 ordinary shares of Baht 0.25 each			309,070,338		309,070,338
Share premium		87,738,427	87,738,427	87,738,427	87,738,427
Other surpluses (deficits)					
Surplus on reorganisation of business					
under common control		3,116,269	3,116,269	-	-
Surplus on change in the					
shareholding percentage in subsidiaries		(45,204,474)	(45,204,474)	-	-
Treasury shares	26	-	(13,852,912)	-	(13,852,912)
Retained earnings					
Appropriated					
Statutory reserve	25	29,052,000	28,535,000	29,052,000	28,535,000
Treasury shares reserve	26	-	13,852,912	-	13,852,912
Unappropriated		669,535,171	653,468,396	440,800,260	352,958,627
Other components of shareholders' equity		(3,517,287)	(14,162,238)	-	-
Equity attributable to owners of the Company		1,031,233,169	1,022,561,718	848,103,750	778,302,392
Non-controlling interests of the subsidiaries		179,503,264	198,348,155	-	-
Total shareholders' equity		1,210,736,433	1,220,909,873	848,103,750	778,302,392
Total liabilities and shareholders' equity		2,311,058,726	2,024,860,174	1,929,364,269	1,541,964,646

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

UNION PETROCHEMICAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2021

(Unit: Baht)

	Note	Consolidated		The Company Only	
		2021	2020	2021	2020
Revenues					
Sales	32	3,033,624,915	2,542,595,478	2,924,514,841	2,174,355,175
Other income					
Gain on exchange rate		2,809,414	3,403,311	2,652,828	2,939,683
Dividend income received from subsidiary		-	-	51,255,263.00	-
Others		6,793,304	10,288,069	3,710,629	4,662,043
Total revenues		3,043,227,633	2,556,286,858	2,982,133,561	2,181,956,901
Expenses					
Cost of sales		2,602,062,954	2,131,388,803	2,503,163,432	1,830,160,345
Selling expenses		88,833,838	101,103,235	86,238,459	85,737,408
Administrative expenses		199,241,289	179,783,327	161,848,026	146,991,562
Total expenses		2,890,138,081	2,412,275,365	2,751,249,917	2,062,889,315
Profit from operating activities		153,089,552	144,011,493	230,883,644	119,067,586
Finance cost		(10,296,718)	(11,578,578)	(10,212,526)	(9,706,926)
Profit before income tax expenses		142,792,834	132,432,915	220,671,118	109,360,660
Income tax expenses	27	(36,387,314)	(30,596,566)	(34,801,735)	(24,539,155)
Profit for the year		106,405,520	101,836,349	185,869,383	84,821,505
Other comprehensive income:					
Other comprehensive income not to be reclassified to profit or loss in subsequent year:					
Profit (loss) from valuation of investment in equity securities with fair value	15	18,275,153	5,648,966	-	-
Less: Income tax effect	27	(3,655,031)	(1,129,793)	-	-
Net of income tax		14,620,122	4,519,173	-	-
Profit (loss) from estimates by the actuarial principles	24	1,589,077	8,218,826	-	-
Less: Income tax effect	27	(317,815)	(1,643,765)	-	-
Net of income tax		1,271,262	6,575,061	-	-
Total item that will not be reclassified subsequent to profit or loss - net of income tax		15,891,384	11,094,234	-	-
Other comprehensive income for the year - net of income tax		15,891,384	11,094,234	-	-
Total comprehensive income for the year		122,296,904	112,930,583	185,869,383	84,821,505

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

UNION PETROCHEMICAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2021

(Unit: Baht)

	Note	Consolidated		The Company Only	
		2021	2020	2021	2020
Profit attributable to :					
Equity holders of the Company		116,201,235	97,111,490	185,869,383	84,821,505
Non- controlling interests of the subsidiaries		(9,795,715)	4,724,859		
		106,405,520	101,836,349		
Total comprehensive income attributable to:					
Equity holders of the Company		126,846,186	108,597,578	185,869,383	84,821,505
Non-controlling interests of the subsidiaries		(4,549,282)	4,333,005		
		122,296,904	112,930,583		
Earnings per share	29				
Basic earnings per share					
Profit attributable to equity holders of the Company (Baht/share)		0.099	0.079	0.159	0.069

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

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2021

(Unit: Baht)

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UNION PETROCHEMICAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2021

Consolidated												(Unit: Baht)
Equity attributable to owners of the Company												
Retained earnings												
Other surpluses (deficits)												
	Issued and paid-up share capital	Share premium	Surplus on reorganisation of business under common control	Surplus (deficit) on change in the shareholding percentage in subsidiaries	Treasury shares	Appropriated reserve	Unappropriated reserve	Other components of shareholders' equity	Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity	
Notes												
	309,070,338	87,738,427	3,116,269	(45,204,474)	(13,852,912)	28,535,000	653,468,396	(14,162,238)	1,022,561,718	198,348,155	1,220,909,873	
Balance as at January 1, 2021	-	-	-	-	-	-	116,201,235	-	116,201,235	(9,795,715)	106,405,520	
Profit for the year	-	-	-	-	-	-	-	-	10,644,951	5,246,433	15,891,384	
Other comprehensive income for the year	-	-	-	-	-	-	116,201,235	10,644,951	126,846,186	(4,549,282)	122,296,904	
Total comprehensive income for the year	-	-	-	-	-	-	(63,903,410)	-	(63,903,410)	-	(63,903,410)	
Cash dividend payment	30	-	-	-	-	-	-	-	-	-	-	
Dividend paid to equity attributable to non-controlling interests of the subsidiary	16	-	-	-	-	-	-	-	-	(25,257,703)	(25,257,703)	
Increase in equity attributable to non-controlling interests of the subsidiary from investment in subsidiary	16	-	-	-	-	-	-	-	-	12,000,400	12,000,400	
Reduction of registered capital from elimination of treasury shares	26	(18,557,275)	-	-	66,017,527	-	18,557,275	-	-	-	-	
Treasury shares purchased during the year	26	-	-	-	(52,164,615)	-	(52,164,615)	-	(52,164,615)	-	(52,164,615)	
Statutory reserve	25	-	-	-	-	517,000	(517,000)	-	-	-	-	
Loss on sale of financial assets measured at fair value through other comprehensive income	15	-	-	-	-	-	(2,106,710)	-	(2,106,710)	(1,038,306)	(3,145,016)	
Balance as at December 31, 2021	290,513,063	87,738,427	3,116,269	(45,204,474)	-	29,062,000	669,535,171	(3,517,287)	1,031,233,169	179,503,264	1,210,736,433	

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

UNION PETROCHEMICAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2021

	The Company Only						(Unit: Baht)		
	Note	Issued and paid-up share capital	Share premium	Treasury shares	Retained earnings			Total	
					Appropriated	Treasury shares reserve			Unappropriated
Balance as at January 1, 2020		309,070,185	87,738,274	-	24,235,000	306,313,343	727,356,802		
Profit for the year		-	-	-	-	84,821,505	84,821,505		
Other comprehensive income for the year		-	-	-	-	-	-		
Total comprehensive income for the year		-	-	-	-	84,821,505	84,821,505		
Ordinary shares issuance from exercised warrants	28	153	153	-	-	-	306		
Statutory reserve	25	-	-	-	4,300,000	(4,300,000)	-		
Cash dividend payment	30	-	-	-	-	(20,023,309)	(20,023,309)		
Treasury shares purchased during the year	26	-	-	(13,852,912)	-	(13,852,912)	(13,852,912)		
Balance as at January 1, 2021		309,070,338	87,738,427	(13,852,912)	28,535,000	352,958,627	778,302,392		
Profit for the year		-	-	-	-	185,869,383	185,869,383		
Other comprehensive income for the year		-	-	-	-	-	-		
Total comprehensive income for the year		-	-	-	-	185,869,383	185,869,383		
Reduction of registered capital		-	-	-	-	-	-		
from elimination of treasury shares	26	(18,557,275)	-	66,017,527	-	18,557,275	-		
Treasury shares purchased during the year	26	-	-	(52,164,615)	-	(52,164,615)	(52,164,615)		
Statutory reserve	25	-	-	-	517,000	(517,000)	-		
Cash dividend payment	30	-	-	-	-	(63,903,410)	(63,903,410)		
Balance as at December 31, 2021		290,513,063	87,738,427	-	29,052,000	440,800,260	848,103,750		

(Unit: Baht)

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

UNION PETROCHEMICAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

CASH FLOW STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2021

(Unit: Baht)

	Note	Consolidated		The Company Only	
		2021	2020	2021	2020
<u>Cash flows from operating activities</u>					
Profit before tax		142,792,834	132,432,915	220,671,118	109,360,660
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:					
Depreciation and amortisation		39,328,256	43,233,122	31,473,024	31,060,322
Allowance for expected credit losses (reversal)		489,540	(213,478)	713,190	(437,128)
Reduce cost of inventories to net realisable value (reversal)		8,283,631	5,828,587	7,404,115	224,314
Loss from measured at fair value of other non-current financial assets		-	1,500,781	-	1,500,781
Loss on impairment of investment property		1,346,000	-	-	-
Loss on impairment of intangible assets		1,113,300	-	-	-
Loss on impairment of fixed assets		8,625,983	-	-	-
Loss from the change in the rental rate under the lease agreement		3,185,196	-	3,171,196	-
Loss (gain) on sales of vehicles and equipment		3,208,740	(725,194)	-	(1,129,399)
Loss (gain) on fair value measurement of other financial assets		(201,236)	-	(201,236)	-
Provision for long-term employee benefits		1,990,889	2,033,989	1,448,841	1,448,841
Dividend income		-	-	(51,255,263)	-
Interest income		(3,321,792)	(2,730,305)	(392,591)	(712,563)
Interest expenses		10,296,718	11,610,339	10,212,526	9,706,926
Unrealised (gain) loss from forward exchange contracts		88,961	(3,020,535)	-	(3,059,454)
Unrealised loss (gain) on exchange rate		(3,053,134)	(239,359)	(3,191,167)	(75,409)
Profit (loss) from operating activities before changes in operating assets and liabilities		214,173,886	189,710,862	220,053,753	147,887,891
Operating assets (increase) decrease					
Trade and other current receivables		(231,511,805)	71,673,332	(199,831,365)	(37,438,498)
Inventories		(285,631,158)	91,221,990	(300,926,126)	10,222,883
Other current assets		(7,626,315)	(7,526,292)	(7,216,575)	(8,920,029)
Other non-current assets		(1,565,447)	2,680,992	(1,015,275)	(15,500)
Operating liabilities increase (decrease)					
Trade and other current payables		116,093,016	(53,808,394)	112,256,695	(29,137,622)
Other current liabilities		1,888,223	(3,088,823)	376,999	(1,695,717)
Cash flows from operating activities		(194,179,600)	290,863,667	(176,301,894)	80,903,408
Cash paid for employee benefits		-	(126,968)	-	-
Cash paid for tax expenses		(40,595,836)	(33,241,971)	(39,159,311)	(12,798,910)
Net cash flows from (used in) operating activities		(234,775,436)	257,494,728	(215,461,205)	68,104,498

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

UNION PETROCHEMICAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

CASH FLOW STATEMENT (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2021

(Unit: Baht)

	Note	Consolidated		The Company Only	
		2021	2020	2021	2020
<u>Cash flows from investing activities</u>					
Cash paid for invested in ordinary shares of subsidiaries		-	-	(20,624,600)	-
Cash received inverted in other current financial assets		34,494,638	-	34,494,638	-
Cash paid to invested in other current financial assets		(24,750,000)	(45,000,000)	(24,750,000)	(45,000,000)
Cash paid to acquisition of fixed assets		(32,955,021)	(4,427,470)	(6,458,693)	(951,543)
Cash recieved from sales of vehicles and equipment		2,339,238	3,852,722	-	2,359,450
Acquisition of intangible asset		(420,726)	(28,000)	-	(28,000)
Cash received in interest income		3,647,797	2,331,598	787,509	317,645
Dividend income received from a subsidiary		-	-	51,255,262	-
Cash received for sale of non-current financial assets		61,889,331	34,050,830	-	-
Net cash flows from (used in) investing activities		44,245,257	(9,220,320)	34,704,116	(43,302,448)
<u>Cash flows from financing activities</u>					
Increase (decrease) in short-term loans from financial institutions		203,116,745	(79,115,931)	226,303,784	45,825,314
Repayment of liabilities under lease agreement		(27,891,615)	(27,809,025)	(26,031,807)	(22,310,624)
Dividend payment to the Company's shareholders		(63,903,409)	(20,023,309)	(63,903,409)	(20,023,309)
Dividend payment to non-controlling interests of the subsidiary		(25,257,704)	-	-	-
Cash received from ordinary shares and the exercise of warrants to purchase ordinary shares		-	306	-	306
Cash received for payment in ordinary shares of subsidiary from non-controlling interests of the Company		12,000,400	-	-	-
Cash paid for interests expenses		(10,107,370)	(12,421,716)	(9,955,195)	(10,407,636)
Cash paid for purchase of treasury shares		(52,164,615)	(226,432,912)	(52,164,615)	(13,852,912)
Net cash flows from (used in) financing activities		35,792,432	(365,802,587)	74,248,758	(20,768,861)
Net increase (decrease) in cash and cash equivalents		(154,737,747)	(117,528,179)	(106,508,331)	4,033,189
Cash and cash equivalents at the beginning of the year		543,871,102	661,399,281	252,878,440	248,845,251
Cash and cash equivalents at the end of the year		389,133,355	543,871,102	146,370,109	252,878,440
Supplemental cash flow information					
Non-cash transactions					
Increase in righ-of-use assets under lease agreement		4,900,700	105,284,329	4,900,700	95,936,279

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

UNION PETROCHEMICAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

1. GENERAL INFORMATION

(a) Address and legal status

Union Petrochemical Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The registered office of the Company is at 728 Union House Building, Boromrachachonnee Road, Kwang Bangbumru, Khet Bangplad, Bangkok.

(b) Nature of the Company’s and operations

The Company is principally engaged in the import and distribution of chemical products.

2. CORONAVIRUS DISEASE 2019 PANDEMIC

The Coronavirus disease 2019 pandemic is continuing to evolve, resulting in an economic slowdown and adversely impacting businesses and industries as a whole. This situation may affect the results of operations of business. Nevertheless, the management of the Company and its subsidiaries have continuously monitored ongoing developments and regularly assess the financial impact in respect of the valuation of assets, provisions and contingent liabilities.

3. BASIS OF PREPARATION

3.1 Basis for the preparation of financial statements

The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 11 October 2016, issued under the Accounting Act B.E. 2543.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

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

3.2 Basis of consolidation

- a) For reporting purpose, the Company and its subsidiaries are referred to as “the Group”. The Company has subsidiaries as follows:

Company's name	Nature of business	Country of incorporation	Paid-up capital		Percentage of Shareholding	
			2021	2020	2021	2020
			(Thousand Baht)	(Thousand Baht)	(Percent)	(Percent)
<u>Direct subsidiaries</u>						
Gratitude Infinite Public Company Limited	Import and distribution of chemical	Thailand	330,812	412,812	66.99	66.99
Lion Asia (Thailand) Company Limited	Distribution of chemical Products and electronic equipment	Thailand	30,000	30,000	99.99	99.99
Thai Cococraft Company Limited **	Engaged in manufacturing and selling of all types of products from coconut food processing	Thailand	3,500	3,500	75.00	75.00
Mahanakhorn Capital Company Limited **	Short-term credit facility for car selling business	Thailand	30,000	5,000	60.00	60.00
<u>Indirect subsidiaries</u>						
Lavish Laboratory Company Limited *	Production and distribution of supplementary	Thailand	50,000	50,000	66.98	66.98
Natural Gift Society *	Selling pharmaceutical and medical products, fragrances and skincare cosmetics, and supplements	Thailand	5,000	5,000	66.98	66.98

* Held by a subsidiary: Gratitude Infinite Public Company Limited.

** According to the resolution of the Board of Directors' Meeting No.8/2020 held on November 12, 2020, the board had a resolution to approve the investment plan in establishing the subsidiary. The Company paid for shares in during year 2021.

- b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- c) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- e) Material balances and transactions between the Company and its subsidiary companies have been eliminated from the consolidated financial statements.
- f) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated statements of financial position.

4. FINANCIAL REPORTING STANDARDS

4.1 Financial reporting standards that became effective in the current year

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

The adoption of these financial reporting standards does not have any significant impact on the financial statements in the current year.

4.2 Financial reporting standards that will become effective in the future

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

The management of the Company and its subsidiaries have assessed that these revised standards will not have any significant impact on the financial statements in the year when they are adopted.

5. SIGNIFICANT ACCOUNTING POLICIES

5.1 Revenue and expenses recognition

Sale of goods

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

Revenue from rendering of services

Service revenue is recognised over time when services have been rendered considering the stage of completion.

Revenue from cryptocurrency mining

Revenue from cryptocurrency mining is affiliated with the Bitcoin mining pool, provides verification and validation of blockchain transactions and is compensated with cryptocurrencies by the Bitcoin mining pool.

Revenue from cryptocurrency mining is recognised when the Group has provided a service and received cryptocurrency from the Bitcoin mining pool, at the fair value of the cryptocurrencies on the date of receipt.

Fair value of cryptocurrencies measured at the closing price that's the Group have designated as the main market for trading digital assets.

Interest income

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

Dividend income

Dividend is considering to be income when the group is eligible to service the dividend.

Other income and expenses

Other income and expenses are recognised on an accrual basis.

5.2 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

5.3 Inventories

Inventories are stated at the lower of cost or net realizable value. Cost is calculated as follows :-

Finished goods - First-in-First-out method

Raw material and packaging - First-in-First-out method

The cost of inventories comprises all costs of purchase and costs of conversion include an appropriate share of production overheads based on normal production capacity.

The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventory, such as import duties, transportation charges and other direct costs incurred in acquiring the inventories less all trade discounts, allowances or rebates.

The Company has provided allowance for value decrease from inventory taking into account slow moving goods at the end of the period.

5.4 Financial Instruments

Classification and measurement of financial assets

Financial assets are classified, 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 and its subsidiaries' business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Equity instruments can be classified and cannot be changed by two types of measurement which are measuring fair value through profit or loss or measuring fair value through other comprehensive income that without recycling to profit or loss.

The initial recognition of financial assets that are not measured at fair value through profit or loss with fair value plus or deduct transaction cost directly related to the acquisition or issuance. Financial assets that are measured at fair value through profit or loss, transaction costs are recognised as expense in profit or loss. However, trade receivables, that do not contain a significant financing component are measured at the transaction price.

Subsequent measurement of debt instruments by 3 methods depends on the classification of debt instruments.

- Financial assets measured at amortized cost when financial assets are held to receive cash flow under the agreement and condition of the agreement of the financial assets that generate cash flow to pay the principal and interest from the principal balance on the specified date only. Such financial assets have to be calculated using the effective rate and are subject to impairment assessment. Profit or loss arising from derecognised, modified or impaired will be recognised in profit or loss.
- Financial assets measured at fair value through other comprehensive income when financial assets are held to receive cash flow under the agreement and to sell financial assets and the agreement condition of financial assets generating cash flow that only pays the principal and interest from the principal balance on the specified date. The change of value of financial assets is recognised through other comprehensive income except loss on impairment and interest income and gain and loss on exchange rate are recognised as profit or loss upon recognised of financial assets. Earning or deficit previously recognised in other comprehensive income has to be reclassified into profit or loss. Such financial asset has to be calculated using the effective interest rate same as financial assets measured at amortized cost.
- Financial assets measured at fair value through profit or loss when financial assets that do not meet the criteria for amortized cost or financial assets measured at fair value through other comprehensive income will be presented in the statement of financial position at fair value by recognizing the net change of fair value in profit or loss.

Subsequent valuation of equity instruments must present equity instruments using the fair value and record profit/loss from change in fair value through profit or loss or other comprehensive income depending on equity instruments classification.

Classification and valuation of financial liabilities

The Company and its subsidiaries are recognised initially of financial liabilities at fair value net of transaction costs and classified as financial liabilities as financial liabilities subsequently measured at amortized cost using the effective rate. The amortized cost is calculated taking into account fees or costs that are an integral part of the effective rate. Amortization by the effective rate is presented as part of financial costs in profit or loss.

Derivative

Derivative is recognised at fair value and measured fair value at the end of the reporting period. Profit or loss from fair value remeasurement is recognised in profit or loss immediately unless that derivative is used for hedge.

Derecognition of financial instruments

Financial assets will be derecognised from the account when the right to receive cash flow of such asset has ended or when the right to receive cash flow of the assets is transferred including upon the transfer of all risk and consideration of that asset or transfer of internal control in that asset although there is no transfer or maintaining of nearly all risk and consideration of such asset.

Financial liabilities will be derecognised from the account when the obligation of such liabilities has been complied, the obligation is cancelled or the obligation has ended. In case existing financial liabilities are changed to new liabilities from one single lender with considerably different requirements or there is a significant amendment in the requirements of existing liabilities, these are considered as recognition old liabilities and recognizing new liabilities by recognizing the difference of such carrying value under profit or loss.

Impairment of financial assets

Expected credit loss for financial assets measured at amortized cost or debt instrument financial asset measured at fair value through other comprehensive income and assets arising from credit facility obligation and financial guarantee agreement are assessed without having to wait for the credit event to occur first. The Company and its subsidiaries use the general approach in considering the allowance for loss on impairment. For trade receivables, the Company and its subsidiaries apply a simplified approach in calculating ECLs. The Company and its subsidiaries recognize a loss based on lifetime ECLs at each reporting date. It is based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

Offset of financial instruments

Financial assets and liabilities will be offset and presented at net balance in the statement of financial position in the case legally enforced in offsetting the recognised amount. The Company and its subsidiaries intend to pay the net balance or intends to receive assets and settle payment of liabilities at the same time.

5.5 Investment properties

Investment properties which is land, are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less allowance for loss on impairment (if any). No depreciation is provided to investment properties.

On disposal of investment properties, the difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period when the asset is derecognised.

5.6 Property, plant and equipment / Depreciation

Land is stated at cost. Buildings and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation of buildings and equipment is calculated by reference to their costs on the straight-line basis.

Depreciation of cryptocurrency mining equipment is calculated by reference to their costs on sum of the year digits basis.

Following estimated useful lives:

	<u>Useful lives</u>
Buildings and leasehold improvement	10 and 20 years
Machinery, tools and factory equipment	3 - 10 years
Furniture and office equipment	3 - 5 years
Motor vehicles	5 and 10 years
Cryptocurrency mining equipment	5 years

Depreciation is included in determining income.

No depreciation is provided on land and assets under installation and construction.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

5.7 Leases

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

The Group assess the lease term for the non-cancellable period as stipulated in lease contract or the remaining period of active leases at the date of initial application (as at January 1, 2020) together with any period covered by an option to extend the lease if it is reasonably certain to be exercised or any periods covered by an option to terminate the lease if it is reasonably certain not to be exercise by considering the effect of changes in technology and/or the other circumstance relating to the extension of the lease term.

Right-of-use assets-as a lessee

Right-of-use assets are recognised at the commencement date of the lease. Right-of-use assets are stated at cost, less any accumulated depreciation and impairment losses (if any), and adjusted for any remeasurement of lease liabilities (if any). The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date, less any lease incentives received.

The cost of right-of-use assets also includes an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Right-of-use assets are calculated by reference to their costs on a straight-line basis over the shorter of the lease term and the estimated useful lives for each of right-of-use assets.

Lease liabilities

At the commencement date of the lease, lease liabilities are stated at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable (if any) and amount expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the group and payments of penalties for terminating the lease, if the lease term reflects the group exercising the option to terminate.

In calculating the present value of lease payments, the group use its incremental borrowing rate, which is determined by referring to the government bond yield adjusted with risk premium depending on the lease term, at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of the interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Group apply the short-term lease recognition exemption to its short-term leases (those leases that have a lease term of 12 months or less from the commencement date and not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Operating lease payments are recognised as an expense in profit or loss on a straight line basis over the lease term.

5.8 Intangible assets

Intangible assets are carried at cost less accumulated amortisation and impairment loss (if any).

Intangible assets are computer software and the operation licenses. Intangible assets with finite lives are amortised on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

A summary of the intangible assets with finite useful lives is as follows:

	<u>Useful lives</u>
Computer software	3 - 5 years
Operation licenses	10 years

Intangible assets are cryptocurrency assets

The cryptocurrency business is a new business globally and there are not yet any directly applicable financial reporting standards. Therefore, since the Group considers the objective of investing in cryptocurrency assets to be for long-term investment. The Group has adopted the principles of TAS 38, Intangible Assets, and classifies them as non-current assets.

The Group initially recognises cryptocurrency assets at cost, which is the fair value on the asset on the date of receipt. Following initial recognition, the assets are carried at cost (weighted average method) less any accumulated impairment losses (if any). The Group does not amortise cryptocurrency assets because they are indefinite useful lives. The assessment of their status with indefinite useful lives is reviewed annually.

At the end of each reporting period, the Group performs impairment reviews on cryptocurrency assets. An impairment loss is recognised when the carrying amount is higher than the asset's fair value at the end of the reporting period, with fair value measured using the closing price at the end of the reporting period on CoinMarketCap.

Cryptocurrency assets are derecognised upon disposal or when no future economic benefits are expected from their use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

5.9 Related party transactions

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

They also include associated companies, and individuals or enterprises which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors, and officers with authority in the planning and direction of the Company's operations.

5.10 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Company's functional currency. Items of each entity included in the consolidated financial statements are measured using that functional currency of that entity.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period, with the exception of those covered by forward exchange contracts, which are translated at the contracted rates.

Gains and losses on exchange are included in determining income.

5.11 Impairment of assets which are not financial assets

At the end of each reporting period, the Group perform impairment reviews in respect of the property, plant and equipment and other intangible 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.

An impairment loss is recognised in profit or loss.

5.12 Employee benefits

Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

Post-employment benefits

Defined contribution plans

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

Defined benefit plans

The Group has obligations in respect of the severance payments. It must make to employees upon retirement under labor law. The Company treats these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from defined benefit plan are recognised immediately in other comprehensive income.

5.13 Provisions

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

5.14 Treasury shares

Treasury shares are stated at cost and presented as a deduction from shareholders' equity. Gains on disposal of treasury shares are determined by reference to the carrying amount and are presented as premium on treasury shares. Losses on disposal of treasury shares are determined by reference to the carrying amount and are presented in premium on treasury share and retained earnings, consecutively.

5.15 Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Group recognise deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences can be utilised.

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

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

6. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgements and estimates are as follows:

Allowance for expected credit losses

In determining allowance for expected credit losses, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

Allowance for declining in value of inventory

The determination of allowance for declining in the value of inventory requires management to make judgements and estimates of the loss expected to occur. The allowance for decline in net realizable value is estimated based on the selling price expected in the ordinary course of business less selling expense. The provision for obsolete slow-moving and deteriorated inventory is estimated based on the approximate useful life of each type of inventory. The allowance for diminution in value of inventory as determined is compared with the original balance in the books of account and the increase or decrease in the allowance for diminution in value of inventory will be recognised as cost of sales and service in profit or loss.

Property, plant and equipment and right-of-use assets and depreciation

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

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

Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimated future taxable profits.

Post-employment benefits under defined benefit plans

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

Determining the lease term of contracts with renewal and termination options

The Group determine the lease term as the non-cancellable term of the lease, together with any period covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The management is required to use judgment in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease, considering all relevant factors that create an economic incentive to exercise either the renewal or termination. After the commencement date, the Group reassess the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

Fair valuation of financial assets and derivatives

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The group use judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. Details of key assumptions used are included in Note 36.

Estimating the incremental borrowing rate

The Company and its subsidiaries cannot readily determine the interest rate implicit of the lease. Therefore, the incremental borrowing rate of the Company and its subsidiaries are used to discount lease liabilities. The incremental borrowing rate is the rate of interest that the Company and its subsidiaries would have to pay for necessary borrowing to acquire the assets, or assets with close value to right-of-use assets in similar economic environment, borrowing period and borrowing security.

7. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The Company's management have assessed which business models applied to the financial assets and liabilities and have classified the financial assets and liabilities as below. The classification of the financial assets and liabilities as at December 31, 2021 and 2020 as below :-

	(Unit: Thousand Baht)			
	Consolidated			
	Fair value through PL	FVOCI	Amortized cost	Total
Financial assets as at December 31, 2021				
Cash and cash equivalents	-	-	389,133	389,133
Trade and other current receivables	-	-	841,452	841,452
Receivable under the loan agreement	-	-	31,808	31,808
Other current financial assets	35,457	-	-	35,457
Other non-current financial assets	-	5,261	-	5,261
	<u>35,457</u>	<u>5,261</u>	<u>1,262,393</u>	<u>1,303,111</u>
Financial liabilities as at December 31, 2021				
Short-term loans from financial institutions	-	-	654,288	654,288
Trade and other current payables	-	-	348,060	348,060
Lease liabilities	-	-	58,600	58,600
Other current liabilities	<u>3,836</u>	<u>-</u>	<u>-</u>	<u>3,836</u>
	3,836	-	1,060,948	1,064,784

(Unit: Thousand Baht)

	The Company Only			
	Fair value through	FVOCI	Amortized cost	Total
	PL			
Financial assets as at December 31, 2021				
Cash and cash equivalents	-	-	146,370	143,762
Trade and other current receivables	-	-	786,337	786,462
Other current financial assets	35,457	-	-	35,457
Other non-current financial assets	-	5,261	-	5,261
	35,457	5,261	932,707	973,425
Financial liabilities as at December 31, 2021				
Short-term loans from financial institutions	-	-	654,288	654,288
Trade and other current payables	-	-	333,684	333,684
Lease liabilities	-	-	57,722	57,722
Other current liabilities	1,278	-	-	1,278
	1,278	-	1,045,694	1,046,972

(Unit: Thousand Baht)

	Consolidated			
	Fair value through	FVOCI	Amortized cost	Total
	PL			
Financial assets as at December 31, 2020				
Cash and cash equivalents	-	-	543,871	543,871
Trade and other current receivables	-	-	642,238	642,238
Other current financial assets	-	-	45,000	45,000
Other non-current financial assets	-	101,675	-	101,675
	-	101,675	1,231,109	1,332,784
Financial liabilities as at December 31, 2020				
Short-term loans from financial institutions	-	-	451,572	451,572
Trade and other current payables	-	-	234,402	234,402
Lease liabilities	-	-	78,419	78,419
Other current liabilities	107	-	-	107
	107	-	764,393	764,500

(Unit: Thousand Baht)				
The Company Only				
	Fair value through PL	FVOCI	Amortized cost	Total
Financial assets as at December 31, 2020				
Cash and cash equivalents	-	-	252,878	252,878
Trade and other current receivables	-	-	587,219	587,219
Other current financial assets	-	-	45,000	45,000
Other non-current financial assets	-	5,261	-	5,261
	-	5,261	885,097	890,358
Financial liabilities as at December 31, 2020				
Short-term loans from financial institutions	-	-	428,527	428,527
Trade and other current payables	-	-	223,818	223,818
Lease liabilities	-	-	75,682	75,682
Other current liabilities	12	-	-	12
	12	-	728,027	728,039

8. RELATED PARTY TRANSACTIONS

During the year, the Group had significant business transactions with related parties. Such transactions, which are summarized below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company, subsidiaries and those related parties.

(Unit: Thousand Baht)					
	Consolidated		The Company Only		Transfer pricing policy
	2021	2020	2021	2020	
<u>Transactions with subsidiary companies</u>					
(eliminated from the consolidated financial statements)					
Sales of goods	-	-	71,472	48,415	As mutual agreement
Other income	-	-	1,148	1,416	As mutual agreement
Dividend income	-	-	51,255	-	Declared rate
Purchases of goods	-	-	102,883	72,003	As mutual agreement
<u>Transactions with related companies</u>					
Rental expenses	2,819	2,819	2,696	2,696	Contract price (close to market price)
Utilities expenses	179	207	160	184	As mutual agreement
<u>Transactions with related companies</u>					
<u>that has directors as shareholders</u>					
Sales of goods	-	23,573	-	-	As mutual agreement (close to market price)

As at December 31, 2021 and 2020, the balances of the accounts between the Company and those related parties are summarised below:

	(Unit: Thousand Baht)			
	Consolidated		The Company Only	
	2021	2020	2021	2020
<u>Trade and other receivables - related parties (Note 10)</u>				
Subsidiaries				
Gratitude Infinite Public Company Limited	-	-	1,997	53
Lion Asia (Thailand) Company Limited	-	-	37,095	16,614
Total trade and other current receivables - related parties	-	-	39,092	16,667

	(Unit: Thousand Baht)			
	Consolidated		The Company Only	
	2021	2020	2021	2020
<u>Trade and other payables - related parties (Note 23)</u>				
Subsidiaries				
Lion Asia (Thailand) Company Limited	-	-	21,281	5,427
Related parties				
Firsttraco Company Limited	315	245	244	243
Fiveloop Company Limited	411	411	411	411
Directors	387	31	74	11
Total trade and other payables - related parties	1,113	687	22,010	6,092

Directors and management's remuneration

Management benefit expenses represent the benefits paid to the Company's management such as salaries and related benefit including the benefit paid by other means. The Company's management are the persons who are defined under the Securities and Exchange Act.

For the years ended December 31, 2021 and 2020, the Group had employee benefit expenses of their directors and management as follows: -

	(Unit: Thousand Baht)			
	Consolidated		The Company Only	
	2021	2020	2021	2020
Short-term employee benefits	24,442	26,880	15,999	17,286
Post-employment benefits	628	649	227	228
Total	25,070	27,529	16,226	17,514

9. CASH AND CASH EQUIVALENTS

	(Unit: Thousand Baht)			
	Consolidated		The Company Only	
	2021	2020	2021	2020
Cash	307	391	220	220
Bank deposits	388,827	543,480	146,150	252,658
Total	389,134	543,871	146,370	252,878

As at December 31, 2021, bank deposits in saving accounts and fixed deposits carried interests between 0.05 to 0.25 percent per annum (2020: between 0.13 to 0.35 percent per annum).

10. TRADE AND OTHER CURRENT RECEIVABLES

	(Unit: Thousand Baht)			
	Consolidated		The Company Only	
	2021	2020	2021	2020
Trade receivables - related parties (Note 8)				
Aged on the basis of due dates				
Not yet due	-	-	30,368	16,561
Past due				
up to 3 months	-	-	8,713	-
Total trade receivables - related parties	-	-	39,081	16,561
Trade receivables - unrelated parties				
- Domentec				
Aged on the basis of due dates				
Not yet due	689,435	511,244	610,308	456,841
Past due				
Up to 3 months	151,103	130,060	136,309	112,555
3 - 6 months	565	971	279	969
6 - 12 months	281	275	281	275
Over 12 months	1,812	1,253	1,230	672
Total trade receivables - unrelated parties	843,196	643,803	748,407	571,312
Total trade receivables	843,196	643,803	787,488	587,873
Less: Allowance for doubtful accounts	(2,058)	(1,569)	(1,477)	(764)
Total trade receivables - net	841,138	642,234	786,011	587,109

	(Unit: Thousand Baht)			
	Consolidated		The Company Only	
	2021	2020	2021	2020
Other current receivables				
Other receivables - related parties	-	-	11	106
Other receivables - unrelated parties	314	4	315	4
Total other receivables	314	4	326	110
Total trade and other receivables - net	841,452	642,238	786,337	587,219

The changes in the allowance for doubtful accounts are as follows:

	(Unit: Thousand Baht)			
	Consolidated		The Company Only	
	2021	2020	2021	2020
Beginning balance as at January 1	1,569	1,782	764	1,201
Increase (decrease) during the year	(489)	(213)	713	(437)
Bad debts written off during the year	-	-	-	-
Ending balance as at December 31	2,058	1,569	1,477	764

11. RECEIVABLE UNDER THE LOAN AGREEMENT

	(Unit: Thousand Baht)	
	Consolidated	
	2021	2020
Being forward , beginning year	-	-
Loan , during the year	113,404	-
Repayment , during the year	(145,212)	-
Ending balance	31,808	-

As at December 31, 2021, Mahanakhorn Capital Company Limited which is the subsidiary of the Company has receivable under short-term loan agreement of Baht 31.81 million, due within one year with the interest at the rate of 12 percent per annum. Such receivable has been vehicle registration manual as collateral for the loan.

12. INVENTORIES

	(Unit: Thousand Baht)					
	Consolidated					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2021	2020	2021	2020	2021	2020
Raw materials	1,136	1,443	(1,129)	(597)	7	846
Finished goods	547,833	273,459	(16,285)	(8,368)	531,548	265,091
Goods in transit	51,320	40,556	-	-	51,320	40,556
Packing materials	2,846	2,317	(1,210)	(1,375)	1,636	942
Total	603,135	317,775	(18,624)	(10,340)	584,511	307,435

	(Unit: Thousand Baht)					
	The Company Only					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2021	2020	2021	2020	2021	2020
Finished goods	529,435	241,375	(9,626)	(2,222)	519,809	239,153
Goods in transit	50,071	38,359	-	-	50,070	38,359
Packing materials	1,664	510	-	-	1,664	510
Total	581,170	280,244	(9,626)	(2,222)	571,543	278,022

As of December 31, 2021, Gratitude Infinite Public Company Limited, a subsidiary of the Company reduce the value of inventories to be the net realizable value of Baht 8.76 million.

For the year ended December 31, 2021, the Group reduced the amount of inventories to net realizable value amounting to Baht 8.28 million (The Company Only: Baht 7.40 million) as part of cost of sales (for the year 2020: The Group reduced the amount of inventories of Baht 5.83 million (The Company Only: Baht 0.23 million), recognised as cost of sales).

12. OTHER CURRENT FINANCIAL ASSETS

As at December 31, 2021 and 2020, details of other current financial assets are as follows:

	(Unit: Thousand Baht)	
	Consolidated / The Company Only	
	2021	2020
<u>Financial assets measured at amortized cost</u>		
Fixed deposit		
Fixed deposit with maturity 1 year	20,505	45,000
Total fixed deposit	20,505	45,000
<u>Financial assets measured at fair value through profit and loss.</u>		
Investment units of mutual fund	14,750	-
<u>Add Unrealised gain (loss) on changes in fair value</u>		
of financial assets	201	-
Investment in debt instruments - at fair value	14,951	-
Total other current financial assets	35,456	45,000

As at December 31, 2021, the fixed deposit with maturity 1 year with carries interest at the rate of 0.50 percent per annum (as at December 31, 2020: interest rate at 1.10 percent per annum) which was measured at the fair value hierarchy in level 1. Invests in units of mutual fund which was measured at the fair value hierarchy in level 2 (Note 36 to financial statements).

14. OTHER CURRENT ASSETS

	(Unit: Thousand Baht)			
	Consolidated		The Company Only	
	2021	2020	2021	2020
Revenue department receivable	9,699	6,246	7,398	4,277
Prepaid expenses	6,195	10,455	5,706	9,808
Undue input VAT	10,269	3,401	9,935	3,331
Others	2,222	983	1,933	735
Total other current assets	28,385	21,085	24,972	18,151

15. OTHER NON-CURRENT FINANCIAL ASSETS

As at December 31, 2021 and 2020, other non-current financial assets are as follows:

(Unit: Thousand Baht)						
Type of investments	Consolidated					
	Cost		Unrealised loss on changes in fair value		Carrying amount	
	2021	2020	2021	2020	2021	2020
<u>Financial assets measured at fair value through other comprehensive income</u>						
Investment in marketable securities	60,763	125,798	(11,108)	(29,384)	49,655	96,414
Investment in non-marketable securities	8,050	8,050	(2,789)	(2,789)	5,261	5,261
Total	68,813	133,848	(13,897)	(32,173)	54,916	101,675

(Unit: Thousand Baht)						
Type of investments	The Company Only					
	Cost		Unrealised loss on changes in fair value		Carrying amount	
	2021	2020	2021	2020	2021	2020
<u>Financial assets measured at fair value through profit or loss</u>						
Investment in non-marketable securities	8,050	8,050	(2,789)	(2,789)	5,261	5,261
Total	8,050	8,050	(2,789)	(2,789)	5,261	5,261

Investment in marketable securities

Investments in equity in marketable securities are stated at fair value using inputs of Level 1 which is use of quoted market prices in an observable active market for such assets or liabilities (see Note 36 to financial statements). Such fair value of investment in equity securities investments has been determined by using the last bid price of the last working day of the year from the Stock Exchange of Thailand.

For the years ended December 31, 2021 and 2020, the movements of Investment in marketable securities are as follows:

(Unit: Thousand Baht)		
	Consolidated	
	2021	2020
Book value as at January 1 - net	96,414	122,409
Disposal during the year - at cost	(65,034)	(31,643)
Profit (loss) on financial assets measured at fair value	18,275	5,648
Book value as at December 31- net	49,655	96,414

	(Unit: Thousand Baht)	
	Consolidated	
	2021	2020
Profit (loss) from disposal of investments	(3,146)	2,407

During the year 2021 and 2020, the subsidiary disposed investments in equity securities with its fair value totaling Baht 65.03 million and Baht 31.64 million. The Company recognised loss on disposal of these investments from other comprehensive income and transferred such loss to “retained earnings-unappropriated” as presented in the Statement of change in shareholders’ equity.

Investment in non-marketable securities

Investments in equity in non-marketable securities of Fiveloop Company Limited for 46,914 ordinary, representing 19% of the registered capital of such company. Fiveloop Company Limited is principally engaged in the software package services and E-Commerce. are stated at fair value using inputs of Level 3 (see Note 36 to financial statements).

16. INVESTMENTS IN SUBSIDIARIES

Details of investments in subsidiaries as presented in separate financial statements are as follows:

	(Unit: Thousand Baht)					
	The Company Only					
Company's name	Cost		Allowance for impairment of investments		Carrying amounts based on cost method-net	
	2021	2020	2021	2020	2021	2020
Gratitude Infinite Public Company Limited	174,554	174,554	-	-	174,554	174,554
Lion Asia (Thailand) Company Limited	30,000	30,000	(15,000)	(15,000)	15,000	15,000
Mahanakhorn Capital Company Limited	17,999	-	-	-	17,999	-
Thai Cococraft Company Limited	2,625	-	-	-	2,625	-
Total	225,178	204,554	(15,000)	(15,000)	210,178	189,554

For the year ended December 31, 2021, the Company received dividends from Gratitude Infinite Public Company Limited in the amount of Baht 51.26 million.

16.1 Treasury shares and appropriated retained earnings for treasury shares of Gratitude Infinite Public Company Limited

As at December 31, 2020, the subsidiary has the treasury shares totaling 82 million ordinary share, or 19.86% of the total number of issued and fully paid up shares, for a total of Baht 266.76 million. As a result, the treasury shares purchased its shareholding in Gratitude Infinite Public Company Limited has increased from 55.29% to 66.99%.

According to letter No. Gor Lor Tor. Chor Sor. (Vor) 2/2548 of the Office of the Securities and Exchange Commission concerning the acquisition of treasury shares, dated February 14, 2005, a public limited company may purchase back treasury shares in an amount not exceeding the amount of its retained earnings and is to appropriate an equal amount of retained earnings to a reserve for treasury shares, which must be maintained until the subsidiary either sells the treasury shares or reduces its paid-up share capital by an amount equal to the value of treasury shares which it was unable to sell.

As at December 31, 2020, the subsidiary allocated unappropriated retained earnings to a reserve for treasury shares of treasury shares program for the year 2018 and 2020, totaling Baht 266.76 million.

15.2 Reduction of registered capital of subsidiary

On February 22, 2021, the Board of Directors' Meeting of Gratitude Infinite Public Company Limited No. 1/2021, it had a resolution to approve the paid-up of the capital decrease registration for 82 million ordinary shares that cannot be sold within the specified period with the Department of Business Development, Ministry of Commerce. The subsidiaries had registered the paid-up of the capital decrease registration for 82 million ordinary shares that cannot be sold within the specified period with the Department of Business Development, Ministry of Commerce on March 26, 2021.

The movement of the repurchase ordinary shares and the premium for the year ended December 31, 2021 as follows

	Consolidated	
	Shares (thousand shares)	Repurchase shares (thousand Baht)
Beginning period, January 1, 2021	82,000	266,763
Reduction of registered capital	(82,000)	(266,763)
Balance, December 31, 2021	-	-

16.3 Increase of the subsidiary's registered capital

On May 27, 2021, the Extraordinary Shareholders' Meeting No.1/2021 of Mahanakhorn Capital Company Limited had a resolution to increase the registered capital from the former ordinary shares of 0.05 million shares at Baht 100 per share, totaling Baht 5 million to the ordinary shares 0.30 million shares, totaling Baht 30 million. The increase in registered capital of Baht 25 million, divide ordinary share of 0.25 million shares with a par value of Baht 100 per share. The subsidiary registered to increase the capital with the Department of Business Development, Ministry of Commerce on June 9, 2021.

16.4 Details of investments in subsidiary that have material non-controlling interests

(Unit: Million Baht)

Company's name	Proportion of equity interest held by non-controlling interests		Accumulated balance of non-controlling interests		Profit allocated to non-controlling interests during the year		Dividend paid to non-controlling interests during the year	
	2021	2020	2021	2020	2021	2020	2020	2019
	(Percent)	(Percent)						
Gratitude Infinite Public Company Limited	33.01	33.01	179.50	198.35	(10.27)	4.72	25.26	-

16.5 Summarised financial information that based on amounts before inter-company elimination about subsidiary that has material non-controlling

Summarised information about financial position

(Unit: Million Baht)

	Gratitude Infinite Public Company Limited	
	2021	2020
Current assets	329.42	355.63
Non-current assets	217.36	294.91
Current liabilities	34.18	40.92
Non-current liabilities	0.84	2.98

Summarised of information about comprehensive income

(Unit: Million Baht)

	Gratitude Infinite Public Company Limited	
	2021	2020
Revenues	171.95	422.69
Profit	(31.12)	11.69
Other comprehensive income	15.89	11.09
Total comprehensive income	(15.23)	22.78

Summarised of information about cash flow

	(Unit: Million Baht)	
	Gratitude Infinite Public Company Limited	
	2021	2020
Cash flow from operating activities	14.19	179.07
Cash flow used in investing activities	64.68	32.13
Cash flow from financing activities	(101.79)	(343.54)
Net increase (decrease) in cash and cash equivalents	(22.92)	(132.34)

17. INVESTMENT PROPERTIES

Movements of the investment properties account during the nine-month period ended December 31, 2021 are summarised below:

	(Unit: Thousand Baht)	
	Consolidated	The Company Only
Net book value as at January 1, 2021	13,959	13,959
Transfer from property, plant and equipment	74,540	-
Less: Allowance for impairment	(1,346)	-
Net book value as at September 30, 2021	87,153	13,959

The investment properties of the Group was the land that the Company held but currently has not identified the purpose of utilization in the future. The Group recorded the accounts by the cost method.

During the year 2021, the subsidiaries employed an independent appraiser to appraise the fair value of such land according to the market approach of Baht 73.19 million. As a result, the subsidiaries had provided an allowance for impairment of land amounting to Baht 1.35 million.

During the year 2021, the Company employed an independent appraiser to appraise the fair value of such land according to the market approach of Baht 22.84 million.

The Group disclosed a fair value hierarchy in level 2 (Note 36 to financial statements).

17. PROPERTY, PLANT AND EQUIPMENT

Movements of the property, plant and equipment account during the year ended December 31, 2021 are summarised below.

(Unit: Thousand Baht)

	Consolidated							
	Land	Buildings and leasehold improvement	Machinery, tools and factory equipment	Furniture and office equipment	Motor vehicles	Assets under installation and under construction	Crypto currencies mining	Total
Cost								
January 31, 2020	140,525	107,374	76,395	34,400	102,647	2,636	-	463,977
Additions	-	-	1,985	536	1,431	475	-	4,427
Transfer from right-of-use asset	-	-	-	-	7,144	-	-	7,144
Transfers in (out)	-	-	-	-	-	-	-	-
Disposals/write-off	-	-	(1,167)	(7)	(13,631)	(445)	-	(15,250)
December 31, 2020	140,525	107,374	77,213	34,929	97,591	2,666	-	460,298
Additions	-	-	5,012	804	207	2,057	24,875	32,955
Transfer from right-of-use asset	-	-	-	-	3,382	-	-	3,382
Transfer from non-current asset	-	-	6,428	-	-	-	-	6,428
Transfer to investment property	(74,540)	-	-	-	-	-	-	(74,540)
Transfers in (out)	-	-	-	-	-	(1,720)	-	(1,720)
Disposals/write-off	-	-	(14,703)	(248)	(1,400)	-	-	(16,351)
December 31, 2021	65,985	107,374	73,950	35,485	99,780	3,003	24,875	410,452
Accumulated depreciation								
January 1, 2020	-	53,335	55,597	29,000	73,900	-	-	211,832
Depreciation for the year	-	5,313	4,216	2,952	4,998	-	-	17,479
Transfer from right-of-use asset	-	-	-	-	-	-	-	-
Transfers in (out)	-	-	-	-	3,774	-	-	3,774
Depreciation on disposals/write-off	-	-	(1,161)	(7)	(10,929)	-	-	(12,097)
December 31, 2020	-	58,648	58,652	31,945	71,743	-	-	220,988
Depreciation for the year	-	5,265	2,816	2,015	4,346	-	206	14,648
Transfer from right-of-use asset	-	-	-	-	1,136	-	-	1,136
Transfers in (out)	-	-	-	-	-	-	-	-
Depreciation on disposals/write-off	-	-	(8,258)	(1,410)	(1,135)	-	-	(10,803)
December 31, 2021	-	63,913	53,210	32,550	76,090	-	206	225,969
Allowance for impairment loss								
December 31, 2020	1	-	-	-	-	-	-	1
December 31, 2021	1	-	8,625	-	-	-	-	8,626
Net book value								
December 31, 2020	140,524	48,726	18,561	2,984	25,848	2,666	-	239,309
December 31, 2021	65,984	43,461	12,116	2,935	23,689	3,003	24,669	175,857
Depreciation for the year								
2020 (Baht 5.02 million included in cost of sales, and the balance in selling and administrative expenses)								17,479
2021 (Baht 3.52 million included in cost of sales, and the balance in selling and administrative expenses)								15,016

(Unit: Thousand Baht)

The Company Only							
	Land	Buildings and leasehold improvement	Machinery, tools and factory equipment	Furniture and office equipment	Motor vehicles	Assets under installation and under construction	Total
Cost							
January 31, 2020	16,942	51,720	28,326	18,695	97,827	2,191	215,701
Additions	-	-	130	297	50	475	952
Transfer from right-of-use asset	-	-	-	-	854	-	854
Transfers in (out)	-	-	-	-	-	-	-
Disposals/write-off	-	-	(405)	-	(10,092)	-	(10,497)
December 31, 2020	16,942	51,720	28,051	18,992	88,639	2,666	207,010
Additions	-	-	5,227	956	180	380	6,743
Transfer from right-of-use asset	-	-	-	-	-	-	-
Transfers in (out)	-	-	-	-	-	(1,720)	(1,720)
Disposals/write-off	-	-	-	-	-	-	-
December 31, 2021	16,942	51,720	33,278	19,948	88,819	1,326	212,033
Accumulated depreciation							
January 1, 2020	-	29,879	23,662	15,337	72,918	-	141,796
Depreciation for the year	-	2,314	1,196	1,283	3,935	-	8,728
Transfer from right-of- use asset	-	-	-	-	201	-	201
Transfers in (out)	-	-	-	-	-	-	-
Depreciation on disposals/ write-off	-	-	(405)	-	(8,861)	-	(9,266)
December 31, 2020	-	32,193	24,453	16,620	68,193	-	141,459
Depreciation for the year	-	2,277	1,378	1,242	3,596	-	8,493
Transfer from right-of- use asset	-	-	-	-	-	-	-
Transfers in (out)	-	-	-	-	-	-	-
Depreciation on disposals/ write-off	-	-	-	-	-	-	-
December 31, 2021	-	34,470	25,831	17,862	71,789	-	149,952
Net book value							
December 31, 2020	16,942	19,527	3,598	2,372	20,446	2,666	65,551
December 31, 2021	16,942	17,250	7,447	1,801	17,030	1,326	61,796
Depreciation for the year							
2020 (balance in selling and administrative expenses)							8,728
2021 (balance in selling and administrative expenses)							8,493

On October 1, 2021, the Meeting of the Board of Directors of Lion Asia (Thailand) Co., Ltd. No. 1/2021, the Company's subsidiary has approved the investment in Bitcoin mining business. by purchasing 51 bitcoin mining machines with electrical systems and other related systems, totaling investment of Baht 24.88 million.

As at December 31, 2021, Gratitude Infinite Public Company Limited, a subsidiary of the Company recognition of allowance for impairment of machinery amounting to Baht 8.63 million.

As at December 31, 2021, certain items of plant and equipment of the Group were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 152.55 million (2020: Baht 149.11 million) (The Company only: Baht 106.88 million, 2020: Baht 98.69 million).

19. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

Right-of-use assets

Movements of the right-of-use assets account during the year ended December 31, 2021 are summarised below

	(Unit : Thousand Baht)		
	Consolidated		
	Office rental	Motor vehicles	Total
Cost			
As at January 1, 2020	99,194	14,449	113,643
Addition during the period	-	8,919	8,919
Transfer to property, plant and equipment	-	7,144	7,144
Changing condition / amortisation for the year	(4,535)	-	(4,535)
As at December 31, 2020	94,659	16,224	110,883
Addition during the period	1,360	3,540	4,900
Transfer to property, plant and equipment	-	(3,382)	(3,382)
Amortisation for the year	-	-	-
As at December 31, 2021	96,019	16,382	112,401
Accumulated depreciation			
As at January 1, 2020	-	4,638	4,638
Depreciation for the period	22,663	2,063	24,726
Transfer to property, plant and equipment	-	(3,775)	(3,775)
Changing condition / amortisation for the year	(1,565)	-	(1,565)
As at December 31, 2020	21,098	2,926	24,024
Depreciation for the year	21,097	2,875	23,972
Transfer to property, plant and equipment	-	(1,136)	(1,136)
As at December 31, 2020	42,195	4,665	46,860
Net book value			
As at December 31, 2020	73,561	13,298	86,859
As at December 31, 2021	53,825	11,716	65,541

(Unit : Thousand Baht)

	The Company Only		
	Office rental	Motor vehicles	Total
Cost			
As at January 1, 2020	93,765	4,777	98,542
Addition during the period	-	5,000	5,000
Transfer to property, plant and equipment	-	(854)	(854)
Amortisation for the year	-	-	-
As at December 31, 2020	93,765	8,923	102,688
Addition during the period	1,360	3,540	4,900
Amortisation for the year	-	-	-
As at December 31, 2021	95,125	12,463	107,588
Accumulated depreciation			
As at January 1, 2020	-	1,254	1,254
Depreciation for the period	20,992	739	21,731
Transfer to property, plant and equipment	-	(202)	(202)
Amortisation for the year	-	-	-
As at December 31, 2020	20,992	1,791	22,783
Depreciation for the period	20,992	1,708	22,700
Amortisation for the year	-	-	-
As at December 31, 2021	41,984	3,499	45,483
Net book value			
As at December 31, 2020	72,773	7,132	79,905
As at December 31, 2021	53,141	8,964	62,105

Lease liabilities

The carrying amounts of lease liabilities and the movement for the year ended December 31, 2021 are presented below.

	(Unit: Thousand Baht)	
	Consolidated	The Company Only
As at December 31, 2020	78,419	75,682
Addition during the period	4,901	4,901
Increase from changes in rate rental agreement	3,171	3,171
Accretion of interest	2,826	2,757
Payments during the period	(30,717)	(28,788)
As at December 31, 2021	58,600	57,723
<u>Less: current portion</u>	<u>(23,408)</u>	<u>(23,141)</u>
Lease liabilities - net of current portion	<u>35,192</u>	<u>34,582</u>

The following relate lease expense for the year ended December 31, 2021 was recognised in profit or loss are summarised as follows:

	(Unit: Thousand Baht)	
	Consolidated	The Company Only
Depreciation of right-of-use assets	23,973	22,700
Interest expense on lease liabilities	2,826	2,757
Expense relating to short-term lease	2,429	2,429
Lease of low-value assets	163	149
Total	<u>29,391</u>	<u>28,035</u>

20. INTANGIBLE ASSETS

The intangible assets are comprised of computer software and the operation licenses. A reconciliation of the net book value of intangible assets as at December 31, 2021 and 2020 is presented below.

	(Unit: Thousand Baht)			
	Consolidated		The Company Only	
	2021	2020	2021	2020
Net book value at the beginning of the year	1,818	2,818	277	848
Acquisitions	421	28	-	28
Transfer from property, plant and equipment	1,720	-	1,720	-
Amortisation	(708)	(1,028)	(280)	(599)
Allowance for impairment of intangible assets	(1,113)	-	-	-
Net book value at the end of the year	<u>2,138</u>	<u>1,818</u>	<u>1,717</u>	<u>277</u>

The net book value of intangible assets as at December 31, 2021 and 2020 is presented below.

	(Unit: Thousand Baht)				
	Consolidated			The Company Only	
	Computer software	Operating licenses	Cryptocurrency assets	Total	Computer software
As at December 31, 2021					
Cost	5,450	4,282	272	10,004	5,301
Less: Accumulated amortisation	(3,584)	(3,169)	-	(6,753)	(3,584)
<u>Less: Allowance for impairment</u>	<u>-</u>	<u>(1,113)</u>	<u>-</u>	<u>(1,113)</u>	<u>-</u>
Net book value	<u>1,866</u>	<u>-</u>	<u>272</u>	<u>2,138</u>	<u>1,717</u>
As at December 31, 2020					
Cost	3,581	4,282	-	7,863	3,581
Less: Accumulated amortisation	(3,304)	(2,741)	-	(6,045)	(3,304)
Net book value	<u>277</u>	<u>1,541</u>	<u>-</u>	<u>1,818</u>	<u>277</u>

The Group measures the fair value of cryptocurrency assets based on the closing price from CoinMarketCap. The fair value measurement is categorised as level 2 in the fair value hierarchy (see note 36 to financial statement).

As at 31 December 31, 2021, the Group had the outstanding cryptocurrency assets of 0.16 Bitcoin (BTC) and 2.36 Chia (XCH).

As at December 31, 2021, Gratitude Infinite Public Company Limited, a subsidiary of the Company record an allowance for impairment of intangible assets amounting to Baht 1.11 million.

21. DEFERRED TAX ASSETS

Deferred tax assets and liabilities are offset when income taxes are related to the same fiscal authority. Deferred income taxes are calculated on all temporary differences under the liability method using principal tax 20%.

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

	(Unit: Thousand Baht)			
	Consolidated		The Company Only	
	2021	2020	2021	2020
Deferred tax assets	12,340	14,228	8,275	5,812
Deferred tax liabilities	-	-	-	-
Deferred tax assets-net	12,340	14,228	8,275	5,812

Deferred tax assets (liabilities) for the year ended December 31, 2021 and 2020 are attributed to the following items

	(Unit: Thousand Baht)			
	Consolidated			
	Balance per book as at January 1, 2021	Revenue (expenses) during the year In profit or loss	Balance per book as at December 31, 2021	
		In other comprehensive income		
Deferred tax assets:				
Allowance for doubtful accounts	231	98	-	329
Allowance for diminution in value of inventories	2,021	1,026	-	3,047
Gain on sales of inventories to subsidiary	154	72	-	226
Gain on sales of assets to subsidiary	23	(1)	-	22
The difference from depreciation - buildings	314	(314)	-	-
Provision for long-term employee benefits	4,778	397	(317)	4,858
Loss on financial assets measured at fair value				
- Investment in marketable securities	5,877	-	(3,655)	2,222
Loss on financial assets measured at fair value				
- Investment in non-marketable securities	558	-	-	558
The difference from depreciation - lease liabilities	258	550	-	808
(Gain) loss from revaluations at fair value of dervative	14	(13)	-	1
Allowance for loss on investment property	-	269	-	269
Total	14,228	2,084	(3,972)	12,340
Deferred tax liabilities:	-	-	-	-
Total	-	-	-	-
Deferred tax assets-net	14,228	2,084	(3,972)	12,340

The subsidiaries had tax losses for the year ended December 31, 2021 that had not been used of Baht 0.99 million. The subsidiary did not record those tax losses as deferred tax assets as there was uncertainty that the subsidiary would have sufficient taxable profits to utilize the deferred tax assets.

(Unit: Thousand Baht)				
The Company Only				
	Balance per book as at January 1, 2021	Revenue (expenses) during the period		Balance per book as at December 31, 2021
		In profit or loss	In other comprehensive income	
Deferred tax assets:				
Allowance for doubtful accounts	153	142	-	295
Allowance for diminution in value of inventories	444	1,481	-	1,925
Provision for long-term employee benefits	4,400	290	-	4,690
Loss on financial assets measured at fair value				
- Investment in non-marketable securities	558	-	-	558
The difference from depreciation - lease liabilities	255	552	552	807
(Gain) loss from revaluations at fair value of exchange forward contract	2	(2)	-	-
Total	5,812	2,463	-	8,275
Deferred tax liabilities:	-	-	-	-
Total	-	-	-	-
Deferred tax assets-net	5,812	2,463	-	8,275

(Unit: Thousand Baht)					
Consolidated					
	Balance per book as at January 1, 2020	The impacts of adoption of TFRS 9	Revenue (expenses) during the period		Balance per book as at December 30, 2020
			In profit or loss	In other comprehensive income	
Deferred tax assets:					
Allowance for doubtful accounts	274	-	(43)	-	231
Allowance for diminution in value of inventories	855	-	1,166	-	2,021
Gain on sales of inventories to subsidiary	160	-	(6)	-	154
Gain on sales of assets to subsidiary	89	-	(66)	-	23
The difference from depreciation - buildings	266	-	48	-	314
Provision for long-term employee benefits	6,040	-	382	(1,644)	4,778
Loss on financial assets measured at fair value					
- Investment in marketable securities	7,006	-	-	(1,129)	5,877
Loss on financial assets measured at fair value					
- Investment in non-marketable securities	258	-	300	-	558
The difference from depreciation - lease liabilities	-	-	258	-	258
(Gain) loss from revaluations at fair value of exchange forward contract	-	611	(597)	-	14
Total	14,948	611	1,442	(2,773)	14,228
Deferred tax liabilities:	-	-	-	-	-
Total	-	-	-	-	-
Deferred tax assets-net	14,948	611	1,442	(2,773)	14,228

	(Unit: Thousand Baht)				
	The Company Only				
	Balance per book as at January 1, 2020	The impacts of adoption of TFRS 9	Revenue (expenses) during the period		Balance per book as at December 31, 2020
			In profit or loss	In other comprehensive income	
Deferred tax assets:					
Allowance for doubtful accounts	240	-	(87)	-	153
Allowance for diminution in value of inventories	399	-	45	-	444
Provision for long-term employee benefits	4,110	-	290	-	4,400
Loss on financial assets measured at fair value					
- Investment in non-marketable securities	258	-	300	-	558
The difference from depreciation - lease liabilities	-	-	255	-	255
(Gain) loss from revaluations at fair value of exchange forward contract	-	611	(609)	-	2
Total	5,007	611	194	-	5,812
Deferred tax liabilities:	-	-	-	-	-
Total	-	-	-	-	-
Deferred tax assets-net	5,007	611	194	-	5,812

22. SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS

Short-term loans from financial institutions are as follows:

	(Unit: Thousand Baht)					
	Interest rate		Consolidated		The Company Only	
	(percent per annum)					
	2021	2020	2021	2020	2021	2020
Trust receipt	1.30 - 2.11	1.30 - 2.25	481,650	251,572	481,650	228,527
Promissory notes	1.35 - 1.47	1.59 - 1.60	170,000	200,000	170,000	200,000
Overdraft	6.80	-	2,638	-	2,638	-
Total			654,288	451,572	654,288	428,527

As at December 31, 2021, the non-secured credit facilities of the Group and the Company which have not yet been drawn down amounted to Baht 3,677 million (2020: Baht 3,978 million) and Baht 2,551 million (2020: Baht 2,390 million).

23. TRADE AND OTHER PAYABLES

	(Unit: Thousand Baht)			
	Consolidated		The Company Only	
	2021	2020	2021	2020
Trade and other payables				
- related parties	1,311	687	22,010	6,092
Trade payables - unrelated parties	324,589	213,209	292,477	200,362
Other payables - unrelated parties	19,225	14,935	17,338	13,428
Accrued expenses	2,935	5,571	1,859	3,936
Total trade and other payables	348,060	234,402	333,684	223,818

24. PROVISION FOR LONG-TERM EMPLOYEE BENEFITS

Movement of the provision for long-term employee benefits account during for the year ended December 31, 2021 and 2020 are summarised below:

	(Unit: Thousand Baht)			
	Consolidated		The Company Only	
	2021	2020	2021	2020
Provision for long-term employee benefits at beginning of year	23,890	30,202	22,000	20,551
Included in profit or loss:				
Past service cost	-	-	-	-
Current service cost	1,748	1,870	1,234	1,234
Interest cost	243	347	215	215
<u>Less</u> : Reversal during the year	-	(183)	-	-
Included in other comprehensive income:				
Actuarial (gain) loss arising from				
Demographic assumptions changes	-	1	-	-
Financial assumptions changes	(89)	119	-	-
Experience adjustments	(1,503)	(8,339)	-	-
Benefits paid during the year	-	(127)	-	22,000
Provision for long-term employee benefits at end of year	24,292	23,890	23,449	22,000

Line items in profit or loss under which long-term employee benefit expenses are recognised are as follows:

	(Unit: Thousand Baht)			
	Consolidated		The Company Only	
	2021	2020	2021	2020
Selling and administrative expenses	1,991	2,034	1,449	1,449

As at December 31, 2021, the Company expects to pay Baht 0.25 million of long-term employee benefits during the next year.

As at December 31, 2021, the weighted average duration of liabilities for long-term employee benefit is 12 - 18 years (2020: 15 - 18 years) (The Company only 18 years, 2020: 18 years).

	(Unit: Thousand Baht)			
	Consolidated		The Company Only	
	2021	2020	2021	2020
	(% per annum)	(% per annum)	(% per annum)	(% per annum)
Discount rate	1.61 - 2.22	1.49 - 1.60	1.61	1.61
Future salary increase rate (depending on age)	5.00 - 8.00	5.00 - 8.00	5.00	5.00
Staff turnover rate (depending on age)	2.87 - 34.38	2.87 - 34.38	2.87 - 34.38	2.87 - 34.38

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at December 31, 2021 are summarised below:

	(Unit: Thousand Baht)			
	Consolidated			
	2021		2020	
	Increase	Decrease	Increase	Decrease
Discount rate (1%)	(1.53)	1.76	(1.02)	1.14
Salary increase rate (1%)	2.03	(1.78)	2.03	(1.78)
Staff turnover rate (20%)	(1.54)	1.82	(1.59)	1.88

	(Unit: Thousand Baht)			
	The Company Only			
	2021		2020	
	Increase	Decrease	Increase	Decrease
Discount rate (1%)	(1.43)	1.64	(0.73)	0.79
Salary increase rate (1%)	1.90	(1.68)	1.71	(1.51)
Staff turnover rate (20%)	(1.44)	1.68	(1.29)	1.50

25. STATUTORY RESERVE

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered share capital. The statutory reserve is not available for dividend distribution.

26. TREASURY SHARES AND APPROPRIATED RETAINED EARNINGS FOR TREASURY SHARES

26.1 Treasury shares and appropriated retained earnings for treasury shares

On November 12, 2020, the Board of Directors' Meeting No.8/2020 of the Company passed a resolution to approve a treasury shares program with a budget of Baht 66 million to repurchase up to 123 million shares (par value of Baht 0.25 each) or 9.95% of the total number of the Company's issued shares. The Company's shares are to be repurchased through the Stock Exchange of Thailand from November 27, 2020 to May 26, 2021.

According to letter No. Gor Lor Tor. Chor Sor. (Vor) 2/2548 of the Office of the Securities and Exchange Commission concerning the acquisition of treasury shares, dated February 14, 2005, a public limited company may purchase back treasury shares in an amount not exceeding the amount of its retained earnings and is to appropriate an equal amount of retained earnings to a reserve for treasury shares, which must be maintained until the subsidiary either sells the treasury shares or reduces its paid-up share capital by an amount equal to the value of treasury shares which it was unable to sell.

As at December 31, 2020, the Company had purchased back 20.39 million ordinary shares or 1.65% of the total number of issued and fully paid-up shares, for a totaling repurchase cost of treasury share of Baht 13.85 million and allocated retained earnings as reserve for treasury shares of Baht 13.85 million which present in the statement of financial position under the "appropriated retained earnings - reserve for treasury shares".

During year 2021, the Company had purchased back 53.84 million ordinary shares of Baht 52.17 million, totaling purchased back 74.23 million ordinary shares or 6.00% of the total number of issued and fully paid-up shares. The value of repurchase cost of treasury shares as at September 30, 2021, totaling Baht 66.02 million and allocated retained earnings as reserve for treasury shares of Baht 66.02 million which present in the statement of financial position under the "appropriated retained earnings - reserve for treasury shares".

As at December 10, 2021, the Company had reversal the appropriated retained earnings - reserve for treasury shares to retained earnings – appropriated in full amount for treasury shares that cannot be sold out within the specified.

26.2 Reduction of registered capital

On December 10, 2021, the Board of Directors' Meeting of the Company No. 11/2021, it had a resolution to approve the paid-up of the capital decrease registration for 74.23 million ordinary shares that cannot be sold within the specified period with the Department of Business Development, Ministry of Commerce on December 20, 2021.

The movement of the repurchase ordinary shares and the premium for the year ended December 31, 2021 was as follows:

	Consolidated / The Company Only	
	Shares (thousand shares)	Repurchase shares (thousand Baht)
Balance as at January 1, 2021	20,391	13,853
Repurchased shares during the year	53,838	52,165
Reduction of registered capital	(74,229)	(66,018)
Balance as at December 31, 2021 was as follows:	-	-

Movement of registered capital and the issued and fully paid-up capital for the year 2021 are shown as follows:

	Consolidated / The Company Only			
	Registered of share capital		Issued and fully paid up	
	Thousand shares	Thousand Baht	Thousand shares	Thousand Baht
As at January 1, 2021	1,339,370	334,842	1,236,281	309,070
Reduction of registered capital	(74,229)	(18,557)	(74,229)	(18,557)
As at December 31, 2021	1,265,141	316,285	1,162,052	290,513

27. INCOME TAX

27.1 Income tax expenses for the years ended December 31, 2021 and 2020 are summarized as follows:

	(Unit: Thousand Baht)			
	Consolidated		The Company Only	
	2021	2020	2021	2020
Current income tax:				
Corporate income tax charge	38,299	32,039	37,265	24,733
Deferred tax:				
Relating to origination and reversal of temporary differences	(2,084)	(1,442)	(2,463)	(194)
Income tax expenses revenue in the statement of comprehensive income	36,387	30,597	34,802	24,539

The amounts of income tax relating to each component of other comprehensive income for the years ended December 31, 2021 and 2020 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		The Company Only	
	2021	2020	2021	2020
Deferred tax relating to loss on revaluation of investment in equity securities	3,655	1,129	-	-
Deferred tax relating to actuarial (gain) loss	317	1,644	-	-
Total	3,972	2,773	-	-

27.2 The reconciliation between accounting profit and income tax expenses

For the years ended December 31, 2021 and 2020 are summarized as follows:

	(Unit: Thousand Baht)			
	Consolidated		The Company Only	
	2021	2020	2021	2020
Accounting profit before tax	142,793	132,433	220,671	109,360
Applicable tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by income tax rate	28,559	26,487	44,134	21,872
Temporary differences and tax loss which was unrecognised to deferred tax assets				
Utilisation of previously unrecognised deferred tax assets	1,730	201	-	-
Effects of:	988	299	-	-
Exempted dividend income	-	(237)	(10,251)	-
Non-deductible expenses	5,942	2,807	967	2,108
Additional expenses deductions allowed	(203)	(53)	(48)	(53)
Others	(629)	1,093	-	612
Total	5,110	3,610	(9,332)	2,667
Total reconciliation items	7,828	4,110	(9,332)	2,667
Income tax expenses reported in the statement of comprehensive income	36,387	30,597	34,802	24,539

27.3 A numerical reconciliation between the average effective tax rate and the applicable tax rate

For the years ended December 31, 2021 and 2020 are summarized as follows :-

	Consolidated			
	2021		2020	
	Tax amount (Thousand Baht)	Tax rate (%)	Tax amount (Thousand Baht)	Tax rate (%)
Accounting profit before tax expense for the year	142,793		132,433	
Tax expense at the applicable tax rate	28,559	20.00	26,487	20.00
Reconciliation items	7,828	5.48	4,110	3.10
Tax expense at the average effective tax rate	36,387	25.48	30,597	23.10

	The Company Only			
	2021		2020	
	Tax amount (Thousand Baht)	Tax rate (%)	Tax amount (Thousand Baht)	Tax rate (%)
Accounting profit before tax expense for the year	220,671		109,360	
Tax expense at the applicable tax rate	44,134	20.00	21,872	20.00
Reconciliation items	(9,332)	4.23	2,667	2.44
Tax expense at the average effective tax rate	34,802	24.23	24,539	22.44

28. WARRANTS

On 31 January 2018, the resolution passed by the Extraordinary Meeting of the Company's shareholders No. 1/2018 approving the Company issued and offered 103,028,450 of transferable warrants (UKEM-W2) with registered holders to the existing shareholders free of charge, in a ratio of 1 warrant for every 8 existing shares. These warrants can be exercised for a period of 2 years from the issue date (15 March 2018) with an exercise ratio of 1 warrant per 1 ordinary share and an exercise price of Baht 0.50 per share. Warrant holders can exercise the warrants on the last working day of May and November in each calendar year until the maturity date, with the first exercise date on 31 May 2018 and the last exercise date shall be on the last business day the warrants reaches the 2 years period from the issuance date.

In May 2018, the Company received subscriptions of Baht 0.50 per share for the additional ordinary shares arising from the exercise of 5,500 warrants (UKEM-W2), (exercise price at Baht 0.50 per unit for a total of Baht 2,750.) The Company registered the resulting increase of Baht 1,375 in its capital with Ministry of Commerce on 12 June 2018 and the Stock Exchange of Thailand listed the 5,500 ordinary shares on 18 June 2018.

In March 2020, the Company received subscriptions of Baht 0.50 per share for the additional ordinary shares arising from the exercise of 612 warrants (UKEM-W2) to eligible as 612 ordinary shares for a total of Baht 306 which is the last exercised such warrant. The Company registered the resulting increase of Baht 153 in its capital (at par value of baht 0.25/share), with Ministry of Commerce on March 24, 2020 and the Stock Exchange of Thailand listed the 5,500 ordinary shares on March 13, 2020.

29. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year after adjusting the number of ordinary shares to reflect the impact of the stock dividend. The prior period's basic earnings per share has been recalculated as if the stock dividend had been distributed at the beginning of the earliest period reported.

The weighted average number of ordinary shares is calculated net of the treasury ordinary shares held by the Company as described in Note 26 to the financial statements.

Basic earnings per share are calculated as follows.

		For the year ended December 31			
		Consolidated		The Company Only	
		2021	2020	2021	2020
Profit for the year of parent company	(Thousand Baht)	116,201	97,111	185,869	84,822
Weighted average number of ordinary shares	(Thousand Shares)	1,215,891	1,236,281	1,215,891	1,236,281
<u>Less</u> : Average treasury shares during the period	(Thousand Shares)	(45,347)	(295)	(45,347)	(295)
Weighted average number of ordinary share	(Thousand Shares)	1,170,544	1,235,986	1,170,544	1,235,986
Basic earnings (loss) per share	(Baht/Shares)	0.099	0.079	0.159	0.069

30. DIVIDENDS

Dividends	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)
<u>Dividend payment for 2021</u>			
interim dividends for 2021	The Board of Directors' Meeting No.2/2021 held on 22 April, 2021	63.90	0.055
Total paid for year 2021		63.90	0.055
<u>Dividend payment for 2020</u>			
Final dividends for 2019	The Board of Directors' Meeting No.2/2020 held on 30 March, 2020	20.02	0.016
Total paid for the year 2020		20.02	0.016

31. EXPENSES BY NATURE

Significant expenses classified by nature are as follows:

	(Unit: Thousand Baht)			
	Consolidated		The Company Only	
	2021	2020	2021	2020
Salaries and wages and other employee benefits	75,678	74,366	67,617	60,619
Directors and management's remuneration (Note 9)	25,070	27,529	16,226	17,514
Depreciation and amortisation	39,328	43,233	31,514	31,060
Purchase raw materials and finished goods	3,592,718	2,082,516	2,503	1,827,807
Changes in inventories of raw materials and finished goods	(285,360)	73,297	(300,926)	2,419
Rental expenses from operating lease agreements	2,592	2,987	2,578	2,612
Transportation expenses	54,673	53,472	52,049	47,189

32. SEGMENT INFORMATION

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

For management purposes, the Group are organised into business units based on its products and services and have 3 reportable segments as follows:

- Commodity chemicals segment
- Specialty chemicals segment
- Other segments included the distribution of plastic pellets, distribution of lubricant, distribution of computer equipment and the provision of computer system services, among others.

The decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and total assets and on basis consistent with that used to measure operating profit or loss in the financial statements.

The basis of accounting for any transactions between reportable segments is consistent with that for third party transactions.

Major customers

For the years ended December 31, 2021 and 2020, the Company has no major customer with revenue of 10 percent or more of an entity's revenues.

For the year ended December 31, 2021 the revenue from sales of the subsidiaries approximately Baht 163.41 million was the revenue from the major customers are Gloomming Global Company Limited (Formerly known as Gratitude Global Co., Ltd.) The selling price, receiving payment and credit term that the Group had with such major customers were close to other customers of the Group.

The following tables present revenue and profit information regarding the Group's operating segments for the years ended December 31, 2021 and 2020 :

	(Unit: Thousand Baht)									
	Commodity chemicals segment			Specialty chemicals segment			Other segments ¹⁾		Total segments	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Revenues										
External customers	2,371,558	1,771,612	327,029	503,073	355,038	267,910	3,033,625	2,542,595	3,033,625	2,542,595
Inter-segment	71,472	48,415	102,883	72,003	-	-	174,356	120,418	-	-
Total revenues	2,443,030	1,820,027	429,912	575,076	355,038	267,910	2,859,269	2,663,013	3,033,625	2,542,595
Results										
Segment profit	395,850	322,630	20,685	77,771	14,900	10,301	431,156	410,702	431,562	411,207
Other income									9,603	13,691
Selling expenses									(88,834)	(101,103)
Administrative expenses									(199,241)	(179,783)
Financial expenses									(10,297)	(11,579)
Profit before income tax expenses									142,793	132,433
Income tax expenses									(36,387)	(30,597)
Profit for the year									106,405	101,836

¹⁾ Other segments included the distribution of plastic pellets, distribution of lubricant, distribution of computer equipment and the provision of computer system services, among others.

The Group's business is principally operated in Thailand. As a result, all of the revenues and assets as reflected in these financial statements pertain exclusively to this geographical reportable segment.

33. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

Changes in the liabilities arising from financing activities for the years ended December 31, 2021 and 2020 are as follows:

Unit : Thousand Baht

	Consolidated			
	Balance as at January 1, 2021	Cash flows Increase (decrease)	Non-cash transaction Increase (decrease)	Balance as at December 31, 2021
Short-term borrowings from financial institutions	451,572	203,117	-	654,288
Lease liabilities	78,419	(27,891)	8,072	58,600
Total	529,991	175,226	8,072	712,888

Unit : Thousand Baht

	The Company Only			
	Balance as at January 1, 2021	Cash flows Increase (decrease)	Non-cash transaction Increase (decrease)	Balance as at December 31, 2021
Short-term borrowings from financial institutions	428,527	226,304	-	654,288
Lease liabilities	75,682	(26,032)	8,072	57,722
Total	504,209	200,272	8,072	712,010

Unit : Thousand Baht

	Consolidated			
	Balance as at January 1, 2020	Cash flows Increase (decrease)	Non-cash transaction Increase (decrease)	Balance as at December 31, 2020
Short-term borrowings from financial institutions	530,842	(79,116)	-	451,572
Lease liabilities	3,936	(27,809)	102,292	78,419
Total	534,778	(106,925)	102,292	529,991

Unit : Thousand Baht

	The Company Only			
	Balance as at January 1, 2020	Cash flows Increase (decrease)	Non-cash transaction Increase (decrease)	Balance as at December 31, 2020
Short-term borrowings from financial institutions	382,702	45,825	-	428,527
Lease liabilities	2,057	(22,311)	95,936	75,682
Total	384,759	23,514	95,936	504,209

34. PROVIDENT FUND

The Group, and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 1987. The employees, the Group contribute to the fund monthly at the rate of 2 - 10 percent of basic salary. The fund, which is managed by Krungsri Asset Management Company Limited, will be paid to employees upon termination in accordance with the fund rules. The contributions for the years 2021 and 2020, amounting to Baht 0.42 million and Baht 0.92 million, respectively (The Company only: Baht 0.33 million and Baht 0.32 million, respectively) were recognised as expenses.

35. COMMITMENTS AND CONTINGENT LIABILITIES

35.1 Operating lease commitments

The Group have entered into several lease agreements in respect of the lease of building space and warehouse and related services, The terms of the agreements are between 1 and 5 years.

Future minimum, payments required under these operating leases and its related service contracts were as follows:

	(Unit: Million Baht)			
	Consolidated		The Company Only	
	2021	2020	2021	2020
Payable:				
In up to 1 year	2	6	2	3
In over 1 and up to 5 years	-	1	-	-
Total	2	7	2	3

35.2 Guarantees

As at December 31, 2021, the Group had the following outstanding significant letters of guarantee:

35.2.1 Outstanding bank guarantees of Baht 39.00 million (December 31, 2020 : Baht 51.00 million) have been issued by banks on behalf of the Company in respect of certain performance bonds as required in the normal course of its business. These letters of guarantee are to guarantee payments of goods to suppliers.

35.3 Other commitments

35.3.1 As at December 31, 2021, the Company had commitments to banks under letters of credit amounting to approximately USD 0.12 million (December 31, 2020: USD 1.53 million).

35.3.2 As at December 31, 2021, a subsidiary company had no outstanding commitments under the letters of credit with foreign suppliers.

35.4 Other Service Agreement

A subsidiary company has entered into an agreement to participate in an “intelligent meeting room” project (Agreement for supply of equipment, software and services for intelligent meeting solution) with True Universal Convergent Company Limited (TUC) and SaeheComms Company Limited, located in South Korea. The agreement has a term of 2 years, from February 1, 2012 to January 2014 31, and automatically renews for another year if no party gives notice of its intention to cancel the agreement. To date, none of the parties have announced their intention to cancel. Under the agreement, the subsidiary company has invested in the hardware and equipment for the project, together with insurance coverage for the equipment of Baht 5 million, and is required to pay Baht 0.1 million per year to TUC. TUC is responsible for costs of internet connections for installing the I-Meeting Solution system and for finding customers, while SaeheComms Company Limited is to source the software and provides expertise for the I-Meeting Solution system. Revenue from this project will be shared among the parties in proportions specified in the agreement.

36. FINANCIAL INSTRUMENTS

36.1 Financial risk management

The Group financial instruments, as defined under Thai Accounting Standard No.107 “Financial Instruments: Disclosure and Presentations”, principally comprise cash and cash equivalents, trade accounts receivable, available-for-sale investments, trust receipts, trade and other payables, and liabilities under hire purchase agreements. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Group is exposed to credit risk primarily with respect to trade accounts receivable. The Group manage the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. In addition, the Group does not have high concentrations of credit risk since it has a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of trade accounts receivable as stated in the statement of financial position.

Interest rate risk

The Group’ exposure to interest rate risk relates primarily to their cash at banks, bank overdraft, and Short-term loans. However, since most of The Group’ financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate, the interest rate risk is expected to be minimal.

As at December 31, 2021, significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

	Consolidated											
	Fixed interest Rates				Floating		Non - interest		Total		Effective	
	Within 1 year		1 - 5 years		interest rate		bearing				interest rate	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	(% per annum)											
Financial Assets												
Cash and cash equivalents	-	-	-	-	379.37	486.89	9.76	56.98	389.13	543.87	0.13 - 0.35	0.13 - 0.55
Trade accounts receivable	-	-	-	-	-	-	841.45	642.24	841.45	642.24	-	-
Receivable under the loan agreement	31.81	-	-	-	-	-	-	-	31.81	-	12.00	-
Other current financial assets	20.51	45.00	14.95	-	-	-	-	-	35.46	45.00	0.50	1.10
Other non-current financial assets	-	-	-	-	-	-	5.26	101.68	54.92	101.68	-	-
	52.32	45.00	14.95	-	379.37	486.89	856.47	800.90	1,352.77	1,332.79		
Financial liabilities												
Short-term loans from financial institutions	170.00	200.00	-	-	484.29	251.57	-	-	654.29	451.57	1.30 - 2.11	0.80 - 2.90
Trade and other payables	-	-	-	-	-	-	348.06	234.40	348.06	234.40	-	-
Lease liabilities agreements	23.41	23.42	35.19	55.00	-	-	-	-	58.60	78.42	3.73 - 8.36	1.84 - 8.96
	193.41	223.42	35.19	55.00	484.29	251.57	348.06	234.40	1,060.95	764.39		

(Unit: Million Baht)

	The Company Only											
	Fixed interest Rates				Floating		Non - interest		Total		Effective	
	Within 1 year		1 - 5 years		interest rate		bearing				interest rate	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	(% per annum)											
Financial Assets												
Cash and cash equivalents	-	-	-	-	128.11	222.93	18.26	29.95	146.37	252.88	0.125 - 0.35	0.13 - 0.35
Trade accounts receivable	-	-	-	-	-	-	786.34	587.22	786.34	587.22	-	-
Other current financial assets	20.51	45.00	14.95	-	-	-	-	-	35.46	45.00	0.50	1.10
Other non-current financial assets	-	-	-	-	-	-	5.26	5.26	5.26	5.26	-	-
	20.51	45.00	14.95	-	128.11	222.93	809.86	622.43	973.43	890.36		
Financial liabilities												
Short-term loans from financial institutions	170.00	200.00	-	-	484.29	228.53	-	-	654.29	428.53	1.30 - 2.11	1.30 - 2.25
Trade and other payables	-	-	-	-	-	-	333.68	223.82	333.68	223.82	-	-
Lease liabilities agreements	23.14	21.56	34.58	54.12	-	-	-	-	57.72	75.68	3.73 - 8.96	3.73 - 8.96
	193.14	221.56	34.58	54.12	484.29	228.53	333.68	223.82	1,045.69	728.03		

Foreign currency risk

As at December 31, 2021 and 2020, the balances of financial liabilities denominated in foreign currencies are summarised below.

Consolidated				
Foreign currency	Financial liabilities		Average exchange rate	
	2021	2020	2021	2020
	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US dollar	4.16	1.91	33.59	30.21

The Company Only				
Foreign currency	Financial liabilities		Average exchange rate	
	2021	2020	2021	2020
	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US dollar	2.92	1.67	33.59	30.21

As at December 31, 2021 and 2020, the outstanding of forward exchange contracts of the Group are summarised below.

Consolidated						
Foreign currency	Contractual exchange rate				Contractual Maturity date	
	Bought amount		Bought		2021	2020
	2021	2020	2021	2020		
	(Million)	(Million)	(Baht per 1 foreign currency unit)			
US dollar	0.04	0.27	33.57 - 33.61	29.87 - 31.50	January - February 2022	January - May 2021

The Company Only						
Foreign currency	Contractual exchange rate				Contractual Maturity date	
	Bought amount		Bought		2021	2020
	2021	2020	2021	2020		
	(Million)	(Million)	(Baht per 1 foreign currency unit)			
US dollar	-	0.16	-	30.11	-	January 2021

36.2 Fair value of financial instruments

The subsidiary company uses the market approach to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards, except that the cost approach or income approach is used when there is no active market or when a quoted market price is not available.

As at December 31, 2020 and 2020, the fair values of open forward foreign exchange contracts of the Group company were stated as net liabilities of Baht 0.01 million and Baht 0.11 million, respectively reswhich presented in other liabilities under the statement of financial position. (The Company only : Baht 0.01 million).

Fair value hierarchy

In applying the above-mentioned valuation techniques, the subsidiary company endeavors to use relevant observable inputs as much as possible. TFRS 13 Fair Value Measurement establishes a fair value hierarchy categorising such inputs into three levels as follows:

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

As as December 31, 2021, the Group had the assets that were measured at fair value using different levels of inputs as follows:

	(Unit: Thousand Baht)			
	Consolidated			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Investment in marketable securities	49,655	-	-	49,655
Investment in non-marketable securities	-	-	5,261	5,261
Fixed Deposit	20,505	-	-	20,505
Unit Trust	-	14,951	-	14,951
Liabilities measured at fair value				
Foreign currency forward contracts	-	6	-	6
Assets disclosed at fair value				
Investment properties	-	96,036	-	96,036

	(Unit: Thousand Baht)			
	The Company Only			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Investment in non-marketable securities	-	-	5,261	5,261
Assets disclosed at fair value				
Investment properties	-	22,842	-	22,842

During the current year, there were no transfers within the fair value hierarchy.

As of December 31, 2020, the Group had the assets that were measured at fair value using different levels of inputs as follows:

	(Unit: Thousand Baht)			
	Consolidated			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Investment in marketable securities	96,414	-	-	96,414
Investment in non-marketable securities	-	-	5,261	5,261
Liabilities measured at fair value				
Foreign currency forward contracts	-	8,194	-	8,194
Assets disclosed at fair value				
Investment properties	-	18,401	-	18,401

	(Unit: Thousand Baht)			
	The Company Only			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Investment in non-marketable securities	-	-	5,261	5,261
Liabilities disclosed at fair value				
Foreign currency forward contracts	-	4,776	-	4,776
Assets disclosed at fair value				
Investment properties	-	18,401	-	18,401

During the current year, there were no transfers within the fair value hierarchy.

37. CAPITAL MANAGEMENT

The primary objective of the Company's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at December 31, 2021, the Group's debt-to-equity ratio was 1.07:1 (December 31, 2020 : 0.79:1) and the Company's was 1.27:1 (December 31, 2020 : 0.98:1).

38. EVENTS AFTER THE REPORTING PERIOD

On February 27, 2022, the Board of Directors' meeting No.1/2022 to propose to Annual General Meeting of the Company's shareholders for the year 2022 to approve the dividend payment to shareholders from the 2021 profit at the rate of 0.112 baht per share, totaling 130.15 million baht.

39. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were authorised for issue by the Company's Board of Directors on February 27, 2022.



SECTION 4 **ASSURANCE REPORT**



Assurance Report

The Company has reviewed the information in this annual report (Form 56-1 One Report) with caution. The Company hereby assures that such information is accurate and complete with no false, not misleading others, or lacking information that should be informed in essence. In addition, the Company hereby assures that

(1) Financial statements and financial information summarized in the annual report (Form 56-1 One Report) are accurately disclosed in essence regarding the financial position, performance, and cash flow of the Company and its subsidiaries.

(2) The Company has provided a good disclosure system to ensure that the material information of both the Company and its subsidiaries have properly been disclosed, as well as to ensure compliance with such systems.

(3) The Company has provided a good internal control system and supervised compliance with the system, and the results of the internal control system assessment as of February 27, 2022 have been informed to the Audit Committee and the Company's auditor. This covers the shortcomings and significant changes in the internal control system, as well as unlawful actions that may affect the preparation of financial reports of the Company and its subsidiaries.

In this regard, as proof that all documents are the same documents that the Company has assured. The Company has hereby authorized Mr. Peerapol Suwannapasri to sign this document on all pages. If any of the documents do not have the signature of Mr. Peerapol Suwannapasri, The Company shall assume that it is not information that the Company has assured the accuracy of the information as the aforementioned.

name	position	signature
1. Mr. Virat Suwannapasri	Chairman of the Executive Committee	
2. Mr. Peerapol Suwannapasri	Managing Director	

name	position	signature
Signed Grantee Mr. Peerapol Suwannapasri	Managing Director	

ATTACHMENT

Annual Report 2021

(Form 56-1 One Report)

Union Petrochemical Public Company Limited



Directors' Profiles

ATTACHMENT 1



Full Name	: Mr. Bhala Sukhavej
Age	: 82 Years Old
Position	: Chairman of the Board of Directors and Independent Director
Qualifications	<ul style="list-style-type: none"> : Honorary Doctorate Degree in Engineering from Chulalongkorn University (2003) : Certificate in Advanced Management Program (AMP), Harvard University, USA : Diploma (NDC 333) of National Defence College, The Joint State - Private Sector Course Class : Master's Degree in Industrial Engineering (Operation Research) Oregon State University, USA : Certificate in System Analysis in Water Resource Planning, US. Army Corp. of Engineers, USA : Degree in Engineering (Second Class Honors) from Chulalongkorn University
Training	<ul style="list-style-type: none"> : Directors Accreditation Program (DAP) 14/2004 : Directors Accreditation Program (DAP) 14/2004 : Role of the Compensation Program (RCC) 3/2007
Experience	<ul style="list-style-type: none"> : 2012 - Present Position: Chairman Union Petrochemical Public Company Limited : 2014 - Present Position: Independence Director / Audit Committee Thai Solar Energy Company Limited : 2011 - Present Position: Advisor Empire Asia Group
Hold positions in public listed companies	: 1 Company
Hold positions in public non-listed companies	: 2 Companies
Number of years as a director	: 10 years (2012 - present)
Directors Meeting Attendance	: 11 out of 11 meetings
Shareholding in the Company	: None



Directors' Profiles

ATTACHMENT 1



Full Name	: Mr. Virat Suwannapasri
Age	: 78 Years Old
Position	: Chairman of the Executive Committee and Authorised Director
Qualifications	: Certificate in the Executive Development from the Faculty of Commerce and Accountancy, Chulalongkorn University
Training	: Certificate in Director Accreditation Program (DAP) Class 43 (August 19, 2005)
Experience	: 2016 - Present Position: Chairman of the Executive Committee Union Petrochemical Public Company Limited : 1981 - Present Position: Managing Director Union Petrochemical Public Company Limited : 2010 - Present Position: Director Gratitude Infinite Public Company Limited : 2000 - Present Position: Director Lion Asia (Thailand) Company Limited
Hold positions in public listed companies	: 1 Company
Hold positions in public non-listed companies	: 1 Company
Number of years as a director	: 17 years (2005 - Present)
Directors Meeting Attendance	: 11 out of 11 meetings
Shareholding in the Company	: None



Directors' Profiles

ATTACHMENT 1



Full Name	: Mrs. Kanjana Suwannapasri
Age	: 81 Years Old
Position	: Director, Authorised Director, Deputy Managing Director
Qualifications	: Diploma in Administration (Marketing) College of Technology Bangkok
	: Honorary Doctorate of Arts, Social Sciences Mahachulalongkornrajavidyalaya University
Training	: Certificate in Directors Accreditation Program (DAP) Class 43 (August 19, 2005)
Experience	: 2005 - Present Position: Assistant Managing Director Union Petrochemical Public Company Limited
	: 1981 - Present Position: Assistant Managing Director Union Petrochemical Public Company Limited
	: 2010 - Present Position: Director Gratitude Infinite Public Company Limited
	: 2000 - Present Position: Director Lion Asia (Thailand) Company Limited
Hold positions in public listed companies	: 1 Company
Hold positions in public non-listed companies	: 1 Company
Number of years as a director	: 17 years (2005 — Present)
Directors Meeting Attendance	: 0 out of 0 meeting
Shareholding in the Company	: None



Directors' Profiles

ATTACHMENT 1



Full Name	: Ms. Suthida Suwannapasri	
Age	: 52 Years Old	
Position	: Deputy Managing Director	
Qualifications	: Honorary Doctorate of Social Work Mahachulalongkornrajavidyalaya University	
	: Master's Degree in Public Administration, National Institute of Development Administration (NIDA)	
Training	: Certificate in Directors Accreditation Program (DAP) Class 45 (September 27, 2005)	
Experience	: 2019 - Present Position: Deputy Managing Director Union Petrochemical Public Company Limited : 2005 - 2019 Position: Assistant Managing Director (Sale) Union Petrochemical Public Company Limited : 2020 - Present Position: Managing Director Gratitude Infinite Public Company Limited 2010 - 2020 Position: Director Gratitude Infinite Public Company Limited 1993 - 2005 Position: General Manager Union Petrochemical Company Limited	
Hold positions in public listed companies	: 1 Company	
Hold positions in public non-listed companies	: 1 Company	
Number of years as a director	: 17 years (2005 - Present)	
Directors Meeting Attendance	: 11 out of 11 meetings	
Shareholding in the Company	: 6.12%	



Directors' Profiles

ATTACHMENT 1



Full Name	: Mr. Peerapol Suwannapasri
Age	: 43 Years Old
Position	: Managing Director
Qualifications	: Master's Degree in E-Business Management University of Surrey, U.K.
Training	: Certificate in Directors Accreditation Program (DAP) Class 44 (September 2, 2005)
Experience	: 2016 - Present Position: Managing Director Union Petrochemical Public Company Limited : 2005 - 2016 Position: Assistant Managing Director Union Petrochemical Public Company Limited : 2010 - Present Position: Director Gratitude Infinite Public Company Limited 2005 - Present Position: Director Lion Asia (Thailand) Company Limited (Affiliated Company) 2003 - 2005 Position: Business Development Manager Union Petrochemical Company Limited
Hold positions in public listed companies	: 1 Company
Hold positions in public non-listed companies	: 1 Company
Number of years as a director	: 17 years (2005 - Present)
Directors Meeting Attendance	: 10 out of 11 meetings
Shareholding in the Company	: 24.66%



Directors' Profiles

ATTACHMENT 1



Full Name	: Dr. Khien Vongsuriya	
Age	: 83 Years Old	
Position	: Independent Director	
Type of director to be appointed	: Independent Director	
Qualifications	: PhD in Electrical Engineering, the University of British Columbia, Canada	
Training	: Certificate in Directors Certification Program (DCP) Class 6/2001	
Experience	: 2005 - Present	Position: Independent Director Union Petrochemical Public Company Limited
	: 2005 - Present	Position: Director Bangkok Dec-Con Public Company Limited
	: 1998 - 2005	Position: Director Electricity Generating Public Company Limited
Hold positions in public listed companies	: 2 Company	
Hold positions in public non-listed companies	: None	
Number of years as a director	: 17 years (2005 - Present)	
Directors Meeting Attendance	: 10 out of 11 meetings	
Shareholding in the Company	: None	



Directors' Profiles

ATTACHMENT 1



Full Name	: Mr. Pulsak Tansitthipun
Age	: 64 Years Old
Position	: Chairman of the Audit Committee and Independent Director
Qualifications	: Master of Business Administration, Kasetsart University
Training	: Certificate in Directors Certification Program (DCP) Class 144/2011 : Certificate in Directors Accreditation Program (DAP) Class 51 (February 22, 2006)
Experience	: 2017 - Present Position: Chairman of the Audit Committee and Independent Director Union Petrochemical Public Company Limited : 2005 - 2016 Position: Audit Committee and Independent Director Union Petrochemical Public Company Limited : 2015 - Present Position: Vice Chairman Ananda Development Public Company Limited : 2015 - Present Position: Chairman Suphakit Dhurakarn Company Limited
Hold positions in public listed companies	: 1 Company
Hold positions in public non-listed companies	: 1 Company
Number of years as a director	: 17 years (2005 - Present)
Directors Meeting Attendance	: 11 out of 11 meetings
Shareholding in the Company	: None



Directors' Profiles

ATTACHMENT 1



Full Name	: Mr. Vorapote Uchoopaiboonvong	
Age	: 61 Years Old	
Position	: Audit Committee and Independent Director	
Qualifications	: Master of Business Administration (Finance and International Banking, University of Birmingham, England) : Master of Cost Accounting Chulalongkorn University : Bachelor's Degree in Accounting Thammasat University	
Training	: Senior Executive Program Class 24 (CMA) : Advance Security Management Program, Class 10 (TNDC) : Advance Insurance Service Program Class 9 (OIC) : Executive Development Program 2013 Class 9, Fiscal Policy Research Institute Foundation : Developing Corporate Governance Policy (IOD) : Certificate in Company Secretary Program (CSP) Class 25/2008 : Certificate in Directors Certification Program (DCP) Class 61/2005 : Certificate in Audit Committee Program (ACP) Class 10/2005	
Experience	: 2005 - Present Position: Audit Committee and Independent Director, Union Petrochemical Public Company Limited : 2021 - Present Position: Chairman of the Audit Committee, Independent Director, Euroasia Total Logistics Company Limited : 2020 - Present Position: Managing Director, Xayaburi Power Company Limited : 2020 - Present Position: Director, Luang Prabang Power Company Limited : 2016 - Present Position: Director, CK Public Company Limited : 2015 - Present Position: Chairman, Bangkhen Chai Company Limited : 2011 - Present Position: Director, Chiangrai Solar Company Limited : 2011 - Present Position: Director, Nakhonratchasima Solar Company Limited : 2009 - Present Position: Director, Director Bangpa-in Cogeneration Limited	
Hold positions in public listed companies	: 1 Company	
Hold positions in public non-listed companies	: 7 companies	
Number of years as a director	: 17 years (2005 - Present)	
Directors Meeting Attendance	: 11 out of 11 meetings	
Shareholding in the Company	: None	



Directors' Profiles

ATTACHMENT 1



Full Name	: Prof. Dr. Tharapong Vitidsant	
Age	: 66 Years Old	
Position	: Audit Committee and Independent Director	
Qualifications	: PhD.Engineering Chemistry, Institute Nationale Polytechnique Toulouse France	
	: Master of Technical Chemistry Chulalongkorn University	
	: Bachelor's Degree in Engineering chemistry Chulalongkorn University	
Training	:	
Experience	: 2017 - Present	Position: Audit Committee and Independent Director Union Petrochemical Public Company Limited
	: 2015 - Present	Position: Professor Level A2 in Chemistry Chulalongkorn University
	: 2015 - 2017	Position: Chairman Shun Thai Rubber Gloves Industry Public Company Limited
	2013 - 2014	Position: Director Energy Research Institute of Chulalongkorn University
Hold positions in public listed companies	: 1 Company	
Hold positions in public non-listed companies	: 2 Companies	
Number of years as a director	: 5 years (2017 - Present)	
Directors Meeting Attendance	: 11 out of 11 meetings	
Shareholding in the Company	: None	



Directors' Profiles

ATTACHMENT 1



Full Name	: Mr. Somjate Saifon	
Age	: 65 Years Old	
Position	: Director	
Qualifications	: Master of Engineering (Industrial Engineering), Asian Institute of Technology : Bachelor of Engineering (Chemical Engineering), Chulalongkorn University	
Training	: Certificate in Directors Accreditation Program (DAP) 75/2551	
Experience	: 2018 - Present	Position: Director Union Petrochemical Public Company Limited
	: 2008 - 2017	Position: Director Esso (Thailand) Public Company Limited
Hold positions in public listed companies	: 1 Company	
Hold positions in public non-listed companies	: None	
Number of years as a director	: 4 years (2018 - Present)	
Directors Meeting Attendance	: 11 out of 11 meetings	
Shareholding in the Company	: None	



Full Name	: Ms. Ladawan Intravichai
Age	: 39 Years Old
Position	: Corporate Secretary
Qualification	: Bachelor's Degree in Business Administration (Accounting), Nakhon Ratchasima Rajabhat University
Training	: Working Paper for Better Corruption Prevention Course, Federation of Accounting Professions : Corporate Social Responsibility for Sustainable Development Course, the Stock Exchange of Thailand : Law Enforcement and Money Market Capital Market 2019 Course, Class 3, the Stock Exchange of Thailand : Risk Management and Internal Control, Thai Listed Companies Association, Political Science Association of Kasetsart University : Road to Certify Online, Thai Listed Companies Association : Preparing for the Preparation of 56-1 One Report Online, Sustainability Reporting KPMG in Thailand
Experience	: 2021 (October) - Present Position: Acting Company Secretary : 2017 - Present Position: Internal Audit and Secretary of the Audit Committee Union Petrochemical Public Company Limited : 2014 - 2016 Position: Accounting Officer Union Petrochemical Public Company Limited : 2010 - 2013 Position: Senior Accounting Officer Richy Place (2002) Public Company Limited



Chief Financial Officer

ATTACHMENT 1

Full Name	: Mrs. Apinya Pleamruk
Age	: 49 Years Old
Position	: Chief Financial Officer Union Petrochemical Public Company Limited
Qualification	: Bachelor's Degree in Accounting, Siam University
Training	: The New CFO (CRISIS FINANCIAL OFFICER) Update Tax Laws and Tax Benefits Course Calculating Employee Benefits Using Actuarial Principles Course
Experience	: 2005 - Present Position: Chief Financial Officer (CFO) Union Petrochemical Public Company Limited Lion Asia (Thailand) Company Limited Thai Cococraft Company Limited Mahanakhon Capital Company Limited : 2001 - 2005 Position: Chief Accountant Yanhee Hospital Company Limited Yainthai Company Limited (Affiliated with Yanhee Hospital) : 1997 - 2000 Position: Auditing Team Ben Thai Accounting Office Company Limited
Hold positions in public listed companies	: -
Hold positions in public non-listed companies	: -
Number of years as a director	: -
Directors Meeting Attendance	: -
Shareholding in the Company	: None

Attachment 2 Details of the Subsidiaries' Directors

Full Name	Age	Qualifications	Shareholding in the Company (%)	The family relationship between executives	Period	Experience
1 Mr. Jesadavat Priejiriva Chairman of the Board Independent Director	65	- Master's Degree in Business Administration (Finance), New York University, USA - Master's Degree in Engineering Management, George Washington University, USA <u>Training</u> - Director Accreditation Program (DAP) - Director Certification Program (DCP) - Advanced Audit Committee Program (AACP) - Role of Chairmanship (ROC)	-	None	2020 — 2021 2010 — Present 2010 — 2020 2010 — 2012 2004 — 2007 2001 — 2004 2018 — Present	Authorized Director Seamco Capital Public Company Limited Chairman and Independent Director Gratitude Infinite Public Company Limited Chairman of the Audit Committee and Independent Director Sansiri Public Company Limited Independent Director Seamco Capital Public Company Limited Chief Financial Officer CAT Telecom Public Company Limited Deputy Managing Director MFC Asset Management Public Company Limited Deputy Managing Director KGI Securities (Thailand) Company Limited Director Permsin Steel Works Public Company Limited
2 Mr. Khan Akaworawit Chairman of the Audit Committee Independent Director	61	- Master's Degree in Business Administration, Kasetsart University <u>Training</u> - Director Accreditation Program (DAP) - Director Certification Program (DCP) - Audit Committee Program (ACP) - Advanced Audit Committee Program (AACP) - Role of Chairmanship (ROC)	-	None	2000 — Present 2010 — Present 2005 — 2017 2011 — 2013 2012 — 2014	Managing Director Kevin & Kurt Company Limited Chairman of the Audit Committee and Independent Director Gratitude Infinite Public Company Limited Audit Committee and Independent Director Permsin Steel Works Public Company Limited Audit Committee and Independent Director TMC Industry Public Company Limited Director and Chief Financial Officer Crown Tech Advance Public Company Limited

Attachment 2 Details of the Subsidiaries' Directors

Full Name	Age	Qualifications	Shareholding in the Company (%)	The family relationship between executives	Period	Experience
3 Assoc. Prof. Dr.Dhollakhanis Thengauumnua Audit Committee Independent Director	55	- Doctorate's Degree in Accounting The University of Manchester, UK - Master's Degree in Accounting Chulalongkorn University - Master's Degree in Business Administration (Finance) University of San Antonio, USA - Bachelor's Degree in Accounting Thammasat University <u>Training</u> - Director Accreditation Program (DAP) - Advanced Audit Committee Program (AAP)	-	None	2010 — Present 2018 — Present 2013 — Present 2013 — Present 1991 — Present 1998 — 2016 1991 — 1997	Audit Committee and Independent Director Gratitude Infinite Public Company Limited Managing Director/Technology Make Account Easy Company Limited Managing Director/Technology Learn To Wealth Company Limited Director, Auditor Kornswisan Audit Company Limited Certified Public Accountant Lecturer at the Department of Accounting Faculty of Business Administration Kasetsart University PricewaterhouseCooper ABAS Company Limited
4 Ms. Siruwadi Suthiworapunchai Audit Committee Independent Director	55	- Master's Degree in Business Administration, Assumption University - Bachelor's Degree in Medical Technology Chulalongkorn University <u>Training</u> - Director Accreditation Program (DAP)	-	None	2021 — Present 2010 — Present 2011 — 2015 2005 — 2009 2000 — 2005 1995 — 2000 1994	Audit Committee and Independent Director Siam Environmental Technology Company Limited Audit Committee and Independent Director Gratitude Infinite Public Company Limited Senior Director of Investment Banking Ploenchit Capital Company Limited Senior Director of Investment Banking Globex Advisory Company Limited Director of Investment Banking United Securities Public Company Limited Investment Banking Manager Dhana Siam Finance And Securities Public Company Limited Internal Systems Officer Stock Exchange of Thailand

Attachment 2 Details of the Subsidiaries' Directors

Full Name	Age	Qualifications	Shareholding in the Company (%)	The family relationship between executives	Experience	
					Period	Position and Company
5 Ms. Suthida Suwannapasri Chief Executive Officer Director and Authorized Director	52	- Master's Degree in Public Administration National Institute of Development Administration (NIDA) - Bachelor's Degree in Law Thammasat University <u>Training</u> - Director Accreditation Program (DAP)	0.0011	Daughter of Mr. Virat Suwannapasri and Mrs. Kanjana Suwannapasri	2020 — Present 2016 — Present 2010 — Present 2005 — Present 2004 — Present 1993 — 2005	Chief Executive Officer Gratitude Infinite Public Company Limited Director Lavish Laboratory Company Limited Director Gratitude Infinite Public Company Limited Assistant Managing Director Union Petrochemical Company Limited Director Lion Asia (Thailand) Company Limited General Manager Union Petrochemical Public Company Limited
6 Mr. Virat Suwannapasri Director and Authorized Director	78	- Certificate in Executive Development Program, Faculty of Commerce and Accountancy, Chulalongkorn University <u>Training</u> - Director Accreditation Program (DAP)	1.2408	Husband of Mrs. Kanjana Suwannapasri	2018 — Present 2017 — Present 2016 — Present 2010 — Present 2016 — 2017 1981 — 2015 2004 — Present 2005 — 2010	Chairman of the Executive Board Union Petrochemical Public Company Limited Director Natural Gift Society Company Limited Director Lavish Laboratory Company Limited Director Gratitude Infinite Public Company Limited Director and Chief Advisor to the Executive Committee Union Petrochemical Public Company Limited Managing Director Union Petrochemical Public Company Limited Lion Asia (Thailand) Company Limited Managing Director Gratitude Infinite Public Company Limited

Attachment 2 Details of the Subsidiaries' Directors

Full Name	Age	Qualifications	Shareholding in the Company (%)	The family relationship between executives	Period	Experience
7 Mrs. Kanjana Suwannapasri Director and Authorized Director	80	- Ph.D. in Social Sciences Mahachulalongkornrajavidyalaya University - Honorary Doctorate of Arts, Social Sciences Mahachulalongkornrajavidyalaya University <u>Training</u> - Director Accreditation Program (DAP)	0.0007	Wife of Mr. Virat Suwannapasri	2005 — Present 2016 — 2020 2010 — Present 1981 — 2015 2000 — Present	Deputy Managing Director Union Petrochemical Public Company Limited Director and Vice Chairman of the Advisory Board of Executive Committee Union Petrochemical Public Company Limited Director Gratitude Infinite Public Company Limited Deputy Managing Director Union Petrochemical Public Company Limited Director Lion Asia (Thailand) Company Limited
8 Mr. Perapol Suwannapasri	44	- PhD in Social Sciences Mahachulalongkornrajavidyalaya University Honorary Doctorate Degree in Buddhist Studies, Department of Economics Buddhist Development Mahachulalongkornrajavidyalaya University - Master's Degree in E-Business Management University of Surrey, UK - Bachelor's Degree in Business Administration, Assumption University <u>Training</u> - Director Accreditation Program (DAP)	0.0011	Son of Mr. Virat Suwannapasri and Mrs. Kanjana Suwannapasri	2017 — Present 2016 — Present 2014 — Present 2010 — Present 2010 — 2015	Director Natural Gift Society Company Limited Managing Director Union Petrochemical Public Company Limited Director Lavish Laboratory Company Limited Director Gratitude Infinite Public Company Limited Director Lion Asia (Thailand) Company Limited Assistant Managing Director Union Petrochemical Company Limited Business Development Manager Union Petrochemical Company Limited

Attachment 2 Details of the Subsidiaries' Directors

Full Name	Age	Qualifications	Shareholding in the Company (%)	The family relationship between executives	Experience	
					Period	Position and Company
9 Dr. Vissanu Meeyoo Executive Director	53	- PhD in Chemical Engineering University of New South Wales, Australia - Bachelor's Degree in Technical Chemistry (1st Class Honors, Gold Medal) Chulalongkorn University	-	None	2019 — Present 2010 — Present 1995 — Present 1992 — 1993	Professor Mahanakorn University of Technology Director Gratitude Infinite Public Company Limited Vice President, Research Department Mahanakorn University of Technology Engineer Esso Standard Thailand Company Limited
10 Ms. Orapin Polisit Finance and Accounting Manager	31	- Bachelor's Degree in Business Management - Bachelor of Accounting Program Siam University	-	None	2018 — Present 2012 — 2013	Accounting and Finance Manager Gratitude Infinite Public Company Limited Assistant Auditor Accounting I Know Company Limited
11 Ms. Nawaporn Kamenkeikan Company Secretary	26	- Bachelor's Degree in Accounting University of the Thai Chamber of Commerce			2020 — Present	Company Secretary Union Petrochemical Company Limited
12 Ms. Chaitinanporn Matchaththananon Acting Warehouse and Transport Manager	42	- Bachelor of Business Administration, Accounting, Bansomdejchaopraya Rajabhat University	-	None	2013 — Present 2007 — 2011	Acting Warehouse and Transport Manager Gratitude Infinite Public Company Limited Assistant Finance Manager Rama 3 Honda Company Limited

Positions of the Board of Directors and Executives

Directors and Executives		Union Petrochemical Company Limited	Gratitude Infinite Public Company Limited	Lavish Laboratory Company Limited	Natural Gift Society Company Limited	All affiliated with Lion Asia Company Limited
Mr. Jesadavat	Priebjriva	-	x,/	-	-	-
Mr. Khan	Akaworawit	-	xx,/	-	-	-
Assoc. Prof. Dr. Dhollakhanis	Thengammnuay	-	xx,/	-	-	-
Ms. Siruswadi	Suthiworapunchai	-	xx,/	-	-	-
Mr. Virat	Suwannapasri	/, //, ///	/	/	/	/, ///
Mrs. Kanjana	Suwannapasri	/, ///	/	-	-	/
Ms. Suthida	Suwannapasri	/	/, //, ///	/, ///	/, ///	-
Ms. Suthida	Suwannapasri					
Mr. Peerapol	Suwannapasri	/, ///	/, //	/	/	-
Mr. Vissanu	Meeyoo	-	/, //	-	-	-
Ms. Orapin	Potisit	-	///, V	-	-	-
Ms. Nawaporn	Kamenketkan	-	W	-	-	-
Ms. Chattinaporn	Matchatthananon	-	///	-	-	-

Note: X = Chairman XX = Audit Committee / = Director // = Executive Director
 /// = Executive V = Accounting Manager W = Company Secretary

2. Mahanakhorn Capital Company Limited

Full Name	Position	Appointment Date
Mr. Kriengsak Tanasoonthornpaisarn	Managing Director*	14 December 2020
Mr. Peerapol Suwannapasri	Director*	14 December 2020
Ms. Suthida Suwannapasri	Director*	14 December 2020

*Authorized Director (Two directors jointly sign and affix)

3. Thai Cococraft Company Limited

Full Name	Position	Appointment Date
Ms. Chutima Learthnuntakit	Chief Executive Officer*	23 December 2020
Mr. Peerapol Suwannapasri	Director	23 December 2020
Ms. Suthida Suwannapasri	Director	23 December 2020
Mr. Somjate Saifon	Director*	23 December 2020
Mrs. Apinya Pleamruk	Director*	23 December 2020

*Authorized Director (Two out of three directors jointly sign and affix)

Attachment 3

Profile of the Head of Internal Audit and Compliance

Full Name	: Ms. Ladawan Intravichai
Position	: Corporate Secretary (awaiting appointment)
Qualification	: Bachelor's Degree in Business Administration (Accounting), Nakhon Ratchasima Rajabhat University
Training	: "Working Paper for Better Corruption Prevention" Course, Federation of Accounting Professions : "Corporate Social Responsibility for Sustainable Development" Course, the Stock Exchange of Thailand : "Law Enforcement and Money Market Capital Market 2019" Course, Class 3, the Stock Exchange of Thailand : "Risk Management and Internal Control", Thai Listed Companies Association, Political Science Association of Kasetsart University : "Road to Certify Online", Thai Listed Companies Association : "Preparing for the Preparation of 56-1 One Report Online", Sustainability Reporting KPMG in Thailand : 2016 - Present Position: Head of Internal Audit Department Union Petrochemical Public Company Limited : 2014 - 2016 Position: Senior Accounting Officer Lion Asia (Thailand) Company Limited : 2010 - 2013 Position: Senior Accounting Officer Richy Place (2002) Public Company Limited

Responsibilities:

Overtake supervising the operations of various departments within the Company ensuring compliance with the relevant rules and regulations. And collecting, studying information and providing advice to various entities on the rules and announcements related. Participate in the development of various systems by allocating the principal duties as follows:

1. Compliance

- Prepare annual compliance work plan proposed to the Audit Committee
- Supervise and monitor the operations of various departments according to the plans outlined under the regulations of the official and the Company

- Advise on official and company regulations to employees
- Act as an agent for coordinating between the companies with external agencies and authorities
- Summarize changes in regulations and critical issues to deliver to the relevant parties and the Board
- Acknowledgement, including the preparation and improvement of the Compliance Manual
- Receive customer complaints and seek for solutions to improve, together with the other departments to create customer satisfaction
- Organize training at least once a year for all employees in the Company on duty and responsibility along with introducing relevant regulations, the newly issued Company's Articles of Association, including the Code of Conduct
- Prepare an annual compliance report.
- Report any significant wrongdoing to the SEC without delay.

2. Internal Audit

- Prepare an annual internal audit work plan proposed to the Audit Committee
 - Check the performance of various departments according to the plan and the practice set by the Company.
 - Review the performance of various departments, assess internal control systems and manage risks, and provide recommendations for improvement of the working processes to be appropriate and efficient.
-

Attachment 4

Assets Used in Business Operations and Details of Property Valuation

4.1 Major Fixed Assets Used in Business Operations

As of December 31, 2021, the Company and its subsidiaries have significant fixed assets used in business operations as follows:

No.	Property Type/ Characteristics	Land Use Characteristics	Proprietary Nature	Net Value (Million Baht)	Obligation
1	A land of 4 rai, located in Bang Chak Subdistrict, Phra Pradaeng District, Samut Prakan	The warehouse building location	Possess by the Company	16.94	None
2	A land of 1 rai, 2 sq.wah, located on 219/12-15, Moo.6, Suksawat 78, Nai Khlong Pla Kot Subdistrict, Phra Samut Chedi District, Phra Pradaeng	The Gratitude Infinite Public Company Limited's warehouse building location	Possess by the Gratitude Infinite Public Company Limited	8.40	None
3	A 6-plot of land, 1-1-46 rai, located on 9/8 Moo.5, Sala Thammasop Subdistrict, Thawi Watthana District, Bangkok	The office building location	Possess by the Gratitude Infinite Public Company Limited	38.64	None
4	A land of 1 rai, located in 26/1 Moo. 4, Soi Wat Sathien Rattanam, Petchkasem Road, Sisathong Subdistrict, Nakhon Chai Si District Nakhon Pathom	Investment Property	Possess by the Gratitude Infinite Public Company Limited	2.00	None
5	A land of 8 rai, 1 ngarn, 27 sq.wah, Chalong Subdistrict, Bang Phli District, Samut Prakan	Investment Property	Possess by the Gratitude Infinite Public Company Limited	74.54	None
6	An empty land of 1-0-23 located on Soi Petchkasem 64, Bang Khae Nuea, Bangkok	Investment Property	Possess by the Company	13.96	None
7	Two warehouse buildings are located on 95/1 Moo.6, Bang Chak Subdistrict, Phra Pradaeng District, Samut Prakan One warehouse building is located on 219/12-13, 219/14-15 Moo.6 Suksawat 78, Nai Khlong Pla Kot Subdistrict, Phra Samut Chedi District, Phra Pradaeng District, Samut Prakan	Chemical Storage Chemical Storage	Possess by the Company Possess by the Subsidiary Company	5.15 4.08	None None
8	A 2-storey office building located on 9/8 Moo.5 Sala Thammasop Subdistrict, Thawi Watthana District, Bangkok A marketing reception building 9/8 Moo.5 Sala Thammasop Subdistrict, Thawi Watthana District, Bangkok	Office Building Office Building	Possess by the Gratitude Infinite Public Company Limited and its subsidiaries	16.34 0.60	None None

No.	Property Type/ Characteristics	Land Use Characteristics	Proprietary Nature	Net Value (Million Baht)	Obligation
	An office building and factory located on 26/1 Moo.2 Sisathong Subdistrict, Nakhon Chai Si District, Nakhon Pathom	Production Factory Building		5.11	None
9	The Company and its subsidiaries retrofitted warehouse building and office building.	Office Building and Chemical Storage	Possess by the Company and its subsidiaries	12.88	None
10	Decoration and office equipment	Office Equipment	Possess by the Company and its subsidiaries	2.94	None
11	Electrical Equipment and Tools	Office Equipment and Warehouse	Possess by the Company	7.45	None
12	Trucks for transporting chemicals consist of: - 6-wheeler mini truck with a capacity of 10 — 15 tanks - 6-wheeler vehicle with a capacity of 60 tanks - 6-wheeler bulk truck with a capacity of 6,000 — 9,000 Litre - 10-wheeler bulk truck with a capacity of 12,000 — 15,000 Litre	Transporting Chemical	Possess by the Company/hired purchasers	3.74	None
13	The Executives' Vehicles - The Company — 10 cars - The Gratitude — 5 cars	Company Cars for Executives	Possess by the Company/hired purchasers	18.02 6.80	None
14	Employees' Vehicles - The Company — 12 cars - The Gratitude — 7 cars	Company Cars for sale officers and central unit business	Possess by the Company and its subsidiaries/hired purchasers	4.24 2.75	None
16	Digital Currency Mining		Possess by the subsidiaries	24.67	
17	Assets under installation and construction		Possess by the Company and its subsidiaries	3.00	
Total				276.96	

4.2 Summary of Important Agreements

4.2.1 Property Lease Agreements

No	Agreement: Type/Characteristics	Rental/Service Fees	Contract Parties	Others
1	5 Chemical Tanks	Mutually agreed	The Siam Chemicals Public Company Limited	The contract expires on December 31, 2023. Each tank has a capacity of 750,000 litres and 1,850,000 litres.
2	Goods Storage	Mutually agreed	BMT Pacific Company Limited	It is a contract for receiving and dispensing chemical products, ending March 31, 2024.
3	Office Building located on 728 Union House Building, Bang Bamru Subdistrict, Bang Phlat District, Bangkok	320 baht per sq.m exclusive of utility expense, providing that: - The Union Petrochemical Public Company Limited rents 702 sq.m, amounting to 224,640 baht per month. - The Linon Asia (Thailand) Company Limited rents 32 sq.m, amounting to 10,240 baht.	Firsttraco Company Limited	The contracting party is related to the Company by the shareholders and directors of the contracting party, and they are related to Managing Director. The building rental fee is similar to the rental price of nearby office buildings. It is a 3-year lease agreement, and the expiration date is August 30, 2022.
4	Warehouse Building located on 350-350/1-4 Soi Suksawat 64, Suksawat Road, Bang Phueng, Phra Pradaeng, Samut Prakan	Mutually agreed	A group of persons by Mr. Prachya Witayapan and the fellows	The contract expiration date is July 31, 2023
5	Warehouse Building located on 350-350/1-4 Soi Suksawat 64, Suksawat Road, Bang Phueng, Phra Pradaeng, Samut Prakan	Mutually agreed	Hong Keng Textile Company Limited	The contract expiration date is December 31, 2024

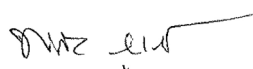
4.2.2 Trade Agreements

No.	Agreement Type/Characteristics	Contract Parties	Others
1	Raw Materials Purchasing Agreement	IRPC Public Company Limited	Annual term
2	Distribution Agreement Branded Distributor	Esso (Thailand) Public Company Limited	Executed on July 5, 2005
3	Distribution Agreement (Authorised Distributor)	Thai-MC Company Limited	Executed on October 5, 2005
4	Purchasing Agreement	GC Glycol Company Limited	Annual term
5	Purchasing Agreement	PTT Phenol Company Limited	Annual term

Message from the Chairman of Board of Directors Good Corporate Governance

Union Petrochemical Public Company Limited, by the Board of Directors intends to promote the Company as an organization that operates its business under good corporate governance principles and established a standardized management system focused on making the best interests, taking into account all stakeholders. In the past, the Company focused on building an awareness and understanding of good corporate governance principles and raising awareness of the implementation of good corporate governance principles every day, aiming to become a corporate culture. And to comply with the principles of good corporate governance for listed companies 2017 (CG Code 2017) by the Securities and Exchange Commission (SEC). And for the Board of Directors and its employees to take into account the guidelines for further operations.

The Board of Directors will adhere to the implementation of good corporate governance principles as a good role model for everyone and hope that we will all perform our duties to the fullest capacity in accordance with the principles of good corporate governance for the sustainable growth of the organization.



(Mr. Bhala Sukhavej)
Chairman of the Board of Directors

Corporate Governance Policy

Good Corporate Governance Policy

1. The Board of Directors, executives and employees adhere to compliance with the law and adopt good corporate governance principles in order to operate in integration with the corporate visions, missions, strategies, and goals, as well as strengthening the organization to conduct an effective management system, which will lead to the increased confidence in shareholders, investors, and all stakeholders.

2. The Board of Directors respects the rights and treats all shareholders equally and fairly, as well as facilitating shareholders to exercise their rights in various matters.

3. The Board of Directors promotes the process of strengthening good relations and cooperation between the Company and its stakeholders, while establishing appropriate channels for communication with each other.

4. The Board of Directors establishes the Company's policies and business ethics to serve as a code of conduct for all stakeholders such as shareholders, customers, competitors, suppliers, creditors, employees, communities, and the environment.

5. The Board of Directors plays a role in formulating visions, missions, and approval of strategies, policies, business plans, and budgetary approaches, as well as governing the management to implement the established policies efficiently and effectively. To maximize economic value for the business and the best interests of shareholders.

6. The Board of Directors provides a structure of organization, separating duties and responsibilities of the Board of Directors, the Sub-Committee, the Managing Director, and the Management clearly. As well as developing internal control and internal audit systems, enterprise risk management systems, conflict-of-interest prevention systems, preventing the improper and inadequate use of inside information.

7. The Board of Directors provides a system that supports effective anti-corruption. To assure that the management has realized and valued the anti-corruption efforts. As well as complying with anti-corruption measures.

8. The Board of Directors oversees the preparation of financial statements and financial information in accordance with generally accepted accounting standards, with the adequate and reliable disclosure of important information, as well as providing competent and independent auditors.

9. The Board of Directors ensures that the Company communicates and discloses important information related to the Company, including financial and non-financial information,

adequately, accurately, completely, reliably, transparently, thoroughly and timely through various channels. including investor relations who are conveniently and equally accessible.

10. The Board of Directors may appoint sub-committees as appropriate. To help to moderate important work and report performance to the Board of Directors' meetings on a regular basis. This includes performance reports to inform shareholders in the Company's annual report as well.

11. The Board of Directors holds an annual performance evaluation of directors, sub-committees such as audit committees, etc., to serve as a framework for monitoring operations during the past year. To be able to correct and increase the efficiency by presenting the results of the assessment to the Board of Directors' meeting for acknowledgement.

12. The Board of Directors provides appropriate recruitment systems for key executive positions at all levels, with transparency and fairness.

13. The Board of Directors plays an important role in providing good corporate governance policies and business ethics in writing for the directors, executives, and all employees, to be aware of, understand, and strictly adhere to compliance, including its monitoring process.

Good Corporate Governance Principles

It aims to improve the Good Corporate Governance of the Company in accordance with the Principles of Good Corporate Governance for Listed Companies 2017 (CG Code 2017) issued by the Securities and Exchange Commission (SEC) and to ensure good corporate governance of the Company. as follows

1. Rights of Shareholders

The Board of Directors values and respects the rights of all shareholders and facilitates shareholders to exercise their rights in various matters, both basic rights and rights that they deserve. Such practices are described as follows;

1. Right to obtain share certificate and right to buy, repurchase by the Company, sell or transfer shares

The Company has assigned the Securities Depository (Thailand) Co., Ltd. to act as the Company's securities registrar. To facilitate shareholders to carry out the operations of securities registration of the Company.

2. Right to propose agenda, list of nominees to take over as directors, and official inquiries in advance.

The Board of Directors recognizes the rights and equality of shareholders in accordance with the legal guidelines and good corporate governance principles. Shareholders shall meet the

conditions and procedures set by the Board of Directors. Such practices are set as follows;

1) Allow shareholders who hold shares of the Company of not more than 3% of the total issued shares and fully paid-up shares, to propose the agenda to be contained at the shareholders' meeting. Propose a list of nominees to take over as directors. And raise inquiries about the Company in advance prior to the annual general meeting of shareholders.

2) The Company informs the period of receipt of such requests through the SET channels and the Company's website at least 3 months in advance prior to the end of the fiscal year.

3) The Company has detailed the qualifications of those who are entitled to propose the terms of the proposal in determining and facilitating shareholders. The forms can be downloaded through the Company's website (<http://www.unionpetrochemical.com>) under the title "Investor Relations" and shareholders can submit the form informally in advance to the Corporate Secretary via electronic mail or fax before submitting the original completed details and its supporting documents to the Corporate Secretary, so that she will present the information submitted by the Shareholders to the Board of Directors for further consideration. In the event of nomination of directors, the Corporate Secretary shall nominate the person to the Board of Directors for consideration and presented to the Shareholders' Meeting for further approval.

4) In the event that the Board of Directors approves and deems appropriate. The Company will include the agenda and list of such persons in the invitations of the shareholders' meeting. It stated that it was a matter proposed by shareholders with the opinions of the directors. For agenda titles or non-approvers, the Board of Directors will inform shareholders and clarify the reasons through the SET channels and the Company's website (<http://www.unionpetrochemical.com>) titled "Investor Relations" by informing the shareholding meeting again on the date of the meeting.

3. Right to attend shareholder meetings

The Board of Directors encourages the holding of shareholders' meetings that take into account the rights and equality of shareholders in attending meetings in accordance with the guidelines of the law and good corporate governance principles, requiring an annual general meeting of shareholders to be held once a year within 4 months from the end of the fiscal year. And in the event of urgent need to propose a specific agenda that affects or relates to the interests of shareholders or involves conditions or rules. The applicable law that must be approved by shareholders, the Company will call an extraordinary general meeting of shareholders on a case-by-case basis.

1) Before the shareholders' meeting date

- The Company has assigned Securities Depository (Thailand) Co., Ltd., the Company's securities registrar, to deliver invitations and the supporting documents that are important and necessary for decision-making (in English in case the shareholder is a foreigner) to shareholders in advance at least 21 days prior to the meeting date. In addition, the Company has published a notice of invitation to the meeting and all such information (excluding the annual report) on the Company's website (<http://www.unionpetrochemical.com>) in both Thai and English of more than 30 days prior to the meeting date. Thus, shareholders have sufficient time to study the information and make decisions in advance. In addition, the Company posted in the newspaper to inform the schedule, time, location and agenda in both Thai and English for 3 consecutive days prior to the meeting at least 7 days prior to the meeting.

- In each session of the invitations, the objectives and reasons for the positive and negative impact (if any) are clearly stated, as well as the opinions of the Board of Directors in each session. In addition, the Company has provided additional information for the following agenda items:

The appointment of directors, the Company shall specify the name and attach the resume of each director who are proposed for appointment, such as name, last name, education background, work experience, number of companies holding director positions, nomination guidelines and methods, types of the proposed directors, such as directors or independent directors, and in the case of nominating the ex-director to the new position, it shall have information on attendance of the meeting in the past year and the number of term/year of the Company having served as a director.

The Company provides details about the name of the auditor, the company affiliated with the experience, competence, and suitability of the auditor, as well as the independence of the auditor. The qualifications recognized as auditors of the Company and approved by the SEC, as well as clearly state the auditor's service fees and/or other service charges (if any) so that shareholders can consider the suitability of the auditor before considering their approval.

Dividend payment: The Company has disclosed the dividend policy, including the rate and number of dividends offered with reasons and accompanying information. In the event of no dividend payment, the Company will also disclose the reasons and information for the consideration clearly.

Other matters affecting the Company, such as the determination or amendment of the Regulations and Memorandum of Association, capital reduction or capital increase, and approval of special transactions, etc.

2) At Shareholders' Meeting Date

- The Company requires that the meeting process be carried out in accordance with the required laws, taking into account the convenience and rights and equal treatment of shareholders by arranging for the staff to facilitate the inspection of the documents of the participants, and registration will be at least 1 and a half hours before the meeting time.

- At each shareholder meeting, Chairman of the Board of Directors, Directors, all sub-committees, and the Management Team attended the meeting to give shareholders the opportunity to inquire about the Company's information, with the Company's auditor acting as an inspector.

- Before the start of the meeting, the Corporate Secretary will introduce the Board of Directors. Chairman of all sub-committees, the Company's executives, and auditors who attended the meeting, shall acknowledge the meeting and assign the Corporate Secretary to conduct the meeting.

- The Corporate Secretary shall inform the quorum, which consists of: Number of shareholders attending the meeting in person, the number of proxies meeting on behalf of shareholders, and the number of shareholders who have given proxies to independent directors of the Company as proxies, as well as clarification of voting methods and vote counting to shareholders before the start of the meeting. This is in accordance with the Company's Regulations and the Public Limited Companies Act section 107(1). It counts one share as one vote. If there is an equal number of votes, the Chairman of the meeting will exercise a vote by one more as a casting vote, including a meeting in person or in case of proxy for others to attend the meeting instead of such shareholders, etc.

- The Corporate Secretary shall conduct the meeting by agenda as stated in the invitations, without adding any other agenda not specified in the invitations.

- The Board of Directors provides ballots on all agenda items that require voting. This is for transparency and auditability in disputed cases. Later, the votes will be counted and the results of the votes will be disclosed. The resolutions of the meeting will clearly be recorded in the minutes.

- The Chairman of the Meeting has allocated sufficient time to give shareholders the opportunity to have the right to equally inquire the information or comments related to the Company's agenda and operations, as well as recording important questions, clarifications, and comments in the minutes of the meeting. So that shareholders who do not attend the meeting can be knowledgeable.

3) After the Shareholders' Meeting

- The Company has informed the resolutions of the shareholders' meeting through the SET news system within the next business day by specifying the votes in spite of the approval, disapproval, and abstaining from voting on each agenda. It also includes preparing minutes in both Thai and English and delivering the SET and related entities within 14 days from the date of the meeting, as well as publishing the minutes of the meeting on the Company's website (<http://www.unionpetrochemical.com>) for shareholders to review. There is no need to wait until the next meeting. Moreover, the Company also formulated a good meeting's minutes storage system that can be verified and referenced at all times.

- The Board of Directors assigns the Corporate Secretary to prepare the minutes of the shareholders' meeting in full, accurately, consisting of the following details:

1. List and Position of Directors, Sub-committees, senior executives, and auditors who attended the meeting and who were unable to attend the meeting (if any)

2. A quorum consists of: Number of shareholders attending the meeting in person, Number of proxies for shareholders, and number of shareholders who have given proxies to independent directors of the Company as proxies.

3. Voting methods for each session and counting the votes as resolutions of the shareholders' meeting will be clarified before the start of the meeting. Including the application of ballot.

4. Inquiries, clarifications and important comments

5. Votes approval, disapproval, and abstaining from voting, in every term that requires a vote and specifies the name and number of shares of those who are not eligible to vote in each term (if any).

4. Right to appoint and remove directors including determination of remuneration of directors

1) Appointment of Directors

- The Board of Directors gives shareholders the rights to elect the individual directors.

The Board of Directors will consider the qualifications and present the names of persons who are appointed as directors at the shareholders' meeting and attach the resumes of each director to propose appointments including any information useful to shareholders for approval.

- According to the Company's regulations, at every shareholder meeting, a director shall leave a position of one-third by having the longest-serving director leave the position first. If the number of directors to leave cannot be divided into three

sections, then the number closest to one of the three directors who have retired, may be reelected to the position. The Board of Directors set guidelines for shareholders to elect directors as follows:

1. One shareholder has one vote per share.
2. Each shareholder can exercise all votes under Article 1 to elect a single person or several directors, but they cannot share the votes with anyone.
3. The person who receives the highest number of votes, respectively in descending order, will be elected as a director equivalent to the number of directors who will be or will be elected at that time.

In the event that the person who is elected in the descending order has the same number of votes, exceeding the number of directors who are required or shall be elected at that time, the Chairman of the meeting shall exercise the casting vote.

2) Removal of directors

To remove a director from office before the term is scheduled, in accordance with the laws and regulations of the Company, with a vote of at least third-fourth (3/4) of the number of shareholders who attended the meeting and had the rights to vote, and the counted shares are together at least half of the shares held by shareholders who attended the meeting and had the rights to vote.

3) Determination of remuneration of directors

Shareholders have the right to consider the remuneration of directors. The Board of Directors presents guidelines and policies for determining the remuneration of directors in each position. Neither monetary form nor non-monetary form for shareholders to consider and approve on an annual basis.

In addition, the Board of Directors presents guidelines and policies for determining the remuneration of sub-committees (if any). In each position, either in monetary form and/or non-monetary form, for shareholders to acknowledge on an annual basis.

5. The right to approve the appointment of an auditor and determination of the auditor fee.

The Board of Directors requires the appointment of auditors and the determination of audit fee, then [resents to shareholders.

It shall be approved by shareholders at every annual general meeting of shareholders, where the Company's auditor shall be independent and approved by the Securities Exchange and Commission and the Company.

2. Equitable treatment of shareholders

The Board of Directors recognizes the importance and treatment of all shareholders equally. Be fair and sustainable, whether it is a major shareholder, minor shareholder, institutional investor or foreign shareholder.

Rights to propose meeting agenda and names of nominees elected as directors

- Allow shareholders to propose the increase in the agenda of the shareholders' meeting in advance of the meeting. The announcement was made in general through the Channel of the Stock Exchange of Thailand in advance of the meeting, as well as announcing the criteria and clearly stating the procedures for consideration on the Company's website.

- Allow shareholders to nominate a person to be elected as a director. The nominee shall meet the requirements of the Company and shall give consent to the nomination. The nomination notice, including guidelines, were announced through the Channels of the Stock Exchange of Thailand in advance of the meeting and published such information on the Company's website. Selection of directors at the meeting, the Company holds individual votes for directors.

Voting rights, proxy for other people to attend meetings instead, and voting method.

1. Grant voting rights to shareholders based on the equal number of shares held, with one share having the right to vote equivalent to one vote.

2. Always conduct the shareholders' meeting in the order of the agenda set out in the invitation. And there is a policy not to increase the agenda at the meeting without prior notice to shareholders, so that shareholders have the opportunity to study the information and assemble the agenda before making a decision.

3. Attach the proxy statement as announced by the Ministry of Commerce (Form A, Form B and Form C), in which shareholders can determine the voting direction for themselves in each session together with the invitation of the meeting. In order for any inconvenience of shareholders who are unable to attend the meeting in person, independent directors or other persons can be authorized as proxies to attend meetings and vote instead, as well as published on the Company's website so that shareholders can download details and proxy procedures.

4. The person who receives the highest number of votes, respectively in descending order will be elected as a director equivalent to the number of directors who will be or will be elected at that time. In the event that the person who is

elected in the descending order receives votes more than the number of directors who will have or should be elected at that time, so that the chairman of the meeting shall exercise his casting vote.

3. Role of Stakeholders

The Company recognizes the important roles of all stakeholders, with the Company adhering to integrity as the principle of conducting business and conducting business in accordance with laws and official requirements. Not promote or support any unlawful activity or transaction, such as human rights violations. The Company will not solicit or receive money, gifts or prizes or other remunerations from any other person unless it is accepted due to traditional giving by the Company against corruption and does not pay bribes for business interests, and will cooperate and support state and private measures against corruption and human rights violations.

In addition, the Company supports the improvement of work processes that affect each group of stakeholders in accordance with the context of the organization. To create sustainable growth together by establishing practices for stakeholders. as follows;

Policies and Treatment toward Individual Stakeholders

The Company established a policy to treat stakeholders in each group appropriately and fairly and provides adequate channels for communicating with each group of stakeholders.

- Shareholders, investors; the Company is committed to conducting business transparently and fairly, taking into account the business ethics and rights of all shareholders equally. Whether it is retail investors or institutional investors, to build the confidence and trust of shareholders and strengthen the competitiveness to create value-added to shareholders in the long run, therefore, the disclosure of important information to all shareholders is disclosed properly, completely, and timely.

- The Company treats employees equally and fairly and takes into account human rights principles. Regardless of gender, nationality, ethnicity, religion or beliefs, employees are considered the most valuable and important resources to support the Company's operations in order to achieve the success as set by paying employees appropriately. It is treated equally and fairly with respect to human rights under applicable laws and standards, both in terms of opportunity. Compensations, and other benefits, including appointment, job rotation, career development, competency development, working skills development, and others.

Policies and practices regarding employee's compensation and welfare

Employees are the Company's vital resource. To maintain knowledgeable personnel, therefore, we have established a policy to determine compensation and welfare at an appropriate rate and in accordance with market versus industry guidelines. The Company is responsible for maintaining a safe working environment for the life and property of employees. Ready to provide adequate and appropriate working facilities. By strictly complying with labor laws to prevent the event of work-related death, work-related injuries and illnesses, as well as establishing a policy of compensation aligning with the Company's performance, which will be determined by the profitability of each year and the measurement of performance in accordance with their duties, including employee welfare, such as provident fund, aiming for saving and ensure the securities toward employees and their families. This contribution is based on the employee's willingness and service years, the employee's contribution rate, the Company's contribution rate, including the group life and health insurance, and emergency allowance according to the Company's regulations. In addition, we also organized the recreational activities for creating unity and as a reward program for the employees.

Competency development policies and practices

We believed that to develop knowledge, competency, and enhance the employee experience is a vital factor. The Company therefore organized the onsite and offsite training, aiming to develop skills of the employees that are able to apply in performing duties effectively, and keep up with changes in innovations of transactions, rules and regulations of the external entities that the Company shall comply with. Moreover, it ensures that all employees understand the rules, regulations, and business ethics that make them perform their duties properly. Thus, we organized the internal communication campaigns to deliver such information through various activities, including the orientation for new employees to understand the rules and comply with such practices.

- **Customers** — the Company adheres to the business code of ethics in treating customers fairly, paying attention and being equally responsible to every customer. And servicing with quality, standards, and accuracy that meet the customers' needs. It also includes the speedy logistics system, aligning with the laws stipulated in the transportation for safety and building confidence in the Company's services based on the following practices:

1) To deliver the quality goods and services that meet standards under fair price and variety of products. It aims to continuously lift up the standards to the height, including an information disclosure regarding our products and services in the full, complete, accurate manners without distorting the facts.

2) To provide adequate information regarding goods and services that are accurate and up-to-date to the customers. It aims to provide the sufficient information to those customers for making decisions, without presenting the exaggerated information that may cause the misleading manners regarding the quality, quantity or any condition of goods or services.

3) To respond to customers' needs quickly and provide the adequate warehousing and logistics management systems that meet the safety standards as required by law. Together with the warehousing management principles that are resilient, allowing goods to be available for delivery at all times according to customer requirements.

4) To provide opportunities for customers to make complaints regarding the defects of goods and unsatisfied services, including the prompt corrective actions.

5) To sustain the confidentiality of the customer's personal data without actions of misusing such data unless it is the data that shall be disclosed to a relevant third party as required by law.

- **Suppliers, Creditors, Debtors** — the Company treats suppliers with equality and fairness based on obtaining fair interests to both parties as well as the strict compliance with commitments. Thus, we established the policy to treat suppliers, aligning with the principles of good governance in the procurement process. Our procurement allows all suppliers (seller/contractor/lessor) to enter the bidding system with transparency and fairness and we avoid any situations that may cause conflicts of interest.

Supplier's selection, procurement and practices toward suppliers

1. Comply with contracts, agreements or conditions toward suppliers. In the event of non-compliance, the Company will negotiate with such suppliers to jointly seek solutions and prevent the damages that may occur.

2. The procurement shall be transparent, preventing corruption in every single step of the procurement process.

3. Treat all suppliers equally and based on fair interests for both parties.

4. Not demanding, accepting or giving any dishonest interests to all suppliers.

Supplier's Selection Methods and Assessment

1. Supplier shall have a reliable operating and financial history including the potential to grow with the Company in the long run.

2. Produce or sell goods or provide services with quality and standards that meet the needs in terms of quantity and price, and its quality can be verified.

3. Assess the punctuality in the delivery of goods and services.

4. Assess the skills of coordination, problems-solving, and the team's preparedness.

- **Creditors** — the Company adheres to treating suppliers and creditors fairly with integrity and without taking advantage of each other, aiming to create the highest mutual interests. The Company established policies and practices regarding creditors with responsibilities of not defaulting on payment. It also includes strict compliance with the conditions specified in the contracts and agreements.

Practices toward creditors

1. Strictly comply with contracts or agreements made with the officials, such as terms of guarantees, governance of collateral securities, capital management, and maintenance of financial ratios according to the agreements. And not using the loan in a way that is contrary to the objectives of the loan. In case of non-compliance, the Company shall negotiate with the authorities in advance for jointly seeking a solution and prevent any damages that may occur.

2. Assure the creditors by creating confidence in the management structure, financial status and ability to repay their debts.

3. Consistently disclose the accurate and complete financial information.

- **Competitors or Business Rivals** — the Company treats its competitors fairly without infringing or seeking their trade secrets by dishonest means. Perform duties according to the principles of good competition, maintain the norms of business code of conduct in the competition, do not damage the reputation of competitors by making negative allegations and without factual information. The practices are as follows:

1. Operate its businesses within the management framework according to the principles of good competition.

2. Do not seek confidential information of competitors by dishonest or inappropriate means.

3. Do not damage the reputation of competitors by making negative allegations.

4. Support and promote free trade that is fair, not monopolized or requires the customers to trade with the Company only.

5. Establish a policy on the non-infringement of intellectual property or copyright and encourage the employees to perform their duties under the laws or regulations relevant to the rights of intellectual property.

- **State Enterprise or Government Agencies** — the Company places importance on acquiring any contract or agreement from government agencies and state enterprises and it shall comply with the rules of the law aligning with the anti-corruption policy.

- **Community and Environment** — the Company believes that our business operations will connect to the people's way of living. Thus, we focused on the activities that are beneficial to the context of socioeconomics of that community and its community engagement, along with social activities. It aims to create socio economic development and better quality of environment through nurturing the awareness of social and environmental responsibility and defining it as our corporate values to employees at all levels continuously. Moreover, we are ready to cooperate and govern our business operations, strictly aligned with the intent of the law and regulations prescribed by the governing bodies.

Policies and Practices regarding Non-Infringement of Intellectual Property

The Company respects and complies with intellectual property laws and has a policy prohibiting actions that are characterized by infringing all types of intellectual property. It is defined as a code of conduct in the Company's code of conduct. as follows

1. All Employees It is responsible for protecting and maintaining confidentiality relating to the Intellectual Property of the Company in order not to leak such information and not to use the Company's intellectual property for personal or unauthorized use of other persons.

2. All employees must respect and respect the intellectual property of others and not use the intellectual property work of others, in whole or in part, without the permission of the owner of the work.

Respect for international human rights laws and principles

The Company requires directors, executives, and employees to comply with laws, regulations, customs, and traditions, including human rights principles and humanity without discrimination of race, skin color, gender, language, religion, social status, wealthiness, birthplace, political opinion, and other statuses. It also includes being aware of their rights, duties and responsibilities toward community and other people as follows;

1. Equitable treatment of all people in compliance with the human rights principles without discrimination.
2. Avoid actions that may violate the human rights
3. Promote activities relating to the human rights
4. Conduct communication, dissemination of information regarding the human rights as well as creating knowledge, understanding, setting practices, the monitoring mechanism, and providing support to those involved in business operations throughout the value chain; suppliers, contractors, and joint venture companies, to engage in business operations with virtue, respect of human rights and treatment toward everyone in compliance with the human rights principles, aligning to this policy.

4. Disclosure and Transparency

The Board of Directors is responsible for disclosing important information of the Company in full. Reliable and timely through media such as the Set of Exchange of Thailand and English disclosures. Press releases on the Company's website, which contain information disclosed, contains both financial information and non-financial information. The Company shall carefully, clearly, compactly and use language that is easy to understand based on transparency, clarity, accuracy, and equal public disclosure, including: Respond to questions to shareholders, investors, securities analysts, and other stakeholders in order to strictly comply with the rules and regulations and to comply with good corporate governance principles.



(Mr. Peerapol Suwannapasri)
Managing Director

ATTACHMENT 6

Report of the Audit Committee
disclosed in the Form 56-1 One Report
titled “Report of the Audit Committee”
on page 8-9



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