



บริษัท ธนปริยะ จำกัด (มหาชน)
Thanapiriya Public Company Limited

ANNUAL REPORT 2020



บริษัท ธนปริยะ จำกัด (มหาชน)
THANAPIRIYA PUBLIC COMPANY LIMITED

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General Information of the Company

Security Issuing Company	: Thanapiriya Public Company Limited (“Company” or “Thanapiriya Pcl.”)
Company Registration	: 0107558000172
Type of Business	: Retail and Wholesale Business of Consumer Products
Registered Capital	: 200,000,000 Baht consisting of ordinary shares for 800,000,000 shares at par value of 0.25 Baht per share
Juristic Person Held for Shares by the Company	: Details according to Topic Overview of Business Engagement of the Company and its Subsidiary
Location of Head Office	: No. 329 Village No.8 Ban Du Sub-district, Mueang Chiang Rai District, Chiang Rai Province 57100 Telephone: 0-5377-6144 Facsimile: 0-5377-6144
Investor Relations	: Telephone: 0-5377-6144 E-mail: investor@thanapiriya.co.th
Reference Person Securities Registrar	: Thailand Securities Depository Company Limited No. 93 Ratchadaphisek Road, Din Daeng Sub-district, Din Daeng District, Bangkok 10400 Telephone: 0-2009-9000 Facsimile: 0-2009-9991
Auditor	: Mr. Athipong Athipongsakul, the Certified Public Accountant Registration No. 3500; or Mr. Vichai Rujitanon, the Certified Public Accountant Registration No.4054; or Mr. Sathien Wongsanan, the Certified Public Accountant Registration No. 3495; or Ms. Kultida Pasurakul, Certified Public Accountant No. 5946; or Ms. Kaniattha Siripattanasomchai the Certified Public Accountant Registration No. 10837 ANS Audit Company Limited No. 100/72,100/2, 16th Floor, Vongvanij B Building, Rama IX Road, Huai Khwang Sub-district, Huai Khwang District, Bangkok 10310 Telephone: 0-2645-0109 Facsimile: 0-2645-0110

Should Investors require addition information, they can be obtained from Disclosure report concerning additional information (Form 56-1) in which the Company has published details in www.sec.or.th or the Company's website: www.thanapiriya.co.th



Summary of Financial Data

	2020	2019	2018
Consolidated Income Statement			
(Million Baht)			
Revenues from sales	2,196.1	1,952.5	1,728.6
Costs of sales	1,837.4	1,659.3	1,483.7
Gross profit	358.7	293.1	244.9
Net profit for the years	133.9	88.6	65.1
Consolidated Statement of Financial Position			
(Million Baht)			
Total Assets	1,032.3	869.4	828.8
Total Liabilities	241.7	164.7	180.3
Total Shareholder's equity	790.6	704.7	648.5
Consolidated Statement of Cash Flows			
(Million Baht)			
Net Cash from Operating Activities	179.1	126.4	110.2
Net Cash used in Investing Activities	(105.5)	(66.7)	(53.3)
Net Cash used in Financing Activities	(51.1)	(44.0)	(62.0)
Financial Ratio			
Gross Profit Margin (%)	16.3	15.0	14.2
Net Profit Margin (%)	6.1	4.5	3.7
Return on Equity (%)	17.9	13.1	10.4
Return on Assets (%)	14.1	10.4	7.9
Debt to Equity ratio (Time)	0.3	0.2	0.3
Earnings per Share (Baht)	0.17	0.11	0.08
Dividend per Share (Baht)	0.070	0.050	0.035

Message from the Board of Directors

In 2020, Thailand and world economic have been greatly impacted by Corona 2019 virus pandemic as a result of economic slowdown and causing instability to various businesses. The board of director of Thanapiriya Public Company Limited “The Company” has been monitoring those phenomenal and identifying all possible factors that could affect The Company’s performance. As risk analysis is a crucial tool to identify those factors from pandemic. Also, regulation determination was set in order to handle the situation as well as reduce potential risks to our customers, stakeholders and The Company staff. Though, the business model of The Company is mainly to sell consumer goods to household as a result the overall performance in 2020 was continuously increased. As the board of director, we expected the pandemic of Corona 2019 virus in 2021, will be unraveled as a result of vaccine distribution to people which result in economic recovery.

The Company was registered and officially started exchanging stock in stock exchange market of Thailand in 2015. For six years, The Company has been proved to its shareholders that the business operation with a great potential and effective has continuously generated growth performance and return to shareholder. In 2020, the Company opened additional 4 stores to gain access to new customers as well as further providing a service to consumers and local community. As a result, The Company had total of 32 stores, generated total revenue of 2,208 million baht, representing a growth rate of 12.4 percent versus the previous year. Such a significant success was identified as business plan and the unity of the board of director, management, staff and stakeholder. In addition, the board of director emphasized on business management based on efficiency development of operating systems and personnel in readiness for any changes in technology and consumer behavior, so as to facilitate prospective business expansion. The Company believes that this solid business foundation shall lead to steady corporate growth in the future.

On behalf of the Board of Directors, we would like to thank our customers, trade partners, shareholders, related parties as well as business alliances for the constant support, and also express our deep appreciation to all the management team and staff for their ceaseless efforts that bring continual prosperity to the Company. We are firmly committed to conduct business on the basis of ethics, integrity and transparency under the good corporate governance principles to which we have been adhering all along.



Pitsanu Khantipong, MD
Chairman of the Board



Mr. Tawatchai Phutthipiriya
Chief Executive Officer

Report of the Audit Committee

The Audit Committee of Thanapiriya Public Company Limited consists of Pisanu Kantipong, MD, as the Chairman of the Audit Committee, Dr. Wathana Yeunyong, and Dr. Chalermchai Khamseen, as the audit committee members. The scope of duties and responsibilities according to the significant Charter of the Audit Committee is to oversee the Company's financial reports according to Generally Accepted Accounting Principles and Standards, review the Company's operation according to the Principle of Good Corporate Governance, effective internal control system, compliance with the relevant requirements and laws, as well as oversee in the event of contingent conflict of interests among the connected parties. In 2020, the Audit Committee held total of 5 meetings under below essential issues.

1. The Audit Committee mutually considered and reviewed quarterly financial statements and annual financial statements for 2020 together with the management and the auditor to ensure that the Company's financial reports were properly and fairly prepared according to Generally Accepted Accounting Standards and disclosed adequate, complete and reliable information, as well as gave observation and acknowledged problem solving guideline for the Company's benefit. The Audit Committee deemed that the Company's annual financial report for 2019 has been fairly proper in the materiality according to Financial Report Standard.

2. To evaluate internal control system according to the determined guideline by Office of the Securities and Exchange Commission that covers organizational control, risk management, control on operation, information system and data communication, as well as monitoring system. The Audit Committee deemed that the Company has had adequate and efficient internal control.

3. To review the compliance with Securities and Exchange Law, or the requirement of Stock Exchange of Thailand and laws relevant to the Company's business operation, as part of the internal audit of the Company. In the year of 2020, the essential issues of non-compliance with the said law and requirement were unfound.

4. To govern internal audit work for independent operation by hiring I VL Auditing Company Limited which is the internal audit service providing company from outside to be the Company's internal auditor. The Audit Committee shall consider annual internal audit plan and internal audit result report, continuously monitor internal audit result with the management, and give advice the internal auditor to ensure that the determined internal plan is effectively and efficiently complied. The significant indicator of fraudulent act or fault of internal control was not detected in annual internal audit for 2020.

5. Attended a specific meeting with the external auditor without the management present to ensure the auditor's independence in their work. From the consideration of the qualifications of the auditors, the quality of audit work, the audit team, their expertise and independence in their work, the Audit Committee deemed it appropriate to propose to the Board of Directors to request approval from the general shareholders' meeting to appoint ANS Audit Company Limited as the Company's auditor for the year 2020 for the auditor had conducted the audit well throughout.

6. To consider disclosing the information of inter-transactions and connected transactions of the Company and the person that may have conflict of interests. The Audit Committee deemed that the information of inter-transactions and connected transactions of the Company have been accurately, completely and adequately disclosed according to business condition and criteria prescribed by Stock Exchange of Thailand.

7. Reviewed compliance with the handbook on anti-corruption measures under the Private Sector Collective Action Coalition against Corruption project on internal control, preparation of financial reports and other processes related to the anti-corruption measures the Company has prepared and provided an assessment of the risks associated with corruption within the Company, including a review of the compliance with the anti-corruption policy. On 21 August 2018, the Company's certification under the Thailand's Private Sector Collective Action Coalition against Corruption. The Audit Committee is of the opinion that the Company has fully and sufficiently implemented measures rigorously and carefully.

The Audit Committee has performed its duties with carefulness, independence and straightforward opinion expression without limitation of information acquisition and emphasis on good corporate governance according to the principle of the Stock Exchange of Thailand for transparency and ethics to cause confidence to shareholders and all relevant parties.



On behalf of the Audit Committee
(Pisanu Kantipong, MD)
Chairman of the Audit Committee

Report of the Nomination and Remuneration Committee

The Nomination and Remuneration Committee comprised of three members. The Nomination and Remuneration Committee has performed duties as assigned by the Board and in accordance with the charter of the Nomination and Compensation Committee. The key responsibilities of the Nomination and Remuneration Committee include the nomination of qualified candidates as members of the Board and Board Committees and propose of remuneration of the Chairman of the Board to the Boards. In the year 2020, the Nomination and Remuneration Committee has held 2 meetings and all members attend to the meeting every time.

The Nomination and Remuneration Committee has clearly formulated applicable policies, criteria and procedures in accordance with the charters and regulatory requirements to provide appropriate operating frameworks for the Company as approved by the Board as follows:

- The nomination of qualified candidates as members of the Board and Board Committees will be based on qualifications, knowledge, abilities, skills, experiences, expertise, leadership, vision and attitudes. Considerations are also given to the size, structure and composition of the Board to promote the compliance with good corporate governance principles and effective management which are appropriate to the evolving business environment and regulatory changes.
- The determination of remuneration offered to directors and the Chief Executive Officer is based on the scope of responsibilities, duties and performance of the incumbents together with the operating results, business conditions and factors which may affect the Company's businesses and the economic conditions.

As of 31 December 2020, the Board is comprised of 7 members, of which 3 are independent directors. The Nomination and Remuneration Committee has requested the directors conduct self-evaluation to review their performance in the prior year. Details of the remunerations offered to directors and executives are shown under the remuneration of directors and executives section of the annual report. The Nomination and Remuneration Committee views that the remunerations are appropriate in view of with the scope of responsibilities of the directors



Dr. Wattana Yueanyong

Chairman of Nomination and Remuneration Committee

REPORT OF THE RISK MANAGEMENT COMMITTEE

To: The Shareholders

Thanapiriya Public Company Limited (the Company) recognizes the importance of risk management in its management and operating systems, with the aim of cultivating such risk management mindset as the working culture for all staff. This shall not only bring the organization towards achieving the established objectives and goals, but also promote value-adding operations of the business in a concrete manner. In this regard, the Company has appointed the Risk Management Committee, consisting of 6 members, to oversee enterprise risk management. The Committee's duties in 2020 are as follows:

1. Formulating risk management policy and structure;
2. Developing strategies in line with the risk management policy so as to competently assess, monitor and control each risk to an acceptable level, with the involvement of related units in the risk management and control
3. Assessing organizational-level risks, devising approaches to curb such risks to an acceptable level, as well as supervising to ensure implementation of the stipulated risk managing approaches;
4. Reviewing and revising the risk management policy to enhance efficiency and effectiveness that suffice for risk control;
5. Reporting the results of risk management performance to the Audit Committee on a quarterly basis.

The Risk Management Committee is fully committed to facilitating the Company to manage corporate risks to an acceptable level and in response to business circumstances.



Mr. Tawatchai Phutthipiriya
Chairman of the Risk Management Committee

Policy and Overview of Business Engagement



1. Vision, Objective and Target of Business Operation

Overview and Objective of Business Operation

Thanapiriya Public Company Limited (“Company” or “Thanapiriya”) engages in the retail and wholesale business of consumer products excluding fresh foods under the name of “Thanapiriya”. The revenue from sales is derived from two portions consisting of revenue from sales via branch and revenue from sales via head office. At present, total branches of the Company have been 32 branches, being classified into supermarket for 31 branches, wholesale center for 1 branch. There are 26 branches in Chiang Rai Province 4 branches in Phayao Province and 2 branch in Chiang Mai Province. The Company focuses on appropriate integrated services between worthwhile price in the way of modern trade and convenience in the way of convenience store. The various products of Thanapiriya for sales both in retail and wholesale consist of over than 15,000 items. The products sold by at Thanapiriya Store can be classified into five main categories as follows.

- 1) Household Products such as detergent, fabric softener, dishwashing liquid, floor cleaner, plate, bowl, fork, joss stick and candle, electric lamp, dry battery, air-conditioned scented spray, etc.
- 2) Personal Care Products such as shampoo, hair conditioner, soap, shower gel, toothpaste, powder, roll-on, cologne, sanitary napkin, tissue, hair dressing product, etc.
- 3) Drinks and Dried Foods such as tea, coffee, milk, drinking water, snack, sauce, vegetable oil, sugar, canned food, canned fruit, instant noodle, and fruit juice, etc.
- 4) Cosmetics and Supplements such as moisturizer, foundation cream, lipstick, conventional household medicine, dietary supplement and vitamin, etc.
- 5) Baby Care Products such as milk bottle, milk powder, baby food, diaper, supersorbent, toy, baby bathing and care product, and maternal product, etc.

Vision

The vision of the Company's business operation is to be the leader of retail business in form of supermarket in Chiang Rai and neighboring province, using long experiences from business operation, development of quality management system and emphasis on training and continuous development of employee skill and knowledge with creation of "Wisdom Organization" or body of knowledge.

Mission

In stepping toward retail business leadership in form of supermarket, the Company gives precedence to standard personnel development and improvement of work system as well as reinforcement of organizational culture so that the employees shall be aware of and proud of being membership of Thanapiriya. In addition, the Company aims at development of international standard management system, managerial exibility, and being the local store that understands the consumers under "real cheap price, pleasant shopping and proximity to your house" concept.

Target of Business Operation

The Company's target is to be Thai race community store that aims at continuous good service in order to support the consumer demand and aims at effective management, good internal control and maximum effective human resource management as crucial mechanism of sustainable business growth. However, the Company's target is to continuously expand branches in Chiang Rai and neighboring provinces in order to enhance the Company's customer base for more area coverage.

Background of Significant Change and Development

The Company's business was commenced in 1965 from vending stand grocery in Chiang Rai municipality under the name of "Ngow Thong Chai" which was founded by Phutthipiriya Family. Later in 1991, it was developed into modern minimart under the name of "Piriya Mart". Later in 2000, the Company registered to change its name to be "Thanapiriya Limited Partnership" and used the establishment name of "Thanapiriya". Its head ofce is located Rop Wiang Sub-district, Mueang District, Chiang Rai Province.

Subsequently, the Company has continuously grown. It therefore has built warehouse in 1997 for delivery of products to various districts in Chiang Rai Province. With vision of the executive in foresight of the retail business opportunity that is likely to generate more prot and liquidity than the wholesale business of the Company, it therefore has opened the second branch in 2007. Since then, branches have been continuously opened particularly in Mueang District and other district in Chiang Rai Province. Later in 2012, the Company registered to change to be "Thanapiriya Limited Company" and in 2013, increased registered and paid-up capital to be 50 million Baht. Later in 2014, the Company increased registered capital to be 145 million Baht and purchased 100% of ordinary shares of Thanaphoom Property 2013 Company Limited for group restructuring.

On April 20, 2015, the Extraordinary Meeting of Shareholders resolved to transform the Company into public limited company in order to be listed in Market for Alternative Investment (MAI) under resolution of approval on increase in registered capital to be 200 million Baht and allocation of ordinary shares for capital increase for 50 million Baht in initial public offering.

On September 5, 2017, the Company relocated head office from Vieng Sub-District, Mueang District Chiang Rai Province to the new office at 329 Moo 8 Ban du Sub-District, Mueang District, Chiang Rai Province.

On November 8, 2019, The company has registered the establishment of two new subsidiary company with the name of TNP Express1 Company Limited with registered capital of Baht 1,000,000, located at 521 moo.4 Yuan Subdistrict, Chiang Kham District, Phayao Province and TNP Express 2 Company Limited with registered capital of Baht 1,000,000, located at 273 moo.4 Mae-Ai Subdistrict, Mae-Ai District, Chiang Mai Province.

Significant Change and Development of the Company

2014

- Opened 3 branches in Chiang Rai Province.
- On December 18, 2014, the Annual Extraordinary Meeting of Shareholders No. 1/2014 resolved to approve the increase in the primary registered capital from 50 million Baht to be registered capital for 145 million Baht for proportional offer for sales to the existing shareholders. The Company has registered capital increase with Department of Business Development, Ministry of Commerce, on December 22, 2014.
- On December 3, 2014, the Board of Directors' Meeting No. 10/2014 resolved to purchase 100% of ordinary shares of Thanaphoom Property 2013 Company Limited for group restructuring.

2015

- On April 20, 2015, the Extraordinary Meeting of Shareholders No. 1/2015 resolved the following approval.
 - o To transform the limited company into public limited company, and register for transformation into Thanapiriya Public Limited Company on April 22, 2015.
 - o To change ordinary share values of the Company from primary par value at 100 Baht per share to be par value of 0.25 Baht per share.
 - o To increase in registered capital from 145 million Baht to be 200 million Baht.

2015

- o Allocated 5 million Baht of ordinary shares for capital increase, classied into 20 million ordinary shares at par value of 0.25 Baht per share in offering for sales to the Company's employees and patronizer of the Company. On April 28, 2015, the Company increased paid-up capital for 5 million, resulting in paid-up capital for 150 million Baht.
- o Allocated 50 million Baht of ordinary shares for capital increase, classied into 200 million ordinary shares at par value of 0.25 Baht per share in initial public offering.
- On November 18, 2015 was the rst day trade of the Company's securities in MAI under the abbreviated security name of "TNP".
- Opened 2 branches in Chiang Rai Province.

2016

- Opened 3 branches in Chiang Rai Province.

2017

- Opened 3 branches in Chiang Rai Province and 2 branches in Phayao Province.
- Opened new distribution center at Ban du Sub-District Muang District, Chiang Rai Province, in June 2017.

2018

- Opened 5 branches in Chiang Rai Province.

2019

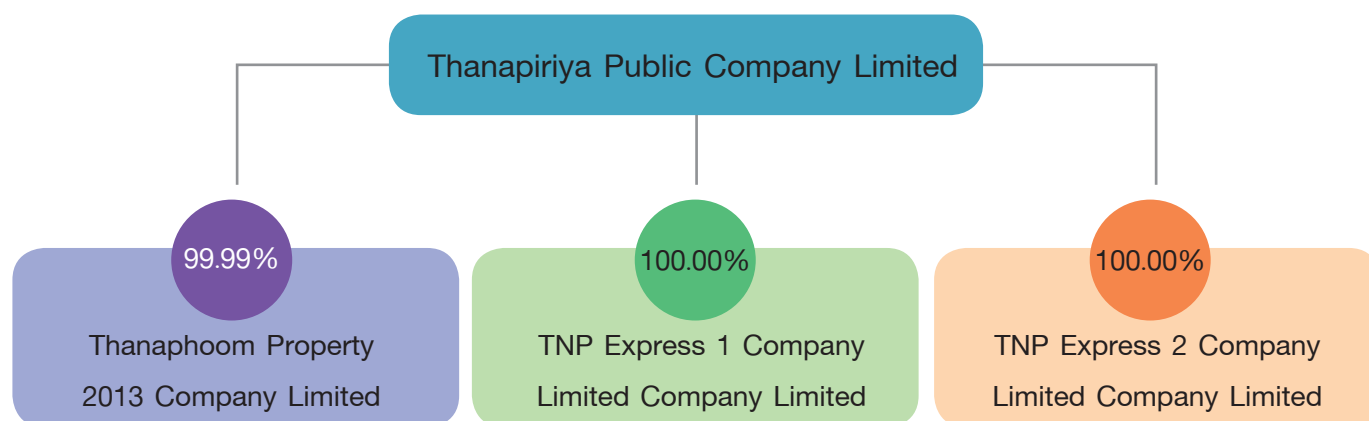
- Opened 1 branches in Chiang Rai Province, 2 branches in Phayao Province. And 1 branch in Chiang Mai Province.

- Opened 3 branches in Chiang Rai Province And 1 branch in Chiang Mai Province.

3. Overview of Business Engagement of the Company and its Subsidiary

Retail and wholesale business of consumer products excluding fresh foods is engaged under the name of “Thanapiriya”. The revenue from sales is derived from two portions consisting of revenue from sales via branch and revenue from sales via head office. At present, total branches of the Company have been 32 branches, being classified into supermarket for 31 branches and wholesale center for 1 branch. There are located in Chiang Rai province Phayao province and Chiang Mai province. The Company has currently invested in a subsidiary, Thanaphoom Property 2013 Company Limited, which engages in real estate procurement and development business for use in opening branch and Distribution Center of Thanapiriya, TNP Express 1 Company Limited and TNP Express 2 Company Limited which established in 2019 to support future business expansion.

Structure of the Company and its Subsidiary as at 31 December 2020



Nature of Business Operation

Nature of Business Operation

The Company runs retail and wholesale business of consumer products, excluding fresh foods under the business name “Thanapiriya”. The main revenue is from sales of products via branches and head office. At present, total branches of the Company are 28 branches, being classified into supermarket for 27 branches and 1 branch of wholesale center; 23 branches are located in Chiang Rai Province 4 branches in Phayao Province and 1 branch in Chiang Mai Province. The style of our super markets is the perfect combination where we provide variety of products at lower prices like the Modern Trade but convenient like the convenience stores. Thanapiriya aims to be the Thai nationality community stores which distribute the quality products and render warm services that take the customers’ demand into account.

The Company well perceives the way of life of local people that they prefer to buy fresh foods like meat vegetables and fruits from the fresh market. However, they prefer to buy consumer products from modern supermarkets which provide variety of products, attractive product display and convenience to select for purchase and easy to search for demanded products. The Company has used more than 27 years of its experience in accompanying with customer demand to develop the style of Thanapiriya Super Store to shelve and display more than 15,000 types of distributed product categories and aim to offer quality services and appropriate store layout for customer convenience in product shopping. In addition, the store location is easy for travel, resulting in customer’s time saving and travelling convenience. The retail and wholesale distribution for variety of consumer products is executed in all branches for increase in the customer’s alternative.

Revenue Structure

The proportion of revenue structure based on each type of business operation in 2018 to 2020 is as follows:

Revenue Structure	2018		2019		2020	
	Million THB	%	Million THB	%	Million THB	%
Revenue from Branches and Services	1,526.0	88.3	1,807.7	92.6	2,055.64	93.6
Revenue from Wholesale at Head Office	202.5	11.7	144.7	7.4	140.49	6.4
Total Revenues from Sales and Services	1,728.6	100.0	1,952.4	100.0	2,196.1	100.0

Note: The Company reclassified revenue from sales in 2018 in accordance with illustration of financial statement in 2019.

The major revenues of the Company are derived from revenue from sales of products as below details.

1) Revenue from Sales via Branches

The Company runs both retail and wholesale business via branches which invests and manages by The Company. Currently, the Company has 32 branches in Chiang Rai, Chiang Mai and Phayao Provinces comprising of 31 supermarkets, the target customers are people at all ages and genders that reside and travel in the area of the Supermarkets. Another one branch is wholesale centre which the target of customer group is the retailers who located in Chiang Rai and nearby provinces.

2) Revenue from Sales via Wholesale at Head Ofce

The Company runs wholesale business by establishing Call Center at head ofce to collect purchasing order from customers and coordinate with logistic department in order to deliver products referring to purchasing orders. The target of customer group is the retailers who located in Chiang Rai and nearby province.

1. Nature of Services

1.1 Nature of Products for Retail and Wholesale Business

The Company allocates more than 15,000 types in order to meet the customer demand. The shelved and displayed commodities are those of basic group of household products for personal use, beverage, grocery, mother & child products, cosmetics, supplement foods, and etc.

Branches are significant channels where Thanapiriya can reach the customers directly. Thanapiriya gives priority to excellent services which impress customers from the very first step that they enter the store until their leaving. When entering Thanapiriya Store, there will be welcoming staffs who greet customers and providing shopping baskets. There are also staffs at the product shelves that provide service and suggestions on different promotions. Moreover, the Company also concerns on adequate number of checkouts for non-long queuing up by the customers and arrange staff that renders conveying services to deliver products to the customer cars for facilitation.

Beside good services, the atmosphere inside the stores is regarded to be essential. Thanapiriya concerns on cleanliness of the store both in front of the store and inside the store. Outside the stores, there are banners of various promotions, interior store decoration in modern style. The selection of product sorting device to be appropriate with theme and size of the store, light adjustment in the store for adequate luminance for the customer's clear view on products and price tags, products display in categories and regular check on product quantity on shelf for increase in customer convenience and prevention of shortage of products on shelf, attractive decoration and display on shelf and stacking show in categories according to festivals. Also, presenting music audio and advertising materials could encourage customers' enjoyable shopping experience.

1.2 Distribution Channels

The Company distributes all products via two channels as follows:

1)Thanapiriya Branch

The Company distributes products via its own branches as the main channel. The locations are located nearby a community zone and adjacent to the residences of target customer group and adjacent to main road. This is convenient for both regular and walk-in customers to get an access to the store. Currently, the Company has 32 branches comprising of 31 supermarkets and 1 wholesale center.

The details about Thanapiriya's branches as of 31 December 2020 are as followings:

Branch	Address	Opening Year	Usage Area (Sq.M)	Opening Hours
1.Clock Tower Branch	414/1-2 Buppaprakan Road, Wiang Sub-district, Muang District, Chiang Rai Province 57000	1991	220	7:00 – 21:00
2.Den Ha Branch	318/3 Moo.16, Wiang Sub-district, Muang District, Chiang Rai Province 57000	2007	750	8:00 – 20:30
3.Sri Sine Mool Branch	139/6 Moo 9, Wiang Sub-district, Muang District, Chiang Rai Province 57000	2009	400	8:00 – 20:00
4.Baan Du Branch	142 Moo 4 Bann Du Sub-district, Muang District, Chiang Rai Province 57100	2011	700	8:00 – 21:00
5.Den Ha Wholesale Center	510/14 Moo 16, Rob Wiang Sub-district, Muang District, Chiang Rai Province 57000	2012	900	8:00 – 19:00
6.Mae Sai Branch	888 Moo.9, Wiang Pang Kham Sub-district, Mae Sai District, Chiang Rai Province 57220	2013	330	8:00 – 20:00
7.Pa Gor Branch	308/2 Moo 13, Rob Wiang Sub-district, Muang District, Chiang Rai Province 57000	2013	400	8:00 – 21:00
8.Huay Krai Branch	302 Moo 2, Mae Rai Sub-district, Mae Chan District, Chiang Rai Province 57110	2014	500	8:00 – 20:00
9.Wiang Pa Pao Branch	340 Moo2, Mae Rai Sub-district, Wiang Par Pao District, Chiang Rai Province 57170	2014	350	8:00 – 20:00

Branch	Address	Opening Year	Usage Area (Sq.M)	Opening Hours
10.Mae Chan Branch	500 Moo4, Mae Chan Sub-district, Mae Chan District, Chiang Rai Province 57110	2014	400	8:00 – 20:00
11.Parn Branch	2347 Moo 1, Parn Sub-district, Parn District, Chiang Rai Province 57120	April 2015	550	8:00 – 20:00
12.Mae Fah Luang Branch	690 Moo 1, Tah Sood Sub-district, Muang District, Chiang Rai Province 57000	August 2015	356	8:00 – 21:30
13.Toeng Branch	294/3 Moo 1, Wiang Sub-district, Thoeng District, Chiang Rai Province 57160	March 2016	282	8:00 – 20:00
14.Mae Kah Jarn Branch	90 Moo 1, Mae Chedi Sub-district, Thoeng District, Chiang Rai Province 57260	June 2016	300	8:00 – 20:00
15.Baan Mai Branch	531/1-3 Moo 4, Rim Kok Sub-district, Muang District, Chiang Rai 57100	October 2016	264	8:00 – 20:00
16.Chiang Saen Branch	503 Moo 3, Wiang Sub-district, Chiang Saen District, Chiang Rai Province	April 2017	375	8:00 – 20:00
17.Thu Wang Thong Branch	555 Moo 5, Thu Wang Thong Sub-district, Muang District, Phayao Province	July 2017	300	8:00 – 20:00
18.Wiang Chai Branch	194 Moo 1, Wiang Sub-district, Wiang Chai District, Chiang Rai Province	September 2017	270	8:00 – 20:00
19.Chiang Kham Branch	521 Moo 4, Yuan Sub-district, Chiang Kham District, Phayao Province	December 2017	300	8:00 – 20:00
20.Mhuang Daeng Branch	253 Moo 1, Mae Sai Sub-district, Mae Sai District, Chiang Rai Province	June 2018	300	8:00 – 20:00
21.Phraya Meng Rai Branch	499 Moo 10, Meng Rai Sub-district, Phraya Meng Rai District, Chiang Rai Province	July 2018	300	8:00 – 20:00
22.Kwae Wai Branch	188/25 Moo 22, Rob Wiang Sub-district, Muang District, Chiang Rai Province	August 2018	300	8:00 – 20:00
23.Pratu Loh Branch	185 Moo 21, Pah Aor Don Chai Sub-district, Muang District, Chiang Rai Province	October 2018	300	8:00 – 20:00
24.Chiang Khong Branch	485 Moo 10, Wiang Sub-district, Chiang Khong District, Chiang Rai Province	December 2018	450	8:00 – 20:00

Branch	Address	Opening Year	Usage Area (Sq.M)	Opening Hours
25.Pong Branch	20 Moo. 1 Na-prang Sub-district Pong District Phayao Province	June 2019	300	8:00 – 20:00
26.Mae Ai Branch	273 Moo. 4 Mae Ai Sub-district Mai Ai District Chiang Mai Province	September 2019	300	8:00 – 20:00
27.Joon Branch	1 Moo. 1 Huay Kaow Kum Sub-district Joon District Phayao Province	October 2019	300	8:00 – 20:00
28.Huay Sak Branch	63 Moo. 22 Huay Sak Sub-district Chiang Rai District Chiang Rai Province	December 2019	300	8:00 – 20:00
29.Pa Daet Branch	244 Moo. 4 Pa Daet Sub-district Pa Daet District Chiang Rai Province	April 2020	800	8:00 – 20:00
30.Fang Branch	372 Moo.7 Wiang Sub-district Fang District Chiang Mai Province	July 2020	809	8:00 – 20:00
31.Pa Ko Dam Branch	227 Moo.7 Pa Ko Dam Sub-district Mae Lao District Chiang Rai Province	November 2020	793	8:00 – 20:00
32.Plong Branch	168 Moo.11 Plong Sub-district Thoeng District Chiang Rai Province	December 2020	708	8:00 – 20:00

2) Wholesale at Head Ofce

Thanapiriya accepts purchase order via calls to the wholesale customers of Head Ofce and wholesale customers in other districts for broader coverage of wholesale customer group. This channel is available for wholesale customers or customer who purchases in big volume. Most of these customers have been purchasing from Thanapiriya for long time and they usually purchase the same types of products. Many of them own shops which are distant from the city area, so it is not convenient for them to commute to the stores to purchase by themselves. Customers can make telephone call directly to Thanapiriya Head Ofce and every branch of Thanapiriya Supermarkets to place purchase.

Market and Competition

2.1 Economic Conditions and Outlook in Chiang Rai

Chiang Rai province is presently an economic hub of trading and tourism, and has improved its land, water, and air transportation routes to neighboring countries. Situated at the furthest north of Thailand, the province borders the Lao People's Democratic Republic and the Republic of the Union of Myanmar.

In respect of service business, Chiang Rai is renowned for tourism location. Many both Thai and foreign tourists have visited the province to revel in Lanna arts and culture, traditional food, and simple lifestyle. Moreover, Chiang Rai's top-class facilities and services, including transportation, hotels, stores, restaurants, and souvenir shops, have made it a major Tourist Destination of the northern region. In 2019, The number of tourists was 3.70 million, increased from 2018 by 1.43%, generated more than 29,000 million Baht, resulting from the development of tourist attractions to meet tourist demand, the series of activities and the government's "Chim Shop Chai" campaign to boost domestic tourism. However, Corona virus 2019 (COVID-19) pandemic in 2020 dramatically impacted tourism industry, the number of tourists from January – October 2020 was 1.60 million compare to the same period of 2019 was 2.90 million or decreased by 43.85%. Under pandemic situation, the government launched economic stimulus policy called "Rao Tiew Duay Gun" campaign to encourage domestic tourism. Also, vaccine distribution has been being proceed. Tourism industry is expected to recover during 2022 to 2023 and full recovery is expected to be at least 4 years as the number of foreigners will be same as before the pandemic.

Having high transaction value, the border trade is anticipated to be a key business that plays a greater role in Chiang Rai economy due to the province's strategic location adjacent to the neighboring states, i.e. the Lao People's Democratic Republic and Republic of the Union of Myanmar, and in proximity to the People's Republic of China, with a total borderline spanning over 310 kilometers. There are 3 custom houses, namely Mae Sai Customhouse, Chiang Saen Customhouse and Chiang Khong Customhouse. In addition, the Quadrangle Economic Zone Development Project has resulted in various plans for the development of transportation and public utility systems with the aim of establishing roadway, railway, waterway and airway connections between Thailand, the Lao People's Democratic Republic, the Republic of the Union of Myanmar and the People's Republic of China to support trade, investment and tourism activities. Examples of these plans are the Chiang Saen Port 2 Construction Project, the Denchai-Chiang Rai-Chiang Khong Rail Route Construction Project, and the Fourth Thai-Lao Friendship Bridge (Chiang Khong-Huai Sai) Construction Project. Thus, Chiang Rai has become the significant gateway that enables links to high potential neighboring countries. Besides, the inauguration of the ASEAN Economic Community (AEC) is a supportive factor in Chiang Rai cross-border trade, especially with CLMV countries (the Kingdom of Cambodia, the Lao People's Democratic Republic, the Republic of the Union of Myanmar, and the Socialist Republic of Vietnam), likely causing Chiang Rai economy to grow continually in the future.

Regarding outlook for economic expansion, Chiang Rai Treasury Ofce has anticipated the provincial economy in 2021 to expand at a rate of 4.7%, with a forecast range of 4.2 – 5.2% due mainly to the expansion of consumption among private and service sectors, public spending, border trade and agricultural sector. Although, in 2020, Corona virus 2019 (COVID-19) pandemic was occurred. The provincial supply is expected to expand at a rate of 6.0%, with a forecast range of 5.5 – 8.5% due mainly to the growth in revenue from retail/wholesale trade, along with the higher number of airport passengers and an

increase of electricity usage in service sector according to recovery of tourism industry after vaccination. The agricultural sector is estimated to grow from the previous year by 7.9% (a forecast range of 7.9 – 8.4%) from the prediction that rice production, tilapia production and pig production. The industrial sector is projected to expand by 2.3 (a forecast range of 1.8 – 2.8%) as increase of industrial registration, increase of electricity usage of industry sector and increase in number of factories according to economic growth as expectation.

The demand in Chiang Rai is expected to expand by 3.9% (a forecast range of 3.4 – 4.4%) in response to enlarging private sector consumption which expected to grow at rate 10.7% (a forecast range of 10.2 – 11.2%) due to investment loan expansion, additional commercial cars, and construction permit from expansion according to low-interest loan for business policy from the government which impacted by COVID-19 pandemic. The border trade is expected to grow by 2.5% (a forecast range of 2.0 – 3.0%) as a result of higher purchasing power of the trading partner country and further Thai-product need as well as need of Chinese products resulting in increase of border trading. Private sector investment is predicted to improve by 1.7% (a forecast range of 1.2 – 2.2%) due to growth of retail/wholesale, alcoholic beverage, and water-supply usage. But registration of new car and motorcycle was expected to decrease as the people was careful with money for high-value products. The government spending is expected by -1.5% (a forecast range of -2.0 – -1.0%) according to slow down government's projects.

In relation to Chiang Rai economic stability, general inflation rate in 2020 is expected to increase by 0.2% (a forecast range of -0.4 – 0.7%) as stimulus economy policy from the government to encourage domestic spending. Employment rate is expected to increase by 1.8 (a forecast range of 1.7 – 2.0%) with an estimate number of 607,424 persons being employed in 2020.

Supportive Factors for Chiang Rai's Economy in 2020 and 2021

- Measures to increase efficiency in spending the budget expenditure for the fiscal year 2019 with a disbursement target of 100%, thereby expediting cash flow into the economic system.
- Stimulus economic policy from the government to encourage household spending providing benefits to various industries of both juristic and non-juristic person by injecting money into system such as
 - o Increase credit limit of welfare card.
 - o “Kon La Khrueng” Shopping campaign that the government will copay half price of foods, drinks, and normal goods through buyer.
 - o “Shop Dee Mee Kuen” campaign that non-juristic person will get tax benefit in 2020 tax year with proper spending conditions.
 - o “Rao Tiew Duay Gun” campaign is launched to encourage domestic tourism. Chiang Rai is one of the most important destinations for domestic tourists.

- Arrival of Corona Virus 2019 (COVID-19) vaccine in 2021, so, economic recovery is expected after domestic vaccination.
- Development plan of Chiang Rai province in term of tourism such as security, traveling route, accommodation, destination, and others to encourage internal tourism.

Risk of Chiang Rai's economy in 2020 and 2021 and nearby provinces

- Fluctuation of Thailand and international economy from Corona Virus 2019 (COVID-19) pandemic
- Political conflict causing struggling drive a crucial policy to country development and reducing investors' confidence.
- Risk from natural disaster and weather fluctuation causing reduction of agricultural production.
- Toxic haze and change of traveling behavior along with high competition in tourism industry and spending per person is higher caused by appreciation of Baht against other currencies that may affect the number of tourists.

2.2 Retail and Wholesale Industries

Overview of and Outlook for Retail Sale Market in first-half 2020, was expected to fall by 5.8% regarding epidemic control measures of COVID-19 including domestic traveling limitation, control operating time for business, closing dispensable area and partial close rental area in shopping center with dramatically drop of tourism industry. In second-half 2020, the economy was expected to recover when compared to first half of the year because of stimulus economic policy from the government such as (1) increase credit limit of welfare card for low-income people (2) tax benefit from "Shop Dee Mee Kuen" campaign. Though, sales via online channel seemed to grow and entering shopping season in end year, the Retail Sale Market in 2020 is expected to fall 5.0 – 8.0%.

Forecast of 2021 – 2023, the revenue from business seems to recover at rate of 1.0 – 2.0% regarding demand recovery according to economic recovery after COVID-19 pandemic was under control along with stimulus economy policy from the government to encourage domestic consumption. Also, investment from both the government and private sector seem to increase in infrastructure to other provinces resulting in community expansion creating further purchasing power. Also, recovery of manufacturing and export sector. For supply, entrepreneur seem to be adapted to enhance competitiveness as increase of income base and creating loyalty customer by expanding sales to online channel, creating supply chain alliance, and expanding branch to potential area to provide access to product and service for customer. Growth trend in retail industry can be sorted as

- Department store: forecasted growth will be 1.3 – 2.6% per year, after fall by 8.5% in 2020 as increase of domestic purchasing power as well as investment in potential provinces.
- Discount store: forecasted growth will be 1.0 – 2.0% per year, after fall by 6.6% in 2020. As main targeted

customers are low to medium income who seek for ordinary consumer products, but the price competition seems to be critical as well as competition with other retail stores such as convenient store.

- Supermarket: forecasted growth will be 1.9 – 3.8% per year, after fall by 6.5% in 2020 by support from targeted customers such as medium to high income customers.
- Convenient Store: forecasted growth will be 1.1 – 2.1% per year, after fall by 6.9% in 2020 as wide branch expansion could be supportive factor.

Even though, trend of overall industry seems to recover when compared to previous year, the intense competition from online channel needs to be monitored as well as high level of household debt.
(Source: from the company and public information)

2.1 Competition Condition in North of Thailand

The competition condition of retail consumer products stores is quite strong especially in Bangkok, Bangkok metropolitan and major cities. The related entrepreneurs can be grouped as the followings:

Traditional Trade is the small stores that sell consumer products which are necessary for them located in the community, using not quite high investment money to do business. There are self-management within family, it's uncomplicated business in the form of trading without modern technology and management. As modern trade retail stores enter the market, the shopping behavior of consumers has changed as they want more convenience and modern atmosphere where numerous and various products are available at cheaper prices. Thus, the Traditional Trade stores are unable to adapt themselves to the management and changing behavior of consumers, so they have to close down. As a result, the number of Traditional Trade stores has decreased quickly. These Traditional Trade stores are deemed to be the alliance ventures of the Company.

Convenient Stores have played more important role in the daily living of people as they can reach people in the community quickly. Although Thanapiriya carries some similar products as the convenient stores do, but Thanapiriya does the different positioning in the way that we do not sell Ready to Eat products. In contrast, we have more variety of products available at cheaper prices and bigger sizes which are appropriate for household usage. Mainly, customers buy beverage, ready to eat foods and products for personal use at the convenient stores but they buy products for household usage at Thanapiriya. This is because we have more products available for their selection at the cheaper prices on some items. In addition, as there are convenient stores nearby Thanapiriya stores, this promotes the business trading and circulation of customers in the area.

Modern Trade Mostly, Stores are established by foreign companies that have considerable investment. They are important competitors of Thanapiriya. There are different characteristics of Modern Trade such as the smaller super Hyper Market, Supermarket, big Hypermarket, and large wholesale center. Presently, the entrepreneurs of Modern Trade aim to open smaller retail stores in the provinces that have high potential growth.

2.2 Characteristics of Customers and Target Customers

The target customers of Thanapiriya includes the general customers covering all genders, all ages, all professions whereas their residences or daily life are near to stores; irregular customers that travel at the store area; and customer group which is retail store entrepreneurs for consumer product distribution in Chiang Rai and nearby provinces as well as the government agencies and business customers in various professions.

2.3 Competition Strategies

The Company's competitive strategies for business drive are as follows.

1)The strategy for understanding customer's way of local living.

From our experience in doing retail business in Chiang Rai for more than 27 years, Thanapiriya understands the demand of local people very well. The main principle to create an excellent service is knowing and understanding in the needs of customers. In addition, the products selection and services which suitable for people in the area is also important. Thus, an excellent service is a distinctive point of Thanapiriya.

2)Effective Inventory Management Strategy

Over than 15,000 items of the Company's products for shopping by customers are distributed both in retail and wholesale so that customers can select products as demanded. However, due to distinguished product consumption behavior of customer in each area, the Company therefore has prepared database by analysis on sales volume, inventory turnover and return on investment. That information has been applied for selection of appropriate products for consumers in each area to maintain turnover and profitability.

3)Strategies in Creating Advantages in Competition

In order to increase the competency to compete with the foreign owners of Modern Trade and convenient stores, the Company has set the strategy by analyzing the strength and weakness of our competitors. Thus, Thanapiriya implements the outstanding characteristics of Modern Trade and convenient Stores harmoniously by selling various consumption products as well as products for household usage and we also offer promotions. Our branch stores are located in different communities where people ne it easy to commute to and from with convenience parking lots.

4)Strategy for Increasing Branches

Increasing of branches is the key factor for reaching the target customers and expanding the customer base in order to generate more income and acquire the high-performance location earlier than the competitors. The Company has made the business plan for studying the increasing of branches seriously. We choose only the locations on major roads within communities of Chiang Rai and nearby provinces whereas the Company knows well about the areas or border areas that have potential for consumers to come and shop for products. In addition, we study the area for population density, purchasing power of

population, competition level of the similar business and behaviors of consumers in the area. In addition, we create the Feasibility Study by calculating the payback period and Internal Rate of Return (IRR) which must not be lower than the required benchmark.

5)Strategy in Creating Brand Awareness

The Company realizes that it is important to make our brand well-know and win the consumers' heart. Therefore, we study the information on target customers and their demand in order to increase the communication channel and the message to be conveyed appropriately. The Company intends to convey the message for creating Thanapiriya brand to be in the customers' mind that "Cheap, right for customers and located nearby".The Company makes publicizing consistently by emphasizing on reaching the target customers via various media such as radio, printed matters, social network such as Facebook, Line and the Company website: www.thanapiriya.co.th whenever we wish to publicize information and promotion.

6)Marketing Strategy

In order to increase competition competency, the Company checks product prices regularly. The Company compare prices and promotions with other stores to reassure that Thanapiriya sells products at lower prices and fair to customers as well as being able to compete with the competitors as a result from establishing good relationship with the suppliers that allows the Company to order a big lot of products and save more on logistics since the stores are located in the area where it is easy to commute to and from.Thus, the Company can manage the cost effectively and being able to compete with other stores. In addition, the Company has the membership system which returns benets to the customers in the form of discount. Each member will have various perks such as discount for buying various products, receiving gifts when purchasing value meets the target, drawing lots, and accumulation points in order to exchange with annual coupons. Presently, Thanapiriya has more than 120,000 members.

7)Personnel Development and Retention Strategy

Human resource is an important factor of retail and wholesale business. Therefore, the Company emphasizes on becoming the knowledge organization and promoting the organization culture by cultivation staffs to be competent and virtuous. The Company created the curriculum and handbook for training staffs in each position. The Company organizes training regularly and enhances the necessary skill and capability to staffs such as the excellent selling and service and the professional management.

3.Sourcing of Products and Services

The Company orders products directly from suppliers whereas most of them are producers. We emphasize on products that meet customer demands, variety and standard quality. Presently, the Company sources products from more than 400 suppliers, totaling 15,000 types. All of them are sourced from domestic suppliers. The Company also realizes in the importance of establishing good relationship

with suppliers. So far, we have worked with them well including that sale promotion activities, advertising, publicizing and etc.

4.Distribution Center Management

At present, the Company has a main distribution center located in Ban Du District, Chiang Rai province with an approximately area 10,000 square meters. The Distribution Center serves to distribute products to various branches and customers group of the Company. The Company's warehouse management consists of 3 main components which consist of 1) receiving goods from suppliers, there will be sufficient resources to receive the goods and create a plan to receive products that are consistent with the order process of the Company. 2) Storage of products, the Company realized to the quality of the products and the efficiency of the storage of products by analyzing the rotation rate of the product or reporting a summary of lost or damaged product information to be used as a performance indicator 3) product distribution, the Company distributes products to branches or customers by the Company's own freight car. There is a product distribution plan to support the sale of products with the main goal being to have enough products for sale at the branch and have the most effective cost freight.

Risk Factor

The risk factors described below are relevant to the Company's current information and identifiable forecasts. These risk factors include some significant matters which may affect the Company's operation negatively. However, the following statements are not considered as the total risk factors of the Company as there could be other matters which are not yet identified. Moreover, there could also be some risk factors that the Company deems unimportant now while they could turn into significant risk factors shall affect the Company's operation in the future.

1. Risks from Business Operations

1.1 Risk from Severe Competition

Regarding to Chiang Rai and Phayao Province being ones of the continuous growing economic provinces both in tourism and servicing business together with the expansion of urbanization, competition in retail business becomes more severe due to the higher number of modern trade stores which are considered the Company's competitor. These modern trade stores expanded their business in various areas in the type of superstore, hypermarket and small supermarket. They also offer a variety of interesting sales promotion to attract more customers to their stores. If the Company is not able to adjust the completion strategy or change the customer's behaviors, the Company may face unfavorable sales volume at Thanapiriya Stores which may significantly affect the Company's revenue and performance.

Nevertheless, the Company well considers about the product quality as well as service which enables Thanapiriya Stores to be different from the competitors and prompts the Company to be competitive with other retailers. Moreover, the Company's analysis of main competitors assists in adjusting the business strategies to be fast and exible in handling such severe industry competition. This results Thanapiriya to be Thai supermarket which services customers in Chiang Rai Province and neighboring provinces for more than 27 years.

With such long experiences and versatility in organizing sales promotion to compete with other modern trade stores, the Company well understands the customer's needs and is capable to select more than 15,000 product categories for both retail and wholesale transactions. Furthermore, Thanapiriya provides membership system in which the company is able to utilize such database in promoting to the right target group of customers. In addition, the Company also organized the market survey by studying modern trade stores and other retail stores, supplier's needs, customer's behaviors, various advertisement as well as customer's needs and comments from all branches of supermarket stores.

In addition, the Company also prepares sales database of each product category to analyze the demand in each category and in each branch. This database enables the Company's executives in

adjusting the marketing strategies promptly, so the Company is confident that the Company's executives' vision as well as Thanapiriya's experienced team shall be able to maintain good performance and act as a strong competitor with other retailers in Chiang Rai and north sector.

1.2 Risks from Inventory Management

Inventory Management is considered one of the significant factors for both retail and wholesale business. Inefficient inventory management could cause the Company in higher costs and expenditures. These certain risks are such as excessive amount of inventory, lost inventory, damage inventory, expired inventory and are considered Thanapiriya's costs. In that event, the Company must take every effort to manage the inventory effectively. However, should the Company carry insufficient amount of products for distribution, this could cause the Company in losing the business opportunity or their customers to the competitors as well. The Company has set necessary policies and procedures in purchasing process to assist in managing the inventory effectively. Prior to each purchasing order, Purchasing Department shall inspect if the remaining amount of inventory is according to the Company's policy and follow such procedures strictly. Purchasing Officer shall also apply the specified purchasing calculation so that such purchasing order is sufficient for distribution to all supermarket stores as well as other neighboring provinces. They also have to carefully plan how to distribute the low turnover products.

In addition, the Inventory Officer at the Head Office shall store the products as per first in first out system (FIFO) as this system ensures that the product storage and distribution shall be performed as per FIFO as well as clearly separates the damage or expiring products and keeps them at a warehouse. For the inventory management in each supermarket store, the Company sets procedures for Inventory Officer to place the products as per FIFO and regularly inspect the expiry date of products. Products which are about to expire shall be sent back to the Head Office's warehouse and further returned to the supplier. Moreover, the Company also applies the information technology system in managing the inventory both at the distribution center and each supermarket stores. By consideration from the previous database and regular database update, this allocation system shall specify the maximum and minimum amount of inventory required for each product category in each supermarket store. From the procedures mentioned above, the Company is confident that the inventory management is sufficiently in place. Furthermore, the Company has set precaution measures for lost product such as CCTV installation at the warehouse and supermarket stores as well as Audit Department's audit in counting the amount of products at the warehouse and supermarket stores. These systems ensure that the relevant staff follows the specified policies and procedures to lose as less products as possible.

1.3 Risk from Distribution Center Disruption

At present, the Company has 2 distribution centers with an area 10,000 square meters and

2,000 square meters located in Ban Doo and Rob Wiang Sub-district, Muang District, Chiang Rai Province. Suppliers shall deliver all products to this distribution center before delivering to each Thanapiriya's supermarket store. Distribution center is essential to supermarket business as its main task is to distribute the correct amount and category of products as per the specified period of time. Should the distribution center face any disruptions resulted from accident, natural disaster, information technology system failure or other unexpected causes, the Company may not be able to store the products from suppliers as well as distribute the products to the supermarket stores. As a result, the Company's risk in facing insufficient amount of products for sales or failure in product distribution to neighboring provinces may significantly affect the Company's performance.

Nevertheless, the Company's information technology system assists in specifying the amount of each product category in the warehouse and supermarket stores at approximately 7-30 days and 3-30 days respectively. So the Company rests assured that all supermarket stores shall carry sufficient amount of products for sales and distribution to neighboring provinces in case the distribution center faces obstacles. In addition, the Company provides precaution measures to handle such risks such as emergency operation plan, cooperation with main suppliers and Business Continuity Plan (BCP) to relocate the inventory in the crisis situation. Thus, the fire protection equipment is regularly inspected as well as compensation insurance policies are arranged.

1.4 Risk from Information Technology System Disruption

The company is reliant upon information technology system for sales management at stores, inventory management, purchasing, product distribution, finance & accounting as well as data storing and processing to develop the capability in competition. Should the information technology system face obstacles, it may affect the Company's operation such as failure in the product billing system at the Head Office may cause the distribution disruption in the next day as well as impact the purchasing, finance & accounting and other functions causing temporarily close the business until the system is completely fixed. Such risk could lead to the negative impact of the Company's operation and performance as well.

However, the Company recognizes the importance of information technology system and organizes a standardized and generally accepted data backup protection system by preparing a separate server which is kept outside the Head Office. The data backup is scheduled to be performed daily with regular testing. Should the information technology system go wrong, the Company is able to fix the system within 1-3 hours.

Thus, the information technology system of each supermarket store has its own individual operation, but all databases shall be joined with the Head Office's database. Disruption at any supermarket store shall not affect other supermarket store's database. For payment system, each supermarket store has its own power reserve so if the electricity is off, POS can still submit the sales volume report to the

Head Ofce. In addition, the Company prepared the emergency operation plan and organized regular training to staff in order to lessen the above mentioned risks. In the year 2019, there was no interruption in the information technology systems that affected to the Company's operations.

1.5 Risk from Branch Expansion

The Company has set a goal in continuous business growth and branch expansion is one of the business strategies which shall enable Thanapiriya to reach the targeted customers and cover the potential area before other retailers. This shall also assist the Company to access new customer base to reach the targeted revenue growth. At present, industry completion is extremely high with continuous growth of new retailers; therefore, the Company shall face the risk should the new supermarket store be unable to gain favorable return rate or lower investment returns than expected. Continuous operation loss of the new supermarket store may cause the store to be shutdown which shall result in the demolition expenditure, asset transfer expenditure; staff dismissal/staff transfer expenditure, etc. Moreover, branch expansion in adjacent area may affect the unfavorable sales volume and operation of the existing supermarket store in which such affect may impact the overall performance of the Company as well.

However, the Company has set strict procedures in opening new branches of Thanapiriya Supermarket Store to decrease such branch expansion risk. Such procedures include the location selection in the prime area in which the Company is procient about, population study, customer's behaviors, feasibility study, payback period and internal rate of return (IRR) which shall not be less than the criteria stated in the feasibility study. Payback Period should fall between 3-5 years depending on the size of the supermarket store with IRR not less than 20 percent. Furthermore, the Company also considers the sales volume and density of customers in the adjacent branch to be certain that the new branch opening shall not affect the sales volume of the existing branch but at the same time, increase the alternative options to the customers as well as add the distribution channel of Thanapiriya to cover as much as area as possible.

1.6 Risk from Not Being Able to Lease Desired Business Locations or Extend the Lease Agreement

As of now, the Company has altogether 20 lands and building lease agreements with the third parties. These agreements are divided into 18 long-term lease agreements with leasing period of 10-20 years and two short-term lease agreement with leasing period of 3 years and the Company has the right to renew the lease agreements upon advice. In case of failure to extend lease agreement could cause permanent close to those store which may lead to loss of crucial revenue together with the relevant expenditures such as demolition expenditure, asset transfer expenditure, etc. This risk may also cause significant impact to the overall performance of the Company.

However, the Company and the lesser have followed all terms and conditions and have never encountered any disputes at all. Besides, most of the lease agreements are long-term agreements and the

Company has the right to renew the lease agreements prior to other lessees.

Therefore, the Company expects to be successfully extended the lease agreement in the future while trusts that this risk shall not occur. In addition, the Company is content in leasing the desired locations for branch expansion in the future because the Company has set out the plans for branch expansion in advance while strictly follows the stated procedures. Moreover, Thanapiriya supermarket Stores do not require unique specifications or huge piece of land or building which could be considered business obstacle.

1.7 Risk from Shortage of Branch Operational Staff

The Company has planned to continuously expand new branches to service as much customers as possible; therefore, branch operational staff is considered one of the crucial components in driving the retail business. Each supermarket store requires 10-20 staff for Sales, Cashier and Inventory so if the staff employment could not be performed in time, the branch expansion plan could be delayed while service quality could also be under the Company's specified standard. This risk may then impact the business growth and the Company's overall performance in the future as well.

In Realizing the importance of recruiting and developing staff for branch expansion, the Company's executives shall advise the plan on new branch expansion to all department heads as well as jointly plan with Human Resources Department in selecting qualified staff for the new supermarket stores especially the position of Supermarket Store Manager. This manager shall be trained in various departments such as Sales, Cashier and Inventory to see the overall business picture as well as understand each position for the sake of effective management.

All new branch staff are also required to be trained both theoretically and practically in accordance with the specified courses so that the staff clearly understand the organizational culture and are capable to perform their tasks up to the Company's standard. Moreover, the Company organizes necessary capability training for staff on a regular basis and sets policies for fair treatment in order for the staff to feel delighted and warm as in the same family. The Company also performs regular salary and benefit survey to be competitive in the market while focuses on being the Wisdom Organization with training center for staff's career advancement. Thus, the Company trusts that qualified staff shall be recruited and developed to well support the branch expansion in the future.

1.8 Risk from Natural Disasters

Earthquake in Chiang Rai Province in May 2014 was considered the most severe earthquakes during the past 40 years. Although there were many aftershocks after the main earthquake, the Company's supermarket stores did not face any damages despite the fact that all stores are located in Chiang Rai Province.

Most of Thanapiriya Supermarket Stores are commercial buildings with 1-3 floors and these

stores are not adjacent to the fault line. However, the Company realizes the risk from such natural disaster including flood and earthquake which may cause severe affect to the business operation as well as staff's safety in the future. Consequently, the Company has prepared the precaution plans such as attentive and careful inspection of new branch construction, new distribution center construction, new information technology center, compensation insurance coverage acquisition, emergency operational plans, staff training to cope with the natural disasters and communication to all relevant parties. This is to ensure all shareholders, staff, business partners as well as customers that the Company is well prepared when the natural disasters occur.

1.9 Risk from Fraud/Corruption

Fraud precaution plans as well as staff's honesty are crucial in business operation therefore that the Company depends on staff to oversee the Company's assets in all stores.

Therefore, the Company has set the following procedures to prevent from the risk from fraud/corruption:

- Fostering the honesty culture to all staff in the organization by arranging the ethics handbook, business morality policies and anti-corruption guidelines.
- Arranging of concisely internal audit process, duty and responsibility segregation, financial limit specification of authorized executives and cross audit among the executives.
- Random checking the operation in supermarket store.

1.10 Risk from Store which is located near the border line of Republic of the Union of Myanmar and People's Democratic Republic of Laos

There are four Thanapiriya's supermarket stores which are located near the border line. In the case of dispute or turmoil between the boundaries, the borders may be closed temporarily in which Myanmar or Lao people shall be unable to purchase products from Supermarket Store. Consequently, the closing of borders shall adversely affect the economy in the border boundary, customer's purchasing power as well as Supermarket Store's sales volume. Nevertheless, the Company has evaluated database and found out that few Myanmar and Lao customers shall slightly affect the Company's performance as most of the customers are Thai people. Moreover, the Company's products are consumer products which are essential to people's daily life, thus, less impact is expected.

1.11 Risk from Legal and Governmental Policies

The Company transparently operates its retailing business by strictly complying with the relevant laws, regulations and policies from the government since the start of the business. These laws and regulations include Retail Act, Consumer Protection Act, Price Control Act, Food and Drug Act, Labor Act as well as each local's municipal regulations. Should the changes in the government or government sector's laws and regulations favor the Company's competitors or increase the number of stakeholders, such

changes may significantly impact the Company's strategy, goal and business plan which shall result in the undermined performance.

However, the Company is well prepared to cope with these changes by paying attention to updated news as well as planning for problems which may arise. The Company's adjustability in organization adaptation and risk management method ensures the Company to promptly deal with the situation as well as control the impact to an acceptable level.

1.12 Risk from Organizing City Planning

According to the announcement of Ministry of Interior on 13 March 2015 about the retail construction ban of more than 300 square meters within the boundary of 1 kilometer from the historic site, the Company is required to reduce the utility space to not more than 300 square meters although most of Thanapiriya Supermarket Store's current utility space is more than 300 square meters. This utility space excludes the space for product storage, office space and other spaces. Therefore, utility space reduction shall result in less area for product placement which could lead to less investment returns and impact the Company's performance as well.

However, with vast experience in organizing the product placement in limited space, the Company is confident in coping with such changes by managing the product placement area to the maximum benefit while using the lining system in analyzing the quantity and category of products in each supermarket store as well. From the above stated reasons, the Company is certain that the supermarket store's sales area shall be efficiently managed.

2. Risks from Operational Management

2.1 Risk from Depending on Specific Executives

The Company is established by Mr. Thawatchai Phutthiphiriya and Mrs. Amorn Phutthiphiriya, who play significant role in successfully managing Thanapiriya Supermarket Stores to be well acknowledged in Chiang Rai Province and neighboring provinces. From their vast vision, the Company possesses strong financial situation and continuous great performance but at the same time, the Company is facing the risk from depending on both of them. Without Mr. Thawatchai Phutthiphiriya and Mrs. Amorn Phutthiphiriya, the Company's management and performance could be impacted.

Currently, the Company's structure decentralizes operational management and defines the scope of duty and responsibility of executives in each department in accordance with their capability and experience. Each executive is free to express their comments and participate in the business plans as well as other business estimation. These practices are relevant with the Company's operation strategies while preventing the power domination at the same time. The Company also clearly specifies the scope of authority in the Company's organization and authority chart. This authority decentralization enables the Company to

be less dependency on executives.

2.2 Risk from Shareholders with more than 50% Shareholding

As of now, the Phutthiphiya family is the major shareholder of the Company with 578,152,200 shares or equivalent to 72.27 percent. In any of the meeting's resolution, the Phutthiphiya family may hold the majority vote, as a result, other shareholders may encounter the risk in collecting votes to balance and audit the issues raised by the major shareholder group. Nevertheless, the Company's management structure has transparently specified the scope of authority, duty and responsibility of the Board of Directors, audit committee, Executive Committee and Nomination and Remuneration Committee.

Moreover, directors, major shareholders, management executives and person with conflict of interest are required to report the connected transaction. Person with conflict of interest shall not be allowed to vote in agenda which needs an approval. Hence, audit Committee is independent to consider and decide transparently as well as ensure the shareholders' confidence that the Company's management structure is well balance with efficient operational management.

3. Risk from pandemic and impact from Corona virus 2019 (COVID-19) pandemic

In 2020, the world has face great pandemic of COVID-19 since late 2019, seemed to be critically impact other industries as well as The Company which is retail business selling consumer products. So, positive and negative impacts to the business were identified such as customers was trying to hoard products when emergency decree was enforced in March 2020 resulting in sales surge. However, after that, sales were found to be dropped during April – May 2020 due to hoarding of products. On the other hand, COVID-19 pandemic seemed to negatively impact overall economy causing decrease of purchasing power. Yet, in 2020, the government launched economic stimulus policy to stimulate purchasing power in economic system which could impact the company both directly and indirectly.

Information of Securities and Shareholders

As at 30 December 2020, the Company's paid-up registered capital has been 200,000,000 Baht, classied into 800,000,000 ordinary shares at par value of 0.25 Baht per share.

Structure of Shareholders

As at 30 December 2020, the details for the name list of the major shareholders of top ten companies have been as follows.

Name List of Shareholders	Number of Shares	Shareholding Proportion (%)
1. Phutthipiriya Group		
1.1 Mr. Thawatchai Phutthipiriya	245,000,000	30.63
1.2 Mrs. Amorn Phutthipiriya	245,800,100	30.73
1.3 Mr. Thanaphoom Phutthipiriya	30,270,000	3.78
1.4 Master Thanapat Phutthipiriya	30,000,000	3.75
1.5 Mr. Thanapong Phutthipiriya	27,082,100	3.39
Total of Phutthipiriya Group	578,152,200	72.27
2. Mr. Peerapol Taksintaweessup	16,800,000	2.10
3. Mr. Chairat Siriborvorntham	10,839,001	1.35
4. Kittiwongsa Group		
4.1 Mr. Vichai Kittiwongsa	7,223,200	0.90
4.2 Mr. Chokchai Kittiwongsa	1,570,000	0.20
4.3 Mr. Thiengchai Kittiwongsa	11,400	0.00
Total of Kittiwongsa Group	8,804,600	1.10
5. Mr. Measun Piya-arreetham	8,233,600	1.03

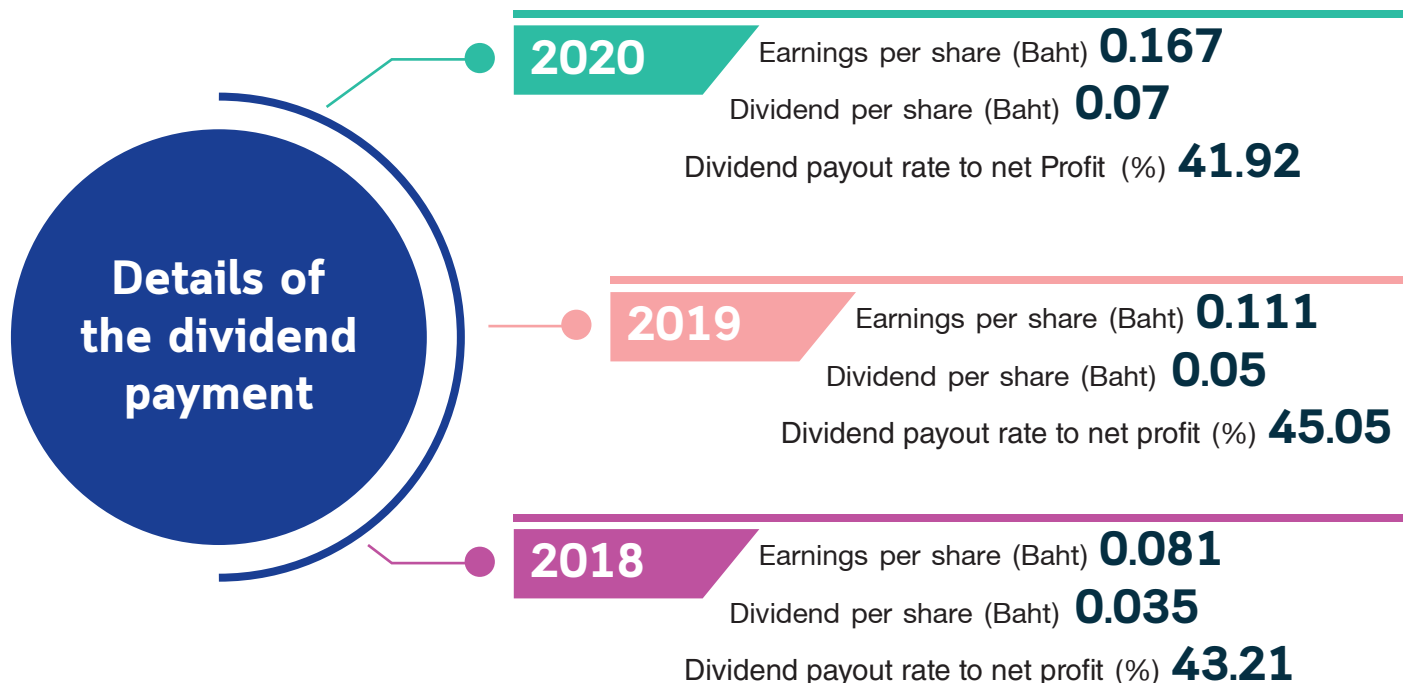
Name List of Shareholders	Number of Shares	Shareholding Proportion (%)
6 Mr. Benjamin Panu Nay Group		
6.1 Mr. Benjamin Panu Nay	3,700,000	0.46
6.2 Miss Jessica Chalisa Ney	3,089,000	0.39
Total of Mr.Benjamin Panu Nay Group	6,789,000	0.85
7 Mr. Somchai Vijitsangrat	5,900,000	0.74
8. Mr. Verapong Tam	5,158,600	0.64
9. Sitkrongwong Group		
9.1 Mr.Tavonrat Sitkrongwong	2,410,000	0.30
9.2 Miss Nicha Sitkrongwong	2,170,000	0.27
Total of Sitkrongwong Group	4,580,000	0.57
10. Laohanant Group		
10.1 Mr. Pariya Laohanant	2,500,000	0.31
10.2 Mrs. Nanthanont Laohanant	1,700,000	0.21
10.3 Miss Luksiree Laohanant	100,000	0.01
10.4 Mr. Narade Laohanant	84,000	0.01
Total of Laohanant Group	4,384,000	0.55
Other Shareholders	150,358,999	18.80
Total	800,000,000	100.00

Dividend Policy

The Company's dividend payment policy for its shareholders is not below 40% of net profit balance of the separate financial statements after deduction of corporate income tax and legal reserves. However, the Company shall consider dividend payment under factor concern for maximum benefit of the shareholders. The said dividend payout ratio may be changed depending on the financial position, liquidity and investment plan in each period of time, including management-related factors, necessity, and other appropriateness in the future as deemed as proper or appropriate by the Board of Directors. The resolution of the Board of Directors for approval on dividend payment shall be proposed to request for approval from the Shareholders' Meeting unless the event of interim dividend payment, the Board of Directors has power to approve for execution upon deemed that the Company has reasonable profit for payment of dividend without impact on the Company's operation, and then report the Shareholders' Meeting for acknowledgment in the following meeting.

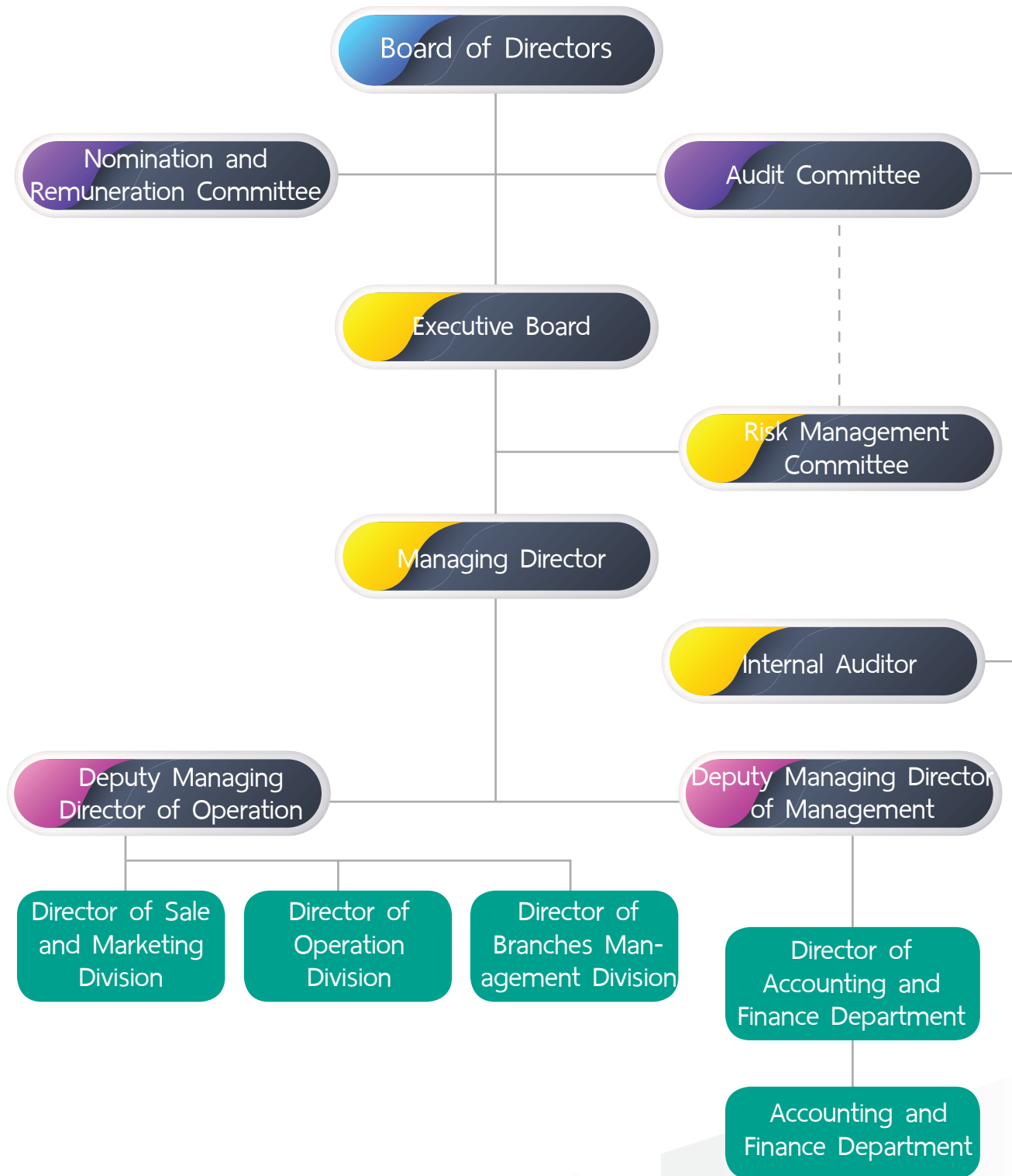
The meeting of the Board of Directors No.1/2021 On February 22, 2021, has resolved to pay a dividend from its operating result for the year ended December 31, 2020 at the rate of Baht 0.07 per share, amounting Baht 56 million. After deducting the interim dividends paid to shareholders in September 2020 at the rate of Baht 0.03 per share, amounting Baht 24 million, the remaining dividends will be paid at the rate of Baht 0.04 per share, amounting Baht 32 million. The dividend payments must be approved at the Annual General Meeting of the Company's shareholders.

Company's dividend payment information



Management Structure

1.Management Structure



2.Board of Directors

As at 31 December 2020, the Board of Directors consists of seven committee members as follows.

<i>Name List</i>	<i>Position</i>
1.Pitsanu Khantipong, MD	Chairman of the Board/ Independent Director/ Chairman of the Audit Committee
2.Dr. Watthana Yuenyong	Independent Director / Audit Committee Member
3.Dr. Chalermchai Khamseen	Independent Director / Audit Committee Member
4.Mr. Tawatchai Phutthipiriya	Director
5.Mrs. Amorn Phutthipiriya	Director
6.Mrs. Jularat Ngamlardlee	Director
7.Miss Bussakorn Thadthapong	Director

Authorized Binding Signatory Director on Behalf of the Company

Mr. Tawatchai Phutthipiriya, Mrs. Amorn Phutthipiriya, Mrs. Jularat Ngamlardlee, and Miss Bussakorn Thadthapong, two of them shall affix their signatures and the Company's seal.

The Board of Directors' Meeting

<i>Name List</i>	<i>Number of Meeting Attendances / Total Meetings 2020</i>
1.Pitsanu Khantipong, MD	7/7
2.Dr. Watthana Yuenyong	7/7
3.Dr. Chalermchai Khamseen	7/7
4.Mr. Tawatchai Phutthipiriya	7/7
5.Mrs. Amorn Phutthipiriya	7/7
6.Mrs. Jularat Ngamlardlee	7/7
7.Miss Bussakorn Thadthapong	7/7

3. Audit Committee

The Audit Committee consists of three committee members as follows.

<i>Name List</i>	<i>Position</i>
1.Pitsanu Khantipong, MD	Chairman of the Audit Committee
2.Dr. Watthana Yuenyong	Audit Committee Member
3.Dr. Chalermchai Khamseen	Audit Committee Member

: Dr. Watthana Yuenyong is the audit committee member who is knowledgeable and experienced in accounting or finance.

The Audit Committee's Meeting

Name List	Number of Meeting Attendances / Total Meetings 2020
1. Pitsanu Khantipong, MD	5/5
2.Dr. Watthana Yuenyong	5/5
3.Dr. Chalermchai Khamsaen	5/5

The Audit Committee's Meeting No. 1/2015 on 26 January 2015 approved the appointment of Miss Valdee Sibunrueang as the Secretary of the Audit Committee.

4 Nomination and Remuneration Committee

Nomination and Remuneration Committee consists of three committee members as follows.

Name List	Position
1.Dr. Watthana Yuenyong	Chairman of the Nomination and Remuneration Committee
2.Dr. Chalermchai Khamsaen	Nomination and Remuneration Committee Member
3.Mrs. Jularat Ngamlerdlee	Nomination and Remuneration Committee Member

Nomination and Remuneration Committee's Meeting

Name List	Number of Meeting Attendances / Total Meetings 2020
1.Dr. Watthana Yuenyong	2/2
2.Dr. Chalermchai Khamsaen	2/2
3.Mrs. Jularat Ngamlerdlee	2/2

5. Risk Management Committee

Risk Management Committee consists of 6 committee members as follows.

<i>Name List</i>	<i>Position</i>
1.Mr. Tawatchai Phutthipiriya	Chairman of the Risk Management Committee
2.Mrs. Amorn Phutthipiriya	Risk Management Committee Member
3.Mr. Pittaya Jitmase	Risk Management Committee Member
4.Miss Chanya Charoensuk	Risk Management Committee Member
5.Mr. Thanit Yoddee	Risk Management Committee Member
6.Mrs. Duangjai Yuinth	Risk Management Committee Member and Secretary of the Risk Management Committee

The Risk Management Committee's Meeting

<i>Name List</i>	<i>Number of Meeting Attendances / Total Meetings 2020</i>
1.Mr. Tawatchai Phutthipiriya	4/4
2.Mrs. Amorn Phutthipiriya	4/4
3.Mr. Pittaya Jitmase	4/4
4.Miss Chanya Charoensuk	4/4
5.Mr. Thanit Yoddee	4/4
6.Mrs. Duangjai Yuinth	4/4

6. Executive Board

Executive Board consists of 5 members as follows.

<i>Name List</i>	<i>Position</i>
1.Mr. Tawatchai Phutthipiriya	Chief Executive Officer
2.Mrs. Amorn Phutthipiriya	Executive Director
3.Mr. Pittaya Jitmase	Executive Director
4.Mrs. Runnapa Piboonsri	Executive Director
5.Mrs. Bongkot Chanthajit	Executive Director

Meeting of Executive Board

<i>Name List</i>	<i>Number of Meeting Attendances / Total Meetings 2020</i>
1.Mr. Tawatchai Phutthipiriya	7/7
2.Mrs. Amorn Phutthipiriya	7/7
3.Mr. Pittaya Jitmase	7/7
4.Mrs. Rungnapa Piboonsri	7/7
5.Mrs. Bongkot Chanthajit	7/7
6.Mr. Thanaphong Phutthiphiriya*	1/7
7.Mr. Thanaphoom Phutthiphiriya*	1/7

Remark * Appointed on December 19, 2020

7 Company Secretary

The Board of Director's Meeting No. 1/2015 on 26 January 2015 approved the appointment of Mr.Pittaya Jitmase as the Company Secretary according to the requirement of Securities and Exchange Act B.E. 2535 (1992) (including amendment). Mr. Pittaya Jitmase attended the training of Continuous Development for Company Secretary Program (CSP) of Thai Institute of Directors (IOD), Class CSP 68/2015.

Scope of Authority for the Company Secretary

The Board of Directors' Meeting No. 1/2015 on 26 January 2015 resolved the determination of the scope of the authority for the Company Secretary as follows.

1. Prepare and store the following documents.

(a) Director Registration

(b) Appointment Letter for the Board of Director's Meeting, Minutes of the Board of Directors' Meeting, and Annual Report of the Company

(c) Appointment Letter for the Shareholders' Meeting and Minutes of the Shareholders' Meeting

2. Retain the Stakeholder Report which is reported by the director or executive.

3. Prepare the Copy of the Stakeholder Report according to Section 89/14 for the Chairman of the Board of the Directors and Chairman of the Audit Committee within seven working days from the received date of the said Report by the Company. The Company shall prepare storage system of the documents or evidences related to information presentation, and supervise the proper and complete storage for accountability within not less than ten (10) years from the preparation date of the said documents or information.

4. Execute any other acts according to the requirement in the announcement of Capital Market Supervisory Board.

8 Executive

Total executives of the Company are 6 persons under below name list and position.

<i>Name List</i>	<i>Position</i>
1.Mr. Tawatchai Phutthipiriya	Managing Director/ Acting for Deputy Managing Director of Management
2.Mrs. Amorn Phutthipiriya	Deputy Managing Director of Operation
3.Mr. Pittaya Jitmase	Director of Accounting and Finance Division
4.Mrs. Duangjai Yuint	Accounting and Finance Division Manager
5.Mr. Thanaphong Phutthipiriya	Director of Operation Division
6.Mr. Thanaphoom Phutthipiriya	Director of Sales and Marketing Division

9 Remuneration of Director and Executive

The Company clearly and transparently determines remuneration for the director to be consistent with his or her role, duty and responsibility in governing the Company's works under appropriateness consideration through the concern on maximum benefit toward the Company and its shareholders in below details.

9.1 Director's Remuneration

Monetary Remuneration

Remuneration Rate for the Board of Directors

Annual General Meeting of Shareholders for 2020 on Wednesday 15 July 2020 considered determination of remuneration for the Board of Directors, Audit Committee, Executive Board, and Nomination and Remuneration Committee under below details.

<i>Name List</i>	<i>Committee Meeting Allowance (Baht/Time)</i>
Chairman of the Board of Directors	25,000
Director	20,000
Chairman of the Audit Committee	20,000
Audit Committee Member	15,000
Chairman of the Nomination and Remuneration Committee	20,000
Nomination and Remuneration Committee Member	15,000

Remark:

- 1) The committee member who is the executive or earns remuneration in form of salary shall not receive meeting allowance for individual meeting attendance.
- 2) The Company shall consider special remuneration or bonus from overall operation not exceeding 2.5 million Baht of total financial limit.

Table of the Committee Member's Remuneration between 1 January 2020 – 31 December 2020

Name List	Remuneration (Baht/Time)				
	Director	Audit Committee Member	Nomination and Remuneration Committee	Special Remuneration	Total
1. Pitsanu Khantipong, MD	175,000	100,000	-	90,000	365,000
2.Dr. Watthana Yuenyong	140,000	75,000	40,000	90,000	345,000
3.Dr. Chalermchai Khamseen	140,000	75,000	30,000	85,000	330,000
4.Mr. Tawatchai Phutthipiriya	-	-	-	-	-
5.Mrs. Amorn Phutthipiriya	-	-	-	-	-
6.Mrs. Jularat Ngamlertdee	140,000	-	30,000	55,000	225,000
7.Miss Bussakorn Thadthapong	140,000	-	-	40,000	180,000
Total	735,000	250,000	100,000	360,000	1,445,000

Remark:

1) The committee member who is executive or earns remuneration in form of salary shall not receive meeting allowance for individual meeting attendance. Other Remunerations and Non-monetary Remuneration -None -

9.2 Executive's Remuneration

The Company has given the remuneration for the executive in form of salary, bonus, contribution of social security fund, and other remunerations such as position allowance, active payment, vehicle expense, etc. under below details.

Description	2019	2020
	Remuneration (Baht)	Remuneration (Baht)
Number of Executive	6	6
Salary, Bonus and Other Remunerations	9,535,400	9,571,098
Provident fund and Social security fund	289,008	282,408
Non –Monetary Remuneration	ไม่มี	ไม่มี
Total	9,824,408	9,853,506

9.3 Reporting of Shareholdings by directors and executives

The Company requires Directors and Executives to report change in shareholding pursuant to Section 59 of the Securities and Exchange Act BE 2535 within 3 business days from the date of purchase, sale or transfer to the office of Securities and Exchange Commission.

The shareholding of the Company's directors including spouse and management as at 31 December 2020, are detailed below.

<i>Name List</i>	<i>Number of Shares On 31 December 2019¹⁾</i>	<i>Number of Shares On 31 December 2020¹⁾</i>	<i>Decrease (Decrease)</i>
1. Pitsanu Khantipong, MD	500,000	500,000	-
2. Dr. Watthana Yuenyong	-	-	-
3. Dr. Chalermchai Khamseen	-	-	-
4. Mrs. Jularat Ngamlertdee	-	30,000	30,000
5. Miss Bussakorn Thadthapong	-	-	-
6. Mr. Tawatchai Phutthipiriya	520,800,100	520,800,100	-
7. Mrs. Amorn Phutthipiriya	520,800,100	520,800,100	-
8. Mr. Pittaya Jitmase	-	-	-
9. Mrs. Duangjai Yuint	142,000	142,000	-
10. Miss Chanya Charoensuk	134,800	134,800	-
11. Mr. Thanit Yoddee	40,000	40,000	-
12. Mr. Thanaphong Phutthipiriya ²⁾	27,022,600	27,082,100	59,500
13. Mr. Thanaphoom Phutthipiriya ²⁾	30,440,000	30,270,000	(170,000)

Remark:

- 1) Include Securities held by a spouse and/ or children under the legal age of directors or executive
- 2) Appointed on December 19, 2020

10. Personnel

10.1 Number of Personnel

As of 31 December 2020, the Company consists of 688 employees (excluding 6 management executives) which are divided into 540 full time employees and 148 daily employees.

Table showing number of employees

Department	Number of Employees as of 31 December 2019		Number of Employees as of 31 December 2020	
	Full Time	Daily	Full Time	Daily
1.Finance and Accounting Department	23	-	25	-
2.Warehouse Department	54	74	38	71
3.Delivery Department	36	7	39	13
4.Sales and Marketing Department	13	-	13	-
5.Human Resources Department	15	-	17	-
6.Information Technology Department	5	-	4	-
7.Purchasing Department	10	1	12	-
8.Internal Audit Department	3	-	3	-
9.Employees in supermarket stores	363	59	389	64
Total	522	141	540	148

10.2 Significant Change in Number of Employees in the past 3 years

-None-

10.3 Significant Labor Dispute in the past 3 years

-None -

10.4 Employee Compensation

The Company compensates all employees (excluding 6 management executives) in various forms which consist of salary, bonus, Provident Fund contribution and Social Security contribution. Details are as follows:

Table showing Employees Compensation

Employee Compensation	For the year 2019		For the year 2020	
	Number (Person)	Compensation (Baht)	Number (Person)	Compensation (Baht)
Salary and Bonus	663	92,322,275	688	108,842,033
Other Benet	663	915,736	688	667,137
Social security fund	663	3,719,882	688	3,249,028
Total	663	96,957,893	688	112,758,198

10.5 Policy in Human Resources Development

The Company has set policies in human resources development in order to develop skills and knowledge of its employees which shall result in higher potential competition as well as sustainable growth. The Company perceives the importance of continuous development in human resources, therefore, the Company concentrates in developing and maximizing the employees' capabilities with various knowledge guidelines and training courses. Together with the promising and proactive working environment, the Company also emphasizes on the employees' self-skill training and self-capability development. These practices shall strengthen the Company's performance as well as support the expansion in the future. In addition, the Company arranges a training room as well as training courses and employee manuals for each division so as to support the employees' development programs. Moreover, employees are encouraged to attend in various training courses with other institutions.

Details of Directors Executive officers and Company secretary

Directors

Pitsanu Khantipong, MD

67 years old

Date of Appointment as director:

22 December 2014

Position

Chairman of the Board Chairman of the Audit Committee and Independent Director

Education

- Bachelor of Medicine, Faculty of Medicine, Chiang Mai University
- Bachelor of Science in Medical Science, Chiang Mai University

Training

- Director Accreditation Program (DAP) Course, Class 112/2014, Thai Institute of Directors (IOD))
- Successful Formulation and Execution of Strategy (SFE) Course, Class SFE31/2019, Thai Institute of Directors (IOD))
- SASIN In-Depth Hospital Management Program, Kellogg School of Management, Northwestern University, Chicago, USA
- SASIN In-Depth Hospital Management Program 5, KAIST College of Business, South Korea , CHA Medical Center and Asan Medical Center in Seoul
- SASIN In-Depth Hospital Management Program 4, INSEAD, Fontainebleau, France
- Certificate of Family Practice Know-How in Obstetrics and Gynecology, Rajavithi Hospital, Department of Medical Services



Board Member/ Management in Listed Company

-None-

Position in Other Company/Organization/ Institution

2014 – Present Chairman of Development Committee, Nan Hospital

2013 – Present Vice Chairman of The Royal Thai College of Obstetricians and Gynaecologists

5-Years Past Experiences

2014 – 2015 Subcommittee Advisory Board of Public Health Minister, Ministry of Public Health

2012 – 2014 Director, Nan Hospital

(%) shareholding

Held personally -None-

Held by spouse or minor children

0.06

Family Relationship among director and Executives

-None-

Attendance at the Board of Directors' Meeting during 2020:

7 times out of 7 Meetings

Dr. Watthana Yuenyong

58 years old

Date of Appointment as director:

22 December 2014

Position

Independent Director, Audit Committee and Member Chairman of the Nomination and Remuneration Committee



Education

- Doctor of Accountancy, Mahasarakham University
- Master of Managerial Accountancy, Chulalongkorn University
- Bachelor of Business Administration and Accountancy, Ramkhamhaeng University

Training

- Director Accreditation Program (DAP) Course, Class 117/2015, Thai Institute of Directors (IOD)

Board Member/ Management in Listed Company

-None-

Position in Other Company/Organization/Institution

-None-

5-Years Past Experiences

2013 – Present Vice Rector, Chiang Rai Rajabhat University

(%) shareholding

Held personally –None-

Held by spouse or minor children – None-

Family Relationship among director and Executives

-None-

Attendance at the Board of Directors' Meeting during 2020:

7 times out of 7 Meetings

Dr. Chalermchai Khamsaen

56 years old

Date of Appointment as director:

22 December 2014

Position

Independent Director, Audit Committee Member and Nomination and Remune



Education

- Doctor of Regional Development Strategy, Chiang Rai Rajabhat University
- Master of Business Administration, Chiang Mai University
- Bachelor of Marketing, Payap University

Training

- Independent Director Audit Committee Member Nomination and Remuneration Committee Member

Board Member/ Management in Listed Company

-None-

Position in Other Company/Organization/Institution

-None-

5-Years Past Experiences

1993 – Present Lecturer of Faculty of Management Sciences, Chiang Rai Rajabhat University

(%) shareholding

Held personally –None-

Held by spouse or minor children – None-

Family Relationship among director and Executives

-None-

Attendance at the Board of Directors' Meeting during 2020:

7 times out of 7 Meetings

Mr. Tawatchai Phutthipiriya

56 years old

Date of Appointment as director:

21 December 2012

Position

Director, Chief Executive Officer, Chairman of the Risk Management Committee and Managing Director



Education

- Bachelor of Biotechnology, Kasetsart University

Training

- Director Accreditation Program (DAP) Course, Class 111/2014, Thai Institute of Directors (IOD)

Board Member/ Management in Listed Company

-None-

Position in Other Company/Organization/Institution

-Director, Thanaphoom Property 2013 Co., Ltd.

-Director, TNP Express 1 Co., Ltd.

-Director, TNP Express 2 Co., Ltd.

5-Years Past Experiences

-Director and Managing director, Thanapiriya Public Company Limited

(%) shareholding

Held personally 30.63

Held by spouse or minor children 34.48

Family Relationship among director and Executives

-Husband of Mrs.Amorn Phutthipiriya

-Father of Mr. Thanaphong Phutthipiriya and Mr. Thanaphoom Phutthipiriya

Attendance at the Board of Directors' Meeting during 2020:

7 times out of 7 Meetings

Mrs. Amorn Phutthipiriya

55 years old

Date of Appointment as director:

21 December 2012

Position

Director, Executive Director, Risk Management Committee Member and Deputy Managing Director of Operation

Education

- Bachelor of Pharmacy, Mahidol University

Training

- Director Accreditation Program(DAP) Course, Class 111/2014, ThaiInstitute of Directors (IOD)
- Chief Executive Course, Capital Market Academy (CMA, Class 21)

Board Member/ Management in Listed Company

-None-

Position in Other Company/Organization/Institution

- Director, Thanaphoom Property 2013 Co., Ltd
- Director, TNP Express 1 Co., Ltd.
- Director, TNP Express 2 Co., Ltd.

5 Years Past Experiences

-Director and Deputy Managing director, Thanapiriya Public Company Limited

(%) shareholding

Held personally 30.73

Held by spouse or minor children 34.38

Family Relationship among director and Executives

- Wife of Mr.Tawatchai Phutthipiriya
- Mother of Mr. Thanaphong Phutthipiriya and Mr. Thanaphoom Phutthipiriya

Attendance at the Board of Directors' Meeting during 2020:

7 times out of 7 Meetings



Mrs. Jularat Ngamlertlee

61 years old

Date of Appointment as director:

22 December 2014

Position

Director and Nomination and Remuneration Committee Member



Education

Bachelor of Business Economics, University of the Thai Chamber of Commerce

Training

- Director Accreditation Program (DAP) Course, Class SEC/2015, Thai Institute of Directors (IOD)

Board Member/ Management in Listed Company

-None-

Position in Other Company/Organization/Institution

-None-

5 Years Past Experiences

-2004 – Present, Business Owner Poj Electric Appliance Store (Retail Business)

(%) shareholding

Held personally 0.00

Held by spouse or minor children – None-

Family Relationship among director and Executives

Elder Sister of Mrs. Amorn Phutthipiriya

Attendance at the Board of Directors' Meeting during 2020:

7 times out of 7 Meetings

Miss Bussakorn Thadthapong

51 years old

Date of Appointment as director:

22 December 2014

Position

Director



Education

-Bachelor of Business Administration, Pibulsongkram Rajabhat University

Training

-Director Accreditation Program (DAP) Course, Class SEC/2015, Thai Institute of Directors (IOD)

Board Member/ Management in Listed Company

-None-

Position in Other Company/Organization/Institution

-None-

5 Years Past Experiences

-2000 -Present, Business Owner Bussakorn Agriculture Store (Retail Business)

(%) shareholding

Held personally –None-

Held by spouse or minor children – None-

Family Relationship among director and Executives

Younger Sister of Mrs. Amorn Phutthipiriya

Attendance at the Board of Directors' Meeting during 2020:

7 times out of 7 Meetings

Executive members and Company secretary



Mr. Tawatchai Phutthipiriya

56 years old

Position

Director, Chief Executive Ofcer, Chairman of the Risk Management Committee and Managing Director

Education

- Bachelor of Biotechnology, Kasetsart University

5-Years Past Experiences

-Director and Managing director, Thanapiriya Public Company Limited

(%) shareholding

Held personally 30.63

Held by spouse or minor children 34.48

Family Relationship among director and Executives

-Husband of Mrs.Amorn Phutthipiriya
-Father of Mr. Thanaphong Phutthipiriya and Mr. Thanaphoom Phutthipiriya



Mrs. Amorn Phutthipiriya

55 years old

Position

Director, Executive Director, Risk Management Committee Member and Deputy Managing Director of Operation

Education

- Bachelor of Pharmacy, Mahidol University

5-Years Past Experiences

-Director and Deputy Managing director, Thanapiriya Public Company Limited

(%) shareholding

Held personally 30.73

Held by spouse or minor children 34.38

Family Relationship among director and Executives

-Wife of Mr.Tawatchai Phutthipiriya
-Mother of Mr. Thanaphong Phutthipiriya and Mr. Thanaphoom Phutthipiriya



Mr. Pittaya Jitmase

41 years old

Position

Executive Director, Risk Management Committee Member, Director of Accounting and Finance Division and Company Secretary

Education

- Master of Business Administration, Accounting Major, Ramkhamhaeng University
- Bachelor of Business Administration, Accounting Major, Ramkhamhaeng University
- Certified Public Accountant (CPA)

Training

- Continuous Development for Company Secretary Program (CSP), Thai Institute of Directors (IOD), Class CSP 68/2015

5-Years Past Experiences

2014 – Present Executive Director, Risk Management Committee Member, Director of Accounting and Finance Division and Company Secretary Thanapiriya PCL.

2013 – 2014 Risk Management Committee Member of Thiensurat PCL. (Distribution of Household Goods Business)

2011 – 2014 Accounting and Finance Division Manager of Thiensurat PCL. (Distribution of Household Goods Business)

(%) shareholding

Held personally –None-

Held by spouse or minor children – None-

Family Relationship among director and Executives

-None-



Mrs. Duangjai Yuint

46 years old

Position

Risk Management Committee Member, Secretary of Risk Management Committee and Accounting and Finance Division Manager,

Education

- High Vocational Certificate of Accountancy

5-Years Past Experiences

-2014 – Present Accounting and Financial manager Thanapiriya PCL.

(%) shareholding

-Held personally 0.02

-Held by spouse or minor children – None-

Family Relationship among director and Executives

-None-



Thanaphong Phutthipiriya

27 years old

Position

Operation Division Director

Education

- Master of Business Administration, Financial Concentration, Assumption University
- Bachelor of Business Administration, International Business Management, Assumption University

5-Years Past Experiences

- 2563 Accounting & Financial Assistant Manager Thanapiriya Public Company Limited
- 2562 – 2563 Assistant Manager Asset Pro Management Company Limited
- 2560 – 2561 Senior Financial Analyst Asset Pro Management Company Limited
- 2560 Financial Analyst Asset Pro Management Company Limited

(%) shareholding

- Held personally 3.39
- Held by spouse or minor children – None-

Family Relationship among director and Executives

Son of Mr.Tawatchai & Mrs.Amorn Phutthipiriya



Thanaphoom Phutthipiriya

25 years old

Position

Sales & Marketing Division Director

Education

- Bachelor of economics Chiang Mai University

5-Years Past Experiences

- 2563 – Present Sales & Marketing Division Manager Thanapiriya Public Company Limited
- 2562 – 2563 Sales & Marketing Assistant Manager Thanapiriya Public Company Limited
- 2561 Purchasing Manager Thanapiriya Public Company Limited
- 2561 Purchasing Staff Thanapiriya Public Company Limited
- 2559- 2560 Supervisor Thanapiriya Public Company Limited

(%) shareholding

- Held personally 3.80
- Held by spouse or minor children – None-

Family Relationship among director and Executives

Son of Mr.Tawatchai & Mrs.Amorn Phutthipiriya

Corporate Governance

1 Corporate Governance Policy

The Company gives precedence to good corporate governance according to the principle prescribed by Stock Exchange of Thailand (“Stock Exchange”) due to the indication of international standard operation, reinforcement of transparency and effective management, and condence creation for the shareholders, investors and all parties of stakeholders, leading to stability and progress as the instrument for value addition and reinforcement of sustainable growth. The Company has formulated the practical rule according to Guideline of the Principles of Good Corporate Governance for Listed Companies by Stock Exchange of Thailand as guideline. It covers the principle of ve sections of corporate governance as follows.

1. Rights of Shareholders
2. Equitable Shareholder Treatment
3. Role of Stakeholders
4. Disclosure and Transparency
5. Responsibilities of the Board

With regards to the Corporate Governance Code (CG Code) 2017 for listed companies as issued by the Ofce of the Securities Exchange Commission (SEC), the Board of Directors acknowledged and considered its contents; then adopted and applied specied requirements that were suited for the Company’s business operations, and then made a summary of those requirements that were not applicable for the Company together with the related reasons and the alternative measures established by the Company; whereby all associated details have been documented and incorporated in the related Board Meeting minutes.

Section 1 Rights of Shareholders

The Company’s policy is to equitably treat all shareholders according to criteria prescribed by laws and relevant agencies. The process of the shareholders’ meeting shall be openly, transparently and fairly carried out whereas all shareholders have right and equality as follows.

Rights of Shareholders

- 1.Right to own by controlling the Company to approve the appointment of the Board of Directors to perform the duties on behalf of the Company.
- 2.Right to trade or transfer shares
- 3.Right to attend the Shareholders’ Meeting and vote, as well as express the opinion and mutually consider making decision on significant changes.
- 4.Right to authorize other person to attend the meeting and vote in lieu of the shareholder.
- 5.Right to appoint and remove the directors.
- 6.Right to vote for election, appointment and determination of the auditor’s remuneration.

- 7.Right to regularly and timely acknowledge the information, overall operation, and management policy.
- 8.Right to equally gain prot sharing.
- 9.Right to acknowledge information of the connected transaction performing.

The Shareholders' Meeting

1.Determination of Appointment Date, Time and Place for the Shareholders' Meeting

The Board of Directors shall determine the Shareholders' Meeting in date, time and place that the shareholders can conveniently attend the Meeting.

2.Meeting Appointment Notice

The Company shall deliver Meeting Appointment Notice, Meeting Agenda, opinion of the Board Directors of Thanapiriya Public Company Limited, as well as complete and adequate documents and information as decision making support in each meeting agenda for prior-acknowledgement of the Shareholders' Meeting before meeting date so as to be properly and completely line with the criteria prescribed by laws and relevant agencies.

3.Pre-Meeting Proposal of Additional Agenda

All shareholders are able to propose additional agenda in advance before meeting by sending written agenda and details to the Company before meeting date for at least three (3) days so that the Board of Directors shall consider whether it will be added to be an agendum in the meeting.

4.Meeting Attendance and Registration

All shareholders have right to attend the meeting and vote or authorize other person to attend the meeting and vote in lieu of them. The Company opens for prior- registration by the shareholders before meeting time and systemizes to facilitate the shareholders so that all of them can completely and rapidly register.

5.Inquiry, Opinion Expression, Resolution and Taking Minutes of Meeting

The Board of Directors gives the opportunity to every shareholder for equitable right in auditing the Company's operation in the Shareholders' Meeting every time. The shareholder can fully and independently inquire, express opinion and suggest on consideration and resolution on every issue. Invoting, one share is equitably counted as one vote for every shareholder. The Company shall take minutes of meeting and inquiry, suggestion, resolution of the meeting and votes in agreement, disagreement or voting abstention in each agendum in writing so that the shareholders and related parties can verify. In addition, the minutes of meeting shall be publicized in the Company's website after completion of the meeting.

6.Meeting Attendance of the Board of Directors

The Board of Directors considerably gives precedence to attendance of the Shareholders' Meeting. It deems as duty that every director shall attend every Meeting of Shareholder Meeting and completely propose the information to the shareholders, listen to opinion and suggestion of the shareholder, givethe shareholder the opportunity to inquire and answer the said inquiry with accurate information.

Section 2 Equitable Shareholder Treatment

The Company determines the equitable and fair treatment guideline for all shareholders whether the executive shareholder and non-executive shareholder of the Company, major shareholder or minor

shareholder as well as foreign shareholder. Therefore, the Company has determined the good practical guideline as follows.

1. Information Provision before Shareholders' Meeting

1) The Company shall deliver meeting appointment notice, meeting agenda, opinion of the Board of Directors, and complete and adequate documents and information as decision making support in each meeting agenda for prior- acknowledgement by the shareholders according to Public Limited Companies Act. After registration of the Company into listed company in Stock Exchange, the Company shall deliver appointment letter of the shareholders' meeting to the shareholders in advance in the period dened by the Ofce of the Securities and Exchange Commission ("SEC") or Stock Exchange for prior-study by the shareholders before meeting. In addition, the shareholders shall acquire news information via electronic media of the Stock Exchange, the Company's website and release of news in newspaper according to Public Limited Companies Act.55

2) The Company shall notify the shareholders for acknowledgement on the regulation used in the meeting, resolution voting procedure, and voting right according to each type of share.

2. Protection of the Minor Shareholder's Right

1) The Company shall clearly determine the criteria for the minor shareholder to propose additional meeting agenda in advance before the date of the Shareholders' Meeting in order to indicate fairness and transparency in consideration whether the agenda proposed by the minor shareholder can be added.

2) The Chairman of the Meeting shall not add the meeting agenda which are not informed in advance without necessity particularly the important agenda which require studying time by the shareholder prior to decision making.

3) The Company shall determine the method for the minor shareholder to nominate the person to hold the director ofce, such as nominate via Nomination and Remuneration Committee prior to the date of the Shareholders' Meeting and supporting information for qualification consideration and consent of the nominated person.

3. Protection on Use of Inside Information

The Company has determined the guideline of storage and protection for use of inside information in writing and notified the said guideline to everyone in the organization for observance. It should determine that every director and executive shall have duty to regularly report the security holding according to laws and deliver the said report to the Board of Directors, as well as disclose in Annual Report.

4. Stake Holding of the Director

1) The director is determined to report his or her stake holding at least prior to consideration on the said agenda and record it in the minutes of the Board of Directors' Meeting.

2) The director with significant stake holding in the nature that may cause the said director unable to independently give the opinion shall refrain from participation in the meeting to consider the said agendum.

Section 3 Role of Stakeholders

The Company realizes and perceives the importance of governance on the internal stakeholders of the Company such as shareholders and employees, and external stakeholders such as customers, business partners, creditors, competitors and other agencies as well as related nearby community. The stakeholders shall be taken care by the Company according to the right entitled by law or by agreement entered with the Company. The Company shall not perform any act which violates the right of those stakeholders. The Company has formulated the treatment policy and guideline for all groups of stakeholders as follows.

1. Executive Practice

The executive means the employee who has subordinates. Apart from the executive's practice of every clause of code of conduct on behalf of being an employee of the Company, the executive shall have good practical guideline to reinforce good executive being. On behalf of the employee's superior, the executive shall be the leader and model of good conduct for general employees as well. Therefore, the practical guideline for executive has been determined as follows.

1) Shareholder Treatment by the Executive

The executive shall perform his or her duty with honesty, carefulness, prudence and care with broad vision, non-exploitation for oneself and friends from the organizational information which is remained not publicly disclosed. The executive shall not disclose the secret organizational information to the outsider, and not perform any act which is the nature that may cause conflict of interests.

2) Employee Treatment by the Executive

The executive shall fairly treat the employee, impartially manage, support the creation of progress potential, and increase work efficiency of the employees, as well as promote the employee to understand about code of conduct which should be practiced by the employees, arrange proper welfare to the employees, and truthfully treat the employees, reasonably listen to opinion and suggestion.

3) Customer Treatment by the Executive

The executive shall strictly treat the customer according to business ethics practice denoted by the Company.

4) Business Partner Treatment by the Executive

The executive shall fairly treat business partner without claim or demand for any unjust benefit from business partner. If any clause of condition is failed in compliance, the executive shall notify the business partner for prior- acknowledgement to mutually and corrective guideline.

5) Creditor Treatment by the Executive

The executive shall adhere to and comply with the trade agreement and condition with honesty to build mutual confidence and trust. In the event that the creditor which is the financial institution, the Company has complied with the condition of loan contract or credit contract all the time to build confidence to the financial institution by strictly complying with the conditions specified in the contract and agreement. However, the condition observed and adhered as regulation for creditor treatment is as follows.

- Equitably and fairly comply with the agreement entered with every business partner and

creditor based on receiving fair return by both parties.

- Omit to demand, receive and not to give any dishonest trade benefit.
- In the event of borrowing, the Company shall not use money derived from borrowing in the way which is in conflict with the borrowing objective/condition.

6) Business Competitor Treatment by the Executive

The executive shall treat business competitor under the framework for rule of good competition and non-search of secret information of the business competitor with dishonest method.

7) Social and Environmental Treatment by the Executive

The executive shall practice or control the compliance with the relevant laws and rules and regulations, and shall be responsible for society and provide collaboration, assistance and support, and volunteer to do the useful activities for community and society.

Company Contact Channel of the Stakeholder

The Board of Directors emphasizes on participation of the stakeholders in reinforcement of the Company's overall operation to build the sustainable stability for the Company. The channel is arranged for stakeholders, shareholders, investors and employees to enable to deliver useful opinion, complaint or suggestion. The Company opens the channel for the external stakeholders to contact the Board of Directors or the chief executive by addressing the letter by post to the following.

- Chairman of the Board of Directors; or
- Chairman of the Audit Committee; or
- Managing Director

at below address.

Thanapiriya Public Limited Company

329 Moo.8, Bandu Sub-district, Mueang District, Chiang Rai Province 57100; or

E-mail Address: director@thanapiriya.co.th

The aforesaid person shall gather information to propose the director for consideration. The Company's policy for protection of the opinion or suggestion sender is to keep the information of the opinion or suggestion sender as secret.

2. Employee Practice

For reinforcement of good and effective working, the employee should have the following practical guideline.

- 1) The employee should work with honest, effort and diligence, and improve more work efficiency for self and the Company's benefit.
- 2) The employee should strictly behave and comply with work rules and regulations of the Company.
- 3) The employee should respect and listen to the superior who rightfully commands according to policy and rules and regulations of the Company.

4) The employee should be mutually united and generous to mutually assist without cause of conflict, leading to damage to other person and the Company.

5) The employee should mutually respect the right and honor, and avoid disclosure or criticism of other person's information or story both in the matter related to working and personal matter in the way that will cause damage to the employee and the Company.

6) The employee should avoid receiving any gift that may make him or her discomfort in future function. If it is unavoidable, the said employee should notify his or her superior for immediate acknowledgement.

7) The employee should not use position or job benefit to exploit self or his or her friend's benefit, or do business to compete with the Company.

8) The employee should treat his or her employee and business partner with honesty and equality.

9) The employee should strictly keep the secret of the customer, business partner and organization.

10) The employee should report the superior for acknowledgment of the issue without delay when the acknowledged issue may affect the Company's operation or reputation.

11) The employee should maintain the privileges and assets of the Company to be in good condition for full and saving utilization without waste, loss, damage or decay prior to reasonable time.

Penalty

In the event that the management and employees behave oneself in the way that causes conflict of interests with the Company, the Company's organization structure and work rules and regulations shall be considered. Each work section shall primarily consider and summarize and forward the issue to the top superior and relevant line accordingly to make decision and further specify punishment as appropriate. If the occurred conflict of interests is severe and causes huge damage, and it may not be in diagnosis of the original affiliation, the issue shall be raised to the Company's management for consideration on ending summary and imposing the punishment accordingly.

Penalty Provision

- 1) Verbal Warning
- 2) Written Warning
- 3) Wage Reduction
- 4) Job Suspension
- 5) Dismissal without compensation payment under Labor Protection Law.
- 6) Legal Proceedings

Section 4 Disclosure and Transparency

The Company determines that the duty of the Board of Directors is to disclose complete, adequate, reliable, and timely information data both being financial information and other information for equal acquisition of information by the Company's shareholders, and to carefully, obviously, concisely, understandably and transparently prepare. Both positive and negative information shall be regularly disclosed under carefulness of non-confusion on fact.

The Board of Directors aims for supervision on strict compliance with laws, regulations and rules related to disclosure and transparency, publication of data in the Company's website both in Thai and English language via the publicity channels of mass media and publicity media of the Stock Exchange of Thailand, for thorough acknowledgment of the shareholders and other related persons on the Company's data. It shall also update and revise those data to be consistent with the guideline promulgated for enforcement by the Stock Exchange of Thailand and Office of the Securities and Exchange Commission.

The Company shall arrange Investor Relations officer to perform the duty in communication with the investors or shareholders as well as institutional investor and minor shareholder, and regularly hold the meeting for analysis on overall operation and publicize the organizational data both of financial data and general data to the shareholders and security analyst. The Company shall rate reliability and the relevant government agencies via various channels such as reporting to Stock Exchange of Thailand, Office of the Securities and Exchange Commission, and the Company's website. The Company shall also emphasize on regular disclosure of the data both in Thai and English language for the shareholder's regular acknowledgement of news information via the channel of the Company's website. The data appeared on website whether being vision, mission, financial statements, public relations news, annual report, structure of the Company and executive, shareholding and major shareholder structure, shall be always updated.

In addition, the Company also gives precedence to financial report to indicate actual financial status and turnover of the Company based on the accurate, complete and adequate accounting data according to Generally Accepted Accounting Principles. The Company shall disclose the data about each director and roles and duties of the Board of Directors and sub-committees of the Company in Annual Report of the Company (Form 56-2), and Annual Registration Statement (Form 56-1), and shall disclose remuneration of the director and chief executive in Annual Report of the Company (and Annual Registration Statement).

Section 5 Responsibilities of the Board

1. Element of the Board of Directors

The Board of Directors shall consist of the following element.

1. According to the Company's Articles of Association, the Board of Directors shall consist of at least five members and not less than half of number of total directors shall have domiciles in the kingdom of Thailand. The directors shall be qualified as prescribed by laws, and may be the Company's shareholders or may not.

2. The Board of Directors consists of the executive director, non-executive director and independent director. There shall be at least one-third of independent directors and not less than three persons. The qualification of the independent director is in line with what is prescribed by the Stock Exchange of Thailand.

3. The Board of Directors shall select one director from non-executive director as the Chairman of the Board.

4. The Board of Directors shall select one person to perform the duty as the Secretary of the Board of Directors. The Secretary of the Board of Directors may be the director or may not.

5. The Board of Directors shall select one person to perform the duty as the Company Secretary.

2. Roles, Duties and Responsibilities of the Board

The scope of duties and responsibilities of the Board of Directors is as follows.

1. Function according to laws, objectives and articles of association of the Company, as well as resolution of the Shareholders' Meeting.

2. Consider the approval on appointment of the qualified person without prohibited characteristic as prescribed in Public Limited Companies Act B.E. 2535 (1992), and Securities and Exchange Law as well as announcements, regulations and/or rules related to the director position in the event that the director position is vacant due to other reason apart from retirement by rotation.

3. Consider the appointment of the Executive Board by selecting from the Company's director and define the scope of authorities and responsibilities of the executive director.

4. Consider the appointment of the independent director and audit committee member under consideration from qualification and prohibited characteristic of the independent director and audit committee member according to Securities and Exchange Law as well as announcement, regulations and/or rules related to the Stock Exchange, or propose to the Shareholders' Meeting for consideration on the appointment to be the independent director and audit committee member of the Company accordingly.

5. Consider determination and revision of the name of the authorized director in binding the Company.

6. Appoint any other person to operate the Company's business under control of the Board or may authorize the said person to have power and/or within the time deemed as appropriate by the Board. The Board is able to cancel, revoke, alter or revise that power.

7. Consider the approval on performing the acquisition or disposal transaction of the Company's asset unless in the event that the said transaction must be approved by the Shareholders' Meeting. In considering the said approval, it shall be according to the relevant announcements, regulations and/or rules of the Stock Exchange.

8. Consider the approval on performing the connected transactions unless in the event that the said transaction must be approved from the Shareholders' Meeting. In considering the said approval, it shall be according to the relevant announcements, regulations and/or rules of the Stock Exchange.

9. Consider the approval on interim dividend payment to the shareholders when it is deemed that the Company is reasonably probable to do so, and report such dividend payment to the Shareholders' Meeting for acknowledgement in the following Shareholders' Meeting.

10. Have duty to define vision, policy and direction of the Company's operation, business strategy and annual budget; and control the Management to effectively and efficiently implement according to the formulated policy for maximum economic value addition to shareholders and sustainable growth.

11. Regularly responsible for shareholders, operate by maintaining the shareholders' benefit, and properly and completely disclose the standard and transparent material information to shareholders.

12. Assess the performance and determine remuneration of the director and chief executive.

13. Govern the Management to have appropriate and effective risk management system.

14. Consider and make decision on the material issues such as business policy and plan, large scale investment project, managerial power, acquisition or disposal of asset and any other transaction prescribed by law.

15. Determine power and approval level of transaction performing and execution related to the Company's works for the team or person as appropriate according to the relevant legal provisions, and prepare into Operating Power Manual and review at least once a year.

16. Arrange the reliable accounting system, and nancial and accounting audit reporting, and supervise to have internal control appropriateness assessment process.

17. Give consent in proposing the appointment of the auditor and consider annual audit fee to propose to the shareholders for consideration and approval on the appointment.

18. Report the Board's responsibilities in preparing nancial report for presentation together with the Auditor's Report in Annual Report, covering the important issues according to the policy of good practice for the directors of the listed companies of the Stock Exchange of Thailand.

19. Govern the function of sub-committees as prescribed by the Charter.

20. The Board shall perform self-assessment and overall performance assessment.

3. The Board of Directors' Meeting

The Company has formulated the Criteria of the Board of Directors' Meeting as follows.

1.The Board of Directors shall hold the meeting for acknowledgement of the Company's operating result at least every three (3) months. In the meeting, the directors shall freely express their opinions and exercise their discretion and should attend the meeting every time. Apart from force majeure, they shall notify the Secretary of the Board of Directors in advance. The Company shall report number of meeting attendances of the directors in Annual Report. In each time of the Board of Directors' Meeting, the Secretary of the Board shall deliver Meeting Invitation Letter to every director for prior- acknowledgement of every director on meeting date, time and place at least seven (7) days in advance; and gather the meeting documentation from the directors and the management for delivery to the Board in advance. The said documents shall provide adequate information for decision making and exercise of independent discretion of the Board. The Secretary of the Board shall record the issues in the meeting to complete the preparation as the minutes of meeting that shall consist of the complete essence within 15 days from the completion of meeting date in order to propose for signing by the Chairman of the Board of the Directors. The good storage system shall be prepared to be convenient for effective search and confidentiality.

2.The director with stake in any issue is entitled to vote to resolve the said issue.

3.In voting in the Board of Directors' Meeting, the opinion of the majority shall be mainly considered. In the event of equal votes, the Chairman of the Meeting shall vote an additional vote as casting vote. However, the opinion of other directors who do not resolve for agreement shall be specied in the minutes of the meeting. In the Board of Directors' Meeting No. 7/2020 on 19 December 2020, time table of Annual Meeting of the Board of Directors for 2021 has been scheduled in advance. The dened meeting agenda shall be always notified to the Board of Directors for acknowledgement.

4. Remuneration

The Board of Directors has resolved to appoint the Nomination and Remuneration Committee to perform the duties in selection of qualified person to hold the director and chief executive positions and consider the payment form and criteria for the remuneration of the director and chief executive as follows.

1. Consider the payment criteria for remuneration of the director and chief executive to be appropriate under review on the appropriateness of the currently applied criteria in comparison with the available information of remuneration payment of other companies in the same industry of the Company; and determine the appropriate criteria for creation of the achievement as expected to be fair as compensation of the person who helps the Company's work to be successful.

2. Review the payment form for every type of remuneration such as fixed remuneration, overall operation-based remuneration and meeting allowance, under consideration on practical guideline currently applied by the same industry, turnover and business size of the Company and responsibility, knowledge, competency and experience of the director and chief executive required by the Company.

3. Consider the criteria for assessment of the performance of the managing director, line executive director, and chief executive as entrusted by the Board of Directors.

4. Determine annual remuneration of the director, managing director, line executive director and chief executive according to the payment criteria already considered and proposed to the Board of Directors for approval on the remuneration of the managing director, line executive director and chief executive. In part of the director, the Board of Directors shall propose for resolution of the Shareholders' Meeting.

5. Consider the appropriateness and give consent in the event of new security offering for sale to the director and employee adhering to the principle of fairness to shareholder and creation of motivation to the director and employee for function in long-term value addition for shareholder and ability to actually retain quality personnel.

5. Development of Director and Executive

For increase in working efficiency of various sets of committees, the Company supports the Board of Directors and chief executives to always participate in seminar in the course useful for function, and meet and exchange the opinion with the Board of Directors and chief executives of the organizations whether it is the course arranged by the work unit that supervises the training of the Company's employees and the course arranged by the government supervisory authority or independent organization such as director course of Thai Institute of Directors at Office of the Securities and Exchange Commission. The director of the listed company shall determine to be trained for at least one course such as Directors Certification Program (DCP), Directors Accreditation Program (DAP), and Audit Committee Program (ACP), so as to apply knowledge and experience for the Company's development accordingly.

2. Sub- Committees

The structure of the Board/Committee of the Company consists of the Board of Directors and total of three sets of sub-committees such as Audit Committee, Nomination and Remuneration Committee,

Executive Board and Risk Management Committee. The Board of Directors' Meeting resolved to define the scope of duties as follows.

2.1 Audit Committee

Scope of Authorities of the Audit Committee

The scope of authorities and responsibilities of the Audit Committee is as follows.

1. Review the financial report to ensure that it is accurate and reliable, and disclose adequate information by coordinating with the external auditor and executive who is responsible for preparation of both quarterly and annually financial reports.

2. Review the Company to have appropriate and efficient internal control system and internal audit system, and consider independency of the internal audit unit as well as give consent in consideration the appointment, removal and dismissal of the Head of Internal Audit Unit or any other unit which is responsible for internal audit and may suggest to review or audit any transaction deemed as necessary and important, and suggest about the significant and necessary improvement of internal control system to propose to the Board of Directors under mutual review with the external auditor and the Manager of Internal Work System Audit Department.

3. Review the compliance with Securities and Exchange Law or requirement of the Stock Exchange, other policies, rules and regulations and laws related to the Company's business operation.

4. Consider the election and propose the appointment of the independent person to perform the auditor's duty, as well as consider the proposal of remuneration of the Company's auditor to the Board of Directors. The Audit Committee shall attend the meeting with the auditor without meeting attendance by the Management at least once a year.

5. Review internal audit plan of the Company according to the generally accepted method and standard.

6. Consider connected transaction or transaction that may have conflict of interests according to laws and requirements of the Stock Exchange, as well as proper and complete disclosure of the Company's information in the said issue in order to ensure that the said transaction is reasonable and maximally useful for the Company.

7. Review the Company to have appropriate and effective risk management system.

8. Report the performance of the Audit Committee to the Board of Directors for acknowledgment at least once four times a year.

9. Prepare the Audit Committee's Report by disclosing in Annual Report of the Company. The said report shall be affixed by the Chairman of the Audit Committee and shall at least contain the following information.

- (1) Opinion on accuracy, completeness and reliability of the Company's financial report
- (2) Opinion on adequacy of the Company's internal control system
- (3) Opinion on compliance with Securities and Exchange Law, requirement of the Stock Exchange, or laws related to the Company's business.

- (4) Opinion on the appropriateness of the auditor.
- (5) Opinion on the connected transaction or transaction that may have conflict of interests.
- (6) Number of the Audit Committee Meetings and Meeting Attendances of each committee member.
- (7) Overall opinion or observation acquired by the Audit Committee from function according to Charter.
- (8) Other transaction which is deemed that the shareholder and general investor should acknowledge under the scope of duties and responsibilities entrusted by the Board of Directors.
- 10. Mutually give opinion on considering appointment, removal and assessment of the performance of Internal Audit Unit's officers.
- 11. In function based on the scope of duties, the Audit Committee shall have power to invite the Management and executives or the Company's related staffs to attend the meeting or deliver documents deemed to be related or necessary.
- 12. Have power to hire consultant or outsider according to the Company's rule to advise or give counsel in the necessary event.
- 13. The Audit Committee shall assess the performance by self-assessment and report assessment result as well as problem and obstacle in function that may cause function not attain the objective of establishment of the Audit Committee for acknowledgement of the Board of Directors every year.
- 14. Consider review and update of the Charter of the Audit Committee at least once a year.
- 15. Review the anti-corruption process of the company
- 16. Review and comment on the Company's annual anti-corruption report.
- 17. Perform other tasks as entrusted by the Board of Directors within the scope of duties and responsibilities of the Audit Committee.

2.2 Nomination and Remuneration Committee

Scope of Authorities of the Nomination and Remuneration Committee

The scope of authorizes and responsibilities of the Nomination and Remuneration Committee is as follows.

• **Nomination**

1. Determine the nomination method for qualified person to hold the director office to be proper for the corporate nature and business operation under determination of qualification and knowledge and skill in each area required to be available.
2. Nominate the director when the term is reached and required for nomination of the director to the Board of Directors for consideration. The nomination may be considered from the existing director to further hold the office or the nomination may be opened from the shareholder or outsource of the external company to help in nomination or consideration on the person from professional director directory, or nomination of the qualified person by each director, etc.
3. Consider name list of the nominated and elected persons who are qualified in consistency with

the determined criteria and qualification.

4. Verify whether the nominated person is qualified according to laws and requirements of the relevant agencies.

5. Approach the qualified person in consistency with the determined criteria and qualification to ensure that such person is glad to assume the office of the Company's director if he or she is appointed by the shareholder.

6. Nominate the name for the Board's consideration and filing the name in the Shareholders' Meeting Appointment Letter for consideration and appointment by the Shareholders' Meeting.

7. Consider nominate the Chief Executive Officer and Managing Director as entrusted by the Board of Directors.

• **Determination of Remuneration**

1. Consider the payment criteria for remuneration of the director, Chief Executive Officer, and Managing Director for appropriateness under review on the appropriateness of the currently applied criteria in comparison with the remuneration payment information of other companies in the same industry of the Company; and determine the appropriate criteria for creation of achievement as expected for fairness and return to the person who helps in working for the Company's success.

2. Review the payment form for every type of remuneration such as fixed remuneration, overall operation-based remuneration and meeting allowance under concern on practical guideline currently applied by the same industry, turnover and business size of the Company and responsibility, knowledge, competency and experience of the director, Chief Executive Officer, and Managing Director required by the Company.

3. Consider the performance assessment criteria for the Chief Executive Officer and Managing Director as entrusted by the Board of Directors.

4. Determine annual remuneration of the director, Chief Executive Officer and Managing Director according to the payment criteria considered and proposed to the Board of Directors for approval on remuneration of the Chief Executive Officer and Managing Director. In part of director, the Board of Directors shall propose for approval of the Shareholders' Meeting.

5. Consider the appropriateness and give consent in the event of new security offering for sale to the directors and staffs, adhering to the principle of fairness to shareholder and creation of motivation to director and staff to function for long-term value addition to shareholders and ability to actually retain the quality personnel.

2.3 Executive Board

Scope of Authorities of the Executive Board

The scope of authorizes and responsibilities of the Executive Board is as follows.

1. The Executive Board shall be appointed from the Board of Directors, and consist of the executive directors and executive staffs for not less than five persons in total as the Executive Board.

2. Perform the duties in controlling the Company's management according to the policy for-

mulated by the Board of Directors and report the overall operation to the Board of Directors. In carrying out the Executive Board's Meeting, the members for not less half of the executive directors shall attend the meeting. There shall be majority votes from the Executive Board's Meeting in resolution and the said counted votes shall be at least half of total votes of the Executive Board.

3. Properly consider the determination of power and approval level of each person to be appropriate and separate duty that may support corruption out, as well as determination of procedure and method of transaction performing with the major shareholder, executive director or related person of the said person to prevent transfer of benefit and propose to the Board of Directors for approval on the principle, and control the observance of the approved principle and requirement.

4. Consider annual budget and procedure of budget spending to propose to the Board of Directors, and control and supervise spending based on budget approved by the Board of Directors.

5. Consider improvement of the Company's business operation plan to be appropriate for the Company's benefit.

6. Consider approval on investment and determination of investment budget according to the power in Operating Power Manual.

7. Consider entering the contracts that bind the Company according to power in Operating Power Manual.

8. Take responsibility for having the adequate important information of the Company for use as support in decision making of the Board of Directors and shareholder, and prepare reliable financial report according to good and transparent standard.

9. Consider profit and loss of the Company and propose to pay annual dividend to the Board of Directors.

10. Consider new business operation or business winding up and propose to the Board of Directors.

11. Govern to determine the procedure for the operator to report abnormal circumstance or legal offence to the Executive Board without delay. In the event that such circumstance has material impact, the Board of Directors shall be reported for acknowledgement to consider the correction within appropriate period.

12. Perform any acts to support the aforesaid operation or according to the opinion of the Board of Directors or as authorized by the Board of Directors.

13. The execution of any issue which is proposed to the Executive Board's Meeting and resolved and/or approved by the Executive Board's Meeting shall be reported to the Board of Directors for acknowledgement in the following Board of Directors' Meeting.

14. The executive director is unable to approve the transaction that he or she or the person who may have conflict of interests has stake or may have conflict of interests in other nature with the Company or its subsidiary.

2.4 Risk Management Committee

Scope of Authorities of the Risk Management Committee

The scope of authorities and responsibilities of the Risk Management Committee is as follows.

1. Determine risk management policy and structure to propose to the Executive Board to be consistent and according to the risk management guideline of the Stock Exchange of Thailand and the Institute of Internal Auditors of Thailand.
2. Set strategy to be consistent with risk management policy so that each type of risk can be assessed, monitored and controlled to be in acceptable level under participation of work units in risk management and control.
3. Assess corporate level risks and determine method of risk management to be in acceptable level, and supervise and control risk management according to the determined method.
4. Review risk management policy and improve it to be adequately effective and efficient for risk control.
5. Have power to call the related person to clarify or appoint and determine roles for every level of the operator to have duty in managing risk as appropriate and report to Risk Management Committee so that risk management can attain the objective.
6. Regularly report risk management result to the Executive Board and the Audit Committee in order to propose to the Board of Directors every quarter.
7. Prepare Risk Management Manual.
8. Specify various areas of risks and analyze and assess the contingent risk and trend that affects the Company.
9. Prepare work plan for risk prevention and abatement.
10. Assess and prepare risk management report.
11. Systemize integrated risk management system by linking with information system.
12. Perform other works as deemed as appropriate by the Board of Directors.

2.5 Managing Director

Scope of Authorities of the Managing Director

The scope of authorities and responsibilities of the Managing Director is as follows.

1. Control business operation, plan operating strategy and daily manage the Company.
2. Make decision in the important issue of the Company, determine mission, objective, guideline and policy of the Company as well as line management control.
3. Be the powerful person in command, contact, order and affix the signature in the juristic act, contract, order document and any notice as determined in Operating Power Manual.
4. Have power to employ, appoint and remove the person as deemed as proper, as well as determine scope of appropriate authorities and return, and have power to discharge and dismiss as appropriate for every level of staffs as determined in Operating Power Manual.
5. Have power to determine trade condition for the Company's benefit.
6. Consider investing in new business or business winding up, and propose to the Executive

Board and/or the Board of Directors.

7. Approve and appoint the consultants in various areas as necessary for operation.
8. Perform any acts as entrusted by the Executive Board and/or the Board of Directors.

The delegation of duties and responsibilities of the said managing director shall not have the nature of authorization or sub-authorization that makes the managing director and/or the authorized person from the managing director can approve the transaction that he or she or the person with conflict of interest (as defined in the Announcement of the Securities and Exchange Commission or Announcement of Capital Market Supervisory Board) may have stake or may gain benefit in any nature or may have any other conflict of interests with the Company or its subsidiary except it is the approval of the transaction according to normal business and condition of normal business.

3 Nomination and Appointment of Director and Chief Executive

3.1 Nomination of Independent Director

In selection of the person who assumes the independent director office, the Nomination and Remuneration Committee shall mutually consider and determine the criteria and policy for consideration on nomination of the person who assumes the independent director office by considering from the qualification pursuant to Public Limited Companies Act B.E. 2535 (1992), Securities and Exchange Law, Announcement of the Securities and Exchange Commission, Announcement of the Capital Market Supervisory Board, as well as other relevant announcements, regulations, and/or rules and regulations. However, the Company's policy is to appoint the independent directors for at least one-third (1/3) of total number of directors and not less than 3 persons.

Qualification of Independent Director

The Board of Directors determines the qualification of the independent director according to the requirement of the Stock Exchange of Thailand as follows.

1. Hold shares for not more than one (1) percent of total number of shares with voting rights of the Company, holding company, subsidiary, associated company, major shareholder, or regulator of the Company. The shareholding of the related person of the said independent director shall be also counted.

2. Never or ever been the director who participates in the management, employee, staff, consultant who earns fixed salary, or the regulator of the Company, holding company, subsidiary, associated company, subsidiary in the same sequence, major shareholder or of the regulator of the Company, unless it is free from such nature for not less than two (2) years prior to appointment to assume the independent director office. However, such prohibited nature excludes the event that the independent director has ever been the government officer or consultant of the administrative agency which is the major shareholder or regulator of the Company.

3. Not be the person having relationship by blood or by legal registration in the nature of being parent, spouse, brother and sister and child as well as spouse of the child of the executive, major

shareholder, regulator, or person who is nominated to be the executive or regulator of the Company or its subsidiary.

4.Never or ever had the business relationship with the Company, holding company, subsidiary, associated company, major shareholder, or regulator of the company in the nature that may obstruct the exercise of his or her independent discretion; and also never or ever been the significant shareholder or regulator of the person having business relationship with the Company, holding company, subsidiary, associated company, major shareholder, or regulator of the Company, unless such nature is free for not less than two (2) years prior to appointment to assume the independent director office.

5.Never or ever been the auditor of the Company, holding company, subsidiary, associated company, major shareholder or regulator of the Company; and not be the significant shareholder, regulator or partner of the audit firm where the auditor of the Company, holding company, subsidiary, associated company, major shareholder or regulator of the Company, is the member, unless the said auditor is free from such nature for not less than two (2) years prior to appointment to assume the independent director office.

6.Never or ever been any provider of professional service, legal consulting or financial consulting service, who is paid for service charge exceeding two million Baht per year from the Company, holding company, subsidiary, associated company, major shareholder or regulator of the Company; and not be the significant shareholder, regulator or shareholder of the said professional service provider, unless the said service provider is free from such nature for not less than two (2) years prior to appointed date to assume the independent director office.

7.Not be the appointed director as the representative of the Company's director, shareholder, major shareholder or shareholder who is the related person of the major shareholder.

8.Not engage in the business that has the same condition and significantly compete with the business of the Company or its subsidiary; or not be the director who participates in management, employee, staff, consultant who earns fixed salary or holds shares of other company for more than one (1) percent of total shares with voting rights that engages in the same condition of the business as the significant competition with the business of the Company or its subsidiary.

9.Not possess any other characteristic that causes inability to express independent opinion about the Company's operation.

3.2 Nomination of the Board of Directors

In selection of the person who will assume the Company's director position, the Nomination and Remuneration Committee shall mutually determine criteria and policy for consideration on nomination of the Company's director to propose to the Board and/or the Shareholders' Meeting. However, the person who is appointed to hold the director position shall have complete qualification according to Public Limited Companies Act B.E. 2535 (1992), Securities and Exchange Law, Announcement of the Securities and Exchange Commission, Announcement of the Capital Market Supervisory Board, as well as the relevant announcements, regulations and/or other rules and regulations. The Company's Articles of Association

determines that the Board of Directors shall consist of at least five members and the directors for not less than half of total number of directors shall have their domiciles in the Kingdom. The Shareholders' Meeting shall elect the directors under below criteria.

1. A shareholder shall have one vote per one share.

2. In election of the director, voting method may be used to elect an individual director per time or several directors per time as deemed as appropriate by the Shareholders' Meeting. However, in each time of resolution, the shareholders shall vote with all votes available in Clause 1 whereas more or less votes are unable to be shared to anyone. Thus, the shareholder is unable to share his or her votes in election of the director to anyone more or less pursuant to Section 70 paragraph one of Public Limited Companies Act (NON-CUMULATIVE VOTING only).

The persons who earn highest votes in order shall be elected as the directors equaling to the number of directors that should have or should be elected in that time. In the event that the elected person in the following order has equal vote more than number of directors that should have or should be elected in that time so that the Chairman of the Meeting shall perform vote casting.

3. The office term for the directors of the Company with duty in managing the Company's business operation shall be according to the Company's Articles of Association. It is to say that in every Annual General Meeting of Shareholders, one-third (1/3) directors of the current number of directors shall vacate from the office. If the number of directors is unable to be divided into three portions, they shall vacate in the number nearest to one-third (1/3) portion. The retired director may be selected to resume the office again. The Committee in specific issue, such as the Audit Committee and Nomination and Remuneration Committee, shall have the office term for three (3) years per term. One (1) year here in means the period of time between the date of the General Meeting of the Shareholders in the appointed year until the date of the General Meeting of the Shareholders in the following year. The director who is retired by rotation is able to be nominated and appointed to resume the office.

4. Apart from retirement by rotation, the director shall vacate his or her office upon:

(a) Death;

(b) Resignation;

(c) Disqualification or possession of the prohibited characteristic according to Public Limited Companies Law or Securities and Exchange Law;

(d) Resolution of the Shareholders' Meeting for resignation prior to retirement by rotation with votes for not less than one-third (3/4) of number of shareholders who attend the meeting with voting rights. Total shares are counted to be not less than half of the number of shares held by the shareholders who attend the meeting with voting rights.

(d) Order of the Court for retirement

5. Any director who resigns from the office shall submit resignation form to the Company. The said resignation shall be effective from resignation date to the Company. The resigned director in the content of the first paragraph may also notify his or her resignation to the registrar for acknowledgement.

6. In the event that the director position is vacant due to other reason apart from retirement by

rotation, the Board shall select the qualified person without prohibited characteristic according to Public Limited Companies Law or Securities and Exchange Law, to assume as the director in replacement in the following Board of Director's Meeting except the remaining term of the replaced director is less than two (2) months. The person who assumes as the director in replacement of the said director shall be the director of the company for just equaling to the remaining term of the replaced director. The resolution of the Board of Directors according to the content in the first paragraph shall consist of votes for not less than three-fourth (3/4) of the remaining number of directors.

7. The Board of Director shall give consent for the director of the Company who will assume the director position in other company.

Self-Assessment of the Directors and the Sub-Committee Members

The Company gives precedence to performance assessment of the Board of Directors, and Sub-Committees under the objective of utilization of the assessment result in the functional improvement of the Board of Director and the Sub-Committees in various areas. In the meeting, the directors and the sub-committee members shall assess the performance of the Board/Sub-Committee in the previous year. The performance of the Board of Directors and the Sub-Committees for 2020 was assessed on 22 February 2021 using assessment form according to the sample issued by Capital Market Governance Development Division, Stock Exchange of Thailand, under below procedure and detail.

Self-Assessment of the Board of Directors

1) The Company Secretary hands out assessment form to the Board using self-assessment form of the group of the committee.

2) The Board shall perform self-assessment in received assessment form which is divided into the following topics.

- The structure and qualification of the Board in the following issues shall be appropriate for effective working of the Board.

- The Board of Directors' Meeting executes the following issues for the Board's effective function in the meeting.

- The consideration, review and compliance with the following issues are emphasized in sufficient time spending in roles, duties and responsibilities of the sub-committee.

- Other issues

3) The Company Secretary gathers and summarizes assessment result.

Self-Assessment of the Sub-Committee

1) The Company Secretary hands out assessment form to the sub-committee using self-assessment form of the group of the committee.

2) The Audit Committee, the Nomination and Remuneration Committee, and the Risk Management Committee perform self-assessment in the received assessment form which is divided into the following topics.

- Structure and qualification of the committee members in the following issues shall be appropriate for effective working of the committee members.

- The Sub-Committee's Meeting shall be carried out in the following issues for effective function of the committee members in the meeting.

- The consideration, review and compliance with the following issues are emphasized in sufficient time spending in roles, duties and responsibilities of the sub-committee.

3) Company Secretary gathers and summarizes assessment result.

4. Governance on the Sub-Committee's Operation

The Company has formulated the management structure of its subsidiary so that it can control and supervise the management and take responsibility of the operation of its subsidiary as if it is a work unit of the Company. In addition, it also monitors the management of its subsidiary to retain the benefit of the Company's investment fund under below details.

1. The Company delivers the person with knowledge and competency in the field or profession related to its subsidiary to assume the director or executive position in the proportion of the Company's shareholding in its subsidiary. The delivery of the said person to assume the director or executive position of its subsidiary shall be resolved for consent from the Board of Directors' Meeting. Moreover, the Company has clearly determined the scope of duties and responsibilities of the person whom is delivered by the Company to assume the director or executive position in its subsidiary.

2. The Company has clearly determined the framework of discretion power of the person whom is delivered to assume the director or executive position in its subsidiary. In voting of the said person in the Board of Directors' Meeting of its subsidiary in important issue, it shall be firstly given consent by the Board of Directors' Meeting.

3. The Company monitors and supervises its subsidiary to completely and properly disclose the information related to the financial position and overall operation, related transaction performing, and acquisition or disposal of the significant asset.

4. The Company monitors and supervises the director and executive of its subsidiary to practice according to duties and responsibilities prescribed by law.

5. The Company's mechanism for governance on performing the following transactions shall be firstly resolved from the Board of Directors' Meeting or the Shareholders' Meeting.

- a) Performing transactions between its subsidiary and the connected person
- b) Acquisition or disposal of the asset
- c) Performing any other transaction of its subsidiary

5. Supervision on Use of Inside Information

The Company has formulated the policy for prevention on use of the inside information and governance of the director, executive and employee (including spouse and underage child) whom the following data of the Company are informed.

1. Educate the knowledge to the director, executive and holder of executive position in accounting line who is in the level of division manager and over or equivalent, about the duties in pre-

paring and submitting the report of security holding by oneself, spouse and underage child to the Office of the Securities and Exchange Commission pursuant to Section 59 and penalty pursuant to Section 275 of Securities and Exchange Act B.E. 2535 (1992).

2. Determine the director, executive as well as holder of executive position, in accounting or finance line who is in the level of division manager and over or equivalent; always prepare and submit the report of security holding by oneself, spouse, and underage child through the Company Secretary prior to submission to the Office of the Securities and Exchange Commission, within thirty (30) days from the appointed date for holding the director and executive position; or report the change in security holding within three (3) working days from the date of purchase, sale, transfer or transfer acceptance for the said securities.

3. Determine that the director, executive and the holder of the executive position in accounting or finance line who is in the level of division manager and over or equivalent, and the relevant operator whom the inside information which is essential and affects the change of the security price is informed, shall suspend the trading of the Company's securities in the period of time before publicity of financial statements or publicity of financial position and status of the Company until the Company has already publicly disclosed those information. The Company will notify in writing the director and executive as well as the holder of executive level position in accounting or finance line which is the level of the manager and over or equivalent to suspend trading of the Company's securities at least thirty (30) days in advance prior to public disclosure of data and they should wait for at least twenty-four (24) hours after public disclosure of data. They are also prohibited not to disclose the material data to other person.

4. Determine disciplinary penalty if violating to use inside information for exploitation of self-benefit. The disciplinary penalty is started from written warning, wage reduction, temporary job suspension without wage receiving or dismissal. The intent of act and gravity of the offence shall be considered in punishment.

6. Auditor's Remuneration

The Company paid auditing remuneration for financial statements for the accounting year period of 2018– 2020 to ANS Audit Company Limited as follows.



Remark: Audit fee of the Company and its subsidiary

Other service charge: none

Social Responsibility

The Company operates its business under awareness of responsibilities on society, environment and stakeholders from shareholder, customer, business partner, contractual party, employee and community. It also aims for development of stable and sustainable business growth. The Company has determined Corporate Social Responsibility (CSR) Policy, Anti-Corruption Policy, and Anti-corruption Guidance for participation by all of the management and employees in practice and responsibility according to the said policies to achieve business operation guideline with morals and principle of good corporate governance under guidance that covers the following topics.

Social Responsibility Policy

- 1) Engage the business with honesty and operate business with social responsibility in law and code of conduct, and aim for benefaction toward person, group of community, society and environment.
- 2) Fairly treat customers on the issue of products and services without discrimination.
- 3) Engage the business under standard operation system and good control by fully using knowledge and competency with carefulness and adequate information and evidence which is referable, and strictly observance according to relevant legal provisions and requirements.
- 4) Not to disclose the customer's information perceived by oneself due to business operation as the information which should be retained without disclosure unless it is the disclosure by legal duty.
- 5) Give the customer the opportunity to complain about incompleteness of product and service.
- 6) Disclose proper and complete news and information of product and service.
- 7) Fairly comply with agreements and conditions entered with the customer. If the agreement or condition is failed to comply, the customer shall be notified for acknowledgement to mutually find the solution.

Operation

The Company shall perform according to the policy of the business operation overview with social responsibility as follows.

1) Policy-Based Operation

The Company aims at cultivating the employees to understand the corporate target and work with awareness on social responsibility. The Company shall communicate Corporate Social Responsibility Policy for understanding of every employee through personnel training and development plan of the Company so that every employee can properly observe in the same direction and also promote the employee to attend the training for enhancement of work skill and participate in activities for social and environmental benefit regularly.

Social and Environmental Benefit Activity (After Process)

The business operation together with participation in social and environmental care is a part of the Company's sustainable development target under awareness of benefit utilization for social return and requirement of cultivation for everyone in the organization to give precedence on the membership of the society. Therefore, the company has organized annual projects and activities for community development in the corporate environment. In 2019 and 2020, the company has donated money and items for education and public benefits in the amount of Baht 490,894 and Baht 833,317, respectively.

Social Responsibility Impact from Business Operation

The Company has never been audited or accused from any agency for the negative social and environmental impact from the Company's business operation, or non-compliance with the social responsibility policy prescribed by the Company.

Intellectual Property Policy

The Board of Directors of Thanapiriya Public Company Limited has clear policy not to perform any act which is the infringement of the intellectual property whether in copyright, patent or trademark. The Company has clear action guideline such as copyright and determines the policy for application of information technology system of the Company and its subsidiary by auditing the application of software program systems in working of the employees to prevent the application of software that infringes copyright or irrelevant to working, etc.

Human Right Policy

The Board of Directors of Thanapiriya Public Company Limited has clear human right policy whereas it is determined in written code of business conduct for fair treatment to all employees of the Company, its subsidiary and business partner companies without discrimination due to race, religion, nationality, gender, age, educational background, equitable right granting to the disable person, and non-violation against right and individual liberty both directly and indirectly. However, the employees of the Company and its subsidiary shall treat one other and treat other persons with mutual respect and honor and also behave themselves to be proper for jobs according to rules and regulations of the Company, and good tradition without impact on the Company's image.

Anti-Corruption Policy

Thanapiriya Public Company Limited rely great importance on good corporate governance. The Company trusted that good corporate governance and the management of its framework are transparent and accountable. Therefore, it is consent to define the Anti-corruption policy which prohibit the Company's personnel from conducting or accepting or providing support in all forms of corruption along with the appropriate operational requirements to prevent corruption in all business activities that may have a risk of corruption to be used as a guideline for business operations. The company was certified as a member of the Thai Private Sector Collective Action Against Corruption from the Thai Private Sector Collective Action Against Corruption Committee on August 21, 2018.

Anti-corruption policy of the Company which has been determined and announced with details as shown on the company website <http://www.thanapiriya.co.th> on Investor Relations topic and Sub-topics of Good Corporate Governance which can be summarized as follows.

1. Anti-corruption policy is applied to all employees of the Company includes directors, executives and employees and agents, representatives, contractors and intermediaries or stakeholders who work on behalf of the Company and covers the business processes of the Company which are in the corruption risk.

2. The Board of Director is responsible for dening and approving of Anti-corruption policy and takes care of the system that supports effective anti-corruption. The Audit Committee is responsible for overseeing and monitoring the internal control system including guidelines to ensure that the policy is enforced effectively. The Company executives are responsible to assessing the risk of fraud in their department to review the risk mitigation measures and ensure that there is suficient internal control system.

3. The Company is dened that all directors, executives and employees must be complied with the anti-corruption policy strictly whether directly or indirectly.

4. The Company has provided a risk assessment for corruption with risk assessment, prioritize and determine the appropriate measurement of the risks that was assessed included monitoring the progress of the measures that was implemented.

5. The Company has prepared practice implementation which has suficient details to conduct, in accordance with the policy that can prevent the occurrence of corruption in the business.

6. The Company has established an independent internal audit section in order to evaluate the internal control system, risk management system, corporate governance process and other important activities or work systems of the Company.

7. Every director, executive and employee shall not ignore or neglect upon detection of act within the scope of corruption related to the Company. They shall notify their superior or the person in charge for acknowledgement and collaborate in investigation of facts.

8. The Company shall be fair and protect its employee who rejects the corruption or noties clue of corruption related to the Company without punishment or adverse impact toward the employee who rejects corruption even though the said act may cause the Company lose the business opportunity.

Channels of complaint and clues

Channels of complaints and clues, complaints or comments or any suggestions which the Company has dened are as follows

- Chairman of the Board / Chairman of the Audit Committee / Secretary of the Board of Directors
Thanapiriya Public Company Limited No. 329 Moo 8, Ban Du Sub district, Muang Chiang Rai, Chiang Rai Province 57100.
- Through the website of the Company <http://www.thanapiriya.co.th> topic of Investor Relations and sub-topics of good corporate governance.
- Employee can notify through supervisors who they are trusted at all levels or Human Resources Manager

Internal Control and Risk Management

1. Opinion of the Board of Directors toward The Company's Internal Control

The Company realizes on the significance of the proper and effective internal control system management that will contribute to the transparent operation and prevention on use of the Company's inside information which has not yet been publicly disclosed in wrong way. The Audit Committee of the Company shall perform its duty is to review internal control system and internal audit system, and may suggest the review or audit of any transactions which are deemed as necessary or important, and also audit the operation of Divisions by coordinating with the auditor and the executive about review of the financial report for adequate and reliable information disclosure.

In the Board of Directors' Meeting No. 1/2021 on 22 February 2020, all of three audit committee members attended the Meeting. The Board of the Directors evaluated the internal control system by interview and inquiry of the information from the management and the related persons according to Evaluation Form for Internal Control System Adequacy of the Securities and Exchange Commission in all of five areas as follows.

1. Organizational Environment

The Company promotes and supports a good internal control environment by denoting the corporate governance policy and business ethics in writing includes the communication with employees at all levels to acknowledge and strictly comply also inform about the penalties if there is a violation and manage the organization structure to be aligned with the business plan and is always adjusted to be suitable for work operation.

The Board of Directors consist of the independent directors who are knowledgeable, profundity and independent from the management which are responsible for supervising the proper internal control. There is an Independent Internal Audit Section which is directly to the audit committee who take action to inspect and review the work operation, support for a good internal control environment. In addition, the Company rely great importance on development of personnel potential continuously, arranging for the development of knowledge training, skills and abilities to suit the assigned tasks.

2. Risk Assessment

The Company pays attention and arranges risk management throughout the organization. The Board of Directors has assigned the Risk Management Committee to be responsible for determining the risk management policy. To be concerned to chances and potential consequences both internal and external factors including the risk of fraud and clearly define the risk management measures includes the communication with employees to acknowledge and comply to the policies and guidelines set forth. The Risk Management Committee reports the implementation of the risk management policy to the Audit Committee

on a quarterly basis.

3.Control of the Management's Operation

The Company has clear and appropriate internal control activities with a policy for operating in each section which includes information technology policies and controls. In addition, the Company has prepared an authority manual to be used to determine the authority to approve transactions related to the business process of the Company. The above policy has been enforced with directors, executives and employees of the Company by communicating policies and practices to all related parties and workers. Moreover, the Company regularly evaluates the performance regarding to the operational policy by the Internal Audit Department to assess whether the policy has been implemented and including the appropriateness of various policies to the changing environment.

4.Information and Data Communication System

The Company rely importance on information and communication systems so that relevant parties have sufficient information in making decisions timely by arranging sufficient quality data for work operations both internal and external data. The Company emphasizes on each meeting of the Board of Directors; all directors must receive sufficient information for making decision and send information to the directors in advance before the meeting date. The various meeting information and company information has been completely recorded and stored in a safe place which can be traced back.

The Company gives importance to the data communication in order to support the internal control system of the Company and communicate the important information to external parties and receiving information or complaints both from the agency within the Company itself or from the outsider through the investor relations officer or the various complaints notification systems which the Company has been denied.

5.Reporting and Monitoring System

The Company regularly monitors and evaluates internal control systems in order to ensure that there is adequate and complete control and to support the effective business operations of the Company. The Company has provided a standard internal audit process to check the implementation of the policy operation, the manual and various rules related to the Company. Such internal audit has reported to the Audit Committee on a quarterly basis and in the event of a major defect in the control of the Company or important matters affecting operations must report such matters to the Board of Directors and follow up on corrective actions regularly.

The Board of Directors is of the opinion that the Company has an appropriate and adequate internal control system for the Company's business. The internal control systems are effective to prevent transactions with major shareholders, directors, executives or related persons of such persons.

In addition, the Company has provided sufficient personnel to operate according to the internal control system of the Company to monitor and control the operations of the Company's Group in order to protect the its assets from the misuse of directors or executives Or without power including transactions

with persons who has conflicts and related persons. In addition, in order to achieve good checks and balances.

The Company hired IVL Audit Company Limited to review and provide additional suggestions for more complete internal control system. The internal auditor will prepare the internal control assessment report and present to the Audit Committee meeting on a quarterly basis. So that the Company can improved and develop the quality of the internal control system of the Company which leads to good corporate governance for the Company in long term.

2.Opinion of the Audit Committee toward the Company's Internal

Control System

In consideration on evaluation form for the Company's Internal Control System Adequacy, all of three audit committee members of the Company attended the Meeting. The Audit Committee had comment indifferent from the opinion of the Board of Directors at all.

3.Details of Head of Internal Audit

The Company uses the outsource service, IVL Audit Company Limited ("IVL") as the internal service providing company since 17th December, 2013 and IVL has entrusted Miss Valdee Siboonrueang as the Head of Internal Audit.

The Internal auditor of the Company has assigned to work as internal audit of the Company which the audit committee has considered and approved the internal audit's plan that proposed by the internal auditor. In this regard, the consideration and approval of the appointment, removal and transfer of the head of internal audit of the Company must be approved by the audit committee. The qualifications of the head of internal audit are as follows:

Name - Surname:

Miss Valdee Siboonrueang

Position:

Audit Partner, IVL Audit Company Limited (“IVL”)

Educational:

Bachelor’s Degree, Faculty of Commerce and Accountancy,
Chulalongkorn University

Qualication:

Certied Public Accountant (CPA), Registration No. 3829

Training History:

Director Accreditation Program (DAP) Course,
Class 32/2005 Audit Committee Program (ACP) Course, Class 4/2005

Work Experience:

- 1994 – Present

Managing Partner, IVL Auditing Company Limited (Accounting Audit
Service – Internal Audit)

- 1990 – 1994

Accounting and Finance Division Manager, Mandom Corporation (Thai-
land) Company Limited (Manufacture and Distributor of Cosmetics)

-1986 – 1990

Audit Senior, Deloitte Touche Tohmatsu Jaiyos Company Limited (Ac-
counting Audit Service)

Related Transactions

1. Person that may have conflict of interests and Nature of Relationship

The Company and its subsidiary performed related transactions with person/juristic person that may have conflict of interests in the year of 2020 and 2019 as follows.

Person / Juristic Person that may have conflict of interests	Nature of Relationship
Mr. Tawatchai Phutthipiriya (“Mr. Tawatchai”) Mrs. Amorn Phutthipiriya (“Mrs. Amorn”) Thanaphoom Land 2013 Company Limited (“Thanaphoom”) Which engages in real estate procurement and development business.	Director and Major Shareholder of the Company Director and Major Shareholder of the Company Subsidiary of the Company

2.Details of Related Transactions

Details of the related transactions that the Company and its subsidiary entered to perform the transactions with person/juristic person that may have conflict of interests in the year of 2020 and 2019 have been as follows.

Person/Juristic Person that might have conflict of interests	Nature of Transactions	Transaction Value (Million Baht)		Necessity and Reasonability of the Transaction
		2020	2019	
1.Mr. Tawatchai Phutthipiriya	The Company has leased land and building for the location of Clock Tower Branch Expenses - Rent - Depreciation-Right of used - Interest expense Asset -Right-of-used assets Liability -Lease liabilities	- 1.01 0.32 9.06 9.81	0.99 - - - -	Lease transaction of land and building for the loca- tion of Clock Tower Branch is 90,750 Baht per month. The said lease fee excludes water bill and electricity bill. The reference lease fee has been determined by independent appraiser upon consent from SEC.

Person/Juristic Person that might have conflict of interests	Nature of Transactions	Transaction Value (Million Baht)		Necessity and Reasonability of the Transaction
		2020	2019	
2.Mrs. Amorn Phutthipiriya	The Company has leased land for the location of Wholesale Center of Den Ha Wholesale			Lease transaction of land for the location of Wholesale Center of Den Ha Wholesale is 40,000 Baht per month. The said lease excludes water bill and electricity bill. The reference lease fee has been determined by independent appraiser upon consent from SEC.
	Expenses			
	- Rent	-	0.44	
	- Depreciation-Right of used	0.45	-	
	- Interest expense	0.38	-	
	Asset			
	-Right-of-used assets	11.75	-	
	Liability			Lease transaction of land for the location of Wholesale Center of Den Ha Wholesale is 5,500 Baht per month. The said lease excludes water bill and electricity bill. The reference lease fee has been determined by independent appraiser upon consent from SEC.
	Lease liabilities	12.05	-	
	The Company has leased land for the location of Wholesale Center of Den Ha Wholesale			
	Expenses			
	- Rent	-	0.07	
	- Depreciation-Right of used	0.04	-	
	- Interest expense	0.04	-	
	Asset			
	-Right-of-used assets	1.16	-	
	Liability			
	Lease liabilities	1.17	-	

Person/Juristic Person that might have conflict of interests	Nature of Transactions	Transaction Value (Million Baht)		Necessity and Reasonability of the Transaction
		2020	2019	
	The Company has leased land and building for the location of Rop Wiang distribution Center Expenses			Lease transaction of land and building for location of Rop Wiang Distribution Center is 23,000 baht per month. The said lease fee excludes water bill and electricity bill. The reference lease fee has been determined by independent appraiser upon consent from SEC.
	- Rent	-	0.25	
	- Depreciation-Right of used	0.25	-	
	- Interest expense Asset	0.08	-	
	-Right-of-used assets Liability	2.22	-	
	Lease liabilities	2.38	-	

3.Necessity and Reasonability of the Related Transactions

The Audit Committee's Meeting No. 1/2021 on 22 February 2021 considered the information of related transactions of the Company in the year of 2020 and 2019 accompanied with inquiry of information from the Management of the Company, as well as review of the information as specified in Notes to Financial Statements of the Company's auditor, and deemed that the Company's related transactions in the accounting year ended 31 December 2020 and 2019 were the reasonable transactions according to the general trade condition or according to the appropriate and fair condition in the same nature as the reasonable man should act with the general contractual party in the same situation with the trade bargaining power without influence of the status of the other contractual party as the person who may have conflict of interests (Arm's Length Basis) and without benefit transfer between the Company and the person or juristic person that may have conflict of interests.

4.Policy and Procedure of the Related Transaction Performing Approval

The Board of Director's Meeting considered and approved the policy and procedure of the related transaction performing of the Company and the person or juristic person that may have conflict of interests for transparent transaction performing and benefit maintenance of the Company. The following could be summarized as follows.

4.1 Performing transaction which is the trade agreement with general trade condition

In performing normal business transactions and normal business supporting transactions such as lease of land and building, and public utility service acceptance, the general trade condition and fair price are comparable with performing the transaction between the Company and the general person or performing the transaction between the person that may have conflict of interests and the general person, or performing the transaction in the same nature as the nature of other entrepreneur in the business, the Management of the Company can usually execute under the principle considered and approved by the Board of Directors. The report of transaction performing report shall be prepared to quarterly propose in the Audit Committee's Meeting. The Company shall comply with Securities and Exchange Law and regulation, announcement, order or requirement of the Stock Exchange of Thailand, and also comply with the requirement of disclosure for the connected transaction performing information.

4.2 Performing transaction which is the trade agreement and is not the general trade condition

In performing transaction which is the trade transaction and is not the general trade condition, the Company determines that the Audit Committee shall consider and comment about the necessity in participating in performing transaction and price appropriateness of the said transaction before proposing to the Board of Directors and/or the Shareholders' Meeting as the case may be for further consideration and approval. In the event that the Audit Committee is not expert in considering the contingent related transaction, the Company shall assign the independent appraiser, independent specialist or the Company's auditor to comment about performing the said related transaction so that the Audit Committee can use it as decision making support, and to give opinion to the Board of Directors and/or the shareholders as the case may be for approval on the said transaction before entering to perform the transaction. However, the Company shall disclose related transactions in Notes to Financial Statements which are audited by the Company's auditor, Annual Registration Statement (Form 56-1), and Annual Report of the Company (Form 56-2) according to the Criteria and Law of Securities and Exchange. The consideration and approval on the said related transaction performing shall be complied with Securities and Exchange Law, regulation, announcement, order or requirement of the Stock Exchange of Thailand. The person who may have conflict of interests or gain and loss in performing related transaction has no right to vote for resolution in performing the said related transaction.

4.3 Trend of Future Related Transaction Performing

The Company has expected that related transactions will occur again in the future. These transactions have been audited and approved by the Board of Directors and/or the Audit Committee and/or the Shareholders' Meeting under below transactions.

Lease of land, and land and building from the group of major shareholders have been the normal business transactions with necessity and reasonability. Every increase in lease fee shall not exceed 10% of the existing lease fee rate according to the previous contract. However, the increase in lease fee shall not exceed the comparable market price at that time. The details of the said transactions have been as follows.

Clock Tower Branch

Lease of Land
and Building

Lessor : Mr. Tawatchai Phutthipiriya

Lessee: The Company

Lease Fee Rate: 90,750 Baht per Month

Lease Period: Three (3) years from 1 Jan 2021
to 31 Dec 2023

The Company reserves its right to renew Lease for
another three times and three (3) years per time.

Wholesale Center Den Ha Wholesale

Lease of Land

Lessor: Mrs. Amorn Phutthipiriya

Lessee: The Company

Lease 1 :

Lease Fee Rate: 40,000 Baht per Month

Lease Period: Three (3) years from 1 Jan 2021 to 31 Dec 2023

The Company reserves its right to renew Lease for another three
times and three (3) years per time.

Lease 2 :

Lease Fee Rate: 5,500 Baht per Month

Lease Period: Three (3) years from 1 Nov 2019 to 31 Oct 2022

Warehouse 3

Lease of Land

Lessor: Mrs. Amorn Phutthipiriya

Lessee: The Company

Lease Fee Rate: 23,000 Baht per Month

Lease Period: Three (3) years from 1 Jan 2021 to 31
Dec 2023

The Company reserves its right to renew Lease for
another three times and three (3) years per time.

Report on the Board of Directors'

Responsibility towards the Financial Statements

The Board of Directors is responsible for the Company and its subsidiaries' consolidated financial statements as well as financial information system which were presented in the Company's Annual Report. The financial statements were prepared in accordance with generally accepted accounting standards, using appropriate and consistent accounting policy, careful consideration, most appropriate estimation with sufficient significant information disclosed in the notes to the financial statements. Thus, the Company's financial statements were audited with unqualified opinions by the authorized external auditors.

The Board of Directors consecutively recognizes and promotes the importance of Good Corporate Governance as well as the Board of Directors' structure development in order to be able to operate the Company's business efficiently and transparently. The Board of Directors, therefore, appointed the Audit Committee which comprises of three independent directors to be responsible for the quality of financial reports, internal audit and internal control system. The Audit Committee's opinion is stated in the Audit Committee Report which is included in the Company's Annual Report.

As a result, the Board of Directors believes that the Company's internal control system is appropriate and adequate so as to ensure the reliability of the Company's financial statements as of 31 December 2020.



(Dr. Pisanu Kantipong)
Chairman of the Company



(Mr. Thawatchai Phutthipiriya)
Managing Director

Analysis and Explanation of the Management

Explanation and Analysis of the Financial Position and Overall Operation

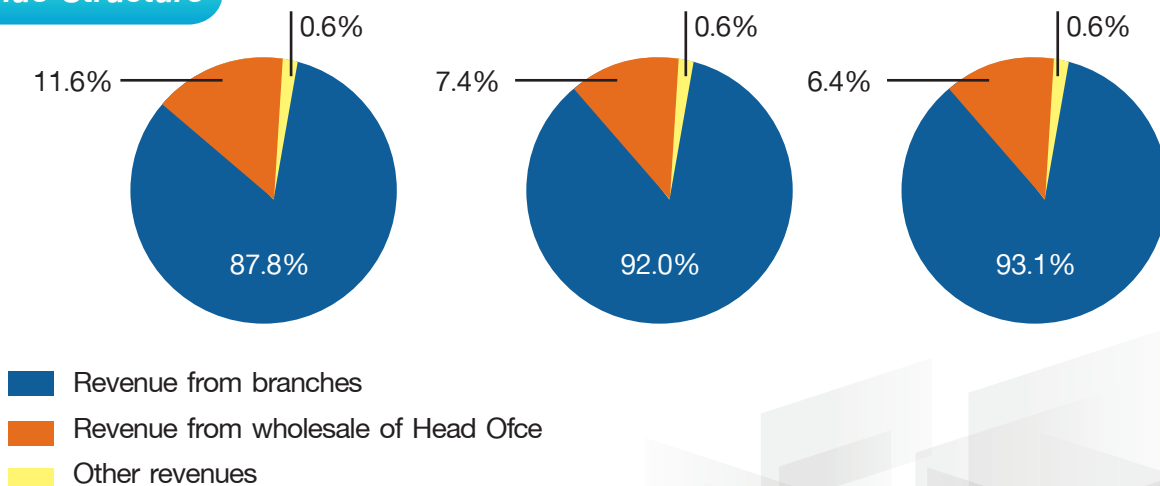
The financial position and overall operation appeared in consolidated financial statements of the Company were derived from retail and wholesale business engagement for consumer products excluding fresh foods under the name of “Thanapiriya”. The revenues from sales were mainly distinguished into two parts which consisting of revenue from retail stores and revenue from wholesale of Head Office. At present, The Company has 32 branches in total which could be classified into supermarket type store for 31 branches and wholesales center for 1 branch; 26 branches are located in Chiang Rai Province, 4 branches in Phayao Province and 2 branch in Chiang Mai Province. In addition, the financial Statement of 2018 was reclassified in some items to conform the presentation of the financial statements in the current year which does not affect

Overview of Operation

Total Revenue



Revenue Structure



- Revenue from branches
- Revenue from wholesale of Head Office
- Other revenues

	2018		2019		2020	
	Million Baht	%	Million Baht	%	Million Baht	%
Revenue from Sales	1,728.6	100.0	1,952.5	100.0	2,196.1	100.0
Cost of Sales	1,483.7	85.8	1,659.3	85.0	1,837.4	83.7
Gross prot	244.9	14.2	293.1	15.0	358.7	16.3

Branch opening during the year	2018	2019	2020
Number of Branches in beginning period	19	24	28
Branches opening	5	4	4
Number of Branches in ending period	24	28	32

Revenue from Sales

The Company has continuous growth in revenue which considered from consolidated nancial statements for 2018 to 2020, total revenues of the Company increased from 1,728.6 million Baht to 1,952.5 million Baht and 2,196.1 million Baht, respectively. The main factors of increasing revenue were identied as branch expansion enhancing accessibility to targeted customers as well as the advance purchasing behavior of customers caused by emergency decree and economic stimulus package from the government.

Proportion of revenue from the branches for 2018 to 2020 could illustrate the growth in revenue from sales through the company's branches. The comparison of proportion of sales through branches with total revenue could be identied to be 87.8%, 92.0% and 93.1% respectively, resulting in higher gross prot due to selling price of goods in branches is higher than wholesale of Head Ofce as a result of the expansion of branches as the main operation plan of the company.

Cost of Sales

Main composition of cost of sales was identied as cost of purchased goods for selling in branches and wholesale from Head Ofce. From 2018 to 2020, the Company's cost of sales was 1,483.7 million Baht, 1,659.3 million Baht and 1,837.4 million Baht or proportion of cost of sales to revenues from sales for 85.8%, 85.0% and 83.7% respectively. The reduction of cost of sales proportion to revenues from sales was a change in revenue structure from branches and revenue from wholesale of Head Ofce during the past three years. In the others word, for additional branch during 2018 to 2020 could represent a result in increasing in proportion of revenue from branches, higher average selling price of the product than selling price of wholesale of Head Ofce as well as increasing in total sales volume led to further growth in

sales promotion support from suppliers. Due to such reason, it resulted in decrease in the proportion of cost of sales to revenues from sales.

Gross Profit and Gross Profit Margin

From 2018 to 2020, the Company's gross profits were 244.9 million Baht, 293.1 million Baht and 358.7 million Baht, or gross profit margin for 14.2%, 15.0% and 16.3% respectively. Gross profit margin has increased due to growth of revenue from branches and change in revenue structure from wholesale to retail portion, resulted in improved gross profit consecutively.

Selling and Administrative Expenses

The Company's selling and administrative expenses in 2018 to 2020 were 178.7 million Baht, 199.8 million Baht and 206.4 million Baht or proportion for 10.3%, 10.2% and 9.3% of total revenues. The increase of expenses was identified as further selling expenses from expanded branches including employment expense from additional employees, depreciation and facility expenses. Also, administrative expense was slightly increased because of decreasing expenses proportion to total revenue.

Financial Cost

In 2020, The Company applied International Financial Reporting Standard No.16, to record lease liabilities from rental agreement and financial cost of those liabilities for 2.09 million Baht.

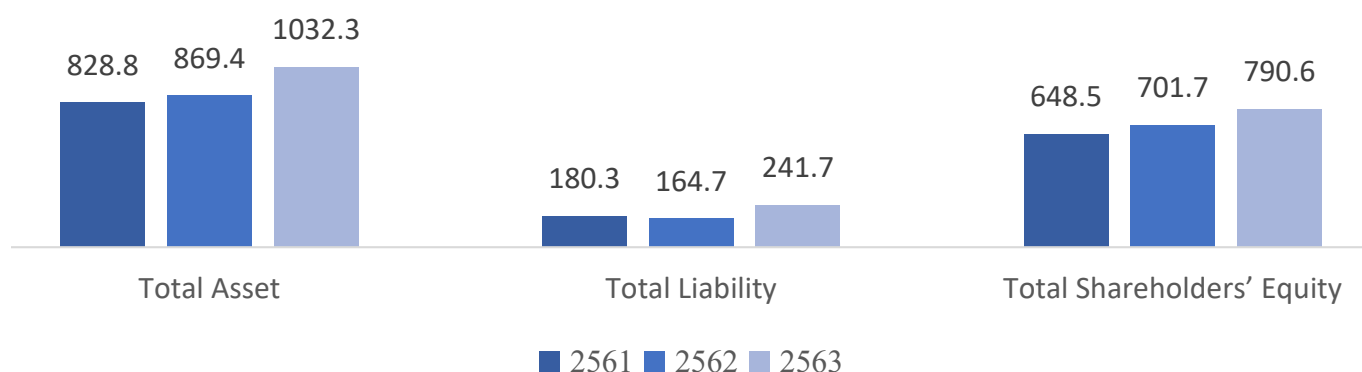
Income Tax Expense

The Company had income tax expenses for the years 2018 to 2020 for 11.6 million Baht, 17.4 million Baht and 28.5 million Baht, respectively. The income tax expenses increased due to the increase of the Company's profit.

Net Profit

The Company's net profit for the period of year 2018 to 2020 was 65.1 million Baht, 88.2 million Baht, and 133.9 million Baht, representing a net profit margin of 3.7%, 4.5% and 6.1%, respectively. For the year 2020, net profit increased from 2019 by 45.3 million Baht because of increasing in profit from additional sales revenue and increasing in gross profit margin.

Analysis of Financial Position



Total Assets

As of 31 December 2018, 2019 and 2020 total assets of the Company were 828.8 million Baht, 869.4 million Baht and 1,032.3 million Baht, respectively. As of 31 December 2020, main assets of the Company included property, plant and equipment for 577.7 million Baht or 56.0% of total assets as the items of assets which have been located at Head Ofce, Distribution Center and location of the Company's branch; inventory for 260.5 million Baht or 25.2% of total assets which have been stored at Distribution Center and branches; cash and cash equivalents for 100.8 million Baht or 9.8% of total assets and Right-of-use assets for 68.6 million Baht or 6.6% of total asset because of International Financial Reporting Standard No.16 application.

Total Liabilities

As of 31 December 2018, 2019 and 2020, total liabilities of the Company were 180.3 million Baht, 164.7 million Baht and 241.7 million Baht, respectively. As of 31 December 2020 the significant liabilities comprising of 153.8 million Baht from accounts and other payable or 63.6% of total liability and lease liabilities from rental agreement for 66.7 million Baht or 27.6% of total liability because of International Financial Reporting Standard No.16 application

Shareholders' Equity

As of 31 December 2019, total shareholders' equity of the Company was 704.7 million Baht, increasing from previous year by 56.2 million Baht which increased from net prot of the year for 88.2 million Baht and the dividend payment during the year for 32.0 million Baht.

As of 31 December 2020, the total shareholders' equity of the Company was 790.6 million Baht, increasing from the previous year by 85.9 million Baht which increased from net prot of the year by 133.9 million Baht and the dividend payment during the year for 48.0 million Baht.

Liquidity

Cash Flow

Unit: Million Baht	2018	2019	2020
Net cash flow from operating activities	110.2	126.4	179.1
Net cash flow from investing activities	(53.3)	(66.7)	(105.5)
Net cash flow from financing activities	(62.0)	(44.0)	(51.1)
Net cash and cash equivalents increased (decrease)	(5.1)	15.7	22.5
Cash and cash equivalents at the beginning of the years	67.8	62.7	78.4
Cash and cash equivalents at the end of the years	62.7	78.4	100.8

In 2019, The Company had net cash flow from operating activities 126.4 million Baht which mainly came from cashflow from net profit of 144.1 million Baht, reduction of accounts and other payable by 8.7 million Baht, reduction of Trade and other current receivables by 6.2 million Baht and taxes payment of 13.9 million Baht. Net use of cash from investing activities was 66.7 million Baht which mainly came from investment of branch expansion. Net use of cash from financing activities was 44.0 million Baht, repaying short-term loan from financial institution of 12.0 million Baht and dividend payment of 32.0 million Baht. As a result, The Company had Net cash and cash equivalents of 15.7 million Baht as well as Cash and cash equivalents at the end of 31 December 2019 of 78.4 million Baht.

In 2020, The Company had net cash flow from operating activities 179.1 million Baht which mainly came from cashflow from net profit of 209.0 million Baht, rise of inventories by 12.2 million Baht, in-crease of accounts and other payable by 5.1 million Baht, reduction of Trade and other current receivables by 2.2 million Baht and taxes payment of 25.0 million Baht. Net use of cash from investing activities was 105.5 million Baht which mainly came from investment of branch expansion. Net use of cash from financing activities was 51.1 million Baht, representing from payment of lease liabilities from rental agreement of 3.1 million Baht and dividend payment of 48.0 million Baht. As a result, The Company had Net cash and cash equivalents of 22.5 million Baht as well as Cash and cash equivalents at the end of 31 December 2020 of 100.8 million Baht.

Liquidity Ratio

The Company's current ratio as of 2018, 2019 and 2020 were 1.9, 2.2 and 2.2, respectively. As the Company's business receive most of revenue as cash which was more than 90%. The Company's cash cycle was illustrated as following detail;

Cash Cycle (Unit: Day)	2018	2019	2020
Average collection period (Days)	3.0	2.1	1.7
Average inventory period (Days)	58.3	55.0	51.0
Average payment period (Days)	33.0	29.1	25.4
Cash Cycle	28.2	28.0	27.3

The Company's average collection period as of 2018, 2019 and 2020 were 3.0 days, 2.1 days, and 1.7 days, respectively. The reduction of average collection period was due to branch expansion resulting in increase of cash sales proportion. The average inventory period as of 2018, 2019 and 2020 were 58.3 days, 55.0 days, and 51.0 days, respectively. The reduction of average inventory period was due to the development of management, warehouse system and logistic resulting in increase of efficiency. The average payment period as of 2018, 2019 and 2020 were 33.0 days, 29.1 days, and 25.4 days, respectively because of trade term agreement with supplier and The Company tended to make payment earlier in order to gain additional discount benefits.

Credit Policy

The Company determined policy and regulation to control sales credit to customers who purchased goods from head quarter. In 2020, proportion of revenue from wholesale of Head Ofce was 6.4% of total revenue. The Company was condent of strict credit consideration and approval as credit limit is set to each customer, payment period determination is less than 30 days, customer analysis and strict approval from rightful authority. So, in 2020, The Company could secure all payment from customer as determined policy.

Source of fund

Total Liabilities

As of 31 December 2019, The Company incurred total liability of 164.7 million Baht, consisted of accounts and other payable of 150.0 million Baht or 17.2% of total liability and equity.

As of 31 December 2020, The Company incurred total liability of 241.7 million Baht, consisted of accounts and other payable of 153.8 million Baht or 14.9% of total liability and equity and lease liability from rental agreement of 66.7 million Baht or 6.4% of total liability and equity.

Shareholders' Equity

As of 31 December 2019, The Company incurred total shareholders' equity of 704.7 million Baht, increasing from previous year by 56.2 million Baht which increased from net prot of the year for 88.2 million Baht and the dividend payment during the year for 32.0 million Baht.

As of 31 December 2020, The Company incurred total shareholders' equity of 790.6 million Baht, increasing from the previous year by 85.9 million Baht which increased from net profit of the year by 133.9 million Baht and the dividend payment during the year for 48.0 million Baht.

Capital Structure

As of 31 December 2018, 2019 and 2020, The Company identified debt to equity ratios were 0.3, 0.2 and 0.3, respectively. There is no such a significant change in those years. In addition, on 31 December 2019 and 2020, The Company had unused overdraft and promissory note of 250 million Baht and 300 million Baht, respectively.

FINANCIAL STATEMENTS AND AUDITOR'S REPORT

Independent Auditor's Report

To the Shareholders and the Board of Directors of Thanapiriya Public Company Limited

Opinion

I have audited the consolidated and separate financial statements of Thanapiriya Public Company Limited and its subsidiaries, and of Thanapiriya Public Company Limited respectively, which comprise the consolidated and separate statements of financial position as at December 31, 2020, the consolidated and separate statements of comprehensive income, statements of changes in shareholders' equity and statements of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying consolidated and separate financial statements referred to above present fairly, in all material respects, the consolidated and separate financial position of the Thanapiriya Public Company Limited and its subsidiaries, and of Thanapiriya Public Company Limited, respectively, as at December 31, 2020, and their financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards (TFRSs).

Basis for Opinion

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

Key Audit Matters

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

Allowance for losses on inventories

Risk

As discussed in Note 8 to the Financial Statement, as at December 31, 2020, the Company has inventories in the amount of Baht 260.54 million. These inventories are stored at 32 superstores and 1 head office. There is a risk that inventory quantities will be misstated. The Company established a provision for losses at 1% of the outstanding inventories at the head office center and 3% of the outstanding inventories at the superstores in comparison with practices the same industry and historical data of the Company.

Auditor's Response

Audit procedures include:

- I considered the reasonableness of the assumptions used to calculate the provision for loss of inventories by Management by referencing the rate as applied in the same industry.
- I verified the actual loss from lost inventory by assessing the physical stock-take system and observed the stock-take at 1 distribution center and 9 superstores and ensuring the adjustment on inventory loss from the physical count from the results of the stock-take.
- I compared the loss incurred during the year on lost inventory with the amount recorded based on the Company's provisioning policy.

Other Matter

The consolidated and separate financial statements for the year ended December 31, 2020 of Thanapiriya Public Company Limited and its subsidiaries, and of Thanapiriya Public Company Limited respectively, presented herein as comparative information, were audited by another auditor of the same firm, whose report dated February 18, 2020 expressed an unqualified.

Other Information

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

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

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



(Kanittha Siripattanasomchai)

Certified Public Accountant

Registration No. 10837

ANS Audit Co., Ltd.

Bangkok, February 22, 2021

THANAPIRIYA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2020

		Unit: Baht			
		Consolidated financial statements		Separate financial statements	
	Notes	2020	2019	2020	2019
Assets					
Current assets					
Cash and cash equivalents	6	100,845,807.18	78,365,853.22	95,871,932.35	74,517,310.85
Trade and other current receivables	5, 7	16,852,242.47	20,351,392.96	16,964,151.98	20,596,749.45
Inventories - net	8	260,536,434.00	248,715,070.12	260,536,434.00	248,715,070.12
Total current assets		378,234,483.65	347,432,316.30	373,372,518.33	343,829,130.42
Non-current assets					
Deposits for purchase of assets		-	900,000.00	-	900,000.00
Investments in subsidiaries	9	-	-	62,000,000.00	62,000,000.00
Property, plant and equipment - net	10	577,686,509.98	506,959,378.08	518,287,905.33	447,304,984.84
Right-of-use assets - net	5, 11	68,574,298.18	-	100,611,965.61	-
Leasehold rights - net	11	-	6,958,569.25	-	6,958,569.25
Intangible assets - net	12	3,105,740.90	2,953,758.57	3,105,740.90	2,953,758.57
Deferred tax assets - net	13	2,877,268.02	2,473,537.31	2,877,268.02	2,473,537.31
Other non-current assets		1,814,827.64	1,698,266.64	1,899,882.00	1,693,321.00
Total non-current assets		654,058,644.72	521,943,509.85	688,782,761.86	524,284,170.97
Total assets		1,032,293,128.37	869,375,826.15	1,062,155,280.19	868,113,301.39

THANAPIRIYA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2020

		Unit: Baht			
		Consolidated financial statements		Separate financial statements	
	Notes	2020	2019	2020	2019
Liabilities and shareholders' equity					
Current liabilities					
Trade and other current payables	5, 14	153,759,904.59	149,962,043.60	153,612,643.98	149,900,124.15
Current portion of lease liabilities - net	15	4,349,842.46	-	5,385,150.23	-
Accrued income tax		15,019,392.26	9,040,151.69	14,916,433.38	8,940,577.00
Total current liabilities		173,129,139.31	159,002,195.29	173,914,227.59	158,840,701.15
Non-current liabilities					
Lease liabilities - net	5, 15	62,335,261.94	-	93,665,512.16	-
Non-current provisions for employee benefits	16	6,248,411.63	5,706,333.59	6,248,411.63	5,706,333.59
Total non-current liabilities		68,583,673.57	5,706,333.59	99,913,923.79	5,706,333.59
Total liabilities		241,712,812.88	164,708,528.88	273,828,151.38	164,547,034.74
Shareholders' Equity					
Share capital					
Authorized share capital					
800,000,000 ordinary shares, at Baht 0.25 each		200,000,000.00	200,000,000.00	200,000,000.00	200,000,000.00
Issued and fully paid-up					
800,000,000 ordinary shares, at Baht 0.25 each		200,000,000.00	200,000,000.00	200,000,000.00	200,000,000.00
Premium on common shares		297,640,733.80	297,640,733.80	297,640,733.80	297,640,733.80
Retained earnings					
Appropriated					
Legal reserve	17	20,000,000.00	20,000,000.00	20,000,000.00	20,000,000.00
Unappropriated		272,939,581.69	187,026,563.47	270,686,395.01	185,925,532.85
Total shareholders' equity of the Company		790,580,315.49	704,667,297.27	788,327,128.81	703,566,266.65
Non-controlling interests		-	-	-	-
Total shareholders' equity		790,580,315.49	704,667,297.27	788,327,128.81	703,566,266.65
Total liabilities and shareholders' equity		1,032,293,128.37	869,375,826.15	1,062,155,280.19	868,113,301.39

THANAPIRIYA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2020

		Unit: Baht			
		Consolidated financial statements		Separate financial statements	
	Notes	2020	2019	2020	2019
	4, 5, 20				
Revenues from sales		2,196,124,186.53	1,952,450,024.01	2,196,124,186.53	1,952,450,024.01
Costs of sales		(1,837,434,903.86)	(1,659,337,729.44)	(1,837,434,903.86)	(1,659,337,729.44)
Gross profit		358,689,282.67	293,112,294.57	358,689,282.67	293,112,294.57
Dividend income from subsidiary		-	-	-	2,999,990.00
Other income		12,167,299.79	12,641,816.31	12,158,201.94	12,630,533.72
Profit before expenses		370,856,582.46	305,754,110.88	370,847,484.61	308,742,818.29
Expenses					
Distribution costs		(126,192,623.67)	(120,875,671.76)	(126,239,238.89)	(122,567,842.52)
Administrative expenses		(80,175,982.27)	(78,906,900.83)	(80,529,688.57)	(78,504,860.83)
Total expenses		(206,368,605.94)	(199,782,572.59)	(206,768,927.46)	(201,072,703.35)
Profit from operating activities		164,487,976.52	105,971,538.29	164,078,557.15	107,670,114.94
Finance costs		(2,088,881.32)	(5,626.92)	(3,119,192.85)	(5,626.92)
Profit before income tax expenses		162,399,095.20	105,965,911.37	160,959,364.30	107,664,488.02
Income tax expenses	13	(28,535,828.73)	(17,365,227.03)	(28,248,253.89)	(17,086,104.02)
Profit for the years		133,863,266.47	88,600,684.34	132,711,110.41	90,578,384.00
Other comprehensive income					
<i>Items that will not be reclassified subsequently to profit or loss</i>					
Profit on revaluation of current					
financial assets - net from tax		49,751.75	-	49,751.75	-
Actuarial loss - net from tax		-	(426,254.90)	-	(426,254.90)
Total comprehensive income for the years		133,913,018.22	88,174,429.44	132,760,862.16	90,152,129.10
Profit attributable to					
Equity holders of the Company		133,863,266.47	88,600,684.34	132,711,110.41	90,578,384.00
Non-controlling interests		-	-	-	-
		133,863,266.47	88,600,684.34	132,711,110.41	90,578,384.00
Total comprehensive income attributable to					
Equity holders of the Company		133,913,018.22	88,174,429.44	132,760,862.16	90,152,129.10
Non-controlling interests		-	-	-	-
		133,913,018.22	88,174,429.44	132,760,862.16	90,152,129.10
Basic earnings per share (Baht)		0.167	0.111	0.166	0.113
Weighted average number of issued and					
fully paid - up common shares (shares)		800,000,000	800,000,000	800,000,000	800,000,000

THANAPRIYA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2020

Unit: Baht

Consolidated financial statements										
Notes	Retained earnings			Other components of shareholders' equity						
	Issued and paid-up Share capital	Premiums on common shares	Appropriated - legal reserve	Unappropriated	Profit on revaluation of current financial assets - net from tax		Actuarial loss - net from tax	Total shareholders' equity attributable to owners of the Company	Equity attributable to non-controlling Interest	Total
Balance as at January 1, 2019										
17				131,673,055.14	-	-	-	648,492,867.83	-	648,492,867.83
			820,921.11	(820,921.11)	-	-	-	-	-	-
18			-	(32,000,000.00)	-	-	-	(32,000,000.00)	-	(32,000,000.00)
			-	88,600,684.34	-	-	(426,254.90)	88,174,429.44	-	88,174,429.44
			-	(426,254.90)	-	-	426,254.90	-	-	-
Balance as at December 31, 2019										
			20,000,000.00	187,026,563.47	-	-	-	704,667,297.27	-	704,667,297.27
			-	(48,000,000.00)	-	-	-	(48,000,000.00)	-	(48,000,000.00)
			-	133,863,266.47	49,751.75	-	-	133,913,018.22	-	133,913,018.22
			-	49,751.75	(49,751.75)	-	-	-	-	-
Balance as at December 31, 2020										
			20,000,000.00	272,939,581.69	-	-	-	790,580,315.49	-	790,580,315.49

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

THANAPIRIYA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2020

Unit: Baht

		Separate financial statements				
		Retained earnings			Other components of shareholders' equity	
	Notes	Issued and paid-up Share capital	Premiums on common shares	Appropriated - legal reserve	Unappropriated	Total
Balance as at January 1, 2019		200,000,000.00	297,640,733.80	19,179,078.89	128,594,324.86	645,414,137.55
Legal reserve	17	-	-	820,921.11	(820,921.11)	-
Dividend paid	18	-	-	-	(32,000,000.00)	(32,000,000.00)
Total comprehensive income (loss) for the year		-	-	-	90,578,384.00	90,152,129.10
Transfer to retained earnings		-	-	-	(426,254.90)	-
Balance as at December 31, 2019		200,000,000.00	297,640,733.80	20,000,000.00	185,925,532.85	703,566,266.65
Dividend paid	18	-	-	-	(48,000,000.00)	(48,000,000.00)
Total comprehensive income for the year		-	-	-	132,711,110.41	132,760,862.16
Transfer to retained earnings		-	-	-	49,751.75	-
Balance as at December 31, 2020		200,000,000.00	297,640,733.80	20,000,000.00	270,686,395.01	788,327,128.81

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

THANAPIRIYA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2020

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Cash Flows from Operating Activities:				
Profit for the years	133,863,266.47	88,600,684.34	132,711,110.41	90,578,384.00
Adjustments to reconcile profit for the years to cash provided by (used in) operating activities				
Depreciation and amortization	43,639,582.58	36,718,599.21	44,849,273.02	36,462,869.97
Allowance for losses on inventories	386,421.31	266,304.22	386,421.31	266,304.22
Gain on disposal of current financial asset	-	(260,554.58)	-	(260,554.58)
Dividend income	-	-	-	(2,999,990.00)
Gain on disposal of fixed assets	(13,580.43)	(278,944.38)	(13,580.43)	(278,944.38)
Non-current provisions for employee benefits	542,078.04	1,726,248.92	542,078.04	1,726,248.92
Income tax expenses	28,535,828.73	17,365,227.03	28,248,253.89	17,086,104.02
Interest expenses	2,088,881.32	5,626.92	3,119,192.85	5,626.92
Profit from operating activities before changes in operating assets and liabilities	209,042,478.02	144,143,191.68	209,842,749.09	142,586,049.09
Operating assets (increased) decreased				
Trade and other current receivables	2,230,500.10	6,200,453.76	2,113,947.08	6,205,051.07
Inventories	(12,207,785.19)	(1,348,748.74)	(12,207,785.19)	(1,348,748.74)
Operating liabilities increased (decreased)				
Trade and other current payables	5,063,624.64	(8,698,568.76)	4,978,283.48	(8,703,107.51)
Cash received from operating activities	204,128,817.57	140,296,327.94	204,727,194.46	138,739,243.91
Interest paid	(2,088,881.32)	(5,626.92)	(3,119,192.85)	(5,626.92)
Income tax paid	(22,960,318.87)	(13,884,486.41)	(22,676,128.22)	(13,607,586.42)
Net cash from operating activities	179,079,617.38	126,406,214.61	178,931,873.39	125,126,030.57

THANAPIRIYA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2020

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Cash Flows from Investing Activities:				
Cash received from sale of current financial assets	82,491,551.75	126,403,706.58	82,491,551.75	126,403,706.58
Cash paid for acquisition of current financial assets	(82,441,800.00)	(126,143,152.00)	(82,441,800.00)	(126,143,152.00)
Cash received from long-term loans to third party	-	684,000.00	-	684,000.00
Cash paid for deposits for assets	-	(900,000.00)	-	(900,000.00)
Cash received from dividends of subsidiary	-	-	-	2,999,990.00
Cash paid for purchase of investment in subsidiaries	-	-	-	(2,000,000.00)
Cash received from disposal of fixed assets	45,239.31	543,545.39	45,239.31	543,545.39
Cash paid for acquisition of fixed assets	(104,750,443.45)	(66,418,956.73)	(104,750,443.45)	(66,418,956.73)
Cash paid for acquisition of intangible assets	(633,506.00)	(745,661.96)	(633,506.00)	(745,661.96)
Other non-current assets increased	(206,561.00)	(147,300.00)	(206,561.00)	(147,300.00)
Net cash used in investing activities	(105,495,519.39)	(66,723,818.72)	(105,495,519.39)	(65,723,828.72)
Cash Flows from Financing Activities:				
Decrease in short - term loans from financial institutions	-	(12,000,000.00)	-	(12,000,000.00)
Cash paid for lease liabilities	(3,104,144.03)	-	(4,081,732.50)	-
Dividend paid	(48,000,000.00)	(32,000,000.00)	(48,000,000.00)	(32,000,000.00)
Net cash used in financing activities	(51,104,144.03)	(44,000,000.00)	(52,081,732.50)	(44,000,000.00)
Net cash and cash equivalents increased	22,479,953.96	15,682,395.89	21,354,621.50	15,402,201.85
Cash and cash equivalents at the beginning of the years	78,365,853.22	62,683,457.33	74,517,310.85	59,115,109.00
Cash and cash equivalents at the end of the years	100,845,807.18	78,365,853.22	95,871,932.35	74,517,310.85

Supplemental Disclosures of Cash Flows Information

Non-cash transaction

Assets increased from deposit for assets	900,000.00	-	900,000.00	-
Increased (decreased) in accounts payables				
for purchase of fixed assets	1,983,438.21	(909,752.69)	1,983,438.21	(909,752.69)
Right-of-use assets increased from lease liabilities	67,898,696.96	-	101,401,843.42	-
Right-of-use assets increased from the transfer of leasehold rights	6,958,569.25	-	6,958,569.25	-

THANAPIRIYA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020

1. GENERAL INFORMATION

Thanapiriya Public Company Limited (the "Company") was incorporated in Thailand under the Thanapiriya Limited Partnership on May 23, 2000. The Company registered its conversion to a limited company on December 21, 2012 and then became a public company limited on April 22, 2015. The Company operates retail and wholesale superstores. Head office of the Company has registered at 329, Moo 8, Ban Du Sub-district, Muang Chiangrai District, Chiangrai, Thailand. The Company has 32 branches, being classified into supermarket for 31 branches, wholesale center for 1 branch.

2. BASIS FOR PREPARATION OF THE FINANCIAL STATEMENTS

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

The presentation of the financial statements has been made in compliance with the stipulations of the Notification of the Department of Business Development dated December 26, 2019, issued under the Accounting Act B.E. 2543.

The accompanying financial statements have been prepared in Thai language and are expressed in Thai Baht. Such financial statements have been prepared for domestic reporting purposes. For the convenience of the readers not conversant in the Thai language, an English translation of the Thai version of the financial statements is provided.

The accompanying financial statements are prepared on the historical cost basis, except as disclosed in respective accounting policies.

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

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

Coronavirus Pandemic 2019 (COVID-19)

The COVID-19 pandemic has caused an economic slowdown adversely affecting most businesses and industries. This situation may bring uncertainties and affect the environment in which the Group operates. These uncertainties may have a financial impact on the valuation of assets, provisions and contingent liabilities.

Basis of consolidated financial statement preparation

- A) The consolidated financial statements included the financial statements of Thanapiriya Public Company Limited and its subsidiaries (that together referred to as the “Group”).

The details of the subsidiaries are as follows:

Subsidiaries	Business Type
Thanaphoom Property 2013 Co., Ltd.	Rent and Buy - Sell on Real Estate
TNP Express 1 Co., Ltd.	Retail and Wholesale
TNP Express 2 Co., Ltd.	Retail and Wholesale

- B) The financial statements of the subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.
- C) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- D) The balances between the Company and its subsidiaries, and significant intercompany transactions have been eliminated in the consolidated financial statements.

3. NEW FINANCIAL REPORTING STANDARDS AND ACCOUNTING TREATMENT GUIDANCE

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

During the year 2020, the Company and its subsidiaries adopted the revised (revised 2020) and new financial reporting standards and interpretations which are effective for fiscal periods beginning on or after January 1, 2020. These financial reporting standards seek 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 of either the Company or its subsidiaries, except the adoption of the financial reporting standards related to financial instruments and TFRS 16 Leases. The changes to key principles and impacts are summarized as follows:

Financial reporting standards related to financial instruments

TFRSs related to financial instruments consists of the following five accounting standards and interpretations

Financial reporting standards:

TFRS 7 Financial Instruments: Disclosures

TFRS 9 Financial Instruments

Accounting standard:

TAS 32 Financial Instruments: Presentation

Financial Reporting Standard Interpretations:

TFRIC 16 Hedges of a Net Investment in a Foreign Operation

TFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

These TFRSs, related to financial instruments, make stipulations related to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments.

TFRS 16 Leases

TFRS 16 supersedes TAS 17 Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles to those used under TAS 17.

Impacts on the financial information

The Group has adopted of TFRS 16 Leases from January 1, 2020 under the modified retrospective approach and the comparative figures have not been restated. The reclassifications and the adjustments arising from the changes in accounting policies are therefore recognised in the statement of financial position as at January 1, 2020.

The impact of first-time adoption of new accounting standards on the consolidated and separate statement of financial position as at January 1, 2020 are as follows:

Unit: Thousand Baht

Consolidated financial statements

	As at December 31, 2019	TFRS 16	As at January 1, 2020
Statement of financial position			
Current assets			
Trade and other current receivables	20,351.39	(1,268.65)	19,082.74
Non-current assets			
Right-of-use assets - net	-	73,433.39	73,433.39
Leasehold rights - net	6,958.57	(6,958.57)	-
Current liabilities			
Trade and other current payables	149,962.05	(3,159.20)	146,802.85
Current portion of lease liabilities - net	-	3,447.43	3,447.43
Non-current liabilities			
Lease liabilities - net	-	64,917.94	64,917.94

Unit: Thousand Baht

Separate financial statements

	As at December 31, 2019	TFRS 16	As at January 1, 2020
Statement of financial position			
Current assets			
Trade and other current receivables	20,596.75	(1,518.65)	19,078.10
Non-current assets			
Right-of-use assets - net	-	106,936.54	106,936.54
Leasehold rights - net	6,958.57	(6,958.57)	-
Current liabilities			
Trade and other current payables	149,900.12	(3,249.20)	146,650.92
Current portion of lease liabilities - net	-	4,715.56	4,715.56
Non-current liabilities			
Lease liabilities - net	-	96,992.96	96,992.96

However, the change in the accounting policies due to the adoption of TFRS 16 Leases does not have any significant impact on the retained earnings as at January 1, 2020.

Leases

On adoption of TFRS 16, the Group recognised lease liabilities in relation to leases, which had previously been classified as operating leases under the principles of TAS 17 *Leases*. The right-of-use assets were measured at amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position immediately before the date of initial application. These liabilities were measured at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rates. The Group and the Company's incremental borrowing rates applied to the lease liabilities as at January 1, 2020 is 3.16 % per annum.

For leases previously classified as finance leases applying TAS 17, the Group recognized the carrying amount of the lease assets and lease liabilities immediately before adoption of TFRS 16 as the carrying amount of the right-of-use assets and the lease liabilities at the date of initial application.

The lease liabilities as at January 1, 2020, and operating lease commitments as at December 31, 2019 which is disclosed in accordance with TAS 17 are reconciled as follow:

	Unit: Thousand Baht	
	Consolidated	Separate
	financial statements	financial statements
Obligation under the lease agreement disclosed		
as at December 31, 2019	76,986.42	84,062.60
Add: The obligation from renewal of lease agreements	11,125.20	51,948.12
<u>Less:</u> The adjustment a straight-line basis over		
the lease term	(503.15)	(503.15)
<u>Less:</u> Deferred interest expenses	(19,243.10)	(33,799.05)
Lease liabilities as at January 1, 2020	68,365.37	101,708.52
Of which are :		
Current lease liabilities	3,447.43	4,715.56
Non-current lease liabilities	64,917.94	96,992.96
Lease liabilities as at January 1, 2020	68,365.37	101,708.52

The recognised right-of-use assets relate to the following types of assets:

Unit: Thousand Baht				
	Consolidated financial statements		Separate financial statements	
	As at	As at	As at	As at
	December 31, 2020	January 1, 2020	December 31, 2020	January 1, 2020
Land	38,432.26	41,947.17	47,537.68	51,401.59
Building	30,142.04	31,486.22	53,074.28	55,534.95
Total	68,574.30	73,433.39	100,611.96	106,936.54

(b) Revised financial reporting standards

In January 2021, the Federation of Accounting Professions announced the new TFRS 16 Lease (revised 2020), which was amended to provide the following two practical forms of relief:

- 1) Rent concessions to lessees as a result of the COVID-19 pandemic:
A lessee may elect not to assess whether a COVID-19 related rent concession is a lease modification and shall account for those rent concessions as if they were not lease modifications. This amendment is effective for fiscal periods beginning on or after June 1, 2020.
- 2) Lease modifications as a result of interest rate benchmark reform:
This will be effective for fiscal periods beginning on or after January 1, 2022.

The management of the Group has believed that the adoption of these financial reporting standards does not have any significant impact on the financial statements.

(c) Accounting Treatment Guidance on “Temporary relief measures on accounting alternatives in response to the impact of the COVID-19 situation”

The Federation of Accounting Professions announced Accounting Treatment Guidance on “Temporary relief measures on accounting alternatives in response to the impact of COVID-19.”

The Accounting Treatment Guidance was published in the Royal Government Gazette on April 22, 2020, and is effective for financial statements prepared for reporting periods between January 1, 2020 and December 31, 2020.

Among the temporary relief measures on accounting alternatives, the Group has elected:

- Not to consider forward-looking information to measure the expected credit losses of trade receivable when using simplified approach.
- Not to consider the COVID-19 situation as an indication that an asset may be impaired in accordance with TAS 36, Impairment of Assets.

However, the management believes that there will have no significant effects to the financial statements after the relief.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Recognition of revenues and expenses

Revenue excludes value added taxes or other sales taxes and is arrived at after deduction of trade discounts.

Revenue from the sale of goods is recognized in profit or loss when the control has been transferred to the buyer. The Company will not recognize revenue if there is continuing control or management involvement with the goods sold or there are significant uncertainties regarding the measurement a recovery of the consideration due and associated costs, or the probable return of goods.

Dividend income is recognized when the Company has the right to receive dividend.

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

Other incomes and expenses are recognized on the accrual basis.

Cash and cash equivalents

Cash and cash equivalents presented in the statements of cash flows, comprise of cash in hand, deposits at financial institutions with a maturity period not over 3 months and no withdrawal restrictions.

Trade receivables

Accounting policies adopted before January 1, 2020

Trade and other current receivables are stated at their invoice value less allowance for doubtful accounts.

The allowance for doubtful accounts is assessed primarily on analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

Accounting policies adopted since January 1, 2020

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

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

The Group applies TFRS 9's simplified approach to measure expected credit losses. The simplified approach requires expected lifetime losses to be recognised from initial recognition of the receivables.

Financial assets and financial liabilities

Classification and measurement of financial assets and financial liabilities

Classification

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

The Group classifies its debt instruments in the following categories:

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

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

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

Measurement

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

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

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

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

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

Derivatives are classified and measured at fair value through profit or loss unless hedge accounting is applied.

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

Impairment

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

Inventories

Inventories are stated at the lower of cost or net realizable value. Cost is determined by the average cost method. Costs of purchase comprise purchase price and costs directly attributable to the purchase of goods, such as duty taxes and transportation costs, less discounts and incentive from the supplier. Net realizable value is the estimated selling price in the ordinary course of business less the necessary expenses to product the finished goods and sale expenses. An allowance for losses is made for old, obsolete and lost inventories.

Investments in subsidiaries

Investments in subsidiaries in the separate financial statements of the Company are accounted for using the cost method net of allowance for impairment loss (if any).

Property, plant and equipment - net

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

Depreciation of building and equipment is calculated by reference to their costs on the straight-line basis over the following estimated useful lives:

	Useful lives
Building and improvements	5 - 40 Years
Right-of-use assets improvements	Over the period of lease agreement
Tools, Furniture, fixtures and office equipment	5 - 20 Years
Vehicles	5 - 10 Years

Leasehold rights

Leasehold rights are stated at cost less accumulated amortization.

Leasehold rights are amortised on the straight-line basis over their estimated useful lives of 10 to 20 years.

Intangible asset

Intangible asset represents costs of computer software development. The amortization is calculated by the straight-line basis over their estimated useful lives of 10 years.

Impairment of non - financial assets

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

An impairment loss is recognized in the statement of profit or loss.

In the assessment of asset impairment, if there is any indication that previously recognized impairment losses may no longer exist or may have decreased, the Group estimates the asset's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit or loss.

Leases

Leases - where the Group is the lessee

Accounting policies adopted before January 1, 2020

The leases of assets which substantially transfer all the risks and rewards of ownership are classified as finance leases, and include assets under service contracts used by the Company only carrying an obligation to pay if canceled before their expiration. Finance leases are capitalized at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The amount to be paid is allocated between the liability and finance expenses to generate the fixed interest rate calculated on outstanding liability considering each contract separately. The outstanding rental obligations, net of finance charges, are included in long-term payables, while the interest element is charged to profit or loss over the lease period. The assets acquired under finance leases are depreciated over the useful life of the asset.

Leases of assets which do not substantially transfer all the risks and rewards of ownership are classified as operating leases (Net consideration received from the lessor). Operating leases are recognized in profit and loss on a straight line basis over the lease term.

Expenses incurred on the cancellation of the operating lease before expiration, such as fines paid to the lessor, are recorded as expenses in the period in which the cancellation is made.

Accounting policies adopted since January 1, 2020

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

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

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

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

- Fixed payments including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee;

- The exercise price, under a purchase option that the Group is reasonably certain to exercise, whereby the exercise price is considered as lease payments in an optional renewal period; and
- Payments of penalties for early termination of a lease if the Group is reasonably certain to terminate early.

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

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

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

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

Short-term leases and leases of low-value assets

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

Employee benefits

Short-term benefits

The Company salaries, wages, bonus and social security contribution as expenses on an accrual basis.

Post-employment benefits – defined contribution plan

Defined contribution plans

The Company and their 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 contributions of the Company is recognised as expenses when incurred.

Defined benefit plans and other long-term employee benefits

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

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

Provisions

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

Income tax

Income tax expenses comprise current tax 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

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

The Group recognises deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be 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 records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

Related party transactions

Related parties comprise enterprises and individuals 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 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.

Fair value measurement

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

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

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

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

Basic earnings per share

Basic earnings per share are calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares in issue during the years.

Financial information by segment

Segment performance reported to the Chairman of the board of directors of the Group (decision makers with highest authority over the operation) represents transactions directly from the operating segment, including the appropriate allocation items. Most unallocated items comprise corporate assets (property of head office), headquarter costs, and income tax expenses.

Significant accounting judgments and estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make subjective judgments and estimates regarding matters that are inherently uncertain. These judgments and estimates affect reported amounts and disclosures and actual results could differ. Significant judgments and estimates are as follows:

Allowance for expected credit losses of trade receivables

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

Allowance for losses on inventories

In determining an allowance for losses on inventories, the management need to make judgment an estimates based upon, historical data of the Company and the management's business experiences.

Leases

Determining the lease term with extension and termination options - The Group as a lessee

In determining the lease term, the management is required to exercise judgment in assessing whether the Group is reasonably certain to exercise the option to extend or terminate the lease, considering all relevant factors and circumstances that create an economic incentive for the Group to exercise either the extension or termination option. After the commencement date, the Group reassesses 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 extend or to terminate.

Impairment of investment in subsidiaries

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

Depreciation of property, plant, equipment and right-of-use assets

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

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

Deferred tax assets

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

Post-employment benefits under defined benefit plans

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

5. TRANSACTIONS WITH RELATED PARTIES

The following presents relationships with enterprises and individuals that control or are controlled by the Company, whether directly or indirectly, or have common directors or shareholders with the Company.

Related party	Nature of relationships	% Equity interest owned by the Company
Thanaphoom Property 2013 Co., Ltd.	Subsidiary by common directors and shareholders	99.99
TNP Express 1 Co., Ltd.	Subsidiary by common directors and shareholders	100.00
TNP Express 2 Co., Ltd.	Subsidiary by common directors and shareholders	100.00

The Company has related party transactions, both directly and indirectly in common stock and/or common directors. The effects of these transactions are reflected in the financial statements on the basis determined by the Company and those related parties. The Company had significant transactions for the year ended December 31, as follows:

Unit: Baht				
Consolidated financial statements		Separate financial statements		
2020	2019	2020	2019	
Subsidiary				
Thanaphoom Property 2013 Co., Ltd.				
Rental and service expenses	-	-	-	1,947,900.00
Depreciation - Right-of-use assets	-	-	1,465,479.03	-
Interest expense	-	-	1,030,311.53	-
Utilities expenses	-	-	50,390.94	65,969.58
Directors and shareholders				
Rental and service expenses	-	1,819,131.33	-	1,819,131.33
Depreciation - Right-of-use assets	1,744,902.83	-	1,744,902.83	-
Interest expense	818,890.12	-	818,890.12	-

The Company has transactions with related parties by using as mutually agreed which are closed to market price.

The Company has entered into the land and building lease agreements to with related person and related company.

The lease agreements have term of 3-12 years carrying interest rate 3.16 % per annum.

Management compensation - for key management personnel

Significant balances with related parties at December 31, can be summarized as follows:

Unit: Baht		
Consolidated and Separate financial statements		
2020	2019	
Short-term benefits	10,909,808.00	10,775,408.00
Post-employment benefits	388,697.83	278,067.36
Total management compensation		
- for key management personnel	11,298,505.83	11,053,475.36

Significant balances with related parties at December 31, can be summarized as follows:

Unit: Baht				
Consolidated financial statements		Separate financial statements		
2020	2019	2020	2019	
Subsidiary				
Thanaphoom Property 2013 Co.,Ltd.				
Right-of-use assets - net	-	-	32,037,667.43	-
Prepaid rental	-	-	-	250,000.00
Lease liabilities - net	-	-	32,365,557.99	-
Accrued expenses	-	-	1,844.01	1,879.60
Director and shareholders				
Right-of-use assets - net	24,190,250.45	-	24,190,250.45	-
Lease liabilities - net	25,413,034.74	-	25,413,034.74	-

6. CASH AND CASH EQUIVALENTS

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

Unit: Baht				
Consolidated financial statements		Separate financial statements		
2020	2019	2020	2019	
Cash on hand	7,650,633.50	7,261,774.50	7,647,761.00	7,259,718.00
Current deposits	248,956.44	275,749.86	248,126.44	274,869.86
Savings deposits	92,473,346.74	70,368,279.97	87,503,174.41	66,522,674.10
Cheque due	472,870.50	460,048.89	472,870.50	460,048.89
Total cash and cash equivalents	100,845,807.18	78,365,853.22	95,871,932.35	74,517,310.85

As at December 31, 2020 and 2019 the Group has credit facilities from financial institutions in the form of bank overdrafts and promissory notes amounted to Baht 300 million and Baht 250 million, respectively, The interest rate are calculated at the MLR rate minus the rate specified in the contract to MOR plus the rate specified in the contract. These loan facilities are secured by mortgages on certain land and building of the Company (Note 10).

7. TRADE AND OTHER CURRENT RECEIVABLES

Trade and other current receivables as at December 31, consisted of:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Trade receivables	9,772,230.59	10,757,525.00	9,889,388.59	10,757,525.00
Other current receivables				
Loans to employees	316,207.00	320,777.00	316,207.00	320,777.00
Deposit payment for inventories	2,224,687.03	3,135,074.79	2,224,687.03	3,135,074.79
Prepaid insurance premiums	720,929.97	659,566.73	720,929.97	659,566.73
Prepaid rental	-	1,268,650.39	-	1,518,650.39
Consumables material	2,660,400.84	3,239,165.33	2,660,400.84	3,239,165.33
Others	1,157,787.04	970,633.72	1,152,538.55	965,990.21
Total other current receivables	7,080,011.88	9,593,867.96	7,074,763.39	9,839,224.45
Total trade and other current receivables	16,852,242.47	20,351,392.96	16,964,151.98	20,596,749.45

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

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Not yet due	9,547,882.32	10,256,562.00	9,665,040.32	10,256,562.00
Over due				
Not over 3 months	224,348.27	500,963.00	224,348.27	500,963.00
Total trade receivables	9,772,230.59	10,757,525.00	9,889,388.59	10,757,525.00

8. INVENTORIES - NET

Inventories as at December 31, consisted of:

	Unit: Baht	
	Consolidated and Separate financial statements	
	2020	2019
Finished goods	266,259,467.11	254,051,681.92
<u>Less</u> Allowance for losses on inventories	(5,723,033.11)	(5,336,611.80)
Total inventories - net	260,536,434.00	248,715,070.12

9. INVESTMENTS IN THE SUBSIDIARIES

Investments in the subsidiaries as at December 31, 2020 and 2019 consisted of:

	% of holding	Unit: Million Baht		
		Registered share capital	Paid – up share	Cost method
Thanaphoom Property 2013 Co., Ltd.	99.99	90.00	60.00	60.00
TNP Express 1 Co., Ltd.	100.00	1.00	1.00	1.00
TNP Express 2 Co., Ltd.	100.00	1.00	1.00	1.00
Total				62.00

On December 29, 2014, the Company acquired 900,000 ordinary shares in Thanaphoom Property 2013 Co., Ltd resulting in an equity stake of 99.99 percent. The Company has fully paid for the called up share capital.

On November 8, 2019, the Company acquired 100,000 ordinary shares each in TNP Express 1 Co., Ltd and TNP Express 2 Co., Ltd resulting in an equity stake of 100 percent. Both companies have fully paid for the called up share capital.

10. PROPERTY, PLANT AND EQUIPMENT - NET

Property, plant and equipment at December 31, 2020, consisted of:

	Unit: Baht						
	Consolidated financial statements						
	Tools,						
	Land	Building and improvements	Right-of-use assets improvements	Furniture, fixtures and office equipment	Vehicles	Work in progress	Total
Cost							
As at January 1, 2020	129,221,341.57	260,900,363.23	32,694,506.03	193,666,173.73	49,897,538.77	946,703.94	667,326,627.27
Purchase during the year	47,753,795.90	817,144.48	-	22,157,232.70	1,773,289.72	35,132,418.86	107,633,881.66
Transferred in/out	-	32,892,636.31	-	2,625,022.98	-	(35,517,659.29)	-
Disposal during the year	-	-	-	(201,030.48)	-	-	(201,030.48)
As at December 31, 2020	176,975,137.47	294,610,144.02	32,694,506.03	218,247,398.93	51,670,828.49	561,463.51	774,759,478.45
Accumulated depreciation							
As at January 1, 2020	-	27,021,906.70	12,780,153.86	93,398,216.01	27,166,972.62	-	160,367,249.19
Depreciation for the year	-	9,677,339.32	2,093,338.74	21,552,085.70	3,552,327.12	-	36,875,090.88
Disposal during the year	-	-	-	(169,371.60)	-	-	(169,371.60)
As at December 31, 2020	-	36,699,246.02	14,873,492.60	114,780,930.11	30,719,299.74	-	197,072,968.47
Net book value							
Net book value - net Beginning of year	129,221,341.57	233,878,456.53	19,914,352.17	100,267,957.72	22,730,566.15	946,703.94	506,959,378.08
Net book value - net Ending of year	176,975,137.47	257,910,898.00	17,821,013.43	103,466,468.82	20,951,528.75	561,463.51	577,686,509.98

Unit: Baht

Separate financial statements

	Tools,						Total
	Land	Building and improvements	Right-of-use assets improvements	Furniture, fixtures and office equipment	Vehicles	Work in progress	
Cost							
As at January 1, 2020	75,914,589.57	252,855,563.23	32,694,506.03	193,666,173.73	49,897,538.77	946,703.94	605,975,075.27
Purchase during the year	47,753,795.90	817,144.48	-	22,157,232.70	1,773,289.72	35,132,418.86	107,633,881.66
Transferred in/out	-	32,892,636.31	-	2,625,022.98	-	(35,517,659.29)	-
Disposal during the year	-	-	-	(201,030.48)	-	-	(201,030.48)
As at December 31, 2020	123,668,385.47	286,565,344.02	32,694,506.03	218,247,398.93	51,670,828.49	561,463.51	713,407,926.45
Accumulated depreciation							
As at January 1, 2020	-	25,324,747.94	12,780,153.86	93,398,216.01	27,166,972.62	-	158,670,090.43
Depreciation for the year	-	9,421,550.73	2,093,338.74	21,552,085.70	3,552,327.12	-	36,619,302.29
Disposal during the year	-	-	-	(169,371.60)	-	-	(169,371.60)
As at December 31, 2020	-	34,746,298.67	14,873,492.60	114,780,930.11	30,719,299.74	-	195,120,021.12
Net book value							
Net book value - net Beginning of year	75,914,589.57	227,530,815.29	19,914,352.17	100,267,957.72	22,730,566.15	946,703.94	447,304,984.84
Net book value - net Ending of year	123,668,385.47	251,819,045.35	17,821,013.43	103,466,468.82	20,951,528.75	561,463.51	518,287,905.33

Depreciations for the years ended December 31, 2020 and 2019 in the consolidated financial statements of Baht 36.88 million and Baht 35.42 million, respectively, and depreciations in the separate financial statements of Baht 36.62 million and Baht 35.17 million, respectively, are included in the statements of comprehensive income.

As at December 31, 2020 and 2019, the Group's equipment and vehicles, which have been fully depreciated but are still in use, amounted to Baht 73.02 million and Baht 56.98 million, respectively.

Parts of the Company's land and buildings has been mortgaged as collateral for bank guarantees, bank overdrafts and loans from financial institutions (Note 6).

11. RIGHT- OF- USE ASSETS - NET

Right-of-use assets as at December 31, 2020, consisted of:

	Unit: Baht		
	Consolidated financial statements		
	Land	Building	Total
Cost			
As at January 1, 2020	-	-	-
The adjustments right-of-use assets due to			
the first adoption of TFRS 16	47,059,467.39	32,875,617.47	79,935,084.86
Increase during the year	205,819.37	1,218,055.01	1,423,874.38
As at December 31, 2020	47,265,286.76	34,093,672.48	81,358,959.24
Accumulated depreciation			
As at January 1, 2020	-	-	-
The adjustments right-of-use assets due to			
the first adoption of TFRS 16	5,112,291.10	1,389,401.93	6,501,693.03
Depreciation for the year	3,720,738.21	2,562,229.82	6,282,968.03
As at December 31, 2020	8,833,029.31	3,951,631.75	12,784,661.06
Net book value :			
Net book value - net Beginning of year	-	-	-
Net book value - net Ending of year	38,432,257.45	30,142,040.73	68,574,298.18

Unit: Baht			
Consolidated financial statements			
	Land	Building	Total
Cost			
As at January 1, 2020	-	-	-
The adjustments right-of-use assets due to the first adoption of TFRS 16	56,513,874.66	56,924,356.66	113,438,231.32
Increase during the year	205,819.37	1,218,055.01	1,423,874.38
As at December 31, 2020	<u>56,719,694.03</u>	<u>58,142,411.67</u>	<u>114,862,105.70</u>
Accumulated depreciation			
As at January 1, 2020	-	-	-
The adjustments right-of-use assets due to the first adoption of TFRS 16	5,112,291.10	1,389,401.93	6,501,693.03
Depreciation for the year	4,069,721.70	3,678,725.36	7,748,447.06
As at December 31, 2020	<u>9,182,012.80</u>	<u>5,068,127.29</u>	<u>14,250,140.09</u>
Net book value :			
Net book value - net Beginning of year	-	-	-
Net book value - net Ending of year	<u>47,537,681.23</u>	<u>53,074,284.38</u>	<u>100,611,965.61</u>

Depreciations for the years ended December 31, 2020 and 2019 in the consolidated financial statements of Baht 6.28 million and Baht 0.84 million, respectively, and depreciations in the separate financial statements of Baht 7.75 million and Baht 0.84 million, respectively, are included in the statements of comprehensive income.

12. INTANGIBLE ASSETS - NET

Intangible assets as at December 31, 2020, consisted of:

	Unit: Baht			
	Consolidated and Separate financial statements			
	As at	Movement during the year		As at
	January 1, 2020	Increase	Decrease	December 31, 2020
Computer software				
Cost	6,658,371.10	633,506.00	-	7,291,877.10
<u>Less</u> Accumulated amortization	(3,704,612.53)	(481,523.67)	-	(4,186,136.20)
Net book value	2,953,758.57			3,105,740.90

Amortization for the years ended December 31, 2020 and 2019 amounted to Baht 0.48 million and Baht 0.46 million, respectively are included in the related consolidated and separate statements of comprehensive income.

13. DEFERRED TAX ASSETS AND LIABILITIES - NET

Deferred tax assets and liabilities as at December 31, 2020, consisted of:

	Unit: Baht			
	Consolidated and Separate financial statements			
	Movement increase			
	As at	Profit or	Other	As at
	January 1, 2020	loss	comprehensive income	December 31, 2020
Deferred tax assets				
Allowance for losses on inventories	1,067,322.36	77,284.26	-	1,144,606.62
Rental expenses	727,287.72	401,623.45	-	1,128,911.17
Provisions for discount expenses	118,631.31	7,300.20	-	125,931.51
Provision for long-term employee benefits	1,141,266.72	108,415.61	-	1,249,682.33
Total deferred tax assets	3,054,508.11	594,623.52	-	3,649,131.63
Deferred tax liabilities				
Depreciation	580,970.80	190,892.81	-	771,863.61
Total deferred tax liabilities	580,970.80	190,892.81	-	771,863.61
Deferred tax assets - net	2,473,537.31	403,730.71	-	2,877,268.02

Tax expenses for the years ended December 31, were as follows:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Profit before income tax	162,399,095.20	105,965,911.37	160,959,364.30	107,664,488.02
Income tax rate	20%	20%	20%	20%
Current income tax				
expenses as tax rate	32,479,819.04	21,193,182.27	32,191,872.86	21,532,897.60
Revenues treated as revenues		-		-
under the Revenue Code	9,950.35		9,950.35	
Non-deductible expenses				
by the Revenue Code	81,211.78	18,953.36	5.00	115.02
Dividend income tax				
exemption	-	-	-	(599,998.00)
Expenses deductible at a				
greater amount	(4,035,152.44)	(3,846,908.60)	(3,953,574.32)	(3,846,910.60)
Income tax expenses	28,535,828.73	17,365,227.03	28,248,253.89	17,086,104.02
The effective tax rate	17.57%	16.39%	17.55%	15.87%

The Company and a subsidiary use the income tax rate of 20% for the calculation of corporate income tax for the year ended December 31, 2020 and 2019.

Certain subsidiaries applied the progressive income tax rates according to the Royal Decree issued under the Revenue Code granting corporate income tax reductions and exemptions (No. 530) B.E. 2554 for small and medium enterprises.

14. TRADE AND OTHER CURRENT PAYABLES

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

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Trade payables	131,837,386.31	127,201,335.58	131,837,386.31	127,201,335.58
Other current payables				
Accrued bonus	6,224,480.23	4,303,792.57	6,224,480.23	4,303,792.57
Withholding tax payables	2,972,364.44	2,770,535.48	2,972,181.82	2,768,336.43
Accrued rental expenses	-	3,387,772.48	-	3,387,772.48
Payable for purchase of the assets	3,434,804.92	1,451,366.71	3,434,804.92	1,451,366.71
Guarantee received from employees	2,045,650.00	1,925,950.00	2,040,850.00	1,925,750.00
Accrued expenses	3,504,349.42	4,490,024.96	3,363,071.43	4,431,904.56
Retention	251,179.95	756,210.32	251,179.95	756,210.32
Deferred repair compensation	1,400,000.00	1,400,000.00	1,400,000.00	1,400,000.00
Deferred income	80,270.95	767,464.98	80,270.95	767,464.98
Accrued discount expenses	629,657.56	593,156.55	629,657.56	593,156.55
Others	1,379,760.81	914,433.97	1,378,760.81	913,033.97
Total other current payables	21,922,518.28	22,760,708.02	21,775,257.67	22,698,788.57
Total trade and other current payables	153,759,904.59	149,962,043.60	153,612,643.98	149,900,124.15

15. LEASE LIABILITIES - NET

Lease liabilities as at December 31, 2020, consisted of:

	Unit: Baht	
	Consolidated	Separate
	financial statements	financial statements
Lease liabilities	83,891,444.01	129,782,644.01
<u>Less</u> Deferred interest expenses	(17,206,339.61)	(30,731,981.62)
Total	66,685,104.40	99,050,662.39
<u>Less</u> Current portion lease liabilities	(4,349,842.46)	(5,385,150.23)
Lease liabilities - net of current portion lease liabilities	62,335,261.94	93,665,512.16

The Company has entered into the land and building lease agreements to with other person, related person and related company. The terms of the agreements are generally between 1 to 20 years.

The Company has future minimum lease payments required under the lease agreements were as follows:

Unit: Million Baht				
Consolidated financial statements				
December 31, 2020				
	Within 1 year	1 - 5 years	Over 5 years	Total
Future minimum lease payments	6.37	24.92	52.60	83.89
Deferred interest expenses	(2.02)	(6.75)	(8.44)	(17.21)
Present value of future minimum lease payments	4.35	18.17	44.16	66.68

Unit: Million Baht				
Separate financial statements				
December 31, 2020				
	Within 1 year	1 - 5 years	Over 5 years	Total
Future minimum lease payments	8.40	33.12	88.26	129.78
Deferred interest expenses	(3.02)	(10.39)	(17.32)	(30.73)
Present value of future minimum lease payments	5.38	22.73	70.94	99.05

16. NON-CURRENT PROVISIONS FOR EMPLOYEE BENEFITS

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

	Unit: Baht	
	Consolidated and Separate financial statements	
	2020	2019
Non-current provisions for employee benefits		
beginning of the years	5,706,333.59	3,447,266.04
Included in profit or loss:		
Current service costs	380,898.81	370,092.12
Past service costs*	-	1,210,050.65
Cost of interest	161,179.23	146,106.15
Included in other comprehensive income:		
Actuarial losses arising from		
Demographic assumptions changes	-	341,891.51
Financial assumptions changes	-	31,199.22
Experience adjustments	-	159,727.90
Non-current provisions for employee benefits		
ending of the years	6,248,411.63	5,706,333.59

Long-term employee benefit expenses for the years ended December 31, as shown in the statements of comprehensive income are as follow:

	Unit: Baht	
	Consolidated and Separate financial statements	
	2020	2019
Distribution costs	40,790.52	65,889.92
Administrative expenses*	501,287.52	1,660,359.00
Total employee benefits expenses	542,078.04	1,726,248.92

Principal actuarial assumptions at the valuation date are as follow:

	Percentage (%)/annum	
	Consolidated and Separate financial statements	
	2020	2019
Discount rate	2.92	
Future salary increase rate	4.00	
Mortality rate	100% of Thai Mortality Ordinary Tables of 2017	

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligations as at December 31, 2020 are summarized below

Unit: Baht			
Consolidated and Separate financial statements			
	Rate	Increase	Decrease
Discount rate	0.5%	(222,268.01)	236,755.88
Salary increase rate	1%	582,444.01	(520,301.03)
Turnover rate	40%	(608,979.91)	825,552.56

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

Unit: Baht		
Consolidated and Separate financial statements		
	2020	2019
Within 1 year	141,617.90	-
Over 1 and up to 5 years	3,776,885.37	141,617.90
Over 5 and up to 10 years	3,348,598.54	7,125,483.91
Over 10 years	7,086,039.02	7,086,039.02

*On April 5, 2019, The Labor Protection Act (No. 7) B.E. 2562 was announced in the Royal Gazette. This stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more, with such employees entitled to receive not less than 400 days' compensation at the latest wage rate. The law is effective from May 5, 2019. This change is considered a post-employment benefits plan amendment. The Group and the Company reflect the effect of the change by recognising past service costs of Baht 1.21 million. The Company and its subsidiaries record the impact of these changes by recognizing past service costs as an immediate expense in the profit or loss for the year in effect of the law.

17. LEGAL RESERVE

Pursuant to the Public Limited Company Act B.E. 2535, the Company must set aside a reserve fund constituting no less than 5 % of the annual net profit until the reserve equals no less than 10 % of the registered capital. This legal reserve is not available for dividend distribution.

18. DIVIDEND

On August 6, 2020, the meeting of the Board of Directors No. 5/2020 has resolved to pay an interim dividend from operating performance for the period from January 1, 2020 to June 30, 2020 for 800 million shares at the rate of Baht 0.03 per share, amounting Baht 24 million. The dividends were paid to shareholders in September 2020.

On February 18, 2020, the meeting of the Board of Directors No.1/2020 has resolved to pay a dividend from its operating result for the year ended December 31, 2019 for 800 million shares at the rate of Baht 0.05 per share, amounting Baht 40 million. After deducting the interim dividends paid to shareholders in September 2019 at the rate of Baht 0.02 per share, amounting Baht 16 million, the remaining dividends will be paid at the rate of Baht 0.03 per share, amounting Baht 24 million. The dividend payments must be approved at the Annual General Meeting of the Company's shareholders.

Nevertheless, On April 6, 2020, Board of Directors Meeting No. 3/2020 has resolved to postpone the Annual General Meeting of Shareholders for 2020 indefinitely, including the cancellation of the proposal to the Annual General Meeting of shareholders on the approval of annual dividend payment for 2019. However such the Board of Directors Meeting has resolved to pay interim dividends instead of paying dividends for the year 2019, which the rate and description of those dividend payment is the same as determined by the resolution of the meeting of Board of Directors No. 1/2020 held on February 18, 2020. The interim dividend was paid in May 2020 and proposed to the Annual General Meeting of Shareholders for acknowledgement on July 15, 2020.

On August 14, 2019, the meeting of the Board of Directors No. 4/2019 has resolved to pay an interim dividend from operating performance for the period from January 1, 2019 to June 30, 2019 for 800 million shares at the rate of Baht 0.02 per share, amounting Baht 16 million. The dividends were paid to shareholders in September 2019.

On April 23, 2019, the Annual General Meeting of Shareholders for the year 2019 has resolved to pay a dividend from its operating result for the year ended December 31, 2018 for 800 million shares at the rate of Baht 0.035 per share, amounting Baht 28 million. The Company has already paid an interim dividend in September 2018 at the rate of Baht 0.015 per share, amounting Baht 12 million. The remaining dividend was paid at the rate of Baht 0.020 per share, totaling Baht 16 million in May 2019.

19. EMPLOYEES PROVIDENT FUND

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530 (1998). Employees contribute to the fund on a monthly basis at the rate of 3%, while the Company contributes to the fund on a monthly basis at the referred rate. The Company will issue payment to employees upon termination in accordance with the fund rules. The contributions started from May 15, 2015. For year ended December 31, 2020 and 2019, the Company contributed a total of Baht 0.65 Million and Baht 0.64 Million to the fund, respectively.

20. OPERATING SEGMENTS

The Group is engaged in the wholesale and retail of consumer goods, a single business segment, and operates in the same geographic area. Therefore, revenue, profits and assets reflected in the financial statements are related to the business and geographic segments as discussed.

21. SIGNIFICANT EXPENSES BY NATURE

Significant expenses by nature for the years ended December 31, consisted of:

	Unit: Million Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Changes in finished goods increase	(12.21)	(1.35)	(12.21)	(1.35)
Purchase of finished goods	1,849.26	1,660.42	1,849.26	1,660.42
Allowance for loss on inventories	0.39	0.27	0.39	0.27
Consumable used	6.70	11.68	6.70	11.68
Depreciation and amortization	43.64	36.72	44.85	36.46
Employee benefit expenses	121.73	112.35	121.27	112.20
Rental expenses	-	6.12	-	8.06
Utilities expenses	14.42	14.33	14.47	14.40
Advertising and promotion expenses	0.56	0.65	0.56	0.65
Transportation and travel expenses	6.47	6.29	6.47	6.29

22. FINANCIAL INSTRUMENTS

Financial risk management policies

The Group is exposed to normal business risks from changes in market interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties. The Group does not hold or issue derivative financial instruments for speculative or trading purposes.

Risk management is integral to the whole business of the Group. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved.

Capital management

The objectives of The Group's capital management are to safeguard The Group's ability to continue as a going concern in order to provide returns to The Group's shareholders and benefits to other stakeholders. The management sets strategies to support The Group's operations for more efficiency, and better performance and stronger financial status, including dividend and capital management policies to maintain the optimal capital structure and cost of capital.

Interest rate risk

The Group is exposed to significant interest rate risks relate primarily to bank deposits and short-term investments. Most of the interest rates that fluctuate based on market rates or a fixed rate with a maturity date after the date of the statement of financial position does not exceed one year. As the Company has a policy to deposit or invest in highly liquid instruments with a maturity not exceeding one year, the Group's interest rate risk is low.

Significant financial assets and liabilities classified by type of interest rate are as follows.

Unit: Million Baht						
Consolidated financial statements as at December 31, 2020						
Description	Notes	Inflate	Fixed interest rate	Non-interest bearing	Total	Average interest rate
<u>Financial asset</u>						
Cash and cash equivalents	6	92.73	-	8.12	100.85	0.125%-0.25%
Trade and other current receivables	7	-	-	16.85	16.85	-
<u>Financial liabilities</u>						
Trade and other current payables	14	-	-	153.76	153.76	-

Unit: Million Baht						
Consolidated financial statements as at December 31, 2019						
Description	Notes	Inflate	Fixed interest rate	Non-interest bearing	Total	Average interest rate
<u>Financial asset</u>						
Cash and cash equivalents	6	70.37	-	8.00	78.37	0.125%-0.50%
Trade and other current receivables	7	-	-	20.35	20.35	-
<u>Financial liabilities</u>						
Trade and other current payables	14	-	-	149.96	149.96	-

Credit risk

The Group is exposed to credit risks related primarily to accounts receivable and other receivables. As management has a credit policy and appropriate credit controls in place, it does not anticipate significant losses from the credit. In addition, The Group has no significant concentrations of credit because the Company's a large number of customers and a diverse customer base. The maximum exposure to credit risk is represented by the carrying amount of accounts receivable and other receivables in the statement of financial position.

The risk of liquidity

The Group monitors its liquidity risk by maintaining a level of cash and cash equivalents deemed adequate by management to finance the Group and to mitigate the effects of fluctuations in cash flows.

Determination of fair values

The Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. The fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

The Group estimates the fair value of financial instruments; cash and cash equivalents, trade accounts receivable and payable, other accounts receivable and payable, and short-term borrowings, equal to their amounts carried in the statement of financial position because of the short-term maturity of those financial instruments.

23. CONTINGENCIES LIABILITIES

As at December 31, 2020, the Company has a contractual obligation under construction agreements and equipment purchase agreement in the amount of Baht 2.10 million.

24. EVENT AFTER THE REPORTING PERIOD

On February 22, 2021, the meeting of the Board of Directors No.1/2021 has resolved to pay a dividend from its operating result for the year ended December 31, 2020 for 800 million shares at the rate of Baht 0.07 per share, amounting Baht 56 million. After deducting the interim dividends paid to shareholders in September 2020 at the rate of Baht 0.03 per share, amounting Baht 24 million, the remaining dividends will be paid at the rate of Baht 0.04 per share, amounting Baht 32 million. The dividend payments must be approved at the Annual General Meeting of the Company's shareholders.

25. APPROVAL OF FINANCIAL STATEMENTS

These financial statements have been approved by the Company's board of directors on February 22, 2021.



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