



**CPW**  
ANNUAL  
REPORT  
2020





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REPORT  
2020

We aim to provide our customers with the best experiences and focus on offering quality products and the most excellent service to serve our customer's living lifestyle.

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# Financial Highlights

## OPERATING RESULTS

(In THB Million)	2018	2019	2020
Revenue from sale of goods and rendering of services	3,193.25	3,586.88	3,315.11
Total Revenue	3,227.62	3,607.72	3,338.15
Total Expenses	3,130.52	3,509.64	3,264.03
Net Profit	82.42	77.55	54.78

## BALANCE SHEET

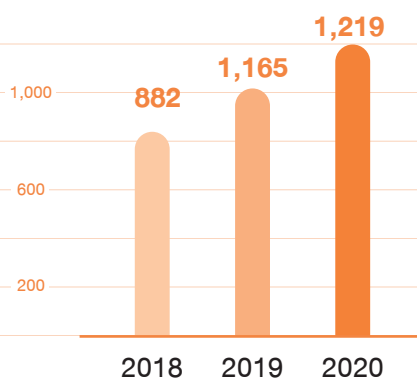
(In THB Million)	2018	2019	2020
Total Assets	881.51	1,165.35	1,218.87
Total Liabilities	524.34	489.35	524.69
Total Shareholders' Equity	357.17	676.00	694.18

Financial Ratio	2018	2019	2020
Net Profit Margin	2.55%	2.15%	1.64%
Debt to Equity Ratio	1.47	0.72	0.76
Return on Assets	10.79%	7.58%	4.60%
Return on Equity	24.61%	15.01%	8.00%

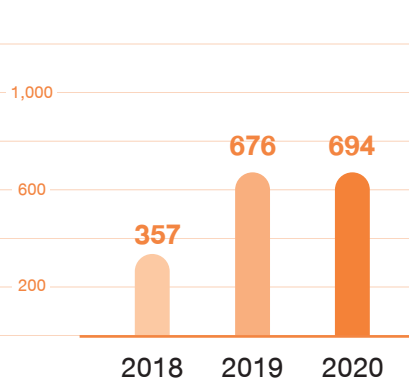
Information per share	2018	2019	2020
No. of share (Million)**	412.00	456.18	600.00
Earnings per share (THB)	0.20	0.17	0.09
Par value per share (THB)	0.50	0.50	0.50

\*\*To compare, the number of shares in 2018 has been adjusted by par values of 0.50 baht. And the number of shares in the year 2019 is weighted average since new shares are issued during the year.

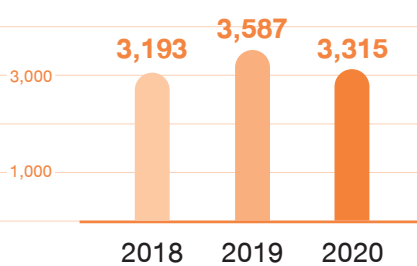
**Total Assets (In THB Million)**



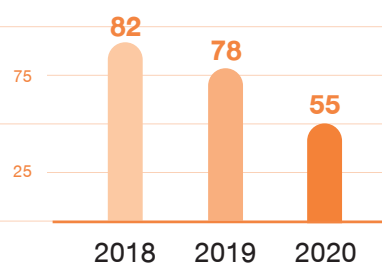
**Total Equity (In THB Million)**



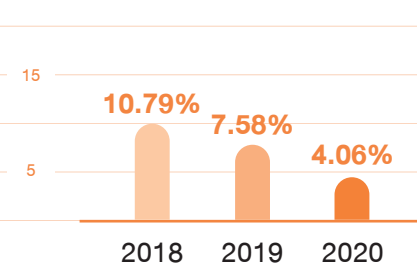
**Revenue from sale of goods (In THB Million)**



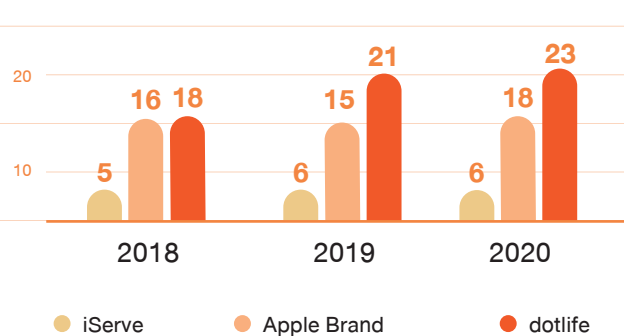
**Net Profit (In THB Million)**



**Return on Assets (In THB Million)**



**No. of Branch (In THB Million)**





**Mr. Narong Intanate**  
Chairman of the Board of Directors

**Mr. Paramate Rienjaroensuk**  
Chief Executive Officer (CEO)

# Message from Chairman of the Board of Directors and Chief Executive Officer

The year 2020 has been a challenging year amid the Covid-19 crisis. Many organizations have adapted themselves to cope with this such as remotely working from home, social distancing, and online learning. People spend more time at home than outside. This led to changes in behavior and needs of consumers thereby creating demand for new products like those for sanitization and sterilization, and home-based work/study facilitation.

In the first half of 2020, many areas were under lockdowns. The Company has accordingly refined its business plans and processes including implementation of work from home to reduce risk of infections, and human resources re-assignment of functions to expand online sales and services channels. In 2020, our online revenue grew by over 500% from 2019 despite the slight decline in the Company's total revenue by 7.47% to 3,338 million baht. The Company's online merchandising channels provide customers with, in addition to products, new shopping experience including Shop-from-Home, technical consulting via telephone, home delivery service (customers able to pay with a credit card upon their receipt of products, similar to the store), and online product training and seminars.

The introduction of 5G technology during the year has increased speed and stability of wireless communication, and has consequently fuelled the substantial increase in demand for iPhones and IoT devices. iPhone 12, new 5G-capable APPLE products, and AI/IOT-related products have been in high demand of our customers, and these are expected to be among our 2021 growth drivers.

Despite the Covid-19 crisis, the Company has successfully managed to minimize its impact, and has been executing our Omni Channel strategy. We continuously improve and expand our stores, including U-Store, iStudio, dotlife, and have offered Apple products to all of our dotlife stores.

Finally, on behalf of the Board of Directors, I would like to express my deep gratitude to the trusted customers, business partners, and stakeholders. We will do our utmost with due regard for interests of all parties, community and society to drive the Company forward for growth and sustainability.



Mr. Narong Intanate  
Chairman of the Board of Directors



Mr. Paramate Rienjaroensuk  
Chief Executive Officer (CEO)

# Board of Directors and Executive Committee



**Mr. Narong Intanate**

Chairman of the Board of Directors / Executive Chairman /  
Member of the Nomination and Remuneration Committee



**Mr. Paramate Rienjaroensuk**

Chief Executive Officer (CEO) /  
Member of Executive Committee



**Mr. Sapon Punyaratabandhu**

Member of Executive Committee /  
Member of Risk Management  
Subcommittee



**Prof. Dr. Pornchai Chunhachinda**

Independent Director /  
Chairman of the Audit Committee



**Mr. Manus Chiaravanond**

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



**Mr. Kongkiet Wangveeramit**

Independent Director / Member of the  
Audit Committee / Chairman of the  
Risk Management Subcommittee



**Mr. Punn Kasemsup**

Independent Director / Member of the  
Nomination and Remuneration Committee



# Management



**Mr. Paramate Rienjaroensuk**  
Product Director (Acting)



**Ms. Papavee Vitchupreec**  
Retail Director



**Ms. Sureeporn Intanate**  
Creative Design & Marketing Director



**Ms. Rattanakorn Rojvatcharapibal**  
Finance and Accounting Director /  
Company Secretary



**Mr. Adiwet Khaosut**  
Business Operations Director



**Mrs. Yaowaluk Nilubol**  
Human Resources and Admin Director

# Board of Directors and Executive Committee Management and Company Secretary



**Mr. Narong Intanate ( Age : 63 Years )**

% of shareholdings : 52.2% \*\*

## Chairman of the Board of Directors

Date of appointment : 1 October 2008

## Executive Director

Date of appointment : 10 August 2018

## Member of the Nomination and Remuneration Committee

Date of appointment : 7 November 2018

## Education

- Bachelor of Business Administration, California State University – USA
- Master of Business Administration, California State University – USA

## Training

Director Accreditation Program (DAP) 97/2012

\*\*Please see more information in  
The change of shareholding of  
the Directors and Executives

## Positions in listed companies

### 2008 – Present

#### Position

- Chairman of the Board of Directors / Executive Chairman

### 2018 – Present

#### Position

- Member of the Nomination and Remuneration Committee  
Copperwired Public Company Limited

### 1992 – Present

#### Position

- Chairman of the Board of Directors / Executive Director /  
Member of the Nomination and Remuneration Committee  
Vintcom Technology Public Company Limited

## Positions in non-listed companies

### 2016 – Present

#### Position

- Chairman of the Board of Directors  
vServePlus Co., Ltd.
- Chairman of the Board of Directors  
VNET SEED CAPITAL (SINGAPORE) PTE. LTD.

### 2018 – Present

#### Position

- Director  
I-Secure Co., Ltd.

### 2009 – Present

#### Position

- Chairman of the Board of Directors  
vHealth threesixty Co., Ltd.

### 1991 – Present

#### Position

- Chairman of the Board of Directors  
Thai Incubator Dot Com Co., Ltd.
- Chairman of the Board of Directors  
Vnet Capital Co., Ltd.



**Mr. Paramate Rienjaroensuk ( Age : 53 Years )**

% of shareholdings : 11.28%

**Director**

*Date of appointment : 26 September 2000*

**Chief Executive Officer**

*Date of appointment : 26 September 2000*

**Member of Executive Committee**

*Date of appointment : 10 August 2018*

**Product Director (Acting)**

*Date of appointment : 10 August 2018*

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**Education**

*Bachelor of Computer Information System  
California State Polytechnic University, Pomona*

**Training**

*Director Certification Program (DCP) 154/2011*

**Positions in listed companies**

● **2000 - Present**

**Position**

- *Chief Executive Officer (CEO) /  
Member of Executive Committee / Product Director (Acting)  
Copperwired Public Company Limited*
- 

**Positions in non-listed companies**

● **2002 – Present**

**Position**

- *Chief Executive Officer / Product Director (Acting)  
Koan Co., Ltd.*
-



### Mr. Sapon Punyaratabandhu ( Age : 58 Years )

% of shareholdings : 1.62%

#### Director

Date of appointment : 1 October 2008

#### Member of Executive Committee

Date of appointment : 10 August 2018

#### Education

- BBA in Accounting, Thammasat University
- M.S. in Accounting, Thammasat University
- Certified Public Accountant Registration No. 3821

#### Training

- Director Certification Program (DCP) 17/2002
- Role of the Compensation Committee (RCC) 1/2006 and 2/2007
- Corporate Governance for Capital Market Intermediaries (CGI) 5/2015
- IT Governance and Cyber Resilience Program (ITG) 15/2020

#### Positions in listed companies

##### 2008 – Present

###### Position

- Member of Executive Committee

##### 2018 – Present

###### Position

- Member of Risk Management Subcommittee  
Copperwired Public Company Limited

##### 1999 – Present

###### Position

- Independent Director / Member of the Audit Committee  
Asia Plus Group Holdings Public Company Limited

##### 2000 – Present

###### Position

- Executive Director  
Vintcom Technology Public Company Limited

##### 2019 – Present

###### Position

- Independent Director / Member of the Audit Committee  
SVI Public Company Limited

#### Positions in non-listed companies

##### ● 1999 – Present

###### Position

- *President*  
*Vnet Capital Co., Ltd.*

##### ● 2013 – Present

###### Position

- *Independent Director*  
*Frasers Property Industrial REIT*  
*Management (Thailand) Co., Ltd.*

##### ● 2018 – Present

###### Position

- *President*  
*Vnet Power Co., Ltd.*
- *Director*  
*I-Secure Co., Ltd.*

##### ● 2016 – Present

###### Position

- *Director*  
*vServePlus Co., Ltd.*

##### ● 2015 – Present

###### Position

- *Director*  
*VNET SEED CAPITAL (SINGAPORE) PTE. LTD.*

##### ● 2013 – Present

###### Position

- *Director*  
*Blue fish solution Co., Ltd.*

##### ● 2003 – Present

###### Position

- *Director*  
*Thai Automotive VCF Co., Ltd.*

##### ● 2000 – Present

###### Position

- *Director*  
*Thai Incubator Dot Com Co., Ltd.*

##### ● 2020 – Present

###### Position

- *Authorized Director*  
*Vnet SG Power Co., Ltd.*
- *Director*  
*M Intelligence Co., Ltd.*





## Prof. Dr. Pornchai Chunhachinda

( Age : 58 Years )

% of shareholdings : 0.03%

### Independent Director /

#### Chairman of the Audit Committee

Date of appointment : 18 June 2018

### Education

- Bachelor of Science (Accounting; Honour)  
Chulalongkorn University
- Master of Business Administration  
Thammasat University
- Master of Science (Finance)  
Florida International University
- Doctor of Philosophy (Finance)  
Florida International University

### Training

- Capital Market Academy Program  
(CMA) 11/2010
- Role of the Chairman program  
(RCP) 11/2012
- Role of the Compensation Committee  
(RCC) 12/2011
- Audit Committee Program  
(ACP) 4/2005
- Director Certification Program  
(DCP) 36/2003

### Positions in listed companies

- 2018 – Present  
2011 – 2016  
Position  
• Independent Director /  
Audit Committee Chairman  
Copperwired Public Company Limited
- 2018 – Present  
Position  
• Chairman and Independent Director  
J.S.P. Property Public Company Limited
- 2018 – Present  
Position  
• Independent Director / Audit Committee Chairman  
Bangkok Post Public Company Limited
- 2018 – Present  
Position  
• Chairman  
Premier Tank Corporation Public Company Limited

### Positions in non-listed companies

- 2005 – Present  
Position  
• Professor (Finance)  
Thammasat University



## Mr. Manus Chiaravanond

( Age : 64 Years )

% of shareholdings : 0.03%

**Independent Director /**

**Member of the Audit Committee**

*Date of appointment : 18 June 2018*

**Chairman of the Nomination  
and Remuneration Committee**

*Date of appointment : 7 November 2018*

### Education

- Bachelor of Science (Finance),  
California State University, Sacramento
- Master of Business Administration,  
California State University, Sacramento

### Training

- Director Accreditation Program (DAP) 152/2018

### Positions in listed companies

#### ● 2018 – Present

##### Position

- Independent Director / Member of Audit Committee /  
Chairman of the Nomination and Remuneration Committee

#### 2011 – 2016

##### Position

- Independent Director / Member of Audit Committee  
Copperwired Public Company Limited

### Positions in non-listed companies

#### ● 2018 – Present

##### Position

- Director / Chief Executive Officer  
Chia Tai Co., Ltd.

#### ● 2008 – 2017

##### Position

- Director / Chief Operating Officer  
Chia Tai Co., Ltd.

#### ● 2005 – Present

##### Position

- Director/  
Chia Tai Cultivation Technology Co., Ltd.
- Director  
Chia Tai Produce Co., Ltd.

#### ● 1989 – Present

##### Position

- Director  
Chia Tai Seeds Co., Ltd.
- Director  
Choncharoen Farm Co., Ltd.

#### ● 1994 – Present

##### Position

- Director  
Choncharoen and Sons Estate Co., Ltd.

● **1992 – Present**

**Position**

- *Director*

*CTT Seed Co., Ltd.*

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● **2018 – Present**

**Position**

- *Director*

*CT Fresh Co., Ltd.*

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● **2018 – Present**

**Position**

- *Director*

*T S A Co., Ltd.*

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● **1989 – Present**

**Position**

- *Director*

*Agro Chemical Industry Co., Ltd.*

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● **1989 – Present**

**Position**

- *Director*

*South-East Agricultural Co., Ltd.*

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### **Mr. Kongkiet Wangveerarnit**

**( Age : 61 Years )**

*% of shareholdings : -None-*

**Independent Director / Audit Committee /  
Chairman of the Risk Management Committee**

*Date of appointment : 18 June 2018*

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#### **Education**

- *Bachelor of Science of Engineering,  
King Mongkut's Institute of Technology Ladkrabang*
- *Master of Science, Chulalongkorn University*

#### **Training**

- *Director Certification Program (DCP) 14/2002*

#### **Positions in listed companies**

- **2018 – Present**

**Position**

- *Independent Director / Member of the Audit Committee /  
Chairman of the Risk Management Subcommittee  
Copperwired Public Company Limited*

#### **Positions in non-listed companies**

- **2015 – Present**

**Position**

- *Director  
ECS Value (Cambodia) Co., Ltd.*



## Mr. Punn Kasemsup ( Age : 52 Years )

% of shareholdings : 0.03%

### Independent Director

Date of appointment : 18 June 2018

### Member of the Nomination and Remuneration Committee

Date of appointment : 7 November 2018

### Education

- Bachelor of Laws  
Thammasat University
- Master of Laws International and Comparative Law  
Southern Methodist University - USA

### Training

- Director Certification Program  
(DCP) 140/2010
- Financial Statements for Directors  
(FSD) 10/2010
- Audit Committee Program  
(ACP) 37/2011
- Advanced Audit Committee Program  
(AACP 8/2012)
- Monitoring Fraud Risk Management  
(MFM) 6/2011
- Monitoring the Internal Audit Function  
(MIA) 11/2011
- Monitoring Quality of Financial reporting  
(MFR) 14/2012
- Monitoring the System of Internal Control  
and Risk Management (MIR) 12/2012

### Positions in listed companies

#### 2018 – Present

##### Position

- Independent Director / Member of the Nomination and Remuneration Committee

#### 2011 – 2016

##### Position

- Independent Director / Member of the Audit Committee  
Copperwired Public Company Limited

#### 2018 – Present

##### Position

- Independent Director / Member of the Audit Committee / Investment Committee  
Demco Public Company Limited

#### 2016 – Present

##### Position

- Independent Director / Member of the Audit Committee  
Vintcom Technology Public Company Limited

#### 2013 – Present

##### Position

- Independent Director / Member of the Audit Committee  
City Sports and Recreation Public Company Limited

### Positions in non-listed companies

#### 2017 – Present

##### Position

- Independent Director /  
Chairman of the Audit Committee  
Cissa Group Co., Ltd.

#### 2002 – Present

##### Position

- Law (Partner) / Managing Director  
Kompass Law Co., Ltd.

#### 2002 – Present

##### Position

- Director  
HNP Legal & Litigation Co., Ltd.

#### 2019 – Present

##### Position

- Independent Director  
Perseverance Co.,Ltd.





### Ms. Papavee Vitchupreecha ( Age : 39 Years )

% of shareholdings : -None-

#### Retail Director

Date of being executive : 2 November 2009

#### Education

Bachelor of Accounting, Huawchiewchalermprakiet University

#### Positions in listed companies

##### ● 2009 – Present

#### Position

• Retail Director

Copperwired Public Company Limited



### Ms. Sureeporn Intanate ( Age : 37 Years )

Daughter of Mr.Narong Intanate

% of shareholdings : 0.71%

#### Creative Design & Marketing Director

Date of being executive : 1 May 2012

#### Education

- Bachelor of Architecture in Industrial Design, King Mongkut's Institute of Technology Ladkrabang
- Master of Arts in Design Management, London College of Communication, University of the Arts London

#### Positions in listed companies

##### ● 2012 – Present

#### Position

• Creative Design & Marketing Director

Copperwired Public Company Limited

#### Positions in non-listed companies

##### ● 2018 – Present

#### Position

• Creative Design & Marketing Director

##### ● 2020 – Present

#### Position

• Director

Koan Co., Ltd.



**Ms. Rattanakorn Rojvatcharapibal**

**( Age : 38 Years )**

*% of shareholdings : -None-*

**Company Secretary**

*Date of being executive : 10 August 2018*

**Finance and Accounting Director (CFO)**

*Date of being executive : 4 July 2011*

**Education**

- *Bachelor of Accounting, Rajamangala Institute of Technology Bangkok Technical College*
- *Accountant*
- *Certified Public Accountant Registration No. 12060*

**Training**

- *Company Secretary Program (CSP), Class 94/2018*
- *Orientation Course-Strategic CFO in Capital Markets, Class 6/2018*

**Positions in listed companies**

● **2009 – Present**

**Position**

- *Finance and Accounting Director*

**2018 – Present**

**Position**

- *Company Secretary*  
*Copperwired Public Company Limited*

**Positions in non-listed companies**

● **2018 – Present**

**Position**

- *Finance and Accounting Director*

**2020 – Present**

**Position**

- *Director*  
*Koan Co., Ltd.*



### Mr. Adiwet Khaosut ( Age : 38 Years )

% of shareholdings: 0.009%

**Business Operations Director**

Date of being executive : 1 May 2011

#### Education

- Bachelor Degree Faculty of Business Administration, Department of Accounting, Rajamangala University of Technology
- Certified Public Accountant Registration No. 10287

#### Positions in listed companies

##### 2011 – Present

###### Position

- Business Operations Director  
Copperwired Public Company Limited

#### Positions in non-listed companies

##### 2011 – Present

###### Position

- Director  
AK Audit Co., Ltd.

##### 2018 – Present

###### Position

- Business Operations Director  
Koan Co., Ltd.



### Mrs. Yaowaluk Nilubol

( Age : 47 Years )

% of shareholdings : 0.07%

**Human Resources and Admin Director**

Date of being executive : 20 July 2009

#### Education

- Bachelor of Science in Psychology, Faculty of Humanities, Srinakharinwirot University

#### Positions in listed companies

##### 2009 – Present

###### Position

- Human Resources and Admin Director  
Copperwired Public Company Limited

#### Positions in non-listed companies

##### 2012 – Present

###### Position

- Director  
Nil Smart Tech Co., Ltd.

##### 2018 – Present

###### Position

- Human Resources and Admin Director  
Koan Co., Ltd.

## The change of shareholding of the Directors and Executives of Copperwired Public Company Limited

Details as of 31 December 2020

Name	Position	Number of Shareholding as of 31 Dec 2019 (Share)	Number of Shareholding as of 31 Dec 2020 (Share)	Changing increased/ (decreased) (Share)	% of Shareholding as of 31 Dec 2020 (%)
1. Mr. Narong Intanate <sup>1</sup>	Chairman of the Board of directors / Executive Chairman / Member of the Nomination and Remuneration Committee	313,189,000	313,189,000	-	52.20%
Spouse and minor children		7,857,000	6,857,000	(1,000,000)	1.14%
2. Mr. Paramate Rienjaroensuk	Chief Executive Officer / Executive Committee / Product director (Acting)	67,706,200	67,706,200	-	11.28%
Spouse and minor children		-	-	-	-
3. Mr. Sopon Punyaratabandhu	Executive Committee / Member of the Risk Management Subcommittee	9,742,800	9,742,800	-	1.62%
Spouse and minor children		-	-	-	-
4. Prof. Dr. Pornchai Chunhachinda	Independent Director / Chairman of the Audit Committee	200,000	200,000	-	0.03%
Spouse and minor children		-	-	-	-
5. Mr. Manus Chiaravanond	Independent Director / Audit Committee / Chairman of the Nomination and Remuneration Committee	200,000	200,000	-	0.03%
Spouse and minor children		-	-	-	-
6. Mr. Kongkiet Wangveerarnit	Independent Director / Audit Committee / Chairman of the Risk Management Subcommittee	200,000	-	(200,000)	-
Spouse and minor children		-	-	-	-
7. Mr. Punn Kasemsup	Independent Director / Member of the Nomination and Remuneration Committee	200,000	200,000	-	0.03%
Spouse and minor children		-	-	-	-

Remark1 Indirectly through Vnet Capital Co.,Ltd.

Details as of 31 December 2020

Name	Position	Number of Shareholding as of 31 Dec 2019 (Share)	Number of Shareholding as of 31 Dec 2020 (Share)	Changing increased/ (decreased) (Share)	% of Shareholding as of 31 Dec 2020 (%)
1. Miss Papavee Vitchupreecha	Retail Director	400,000	-	(400,000)	-
Spouse and minor children		-	-	-	-
2. Miss Sureeporn Intanate	Creative Design and Marketing Director	5,638,200	4,700,000	(938,200)	0.78%
Spouse and minor children		-	-	-	-
3. Miss Rattanakorn Rojvacharapibal	Finance and Accounting Director	400,000	-	(400,000)	-
Spouse and minor children		-	-	-	-
4. Mr. Adiwet Khaosut	Business Operations Director	400,000	56,700	(343,300)	0.01%
Spouse and minor children		-	-	-	-
5. Mrs. Yaowaluk Nilubol	Human Resources and Admin Director	400,000	400,000	-	0.07%
Spouse and minor children		-	-	-	-



### Details of executive And controlling person in the company's subsidiaries and related companies

	Mr. Narong Intanate	Mr. Sapon Punyaratabandhu	Mr. Paramate Rienjaroensuk	Prof. Dr. Pornchai Chunhachinda	Mr. Manus Chiaravanond	Mr. Kongkiet Wangveeramit	Mr. Punn Kasemsup	Ms. Papavee Vitchupreecha	Ms. Sureeporn Intanate	Ms. Rattanakorn Rojvatcharapibal	Mr. Adiwet Khaosut	Mrs. Yaowaluk Nilubol
Copperwired Public Company Limited	C, I, IV, V	I, IV, XI	I, IV, X, XII	VII, II	XIII, VII, III	VII, III, XIV	V, VII	X	X	X	X	X
<b>Subsidiary</b>												
Koan Co., Ltd.			X						I, X	I, X	X	X
<b>Related company</b>												
HNP Legal & Litigation Co., Ltd.							I					
J.S.P. Property Public Company Limited				C, VII								
Chia Tai Co., Ltd.					I, XII							
Chia Tai Cultivation Technology Co., Ltd.					I							
Chia Tai Produce Co., Ltd.					I							
Chia Tai Seeds Co., Ltd.					I							
Choncharoen Farm Co., Ltd.					I							
Choncharoen and Sons Estate Co., Ltd.					I							
CISSA GROUP Co., Ltd.							VII, II					

	Mr. Narong Intanate	Mr. Sopon Punyaratabandhu	Mr. Paramate Rienjaroensuk	Prof. Dr. Pornchai Chunhachinda	Mr. Manus Chiaravanond	Mr. Kongkiet Wangveeramit	Mr. Punn Kasemsup	Ms. Papavee Vitchupreecha	Ms. Sureeporn Intanate	Ms. Rattanakorn Rojvatcharapibal	Mr. Adiwet Khaosut	Mrs. Yaowaluk Nilubol
CTT Seed Co., Ltd.					I							
CT Fresh Co., Ltd.					I							
Demco Public Co., Ltd.							III, XI, VII					
T S A Co., Ltd.					I							
City Sports and Recreation PCL.							VII, III					
Frasers Property Industrial REIT Management (Thailand) Co., Ltd.		VII										
Thai Automotive VCF Co., Ltd.		I										
Thai Incubator Dot Com Co., Ltd.	I,C	I										
Nil Smart Tech Co., Ltd.												VIII
Blue fish solution Co., Ltd.		I										
Bangkok Post Public Co., Ltd.				VII, II								
Premier Tank Corporation PCL.				C								

	Mr. Narong Intanate	Mr. Sopon Punyaratabandhu	Mr. Paramate Rienjaroensuk	Prof. Dr. Pornchai Chunhachinda	Mr. Manus Chiaravanond	Mr. Kongkiet Wangveeramit	Mr. Punn Kasemsup	Ms. Papavee Vitchupreecha	Ms. Sureeporn Intanate	Ms. Rattanakorn Rojvatcharapibal	Mr. Adiwet Khaosut	Mrs. Yaowaluk Nilubol
Perseverance Co., Ltd.							I					
Foresight Holdings Co., Ltd.		I										
Munja Co., Ltd.		I, C										
Vintcom Technology PCL.	I, C, V	I					V, VII					
vServePlus Co., Ltd.	I, C	I										
Vnet Capital Co., Ltd.	I, C	I, XII										
vHealth threesixty Co., Ltd.	I, C											
Asset Plus Fund Management Co., Ltd.		III, VII										
Asia Plus Securities Co., Ltd.		VII, III										
Agro Chemical Industry Co., Ltd.					I							
South-East Agricultural Co., Ltd.					I							
AK Audit Co., Ltd.											I	
Asia Plus Group Holdings PCL.		VII, III										

	Mr. Narong Intanate	Mr. Sopon Punyaratabandhu	Mr. Paramate Rienjaroensuk	Prof. Dr. Pornchai Chunhachinda	Mr. Manus Chiaravanond	Mr. Kongkiet Wangveeramit	Mr. Punn Kasemsup	Ms. Papavee Vitchupreecha	Ms. Sureeporn Intanate	Ms. Rattakorn Rojvatcharapibal	Mr. Adiwet Khaosut	Mrs. Yaowaluk Nilubol
I-Secure Co., Ltd.	I	I										
SVI Public Company Limited		VII, III										
Vnet Seed Capital (Singapore) PTE.LTD.	C	I										
Kompass Law Co., Ltd.							I, XII					
ESC Value (Cambodia) Co., Ltd.						VIII						
Vnet SG Power Co., Ltd.		I										
M intelligence Co.,Ltd.		VIII										

#### Remarks

C – Chairman of the Board of Directors

I – Authorized Director

II – Chairman of the Audit Committee

III – Audit Committee

IV – Executive Committee

V – Nomination and Remuneration Committee

VI – Company Secretary

VII – Independent Director

VIII – Director

IX – Assistant Managing Director

X – Management

XI – Risk Management Subcommittee

XII – Chief Executive Officer

XIII – Chairman of the Nomination and Remuneration Committee

XIV – Chairman of the Risk Management Committee

# Policies and Overview of the Business Operations of the Company

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## 1. Business Overview

Copperwired Public Company Limited or (“Company” or “CPW”) and Koan Company Limited (“Subsidiary Company” or “KOAN”) Communally, the “Group” is operating as a retailer and a distributor of exclusive and innovative digital lifestyle products for everyday lives. The products are audio equipment, health and fitness devices, smart electrical appliances for homes and offices, smartphones and tablets, smartwatches, and various accessories.

**The company business operates in the structure of retailer of digital lifestyle product for general customers through the main channels of the retail outlets.**

1. .life stores (dotlife) selling digital lifestyle products, innovative technology products, and various gadgets and accessories.
2. iStudio by copperwired stores, U-Store by copperwired, and Ai\_ store selling only Apple-branded smartphones, notebooks, and tablets that include selling accessories for Apple-branded and other leading brands in the market.
3. iServe store is an Apple Authorizes Service Centre offering repair/ replacement of defective Apple brand products to Apple customers with Apple standards.
4. E-Commerce channels through the company’s websites, [www.istudio.store](http://www.istudio.store), [www.dotlife.store](http://www.dotlife.store).

While the subsidiary company operates as a distributor of digital lifestyle products, cooperate premiums, business projects, and accessories for resellers/retailers such as CPW, Central Department stores, The Mall, Power Buy, King Power, and other APRs.

## 2. Visions, Missions, and Business Goals

### Visions

We aim to provide our customers with the best experiences and focus on offering quality products and the most excellent service to serve our customer's living lifestyle.

### Missions

- We focus on the product selection under the concept of “Design Lifestyle Technology” to make our CPW notable and different.
- We will continue to improve the quality of our staff to increase the capacity and efficiency for better profit and manage our costs to maximizes the benefits to our stakeholders.
- Our customers are the CENTER of our focus on creating satisfaction with the quality of the products, retail services, and social responsibility for maximum satisfaction.
- We continually search for new business opportunities to strengthen our organization to grow sustainably.



### 3. Background, Important Changes, and Development

Copperwired Public Company Limited was established on 26 September 2000 by Mr. Paramate Rienjaroensuk with registered capital of 3.00 million Baht. Its main objective is to operate a business as an appointed retailer for Apple products and service provider by Apple South East Asia (Thailand) Ltd. The first iStudio store (the previous name is called Apple Centre), opened at Siam Discovery shopping mall, the first Apple brand store in Thailand located in a shopping mall. In 2010, the Company opened the first .life store at Paradise Park Srinakharin shopping mall as a retailer of digital lifestyle products with the concept of modern technology digital lifestyle products. The .life store responds to people's lives in the digital age to improve everyday lifestyle. The primary customer group is everyone who has a high interest in innovative technological products. At present (as of 31 December 2020), the Company has 47 total stores, including service centers under its administration, including 18 stores of Apple Premium Resellers, 23 stores of .life stores, and 6 locations of Apple service centers.

Furthermore, the Company invested in Koan Co., Ltd, operating the business as a distributor of digital lifestyle products and high-performance accessories products. The Company invested further in this business unit and presently holding 100% shares of KOAN.

## Sequence of Major Events of the Company



### YEAR 2000

- Copperwired Co., Ltd was established and registered with the registered capital of 3.00million Baht on 26 September 2000
- The Company signed in Apple Authorized Reseller (AAR) agreement with Apple South Asia (Thailand) Ltd. as the official reseller of Apple Products
- Open its first store under the name of Apple Centre at Siam Discovery Shopping Mall, the first Apple store in Thailand, located in the shopping mall.

### YEAR 2006

- In June 2006, the Company increased registered paid-up capital from 3.00 million Baht to 7.00 million Baht as the Company's current capital and expanded branches.
- Cosigned in Apple Premium Reseller (APR) Agreement with Apple South Asia (Thailand) Ltd. The Company granted the rights to open a shop of iStudio under the name of "iStudio by copperwired"
- Opened iStudio by copperwired Shop, Siam Paragon Branch, which is the first Premium Reseller Shop in Thailand
- Invested 25.00 % in Koan Co., Ltd, the Company with paid-up registered capital for 2.00 million Baht, formerly operating the business as an installer and systematizing information technology. Later, the Company business changed its business mission to wholesaling digital lifestyle products by sourcing various products from foreign countries and distribute them to resellers and retailers.

### YEAR 2007

- iStudio at Central World opened

## YEAR 2008

- September 2008, the Company increased registered paid-up capital from 7.00 million Baht to 20.00 million Baht for current capital and expansion of the company. VNET CAPITAL CO., LTD co-invested and purchased 120,000 new shares of 60.00%, now holding the major shares of the company in 2008.
- Expanding retail space of Central World Branch from 120 Sq. M. to 500 Sq. M. It was the biggest APR store in Southeast Asia at the time.

## YEAR 2009

- The Company cooperated with Power Buy Company to manage the sales of Apple products on every location of Power Buy.

## YEAR 2010

- March 2010, the Company increased registered paid-up capital from 20.00 million Baht to 30.00 million Baht. In December, the Company increased capital to 60.00 million Baht as a current investment for branch expansion.
- .life store opened at Paradise Park under the concept of digital lifestyle while emphasizing everyday living related to technological products and accessories.
- August 2010, the Company invested in Koan Co., Ltd by purchasing shares from existing shareholders. As a result, the proportion of investment increased from 25.00% to 70.00% of the registered paid-up capital.
- Cooperated with local shareholders to establish Copperwired-N Co., Ltd (CPW-N) to operate a retail business in the northern region. The Company invested 65.00% of registered paid-up shares of 10.00 million Baht.

## YEAR 2011

- In September 2011, the Company invested in Koan Co., Ltd by purchasing shares from existing shareholders with the proportion of investment from 70.00% to 100.00% of registered paid-up capital. Which increased the registered paid-up capital of Koan Co., Ltd from 2.00 million Baht to 20.00 million Baht for business expansion.
- October 2011, the Company increased registered paid-up capital from 60.00 million Baht to 100.00 million Baht as the current capital.
- December 2011, the Company increased registered paid-up share from 100.00 million Baht to 105.30 million Baht by selling 53,000 capital-increased shares to Melco Holdings Inc. (The company registered in the Stock Exchange of Japan) accounted for 5.03% of registered paid-up capital in the total amount of 51.00 million Baht (962.26 Baht/ share)
- Ceased the sale administration of Apple Products in all area of Power Buy
- Cooperated with Tesco Lotus to manage the sales of Apple products at the electronic appliance department of Tesco Lotus
- Cooperated with local shareholders in establishing Copperwired-S Co., Ltd. (CPW-S), operating retail business in the southern area. The company invested 60.00% of registered and paid-up capital of 10.00 million Baht.
- Signed in Apple Authorized Service Provider (ASP) Agreement with Apple South Asia (Thailand) Ltd. as an official provider for Apple product repair service. Opened the first iServe service center at Amarin Plaza to provide services for customers related to repairing Apple Products.

## YEAR 2012

- Ceased the sale administration of Apple Products in all areas of Tesco Lotus.
- December 2012, the Company increased registered paid-up capital from 105.30 million Baht to 168.00 million Baht as current capital and store expansion.
- Cooperated with local shareholders to establish Copperwired-E Co., Ltd (CPW-E), operating retail business in the northeastern region. The Company invested 55.00% of registered and paid-up capital of 10.00 million Baht.
- To structure the investment of CPW-N, there are 3 locations of CPW-N (1).life Shop, CentralPlaza Chiangmai Airport Branch, (2) iBeat Shop, Chiangrai Branch, and (3) iStudio Shop, CentralPlaza Chiangrai Branch. The Company achieved an agreement with the other shareholder as follows:

1.The Company agreed to purchased .life Shop, CentralPlaza Chiangmai Airport Branch, by transferring all properties and employees from CPW-N at the book value of 4.08 million Baht to operate the administration under its name. so, there are only two branches

under the administration of CPW-N and

2. The Company sold all 650,000 shares of CPW-N accounted for 65.00% of paid-up capital of 7.40 million Baht to the other shareholder. So, CPW-N now no longer a subsidiary, and the shareholder registered to change the name from CPW-N to “E Space RR Co., Ltd”.

## YEAR 2013

- December 2013, the Company increased registered paid-up capital from 168.00 million Baht to 206.00 million Baht as current capital and business expansion.

## YEAR 2014

- Increased capital by the proportion in CPW-E from registered paid-up capital from 10.00 million Baht to the new registered paid-up capital of 40.00 million Baht.

## YEAR 2016

- Ai\_ shop opened at Siam Discovery Shopping Mall with a concept of modernizing the existing branch to be unique
- To structure the investment in CPW-S, there were three branches, including two branches of .life Shop at Big C Supercenter and a branch of .life Shop at CentralFestival Phuket. The Company achieved an agreement with the other shareholder as follows:

1. January 2016, it sold decorations of a .life Shop at Big C Supercenter to an outsider of 0.30 million Baht while another branch in Big C Supercenter closed down at the rental agreement was terminated.

2. April 2016, the Company purchased .life Shop at CentralFestival Phuket Branch by transferring all assets and employees from CPW-S for 0.09 million Baht. Therefore, the .life Shop, CentralFestival Phuket Branch was still under the administration after the company acquisition.

3. August 2016, the Company purchased all shares of CPW-S from the existing shareholders of 400,000 shares or 40% of paid-up shares of 1.67 million Baht (referred from book share value and surplus for 200,000 Baht)

4. The Company ended the business of CPW-S on 30 September 2016 (liquidated on 30 June 2017)

- Opened [www.istudio.store](http://www.istudio.store) and [www.dotlife.store](http://www.dotlife.store) as an online sales channel for customers of Apple Products and digital lifestyle products.
- The Company agreed to purchased iStudio Shop, UD Town Branch in Udonthani by transferring all assets and employees from CPW-E in the price of 1.98 million Baht to operate under the administration of the company (later, the business ended at the termination of the rental agreement.)

#### YEAR 2017

- Increased the proportion of the shares in CPW-E by purchasing all shares from existing shareholders (1.80 million shares with a par value of 1.00 Baht). The Company had a 100% proportion of shareholding in CPW-E.
- CPW-E sold iServe Shop at Central Plaza Ubonratchathani by transferring all assets and employees from existing shareholders at 0.60 million Baht.

#### YEAR 2018

- Increased capital proportion in Koan Co., Ltd from registered and paid-up capital for 20.00 million Baht to 50.00 million Baht as current capital for business expansion.
- Koan Co., Ltd opened online distribution channels through [www.koan.co.th](http://www.koan.co.th) to increase distribution channels for digital lifestyle products and accessories to customers directly and corporates.
- To structure the company's investment in CPW-E as 100% subsidiary
  1. September 2018, the board meeting had the resolution to purchase decorations and office supplies from iStudio Shop, CentralPlaza Ubonratchathani Branch from CPW-E in the total price of 2.05 million Baht. As a result, CPW-E had no longer under the supervision and no longer operated the business.
  2. December 2018, the board of directors had the resolution to sell all shares of CPW-E to outsiders for 4,000,000 shares with a par value of 0.43 Baht in the total amount of 1.72 million Baht (from book value at 0.29 Baht/ share). As a result, CPW-E is no longer the subsidiary, and the new shareholder changed the name CPW-E to be "Mateline Pipe Co., Ltd"
- After restructuring the investment, now only holding 100% share of the subsidiary, Koan Company Limited.



## YEAR 2019

- March 2019, the Company increased registered and paid-up capital from 206.00 million Baht to 220.00 million Baht as current capital for business expansion.
- On 11 April 2019, the extraordinary meeting No. 1/2019 of the company had the resolution to approve the following important matters:
  - Approved the transformation from a limited company to a public company limited and changed the name to Copperwired Public Company Limited
  - Changed par value from 100.00 Baht/ share to 0.50 Baht/ share
  - Increased registered capital for 80.00 million Baht from existing registered capital of 220.00 million Baht to 300.00 million Baht by issuing new capital-increased shares for 160.00 million shares with a par value of 0.50 Baht accounted for 26.67% of issued and paid-up shares after this offering. Nevertheless, the shareholder's meeting approved and allocated capital-increased ordinary shares for 160.00 million shares with details as follows
    1. Capital-increased ordinary share for 9.80 million shares to be offered to company's directors and executives
    2. Capital-increased ordinary share for 6.20 million shares to be offered to company's employees
    3. Capital-increased ordinary share for 24.00 million shares to be offered to benefactors
    4. Capital-increased ordinary share for 120.00 million shares for Initial Public Offering: IPO
      - Approved registered company's ordinary shares as securities in the Stock exchange of Thailand
- 25 April 2019, the company registered transformation to be a public company limited under the name of "Copperwired Public Company Limited"
- Opened U-Store at Suansunandha Rajabhat University
- On 18 October 2019, the company's ordinary shares first traded in the Stock Exchange of Thailand in the service industry and commercial business section.

## YEAR 2020

- Additional 2 of U-Stores, SamYan Midtown, and Silapakorn University (Nakornpratom District) open to the public. SamYan Midtown is the first U-Store operating in the department store, this is to facilitate the educational customer target group.
- Two additional .Life stores opened at Central Festival and Siam Premium Outlets to reduce excess inventory. The products are selling at a competitive price.
- iStudio Robinson BoWin (Chonburi) opened



#### 4. CPW's Shareholding Structure Diagram



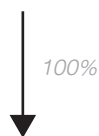
##### **Copperwired Public Company Limited**

*Retailer of digital lifestyle products, smartphone, computer and tablet and Apple brand service center*

*Registered Date: 26 September 2000*

*Registered Capital: THB 300,000,000*

*Registered Paid-up Capital: THB 300,000,000*



KOAN

##### **Koan Company Limited**

*Wholesale business and Distributor of digital lifestyle products*

*Registered Date: 7 November 2011*

*Registered Capital: THB 50,000,000*

*Registered Paid-up Capital: THB 50,000,000*



# Business Operation

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At present, the Company and subsidiary operate distribution business with various digital lifestyle products more than 2,000 items. The company and subsidiary select digital lifestyle products with unique and modern design combined with technology connected with the internet for command control (internet of things product) and enhances everyday lives. These unique contemporary designs and exclusive products are for home or office and everyday use. The products are headphones, wireless speakers, smartwatches, activities trackers, drones, vacuum robots, security equipment, motion sensors, smart locks, game players, and hi-tech toys. Among these products, cameras, including action cameras and instant cameras, mobile and computer accessories such as mobile phone cases, protective film, charging cable, etc. are also on the product list. Apart from digital lifestyle products, living lifestyle products such as luggage, flask, electric scooters, and electric motorcycles are products from more than 200 leading brands worldwide.

Furthermore, the Company operates Apple Premium Reseller (APR), Apple Authorized Reseller (AAR), and Campus Experience Store officially approved by Apple South Asia (Thailand) Ltd. to sell products under Apple Brand in Thailand. The Company is also an official Apple Authorized Service Provider (ASP) for Apple Inc.

Speaking of operations of the group, Copperwired Public Company Limited operates the business as the retailer of digital lifestyle products as well as products under Apple brand through retail shops as follows.

1. Manage .life (dotlife) Shop is a retail shop retailing digital lifestyle products. Products at .life sourced worldwide; quality of the product designed for the store.
2. Apple Brand Shop distributes Apple products at the iStudio by copperwired, U-Store by copperwired, and Ai\_ Shop. Moreover, the Company appointed by Apple South Asia (Thailand) Ltd. as the service provider for Apple products under “iServe”. Nevertheless, permission to open additional Apple brand shop and service centers authorized under the Apple authorized reseller agreement and Apple approved service provider agreement.

The majority of the digital lifestyle product from KOAN Co., Ltd. imported worldwide. The resellers purchase products from Koan and resell the products to end-users.



During 2018-2020, the company and subsidiary had income from sale and services categorized by types of products and service with the following details

Business Group	2018		2019		2020	
	Million baht	%	Million baht	%	Million baht	%
<b>Revenue from selling products/<sup>1</sup></b>						
Digital lifestyle products	1,399.84	43.37	1,540.75	42.71	1,280.35	38.35
Smartphone	866.45	26.84	1,121.83	31.09	1,139.93	34.15
Computer & Tablet	838.13	25.97	839.41	23.27	843.24	25.26
<b>Lists included in sale revenue</b>						
Discount payable <sup>2</sup>	(0.12)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
Adjusted estimation Point redemption <sup>3</sup>	0.79	0.02	(1.28)	(0.04)	(2.01)	(0.06)
Total sale revenue	3,105.09	96.20	3,500.71	97.03	3,261.52	97.70
<b>Service revenue</b>						
Maintenance & Warranty	88.16	2.73	86.17	2.39	53.59	1.61
Net sale and service revenues	3,193.25	98.93	3,586.88	99.42	3,315.11	99.31
Other revenues <sup>4</sup>	34.37	1.07	20.84	0.58	23.04	0.69
<b>Total revenue</b>	<b>3,227.62</b>	<b>100.00</b>	<b>3,607.72</b>	<b>100.00</b>	<b>3,338.15</b>	<b>100.00</b>

Source: The management of the company and consolidated financial statement in 2018-2020

Remark: /1 Revenue of the consolidated financial statement shown in above table is revenue excluding transactions in the company and subsidiary.

/2 Discount payable is transaction of discounting the company provides for customers according to normal trade condition

/3 Adjusted estimation of point redemption is updated as of the end of record of point and reward expenses estimated by the company. In 2017 and 2018, the surplus arose from estimation adjusted from expired points

/4 Other revenues including compensation for shop decoration, revenue from sale promotion and revenue from advertisement

## 1. Products and Services

### 1.1 Products and services of CPW

The company operates the business of retailing digital lifestyle products in .life Shops. The company is appointed as an official Apple authorized reseller in Apple Brand Shop under the administration of the company, including iStudio by copperwired, Ai\_Shop, and U-Store by copperwired. The retailers of mobile phones, computers, and tablets include retailers of accessories with the joint function of Apple products such as headphones, protective case, protective film, charging cable, and HDMI Cable from leading standard brands. Additionally, the company appointed by Apple South Asia (Thailand) Ltd. to be a service provider according to Apple standard under the name of iServe

### 1.2 KOAN Co., Ltd (“subsidiary” or “KOAN”)

The Company holds 100% shares of its subsidiary. The subsidiary operates as a distributor for digital lifestyle products such as cases, protective films, speakers, headphones, etc. The majority of the leading brands overseas are Aftershokz, Belkin, Innergie, Mophie, Moshi, Nanoleaf, Philips Hue, Sphero, Withings, Zoku, etc. The subsidiary focuses on resellers and retailers that sell products to end-users. The reputable resellers are retailers such as iStudio, Central Department Store, The Mall, Power Buy, King Power, AIS shop, Loft, Munkong Gadget, and Apple Store.

The group has revenue from sale and services divided by type of products and services into four groups as follows

#### Group 1 Digital lifestyle products

The digital lifestyle products consist of various products, more than 2,000 items from 200 leading brands worldwide. The digital lifestyle products can be categorized by type of usage as follows

##### 1.Phone & Computer Accessories

Currently, smartphones are widely accessible and overgrowing by the trend of smartphones. Furthermore, the users can change or add accessories as needed, and a computer laptop is developed to much portable size, convenient for traveling. So, many users emphasize good care and protection to extend the useful life of the devices. The company has various smartphone and computer equipment selected from well-known brands with beautiful designs, colorful looks, and different functions for more convenient and more effective use of the primary devices of the customers.

The categories for phone and computer accessories of the company divided as follows

- Protective films that prevent accidental marks for smartphones and computers screen.
- Various types of cases for smartphones and computers, including functional cases, stylish cases, and lifestyle cases.
- Mobile platforms, computer platforms, bags, and computer cases
- Charging gadgets such as charging cables with different sizes, Type-C Thunderbolt Micro USB, portable chargers, wireless chargers, home chargers, car chargers, chargers for traveling, etc.
- Peripherals to enhance the efficiency of smartphone use such as HDMI cable and USD cable



*Illustration of Phone & Computer Accessories*

## 2. Smartwatch

With the technology of an ordinary watch to be embedded with functions that support all-in-one use, it must have message alert, email, activity schedule, entertainment, music, and call start-end. Additional features include a map, a navigation system, camera, song control, and everything on your wrist without usually picking up a smartphone. This technology makes the life of users more convenient as well as health monitoring functions such as heartbeat from the wrist, step counting, exercise, and bedtime, etc. All data are summarized and gathered that users could view data immediately at any time and any place. In case of abnormality, the notification from this device will show up. The company recognizes benefits from its usage and would like to promote it by delivering quality devices to its customers so that they can keep healthy and live their life conveniently.



*Illustration of Smartwatch*

## 3. Audio & Music Devices

In the past, audio and music device was used only for listening to songs with an emphasis on sound quality. However, at present, with technological advancement in the digital age, all products, as well as audio and music devices, are developed rapidly in various aspects with more functions than only listening to the songs such as wireless connection, multi-connection, telephone calls, portable charger, waterproof function, sweat-proof function, sound adjustment through the application, voice command, sound system from the cinemas. These innovations are creatively developed with various audio and music devices to respond to the needs of new-generation consumers who need full entertainment and more convenient life.

Audio and music devices distributed by the company are various such as

- Headphones i.e., headphones, wireless headphones, headphones for exercising, waterproof headphones
- Speakers such as the tabletop speaker, wireless speaker, waterproof speaker, portable speaker, home speaker, and smart speaker
- Headphone and speaker accessories
- Music equipment such as sound recorder, keyboard, sound mixing device, learning promotion equipment for music and songs



*Illustration of Audio & Music Devices*

#### 4. Gaming & Toy Products

There are devices for entertainment and skill enhancement, promoting knowledge, creativity, imagination, skills, concentration, movement, observation, brain, and intellectual development of users. It can be applied and extended creatively. Gaming and toy products are such as drones, smart robots monitored with smartphones, ball robots for education, etc.



*Illustration of Gaming & Toy Products*

#### 5. Sport, Health & Well-being Products

These devices are for facilitating exercising or doing activities. Sports equipment at present developed with technology that consumers can measure their values quickly and conveniently. Furthermore, these data can use for health development. The Company realizes the importance of healthcare and has good intentions to deliver the right equipment selected from every corner of the world. The sport, health, and well-being products are various such as sleeping measuring devices, fitness trackers, smart scale, smart jumping rope, heartbeat rate monitor, blood pressure monitor, smartwatch, etc.



*Illustration of Sport, Health & Well-being Products*



## 6. Home & Office Products

This equipments facilitate routine life in the home and office to respond needs of people at present, who are fond of modernity and convenience. Smart home equipment helps customers to access and control systems inside and outside the home quickly from regularly used smartphones. The Company realizes the importance of this product group. It promotes the implementation of these technologies in the home or in the office to make life easier without wasting time for management in the house. Smart home products selected by the company are various such as an intelligent lighting system that its function can control and changes colors to improve the atmosphere in the home, air-conditioner's temperature controller that customers can control it easily. It saves energy and resources, air quality monitors, and safety from smart security cameras, supervising orderliness of the home that users can check from smartphones all the time. Apart from the design to facilitate life, it is to uplift the quality of life of customers.

Apart from product services, the company focuses on comprehensive services from giving suggestions about equipment, installation to after-sale service, which is the top priority of the company for customers to receive quality products and excellent services simultaneously.



*Illustration of Home & Office Products*

## 7. Photo & VDO Products

Currently, social media becomes a tool to present content and photos, and the popular ones are Facebook, Twitter, Instagram, and YouTube. These are resulting in behavioral changes in receiving and creating media from normal photos to be digital photos or just live motion pictures. People can access these photos easily with attractive images and exciting video content in society these days. Therefore, the company tries to select equipment responding needs and deliver it to customers of the company to create outstanding and creative content and to share these impressions on social media rapidly. The photo and video products available with the company are drones, action cameras, and a polaroid camera, which allows users can take photos and print them immediately. That includes a 360-degree camera, shockproof stick that helps users when shooting videos, accessories of cameras such as waterproof case, accessories for camera installation with a hat, remote controller, tripod, portable battery, and portable photo printer.



*Illustration of Photo & VDO Products*

## 8. Other Products

Apart from the above products, the company selects digital lifestyle products consistent with the concept of digital lifestyle to facilitate living as an option and variety of digital lifestyle products such as portable straw, car camera, umbrella, etc.



*Illustration of Other Products*

### Group 2 : Smartphone

At present, the smartphone becomes a part of people's lives. We use it from waking up by setting the alarm, reading news, messages, or using social media such as Facebook, Line, Instagram, and routine activities. The smartphone is used as a communication device for reading, replying to emails, editing works, and presenting works. The smartphone plays a vital role in daily life for 24 hours and these days. The smartphone is more than just a communication device, it not only helps the company access media more accessible, but it helps in other aspects. These aspects are better photo taking, accessing news and information rapidly through high-speed internet, and the center of connection with smart devices at present.



*Illustration of Smartphone Products*

### Group 3 : Computer & Tablet

Computers and tablets are devices that play a vital role and used in daily life for different purposes. With the use of computer systems, users can work effectively for various fields such as medicine, science, communication, business, engineering, transportation, and even entertainment. Especially at present, computers and tablets are tools for entertainment users who listen to music and watch movies, playing games, etc. It is clear that in every field, computers and tablets are essential. At present, the company is a reseller for computers and tablets under Apple Brand, such as MacBook and iPad, with different models.



*Illustrations of Computer & Tablet Products*

### Group 4 : Maintenance & Warranty

The company is also an authorized service provider for Apple products within and out of warranty. The Service center officially appointed as the Apple Authorized Service Provider (ASP) by Apple South Asia (Thailand) Ltd. The service center provides consultation service, repairing Apple Products and on-site service to facilitate customers and to ensure that the products from the company's shops work effectively and the customers gain full benefits.

## 2. Distribution and Service Channels

The company has two main distribution channels including (1) retail shop and maintenance center and (2) online shops that customers can order products and make payment through the website of the shop with the following details

### 2.1 Retail shop and maintenance center under the administration of CPW includes 47 locations.

The company has retail branches for distributing products, including (1). life Shop, (2) Apple Brand Shop under the administration of the company such as iStudio by copperwired and Ai\_Shop and (3) iServe Shop, a one-stop service center for Apple Products with repair and maintenance service and counseling about software and maintenance for customers using Apple products as well as distributing spare parts for repair and replacement.

At present, the company has branches and service centers in leading department stores and community malls all over Bangkok, vicinity, and big cities for 41 locations and six centers with the following details.



.life Shop is a hub of digital lifestyle products with varieties of products more than 2,000 items under more than 200 leading brands all over the world. It selects manufacturers in every corner of the world with a concept and shops decoration with unique and modern materials. It is the place where those passionate about technology can take a look at and purchase products with enjoyment, like a playground for adults, so that customers will have a chance to be exposed to new technology and its utilization. Currently, the company has 23 branches of .life Shop located in leading department stores, shopping malls and community malls with details of each location as follows



.life Central World  
.life Siam Paragon  
.life Silom Complex  
.life CentralFestival EastVille  
.life CentralPlaza Westgate  
.life CentralPlaza Grand Rama 9  
.life CentralPlaza Pinklao  
.life The Promenade

.life Mega Bangna  
.life ICONSIAM  
.life Terminal 21 Pattaya  
.life Terminal 21 Korat  
.life CentralPlaza Khonkaen  
.life CentralPlaza Udonthani  
.life CentralFestival Phuket  
.life CentralFestival Hatyai

.life CentralPlaza Pitsanulok  
.life CentralFestival Chiangmai  
.life CentralPlaza Rayong  
.life CentralPlaza Chaengwattana  
.life Robinson Ladkrabang  
.life Centralfestival Pattaya Beach  
.life Siam Premium Outlet





iStudio  
by copperwired

U•Store  
by copperwired

Ai\_

#### Apple Brand Shop

iStudio by copperwired Shop, U-Store Shop, and Ai\_ Shop distribute products under Apple brands such as smart-phone, notebook, tablet, smartwatch only of Apple Brand, and accessories of Apple Brand and other leading brands. The company appointed as the Apple Premium Reseller (APR) and Apple Authorized Reseller (AAR), and the company emphasizes selecting the location of the shops, shop designing, product placement along with the atmosphere in the shops to reflect product appearance. For the customer to have real experiences, the company also allows customers to try iPhone, iPad, Mac, Watch, or other Apple products and accessories. The team is knowledgeable and has high expertise in Apple products that can give information, respond inquiries, and demonstrate Apple products for customers. At present, the company has 18 branches of Apple Brand Shop with following details

iStudio by copperwired: The Company has 14 branches as follows

iStudio Siam Paragon	iStudio Park Ventures
iStudio Central World	iStudio Silom Complex
iStudio Central Embassy	iStudio Int-Intersect
iStudio J Avenue	iStudio CentralPlaza Rama 3
iStudio The Circle	iStudio CentralPlaza Ubonratchathani
iStudio Sena Fest	iStudio CentralPlaza Nakhonratchasima
iStudio CentralPlaza Mahachai	iStudio Robinson Lifestyle Bowin

U-Store by copperwired is an own by Apple with the same design and same standard across all stores as designated by Apple South Asia (Thailand) Ltd.. The retail operates under the name of U-Store by copperwired and located at leading universities.

The 3 locations of the U-Stores are as follows

U-store Suan Sunandha Rajabhat University

U-Store Samyan Mitrtown

U-Store Silpakorn University Sanam Chandra Palace Campus

Ai\_ (Artificail Intelligence) is a shop that is a unique program authorized by Apple. It is a large shop decorated with delicate and unique materials to appear outstandingly different from other Apple Shops. There is a branch of Ai\_ Shop at Siam Discovery Mall.







# iServe

Service centers for iMac, iPad, iPhone, iPod, and other accessories officially authorized by Apple South Asia (Thailand) Ltd. as Apple Authorized Service Provider (ASP). It provides services for customers under warranty conditions and customers out of warranty conditions at the customer's expense. Furthermore, there are consultation services on software and maintenance for Apple products users with experienced technicians certified by Apple according to the standard of ACMT (Apple Certificate Mac Technician). For spare parts, the company only selects authentic pieces for the efficiency of repairing. It also provides device maintenance and instruction recommendation for customers with full effectiveness. Currently, there are six branches of service centers as follow:

iServe Amarin Plaza  
iServe Sena Fest  
iServe Park Ventures

iServe CentralPlaza Rama 3  
iServe The Circle  
iServe CentralPlaza Mahachai



The Company online channels for customers to purchase products online include

1. www.dotlife.store retailing digital lifestyle products more than 2,000 items from 200 leading brands all over the world
2. www.istudio.store retailing smartphones, computer notebook, and tablets of Apple Brand and accessories of Apple Brand and other leading brands.

The customers can select products and pay product prices by transferring money through ATM, making payment through cash-on-delivery, bank counter, or making payment at the company's shops and credit card. Nevertheless, the customers can select payment by installments with credit cards joining the campaign.

The company delivers products to customers through online channels to their homes all over Thailand. With standard couriers, the customer can track product delivery until the products are delivered to the customers in perfect condition. For customers in Bangkok, they can select an express delivery service. Furthermore, the company also facilitates delivery at the closest shop as per customer selection to pick up products. Nevertheless, it is for customers to quickly and conveniently access products and services, and the company also adds contact channels, including Live Chat, Facebook Messenger, Line, or E-mail to give information and respond to inquiries about products and services.

## 2.2 Distribution channel of KOAN

### 1. Direct product sale

KOAN does not own retail shops because most sales are wholesale, and KOAN has the team to manage purchase orders from customers via phone, email, and meeting with customers at the shops.

### 2. E-Commerce distribution channel

Apart from the direct sale, KOAN offers products through the E-Commerce website www.koan.co.th. However, KOAN does not focus on expanding retail sales through E-Commerce because KOAN operates the business as a distributor. The site's main objectives are to allow resellers to review the products and purchase the products directly.

From 2018–2020, the Company and subsidiary had sales through distribution channels of the group as follows.

		2018		2019		2020	
Distribution Channel	Business Unit	Million Baht	%	Million Baht	%	Million Baht	%
Retail shop and service	CPW	2,992.77	92.72	3,335.66	92.46	2,951.08	88.40
Commercial wholesale	KOAN	186.54	5.78	224.45	6.22	185.44	5.56
Online distribution	CPW/KOAN	13.94	0.43	26.77	0.74	178.60	5.35
Total revenue from sales and service		3,193.25	98.93	3,586.88	99.42	3,315.11	99.31
Other revenues <sup>1/</sup>		34.37	1.07	20.84	0.58	23.04	0.69
Total revenues of company and subsidiary		3,227.62	100.00	3,607.72	100.00	3,338.15	100.00

Remark:

1/ Other revenues including compensation for shop decoration, revenue from sale promotion, revenue from advertisement and gain from exchange rate

### 3 Target Customer Group

The company and subsidiary's target customer group are divided into 2 groups by type of distribution as follows

#### 3.1 Retail customer's / end users

1. Customers in favor and follow technological products all the time
2. Customers at shops who are end-users to buy products at the company's shops
3. Customers fond of products under Apple brand

#### 3.2 Wholesale customer / purchase for distribution

1. Customers of department stores, large shops, duty-free shops such as Central Department Store, The Mall, Power Buy, King Power, AIS shop, iStudio and Apple Store etc. including shops specifically selling sport products and house decorations etc.
2. Customers of computer shops, mobile phone shops such as mobile phone shop at MBK Center or in upcountry.
3. Customers selling products online
4. Juristic person / natural person buying for use or distribution as premiums in the organization

### 4. Pricing Policy

#### Digital Lifestyle Products

For digital lifestyle products, the company and subsidiary purchase for distribution, the company, and subsidiary has a policy of pricing as follows.

1. For products that have suggested price from Supplier, is generally used to set prices of the products for the retail, the company will set the retail price as agreed with the supplier, and the most retail price is at same nationwide. Nevertheless, the company will adjust the selling price under the structure and conditions that the company's trade partners specify. As well as the selling price of products of Apple Brand, such as iPhone, iPad, MacBook, and Apple Watch, to be according to the country manufacturer's structured price. Nevertheless, some products may have special promotions according to Apple's policy, such as discounts or premiums, etc. The Company supported price differences and special incentives from the trade partners according to the agreed conditions.

2. Products set price by the supplier. The pricing of products depends on the type of products and market competition at that time compared with the same product type and other factors such as popularity at that moment, Baht value in case of importing products, the retail price of the competitors, the retail price in foreign countries, etc. The company has trade discounts for promoting product sales of the company.

3. Consigned products: the consigner will determine the selling price and promotion

### 5. Product and Service Supply

#### 5.1 Digital lifestyle products

The company and its subsidiary have a sector responsible for the selecting of products for distribution by providing domestic and international manufacturers or distributors and finding information from the manufacturers or local distributors by using online channels to enhance the efficiency of selecting products to be distributed to company's customers. The company will consider the following factors

1. The quality of selected products and services is that they have unique design and appearance and are suitable for digital lifestyle products.
2. The distributors shall have a marketing plan in support of product distribution
3. Products with sale profit rate according to the company's policy
4. The manufacturers and distributors shall be permitted and comply with specific control laws (if any)
5. The distributors shall be competent in providing products with quality and in time that the company needs the products.

At present, the Company is a retailer and wholesaler for digital lifestyle products and accessories for about 2,000 items with 200 leading manufacturers and distributors. The company and subsidiary have a good relationship and are a business partner for a long time.

## 5.2 Products under Apple Brand

The company is appointed as Apple Premium Reseller (APR) and Apple Authorized Reseller (AAR) to retail products under Apple Brand by purchasing products from the distributors permitted from Apple South Asia (Thailand) Ltd. such as Ingram Micro (Thailand) Co., Ltd, Synnex (Thailand) Public Company Limited or mobile phone service providers including AIS, TRUE and DTAC. Furthermore, as the company appointed as the Apple Authorized Service Provider (ASP), which allows the Company to purchase spare parts from Apple South Asia (Thailand) Ltd. for internal repair and to increase work efficiency.

## 5.3 Warehouse management

The products of the company and subsidiary are always subject to technological change, and many are high-value costs. The company and subsidiary emphasize inventory management to avoid problems of outdated products. Apart from the estimation of sufficient and suitable ordering for distribution in each branch for each product, the company and subsidiary hire Logist Plus Co., Ltd to manage the warehouse. Logist Plus Co., Ltd has experienced more than 20 years about logistic outsourcing for several companies, including companies in hi-tech and electronic groups, with damage guarantee in products of the company and subsidiary.

Nevertheless, the company uses Warehouse Management System (WMS) System for warehouse management as a system in NIMBUS as ERP System used by the company, warehouse and branches through the internet for ordering, shipping status and reporting immediately as well as the acceptance and release of products with Barcode system and delivery with Scan Serial Number, etc.

The company and executives managing the warehouse will perceive updated information of products provided that the company orders products when the inventory is lower than the specified order point. The warehouse manager will inspect, store, and distribute products to the branches and customers ordering online. The warehouse manager is responsible for damages or loss of all such products until they delivered to the shops or customers.

The warehouse manager can deliver products within term as follows

- Delivery in Bangkok and vicinity within the following day
- Delivery in upcountry except for Maehongson and 3 southern-border provinces within 1-2 days
- Delivery in different province, district, island, remote areas within 3-5 days

The company can inspect the products according to the internal audit system specified twice a year in June and December of each year or may request for inspection as defined by the company. According to such a measure, the company can control the quantity and age of inventories effectively, making the company save budgets for building warehouses and expenses for hiring employees in the warehouse and related employee training expenses.

However, for space of the warehouse, the company and subsidiary make a warehouse rental agreement with WTC Logistics Co., Ltd around Rural Development 3 Road, Khlong Song Tonnoon Sub-district, Ladkrabang District, Bangkok.

## 6. Selection of Branch Location

### 6.1 Finding areas for new shops

The company has a retail department responsible for opening retail branches of the company such as .life Shop, iStudio by copperwired Shop, U-Store by copperwired Shop, Ai\_ Shop, and iServe Shop. The company's team will select areas for branch opening by considering following factors

- Location of a shop in departments tore / university
- Popularity of the department store
- Reasonable rental cost
- Characters and lifestyle of local populations / instructional courses in that university
- Number of nearby populations / number of students and personnel 47 • Shops of competitors in local area.

Nevertheless, opening Apple Brand Shop in Thailand requires permission with Apple South Asia (Thailand) Ltd. before the operation. Only authorized resellers to have the right to request opening the Apple Brand Shop,



and consideration result are subject to Apple. Apple has conditions or criteria of consideration for opening a branch of Apple Brand Shop as follows

1. Areas or locations of the branches of Apple Brand Shop that the reseller will open are considered by Apple in various aspects as follows.

- The reputation of the location owners or performance of real estate developers which mostly are well-known shopping malls. Or department stores in the business district in Bangkok and upcountry such as Central Group and The Mall Group etc.
- Location of the shops in the shopping malls or department stores must be outstanding and easily accessible with high traffic volume.
- The distance of Apple Brand Shop in each location with a branch shall be at least 5 kilometers except for the central business district: CBD with a concentration of people or in a radius not over 5 kilometers to be Apple Brand Shop of the same reseller such as iStudio by copperwired in Siam Paragon, Central World and Embassy.

2. The potentials of reseller including teams, executives, policies, trends of business operation of the distributor, financial status, and adequacy of current cost and investment etc.

3. The previous sales performance of the distributors, marketing plan, and record of reseller standard agreement etc.

However, practically, the retail team has duties to find locations according to the business expansion plan of CPW and build up a good relationship with landowners or real estate developers to obtain rights of space reservations in the newly opened department stores. At present, the opening of iStudio by copperwired mostly in CBD which not only includes CBD in Bangkok but it also means provinces or area with economic or industrial expansion in which large department stores opened. After obtaining areas or potential areas, it shall discuss with Apple in opening branches of Apple Brand Shop. If CPW is confident that Apple will permit operation of the new location, CPW will follow the business plan presented to Apple officially. Furthermore, Apple will maintain the balance of reseller portfolio and that no reseller is exclusively permitted to open the branches only.

The company can open .life Shop, which is a shop selling digital lifestyle products used with iPhone and other Apple products. .life is under the administration of the company together with the opening of iStudio by copperwired Shops such as Siam Paragon, Central World, and Silom complex or in potential locations with Apple Brand Shop of other resellers. If the company considers that it is business worthwhile, the company will proceed with the approval. .life Shop in CentralPlaza Rama 9 and Central Festival Chiangmai is the alternative for customers to select digital lifestyle products. .life shop is also open at the Iconsiam Department Store where the first branch of Apple Store located in Thailand. It also provides alternatives and more selections of accessories for the customers.

## 6.2 Shop design and decoration

When the executive committee approves shop opening, the design and marketing department will consider details of the leased space and summarize the shop design for hiring an interior designer for further operation.

For Apple Brand Shop, the design is under the concepts of Apple. When the space owner approves the shop design (maybe supported for design cost and design and decoration cost as agreed with Apple), the company will recruit and select a contractor for decoration. The company will inspect construction work according to the plan to be finished in specified time.

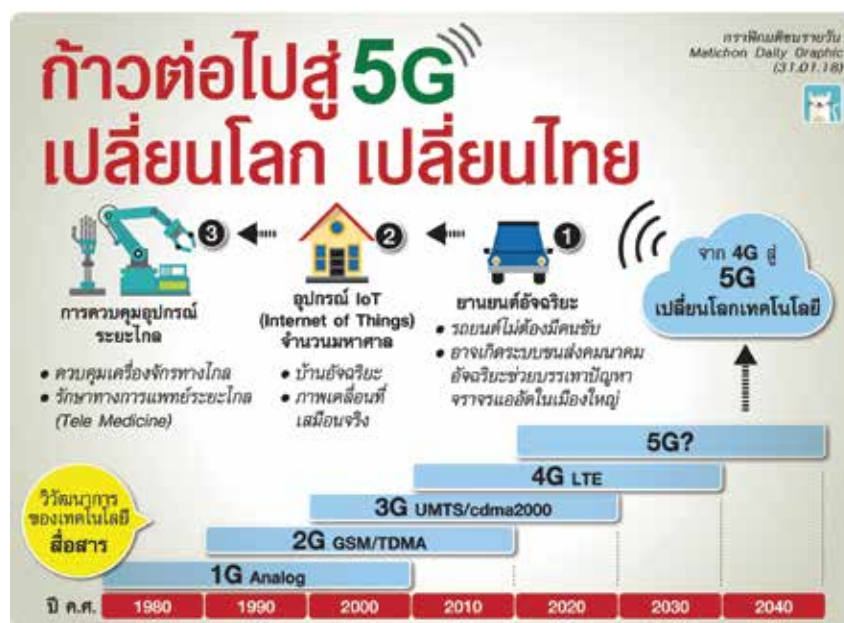
For all A-Store, AIS will administer the design and manage the decorations under the standard of AIS, the company is responsible for the operating license fee cost by the sqm.



## 7. Industry conditions and competitive strategies

Communication infrastructure development is a very important factor in a developing country. This development enhances the worldwide exchange of information from various locations rapidly and efficiently, bringing significant economic value benefits.

The emergence of 5G technology will enhance competitiveness. It creates more economic value to manage industrial system resources, transportation, finance or media sectors, etc.



Source: Page-1 scoop, Daily Matichon, published on 31 January 2018

1. Connected Cars or autonomous vehicles may lead to a smart transport system and enhance the effectiveness of congested traffic in big cities.

2. Using IoT with devices that contain chips processing units enables users to communicate with each other more with 5G technology. Supporting devices, home appliances, and electric appliances in the home or office that allow users to communicate automatically, resulting in a smart home or smart office.

3. Remote Controlling such as machine remote controlling or remote treatment that the doctors can diagnose diseases through the screen and give treatment with remote tool controlling (TeleMedicine) or advice on the real-time system by sending high-definition motion pictures in only 1 second.

## IoT (Internet of Things)

Overview of IoT market all over the world up to 2025



Source: Post Today

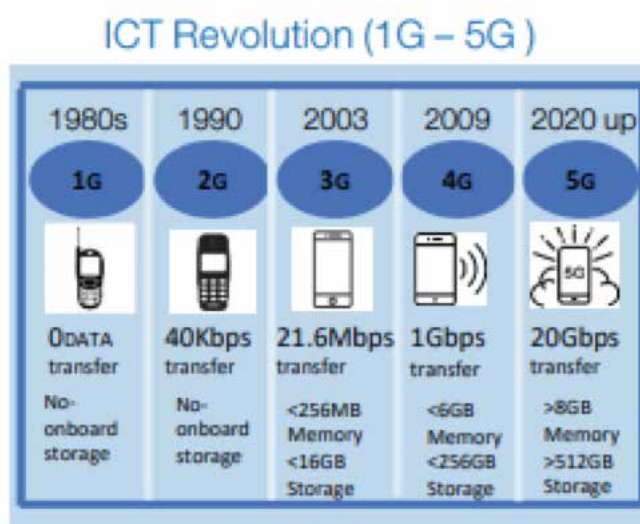
From the beginning of the 5G technology, TMB Analytics assesses the information and communication technology (ICT) business in Thailand will continue to grow. The 5G internet speed is 20 times higher than 4G and can support up to 1 million Internet of Things (IoT) devices per square kilometer. This is ten times more than 4G technology, enabling devices to connect intelligently, allowing the sensor of IoT devices to operate efficiently.

### Thailand's ICT driven factor (supply division)

1) The outcome of Thailand 4.0 policy, the government is providing support to reform the country with big information technology to support the digital economy in the futures as follows:

- Policy on promoting industrial promotion and digital innovation zone (EECd) within the EEC area to be "Incubation Place" to learn, develop and accumulate Thailand's leading technology
- The Smart City Thailand policy aims to expand the smart city across the country and Bangkok in 100 areas by 2022.
- Full 5G technology promotion policy by the Broadcasting Commission The National Television and Telecommunications Business (NBTC) holding the auction for the 5G spectrum in the 2600 MHz frequency band, which was bid by AIS and TRUE

2. The adaptation of 5G technology will generate a vast investment in telecommunication for the country. This adaptation creates the connection of the internet of things. The service provider will invest in the infrastructure with equipment to connect to the Internet (Smart Device) in various ways, such as mobile phones with 5G support, devices connected to electrical appliances, vehicles, and other electronic devices.



source: Compiled by TMB Analytics

### The driven factors of information and communication technology (ICT) in Thailand (demand sector)

1) Household Sector: 5G technology will speed up the use of the Internet. The image of television and video streaming will be sharper. Using Nonvoice in Real-Time will help increase smart devices' efficiency, connecting multiple devices such as directing electrical appliances through the Internet system simultaneously and quickly.

2) Business Sector: Entrepreneurs will have a lot of benefits from using 5G technology. In the future, the Internet of Thing (IoT) generated by 5G will evolve into a Massive IoT, which is a fast, highly stable wireless connection, and supports more smart devices simultaneously and with greater accuracy. When Thailand moves into communication technology with 5G technology, that will be the main factor that contributes to the internet access of the country's population. It is an excellent opportunity for the digital lifestyle products that sell in .life stores and iStudio stores.

### 7.1 Tendency and development of innovation in the future affecting industry

At present, the industry is changing rapidly with the invention and development of innovation, which may substantially affect guidelines for developing products to be released for marketplaces. As a result, the tendency of customer's needs may directly change and affect relevant persons in the industry. Therefore, entrepreneurs need to study and understand change and adapt to catch up with such changes. Nevertheless, the tendency that may cause essential changes in the industry are as follows

1. The emergence of communication technology of 5G or 5th in Thailand from 2020
2. Cloud technological advancement that leads to more space for data storage and more effective processing
3. Development of Internet of Things Technology
4. Development of virtual network and technology including digital transformation

### 7.2 Competition

1. Digital lifestyle product retail shops

.life Shop is a hub with most of the digital lifestyle products in Thailand. The shop is the strength of the company because of the selection of digital lifestyle products that use in routine life and technology combined with the design for an attractive image. The company selects various groups of products for more than 2,000 items from 200 leading brands. It includes the parts chosen by the company and imported through KOAN.

At present, entrepreneurs distributing products in marketplaces mostly focus on selling IT products or electric appliances, supported by digital lifestyle products. The entrepreneurs in the department store group allocate spaces by departments of fashion, IT, electronic devices, and sports. These shops select digital lifestyle products to suit their shops, but there are not many varieties of the products as .life Shops or [www.dotlife.store](http://www.dotlife.store). Furthermore, the company has a quality team having knowledge and expertise in every product in the shop to bring confidence to customers. It includes product warranty and coordination in case of the products being problematic. As a high standard and reliable digital lifestyle retail shop, the customers can ask questions or contact in case the products have a problem.

2. Shops under Apple Brand

Currently, there are few entrepreneurs appointed by Apple South Asia (Thailand) Ltd. as Apple-Authorized Reseller (AAR) and Apple Premium Reseller (APR) in Thailand to distribute Apple products that receive rights to manage Apple Brand Shop. Further- more, the company operates the business of apple authorized service provider with repair standard as specified by Apple. For the competition of Apple Brand Shops, the entrepreneurs required to comply with conditions specified by Apple, such as the design of the shops, product types, product prices, discounts, and promotions has to be the same for Apple Brand Shop. The criteria are the same, including shops of the company and other competitors such as COM7, SPVI or UFICON. The competing factors within the APR group are the shops' location, credit card promotions (0% installments), discount with cashback, and if there are any extra services provided. Personnel at the shops can provide information to present the products and services clearly and correctly to meet the needs of customers. It is a vital factor in competition. However, Apple Brand products are highly popular among customers and widespread. The customers can select products from the electronic appliance division in the department stores or purchase products from mobile shops at the department stores (block shop) with lower prices but no after-sale services or permanent service center. So, it may be risks for customers compared with purchasing products from those companies, or Apple authorized resellers.

Example of companies permitted and appointed as Apple Authorized Resellers in Thailand

Company	Branches of only Apple Brand Shop	Number of service centers
Copperwired Public Company Limited	18	6
SPVI Public Company Limited	33	5
Comseven Public Company Limited	108	26
UFicon Co., Ltd	13	2
Unity progress Co., Ltd	-	1

*Source: Company's data and data collected from each company as of 31 December 2020*

*Note: Number of branch of Apple Brand Shop, including Ustore which has opened in University*

### 3. Digital lifestyle product wholesale business

Most manufacturers and distributors are overseas manufacturers that usually appoint resellers / distributor for their brands and products in each country with only a few that is famous and widely accepted. Nevertheless, defining distributors for each country depends on the policy, sales, reputation of the company. In Thailand, each brand will be selecting one or two distributors, and resellers appointed by the manufacturers and distributors once named. However, KOAN's strong point would be the ability to distribute various digital lifestyle products from renowned manufacturers and distributors of the worldwide brand and that the products are diverse with good quality. The products can resell in retailer shops in various kinds such as department stores, sports shops, electric appliance shops, digital lifestyle shops, IT shops, mobile shops, duty-free shops etc. Furthermore, KOAN provides the marketing plan and the sales guidelines to support resellers. The recommendations are product knowledge, usage instructions, price structure, training, warranty support, and sale tactics. At present, there are very few of the digital lifestyle wholesalers that can provide various products such as KOAN. However, some direct importers smuggle products and sell them at a lower price sometimes. Most products sold to customers of mobile shops, IT shops, and retail shops are not in warranty and do not include after-sale services.

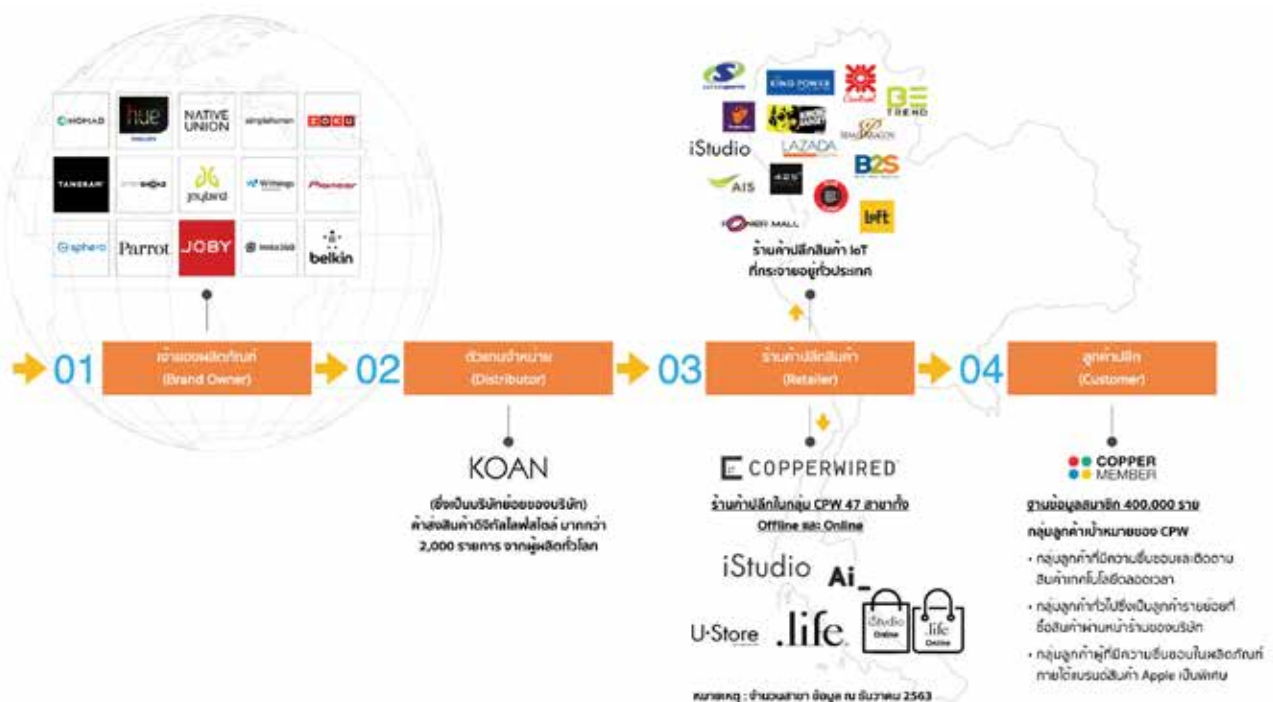
### 7.3 Competition strategy

#### 1. Selecting various products for distribution

The group emphasizes the selection of products to be distributed under its management. The products will be digital lifestyle products that can generally use in daily life combined with technology and beautiful design and uplift the livelihood of users to be convenient. The company and KOAN have a team responsible for selecting digital lifestyle products from around the world. The team has experience in this business for more than ten years, and certainly, they will select products to meet the interests of the customer. Furthermore, the internet user is another channel for supplying products of the group. The team is sourcing and seeking the most updated products. As a result, the products distributed by the group can satisfactorily meet the needs of customers. Moreover, a group of executives and related teams yearly join world-class conventions and visit retails in foreign countries that sell similar products. It is to obtain perspectives, select updated products, and meet up with new suppliers to build an excellent relationship for better negotiation and exchanging ideas of product strategy for the market.

#### 2. Developing various distribution channels

The company and subsidiary distribute digital lifestyle products covering wholesale and retail (wholesale of the group excludes Apple Brand products because the company is the authorized reseller only). The group has various channels for product distributions. There are 34 branches of the company's retail shops, retailers over the country such as Central Department Stores, The Mall, King Power and Apple Store etc. By reaching out to the customer through social media and connecting the customer to purchase online create many conveniences and reduces travel time. Payment can be issued online through the site, and products can be delivered right to the customer. With the development of the virtual product on the websites, customers will have a similar experience to purchase products directly at the shops.



### 3. Potential development of employees

The company emphasizes the development and training for sales staff to understand the company's products and services because the products are related to technology. The sales staff is required to have knowledge and understanding of the products very well. They need to demonstrate usage, system connection, basic troubleshooting, and the response of customers' doubts productively for customer satisfaction. The Company regularly arranges training courses for the sales staff by encouraging employees to learn how to demonstrate the actual digital products according to the real experiences. Additionally, storefront staff from the iStudio by copperwired Shop and Ai\_ Shop regularly transferred to the Apple training center. The training includes learning and experiencing the new features of the products under Apple Brand. Apple also provides standard course training for Apple's products, computers, smartphones, and tablets. Moreover, the company focuses on providing additional services to customers in the shop, such as data transfer, software updates, on-site service, necessary trouble shootings, and the recommendation of accessories used with Apple products.

The Company has developed the team with better knowledge and a better understanding of how to connect IoT products and how to install the smart home group products. Currently, the installation of smart home products is changing from purchasing piece by piece installation to the whole automated system for better security efficiency. Therefore, the company plans to add a more efficient team to manage this customer group and expand the customer base to increase sales.

#### 44. Cooperation with real estate developers in installing smart home/ smart condominium devices

The trend of IoT devices expanded to smart homes to enhance the living of the new generations. The company foresees the potential growth for intelligent home and intelligent condominiums. The first project started at a corporation with the real estate development company, Panjapol Property Co., Ltd, by setting up the user experience for the customer to see the integration of the IoT device in their homes at the project location. The initial start was installing smart home devices at The Craft Ploenchit project, the Luxury Low Rise Condominium with 90 units on the 8-floor building, designed under the concept of Home Intelligent that works with Apple HomeKit. This HomeKit application allows users to quickly and conveniently control all HomeKit accessories through mobile phones or iPads with a simple command. Another feature of the HomeKit app is that the user can check to see if any strangers are at their home, or using Apple TV with the device as a remote controlling. The company's goal is to be the leader of IoT for smart home along with high-end real estate business and expanding to hotels and apartments in the future.

### 5. Selecting the location of branches and shop decoration

The company realizes the importance of shop locations, including .life Shop or Apple Brand Shop. With more than 20 years of experience in the business operation and the first of opening apple brand shop in the department stores. The company has skills and concepts of selecting locations of the branches in department stores, shopping malls, and good reputation community mall with high traffic volume. The company's retail management team evaluates the areas in the department stores, whether if the location is suitable for opening new branches, in terms of shop size, its visibility, and the accessibility of the space. Furthermore, the retail management team build and maintain a good relationship with the space owner to obtain information, have a better opportunity to select leased spaces before anyone. The team also studies and analyzes consumer behavior in each area regularly before choosing the space.

The Company prioritizes the shop decoration by using modern materials that are consistent with digital lifestyle products to attract customers to visit the retail shops.

### 6. Building up a good relationship with retail customers

The company provides a copper member database with more than 400,000 persons to be customer loyalty for collecting points as discounts for buying products at the special price of the company's affiliate shops. Every 25 Baht is 1 point, and every 10 points can be redeemed as 1 Baht for discount. Furthermore, the company uses social media such as Facebook and Line for releasing news, information, promotions, and new products to customers.

#### 7. Building up a good relationship with wholesale trade partners

The group has a policy to develop and maintain a good relationship with trade partners as business partners. For more than ten years of business, the group has more than 200 trade partners, including small, large, domestic, international digital lifestyle product manufacturers, and brand distributors. The Company and subsidiary emphasize and pay attention to trade partners with the same standards, straightforward product trading, without favoritism, and standard payment terms under trade conditions. As a result, the group gains trust from trade partners. If the business partners have new products, products will be offered to the group to test and open to any comments or suggestions. Often they will apply the comments to the concepts of further product development and improve before the launch.

#### 8. Alliance strategy with mobile network service providers

Currently, the company is a trade partner with Advance Info Service PCL, AIS network provider, for selling smartphones with monthly packages and promotions. With this cooperation, new and old AIS network users will receive rights in purchasing smartphones with special prices at Apple Brand Shop under the administration of the company, including iStudio by copperwired, U-Store by copperwired and Ai\_ Shop. The customers do not need to visit the AIS service centers, and it is another way to boost up sales of smartphones for the company.



# Risk Factors

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The company is aware of the importance of risk management that may significantly affect its businesses. It possesses a risk prevention guideline to sufficiently and appropriately manage such risks. This section's risk factors are considered significant and may have a significantly negative impact on the company, its standard share value, and investors' investments. Details of which are as follows:

## 1. Business Risks of the Company

### 1.1 The risk for the Distributor Contract not being renewed

The company was established as Apple Premium Reseller ("APR") and Authorized Apple Reseller ("AAR") from Apple South Asia (Thailand) Limited to sell products under the Apple brand in Thailand and is also an official maintenance service center or Apple Authorized Service Provider (ASP). December 31, 2020, the company has 18 Apple Brand Shop stores representing Apple-branded products under the Company's management and 6 iServe maintenance centers. From 2018 to 2020, the company has revenue from sales and service of Apple-branded products at 70 percent, 74 percent and 78 percent of gross income, respectively. Failure to renew the contract may result in a decrease in revenue in this segment. Additionally, Apple, the brand owner, has the right to terminate the agreement at its discretion at any time with thirty (30) days prior written notice.

However, the company has been in business with Apple South Asia (Thailand) Ltd. since 2006. The Company has a good stable relationship with manufacturers. The company strictly adhered to the terms and conditions, including regulations, policies & practices, Channel Member Code of Conduct, and past sales performance. Therefore, the contract between Apple and the company has always been renewed ever since. The Group also opened a business retail, .life (dotlife) store, focusing on digital lifestyle products. A distribution company, KOAN, as a subsidiary of the Company, operating a digital lifestyle product as a distributor providing more than 2,000 items of product variety for more than 200 brands worldwide. This provides the company with a broader range of other digital lifestyle products in addition to the Apple-branded goods.

### 1.2 Risk of Permission Requirement from Apple to Operate the Apple Brand Shop

The opening of an Apple Brand Shop, as well as iStudio by copperwired and iServe, Apple's Maintenance Centers in each service location, are required to be approved by Apple. Suppose the permission is not granted in the requested area or given to a competing company to open a store. In that case, that may affect the company's business opportunities in opening an Apple Brand Shop according to its business expansion plans.

However, the company set the goals and plans to open Apple Brand Shop in potential locations around leading shopping centers in Bangkok or large provinces with relatively high purchasing power. In addition, the company is well-connected with Apple-branded products being in the business for more than ten years. In the past, the company has achieved successful outcomes as to the management of many stores such as iStudio at Siam Paragon and iServe at Amarin Plaza. According to the company's continuous work plan, these factors support the company to acquire permission from Apple to open Apple Brand Shop in new service areas.

### 1.3 Risk from Apple Store Opening Its Branches in Thailand

Apple currently has the policy to open its retail stores in Bangkok. At present, two Apple Stores opened at Icon Siam and Central World. This may give the customer choices to purchase Apple products from the Apple Store instead of purchasing from the company's stores and affecting its business operations.

However, the Apple Store, being different from iStudio by copperwired, may not meet the full expectation of Thai customers. The factors can be summarized as follows:



1. Service policy: Thai customers often prefer to receive additional services such as data backup, usage instructions. While the Apple store runs its business according to the Apple's standard, this may not include all the needs of Thai customers;
2. Apple products: Most Apple stores maintain an inventory of new models of merchandises while the previous models or N-1 models are available at the iStudio by copperwired;
3. A wide range of promotions: iStudio by copperwired provides a wider range of alternatives promotions to the customers by having a periodic promotional campaign with mobile network service providers (Telco) and credit cards partners. For example, iStudio by copperwired cooperated with AIS by offering the iPhone at a special price when purchased with a monthly package specified by AIS, or a 0% 24 months installment when purchased with selected credit cards participating in the campaign;

Therefore, the Apple Store customers are mostly foreign tourists attracted by the publicity, store landmark, and store decoration. The customers responded better to the company's additional retails, .life (dotlife), a digital lifestyle store that offers a wide range of third-party accessories for Apple products such as cases, cables, cameras, headphones, and speakers. These products are mostly provided by KOAN, CPW's subsidiary, which Apple also selected to be Apple's third-party accessories provider.

#### 1.4 Risk on the Number of Retail Stores in Bangkok's Business Districts

According to the Company's business policy, .life (dotlife) stores, iStudio by copperwired, and iServe stores are selected in the central area in Bangkok such as Ratchaprasong, Phloen Chit, Asoke, and Silom. One-third of all relatively well-known locations of the 12 branches of the retails generated most of the company's income. In the circumstances of the uncontrollable risk such as a political rally or protest, the central areas and shopping areas in Ratchaprasong District, the symbolic target area, will affect the customers and employee's confidence safety. This may have an impact on the business performance of the Group.

The company is aware of the risks of having many retail stores in business districts in Bangkok. It set forth a policy to expand branches to other areas of urbanization in Thailand such as Rama IX, Bang Yai, Bang Na, Ram Inthra, and etc., as well as large economic provinces such as Hat Yai, Chiang Mai, Phuket, Chonburi, etc.

#### 1.5 Risk from New Branch Expansion

Since the distribution business is related to retail and wholesale of digital lifestyle products as a fast-growing business. The products' popularity continually changes, the company has consequently set out a policy to continuously expand .life (dotlife) stores to increase distribution channels as much as possible cover and reach targeted customers. It is the reason why the company is prone to risks if the new branches' operating results when not in line with the company's expectations.

The company that places importance on such issues has specified risk management measures by opening a branch, analyzing the rate of return from opening stores, branch location, customer volume, store size, and sales compared to branch of similar size for decision making. After 4-6 months of operation, where the sales volume of any of the branches did not meet the projected target, the company will analyze the cause to find the solutions or consider relocating or closing such locations.

#### 1.6 Risk from Business Competition

Selling electronic products, such as mobile phones, tablets, and computers, is considered a highly competitive business. Whether it is a competition among manufacturers in terms of product development, or competition among business operators who are distributors of the products. The business operators can be categorized as follows:

1. A business operator who is a reseller, authorized to sell Apple products, allowed to open Apple Brand Shop to sell their products directly such as SPVI Public Company Limited and ComSeven Public Company Limited;
2. Jay Mart and TG Fone who are authorized to sell Apple products in their stores
3. Three mobile phone operators in Thailand (AIS, True, and DTAC);
4. Modern trade channels, resellers or is entitled to resell apple products such as Power Buy, Power Mall, Big C or Tesco Lotus, etc.
5. Retailers who own stores selling computers and mobile phones such as Jay Mart, J.I.B., and IT City, etc.

From 2018 to 2020, the company has acquired revenue from mobile phones, computers, and tablets of approximately 52.81%, 54.36% and 59.82 % respectively of total revenue. Presently, businesses are more competitive. When the new business operators with high potential enter the market, this can significantly affect the operating results.

However, the company does not rely totally on the mobile phone, computer, and tablet segment sales. The company selected more than 2,000 digital lifestyle products under 200 leading brands worldwide to be distributed to the consumers by the company and its subsidiaries through .life (dotlife) stores and online channels. Other digital lifestyle merchandise with higher gross margins were also opted to diversify risks in business operations. The company and its subsidiaries provide sales training techniques for their employees; this way the employees can utilize the training knowledge. The training includes understanding the products' features, fixing fundamental problems, and answering customers' queries to achieve customer service satisfaction and build a good relationship with customers. The company also pays attention to choosing its branches, both .life (dotlife) stores selling digital lifestyle products, and Apple Brand Shops, located in leading department stores and major districts. The company's retail management team carefully picked the suitable areas for opening a branch in terms of area size and accessibility. The company and the subsidiary study and analyze the customers' behavior in each area to determine the strategy to compete with others.

#### 1.7 Risk from Product Being Obsolete due to Technological Change

The company and its subsidiary operate retail and distribution businesses in digital lifestyle products such as smartphones, computers, tablets, etc., which is a rapidly changing technology-related product. That includes new models of the products released annually. Such changes may affect the company's inventory once obsolete or unpopular. As a result, the company and its subsidiaries may not be able to sell such products on time and may experience a loss from such products' impairment.

The Company and its subsidiaries have established guidelines for the prevention and manage such risks by (1) the company set a purchase limit for Product Manager (PM) to limit the of orders reasonably (2) The company uses NIMBUS system to manage the warehouse. Nimbus system allows the users to view the inventory report the sales volume regularly. These guidelines will enable the ordering of the products to be conducted according to each periodically actual need. In addition, the company also managed the products by relocating some products to fast turnover stores to release products before they become obsolete or unpopular; (3) ) The company has set a policy to set aside the impairment of obsolete slow-moving or damaged goods. During 2018 to 2020, the company has collected an amount for the devaluation of inventory of 41.12 million baht, 37.26 million baht, and 40.84 million baht.

The company and the subsidiary also used promotions techniques to promote sales and reduce products from time to time. The company also received a subsidy (Price Protection) from the distributors when new models launched to the market.

#### 1.8 Risks from Consumers Changes in Purchase Channels

Since communication technology developed and expanded rapidly, consumers can conveniently access and use the internet through smartphones, tablets, and computer devices. It also helps boost the use of online shopping services. It is very soon that the retail e-commerce market (B2C-E-Commerce) will continue to grow in line with the increase in internet usage in Thailand. The change in consumer behavior purchasing more on an online platform may decrease the number of customers buying products through the company's branches that may affect the company's performance.

However, Thai people still seek advice from the store and prefer to test the product before purchasing. Moreover, the purchase of digital lifestyle products still relies on retail sales for the customers to experience and try the products before purchasing. As a result, the point of sale for the digital lifestyle segment is still essential. Furthermore, the company has developed an online ordering service to access its products from all channels via [www.dotlife.store](http://www.dotlife.store) and [www.istudio.store](http://www.istudio.store) already launched since the end of 2016. Another purchasing channel is [www.koan.co.th](http://www.koan.co.th), which is KOAN's online website.

### 1.9 The Risk for the Contract Not Being Renewed or Changed Terms and Conditions of the Lease Contract

The company's retail locations consist of 18 Apple Brand Shops, 23 .life stores, and 6 iServe service centers located in the leased department stores. With a short lease term of no more than three years under the general rental policy (except iStudio at Siam Paragon where the lease term is 25 years). On December 31, 2020, 13 contracts are expected to expire in 2021 while the rest will expire in 2022 and 2023. The company is at risk if the contract is not renewed. There are chances of changes in terms and conditions for the contract renewal, such as the increase of rental or service fee, which will affect the company's operating outcome.

### 1.10 Risk from Loss of High Priced Products

Most of the imported digital lifestyle products have a relatively high price per piece, especially Apple-branded products, e.g. smartphones, tablets, laptops, etc. The products at retail stores may be at risk of being stolen by anyone that visits the stores. This may affect the company's profit and its subsidiary if not controlled, measured, or monitored closely.

The company is aware of the risks, therefore preventive measures to prevent such risk by installing an anti-theft detection system at the retail store's entrance/exit and putting anti-theft tags (RFID) on high-priced items such as smartphones, tablets, laptop computers, smartwatches, etc. Closed-circuit television cameras installed to record activities in the store. In addition, daily counts on high priced items of the inventory is performed to verify the accuracy with the ERP system. In the case of product loss, the retail staff must be responsible for paying for the product's loss at the same amount as the retail price.

For inventory storage, the company and its subsidiary rent an external logistic company to store the inventory. The process starts with receiving the product from the dealer, storing products, and distributing products to branches. These are to help increase efficiency in product storage and reduce the risk of product loss. It is the responsibility of the warehouse supervisor hired by the company and its subsidiary.

### 1.11 Risk from Being an Insurance Broker for Accident or Loss of Products

The company's merchandises are digital lifestyle products such as mobile phones, tablet, computers, etc. They come in small size with a high price range. It can be easily accidental or lost. Usually, the manufacturer guarantees the products' quality, but it does not cover the accidents or losses. Some customers wish to obtain additional product insurance in addition to the product quality guarantee. This may be considered a non-life insurance broker requiring a license authorized by the Office of Insurance Commission ("OIC"). The company may be at risk of being an insurance broker without a license.

Even though the company has not yet discovered any formal court decision or the interpretation thereof, to reduce the risk, the company has stopped introducing additional product insurance in the above manner since April 2019, for the company earned only a small amount of product insurance sales. However, the company sees the opportunity or a channel to expand the transactions, the company will consider and apply for all relevant licenses to be able to recommend insurance plans legally.

## 2. Administration and Management Risk

### Risk from Relying on Management

The company and its subsidiary were founded by Mr. Paramate Rienjaroensuk, a skilled businessman. He excels in knowledge, expertise, and experience in the digital lifestyle distribution business of smartphones, computers, and tablets. He is the Chief Executive Officer of the company and its subsidiary. Any potential change in such personnel in the future may affect the company's business operations and its subsidiary.

The company is well aware of the risk of relying on key management. The scope of duties and responsibilities has been set, including the company's authority and management not to depend on any executive. The company encourages employees with high competency to develop, grow, promote, and provide appropriate compensation to motivate them to remain with the company.

### 3. Financial Risk Foreign Exchange Risk

The company purchases digital lifestyle products from KOAN by importing from overseas. From 2018 to 2020, the value of KOAN's overseas purchase was approximately 9.31%, 7.60%, and 6.41% of the total sales cost. However, when the exchange rate fluctuates, it may affect the subsidiary and the overall gross profit.

However, the subsidiary company is well aware of such risks. Even though the cost of purchasing digital lifestyle products in foreign currencies is presently still considered a small proportion compared to the total cost of sales, that will be a rising trend in the future. The Company and its subsidiary operate their businesses under the strict financial policy with the following guidelines.

1. Closely monitor the exchange rate and use financial tools to prevent any risk related to the exchange rate. The subsidiary of the company entered into a Forward Contract with a financial institution to manage the risks arising from importing digital lifestyle products from overseas;

2. The company set the policy on product price setting to align with the risk and consider the exchange rate risk that may affect the cost.

### 4. Risks for Securities Holders' Investment

#### Risk from having major shareholders holding shares altogether more than 50%

On December 31, 2020, the company's major shareholder group, Khun Narong Intanate (consisting of Vnet Capital Company Limited and Khun Narong Intanate' family), holding shares in the company, totaling 54.45% of paid-up capital. Such shareholding proportion has resulted in the group of Khun Narong Intanates taking a major part in making material decisions at the shareholders' meeting, except that the company's regulations require three-fourths of the shareholders' meeting are needed. Therefore, other shareholders may be at risk of not having enough votes to balance and inspect matters proposed to the shareholders' meeting for consideration by the major shareholder.

However, as the company is well aware of such risks, the scope of approval has been clearly defined. Measures for related transactions with the company's directors, major shareholder, controlling person, including any person with the conflict of interest, shall not have the right to approve the transaction. Besides, the Board of Directors consists of seven directors. Four of which are independent directors--more than half of the company's total number of directors which will help balance decisions making process, including the power of the Company's management through a clear and transparently including screening various matters to present to the shareholders' meeting. Once the company is listed on the Stock Exchange of Thailand, the company shall disclose information and comply with the SEC and SET's relevant rules and regulations. This is for the best interest of the company and all shareholders. The company is confident that other minority shareholders and stakeholders should be treated fairly and equally.

# General Information and Other Significant Information

## 1. Company

The Company name	Copperwired Public Company Limited
Registered No.	0107562000149
Symbol for trading	CPW
Type of business	Retailer of digital lifestyle products, smartphone, computer and tablet and accessories.
Sector	Service / Commerce
Head office	159/6 Serm-Mit Tower, Unit 201 – 202, 2nd Floor, Sukhumvit 21 (Asoke), North Klongtoey, Wattana, Bangkok, 10110
Tel	(66) 2-665-2950-3
Fax	(66) 2-665-2954
Website (URL)	www.copperwired.co.th
Authorised share capital	300,000,000 Baht as at 31 December 2020
Issued & paid-up share capital	300,000,000 Baht as at 31 December 2020
Par value (per share)	0.50 Baht

## 2. Subsidiary

The Company name	KOAN Company Limited
Registered No.	0105545117945
Type of business	Wholesale business and Distributor of digital lifestyle products and accessories.
Head office	159/6 Serm-Mit Tower, Unit 203, 2nd Floor, Sukhumvit 21 (Asoke), North Klongtoey, Wattana, Bangkok, 10110
Tel	(66) 2- 665 - 7311
Fax	(66) 2- 665 - 7315
Authorised share capital	50,000,000 Baht as at 31 December 2020
Issued and paid-up share capital	50,000,000 Baht as at 31 December 2020
Par value (per share)	100 Baht

## 3. Others

Securities Register	Thailand Securities Depository Co., Ltd. (TSD) The Stock Exchange of Thailand Building 93 Ratchadaphisek Road, Din Daeng Bangkok 10400 Tel : (66) 2-009-9000 Fax : (66) 2-009-9991 SET Contact center : (66) 2-009-9999
Auditor	KPMG Phoomchai Audit Ltd. 48th-50th Floor, Empire Tower1 South Sathorn Road Yannawa, Sathorn, Bangkok 10120 Tel : (66) 2-677-2000

# Securities and Shareholders

## 1. Registered and Paid-up Capital

As at 31 December 2020, the Company's registered and paid-up capital totaled 300 million baht comprising 600,000,000 ordinary shares with the par value of 0.50 baht each.

## 2. Shareholders

The Company's top 10 major shareholders who held ordinary shares as of June 12, 2020, the latest date of the closing book entry, as follows;

No.	List of Shareholders	No. of Shares (Share)	Proportions (Percentage)
1	Vnet Capital Co.,Ltd	307,898,600	51.32
2	Mr. Paramate Rienjaroensuk	67,706,200	11.28
3	Melco Holding Inc.	24,637,800	4.11
4	Mr. Viroj Gosontanawong	10,000,000	1.67
5	Mr. Sopon Punyaratabandhu	9,742,800	1.62
6	Mrs. Waleeporn Intanate	7,857,000	1.31
7	Ms. Sureeporn Intanate	5,638,200	0.94
8	Mr. Narong Intanate	5,290,400	0.88
9	Mrs. Saranpak Jongvisan	4,317,000	0.72
10	Dr. Yuparat Patanajaroen	4,024,000	0.67

## 3. Other Issuing Securitie

- None -

# Policy on Dividend Payment of the Company and Its Subsidiaries

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## 1. The Company's Dividend Related Policy

The company shall pay the dividend at the rate not less than 50% of the net profit subsequent to deduction of income tax and all types of reserves required and stated by the law by considering the separate financial statements of the company. The dividend payment shall depend on the company's cash flow, sufficiency of working capital for business operation, investment plan, loan repayment, terms and conditions in various contracts currently binding the company including any other legal limitation, necessity, and appropriateness befallen in the future.

The resolution of the Board of Directors approving the payment of dividend shall be presented to the shareholders' meeting for approval, except for the case of interim dividend that the company's Board of Directors is authorized to approve from time to time when the company is considered profitable enough to do so. Nevertheless, it shall be reported to the at the next shareholders' meeting.

## 2. Dividend Related Policy of the Company's Subsidiaries

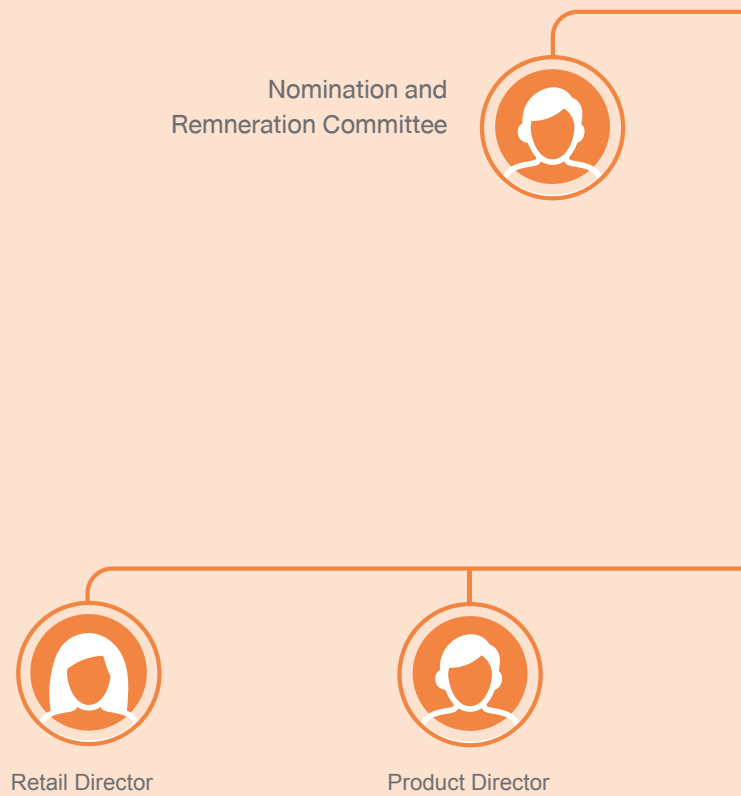
The company's subsidiaries shall pay the dividend at the rate not less than 50% of the net profit subsequent to deduction of income tax and all types of reserves required and stated by the law by considering the separate financial statements of the company's subsidiaries. The dividend payment shall depend on the company's subsidiaries' cash flow, sufficiency of working capital for business operation, investment plan, loan repayment, terms and conditions in various contracts currently binding the company's subsidiaries including any other legal limitation, necessity, and appropriateness befallen in the future.

The resolution of the Board of Directors approving the payment of dividend shall be presented to the shareholders' meeting for approval, except for the case of interim dividend that the company's subsidiaries' Board of Directors is authorized to approve from time to time when the company's subsidiaries are considered profitable enough to do so. Nevertheless, it shall be reported to the at the next shareholders' meeting.

As for the year 2019, the Company paid dividend to the shareholder Baht 0.080 per share, representing a dividend payout ratio of 61.98% of net profit per the separated financial statements.

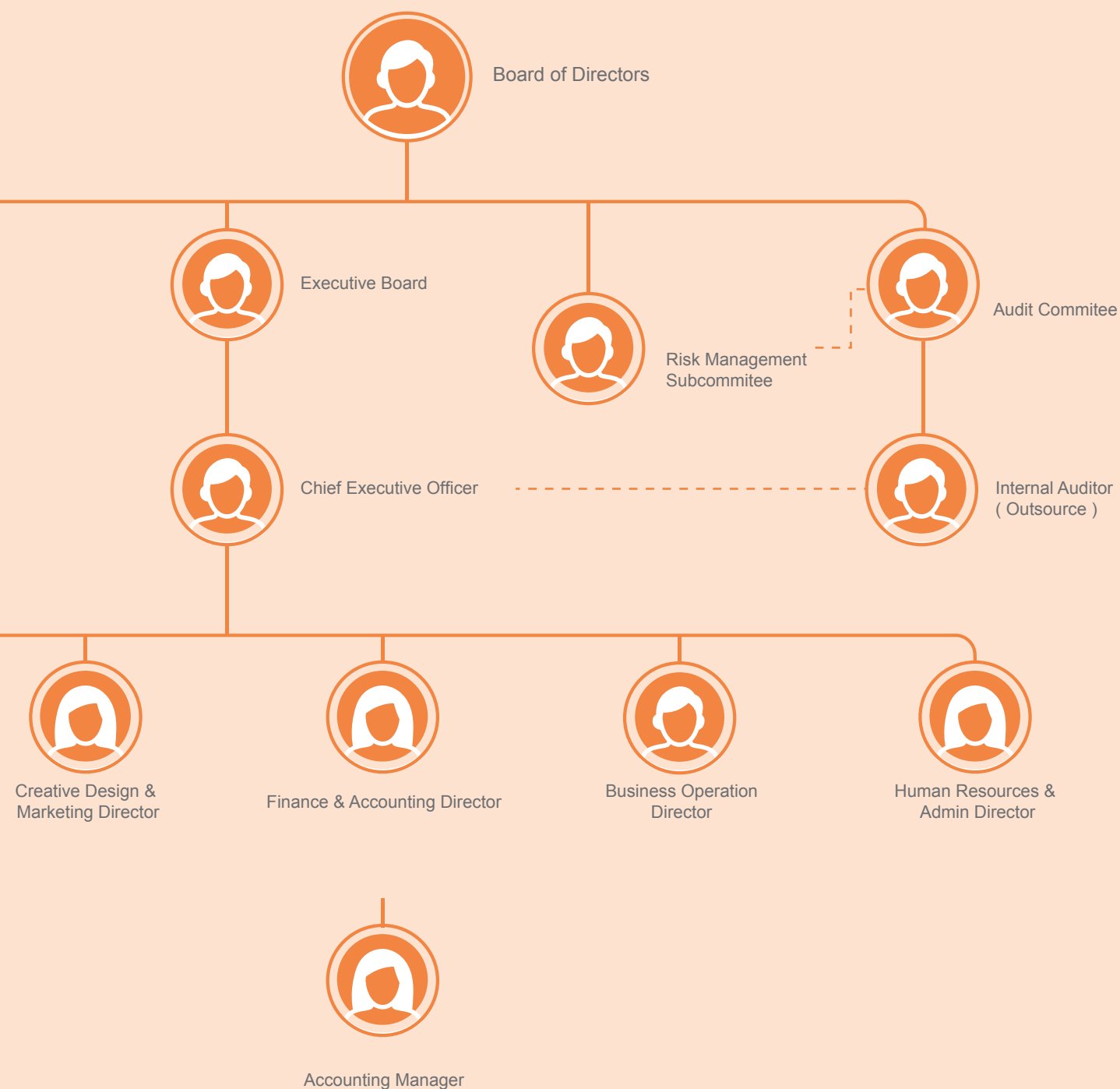
# Management Structure

## 1. Organization Chart



CPW and its subsidiary use outsource internal auditing company, Audit House corp.,ltd, as the internal auditor.





As of December 31, 2020, the company's management structure consists of the Board of Directors and 3 subcommittees i.e. (1) Audit Committee (2) Executive Board (3) Nomination and Remuneration Committee. Details of which are as follows:

## 2. Board of Directors

On December 31, 2020, the company has 7 directors, namely:

Name	Position
1. Mr. Narong Intanate	Chairman of Board of Directors / Executive Chairman / Nomination and Remuneration Committee member
2. Mr. Paramate Rienjaroensuk	Executive committee / Chief Executive Officer (CEO)
3. Mr. Sopon Punyaratabandhu	Executive Committee / Risk Management Subcommittee member
4. Prof. Dr. Pornchai Chunhachinda	Independent Director/Chairman of Audit Committee
5. Mr. Manus Chiaravanond	Independent Director / Audit Committee / Chairman of the Nomination and Remuneration Committee
6. Mr. Kongkiet Wangveeramit	Independent Director / Audit Committee / Chairman of the Risk Management Subcommittee
7. Mr. Punn Kasemsup	Independent Director / Nomination and Remuneration Committee member

Note :

1. Mr. Narong Intanate and Mr. Sopon Punyaratabandhu are the directors nominated from VNET due to the Board of Directors selection condition from the Investment agreement between the Company and VNET dated 5 September 2008
2. Mr. Narong Intanate is the Chairman of the Board of Directors. Though he is not the independence director, the Company has 4 independence directors out of 7 total directors, which is accounted for more than 50% of total directors and it follows the good corporate governance.

### Authorized Directors

2 out of 3 directors namely Mr. Narong Intanate, Mr. Sopon Punyaratabandhu or Mr. Paramate Rienjaroensuk cosign and seal with the company's seal.

## 2.1 Scope of Authority, Duties and Responsibilities of the Board of Directors

1. The Board of Directors has authorities, duties, and responsibilities in the management and business operations of the Company and in the supervision of the business operations of the Company's subsidiaries to ensure they comply with applicable laws, objectives, and Articles of Association together with the resolutions of shareholders with honesty and prudence in order to protect the interests of the Company and shareholders and response for the company comply with the laws related to the company's business.

2. To provide the Board of Directors on a quarterly basis at least.

3. To arrange for the Company to put in place proper and efficient systems for accounting, financial reporting, and auditing, including the accurate disclosure of important information within a reasonable period of time and in full compliance with applicable regulations and standards. In addition, the Board of Directors shall arrange for the Company to have proper and adequate systems for internal controls, internal audit, and storage of material documents so that all data can be examined or verified at any later date.

4. To arrange for the balance sheet and profit and loss statement of the company at the end of the accounting period to be complete and accurate in accordance with Accounting Standards which has audited by the auditor and proposed to the shareholders' meeting for consideration and approval.

5. To consider, review and approve the vision, policies, directions, strategies, and business operation plans proposed by the management.

6. To determine the company's targets, directions, policies, strategies, visions, business operation plans, budgets, management structures and authority including monitoring and supervising the administration and management of the executive to comply with the set policies, such as the connected transaction, acquisition or distribution of important assets to the extent that it is not contrary or inconsistent with other laws, plans and budget efficiently and effectively and in the best interests of the Company and its shareholders.

7. To monitor the business operation to be in compliance with the business plan and budget.

8. To consider establishing policies for risk management to cover all ranges of activities within the Company and to set up systems or processes for risk management, through proper, sufficient, and efficient contingency measures and control methods to lessen the potential impact on the Company's business operations.

9. To put in place, and abide by, a written policy on good corporate governance as per the principles of good corporate governance and apply this policy in an efficient and responsible manner towards all people with a concern for fairness.

10. To determine the management structure and use power to appoint the Executive Committee, Managing Director and other sub-committees as appropriate, including defining the scope of authority of the Executive Committee, managing director and various committees appointed. However, the scope of authority shall not authorize the manner of the Executive Committee, Managing Director and various sub-committees to be able to approve transactions that may have conflict of interests between the Company and other companies or subsidiaries (if any), unless the approval is in accordance with the policies and guidelines and approved by the BOD.

11. To consider and propose the remuneration of for approval. In considering such remuneration, such factors as (but not limited to) the Company's business operations and operational results, market conditions, industry practices, and existing economic conditions, as well as scopes of duties and responsibilities of the Directors, shall also be taken into account.

12. To control and prevent conflicts of interest among the company's stakeholders.

13. To conduct the dissemination of appropriate information and disclosing information to stakeholders. Person with a conflict of interest and related persons correctly, completely, appropriately and on time.

14. To arrange to company's annual report and financial statement at the end of the accounting period and propose to the shareholders' meeting for consideration and approval.

15. The Board may authorize one director or more or any other person(s) to act as the Board under the control of the Board of Directors or may delegate to such person to have authority as the Board deems appropriate. In so doing, such authorization shall not be in the nature of a power of attorney or sub-power of attorney that allows such authorized person(s) to have the authority to consider or approve transactions in which they or any third party may have a conflict of interest, have a vested interest in, or have any other sorts of conflicts of interest with the Company (as defined in the Regulations of the Capital Market and/or SET and/or any announcement) except where it is the normal transactions and transactions with third parties (Arm's Length).

To request an opinion from the independent professional advisors when deemed necessary at the company's expense which the employment is in accordance with the company's regulations.

16. Each Director and executive has a duty to report to the Company any transaction to be entered into with the Company, or with its subsidiaries or associated companies, which could give rise to a conflict of interest.

17. Each Director and executive has a duty to report to the Company any transaction to be entered into with the Company, or with its subsidiaries or associated companies, which could give rise to a conflict of interest.

18. The directors and executives including their respective spouses and children shall not use any inside information of the company either received from their duty or in any other way that has significant effect to the company or has benefit to oneself or others, whether directly or indirectly and whether they receive compensation or not.

19. Each Director and management of the company, including the related persons has a duty to notify the company about the relationship and transactions with the company in cause conflicts of interest and avoid transactions that may cause conflicts of interest with the company.

## 2.2 Meeting of the Board of Directors

Name	Number of attended meetings/All meetings of year		
	2018	2019	2020
1. Mr. Narong Intanate	8/8	8/8	7/7
2. Mr. Paramate Rienjaroensuk	8/8	8/8	7/7
3. Mr. Sopon Punyaratabandhu	8/8	8/8	7/7
4. Prof. Dr. Pornchai Chunhachinda	4/8	8/8	7/7
5. Mr. Manus Chiaravanond	4/8	7/8	6/7
6. Mr. Kongkiet Wangveeramit	4/8	8/8	7/7
7. Mr. Punn Kasemsup	4/8	7/8	7/7

*Note : Prof. Dr. Pornchai Chunhachinda, Mr. Manus Chiaravanond, Mr. Punn Kasemsup and Mr. Kongkiet Wangveeramit have been the CPW's directors according to the resolution of the Extraordinary General Meeting of Shareholders No.2/2018 on June 18,2018.*

The schedule of The Board of Directors for 2021 has been scheduled in advance by The Board of Directors at the meeting No. 7/2020 on 18 December 2020. There may be changes and the meeting will not include the case of the meeting on special agenda as follows:

No	Board Meeting
1/2021	Monday 22 February 2021
2/2021	Friday 14 May 2021
3/2021	Thursday 12 August 2021
4/2021	Friday 12 November 2021
5/2021	Friday 17 December 2021

Meeting invitations, draft of minutes of the previous meeting, and current meeting documents are delivered to Directors at least five days in advance of the Board meeting date, with exception to urgent matters.

### 3. Audit Committee

On December 31, 2020, the company has 3 members in the Audit Committee, namely:

Name	Position
1. Prof. Dr. Pornchai Chunhachinda	Chairman of the Audit Committee
2. Mr. Manus Chiaravanond	Audit Committee Member
3. Mr. Kongkiet Wangveeramit	Audit Committee Member

*Remark: Prof. Dr. Pornchai Chunhachinda, Mr. Manus Chiaravanond, and 3. Mr. Kongkiet Wangveeramit were appointed directors of the company according to the resolution of the shareholders' annual general meeting no. 2/2018 on June 18, 2018.*

*Note : Dr. Pornchai Chunhachinda is a member of the company's Audit Committee and also an independent director with sufficient knowledge and experience in accounting and finance to review and assess the reliability of the financial statements of the company. He graduated a bachelor's degree in Accounting from Chulalongkorn University, Master of Business Administration from Thammasat University, and Ph.D. in Finance from Florida International University. He currently is an independent director and Chairman of the Audit Committee of Bangkok Post Public Company Limited. In this regards, Ms. Dolyarat Molasuk is Secretary of the Audit Committee.*

#### 3.1 Scope of Authority, Duties and Responsibilities of the Audit Committee

1. To examine the Company's compliance with applicable laws on the securities and exchange regulations of the Stock Exchange of Thailand (SET) and laws relevant to the Company's business operations, as well as the Company's subsidiaries.
2. To examine the Company's financial reports to ensure their accuracy and sufficient disclosure by review the financial report process and coordinate with external auditors and executive responsible for preparing quarterly and annually financial reports.
3. To examine the Company's internal controls and internal audit systems to ensure their suitability and efficiency and to determine the Internal Audit unit's independence, as well as to approve the appointment, transfer, and removal of Head of Internal Audit or any other person holding an equivalent position.
4. To review and approve the scope of the internal audit, internal audit plan and to consider the audit results of the internal auditor including considering and approving the budget and manpower of the internal audit department.
5. To consider, select, and nominate independent person(s) to be elected as the Company's external auditor(s) as well as to propose their remuneration, regard to reliability, sufficiency of resources and the audit work, including the knowledge and to attend the meeting with the external auditor(s) without the management at least once a year.
6. To consider connected transactions or transactions that may lead to conflicts of interest, with each case being in compliance with applicable laws and regulations of the Capital Market Supervisory Board and the Stock Exchange of Thailand (SET), including those policies relating to connected transactions and good corporate governance of the Company with a view to ensuring that they be reasonable and serve the Company's best interests.
7. To review the management and compliance with the risk management policy as specified.
8. To consider and approve the appointment of external consultants or professional experts to obtain recommendations or opinions therefrom as deemed appropriate.

9. To ensure the Company's compliance with applicable laws on the securities and exchange regulations of the Stock Exchange of Thailand (SET) and laws relevant to the Company's business operations, as well as the Company's subsidiaries.

10. In performing its duties, the Audit Committee should review risk management policies, the business ethics of directors and / or executives that must be proposed to the public in accordance with the law and regulation.

### 3.2 Audit Committee Meeting

Details of the Audit Committee's attendance in 2018, 2019, and 2020 are as follows:

Name	Number of Attendance		
	2018	2019	2020
1. Prof. Dr. Pornchai Chunhachinda	3/3	4/4	4/4
2. Mr. Manus Chiaravanond	3/3	3/4	4/4
3. Mr. Kongkiet Wangveerarnit	3/3	4/4	4/4

## 4. Nomination and Remuneration Committee

As of December 31, 2020, the Nomination and Remuneration Committee (NRC) consisted of 3 members as follows:

Name	Position
1. Mr. Manus Chiaravanond	Chairman of the NRC
2. Mr. Narong Intanate	NRC Member
3. Mr. Punn Kasemsup	NRC Member

*Note : Mr. Manus Chiaravanond, Mr. Manus Chiaravanond, and 3.Mr. Punn Kasemsup have been appointed to be the member of the Nomination and Remuneration Committee by the approval of the Board of Directors meeting No. 1/2561 on November 7, 2018.*

### 4.1 Scope of Authority, Duties and Responsibilities of the Nomination and Remuneration Committee

The Nomination and Remuneration Committee has duties and responsibilities to perform work and to report to Board of Directors as follows;

1. To determine the qualifications and guidelines for selecting members of the Board of Directors (including members of sub-committees) and managing director and nominating qualified individuals with sufficient knowledge, experience, and expertise to be appointed by the Board of Directors and/or at the shareholder's meeting, as the case may be.

2. To review guidelines and procedures with respect to the development of the managing director to be aligned with the Company's business and current situation.

3. To review guidelines and procedures for the payment of compensation (whether in a form of cash, securities, or any other arrangements) to directors, sub-committee members, and managing director, ensuring that they are appropriate and fair and comply with applicable laws.

4. To observe criteria for the performance evaluation of the managing director and propose to the Board of Directors for approval.

5. To review and recommend changes to the scope of authority, duties, and responsibilities of the Nomination and Remuneration Committee to be consistent with the current business situation.

6. To perform other activities assigned by the Board of Directors or in accordance with the policies prescribed by the Board of Directors.

#### 4.2 Meeting of the Nomination and Remuneration Committee

In 2018, 2019 and 2020 the details of the meeting attendance of the Nomination and Remuneration Committee as follows;

Name	Number of attended meetings/All meetings of year		
	2018	2019	2020
1. Mr. Manus Chiaravanond	None	1/1	1/1
2. Mr. Narong Intanate	None	1/1	1/1
3. Mr. Punn Kasemsup	None	1/1	1/1

### 5. Executive Committee

On December 31, 2020, the company has 3 members in the Executive Board, namely:

Name	Position
1. Mr. Narong Intanate	Executive Chairman
2. Mr. Paramate Rienjaroensuk	Executive committee
3. Mr. Sopon Punyaratabandhu	Executive committee

*Note : Board resolution no.7/2018 on 7 November 2018 approved to appoint Mr. Narong Intanate, Mr. Sopon Punyaratabandhu, Mr. Paramate Rienjaroensuk to be the executive director.*

#### 5.1 Scope of Authority, Duties and Responsibilities of the Executive Committee

1. To manage the Company's vision, direction, policies, and strategies, including preparing and proposing business plans and annual budget plans to the Board of Directors for consideration and approval.

2. To manage the Company's business to comply with the objectives, goal, control, governance and follow up on operational results of the company, ensuring they are in line with the policies, strategies, targets, plans, and budgets as approved by the Board of Directors in order to the efficiency and effectiveness achieve of the business.

3. To manage business operations that related to the general management of the company.

4. To approve the entry into contracts or the conduct of ordinary business or ancillary activities in support of such ordinary business under general commercial terms, the opening and closure of bank and financial institution accounts, the use of financial services within credit limits and/or within the budget as approved by the Board of Directors or as approved in principle by the Board, as well as in accordance with the Schedule of Authority as approved by the Board of Directors.

5. To approve any credit or loan of the Company and its subsidiaries. Credit limit of each transaction is as specified in the table of authority limits or as determined by the Board of Directors.

6. To consider and propose an organizational structure that is appropriate to the operations of the company and the corporate management to the Nomination and Compensation Committee and/or the Board of Directors to approval.

7. To approve the appointment of consultant which is necessary for the company's operations by within the budget approved by the BOD every year.

8. To appoint the working group to response to scrutinizing reports submitted to the Executive Committee or to perform any tasks that are conducive to the performance of the Executive Committee.



9. To determine the structure and policy about salary including adjustment of salary, bonus, compensation and reward to employees and executives (except Chief Executive Officer), excluding the conflicts of interest transaction that should submitted for the Nomination and Compensation Committee and/or the Board of Directors to approval.

10. To consider or to perform any other duties assigned by the Board of Directors.

11. To review and propose amendments to the Charter of the Executive committee in accordance with the circumstances.

12. To issue any power of attorney delegating its authority to any one person(s) to perform any act under the supervision of the Executive Committee or to issue any power of attorney delegating such person(s) to have the authority and with in a period of time as deemed appropriate by the Executive Committee. The Executive Committee may cancel, revoke, change, or amend any person(s) to be so authorized or such power of attorney.

In so doing, the delegation of such authority or the issue of the power of attorney shall not be of a nature that allows such authorized person(s) to have authority or power to approve transactions in which they or any third party may have a conflict of interest (as this term is so defined in any applicable regulation or notification of the Capital Market Supervisory Board, the Stock Exchange of Thailand (SET), and/or competent agencies), have a vested interest in, or have any other sorts of conflicts of interest with the Company, its subsidiaries and/or related companies. In this regard, the Executive Committee shall also not have the authority to approve such matters, and such matters must be proposed to the meetings of the Board of Directors and/or shareholders (as the case may be) for approval, except where such matters are transactions in the Company's ordinary course of business with general commercial terms as per any applicable regulation or notification of the Capital Market Supervisory Board, the Stock Exchange of Thailand (SET), and/or competent agencies.

## 5.2 Executive Committee Meeting

In 2018, 2019 and 2020, the details of the meeting attendance of the Executive Committee as follows;

Name	Number of Attendance		
	2018	2019	2020
1. Mr. Narong Intanate	12/12	13/13	13/13
2. Mr. Paramate Rienjaroensuk	12/12	13/13	13/13
3. Mr. Sopon Punyaratabandhu	12/12	13/13	13/13

## 6. Scope of Authority, Duties and Responsibilities of the Chairman

1. To supervise and oversee the performance of the Board of Directors, ensuring that it is efficient and conforms to the Company's main objectives and goals.

2. To encourage directors to perform their duties in accordance with the scope of authority, duties, and responsibilities of the Board of Directors, including applicable laws and good corporate governance, as well as to prompt all Board members to promote a corporate culture of ethical behaviors.

3. To convene and preside over a meeting of the Board of Directors, as well as to cast a casting vote in the event of equality of votes.

4. To ensure that the meeting is efficient and organized in such a way that provides sufficient time for the Management to propose and debate important matters, as well as to promote and give directors an opportunity to express their views and opinions freely.

5. To strengthen relationships between directors and between the Board of Directors and the Management

## 7. Management

As of December 31, 2020, the Management consisted of 8 members as follows:

Name <sup>1/</sup>	Position
1. Mr. Paramate Rienjaroensuk	Executive Committee/Chief Executive Officer (CEO)
2. Ms. Papavee Vitthupreecha	Retail Director
3. Mr. Paramate Rienjaroensuk	Product Director (Acting)
4. Ms. Sureeporn Intanate	Creative Design & Marketing Director
5. Ms. Rattanakorn Rojvatcharapibal <sup>/2</sup>	Finance & Accounting Director
6. Mr. Adiwet Khaosut	Business Operations Director
7. Mrs. Yaowaluk Nilubol	Human Resources & Admin Director
8. Ms. Daranee Deekhunthod <sup>/3</sup>	Accounting manager

Note:

<sup>/1</sup> According to the definition stipulated by the Securities and Exchange Commission's Notification No. KoCho. 17/2551 on the Definition in the Notices about Issuance and Offering of Securities (including any additional amendments), the executive means the manager or the first four management level positions after the Manager and shall include any person holding positions at the managerial level in the accounting or financial working unit or equivalent thereto. Details of which appears in Attachment 1;

<sup>/2</sup> The person assigned with the highest responsibility in accounting and finance (CFO) is Miss Rattanakorn Rojvatcharapibal;

<sup>/3</sup> The person assigned to be responsible for accounting related matters is Miss Daranee Deekhunthod.

## 8. Company Secretary

The Board of Directors resolved to appoint Ms. Rattanakorn Rojvatcharapibal as the Company Secretary, which performs roles and responsibilities in compliance with the Securities and Exchange Commission Act as follows;

1. To provide preliminary recommendations to the Board of Directors and executives regarding pertinent laws and regulations that must be abided by the Board of Directors. Ensuring the compliance of the Company and the Board of Directors with the relevant laws, rules & regulations, and informing Directors and Executives of any significant changes in regulations that related to them.

2. Supervising the Board of Directors' activities, organize meetings of the Board of Directors and shareholders, record the minutes of such meetings, and coordinate with relevant persons to ensure compliance with the meeting resolutions.

3. Ensuring the Company disclosure and all information under responsible in accordance with the relevant laws, rules and regulations of the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (SEC).

4. Submitting a copy of the conflict of interest report pursuant to Section 89/14 prepared by the directors to the chairman of the board and the chairman of the audit committee within 7 working days from the date the company receives the report.

5. Preparing and maintaining important documents of the Company, comprising of:

5.1) Register of directors

5.2) Notices and minutes of the Board of Directors' meetings and annual reports of the Company

5.3) Notices and minutes of shareholders' meetings

5.4) The conflict of interest report of company's directors or management.

6. To perform any other duties required by the Capital Market Supervisory Board.

## 9. Remuneration of the Directors and Executives

### 9.1 Monetary compensation

#### (A) Remuneration of Directors

The 2020 Annual General Meeting of Shareholders held on 27 June 2020, resolved to determine the remuneration for the Company's directors as follows;

Board of Directors	Meeting Allowance	Monthly Retainer	Annual Bonus
	Baht	Baht	Baht / Year
<b>The Board of Directors</b>			Depending upon the company's performances
• Chairman	20,000	25,000	
• Member*	20,000	20,000	
<b>Audit Committee</b>			
• Chairman	20,000	25,000	
• Member	20,000	-	
<b>Executive committee</b>			
• Chairman	-	-	
• Member	-	-	
<b>Nomination and Remuneration Committee</b>			
• Chairman	20,000	-	
• Member	20,000	-	
<b>Risk Management Subcommittee</b>			
• Chairman	20,000	-	
• Member	20,000	-	

*Note: According to the Shareholders' Annual General Meeting's resolution No. 1/2019 as of March 12, 2019, a director who is not an independent director shall receive monthly remuneration and attendance fee as of the month the company received approval for the offering of newly issued shares to the public (IPO).*

Details of the remuneration of directors in 2018, 2019 and 2020 as follows;

Name of Directors	2018		2019		2020	
	Meeting Allowance	Monthly Retainer	Meeting Allowance	Monthly Retainer	Meeting Allowance	Monthly Retainer
1. Mr. Narong Intanate	-	-	40,000	75,000	40,000	75,000
2. Mr. Paramate Rienjaroensuk	-	-	40,000	60,000	20,000	60,000
3. Mr. Sopon Punyaratabandhu	-	-	40,000	60,000	60,000	60,000
4. Prof. Dr. Pornchai Chunhachinda	140,000	150,000	280,000	300,000	100,000	150,000
5. Mr. Manus Chiaravanond	140,000	120,000	260,000	240,000	100,000	120,000
6. Mr. Punn Kasemsup	80,000	120,000	180,000	240,000	80,000	120,000
7. Mr. Kongkiet Wangveeramit	140,000	120,000	360,000	240,000	140,000	120,000
<b>Total</b>	<b>500,000</b>	<b>510,000</b>	<b>1,100,000</b>	<b>1,215,000</b>	<b>540,000</b>	<b>705,000</b>

#### (B) Remuneration of Executives

The Board of Directors has established the management's remuneration policy and criteria with the Nomination and Remuneration Committee reviewing the remuneration of the Company's Chief Executive Officer and proposing to the company's Board of Directors for approval. Such remuneration was appropriately determined according to the company's remuneration structure. The past performance and level of duties and responsibilities assigned were also considered. The Chief Executive Officer shall consider the appropriateness of the remuneration including the annual remuneration adjustment of the executive level by considering their and company's performances as well as the performance as to the company's goals that have been defined in advance. In the year 2018, 2019 and 2020, the company remunerated the company's executives in the total amount of 15.03 million baht, 15.98 million baht and 15.83 million baht, respectively. Such remuneration consists of salary, bonus, commission fee, and other benefits. Details of which are as follows:

Compensation type	2018		2019		2020	
	(Person)	Amount (Baht)	(Person)	Amount (Baht)	(Person)	Amount (Baht)
Salaries, Bonus and Commission	7	14,401,271	7	15,723,641	8	15,215,701
Others benefits	7	624,673	7	260,000	8	615,000
<b>Total</b>	<b>7</b>	<b>15,025,944</b>	<b>7</b>	<b>15,983,641</b>	<b>8</b>	<b>15,830,701</b>

*Note: Management's compensation in the above table (Excluding 1 Ms. Daranee Deekhunthod, who was appointed on August 1, 2019), is the remuneration of the management according to the definition of the SEC that is different from the remuneration of the management as mentioned in the notes to financial statements for the year ended 31 December 2018 and 31 December 2019.*

## 9.2 Non-cash compensation

The company has procured a health insurance for the executives of the company. Furthermore, directors and executives of the company are entitled to a 2% discount upon purchasing the company's merchandise.

## 10. Personnel

### 10.1 Number of Employees

During 2018–2020, the company and its subsidiaries have had the total number of 321, 349, and 354 employees, respectively.

Division of Operations	2018	2019	2020
	(person)	(person)	(person)
Retail	215	236	233
Merchandise	15	22	20
Marketing and Communication	4	7	8
Store Design and Decoration	4	4	4
Human Resources	5	5	5
Service	39	31	35
Accounting and Finance	15	15	16
Operations	12	14	13
Technology	2	2	2
Administrative	4	4	4
Electronic Commerce	6	9	14
Total	321	349	354

## 10.2 Compensation of Employees

During 2018–2020, the Company has paid remuneration to the employees of the company and its subsidiaries (excluding the executives) totaling 115.68, 118.66 and 108.36 million baht, respectively. Such remuneration consists of salary, bonus, and other benefits. Details of which are as follows:

Compensation type	2018	2019	2020
	Amount (Baht)	Amount (Baht)	Amount (Baht)
Salary	73,708,908	76,713,042	76,016,226
Bonus	6,062,530	5,498,975	5,646,850
Other such as Commission, Incentive, Traveling allowance	35,907,228	36,447,375	26,697,365
<b>Total</b>	<b>115,678,666</b>	<b>118,659,392</b>	<b>108,360,441</b>

*Remark: The company has established a provident fund for the company and its subsidiaries and has already been registered with the SEC with an effective date as of July 1, 2019.*

In addition, the company has procured a group insurance for its employees. Moreover, its employees have been given a discount for purchasing the company's products in line with the purchase limit varied by positions.

## 10.3 Human Resource Development Policy

The company has been emphasizing on developing ideas, attitudes, skills, knowledge, and competence of its staff and employees in order to increase the potential of its human resources so that they can work efficiently on a continuous basis. Details of which are as follows:

- 1) Focus on the significance of work preparation and readiness of all levels of employees. All positions shall be trained to be knowledgeable and to understand the company's management structure, vision, policy, direction, culture, and ethics so that all employees can carry out their assigned responsibilities in a consistently unwavering same approach;
- 2) Provide training courses about its products as well as sales and servicing skills to both new and current store. For the customers' highest satisfaction, employees shall be continuously evaluated and followed up to ensure that they have updated knowledge and competence to provide service to the customers;
- 3) Develop skills, knowledge, and competence of employees at all levels by planning from the results of performance assessments according to the Key Performance Indicators (KPIs) of the organization and of each individual in order to plan for capability development which will lead to the company's employees working efficiently and achieving the goals set by the company;
- 4) Place importance on developing employees' ideas and attitudes to ensure that they can be decent individuals with morality and work ethics while providing service to the customers;
- 5) Encourage employees to participate in external trainings and to acquire knowledge development certificate specially designed for each profession;
- 6) Conduct a planning to promote employee competence development so that they can grow up to the next level in a higher position to encourage them to further work with and for the company;
- 7) Encourage employees to learn and apply technology to work improvement so that they can work correctly, more effectively, and faster, for the company aims towards being a modern organization in technology.

## 10.4 Labor disputes in the past 3 years

- n/a



# Corporate Governance

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## 1. Corporate Governance

The company takes in the magnitude of good corporate governance that it is important to help promote the efficiency and transparency of the company's business and also help increase competitiveness and sustainable growth of the company. These will lead to the confidence of all stakeholders that the operations of the company are duly conducted with fairness, transparency, and linked to the best interests of all stakeholders, including employees, investors, shareholders, and other stakeholders. In order to guide the management of the organization, the company therefore considers it essential the corporate governance policy should be established as follows:

**Principle 1:** Recognize Roles and Responsibilities of the Board of Directors as the Corporate Leader that Brings About Sustainable Value for the Business

In order for the board to understand the roles and responsibilities of the organization leaders, the company clearly defines roles, duties, and responsibilities of the Board of Directors. In addition to the duties and responsibilities required by law which stipulates that the Board of Directors has the power and duties to manage the company in accordance with the law, the company's objectives and regulations, and the resolution of the shareholders' meeting with responsibility, caution, and integrity, the company assigns the Board of Directors to have the authority and duties to prescribe visions, missions, goals, policies, operational directions, strategic plans, work plans, and the annual budget of the company and also to supervise and monitor the company's operations to be in accordance with the laws, policies, plans, and annual budgets, and to evaluate the performance and superintend the report of the said performances.

In addition, the company has appointed sub-committees and working groups to support the board in inspecting and supervising its operations and administration to be in line with the laws, policies, work plans, and annual budgets. The subcommittees consist of an Audit Committee, a Nomination and Remuneration Committee, and a Risk Management Subcommittee to which the company has clearly established the scope of powers, duties, and responsibilities of the sub-committees and working groups.

The Company has prepared a charter for the Board of Directors, subcommittees, and working groups and ensures that the Board of Directors, subcommittees, and such working group are well informed about the said charter. The company requires that the said charter be reviewed at least once a year so that it can be amended in accordance with the direction of the company.

The Board of Directors has also prepared a policy on corporate governance as a guideline for the company to conduct its businesses ethically while respecting rights and being responsible for shareholders and stakeholders, conducting businesses that benefit society and the environment, including being able to adapt under fluctuating factors.

**Principle 2:** Establish Objectives and Key Goals of the Business for Sustainability

The Board of Directors determines clear and suitable corporate visions and missions for the organization to communicate to all stakeholders so that they all are able to understand the objectives and goals of the organization, and also for its personnel at all levels to adhere to such principles in order to achieve the set objectives and goals.

The company has a policy to annually review and determine strategic and budget plans to ensure that such plans are in line with economic conditions and the corporate's potential. The company also promotes the creation of innovation and bringing innovation and technology to the business.

In addition, the committee is responsible for overseeing and monitoring operations in accordance with the established strategies and budgets as well as supervising the allocation of important resources.

In the year 2020, the Board of Directors has reviewed and approved the Company's vision, mission, strategies, goals, and business directions. The crucial policies have to be appropriate and consistent with business operations under good corporate governance principles such as corporate governance policy, the Anti-corruption policy, etc.

**Principle 3:** Assembling Effective Committees

The company has a policy to define the board structure, as required by law, to be in line with the business and size of the company. The Board of Directors will be a mixed proportion between executive and non-executive directors that reflects the appropriate balance of power. Moreover, Chairman of the Board of Directors and Chief Executive Officer of the Company must not be the same person to provide clarity on accountability during policy formulation, governance, and routine management.

In order for the directors to be able to devote sufficient time to perform their duties for the company, the company requires that each director can hold a position in other listed companies for a total of no more than 5 companies and must attend at least 78% of board meetings held each year. The company stipulates that there will be at least 6 board of directors' meetings held annually.

In addition, the company's current Board of Directors consist of four independent directors out of the total number of 7 directors, which is more than one-third of the total number of directors of the company. This enables check-and-balance system in voting on various matters, to maximize the benefits of the company. The independent director may serve as a director for the company for a continuous period of no more than 9 years as of the date of first appointment as independent director. In case of a conduct otherwise, the committee will reasonably consider such necessity.

In order to have a clear and transparent process for the appointment of the Company's Board of Directors and management, the Board of Directors has therefore appointed the Nomination and Remuneration Committee consisting of over half of the independent directors, and the Chairman of the Nomination Committee will be appointed from the independent directors to perform the duty of recruiting personnel whose knowledge, expertise, and experience will be beneficial to the company's business. The selected personnel will be later presented to the Board of Directors and/or the shareholders' meeting for consideration and appointment as a director or executive of the company.

After the company is listed as a listed company in the Stock Exchange of Thailand, the company will disclose information of directors and executives e.g. age, educational background, experience, shareholding percentage, years of service as director, number of times attending the meeting, directorship in other listed companies, roles, and responsibilities, etc. The performances of the subcommittees are to be recounted in the company's annual report.

The Board of Directors has established the scope of duties, and responsibilities of the Nomination and Remuneration Committee to include consideration and determination of the remuneration policy for the Board of Directors, subcommittees, and Chief Executive Officer in accordance with the performance of the company and their roles, duties, and responsibilities compared to other companies in the same industry. Such compensation must not be in an exorbitant rate and must be presented to the committee and/or the shareholders' meeting for approval. After the company is listed as a listed company in the Stock Exchange of Thailand, information regarding the remuneration to the Board of Directors, whether it be in cash, will be disclosed to the public.

The company has appointed a company secretary to supervise and advise directors and executives on their compliance with laws, rules, and company regulations and to monitor correct and regular compliance to such laws, rules, and regulations. The company secretary is also responsible for organizing the Board of Directors' meetings and shareholders' meetings, supervising and coordinating the implementation of the resolutions of the said meeting, including any other duties as required by law.

#### **Principle 4:** Recruitment and Development of Senior Executives and Personnel Management

The company, in order for the business to continue efficiently, has clearly established a succession plan for key management positions including the position of Chief Executive Officer. It is also the company's intention to remuneration a reasonable compensation in order to incentivize the company's Chief Executive Officer and the executives who are important to the organization to work in the best interest of the company and the shareholders of the company. To comply so, a performance evaluation will be annually conducted as a basis for determining compensation and to develop capabilities to increase work efficiency.

##### **Diversity of company directors**

The Board of Directors is well aware of the board of directors' diversity benefits. It is an essential factor to enhance the efficiency of the Board of Directors' tasks and decisions. Such varieties are not limited to just sex, ethnicity, age, educational history, professional experience, skills, knowledge, or attitudes. Therefore, recruiting and considering the appointed directors is based on their knowledge and abilities, including the selection criteria to considers the benefit. The varieties are consist of the followings:

The company has the policy to provide knowledge enhancement to influential directors and executives. By assigning each person to the training organized by various departments to strengthen the knowledge and future perspectives. Including an executive development program for the benefit of evaluation of the progression plan.

##### **Director's Training Course in year 2020**

Name-Surname	Position	Training Course in year 2020
1. Mr. Sopon Punnayaratphath	Executive Committee / Member of the Risk Management Subcommittee	IT Governance and Cyber Resilience Program (ITG) 15/2020
2. Mr.Punn Kasemsup	Independent Director/Nomination and Remuneration Committee	As a Speaker in the seminar "Business Consultation on the Guidelines for Entering into the International Trading Convention (CISG) organized by The Joint Standing Committee on Commerce, Industry and Banking (JSCCIB - Thailand

### **Principle 5:** Promote Innovation and Responsible Business Conduct

The Board of Directors is aware of the rights of all groups of stakeholders whether they are internal or external stakeholders. For good understanding and cooperation between the company and the stakeholders and to amplify the Company's long-term competitiveness, the company hereby establishes a policy and practices as follows:

- **Shareholders** The company has a policy to treat all employees equally and fairly, provide fair compensation and appropriate welfare according to the knowledge and capability of each employee, give importance to the development of knowledge to develop skills in working for high efficiency. In addition, the company also sets up a provident fund for employees and as well provides opportunities for employees to develop their working skills.
- **Employees** The company has a policy to treat all employees equally and fairly, provide fair compensation and appropriate welfare according to the knowledge and capability of each employee, give importance to the development of knowledge to develop skills in working for high efficiency. In addition, the company also sets up a provident fund for employees and as well provides opportunities for employees to develop their working skills.
- **Business partners and/or creditors** The company has a policy to treat all business partners and/or creditors equally, fairly, and honestly. The company will not take advantages from its business partners and/or creditors and will comply with the business contract, provide true and correct information and should be based on business relationship.
- **Customers** The company is committed to be attentive and responsible to customers e.g. distribution of quality products, customer confidentiality, etc. The company has a team or personnel who is responsible for the relationship with customers.
- **Competitors** The company has a policy to act in accordance with the rules of good competition, does not seek confidential information of its competitors through dishonest or indecent means, and never destroys the reputation of its commercial competitors by making malicious accusations.
- **Community and Society** The company is committed to develop, promote, and enhance the general quality of life of the society and the communities where the company and its affiliates are located in line with the growth of the company. The company focuses on continuously cultivating within the organization consciousness and responsibility to the community and society, including supporting activities that benefit the public and the society.
- **Environment** The company strictly complies with various laws and regulations related to the environment and continuously emphasizes on controlling environmental impacts. The company has a policy to support various activities that enhance the quality of occupational health and the environment while maintaining a safe working environment at all times.

### **Principle 6:** Appropriate Risk Management and Internal Control System

The Board of Directors has established a policy to have an internal control system that covers all aspects from financial matters to compliance with applicable laws, rules, and related regulations. Sufficiently effective check-and-balance mechanisms must also be kept in place to protect and maintain the company's assets and property. It must also establish procedures for approval authority and responsibilities of the management, establish written regulations. The company also hires internal and external auditors who will be responsible for monitoring the performance of all departments so that they can be in accordance with the stipulated regulations.

The Company has appointed a Risk Management Subcommittee to consider and analyze the risks that may occur to the company and propose risk management measures to prevent any impact on the company's business and supervise such risk management in accordance with the established risk management policy.

The Board of Directors will also pay attention to anti-corruption related matters by establishing a distinct policy communicating to those concerned, and adhering to such policy. It has also set up a whistleblowing policy to serve as a mechanism for supervising those concerned to comply with respect to corporate governance.

### **Principle 7:** Maintain Financial Credibility and Disclosure of Information

The Board of Directors is committed to ensuring compliance with the laws, rules, and regulations related to information disclosure. The company will pay attention to the correct, complete, and transparent disclosure of company's information, financial information, and non-financial information to ensure that all concerned persons are equally informed.

After the company was listed as a listed company in the Stock Exchange of Thailand, the Board of Directors will be responsible for preparing the annual report, annual registration statement (Form 56-1), and financial report of the company. The preparation of financial reports is in accordance with generally accepted accounting standards conducted by selecting an appropriate accounting policy and keeping such practice regularly. A careful discretion shall also be exercised in that regard. In addition, important information is to be adequately disclosed in the notes to the financial statements. The Board of Directors shall assign the Audit Committee to supervise the quality of financial reports and provide comments and give opinions to the Board of Directors.

After the company has been listed as a listed company in the Stock Exchange of Thailand, the company shall publish information of the company to the shareholders and the public through channels and media of the Stock Exchange of Thailand and the Company's website.

**Principle 8:** Encourage Participation and Communication with Shareholders

The company sees the rights of the shareholders as significance and shall not take any action which violates or deprives the rights of the shareholders other than their basic rights such as the right to buy, sell or transfer the securities they hold, the right to receive a profit share from the company, the right to attend the shareholders' meeting, etc. The company realizes the right of the shareholders to receive correct, complete, adequate, timely, and equitable information pertaining to the company. In light of decision-making in every matter, the Board of Directors has laid down the policies as follows:

1) The company will hold a shareholders' meeting to allow shareholders to deliberate on important matters as required by law or any matter that may affect the business operation of the company;

2) The company will send a meeting invitation together with related information to the shareholders in advance of the meeting in accordance with the time specified by the relevant laws or regulations to provide opportunities for shareholders to study the information completely prior to the meeting. In addition, the company will allow shareholders to submit questions in advance of the meeting date. The criteria for submitting questions will be set up and disseminated on the company's website, and the company will have them compiled and raise important questions in the meeting;

3) The company will provide opportunities for minority shareholders to nominate persons to be elected as directors or to propose additional agenda prior to the shareholders' meeting. Such criteria shall be made clear and disclosed to the shareholders in advance. In case where the shareholder's proposal is not made into the meeting's agenda, the reason of which shall be provided in the shareholders' meeting;

4) In case where the shareholders are unable to attend the meeting in person, the shareholders who cannot attend the meeting may appoint a proxy acting on his/her behalf or may appoint at least one independent director to act as a proxy to attend and vote on behalf of such shareholder. Names and information regarding the aforementioned independent directors shall be stated in the notice of shareholders' meeting;

5) In the event that the company has foreign shareholders, the company shall prepare a notice of meeting with supporting information in English and have them delivered to such foreign shareholders together with the Thai version;

6) After the company is listed as a listed company in the Stock Exchange of Thailand, the company shall add more channels for the shareholders to obtain news from the company via the company's website. The company shall publish the invitation letter to the shareholders' meeting at least 28 days prior to the meeting date so that the shareholders can easily and completely download the information about meeting agenda;

7) The company will facilitate all shareholders equally in their attendance in terms of location and time;

8) At the shareholders' meeting, the meeting will be conducted in accordance with the laws and regulations of the company by considering and voting in order of the agenda specified. Any material information or meeting agenda shall not be altered unnecessarily. Besides, equal opportunities to make inquiries, opinions, and comments shall be provided to all shareholders;

9) The company shall use ballot papers on important agenda, and independent individuals e.g. an external auditor, legal advisor, etc. shall be assigned to examine the votes at the meeting;

10) The company encourages that all directors and related executives to attend the meeting in order to answer questions from shareholders;

11) Within 14 days from the date of the shareholders' meeting, the minutes of the meeting shall be completely and accurately recorded. The record shall include names of the directors and executives attending the meeting, voting and vote counting methods, meeting resolutions, voting results, including important questions and opinions so that the shareholders are able to have them reviewed. In addition, the company will arrange a video recording of the meeting for reference. After the company is listed as a listed company in the Stock Exchange of Thailand, the company will deliver the said minutes to the Stock Exchange of Thailand or related agencies within the specified period of time. The minutes of the shareholders' meeting shall also be published on the company's website for the shareholders' review.

After the company is listed as a listed company in the Stock Exchange of Thailand, the company will arrange for investors an investor relations staff to contact and provide information to shareholders, investors, securities analysts or any related agencies

The top executives who participated in investor relations activities in 2020 are summarized as follows:

1. One session of participating in the activity "Listed Companies Meet Investors" (SET Opportunity Day) organized by the Stock Exchange of Thailand.

2. Three sessions of the press conference

## 2. Code of Conduct

### 2.1 Business Ethics

The company's executives and employees as the company's representatives consistently adhere to the business ethics as working guidelines. Details of which are as follows:

#### 1) Rule of Law

The company abides by the rule of law in business operations. It is also the duty of the management and the employees to be acquainted with the company's regulations, related laws including any prospectively promulgated law which may affect administration and work of the company.

#### 2) Transparency

The company's operating decisions and methods are transparent. The pertaining information can be disclosed to all interested parties for acknowledgment and verification under the relevant laws, regulations, rules, and procedures of the company in relation to preventing trade secrets from leaking to competitors.

#### 3) Fairness and Morality

The company is committed to fairness and morality with all interested persons to sustain continuously good relationship in the course of business. Additionally, the company does not discriminate against anyone through unfair judgment or personal relationship and gives equal opportunities without discrimination of race, nationality, religion or gender.

#### 4) Importance of Customers

The company's executives and employees focuses and place importance on the customers by controlling quality of its products and services which result in customer satisfaction.

#### 5) Social Responsibility

The company is distinctively aware of its responsibility to society and community. It has always been its primary mission to execute projects and activities that are beneficial to social and community development.

#### 6) Political Irrelevance

The company respects and supports all of its stakeholders to exercise their rights and freedom under the constitution; however, the company shall invariably be neutral.

### 2.2 Code of Ethics

The company has established guidelines for its executives and employees pertaining to the Code of Ethics. Details of which are as follows:

#### 1) Maintain Leadership

The executives should possess ethical quality, adhere to a leadership role that is appropriate, conduct themselves in a way that is accepted by the society, and to be useful for the management of the company.

#### 2) Be Honest

The executives and the employees shall perform their duties with honesty and assuredly protect the interests of the company.

#### 3) Comply with laws and regulations

The executives and the employees shall strictly perform their duties in accordance with the company's regulations and also any law pertaining to the company's business. Also, they shall avoid any action that may adversely affect the reputation of the company.

#### 4) Protect Company's Property

The executives and the employees shall be responsible for maintaining and only using company's property to the full benefits of the company's business. They shall never be used improperly or unlawfully or for the benefit of others other than those of the company.

#### 5) Conduct Towards Supervisors, Colleagues, and Staff

The executives and the employees shall maintain the working environment free from violations of any right to privacy. Mutual respect shall be key fundamental along with cooperation, assistance, advice, and problem solving.

#### 6) Be a Good Citizen

The executives and the employees shall be good citizens of the country who live with others in the society at full pride.

#### 7) Not Accepting Excessive Gifts

The executives, the employees and those who are close to them shall never receive any benefits or gifts from those who relate to the business of the company if such acceptance may imply that a special business relationship with the giver shall be established, which may cause damage to the company.

#### 8) No Conflict of Interest

The executives and the employees shall not act in ways that may cause conflicts of interest with the company.

#### 9) Never Use Specific Information for Unlawful Benefits

The executives and the employees shall never misuse the company's specific information.

### 3. Nomination and Appointment of Directors and High-Leveled Executives

In the selection of directors and senior management of the company, the Nominating and Compensation Committee is responsible for determining the recruitment and screening policies for suitable individuals to be nominated as directors and/or senior management prior to making recommendations to the Board of Directors and/or the shareholders' meeting for the appointment of such persons. These procedures shall be conducted in accordance with the relevant charter, company's regulations, relevant laws, and corporate's good governance related policies.

#### 3.1 Board of Directors

##### Criteria

1. The Board of Directors consists of at least 5 directors.
2. The structure of the Board of Directors shall consist of at least one-third of independent directors but shall not be less than 3 people. The independent directors shall be independent from the control of the management and/or major shareholders, and shall never have a financial and management interest in the business of the company. The independent directors shall also be qualified as stipulated in the Independent Directors Qualifications Guidelines defined in the Notification of the Capital Market Supervisory Board No. Tho Cho. 39/2559 on Request and Provision of Permission to Offer for Sale of Newly Issued Shares (Tho Cho. 39/2559).
3. The Board of Directors shall select one director to be the chairman of the board. In the event that the board of directors deems it appropriate, one or more directors may be chosen to be vice-chairman.
4. The company has a policy that the Managing Director shall not be the same person as the Chief Executive Officer.

##### Qualifications of Directors

1. The company's directors shall be knowledgeable, capable, and experienced for the benefit of the business and shall be honest and ethical in conducting business and have sufficient time to fully devote knowledge and ability and perform duties for the company.
2. The directors shall be fully qualified and not disqualified by the Public Limited Companies Act B.E. 2535 (including the amended version ("Public Companies Act")), the Securities and Exchange Act B.E. 2535 (including the amended version ("Securities Act")), including any relevant announcements, regulations and/or regulations. Besides, they shall not have any characteristics indicating a lack of appropriateness to maintain trust from the public to manage businesses of which the public are shareholders as specified by the Securities and Exchange Commission and/or the Capital Market Supervisory Board. The director shall be a person whose name is on the list of directors and executives of the company issuing securities in accordance with the announcement of the Capital Market Supervisory Board regarding the rules on displaying the name of a person in the list of directors and executives of the company issuing securities.
3. The directors shall not operate any business which has the same nature and in competition with the company or become directors of other juristic persons that have the same condition and in competition with the business of the company, whether conducting for their own benefits or for the benefit of others unless such incident is notified in the shareholders' meeting before being appointed by the meeting's resolution.
4. The directors shall inform the company without delay in case where they are going to have an interest in the contract that the company enters into, either directly or indirectly, or to hold more or less shares in the company.



#### Additional Qualifications of the Independent Director

1. The independent directors shall be independent from the control of the management, major shareholder, and shall not have any involvement or interest in finance and business administration of the company, and retain all the qualifications in accordance with the relevant rules and regulations of the Capital Market Supervisory Board as well as the relevant laws. Details of which are as follows.

2. The independent director shall not possess more than one percent of the total voting shares of the company, parent company, subsidiary company, associated company, major shareholder or the person with controlling power over the company, including the shareholding of any person related to such independent director.

3. The independent director shall not be or used to be a director with participation in management, staff, employee, advisor receiving a regular salary or the person with controlling power over the company, parent company, subsidiary company, associated company, same-level subsidiary company, major shareholder or those with controlling power over the company unless such director has been relinquished from the aforementioned position for at least two years before being appointed. Such prohibited criteria shall exclude the case where an independent director used to be a civil servant or an advisor to a government organization that is a major shareholder or a person with a controlling power over the company.

4. The independent director shall not have blood relationship or by legal registration as father, mother, spouse, sibling, child, including the spouse of the child of other director, executives, major shareholders, persons with controlling power or the person nominated to be company's director, executive or person with controlling power over the company or its subsidiary.

The independent director shall not have or used to have a business relationship with the company, parent company, subsidiary company, associated company, major shareholder, or the company's controlling person in a manner that may obstruct his independent discretion including neither being nor having been a significant shareholder or the controlling person of the person having a business relationship with the company, parent company, subsidiary company, associated company, major shareholder or the company's controlling person unless having been free from the aforementioned nature for at least two years before being appointed.

Business relations under the first paragraph includes normal business transactions regarding real estate leased or rental business, transactions relating to assets or services or granting or receiving financial assistance by accepting or lending guarantees, providing assets as collateral for liabilities including other similar circumstances which results in the company or a contractor having an obligation to pay to the other party from 3% of the company's net tangible assets or 20 million baht or more. However, the calculation of the said debt burden shall be in accordance with the method of calculating the value of the connected transaction under the Notification of the Capital Market Supervisory Board on Criteria for connected transactions, mutatis mutandis. Nevertheless, when considering the said debt burden, it shall include the debt burden that occurred during 1 year before the date where a business relationship with the same person befell.

5. The independent director shall not be or used to be an auditor of the company, parent company, subsidiary company, associated company, major shareholder or the controlling person of the company and shall not be a significant shareholder, controlling person, a partner of any audit firm having auditors auditing transactions of the company, parent company, subsidiary company, associated company, major shareholder or the person with controlling power over the company unless having been free from the aforementioned nature for at least two years before being appointed.

6. The independent director shall not be or used to be a professional service provider of any kind which includes providing services as legal advisors or financial advisors which receives service fees of more than two million baht per year from the company, parent company, subsidiary company, associated company, major shareholder or the controlling person of the company. The independent director shall also not be a significant shareholder, controlling person or partner of that professional service provider unless having been free from the aforementioned nature for at least two years before being appointed.

7. The independent director shall not be a director appointed to be a representative of the director of the company, major shareholders or shareholders which is related to the major shareholders.

8. The independent director shall not be a person who operates a business of the same nature and in significant competition with the business of the company or its subsidiary or become a significant partner in a partnership or a director with participation in management, employee, staff, consultant receiving a regular salary or have shares exceeding one percent of the total voting shares in other companies which operates in the same business and in significant competition with the business of the company or its subsidiary.

9. The independent director shall not have any characteristics which make him incapable of independently expressing opinions pertaining to the company's business related affairs.



### Term of office and election of directors

1. Election of directors shall be conducted in accordance with related regulations and laws in a transparent and unblemished manner. Educational backgrounds and professional experiences of that person including qualifications shall be considered along with supporting details, for the benefit of the decision making process conducted by the Board of Directors and shareholders.

2. At each annual general meeting, one-third of directors shall be resigned. In case where it is impossible to equally split the number of directors into 3 parts, then the number nearest to one-third shall be applied. The directors to be retired in the first and the second year after the company registered in the market shall be finalized by drawing lots. In the subsequent years, the directors who have been in office the longest shall retire.

3. Directors who retire by rotation may be re-elected.

4. Apart from retiring from the office according to the office term, the directors may vacate office upon:

(1) Death

(2) Resign

(3) Being disqualified or being under any prohibition under the law on public limited companies and/or the law on securities and exchange.

(4) The meeting of shareholders has a resolution for such director to vacate the office by a vote of not less than three-fourth of the number of shareholders attending the meeting and having the right to vote and having a total of not less than half of the shares held by the shareholders attending the meeting and having voting rights.

(5) court order

5. Any director who wishes to resign shall submit resignation letter to the company, and it shall be deemed effective from the date it is received by the company. The resigning director may notify their resignation to the public company registrar, if he/she wishes.

6. In case where the position is vacant due to any other reasons other than retirement by rotation, the directors shall select a person who is qualified and not disqualified under the law on public companies and securities and the Stock Exchange of Thailand to replace the vacant director at the next board meeting unless the remaining term of the directors is less than 2 months. However, the newly appointed director shall only serve for the remaining term of the replaced director.

7. For the independent directors, they shall hold office for a period of no more than nine years as of the date of appointment to the position of director for the first time.

## 3.2 Audit Committee

### Criteria

1. The audit committee shall consist of at least 3 independent directors who meet the criteria set out in the Capital Market Supervisory Board at least three people.

2. At least 1 member of the audit committee shall retain sufficient knowledge, understanding or experience in accounting or finance to be able to review the reliability of financial statements and have ongoing knowledge about the causes of changes shown in financial reports.

3. The audit committee shall have knowledge and understanding of the industry and the operations of the company.

### Qualifications

1. Being qualified according to the relevant laws, especially the law on public limited companies and the law on securities and stock exchange.

2. Positioned as Director and Independent Director of the Company. The qualifications of the independent are as announced by the relevant Capital Market Supervisory Board.

3. Being able to devote sufficient time to perform their duties.

### Term of Office and the Appointment of the Audit Committee

1. Appointment of the Audit Committee

- The Board of Directors or the shareholders meeting shall appoint independent directors of the company to be the members of the audit committee.

- The current Audit Committee shall assort one member of the audit committee as Chairman.

- The audit committee shall appoint a secretary of the audit committee which is the Chief of the Internal Audit Department or any person deemed appropriate by the audit committee to support the operation of the audit committee which includes meeting appointment, meeting agenda preparation, meeting documents delivery, and meeting minutes record.

## 2. Term of Office

- The audit committee has an office term of 3 years, as of the date appointed by the Board of Directors or the meeting of shareholders or according to the term of office of the director set out by the company.

- Members of the audit committee who vacate office upon the expiration of their term may be reappointed, as the Board of Directors or the shareholders' meeting deems appropriate, but in total, they shall never hold the position for more than 9 years unless the meeting of the Board of Directors or that of the shareholders meeting deems appropriate to hold the position for more than 9 years. In such case, reasons thereof shall be stated.

- In case where the position of the audit committee becomes vacant for any other reasons aside from the expiration of the office term, the Board of Directors shall appoint a person with complete qualifications as an audit committee so that the amount of the audit committee is in accordance with the criteria required by law or relevant regulations, within 3 months from the date the number of members is not complete. However, the person being appointed as the audit committee can hold office for the remaining term of the replaced audit committee.

## 3. Retirement

- The term is complete
- Being disqualified or being under any prohibition under the law on public limited companies and/or the law on securities and
- Exchange
- Death
- Resign
- Being withdrawn

In case where the audit committee resigns before the end of the office term, the audit committee shall notify the company at least 1 month in advance with reasons so that the Board of Directors or the shareholders' meeting may appoint other qualified directors to replace the resigned director.

## 3.3 The Nomination and Remuneration Committee

### Criteria

Nomination and Compensation Committee consists of at least 3 persons i.e. at least 1 independent director. the Nomination and Remuneration Committee shall select the Nomination and Remuneration Committee ("Nomination Committee") which is an independent director to serve as Chairman of the Nomination Committee and also appoint a secretary of the Nomination Committee to support the operation of the audit committee which includes meeting appointment, meeting agenda preparation, meeting documents delivery, and meeting minutes record.

### Qualifications

1. Nomination Committee shall be an able and skilled person with knowledge, honesty, business ethics who has sufficient time to devote his/her knowledge and capability to perform duties for the company.

2. Nomination Committee shall be a qualified person and not be under any prohibition under the law on public limited companies and other relevant laws.

### Term of Office and Election of Nomination and Remuneration Committee

The Board of Directors shall appoint a person with complete qualifications as specified above to be Nomination Committee with an office term of 3 years. In the event that the said Nomination Committee is currently the director of the company, the term of office shall be in accordance with the term of office of the company's director. However, the retired Nominating Committee may be reappointed.

In case where the Nomination Committee completes the office term or may not be able to hold the position until the end of the appointed office term which will result in the number of the committee to be less than 3 persons, the company's Board of Directors shall, without delay, appoint the Nominating Committee or within 3 months from the date the number of the Nominating Committee is not complete so as to ensure continuity in the performance of the Nominating Committee.

### 3.4 Executive Committee

#### Criteria and Qualifications

1. The Board of Directors shall appoint the Executive Committee which consists of at least 3 persons i.e. Chief Executive Officer and other directors (which are not independent directors) and/or management of the company. One executive shall be appointed the chairman of the executive board.

2. The Executive Committee shall appoint an eligible person to be a secretary of the Executive Committee.

#### Term of office and Election of Executive Directors

1. The Executive Director has a term of office of three years.

2. Executive Director who retires by rotation may be re-appointed for another term.

3. In cases where the position is vacant due to reasons other than the retirement by rotation, the Board of Directors shall appoint a fully qualified person to be an Executive Director so that the number of executive directors is complete as required. In this regard, the person in charge of the executive committee shall hold office for the remaining term of the executive director whom he/she replaces.

4. The Executive Directors shall retire from office upon ceasing to be the company's director or an executive of the company.

### 3.5 Nomination of Directors and Top Management

In recruiting people to be a member of the company's Board of Directors and Chief Executive Officer (CEO), the nominee's name and qualifications shall be proposed to the Nomination and Remuneration Committee which will determine the qualifications and criteria for the selection of company's directors (including members of other company's sub-committees) and the Chief Executive Officer (CEO). People with knowledge, experience, skills, and expertise shall be screened and selected. Then, the selected individual shall be presented to the company's Board of Directors for approval and/or to propose to the shareholders' meeting for further appointment.

### 3.6 Board of Directors' Self-Assessment

The Board of Directors and subcommittees conduct self-assessment at least once a year to jointly review their performance and problems for further improvement. The Company Secretary is responsible for distributing the assessment form to be completed and returned by each director. The names of directors are kept confidential to allow them to freely evaluate their performance, whereafter the results of self-assessment are proposed at the Board of Directors' meeting. The assessment forms of the Board of Directors and subcommittees consist of self-assessment of the Board as a whole and on an individual basis. The Company adopts the self-assessment form of the Stock Exchange of Thailand, which covers the following key topics:

1. Self-assessment of the Board of Directors (as a whole) consists of:

- Structure and qualifications of the Board of Directors
- Roles, duties, and responsibilities of the Board of Directors – Board of Directors' meeting
- Duties of directors
- Relationship with the Management
- Directors' self-development and management training

In 2020, the overall result of the self-assessment of the Board of Directors as a whole was highly satisfactory with a total score of 99.79%.

2. Self-assessment of the Board of Directors and subcommittees (on an individual basis) consists of:

- The structure and characteristics of the board
- The board meeting
- The roles and responsibilities of the board

In 2020, the overall result of the self-assessment of the Board of Directors on an individual basis was highly satisfactory with a total score of 99.62%.

3. Self-assessment for Subcommittee The committees which consist of the number of the directors more than one-half of total number of such committees are responsible for conducting an evaluation in order to evaluate the subcommittee's performance as a team. The Audit Committee, the Nomination Committee, the Remuneration Committee and the Risk Management Subcommittee are responsible for conducting a self-evaluation under the areas of assessment of

- The structure and characteristics of the subcommittee
- The sub-committee meeting
- The roles and responsibilities of such subcommittee

Results of the evaluation for the year 2020

(a) The Audit Committee

- The results of the evaluation of the Audit Committee (as the whole) was highly satisfactory with a total score of 99.68%.
- The results of the evaluation of an individual Audit Committee (self-assessment) was highly satisfactory with a total score of 100%.

(b) The Nomination and Remuneration Committee

• The results of the evaluation of the Nomination and Remuneration Committee (as the whole) was highly satisfactory with a total score of 99.68%.

• The results of the evaluation of an individual Nomination and Remuneration Committee (self-assessment) was highly satisfactory with a total score of 98.61%.

(c) The Risk Management Subcommittee

• The results of the evaluation of the Risk Management Subcommittee (as the whole) was highly satisfactory with a total score of 99.68%.

• The results of the evaluation of an individual Risk Management Subcommittee (self-assessment) was highly satisfactory with a total score of 100%.

4.4. Performance Evaluation of the Chief Executive Officer All non-executive directors are responsible for evaluating the performance of the Chief Executive Officer on an annual basis, whereof the outcome is used to determine the Chief Executive Officer's remuneration. The performance evaluation of the Chief Executive Officer is conducted based on tangible criteria concurred with by the Chief Executive Officer. The criteria cover a variety of topics comprising: 1) Progress of planning; 2) Performance measurement such as leadership, strategy formulation, financial performance, operational performance pertaining to strategic objectives, and management and relationship with employees; and 3) Management training. The performance evaluation outcome must be approved by the Board of Directors and thereafter notified to the Chief Executive Officer by the Chairman of the Board.

## 4. Supervision of the Subsidiaries' Operations

The company has a policy to invest in other related businesses or the business that benefits the main business of the company. Such business shall have potential and is foreseeable that it can generate profits for the company in the long term. The company will closely control and supervise the management of the subsidiary company in order to continuously and sustainably maintain benefits of the company's investment, and also to create added value and confidence for the stakeholders of the company. Therefore, the company has set out a policy to control and supervise the subsidiaries and associated companies in which the company has invested. This is carried out in accordance with the resolution of the Board of Directors Meeting No. 7/2561 dated 7th November 2018. Details of which are as follows:

1. The company has established management structure for subsidiaries and associates to oversee management and be responsible for operations of subsidiaries and associates as follows:

1. Nomination of Directors and Managements of the Subsidiary Company

The person approved by the board of directors shall be, on behalf of the company, director and executives of the subsidiary companies to supervise and establish management policies as if it were a unit of the company. The number of persons to be positioned as director of a subsidiary shall be in accordance with the proportion of the shareholding of the company in the subsidiary or in accordance with the mutual agreement. For investing in associates, the company does not have a policy of close control. Assigning a representative to be a director in an associated company will be considered as appropriate and depends mainly on mutual agreement. Such persons shall however have fitting qualifications and experience in managing the business of that subsidiary and associated company.

2. Scope of duties and responsibilities of directors and executives in subsidiaries

- Closely follow up on the operations of the subsidiaries to ensure that it meets the goals set by the company;
- Perform duties as specified by the subsidiary company's Board of Directors and/or the meeting of shareholders of that subsidiary or associated company;
- Look into all the issues and cast a vote in the Board of Directors' meetings of the subsidiary and associated companies in matters relating to the general operations of the subsidiary and associated companies as the directors and executives of the subsidiary and associated companies see fit and appropriate. For the utmost interest and benefits of subsidiaries, associates, and the company, consideration and voting on the following matters shall be approved by the company's Board of Directors and/or the shareholders' meeting on a case-by-case basis.

Transactions of subsidiary companies according to the announcement of the connected transaction and the announcement of the acquisition and disposal;

Transactions which may have a significant impact on the financial position and results of operations of subsidiaries, i.e.

- Sale or transfer of all or parts of significant business of a subsidiary to other;
- Purchase or acceptance of transfer of business of other companies to subsidiaries;
- Dissolution of subsidiaries;
- Transferal or waiver of benefits and claims that are significant to the damage of subsidiaries;
- Taking loan, loaning-out, guarantees, incurring of contingent liabilities, or provision of financial assistance to other companies that has a significant effect on the subsidiary's financial status;
- Amendment of the regulations of the subsidiary company;
- Increase of capital, allocation of newly issued shares, and the reduction of registered capital of a subsidiary as well as any other actions that result in reduction of either direct or indirect shareholding of the company in any subsidiary company from 10% of the paid-up capital of that subsidiary or to less than 50% of the paid-up capital of that subsidiary company

2. Directors and executives of the subsidiaries including any person relating to the said directors and executives shall undertake the duty to notify the board of subsidiaries of the relationship and transactions with subsidiaries in a manner that may cause conflict of interest and avoid any transaction that may cause conflict of interest with the said subsidiary company. The Board of Directors of the subsidiary company is responsible for informing the said matter to the company.

Directors and executives of subsidiaries shall not approve any matter in which they have vested interests or conflicts of interest.

3. The subsidiary company shall report to the company any business plan, investment project, joint investment with other operators through monthly performance report of the subsidiary company. The subsidiary company shall submit information or documents relating to the operations of the company once requested properly. In the event that the company detects any significant issues, the company may request the subsidiary company to clarify and/or deliver documents for the company's further and additional consideration.

4. The company establishes a financial control policy of the subsidiary company stipulating that the subsidiaries and associates shall have the following duties:

- Submit monthly to the company the performance results and trimonthly submit the financial statements already reviewed by a certified auditor as well as information for the preparation of the said financial statements of the subsidiary and associated companies for the Company for the preparation of the consolidated financial statements or the financial results of the company for the quarter or the year, as the case may be;
- Prepare projections of operating results and summarize quarterly results of the planned operations against actual operations including following up the operations in accordance with the plans set forth and report to the company;
- Report financial issues that are significant to the company once detected and conduct an investigation and report to the company upon the request of the company.

## 5. Control of the Use of Internal Information

The company places importance on the supervision of the use of internal information. To comply with the principles of good corporate governance, the company establishes a policy to control the use of internal information in order to prevent the disclosure of important internal information of the company which has not been disclosed to the public for personal benefits or for the benefits of others (Abusive Self-dealing) and to ensure fairness to all stakeholders. Details of which are as follows:

- The company has set out guidelines for safeguarding internal information of the company including the guideline for preventing the use of internal information for personal benefits. The guidelines were made in writing and everyone in the organization has been informed to follow strictly;
- The company requires that directors, executives, and employees of the company shall not trade the company's securities using confidential and/or internal information and/or carry out any other juristic acts using confidentiality and/or internal information of the company which may cause damage to the company either directly or indirectly;
- The company requires that directors, executives, and employees of the company who work in the unit that may receive internal information of the company shall not use such internal information before public disclosure. Moreover, the company prohibits any persons involving with the internal information from trading the company's securities either by themselves, their spouses, children who have not yet become sui juris, either directly or indirectly (such as in the form of nominee via private funds) within 1 month prior to the quarterly and annual financial statements are disclosed to the public and at least 1 business day after the disclosure of such information;
- The company has established disciplinary action for those seeking benefits from the use or the disclosure of internal information of the company, for it may cause damage to the company. In such case, the punishment shall be considered as appropriate, including verbal warning, written warning, probation, termination of employment contract or dismissal, as the case may be;
- The company will provide knowledge to the directors, executives of the company, including those who are in management level in accounting or finance who are holding positions in department manager level or higher or equivalent (according to the definition set out of the Capital Market Supervisory Board And the Stock Exchange of Thailand) pertaining to the duty to report the securities holding of the company under Section 59 and the penalty under Section 275 of the Securities Act Including reporting of the acquisition or disposition of securities of the company under Section 246 and the penalty under Section 298 of the Securities Act;
- The company stipulates that (a) its directors, executives, including those with management positions in accounting or finance which are department managers level or higher or equivalent thereto as well as the auditor are responsible for the preparation and disclosure of their securities holding reports issued by the company. That includes their spouses or husbands/wives and children under legal age and (b) a juristic person in which the persons under (a) hold more than 30 percent of the total voting rights of the said juristic person and the combined shareholding is the largest proportion of that juristic person. In accordance with the announcement of the Office of the Securities and Exchange Commission and Section 59 of the Securities and Exchange Act, such responsibility shall be fulfilled legally the first time within 7 working days as of the date the legal duty arises and within 3 working days every time there is a change caused by purchasing, selling, transferring or accepting the transfer of securities. The report shall be submitted to the company's secretary before being collected and further submitted to the Office of the Securities and Exchange Commission. In addition, the company's secretary shall report the securities holding amount/status of directors and/or executives to the chairman every 6 months.

## 6.Complaints and Whistle Blowing Policies

### Objective

The company operates business with moral standards. Being honest at all times is the principle. As a result, the company expects all employees to abide by the same standards in their operations, and encourages all employees or customers or external parties to comply with laws, rules, policies and regulations, as well as allows such persons to use the company's platform as channels for filing complaints and/or reporting fraud and financial frauds, internal control, investigation of fraud and any illegal actions.

### Scope of Whistle Blowing

1. Suspicious behavior relating to illegal acts, including corruption and bribery;
2. Violation of company policy and company regulations;
3. Business practices that violate company's regulations or official regulations or violation of legal obligations to which the company is a party;
4. Suspicious behavior involving accounting or auditing related matters; Any action that can be considered unethical or social injustice. Provided that the employees or customers or any third parties (whistleblowers) encounter any behavior that falls into the scope of the above information, kindly follow the process below.

### Filing Complaints and/or Whistle Blowing About Fraud or Corruption

Filing complaints and/or reporting fraudulent or dishonest information will lead to disclosure of information about wrongdoing regardless of the fact that the matter took place, is taking place or will be taking place.

### Whistle Blowing Channels

#### 1. Submitting and receiving information and complaints or concerns about fraud or corruption.

The whistle blower shall submit the matter in writing enclosing name of the whistle blower and sufficiently credible information and details; then, have it submitted to the Chairman of the Audit Committee through the following channels:

##### • By mail

Chairman of the Audit Committee  
Copperwired Public Company Limited  
159/6 Sermit Tower Building, Floor 2, Room 201-202  
Sukhumvit 21 Road (Asoke), Khlong Toei Nuea Sub-District, Watthana District  
Bangkok 10110

##### • By electronic mail (e-mail)

acchairman@copperwired.co.th

So that the company can investigate the information and the source of the whereabouts of the wrongdoing. Please note that the company will not consider the anonymous complaint of the whistle blower.

#### 2. Treatment of complaints

- Complaints will be sent to the Audit Committee. The management or suitable personnel or subcommittee will be assigned to independently investigate the matter, taking into account the principles of fairness and good faith. Investigation result will be then reported to the Audit Committee. Subsequently, the Audit Committee will look into the report, consider the appropriate practices for that complaint, and proceed, if necessary;
- After investigation and evaluation of the complaint, The management or suitable personnel or subcommittee will determine an appropriate disciplinary action and revert to the Audit Committee. Provided that the Audit Committee agrees with such investigating result, the committee will proceed the matter to the company's Executive Committee or senior management member to delegate power and proceed accordingly.

#### 3. Protection of the Rights of the Whistle Blower or the Complainant

Measures for providing protection to whistle blowers or complainant are as follows:

1. The company shall keep relevant information confidential, and it shall be revealed only as necessary. The company places importance on safety of and possible damage to whistle blowers or complainants, information source or related persons;
2. The company shall never disclose any information on the whereabouts or identity of the complainant. The access to the information shall be limited only to those responsible for investigating the complaint;
3. The company shall provide protection to the whistle blowers and shall not tolerate any intimidation against the whistle blower or the complainant including those who cooperate or assist in an investigation with good faith;



4. The company shall never conduct any unfair action to the whistle blower or the complainant whether by altering position, suspending job, intimidating, dismissing, or performing any other act that is unfair to whistle blower or complainant or those who cooperate or provide assistance to the investigation;

5. In case where the whistle blower or the complainant believes that they may be unsafe or may be subject to any kind of damage, the whistle blower or the complainant may request the company to specify appropriate protection measures or the company may specify protection measures without any request from the whistle blowers or complainants if the company foresees that the matter is likely to bring about damage.

6. Those who suffer from damage shall be alleviated with appropriate and fair procedures.

7. It is the responsibility of the persons involved in the investigation process to keep confidential all information including all relevant evidence relevant to the complaint. Such information shall not be disclosed to unrelated parties unless it is disclosed as necessary to the operation or to comply with the provision of the law.

#### **4. Review of the Whistle Blowing Policy**

The company shall arrange for the responsible department to carry out a review and update of the whistle blowing policy as appropriate at least once a year.

## **7. Auditors' Remuneration**

For the fiscal year 2020, the Company has paid the audit fee at the amount of 2,575,000 baht to KPMG Phoomchai Audit Company Limited. comprising of the company's audit fee totaling 2,030,000 baht and the audit fee of the subsidiary totaling 545,000 baht.

#### **Other Remunerations (Non-Audit Fee)**

-None-

The company had hired KPMG Phoomchai Audit Company Limited, an independent auditor that is reliable and is approved by the Securities and Exchange Commission. The auditors that were approved are as follows:

1. Mr. Watchara Phattharaphitak, Certified Public Accountant, Registration No. 6669 and/or
2. Mr. Natthaphong Tantichattanont, Certified Public Accountant Registration No. 8829 and/or
3. Ms. Pornthip Rimdusit, Certified Public Accountant, Registration No. 5565

However, the persons or businesses related to the auditors and the offices to which the auditors belong are not persons or businesses related to the company.

## 8. Audit Committee Report 2020

The Audit Committee was established with the primary objectives to assist the Board of Directors in its oversight of the Company's financial reporting, internal control system, and internal audit functions. It is to comply with applicable laws, regulations, and codes of ethics to promote good corporate governance in the Company and its subsidiaries. The Audit Committee is also responsible for reviewing the adequacy and effectiveness of risk management of the Company and its subsidiaries. To ensure efficient performance, the Audit Committee conducts performance evaluation and self-assessment at the end of each fiscal year, encompassing various matters such as its performance of duties under the scope of responsibilities. The Audit Committee's composition is in line with the requirements of the Stock Exchange of Thailand, which stipulates that the Audit Committee shall consist of qualified independent directors with expertise in business administration and at least one sufficiently knowledgeable and experienced member to review the reliability of financial statements. More specifically, the Company's Audit Committee comprises three independent directors, namely Prof.Dr.Pornchai Chunhachinda, who serves as the Chairman, Mr.Manus Chiaravanond, and Mr.Kongkiet Wangveerarnit. The Audit Committee held a total of four meetings, of which significant matters are summarized below.

1. The Audit Committee reviewed the Company's quarterly and annual financial statements. It held the same opinion as to the external auditor that these financial statements were accurate and reliable in all material respects and provided adequate information disclosure under the financial reporting standards.

2. The Audit Committee appointed KPMG Poomchai Audit Limited as the Company's external auditor for the year 2020 after examining the performance, knowledge, expertise, external auditor independence, and reasonable fees.

3. The Audit Committee reviewed all related transactions undertaken by the Company and its subsidiaries under the Stock Exchange guidelines of Thailand. The Audit Committee believed that these transactions were conducted in the standard business course and completely disclosed in the financial statements.

4. The Audit Committee considered and approved the internal audit plan submitted by the internal auditor and acknowledged the assessment of the internal control system. The Audit Committee reviewed corrective actions towards significant issues encountered in the course of internal audits. It provided recommendations to the Management regarding the plan for improvement and development of the internal control system to ensure the Company's compliance with applicable laws and regulations. The assessment results confirmed that the Company's internal control system and risk management were adequate and effective.

5. The Audit Committee reviewed and acknowledged the company's risk management plan and provided recommendations to the Management regarding the processes to ensure that the company's provided adequate and sufficient.

6. The Audit Committee meets with independent directors without the executive directors and the Management attending the meeting to consider and provide suggestions and business practices under good corporate governance principles.

In summary, the Audit Committee performed its duties with full responsibility independently in the interest of stakeholders. The Audit Committee believed that the Company's internal control system is effectively and adequately for the Company. The financial statements accurately represent the Company's financial position, performance, and cash flows in all material respects under the financial reporting standards. The Company commanded compliance with applicable laws and regulatory requirements and provided adequate disclosure of related transactions.



(Prof.Dr.Pornchai Chunhachinda)  
Chairman of the Audit Committee

# Corporate Social Responsibility

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## 1. Policy Overview

The company has a policy to operate with social responsibility as a part of its business operations in every aspect taking into account the balance of all stakeholders i.e. employees, business partners, shareholders, society, and government sector so that the business can be operated with sustainability, be acceptable and supported by all sectors as well as being an organization that efficiently generates profits for shareholders. Moreover, it also raises awareness of people in the organization to discern how to sacrifice and not taking advantage to be in line with the company's sustainable business operations.

The company has a policy to operate its business emphasizing on social responsibility in 8 categories as follows:

1. Fair treatment to employees;
2. Anti-corruption;
3. Respect for human rights;
4. Fair labor practices;
5. Responsibility to consumers;
6. Caring for the environment;
7. Community and social development;
8. Innovation and dissemination of innovation derived from operations that are responsible for society, environment, and stakeholders.

## 2. Operations and Report Preparation

In recognition of the significance of social responsibility, the company has a policy on social responsibility in various areas as follows:

### 2.1 Fair Treatment to Employees

The company is committed to conducting its businesses with honesty and social responsibility, legally and ethically. It pledges to perform commendable actions for individuals, community groups, society, and environment. The company's business has retained a standard operating system with good control and is conducted cautiously with full scaled knowledge and abilities as well as sufficient information and evidence that can be referenced. The company also strictly abides by relevant laws and regulations including fair treatment to its business partners without requesting or receiving any unrighteous benefit from customers. The company does not disclose any customer information that the company has come to possess from its business operations unless it has legal obligation to such disclosure.

### 2.2 Anti-Corruption

The company has a policy to operate its business in accordance with the law, benefit society, encourage its employees to act ethically and to be decent citizen of the country, urge its business partners to operate their businesses properly with transparency, ensure that the anti-corruption and bribery policies are adequately treated in a concrete manner, raise awareness, values, and the right attitude at all levels, provide a check-and-balance system, and an efficient and effective internal control system, ensure that there is no conflict of interest, refuse to accept all kinds of gift and bribery in all cases.

### 2.3 Respect for Human Rights

The company justly realizes that the business shall respect life and human dignity of every person and that shall be the foundation of human resource management and development, including building human relations in society.

Therefore, the company has a guideline to promote and encourage the implementation of the principles of fundamental human rights and equality, regardless of race, color, sex, language, religion, political or any other beliefs, ethnicity, social background, financial status, origin or status. The Company also encourages and allows its employees to express their opinions or complaints about the violation of individual rights.

## 2.4 Fair Labor Practices

The company gives great importance to its employees, taking into account that every employee is the company's most valuable resource and asset, and is an imperative factor of company's success. Therefore, the company adheres to a fair treatment in terms of opportunities, remuneration, appointment, transfer of duty, and welfare that are appropriate in various areas such as:

1. Management of Wages, Compensation, and Benefits: These are managed with regard to employee motivation to encourage the employees to do their best work, comply with the requirements of the law with one patterned system of patterns adopted as the same standard throughout the organization. Remuneration rate including other benefits shall be decent and appropriate for the level of duty and responsibility in line with the company's business operations and shall also be in a competitive level compared to that of other companies in the same business.

2. Employee Potential Development: The company pays abundant attention to the development of knowledge, competence, and skills of all employees in all positions through trainings, seminars, domestic and international visits. It also committed to continually enhance capabilities of employees at all levels to meet the manufacturer's standards, especially technicians and sales staff who shall be well trained and tested regularly.

The company organized 20 training courses for the employees; 73% of employees attended the training, an average of 60 hours per person per year.

3. Employment, Performance, Career Advancement: The company has clear and standard guidelines based on a non-discriminatory principle that comply with applicable laws to provide equal opportunity for all employees and to provide compensation (professional fees) to the certified employees as motivation for their hard work.

4. Workplace Safety and Hygiene: The company places great importance to operational safety and the health of all employees. It thus provides an annual health checkup package to all employees and their medical expenses can be reimbursed from the company according to the company's regulations.

In addition, at least once a year, the company provides a summary of the operating results for employees so that they can perceive an overall picture about the company's operations, and the employees are encouraged to freely express their opinions about the growing pathway of the company.

In 2020 there are no injury from working to stop working.

Since the coronavirus (COVID-19) outbreak in Thailand, the safety of employees and their family members has become our top priority. To minimize the risk of contracting COVID-19 on public transport and in crowded areas, we have implemented the work-from-home policy and there are measures to protect and take care of staff health, such as providing adequate masks, alcohol, temperature measuring devices.



## 2.5 Responsibility to Consumers

The company puts the emphasis on serving customers as the first priority by offering products and services that correspond to consumer's demand in a reasonable price so that the consumer can get the most from their investment in the company's products and services. Feedbacks from customers are always welcome so that they can be used to improve and develop the company's current working process. There is also external channel for customer to directly contact the company's management via the company's website at [www.copperwired.co.th](http://www.copperwired.co.th)

## 2.6 Caring for the Environment

As the society has been seriously realizing the vital role of environmental protection, the company also calls its attention to the environment and its effect to human's life.

Hence, the company has stipulated an environmental policy as a guideline for conducting its business with prudence, aiming that its business will in no way or least affect the environment in nearby communities.

## 2.7 Community and Social Development

The company has guidelines to implement or control compliance with relevant laws and regulations, and it stands by its duty to social responsibility which includes cooperation, assistance, support, and volunteering in activities that benefit the community and society in order to promote economic strength as well as restoration of society and culture.

The Company realizes that although profit is vital in business operations, it must be based on proper grounds i.e. not taking advantage, not causing trouble, and it should truly be responsible for the society. In doing so, the company established its social policy as an operation framework as follows:

1. Support, promote, and raise awareness for the executives and employees at all levels to have a responsibility to society. The company's personnel shall strictly comply with the policy, rules, regulations, and laws that are related to the society and the environment;
2. Promote social development by providing an opportunity for students to learn and gain experience from real work through internship. Foster innovative thinking and work ethics to develop youth's potential so that they can grow up to be both good and intelligent citizen of the country in the future
3. Provide a channel for stakeholders and relevant parties to give feedback about the company's operations and file the complaint in case where they are not fairly treated by employees the company through the company's website at [www.copperwired.co.th](http://www.copperwired.co.th)
4. Plans about social activities were regularly arranged i.e. the library project to schools in need in order for the students' learning process to be supported recurrently and that they can make good use of free time, not obsessed with games or drugs, and to transfer knowledge and expertise in the use of modern educational equipment to teachers. The company may coordinate directly with the school or provide support through various charities or organization as it deems fit and appropriate.
5. Donations were made to various foundations such as the International Association of Persons with Physical Disabilities.

## 2.8 Innovation and Dissemination of Innovation Derived from Operations that are Responsible for Society, Environment, and Stakeholders

The company will support operating innovation both at the level of working process in the organization and cooperation among organizations so that they are up-to-date and well organized to bring maximum benefit to the society. It also fosters an awareness of both the organization and the community to trust and cooperate with each other to take good care of the society by directly and indirectly communicating and disseminating through various communication channels to ensure that the company's information is accessible to all stakeholders of the company.

In addition to the aforementioned corporate social responsibility policy. The Company promotes the use of technology and implements various processes to minimize environmental impact, such as fostering communication through email or website to reduce paper usage, promoting energy conservation by turning off lights and nonessential electronic appliances to save energy, and inducing environmental awareness among employees by providing knowledge and reviewing environmental mitigation procedures at the Company's seminar on an annual basis.

## 3. Activities that Benefit Society and Environment

The company, in parallel with its business operations, is committed to build an organization that is responsible for society, community, and environment. It accordingly has set up guidelines for organizing activities for the benefit of the society on a continuous basis. An example of which is as follows:



### Fairy Tale Project for the Kids

The Fairy Tale Project is one of the activities the company aims to give back to the society and the shareholders by encouraging Thai children to have a constructive reading habit and know how to wisely use their free time. The company built libraries in selected schools and filled them with a wide range of books in Thai and English, as well as toys to improve children's skills. The libraries have been well maintained by the employees who volunteer to continuously visiting the libraries.

In addition to building libraries for children, the company also regularly distributes snacks for children participating in the project.



*The Fairytale Library Project 10  
Nongpru School, Nakhon Ratchasima Province  
(21 May 2017)*



*The Fairytale Library Project 11  
BanBangkong School, Saraburi Province  
(20 May 2018)*



*The Fairytale Library Project 12  
Banthum (Thumprachanukroh) School , Khonkaen Province  
(26 October 2019)*

### 4. Anti-Corruption Policy

The company has established a written "Anti-Corruption Policy" as a guide to its business operations and to develop itself into a sustainable organization. In complying so, directors, executives, and all employees of the company are prohibited from conducting or accepting any form of corruption related benefits, directly or indirectly to build confidence to the stakeholders of the company.

The Company also regularly reviews the implementation of the Anti-Corruption Policy as well as the guidelines and operating requirements to comply with business changes, regulations, and legal requirements by stipulating the following policy guidelines. Details of which are as follows:

### Definition

Corruption means the illicit use of any acquired power or property for one's own benefit or to cause damage to the interests of others. Corruption may transpire in many ways such as bribing government officials through solicitation, offering, giving or receiving a bribe, both as money and things. This includes conflict of Interest, fraud, money laundering, embezzlement, concealment, obstruction of justice, trade under the influence of others, etc. Such corruption is not only meant to be just about relations between private sectors and government agencies, but it also covers transactions between individuals or businesses between the private sectors as well.

### Responsibility

1. The company's Board of Directors has duties and responsibilities in stipulating policy and constantly monitoring the system that effectively supports the anti-corruption to ensure that the management realizes and values the anti-corruption policy and have it cultivated internally as a corporate culture.

2. Audit Committee has duties and responsibilities in reviewing financial and accounting reporting systems, internal control system, and risk management system to ensure that they meets international standards, concise, appropriate, and efficient.

3. Managing Directors and Executives have duties and responsibilities to set up a system and to promote and support the anti-corruption policy and have them communicated to all employees and related parties. The task includes reviewing the suitability of systems and measures to comply with business changes, regulations, legal requirements, etc.

4. Internal Audit Unit has duties and responsibilities to audit and verify that the operations are performed in accordance with the company's policies, regulations, existing authority, laws, and regulatory requirements to ensure that the company has a suitable and sufficient internal control system to tackle with the risk of corruption that may occur and report to the Audit Committee.

### Anti-Corruption Guidelines

1. All directors, executives, and employees must comply with the company's anti-corruption policy. They must not involve or be involved in any corruption related matters, either directly or indirectly, and should not be ignorant when witnessing any action that is considered to be the corruption of the company;

2. Do not commit or support bribery and ensure that donation, business gifting as well as business support are transparent and is not intended to induce a public or private official to take any inappropriate action;

3. Encourage employees, contractors, and business partners to recognize potential fraud and anti-corruption policy;

4. Provide an appropriate and effective internal control, risk management, and internal audits system to prevent any misconduct;

5. Identify good practices on receiving and giving gifts, assets or benefits to avoid latent fraudulent channels and any unfairness to other stakeholders so that the procurement process can be properly and efficiently conducted. Each company's employee and staff must avoid accepting gifts and/or gratuity of excessive value from business partners or associates or any person and avoid meals or entertainments paid by those involved in business with the company who may benefit from the performance of the company's employees;

6. Disseminate knowledge on anti-corruption to directors, executives, and employees of the company in order to promote honesty and responsibility in performing their duties. A training on preventing and dealing with fraud and corruption shall be arranged for any new employees within 90 days as of their first day of work;

7. The company requires that the company's Board of Directors shall be immediately notified in the event of serious corruption, law violation or any other unusual actions which may significantly affect the reputation and financial position of the company;

8. Those who engage and involve in the corruption related matters will be subject to disciplinary action in line with the company's rules and also be punished by law. The company provides a communication channel for whistleblowing about fraud. The company's employees can report possible or suspected fraudulent matters through the channels specified in the company's announcement which details offense, offense status, and penalty by law in case the action is considered illegal;

9. The company shall provide fairness and protect employees who report corruption related matters to the company to ensure that they and also the witness of the incident are safe.



# Internal Control and Risk Management

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## 1. Opinions of Board of Directors Regarding The Company's Internal Control System

In the board meeting the board of directors attended the meeting including (1) 4 independent directors and 3 of which is the company's audit committee and (2) 3 company's directors. In such meeting, the board of directors asked the management about adequacy of the company's internal control system for 5 components according to the concept of The Committee of Sponsoring Organizations of Treadway Commission ("COSO"). For management of internal control system of the company, the internal control consists of 5 components as follows ;

### 1.1 Control Environment

The board of directors comprises executives with highly experienced directors and independent directors. They are expert and independent in duty performance, such as having no business relationship with the company, having no other relationships that may influence discretion and independent duty performance. The Company determines the roles and duties of the board of directors separately from the management, The board of directors has obligations to supervise the company to define roles and responsibilities of the committees and executives following laws and charter. It covers essential functions of the audit committee, auditor, internal auditor, and financial report undertakers.

The company provides the structure of reporting, authority for commanding, and suitable responsibility that reflect effective internal control. Duties are divided, line of authorization (LOA), and job description of the executives and employees are appropriately provided. The internal audit sector is under the direct supervision of the audit committee, and the results will be directly reported to the audit committee.

In addition, the Company provides a code of conduct for executives and employees, including prohibitions for employees and executives to behave in a way that may cause conflicts of interest. It includes communicating requirement and penalties to every executive and employee provided that the internal auditor which whom is an independent auditor will monitor and assess the code of conduct and provide self-assessment for executives and employees along with processes to detect violation in a timely manner as well as resolve actions contrary to the code of conduct at any time.

### 1.2 Risk Assessment

The board meeting had the resolution to appoint the risk management sub-committee, including eight persons: an independent director being the sub-committee chairman and seven department directors. It also resolved to approve the charter of the risk management sub-committee. The risk management sub-committee has duties to analyze and assess risks, provide a risk management plan, and provide a risk management measure.

The risk management sub-committee identifies important risks to cover enterprise risk by categorizing risks into 13 groups including Vendor Risk, Competition Risk, Inventory Risk, Logistics Risk, Financial Risk, Credit Risk, Foreign Exchange Risk, Human Resource Risk, IT Systems Risk, Business Disruption Risk, Compliance Risk, Fraud Risk, and risk of confidential disclosure. By assessing the risk, the sub-committee considers from probability and impacts of the risks discussed from the effects on profits before tax or credit loss. Risks can be divided as three levels (low, moderate, and high), and the board of directors arranges a meeting of the risk management sub-committee twice a year to analyze and determine measures to minimize risks that may cause damages to the company's business operation.

### 1.3 Control Activities

The Company has an effective and safe general control system suitable for the business and enterprise's size. The company provides work instruction that reflects procedures, workflow, and internal control systems that are sufficient and proper to each work system. It defines scopes of duties, authorities, and approvable amount of executives at each level in writing. The company's secretary will collect data about major shareholders, directors, executives, relevant persons in favor of verifying of transactions, and updating data. In any case or any future transactions, the company has the policy for transactions with relevant persons or enterprises. It determines the principles, methods, and procedures of approval to monitor whether the operations are in accordance with the agreed conditions. There will be reporting to the audit committee and board of directors on a quarterly basis.

The Company divides duties that may lead to frauds separately, monitors operation of the subsidiaries for all actions to achieve the specified goals, and prescribes policy for controlling and supervising the subsidiaries/ joint ventures for the subsidiaries' directors and executives to comply.

### 1.4 Information and Communication

The company organizes for the board of directors to have adequate crucial information to support any decision making. The company's secretary will deliver a meeting invitation together with supporting documents to the directors in advance before meeting and record the board meeting's minutes with details as in the conference and inquiries and opinions of each director. Furthermore, the company stores important documents completely by sections and resolve defects as notified by the auditor or internal auditor as the management considers approval for correction.

The Company has a communication process in the organization and with stakeholders effectively by assigning the company's secretary to be the data center of the organization and coordinate with the board, executives, and other relevant persons in arranging the board meeting. There will be reporting of essential data to the board of directors regularly and joint responsibility with investor relation officers to communicate information with external stakeholders. It includes accepting complaints by providing a communication process with the external stakeholders effectively. Furthermore, the company provides channels to receive complaints and lead information about fraud or corruption that the complaints will be delivered to the audit committee chairman by post or e-mail.

### 1.5 Monitoring

The Company monitors compliance with the internal control system by hiring an independent outsourced auditor to monitor and assess internal control as well as compliance with the code of conduct and prohibitions that may cause conflicts of interest. It is contained in an internal audit plan, and the results are reported to the audit committee directly every quarter, the chief executive officer and audited sectors to consider improving and correcting defects detected from the monitoring as the auditor gives suggestions. The audited sectors must report progress in resolving errors as subject matters, as suggested by the auditor to the audit committee for consideration.

Moreover, in case of severe fraud event or law violation that may significantly affect the company, the company regulates that the management report to the board of directors immediately. The internal auditor obligated to report errors detected from the audit of subject matters and the solutions to the audit committee for consideration every quarter. Nevertheless, after assessment, the board of directors agrees that the company's internal control system is adequate and suitable according to the adequacy assessment form of the internal control system of the Securities and Exchange Commission. The company provides sufficient personnel to proceed with the system effectively and has an internal control system about monitoring and supervising operations of the company to protect the company's properties from the misuse or unauthorized use of the directors or executives. It includes transactions with persons that may have conflicts and relevant persons. For other topics of internal control, the board of directors agrees that the company also has sufficient internal control.

## 2. Opinions of Audit Committee on Company's Internal Control System

To consider the adequacy assessment form of the company's internal control system with three directors from the company's audit committee attending the meeting, the audit committee had no different opinions from the board of directors' in any matter.

## 3. Head of Company's Internal Audit Unit

The Company established the internal audit sector to be directly supervised by the audit committee to support the supervision of audit operations to be independent, effective, and efficient. The board meeting had a resolution approving the appointment of Audit House Co., Ltd. to be the Company's internal auditor. Mr. Thana Wongsangnak being the head of company's internal audit sector because he has qualifications, education, and direct experience with proper training. Nevertheless, considering and approving appointment, discharge, or transfer of the company's internal auditor requires approval (or agreement) from the audit committee.

# Related Parties Transactions

## 1. Related transactions with persons who may have conflicts of interest

The company have persons and companies who may have conflicts of interest for the fiscal year end of December 31, 2020 as follows:

Persons/companies who may have conflicts of interest	Relationship
1. VNET Capital Co.,Ltd	<ul style="list-style-type: none"> <li>Major shareholder of CPW Shareholding 51.32%</li> <li>Co-directors with CPW ( Mr.Narong Intanate/Mr. Sopon Punyaratabandhu)</li> <li>Executive director (Mr. Sopon Punyaratabandhu)</li> <li>Director and shareholder; shareholding 92.80% (Mr.Narong Intanate)</li> </ul>
2. Vintcom Technology PCL	<ul style="list-style-type: none"> <li>Co-directors with CPW (Mr.Narong Intanate/Mr. Sopon Punyaratabandhu and Mr.Punn Kasemsup)</li> <li>Major shareholder of CPW Shareholding 65.00%</li> </ul>
3. NTN Solutions Co.,Ltd.	<ul style="list-style-type: none"> <li>Major shareholder of CPW (VNET) shareholding 79.68%</li> </ul>
4. vHealth threesixty Co., Ltd.	<ul style="list-style-type: none"> <li>Co-directors with CPW ( Mr.Narong Intanate/Mr. Sopon Punyaratabandhu) and son of CPW's director (Mr.Narong Intanate) is director</li> </ul>
5. VST ECS (Thailand) Co.,Ltd.	<ul style="list-style-type: none"> <li>There is a director of CPW as the executive (Mr. Kongkiat Wang Weerarnit)</li> </ul>
6. VNET Power Co.,Ltd.	<ul style="list-style-type: none"> <li>There is a joint director with CPW ( Mr. Sopon Punyaratabandhu) and there is a spouse of the executive of CPW (Miss Sureeporn Intanate) as a director</li> </ul>
7. I-Secure Co., Ltd.	<ul style="list-style-type: none"> <li>There are joint directors with CPW (Mr. Narong Intanate / Mr. Sopon Punyaratabandhu)</li> </ul>
8. WTC Logistics Co., Ltd	<ul style="list-style-type: none"> <li>Major shareholder of CPW (VNET) shareholding through Logistplus Co.,Ltd. 99.99%</li> </ul>
9. Logistplus Co., Ltd.	<ul style="list-style-type: none"> <li>Major shareholder of CPW (VNET) shareholding 85.00%</li> </ul>
10. Chia Tai Co., Ltd.	<ul style="list-style-type: none"> <li>There is a director of CPW as the executive (Mr. Manas Chearavanont)</li> </ul>
11. vServePlus Co., Ltd.	<ul style="list-style-type: none"> <li>Major share holder of CPW (VNET) shareholding and control (Vintcom) by 65.00% and Vintcon shareholding and control (Vserve) by 51.00%</li> </ul>
12. Graphgent Co.,Ltd.	<ul style="list-style-type: none"> <li>There is an executive of CPW (Mr.Rattanakorn Rojvatcharapibal) being the major shareholder holding shares in the proportion of 20.00 %</li> </ul>
13. Bluefish Solution Co.,Ltd.	<ul style="list-style-type: none"> <li>There are joint directors with CPW (Mr. Sopon Punyaratabandhu)</li> </ul>
14. M intelligence Co.,Ltd.	<ul style="list-style-type: none"> <li>There are joint directors with CPW (Mr. Sopon Punyaratabandhu)</li> </ul>
15. Mr.Narong Intanate	<ul style="list-style-type: none"> <li>Board of Director/Executive Director/Member of the Nomination and Remuneration Committee of CPW</li> </ul>
16. Miss Waliphon Intanate	<ul style="list-style-type: none"> <li>The spouse of Mr.Narong Intanate</li> </ul>

บุคคล / นิติบุคคลที่อาจมีความขัดแย้ง	ลักษณะความสัมพันธ์
17. Mr. Phaisan Intanate	• Son of Mr.Narong Intanate
18. Mr. Sopon Punyaratabandhu	• Director / Executive Director / Member of the Risk Management Subcommittee
19. Mrs. Ubolsri Punyaratabandhu	• The spouse of Mr. Sopon Punyaratabandhu
20. Mr. Podchara Punyaratabandhu	• Son of Mr. Sopon Punyaratabandhu
21. Mr. Pasakorn Punyaratabandhu	• Son of Mr. Sopon Punyaratabandhu
22. Mr. Paramate Rienjaroensuk	• Director/Executive Director/Chief Executive Officers / Product Director (Acting) CPW • Major shareholder; shareholding 15.39% CPW • Chief Executive Officers / Product Director of KOAN
23. Mrs. Supaporn Rienjaroensuk	• Mother of Mr.Paramate Rienjaroensuk
24. Prof.Dr. Pornchai Chunhachinda	• Independent Director / Chairman of Audit Committee CPW
25. Mr. Punn Kasemsup	• Independent Director / Member of the Nomination and Remuneration Committee of CPW
26. Miss Panthita Kasemsup	• Daughter of Mr.Punn Kasemsup
27. Mr. Prin Kasemsup	• Son of Mr.Punn Kasemsup
28. Mr. Manus Chiaravanond	• Independent director / Audit Committee / Chairman of the Nomination and Remuneration Committee of CPW
29. Mrs. Suwacharee Chiaravanond	• The spouse of Mr.Manus Chiaravanond
30. Mr. Kongkiet Wangveeramit	• Independent Director/ Audit Committee / Chairman of the Risk Management Subcommittee of CPW
31. Miss Papavee Vitchupreecha	• Management of CPW
32. Miss Sureepon Intanate	• Management of CPW /Director of Koan
33. Mr. Thanapol Narasetsataporn	• The spouse of Miss Sureepon Intanate
34. Mr. Adiwet Khaosut	• Management of CPW
35. Miss Nuttaporn Dissaneewet	• The spouse of Mr. Adiwet Khaosut
36. Miss Rattanakorn Rojvatharapibal	• Management of CPW/Director of Koan
37. Mr. Sittiporn Saomuang	• The spouse of Miss Rattanakorn Rojvatharapibal
38. Mrs. Yaowaluk Nilubol	• Management of CPW
39. Mr. Tulachat Nilubol	• The spouse of Mrs. Yaowaluk Nilubol
40. Miss Daranee Deekhunthod	• Management of CPW
41. Mr. Winit Dejamornrattanakul	• The spouse of Miss Daranee Deekhunthod

## 2. Details of the related transactions between the company and its subsidiaries with potentially conflict-related persons

Related transactions of the company and its subsidiaries with potentially conflict-related persons as of December 31, 2020 can be summarized as follows:

Related Person/Juristic Person	Company/Affiliate	Transactions	Value of Related Transactions (Baht)		Rationale and Necessity of Transactions and Opinions of the Audit Committee.
			As of Dec 31, 2019	As of Dec 31, 2020	
1. VNET Capital Co., Ltd. ("VNET")	CPW (Client)	<ul style="list-style-type: none"> <li>Guarantee fee</li> </ul>	1,701,147	-	It is reasonable, for the company has a need for capital to operate its business. Such transactions therefore are necessary. The aforementioned guarantee fee is in accordance with the terms and conditions set out in Surety-ship Service Agreement between the company and VNET at the agreed rate. Presently, the company has received funding after the IPO process and the guarantees were released from all 3 financial institutions. The Audit Committee consequently is of opinion that the guarantee from VNET is no longer necessary.
	CPW (Client)	<b>Other Expenses</b> <ul style="list-style-type: none"> <li>Consultation Fees</li> <li>Internet Connection Service</li> <li>Office Facilitation Service</li> </ul>	- 156,000 -	- 156,000 -	It is reasonable, for the transaction is considered a service which is beneficial to the company, and the service fee is reasonably in a normal rate according to the comparable market prices.
	KOAN (Client)	<b>Other Expenses</b> <ul style="list-style-type: none"> <li>Internet connection service</li> <li>Other accounts payable</li> </ul>	84,000 -	84,000 -	It is reasonable, for the transaction is a service which is beneficial to KOAN, with the service fee being the normal rate at comparable market prices.
	CPW (Seller)	<ul style="list-style-type: none"> <li>Revenue from sales</li> </ul>	36,262	11,757	It is reasonable, for it can be considered a company's normal business transaction, and the selling price is comparable to the selling price charged by the company to the third party.

Related Person/Juristic Person	Company/Affiliate	Transactions	Value of Related Transactions (Baht)		Rationale and Necessity of Transactions and Opinions of the Audit Committee.
			As of Dec 31, 2019	As of Dec 31, 2020	
2. Vintcom (Public) Co., Ltd. ("VCOM")	CPW (Seller)	<ul style="list-style-type: none"> <li>Revenue from sales</li> </ul>	36,553	66,972	It is reasonable, for it can be considered a company's normal business transaction, and the selling price is comparable to the selling price charged by the company to the third party.
3. NTN Solution Co., Ltd. ("NTN")	CPW (Client)	<b>IT System Outsource Service</b> <ul style="list-style-type: none"> <li>Network system consultancy fee</li> <li>Software maintenance</li> <li>Account payable at the end of payment term</li> </ul>	1,080,000 243,625 139,100	1,008,000 220,000 115,560	It is reasonable, for NTN is a program developer, and the said transaction is a service which is beneficial to the company with the service fee being the normal rate at comparable market prices.
	KOAN (Client)	<b>IT System Outsource Service</b> <ul style="list-style-type: none"> <li>Software maintenance</li> <li>Account payable at the end of payment term</li> </ul>	773,750 69,550	766,500 58,850	It is reasonable, for NTN is a program developer, and the said transaction is a service which is beneficial to the company with the service fee being the normal rate at comparable market prices
	CPW (Purchaser)	<ul style="list-style-type: none"> <li>Programming services fee</li> <li>Account payable at the end of payment term</li> </ul>	920,320 49,434	626,980 75,970	It is reasonable, for NTN has a fully supported system, and the mentioned programming service fee is in a normal rate according to comparable market prices.
	KOAN (Purchaser)	<ul style="list-style-type: none"> <li>Fixed assets purchase</li> <li>Other accounts payable</li> </ul>	347,250 7,490	258,400 7,490	It is reasonable, for NTN has a fully supported system, and the mentioned programming service fee is in a normal rate according to comparable market prices.
	CPW (Client)	<ul style="list-style-type: none"> <li>Software Service</li> <li>Prepaid expenses</li> </ul>	120,435 9,777	170,926 26,651	It is reasonable, for NTN is a program developer, and the said transaction is a service which is beneficial to the company with the service fee being the normal rate at comparable market prices



Related Person/Juristic Person	Company/Affiliate	Transactions	Value of Related Transactions (Baht)		Rationale and Necessity of Transactions and Opinions of the Audit Committee.
			As of Dec 31, 2019	As of Dec 31, 2020	
4. vHealth threesixty Co., Ltd.	CPW (Seller)	<ul style="list-style-type: none"> <li>• Revenue from sales</li> <li>• Other income</li> </ul>	42,897 13,500	- -	It is reasonable, for it can be considered a company's normal business transaction, and the selling price is comparable to the selling price charged by the company to the third party.
	KOAN (Seller)	<ul style="list-style-type: none"> <li>• Revenue from sales</li> </ul>	61,566	-	It is reasonable, for it can be considered a company's normal business transaction, and the selling price is comparable to the selling price charged by the company to the third party.
5. VST ECS (Thailand) Co., Ltd.	CPW (Purchaser)	<ul style="list-style-type: none"> <li>• Cost of sales</li> <li>• Account payable</li> </ul>	19,873,932 -	- -	It is reasonable, for the transaction can be considered a company's normal business transaction. For other accessories, the company can order from VST ECS (Thailand) Co., Ltd. at a lower price than other distributors and some accessories were in demand in the market at the time and could not be ordered from any other distributors.
	CPW (Purchaser)	<ul style="list-style-type: none"> <li>• Software service</li> <li>• Prepaid expenses</li> <li>• Other accounts payable</li> </ul>	235,306 - -	- - -	It is reasonable, for the transaction is a purchase of warranty and IT licenses from VST ECS (Thailand) Co., Ltd. For office usage. The transaction is subject to normal commercial terms and price.
	CPW (Purchaser)	<ul style="list-style-type: none"> <li>• Fixed assets purchase</li> <li>• Other accounts payable</li> </ul>	105,658 -	- -	It is reasonable, for the purchase of office equipment and computer from VST ECS (Thailand) Co., Ltd. is in line with the commercial conditions and is in normal prices.

Related Person/Juristic Person	Company/Affiliate	Transactions	Value of Related Transactions (Baht)		Rationale and Necessity of Transactions and Opinions of the Audit Committee.
			As of Dec 31, 2019	As of Dec 31, 2020	
	KOAN (Purchaser)	<ul style="list-style-type: none"> <li>• Software service</li> <li>• Other accounts payable</li> </ul>	49,094 -	- -	It is reasonable, for the purchase of office equipment and computer from VST ECS (Thailand) Co., Ltd. is in line with the commercial conditions and is in normal prices.
	KOAN (Purchaser)	<ul style="list-style-type: none"> <li>• Fixed assets purchase</li> <li>• Other accounts payable</li> </ul>	6,740 -	- -	It is reasonable, for the purchase of office equipment and computer from VST ECS (Thailand) Co., Ltd. is in line with the commercial conditions and is in normal prices.
6. VNET Power Co., Ltd.	CPW (Seller)	<ul style="list-style-type: none"> <li>• Revenue from sales</li> </ul>	4,830	-	It is reasonable, for it can be considered a company's normal business transaction, and the selling price is comparable to the selling price charged by the company to the third party.
7. I-Secure Co., Ltd.	CPW (Client)	<ul style="list-style-type: none"> <li>• Software service</li> <li>• Other accounts payable</li> <li>• Accrued expenses</li> </ul>	- - -	50,000 42,800 10,000	It is reasonable, for the VA Network & Application service is Comprehensive and relevant to the company's needs. The transaction is subject to normal commercial terms and price.
	CPW (Seller)	<ul style="list-style-type: none"> <li>• Revenue from sales</li> </ul>	39,159	-	It is reasonable, for it can be considered a company's normal business transaction, and the selling price is comparable to the selling price charged by the company to the third party.
8. WTC Logistics Co., Ltd.	CPW (Client)	<ul style="list-style-type: none"> <li>• Rental deposit</li> <li>• Storage rental fee</li> <li>• Other accounts payable</li> <li>• Accrued expenses</li> </ul>	66,240 881,029 72,540 72,750	- - - -	It is reasonable, for the rental fee of warehouse space between the company and WTC Logistics Co., Ltd. is beneficial and mainly to support the company's operations at the rate and with the general commercial terms comparable to transactions made to and with any third party.

Related Person/Juristic Person	Company/Affiliate	Transactions	Value of Related Transactions (Baht)		Rationale and Necessity of Transactions and Opinions of the Audit Committee.
			As of Dec 31, 2019	As of Dec 31, 2020	
	KOAN (Client)	<ul style="list-style-type: none"> <li>• Rental deposit</li> <li>• Storage rental fee</li> <li>• Other accounts payable</li> <li>• Accrued expenses</li> </ul>	58,500 891,837 75,788 77,090	- - - -	It is reasonable, for the rental fee of warehouse space between KOAN and WTC Logistics Co., Ltd. is beneficial and mainly to support the operations of KOAN at the rate and with the general commercial terms comparable to transactions made to and with any third party.
9. Logistplus Co., Ltd.	CPW (Client)	<ul style="list-style-type: none"> <li>• Deposit</li> <li>• Storage rental fee</li> <li>• Warehouse Management</li> <li>• Logistics service</li> <li>• Other accounts payable</li> <li>• Accrued expenses"</li> </ul>	- - 600,000 5,893,243 675,987 604,608	66,240 801,789 576,774 4,607,564 787,750 730,224	It is reasonable, for the company has used the services of Logis Plus Co., Ltd. for a long period of time. The warehouse management and transportation services between the company and Logis Plus are beneficial and support the company's operations at the rate and with the general commercial terms comparable to transactions made to and with any third party.
	KOAN (Client)	<ul style="list-style-type: none"> <li>• Deposit</li> <li>• Storage rental fee</li> <li>• Warehouse Management</li> <li>• Logistics service</li> <li>• Other accounts payable</li> <li>• Accrued expenses</li> </ul>	- - 1,020,000 2,625,831 412,374 343,430	132,480 859,312 1,013,427 3,359,686 668,708 591,366	It is reasonable, for KOAN has used the services of Logis Plus Co., Ltd. for a long period of time. The warehouse management and transportation services between the company and Logis Plus are beneficial and support KOAN's business operations at the rate and with the general commercial terms comparable to transactions made to and with any third party.
	CPW (Seller)	<ul style="list-style-type: none"> <li>• Revenue from sales</li> <li>• Account receivable</li> </ul>	36,522 -	146,174 46,159	It is reasonable, for it can be considered a company's normal business transaction, and the selling price is comparable to the selling price charged by the company to the third party.
	CPW (Seller)	<ul style="list-style-type: none"> <li>• Other income</li> </ul>	-	4,673	It is reasonable, for the selling price is comparable to the selling price that the company charges to the third parties.

Related Person/Juristic Person	Company/Affiliate	Transactions	Value of Related Transactions (Baht)		Rationale and Necessity of Transactions and Opinions of the Audit Committee.
			As of Dec 31, 2019	As of Dec 31, 2020	
	CPW (Seller)	• Revenue from sales of fixed assets	-	7,477	It is reasonable, for the selling price is comparable to the selling price that the company charges to the third parties.
	KOAN (Seller)	• Revenue from sales	79,603	-	It is reasonable, for it can be considered a company's normal business transaction, and the selling price is comparable to the selling price charged by the company to the third party.
10. Chia Tai Co., Ltd.	CPW (Seller)	• Revenue from sales	16,065	-	It is reasonable, for it can be considered a company's normal business transaction, and the selling price is comparable to the selling price charged by the company to the third party.
11. vServePlus Co., Ltd.	CPW (Seller)	• Revenue from sales • Account receivable	90,000 64,330	- -	It is reasonable, for it can be considered a company's normal business transaction, and the selling price is comparable to the selling price charged by the company to the third party.
12. Graphgent Co., Ltd.	CPW (Seller)	• Revenue from sales	55,474	26,346	It is reasonable, for it can be considered a company's normal business transaction, and the selling price is comparable to the selling price charged by the company to the third party.
13. Bluefish Solution Co., Ltd.	CPW (Seller)	• Revenue from sales	-	5,598	It is reasonable, for it can be considered a company's normal business transaction, and the selling price is comparable to the selling price charged by the company to the third party.

Related Person/Juristic Person	Company/Affiliate	Transactions	Value of Related Transactions (Baht)		Rationale and Necessity of Transactions and Opinions of the Audit Committee.
			As of Dec 31, 2019	As of Dec 31, 2020	
14. M Intelligence Company Limited	CPW (Client)	<ul style="list-style-type: none"> <li>• Software service</li> <li>• Other accounts payable</li> <li>• Prepaid expenses</li> </ul>	-	245,000	It is reasonable, for the software service is comprehensive and relevant to the company's needs. The transaction is subject to normal commercial terms and price.
	CPW (Seller)	<ul style="list-style-type: none"> <li>• Revenue from sales</li> <li>• Account receivable</li> </ul>	-	-	
			-	660,000	
			-	364,110	It is reasonable, for it can be considered a company's normal business transaction, and the selling price is comparable to the selling price charged by the company to the third party.
			-	91,900	
15. Mrs. Suphaphon Riencharoensuk	CPW (Client)	<ul style="list-style-type: none"> <li>• Warehouse rental</li> <li>• Account payable</li> </ul>	50,000	600,000	It is reasonable, for the transaction is a service which is beneficial to the company with the service fee being the normal rate at comparable market prices.
			50,000	-	
16. Mr. Thanapol Narasetsataporn	CPW (Client)	<ul style="list-style-type: none"> <li>• Service fee</li> </ul>	-	15,000	It is reasonable, for the transaction is a service which is beneficial to the company with the service fee being the normal rate at comparable market prices.

Related Person/Juristic Person	Company/Affiliate	Transactions	Value of Related Transactions (Baht)		Rationale and Necessity of Transactions and Opinions of the Audit Committee.
			As of Dec 31, 2019	As of Dec 31, 2020	
<b>17. 17. Directors and Related Persons</b> - Mr. Narong Intanate - Mrs. Waliphon Intanate - Mr. Phaisan Intanate - Mr. Sopon Punyaratabandhu - Mrs. Ubolsri Punyaratabandhu - Mr. Podchara Punyaratabandhu - Mr. Pasakorn Punyaratabandhu - Mr. Paramate Rienjaroensuk - Prof. Dr. Pornchai Chunchachinda - Mr. Punn Kasemsup - Miss Panthita Kasemsup - Mr. Prin Kasemsup - Mr. Manus Chiaravanond - Mrs. Suwatchari Chiaravanond - Mr. Kongkiet Wangveeramit	CPW (Seller)	• Revenue from sales	1,253 757,514 25,285 165,575 51,009 - - 150,846 1,393 64,924 1,589 - 90,944 832 26,346	29,854 567,894 10,902 27,279 1,757 50,898 5,561 110,338 5,318 51,168 - 50,645 640,438 279 15,794	It is reasonable, for it can be considered a normal business transaction of the company, and the selling price of the products to directors and related persons is comparable to the selling price charged by the company to the third parties.
- Mr. Sopon Punyaratabandhu	CPW (Seller)	• Other incomes	500	-	It is reasonable, for it can be considered a company's normal business transaction, and the selling price is comparable to the selling price charged by the company to the third party.
- Mr. Paramate Rienjaroensuk	KOAN (Seller)	• Revenue from sales	9,026	-	It is reasonable, for it can be considered a company's normal business transaction, and the selling price is comparable to the selling price charged by the company to the third party.

Related Person/Juristic Person	Company/Affiliate	Transactions	Value of Related Transactions (Baht)		Rationale and Necessity of Transactions and Opinions of the Audit Committee.
			As of Dec 31, 2019	As of Dec 31, 2020	
<b>18. Executives and Related Persons</b> - Miss Papavee Vitchupreecha - Miss Sureepon Intanate - Mr. Adiwet Khaosut - Miss Nuttaporn Dissaneewet - Miss Rattanakorn Rojvacharapibal - Mr. Sitthiporn Saomuang - Mrs. Yaowaluk Nilubol - Mr. Tulachat Nilubol - Miss Daranee Deekhunthod - Mr. Winit Dejamornrattanakul	CPW (Seller)	• Revenue from sales	74,198 37,292 5,644 11,071 4,636 - 75,580 - 6,533 -	75,203 132,002 1,207 48,294 38,879 41,028 56,618 - 39,695 -	It is reasonable, for it can be considered a company's normal business transaction, and the selling price is comparable to the selling price charged by the company to the third party.
- Miss Papavee Vitchupreecha - Miss Sureepon Intanate - Mr. Adiwet Khaosut - Miss Nuttaporn Dissaneewet	KOAN (Seller)	• Revenue from sales	- - 2,750 1,402	467 1,009 3,131 -	It is reasonable, for it can be considered a company's normal business transaction, and the selling price is comparable to the selling price charged by the company to the third party.



### 3. Necessity and Reasonableness of Intercompany Transactions

The Audit Committee had reviewed the intercompany transactions recorded for the fiscal year ended December 31, 2020 as detailed above and commented that these intercompany transactions were conducted with fair prices and terms and were in the best interest of the company. They were all approved by the company's management or the Board of Directors according to the company policy prior to being entered into.

### 4. Trend or Policy on Intercompany Transactions in the Future

In the future, if the company and/or its subsidiaries is/are required to enter into any transaction with a person who may have a conflict of interest, it shall proceed in accordance with the company's measures and procedures on how to approve the intercompany transactions. The interested directors shall not be able to participate in the meeting to approve the said transaction in order that the decision making to enter into such transaction does not create a conflict of interest and is in the best interest of all shareholders. However, in case where the company or its subsidiaries is required to enter into any transaction with a person who may have a conflict of interest or there may be a conflict of interest, the company shall allow the Audit Committee to provide its opinions on the necessity and appropriateness of the transaction as to the related prices by considering various conditions to be in line with the normal trade in the industry. A comparison of prices and conditions with third parties or market price index shall be conducted in case where the Audit Committee does not have an expertise in considering the possible intercompany transactions. In such case, the company shall allow an independent expert or the company's auditor to provide an opinion on the said transaction so that it can be used in decision-making process of the company's Audit Committee and/or the Board of Directors and/or shareholders as the case may be. Furthermore, provided that the company's ordinary shares are listed on the Stock Exchange of Thailand, the Board of Directors shall ensure that the company complies with the laws on securities and exchange regulations, rules, announcements, orders or regulations of the Stock Exchange of Thailand. The company shall also abide by the disclosure requirements as to the intercompany transactions, acquisition or disposition of important assets of the company or its subsidiaries. In addition, the company shall disclose such intercompany transactions in the annual registration statement (Form 56-1) and the annual report (Form 56-2) in line with the provisions set out in the Securities Law and by the Stock Exchange of Thailand.

All in all, the company shall conduct the above transactions with transparency and comply with the company's policy as to intercompany transactions and also strictly conform to the requirements of the Securities and Exchange Commission including any other related agencies.

# Report of the Board of Directors’ Responsibilities for Financial Statements

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The Board of Directors is aware and responsible for financial reporting, including the financial information in the annual report and Copperwired Public Company Limited financial statements. KPMG Phoomchai Audit Company Limited audited the consolidated and separated financial statements for the year ended December 31, 2020. The Board of Directors has provided all necessary information and documents to the external auditor to review and express opinions under the auditing standards. The preceding audited financial statements accurately represent the Company’s financial position and performance in all material respects under the financial reporting standards. The Board of Directors considers the accounting policies pursued to be appropriated and has been applied consistently with adequate disclosure of significant information in the notes to shareholders’ financial statements and general investors’ benefits.

The Board of Directors has also adopted and maintained an appropriate, efficient system of risk management and internal control systems to ensure that the reliability and completeness of financial information are in place to protect the Company’s assets to prevent fraud materially irregular operation.

The Board of Directors has appointed an Audit Committee comprised of three independent directors responsible for reviewing the quality of financial reports. The responsibilities include an internal control system and internal audit, disclosure of information relating to transactions with the entity or related persons, complying with the rules and related regulations, discussing and meeting together with the audit department as shown in the audit committee annual report.

The Board of Directors believes that The Company’s internal control audit system is appropriate and gratified enough to build rational confidence in credibility for the company’s financial statements. The consolidation of the company’s financial statements and its subsidiaries as of December 31, 2020, have been prepared and disclosed accurately as it should be in all the material aspects under generally accepted accounting standards.



(Mr. Narong Intanate)  
Chairman of the Board of Directors

# Management Discussion and Analysis

## 1. Overview

The contraction of Thailand economy since the first quarter of 2020 as a result of the COVID-19 pandemic dampening the country tourist industry has significantly lowered consumers' purchasing power. The Company has been affected by this situation, especially in the first half of the year during which most of the Company's stores were temporarily closed for a certain period. This caused the decline in both revenue and net profits of the Company in 2020.

As of 31 December 2020, the Company had 47 stores (2019: 42 stores), consisted of 23 .life (Dotlife) stores, 18 Apple Brand stores (14 iStudio by copperwired, 3 U-store by copperwired, 1 Ai\_ store) and 6 iServe service centers.

## 2. Operating Results

### (1) Revenue

Breakdown of the Company's revenue is as follow:

Revenue	For the year ended 31 December			
	2019		2020	
	Million Baht	Percent	Million Baht	Percent
Sales <sup>/1</sup>	3,500.71	97.03	3,261.52	97.70
Services <sup>/2</sup>	86.17	2.39	53.59	1.61
Total revenue from sales and services	3,586.88	99.42	3,315.11	99.31
Other income <sup>/3</sup>	20.84	0.58	23.04	0.69
	3,607.72	100.00	3,338.15	100.00

Note:

/1 Revenue from sales is consisted of revenue from digital lifestyle product, smartphone, computer and tablet

/2 Revenue from services is consisted of repair and maintenance and Apple care warranty

/3 Other income is consisted of financial support from Apple for Apple brand shop decoration, advertisement fee from suppliers and Revenue from exchange rate

Revenue from sales and services for 2020 was 3,315.11 million baht, which decreased by 271.77 million baht or 7.58% from the previous year as a result of the decrease in revenue from digital lifestyle and service revenue offset with the increase in revenue from computer, tablet, and smartphone, compared to 2019. The decline in revenue was caused by the temporary closure of stores from March to May 2020 (due to government measures in respect of COVID-19) and the slowdown in economy caused by the pandemic.

#### (2) Cost of sales and service

Cost of sales and service for the 2020 was 2,844.61 million baht, being 85.81% of revenue (2019: 3,056.95 million baht or 85.23% of revenue). The percentage of these cost of sales and services increased from that of 2019 as a result of the decrease, in proportion to total revenue, of revenue from digital lifestyle products and services, of which percentage of cost of sales being lower than other products groups.

#### (3) Expenses

##### Selling Expenses

Selling expenses for 2020 and 2019 were 304.93 million baht and 330.42 million baht, respectively. The expenses decreased to 9.13% of total revenue in 2020 from 9.16% in 2019.

##### Administrative expenses

Administrative expenses for 2020 and 2019 were 114.48 million baht and 122.27 million baht, representing 3.43% and 3.39% of total revenue, respectively.

#### Net profit and net Profit margin

Net profit for 2020 was 54.78 million baht, declined by 22.76 million baht or 29.36% from 2019. Net profit margin declined from 2.15% in 2019 to 1.64% of revenue in 2020. The decrease in net profit is due to the decline in revenue as a result of economic contraction affected by the pandemic as discussed above.

### 3. FINANCIAL POSITION

#### (1) Assets

As of 31 December 2020, total assets were 1,218.87 million baht, increase of 53.52 million baht compared to 2019. The increase was mainly due to the initial adoption of TFRS 16 Leases, which caused the increase in the right-of-use assets by 258.54 million baht.

#### (2) Liabilities

As of 31 December 2020, total liabilities were 524.69 million baht, a decrease of 35.34 million baht compared to 2019. The decrease was mainly due to the decreasing in trade account payable 206.54 million baht caused by lower amount of purchase orders and cash purchase instead of credit to earn discount income, whilst lease liabilities increasing by 252.52 million baht following the initial adoption of TFRS 16 Leases.

#### (3) Shareholders' equity

As of 31 December 2020, shareholders' equity was 694.18 million baht, an increase of 18.19 million baht from 2019. The increase was due to net profits for 2020 of 54.78 million baht and dividend payment of 35.40 million baht during the period.

## 4. Liquidity and Capital Adequacy

### (1) Cashflow

(Unit : Million Baht)	For the year ended 31 December		
	2018	2019	2020
Net cash from operating activities	144.45	71.21	(37.48)
Net cash from (used in) investing activities	(51.12)	(38.91)	(29.31)
Net cash from (used in) financing activities	(43.18)	252.96	(149.40)
Cash and cash equivalents at 31 December	104.53	389.79	(216.19)

#### Cash from operating activities

In 2020, the company net operating cash flow is total of 37.48 million baht due to a decrease in trade accounts payable amount of 206.54 million baht due to a reduction in purchase volume and from buying products in cash for discounts.

#### Cash from investing activities

In 2020, the Company's net investment cash flow and its subsidiary were at 29.31 million baht. It is mainly due to the Company's continued investment in expanding new branches and renovating to modernize the original branches.

#### Cash from financing activities

In 2020, the Company and its subsidiary net cash flow of 149.40 million bahts were used in the financing activities, consisting of a lease payment of 100.61 million baht and a dividend payment of 48 million baht.

### (2) Liquidity Ratio

The company's liquidity mainly comes from the ability to turnover inventories, receiving payment of trade receivables, and repayment of trade payables. Within the year 2020, the asset turnover period that supports such liquidity is shown in the table below.

Liquidity Ratio	For the year ended 31 December		
	Unit	2019	2020
Day Sales Outstanding (DSO)	Day	4	5
Day Sales of Inventory (DSI)	Day	55	58
Day Payable Outstanding (DPO)	Day	51	39
Cash Cycle	Day	8	24

## 5. Off-Balance Sheet Arrangements

As of 31 December 2020, the Company and its subsidiaries have commitments and contingent liabilities as follows:

- Operating lease commitments with a lease term not exceeding one year in a total of 119.15 million baht and operating lease commitments with a lease term of 1 to 5 years in the total amount of 145.90 million baht, which are lease agreements for retail shops, offices, warehouses, and leasehold rights.

## 6. Key Risk Factors That May Affect The Results of Operations or Financial Status

### (1) The Risk from obsolescence due to changing of technology

Since digital lifestyle products such as smartphones, computers, and tablets are IT products with rapid technology changes, CPW and subsidiaries may not be able to sell out all products in time. This may cause a loss in the impairment of outcomes.

CPW and subsidiary have set up the preventive policy and risk management to (1) Set up an authorized limitation of buying quantities for Product Manager (PM) 2) Using a logistic system, NIMBUS, to create a report of the product movement and review the remaining inventory at all times (3) Set up the policy of allowance for impairment of obsolete products, slow-moving or deadstock, and defective products. Apart from that, promotion strategies are applied to boost turnover and release products from time to time.

### (2) The Risk relating to contract renewal with a major supplier

To be an authorized distributor, Apple South Asia (Thailand) Ltd. has appointed CPW as an Apple Premium Reseller (APR), an Authorized Apple Reseller (AAR) to sell Apple products, and an Apple Authorized Service Provider (ASP) to provide maintenance service in Thailand. As of 31st December 2020, CPW owns 18 Apple Brand Shops and six service shops (iServe). For the years 2018, 2019, and 2020, CPW had revenue from sales and services under the Apple Brand equal to 70%, 74%, and 78% of total revenues, respectively. If CPW could not renew contracts, the total revenues may decrease. Moreover, Apple South Asia (Thailand) Ltd. has reserved the right to terminate those contracts anytime without any decoration in writing 30 days in advance. However, as CPW has a good relationship with Apple South Asia (Thailand) Ltd. since 2006 and always strictly complies with the agreement, CPW can always renew the contract.

Furthermore, the Group also has dotlife stores, not including apple brand shops that operate digital lifestyle products' retail business. KOAN, a subsidiary of the company, engages in the wholesale of digital lifestyle products with more than 2,000 product varieties under more than 200 brands worldwide.

# Financial statements

## Independent Auditor's Report

### To the Shareholders of Copperwired Public Company Limited and its Subsidiary

#### Opinion

I have audited the consolidated and separate financial statements of Copperwired Public Company Limited and its subsidiary (the "Group") and of Copperwired Public Company Limited (the "Company"), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2020, the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group and the Company, respectively, as at 31 December 20 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 Consolidated and Separate Financial Statements section of my report. I am independent of the Group and the Company in accordance with the Code of Ethics for Professional Accountants issued by the Federation of Accounting Professions that is relevant to my audit of the consolidated and separate 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 period. 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.

## Valuation of inventories

### Refer to Notes 4 (g) and 9 to the consolidated and separate financial statements

The key audit matter	How the matter was addressed in the audit
<p>The Group had material inventories. The Group's products are related to computers, mobile phones, and accessories which is subject to rapid changes in consumer demand in response to changing technology trends impacting values of inventories.</p> <p>The Group has a policy for setting up allowance for decline in value of inventories to reflect the net realisable value of inventories. The measurement of the net realisable value of inventories involves categorisation of inventories by the age profile and requires significant management's judgment. Therefore, I considered that this is a significant risk and a key area of focus in my audit.</p>	<p><b>My audit procedures included:</b></p> <ul style="list-style-type: none"><li>• I understood process of measurement of the Group's policy on the recognition of such allowance for obsolete and slow-moving inventories;</li><li>• I evaluated the control design and implementation regarding categorisation of inventories aging and recognition of such allowance for obsolete and slow-moving inventories;</li><li>• I performed a retrospective assessment of the measurement by comparing past experience of the measurement and actual results in order to evaluate the appropriateness of the assumptions made in the current year;</li><li>• I tested the appropriateness of inventories aging report exported from accounting system on a sample basis with the assistance of KPMG's information technology specialist;</li><li>• In respect of long-outstanding inventories, I considered assessment of the allowance level with the historical data of consumer's demands, sales plans as well as considering the selling price trend of each long-outstanding inventories;</li><li>• I compared the cost of inventories against the net realisable value including the estimated distribution costs with the related documents on a sample basis;</li><li>• I considered the adequacy of the Group's disclosures in respect of allowance for obsolete and slow-moving inventories in accordance with Thai Financial Reporting Standards.</li></ul>



## First time adoption of TFRS 16 Leases

Refer to Notes 4 (j) and 12 to the consolidated and separate financial statements.

The Key Audit Matter	How the matter was addressed in the audit
<p>The Group leases several stores and warehouses. The first time adoption of TFRS 16 required management to identify all contracts that contain a lease and consideration all contracts are lease. Management had to determine their contractual terms such as lease period, discount rate and renewal options.</p> <p>The Group elected to use the modified retrospective transition approach as at 1 January 2020 recognizing the right-of-use assets and lease liabilities at that date of the adoption of TFRS 16.</p> <p>As at 31 December 2020, the Group recognised right-of-use assets amounting to Baht 258.54 million and Baht 254.47 million and lease liabilities amounting to Baht 252.52 million and Baht 248.42 million in consolidated and separate statement of financial position, respectively.</p> <p>Due to high degree of judgement and the material impact to the Group's financial statements, I considered this to be a key audit matter.</p>	<p><b>My audit procedures included the following:</b></p> <ul style="list-style-type: none"><li>• I obtained an understanding of the Group's policy, data collection process, and process for, and controls over, identification of all leases and the determination of their contractual terms.</li><li>• I obtained the Group's quantification of right-of-use assets and the lease liabilities. I corroborated the values recognized with the data collected and assessed the appropriateness of the determination of the lease terms and the calculation of the right-of-use assets and lease liabilities;</li><li>• I tested the reconciliation to the Group's operating lease commitments as reported in the prior year financial statements and verified the key service contracts to assess whether they contained a lease under TFRS 16;</li><li>• I assessed the methodology, and significant assumptions adopted by management in determining discount rate;</li><li>• I tested the calculation of the adjustment on first time adoption of TFRS 16;</li><li>• I considered the adequacy of the Group's disclosures in accordance with Thai Financial Reporting Standards.</li></ul>

### Emphasis of Matter

I draw attention to note 3 which describing the effect of the Group adoption from 1 January 2020 of certain new accounting policies. The comparative information is a component of the audited financial statements as at and for the year ended 31 December 2019, after making the adjustments described in note 3. My conclusion is not modified in respect of this matter.

### Other Information

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

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

In connection with my audit of the consolidated and separate financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the 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 and request that the correction be made.

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

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

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

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

#### Auditor's Responsibilities for the Audit of the Consolidated and Separate 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 consolidated and separate 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 and the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated and separate 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.



(Natthaphong Tantichattanont)  
Certified Public Accountant  
Registration No. 8829

KPMG Phoomchai Audit Ltd.  
Bangkok  
22 February 2021

**Copperwired Public Co., Ltd. and its Subsidiary**

**Statement of financial position**

		Consolidated financial		Separate financial		
		statements		statements		
		31 December		31 December		1 January
<b>Assets</b>	<i>Note</i>	2020	2019	2020	2019	2019
					(Restated)	(Restated)
		<i>(in Baht)</i>				
<b>Current assets</b>						
Cash and cash equivalents	7	173,603,451	389,791,656	153,496,902	377,988,123	93,299,233
Trade accounts receivable	6, 25	49,434,160	43,316,806	16,838,948	3,065,178	4,224,613
Other receivables	6, 8	80,032,082	41,518,143	71,507,798	39,110,621	102,898,032
Short-term loans to related party	6, 25	-	-	56,000,000	71,000,000	30,000,000
Inventories	9	448,810,004	475,874,668	412,858,950	423,542,902	414,701,530
Other current assets		9,761,423	8,470,062	9,321,490	8,068,249	7,321,104
<b>Total current assets</b>		<b>761,641,120</b>	<b>958,971,335</b>	<b>720,024,088</b>	<b>922,775,073</b>	<b>652,444,512</b>
<b>Non-current assets</b>						
Investments in subsidiary	3, 10	-	-	59,857,036	43,371,001	43,504,054
Leasehold improvements and equipment	11	93,945,813	91,858,105	90,065,499	89,289,528	95,758,677
Right-of-use assets	3, 12	258,543,227	-	254,468,141	-	-
Leasehold right	3	-	13,235,148	-	13,235,148	14,438,352
Intangible assets	13	17,691,298	16,672,946	7,348,337	6,311,924	5,766,314
Deferred tax assets	22	20,096,878	16,933,231	12,830,351	10,252,178	9,436,211
Restricted deposits at financial institutions	14	2,279,414	11,329,730	1,005,602	10,057,499	7,453,643
Deposits	6	64,671,545	56,346,746	64,020,531	56,003,960	49,557,938
<b>Total non-current assets</b>		<b>457,228,175</b>	<b>206,375,906</b>	<b>489,595,497</b>	<b>228,521,238</b>	<b>225,915,189</b>
<b>Total assets</b>		<b>1,218,869,295</b>	<b>1,165,347,241</b>	<b>1,209,619,585</b>	<b>1,151,296,311</b>	<b>878,359,701</b>

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

Copperwired Public Co., Ltd. and its Subsidiary

Statement of financial position

		Consolidated financial statements		Separate financial statements		
		31 December		31 December		1 January
Liabilities and equity	Note	2020	2019	2020	2019 (Restated)	2019 (Restated)
		(in Baht)				
Current liabilities						
Trade accounts payable	6, 25	201,532,569	408,070,288	213,159,987	408,915,098	464,155,183
Other payables	6, 15, 25	33,795,314	52,054,557	23,402,668	44,651,127	35,656,581
Current portion of lease liabilities	3, 25	112,648,063	-	110,934,546	-	-
Income tax payable		9,391,972	7,291,999	6,681,574	1,746,433	1,860,828
Other current liabilities		2,110,424	1,354,615	797,086	987,564	793,641
Total current liabilities		359,478,342	468,771,459	354,975,861	456,300,222	502,466,233
Non-current liabilities						
Lease liabilities	3, 25	139,874,809	-	137,489,879	-	-
Non-current provisions for employee benefits	16	14,562,752	10,718,482	11,453,555	8,376,892	4,511,690
Other non-current liabilities		10,769,493	9,859,103	10,434,493	9,539,103	13,131,300
Total non-current liabilities		165,207,054	20,577,585	159,377,927	17,915,995	17,642,990
Total liabilities		524,685,396	489,349,044	514,353,788	474,216,217	520,109,223
Equity						
Share capital	17					
Authorised share capital		300,000,000	300,000,000	300,000,000	300,000,000	206,000,000
Issued and paid-up share capital		300,000,000	300,000,000	300,000,000	300,000,000	206,000,000
Share premium on ordinary shares	17	331,763,072	331,763,072	331,763,072	331,763,072	45,700,000
Surplus from share-based payment	18	2,433,200	2,433,200	2,433,200	2,433,200	2,433,200
Deficit from business combination						
under common control	18	(160,129)	(160,129)	-	-	-
Retained earnings						
Appropriated						
Legal reserve	18	6,700,000	3,900,000	6,700,000	3,900,000	-
Unappropriated		53,447,756	38,062,054	54,369,525	38,983,822	104,117,278
Total equity		694,183,899	675,998,197	695,265,797	677,080,094	358,250,478
Total liabilities and equity		1,218,869,295	1,165,347,241	1,209,619,585	1,151,296,311	878,359,701

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

Copperwired Public Co., Ltd. and its Subsidiary

Statement of comprehensive income

	Note	Consolidated financial statements		Separate financial statements	
		For the year ended		For the year ended	
		31 December		31 December	
		2020	2019	2020	2019
					(Restated)
				(in Baht)	
<b>Revenue</b>					
Revenue from sale of goods and rendering of services	19	3,315,114,208	3,586,879,678	3,156,359,069	3,409,210,633
Other income		23,040,320	20,843,525	28,317,662	22,519,636
<b>Total revenue</b>		<b>3,338,154,528</b>	<b>3,607,723,203</b>	<b>3,184,676,731</b>	<b>3,431,730,269</b>
<b>Expenses</b>					
Costs of sales of goods and rendering of services	9, 21	2,844,609,691	3,056,948,534	2,772,784,219	2,988,019,608
Distribution costs	21	304,934,443	330,422,765	288,403,568	312,756,559
Administrative expenses	21	114,482,478	122,270,488	70,370,703	86,109,994
<b>Total expenses</b>		<b>3,264,026,612</b>	<b>3,509,641,787</b>	<b>3,131,558,490</b>	<b>3,386,886,161</b>
<b>Profit from operating activities</b>					
Share of profit of subsidiary					
accounted for using equity method	3, 10	-	-	16,723,618	42,097,706
Finance costs		6,972,853	2,098,943	6,890,332	1,534,171
<b>Profit before income tax expense</b>		<b>67,155,063</b>	<b>95,982,473</b>	<b>62,951,527</b>	<b>85,407,643</b>
Tax expense	22	(12,372,091)	(18,434,696)	(8,168,555)	(7,859,866)
<b>Profit for the year</b>		<b>54,782,972</b>	<b>77,547,777</b>	<b>54,782,972</b>	<b>77,547,777</b>
<b>Other comprehensive income</b>					
<b>Item that will not be reclassified to profit or loss</b>					
Losses on remeasurements of defined benefit plan	16	(1,496,587)	(1,476,541)	(1,199,607)	(1,188,092)
Share of other comprehensive income of subsidiary					
accounted for using equity method		-	-	(237,584)	(230,759)
Income tax relating to item that will not be reclassified		299,317	295,308	239,921	237,618
<b>Other comprehensive income (expense) for the year, net of income tax</b>		<b>(1,197,270)</b>	<b>(1,181,233)</b>	<b>(1,197,270)</b>	<b>(1,181,233)</b>
<b>Total comprehensive income (expense) for the year</b>		<b>53,585,702</b>	<b>76,366,544</b>	<b>53,585,702</b>	<b>76,366,544</b>
<b>Profit attributable to:</b>					
Owners of the parent		54,782,972	77,547,777	54,782,972	77,547,777
Non-controlling interests		-	-	-	-
<b>Profit for the year</b>		<b>54,782,972</b>	<b>77,547,777</b>	<b>54,782,972</b>	<b>77,547,777</b>
<b>Total comprehensive income attributable to:</b>					
Owners of the parent		53,585,702	76,366,544	53,585,702	76,366,544
Non-controlling interests		-	-	-	-
<b>Total comprehensive income for the year</b>		<b>53,585,702</b>	<b>76,366,544</b>	<b>53,585,702</b>	<b>76,366,544</b>
<b>Basic earnings per share</b>	23	<b>0.09</b>	<b>0.17</b>	<b>0.09</b>	<b>0.17</b>

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

Copperwired Public Co., Ltd. and its Subsidiary

Statement of changes in equity

Consolidated financial statements							
Note	Issued and paid-up share capital	Share premium on ordinary shares	Surplus from share-based payment	Deficit from business combination under common control  (in Baht)	Retained earnings		Total equity
					Legal reserve	Unappropriated	
Year ended 31 December 2019							
Balance at 1 January 2019	206,000,000	45,700,000	2,433,200	(160,129)	-	103,195,510	357,168,581
Transactions with owners, recorded directly in equity							
Contributions by and distributions to owners of the parent							
Increase of ordinary shares	17	94,000,000	286,063,072	-	-	-	380,063,072
Dividends	24	-	-	-	-	(137,600,000)	(137,600,000)
Total contributions by and distributions to owners of the parent		94,000,000	286,063,072	-	-	(137,600,000)	242,463,072
Comprehensive income for the year							
Profit		-	-	-	-	77,547,777	77,547,777
Other comprehensive income		-	-	-	-	(1,181,233)	(1,181,233)
Total comprehensive income for the year		-	-	-	-	76,366,544	76,366,544
Transfer to legal reserve	18	-	-	-	-	3,900,000	-
Balance at 31 December 2019		300,000,000	331,763,072	2,433,200	(160,129)	3,900,000	675,998,197

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

Copperwired Public Co., Ltd. and Its Subsidiary

Statement of changes in equity

Consolidated financial statements							
Note	Issued and paid-up share capital	Share premium on ordinary shares	Surplus from share-based payment	Deficit from business combination under common control  (in Baht)	Retained earnings		Total equity
					Legal	Unappropriated	
					reserve		
Year ended 31 December 2020							
Balance at 1 January 2020	300,000,000	331,763,072	2,433,200	(160,129)	3,900,000	38,062,054	675,998,197
Transactions with owners, recorded directly in equity							
Distributions to owners of the parent							
Dividends	24	-	-	-	-	(35,400,000)	(35,400,000)
Distributions to owners of the parent		-	-	-	-	(35,400,000)	(35,400,000)
Comprehensive income for the year							
Profit		-	-	-	-	54,782,972	54,782,972
Other comprehensive income		-	-	-	-	(1,197,270)	(1,197,270)
Total comprehensive income for the year		-	-	-	-	53,585,702	53,585,702
Transfer to legal reserve	18	-	-	-	2,800,000	(2,800,000)	-
Balance at 31 December 2020	300,000,000	331,763,072	2,433,200	(160,129)	6,700,000	53,447,756	694,183,899

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

**Copperwired Public Co., Ltd. and its Subsidiary**

**Statement of changes in equity**

Separate financial statements							
		Issued and paid-up share capital	Share premium on ordinary shares	Surplus from share-based payment	Retained earnings	Total equity	
	Note				Legal reserve	Unappropriated	
(in Baht)							
Year ended 31 December 2019							
Balance at 1 January 2019 – as reported		206,000,000	45,700,000	2,433,200	-	111,713,224	365,846,424
Impact of changes in accounting policies	3	-	-	-	-	(7,595,946)	(7,595,946)
Balance at 1 January 2019 – restated		206,000,000	45,700,000	2,433,200	-	104,117,278	358,250,478
Transactions with owners, recorded directly in equity							
Contributions by and distributions to owners							
Increase of ordinary shares	17	94,000,000	286,063,072	-	-	-	380,063,072
Dividends	24	-	-	-	-	(137,600,000)	(137,600,000)
Total contributions by and distributions to owners		94,000,000	286,063,072	-	-	(137,600,000)	242,463,072
Comprehensive income for the year							
Profit		-	-	-	-	77,547,777	77,547,777
Other comprehensive income		-	-	-	-	(1,181,233)	(1,181,233)
Total comprehensive income for the year		-	-	-	-	76,366,544	76,366,544
Transfer to legal reserve	18	-	-	-	3,900,000	(3,900,000)	-
Balance at 31 December 2019		300,000,000	331,763,072	2,433,200	3,900,000	38,983,822	677,080,094

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



### Statement of changes in equity

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

**Copperwired Public Co., Ltd. and its Subsidiary**

**Statement of cash flows**

		Consolidated financial		Separate financial	
		statements		statements	
		For the year ended		For the year ended	
		31 December		31 December	
	Note	2020	2019	2020	2019
					(Restated)
	</				

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

**Copperwired Public Co., Ltd. and its Subsidiary**

**Statement of cash flows**

	<i>Note</i>	<b>Consolidated financial</b>		<b>Separate financial</b>	
		<b>statements</b>		<b>statements</b>	
		For the year ended		For the year ended	
		31 December		31 December	
		2020	2019	2020	2019
<i>(in Baht)</i>					
<b><i>Cash flows from investing activities</i></b>					
Proceeds from sale of leasehold improvements and equipment		157,225	242,890	153,777	193,357
Acquisition of leasehold improvements and equipment		(34,725,026)	(33,416,948)	(32,205,584)	(31,889,327)
Acquisition of intangible assets		(4,305,350)	(3,704,497)	(3,058,960)	(2,145,748)
Proceeds from short-term loans to related party		-	-	54,000,000	117,000,000
Short-term loans to related party		-	-	(39,000,000)	(158,000,000)
Restricted deposits at financial institutions decrease (increase)		9,050,315	(2,614,713)	9,051,896	(2,603,856)
Dividend received		-	-	-	86,000,000
Interest received		513,171	580,402	2,190,184	1,917,039
<b>Net cash from (used in) investing activities</b>		<b>(29,309,665)</b>	<b>(38,912,866)</b>	<b>(8,868,687)</b>	<b>10,471,465</b>
<b><i>Cash flows from financing activities</i></b>					
Proceeds from short-term loans from financial institutions		-	220,269,264	-	165,000,000
Repayment of short-term loans from financial institutions		-	(220,269,264)	-	(165,000,000)
Proceeds from issue of capital shares		-	380,063,072	-	380,063,072
Repayment of short-term loans from related party	12	(100,608,630)	-	(98,795,593)	-
Dividends paid to owners of the Company	24	(48,000,000)	(125,000,000)	(48,000,000)	(125,000,000)
Finance costs paid		(788,966)	(2,098,943)	(775,953)	(1,534,171)
<b>Net cash from (used in) financing activities</b>		<b>(149,397,596)</b>	<b>252,964,129</b>	<b>(147,571,546)</b>	<b>253,528,901</b>
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>(216,188,205)</b>	<b>285,258,362</b>	<b>(224,491,221)</b>	<b>284,688,890</b>
Cash and cash equivalents at 1 January		389,791,656	104,533,294	377,988,123	93,299,233
<b>Cash and cash equivalents at 31 December</b>	7	<b>173,603,451</b>	<b>389,791,656</b>	<b>153,496,902</b>	<b>377,988,123</b>
<b><i>Non-cash transactions</i></b>					
Payables for purchase of fixed assets		1,733,955	1,165,346	1,520,775	875,329
Payables for purchase of intangible assets		636,847	678,474	412,146	544,074
Dividend payable		51,313	12,600,000	51,313	12,600,000

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

**Copperwired Public Company Limited and its Subsidiary**

**Notes to the financial statements**

**For the year ended 31 December 2020**

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# Copperwired Public Company Limited and its Subsidiary

## Notes to the financial statements

For the year ended 31 December 2020

These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Board of Directors on 22 February 2021.

### 1 General information

Copperwired Public Company Limited (the “Company”) is incorporated in Thailand and was listed on the Stock Exchange of Thailand in October 2019. The Company has its registered office at 159/6 Serm-Mit Tower, Unit 201-202, 2<sup>nd</sup> Floor, Sukhumvit 21 (Asoke) Road, North-Klongtoey, Wattana, Bangkok.

The parent company during the financial year was Vnet Capital Co., Ltd. which is incorporated in Thailand.

The principal activities of the Group are engaged in distribution and repairment of computers, mobile phones and accessories.

Details of the Company’s subsidiary as at 31 December 2020 and 2019 are given in Note 10.

### 2 Basis of preparation of the financial statements

#### (a) *Statement of compliance*

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

New and revised TFRS are effective for annual accounting periods beginning on or after 1 January 2020. The initial application of these new and revised TFRS has resulted in changes in certain of the Group’s accounting policies.

The Group has initially applied TFRS – Financial instruments standards and TFRS 16 *Leases* and disclosed impact from the changes in accounting policies relating to investment in subsidiaries in the separate financial statements by using equity method in note 3.

In addition, the Group has not early adopted a number of new and revised TFRS, which are not yet effective for the current period in preparing these financial statements. The Group is in the process of assessing the potential initial impact on the financial statements of these new and revised TFRS and disclosed in note 27.

#### (b) *Functional and presentation currency*

The financial statements are prepared in Thai Baht, which is the Company’s functional currency.

## Copperwired Public Company Limited and its Subsidiary

### Notes to the financial statements

For the year ended 31 December 2020

#### (c) Use of judgements and estimates

The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of the Group's accounting policies. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

##### (i) Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

##### 4(j) and 12 Leases:

- whether an arrangement contains a lease;
- whether the Group is reasonably certain to exercise extension options;
- whether the Group exercise termination options;

##### (ii) Assumptions and estimation uncertainties

Information about assumption and estimation uncertainties at 31 December 2020 that have a significant risk of resulting in a material adjustments to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

- 4(j) Determining the incremental borrowing rate to measure lease liabilities;
- 9 Inventories – allowance for decline in value of inventory.
- 16 Measurement of defined benefit obligations: key actuarial assumptions.

### 3 Changes in accounting policies

#### (a) Accounting treatment for investment in subsidiary

The Company changed its accounting treatment for investment in subsidiary in the separate financial statements from the cost method to the equity method and has restated the comparative financial statements of the prior period to reflect the effect of the changes. The cumulative effect of the change in accounting policy is presented separately in the statement of changes in equity.

The amounts of the adjustments affecting the separate financial statement are summarised below;

	Separate financial statements		
	31 December	31 December	1 January
	2020	2019	2019
	<i>(in thousand Baht)</i>		
<b>Statements of financial position</b>			
Increase (decrease) in investment in subsidiary	8,757	(7,729)	(7,596)
Increase (decrease) in retained earnings			
- unappropriated	8,757	(7,729)	(7,596)

**Copperwired Public Company Limited and its Subsidiary**

**Notes to the financial statements**

**For the year ended 31 December 2020**

	Separate financial statements	
<i>Year ended 31 December</i>	2020	2019
	<i>(in thousand Baht)</i>	
<b>Statements of comprehensive income</b>		
Increase in share of profit of subsidiary accounted for using equity method	16,723	42,098
Increase in profit for the year	16,723	42,098
Increase in total comprehensive income	16,486	41,867
<b>Earning per share (Baht)</b>		
Increase in basic earning per share	0.028	0.090

**(b) TFRS – Financial instruments standards**

The Company has adopted from TFRS – Financial instruments standards by adjusting the cumulative effects to retained earnings on 1 January 2020. Therefore, the Group did not adjust the information presented for 2019. The disclosure requirements of TFRS for financial instruments have not generally been applied to comparative information.

These TFRS – Financial instruments standards establish requirements related to definition, recognition, measurement, impairment and derecognition of financial assets and financial liabilities, including accounting for derivatives and hedge accounting. There is no material impact on the Group's financial statements from TFRS – Financial instruments standards adoption.

**(c) TFRS 16 Leases**

From 1 January 2020, the Group has initially adopted TFRS 16 on contracts previously identified as leases according to TAS 17 *Leases* and TFRIC 4 *Determining whether an arrangement contains a lease* using the modified retrospective approach.

Previously, the Group, as a lessee, recognised payments made under operating leases and relevant lease incentives in profit or loss on a straight-line basis over the term of the lease. Under TFRS 16, the Group assesses whether a contract is, or contains, a lease. If a contract contains lease and non-lease components, the Group allocates the consideration in the contract based on stand-alone selling price (transaction price). As at 1 January 2020, the Group recognised right-of-use assets and lease liabilities, as a result, the nature of expenses related to those leases was changed because the Group recognised depreciation of right-of-use assets and interest expense on lease liabilities.

On transition, the Group also elected to use the following practical expedients:

- do not recognise right-of-use assets and lease liabilities for leases with less than 12 months of lease term;
- use hindsight when determining the lease term;
- apply a single discount rate to a portfolio of leases with similar characteristics;
- rely on previous assessments whether leases are onerous as an alternative to performing an impairment review; and
- exclude initial direct costs from measuring the right-of-use asset.

Copperwired Public Company Limited and its Subsidiary

Notes to the financial statements

For the year ended 31 December 2020

	Consolidated financial statements	Separate financial statements
	<i>(in thousand Baht)</i>	
<b><i>Impact from the adoption of TFRS 16</i></b>		
<b><i>At 1 January 2020</i></b>		
Increase in right-of-use assets	250,535	247,962
Decrease in leasehold rights	(13,235)	(13,235)
Increase in lease liabilities	(237,300)	(234,727)
	Consolidated financial statements	Separate financial statements
	<i>(in thousand Baht)</i>	
<b><i>Measurement of lease liabilities</i></b>		
Operating lease commitment as disclosed at 31 December 2019	206,480	203,741
Extension and termination options reasonably certain to be exercised	60,238	60,238
	<b>266,718</b>	<b>263,979</b>
Discounted using the incremental borrowing rate at 1 January 2020	237,300	234,727
<b>Lease liabilities recognized at 1 January 2020</b>	<b>237,300</b>	<b>234,727</b>
Weighted-average incremental borrowing rate (% per annum)	<b>2.5 – 3.5</b>	<b>2.5 – 3.5</b>

Right-of-use assets and lease liabilities shown above were presented as part of sales of goods and repairment services segments, respectively.

**4 Significant accounting policies**

The accounting policies set out below have been applied consistently to all periods presented in these financial statements except as explained in note 3.

**(a) Basis of consolidation**

The consolidated financial statements relate to the Company and its subsidiary (together referred to as the “Group”).

***Acquisitions from entities under common control***

Business combination under common control are accounted for using a method similar to the pooling of interest method. Under that method the acquirer recognises assets and liabilities of the acquired businesses at their carrying amounts in the consolidated financial statements of the ultimate parent company at the moment of the transaction. The difference between the carrying amount of the acquired net assets and the consideration transferred is recognised as surplus or discount from business combinations under common control in shareholder’s equity. The surplus or discount will be transferred to retained earnings upon divestment of the businesses acquired.

The results from operations of the acquired businesses will be included in the consolidated financial statements of the acquirer from the beginning of the comparative period or the moment the businesses came under common control, whichever date is later, until control ceases.



## Copperwired Public Company Limited and its Subsidiary

### Notes to the financial statements

For the year ended 31 December 2020

#### *Subsidiary*

Subsidiary is entity controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiary are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

#### *Non-controlling interests*

At the acquisition date, the Group measures any non-controlling interest at its proportionate interest in the identifiable net assets of the acquiree.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

#### *Loss of control*

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

#### *Transactions eliminated on consolidation*

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

#### **(b) *Investment in subsidiary***

Investments in subsidiary, in the separate financial statements of the Company are accounted for using the equity method.

Interests in subsidiary, is accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the separate financial statements include the Company's share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on.

#### **(c) *Foreign currency transactions***

##### *Foreign currency transactions*

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rates at the reporting date.

## Copperwired Public Company Limited and its Subsidiary

### Notes to the financial statements

For the year ended 31 December 2020

Non-monetary assets and liabilities measured at cost in foreign currencies are translated to the functional currency at the exchange rates at the dates of the transactions.

Foreign currency differences are generally recognised in profit or loss.

#### **(d) Financial instruments**

##### ***Accounting policies applicable from 1 January 2020***

###### ***(d.1) Recognition and initial measurement***

Trade receivables, debt securities issued and trade payables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset and financial liability (unless it is a trade receivable without a significant financing component or measured at FVTPL) is initially measured at fair value plus transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price. A financial asset and a financial liability measured at FVTPL are initially recognised at fair value.

###### ***(d.2) Classification and subsequent measurement***

###### ***Financial assets – classification***

On initial recognition, a financial asset is classified as measured at: amortised cost.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified prospectively from the reclassification date.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at fair value to profit or loss (FVTPL).

- it is held within a business model whose objective is to hold assets to collect contractual cashflows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at fair value to other comprehensive income (FVOCI) if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

## Copperwired Public Company Limited and its Subsidiary

### Notes to the financial statements

For the year ended 31 December 2020

#### *Financial assets – assessment whether contractual cash flows are solely payments of principal and interest*

For the purposes of this assessment,

‘principal’ is defined as the fair value of the financial asset on initial recognition.

‘Interest’ is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features; and
- terms that limit the Group claim to cash flows from specified assets (e.g. non-recourse features).

#### *Financial assets – subsequent measurement and gains and losses*

Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
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#### *Financial liabilities – classification, subsequent measurement and gains and losses*

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

#### *(d.3) Derecognition*

##### *Financial assets*

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

## Copperwired Public Company Limited and its Subsidiary

### Notes to the financial statements

For the year ended 31 December 2020

#### *Financial liabilities*

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

#### *(d.4) Offsetting*

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

#### *(d.5) Derivatives*

Derivative are recognised at fair value. At the end of each reporting period the fair value is measured. The gain or loss on remeasurement to fair value is recognised.

#### ***Accounting policies applicable before 1 January 2020***

##### *Derivatives*

Derivatives were recognised when they were exercised.

#### ***(e) Cash and cash equivalents***

Cash and cash equivalents in the statements of cash flows comprise cash balances, call deposits and highly liquid short-term investments. Bank overdrafts that are repayable on demand are a component of financing activities for the purpose of the statement of cash flows.

#### ***(f) Trade and other accounts receivable***

A receivable is recognised when the Group has an unconditional right to receive consideration. If revenue has been recognised before the Group has an unconditional right to receive consideration, the amount is presented as a contract asset.

A receivable is measured at transaction price less allowance for expected credit loss (*2019: allowance for doubtful accounts*) which is determined based on an analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

#### ***(g) Inventories***

Inventories are measured at the lower of cost and net realisable value.

## Copperwired Public Company Limited and its Subsidiary

### Notes to the financial statements

For the year ended 31 December 2020

Cost is calculated using the first in first out principle, and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to make the sale.

#### **(h) Leasehold improvements and equipment**

##### *Recognition and measurement*

Leasehold improvements and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of leasehold improvements and equipment have different useful lives, they are accounted for as separate items (major components) of leasehold improvements and equipment.

Any gains and losses on disposal of item of leasehold improvements and equipment are determined by comparing the proceeds from disposal with the carrying amount of leasehold improvements and equipment, and are recognised in profit or loss.

##### *Subsequent costs*

The cost of replacing a part of an item of leasehold improvements and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of leasehold improvements and equipment are recognised in profit or loss as incurred.

##### *Depreciation*

Depreciation is calculated based on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each component of an item of leasehold improvements and equipment. The estimated useful lives are as follows:

Leasehold improvements and equipment	3 and 5 years
Vehicles	5 years

No depreciation is provided on assets under construction and installation.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

## Copperwired Public Company Limited and its Subsidiary

### Notes to the financial statements

For the year ended 31 December 2020

#### *(f) Intangible assets*

Software licences that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

##### *Subsequent expenditure*

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated, is recognised in profit or loss as incurred.

##### *Amortisation*

Amortisation is based on the cost of the asset, or other amount substituted for cost, less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis, mostly resulting in term of expected economic benefits over the estimated useful lives of intangible assets from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

The estimated useful lives for the current and comparative periods are as follows:

Software licences	3 – 10 years
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No amortisation is provided on software licences under installation.

Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

#### *(g) Leases*

##### *Accounting policies applicable from 1 January 2020*

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in TFRS 16.

##### *As a lessee*

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date.

Right-of-use asset is measured at cost, less any accumulated depreciation and impairment loss, and adjusted for any remeasurements of lease liability. The cost of right-of-use asset includes the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of restoration costs, less any lease incentives received. Depreciation is charged to profit or loss on a straight-line method

## Copperwired Public Company Limited and its Subsidiary

### Notes to the financial statements

For the year ended 31 December 2020

from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, Group incremental borrowing rate. The lease payments included fixed payments less any lease incentive receivable, amount under option if the Group is reasonably certain to exercise option. Variable lease payments that do not depend on index or a rate are recognised as expenses in the accounting period in which they are incurred.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in lease term, change in lease payments, change in the estimate of the amount expected to be payable under a residual value guarantee, or a change in the assessment of purchase, extension or termination options. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

#### *Accounting policies applicable before 1 January 2020*

Assets held under other leases were classified as operating leases and lease payments are recognised in profit or loss on a straight-line basis over the term of the lease. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

#### *(k) Impairment of financial assets*

#### *Accounting policies applicable from 1 January 2020*

The Group recognises allowances for expected credit losses (ECLs) on financial assets measured at amortised cost (including cash and cash equivalents, trade receivables and other receivables, loans to others and related parties).

#### *Measurement of ECLs*

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

ECLs are measured on either of the following bases:

- 12-month ECLs: these are losses that are expected to result from possible default events within the 12 months after the reporting date; or
- lifetime ECLs: these are losses that are expected to result from all possible default events over the expected lives of a financial instrument.

## Copperwired Public Company Limited and its Subsidiary

### Notes to the financial statements

For the year ended 31 December 2020

Loss allowances for trade receivables, lease receivables and contract assets are always measured at an amount equal to lifetime ECLs. ECLs on these financial assets are estimated using a provision matrix based on the group's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both current and forecast general economic conditions at the reporting date.

Loss allowances for all other financial instruments, the Group recognises ECLs equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition or credit-impaired financial assets, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

The Group considers a financial asset to have low credit risk when its credit rating is equivalent to the globally understood definition of 'investment grade'.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due, significant deterioration in financial instruments' credit rating, significant deterioration in the operating results of the debtor and existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

The Group considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on shared credit risk characteristics, such as past due status and credit risk ratings.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Increased in loss allowance is recognised as an impairment loss in profit or loss. Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

#### *Credit-impaired financial assets*

At each reporting date, the Group assesses whether financial assets carried at amortised cost. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence of credit-impairment includes significant financial difficulty, a breach of contract such as more than 90 days past due, probable the debtor will enter bankruptcy.

#### *Write-off*

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering. Subsequent recoveries of an asset that was previously written off, are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.



**Copperwired Public Company Limited and its Subsidiary**

**Notes to the financial statements**

**For the year ended 31 December 2020**

*Calculation of recoverable amount*

The recoverable amount of held-to-maturity securities carried at amortised cost is calculated as the present value of the estimated future cash flows discounted at the original effective interest rate.

The recoverable amount of available-for-sale financial assets is calculated by reference to the fair value.

*Reversal of impairment*

An impairment loss in respect of a financial asset is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised in profit or loss. For financial assets carried at amortised cost, the reversal is recognised in profit or loss.

**(f) Impairment of non-financial assets**

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. Intangible assets that have indefinite useful lives or are not yet available for use, the recoverable amount is estimated each year at the same time.

An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. The impairment loss is recognised in profit or loss.

*Calculation of recoverable amount*

The recoverable amount of a non-financial asset is the greater of the asset's value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

*Reversals of impairment*

Impairment losses recognised in prior periods in respect of non-financial assets are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

**Copperwired Public Company Limited and its Subsidiary**

**Notes to the financial statements**

**For the year ended 31 December 2020**

**(m) Employee benefits**

*Defined contribution plan*

Obligations for contributions to defined contribution plans are expensed as the related service is provided

*Defined benefit plans*

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount.

The calculation of defined benefit obligations is performed by a qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, actuarial gain or loss are recognised immediately in OCI. The Group determines the interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

*Short-term employee benefits*

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

**(n) Share-based payments**

The grant-date fair value of equity-settled share-based payment awards granted to employees is generally recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

**(o) Provisions**

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

## Copperwired Public Company Limited and its Subsidiary

### Notes to the financial statements

For the year ended 31 December 2020

#### (p) *Fair values measurement*

‘Fair value’ is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

A number of the Group accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When one is available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as ‘active’ if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and long positions at a bid price and liabilities and short positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Group determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: inputs for the asset or liability that are based on unobservable inputs.

If the inputs used to measure the fair value of an asset or liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

**Copperwired Public Company Limited and its Subsidiary**

**Notes to the financial statements**

**For the year ended 31 December 2020**

**(q) Share capital**

*Ordinary shares*

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

**(r) Revenue**

Revenue is recognised when a customer obtains control of the goods or services in an amount that reflects the consideration to which the Group expects to be entitled, excluding those amounts collected on behalf of third parties, value added tax and is after deduction of any trade discounts and volume rebates.

*Sale of goods and rendering of services*

Revenue from sales of goods is recognised when a customer obtains control of the goods, generally on delivery of the goods to the customers. For contracts that permit the customers to return the goods, revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. Therefore the amount of revenue recognised is adjusted for estimated returns, which are estimated based on the historical data.

Revenue for rendering of services is recognised over time as the services are provided. The stage of completion is assessed based on surveys of work performed. The related costs are recognised in profit or loss when they are incurred.

For bundled packages, the Group accounts for individual products and services separately if they are distinct (i.e. if a product or service is separately identifiable from other items and a customer can benefit from it) or the multiple services are rendered in different reporting periods. The consideration received is allocated based on their relative stand-alone selling prices which are determined based on the price list at which the Group sells the products and services in separate transactions.

*Customer loyalty programmes*

The consideration received are allocated based on the relative stand-alone selling price of the products and the loyalty points. The amount allocated to the loyalty points is recognised as contract liabilities and revenue is recognised when loyalty points are redeemed or the likelihood of the customer redeeming the loyalty points becomes remote. The stand-alone selling prices of the points is estimated based on discount provided to customers and the likelihood that the customers will redeem the points, and the estimate shall be reviewed at the end of the reporting period.

**(s) Other income**

Other income comprises dividend, interest income and others. Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established.

**Copperwired Public Company Limited and its Subsidiary**

**Notes to the financial statements**

**For the year ended 31 December 2020**

**(t) Interest**

***Accounting policies applicable from 1 January 2020***

***Effective Interest Rate (EIR)***

Interest income or expense is recognised using the effective interest method. The EIR is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

***Accounting policies applicable before 1 January 2020***

Interest income is recognised in profit or loss at the rate specified in the contract.

Interest expenses and similar costs are charged to profit or loss for the period in which they are incurred, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial periods of time to be prepared for its intended use or sale.

**(u) Income tax**

Income tax expense for the year comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that they relate to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the differences relating to investments in subsidiary to the extent that it is probable that they will not reverse in the foreseeable future.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience.

## Copperwired Public Company Limited and its Subsidiary

### Notes to the financial statements

For the year ended 31 December 2020

This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiary in the Group. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

#### (v) *Earnings per share*

The Group presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

#### (w) *Related parties*

A related party is a person or entity that has direct or indirect control, or has significant influence over the financial and managerial decision-making of the Group; a person or entity that are under common control or under the same significant influence as the Group; or the Group has direct or indirect control or has significant influence over the financial and managerial decision-making of a person or entity.

#### (x) *Segment reporting*

Segment results that are reported to the Group's CEO (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

## 5 **Impact of COVID-19 Outbreak**

In March 2020, in an effort to contain the impact of COVID-19, Bangkok governor/provincial governments decided to temporarily shut down or reduce operating hours of the Group's operating office since 22 March 2020. The management is closely monitoring the situation to ensure the safety of the Group's staff and to manage the negative impact on the business as much as possible. However, since 17 May 2020, the Bangkok governor and government sector have lifted the lockdown and the group's operating offices are authorized for reopening again. During December 2020, some of provincial governments decided to temporarily shut down of the Group's operating offices again since the new cluster of COVID-19 outbreak started to spread again. However, no material impact to the Group's operation.

As 31 December 2020, the situation of COVID-19 outbreak is still ongoing, resulting in estimation uncertainty on the potential impact, therefore, the Group elected to apply accounting guidance on temporary accounting relief measures for additional accounting options in response to impact from the situation of COVID-19 outbreak on the following:

**Copperwired Public Company Limited and its Subsidiary**

**Notes to the financial statements**

**For the year ended 31 December 2020**

*(a) Impairment of assets*

The Group elected to exclude the COVID-19 situation as impairment indicator for leasehold improvements and equipment, and elected to exclude the COVID-19 situation, which may affect future financial forecasts.

*(b) Lease modifications*

During March - December 2020, the Group was granted a full rent concession for 285 days starting from 22 March 2020 as a result of the COVID-19 situation. The Group has deducted lease liabilities in proportion to the reduced rental, reversed depreciation of ROU assets and interest on lease liabilities in proportion to the reduced rental, and recognised the differences to profit or loss for the year ended 31 December 2020, amounting of Baht 1.36 million.

**Copperwired Public Company Limited and its Subsidiary**

**Notes to the financial statements**

**For the year ended 31 December 2020**

**6 Related parties**

Relationships with subsidiary is described in Note 10. Other related parties that the Group had significant transactions with during the year were as follows:

<b>Name of entities</b>	<b>Country of incorporation/ nationality</b>	<b>Nature of relationship</b>
Vnet Capital Co., Ltd.	Thailand	Ultimate parent of the Group. Some common directors with the Company
Vintcom Technology PCL.	Thailand	Some common directors with the Company
Blue Fish Solution Co., Ltd.	Thailand	A common director with the Company
I-Secure Co., Ltd.	Thailand	A common director with the Company
Logisplus Co., Ltd.	Thailand	A common director with the Company
Vnet Power Co., Ltd. (formerly named Manja Co., Ltd.)	Thailand	A common director with the Company
Chia Tai Co., Ltd.	Thailand	A common director with the Company
M Intelligence Co., Ltd.	Thailand	A common director with the Company
NTN Solution Co., Ltd.	Thailand	A subsidiary of Vnet Capital Group
We Health Three Sixty Co., Ltd.	Thailand	A subsidiary of Vnet Capital Group
Vserveplus Co., Ltd.	Thailand	A subsidiary of Vnet Capital Group
WTC Logistics Co., Ltd.	Thailand	A common key management with the Company
Graph Gent Co., Ltd.	Thailand	A common key management with the Company
VST ECS (Thailand) Co., Ltd.	Thailand	A common key management with the Company until 30 September 2019
Key management personnel	Thai	Persons having the authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly including any director (whether executive or otherwise) of the Group.

The pricing policies for particular types of transactions are explained further below:

<b>Transactions</b>	<b>Pricing policies</b>
Sale of goods	Market price / Cost plus margin
Purchase of goods	Market price
Interest income	Comparable lending rate offered by commercial banks in general
Dividend income	Declared rate
Other income	Contractual prices
Interest expense	Comparable lending rate offered by commercial banks in general
Purchase / sale of fixed assets	Contractual prices
Guarantee income / fee	Contractual prices
Rendering of services	Contractual prices
Key management personnel compensation	Contractual prices/ Amount approved by the directors and/or the shareholders



**Copperwired Public Company Limited and its Subsidiary**

**Notes to the financial statements**

**For the year ended 31 December 2020**

Significant transactions for the years ended 31 December with related parties were as follows:

<i>Year ended 31 December</i>	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
<b>Parent</b>				
Guarantee fee	-	1,701	-	1,701
Other expenses	240	240	156	156
Sales of goods	12	36	12	36
<b>Subsidiaries</b>				
Sales of goods	-	-	233	229
Other income	-	-	6,416	5,304
Guarantee income	-	-	1,206	1,240
Interest income	-	-	1,679	1,348
Purchase of goods	-	-	141,720	202,733
<b>Other related parties</b>				
Sales of goods	609	407	609	279
Other income	5	14	5	14
Rendering of services fee	14,956	14,464	9,007	9,104
Sales of fixed assets	15	-	15	-
Purchases of fixed assets	1,130	1,380	872	1,026
Purchases of goods	-	19,874	-	19,874
<b>Key management personnel</b>				
Sales of goods	2,006	1,566	2,001	1,553
Key management personnel compensation				
Short-term benefits	16,545	18,499	15,183	16,897
Post-employment benefits	871	717	695	556
<b>Total key management personnel compensation</b>	<b>17,416</b>	<b>19,216</b>	<b>15,878</b>	<b>17,453</b>

Balances as at 31 December with related parties were as follows:

<i>Trade accounts receivable</i>	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Subsidiary	-	-	-	33
Other related parties	138	64	138	64
	138	64	138	97
<i>Less allowance for impairment loss</i>				
<i>(2019: allowance for doubtful accounts)</i>	-	-	-	-
<b>Net</b>	<b>138</b>	<b>64</b>	<b>138</b>	<b>97</b>

Copperwired Public Company Limited and its Subsidiary

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For the year ended 31 December 2020

<i>Other receivables</i>	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Subsidiary	-	-	560	986
Other related parties	687	10	687	10
	<u>687</u>	<u>10</u>	<u>1,247</u>	<u>996</u>
Less allowance for impairment loss <i>(2019: allowance for doubtful accounts)</i>	-	-	-	-
<b>Net</b>	<b><u>687</u></b>	<b><u>10</u></b>	<b><u>1,247</u></b>	<b><u>996</u></b>

<i>Movement of short-term loans to</i>	Interest rate  At 31 December <i>(% per annum)</i>	Separate financial statements			
		At 1 January	Increase	Decrease	At 31 December
		<i>(in thousand Baht)</i>			
<b>2020</b>					
Subsidiary	3.00	<u>71,000</u>	39,000	(54,000)	<u>56,000</u>
<b>2019</b>					
Subsidiary	1.75 – 4.50	<u>30,000</u>	158,000	(117,000)	<u>71,000</u>

<i>Deposits – related parties</i>	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Other related parties	199	125	66	66
<b>Total</b>	<b><u>199</u></b>	<b><u>125</u></b>	<b><u>66</u></b>	<b><u>66</u></b>

<i>Trade accounts payable– related party</i>	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Subsidiary	-	-	29,012	27,341
<b>Total</b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>29,012</u></b>	<b><u>27,341</u></b>

<i>Other payables – related parties</i>	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Other related parties	3,089	2,643	1,762	1,664
<b>Total</b>	<b><u>3,089</u></b>	<b><u>2,643</u></b>	<b><u>1,762</u></b>	<b><u>1,664</u></b>

**Copperwired Public Company Limited and its Subsidiary**

**Notes to the financial statements**

**For the year ended 31 December 2020**

<i>Loan guarantee</i>	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Subsidiary	1,206	1,240	1,206	1,240
<b>Total</b>	<b>1,206</b>	<b>1,240</b>	<b>1,206</b>	<b>1,240</b>

***Significant agreements with related parties***

***Guarantee agreement***

On 1 January 2011 and 17 August 2012, the Company entered into the 2-way guarantee agreement to guarantee the credit facilities of the subsidiary and the Company relating to the use of credit lines provided by banks or financial institutions. The fee was 1% per annum of credit lines.

***Warehouse and logistic service agreement***

On 1 April 2018, the Company has entered into the agreement for management of warehouse and logistic service agreement with the related party, whereby the related party will provide the service for management of warehouse and logistic. The Company agreed to make a payment that mutually agree with in the agreement. The term of the agreement is effective for a period of three years until 31 March 2021.

***Software service agreement***

On 9 November 2020 the Company has entered into the agreement software service agreement with the related party, whereby the related party agree to provide the customer service management. The Company agreed to make a payment that mutually agree with in the agreement. The term of the agreement is effective for a period of 1 year 2 months starting from 18 November 2020 until 5 February 2022.

**7 Cash and cash equivalents**

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Cash on hand	48	53	33	44
Cash at banks - current accounts	57,966	53,933	37,964	42,228
Cash at banks - savings accounts	115,589	335,806	115,500	335,716
<b>Total</b>	<b>173,603</b>	<b>389,792</b>	<b>153,497</b>	<b>377,988</b>

Copperwired Public Company Limited and its Subsidiary

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8 Other receivables

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Credit card receivables	31,097	16,622	31,097	16,622
Accrued income	29,127	14,141	29,571	13,777
Advance payment	17,294	5,330	8,352	2,440
Others	2,514	5,425	2,488	6,272
<b>Total</b>	<b>80,032</b>	<b>41,518</b>	<b>71,508</b>	<b>39,111</b>

9 Inventories

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Finished goods	483,299	511,026	445,178	454,100
Goods in transit	6,176	2,108	-	-
<b>Total</b>	<b>489,475</b>	<b>513,134</b>	<b>445,178</b>	<b>454,100</b>
Less allowance for decline in value	(40,665)	(37,259)	(32,319)	(30,557)
<b>Net</b>	<b>448,810</b>	<b>475,875</b>	<b>412,859</b>	<b>423,543</b>

Inventories recognised as an expense

in costs of sales of goods and rendering of services:

- Cost of sales of goods and rendering of services	2,841,204	3,060,817	2,771,022	2,986,807
- Write-down to net realisable value	3,406	-	1,762	1,213
- Reversal of net realisable value	-	(3,868)	-	-
<b>Total</b>	<b>2,844,610</b>	<b>3,056,949</b>	<b>2,772,784</b>	<b>2,988,020</b>

Copperwired Public Company Limited and its Subsidiary  
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For the year ended 31 December 2020

10 Investments in subsidiary

	Separate financial statements									
	Ownership interest		Paid-up capital		Cost		Equity		Dividend income for the year	
	2020	2019	2020	2019	2020	2019	2020	2019 (Restated)	2020	2019
<b><i>Direct Subsidiary</i></b>		(%)				(in thousand Baht)				
Koan Co., Ltd.	100	100	50,000	50,000	51,000	51,100	59,857	43,371	-	42,000
<b>Total</b>					<b>51,000</b>	<b>51,100</b>	<b>59,857</b>	<b>43,371</b>	<b>-</b>	<b>42,000</b>

The subsidiary is incorporated and operates in Thailand for import, purchase, sale and retail for computer and electronic accessories.

Copperwired Public Company Limited and its Subsidiary

Notes to the financial statements

For the year ended 31 December 2020

11 Leasehold improvements and equipment

	Consolidated financial statements			
	Leasehold improvements and equipment	Vehicles	Assets under construction and installation	Total
	<i>(in thousand Baht)</i>			
<b>Cost</b>				
At 1 January 2019	281,564	3,773	2,894	288,231
Additions	7,547	580	17,354	25,481
Transfers	19,365	-	(19,365)	-
Disposals	(22,476)	-	(167)	(22,643)
<b>At 31 December 2019 and 1 January 2020</b>	<b>286,000</b>	<b>4,353</b>	<b>716</b>	<b>291,069</b>
Additions	12,803	-	23,425	36,228
Transfers	23,746	-	(23,746)	-
Disposals	(4,246)	(150)	-	(4,396)
<b>At 31 December 2020</b>	<b>318,303</b>	<b>4,203</b>	<b>395</b>	<b>322,901</b>
<b>Accumulated depreciation</b>				
At 1 January 2019	188,502	2,272	-	190,774
Depreciation charge for the year	29,592	4	-	29,596
Disposals	(21,159)	-	-	(21,159)
<b>At 31 December 2019 and 1 January 2020</b>	<b>196,935</b>	<b>2,276</b>	<b>-</b>	<b>199,211</b>
Depreciation charge for the year	33,946	116	-	34,062
Disposals	(4,168)	(150)	-	(4,318)
<b>At 31 December 2020</b>	<b>226,713</b>	<b>2,242</b>	<b>-</b>	<b>228,955</b>
<b>Net book value</b>				
<b>At 31 December 2019</b>	<b>89,065</b>	<b>2,077</b>	<b>716</b>	<b>91,858</b>
<b>At 31 December 2020</b>	<b>91,590</b>	<b>1,961</b>	<b>395</b>	<b>93,946</b>

The gross amount of the Group's fully depreciated leasehold improvements and equipment that was still in use as at 31 December 2020 amounted to Baht 138.74 million (2019: Baht 136.37 million).

Copperwired Public Company Limited and its Subsidiary

Notes to the financial statements

For the year ended 31 December 2020

	Leasehold improvements and equipment	Separate financial statements		
		Vehicles	Assets under construction and installation	Total
		<i>(in thousand Baht)</i>		
<b>Cost</b>				
At 1 January 2019	265,687	682	2,894	269,263
Additions	5,963	580	17,120	23,663
Transfers	19,365	-	(19,365)	-
Disposals	(22,381)	-	-	(22,381)
<b>At 31 December 2019 and 1 January 2020</b>	<b>268,634</b>	<b>1,262</b>	<b>649</b>	<b>270,545</b>
Additions	10,363	-	23,421	33,784
Transfers	23,677	-	(23,677)	-
Disposals	(3,875)	(149)	-	(4,024)
<b>At 31 December 2020</b>	<b>298,799</b>	<b>1,113</b>	<b>393</b>	<b>300,305</b>
<b>Accumulated depreciation</b>				
At 1 January 2019	172,822	682	-	173,504
Depreciation charge for the year	28,669	4	-	28,673
Disposals	(20,922)	-	-	(20,922)
<b>At 31 December 2019 and 1 January 2020</b>	<b>180,569</b>	<b>686</b>	<b>-</b>	<b>181,255</b>
Depreciation charge for the year	32,835	116	-	32,951
Disposals	(3,817)	(149)	-	(3,966)
<b>At 31 December 2019</b>	<b>209,587</b>	<b>653</b>	<b>-</b>	<b>210,240</b>
<b>Net book value</b>				
<b>At 31 December 2019</b>	<b>88,065</b>	<b>576</b>	<b>649</b>	<b>89,290</b>
<b>At 31 December 2020</b>	<b>89,212</b>	<b>460</b>	<b>393</b>	<b>90,065</b>

The gross amount of the Company's fully depreciated leasehold improvements and equipment that was still in use as at 31 December 2020 amounted to Baht 138.72 million (2019: Baht 132.68 million).

## 12 Leases

*As a lessee*

	Consolidated financial statements	Separate financial statements
	<i>(in thousand Baht)</i>	
<b>At 31 December 2020</b>		
<b>Right-of-use assets</b>		
Branch shops and warehouses	242,295	241,227
Buildings	16,248	13,241
<b>Total</b>	<b>258,543</b>	<b>254,468</b>

In 2020, additions to the right-of-use assets of the Group and the Company were Baht 8.01 million and Baht 6.51 million, respectively.

The Group leases a number of warehouses and plants for 1-5 years, with extension options at the end of lease term. The rental is payable monthly as specified in the contract.

**Copperwired Public Company Limited and its Subsidiary****Notes to the financial statements****For the year ended 31 December 2020**

The Company entered into a lease agreement with a local company for its retail shop. The agreement is for a period of 25 years. In this regard, the Company paid for initial leasehold right amounting to Baht 30.08 million.

*Extension options*

Some property leases contain extension options exercisable by the Group up to one year before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
<i>For the year ended 31 December</i>	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
<b><i>Amounts recognised in profit or loss</i></b>				
Sub-lease income				
Depreciation of right-of-use assets:				
- Branches shops and warehouses	95,750	-	95,075	-
- Buildings	5,890	-	4,797	-
Interest on lease liabilities	6,184	-	6,114	-
Lease expense	-	120,618	-	118,136
Contingent rent expense	-	1,203	-	1,203

In 2020, total cash outflow for leases of the Group and the Company were Baht 100.61 million and Baht 98.80 million, respectively.



Copperwired Public Company Limited and its Subsidiary

Notes to the financial statements

For the year ended 31 December 2020

13 Intangible assets

	Consolidated financial statements		
	Software licences	Software licences under installation (in thousand Baht)	Total
<b>Cost</b>			
At 1 January 2019	21,549	7,925	29,474
Additions	1,170	2,498	3,668
Transfers	8,761	(8,761)	-
Write-off	-	(779)	(779)
<b>At 31 December 2019 and 1 January 2020</b>	<b>31,480</b>	<b>883</b>	<b>32,363</b>
Additions	1,063	3,201	4,264
Transfers	3,244	(3,244)	-
<b>At 31 December 2020</b>	<b>35,787</b>	<b>840</b>	<b>36,627</b>
<b>Accumulated amortisation</b>			
At 1 January 2019	12,865	-	12,865
Amortisation for the year	2,825	-	2,825
<b>At 31 December 2019 and 1 January 2020</b>	<b>15,690</b>	<b>-</b>	<b>15,690</b>
Amortisation for the year	3,246	-	3,246
<b>At 31 December 2020</b>	<b>18,936</b>	<b>-</b>	<b>18,936</b>
<b>Net book value</b>			
<b>At 31 December 2019</b>	<b>15,790</b>	<b>883</b>	<b>16,673</b>
<b>At 31 December 2020</b>	<b>16,851</b>	<b>840</b>	<b>17,691</b>

	Separate financial statements		
	Software licences	Software licences under installation (in thousand Baht)	Total
<b>Cost</b>			
At 1 January 2019	17,552	-	17,552
Additions	1,170	1,520	2,690
Transfers	1,438	(1,438)	-
<b>At 31 December 2019 and 1 January 2020</b>	<b>20,160</b>	<b>82</b>	<b>20,242</b>
Additions	1,063	1,864	2,927
Transfers	1,608	(1,608)	-
<b>At 31 December 2020</b>	<b>22,831</b>	<b>338</b>	<b>23,169</b>
<b>Accumulated amortisation</b>			
At 1 January 2019	11,786	-	11,786
Amortisation for the year	2,144	-	2,144
<b>At 31 December 2019 and 1 January 2020</b>	<b>13,930</b>	<b>-</b>	<b>13,930</b>
Amortisation for the year	1,891	-	1,891
<b>At 31 December 2020</b>	<b>15,821</b>	<b>-</b>	<b>15,821</b>
<b>Net book value</b>			
<b>At 31 December 2019</b>	<b>6,230</b>	<b>82</b>	<b>6,312</b>
<b>At 31 December 2020</b>	<b>7,010</b>	<b>338</b>	<b>7,348</b>

**Copperwired Public Company Limited and its Subsidiary**

**Notes to the financial statements**

**For the year ended 31 December 2020**

**14 Interest-bearing liabilities**

As at 31 December 2020, the Group and the Company had unutilised bank overdrafts, credit facilities and letters of guarantee totalling Baht 230.7 million and Baht 177.7 million, respectively *(2019: Baht 298.3 million and Baht 245.3 million, respectively)*.

As at 31 December 2020 and 2019, the Group had unused letters of credit and trust receipt totalling Baht 55 million.

As at 31 December 2020, the Group and the Company had deposits with financial institutions totaling Baht 2.28 million and Baht 1.01 million, respectively *(2019: Baht 11.33 million and Baht 10.06 million, respectively)*, pledged as collateral for credit facilities of bank overdraft and letters of guarantee with several financial institutions.

**15 Other payables**

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Accrued operating expenses	24,933	21,867	14,758	16,629
Dividend payables	51	12,600	51	12,600
Accrued employee benefit expenses	3,933	12,311	3,838	10,240
Others	4,878	5,277	4,756	5,182
<b>Total</b>	<b>33,795</b>	<b>52,055</b>	<b>23,403</b>	<b>44,651</b>

**16 Non-current provisions for employee benefits**

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Post-employment benefits	14,563	10,719	11,454	8,377
<b>Total</b>	<b>14,563</b>	<b>10,719</b>	<b>11,454</b>	<b>8,377</b>

***Defined benefit plan***

The Group operates a defined benefit plan based on the requirement of Thai Labour Protection Act B.E 2541 (1998) to provide retirement benefits to employees based on pensionable remuneration and length of service. The defined benefit plans expose the Group to actuarial risks, such as interest rate risk and future salary growth risk.

Copperwired Public Company Limited and its Subsidiary

Notes to the financial statements

For the year ended 31 December 2020

<i>Present value of the defined benefit obligation</i>	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
At 1 January	10,719	5,818	8,377	4,512
<b>Included in profit or loss:</b>				
Current service cost	2,074	1,585	1,662	1,323
Past service cost	-	1,619	-	1,184
Interest on obligation	273	220	215	170
	<b>2,347</b>	<b>3,424</b>	<b>1,877</b>	<b>2,677</b>
<b>Included in other comprehensive income</b>				
Actuarial loss				
- Financial assumptions	1,497	1,477	1,200	1,188
	<b>1,497</b>	<b>1,477</b>	<b>1,200</b>	<b>1,188</b>
<b>At 31 December</b>	<b>14,563</b>	<b>10,719</b>	<b>11,454</b>	<b>8,377</b>

<i>Principal actuarial assumptions</i>	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2020	2019	2020	2019
	<i>(%)</i>			
Discount rate	1.31 – 1.42	1.36 – 2.05	1.42	1.36
Future salary growth	5	5	5	5

Assumptions regarding future mortality are based on published statistics and mortality tables.

At 31 December 2020 and 2019, the weighted-average duration of the defined benefit obligation was 12.13 years.

**Sensitivity analysis**

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

<b>Consolidated financial statements</b>				
<i>Effect to the defined benefit obligation</i>	1% increase in assumption		1% decrease in assumption	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Discount rate	(1,156)	(946)	1,338	1,092
Future salary growth	1,536	1,152	(1,337)	(1,012)

<b>Separate financial statements</b>				
<i>Effect to the defined benefit obligation</i>	1% increase in assumption		1% decrease in assumption	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Discount rate	(917)	(756)	1,061	876

Copperwired Public Company Limited and its Subsidiary

Notes to the financial statements

For the year ended 31 December 2020

		Separate financial statements				
<i>Effect to the defined benefit obligation</i>		1% increase in assumption		1% decrease in assumption		
<i>At 31 December</i>		2020	2019	2020	2019	
		<i>(in thousand Baht)</i>				
	Future salary growth	1,215	920	(1,058)	(807)	
17	Share capital					
		Par value	2020		2019	
		per share	Number	Amount	Number	Amount
		<i>(in Baht)</i>	<i>(thousand shares / in thousand Baht)</i>			
<i>Authorised shares</i>						
At 1 January						
	- ordinary shares	100	-	-	2,060	206,000
	- ordinary shares	0.50	600,000	300,000	-	-
	Increase of new shares	100	-	-	140	14,000
Reduction in par value						
	- from Baht 100 to Baht 0.50	0.50	-	-	437,800	-
	Increase of new shares	0.50	-	-	160,000	80,000
<b>At 31 December</b>						
	- ordinary shares	0.50	<b>600,000</b>	<b>600,000</b>	<b>600,000</b>	<b>300,000</b>
<i>Issued and paid-up shares</i>						
At 1 January						
	- ordinary shares	100	-	-	2,060	206,000
	- ordinary shares	0.50	600,000	300,000	-	-
	Increase of new shares	100	-	-	140	14,000
Reduction in par value						
	- from Baht 100 to Baht 0.50	0.50	-	-	437,800	-
	Increase of new shares	0.50	-	-	160,000	80,000
<b>At 31 December</b>						
	- ordinary shares	0.50	<b>600,000</b>	<b>300,000</b>	<b>600,000</b>	<b>300,000</b>
<i>Issuing of capital share</i>						

At the annual general meeting of the shareholders of the Company held on 12 March 2019, the shareholders approved the increase of the share capital by issuing new ordinary shares totalling Baht 14 million (0.14 million shares at Baht 100 par value) from the existing registered capital of Baht 206 million (2.06 million shares at Baht 100 par value) to Baht 220 million (2.2 million shares at Baht 100 par value). The Company registered its increase of share capital with the Ministry of Commerce on 18 March 2019.

## Copperwired Public Company Limited and its Subsidiary

### Notes to the financial statements

For the year ended 31 December 2020

At the Extraordinary General Meeting of the Shareholders of the Company held on 11 April 2019, the shareholders approved the conversion of par value from Baht 100 per share to Baht 0.5 per share and approved the amendment of the Memorandum of Association of the Company to be in accordance with the change of par value. In addition, the shareholders approved the increase of the share capital by issuing new ordinary shares totalling Baht 80 million (160 million shares at Baht 0.5 par value) from the existing registered capital of Baht 220 million (440 million shares at Baht 0.5 par value) to Baht 300 million (600 million shares at Baht 0.5 par value) to support the public offering in the future. The Company registered those changes with the Ministry of Commerce on 25 April 2019.

On 18 October 2019, the Company made its Initial Public Offering ("IPO") by issuing 160 million ordinary shares with an offering price of Baht 2.38 per share (Baht 0.5 par value and Baht 1.88 share premium) amounting to Baht 380.80 million, divided into paid-up share capital of Baht 80 million and share premium of Baht 300.80 million. In this regard, the Company had incremental costs that are directly attributable to issuing shares amounting to Baht 14.74 million, which was shown as a deduction from shares premium received from the IPO.

#### *Share premium*

Section 51 of the Public Companies Act B.E. 2535 requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account ("share premium"). Share premium is not available for dividend distribution.

## **18 Additional paid-in capital and reserves**

#### *Share-based payments*

Share-based payments are recognised in equity is the fair value of business partners' and employees' rights to acquire the shares on grant dates based on the underlying fair value of the shares and the consideration payable and to recognise related expense, with a corresponding increase in equity in accordance with TFRS 2.

#### *Difference arising from common control transactions*

The difference arising from common control transactions represent the excess of the book values of certain entities or business under common control over their cost as of the date of their acquisition and have been recorded as a reserve. It is non-distributable and will be retained until the respective subsidiary is sold or otherwise disposed of.

#### *Legal reserve*

Section 116 of the Public Companies Act B.E. 2535 Section 116 requires that a public company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account ("legal reserve"), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

Copperwired Public Company Limited and its Subsidiary

Notes to the financial statements

For the year ended 31 December 2020

19 Segment information and disaggregation of revenue

Management considers that the Group operates in a single line of business that is engaged in distribution and repairment of computer, mobile phone and accessories and is managed and operates principally in Thailand. There are no material revenues derived from, or assets located in, foreign countries. Therefore, the Group has only one reportable segment.

	Consolidated		Separate	
	financial statements		financial statements	
<i>For the year ended 31 December</i>	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
<b><i>Primary geographical markets</i></b>				
Thailand	3,315,114	3,586,880	3,156,359	3,409,211
<b>Total</b>	<b>3,315,114</b>	<b>3,586,880</b>	<b>3,156,359</b>	<b>3,409,211</b>
<b><i>Major products/service lines</i></b>				
Sales of goods	3,261,523	3,500,707	3,102,851	3,323,023
Repairment services	53,591	86,173	53,508	86,188
<b>Total</b>	<b>3,315,114</b>	<b>3,586,880</b>	<b>3,156,359</b>	<b>3,409,211</b>
<b><i>Timing of revenue recognition</i></b>				
At a point in time	3,315,114	3,586,880	3,156,359	3,409,211
<b>Total</b>	<b>3,315,114</b>	<b>3,586,880</b>	<b>3,156,359</b>	<b>3,409,211</b>
<b><i>Major customers</i></b>				

The group had no revenue from one major customer of the total revenue as the Group's most customers made purchases through its retail shops.

20 Employee benefit expenses

	<i>Note</i>	Consolidated		Separate	
		financial statements		financial statements	
		2020	2019	2020	2019
		<i>(in thousand Baht)</i>			
Salaries and wages		128,259	146,139	107,900	125,596
Post-employment benefits	16	2,347	3,424	1,877	2,677
<b>Total</b>		<b>130,606</b>	<b>149,563</b>	<b>109,777</b>	<b>128,273</b>

***Defined contribution plans***

The defined contribution plans comprise provident funds established by the Group for its employees. Membership to the funds is on a voluntary basis. Contributions are made monthly by the employees at rates ranging from 3% to 15% of their basic salaries and by the Group at rate of 3% of the employees' basic salaries. The provident funds are registered with the Ministry of Finance as juristic entities and are managed by licensed Fund Manager.

Copperwired Public Company Limited and its Subsidiary

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For the year ended 31 December 2020

21 Expenses by nature

		Consolidated financial statements		Separate financial statements	
	Note	2020	2019	2020	2019
		<i>(in thousand Baht)</i>			
Changes in finished goods		23,659	(9,143)	8,922	(10,054)
Purchase		2,820,951	3,069,960	2,763,862	2,996,861
Employee benefit expenses	20	130,606	149,563	109,777	128,273
Rental and service fees		6,490	123,676	2,786	117,536
Bank fees		57,128	65,004	56,858	64,617
Depreciation	11, 12	135,702	29,596	132,824	28,673
Advertising and sales promotion		26,166	22,103	15,081	11,027
Others		63,325	58,883	41,448	49,953
<b>Total costs of sales of goods and rendering of services, distribution costs and administrative expenses</b>		<b>3,264,027</b>	<b>3,509,642</b>	<b>3,131,558</b>	<b>3,386,886</b>

22 Income tax expense

*Income tax recognised in profit or loss*

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
<b>Current tax expense</b>				
Current year	15,279	18,857	10,550	8,457
Adjustment for prior years (over)	(43)	(19)	(43)	(19)
	<b>15,236</b>	<b>18,838</b>	<b>10,507</b>	<b>8,438</b>
<b>Deferred tax expense</b>				
Movements in temporary differences	(2,864)	(403)	(2,338)	(578)
<b>Total income tax expense</b>	<b>12,372</b>	<b>18,435</b>	<b>8,169</b>	<b>7,860</b>

*Reconciliation of effective tax rate*

	Consolidated financial statements			
	2020		2019	
	Rate (%)	<i>(in thousand Baht)</i>	Rate (%)	<i>(in thousand Baht)</i>
Profit before income tax expense		67,155		95,982
Income tax using the Thai corporation tax rate	20.00	13,431	20.00	19,196
Expenses not deductible for tax purposes		39		672
Double deduction for tax purposes		(1,055)		(1,054)
Deferred tax liabilities		-		(360)
Over provided in prior year		(43)		(19)
<b>Total</b>	<b>18.42</b>	<b>12,372</b>	<b>19.21</b>	<b>18,435</b>

Copperwired Public Company Limited and its Subsidiary

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Separate financial statements				
	2020		2019	
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Profit before income tax expense		62,952		85,408
Income tax using the Thai corporation tax rate	20.00	12,590	20.00	17,082
Income not subject to tax		(3,385)		(8,420)
Expenses not deductible for tax purposes		39		664
Double deduction for tax purposes		(1,032)		(1,087)
Deferred tax liabilities		-		(360)
Over provided in prior year		(43)		(19)
<b>Total</b>	<b>12.97</b>	<b>8,169</b>	<b>9.20</b>	<b>7,860</b>

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

Consolidated financial statements				
(Charged) / Credited to				
	At 1 January	Profit or loss	Other comprehensive income	At 31 December
		(in thousand Baht)		
<b>Deferred tax</b>				
<b>2020</b>				
<b>Deferred tax assets</b>				
Right-of-use assets (Depreciation gap)	-	1,263	-	1,263
Inventories (allowance for decline in value and elimination of unrealized gain)	12,199	276	-	12,475
Provision for cost of asset dismantlement	1,523	128	-	1,651
Provisions for employees benefits	2,144	470	299	2,913
Others	1,067	727	-	1,794
<b>Total</b>	<b>16,933</b>	<b>2,864</b>	<b>299</b>	<b>20,096</b>
<b>2019</b>				
<b>Deferred tax assets</b>				
Inventories (allowance for decline in value and elimination of unrealized gain)	12,275	(76)	-	12,199
Provision for cost of asset dismantlement	1,845	(322)	-	1,523
Provisions for employees benefits	1,164	685	295	2,144
Others	1,311	(244)	-	1,067
<b>Total</b>	<b>16,595</b>	<b>43</b>	<b>295</b>	<b>16,933</b>
<b>Deferred tax liabilities</b>				
Prepaid expense	(360)	360	-	-
<b>Total</b>	<b>(360)</b>	<b>360</b>	<b>-</b>	<b>-</b>
<b>Net</b>	<b>16,235</b>	<b>403</b>	<b>295</b>	<b>16,933</b>



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<i>Deferred tax</i>	At 1 January	Separate financial statements (Charged) / Credited to		At 31 December
		Profit or loss	Other comprehensive income	
		<i>(in thousand Baht)</i>		
<b>2020</b>				
<b><i>Deferred tax assets</i></b>				
Right of use assets ( <i>depreciation gap</i> )	-	1,198	-	1,198
Inventories ( <i>allowance for decline in value</i> )	6,111	352	-	6,463
Provision for cost of asset dismantlement	1,483	127	-	1,610
Provisions for employees benefits	1,675	376	240	2,291
Others	983	285	-	1,268
<b>Total</b>	<b>10,252</b>	<b>2,338</b>	<b>240</b>	<b>12,830</b>
<b>2019</b>				
<b><i>Deferred tax assets</i></b>				
Inventories ( <i>allowance for decline in value</i> )	5,869	242	-	6,111
Provision for cost of asset dismantlement	1,805	(322)	-	1,483
Provisions for employees benefits	902	535	238	1,675
Others	1,220	(237)	-	983
<b>Total</b>	<b>9,796</b>	<b>218</b>	<b>238</b>	<b>10,252</b>
<b><i>Deferred tax liabilities</i></b>				
Prepaid expense	(360)	360	-	-
<b>Total</b>	<b>(360)</b>	<b>360</b>	<b>-</b>	<b>-</b>
<b>Net</b>	<b>9,436</b>	<b>578</b>	<b>238</b>	<b>10,252</b>

Copperwired Public Company Limited and its Subsidiary

Notes to the financial statements

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23 Basic earnings per share

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019 (Restated)
<i>For the year ended 31 December</i>				
	<i>(in thousand Baht/thousand share)</i>			
<b>Profit attributable to ordinary shareholders of the Company (basic)</b>	<b>54,783</b>	<b>77,548</b>	<b>54,783</b>	<b>77,548</b>
Number of ordinary shares outstanding at 1 January	600,000	2,060	600,000	2,060
Effect of shares issued on 18 March 2019	-	111	-	111
Effect of change in par value	-	432,029	-	432,029
Effect of shares issued on 18 October 2019	-	32,439	-	32,439
<b>Weighted average number of ordinary shares (basic)</b>	<b>600,000</b>	<b>466,639</b>	<b>600,000</b>	<b>466,639</b>
<b>Earnings per share (basic) <i>(in Baht)</i></b>	<b>0.09</b>	<b>0.17</b>	<b>0.09</b>	<b>0.17</b>

*Effect of change in par value*

In March 2019, the Company changed in par value of the Company's ordinary shares from Baht 100 per share to Baht 0.5 per share. The Company adjusted the new weighted average number of ordinary shares for calculations of the basic earnings per share for the year ended 31 December 2019 as if the change in par value started from the beginning.

24 Dividends

The shareholders of the Company have approved dividends as follows:

	Approval date	Payment schedule	Dividend rate per share <i>(Baht)</i>	Number of share <i>(in thousand shares)</i>	Amount <i>(in thousand baht)</i>
<i>2020</i>					
Interim dividend	1 April 2020	April 2020	0.059	600,000	35,400
<i>2019</i>					
Annual dividend	12 March 2019	March 2019	50	2,060	103,000
Interim dividend	13 August 2019	August 2019	0.05	440,000	22,000
Interim dividend	24 December 2019	January 2020	0.021	600,000	12,600
					<b>137,600</b>

**Copperwired Public Company Limited and its Subsidiary**

**Notes to the financial statements**

**For the year ended 31 December 2020**

**25 Financial instruments**

**(a) Carrying amounts and fair values**

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities measured at amortised cost if the carrying amount is a reasonable approximation of fair value.

Consolidated financial statements					
	Carrying amount Financial instruments measured at FVTPL	Fair value			Total
		Level 1	Level 2	Level 3	
		(in thousand Baht)			
		31 December 2020			
		Financial liabilities			
Derivatives	129	-	129	-	129

**Financial instruments measured at fair value**

<b>Type</b>	<b>Valuation technique</b>
Forward exchange contracts	<i>Forward pricing:</i> The fair value is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currencies.

**(b) Financial risk management policies**

**Risk management framework**

The Group's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors has established the risk management committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the board of directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group audit committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

**Copperwired Public Company Limited and its Subsidiary**

**Notes to the financial statements**

**For the year ended 31 December 2020**

***(b.1) Credit risk***

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

**(b.1.1) Trade accounts receivables**

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry.

Management has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered.

The Group limits its exposure to credit risk from trade accounts receivables by establishing a maximum payment period of 90 days.

The following table provides information about the exposure to credit risk and ECLs for trade accounts receivables.

<b><i>Trade accounts receivables</i></b>	<b>Consolidated financial statements</b>	<b>Separate financial statements</b>
	<i>(in thousand Baht)</i>	
<b><i>At 31 December 2020</i></b>		
Within credit terms	31,821	9,734
Overdue:		
1-90 days	17,260	7,090
91-180 days	583	211
Over 365 days	962	538
<b>Total</b>	<b>50,626</b>	<b>17,573</b>
<i>Less allowance for impairment loss</i>	<i>(1,192)</i>	<i>(734)</i>
<b>Net</b>	<b>49,434</b>	<b>16,839</b>

<b><i>Trade accounts receivables</i></b>	<b>Consolidated financial statements</b>	<b>Separate financial statements</b>
	<i>(in thousand Baht)</i>	
<b><i>At 31 December 2019</i></b>		
Within credit terms	30,900	1,537
Overdue:		
Less than 3 months	12,382	1,493
Over 12 months	997	573
<b>Total</b>	<b>44,279</b>	<b>3,603</b>
<i>Less allowance for doubtful accounts</i>	<i>(962)</i>	<i>(538)</i>
<b>Net</b>	<b>43,317</b>	<b>3,065</b>

The normal credit term granted by the Group ranges from 30 days to 45 days.

Copperwired Public Company Limited and its Subsidiary

Notes to the financial statements

For the year ended 31 December 2020

<i>Allowance for impairment loss</i>	Consolidated financial statements (in thousand Baht)	Separate financial statements
At 1 January 2020	962	538
Addition	230	196
<b>At 31 December 2020</b>	<b>1,192</b>	<b>734</b>

(b.1.2) Cash and cash equivalent

The Group's exposure to credit risk arising from cash and cash equivalents and derivative assets is limited because the counterparties are banks and financial institutions, for which the Group considers to have low credit risk.

(b.1.3) Guarantees

The Company's policy is to provide financial guarantees only for subsidiaries' liabilities. At 31 December 2020, the Company has issued a guarantee to certain banks in respect of credit facilities granted to subsidiary (see note 14).

**(b.2) Liquidity risk**

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

The following table are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include contractual interest payments and exclude the impact of netting agreements

Consolidated financial statements						
Contractual cash flows						
At 31 December 2020	Carrying amount	1 year or less	More than 2			Total
			More than 1	years but	More than 5	
			year but less	less than 5		
			than 2 years	years		
(in thousand Baht)						
Non-derivative financial liabilities						
Trade accounts payable	201,533	201,533	-	-	-	201,533
Other payables	33,795	33,795	-	-	-	33,795
Lease liabilities	252,523	119,150	125,057	15,898	4,940	265,045
	487,851	354,478	125,057	15,898	4,940	500,373

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Notes to the financial statements

For the year ended 31 December 2020

		Separated financial statements				
		Contractual cash flows				
		More than 2				
		More than 1 years but				
<i>At 31 December</i>	Carrying	1 year	year but less	less than 5	More than 5	
<i>2020</i>	amount	or less	than 2 years	years	years	Total
<i>(in thousand Baht)</i>						
<i>Non-derivative</i>						
<i>financial</i>						
<i>liabilities</i>						
Trade accounts payable	213,160	213,160	-	-	-	213,160
Other payables	23,403	23,403	-	-	-	23,403
Lease liabilities	248,424	117,337	122,611	15,898	4,910	260,756
	<b>484,987</b>	<b>353,900</b>	<b>122,611</b>	<b>15,898</b>	<b>4,910</b>	<b>497,319</b>

**(b.3) Market risk**

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 derivatives for speculative or trading purposes.

**(b.3.1) Foreign currency risk**

The Group is exposed to foreign currency risk relating to purchases and sales which are denominated in foreign currencies. The Group primarily utilizes forward exchange contracts with maturities of less than one year to hedge such financial assets and liabilities denominated in foreign currencies. The forward exchange contracts entered into at the reporting date also relate to anticipated purchases and sales, denominated in foreign currencies, for the subsequent period.

Exposure to foreign currency at 31 December	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
<i>(in thousand Baht)</i>				
<b>USD</b>				
Trade accounts payable	21,817	18,619	-	-
<b>Net statement of financial position exposure</b>	<b>21,817</b>	<b>18,619</b>	<b>-</b>	<b>-</b>
Forward exchange purchase/ selling contracts	(11,331)	(6,076)	-	-
<b>Net exposure</b>	<b>10,486</b>	<b>12,543</b>	<b>-</b>	<b>-</b>

**(b.3.2) Interest rate risk**

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flows. The Group mitigates this risk by ensuring that the majority most of the interest rates of financial assets and liabilities of the Group are fixed and closed to market rate.

## Copperwired Public Company Limited and its Subsidiary

### Notes to the financial statements

For the year ended 31 December 2020

#### *(b.4) Liquidity risk*

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

#### *Capital management*

The Board of Directors' policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board monitors the return on capital, which the Group defines as result from operating activities divided by total shareholders' equity, excluding non-controlling interests and also monitors the level of dividends to ordinary shareholders.

#### 26 Commitments with non-related parties

	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
<i>Other commitments</i>				
Bank guarantees	22,300	39,700	22,300	39,700
<b>Total</b>	<b>22,300</b>	<b>39,700</b>	<b>22,300</b>	<b>39,700</b>

#### *Reseller agreement*

On 27 April 2015, the Company entered into a reseller agreement and other related agreements with Apple South Asia (Thailand) Limited whereby the Company agrees to act as a reseller of computers, mobile phones and accessories. Under the terms and conditions in the agreement, the Company shall receive various supporting service income as indicated in the agreement. The agreement has been effective since 11 June 2015.

On 19 November 2008, the Company entered into a reseller agreement with True Distribution and Sale Co., Ltd. in order to be distribution channels for goods and related services according to the terms and conditions in the agreement. This agreement is valid for 1 year and shall be automatically renewed for a period of one year each.

The Company entered into a reseller agreement with Wireless Device Supply Co., Ltd. in order to be distribution channels for goods and related services according to the terms and conditions in the agreement. This agreement has been effective since 1 August 2009 unless notice shall be issued by either party to the other party.

On 9 April 2013, the Company entered into a reseller agreement with DTAC Network Co., Ltd. in order to be distribution channels for goods and related services according to the terms and conditions in the agreement. This agreement is valid for 1 year and shall be automatically renewed for a period of one year each.

**Copperwired Public Company Limited and its Subsidiary**

**Notes to the financial statements**

**For the year ended 31 December 2020**

**27 Thai Financial Reporting Standards (TFRS) not yet adopted**

The amendment to TFRS 16 provides an option for lessees not to assess whether COVID-19-related rent concessions are lease modifications, but to directly decrease the lease liability. The impact from the application of the option shall be adjusted to retained earnings on 1 January 2021 and no adjustments are to be made on comparative financial statements. Management is currently considering whether or not to elect to apply the option.

**28 Events after the reporting period**

At the Board of Directors' meeting of the Company held on 22 February 2021, the board of directors approved dividend payment of Baht 0.08 per share, totalling Baht 48 million. This is subject to approval by the shareholders at the annual general meeting.





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