

ANNUAL REPORT 2023
FORM 56-1 ONE REPORT
THANULUX PUBLIC COMPANY LIMITED



RESHAPING THE FUTURE





RESHAPING THE FUTURE

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INTRODUCTION

MESSAGE FROM THE BOARD OF DIRECTORS

From 2022 to 2023, Thanulux Public Company Limited's (the "Company") revenue proportions have changed, expanding the growth potential, namely the sole income from the textile and clothing business to the secured lending, asset management, and real estate development businesses. This significant change demonstrated the Company's success in effective management and was a crucial factor that caused the Company's performance in 2023 to grow exponentially in every dimensions. Consequently, as planned, the Company's overall operations were solid, and secured lending to achieve satisfactory and sustainable outcomes in the long term.

In addition to growth in operating results, the Company continues to place importance on sustainable business operations in various aspects by adhering to the principles of Good Corporate Governance, transparent and verifiable governance, along with supervision of all subsidiaries to operate their businesses under the principles of Good Corporate Governance with responsibility to all stakeholders, attention to the environment and society, and earnest effort against corruption. As a result, the Company received the 2023 Corporate Governance Report of Thai Listed Companies evaluation at the "excellent" level from the Thai Institute of Directors Association. The Company has planned a strategy to emphasize sustainability in every management process.

Economic aspect: Strive to improve operations continuously, focusing on product development, research innovation, and modern technology to deliver quality products and financial solutions, excellent customer service, all of which can help people's quality of life, increase sales volume, and create maximum satisfaction for all groups of stakeholders.

Social aspect: Create a positive impact on society, strengthen and develop the potential of human resources to their fullest potential, establish a learning society, increase happiness in work and more opportunities for career growth, and ensure appropriate compensation and welfare benefits to promote a good and balanced quality of life.

Environmental aspect: Follow the international environmental standards by reducing environmental impacts in the operating system from upstream to downstream. Cultivate awareness of the importance of resources for employees at all organizational levels to adjust and reduce resources for maximum benefit in every activity.

On behalf of the Board of Directors, we would like to thank the executives, employees, shareholders, and all stakeholders for their continued support for the Company. The Board of Directors sincerely hopes that the Company will continue to gain the trust of all stakeholders. The Company would like to confirm that the Company will continuously stick to managing the Company under the principles of Good Corporate Governance, which will help the organization grow steadily and sustainably for the highest benefit of all stakeholders in the future.



(Mr. Thamarat Chokwatana)
Chairman of the Board of Directors

INTRODUCTION

FINANCIAL HIGHLIGHTS



	2021	2022	2023
Financial Position and Income Statement (Unit: THB mn)			
Total assets	4,494	10,558	13,420
Total liabilities	516	3,495	2,927
Total shareholders' equity	3,978	7,063	10,493
Equity attributable to owners of the Company	3,978	7,046	10,467
Registered share capital	120	312	312
Issued and fully paid-up share capital	120	212	305
Total revenues ^{1/}	1,438	1,960	2,870
Total expenses ^{2/}	1,360	1,816	2,033
Net profit ^{3/}	63	102	513
Net profit attributable to equity holders of the Company	63	102	503
Per Share Data (THB/Share)			
Earnings per share ^{4/}	0.52	0.80	1.76
Book value per share	33.15	33.27	34.45
Dividend per share	0.50	0.20	0.30

	2021	2022	2023
Key Financial Ratios			
Current ratio (times)	7.48	1.78	6.41
Interest coverage ratio (times)	177.22	29.58	8.95
Interest bearing debt to EBITDA ratio (times)	0.11	14.43	2.89
Debt service coverage ratio (times)	28.69	0.07	1.31
Debt to equity (times)	0.13	0.49	0.28
Interest bearing debt to equity ratio (times)	0.00	0.41	0.21
Interest bearing debt due within 1 year to total interest bearing debt (%)	31.3%	99.7%	26.8%
Bank loans to total interest bearing debt (%)	-	-	-
ROA (%)	1.4%	1.0%	3.8%
ROE (%)	1.6%	1.8%	5.8%
Share Information as of 31 December			
Share price (THB/Share)	1.00	1.00	1.00
Par value (THB/Share)	18.00	33.00	35.25
Outstanding shares (Shares mn)	120	212	305
Market capitalisation (THB mn)	2,160.00	7,006.32	10,727.95

CHAPTER 01

BUSINESS OPERATION AND OPERATING RESULTS

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1. Business operations and results

1.1 Structure and operation of company

History

Thanulux Public Company Limited was founded on June 23, 1975 under the intention of Mr. Boonsithi Chokwatana, and operated the business of manufacturing finished garments. The initial registered capital was 3 million baht, with merely 75 employees. The business premises were situated near Wat Dok Mai. All shareholders were Thai nationality, comprising of ordinary persons and juristic persons. These include Saha Pathana Inter-Holding Public Company Limited and I.D.F. Company Limited.

With an aim of business operation as a manufacturer of ready-made clothes, the Company started operation with contracted manufacturing of the shirt. Recognizing the production potentiality of Sahaphat Group which is renowned for its quality and standardized factory, as well as robust determination, Arrow - the apparel brand from USA offered the Company a copyright manufacturer of Arrow shirt products.

The name "Thanulux" was created to match the name ARROW, with its arrow symbol. Thanulux is associated with a red symbol of Rama God pointing an arrow towards the sky. The name expresses a deeper meaning whereby the Rama God, represents Thainess, the red color symbolizes good fortune and the arrow pointing

towards the sky represents fashion trends moving forward.

TNL was listed on the Stock Exchange of Thailand on July 21, 1987. and transformed into a public company limited in 1994. At the end of 2022, TNL restructured its business to generate higher and more sustainable returns for the company and its shareholders through a business transformation. On September 30, 2022, the Board of Directors' Meeting No. 8/2022 resolved to approve the establishment of 2 subsidiaries of the Company. (1) TNLX Company Limited ("TNLX") to support the Company's business group structure in the future and (2) TNL Alliance Company Limited ("TNLA") to be an intermediary juristic person to invest in 7 joint venture companies, operating in real estate development business.

On November 30, 2022, the Extraordinary General Meeting of Shareholders No. 2/2022 resolved to approve entering into a transaction to purchase 90% of common shares in Oxygen Asset Company Limited ("OXA"), which is a provider of secured loans, from Saha Pathana Inter-Holding Plc. ("SPI") and approved entering into a transaction to purchase 50% of common shares in 7 companies operating real estate development business from Rabbit Holdings Plc. ("RABBIT") and U Global Hospitality Co. Ltd. ("UGH"), a subsidiary of RABBIT.



On December 7, 2022, the Company increased its capital via a private placement, offering to a strategic partner, BTS Group Holdings Public Company Limited, in the amount of 2,884 million baht, and in March 2023, the Company issued additional shares capital to existing shareholders in proportion to their shareholding, amounting to 3,051 million baht, as an investment to create growth for the business. through new business acquisitions.

On January 18, 2023, the Company purchased all common shares in Oxygen Asset Management Co., Ltd. ("OAM"), which operates an asset management business with a licence from the Bank of Thailand in the proportion of 99.99 percent from OXA with the objective of clearly organizing the business structure and shareholding of the group of companies.

As of December 31, 2023, the Company has a registered capital of 311.55 million baht and a paid-up registered capital of 304.62 million baht. In addition to the traditional business, the Company has invested in new businesses with growth potential, **Secured Lending business, Asset Management business and Real-estate Development for Sale business** in to increase rates of return on capital investment and long-term growth of the Company

Business Overview

Over the past 48 years, TNL has successfully generated consistent returns for its shareholders. At the end of 2022, TNL has restructured its business to generate higher and more sustainable returns for the Company and its shareholders through a business transformation. At present, TNL operates four main businesses as follows:

- 1) Textile and Apparel Business through
TNLX Co., Ltd ("TNLX")



- 2) Secured Lending Business through
Oxygen Asset Co., Ltd ("OXA")



- 3) Asset Management Business through
Oxygen Asset Management Co., Ltd ("OAM")



- 4) Real Estate Development Business through
TNL Alliance Co., Ltd ("TNLA")



1.1.1 Vision and Mission

VISION

We are committed to improving people's quality of life and aiming to achieve steady business growth by investing in initiatives that generate sustainable benefits for the economy, society, and the environment.



MISSION

To procure and provide innovative products and financial solutions that create positive impact on people's lives and business success.



To deliver customer satisfaction and generating long-term value for our customers, shareholders, and all stakeholders.

To strive for the highest quality of products and services that help improve the quality of life for our customers.



To integrate good corporate governance principles, while fostering continuous personnel development, moral and ethical standards, and social and environmental consciousness.

1.1.2 Significant Changes and Developments

First Decade: 1975 – 1985

1

Laying Down the Business Foundations

The Company had been the licensee of the ARROW brand from the United States and had assigned I.C.C. International Public Company Limited to oversee domestic sales and marketing. To enhance sales efficiency, the company had initiated the Arrow Consult (AC) who was available to advice on selecting shirt for customers and provided fitting rooms to give customer confidence that the proper fit had been acquired. As regards to marketing, a slogan was created for the first ARROW product, “ARROW is shirt, shirt is ARROW” and Mr. Pichai Vasanason was chosen as the brand ambassador under the slogan “ARROW: The True Gentleman Style”.

Important events

- **1975** Company registration on 23 June 1975 with a registered capital of 3 million baht.
- **1983** Increased of registered capital to 6 million baht for business expansion.
- **1984** Increased of registered capital to 12 million baht for business expansion.

Second Decade: 1986 – 1995

2

Business Expansion

The Company entered a joint venture with foreign companies for business expansion to leather goods, garments, and upstream raw materials, building a new production facility in the Saha Group Industrial Park, Sriracha, and expanding to Saha Group Industrial Parks in Lamphun and Kabinburi and received an investment promotion from BOI.

Important events

- **1987**
 - Increased of registered capital to 24 million baht and 30 million baht
 - Listed in the Stock Exchange of Thailand on 21 July 1987.
- **1988** Registered share capital increased to 45 million baht and issued shares were revalued to 10 baht per share.
- **1989** Increased of registered capital to 60 million baht for business expansion.
- **1994** Conversion from a Limited Company to a Public Limited Company

Third Decade: 1996 – 2005**3****A Test of the Organization's Strength**

The national economic crisis in 1997 severely devalued the Thai Baht. The business sector experienced a loss from exchange rates. The Company was also affected resulted to sales of products decreased both in domestic and export markets. In the crisis, Mr. Boonsithi Chokwatana found an opportunity and thus held the Saha Group Export & Trade Exhibition Fair. The aim was to expand to foreign customers. Because of the company's long experience in exports, longstanding relationships with foreign trading partners, along with the confidence of customers in the quality of goods, the Company's exports surged to 50 percent of total sales. Hence, the Company safely navigated through the economic crisis in a secure manner.

Important events

- **1996** Increased of registered capital to 120 million baht.
- **2002** - Received the transfer of the trademark "LOUIS FONTAINE" from Thai Wacoal Public Company Limited.
- **2003** - The par value was changed from 10 baht per share to 1 baht per share on 9 May 2003

Fourth Decade: 2006 – 2015**4****Never-Ending Innovations**

Business competition in the digital era had intensified. Numerous new strategies and Innovation had been developed, the Company then was committed to research and develop of innovations by co-ordinate with upstream industries in the Group for developing high quality raw materials, thus differentiating goods from competition, and creating competitiveness.

Important events

- **2007** Received an outstanding product innovation award for "COTTAZILK".
- **2012** Opened of a second factory building at the Lamphun branch
Expanded laundry service business at Bangplee branch
- **2015** I.C.C. International Plc. (ICC), the distributor company in Saha Group, had become the licensee of ARROW trademark since 1 January 2015, and the Company operated as manufacturer with licensor approval.

Fifth Decade: 2016 – 2021

5

Driving the Economy with Innovation

Thailand was entering the 4.0 era which focus on the use of technology, innovation, and creativity to drive the economy. The Company was cooperated with upstream industrial allies in the development of raw materials for creating products and promoted employees to be creative by organizing “Thanulux Innovation Award Contest” since 2007. Selected Items were submitted to the Saha Group Chairman Award and encouraged registration of trademarks and patents.

Important events

- 2016 - Established a Joint venture company named “World Saha Fashion Company Limited” for the businesses relating to the distribution of apparel under the trademark “Takeo Kikuchi”.
- 2017 - Entrusted to be the licensee for distribute high-quality shirt from Germany under the trademark “Olymp”
- Opening of Thanulux Public Company Limited, Mae-Sot Branch, Tak Province, to expand manufacturing capacity for leather goods.
- 2018 - Established a Joint venture company named “Saha Komehyo Company Limited” for investment in new business.
- Expanded manufacturing capacity for leather goods at Lamphun branch.
- 2019 - Investment in ordinary shares of Saha Komehyo Company Limited
- Investment in ordinary shares for establishment Saha Capital Tower Company Limited to expand in real estate business.
- Transfer of retail business under “Era-won” brand from Celebrate Wealth Company Limited

- 2020 - Expanded business channels in the B2B, B2C format, including work wear (government uniforms and uniforms), healthcare and medical textile businesses.
- 2021 - Created of new product brands and distributed more via online platforms, e.g. “Bubble” kid apparel and leather wear “Smyth & Myne”
- Expansion of product lines in addition to apparel and leather wear under the Company's brands, e.g. ERAWON drinking water, Absorba baby care products, and the import of Antigen test kit (AKT) for initial testing of Covid-19 and the syringes for sales.

Sixth Decade: 2022 - present

6

Transformational for Sustainable Growth

2022

- Expanded manufacturing capacity for leather goods at Sriracha branch Chonburi province.
- Issued shares and offered additional common shares on a specific basis to a limited number of persons (Private Placement) to BTS Group Holdings Public Company Limited, amounting to 2,884 million baht.
- Restructured organizational with Saha Pathana Inter-Holding Public Company Limited and BTS Group Holdings Public Company Limited becoming the major shareholder.
- Established TNLX Company Limited to support the company's business group structure in the future
- Established TNL Alliance Company Limited to be an intermediary juristic person in order to invest in the new business by investing in real estate business
- Acquired in ordinary shares of Oxygen Asset Company Limited which operating in a lending business focusing on a group of entrepreneurs who have securities as collateral

2023

- Invested in all common shares in Oxygen Asset Management Co., Ltd. ("OAM"), which operates an asset management business. which has received permission from the Bank of Thailand.
- Increased capital and issue additional common shares to existing shareholders in proportion to their shareholding (Right Offering) in the amount of 3,051 million baht.
- Restructured the business by transferring part of the business (PBT: Partial Business Transfer) of the textile and clothing business to TNLX, a subsidiary of the Company.
- First issuance of bonds 500 million baht (bonds with an issue size of 300 million baht and additional green shoe of 200 million baht) to institutional investors and/or high net worth investors. with the objective of expanding business. This is especially true in the collateralized lending business and the NPLs and NPAs asset management business.
- TNL received a 5-star rating or "excellent" rating in the 2023 Good Corporate Governance (CGR) assessment of Thai listed companies organized by the Thai Institute of Directors Association (Thai IOD) with support. From the Stock Exchange of Thailand (SET) with a total evaluation score of 108 percent.

1.1.3 Use of Proceeds Statement

Capital Increase	Capital Raising Objectives according to the Registration Statement	Proceeds Utilization Plan (Approx.) (million bath)	Accumulated Proceeds Used as of 31 Dec. 2023 (million baht)	Details/Progress on use of funds
Employee Stock Option Program (ESOP)	Investment under regular investment plan of the Company's current core business and other business associated with current business, as well as investment in other business which could generate satisfied yield upon investment and long-term growth to our business.	107.08	107.08	Proceeds used for its purposes.
Private Placement	1. Investment in 90 percent of the ordinary shares in Oxygen Asset Co., Ltd.	835.70	835.70	Proceeds used for its purposes.
	2. Investment in 50 percent of the ordinary shares in the following companies: 1) Ratchada Alliance Co., Ltd. 2) Phraram 9 Alliance Co., Ltd. 3) Khu Khot Station Alliance Co., Ltd. 4) Majestic Park Company Limited 5) Future Domain Company Limited 6) Suksawat Alliance Co., Ltd. 7) Ratburana Alliance Co., Ltd. (Collectively, they are called "7 joint venture companies engaged in real estate development business".)	531.92	531.92	Proceeds used for its purposes.
	3. Reserve for repayment the outstanding loan of the Company which has been acquired on this occasion including to be used as working capital and to support future investments	1,516.46	1,516.46	Proceeds used for its purposes.
Right Offering	Repayment of remaining debts owed by Oxygen Asset Co., Ltd. in which 90 percent of the shares is to be held by the Company. The repayment shall be made in proportion to the shareholding and repayment of remaining debts owed by 7 companies which operate the real estate and the Company will hold 50 percent of the shares.	3,051.77	3,051.77	Proceeds used for its purposes.

Debtenture No.1/2023	Capital Raising Objectives according to the Registration Statement	Proceeds Utilization Plan (Approx.) (million baht)	Accumulated Proceeds Used as of 31 Dec. 2023 (million baht)	Details/Progress on use of funds
Private Placement to institutional investors and/or High Net Worth Investors	1. For the purpose of expansion of the loan portfolio size and/or acquisition of Non-Performing Loans (NPLs) and Non-Performing Assets (NPAs).	400-500.00	500.00	The proceeds has been fully used for its intended purpose.
	2. For the purpose of working capital.	0-100.00	-	

1.2 Business Overview of the Company Group

Over the past 48 years, TNL has successfully generated consistent shareholder returns. At the end of 2022, TNL restructured its business to create sustainable returns for the company and its shareholders. Currently, TNL operates four main businesses: 1) textile and clothing businesses 2) secured lending, 3) asset management, and 4) real estate development for sale. The business structure is as follows:

Business by income type	Operated by	Shareholding percentage
Textile and Apparel	TNLX Company Limited ("TNLX")	99.99%
Secured lending	Oxygen Asset Company Limited ("OXA")	90.00% ^{1/}
Asset Management	Oxygen Asset Management Company Limited ("OAM") ^{2/}	99.99%
Real Estate Development for Sale	TNL Alliance Company Limited ("TNLA")	99.97%

Remark:

1/ The remaining 10% shareholding is held by Saha Pathana Inter-Holding Public Company Limited.

2/ Oxygen Asset Management Company Limited received an asset management business license from the Bank of Thailand on 17 June 2020, according to the Asset Management Company Emergency Decree B.E. 2541 (and amendments) and is under the supervision of the Bank of Thailand.

1.2.1 Income structure

Income structure of the Company and subsidiaries, according to the consolidated financial statements, classified by business segment for 2021 - 2023, consisting of the following revenues:

Company income structure	As of December 31 st , year-end 2021		As of December 31 st , year-end 2022		As of December 31 st , year-end 2023	
	Million Baht	Percent	Million Baht	Percent	Million Baht	Percent
Primary businesses						
Income from sales and contract manufacturing ^{1/}	1,332.66	92.65	1,777.06	90.64	1,619.30	56.42
Interest from loans ^{2/}	-	-	-	-	481.09	16.76
Interest from receivable purchase ^{3/}	-	-	-	-	71.46	2.49
Interest and consulting fee ^{4/}	-	-	-	-	286.96	10.00
Total income from the primary businesses	1,332.66	92.65	1,777.06	90.64	2,458.81	85.67
Other income ^{5/}	105.73	7.35	183.42	9.36	411.13	14.33
Total Income	1,438.39	100.00	1,960.48	100.00	2,869.94	100.00

Remark:

1/ Revenue from sales and contract manufacturing refers to income from the textile and clothing business, which is the Company's original primary business. On July 1, 2023, the Company restructured its business by Partial Business Transfer (PBT) to TNLX Company Limited, a subsidiary of the Company, in which the Company holds 99.99 percent of all shares.

2/ Interest from loans means interest income from secured loans, which is Oxygen Asset Company Limited, the Company's subsidiary's main business.

3/ Interest from receivable purchase means interest income from loans and purchase of collateralized distressed receivables from the asset management business run by Oxygen Asset Management Company Limited, the Company's subsidiary.

4/ interest and consulting fees mean interest income and revenue from project supervision and consultation fees from real estate development of subsidiary company TNL Alliance Company Limited.

5/ Other income includes interest from bank deposits, loans to related companies, debentures, dividends, rental income, and real estate sales.

1.2.2 The Nature of the Company's Business Operations and its Subsidiaries

(1) Product or service characteristics and business innovation development.

The Company completed its business restructuring on July 1, 2023, to increase business expansion opportunities and find more partnerships to align with the Company's strategic plan and help the Company manage risks in each business more efficiently. The restructuring also creates more flexibility and efficiency in work support to the Company's subsidiaries and joint ventures. The details of each business are as follows:

1. Textile and Apparel Business

The Company operates the textile and apparel business through TNLX Co., Ltd. ("TNLX"), in which the Company holds 99.99 percent of the total shares. TNLX is a manufacturer and distributor of ready-to-wear clothing and leather goods for men, women, and children under international trademarks which TNLX received copyright and the trademark for sale both domestically and international export. The revenue proportion is as follows:

	2021 (million baht)	2022 (million baht)	2023 (million baht)
Domestic Sales	768.10	1,013.08	1,061.26
Export Sales	564.56	763.98	558.04

The main export destinations are Asia, America, and Europe, accounting for 17 percent, 39 percent, and 44 percent, respectively, in 2022 and 26 percent, 36 percent, and 38 percent, respectively, in 2023.

Our products are categorized as follows:

- **Ready-to-wear Clothes**

TNLX's ready-to-wear products cover the customer groups of men, women, and children: shirts, t-shirts, pants, suits, jackets, pajamas, underwear, neckties, handkerchiefs, scarves, swimsuits, workout clothes and socks under the trademarks ARROW, EXCELLENCY, GETAWAY, COOL, Guy Laroche, Guy Guy Laroche, DAKS, ELLE HOMME, Takeo Kikuchi, Olymp, HORNBILL, ICON, Positive, MIX-SELF and Erawon for men and women. As for children's products, TNLX produces and sells clothing for newborns to 8 years old, as well as diapers, bedding, shoes, socks, dolls, and infant products under the trademark Absorba.

- **Leather Goods**

This is a product line for men and women, including wallets, handbags, and belts under the trademarks ARROW, EXCELLENCY, GETAWAY, Guy Laroche, Guy Guy Laroche, DAKS, and LOUIS FONTAINE.

- **Other Products**

Food products, drinking water, equipment, and beauty products, under the Era-Won trademark, and health care products, including medical equipment.

TNLX has the following factories, locations, and production capacity:

Factory location	Production	Total production capacity per year (piece) ^{1/}
129/1 Chong Nonsi Road, Chong Nonsi Subdistrict, Yannawa District, Bangkok	Clothing Leather goods	367,200 90,000
99/3 Village No. 5, Saha Group Industrial Park - Lamphun, Pa Sak Subdistrict, Mueang Lamphun District, Lamphun Province	Leather	450,000
125 Village No. 5, Saha Group Industrial Park - Kabinburi, Suwannason Road, Nonsi Subdistrict, Kabinburi District, Prachinburi Province	Clothing	658,000
269/15 Village No. 15, Saha Group Industrial Park - Mae Sot, Mae Kasa Subdistrict, Mae Sot District, Tak Province	Leather	186,000
Total		1,751,200

Remark:

1/ The business has actual production volume in 2023 totaling 1,842,175 pieces, equivalent to 105.20 percent of production capacity. Information according to the business's 2023 annual information form.

2. Secured Lending Business

Oxygen Asset Company Limited (“OXA”) was founded and registered as a limited company on October 4, 2021, to help entrepreneurs who lack liquidity so that they can have capital to withstand the challenges and difficulties amidst the COVID-19 epidemic crisis. OXA’s core mission is to provide tailored financial solutions for each customer, grant them access to capital that will enable them to grow and succeed according to their goals.

On December 15, 2022, the Company invested in OXA by purchasing 90 percent of the original common shares from Saha Pathana Inter-Holding Public Company Limited (“SPI”)

to expand the scope of the Company’s business operations, increase the opportunity for investment in new businesses that provide good returns and less risk for the Company.

Currently, the Company holds 90 percent of OXA shares, and the remaining 10 percent is held by Saha Pathana Inter-Holding Public Company Limited, a group of companies committed to equipping OXA with more expertise in the real estate industry. OXA focuses on providing loans to individual customers and juristic persons with collateral assets, granting loans of 10 million baht or more.

OXA has a team with over 20 years of experience in asset-backed financing, primarily for real estate assets, with a credit policy as a risk management framework following international principles, good governance, and social responsibility to the environment. OXA has also established the standard for the loan granting process, considering the risk, independence, and an appropriate balance. We thoroughly check the status of loan applicants and guarantors (if any) and conduct assets assessment until loan approval for a quick and flexible loan approval process that is fair, transparent, and equitable.

OXA conducts a thorough overview of the loan applicant’s qualification and the guarantor (if any) to assess the ability to repay debt and various risks of the loan applicant and the guarantor (if any), including the quality and liquidity of the collateral assets. We primarily choose collateral that has minimal risk, such as land collateral; the land plot must be located in an area with high demand and liquidity with the potential to develop real estate, etc. In addition, OXA has set criteria for granting appropriate loans following the credit policy framework. The loan-to-collateral value ratio (LTV Ratio) is determined, including the credit limit, interest rate, and various

In addition, OXA has established a work process of following up on the risk status of debtors and reviewing each debtor’s credit, including criteria for collateral quality evaluation and inspection after loan approval. Furthermore, insurance and protection against damages in various areas are implemented to reduce the risk of defaulting on debts and mitigate losses in the event of legal enforcement and collateral auction. OXA also sets risk diversification

criteria and regularly monitors the status of credit concentration to avoid excessive concentration on one side that may affect the Company.

As of December 31, 2022, and 2023, OXA has outstanding loans of 3,589.00 million baht and 5,904.03 million baht, respectively, and has no Non-Performing Loan (NPL).

	As of December 31, 2022	As of December 31, 2023
Outstanding loan balance (million baht)	3,589	5,940
Average outstanding loan balance per customer (Million baht per debtor)	276	297
Lending ratio relative to collateral value (Loan to Value: LTV)	47%	50%

3. Asset Management Business

On January 18, 2023, the Company purchased 99.99 percent of ordinary shares in Oxygen Asset Management Co., Ltd. ("OAM") from OXA to acquire 259,998 common shares to manage the investment structure and for the Company to directly hold shares in OAM. OAM is a company established in Thailand and operating an asset management business with an asset management business operation license per the Asset Management Company Emergency Decree B.E. 2541 (and amendments) from the Bank of Thailand on June 17, 2020, and under the supervision of the Bank of Thailand.

OAM manages Non-Performing Loans (NPLs) by purchasing or transferring non-performing assets from financial institutions or other non-performing asset management business operators and financial business operators to operate and improve the debt structure. The

aim is to help solve unmanageable debt problems together with debtors so that they can repay overdue debts and continue their businesses. OAM business model includes the transfer of foreclosed assets obtained from auctions to purchase collateral of debtors in the Legal Execution Department, from forfeiting assets for debt payment, or from participating in an auction or receiving a direct transfer from the seller according to the conditions set by the seller in the auction or sale of distressed assets. OAM will take the foreclosed assets to improve, develop and sell. OAM's business operations can be categorized into two main groups: 1) non-performing assets (NPLs) management business and 2) foreclosed assets management business. (Non-Performing Assets: NPAs).

3.1 Non-Performing Asset Management Business (NPLs)

OAM operates non-performing assets management by purchasing or accepting transfers of non-performing assets from financial institutions in Thailand, such as commercial banks, asset management companies, and financial business operators, to manage by negotiating debt restructuring with debtors to find the most appropriate agreement for all parties. The process helps transform distressed assets into quality assets and circulate them in the economy with more value.

Non-performing assets that OAM purchases or receives are secured by real estate, which is registered as mortgaged to OAM. Non-performing assets are recorded according to TFRS 9 accounting standards as loans to debtors at the cost of purchasing or receiving. There are two groups of non-performing assets according to the type of debtor: 1) Non-performing assets in the category of Corporate & SMEs Loan with assets as collateral such as land, buildings and structures, commercial buildings, factories, etc. and 2) Non-performing assets in the form of retail loans with assets as collateral such as land, houses, buildings, and condominiums, etc.

When attending the auction to purchase distressed assets, OAM will analyze and examine the debtor information received from the seller in detail, such as the size of the distressed asset portfolio, Loan-to-Value (LTV) ratio, the legal status of the debtor, past payment

history and the type and location of collateral, etc. The information is crucial to determine guidelines for auction prices of non-performing assets (NPLs) appropriate to the risks of individual debtors and debtors in each group. OAM has criteria and procedures for debt restructuring negotiation and prepares cash flow projections to determine the purchase price for each type of non-performing asset. The guidelines help create flexibility for operating staff to consider debt reconciliation and suggest debt reconciliation to debtors to reach a resolution satisfying all parties (Win-Win).

As of December 31, 2023, the Company has a loan portfolio under management worth approximately 3,824 million baht.

3.2 Foreclosed Property Management Business (NPAs)

OAM's policy focuses primarily on investing in distressed assets with collateral. The foreclosed assets come from an auction to purchase collateral for distressed assets in the Legal Execution Department or from foreclosures to repay debts of distressed asset debtors. However, some foreclosed assets may come from auctions or direct purchases according to the conditions specified by the seller. OAM will assess the preliminary quality of the property for sale, including location, market value, and property condition, and estimate improvement costs for the foreclosed property to be ready for sale. The value of collateral assets will be assessed regularly by an external property appraiser, including inspection of title documents, land plans, and related laws and regulations, ensuring the foreclosed properties will not cause legal problems in the future.

4. Real Estate Development Business

The Company operates residential real estate development business for sale through TNL Alliance Co., Ltd. ("TNLA"), in which the Company holds 99.97 percent of the shares. TNLA invests in 7 joint venture companies under the terms of the joint venture agreement between the Company and Noble Development Public Company Limited ("NOBLE")

On September 30, 2022, the Board of Directors' Meeting No. 8/2022 resolved to approve the establishment of TNLA as a central juristic person for investing in 7 joint venture companies that operate real estate development business. Later on November 30, 2022, the Extraordinary General Meeting of Shareholders No. 2/2022 resolved to approve a transaction to purchase 50 percent of common shares in 7 companies that operate residential real estate development business from the Rabbit Holdings Public Company Limited ("RABBIT") and U Global Hospitality Company Limited ("UGH"), a subsidiary of RABBIT. Moreover, on December 15, 2022, TNLA, the Company's subsidiary acquired common shares of the following seven companies engaged real estate development:

- 1) Future Domain Company Limited ("FD")
- 2) Khu Khot Station Alliance Company Limited ("KK")
- 3) Majestic Park Company Limited ("MJP")
- 4) Rama 9 Alliance Company Limited ("R9A")
- 5) Ratburana Alliance Company Limited ("RBA")
- 6) Ratchada Alliance Company Limited ("RDA")
- 7) Suksawat Alliance Company Limited ("SUK")

However, in July 2023, TNLA sold all the common shares held by TNLA in two joint venture companies; R9A and KK, and TNLA's claims on certain loan debts that the joint venture companies had to Proud Real. Estate Public Company Limited ("PROUD"). Currently, TNLA has real estate development projects with the following details:

Company	Business Type	Registered and Paid-up Capital (Million Baht)	Shareholding Proportion (%)	Business Operation
1. Ratchada Alliance Company Limited ("RDA")	joint venture	50.00	50.00 ^{1/}	Real estate development business for residential condominiums sale under the Noble Ratchada-Latphrao project
2. Majestic Park Company Limited ("MJP")	joint venture	300.00	50.00 ^{1/}	Real estate development business for residential condominiums sale and housing developments of detached houses under the Noble Create project
3. Future Domain Company Limited ("FD")	joint venture	200.00	50.00 ^{1/}	Real estate development business for sale in the townhome category under the Noble Curve project and land allocated under the Noble Curate project
4. Suksawat Alliance Company Limited ("SUK")	joint venture	50.00	50.00 ^{1/}	Real estate development business for commercial buildings (Shop House) and Home Office sales under the Nue Hybe Suksawat project
5. Ratburana Alliance Company Limited ("RBA")	joint venture	10.00	50.00 ^{1/}	Real estate development business for residential condominiums sales under the Nue Riverest Ratburana project, and single-detached housing developments under the Noble Aqua Riverfront Ratburana project
6. Khu Khot Station Alliance Holdings Company Limited ("KKH") ^{2/}	joint venture	1.00	50.00 ^{1/}	Real estate development business for residential condominiums and the community mall building sales under the project Nue Core Khu Khot Station and Community Mall

Note:

1/ Other shareholders of RDA, MJP, FD, SUK, RBA, and KKH include Noble Development Public Company Limited ("NOBLE"), holding 50 percent of the issued and sold shares and all voting rights.

2/ KKH's subsidiaries, in which KKH Company Limited holds 100.00 percent of shares, consist of (1) Khu Khot Station Alliance 2 Company Limited, which operates the New Core Khu Khot Station project (2) Khu Khot Station Alliance 3 Company Limited (project land located in the same area as the New Core Khu Khot Station project but currently the project has not started yet) (3) Khu Khot Company. T Station Alliance 4 Company Limited (project land located in the same area as the New Core Khu Khot Station project, which has yet to start) and (4) Khu Khot Station Company. Alliance Mall Co., Ltd. carries out the Community Mall project.

TNLA recognizes the operating results of the six joint venture companies through profit (or loss) sharing from the six joint venture companies. Currently, all joint venture companies' real estate development projects are under development. The construction is expected to be completed gradually and ready for transfer in 2024.

In addition, TNLA recognizes income from project management and supervision fees according to the joint venture contract following the Monitoring Consulting Service Agreement and interest income from loans in proportion to shareholding.

Status of the joint venture's real estate development project as of 31 December 2023

Joint venture company	Project name	Project value (Million Baht)	Value transferred (Million Baht)	Construction completion (%)
1. Ratchada Alliance Company Limited ("RDA")	Neu Noble Ratchada-Ladprao	2,008	1,762	100.00
2. Future Domain Company Limited ("FD") Noble	Curve Ekkamai-Ramintra	3,821	266	44.90
	Noble Curate Ekkamai-Ramintra	1,275	-	-
3. Suksawat Alliance Company Limited ("SUK")	Neu Hibe Suksawat	1,639	461	64.75
4. Majestic Park Company Limited ("MJP")	Noble Create Ekkamai-Ramindra	4,260	1,654	10.54
5. Ratburana Alliance Company Limited ("RBA")	Noble Aqua Riverfront Ratburana	2,023	1,287	72.07
	Neu River Rest Ratburana	4,683	1,982	11.38
6. Khu Khot Station Alliance Holdings Company Limited ¹ ("KKH")	Neu Core Khu Khot Station	2,408	2,025	28.09
	Lifestyle Mall (Community Mall)	430	-	58.44

(2) Industry Trends and Competition

Marketing strategies and competition

1. Textile and Apparel Business

According to the Thai economic situation in 2024 (Office of the National Economic and Social Development Council) report, it was found that Thai domestic economy is expected to expand on average by 2.2-3.2 percent, which is still lower than the average growth in the previous ten years and before COVID-19. This slow growth is due to the development of private consumption from the recovery of the tourism sector and increased employment. Government policy will continue to promote and support more spending, especially in 2024, and the expansion of investment related to domestic activities. Therefore, the growth trend of the domestic economy positively impacts the total forecast. Domestic sales of TNLX are expected to grow gradually from last year.

However, the report also shows the export sector may still face pressure from the global economy that tends to grow low, consistent with reports from the textile industry group. The Federation of Thai Industries (F.T.I.) predicts that export trends from the textile industry are likely to contract from 2023 due to the sluggishness of the world economy and fluctuations in fuel costs. The sector also faces intense competition from inside and outside the country as the number of regional competitors rises. In addition, many production bases have been moved from Thailand to competing countries such as Vietnam and Indonesia. The international market still faces challenges that may affect the Company's sales. Hence, we must monitor the situation and government sector policies closely. Future factors like a free trade agreement (F.T.A.), if achieved in 2024, could help support the Company's exports, such as Thailand-Sri Lanka, Thailand-EFTA, and Thailand-United Arab Emirates, including the Thai-EU F.T.A. negotiations, etc. The company is aware of the challenges of the economic and competitive conditions. TNLX has strategies to respond to such situations in various areas as follows: TNLX Company Limited has strategies in various areas as follows:

Domestic Market

1. Products

We emphasize product design by using customer surveys both offline and online channels or through various social networks to access customer opinions and develop production processes from raw materials sourcing to finished products to satisfy the needs of various customer groups and to adapt to the rapidly changing fashion trends.

2. Price

Put the customer at the highest priority, setting appropriate prices based on the product's quality and competitiveness at the same market level.

3. Distribution channels

Collaborate with distributors to provide information and knowledge on products and services through recommendations from store sales staff, web pages, and social media in online channels so that customers have a clear understanding and instruction of the products and services.

4. Sales promotion

In 2023, we participated in the Saha Group Fair at the BI-Tech Exhibition and Convention Center for product promotion, which is expected to continue annually. In addition to introducing new innovative products, the Company's sustainable materials and new businesses such as health care and medical were also brought to public attention. We are also developing and preparing to launch our online sales channels.

International market

1. Products

Focus on developing product quality and products that can respond to the rapidly changing lifestyles of customers. The product group that creates growth opportunities is casual wear due to the outbreak of the COVID-19 virus, which led to the comfortable casual wear trend that is suitable both for work and travel.

2. Price

Prioritize pricing that matches the product quality and production techniques at the appropriate price point to enable customers to compete in the highly competitive international market due to warfare, inflation, and changing consumer behavior towards more online shopping. Therefore, we must constantly adapt to the highly volatile situation, taking opportunities from the exchange rate where the value of the baht weakens.

3. Sales promotion

Focus on finding customers abroad or inviting customers to visit the Company to create opportunities for business expansion, using technology to hold online meetings and continuously present new products to customers to strengthen relationships with customers and find new opportunities for new markets in Asia, the Middle East, and Europe, through the cooperation of both domestic and international trading partners. Furthermore, now that our customers are active on sales channels focusing on the online market, the Company has to adjust and shorten production lead times accordingly to compete with domestic and abroad competitors such as Vietnam, Indonesia, Myanmar, etc.

2. Collateralized loan business

Loan outstanding in Thailand has steadily grown from THB 17trn in 2011 to THB 33trn in 2023, growing at a CAGR of 6% for the past decade. This indicates that there is a consistent demand for financing as business owners and corporates are in need of financing for various purposes ranging from working capital and CAPEX to refinancing and other investments. Of the THB 33trn loan outstanding in 2023, about 20% of that (or THB 6.4trn)

were loans provided by others or non-bank. When compared to OXA's loan outstanding of THB [5.9]bn, there are significant rooms to grow in this playing field.

When scoping down to 2023, OXA has witnessed more financing requests from SME and corporates as economic activities started to show more recovery sign post-covid 19 pandemic. This presents the opportunity for OXA to provide more secured term loan to support business owners and corporates as well.

Despite a positive growth outlook, OXA also closely watches the recent development from global economic slowdown and impact from rising interest rate as well. Therefore, we have been cautious about the situation and started to implement stricter criteria in credit approval process. For existing clients, we maintain constant dialogues with all of them and frequently assess our loan portfolio to maintain a quality book and minimize potential NPL.

Marketing and Competition

OXA Managed by specialists in the field with 20+ years of experiences, OXA has accumulated networks of retail and institutional clients, as well as established deep connections with real estate brokers/agents, financial institutions, and legal counsels. All of the aforementioned parties have played instrumental parts in sourcing the deals for OXA. In addition, OXA has marketed itself, with key strategies as below.

1) Flexible and Customized Solutions for Clients

OXA offers a flexible and customized solution that matches with the requirements of each client. With standardized and transparent approval process, each deal needs to go through valuation committee, credit committee, and executive committee for approvals. The entire process takes about 30 days, which is competitive enough to deliver the outcome for clients.

2) Partnership Model

Emphasized on servicing clients as their financial partner, OXA assists clients in

financial planning and transaction structuring so that clients will have sufficient funds for business operation or for CAPEX purpose. With the partnership mindset, OXA works alongside the clients to find the optimal and win-win solution to solve their financial needs.

3) Experienced Management

OXA is managed by directors and management who have experience in the financial services industry, with background from international and local institutions. Therefore, the team has deep understanding of credit analysis and credit approval process. In addition, OXA has vast and variety of networks, including real estate brokers/agents and financial institutions, who can help sourcing and screening the deals as well as collaborating for the benefits of the clients. OXA can work effectively with all parties to ensure smooth execution process.

In terms of products and services, OXA has a marketing policy regarding target customer group and channels for new customers as follows:

1) Marketing Policy

Marketing policy of OXA has stemmed from key strategies as mentioned above. By implementing the partnership model, OXA utilizes its networks for the benefit of the clients. For instance, should the client experience a financial difficulty in repaying principal or refinancing, OXA willingly utilizes its connections with real estate developers to sell collaterals or form a joint venture to develop real estate project. Also, OXA assists the clients in discussing with the banks to negotiate termsheet for refinancing purpose as well.

2) Type of Customers / Targeted Customers

Clients of OXA consist of retail, SME, and large corporate, who may experience financial needs. OXA can offer a secured term loan backed by vacant land, which may not be a preferred collateral for banks, who may prefer to do project finance on those assets instead. With asset financing model, OXA analyzes collateral in-depth by looking at various factors such as size, location, development potential,

liquidity for sale, among others, before presenting to committees and proposing key terms to clients.

3) Distribution Channel

There are various channels that potential clients can connect with OXA.

(1) Company channel

Clients can reach out to OXA via phone, website, or email. Potential clients can submit the loan request with details of collateral and/or cash flow to service debt for OXA to consider. OXA will then revert to clients if collateral has potential to proceed.

(2) Networks

In addition to direct contact to OXA, clients can reach out to our networks, including but not limited to real estate brokers/agents, financial institutions, and legal counsels. OXA maintains constant dialogues with our networks, communicating our preferences of location, type of collateral, ticket size, borrower profile, etc. Therefore, our networks have a good understanding of transactions that would match with our appetite. Our networks play instrumental role in sourcing and referring deals for OXA and are the main source of deal sourcing for us.

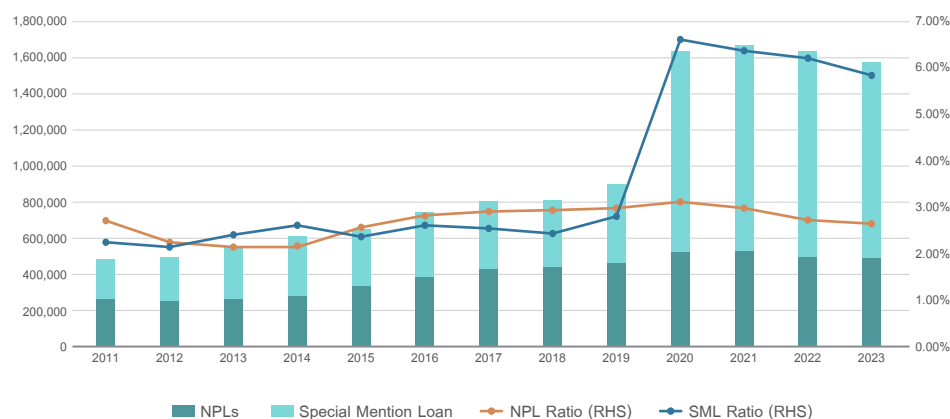
3. Asset management business

After the end of debt moratorium scheme by the BoT, the market has seen more NPLs/NPAs on sale at a level even greater than that of pre-covid. Commercial banks, who have put a pause on selling distressed loans, started doing so more aggressively and more frequently this year. As a result, the amount of NPLs sold from financial institutions Chart 1: Historical outstanding loan balances in Thailand.

When looking at the NPL market in general, although the percentage of NPL post-covid still similar to that of pre-covid level, yet the percentage of Special Mentioned Loan ("SML") has spiked by three-fold. This is because commercial banks have been trying to restructure the debt/payment terms or in some cases extend the term loan for their clients in response to the debt moratorium scheme from the BOT. However, we expected that some of the SML

shall overflow to become NPL after the end of debt moratorium scheme from BOT. Therefore, we anticipated that more NPLs shall be on sale in the market in a foreseeable future. Please see Figure 1 for more information on historical NPL and SML ratios.

In terms of industry competitiveness, asset management companies in Thailand are divided into four main types as follows:



source: Bank of Thailand

(1) AMCs which are subsidiaries of financial institutions or under a holding company that operates business in financial services

AMCs under this category can be perceived as 2023 a special business unit that housed NPLs/NPAs or special situations' borrowers of the financial institution. These AMCs would not typically purchase or auction NPLs/NPAs on sale from the market, but rather serve as a subsidiary or business unit that works on special cases of that particular financial institutions. Example of AMCs under this category is as below.

Financial Institutions / Holding of Financial Services Group	AMCs
Bank of Ayudhya Public Company Limited	Ayudhya Asset Management Company Limited
Bangkok Bank Public Company Limited	Taweessup Asset Management Company Limited
CIMB Thai Bank Public Company Limited	Sathorn Asset Management Company Limited
Siam Commercial Bank Public Company Limited	Ratchayothin Asset Management Company Limited
TMBThanachart Bank Public Company Limited	Phahonyothin Asset Management Company Limited

(2) Privately-owned AMCs or Specialized AMCs

AMCs under this category can be owned by both domestic and international shareholders, given that they have been granted an AMC license from the BOT. Some of these AMCs have been established since 1998 after the Asian Financial Crisis, while a number of them have recently been formed post-covid 19 pandemic as investors anticipate the opportunity to purchase distressed assets during the market difficulty. When compared to other type of AMCs, privately-owned AMCs tend to their own characteristics and preference regarding the distressed loans/assets they purchased. Some AMCs would prefer purchasing only unsecured NPLs, while some have

capability to do both secured and unsecured NPLs. Example of privately-owned AMCs include

- Bangkok Commercial Asset Management Public Company Limited (“BAM”), which was listed on the Stock Exchange of Thailand (“SET”) in 2019, has a strategy to purchase both secured and unsecured NPLs
- JMT Network Services Public Company Limited (“JMT”), which was listed on the SET in 2012, focuses its purchase on unsecured NPLs. JMT also has its subsidiary, J Asset Management Company Limited (“JAMC”), which they set up to purchase and manage secured NPLs only as well
- Chayo Group Public Company Limited (“CHAYO”), which was listed on the SET in 2018, started out as an unsecured NPL platform, but has recently moved into secured NPLs territory
- Knight Club Capital Asset Management Public Company Limited (“KCC”), which was listed in the SET in 2022, focuses on secured NPLs
- Alpha Capital Partners Group Public Company Limited (“ACPG”), which owns Alpha Capital Asset Management Company Limited and Wireless Asset Management Company Limited, focuses only on secured NPLs

(3) State-owned AMCs

The state-owned AMCs are established with the main mandate to manage NPLs that spillover from state-owned financial institutions. These AMCs may also participate in NPLs/NPAs auction from financial institutions such as commercial banks, but may not be active in doing so on a yearly basis. Example of this AMC include

- Sukhumvit Asset Management Company Limited (“SAM”), which was established in 2000 to manage distressed assets alongside BAM, is majority owned by the Financial Institution Development Fund (“FIDF”). Since establishment, SAM has been active in managing troubled loans from state-owned financial institutions, as well as commercial banks
- Islamic Bank Asset Management Company Limited (“IAM”), which was established in 2015, with the objective to clear special assets and troubled debt of Islamic Bank only

(4) Joint Venture AMCs

This type of AMC is jointly owned by an AMC and financial institution (mostly commercial banks). Given the higher amount of NPLs in the system which stemmed from the covid-19 pandemic, the BoT has recently set up guidelines and encouraged a JV structure between AMC and financial institution, so as to manage distressed debt in the financial system. This JV structure can yield numerous competitive advantages. On one hand, financial institution can offload NPLs/NPAs from its book, while still retaining some ownership for a potential upside in return. On the other hand, AMC would be able to secure NPLs/NPAs to fuel up its growth and may have the opportunity to get leverage from their JV partner to lower their capital contribution. Example of this JV AMC is JK Asset Management Company Limited (“JK AMC”), which was formed in 2022 between JAMC (a subsidiary of JMT) and Kasikorn Bank Public Company Limited (“KBANK”). With registered capital of THB 10bn, they aim to manage distressed debt (both secured and unsecured) worth over THB 100bn by 2025.

Despite the risen number of AMCs post-covid, the industry is still highly concentrated with top 3 having approximately 78% market share (by assets in FY2022),

List of AMCs	Type	Total Assets ^{1/} (million baht)	%
1. Bangkok Commercial Asset Management PCL.	Specialized	132,805	51.0
2. Sukhumvit Asset Management Co.,Ltd.	State-owned	50,184	19.3
3. J Asset Management Co.,Ltd.	Specialized	20,914	8.0
4. Islamic Bank Asset Management	State-owned	19,695	7.6
5. Phahonyothin Asset Management Co.,Ltd.	Subs of FI	5,741	2.2
6. SWP Asset Management Co.,Ltd.	Subs of FI	5,526	2.1
7. Chayo Asset Management PCL.	Specialized	4,055	1.6
8. Wireless Asset Management Co.,Ltd.	Specialized	3,781	1.5
9. Mahanakorn Asset Management Co., Ltd.	Specialized	3,624	1.4
10. Sinsuptawee Asset Management Co.,Ltd.	Subs of FI	3,571	1.4
Others - Top 15	Mixed	10,542	4.0
Total		260,438	100.0

1/ FY2022

source: Bank of Thailand

BAM being the largest distressed asset management company in Thailand. Owned majority by the FIDF, BAM has a dominant market position, with total assets of THB 137.3bn as of FY2023. On any given year, BAM usually acquires at least half of NPLs/NPAs on sale from financial institutions, solidifying their No. 1 position in this market.

SAM ranked as 2nd in this industry, with total assets of THB 50.2bn as of FY2022. SAM has a specialty in managing secured SME loans and they usually adopt various strategies ranging from enforcing collaterals to entering into a debt restructure agreement. While SAM

focuses on maximizing the recovery of FIDF's remaining NPLs/NPAs, SAM also seeks for new growth by trying to pursue a JV AMC structure with commercial banks as well.

JAMC, a subsidiary of JMT, came 3rd in this industry, with total assets of THB 20.9bn. JAMC has recently grown significantly bigger in size after they formed a JV structure called JK AMC with KBANK in 2022. KBANK has invested THB 3.5bn in exchange for a c. 10% equity ownership in JK AMC and has been supporting the growth of this platform by selling approximately THB 70bn of distressed loans to the JV entity.

Sources of NPLs and NPAs

AMCs shall purchase NPLs and NPAs from financial institutions under the BOT. Generally, commercial banks are the ones who put NPLs and/or NPAs on auction on a yearly basis. As of FY/2023, there is approximately THB 173.8bn of legal balance on sale. This figure is about 3-fold greater than the same period in 2022. This is due to the end of debt moratorium scheme from the BoT.

However, not all commercial banks sell their distressed debt/assets into the market. Commercial banks who generally do so include Siam Commercial Bank Public Company Limited ("SCB"), Kasikorn Bank Public Company Limited ("KBANK"), TMBThanachart Bank Public Company Limited ("TTB"), Bank of Ayudhya Public Company Limited ("BAY"), among others. These banks will send bidding invitations to AMCs and deliver a teaser of portfolio on sale. AMCs will have approximately 4-8 weeks to perform due diligence and submit a bidding price on all or specific tranches they wish to purchase. After that, banks would take about a week to decide or announce the winner, followed by closing logistics which shall be completed in a few months.

OAM currently has a policy to purchase only secured Non-Performing Loans (NPLs), which mostly backed by residential and commercial properties.

OAM actively participates in NPLs / NPAs bidding from financial institutions, so as to secure NPLs/NPAs under management. In 2023, OAM has secured debt under management of THB 1.6bn. While OAM's main strategy is to structure a win-win solution with the borrowers through a Discounted Pay-off ("DPO") or Troubled Debt Restructuring ("TDR"), OAM shall also engage in litigation action against borrowers in order to enforce collaterals and recoup our investment from auction sale via Legal Execution Department ("LED") or credit bid and actively sell Non-Performing Asset ("NPA") on our own. As a result, OAM's targeted customers consist of borrowers and affiliates, real estate developers, flippers, investors or buyers who wish to purchase residential or commercial properties, as well as vacant land for future development.

In terms of competition (more details on the competitive landscape section), the distressed asset management industry in Thailand comprises of a variety of players, including traditional banks and Asset Management Companies ("AMC"). The competition in the industry has been driven by the increasing number of NPLs, which provides an opportunity for AMC to acquire and manage distressed assets/loans for profits. Post-covid 19 pandemic, this trend has led to a rise in a number of new entrants in this market. However, during the past two years (2021-2022) the debt moratorium from Bank of Thailand led to a slowdown in NPLs/NPAs sale, causing supply to be dried up and acquisition price to be relatively higher. Yet, in 2023 after the end of the debt moratorium scheme, this trend has reversed. Market has seen more NPLs/NPAs auction, and expects to see the trend continues for the next few years.

OXA has a marketing policy regarding target customer group and channels for new customers as follows:

1) Marketing Policy

Typically for AMC industry, marketing would be focused on sale of NPAs, which shall be in wide type of properties ranging from single and detached houses to office building and warehouses. Due to the early curve of debt collections, OAM has not yet had NPA under management. Hence, OAM does not have any marketing activity for 2023. However, OAM is aware of such needs, and plans to develop a real estate marketing team that has the capability to manage and sell NPAs across the country. In addition to develop a direct and customized real estate marketing plan that matches with targeted customers, real estate marketing team needs to be able to advise the buyers on securing leverage from the banks, so as to ensure a smooth execution process. Moreover, OAM plans to participate in the home sale exhibitions, with the plan to unload the assets and collect customers' information for future marketing plan.

2) Type of Customers / Targeted Customers

Customers of OAM consist of real estate developers, flippers, investors/buyers who wish to purchase residential properties, commercial properties, or vacant land for future

development. Given the eco-system of TNL, where we have real estate developers as a partner and develop residential projects via TNL Alliance Company Limited, we plan to leverage this eco-system by reaching out to our partners to the extent that we have a sizable property that could be developed further.

3) Distribution Channel

OAM has implemented various methods to service and discuss with the borrowers and plans to set up distribution channels as below.

a. NPLs

Borrowers, who wish to do an early settlement via DPO, TDR, or other strategies, can contact OAM via phone, website, and email in order to make an appointment to discuss and structure the transaction in detail. Post-closing of the early settlement agreements, borrowers can make a payment or installment payment to OAM through (1) cashier cheque, (2) bill payment, or (3) wire transfer to designated account of OAM

b. NPAs

OAM plans to set up a real estate marketing team to manage the sale of NPAs. Throughout the process, OAM plans to reach out to potential buyers or propagate about our NPAs through brokers/agents, company website, real estate sales website, exhibitions, and home sale event, among others.

Looking at the current situation and competition above, OAM has the strengths that will enable the Company to compete in the industry as follows:

1) An experienced team covering all debt management functions

We have Senior management and a team with rich experience and expertise in managing distressed assets, including asset management valuation, legal aspects, real estate sales, and marketing. We also collect statistical data for value analysis of various types of collateral assets in each area of Thailand.

2) Reducing the time required to manage non-performing assets

There are a variety of strategies for distressed assets management that could be suitable for debt restructuring for each debtor. The focus is negotiating debt restructuring with debtors to reach an agreement satisfying all parties. OAM operates based on the principles of good governance and performs debt collection by the Debt Collection Act and related announcements, not through force or threat. In addition, OAM has a team with knowledge and expertise in legal processes related to collateral enforcement, making enforcing collateral on distressed assets more efficient.

3) A flexible and efficient organizational structure

The organization structure follows the Lean Organization philosophy for agility, flexibility, and efficiency, enabling the Company to adapt quickly to changes in operating and competitive strategies to align with market and industry trends. OAM currently plans the number of human resources to follow the size of the investment in non-performing assets. A well-planned organizational chart covers essential functions to reduce unnecessary processes, create value, and eliminate waste in management.

4. Real estate development business for sale

According to the Real Estate Information Center report by the Government Housing Bank, the housing market will recover in 2024, with the expectation that the ownership transfer of housing throughout the country will increase in quantity and value by 4.0 percent and 4.6 percent, respectively. The government investment would drive the recovery, affecting housing demand along the BTS or MRT public transportation lines. The tourism sector is also expected to recover, and the number of foreign tourists will return to pre-COVID-19 levels in 2025. Sales of single-family homes will continue to grow, especially for the upper-level group. The demand from condominium buyers for long-term investment is also likely to rise, and the condominium market will also be positively impacted by the Free Visa policy for Chinese and Kazakhstan tourists, enabling more convenience for Chinese people to travel to buy real estate in Thailand.

In addition, the real estate sector will also receive positive effects from government measures, including (1) measures to reduce registering rights and juristic acts fees for residences by (1) reducing registration fees for real estate transfers from 2 percent to 1 percent - 2 and (2) reducing the registration fee for real estate mortgages from 1 percent to 0.01 percent for new and second-hand residences with a credit limit not exceeding 3 million baht (effective 3 January - 31 December 2024) to stimulate consumer purchasing decisions.

Nevertheless, there might still be many negative factors in 2024, such as (1) the cancellation of the LTV measures by the Bank of Thailand, which directly affects people who want to buy second and third-contract homes, (2) the household debt situation is still as high as more than 90 percent of GDP (3) the continuous rise of interest rate. All these factors will lessen the debtors' ability to pay in installments. Therefore, 2024 could still face the risk of a slowdown in the housing market. The Company is aware of and is closely monitoring the situation.

(4) Assets used in business

Assets used in the business operations of the company and its subsidiaries The details are as follows.

1. Fixed asset that the Company used in business.

As of December 31, 2023, the main fixed assets used in the business operations of the Company and its subsidiaries can be divided into four groups: (1) land used for business operations, (2) buildings used for business operations, (3) machinery, and (4) investment real estate of the company or subsidiaries as follows:

List of fixed assets	ownership	Account Price as of December 31, 2023 (Million Baht)	Obligation
Land used for business operations which is the ownership of the Company	TNL	175.13	-none-
Buildings used in business operations which is the ownership of the Company	TNL	78.34	-none-
	TNLX	27.61	-none-
Machine	TNLX	20.44	-none-
Investment Property of the Company	TNL	42.37	-none-

2. Intangible asset for business operations Trademark

TNLX has entered into agreements with trademark rights holders. Even though it is the owner or the person who has received the rights to the trademark concerning the use of trademarks to produce and sell clothing products and leather, this is a reciprocal contract where each party must comply with the conditions specified in the contract. The royalty fee must be paid at a rate of 3.5-7.5% of the sales amount specified according to the contract.

Trademark	Amount of Contract	Contract Period
DAKS	10 years	2018 – 2028
Olymp	5 years	2022 – 2027

Trademark	The term of the contract between the trademark owner and the licensee	Amount of Contract between the grantor and TNLX	Contract period between the grantor and TNLX
Guy Laroche, Guy Guy Laroche	10 years	2 years	2023 – 2024
Absorba	5 years	5 years	2021 – 2025
ELLE HOMME	5 years	5 years	2022 – 2026

The feasibility of renewing the trademark contract.

From the contract conditions, TNLX must comply with the requirements for maintaining the reputation of the trademark, as well as maintaining the standard and quality of the product as if it were the owner of the trademark and/or the trademark licensor who produced it themselves. TNLX has strictly complied with the conditions. Each year, trademark owners and/or trademark licensors come to survey the market conditions. Sales and production are always satisfactory. Through a longstanding relationship in conducting business together with the trademark owner and/or trademark licensor, these trademarks have become widely known in the market. Consequently, contract renewals are regularly carried out.

1.3 Shareholding Structure for Companies under Thanulux Group

1.3.1 Shareholding Structure

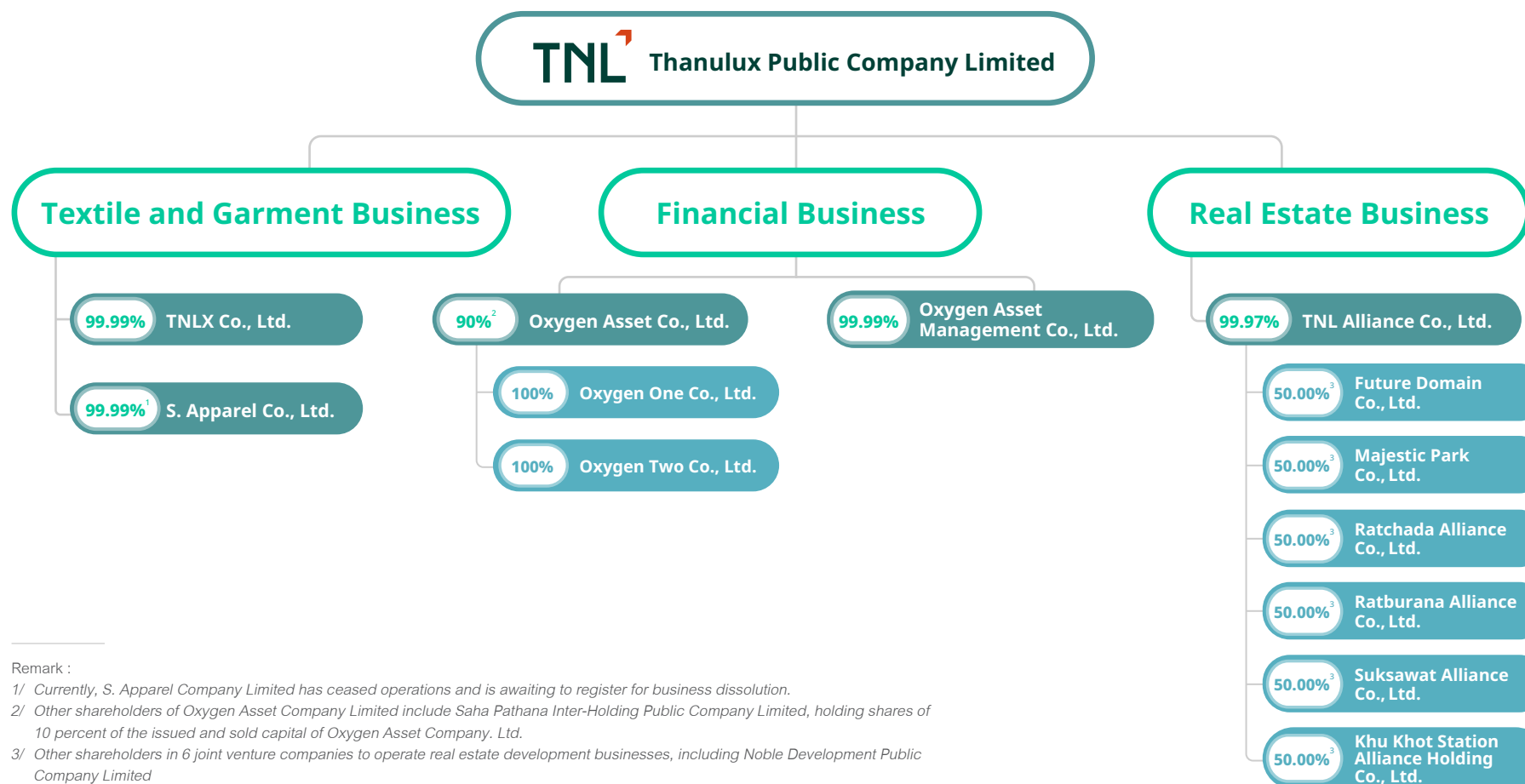
Thanulux is listed in the Stock Exchange of Thailand on 21 July 1987 and converted into a public company limited in 1994.

Later in September 2022, the Company has restructured its shareholding and structure of business groups. The Board of Directors' meeting No. 8/22022 held on 30 September 2022 passed the approval to incorporate 2 subsidiaries which are (1) TNLX Company Limited, to be support the company's business group structure in the future and (2) TNL Alliance Company Limited To be an intermediary juristic person in order to invest in the new business by investing in real estate business

Moreover, on 30 November 2022, the Ordinary Meeting of Shareholders No. 2/2022 passed a resolution approving the acquisition of 90.00% of ordinary shares in Oxygen. Asset Company Limited, which operating in a lending business focusing on a group of entrepreneurs who has securities as collateral Thanulux has acquired ordinary shares of Oxygen on 15 December 2022.

At present, the Company has a registered capital of 311.55 million baht and paid up capital of 304.62 million baht, including 4 subsidiary companies which include (1) TNLX Company Limited ("TNLX") (2) Oxygen Asset Company Limited ("OXA") (3) Oxygen Asset Management Company Limited ("OAM") and (4) TNL Alliance Company Limited ("TNLA")

Shareholding Structure (as of 31 December 2023)



Remark :

1/ Currently, S. Apparel Company Limited has ceased operations and is awaiting to register for business dissolution.

2/ Other shareholders of Oxygen Asset Company Limited include Saha Pathana Inter-Holding Public Company Limited, holding shares of 10 percent of the issued and sold capital of Oxygen Asset Company, Ltd.

3/ Other shareholders in 6 joint venture companies to operate real estate development businesses, including Noble Development Public Company Limited

4/ Subsidiaries of Khu Khot Station Alliance Holdings Co., Ltd. in which Khu Khot Station Alliance Holdings Co., Ltd. holds 100.00% of shares, consisting of (1) Khu Khot S Co., Ltd. Station Alliance 2 Company Limited (2) Khu Khot Station Alliance Company Limited (3) Khu Khot Station Alliance Company Limited and (4) Khu Khot Station Alliance Mall Company Limited.

Textile and Apparel business

Company	Category	Registered paid-up capital (THB million)	Share-holding proportion (percent)	Business Operation	Location
1. TNLX Co., Ltd. ("TNLX")	Subsidiary	600.00	99.99	Supporting the structure of the business in the future to be clear.	129/1 Chong Nonsi Road. Chong Nonsi Sub-district, Yan Nawa District, Bangkok
2. S. Apparel Co., Ltd. ("SAP")	Subsidiary	8.10	99.99	Operating the business of manufacturing and distributing the apparels.	4/2 Moo. 8, Bang Na-Trad Road, Bang Chalong Sub-district, Bang Phli District, Samut Prakan

Financial Business

Company	Category	Registered paid-up capital (THB million)	Share-holding proportion (percent)	Business Operation	Location
1. Oxygen Asset Co., Ltd. ("OXA")	Subsidiary	100.00	90.00 ^{1/}	Operating the business of providing loans to entrepreneurs with collateral which focus on granting credits of not less than THB 10.00 million.	530 Soi Sathu Pradit 58, Bang Pong Pang Sub-district, Yan Nawa District, Bangkok
2. Oxygen Asset Management Co., Ltd. ("OAM")	Subsidiary	100.00	99.99	Operating business of collateralized non-performing loans (NPLs) and non-performing assets (NPAs) from the purchase and/or transfer of NPLs and/or NPAs from financial institutions and/or financial business operators through the auction in order to manage by obtaining a license to operate such business from the Bank of Thailand.	530 Soi Sathu Pradit 58, Bang Pong Pang Sub-district, Yan Nawa District, Bangkok
3. Oxygen One Co., Ltd. ("ONE")	Indirect Subsidiary	1.00	100.00 (Held share through OXA)	Operating mortgage, consignment sale and auction sale business	530 Soi Sathu Pradit 58, Bang Pong Pang Sub-district, Yan Nawa District, Bangkok
4 Oxygen Two Co., Ltd. ("TWO")	Indirect Subsidiary	1.00	100.00 (Held share through OXA)	It was established to operate mortgage, consignment sale and auction sale business. At present, there is no business operation.	530 Soi Sathu Pradit 58, Bang Pong Pang Sub-district, Yan Nawa District, Bangkok

Remark:

1/ Other shareholders of OXA include Saha Pathana Inter-Holding Public Company Limited, holding 99,997 shares, accounting for 10.00 percent of the total number of issued and sold shares, and holding all voting rights of OXA.

Real Estate Business

Company	Category	Registered paid-up capital (THB million)	Share-holding proportion (percent)	Business Operation	Location
1. TNL Alliance Company Limited ("TNLA")	Subsidiary	1.00	99.97	To be used as a central juristic person to invest in 6 joint venture companies which operates real estate business in order to support the business group structure to be clear.	129/1 Chong Nonsi Road, Chong Nonsi Sub-district, Yan Nawa District, Bangkok
2. Future Domain Company Limited ("FD")	Joint Venture Company	200.00	50.00 ^{1/}	Operating the real estate development business such as town homes under the project "Noble Curve" and the allocated land under the project "Noble Curate".	1035 Noble Building, Phloen Chit Road, Lumpini Sub-district, Pathum Wan District, Bangkok
3. Khu Khot Station Alliance Company Limited ("KKH")	Joint Venture Company	1.00	50.00 ^{1/}	Operating the real estate development business such as condominium units and the community mall buildings under the project "New Cross Khu Khot Station".	1035 Noble Building, Phloen Chit Road, Lumpini Sub-district, Pathum Wan District, Bangkok
4. Majestic Park Company Limited ("MJP")	Joint Venture Company	300.00	50.00 ^{1/}	Operating the real estate development business such as condominium units and single detached houses under the project "Noble Create"	1035 Noble Building, Phloen Chit Road, Lumpini Sub-district, Pathum Wan District, Bangkok
5. Ratburana Alliance Co., Ltd. ("RBA")	Joint Venture Company	300.00	50.00 ^{1/}	Operating the real estate development business such as condominium units under the project "Nue Riverest Ratburana" and single detached house under the project "Noble Rivervilla"	21 Vibhavadi-Rangsit Road, Chomphon Sub-district, Chatuchak District, Bangkok
6. Ratchada Alliance Co., Ltd. ("RDA")	Joint Venture Company	50.00	50.00 ^{1/}	Operating the real estate development business such as condominium units under the project "Nue Noble Ratchada-Latphrao"	1035 Noble Building, Phloen Chit Road, Lumpini Sub-district, Pathum Wan District, Bangkok
7. Suksawat Alliance Co., Ltd. ("SUK")	Joint Venture Company	50.00	50.00 ^{1/}	Operating the real estate development business such as shop house and home office under the project "Nue Hybe Suksawat"	1035 Noble Building, Phloen Chit Road, Lumpini Sub-district, Pathum Wan District, Bangkok

Remark:

1/ Other shareholders of FD, KKH, MJP, R9A, RBA, RDA, and SUK are Noble Development Public Company Limited ("NOBLE") held 50.00 percent of total issued and sold shares, and total voting

Group Task Allocation Policy

For subsidiaries, the Company will supervise and determine the business operation policies of subsidiaries. The Board of Directors and key executives of subsidiaries will be the same Board of Directors and executives who used to manage the business in the Company. The Company will supervise and determine the business operation policy of subsidiaries through the directors of the Company who will be appointed as directors of subsidiaries. A person who will be appointed as a director of subsidiaries will first be approved by the Board of Directors meeting of the Company and their responsibilities and scope of work will also be clearly approved by the Board of Directors of the Company. The Company can fully supervise the operations of subsidiaries. The Company will continue to manage its business transparently in accordance with good corporate governance practices, including relevant government agency rules and regulations.

1.3.2 Persons who may have conflicts hold more than 10% of the shares in the shares in the subsidiary of joint venture

Cross-Shareholding

The Company has a cross-shareholding structure but such cross-shareholding does not create any conflict or inconsistency with the rules provided under the Notification of the Capital Market Supervisory Board No. TorChor. 28/2551 Re: "Application for and Approval of Offer for Sale of Newly Issued Shares", clause 14.

Name of Company	Proportion of Shareholding (%)		Name of Company	Proportion of Shareholding (%)	
	The Company's Shareholding in Other Company	Other Company's Shareholding in the Company		The Company's Shareholding in Other Company	Other Company's Shareholding in the Company
1. Shareholdings exceeding 50%			2. Shareholdings exceeding 25% but not exceeding 50%		
(a) Other company holding more than 50% of the Company's shares; the Company must not have cross-shareholding in the other company.			(a) Other company holding > 25% but < 50% of the Company's shares; the Company's cross-shareholding in the other company must not exceed 10%.		
(b) The Company holding more than 50% of shares in other companies; the other company must not have cross-shareholding in the Company.			1. Saha Pathana Inter-Holding Public Company Limited	0.93	42.19
1. S. Apparel Company Limited	99.99	-	2. BTS Group Holdings Public Company		
2. TNLX Company Limited	99.99	-	(b) The Company holding > 25% but < 50% of other company's shares; the other company's cross-shareholding in the Company must not exceed 10%.	-	42.12
3. Oxygen Asset Company Limited	99.99	-			
4. Oxygen Asset Management Company Limited	99.99	-	3. Shareholdings not exceeding 25%*		
5. TNL Alliance Company Limited		-	(a) Other company holding not more than 25% of the Company's shares; the Company's cross-shareholding in the other company must not exceed 25%.		
(b) The Company holding more than 50% of shares in 2 or more other companies; such other companies must not have cross-shareholdings amongst themselves. The two subsidiary companies as (B) do not have cross-shareholding amongst themselves.			(b) The Company holding not more than 25% of other company's shares; the other company's cross-shareholding in the Company must not exceed 25%.		

Cross-Shareholding as at 31 December 2023

Remark: * Data only shown for companies with cross-shareholding

1.3.3 Business Relationship with the Company's major shareholding parties

The Company has engaged in transactions, with textile and apparel group of Saha Pathana Inter-Holding Public Company Limited ("BTS"), major shareholder, from upstream to downstream industry, and with the distribution company also, these transactions enhance the company's business capability completely starting from procurement of raw material till distribution of goods.

In addition, the Company has a transaction with BTS Group Holding Public Company Limited ("BTS"), the Company's major shareholder. by distributing employee uniforms to BTS and companies in the BTS group, which is a normal business transaction.

According to the Extraordinary General Meeting of Shareholders No. 2/2022, the Company has proposed measures in order to prevent conflicts of interest between companies. and major shareholders of the company between the Company and the major shareholders of the Company including SPI and BTS who are about to become the major shareholder of the Company. As SPI and BTS operate a several of businesses which may include financial business and real estate business, although SPI and BTS have clearly different business operation from the Company which will not conflict with the intended investment business of the Company. However, to build trust of the shareholders and all stakeholders, and to prevent conflicts of interest in the business operations, the Company will proceed as follows:

- 1) Under the Company's operational plan, the two major shareholders, SPI and BTS, will have check and balance to supervise and manage the Company's business by considering the interests of all shareholders and the Company under the relevant laws and regulations.
- 2) In the event that the Company wishes to operate a business that may have a potential conflict of interest with SPI, or BTS, or its subsidiaries, associated company of such major shareholder, the representative director of such shareholder will be deemed to have an interest and cannot make a decision in the Board of Directors' meeting to consider such matter, and all of the independent directors of the Company must attend the Board of Directors' meeting to consider the reasonableness of such matter and the reasonableness in doing such business.
- 3) For the real estate development business, SPI and BTS acknowledged and understand the risk on conflict of interest very well. Even there is no conflict in respect of current business operation and investment but SPI and BTS agreed not to undertake any real estate project which may cause a conflict of interest to the operation of 7 Companies which operate real estate development business that purchased from Rabbit Holding Public Company Limited and U Global Hospitality Company Limited, including the material land of the Company where the current factory of the Company is located while the Company is the owner of such real estate.

1.3.4 Share Holder

(1.) Major Shareholder

(A) Top 10 Shareholders at 31 December 2023

Name of Shareholder	Number of Shares	%
1. Saha Pathana Inter-Holding Plc.	128,535,000	42.19
2. BTS Group Holdings Public Company	128,302,746	42.12
3. I.C.C. International Plc.	19,135,709	6.28
4. Yi Tong Tian Tai BSC Co., LTD.	2,943,500	0.97
5. Thai Wacoal Plc.	1,434,782	0.47
6. Mr. Palm Leelanuwatana	1,376,240	0.45
7. Ms. Marin Leelanuwatana	1,217,960	0.40
8. I.D.F. Co., LTD.	1,217,391	0.40
9. Mrs.Sirina Pavarolavidya	940,269	0.31
10. BSC So In Co., LTD.	934,443	0.31
Total	286,038,040	93.90

Note: Investors can see the updated shareholders' information from the Company www.tnl.co.th, and prior to the 50th General Meeting of Shareholders.

Distribution of Shareholding as at the Book Closing Date on 31 December 2023, Categorized According to Type of Shareholder

Type of Shareholder	No. of shareholder	No. of share	%
Legal entity			
Thai Nationality	26	285,460,304	93.71
Foreign Nationality	1	600,000	0.20
Total Legal entity	27	286,060,9304	93.91
Ordinary person			
Thai Nationality	642	132,358,698	6.03
Foreign Nationality	4	203,660	0.06
Total Ordinary person	646	18,562,358	6.09
Total	673	304,622,662	100.00

(2.) Investments in other companies

Investments in companies which Thanulux Public Company Limited holds at 10% and over of the issued shares as follows:

Company Name/Address	Type of Business	Type of Share	Issued Shares	Shares Hold	% of Shares Hold	Amount (Baht)
DISTRIBUTING COMPANIES						
1. Celebrate Wealth Co., Ltd. 129/1 Chongnonthri Rd., Chongnonthri, Yannawa, Bangkok	Apparel	Ordinary	50,000	9,500	19.00	9,500,000.00
2. Morgan De Toi (Thailand) Ltd. 129/1 Chongnonthri Rd., Chongnonthri, Yannawa, Bangkok	Apparel	Ordinary	400,000	64,000	16.00	6,400,597.59
3. Paknumpo Wattana Co., Ltd. 310/47-50 Sawanvithi Road, Paknumpo, Muang, Nakomsawan	Apparel	Ordinary	10,000	1,400	14.00	1,037,442.00
4. Intanin Chiangmai Co., Ltd. 162/2 Changklan Road, Changklan, Muang, Chiangmai	Apparel	Ordinary	5,000	625	12.50	2,781,362.50
5. Koraj Wattana Co., Ltd. 3/44-47 Troksoathong, Mukamontree Road, Muang, Nakhonratsima	Apparel	Ordinary	10,000	1,250	12.50	1,527,575.00
6. Sun & Sand Co., Ltd. 74/220-224 Phoon-pon Road, Muang, Phuket	Apparel	Ordinary	10,000	1,250	12.50	1,498,637.50
7. Intersouth Co., Ltd. 229-231 Dhamnoonvithi Road, hadyai, Songkhla	Apparel	Ordinary	10,000	1,250	12.50	4,285,612.50
8. Eastern I.C.C. Co., Ltd. 90/5-6, 8 Moo 4, Pipit Road, Bangsai, Muang, Choburi	Apparel	Ordinary	10,000	1,250	12.50	2,938,062.50
9. Maharachapreuk Co., Ltd. 470/7 Praaongdam Road, Muang, Phitsanulok	Apparel	Ordinary	10,000	1,200	12.00	415,584.00

Company Name/Address	Type of Business	Type of Share	Issued Shares	Shares Hold	% of Shares Hold	Amount (Baht)
MANUFACTURING COMPANIES						
1. TNLX Co., Ltd. 129/1 Chongnonthri Rd., Chongnonthri, Yannawa, Bangkok	Textiles	Ordinary	6,000,000	5,999,997	99.99	599,999,700.00
2. S. Apparel Co., Ltd. 4/2 Moo 8, Bangna-Trad Rd., KM.18 Bangchalong, Bangplee, Samutprakarn	Garment	Ordinary	180,000	179,998	99.998	20,583,208.27
3. Thai Naxis Co., Ltd. 222 Moo 5, Suwannasorn Rd., Nonthri, Kabinburi, Prachinburi	Label	Ordinary	200,000	38,000	19.00	4,700,000.00
4. International Leather Fashion Corp., Ltd. 129/1 Chongnonthri Rd., Chongnonthri, Yannawa, Bangkok	Leatherware	Ordinary	500,000	90,000	18.00	8,810,100.00
5. Erawan Textile Co., Ltd. 49 Moo 3 Poochaosamingprai Rd., Samrongtai,Prapradaeng, Samutprakarn	Spun yarn and fabrics manufacturing	Ordinary	6,214,634	922,468	14.84	117,726,177.91
6. Champ Ace Co., Ltd. 3885/2 Bangklo, Bangkorleam, Bangkok	Garment	Ordinary	400,000	60,000	15.00	6,000,000.00
7. People's Garment Public Co., Ltd. 666 Rama 3 Rd., Bangpongpan, annawa, Bangkok	Garment	Ordinary	96,000,000	10,484,000	10.92	40,962,231.36

Company Name/Address	Type of Business	Type of Share	Issued Shares	Shares Hold	% of Shares Hold	Amount (Baht)
Others						
1. TNL Alliance Co., Ltd. 129/1 Chongnonthri Rd., Chongnonthri, Yannawa, Bangkok	Intermediary juristic person	Ordinary	10,000	9,997	99.97	999,700.00
2. Oxygen Asset Company Limited 530 Soi Sathupradit 58, Bang Phongphang, Yannawa, Bangkok	Lending Business	Ordinary	1,000,000	900,000	90.00	835,702,843.50
3. Oxygen Asset Management Company Limited 530 Soi Sathupradit 58, Bang Phongphang, Yannawa, Bangkok	Asset Management Business	Ordinary	260,000	259,998	99.99	23,753,417.28
4. SSDC (Tigertex) Co., Ltd. 111 Moo 5, Nonthri, Kabinburi, Prachinburi	Bleaching, Dyeing Fabric and Yarn	Ordinary	32,400,000	6,144,600	18.96	68,634,718.97

(3.) Agreement between major shareholders

There is no agreement between the major shareholders on matters affecting the issuance and offering of securities or the Company's management

1.4 Amount of registered capital and paid-up capital

1.4.1 Amount of registered capital and paid-up capital

Thanulux Public Company Limited is a listed company on the Stock Exchange of Thailand (SET), its trading abbreviation is “TNL”. As of 31 December 2023, Thanulux Public Company Limited has a registered capital of 311,547,664 baht and paid up a capital of 304,622,662 baht with divided into ordinary shares 304,622,662 shares and a par value of 1 baht per share.

1.4.2 Other types of shares with rights and conditions different from ordinary shares

- None –

1.4.3 Shares or Convertible Securities

As of December 31, 2023, the Company has warrants to purchase common shares of the Company which have been issued and allocated. the details are as follows:

Warrant	TNL-ESOP W 2022
Type	Registered Certificate and Non-Transferrable Warrants, unless deemed appropriate by the Board of Directors.
Allocation Method	Issued to executives and employees of the Company who meet the required qualifications
Number of warrants issued	6,925,000 units
Number of warrants remaining	6,925,000 units
Number of supporting shares issued	6,925,000 shares
Number of remaining supporting shares	6,925,000 shares
Warrant term	5 years from the date of issuance and offering of warrants (TNL-ESOP W 2022)
Warrant issuance date	23 August 2022
The date on which the warrants are due to be issued.	24 August 2027
Exercise rate	1 unit of warrant shall have the right to purchase 1 ordinary share of the Company, unless the right adjustment pursuant to the conditions of the adjustment of rights.
Exercise price	21.10 baht (twenty-one point one zero baht) unless there is a rights adjustment according to the rights adjustment conditions.

1.5 Issuance of other securities

1.5.1 Debenture

The Company has debt securities in the form of debentures offered for sale to institutional investors and/or high net worth investors, which the Company has already issued and offered for sale and has not yet matured for redemption in the total amount of 500 million baht. As of December 31, 2023, outstanding debenture has details as follows:

No.	Debenture	Issued Date	Maturity Date	Principal Size (THB million)	Coupon Rate (% per annum)	Bondholder Representative
1/2023	Senior and unsecured debentures	27 October 2023	27 October 2025	500	6.10	Asia Plus Securities Company Limited

1.5.2 Bill of Exchange

- None -

1.6 Dividend Payment Policy

The Company has a policy of paying dividends to shareholders at the rate of Baht 0.20 per share, which is equivalent to 20 percent of the par value. However, payment is principally subject to the Company's operating results and economic conditions. Dividend payments would be made from net earnings and retained earnings. Dividends would be calculated in proportion to the earnings in the Company operating results (unconsolidated statement). Details of dividend payouts are shown below:

Thanulux Public Company Limited	2023	2022	2021	2020	2019
Earnings per share (Baht)	1.76	0.80	0.51	0.07	1.12
Dividend per share (Baht)	0.30 ^{1/}	0.20	0.50	0.07	0.55
Payout ratio (%)	17.02	25.00	98.37	105.40	49.01

Remark: 1/ The Board of Directors Meeting No. 2/2024 adopted a resolution to propose to the 50th General Meeting of shareholders, which is to be held on April 22, 2024, for the approval of dividend payment at the rate of Baht 0.30 per share.

Subsidiary Companies The Company has a policy whereby subsidiary companies shall pay dividends from net earnings and retained earnings with regard to the excess cash remaining from normal business operations or surplus of capital investments, subject principally to forecasts of future operating results and economic conditions.

2. Risk management

Risk Factors for the Business Operation

In 2023, the Company restructured its business and operations to create sustainable growth in the long term, causing the Company to change from operating only in the textile business to a holding company, investing in other businesses which include the following four main businesses: 1) Textile and apparel, 2) Secured lending, 3) Asset management and 4) Real estate development for sale.

The Company's risk management process starts with the assessment of inherent risk, meaning various risks and uncertainties, external and internal, of the Company and its subsidiaries that might affect the achievement of the Company's goals, followed by the prioritization of risk allocation so that the residual risk is within the acceptable risk appetite. The risk types are divided into strategic, operational, financial, legal, rules, and regulations & compliance, and lastly, environmental, social, and corporate governance (ESG) issues. However, the above factors are only part of the potentially significant risks. There may be other risk factors that the Company cannot predict or consider insignificant at present and may play a crucial role in the future.

2.1 Risks to the Company's Business Operations and Risk Management Plan

Strategic Risk

Strategic risk refers to the risk that arises from improper operation and implementation of strategic plans inconsistent with internal factors and the external environment, affecting the Company's vision, mission, or status. In 2023, the Company expanded its operations and investment in other holding companies to create growth through new businesses.

- **Shareholding in other Companies**

The Company invests in other holding companies through 4 main businesses. Thus, the primary income and interest come from lending to subsidiaries. As a result, the Company's operations, and ability to pay dividends depend on the operating results of the subsidiaries. However, suppose the subsidiaries face various risks, both internal and external, such as interest rate increases and

personnel shortages; for example, such risks may cause bad operating results or a shortage of cash flow, causing the subsidiary to be unable to repay loan interest or pay dividends as expected. Such a situation will directly impact the Company's operations, financial position, and ability to pay dividends.

Risk Management : The Company has established a policy to supervise its subsidiaries to protect the investment interests, overseeing policies and managing operations at an appropriate level of each business we invest in, ensuring each subsidiary understands how to operate within the same framework and understanding. The supervision includes a business plan and annual budget plan preparation to set goals and business strategies for achieving the Company's objectives. In addition, executive committee meetings occur every month to follow up on the operational

performance regarding progress in business plan implementation and fiscal management. This action will help the Company promptly plan and manage risks that may occur to the business operations of its subsidiaries.

• Economic Fluctuations

According to the World Bank, the world economy in 2023 is predicted to expand slower than in 2022, following a slowdown in major and emerging and developing economies. This is a result of the continuous increase in the policy interest rate in the past, which affects the recovery of domestic demand and world trade. However, in the second half of the year, the global economy will likely gear up from the recovery of the tourism service sector, a significant economic driving force. The Office of the National Economic and Social Development Council predicts that the Thai economy in 2023 is likely to expand in the range of 2.5-3.0 percent due to the tourism sector's continued recovery, the expansion from private consumption within the country, and more investment from the public and private sectors. Nevertheless, the economy is still at risk from uncertainty in the global situation, facing limitations from geopolitical conflicts, particularly the ones between the United States and China, China and Taiwan, and Russia and Ukraine, which are still protracted. Other economic uncertainties are inflation, the consequences of tightening monetary policy in many countries worldwide, and Thailand's political situation. The risk of fluctuations may affect the export of domestic products sold in the textile and clothing business, the reservation, and sales of real estate development projects in which the Company invests, etc.

Risk Management : The Company closely follows the trends of global and domestic economic changes. Restructuring the business has led the Company to invest in four main businesses: textile and clothing, secured investing in other businesses, asset management, and real estate development business for sale. These four businesses are vastly different and will consequently be positively and negatively affected by changes in the economic situation in a different manner. Hence, the Company diversifies potential risks and reduces the organization's impact from any sole business. In addition, the Company adheres to the principles of conducting business

with caution and focusing on sustainable growth, requiring the management to have clear investment procedures and operate cautiously.

• Cyber Security

Currently, the Company uses information technology in its business processes. Business process data is linked to production, sales, product delivery, inventory management, and textile and clothing business recruitment, including storing and processing data in a cloud system and connecting employees to communicate and collaborate. Using these technologies in business operations is essential in driving the business to achieve its goals and increase efficiency and competitiveness. As a result, the Company is exposed to cyber threats, such as violations of security measures or cyber-attacks, which may directly affect business operations, data loss, and business secrets leaking, the customers' confidence in our services and products, and ultimately, the Company's reputation.

Risk Management : The Company prioritizes preparing information technology systems for rapid changes, has a cyber security policy and provides information security management by installing protective equipment such as Cyber Command for threat detection, threat hunting, and threat response, including installing Web Applications and Firewall to increase data security and reduce the risk of cyberattacks. In addition, the Company continuously communicates to its employees about various data security issues, organizes training to provide knowledge regularly and disseminates knowledge through multiple media channels of the Company and has prepared a Disaster Recovery Plan (DRP) as well as holding DRP rehearsals every year.

• Compliance with the Rules, Regulations, and Relevant Laws

The Company's operations follow the rules and supervision of many agencies under government policy, general business laws and regulations in Thailand. As such laws and rules are subject to change according to guidelines and regulations from the government, the Company may need to be fully in compliance with such requirements. Therefore,

changes in various government regulations in the future may have both positive and negative effects the business operations. The interpretation of applicable law may produce unforeseen consequences, as the interpretation by relevant agencies may not be in compliance with the Company's, and may pose a negative impact on our business, financial status, and the operating results.

Risk Management : The Company requires the Risk Management Committee to ensure compliance with the relevant laws. The Committee is responsible for supervising and monitoring the laws related to business operations, which may be changed or amended and needs to be complied. The Company has also applied technology for data storing of related regulations and laws for the utmost efficient in compliance with such amended rules and regulations.

• Specialized Human Resources

At the end of 2022, the Company has restructured its business and operations to accommodate sustainable growth in the long term, causing the Company to change from operating only in the textile business to investing in other businesses, such as loans with collateral, asset management, and real estate development for sale. Such lines of business require reliance on specialized human resources, especially senior executives and essential personnel with thorough business knowledge and understanding, and employees with expertise. Skills such as property analysis and appraisal and debt negotiation, legal action against debtors, acquisition of distressed assets, analysis of bid prices, debtor management strategy, and marketing and selling of foreclosed assets, to name a few. Valuable personnel are considered one of the Company's success factors that will facilitate its business efficiently and effectively. Suppose the Company cannot retain the said vital executives and personnel or cannot recruit personnel to replace them on time, the Company may suffer a negative impact on its business operations, overall financial status, and future business opportunities.

Risk Management : The Company is aware of the importance of this aspect and has established the guidelines for personnel shortage management to face the era of high competition. The Company has an organizational culture that places importance on caring for and developing the potential of personnel sustainably. Various training

courses are provided to suit personnel in each position. The Company determines appropriate remuneration and offers challenging opportunities for career growth to personnel according to their potential. In addition, the Company has a proper organizational structure for its size and nature of operations, which facilitates the Company's flexibility in operations and the ability to quickly and efficiently adjust its strategies according to the current situation.

Financial and Investment Risks

• Unachieved Business Goals in Investment

The Company may be at risk from investments that may not be able to perform according to the business goals. During 2022 and the beginning of 2023, the Company expanded into several new businesses, including analysis lending, asset management, real estate development for sale, etc. Some funding sources for business expansion will come from issuing debentures and investing in various businesses; future operating results may not be in accordance with the planned operating results or investors' expectations.

Risk Management : The Company is aware of such issues and will follow up on the operation progress of the invested businesses and various projects according to the plan, periodically analyzing internal and external factors that may affect business operations, enabling the ability to carry out multiple operations following the Company's target.

• Unobtained Funds

Due to the Company's new business structure, it now has a financial business that is capital intensive, which uses a lot of capital. The business growth depends on sufficient financing for the designated business plan, for which the Company intends to raise enough funds to get the best terms and conditions. However, since the Company has just entered this new business, various uncertain factors in the market, such as investment and loan policy trends, may affect the investors's investment decisions and lead to more limited financing options or less favourable terms for the Company.

Risk Management : The Company closely monitors factors that may affect financing, such as the macro-economy, market trends, loan policies of financial institutions and

investors, interest rates, and Environmental, Social and Governance (ESG) standards. The Company also works closely with lenders of financial institutions and investors to better understand their needs, conditions, policies and requirements. Nevertheless, as we looked into the Company's debt-to-equity ratio (D/E Ratio) as of 31 December 2023, the ratio equaled 0.18 times, which is considered relatively low.

- **Debt Burden From Future Investments and Debt Repayment Ability**

As the Company plans to expand its business by investing in new businesses, this may cause the Company to have a higher interest-bearing debt burden, which may affect its ability for debt payment in the future without operating results according to the goals set by the Company.

Risk Management : The Company emphasizes the policy to maintain money management at an appropriate level for the liquidity and ability to pay debts. The Company's financial statements for the end of 2022 and the second quarter of 2023 showed an interest-bearing debt to EBITDA ratio of 14.43 times and 2.89 times, respectively, and an interest-bearing debt to shareholders' equity ratio of 0.41 times and 0.21. times, respectively. In addition, the Company still has a ratio of ability to pay obligations at 0.07 and 1.31 times, respectively. In 2022, the Company had a relatively high interest-bearing debt burden because of short-term loans from acquiring a collateralized lending business and real estate development business, for which the Company has already increased its capital and paid the loan in the first quarter of 2023. As a result, the interest-bearing debt ratio as of the end of 2023 decreased significantly, proving that the ratio has always been quite in an acceptable range.

- **The Company's Financial Ratios**

The Company's future operations will require funding from loans from financial institutions and bond insurance, which must comply with the conditions for maintaining financial ratios. As of the end of the end of 2023, the Company has no loans from financial institutions. As for the bonds insurance, the Company must maintain the ratio according to the conditions specified; it must maintain the ratio of specific debt with interest payments

to shareholders' equity as defined in the terms & conditions, not exceeding three times at the end of the fiscal year throughout the life of the bonds.

Risk Management : As of December 31, the Company has a ratio of interest-bearing debt to shareholders' equity equal to 0.20 times, which is still considered to be at a low level as defined in the debenture terms & conditions. However, the Company plans to mobilize additional capital and estimate cash inflows from operations in advance, conducting regular reviews of the situation to ensure that the risk of financial ratios is manageable and consistent with the Company's future business expansion plans.

Risk of Corruption

Corruption is considered one of the main obstacles to creating sustainability. Actions taken to seek unlawful benefits for oneself and others may harm the Company's reputation and business operations.

Risk Management : The Company establishes a policy regarding corruption and business ethics, prohibiting employees from gaining benefits or receiving any assets that induce them to act in a wrongful way that may cause the Company to lose its legitimate benefits. The employees shall not take any action which may raise a conflict of interest to the organization, nor shall they use the organization's assets for commercial gain for themselves or their associates and shall refrain from any illegal act or abuse of their position. The Company has published policies and business ethics for employees for their thorough understanding and awareness of regular duties. In addition, a code of conduct for business partners has been communicated to external parties such as customers, partners, and stakeholders, encouraging trading partners to adhere to transparent business operations and not be involved in corruption.

Human Rights

Human rights are one of the issues that many parties, like investors and society, are watching. Human rights violations are likely to occur in various situations, such as an unsafe workplace environment, pollution emissions that affect the rights of people in the community, etc. The result of human rights violations may negatively impact business operations and the Company's image and may lead to opposition from society.

Risk Management : The Company recognizes the importance of human rights in business operations and reflects those concerns in the Company's Human Rights Policy. In 2023, the Company began conducting supplier assessments covering ESG sustainability in human rights, anti-corruption, environment, etc.

Environmental, Social and Governance (ESG) Risk

Amidst the uncertainty of the current world, risk assessment according to the framework of sustainable business operations shall consider the environmental, social, governance (ESG), and uncertainty management throughout the value chain, including any new rules and regulations that may arise. This action will allow the organization to grow sustainably.

Risk Management : The Company has established the following risk management guidelines:

1. A sustainability working group has been set up to work closely with the risk working group to understand, track and communicate critical future trends that impact business operations.
2. The Company's sustainable development policy covers the environment, human rights, anti-corruption, occupational health and safety and good corporate governance with clear guidelines and constant review to be up-to-date.
3. Communication of policies and guidelines to all stakeholder groups, internally and externally, is made through the Company's website and email, along with training for employees to have proper knowledge and understanding. The Company also provides communication channels for complaints and whistleblowing.

Textile and Apparel Business

• Copyright Contract Renewal or Termination Due to Violation of the Contract's Terms and Conditions

TNLX Company Limited ("TNLX")'s business operates on the licenses of many brands, including ARROW, Guy Laroche, ELLE, DAKS, Olymp, and Absorba. Such a business nature may pose a risk to the Company if the contract is not extended, resulting in the inability to conduct business under those brands and affecting the Company's operations. The income proportion is 47% and 37% of the primary income from business operations for the six months of 2023 and 2022.

Risk Management : TNLX has diversified the risk potential by expanding its own brand into new businesses. TNLX has always been working hard on maintaining the reputation of its trademarks' reputation and the standards and quality of products as if they were trademark owner and/or trademark licensors. A long-standing business relationship with the trademark owner and/or trademark licensor. TNLX has successfully made those trademarks widely known in the market. Hence, the contracts with those brands have constantly been renewed.

• Fluctuation in Raw Material Prices

The main raw materials for TNLX's production are ready-made woven fabrics, ready-made knitted fabric, and ready-made dyed leather. Secondary raw materials include sewing threads, buttons, zippers, raw materials used for assembling ready-made shirts and leather products, metal parts, and raw materials used for packaging. In the past, the prices of these raw materials remained relatively stable with little changes. However, the outbreak of the COVID-19 virus has made a negative impact on the economy around the world, causing a sluggish trade market. As a result, some raw material production plants have suffered continuous losses and have closed down their businesses, causing the prices of the company's main raw materials to be more volatile.

Risk Management : TNLX has measures to reduce such risks by monitoring changes in the prices of various raw materials and keeping in close contact with both domestic and international trading partners. The ordering system and raw material inventory management are carefully planned with alternative production sources in order to reduce the impact of such matters.

• Exchange Rate

TNLX's textile and clothing business exports and imports raw materials from abroad with transactions in foreign currency has exposed the Company to exchange rate risk.

Risk Management : TNLX prevents exchange rate risk by managing the income and expense in foreign currency in the natural hedge approach, with the management providing summary report on the exchange rate fluctuation. Purchase orders from customers with foreign currency are estimated and reported to the Risk Management Committee on a quarterly basis. In addition, TNLX uses financial tools to minimize risks according to the risk hedging policy framework approved by the Risk Management Committee, such as an agreement to enter into forward foreign contracts as protection tools against exchange rate risk.

• Distribution Channels

The COVID-19 pandemic, which started at the end of 2019, continues to have impacts on our business operation, especially domestic sales, where consumers have shifted their shopping toward the online channel more. Such change poses an impact on our offline sales, for instance, in department stores and shops. Overseas sales continue to grow at a positive pace. Our major customers have increased their purchase orders from the estimation due to the relocation of the production base from the country with a high rate of Covid-19. The current situation in Covid-19 has eased, but economic recovery will take time. As such, progress also affects customers' spending behaviour.

Risk Management : The Company has established the following risk management:

Domestic markets

1. Licenses brand: The Company joins hands with the partner in developing innovative products which highlight the improvement in quality and price that meet the needs of the target groups, while expanding the online sales channels.
2. The House Brand products: The raw materials and products are developed in collaboration with the supply chain, with an emphasis on quality and prices to meet the expectations of the target group both online and offline (stores/factory outlet/

pop-up). The distribution of the product is directly to consumers.

3. Special design and production of uniforms for government officers help expand new sales channels.

Overseas markets

The Company establishes a policy that strives to maintain the existing customer base potentially for expansion while in search of new customers in existing and emerging markets.

Secured Lending Business

• Overdue Debt Collection Caused by Uncontrollable External Factors

Oxygen Asset Company Limited (OXA) bears a risk that customers may not pay instalments as scheduled or may be unable to collect overdue instalments. The cause may arise from external factors that affect customers' ability and willingness to repay, such as macroeconomic conditions, total liabilities of debtors, occupational change, income earning, etc. When the Company fails to collect debts according to the due date and some debtors have been overdue for a long time, the classification of OXA's debtors may change, which will affect the Allowance of Expected Credit Loss and may incur additional operating expenses due to overdue debt, collateral seizure, a lawsuit or legal action might take place to compromise for the debts, which will cause additional expenses. This factor may have a negative impact on the business, its financial status and business opportunities for OXA.

Risk Management : OXA has strict credit policies and solid underwriting processes. The consideration criteria include the debtor's ability to repay, the quality of the collateral, such as valuation & location, and various limitations. The Company will maintain the loan-to-value ratio (LTV Ratio) at approximately 50 per cent in order for the credit limit to be manageable compared to the collateral value to reduce risk and loss from defaulting on debt. OXA reviews credit policies, improves the lending process and assesses the

value of collateral regularly. As of December 31, 2023, the Company has loan receivables of 5,940.03 million baht. In the past, the Company has considered specific debtors individually. The said receivables are all in Stage 1, amounting to 4,385.59 million baht, and debtors in Stage 2 amount to 1,593.72 million baht. Therefore, the Company has no NPL debtors and, as of December 31, 2023, no credit loss.

Nevertheless, the Company is looking into the allowance records for credit losses from the change in the estimated cash flows expected from that financial asset, discounting the forecast of the amount to be received in the future. The calculation is based on data and updated with current information and projections of future economic conditions, which is reasonable and sound. The management's adjustments according to the management overlay/underlay principles, which cover both debtor risk and other factors appropriately, also apply. In 2023, OXA set aside an expected credit loss (Expected Credit Loss: ECL) of 95 million baht to support the challenging and uncertain economic outlook.

• Non-Performing Loans Portfolio and Inability to Assess the Creditworthiness of Loan Applicants

The quality of OXA's loan portfolio may be directly or indirectly affected by various factors, many of which are beyond the Company's control, such as the slowdown of the Thai

or global economy, changes in laws, policies and government regulations, tax changes, the increase of unemployment rate in Thailand, political conditions, epidemics and natural disasters. These factors could have a material adverse effect on the business, the liquidity, or the loan applicant's ability to repay debt and the quality of the loan portfolio.

Risk Management : OXA can reduce risks from such factors by establishing a credit policy regarding the qualifications of loan applicants, collateral, and reliable guarantors that are flexible. Conditions for loan consideration are regularly reviewed to ensure appropriateness.

- **Real Estate Collateral Devaluation**

Most of the collateral in the secured lending business is real estate, such as vacant land and land with buildings, etc. The value of the collateral is one of the criterias used in the loan approval analysis, including setting a limited interest rate and various conditions in accordance with the risks of loan applicants and collateral. Therefore, if the real estate market condition is sluggish and real estate prices and liquidity decrease, OXA may incur losses due to collateral devaluation and may take time to enforce or forfeit the collateral.

Risk Management : OXA requires that collateral values be regularly reviewed at least once a year by an independent property appraiser licensed by the SEC to be aware of changes in collateral values, and use it as information for debtors management. The loan-to-collateral value ratio (LTV Ratio) is controlled under the specified range. However, most of OXA's collateral is vacant land and buildings in high-demand locations and mostly located in highly liquid areas such as Bangkok and the metropolitan. The LTV Ratio as of December 31, 2023, was approximately 50 percent, which shows that the collateral has a higher value than the credit limit. The proportion of loans is quite high, and therefore, a decrease in the value of real estate in the future will not be a burden to set aside significant credit losses.

- **Interest Rate Fluctuations**

OXA's main income comes from loan interest at a fixed rate. The loan cost depends on the fluctuation of interest rates in the market at the time of loaning, which high fluctuation can increase the interest rate, while the OXA may not have made an interest rate adjustment. This will cause the difference between income and expense interest to decrease.

Risk Management : At present, there is still a considerable difference in the interest rates received and paid by OXA. The Company believes that OXA's income is still sufficient to cover costs and other expenses even with the interest rate increase. Moreover, as the current credit contract has a term of no more than two years, if the debtor renews the contract, OXA can set a new interest rate to be in line with the cost of finance and, therefore, can avoid the risk altogether.

- **Emerging Competitors in the Industry**

There are many service providers in the credit service business: large companies listed on the stock exchange, companies in the financial institution group with the advantage of low financial costs and a high capital base, and small and medium-sized local companies that provide community-level lending services in various regions throughout Thailand. As a result, the credit industry is in a highly competitive environment. Price competition may cause the difference in return rates to decrease, and so does the profitability.

Risk Management : The Company is equipped for investment, with experience, expertise, and a quick service process in loan approval, attractive interest rate, high quality of customer service, efficiency in debt collection and confiscation of collateral assets, and technological efficiency in order to maintain competitiveness.

Asset Management Business

• Investment in Distressed Assets at Unreasonable Prices

Oxygen Asset Management Company Limited (OAM) invests in purchasing distressed debt with collateral from financial institutions for further management according to the process of debt restructuring or court proceedings, whereby OAM will be able to generate returns on investment as planned. One important factor is determining the appropriate auction price for purchasing distressed debt is not too high compared to the debt type, quality of debt, overdue period and opportunities for debt collection.

Risk Management : Before each auction of distressed debt, OAM carefully considers and determines the debt purchase price by examining detailed debt information, such as the type and nature of collateral, its value, debtor status, past debt repayment history, etc. OAM also analyses debt collection data and other information to assess the expected period and proportion of debt collection. In addition, OAM has executives with long-term experience in distressed debt management, with statistical debt data collection for analysis. This allows OAM to set the appropriate bid price under the investment criteria and expected rate of return.

• Unpaid Debts

OAM's performance depends on several factors, one of which is the ability to manage non-performing loans effectively, where debt collection goes according to the debt restructuring agreement between OAM and each debtor within a reasonable period. However, because these debtors have already been classified as problematic by financial institutions since the time of OAM's purchase, they often struggle with economic status, liquidity, and ability to repay debts. As a result, OAM is at risk of not being able to follow up with debtors to repay according to debt restructuring agreements or within the estimated time.

Risk Management : OAM is aware of such risks and, therefore, analyzes the characteristics and potential of each debtor in detail before bidding or purchasing distressed debt to determine appropriate strategies for managing non-performing loans. OAM also prepares future cash flow estimation and predicts the length of legal

proceedings for debtors who already have court cases. After OAM's transfer of non-performing assets is complete, the Asset Management Department will closely monitor debtors and contact them to propose restructuring negotiations, along with other operations, aiming to shorten the operating time and debt collection as much as possible. In addition, OAM prepares a debt collection report with the status of debtors presented to the Company's Executive Committee for acknowledgement on a monthly basis to follow up on OAM's operations regularly.

• An Increase in Non-Performing Assets

The amount of non-performing loan tends to increase in parallel with the loans by financial institutions under the country's economic expansion and is likely to grow further in economic crises, such as the COVID-19 outbreak. The rise of such non-performing loan is a business opportunity for the Company. However, the non-performing assets purchase needs to be more consistent and appropriate to the organization's size, capital, and management expertise. Otherwise, it could pose a negative impact on the Company's operating results.

Risk Management : OAM is aware of such risks and therefore prepares an annual business plan, which includes an investment framework for distressed debt purchase and the type of non-performing loans to invest in, the Company's personnel plan to be in line with the Company's growth. The Board of Directors review the plan's suitability before approval to ensure that additional investment is suitable and answers to the future sustainable development of the Company.

• Competitions Among Entrepreneurs in the Industry

The distressed debt management business shows good growth prospects. Therefore, the Company still faces a risk that new entrepreneurs will join the competition in the non-performing loan management market, both in the form of asset management companies and non-financial institution operators, and may lower the Chances of winning the auction of the distressed debt due to the rise of new entrants, intense

competition, and availability of investment. As a result, the Company may be unable to acquire additional non-performing loan as planned, and this will affect the Company's profitability in the long run.

Risk Management : The operation of non-performing loans management requires a business license from the Bank of Thailand. The operator must comply with and have the qualifications according to the criteria specified in the Asset Management Company Emergency Decree, B.E. 2541 (1998) and its amendments, including other related regulations from the Bank of Thailand. The investment must be ready, with experienced personnel in specific areas such as the purchase price of distressed debt and value and liquidity of collateral, debt restructuring negotiation skills, legal proceedings and collateral auction, maintenance of properties awaiting for sale, and selling foreclosed properties, etc. These various processes will require skillful and experienced personnel who could evaluate the time and expenses for debt management that are consistent with actual operations. Without such qualifications, new entrants may not stand a chance to compete with existing operators.

The Company believes that our executives and their experience and expertise in non-performing loans management and our statistical database will enable us to compete effectively with other business operators.

• Devaluation of Real Estate Collateral

As the majority of OAM's collateral is real estate, including empty land or land with buildings, the sluggish real estate market and a decrease in real estate prices may pose a potential risk to the Company's rate of return, operating results, and financial position to be below expectation.

Risk Management : OAM has determined that the value of the collateral be reviewed according to the Bank of Thailand's criteria by an independent property appraiser licensed by the SEC, paying utmost attention to the changes in the value of the collateral and debtor management. However, OAM's collaterals are diversified across all regions and collateral type, leading OAM to have a prudent risk management policy should specific property type or specific region may be affected more than others.

• Changes in Laws, Rules, Regulations, and Financial Reporting Standards

We are an asset management company that operates under the scope, criteria and conditions specified in the Asset Management Company Emergency Decree B.E. 2541 (1998) and its amendments, announcements of the Bank of Thailand, Ministerial Regulations, Civil and Commercial Code and Civil Procedure Code, including compliance with relevant accounting standards related to the Company's business operations. In case of changes, the Company may be affected directly and indirectly, especially the sudden and temporary modifications which do not meet the assumptions or anticipation of the Company, and without advance notice from the government or government agencies.

Risk Management : The Company is aware of and tries to reduce such risks by studying and closely following information on changes in regulations and laws related to the Company's ongoing business operations to be equipped and prepared for the changes immediately, ensuring no violation of rules, regulations, laws of government agencies, The follow-up of such information can also be useful for planning on change accommodation and the Company's future business plan.

Real Estate Development Business

• Unapproved Projects by the Environmental Impact Analysis Office

The development of joint venture real estate projects in which TNL Alliance Co., Ltd. (TNLA) invests requires an Environmental Impact Assessment (EIA) report.

Risk Management : The joint venture in which TNLA invests employs a consulting company registered with the Ministry of Natural Resources and Environment to prepare the environmental impact analysis report to comply with the Environmental Quality Promotion and Preservation Act B.E. 2535 in all respects in order to reduce and prevent potential problems with ecological impacts in the future. At present, the real estate project of the joint venture company with ongoing construction has already been approved.

• The Success of the On-Going Projects

TNLA's future performance is still being determined and depends on the success of its real estate development projects. The success relies on various factors in many areas, such as the economic situation of the country, competition in the near-by area, accommodation needs, expansion of the rail mass transit system, and other factors that affect buyer confidence.

Risk Management : As of 31 December 2023, TNLA has invested in a joint venture company under the terms of an agreement between Noble Development Public Company Limited (NOBLE) and seven other joint venture companies. The Company's entire project has a satisfactory booking rate, consistent with the action plan. The experience and expertise of TNLA and NOBLE executives in the real estate market have enabled efficiency in project development.

• Construction Materials and Construction Costs

In real estate development projects, construction materials are one crucial factor. The material price increases will cause a rise in construction costs accordingly. Essential construction materials such as steel and concrete products have been going through price increases at the end of 2022 due to higher demand after economic recovery and higher production costs from increased energy prices last year in the global market compared to the end of 2021.

Risk Management : The Company minimized the risks by hiring NOBLE to carry out all construction work for various projects. The Company pays Turnkey Construction and Development Fees to NOBLE, consisting of construction operating costs, design and consulting fees, and sales and marketing expenses. This action helps keep construction costs and other expenses constant and reduce fluctuations in costs and expenses, enabling the Company to control costs throughout the project period to meet the Company's goals.

• Land Prices

At present, houses and accommodations in the heart of the city with access to BTS or MRT public transportation are in high demand, which has caused the surge in land prices of such areas. Land prices account for 30 - 35 per cent of project development costs and, therefore, will greatly affect the selling price and the project's gross profit margin.

Risk Management : The Company recognizes the risk from land prices and long-term land ownership. Therefore, the Company pushes through the land acquirement with proper location and cost to develop projects. The Company aims to follow the strategy of investing in projects and lands with high potential.

Emerging Risk

The Company always tries to monitor and study emerging risks in all dimensions. In 2023, the Company underwent a major restructuring, with new business investments, especially real estate businesses. This is considered a management challenge with potential emerging risks as follows:

- **Risk from Disasters or Emergencies**

Oxygen Asset Company Limited (OXA) and Oxygen Asset Management Company Limited (OAM) use real estate securities as collateral. As a result, various real estate, such as empty land and land with buildings like factories, buildings, hotels, etc., are under their care. Natural disasters or emergency events such as disasters, floods, forest fires, terrorist events, malice, etc., may occur and cause damage or real estate prices decrease. The Company may be at risk that the Company's rate of return, operating results, and financial position are different than expected. This directly affects the business operations of OXA and OAM.

Risk Management : OXA and OAM have established risk management and collateral review committees to assess the initial location of the securities. However, most of OXA's collateral is vacant land and land with buildings located in a good and safe location away from natural disasters, with high demand and liquidity in Bangkok and surrounding areas.



INTRODUCTION

MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

“Transformation for sustainable growth” At TNL, changes for sustainable growth happen constantly in our organization.


In the past year, Thanulux Group (TNL) has undergone significant changes in growth, notably changing the shareholding structure and increasing capital by more than six billion baht, resulting in a more substantial capital base for the Company with a current capital base of more than ten billion baht. In addition, financial business groups were added to the Company's business line, such as secured which particularly and asset management businesses, which particularly focus on collateralized bad debts (NPLs) management. Moreover, the Company's real estate development business has also supported the growth and escalated TNL's potential. Furthermore, we have also strengthened our team with knowledgeable personnel in the industry to lay a better foundation for stable growth.

TNL is ready to tackle changes in the world economy and new challenges in enterprise risk management. We strongly believe that transformation does not happen just once but happens constantly. Hence, “Transformation for sustainable growth” will become the new motto and culture of TNL, following the philosophy of Saha Group

founder Dr. Thiam Chokwatana, who once said, “If you take only a brief stop, then you are left behind,” which is a teaching that is still relevant today. Nevertheless, we as a Company still hold on to the importance and awareness of fair and transparent business conduct. TNL strives to make a positive impact and holds our responsibility to all stakeholders, including society and the environment, which is crucial to drive sustainable growth for the Company.

Genuinely committed to our TNL's vision of “Quality of life improvement for people and driving business growth through successful and sustainable investments,” our 2023 operating results have proven the exponential growth with the income number of 2,869.95 million baht, 909.47million baht higher than the previous year, or 46 percent. Our operating results have continued to grow according to the business plan laid out by the management team.

The Company would like to express our gratitude to all groups of stakeholders who have always believed in us and provided their continuous supports. In 2024, TNL and all stakeholders will join forces to pass on a positive change culture to create value and sustainable growth together.



(MS. SUTHIDA JONGJENKIT)
Chief Executive Officer

3. Business Sustainability Development

Scope of Report

The report's scope is determined by the Company's business relevance and the impact on the Company's operating results under its 4 main businesses: Textile and clothing, secured loan, asset management, and real estate development and investment, which covers the area of the Company's head office (Rama III), Sathupradit office, First United Industry Co., Ltd. Bangkok rental building, Sriracha Branch Office in Chonburi Province, Kabinburi Branch Office in Prachinburi Province, Lamphun Branch Office in Lamphun Province, and Mae Sot Branch Office in Tak Province. This information refers to the period between 1 January and 31 December 2023. The reporting framework of the organization on sustainable reporting in accordance with the Global Reporting Initiative (GRI) Standard

3.1 Sustainability Management Policies and Goals

Sustainability Management Policies and Goals

Thanulux Public Company Limited is committed to creating sustainable growth with full awareness and prioritization to conducting business according to the principles of good corporate governance, taking into account the impact on all stakeholders in the value chain while generating value responsibly towards society and the environment. Our sustainability goal covers environmental, social, and governance (ESG) aspects under international principles and in line with the sustainable development goals (SDGs) related to our business.

2023 marks the year of our transition to a sustainable future. The Company has reviewed various essential policies to be appropriate per the resolution of the Board of Directors Meeting No. 8/2023 on August 11, 2023, as follows.

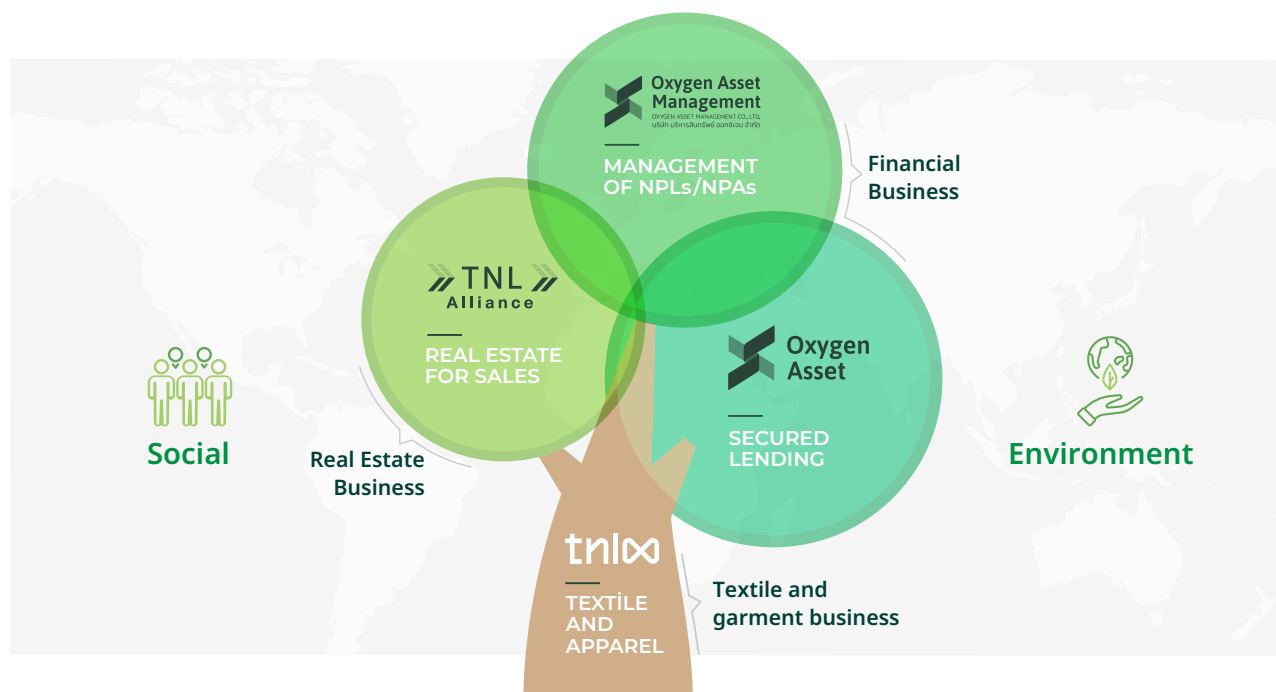
- 1) Sustainable Development Policy: The Company established principles and guidelines covering environmental, social, and governance topics.
- 2) Business Partner Ethics: A framework of guidelines and standards for conducting business has been established for our business partners, with topics covering vital matters, including
 1. Compliance with laws and regulations
 2. Personal rights, confidentiality, and intellectual property
 3. Anti bribes and corruption
 4. Conflicts of interest
 5. Responsibility in Procurement and Delivery
 6. Respect for human rights
 7. Fair treatment of labor
 8. Occupational health and safety
 9. Community and environmental management
 10. Monitoring and evaluation

Read more details about the Company's sustainable development at <https://www.tnl.co.th/th/sustainability/sustainability-policy>

3.2 Managing impacts on stakeholders in the business value chain

3.2.1 TNL's Business Value Chain

TNL consists of 4 main businesses, with TNLX, a textile and clothing business, as a long-time foundation of the Company. Since then, the Company's tree has grown its trunks and branches into real estate investment, secured loan, and asset management businesses, namely TNLA, OXA, and OAM. As the tree grows, it becomes a shelter for the community and creates a good ecosystem for the environment.

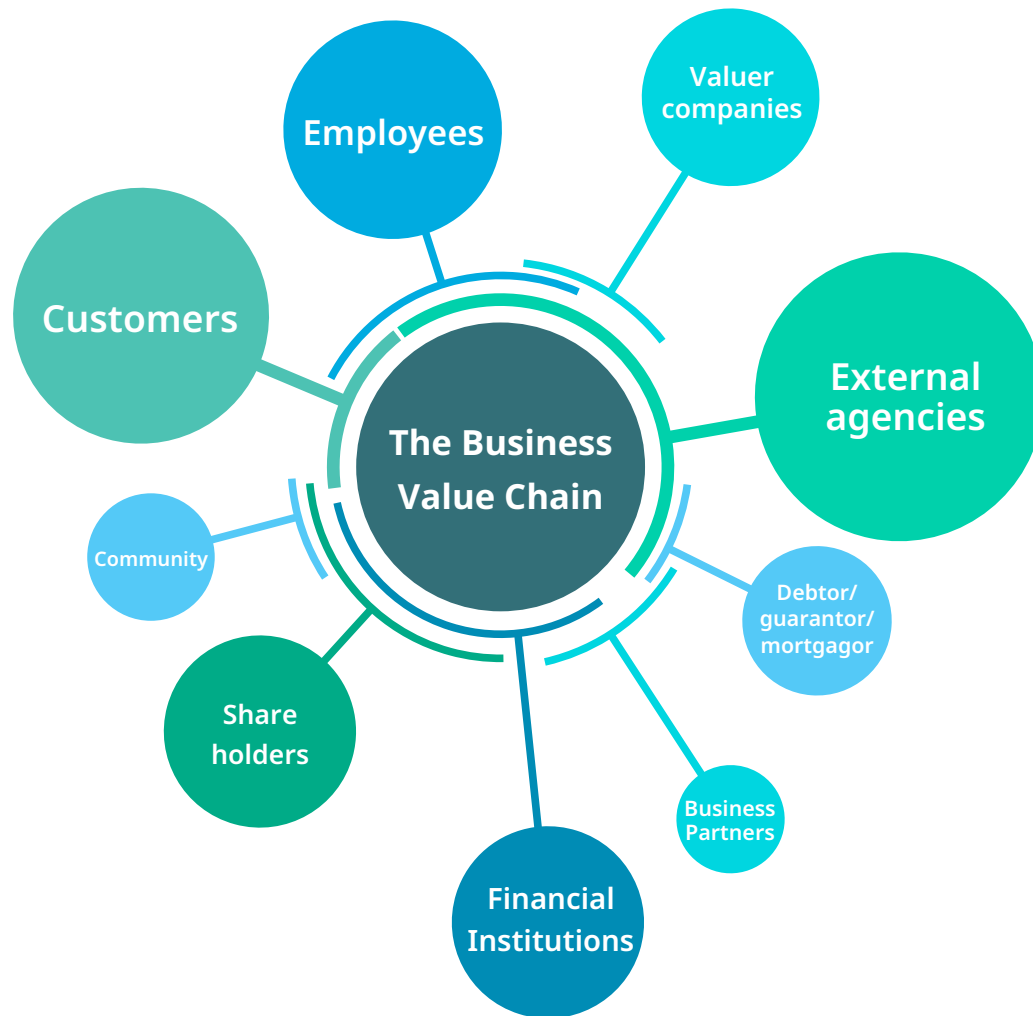


3.2.2 Stakeholders Analysis in the Business Value Chain

The company has established various channels for participation to communicate with and understand the needs and expectations of every stakeholder group. Subsequently, this information is collected and analyzed to ensure that the company can meet those needs and expectations, aiming for maximum stakeholder satisfaction.

Stakeholders	Contact Channels	Expectation/Interest of the Stakeholders	TNL's Actions
1. Employees	1. Meetings, seminars 2. Satisfaction survey 3. Online media such as email, LINE	1. Good welfare/compensation 2. Development training 3. Safety at work 4. Work-life balance 5. A team with sufficiency in both quantity and quality 6. Decent quality of life, working atmosphere, and environment	1. Provide appropriate welfare/ appropriate compensation 2. Establish a development training plan according to their job positions 3. Occupational health policy for safety at work 4. Create balance in work life with flexible working hours and work-from-home (WFH) option as needed 5. Adjust, increase, or decrease the number of employees in each team to suit the nature and workload 6. Provide a good working environment and ready-to-use facilities 7. Organize activities to build relationships within the organization
2. Customers	1. Online channels such as FB, IG Tiktok, Company website, email 2. Offline channels such as sales staff, customer service line	1. Good quality products and services 2. The product information must be accurate with no exaggeration 3. The product is reasonably priced, durable, and has a long shelf-life 4. The product comes with a guarantee/warranty 5. Excellent before-sale and after-sale services	1. Pay utmost attention to the quality of production and the product 2. Set product prices to suit the customer group 3. Product quality is guaranteed with convenient and responsive contact channels available 4. The product comes with maintenance recommendations both from the salesperson and attachment with the product 5. Provide after-sales service according to the product type 6. Conduct a customer needs survey
3. Business Partners	1. Meeting 2. Online media such as email, LINE 3. Salesperson	1. Conducting business in a fair and transparent manner 2. The consistency of purchase orders and an increase in numbers 3. Payment within due date 4. Delivery accuracy, both in quantity and time 5. Maintaining business partner's confidential information 6. Consultant, cooperation, and knowledge exchange between one another 7. Effective communication and coordination, good relationship	1. Operate under the Business Partner Code of Ethics 2. Establish a purchase plan to ensure continuous orders 3. Procurement is conducted per procurement and billing regulations 4. Establish a delivery plan to deliver products on time 5. PDPA Policy 6. Research and development unit 7. Good cooperation in good trading development

Stakeholders	Contact Channels	Expectation/Interest of the Stakeholders	TNL's Actions
4. Community	1. Meeting for communication and discussion 2. CSR activities 3. Online media 4. Community survey	1. Promote knowledge and career development 2. Communication and activities regularly 3. Participate in community development, provide aid and care for society 4. Cooperate with social policies or participate in local activities 5. Be socially responsible and refrain from creating pollution 6. Mitigate environmental impact	1. Promote the community to generate more income by providing knowledge and skills development in various areas within the community 2. Create discussion opportunities for the community to participate 3. Community development projects/activities for promotion and support of the community economy 4. Provide supplies and donations to local communities and organizations 5. Conduct business with social responsibility 6. Control system per ISO14000. 7. raw materials sourcing and production processes that are environmentally friendly
5. External agencies such as government/ government agencies/private agencies	1. Report/Letter 2. Meeting	1. Accurate and transparent operations with legal requirements compliance 2. Support and cooperate with government activities 3. Good communication and coordination	1. Strictly follow the law. Submit reports as required by law in a complete and timely manner 2. Provide support as deemed appropriate and suitable 3. Cooperate, coordinate, and create good mutual relationships
6. Shareholders	1. Shareholder meeting 2. Online media such as websites 3. Opportunity Day activities 4. Form 56-1 One Report	1. Business operations are transparent and verifiable with reliable accounting and financial system 2. Create maximum satisfaction for shareholders by considering the long-term growth and appropriate returns under an excellent management system	1. Conduct business with good governance 2. Provide fair returns, dividends 3. Disclose vital information adequately, reliably, and timely 4. Arrange activities for analysts and investors such as annual meeting with Sahapat Group and Opportunity Day each quarter
7. Financial Institutions	1. Meetings, seminars 2. Phone calls	1. Bid in an auction for non-performing assets at an appropriate price 2. Comply with the law and contract	1. Set guidelines for analyzing and bidding for the non-performing assets of financial institutions to be appropriate for the debtor and/or assets 2. Strictly follow the law and contracts
8. Debtor/guarantor/ mortgagor	1. Telephone 2. Letter 3. Negotiation meeting	Negotiate debt reconciliation to suit the debtor's repayment ability by taking collateral into consideration	Set guidelines for debt restructuring negotiation to suit the debtor's ability to repay, including suggestions appropriate for the debtor's current situation
9. Valuer companies/ agents and brokers	1. List of the SEC. 2. Meetings, seminars 3. Online channels	1. The assessment comes with a reasonable charge 2. The referred customer gets a loan according to the desired amount within the specified period 3. Receive referral fees from customers	1. Consider qualified valuers 2. Propose a bid, service fee, and processing time and methods appropriate for price evaluation 3. Select valuers to carry out the collateral appraisal 4. Consider the credit limit and conditions according to the risk of each case within an appropriate period, taking into account the Company's risks as the primary consideration



Key sustainability issues

Evaluation of key sustainability issues follows the process below:

1) Identification:

In 2023, the Company considered important sustainability issues covering all groups of stakeholders.

2) Prioritization:

The Company prioritizes critical issues regarding sustainability, considering stakeholders's concerns and impacts or business opportunities.










3) Validation:








The Company reviews vital issues impacting stakeholders and the business. The Sustainability Working Group presents those critical issues to the Corporate Governance, Risk Management, and Sustainability Committee for approval and report to the Board of Directors at least once a year.

Materiality Matrix of the Key Sustainability Issues in 2023



Operations to support the United Nations Sustainable Development Goals

Issues	Details	Strategy and Management Guidelines	SDGs
1. Environmentally friendly products	Customers are paying more attention to the environment and are looking for environmentally conscious products.	Conduct study/research for raw materials and product development.	 
2. Using resources wisely	Use resources wisely for maximum benefit.	Set a goal to reduce energy use, always be conscious about the importance of energy, and use it wisely for maximum benefit.	
3. Greenhouse gas management	Aim for carbon footprint reduction from operations throughout the value chain.	Set a goal to reduce the Company's carbon footprint and change the operating process and various equipment to be more energy efficient.	
4. Customer satisfaction	Prioritize customer satisfaction because they are important stakeholders whose satisfaction we must consider and supply the products to meet their needs.	Research and develop innovations and various technologies to manufacture products that meet the needs and keep up with trends. Find new customers and widen their perspective to increase business opportunities.	
5. Skilled manpower shortage	Due to irregular production orders, when orders are small, employees have low incomes and resign, resulting in an insufficient workforce once the busy period comes.	Provide knowledge by establishing a sewing training center in the company or collaborating with external agencies to develop skilled, quality manpower; motivate employees to feel more connected with the organization.	 
6. Employee care	Provide proper and efficient compensation management with appropriate benefits. Provide development training for employees. Incentivize employees to stay and work with the Company in the long term.	Conduct employee satisfaction surveys and meetings to discuss guidelines for recruiting and retaining potential personnel.	 

Issues	Details	Strategy and Management Guidelines	SDGs
7. Data security	Stakeholders pay attention to data collection, especially personal data security concerns.	Establish PDPA policy with clear guidelines, system check, period, and method of data collection.	 
8. Raw material prices increase according to market forces	Prices of raw materials tend to climb according to market mechanisms. As a result, the production cost rises, but the selling price must remain the same.	1. Find new sources of fabric raw materials domestically and abroad to compete in price and create value for products. 2. Develop new fabrics with suppliers to reduce costs and control quality to meet standards.	
9. On-time delivery	The inability to deliver raw materials or products on time causes delays in production plans and product delivery to partners to be behind the season, resulting in a lack of sales opportunities.	Create systematic planning and monitoring of raw materials delivery with trading partners. Utilize the tools and modern machinery to develop innovation to make the production process more efficient and faster.	 
10. Risk management	Establish risk management and good internal control systems.	Identify and manage risks to be under an acceptable level, along with providing an internal control system that is efficient, transparent, and verifiable.	 

Customer Relationship Management

Customer relationship building is considered a key business strategy for sustainable success. The Company has guidelines for strengthening relationships with customers as follows:

- Develop products to meet consumer needs using innovation as the driving force.
- Conduct customer surveys in various areas, especially consumer behavior data.
- Provide updated news and create opportunities for participation in activities with customers to build a good relationship

Customer Satisfaction Assessment

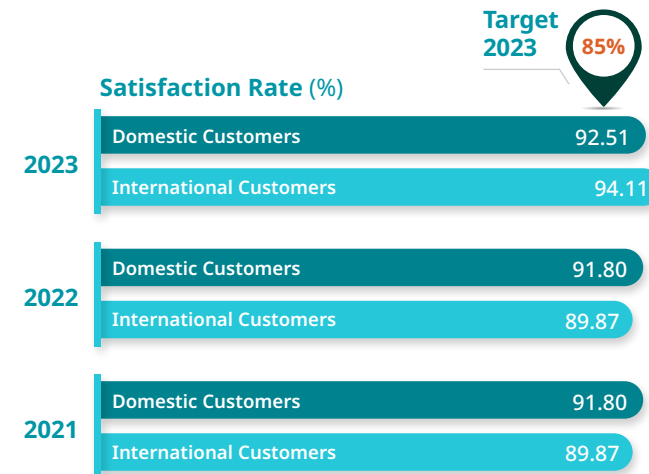
In 2023, TNLX conducted a customer satisfaction assessment, and the results can be summarized as follows.

Satisfaction with product quality: The customers were satisfied overall with the shirts and pants in terms of product quality, sewing, materials, and packaging.

Satisfaction with service and information: Most customers were satisfied with our services, particularly regarding how we follow up on various matters and provide accurate and timely information to customers.

Satisfaction in product delivery: Customers were satisfied with delivery and punctuality.

Customer satisfaction survey results 2023



Innovation Research and Development Regarding Environmental Issues, TNLX Company Limited 2023

The clothing business is one of the industries that significantly impacts the environment throughout the product's life cycle, from acquiring raw materials to the production process, usage, and disposal. Many of the manufacturing steps affect environmental pollution, such as an impact on soils from fertilizer and pesticide application, an impact on natural water sources from the release of wastewater in the production process, and the use of synthetic fibers that cause greenhouse gas emissions. Therefore, the Company's innovation development guidelines in 2023 focus on developing sustainable and environmental-friendly products based on the BCG Economy model, which has the following principles:

Bio-Economy: Cost-effectively using biological resources, technology, and innovation to create added value that increases productivity and reduces waste and carbon dioxide emissions.

Circular Economy: Prolonging the life of existing resources for as long as possible by circulating and reusing them to reduce waste and aim for zero waste.

Green Economy: We focus on production development to reduce environmental impact. Select raw materials that are safe for health from production to consumer delivery.

Innovation in Bio-Economy



Collagen Fiber

This fabric is made from rayon fibers containing collagen (Filagen) extracted from marine fish scales with unique properties. The fabric is cool and comfortable while wearing. It helps retain skin moisture in all weather conditions, protects against UV rays, and inhibits bacteria that cause musty odors.



Organic Dye Innovation

We developed an innovation using natural agricultural waste materials such as coconut husks, rice straws, and water hyacinths to extract natural dyes for dyeing fabric. This is the most beneficial use of natural resources. It reduces the use of synthetic dyes from chemicals. The effluent from dyeing does not pollute water sources, is safe for the wearer, and does not irritate the skin.

Innovation in Circular Economy

Fabric Woven From Recycled Polyester Yarn

Recycled polyester yarn made from recycled PET bottles is processed to add value and recycled into new fabric, solving the problem of plastic bottle waste that pollutes the environment and reducing the use of polyester fibers produced from petroleum precursors from the oil industry, a depleted natural resource. The clothes made from recycled polyester yarn are sustainable, beautiful, soft, comfortable, and easy to care for as they barely wrinkle, reducing ironing time.



Green Economy Innovation



Super Nature Cooling Shirt

With climate change happening, the world's temperature rises yearly. Therefore, the Arrow brand has developed innovations in the Grow Green product line that play a part in reducing global warming problems according to sustainable development guidelines. Innovative Super Nature Cooling Shirts are made from bamboo fibers and produced using a fabric pattern design. The result is a unique shirt; the fabric is soft, comfortable, and cool as it ventilates air and heat away from the body well. It absorbs sweat and dries quickly, helping reduce the occurrence of musty odors, making it easy to iron, and saving time for ironing.

Product innovations to create sustainability and environmental friendliness in 2023 could generate sales with the following details.

Product innovations	Sales Volume (THB mn)
Bio-Economy group	86.41
Circular Economy group	10.60
Green Economy group	60.35
Total sales of BCG Economy group	157.36



Anti Dust Mite

Anti-Dust Mite Fabric

We have developed new products using fabric woven from small, delicate, high-quality microfiber polyester yarn woven into a cloth with a dense and orderly structure. This fabric prevents the infiltration and embedding of dust mites better and longer than general protective coating chemicals. It does not cause pollution or contain chemicals that will affect the environment. The Dust Mite Research Institute has tested the fabric for protective efficiency according to international standards, and it is suitable for bedding materials such as pillowcases and bedspreads that are good for health. It helps prevent dust mite problems that cause allergies.

Saha Group Innovation Contest "CHAIRMAN AWARDS" 2023

The Company has emphasized inventing and developing innovations for over 19 years. In 2023, the Company entered the 19th Saha Group Innovation Contest, "CHAIRMAN AWARDS," and received a total of 3 awards in various categories as follows:



Product Category: 3rd place outstanding award goes to Arrow Noniron (Ready to wear shirt) innovation.

Production Process Category: Honorable Mention: Innovation: Small changes lead to great

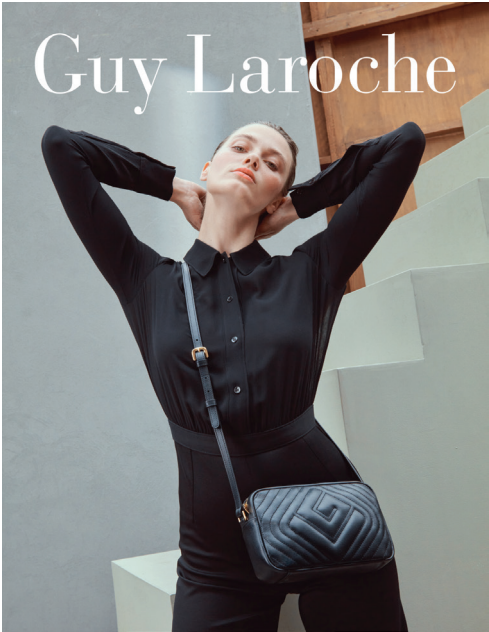
System and Process Category: Honorable mention: Innovation Digital Employee Self Service (D ESS Plus)

Awards and Recognitions



Products from TNLX





3.3 Environmental Sustainability Management

Environmental Policies and Practices

The Company aims to follow our policy of producing quality and environmentally friendly products to help reduce the impact of global warming, taking into account from upstream to downstream from the design, procurement of raw materials, production process, product storage, and delivery. We commit to complying with the law, customer requirements, and international environmental standards along with management that focuses on reducing and reusing to achieve maximum efficiency of products and promoting awareness among all employees to participate in preventing problems that will have a lasting impact on the environment. Read more details about our Environmental Policy at <https://www.tnl.co.th/th/sustainability/sustainability-policy>

Environmental Management Goals

The Company is committed and attentive to environmental care. We implement an environmental management system to reduce critical ecological impacts caused by business activities. We set environmental objectives and goals with planning and resource management to achieve maximum benefit in the long run. Therefore, activities are carried out to preserve the environment along with our operations. We start our environmental awareness journey with partner selection, choosing environmentally conscious companies in their production process, providing accurate and truthful to consumers, considering all stakeholders, and always being ready to help and develop the community sustainably. The Company has set a goal to reduce energy use in all areas by at least 2 percent per year.

Management of Resources and Energy in Various Fields

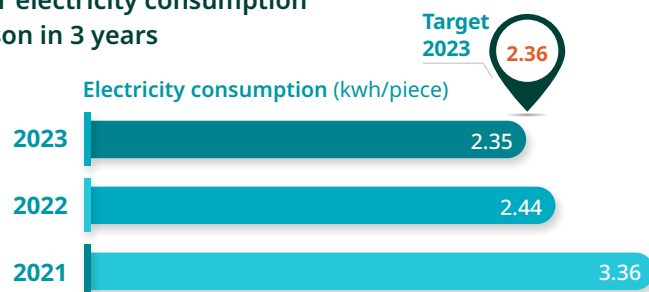
Electricity Consumption

Energy conservation is essential; every employee must work together to manage and use it for maximum benefit. The Company recognizes the importance and value of energy; therefore, we have continued to manage internal energy use with training, campaigns, and creating awareness of energy saving among employees. Everyone shall be aware and act based on efficient resource usage in every activity. This energy-saving activity covers electricity, oil, water, paper, and other consumables. In 2023, the Company has taken steps for electricity saving as follows.

- 1) Used the water curtain fan system to adjust the temperature (Evap), replacing 160 tons of air conditioners at Building 2.
- 2) Improved the work area by installing a large fan for ventilation instead of using air conditioners at the Finishing Unit, Building 2, reducing air conditioners use by 50 tons.
- 3) Installed a 52-inch exhaust fan at Building 4 to ventilate air and chemicals from morning to noon, reducing air conditioning use by 80 tons (using air conditioning only in the afternoon).
- 4) Changed air conditioners that have been in use for a long time to a new model with R32 refrigerant (reduces global warming, saves energy, and cools quickly)
- 5) To save energy, we installed a timer for the air conditioning compressor in the office during the morning (6:00 a.m. - 8:00 a.m.), midday (11:30 a.m. - 12:45 p.m.), and evening (5:00 p.m. onwards).
- 6) Changed 800 LED bulbs at the factory stock, Building 4 and Building 5.
- 7) Changed street lamps to solar cell lamps.
- 8) Changed light bulbs from fluorescent to LED bulbs can reduce energy use by 50% (from 40 watts to 20 watts per bulb).
- 9) Conducted air conditioning maintenance according to the maintenance cycle.

The Company aims to reduce energy use continuously every year. As for TNLX, in 2023, there was a decrease in electrical energy consumption from 2022 compared to per unit of product use. Energy use per product unit decreased from 2.44 in 2022 to 2.36 in 2023, and the total electrical energy consumption was as follows.

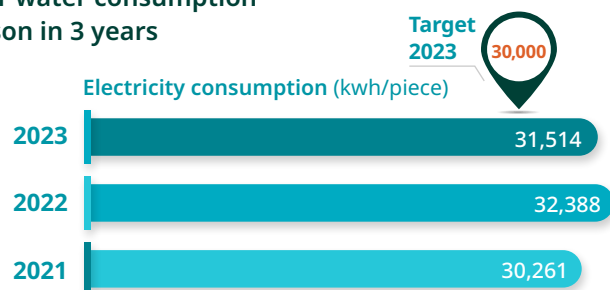
Target for electricity consumption comparison in 3 years



Water Consumption

Water use data from the past four years shows that 2023 will use more water than 2021, amounting to 2,127 cubic meters, or 7.02%.

Target for water consumption comparison in 3 years



Results of Wastewater Quality Measurement

PARAMETER	2023	2022	2021	2020	Assessment
Sound	73 dBA	74 dBA	75 dBA	76 dBA	✓
Respirable Fraction	0.026mg/m ³	0.08 mg/m ³	0.02 mg/m ³	0.08 mg/m ³	✓
Heat Stress	26.7WBGT	31.8WBGT	29.7 WBGT	25.5 WBGT	✓
pH	7.8 at 25°C	7.8 at 25°C	8.1 at 25°C	8.2 at 25°C	✓
Biological oxygen demand	2 mg/l	2 mg/l	13 mg/l	2 mg/l	✓
Chemical oxygen demand	<40 mg/l	<40 mg/l	52 mg/l	<40 mg/l	✓
Total Suspended solids	<5 mg/l	<5 mg/l	10 mg/l	<5 mg/l	✓
Total dissolved solids	235 mg/l	532 mg/l	325 mg/l	337 mg/l	✓
Oil & Grease	<1.0 mg/l	<1.0 mg/l	2.5 mg/l	1.0 mg/l	✓
Total Kjeldahl Nitrogen	6.1 mg/l	15.0 mg/l	4.4 mg/l	<1.0 mg/l	✓
Temperature	31.9°C	29.8°C	32.4°C	30°C	✓
Color (Normal)	161 AXMI	99 AXMI	82 Pt-Co	21 Pt-Co	✓
Color (Adjust)	157 AXMI	101 AXMI	74 Pt-Co	20 Pt-Co	✓

Standard: Announcement of the Ministry of Industry on setting standards for controlling wastewater drainage from factories, B.E. 2017

Fuel Oil Consumption

In 2023, the company's fuel oil consumption per piece decreased from 2022 as follows.

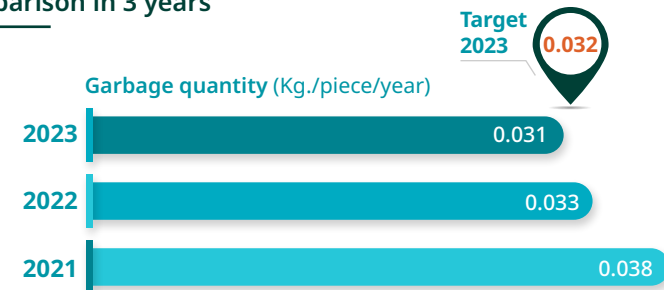
Target for electricity consumption comparison in 3 years



Waste Management

The Company campaigned and established projects for garbage separation continuously. Employees were more disciplined and conscious of the issue, resulting in more waste reduction than before in 2023, helping the Company reduce costs, and the amount of waste per piece decreased from 2022 by 0.002%.

Target of target and actual quantity comparison in 3 years



Waste Material Management Activities



• ARROW Upcycling shirts from plastic bottles

This project recycles plastic bottles into shirts, an innovation to reduce the waste problem caused by plastic bottles in Thailand. Shirts combine fibers from plastic bottles (Pet Bottles) with cotton fibers to produce clothes, transforming waste into fashion. Twelve 500 cc plastic water bottles can produce one shirt. We utilized plastic bottles obtained from waste separation to make 50 uniform polo shirts for employees, making it possible to eliminate the waste of 600 plastic bottles.



• Card Holder, a business card holder made from leather scraps

“Make every small step towards a greener world with our environmentally conscious leather cardholder made from scrap leather.”

This cardholder is made from leather scraps left over from manufacturing, hand-sewn by Thai artisans in our factory. We hope to play our part in preserving the environment for a sustainable future.



• Big Cleaning Activities

Creating awareness among employees on their participation in the environment involves working together to separate garbage and conduct big cleaning activities to build employees' understanding of their responsibilities in helping the world and the environment and maintaining good hygiene. This year, we co-worked with the local communities surrounding the Company to clean the roads, houses, and storefronts.



• Waste Separation Project

The Company has sound environmental management, with environmentally conscious projects such as separating waste and recycling hazardous and general waste to manage and reduce environmental impacts. We advise employees to separate waste with clear instructions and categorization to boost their awareness about the advantages of garbage sorting to help mitigate global warming. The Company plans to recycle industrial waste into the RDF process for fuel to produce electricity, helping to reduce the carbon footprint in 2024.

Climate Change (greenhouse gas)

Climate change is likely to affect the environment and companies' businesses in many ways. The company is aware of this problem. Therefore, efforts have been made to set goals for reducing greenhouse gases. To achieve these set goals, the company has implemented a project to reduce greenhouse gas emissions. In 2023, it was the first year that the company began collecting base year data. Starting with TNLX, there is a Corporate Carbon Footprint (CCF) method which is used to display information on the amount of greenhouse gases emitted from an organization's operations. This method leads to the determination of management guidelines to effectively reduce greenhouse gas emissions at the factory, industrial, and national levels. The company has assessed the organization's carbon footprint, and this assessment has undergone verification of information.

Summary of the verification results found that the classification of greenhouse gas emissions sources was complete. No evidence was found showing inconsistencies in the origin of the greenhouse gas inventory data stated in the report. The organization's carbon footprint covers at least 95 percent.

CFO Greenhouse Gas Information:

Type 1	959 tons of carbon dioxide equivalent
Type 2	1,948 tons of carbon dioxide equivalent
Type 3	7,451 tons of carbon dioxide equivalent

The total carbon footprint value shown to request certification with the Greenhouse Gas Management Organization is equal to 2,907 tons of carbon dioxide equivalent, as indicated in the carbon footprint mark of the organization.



3.4 Sustainability Management in the Social Dimension

3.4.1 Social Policies and Practices

The Company conducts business with social responsibility, prioritizing all groups of relevant stakeholders. Our knowledge and experience in business are essential to project development, aiming to create concrete benefits for the community.

Respect for human rights

The Company places utmost importance on fundamental human rights and conducts our business in compliance with the law and human rights principles. There is no discrimination regarding gender, race, religion, political rights, or any other matter. We provide employees with knowledge and understanding of human rights principles, and in case our employees believe their rights have been violated or have any experiences with unfair treatment, they are welcome to make complaints through the communication channels we provide. We ensure those complaints should be taken care of and dealt with fairly. The Company has also

established a management policy regarding human rights, which adheres to practices consistent with international human rights, international law, and other relevant international human rights standards and practices. We focus on equality without discrimination based on gender, race, ethnicity, religion, or other status and basic rights that employees should receive. We stand firmly against child and Illegal labor, with concrete planning and guidelines for solving and preventing human rights violations and follow-up actions to provide appropriate mitigation processes in cases of human rights violations.

Performance results in 2023

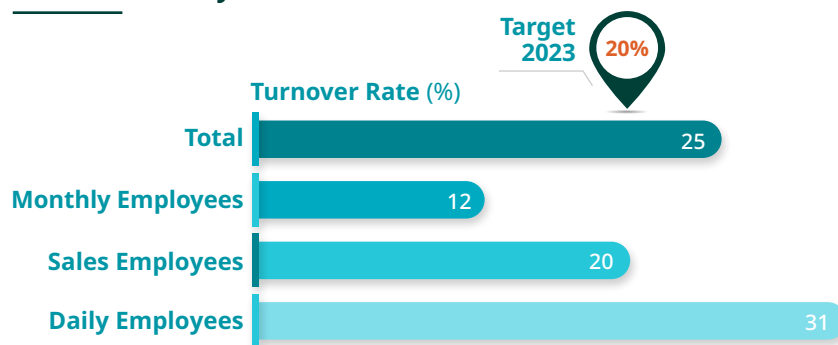
Activities	Performance Results in 2023	Goals for 2024
Complaints regarding human rights issues	-None-	-None-
E-learning course on human rights for all employees	Course included in business ethics	Complete at least 1 specific curriculum
Dissemination of human rights knowledge to business partners	1. Establish business partner ethics that covers the topic of human rights. 2. Organize seminars for business partner networking	Organize seminars for business partner networking
Human rights risks assessment	Supply chain Management Evaluation	Cover all groups of stakeholders

Human Resource Management

The Company is aware of the crucial management factor, human resources. People with potential work efficiently, allowing the organization to develop to its full potential. Therefore, Human resource management is essential to move the organization forward sustainably. In addition, the Company also places importance on personnel's recruitment and selection process concerning human rights principles, providing equal employment opportunities, and no discrimination against gender, race, or religion. We apply competency principles in considering knowledge, abilities, and experience consistent with the desired job position so they can utilize their experience to succeed and accomplish with the Company.

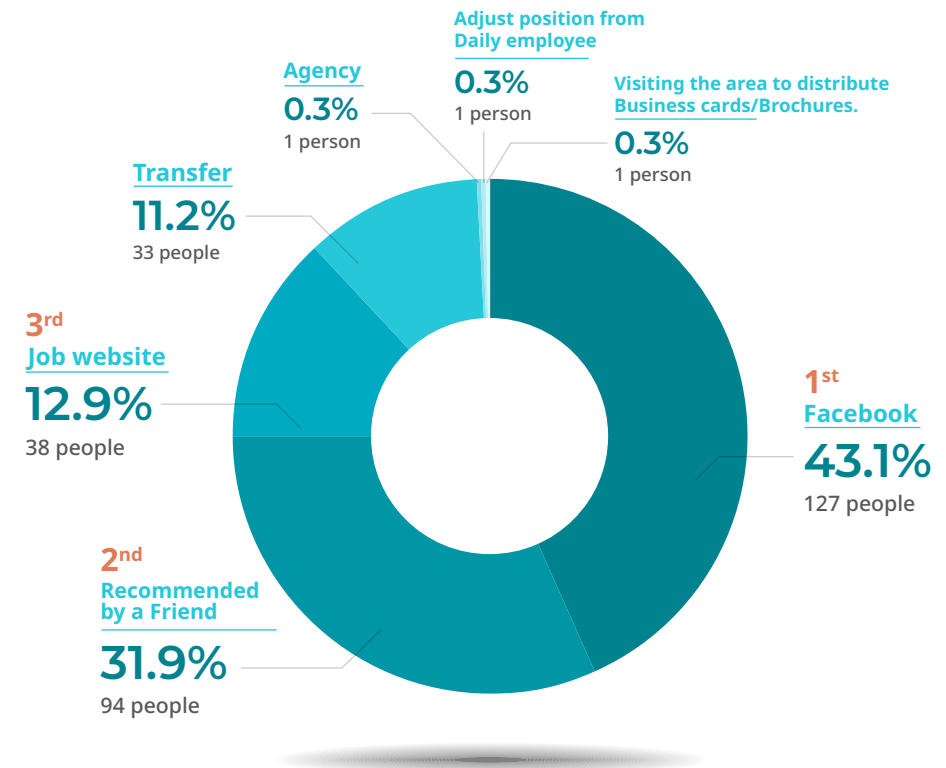
According to the Company's business restructuring policy in 2023, there was an essential review of the mission and the human resources, especially for TNLX, which required adjustment to the manpower planning and recruitment process to be consistent with the new business structure. Various forms of employment are more consistent with the current social and working conditions, such as full-time employment, temporary employment with fixed employment periods, and employment of the elderly, people with disabilities, and foreigners. There is no discrimination in the employment of Thai and foreign employees; they both receive equal fundamental rights and welfare.

TNLX Summary of Turnover Rate in 2023



In 2023, there was a high rate of daily employee resignations due to fluctuating production orders in the second half of the year.

Employee recruitment channels in 2023



Employment of People with Disabilities

The Company employs people with disabilities per the Act on the Promotion and Development of the Quality of Life of Persons with Disabilities, 2007, Section 33. In 2023, TNLX hired 19 people with disabilities in every branch in 2023. Employment for people with disabilities who receive vocational training can be considered a way to help them adjust to working with other people, feel more valued, and receive equal compensation and benefits as other employees.

Personnel Training and Development

The Company has established a Human Resource Development Framework for human resource development by analyzing the need for knowledge, skills, and competencies for successful work at all levels. In addition, the Company also provides annual personnel training and development plans that align with the organization's direction and strategy, consistent with knowledge skills required for the job, divided into functional knowledge and skills management programs or soft skills. The plan aims to create new skills (Reskill) and develop old skills (Upskill) to improve efficiency in employees' respective positions and responsibilities. Moreover, we aim to enhance employees' potential to work and receive opportunities and advancement in their career paths.

TNLX's development training courses in 2023 consist of 140 courses, with 55 courses of public training, accounting for 39%, and 85 courses of In-house training, accounting for 61%. The total number of training hours for all employees in every branch was 13,795, or 7.6 hours/person/year.

The training and development courses include three courses related to enhancing behaviors and characteristics necessary for management (Management Program or Soft Skills): 1. Leadership & Motivation 2. Presentation and Communication Skills, and 3. Problem Solving and Systematic Thinking.



Courses related to functional knowledge and skills are courses that the Company provides to promote and develop competency according to job positions, consisting of 7 courses:

1. Fashion trends: Trends to look forward to in 2023 is an invitation held by an external fashion expert
2. WGSN Fashion Trend is a course concerning world fashion trends organized by an internal product development consultant, providing knowledge to relevant employees.
3. Knowledge about Success Rate and analysis of sales results data.
4. Knowledge of annual budget planning for supervisors
5. Advanced Excel training to increase work efficiency. This course is based on analyzing training needs and designing development according to the needs of essential applications
6. Production of quality leather products, and
7. QC skill & Raw Materials to increase product quality skills according to corporate values.



The Company also provides courses according to legal requirements and regulation from the Stock Exchange of Thailand, including first aid, ergonomics for safety, anti-corruption, essential fire extinguishing and evacuation, etc.



The Company cares for and pays utmost attention to all groups of stakeholders, providing courses related to the quality standard system, organizing training courses, and reviewing ISO 9001: 2015 and ISO 14001: 2015 requirements. Employee representatives in each department received training in internal quality system assessment of ISO 9001: 2015 Internal Auditor course environmental audit of ISO 14001: 2015 Internal course, a course that promotes awareness toward ecological impacts, namely the carbon emissions from the Company's business operations which is one of the causes of global warming. The Company has organized a training course on carbon footprint data preparation (CFO) by setting a vision and various projects to lead to reducing carbon emissions, aiming for continuous carbon emissions reduction to zero.



Results Evaluation of Personnel Training and Development

To make the training most effective, after organizing training and development in various courses, the Company measures and monitors training results with those who continuously receive training as follows:

1. A training program that promotes potential and competence in management (Management Program or Soft Skills) is measured and followed up by supervisors who evaluate employees' potential. The effectiveness of training can be summarized and measured as follows.
 - 1.1 The Leadership & Motivation course had 41 participants. Participants were proven to apply the skills they learned to build leadership competencies and motivate their teams very well, with a leadership potential assessment score of 90%,
 - 1.2 Presentation & Communication Skill training had 30 participants. The participants had good presentation skills and learned to be more confident and to communicate more concisely and to the point, with an average presentation and communication skills assessment score of 70%.
 - 1.3 The Systematic Thinking and Problem-Solving course had 40 participants who could apply principles of analytical thinking and systematic problem-solving. The average problem-solving skills assessment score was 77.5%.
2. Training courses related to functional knowledge and skills with a method for measuring training effectiveness by applying knowledge to work.
 - 2.1 The Trends to look forward to in 2023 and the WGSN Fashion Trend courses had 56 participants. The assessment of abilities to adapt knowledge learned into work was 84%, with essential job positions in training like merchandisers and designers, whose knowledge would be helpful in product design and development according to customers' trends. Such fashion trends become vital information to plan, design, and develop products according to trends and meet customer needs.
 - 2.2 The Budget Planning course had 24 participants who could apply their knowledge to work at 83%, increasing their department's budget planning skills appropriately and consistently with the activities planned by their department.
 - 2.3 The QC Skill & Raw Material course had 8 participants who learned how to apply the

knowledge they have gained in their work at 94%, increasing their understanding of raw material care, fabric inspection process, and correct fabric QC methods.

3. Training courses with Pre-Test and Post-Test methods to measure learning effectiveness consist of 3 courses as follows:

- 3.1 The course on Success Rate had 38 participants, aiming to increase sales data analysis skills. The results of the knowledge evaluation before the training were 59% and 76% after the training, resulting in the participants' knowledge increase by 29%.
- 3.2 Advanced Excel courses to enhance work efficiency. It is a hybrid training course (Onsite & Online) with 89 participants. Knowledge before training was 63%, and 84% increased by 33% after training.
- 3.3 Quality leather production course, with 17 employees related to the quality of leather products, such as technical staff, QC staff, and warehouse staff attending. Pre-test evaluation was 60%, and post-test training was 85%, increasing trainees' skills by 42%.

Summary of personnel goals and results in 2023

Indicators	Goals	Performance
Number of training hours per year	6 hours/employee	7.6 hours/employee
Percentage of employees receiving training (unrepeated count) compared to all employees	50 percent	52 percent

Promotion

In 2023, TNLX decided to promote 36 supervisors, 12 males and 24 females, 29 Thai nationals, and 7 Myanmar nationals. The people selected for such opportunities and growth in their career path have successfully passed the qualification selection in terms of work, knowledge, skills, and abilities with a thorough screening process by the Human Resources Committee to certify as a person with knowledge and ability in team management with significant experience and expertise in supporting and driving business and production goals as set forth.

Recruitment and Development Plan of Successors to Key Positions

Succession planning is a proactive process that will help mitigate the problem of new employee shortages in key positions because it is a strategy that assesses the situation in advance to recruit, develop, and prepare new employees for replacement. This makes it possible to immediately recruit people with similar qualifications with the following processes:

- 1) **Determine positions that need succession planning** – The Company creates succession plans for essential positions in the organization or positions that require skills or specific professions. The plan follows the Company's policy and direction to identify the positions impacting the organization; then, we can analyze and assess the required human resources.
- 2) **Specify the required qualifications in detail** – once we have the desired position, the Company will carefully evaluate the necessary skills and abilities and set criteria for successors selection.
- 3) **Recruit, evaluate, and prioritize successors** – The Company will recruit potential replacements by assessing from the Talent Pool or considering people in lower positions until at least 1 suitable successor is listed.
- 4) **Skills and abilities development of successors** – Once we have a list of successors who meet the criteria, all candidates shall develop their skills continuously. A 360-degree evaluation will take place, and an individual development plan will be implemented to add more skills and abilities that are still missing and prepare and equip the successors for a sudden change in position.
- 5) **Regular evaluation of successors** – The Company evaluates successors periodically, and the succession plan or the order of successors can be adjusted and changed accordingly every year. This ensures we get the most suitable person for the next successor.

Management of Compensation, Welfare, and Benefits

The Company has a fair policy for compensation, welfare, and various benefits management with no discrimination, is consistent with the economic conditions and cost of living, and follows the Labor Protection Act. We determine compensation according to duties,

responsibilities, job descriptions, knowledge and abilities, and performance evaluation results. The Company pays appropriate compensation to employees and provides welfare of a higher standard than the law requires. In 2023, the Company paid particular attention to the health and learning opportunities of employees. Therefore, special welfare projects were organized as follows:



“Learn Well, Live Well” Project

The Company recognizes the importance of supporting employees’ health and well-being, including education, which plays a vital role in individual development and success in personal and work aspects. The Company believes employee growth is also our growth. Therefore, we are committed to promoting every employee’s long-term success, allowing them to use this welfare compensation to develop their skills, knowledge, health, and well-being.



“Ready to Go” Project

The company encourages employees to maintain good health. Therefore, the “Ready to Go” project was created, a virtual running event held for the second consecutive year, serving as an incentive for employees to engage in simple exercises. Employees can run or walk to accumulate distance, which can be exchanged for souvenirs, including running shirts. Additionally, the employee who accumulates the most distance will receive a prize worth 3,000 baht.

Creating a Work-Life Balance

Employees are the heart of the organization, and happy employees will make the Company a happy workplace, a place with balance between work and personal life. The Company supports the creation of good living conditions and good hygiene for employees, emphasizing wealth and health, money-saving through a provident fund, savings cooperative, debt resolution, and employee health care. These good living conditions positively impact employees and the organization in terms of Productivity and commitment to work.

Employee Engagement

Good corporate culture means employees’ recognition as a part of and united with the organization, and they are determined to work towards success, which can help mitigate employee turnover rates. In addition, creating employee engagement allows the Company to have employees with a deep understanding of their work and various contexts of the organization, increasing overall work efficiency and profits.

We have an engagement survey to evaluate employees’ opinions and satisfaction with the organization. The Company utilizes the evaluation results to create a work strategy and a tool that helps build engagement, as it shows the organization cares about the opinions of its employees. This is another way to generate Employee Engagement.

In 2023, the overall average Employee Engagement Survey evaluation results were 88.67 percent, divided into 15 subcategories as follows.



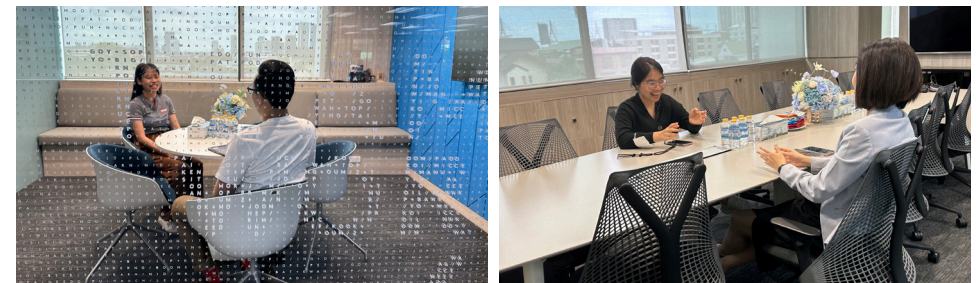
Townhall Meeting

After the Employee Engagement Survey evaluation results, the Company will respond to the evaluation results or the topics employees communicated by employees to develop and create satisfaction and happiness at work. After that, we use the town hall meeting to communicate the evaluation results and operational plans to all employees in the town hall meeting for acknowledgment. The Company sets a goal in 2024 that the Employee Engagement Survey evaluation results will increase to 90 percent.



Go Together to Go Further Project

The Company aims to build good relationships between employees and management. Therefore, we organized the go together to go further project, a one-on-one discussion activity where every employee can have a friendly and private conversation with the executives, an excellent opportunity to communicate both good things and the problems or obstacles to find solutions together to work happily in harmony in the organization.



Safety, Occupational Health, and Working Environment Policy

The Company has established a safety, occupational health, and working environment policy as a guideline for employees, customers, and visitors in preventing accidents to create welfare for life and property and conserve the environment. The supervisors in the line of work are responsible for the continuous effort required to implement the policy.

Employees, customers, and visitors must abide by the same practices under the requirements of safety laws that various government agencies have promulgated and the Company's standards in safety, occupational health, and working environment. More information is available at www.tnl.co.th

In 2023, we promoted and supported various activities with the participation of TNLX employees, including the ones working in the factory, with details as follows:



Safety

1. Initial firefighting drills for employees of each department: At least 40 percent of employees must have basic fire extinguishing equipment skills to put out fires immediately and prevent loss of life and property from fire. The drills include providing knowledge and understanding about fire and prevention and fire evacuation drills for the entire organization once a year.
2. First aid and basic resuscitation training: Enable employees to help themselves and others when facing danger by providing training on first aid methods and basic resuscitation, such as how to stop bleeding, defibrillate the heart, and resuscitate. This includes first aid for all types of wounds and how to move patients before taking them to the hospital.
3. Knowledge regarding workplace safety: All new employees will receive training about safety at work every time before they start working, providing employees with a better understanding of work safety and raising awareness about how to avoid accidents.



Occupational Health

1. Provide personal protective equipment (PPE) suitable for each type of work and knowledge on how to use it correctly to prevent accidents while working, such as earmuffs, steel gloves, nose masks, etc.
2. Health examination according to work risk factors: We arrange a health check by occupational medicine doctors for employees once a year and for new employees within 30 days to monitor and prevent work-related diseases.



Measurement of sound pressure levels

Measurement of heat level

Measurement of chemical concentration levels



Measurement of light intensity levels

Wastewater quality analysis

Inspection of the boiler ventilation chimney

Working Environment

Measurement of safety, occupational health, and working environment: Arrange for analysis of light, sound, heat, dust, wastewater, and chemicals in the annual environmental measurement, using the data to monitor and determine guidelines for preventing and solving employee health problems that may arise from light, noise, heat, dust, and chemicals. We always ensure our employees work in a safe environment, free from work-related illnesses.

- Measurement of sound pressure levels
- Measurement of heat level
- Measurement of chemical concentration levels
- Measurement of light intensity levels
- Wastewater quality analysis
- Inspection of the boiler ventilation chimney

Accident Statistics

Comparative Table of Occupational Accident Statistics (2016-2023)

Severity/Damage	Number of times/years							
	2016	2017	2018	2019	2020	2021	2022	2023
Property Damage	0	0	0	0	0	0	0	0
Light injury (without day off)	5	5	4	4	1	0	0	0
Severe injury and unable to work	1	0	0	0	0	0	0	0
Total	5	5	4	4	1	0	0	0
Total number of days off due to workplace accidents (days)	1	0	0	0	10	0	0	0
Illness from work (day off)	0	0	0	0	0	0	0	0

Although the company does not collect accident statistics of contractors or individuals who come into contact with the company, there have been no reports of accidents occurring.

3.4.2 Social performance

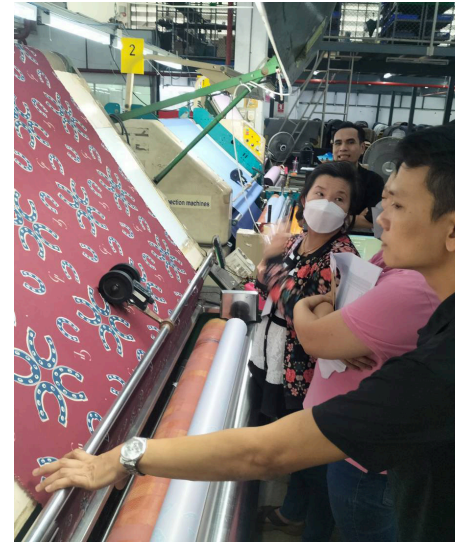
Participation in Community and Social Development

The Company places high importance on community participation and community development. The emphasis lies on truly understanding the needs of the community and its environment and focusing on sustainable and balanced community development., with the process of bringing knowledge, standards, and spatial data that can lead to community participation at every step to achieve sustainable and balanced community development. In 2023, we organized joint projects with the community as follows:



1. “We Teach, You Build” project in collaboration with Wat Chong Nonsi School

TNLX encourages employees to develop their potential by bringing scrap materials and leftovers from the industry to reimagine and design into craft pieces that add value and motivate children and youth. This helps with using the free time to advantage and can simultaneously generate income for the family.



2. Health and safety promotion in Sa Du community

TNLX organized activities to increase sewing skills for the older women in the community by sewing cloth bags to put medicine for personal use and distributing them to older adults who come for services at hospitals in the community. The sewing skills can also be developed further as a career.



3. Providing scholarships and educational and sports equipment to schools in Yannawa district and Bualuang communities in Bangkok

The Company places utmost importance on education as it is a crucial foundation for community development. Therefore, we give out scholarships yearly, especially during National Children's Day, and an activity booth to share gifts and snacks with the children.



4. Community Market

To promote a sound economy for the community, the Company organized a community market at least once a year to sell products in the network at special prices and provide a space for people in the community to come and sell their products. It is a way to help save some expenses and increase income for communities that join this activity.



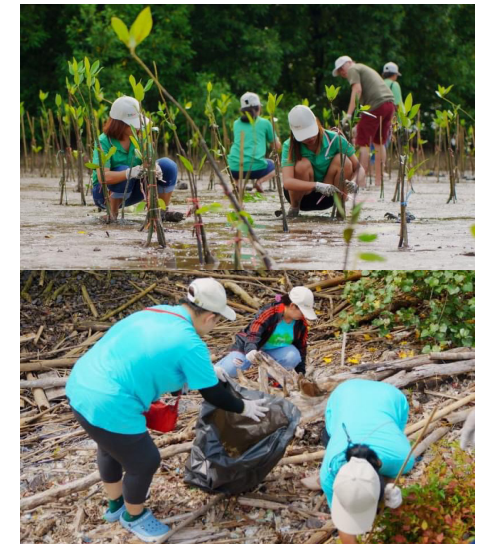
5. Supplies and necessities donation to Luang Pho Alongkot, Wat Phra Bat Nam Phu

On our anniversary of the establishment on September 8th of every year, the Company offers food and donates supplies to Luang Pho Alongkot, Wat Phra Bat Nam Phu, and invites people in the community to listen to Dhamma (sermon) and donations to Wat Phra Bat Nam Phu to promote the inheritance of Buddhism and to cultivate the peaceful minds of employees together with the community.



6. Projects related to Buddhism

The Company encourages employees to participate in the maintenance of religious places by making merit and donating to build temple entrance arches. In 2023, the Company co-hosted the summer novice ordination and participated in offering Kathin (robe offering) at Wat Thong Bon, Yannawa District.



7. "Plantation to Save the World" project at Bang Pu Army Nature Education Center

The Company raises awareness among employees to cultivate their volunteer spirit in helping society and work for communal benefits. Therefore, we organized an activity to plant mangrove forests and collect trash to clean the coastal ecosystem at the Bang Pu Army Nature Education Center on November 12, 2023, our second consecutive year of this activity.



8. Scholarships and donations to schools for blind children with multiple disabilities, Cha-am District, Phetchaburi Province

The Company believes in the power of playing a small part in helping society improve the quality of life and well-being, especially for valuable human resources groups such as the vulnerable and visually impaired. Therefore, we organized an activity to provide financial support for scholarships and donations of necessities to the Cha-am School for the Education of Blind Children with Multiple Disabilities, Cha-am District, Phetchaburi Province.



9. “Embrace for Happiness” project at Teachomae School, Tha Song Yang District, Tha Song Yang Subdistrict, Tak Province

The Company believes that every small act can help improve society. Therefore, we organized the “Embracing for Happiness” project, produced happy hug shirts for sale, and used the money on donations for lunch and necessary supplies for students at Teachomae School, Tha Song Yang District, Tha Song Yang Subdistrict, Tak Province.

4. Management Discussion and Analysis

4.1 Management Discussion and Analysis

FY 2023 Financial Highlights

Total Revenue THB 2,870mn ▲ 46% YoY	Net Profit THB 513mn ▲ 403% YoY	Total Assets THB 13,420mn ▲ 27% from 31 Dec 2022	D/E ratio 0.28x ▲ 0.49x as 31 Dec 2022
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Business Transformation

2023 marked the first year Thanulux PCL (TNL or the Company) began its business transformation, primarily investing in businesses with growth potential in order to generate consistent long-term value for the Company and its stakeholders. Currently, the Company has invested in 4 business categories as follows:

- **Secured Lending Business** through Oxygen Asset Co., Ltd. (OXA) - a secured lending business specialising in the real estate industry. Oxygen aims to capture high-net-worth and corporate clienteles by offering loans of more than THB 10mn.
- **Acquisition and Management of NPLs/NPAs Business** through Oxygen Asset Management Co., Ltd. (OAM) - a professional asset management company, managing distressed assets, including secured Non-Performing Loans (NPLs) and Non-Performing Assets (NPAs) procured from financial institutions, through negotiation, debt restructuring and litigation process.
- **Real Estate Development for Sales Business** through TNL Alliance Co., Ltd. (TNLA) a residential real estate development-for-sale business by investments through 6 joint ventures with Noble Development Public Company Limited (NOBLE).
- **Textile and Apparel Business** through TNLX Co., Ltd (TNLX) - a manufacturer and distributor of finished garments and leather goods for men, women and children under licensed international trademarks as well as its own house brands for local distribution and export.



Key Developments

- **25 Apr 2023**, the 49th Annual General Meeting of Shareholders of the Company was convened, and all proposed resolutions were approved. The significant matters included the approval of dividend payment - the dividend from the operating results of the year 2022 was paid at the rate of THB 0.20 per share, totalling THB 60.9mn. The dividend payment was made on 24 May 2023.
(For more information, please see SET announcement via <https://shorturl.at/fszAU>)
- **26 May 2023**, TNLA entered into a share sale and purchase agreement with Proud Real Estate Public Company Limited (PROUD) for the disposition of all ordinary shares held by TNLA in two joint venture companies: i) Phraram 9 Alliance Co., Ltd. (PA9) - operating a real estate development business in Nue District R9 Condominium Project, and ii) Khu Khot Station Alliance Co., Ltd. (KK) - operating a real estate development business in Nue Cross Khu Khot Station Phase 1 Condominium Project. The transaction was completed on 25 Jul 2023.
(For more information, please see SET announcement via <https://shorturl.at/euvyW>)
- **10 Jul 2023**, TNL announced the completion of the partial business transfer transaction (specifically, the textile and apparel business) to TNLX, which was legally effective on 1 Jul 2023. This partial business transfer transaction will help enhance TNLX's competitiveness in the changing market conditions.
(For more information, please see SET announcement via <https://shorturl.at/AEQTV>)
- **27 Oct 2023**, TNL successfully issued its first debentures amounting to THB 500mn (THB 300mn with a Greenshoe option of THB 200mn) to the institutional investors and/or high net worth investors. The debentures have a maturity of 2 years with a coupon rate of 6.1%, quarterly interest payment. The proceeds are intended for business expansion, particularly in secured lending and management of NPLs/NPAs businesses.
(For more information, please visit SEC via <https://shorturl.at/tSTU7>)
- **6 Nov 2023**, TNL received a 5-star rating or "Excellent" score on the 2023 Corporate Governance Report (CGR) of Thai Listed Companies by the Thai Institute of Directors (Thai IOD) with support from the Stock Exchange of Thailand (SET). With a remarkable evaluation score of 108%, TNL was able to demonstrate its dedication to conducting its businesses with good corporate governance to achieve sustainable growth.
(For more information, please see Thai IOD announcement via <https://shorturl.at/HL027>)

Sustainability at TNL

TNL is dedicated to fostering sustainable growth while upholding and prioritizing business operations in accordance with good corporate governance principles. Having a sustainability framework at the core of our businesses, we adopt the ESG (Environment, Social and Governance) practices across our operations.



TNL is rated as the “Excellent” CG Scoring or 5-star with a remarkable evaluation score of 108%



TNL demonstrated our commitment to combating corruption by participating in Anti-Corruption Day 2023



Business operations presents many challenges. Therefore, the organization must adapt to the changes that occur and develop in every aspect continuously. This enables businesses to overcome challenges, be resilient, and grow amidst fluctuations. Sustainable business development is therefore important for the company and should be driven by concrete commitment. In 2023, the company organized a training course “Understanding Corporate Sustainability” with Professor Anantachai Yoonprathom, an expert in business sustainability management. The directors, executives and employees who play important roles in supporting business growth with strength and sustainability attended the training.

Financial Performance

Unit: THB mn	Yearly Basis				Quarterly Basis			
	2023	2022	YoY	YoY (%)	4Q/2022	Q3/2023	QoQ	QoQ (%)
Operating Revenues	2,459	1,777	682	38%	588	627	(39)	(6)%
TNLX	1,619	1,777	(158)	(9)%	366	385	(19)	(5)%
OXA	481	0	481	n/a	123	141	(18)	(13)%
OAM	72	0	72	n/a	26	25	1	4%
TNLA	287	0	287	n/a	73	76	(3)	(4)%
Gross Operating Profit	1,338	554	784	142%	324	356	(32)	(9)%
Other income	411	183	228	125%	96	215	(119)	(55)%
Share of profit/ (loss)*	(205)	(4)	(201)	n/a	(14)	(99)	85	(86)%
SG&A expense	(685)	(543)	(142)	26%	(218)	(146)	(72)	49%
Expected credit loss	(108)	0	(108)	n/a	(108)	0	(108)	n/a
EBITDA	751	190	561	295%	80	326	(246)	(75)%
Depreciation and amortisation	(35)	(43)	8	(19)%	(2)	(11)	9	(82)%
EBIT	716	147	569	387%	78	315	(237)	(75)%
Interest expense	(84)	(7)	(77)	n/a	(29)	(19)	(10)	53%
EBT	632	140	492	351%	49	296	(247)	(83)%
Tax expense	(119)	(38)	(81)	213%	(36)	(25)	(11)	44%
Net Profit / (Loss)	513	102	411	403%	13	271	(258)	(95)%
Gross operating profit margin	47%	28%			47%	42%		
EBITDA margin	26%	10%			12%	39%		
EBIT margin	25%	8%			11%	37%		
Net profit margin	18%	5%			2%	32%		

(*) Share of profit/ (loss) from investments in associates / JVs

In FY 2023, the Company recorded Operating Revenue of THB 2,459mn, an increase of THB 682mn or 38% YoY. Changes in each business are as follows:

- **OXA (secured lending)** recorded interest income of THB 481mn from its secured lending portfolio which reached THB 5,940mn, an increase of THB 2,351mn from THB 3,589mn as of 31 Dec 2022. Whilst maintaining a zero NPL record in FY 2023, OXA took a conservative and prudent step by setting Expected Credit Loss (ECL) at THB 95mn, which significantly exceeded its internal model estimate given the challenging economic outlook.
- **TNLA (real estate for sales)** recognised monitoring income of THB 207mn from providing project supervision and risk management services. TNLA also recorded interest income of THB 80mn from loan made to the real estate development projects under 6 joint ventures with NOBLE.
- **OAM (management of NPLs/NPAs)** booked interest income of THB 72mn from the acquisitions of NPL portfolios in FY 2023 with a total legal balance of over THB 3,800mn. As elaborated in Oxygen section, OAM also set an ECL of THB 13mn to insulate the business against future uncertainties.
- **TNLX^{1/} (textile and apparel)** recorded sales and services revenue of THB 1,619mn, a decrease of THB 158mn or 9% YoY as the COVID-19 pandemic and the current global economic slowdown caused the revenue to normalise from its peak last year.

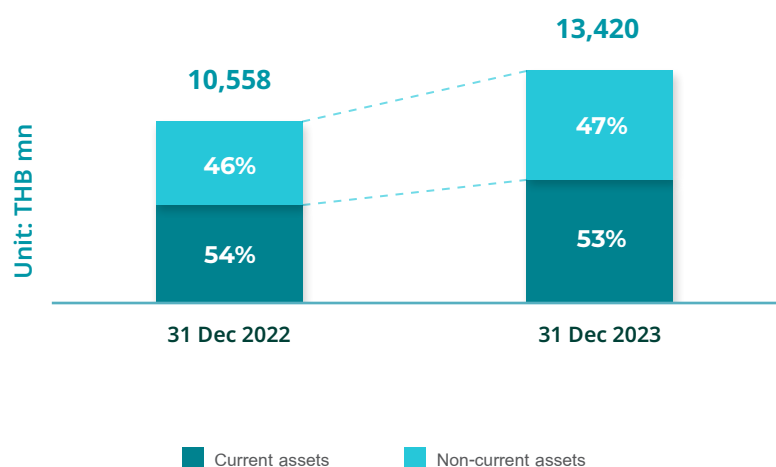
In this fiscal year, the Company booked a gain on sales on the transaction with PROUD of THB 201mn and the divestment of property amounting to THB 82mn; both items are recorded under other income. Moreover, the Company recognised a share of losses from investments in real estate projects of THB 205mn. The aforementioned share of losses contributed negative impacts with a lesser degree towards the year-end as some projects surpassed their construction phase and contributed positive shares of profits subsequently. Selling and administrative (SG&A) expenses expanded to THB 685mn, aligned with the growth in business units, and finance costs were THB 84mn, chiefly due to the interest paid on long-term loans from the related companies.

In conclusion, the Company recorded a net profit for the year of THB 513mn, an increase of THB 411mn or 403% YoY, and a net profit margin of 18%, compared to 5% in FY 2022. This impressive growth was driven by the successful integration of the Company's new growth engines in the financial services and real estate for sales businesses.

1/ TNLX commenced the textile and apparel business in on 1 July 2023 as a result of the partial business transfer (PBT) from TNL.

Financial Position

Assets

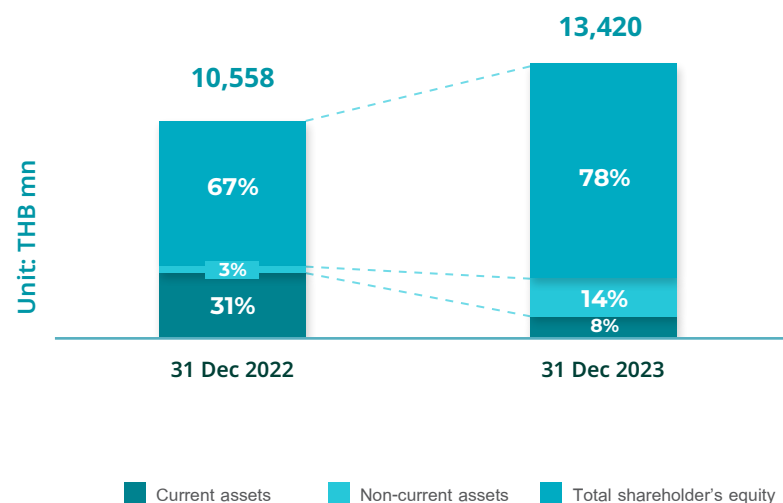


Total assets as of 31 Dec 2023 were THB 13,420mn, an increase of THB 2,862mn or 27% from the previous period ending 31 Dec 2022 with both current and non-current assets increasing.

Current assets expanded by THB 1,342mn to THB 7,077mn. The increase was predominantly driven by an increase in net loans to customers (recorded under both current and non-current assets) of THB 2,291mn, mainly driven by an expanded secured lending portfolio of OXA. However, the increase in current assets was partially offset by a decrease in cash and cash equivalents of THB 1,103mn as the Company deployed cash and cash equivalents to i) paid off the shareholder loan to the minority shareholder of OXA, ii) grew both secured lending and management of NPLs/NPAs businesses and iii) financed the real estate development projects under TNLA.

Non-current assets increased by THB 1,520mn to THB 6,343mn. The increase was due to the reclassification of long-term loan to related company of THB 1,320mn and the acquisition of NPL portfolios recorded under net loans purchased of receivables and accrued interest of THB 927mn. On the flip side, other non-current financial assets decreased by THB 230mn as a result of the revaluation (mark-to-market approach) to reflect the current market value of the investments. Investments in joint ventures also eased by THB 92mn mainly due to the share of losses from investments in real estate projects.

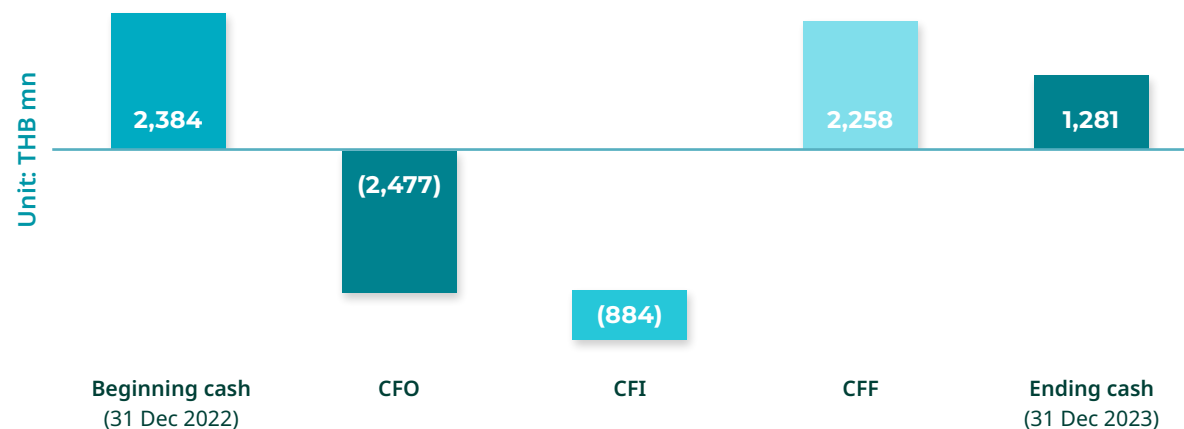
Liabilities and Shareholders' Equity



Total liabilities as of 31 Dec 2023 were THB 2,927mn, a decrease of THB 568mn or 16% from 31 Dec 2022. The changes were mainly due to a significant decrease in short-term loans from the related companies of THB 2,300mn as the Company paid off the loans from the minority shareholders of OXA, as mentioned under the Assets section. The movements were partially offset by an increase in long-term loans from the non-related companies by THB 1,080mn corresponding to the expansion of the new businesses and the issuance of debentures amounting to THB 500mn.

Total Shareholder's Equity as of 31 Dec 2023 was THB 10,493mn, an increase of THB 3,430mn or 49%. The increase was largely from the successful issuance of shares under rights offering (RO) of THB 3,050mn as part of the corporate restructuring, thanks to the firm supports from our major shareholders - Saha Pathana Inter-Holding PCL (SPI) and BTS Group Holdings PCL (BTS Group). The issued and fully paid-up shares of TNL, therefore, stood at 305mn shares as opposed to 212mn shares as of 31 Dec 2022. Moreover, the Company recorded a share premium of THB 6,024mn and retained earnings of THB 3,497mn, representing an increase of 96% and 14% from the previous period ending 31 Dec 2022, respectively.

Cash Flows



As of 31 Dec 2023, cash and cash equivalents stood at THB 1,281mn, a decrease of THB 1,103mn from 31 Dec 2022.

Cash used in operating activities was THB 2,861mn. This was derived from profit before tax of THB 632mn, offset by the negative non-cash reconciling items of THB 511mn, and the decrease in net working capital of THB 2,982mn, mainly from the increases in loans to customers and loans purchased of receivables. After receiving cash from an interest income of THB 518mn, deducting cash paid for an interest expense of THB 79mn and net cash paid for a corporate income tax of THB 55mn, net cash used in operating activities was THB 2,477mn.

Net cash used in investing activities was THB 884mn, mainly from the loan repayments to the minority shareholders of OXA and the investments in the real estate development projects under TNLA.

Net cash from financing activities was THB 2,258mn mainly from the proceeds of the RO to the existing shareholders and the issuance of debentures.

Financial Summary (Consolidated)

Financial performance (THB mn)	2023	2022	Changes	Changes (%)
Revenue from sales	1,564	1,716	(152)	(9)%
Revenue from rendering of services	56	61	(5)	(8)%
Interest income	648	46	602	n/a
Monitoring and consulting service revenue	207	0	207	n/a
Other incomes*	395	137	258	188%
Reported revenues	2,870	1,960	910	46%
Cost of sales and rendering of services	1,136	1,242	(106)	(9)%
Interest expense	84	7	77	n/a
SG&A expenses**	705	567	138	24%
ECL	108	0	108	n/a
Reported expenses	2,033	1,816	(217)	12%
Share of profit/ (loss) from investments in associates / JVs	(205)	(4)	(201)	n/a
Profit before income tax expenses	632	140	492	351%
Income tax	(119)	(38)	(81)	213%
Profit (loss) for the period	513	102	411	403%
Reported net profit attributable to equity holders	503	102	401	393%

* Other income includes the gains on the disposition of TNLA's ordinary shares of 2 JVs, rental income, dividend income and other incomes stated in financial statements

** SG&A expenses include distribution, administrative and royalty expenses

Statement of financial position (THB mn)	31 Dec 23	31 Dec 22	Changes	Changes (%)
Current assets	7,077	5,735	1,342	23%
Non-current assets	6,343	4,823	1,520	32%
Total assets	13,420	10,558	2,862	27%
Current liabilities	1,104	3,223	(2,119)	(66)%
Non-current liabilities	1,823	272	1,551	570%
Total liabilities	2,927	3,495	(568)	(16)%
Issued and fully paid capital	305	212	93	44%
Premium on ordinary shares	6,024	3,067	2,957	96%
Retained earnings	3,497	3,076	421	14%
Others in shareholders' equity***	641	691	(50)	(7)%
Non-controlling interest of the subsidiaries	26	17	9	53%
Total shareholders' equity	10,493	7,063	3,430	49%
Total liabilities and shareholders' equity	13,420	10,558	2,862	27%

*** Others in shareholders' equity include capital reserve for share-based payments and other components of shareholders' equity which consists of surplus of fair value measurement of financial assets.

Cash flow statement (THB mn)	2023	2022	Changes	Changes (%)
Profit before tax	632	140	492	351%
Cash from (used in) operating activities	(2,861)	(1,889)	(972)	51%
Cash received from interest income	518	45	473	n/a
Cash paid for financial costs	(79)	(1)	(78)	n/a
Cash paid for income tax	(55)	(54)	(1)	2%
Cash received from withholding tax refundable	0	8	(8)	(100)%
Net cash from operating activities	(2,477)	(1,891)	(586)	31%
Net cash from investing activities	(884)	(1,134)	(2,018)	(178)%
Net cash from financial activities	2,258	2,927	(669)	(23)%
Net changes in cash and cash equivalents	(1,103)	2,170	(3,273)	(151)%
Cash and cash equivalents at beginning of period	2,384	214	2,170	n/a
Cash and cash equivalents at end of period	1,281	2,384	(1,103)	(46)%

New financial reporting standards

- Financial reporting standards that became effective in the current year

During the year, the Group has adopted the revised financial reporting standards which are effective for fiscal years beginning on or after 1 January 2023. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements.

- Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2024

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2024. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. The management of the Group believes that adoption of these amendments will not have any significant impact on the Group's financial statements.

4.2 Factors or events that may significantly impact the financial position or operations in the future.

Management outlook

Amid headwinds from both the domestic and international economic landscape in 2023, TNL delivered robust results evident in both top-line and bottom-line over the course of the year. This notable success was attributed to the new growth engines; namely OXA (secured lending business), OAM (NPLs/NPAs management business), and TNLA (real estate development for sale business).

Looking forward to 2024, we expect the domestic economy to continue facing challenges; including high interest rates, weakened private consumption, and delayed fiscal stimulus. Nevertheless, we see a slow-paced recovery against this backdrop fuelled by a gradual recovery in tourism, goods exports and sustained private investment. TNL will continue to build its foundation in financial services businesses to ensure sustainable growth and profitability, primarily through strengthening and expanding the secured lending and asset management businesses. Outlooks for our growth drivers are elaborated as follows:

OXA (secured lending business)

We will prioritise refining OXA's customer selection by focusing on key risk factors identified by its scoring model. Moreover, we will invest in upgrading our infrastructure to ensure information accuracy, completeness, and real-time accessibility. These combined efforts will empower Oxygen Asset to make informed investment decisions amid the current dynamic economic environment, ultimately leading to a healthier portfolio and sustainable profitability. Meanwhile, we will remain committed in improving asset quality by leveraging our established client relationships and enhancing proactive collection strategies to ensure the long-term sustainable growth of the Company.

In 2024, we expect to cautiously grow the loan portfolio to THB 6.1bn from THB 5.9bn in 2023, representing a growth rate in-line with the Thai economic growth of 3% p.a.

OAM (NPLs/NPAs management business)

We anticipate an increase in supplies of NPLs in the system supported by household debt surging to a record high, nearing 91% of GDP, with Special Mention Loans (SML) and NPLs remaining elevated. Fortunately, this presents a lucrative opportunity for OAM to expand the NPL portfolio in 2024. In addition, we will continue to maintain prudent underwriting standards, implement proactive collection strategies to accelerate cash flow, and invest in a next-generation IT infrastructure. These strategic focuses will boost productivity, efficiency, and ultimately, enable us to deliver amplified values to our stakeholders.

In 2024, OAM set the collection target of THB 180mn and an investment budget of up to THB 1.2bn in the NPLs acquisition.

TNL Alliance (real estate development for sale business)

Looking ahead, we expect key challenges to persist in the property development market; including high levels of household debt and rising real estate development costs resulting from higher land prices and greater construction costs. Though, we foresee the growth in residential property sales to be in line with the Thai economy, i.e. 2-3%, on the back of a moderate recovery in consumer purchasing power and expatriate influx.

Looking ahead to the year 2024, TNLA expects the completion of several projects as scheduled and achieves a total transfer amount of THB 3.0bn, or around 12% of the total project value.

4.3 Financial Highlights

3 Years Historical Key Financial Position and Operating Results

Analysis of key financial position and performance of this section should be read together with the financial statements for the years 2021, 2022 and 2023 together with the notes to the financial statements for that period.

Statement of Financial Position

Consolidated financial statements as at 31 December,

	2023	% of total assets	2022 (Restated)	% of total assets	2021	% of total assets
Assets						
Current assets						
Cash and cash equivalents	1,281,173,462	9.5%	2,384,414,365	22.6%	213,990,743	4.8%
Trade and other receivables	235,387,722	1.8%	234,864,513	2.2%	201,165,646	4.5%
Short-term loans to related companies	27,821,344	0.2%	29,821,344	0.3%	41,000,000	0.9%
Current portion of long-term loan to related company	40,000,000	0.3%	-	0.0%	-	0.0%
Short-term loans to customers and accrued interest receivables - net	4,154,222,023	31.0%	2,542,840,575	24.1%	-	0.0%
Current portion of long-term loans to customers	1,050,000,000	7.8%	-	0.0%	-	0.0%
Inventories	288,781,686	2.2%	443,508,240	4.2%	399,270,172	8.9%
Other current financial assets	-	0.0%	-	0.0%	1,468,019	0.0%
Total current assets	-	0.0%	99,474,426	0.9%	484,196,426	10.8%
Non-current assets	7,077,386,237	52.7%	5,734,923,463	54.3%	1,341,091,006	29.8%

Consolidated financial statements as at 31 December,

	2023	% of total assets	2022 (Restated)	% of total assets	2021	% of total assets
Current portion of long-term loans to customers						
Long-term loan to related company - net of current portion	1,649,267,454	12.3%	328,925,028	3.1%	42,876,832	1.0%
Loans purchased of receivables and accrued interest receivables - net	927,190,402	6.9%	-	0.0%		0.0%
Long-term loans to customers - net of current portion	680,000,000	5.1%	1,050,000,000	9.9%		0.0%
Investments in subsidiaries	-	0.0%	-	0.0%		0.0%
Investments in associate	-	0.0%	-	0.0%		0.0%
Investments in joint ventures	436,231,348	3.3%	527,829,953	5.0%		0.0%
Other non-current financial assets	1,475,392,025	11.0%	1,704,940,935	16.1%	2,585,077,481	57.5%
Investment properties	97,380,672	0.7%	139,274,900	1.3%	106,489,674	2.4%
Property, plant and equipment	341,531,699	2.5%	346,729,902	3.3%	346,930,035	7.7%
Right-of-use assets	21,556,560	0.2%	10,985,960	0.1%	14,568,736	0.3%
Intangible assets	11,018,324	0.1%	12,140,265	0.1%	11,807,247	0.3%
Goodwill	693,530,696	5.2%	693,530,696	6.6%	-	0.0%
Deferred tax assets	-	0.0%	-	0.0%	37,185,083	0.8%
Other non-current assets	9,939,137	0.1%	8,323,872	0.1%	7,766,186	0.2%
Total non-current assets	6,343,038,317	47.3%	4,822,681,511	45.7%	3,152,701,274	70.2%
Total assets	13,420,424,554	100.0%	10,557,604,974	100.0%	4,493,792,280	100.0%

Consolidated financial statements as at 31 December,

	2023	% of total assets	2022 (Restated)	% of total assets	2021	% of total assets
Liabilities and shareholders' equity						
Current liabilities						
Trade and other payables	251,188,323	1.9%	308,012,151	2.9%	143,865,833	3.2%
Financial institution payable from purchase receivables	156,520,000	1.2%	-	0.0%		0.0%
Current portion of lease liabilities	2,939,812	0.0%	3,093,086	0.0%	4,515,842	0.1%
Current portion of provision for long-term employee benefits	19,681,871	0.1%	10,193,760	0.1%	15,414,533	0.3%
Short-term loans from related companies	573,200,000	4.3%	2,873,279,460	27.2%	-	0.0%
Provision for goods returned	300,000	0.0%	15,400,000	0.1%	15,600,000	0.3%
Income tax payable	99,893,050	0.7%	12,688,264	0.1%		0.0%
Other current financial liabilities	392,884	0.0%	236,959	0.0%		0.0%
Total current liabilities	1,104,115,940	8.2%	3,222,903,680	30.5%	179,396,208	4.0%
Non-current liabilities						
Long-term debentures	494,269,589	3.7%	-	0.0%	0	0.0%
Long-term lease liabilities, net of current portion	19,438,045	0.1%	8,229,966	0.1%	9,910,308	0.2%
Long-term loans from related companies	1,080,000,000	8.0%	-	0.0%	0	0.0%
Deferred tax liabilities	104,762,278	0.8%	149,414,914	1.4%	211,201,152	4.7%
Provision for long-term employee benefits	118,510,770	0.9%	109,515,680	1.0%	112,030,907	2.5%
Other non-current liabilities	5,842,406	0.0%	4,616,022	0.0%	3,111,542	0.1%
Total non-current liabilities	1,822,823,088	13.6%	271,776,582	2.6%	336,253,909	7.5%
Total liabilities	2,926,939,028	21.8%	3,494,680,262	33.1%	515,650,117	11.5%

Consolidated financial statements as at 31 December,

	2023	% of total assets	2022 (Restated)	% of total assets	2021	% of total assets
Shareholders' equity						
Share capital						
Registered share capital						
311,547,664 ordinary shares of Baht 1 each (2022: 311,547,664 ordinary shares of Baht 1 each) (2021: 120,000,000 ordinary shares of Baht 1 each)	311,547,664		311,547,664		120,000,000	
Issued and fully paid-up share capital						
304,622,662 ordinary shares of Baht 1 each (2022: 212,312,766 ordinary shares of Baht 1 each) (2021: 120,000,000 ordinary shares of Baht 1 each)	304,622,662	2.3%	212,312,766	2.0%	120,000,000	2.7%
Share premium	6,024,024,028	44.9%	3,067,335,278	29.1%	181,125,000	4.0%
Change in ownership interest in a subsidiary	(219,339)	0.0%	(2,514,496)	0.0%		0.0%
Capital reserve for share-based payments	23,863,950	0.2%	6,267,300	0.1%	-	0.0%
Retained earnings						
Appropriated						
Statutory reserve	17,100,000	0.1%	12,000,000	0.1%	12,000,000	0.3%
General reserve	234,400,000	1.7%	234,400,000	2.2%	231,400,000	5.1%
Unappropriated	3,245,561,020	24.2%	2,829,483,807	26.8%	2,588,624,421	57.6%
Other components of shareholders' equity	617,675,757	4.6%	686,823,716	6.5%	844,603,374	18.8%
Equity attributable to owners of the Company	10,467,028,078	78.0%	7,046,108,371	66.7%	3,977,752,795	88.5%
Non-controlling interests of the subsidiaries	26,457,448	0.2%	16,816,341	0.2%	389,368	0.0%
Total shareholders' equity	10,493,485,526	78.2%	7,062,924,712	66.9%	3,978,142,163	88.5%
Total liabilities and shareholders' equity	13,420,424,554	100.0%	10,557,604,974	100.0%	4,493,792,280	100.0%

Statement of Comprehensive Income

Consolidated financial statements for the year ended 31 December,

	2023	% of total revenue	2022 (Restated)	% of total revenue	2021	% of total revenue
Profit or loss:						
Revenues						
Revenue from sales	1,563,799,199	54.5%	1,716,479,229	87.6%	1,289,863,844	89.7%
Revenue from rendering of services	55,500,147	1.9%	60,578,519	3.1%	42,798,822	3.0%
Interest income	648,229,867	22.6%	46,213,007	2.4%	28,697,706	2.0%
Monitoring and consulting service revenue	207,200,358	7.2%	-	0.0%	-	0.0%
Other income						
Gain on sales of investments in joint ventures	201,223,640	7.0%	-	0.0%	-	0.0%
Gain on partial business transfer	28,391,075	1.0%	45,564,716	2.3%	37,111,639	2.6%
Dividend income	118,931,573	4.1%	8,909,353	0.5%	9,421,384	0.7%
Gain on disposals of investment properties	46,672,246	1.6%	82,735,839	4.2%	30,503,264	2.1%
Total revenues	2,869,948,105	100.0%	1,960,480,663	100.0%	1,438,396,659	100.0%
Expenses						
Cost of sales	1,105,555,639	38.5%	1,203,511,599	61.4%	925,832,977	64.4%
Cost of rendering of services	30,190,880	1.1%	39,269,523	2.0%	25,045,674	1.7%
Interest expense	84,012,245	2.9%	6,759,348	0.3%	729,981	0.1%
Selling and distribution expenses	151,827,097	5.3%	111,268,046	5.7%	89,007,085	6.2%
Administrative expenses	553,155,126	19.3%	455,551,683	23.2%	319,691,031	22.2%
Allowance for expected credit losses	108,030,579	3.8%	-	0.0%	-	0.0%
Total expenses	2,032,771,566	70.8%	1,816,360,199	92.6%	1,360,306,748	94.6%
Profit from operating activities	837,176,539	29.2%	144,120,464	7.4%	78,089,911	5.4%
Share of loss from investments in associate	-	0.0%	(55,488)	0.0%	(2,123,168)	-0.1%
Share of loss from investments in joint ventures	(205,076,159)	-7.1%	(4,094,837)	-0.2%	-	0.0%
Profit before income tax expenses	632,100,380	22.0%	139,970,139	7.1%	75,966,743	5.3%
Income tax expenses	(118,718,730)	-4.1%	(38,113,682)	-1.9%	(13,356,247)	-0.9%
Profit for the period	513,381,650	17.9%	101,856,457	5.2%	62,610,496	4.4%

Consolidated financial statements for the year ended 31 December,

	2023	% of total revenue	2022 (Restated)	% of total revenue	2021	% of total revenue
Other comprehensive income:						
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i>						
Loss on measuring financial assets	-		(710,167)		(1,384,124)	
Less: Income tax effect	-		142,033		276,825	
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax	-		(568,134)		(1,107,299)	
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>						
Loss on investments in equity designated at fair value through other comprehensive income	(95,466,383)		(145,464,345)		85,746,490	
Actuarial gain (loss)	(17,561,273)		3,883,330		-	
Less: Income tax effect	22,605,531		28,316,203		(17,149,298)	
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax	(90,422,125)		(113,264,812)		68,597,192	
Other comprehensive income for the period	(90,422,125)		(113,832,946)		67,489,893	
Total comprehensive income for the period	422,959,525		(11,976,489)		130,100,389	
Profit attributable to:						
Equity holders of the Company	503,375,911		102,340,798		63,094,837	
Non-controlling interests of the subsidiaries	10,005,739		(484,341)		(484,341)	
	513,381,650		101,856,457		62,610,496	
Total comprehensive income attributable to:						
Equity holders of the Company	412,953,786		(11,492,148)		130,584,730	
Non-controlling interests of the subsidiaries	10,005,739		(484,341)		(484,341)	
	422,959,525		(11,976,489)		130,100,389	
Earnings per share (Baht)						
Basic earnings per share						
Profit attributable to equity holders of the Company	1.76		0.80		0.52	
Diluted earnings per share						
Profit attributable to equity holders of the Company	1.75		0.79		0.52	

Cash Flow Statement

Consolidated financial statements for the year ended 31 December,

	2023	2022	2021
Cash flows from operating activities			
Profit before tax	632,100,380	139,970,139	75,966,743.00
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:			
Depreciation and amortisation	35,765,669	43,370,285	52,697,313.00
Amortisation of transaction costs for issuing debentures	1,023,969	-	-
Share-based payments	17,596,650	6,267,300	-
Gain on disposals of investment properties	(118,931,573)	-	-
Gain on disposals of property, plant and equipment and intangible assets	(935,533)	(983,778)	1,078,972.00
Gain from transfer-in of assets	-	(43,790,000)	-
Gain on partial business transfer	-	-	-
Gain on disposal of investment in associates and joint ventures	(201,223,640)	(1,548,800)	-
Share of loss from investments in associated company	-	-	2,123,167.00
Loss on liquidation of the subsidiary	2,295,157	-	-
Loss on disposal of other financial assets	349,341	9,239,688	(294,259)
Unrealized (gain) loss on revaluation of other financial assets - debt securities	-	-	(126,881)
Unrealised loss on fair value of derivatives	-	186,884	(606,656)
Allowance for diminution in value and slow-moving of inventories (reversal)	1,421,357	1,290,247	(4,611,337)
Allowance for expected credit losses (reversal)	102,969,155	13,283,681	6,287,096
Right to return goods	9,500,000	-	-
Increase in impairment loss on investments (reversal)	12,421,105	-	-
Employee benefit obligation expenses	13,338,075	14,672,480	-
Share of loss from investments in associate and joint ventures	205,076,159	4,150,325	-
Dividend received	(28,391,075)	(45,564,716)	(37,111,639)
Unrealised loss (gain) on exchange rate	577,981	(171,042)	275,947
Interest income	(648,229,867)	(46,406,515)	(28,697,706.00)
Finance cost	84,012,245	6,759,349	729,981.00

**Consolidated financial statements
for the year ended 31 December,**

	2023	2022	2021
Profit (loss) from operating activities before changes in operating assets and liabilities	120,735,555	100,725,527	67,710,741
Operating assets (increase) decrease			
Trade and other receivables	40,135,079	(37,172,278)	(19,443,301)
Inventories	143,805,197	(45,528,315)	(31,055,619)
Loan to customers	(2,351,025,789)	(2,069,000,000)	(40,000,000)
Loans purchased of receivables and accrued interest receivables	(882,100,682)	-	-
Other current assets	-	-	-
Other non-current assets	(1,615,265)	(557,686)	2,010,670
Operating liabilities increase (decrease)			
Trade and other payables	(61,802,445)	176,418,385	8,446,780
Financial institution payable from purchase receivables	156,520,000	-	-
Provision for goods returned	(15,100,000)	(200,000)	(38,100,000)
Provision for long-term employee benefits	(12,196,453)	(15,591,592)	(5,785,258)
Other non-current liabilities	1,226,384	1,474,548	(769,627)
Cash flows from (used in) operating activities	(2,861,418,419)	(1,889,431,411)	(56,985,614)
Cash received from interest income	517,678,911	44,598,263	31,507,561
Cash paid for finance cost	(78,497,177)	(737,269)	(729,981)
Cash paid for income tax	(54,568,756)	(54,344,748)	-
Cash received from withholding tax refundable	-	8,467,083	8,170,685
Net cash flows from (used in) operating activities	(2,476,805,441)	(1,891,448,082)	(18,037,349)
Cash flows from investing activities			
Decrease in fixed deposits and certificate of deposits	-	5,439,672	106,999,133
Cash paid for investment and increase in share capital of subsidiaries	-	(697,681,021)	-
Cash paid for investment and increase in share capital of joint ventures	(145,500,000)	(647,829,953)	-
Cash received from sales of associate	293,760,799	121,548,800	-

**Consolidated financial statements
for the year ended 31 December,**

	2023	2022	2021
Cash paid for purchase of other financial assets	(45,000,000)	(1,249,674,831)	(1,153,974,981)
Cash received from sales of other financial assets	279,371,151	2,513,137,647	1,176,641,305
Decrease (increase) in loans to related parties	(1,429,378,245)	1,070,565,408	10,000,000
Cash received from disposal of business segments	-	-	-
Cash paid for property, plant and equipment and intangible assets	(29,430,099)	(24,131,610)	(16,454,227)
Proceeds from disposals of property, plant and equipment	7,381,727	1,447,771	137,252
Cash paid for purchase of investment properties	(174,695,586)	(3,748,543)	-
Proceeds from disposal of investment properties	330,999,974	-	-
Dividend received	28,393,085	45,564,716	37,116,696
Net cash flows from (used in) investing activities	(884,097,194)	1,134,638,056	160,465,178
Cash flows from financing activities			
Decrease (increase) in loans from related parties	(1,220,079,460)	-	-
Cash received from debentures	500,000,000	-	-
Cash paid fees for issuing debentures	(6,754,380)	-	-
Payment of principle portion of lease liabilities	(3,250,806)	(4,159,646)	(5,468,029)
Dividend paid	(60,887,636)	(59,981,062)	(8,393,789)
Increase in non-controlling interests of the subsidiary from acquisition of subsidiary	-	16,911,313	-
Decrease in non-controlling interests of the subsidiary from subsidiary liquidation	(364,632)	-	-
Cash received from increase in share capital	3,048,998,646	2,974,463,043	-
Net cash flows from financing activities	2,257,661,732	2,927,233,648	(13,861,818)
Net increase (decrease) in cash and cash equivalents	(1,103,240,903)	2,170,423,622	128,566,011
Cash and cash equivalents at beginning of year	2,384,414,365	213,990,743	85,424,732
Cash and cash equivalents at end of year	1,281,173,462	2,384,414,365	213,990,743

Key Financial Ratios

Profitability Ratios

Operating profit margin (%)

Net profit margin (%)

ROA (%)

ROE (%)

Liquidity Ratio

Current ratio (times)

Leverage Ratios

Interest coverage ratio (times)

Interest bearing debt to EBITDA ratio (times)

Debt service coverage ratio : DSCR (times)

Debt to equity : D/E ratio (times)

Interest bearing debt to equity ratio (times)

Current portion of interest bearing debt to total interest bearing debt (%)

Per Share Ratios

Basic earning per share (THB)

Book value per share (THB)

Consolidated financial statements for the year ended 31 December,

	2023	2022	2021
	29.17%	7.35%	5.43%
	17.89%	5.20%	4.35%
	4.28%	1.35%	1.42%
	5.85%	1.85%	1.61%
	6.41x	1.78x	7.48x
	8.95x	29.58x	177.22x
	2.89x	14.43x	0.11x
	1.31x	0.07x	28.69x
	0.28x	0.49x	0.13x
	0.21x	0.41x	0.00x
	26.55%	99.71%	31.28%
	1.76	0.80	0.52
	34.45	33.27	33.15

5. General information and reference

5.1 General Information

Thanulux Public Company Limited

Registration number	0107537001358
Business Type	The Company operates in manufacturing and distributing ready-made clothes and leatherware.
Authorized Capital	311,547,664 Baht (As of December 31, 2023)
Paid-up Capital	304,622,662 Baht
Par Value	1.00 Baht Par Value
Address	129/1 Chong Nonsi Road, Yan Nawa, Bangkok 10120, Thailand
Telephone	02-080-0649
Website	http://www.tnl.co.th

References

Securities registrar	Thailand Securities Depository Company Limited 93 The Stock Exchange of Thailand Building, Rachadaphisek Road Din Daeng, Din Daeng, Bangkok 10400, Thailand TEL: 02-009-9999 FAX: 02-009-9991
Auditor	Mr. Wichart Lokaterawee C.P.A. Registration No. 4451 and/or Mrs. Saifon Inkaew C.P.A. Registration No. 4434 and/or Ms. Kamontip Lertwitworatep C.P.A. Registration No. 4377 EY Office Limited 193/136-137, 33 rd Floor, Lake Rajada Office Complex, Rajadapisek Road, Klongtoey Klongtoey, Bangkok 10110 TEL: 02-264-0777 FAX: 02-264-0789

Debenture Registrar	Bangkok Bank Public Company Limited 333 SILOM ROAD, BANG RAK Bangkok 10500 TEL: 02-230-1478 / 02-230-2895
Legal Advisor	Baker & McKenzie Ltd. 990, 5, 10 and 21-25th Floor, Abdulrahim Place, Rama IV Road, Bangkok 10500 TEL: 02-236-2000
Major financial institutions	Bangkok Bank Public Company Limited 333 SILOM ROAD, BANG RAK Bangkok 10500 TEL: 02-230-1478 / 02-230-2895 Kiatnakin Phatra Bank Public Company Limited 209 KKP Tower, Sukhumvit 21 (Asoke) Road, Khlong Toey Nua, Wattana Bangkok 10110 TEL: 0-2165-5555 Mizuho Bank, Ltd. Bangkok Branch 98 Sathorn Square Office Tower, 32nd – 35th Floor, North Sathorn Road, Silom, Bangrak, Bangkok 10500 Thailand TEL: 0-2163-2999, 0-2002-0222

5.2 Other Information

- None of the information is significant -

5.3 Legal Dispute

- None –

5.4 Second market

- None –

CHAPTER 02

CORPORATE GOVERNANCE



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6. Good Corporate Governance Policy

6.1 Overview of Good Corporate Governance Policy and Guidelines

The Company adhere to conducting business in compliance with the Good Corporate Governance Principle, transparency, accountability, sufficient and suitable internal audit, respecting rights, and equality of the shareholders, having a responsibility to all stakeholders, and reducing the environmental impacts for the long-term sustainable growth of the Company.

On 11 August 2023, the Board reviewed good corporate governance policy for the directors, executive officers, and employees to adhere to as working guidance according to the Corporate Governance Code for Listed Company 2017 by the Securities and Exchange Commission, which consists of 8 principles as follows

- Principle 1 The Board shall be aware of its leadership roles and responsibilities in the creation of the Company's sustainable prosperity.
- Principle 2 The Board shall define the Company's objectives and main targets to ensure sustainability.
- Principle 3 The Board shall strengthen its effectiveness.
- Principle 4 The Board shall nominate and develop senior executive officers and ensure good people management.
- Principle 5 The Board shall nurture innovations and responsible business practices.
- Principle 6 The Board shall provide an adequate system of risk management and internal control.
- Principle 7 The Board shall ensure financial integrity and information disclosure.
- Principle 8 The Board shall encourage engagement and communication with shareholders.

In this regard, the Company publicized its Good Corporate Governance Policy to employees, shareholders and the general public through the Company's website, www.tnl.co.th, under the topic of Good Corporate Governance Policy.

The Company's Good Corporate Governance Policy covering policy and principles concerning the Board, shareholders, and stakeholders can be summarized as follows:

Principle 1

The Board shall be aware of its leadership roles and responsibilities in the creation of the Company's sustainable prosperity.

Principle 1.1

The Board shall determine the Company's vision and mission which steers directors, executive officers, and employees towards the same goal. The visions

and mission statements shall be annually reviewed and communicated to employees in all tiers.

Principle 1.2

The Board plays a significant role in creating and driving forward all aspects of the Company's organizational culture by supporting and encouraging good corporate governance, competitiveness, and desirable profitability. Therefore, the Board shall

consider long-term effects, ethical business practices, respect for and responsibility towards shareholders and stakeholders, benefits to society, eco-friendly developments, the minimization of environmental impact, and the ability to cope with change, all of which create long-term value for the Company.

Principle 1.3

The Board shall oversee that all directors, executive officers, and employees perform their fiduciary duties responsibly and prudently and that the Company operates in accordance with applicable laws, Articles of Association, related notifications, and resolutions passed at general meetings of shareholders.

Principle 1.4

The Board understands its scope of duties and responsibilities. The Board shall demonstrate a thorough understanding of the scope of its powers, duties, and responsibilities. The Board shall clearly define the roles and responsibilities of the CEO and management by providing a Charter for itself and for each of the committees, as well as ensure that the CEO and management properly perform their duties. The Board shall appoint committees to oversee specific matters and report back to the Board.

Principle 2

The Board of Directors shall define the Company's objectives to ensure sustainability.

Principle 2.1

The Board shall define or oversee that the Company's long-term objectives promote sustainability by creating value for the Company itself, in extension to its customers, stakeholders, and society at large.

Principle 2.2

The Board shall ensure that the Company's short-term and/or long-term objectives, targets,

and strategies take into account the business environment and risk factors that may affect its stakeholders throughout the supply chain. To achieve its main objectives and targets, the Board shall encourage innovation and technology to enhance competitiveness and to respond to stakeholders' expectations without compromising its social and environmental responsibilities.

Principle 3

The Board of Directors shall strengthen its effectiveness.

Principle 3.1

The Board of Directors shall be responsible for determining and reviewing its own structure, in terms of the size, composition, and number of independent directors that is suitable and needed to bring about the achievement of the Company's long-term objectives. The Board of Directors shall be diverse in terms of qualifications, such as skills, professional experiences, and specialized traits that will benefit the Company. Directors may be of any gender as long as they possess all the legally required qualifications. In addition, there shall be at least one non-executive director with experience and competence in the Company's main business or industry. The ratio between executive and non-executive directors shall support proper checks and balances.

The members of the Board as specified in the Company's affidavit issued by the Ministry of Commerce consist of 9 members. The members of the Board shall be diverse in professional skills, experiences, competencies, qualifications, genders, ages, races, and nationalities. The suitable size and diversity promote integrity in the governance of the Company concerning the size, types, business complexities, and business strategies.

The Board shall ensure that at least 1 director has experience in the main businesses being conducted by the group companies to effectively fulfil the duties of the director. The details of each director's skills are as described in the following skill matrix.

Skills Matrix

Director/Executive	Understanding and knowledge of related businesses.				Business management			Accounting and Finance		Sustainable Development			Law	Information technology and Digital
	Textiles/Leather Business knowledge	Secured Loan Business knowledge	Real estate business knowledge	Investment business knowledge	Strategic business planning and management	Risk management	Internal control audit	Accounting	Finance	Corporate governance	Human resource management, Community and Society	Environmental management		
1. Mr. Thamarat Chokwatana	✓			✓	✓	✓	✓	✓	✓	✓	✓		✓	✓
2. Mr. Surayut Thavikulwat		✓		✓	✓	✓		✓	✓					
3. Mrs. Lapika Sasanavin		✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓
4. Ms. Chawadee Rungruang			✓	✓	✓	✓	✓	✓	✓	✓				
5. Ms. Suthida Jongjenkit		✓		✓	✓	✓	✓	✓	✓	✓	✓			
6. Mr. Kittichai Treerachatapong		✓	✓	✓	✓	✓	✓	✓	✓	✓				
7. Prof. Dr. Suchatvee Suwansawat	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
8. Mr. Maris Sangiampongsa	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
9. Mr. Vittawat Panpanich		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
10. Mr. Nuntawat Surawatsatien		✓		✓	✓	✓		✓	✓	✓	✓	✓	✓	✓
11. Mr. Yotsakorn Srisuksawadi		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
12. Ms. Rudee Tarudeeyataworn		✓	✓	✓			✓	✓	✓					

Principle 3.2

The Board shall select a suitable member as its Chairman, as well as oversee that its composition and exercise of power allow the Board to independently exercise judgment on corporate affairs. In the case that the Chairman is not an independent director, the Company shall select a lead independent director to jointly consider the meeting agendas. The Chairman and the CEO shall not be the same person and their roles and responsibilities shall be distinctly separated as follows to establish an effective check and balance of power.

1) The Chairman shall be responsible for leading the Board. The Chairman's roles shall include the following matters.

- Being responsible as the leader of the Board to supervise, monitor, and oversee the Board and each subcommittee's performance;
- Chairing any board meeting and casting the deciding vote to break a tie;
- Calling board meetings or assigning another person to act on his behalf;
- Chairing any general meetings of shareholders, overseeing the meeting to be in compliance with the Articles of Association concerning the meeting, ensuring that the meeting shall be in keeping with the meeting agendas specified in the meeting notice unless otherwise changed in the meeting with the vote of no less than 2/3 of the attending shareholders;
- Being responsible for any other action as delegated by the Board. Overseeing, monitoring, and ensuring that the Board efficiently carries out its duties.

2) The CEO's roles and responsibilities shall be as follows:

- Responsible in the Company management in compliance with policies, laws, objectives, Articles of Association, resolutions of the general meeting of shareholders or the Board, and related regulations;
- Responsible for ordering, taking any necessary actions to make the actions in clause 1 accomplished, and informing the Board and/or the executive committee of important matters;
- Responsible for establishing the Company's rules of conduct in accordance with policies, Articles of Association, rules, principles, instructions and resolutions of the Board and/or the executive committee;

- Authorized to command, assign, delegate, demote, transfer, merit assess, determine disciplinary measures, and determine compensation and welfare of the employees, provided that, all action shall not be in conflict with the executive committee's power;
- Approval of procurement and investment in fixed assets not exceeding 10 million Baht for each transaction;
- Approval of sale, disposal, or transfer of the fixed assets not exceeding 10 million baht for each transaction;
- Approval of investment or selling investment in ordinary shares and/or other securities issued by other companies not exceeding 10 million baht for each transaction;
- Approval of entering into any contract or legal transaction except for a contract or legal transaction to make a payment exceeding 10 million baht;
- Approval of compromising, entering into a dispute settlement by an arbitration, filing a complaint, suing and/or entering into a legal procedure in consideration of the Company which the sum in dispute is not exceeding 500,000 baht for the matter other than a normal business practice and/or which the sum in dispute is not exceeding 10 million baht for the matter regarding normal business practice;
- The authorized power of the Managing Director concerning the acquisition or disposal of the assets, and connected transaction shall be in accordance with notifications of the SEC;
- Delegating and/or assigning another person to represent in a specific task;
- In case of having a vested interest or conflict of interest, the Managing Director shall not exercise his or her powers as above-given;
- In case of a query or an uncertainty in exercising the specified power, it shall be determined by the Board;
- Promoting and overseeing that the Company complies with good governance principles, and responsible for society, environment, and climate change. Also, oversee the Company's operation to comply with the laws, morality, business ethics, and anti corruption guidelines;
- Being responsible for other actions as delegated by the Board and/or the executive committee.

The policy established by the Board provides that the term of post of the independent director shall not exceeding 9 years. In the event that the independent director has already served for 9 consecutive years since his or her first appointment to the post, the Board shall reasonably evaluate the necessity of his or her continued directorship.

Principle 3.3

The Board shall ensure that the selection and nomination of directors be transparent to promote directors with suitable qualifications as required by establishing the Nomination Committee.

The nomination of director

The Nomination Committee shall ensure that the elected board members possess the appropriate qualifications, skills, experience, and expertise that is beneficial to the Company. The Nomination Committee shall also select members with valuable profiles and served responsibly and allocated sufficient time for their roles to promote a powerful Board. The Nomination Committee shall nominate to the Board and the meeting of shareholders to elect the Board members. The Board member shall be elected with the affirmative vote not less than 50 percent of the attending shareholders who have voting right. The shareholders shall elect the Board members by using ballot tickets and casting all their vote to elect each member separately. In this regard, the director who has vested interest shall be barred from the meeting and has no right to vote on that particular agenda.

In the case that the director who has served his or her term of post is nominated for reappointment, his performance, advice, and devotion shall be evaluated to ensure that the elected director shall be responsible and possess sufficient qualifications with the Company's standards. The Board shall approve the nominated members before presenting to the meeting of shareholders for approval. In this regard, the Company shall provide an opportunity for shareholders to nominate the Board's member prior to the meeting of shareholders in accordance with the Company's rules.

Principle 3.4

The Board shall consider whether the remuneration structure is appropriate for the directors'

respective roles and responsibilities and provide incentives for the Board to lead the Company to achieve its short- and long-term objectives by proposing to shareholder meeting for approval.

Consideration of the remuneration

- The remuneration of the Board shall reflect each member's accountability and responsibilities, in addition to being comparable to the practice of other companies in the industry in consideration with target and performance of the Company altogether with experience and responsibility of the director to keep the director whose qualifications fits the Company's requirements. The director who is delegated to be a member of subcommittee additionally shall also receive an additional remuneration in accordance with the structure and rate as proposed by the Remuneration Committee and approved by the Board and thereafter by the meeting of shareholders.

Currently, the directors receive 2 types of remuneration which are director pension and attendance fee for the director attending the meeting.

Principle 3.5

The Board shall ensure that all directors serve responsibly and that they allocate sufficient time for their role as board members as follows.

1. The Board shall provide a director handbook to empower its members with an understanding of their roles and responsibilities.
2. The Board shall publicly disclose its members' posts at other companies.
3. In the event that a director of the Company serves as a director or executive officer at or has a direct or indirect stake in another entity that creates a conflict of interest with the Company, or is able to use insider information or take advantage of the Company's opportunity for his or her own benefit, it shall be reported to the Chairman of the Board and the Chairman of Audit Committee for acknowledgement.
4. Each director shall attend no less than 75 percent of all board meetings in any given fiscal year unless necessity demands otherwise.
5. Believing that each director's business expertise and capabilities are not restricted by the number of companies in which he or she currently serves, the Company shall not establish any regulation on board members' directorships at other listed companies.

Principle 3.6

The Board shall ensure that the Company's governance framework and policies appropriately extend to and are accepted by subsidiaries and other businesses in which it has a significant investment on a justifiable level as follows.

- 1) The appointment of a director, executive officer, or another authoritative post to a subsidiary. The senior executive team of the investing Company shall consider a director or an executive officer from within the group who possesses the knowledge, ability, and expertise in the subsidiary's business to represent the Company as an investor or in compliance with the joint-venture agreement.
- 2) The scope of duties and responsibilities of the position in 1). The Board shall also have a representative to oversee that the subsidiary's operations comply with its own policies. If the subsidiary has other investors, the Board shall require the Company's appointed representative to perform his or her role in the subsidiaries in the best interest of the subsidiary while maintaining compliance with the Company's policies.
- 3) The suitability and adequacy of the subsidiary's internal control, along with the conformity with relevant laws and regulations of all transactions.
- 4) The disclosure of the subsidiary's financial information, operating results, related party transactions, acquisition and disposition of assets, other important transactions, capital increases or decreases, termination, etc.
- 5) For any significant investment in a business, the Board shall make certain that the shareholders' agreement or another agreement in place clearly defines the Company's ability to manage the subsidiary's affairs, partake in major decisions, and monitor the subsidiary's performance, which will enable the Company to prepare its financial statements in a timely manner and in conformity with relevant standards.

Principle 3.7

The Board shall conduct a formal annual performance evaluation of itself and its committees. The Board's secretary shall prepare and provide complete and accurate evaluation results in accordance with the guidelines of the governing agency for the Board to consider. The evaluation results shall be used to strengthen their future performance. The 2023 evaluation results are summarized as follows.

Principle 3.8

The Board shall ensure that each of its member understand his or her roles and responsibilities, the nature of the business, the Company's operations, and relevant laws. The Board shall encourage all directors to regularly bolster any skills and knowledge necessary for their posts.

An orientation

A newly appointed director shall undergo orientation of his or her roles and responsibilities and business direction (objectives, target, vision, mission, and organizational values). The Board's secretary will provide information about the Company and other information useful for the roles which include a listed company director handbook, good corporate governance principle for a listed company, laws relevant to the company director, and general information about the Company, to increase knowledge and understanding of the Company's business, and prepare readiness for his or her roles.

The development of the directors

The Company encourages the director to regularly attend trainings and seminars to enhance the knowledge, understanding, and skill necessary to the director roles, including attending seminars by IOD, SET, SEC, and relevant public or private agencies. In 2023 the directors attended trainings to enhance their knowledge as follows.

Principle 3.9

The Board shall ensure the effectiveness of its performance and have access the necessary information. The Board shall appoint a person with the desired knowledge and experience to support the Board as "Company Secretary". A Company Secretary appointed by the Board shall has duties pursuant to the Securities and Exchange Act with a responsibility to arrange the meeting of shareholders and the Board in accordance with laws, Articles of Association, and other rules as follows.

- 1) Ensure that the meeting date is appointed in advance for the director's convenience to manage his or her time.
- 2) Determine the frequency of meeting no less than 6 times per fiscal year.
- 3) Provide a mechanism that allows each board member and management to propose relevant topics to be included on the meeting agenda.

- 4) Ensure that the relevant meeting documents be sent to each director at least 7 days before the meeting.
- 5) Encourage the CEO and other executive officers to attend board meetings to present additional information and details on matters for which they are directly responsible.
- 6) If necessary, the Board shall be able to seek independent professional advice, the expenses for which shall be absorbed by the Company.
- 7) Non-executive directors shall be able to meet, as many times as necessary, among themselves without management to debate their concerns and report the outcome of their meeting to the CEO.

Principle 4

The Board of Directors shall nominate and develop senior executive officers and ensure good people management.

Principle 4.1

The Board shall afford a proper mechanism for the nomination and development of CEO and senior executive officers, making certain that they possess the knowledge, skills, experience, and characteristics necessary for the Company to achieve its objectives. The Board shall ensure business continuity. Moreover, succession plans shall be developed for the posts of the CEO and other senior executive officers. The implementation of these plans shall be reported to the Board at least once a year.

Principle 4.2

The Board shall ensure that an appropriate compensation structure and performance evaluation are in place. The compensation structure include short-term benefits, such as monthly salaries, bonus, and pension, based on the Company's performance and the CEO's performance evaluation, and long-term benefits, such as contribution to the Provident Fund, retirement compensation, and ESOP.

The CEO's performance evaluation

The criteria set to evaluate the annual performance of the CEO is set in accordance with the Company's target and good corporate governance guidelines regarding the CEO's

performance evaluation (source: (source: CEO Evaluation / Corporate Governance Center 2012 - SET) In 2022 the average of CEO' performance evaluation is 92 percent.

Principle 4.3

The Board shall consider the Company's shareholding structure and relationships with its shareholders which may affect its management and operation. The Company shall not have a shareholders' agreement that hinders the duties of the Board.

Principle 4.4

The Board shall monitor the management and development of the Company's human resources to ensure that the Company has adequate staffing and appropriately knowledgeable, skilled, experienced, and motivation employees.

Principle 5

The Board shall nurture innovations and responsible business practices.

Principle 5.1

The Board shall attach importance to and encourage innovations that create value for the business together with benefits for its customers, other stakeholders, society, and the environment. The Board shall also endeavor to develop business innovation that creates value or sets a standard for products, services, or work processes to meet changing of the surrounding factors, in addition to jointly developing innovations with the Company's partners, to increase the Company's competitiveness.

Principle 5.2

The Board shall ensure that management operates the Company's business with due regard to corporate social and environmental responsibility and without infringing upon the rights of any stakeholder. These efforts will allow every department to contribute to the achievement of objectives and targets in a sustainable manner, which is reflected in the operational plan.

- 1) The Board shall recognize and respect the rights of its various groups of stakeholders. Pursuant to the rules of law or to any agreements made with the Company, the Board shall ensure the protection of stakeholders' rights and that all stakeholders be treated equitably. In this regard, the Board shall devise policies to serve as guidelines for the treatment towards each group of stakeholders and shall take into account the interests of communities and society, benefits to the environment, sustainable development, anti-corruption efforts, intellectual property protection, and respect for fundamental human rights for a sustainable development.
- 2) The Board shall support the preparation of the corporate social responsibility report, which shall be included in the annual report.
- 3) The Board shall afford all groups of stakeholders a channel and process by which they may submit a report or complaint about a matter that may result in damage to the Company, the accuracy of financial reports, or inequitable treatment.
- 4) The Board shall devise a whistleblower protection policy or set of guidelines, its matters that may cause damage to the company or unfair, which shall appear in the Business Ethics and the Code of Conduct for Directors, Executive Officers, and Employees.

Principle 5.3

To bring about sustainability, the Board shall monitor that resources are efficiently and effectively managed with due regard to the impact of such management and resource development throughout the supply chain. Participation in environmental management and environmental accountability shall become part of the organizational culture. A mechanism shall be put in place to allow the Company to select eco-friendly trading partners in the supply chain.

Principle 5.4

The Board shall make use of information technology to augment business opportunities and to further develop the Company's operations, which will bring about the achievement of the Company's objectives and targets. The Board shall also develop an information technology security policy and measures.

Principle 6

The Board of Directors shall provide an adequate system of risk management and internal control.

Principle 6.1

The Board shall ensure that the Company has effective and appropriate risk management and internal control systems that comply with applicable laws and standards.

Risk management :

- Establishing the Company's risk management policy and system.
- Promoting risk management as an integral part of the Company's organizational culture.
- Providing the appropriate level of risk management with a particular emphasis on early warning signs.
- Overseeing, monitoring, and evaluating risk management performance.

Internal audit :

- The adequacy of the Company's internal control.
- Reviewing and devising internal control measures with a particular emphasis on any significant anomalies.

Principle 6.2

The Board shall establish an Audit Committee, who shall perform its tasks effectively and independently. The Audit Committee comprises at least 3 directors, all of whom shall be independent directors with required qualifications pursuant to applicable legal requirements promulgated by the Securities and Exchange Commission and the Stock Exchange of Thailand.

Principle 6.3

The Board shall establish a policy to manage and monitor conflicts of interest that might occur among the Company, directors, management, and shareholders. The policy shall include measures to prevent the inappropriate use of corporate assets, information, and opportunities, as well as inappropriate transactions by connected party.

Principle 6.4

The Board shall adhere to anti-corruption laws and devise its own anti-corruption policy and procedures. The policy shall be made known to all within the Company and to outsiders as well.

Principle 6.5

The Board shall provide a mechanism for handling complaints and whistleblowing. The Board shall provide channels for complaint or whistleblowing through website: <https://www.tnl.co.th/th/corporate-governance/whistleblowing-form> and 56-1 one report.

Complaint and whistleblowing channels

1. Directly contact in person with or submit a written complaint to the following recipients.
 - Internal Audit Director: Tel. 0-2295-0911 Ext. 168
 - Chief Financial Officer: Tel. 0-2295-0911 Ext. 248
 - Human Resource Manager: Tel. 0-2295-0911 Ext. 286
 - Company Secretary: Tel. 0-2080-0649
2. Via e-mail address: anticorruption@thanulux.com, to the recipient.

Principle 7

The Board of Directors shall ensure information disclosure and financial integrity.

Principle 7.1

The Board shall ensure the integrity of the Company's financial reporting system and that timely and accurate disclosure of all material information regarding the Company is made consistent with applicable requirements.

Guidelines

1. The Board shall ensure that any person involved in the preparation and disclosure of any information of the Company, including the CEO, the Chief Financial Officer, accountants, internal auditors, Company Secretary, Investor Relations Officers, including related relevant staffing, has relevant knowledge, skills and experience, and those sufficient resources, are allocated.
2. Regarding approval of financial information disclosures, the Board shall include

a report on its financial reporting accountability.

3. The Board shall oversee that information disclosures, including financial statements, annual reports, and 56-1 report, sufficiently reflect the Company's financial status and performance. The Board shall promote the inclusion of Management Discussion and Analysis (MD&A) in quarterly or annual financial reports.
4. Any disclosure of information about the Company's directors and executive officers shall be in conformity with the regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand, as well as other relevant laws.

Principle 7.2

The Board shall monitor the Company's financial liquidity and solvency. The Board shall ensure that management regularly monitors, evaluates, and reports on the Company's financial status. Upon the earliest signs of problems, the Board and management shall work together to find solutions as quickly as possible.

Principle 7.3

The Company operates prudently and in conformity with information disclosure requirements. In the event of financial difficulties, the Board shall ensure that the Company has a mitigation plan or mechanism in place. Stakeholders' and debtors' rights shall always be taken into consideration.

Principle 7.4

The Board of Directors shall make certain to include appropriate sustainability reporting in an annual report. The Board shall consider the appropriateness of the Company's information disclosure on its legal compliance; ethical business practices; code of conduct for directors, executive officers, and employees; anti-corruption policy; treatment of employees and other stakeholders, including equitable treatment and respect for human rights; and social and environmental responsibilities. Such disclosure shall be aligned with national or international reporting standards.

Principle 7.5

The Board shall oversee management's establishment of a dedicated Investor Relations department or officer, who shall be responsible for suitable, equitable, and timely communication with shareholders, stakeholders, investors, analysts, and the media.

Principle 7.6

The Board shall afford information disclosures in Thai and English via the Stock Exchange of Thailand and on the Company's website.

Principle 8

The Board shall encourage engagement and communication with shareholders.

Principle 8.1

The Board shall afford shareholders the opportunity to participate in the decision-making process involving significant corporate matters.

- 1) The Board shall recognize and respect the ownership rights of shareholders and shall not act in any manner to violate or deprive shareholders of these rights. The Board shall justly serve as caretakers of shareholders' interests and shall encourage shareholders, whether they be majority or minority or institutional shareholders from Thailand or overseas, to exercise their rights, including their basic rights as shareholders, their right to access sufficient information in a timely manner, and their right to attend any shareholder meeting during which corporate directions and major decisions are made.
- 2) The Board shall ensure that the agenda of any general meeting of shareholders complies with the Company's Articles of Association and relevant laws. Explanations and reasons shall accompany each agenda item in the meeting notice.
- 3) The Board shall afford minority shareholders an opportunity to propose an agenda item and/or nominate a directorial candidate to be elected at a general meeting of shareholders.
- 4) The Board shall allow shareholders to submit questions prior to the meeting.

- 5) The Board shall ensure that the notice of a general meeting of shareholders and related documents contain complete and correct information and be made available in both Thai and English on the Company's website at least 30 days before the meeting.
- 6) The Board shall encourage all shareholders to exercise their rights. The notice of a general meeting of shareholders and related documents in both Thai and English shall be delivered to them in advance to afford them sufficient time for consideration.
- 7) The Board shall treat every shareholder equitably. Every share of the same type has the same voting right, which is one share per vote.
- 8) The Board shall allow shareholders who are unable to attend a shareholder meeting in person to assign a proxy to attend and vote on their behalf. The Board shall facilitate the process by using a proxy statement form that allows shareholders to specify their votes in advance and by nominating at least one independent director as a proxy choice for shareholders.

Principle 8.2

The Board shall ensure that shareholder meetings are held properly, transparently, and efficiently, and that all shareholders are able to exercise their rights.

- 1) The Board shall consider shareholders' interests before setting a meeting's date, time, and place.
- 2) The Board shall ensure that no action is taken to limit shareholders' attendance.
- 3) The Board shall use information technology to facilitate shareholder meetings.
- 4) The Board shall adhere to the following shareholder meeting regulations:
 - a) The Chairman of the Board shall preside over a shareholder meeting.
 - b) No agenda items shall be added without prior notice.
 - c) Directors, committee chairpersons, the Chief Financial Officer, and other relevant executive officers are required to attend shareholder meetings.
 - d) The number and ratio of shareholders attending in person to shareholders attending via proxies, meeting procedures, voting instructions, and vote-counting process shall be made known to the meeting before its commencement.

- e) Each director shall be individually elected by shareholder votes.
- f) The authority to approve directors' remuneration shall lie with shareholders.
- g) Ballots shall be used for voting, and there shall be independent witnesses during the vote counting process.

Principle 8.3

The Board shall ensure accurate and complete disclosure of shareholder resolutions and preparation of the minutes of any shareholder meeting.

- 1) The Board shall disclose shareholder resolutions and voting results of each agenda through the designated channel of the Stock Exchange of Thailand and on the Company's website by the next business day.
- 2) The Board shall oversee that the minutes of a shareholder meeting include the following: meeting and voting instructions; names of directors, committee members, and executive officers present and absent; each agenda item's voting result; and every question and answer. The minutes shall be made available on the Company's website.
- 3) The Board shall ensure that the minutes of every shareholder meeting is submitted to the Stock Exchange of Thailand within 14 days from the meeting date and to the Department of Business Development, Ministry of Commerce, within the legally required period.

6.2 The Business Ethics

The company has created business ethics. To provide a framework for conducting business ethically as well as setting a code of conduct for directors, executives, and employees to use as a guideline in performing their duties according to their responsibilities. To perform duties with morality and be able to drive the organization to grow sustainably, the details are as follows:

Part 1 Responsibility towards stakeholders

It is the Board's policy to promote cooperation between the Company and its stakeholders to strengthen the Company's performance. To this end, the Board shall promote engagement and be vigilant of stakeholders' interests pursuant to their legal rights. The Company's stakeholders are, namely, its shareholders, customers, trade partners, competitors, debtors, employees, local communities and society, the environment, and the government.

1. Shareholders

The Board of Directors shall perform its duties responsibly, prudently, earnestly, and honestly to generate continuous, sustainable, and good returns on investment for shareholders. In this regard, the Board shall adopt the following policies and practical guidelines:

1. The Board shall respect shareholders' ownership rights and shall treat shareholders equitably.
2. Operations shall be undertaken in accordance with the principles of good corporate governance, which will foster the trust and confidence of shareholders and lead to sustainable growth.
3. The Board shall see to the advancement of the Company's business to ensure proper returns on investment for shareholders.
4. Significant information that affects or may affect shareholders' interests shall be disclosed, whether in periodic accounting reports or ad-hoc reports, pursuant to the relevant laws and notifications. No action shall be taken to restrict shareholders' access to the Company's information.

5. A report on the Board's accountability for financial statements shall be included in each year's annual report.
6. Minority shareholders shall be given an opportunity to propose matters for inclusion in the meeting agenda and/or to nominate directorial candidates to be elected at an annual general meeting of shareholders.
7. Shareholders shall be granted an opportunity to submit questions relevant to the meeting in advance.
8. Shareholder meeting notices in both Thai and English shall be published on the Company's website at least 30 days prior to the meeting date to enable shareholders to arrange to be in attendance and to study the information.
9. Shareholders' convenience shall be ensured. The meeting's date, time, venue, and procedure shall not limit shareholders' attendance. Shareholders unable to attend in person shall be able to assign a proxy to attend and vote on their behalf.
10. Conflicts of interest shall be dealt with prudently and rationally. Information about any conflict of interest shall be fully disclosed.
11. The Company's interests and assets shall be safeguarded as a reasonable person would safeguard his or her property. Wrongful interests, whether obtained by direct or indirect means, shall be eliminated.

2. Customers

Understanding that customer satisfaction and confidence are critical factors that contribute to the Company's sustainable success, the Board of Directors shall adopt the following policies and guidelines:

1. The Company shall manufacture and distribute products and services that are environmentally friendly and safe for consumers.
2. The Company's businesses shall be operated with commitment to developing goods and services, introducing innovations, and adding value to goods and services to continuously meet customer demand, along with the disclosure of critical information needed for decision-making without concealment or distortion of facts.
3. The Company's businesses shall be operated in an honest, earnest, and just manner. No action shall be taken to violate customers' rights. Moreover, consumer data shall be treated with confidentiality and shall not be wrongfully exploited for personal gain or the benefit of a related person.
4. The Company shall never demand, receive, or consent to the direct or indirect receipt of any property or other dishonest benefit from a customer.
5. The Company shall adhere to trade agreements. Whenever adherence is not possible, customers shall promptly be notified to jointly find a remedial measure and to prevent losses.
6. The Company should provide communication channels by which customers are able to file complaints to the Company. Complaints shall be processed with care and dealt with fairly.

3. Partners

The Board of Directors shall treat trading partners equitably and consider mutual interests. In this regard, the Board shall adopt the following policies and practical guidelines:

1. The Company shall put a system in place to select environmentally friendly trading partners in the supply chain whose operations comply with relevant laws, as well as safety and occupational hygiene standards. Business partners shall be treated based on fair competition, equality, and mutual respect.
2. Trading partners' secrets or information shall be treated with confidentiality and shall not be wrongfully exploited for personal gain or the benefit of a related person.
3. The Company shall build good relations and understanding with trade partners, which will serve as the basis for knowledge exchange. The development and creation of value added to goods and services shall be jointly undertaken to promote mutual growth.

4. The Company shall adhere to trade agreements and provide accurate information. If a violation is inevitable, the Company shall expeditiously engage in negotiations with trading partners to reach a mutual solution and prevent losses.
5. The Company shall not demand, receive, or consent to the receipt of any property or other benefit outside trade agreements.

4. Competitors

The Board of Directors shall ensure that the Company operates its businesses in accordance with the legal provisions. In this regard, the Board shall adopt the following policies and practical guidelines:

1. The Company shall conduct its business within the rules of fair competition with due regard to business ethics and trade competition laws of various countries in which the Company operates.
2. The Company shall not damage the reputation of its business competitors.

5. Creditors

The Board of Directors shall make certain that the Company operates in a principled and disciplined manner in order to build trust among creditors. In this regard, the Board shall adopt the following policies and practical guidelines:

1. All creditors shall be treated equitably.
2. Contracts and terms shall be strictly adhered to.
3. Operations shall be administered to ensure creditors' confidence in the Company's financial standing and credit rating.
4. Financial standing shall be accurately and timely disclosed.
5. In the event of an inability to comply with a particular term, the creditor shall be forthwith notified in order to reach a mutual solution and prevent losses.

6. Employees

Regarding employees as a valuable resource and a key factor in the Company's success, the Board of Directors shall adopt the following policies and guidelines:

1. Employees' human dignity and fundamental rights shall be respected at work.

Employee data or confidential information shall not be disclosed or transmitted to third parties or unrelated persons.

2. Employees shall be treated in accordance with the provisions of law, regulations, and articles governing the Company's operations.
3. Employment equality shall be promoted. There shall be no discrimination based on gender, skin color, race, religion, age, disability, or any other status that is not directly related to work.
4. Training and knowledge exchange shall be sponsored and promoted to encourage learning and skill development throughout employment; The Company shall seek to strengthen employees' career security and offer opportunities for advancement pursuant to each person's potential.
5. Employees' participation in the determination of the Company's direction and development shall be promoted.
6. Fair compensation shall be offered, subject to employees' knowledge, skills, duties, responsibilities, and performance.
7. Appropriate welfare and benefits shall be given to employees, e.g. medical expenses, provident fund contribution, and a savings cooperative.
8. Channels should be provided for employees to communicate suggestions and complaints pertaining to work. All suggestions shall be considered, and remedies shall be determined in the best interest of all parties and regarding good professional relations.
9. Facilities necessary for operations shall be provided. Working conditions shall be maintained with due regard to health, safety, and occupational hygiene to promote and raise employees' quality of life.
10. Employees of all levels shall be encouraged to participate in corporate social responsibility activities.

7. Community and Society

The Board of Directors shall operate the Company's businesses with due regard to the duties and responsibilities owed to the nation, community, and society, as well as local traditions, in order to maintain social order. In this regard, the Board shall adopt the

following policies and practical guidelines:

1. A business that could lead to social degradation shall not be undertaken, and the rights of any person in the community and society shall not be violated.
2. A consciousness of responsibilities towards the community and society as a whole shall always be instilled for the benefit of the Company and all of its employees.
3. Measures shall be provided for the prevention and remedy of any negative impact on the community and society caused by the Company's operations.
4. The preservation of local culture and traditions shall be promoted.
5. The Company shall cooperate with various agencies for community development.
6. Activities that benefit the public shall be sponsored.
7. Income shall be locally distributed through the employment of community members and the use of community products.
8. Good relations shall be fostered between the Company and the community and society on the basis of propriety, transparency, and fairness.

8. Environment

The Board of Directors shall undertake business with due regard to the Company's responsibilities towards the environment. In this regard, the Board shall adopt the following policies and practical guidelines:

1. Businesses shall be undertaken in accordance with laws, regulations, and policies on the environment with due regard to the impact on natural resources and the environment. Regular revision and assessment of the Company's environmental performance shall be performed.
2. Organizational culture and consciousness of all employees shall be promoted to encourage cooperation and responsibility for the efficient and sustainable management of the environment and utilization of resources.
3. Knowledge promotion and environmental training shall be extended to employees.
4. An environmental management system shall be promoted, including economical use of resources, treatment and rehabilitation of resources exploited, replenishment of resources, and sustainable environmental watch and impact prevention.
5. There shall be a system in place for selecting trade partners in the supply chain who operate in an environmentally friendly manner.

6. Environmentally friendly technology shall be developed and applied whenever possible.

9. State Sector

To make sure that the Company operates in conformity with the rules and regulations enacted by the State, the Board of Directors shall adopt the following policies and guidelines.

1. The laws governing operations shall be studied and understood. Meanwhile, no activities that would violate the letters of the law shall be undergone.
2. Legal compliance shall be assured when conducting a transaction with any state official or agency.
3. Good relations between the Company and the state sector shall be fostered so long as they are within proper boundaries.
4. The Board shall comply with the relevant laws and business traditions in a particular country or locality.

Part 2 Conflict of Interest

To deal with conflicts of interest, the Board shall adopt the following guidelines:

- 1) Conflicts of interest or connected transactions shall be administered prudently, fairly, and rationally. There shall be a transparent system for approving transactions that considers the Company's best interests. Directors with a vested interest in a particular matter shall not have the right to vote on it and shall be required to make a full disclosure in accordance with the rules of the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand.
- 2) The Company's interests shall be upheld, subject to legality. No action that would constitute a conflict of interest with the Company shall be taken. In addition, no special benefits or privileges shall be given to any person.
- 3) Directors and executive officers shall be required to disclose their and related persons' interests in accordance with the prescribed rules.
- 4) Directors, executive officers, and employees with insider information shall be prohibited from trading Company's securities during the 1-month period prior to public disclosure of the Company's financial statements and 24 hours, after the Company's financial statements disclosure.

- 5) Directors, executive officers, as well as their spouses and underage children, shall have the duty to report their holding of the Company's securities and any changes to their holding to the Board of Directors in the subsequent board meeting.
- 6) Company information or secrets acquired or acknowledged shall not be disclosed or transmitted to third parties or unrelated persons.
- 7) Any information disclosure shall be made by authorized employees. Classes of confidentiality may be prescribed in accordance with the significance of the information. Disclosure shall be made within the assigned scope of duties and responsibilities.
- 8) Directors and senior executive officers shall be required to inform the Chairman about their trading of the Company's securities at least one (1) day before the trading date.

Part 3 Receiving or Giving a Meal or Gift

While the Board of Directors aspires to operate within the framework of fair competition, it understands that receiving or giving a meal or gift is sometimes a necessary customary practice that fosters good relations. In this regard, the Board shall adopt the following guidelines:

- 1) A gift, token, or meal that may influence a decision shall always be prohibited. If it is customary to give or to receive a gift, token, or meal whose value is in excess of normal practices, a report shall be filed to the respective supervisor.
- 2) In the case of an assignment or authorization by a supervisor to assist with an external agency, a sum of money, an object, or a gift may be received in accordance with the applicable rules or standards prescribed by that external agency, e.g. gifts, presents, and lucky draw prizes.
- 3) In the case where an agent, contractual party, partner, or any other person wishes to offer a gift, token, or meal in the name of the Company, prior authorization from the Company shall always be required.
- 4) Expenses pertaining to these matters shall be maintained within a reasonable budget.

Part 4 Anti-Fraud and Anti-Corruption Efforts

It is the Board of Directors' policy to comply with anti-corruption regulations and therefore, they shall adopt the following guidelines:

- 1) The Company will not tolerate any form of corruption and does not commit nor support bribery, any form of facilitation payment covering all business transactions of all related departments. All directors, executives, and employees must comply with the anti-corruption policy.
- 2) The Company is committed to creating an organizational culture against corruption, developing consciousness, values, and attitudes for employees in performing their duties according to the law and rules with integrity. The anti-corruption policy, including relevant information, is regularly communicated, and published through various channels.
- 3) Directors, executive officers, and employees shall be prohibited from performing any act of demand or acceptance of property or any other benefit from government or private agencies as an inducement to commit illegal acts, including the use of their position or the Company's information to seek benefits whether for themselves or others.
- 4) In case of donations for charity or receiving contributions, giving or receiving political support, hiring government officials, giving or receiving gifts, entertainment, or hospitality services, the Company shall conduct such acts with utmost transparency, and any action is traceable.
- 5) An effective audit process and internal control system are put in place with a mechanism for an accurate and transparent financial status report. There should be suitable supervision and a system of checks and balances to prevent employees from being involved in fraud and corruption.
- 6) Regular reviews of compliance with the anti-corruption policy and guidelines for practice and requirements shall take place to comply with changes in business, laws, and related regulations.
- 7) Put risk management measures in place to prevent corruption. The measures include identifying high-risk events from corruption that may occur in business operations, evaluating risk level, both the likelihood of occurrence and the impact, and following up on the progress of risk management regularly. Risk management measures will be reviewed to ensure suitability to prevent risks to an acceptable level.
- 8) The Company shall provide whistleblowing and complaints channels for cases involving offences or behaviors that lead to corruption with appropriate protection

measures for whistleblowers under the whistleblowing and complaints policy.

Part 5 Non-Infringement of Intellectual Property

The Board shall adopt the following guidelines in compliance with the Non-Infringement of Intellectual Property Policy.

- 1) Business undertakings shall be consistent with laws, regulations, and contractual obligations governing intellectual property rights.
- 2) The intellectual property of the Company shall be safeguarded and shall not be used by outsiders without authorization.
- 3) Respect the intellectual property rights of others. The work of others shall not be infringed upon or applied to personal use except with an obtained license or a fee paid to the owner of the work.
- 4) The intellectual property of creative work produced by employees shall belong to the Company. Upon termination of employment, such intellectual property must be returned to the Company regardless of the format or the form of storage.

Part 6 Non-Violation of Human Rights

With a great deal of respect for human rights, the Board of Directors shall adopt the following policies and guidelines:

- 1) Respect human rights and treat all stakeholders, such as employees, customers, and business partners, with respect. Respect and treat each other equally without discrimination against physical, mental, racial, nationality, country of origin, ethnicity, religion, gender, language, age, skin color, education, social status, culture, customs, or any other matter.
- 2) Perform their duties with utmost caution. There shall be no act or support for activities that violate human rights in the Company's business operations.
- 3) Conduct business respecting human rights under the labor laws and international labor standards-determining working hours and fair compensation payment. In addition, the Company also prevents illegal labor in all forms, such as child labor under the legal age limit, forced labor from human trafficking, including other unlawful workers both within the Company and throughout its supply chain. Clear and fair employment

contracts are in place, adhering to business ethics.

- 4) Support and promote human rights protection, communicate, disseminate, provide knowledge and understanding, set guidelines, and provide other support to employees and stakeholders in the business value chain, ensuring ethical business conduct, respect for human rights, and equal treatment under the human rights principles and policy.
- 5) The Company shall not ignore or be negligent to any actions of human rights violations. Such actions must be reported to a supervisor or responsible person for further investigation. Please consult with the supervisor or accountable persons through various channels specified for any inquiries.
- 6) Provide fairness and protection to those who report human rights violations, using measures to protect complainants or those who cooperate as specified by the Company's policy regarding whistleblowing.
- 7) Develop and continuously implement a human rights management of Due Diligence Process to identify issues and assess risks and the impact of human rights violations. Plan and determine corrective and preventive measures, manage, resolve, and prevent human rights violations and follow up on results with appropriate mitigation.
- 8) Inspect and follow up on the results of human rights violations problems and provide support and cooperation in relieving the impacts caused by such violations.
- 9) The Company is committed to creating and maintaining an organizational culture of respecting human rights under the human rights policy.
- 10) Any commitment to human rights violations shall receive disciplinary punishment according to the regulations set by the Company, and such person may also receive legal punishment if their actions are illegal.

Part 7 Occupational Safety and Health

The Board of Directors places importance on safety and occupational health with the following guidelines established:

- 1) The Company considers workplace safety to be the duty and responsibility of every employee. Therefore, it is necessary to supervise the operations of employees, business partners, contractors, and visitors or those who come to work within the Company to

strictly comply with established safety and occupational health regulations to achieve maximum safety in every step of work.

- 2) Develop a safety, occupational health, and working environment management system following laws, international standards, and other requirements to create a culture of safety in the workplace for employees, business partners, contractors, and visitors who come to work within the Company continuously and sustainably.
- 3) Promote and support the participation of employees, business partners, contractors, and visitors or those who come to work within the Company in safety, occupational health, and work environment operations.
- 4) Recognize the importance of preventing and assessing the risk of hazards and various environmental impacts. Ensure that effective risk prevention and resolution systems are in place.
- 5) Promote and support knowledge development and create awareness among employees at all levels towards the importance of safety, occupational health, and the working environment.
- 6) To achieve maximum efficiency, monitor and evaluate operations according to the annual work plan's safety, occupational health, and working environment policies.
- 7) Provide resource support, including budget, time, personnel, and appropriate related resources in implementing the safety, occupational health, and working environment management system.

Part 8 Personal Data Protection

The Board of Directors places significant importance on personal data protection. The guidelines are set out as follows:

- 8.1 Company directors, executives, and employees must proceed according to the Personal Data Protection Policy requirements.
- 8.2 Collection, use and disclosure of personal information must be carried out by lawful means and only as necessary for the operation of the Company's objectives or as required by law.
- 8.3 Maintain data security according to strict measures and prevent personal information from being used or disclosed outside of the specified purposes, without permission, or illegally.

- 8.4 Exercise the rights of personal data owners as required by law.
- 8.5 Appoint a personal data protection officer to advise and check the operation, Including liaising with government agencies regarding personal information.
- 8.6 Those who do not comply with the policy, causing the Company damage or punishment according to law, will receive disciplinary action, and the Company may consider taking legal action

Part 9 The Code of Conduct for Directors, Executives, and Employees

1. Formal Responsibilities

Recognizing the importance of good governance, the Board of Directors has continuously ensured that directors, executive officers, and employees are aware of and comply with its principles under the framework of the Code of Conduct, and that they act in an honest, cautious, and prudent manner in the best interest of the Company and all related parties. Therefore, the following Code of Conduct shall be implemented:

Directors and Executive Officers

- 1) Directors and executive officers shall perform their duties responsibly, prudently, honestly, in good faith, and in compliance with the law, Articles of Association, relevant notifications, and shareholders meeting resolution.
- 2) Directors and executive officers shall perform their duties to the best of their ability in the best interest of the Company, including attending all meetings, except when necessity demands otherwise.
- 3) Directors and executive officers shall serve in their capacity impartially and shall not vote on matters in which they have a vested interest during a meeting.
- 4) Directors and executive officers shall mitigate conflicts of interests prudently and reasonably in the Company's best interest, ensuring transparent management.
- 5) Directors and executive officers, including their spouses and underage children, shall comply with the relevant rules on the acquisition or disposal of the Company's assets and disclose the matter to the Board of Director at the subsequent board meeting.
- 6) Directors and executive officers shall be prohibited from trading the Company's securities within the 1-month period before and the 24-hour period after the public

disclosure of financial statements.

- 7) Directors and executive officers shall disclose their and related persons' interests in accordance with the prescribed rules.
- 8) Directors and senior executive officers shall be required to inform the Chairman about their trading of the Company's securities at least one (1) day before the trading date.
- 9) The Board of Directors' performance shall be assessed every year.

Employees

- 1) They shall perform their duties to the best of their ability to bring about prosperity and advancement to the Company and fellow employees.
- 2) Employees shall comply with relevant laws, policies, working regulations, relevant regulations, and notifications.
- 3) Employees shall offer courteousness, hospitality, and excellent service to any of the Company visitors in order to maintain the Company's image and reputation.
- 4) Employees shall keep trade secrets confidential and not disclose insider information to outsiders.
- 5) Employees shall not obtain any loan from the Company's customers, persons connected to customers, or business counterparts, except for loans obtained from a bank or financial institution.
- 6) Employees shall comply with lawful commands of their supervisors.
- 7) Employees shall be committed to teamwork, mutual assistance, harmony, and mutual respect for the benefit of the Company and fellow employees.
- 8) Employees shall treat co-workers with generosity and good human relations. No groundless allegations shall be made against others. Credit shall not be claimed for the works of others.
- 9) Employees shall perform their duties with determination, in earnest, and honestly, and shall not abuse their roles and responsibilities in the Company for wrongful personal gain or unlawful benefits to others.
- 10) Employees shall perform their duties responsibly, cautiously, and without neglect in such a manner that could cause a loss to the work or property of the Company.
- 11) Employees shall conduct themselves as good citizens who comply with the Constitution and relevant laws. Political rights shall be exercised appropriately. Employees shall

also avoid any involvement in an activity that is unlawful or inconsistent with public order or the good morals of the people.

2. Maintenance of Company Assets

Directors, executive officers, and employees are accountable for efficiently maintaining the Company's assets and assets under its care. In this regard, the following guidelines shall be adopted:

- 1) Assets shall be used for business operations and not for personal gain or for the benefit of outsiders.
- 2) Interests and assets shall be safeguarded to prevent losses, damage, or wrongful use pursuant to the standards of a reasonable person caring for his or her property. Direct and indirect wrongful exploitation of benefits shall be eliminated.
- 3) Sufficient insurance protection from losses shall be obtained for assets.
- 4) The use of computers to access another person's protected system or data, including to spy on, damage, destroy, modify, change, or corrupt another person's data in any manner that could be consider a violation of computer-crime laws, shall be prohibited. An information security system consistent with international standards shall be installed.
- 5) The Email and internet access provided shall be used cautiously for business purposes as to not prejudice the Company's reputation.
- 6) Passwords for access to the Company's data shall be kept secret and shall not be disclosed to unauthorized persons.
- 7) The Company's intellectual property works shall not be reproduced, adapted, or used for personal benefit or for the benefit of others without authorization from the Company.
- 8) Supervisors shall be notified of any finding of any rights infringement or any act that could lead to a rights infringement or any act that could potentially lead to a dispute relating to the Company's intellectual property.
- 9) The safekeeping of important documents of the Company shall be overseen to ensure full compliance with relevant laws and regulations. Upon the lapse of the safekeeping period, the relevant employee must oversee that the documents are destroyed by appropriate means.

3. Informants and Complaints

The Board of Directors shall afford employees and stakeholders an opportunity to give information or file a complaint on a matter that could constitute a violation of the law, or a dishonest or wrongful act of an employee, including irregular behavior that could cause a problem or loss to the Company. The Company shall also accept complaints on cases where the rights of an employee or stakeholder have been infringed upon or where they have been treated unfairly. Suitable channels and procedures shall be provided by the Company in this regard.

The Company shall hear and process all complaints impartially, transparently, and fairly. Systematic and just measures for the protection of complainants shall be afforded. Information provided by the complainant shall be kept confidential in the Company.

Measures for the Protection of Complainants

- 1) A complainant may choose to remain anonymous if he/she deems that disclosure could lead to insecurity or loss.
- 2) The Company shall keep relevant information a secret and take into account the safety of the complainant. Measures shall be prescribed for the protection of complainants who are employees, including those who cooperate in the investigation of facts. These persons shall be protected from unfair treatment as a consequence of the complaint, e.g. disturbances during work, reassignment, or termination of employment.

4. Interpretations

Supervisors shall take responsibility for and give advice to their subordinates to ensure knowledge and understanding of, as well as compliance with, the prescribed Code of Conduct. If the Code of Conduct does not provide a definitive answer for a particular scenario, or if there remains a question that renders action impossible, or if a decision cannot be made based on the existing provisions, the respectively higher-level superior shall be consulted. In the case of a conflict, the decision of the President, Executive Board, and/or Board of Directors shall be final.

6.3 Major Changes and Developments of Policy, Practice and Corporate Governance System in the past year

6.3.1 Significant Changes and Developments of Policy, Practice and Corporate Governance System.

Upon due studies on criteria, rules, notifications and guideline for the corporate governance of the Office of Securities and Exchange Commission (SEC) including principles and assessment criteria of various regulating departments, the Company assigns the Board of Directors and related boards for the review on policy, principles and practice guideline on the whole corporate governance every year.

In 2023, due to the Company's restructuring of business operations in order to perform duties and responsibilities of the Board of Directors are in line with the Company's business context and current operational flexibility. To compliance with Corporate Governance Code and Chapter 3/1 of the Securities and Exchange Act B.E. 2535 as amended by the Securities and Exchange Act (No. 4) B.E. 2551 and the Securities and Exchange Act (No. 5) B.E. 2559 The company has therefore considered improving the board of directors' card. Sub-committee charter Powers, duties and responsibilities of the Chairman of the Board and authority and responsibilities of the new Chief Executive Officer include:

1. Charter of the Board of Directors
2. Audit Committee Charter
3. Charter of the Nomination and Remuneration Committee
4. Charter of the Good Governance Committee Risk management and sustainability
5. Executive Committee Charter
6. Powers, duties and responsibilities of the Chairman of the Board
7. Powers, duties and responsibilities of the Chief Executive Officer

It will be effective from 11 August 2023 onwards.

In addition, there are policies, guidelines, and corporate governance systems. that has been reviewed and approved Keep the original content in 3 editions:

1. Anti-corruption policy
2. Risk management policy
3. Principles of good corporate governance

It has already passed the Board of Directors' Meeting No. 8/2023, meeting on 11 August 2023.

6.3.2 Compliance with good corporate governance principles for listed Companies

The Company has determined appropriated code of practice to conform with the business operation approach, with an aim to develop the corporate governance supervision for the listed companies, to oversee the business operation with transparency and fair, taking into consideration benefits of stakeholders as a priority, refraining from giving benefit to particular person and supporting independent performance of the Board of Directors and independent directors

Compliance with the principles of Good Corporate Governance in 2023

1. All new employees receive orientation on good corporate governance policy, business ethics code for Company directors, executives, and employees, and anti-corruption policy.
2. The Company communicates its good corporate governance policy and business ethics code for Company directors by publishing them on its website, www.tnl.com, and allowing company directors, executives, and employees to take the test every year. In 2023, company directors, executives, and employees took the test, and 100 percent have passed.
3. The Company regularly reports to the Board of Directors regarding business ethics violations. In 2023, no violations were found.

4. In 2023, the Company has no cases of wrongdoing regarding using internal information. There were no stock trading cases where internal information was used by the Company's directors and executives.
5. The Company monitors compliance with the policy regarding prevention of conflicts of interest. In 2023, there were no cases of wrongdoing regarding prevention of conflicts of interest.
6. The Company has not violated or failed to comply with the rules regarding related transactions or trading assets in the past year.

Issues that the company had not yet implemented as per the corporate governance principle in past year.

1. Chairman of the Board of Directors was not an Independent Director, Because of his knowledgeable, experience and industry expertise. He also performed his duties with transparency, strictly abiding by corporate governance principles and allows all directors to express their opinions freely.
2. The company did not determine the number of companies for each director to be assume his directorship because each director had devoted time to perform his duties for the company by attending meetings regularly.
3. The Chairman of The Nomination Committee and the Chairman of The Remuneration Committee were not independent directors. Because the meeting has complied with the good corporate governance principles, the Chairman is not in the meeting room and did not cast vote on the agenda in which he had interests.

Annual General Meeting Checklist Result



In 2023, Annual General meeting, the Company was assessed by the Thai Investors Association. In the project to assess the quality of the shareholders' meeting. The Company received a full 100 scores (5TIA).

Corporate Governance Report (IOD)

TNL



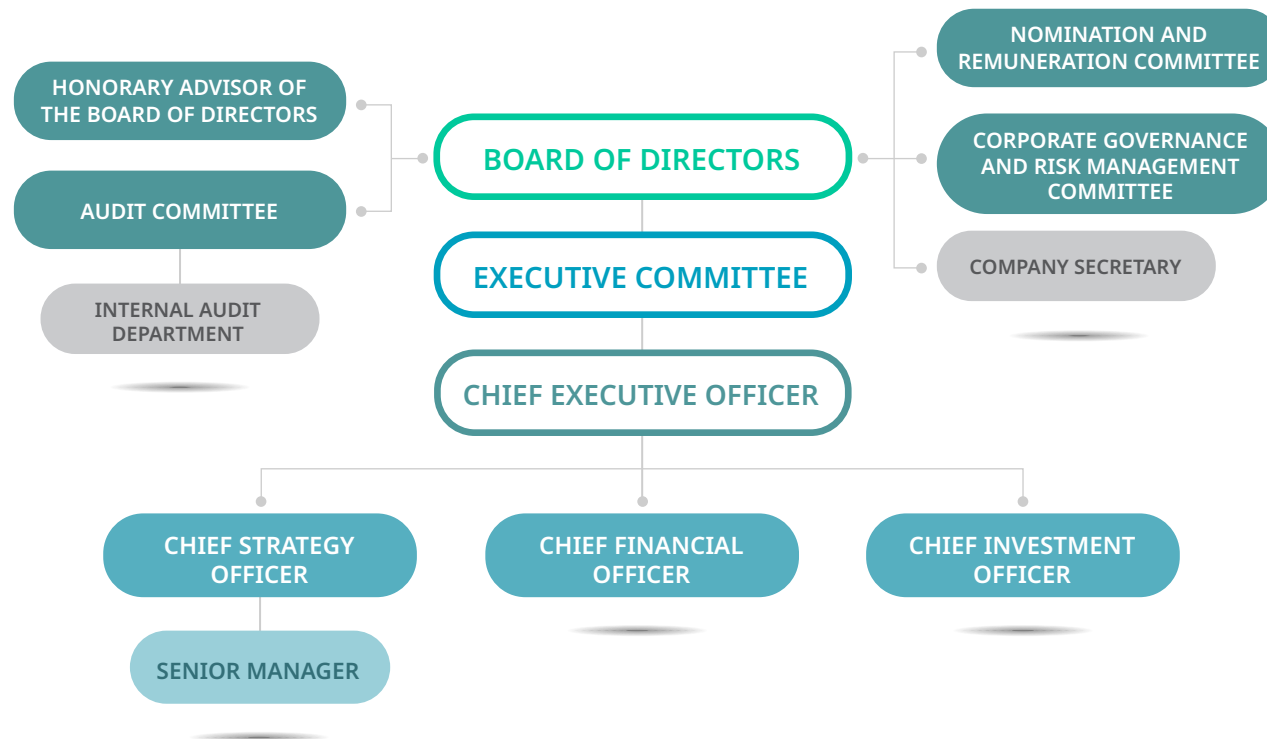
Overall listed companies



The Corporate Governance Report of Thai Listed Companies (CGR Checklist) 2023 was assessed by Thai Institute of Directors Association (IOD) under collaboration with the Stock Exchange of Thailand, Thanulux PCL has been ranked for 108 %, which is a Excellent range, exceeding the average score of overall listed companies.

7. Corporate Governance Structure and important information about the board, sub-committees, management, and other employees

7.1 Corporate Governance Structure

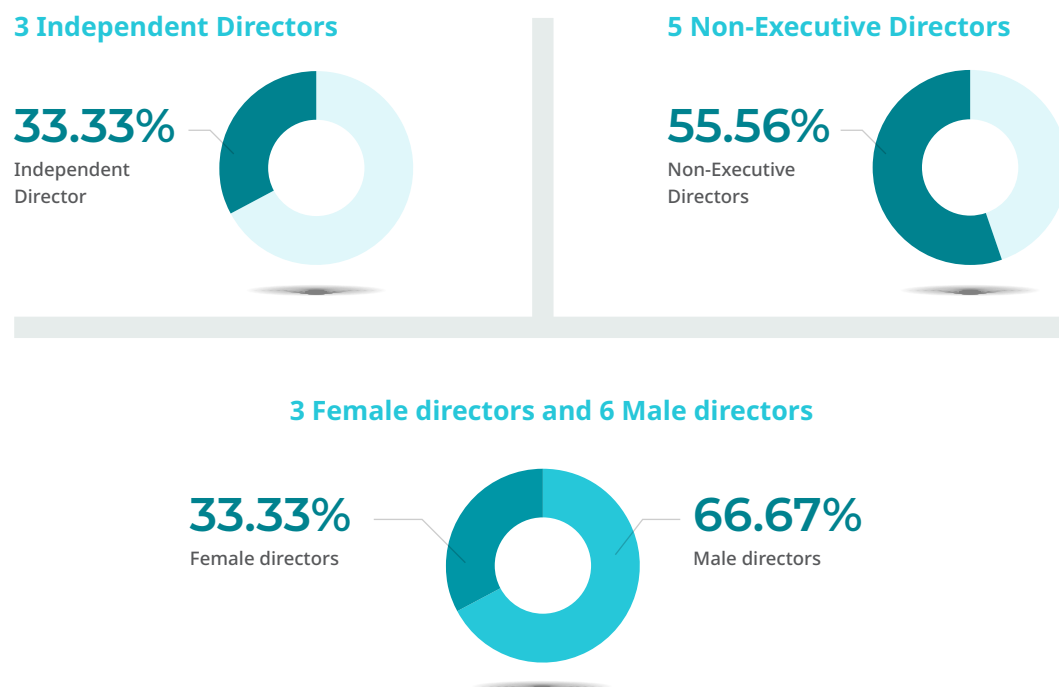


7.2 Board of Directors

7.2.1 Composition of the Board of Directors

According to the company's regulations The number of directors must be not less than 5 and independent directors not less than 1/3 of the total number of directors. But not less than 3 people. In 2023, the company has a board of directors of 9 people, 3 of whom are independent directors and the chairman. They are directors who are not executives or managing directors. All 9 directors can express their opinions independently, with 1 director having 1 vote in voting. unless there is a vested interest to abstain from voting.

There are 9 members of the board of directors who are named in the certificate letter of Ministry of Commerce as follows.



7.2.2 List of Board of Directors

List of Board of Directors of Thanulux Public Company Limited as of 31 December 2023

Name	Position
1. Mr. Thamarat Chokwatana	Chairman
2. Ms. Suthida Jongjenkit	Director Executive Director Chief Executive Officer Nomination and Remuneration Committee Member Corporate Governance, Risk Management and Sustainability Committee Member Company Secretary
3. Mr. Surayut Thavikulwat	Director Executive Director Nomination and Remuneration Committee Member
4. Mr. Kittichai Treerachatapong	Director Executive Director Chief Strategy Officer Corporate Governance, Risk Management and Sustainability Committee Member
5. Ms. Lapika Sasanavin	Director Executive Director Corporate Governance, Risk Management and Sustainability Committee Member
6. Ms. Chawadee Rungruang	Director
7. Prof. Dr. Suchatvee Suwansawat	Independent Director Chairman of Audit Committee Chairman of Corporate Governance, Risk Management and Sustainability Committee
8. Mr. Maris Sangiampongsa	Independent Director Audit Committee Member
9. Mr. Vittawat Panpanich	Independent Director Audit Committee Member

Honorary Advisor of the Company's Board of Directors

1. Mr. Boonsithi	Chokwatana	Honorary Advisor
2. Mr. Keeree	Kanjanapas	Honorary Advisor
3. Mr. Manu	Leelawatana	Honorary Advisor

Directors authorized to sign on behalf of the Company.

Two of the six directors sign their names together and have the company's seal affixed, which are:

1. Mr. Thamarat Chokwatana or 2. Mr. Kittichai Treerachatapong or 3. Ms. Suthida Jongjenkit

Sign together with

1. Mr. Surayut Thavikulwat or 2. Ms. Lapika Sasanavin or 3. Ms. Chawadee Rungruang

Total of two people, sign their names together and have the company's seal affixed,

Controlling persons

The Company does not have a controlling person who exercises a significant influence on the formulation of management or operational policies of the Company.

7.2.3 Duty and responsibility of the Board of Directors

The Company has clearly defined the duties, responsibilities, and authority of the Board of Directors in the Board of Directors Charter as follows:

Duty and responsibility

1. Set the direction, target, and business policy for the company.
2. Approve the annual business plan and annual budget, as well as supervising the operations by the management to comply well with the laws, policies, and plans in an efficient and effective manner.
3. Promote the establishment of corporate governance policy, business ethics, and business morality in writing, to serve as guidelines for the directors, the management, and the employees, in carrying out their business practices, while regularly following up to ensure their strict adherence and compliance accordingly.
4. Ensure that careful consideration is given to the issue of conflict of interests, and that clear practice guidelines are in place to safeguard the interests of the shareholders and the company. Also ensure that the people having interests at stake do not take part in adopting the decision, and that all concerned parties strictly follow the procedures and regulations to disclose relevant information in a proper manner.
5. Set up adequate internal control systems, so as to ensure that all transactions receive proper approval from the authorized persons, and that proper accounting review and bookkeeping practice are carried out, while proper checking systems are in place to safeguard against unauthorized exploitation of company assets.
6. Transactions that may have conflicts of interest require careful consideration. There are clear guidelines that are in line with the interests of the Company and its shareholders, where stakeholders do not participate in decision-making and comply with the requirements regarding the procedure and accurate disclosure of information about transactions that may have conflicts of interest.
7. Grant approval to financial statements already audited and verified by the certified public accountant and earlier approved by The Audit Committee.
8. Being accountable to all shareholders on an equal basis, while ensuring that information is disclosed to the shareholders and investors in an accurate, reliable, and transparent manner.
9. Acknowledge the corporate management report prepared by the Executive Board.
10. Set the date, time, place and agenda for the annual shareholders' general meeting, and convene said meeting accordingly. Also set the rate for dividend payments (if any) and provide comments relating to the meeting agenda to the shareholders. In that regard, the company may suspend shares transfer registration for the period of 21 days leading up to the meeting, whereby the company is required to post such announcement to the shareholders at the company's head office and its branches for the period of no less than 14 days prior to such suspension. Otherwise, the company may set the date to

finalize the shareholders' list (Record Date) no longer than 2 months prior to the meeting, to entitle the shareholders to attend the meeting, and to be eligible for dividend payments.

11. Prepare the Board of Directors' responsibility report toward financial statements compilation and disclose said report in the company's annual report (form 56-1 One Report).
12. Supervise the compilation of the documents required to be submitted to concerned regulating agencies, to ensure that all information contained therein are true and accurate in accordance with the information appearing in the accounting books, the registration book, and other official documents of the company.
13. Grant approval to the charter for The Board of Directors, and/or other committees.
14. Engage in those acts lying beyond The Executive Board's authority, or as deemed necessary by The Board of Directors.

Authority

1. Appoint, remove, and assign authority to advisors to The Board of Directors, various committees, and The Managing Director, to carry out the assigned duties.
2. Approve the entering into guarantee for credit facility, for companies having business connection with the company, either as the shareholder or the company engaging in business transaction, or other companies, for such portion exceeding the authority of The Executive Board.
3. Approve loan extension to companies having business connection with the company, either as the shareholder or the company engaging in business transaction, or other companies, for such portion exceeding the authority of The Executive Board.
4. Approve the entering into such transaction not considered as normal business practice, for such portion exceeding the authority of The Executive Board
5. Approve the acceptance or cancellation of the credit lines, for such portion exceeding the authority of The Executive Board.
6. Approve the investment for the purchase or sales of common shares, and/or debt securities, for such portion exceeding the authority of The Executive Board.
7. Approve the procurement and investment in fixed assets, for such portion exceeding the authority of The Executive Board.
8. Approve the sales, disposal, transfer for fixed asset, for such portion exceeding the authority of The Executive Board
9. Approve the adjustment, disposal, and write-off for fixed assets, and/or intangible assets no longer in use, or being subject to damage, loss, destruction, deterioration, out-of-date, or no longer functional for such book value exceeding the authority of The Executive Board.
10. Approve the adjustment, disposal, and write-off for deteriorated or out-of-date raw material and/or inventory which its book value become lower, for such book value exceeding the authority of The Executive Board.
11. Approve the settlement of conflicts by reconciliation or by the resolution through arbitration, petition, lawsuit, and/or court proceedings on the company's behalf, for such case not considered as normal business practice, and/or such case considered as normal business practice, for such portion exceeding the authority of The Executive Board.
If that it is necessary to act as an urgent matter Authorize to the Managing Director approved in such matters and presented to the Board of Directors' meeting next time.
12. The authority scope for The Board of Directors pertaining to the acquisition and disposal of assets and connected transactions shall comply with the Notification of The Capital Market Supervisory Board.
13. Propose the capital increase or capital decrease, or the change in par value, change or amendment to memorandum of association, articles of association, and/or objectives of the company to the shareholders for consideration.
14. Approve the set-up, merger, or dissolution of subsidiary company.
15. Authorize the Chairman of Executive Board or Executive Board to stipulate guideline for authorization and relevant operations as appropriate.
16. Authorize the Executive Board members, management members, managers, or other people to act on their behalf.
17. Authorize to summon management members or employees concerned to provide explanation or opinion, to join the meeting, and to submit those documents deemed necessary.
18. Seek advice from specialists or company consultants (if any), or solicit the services of outside specialists or consultants at the company's expense.
19. Appoint and remove Company Secretary

7.3 Sub-Committees

The Board of Directors Meeting No.8 /2023 on August 11, 2023 passed a resolution to a new restructuring of the Board of Directors to appoint 4 sub-committees to support the Board of Directors. The sub-committees' term of office is one year, from August 2023 to July 2024. However, the sub-committees appointed later will hold the office according to the remaining period only.

1. The Audit Committee

The Board of Directors appoints the Audit Committee to review the Company's financial reports and internal controls. The Audit Committee consists of at least three directors, all of whom must be independent directors. In addition, at least one director must possess knowledge and understanding of accounting or finance, with sufficient experience to review the reliability of the financial statements. The term of office is one year, and they may only be in office for up to 3 terms unless the committee has a different opinion.

As of December 31, 2023, the Audit Committee consists of 3 independent directors, with Director No. 3, Mr. Vittawat Panpanich, with knowledge in accounting and finance. All three directors are listed in the table below. His term of office will expire in July 2024.

Name	Position
1. Prof Dr. Suchatvee Suwansawat	Chairman of Audit Committee
2. Mr. Maris Sangiampongsa	Audit Committee Member
3. Mr. Vittawat Panpanich	Audit Committee Member

Mr. Yosakorn Srisuksawat serves as secretary of the Audit Committee.

The Audit Committee has the authority, duties and responsibilities specified in the Audit Committee Charter as follows:

Authority of the Audit Committee

1. To lay down collaborative measures to achieve a harmonized understanding between the auditors, Board of Directors and internal audit units.
2. To have the power to call upon executive officers, the Management or employees of the Company to give statements or opinions, as well as to attend meetings or present relevant documents deemed as appropriate, and also to have access to data at every organizational level.
3. To have the power to examine relevant persons or matters within the scope of powers and duties of the Audit Committee.
4. To consult specialists or advisors of the Company (if any) or to hire external advisors or specialists where necessary at the expense of the Company.

Duty and responsibility of the Audit Committee

1. Review the Company's financial statements to ensure that they are accurate and adequate by reviewing the Company's major accounting policies and information disclosure complying with Thai Financial Reporting Standards.
2. Review the Company's internal control system to ensure it is suitable for an internal audit system to ensure that they are effective.
3. Review the Company's fraud and corruption prevention to ensure effectiveness.
4. Review the operational independence of the internal audit office; approve, appraise, appoint, transfer, or dismiss the chief of the internal audit office or any other office responsible for internal audit operations, ensuring the chief of the internal audit office has sufficient education, experience, and training for such internal audit operations.
5. Grant approval to the Internal Audit Charter and conduct charter review annually.
6. Grant approval and monitor the progress made concerning the internal audit plan.
7. Review to ensure that the Company duly follows the securities and stock exchange laws, the regulations of the Stock Exchange of Thailand and the laws concerning the Company's business operations.
8. Review, select, nominate and/or dismiss independent persons to serve as the company auditor and propose related remuneration. Also, take part in joint meetings with the Company auditor, in the absence of the management at least once a year.

9. Review connected transactions or transactions with possible conflicts of interest to ensure that they follow the laws and regulations of the Stock Exchange of Thailand and the notification of the Capital Market Supervisory Board and that they are justified and benefit the Company.
10. Prepare the report by the Audit Committee and disclose it in the Company's annual report which requires the signature of the Audit Committee Chairman, and needs to contain at least the following information:
 - 1) Opinion regarding the Company's financial statements accuracy, complete coverage and reliability.
 - 2) Opinion regarding the adequacy of the Company's internal control, fraud and corruption and the risk management system.
 - 3) Opinion regarding the practices in compliance with the securities and stock exchange laws, the regulations of The Stock Exchange of Thailand, or other laws concerning the Company's business operations.
 - 4) Opinion regarding the suitability of the Company auditor and the chief of the internal audit office.
 - 5) Opinion regarding the transaction with a possible conflict of interests.
 - 6) The number of the Audit Committee's Committee's meetings and the attendance record of each member.
 - 7) Overall opinion or comment provided by the Audit Committee out of its practices following the charter.
 - 8) Other items deemed to benefit the shareholders and general investors per the authority and duty scope assigned by The Board of Directors.
11. During the course of their duty, should the Audit Committee come across or have any doubt relating to the below transactions that they may significantly affect the Company's financial position or performance, they are then required to report the matter to The Board of Directors, for necessary remedial actions to be taken within the timeframe decided upon by the Audit Committee.
 - 1) Transaction incurring conflict of interests.
 - 2) Significant fraud and corruption, irregularity, or deficiency within the internal control system.

- 3) Breach of laws concerning securities and stock exchange, the regulations of The Stock Exchange of Thailand, and other laws concerning the Company's business operations.

Suppose The Board of Directors or the management fail to rectify the items within the timeframe assigned by the Audit Committee. In that case, any member of the Audit Committee may report said problems to the Securities and Exchange Commission or the Stock Exchange of Thailand.

12. Encourage and follow up to ensure the Company has an effective risk management system, including overseeing risks and internal controls related to anti-corruption and report the results of the inspection to the Board of Directors regularly.
13. Supervise to ensure the Company has adequate channels to handle complaints or tips relating to suspicious or improper items in the financial statements or fraud and corruption, while having protective confidential measurement for whistleblowers, transparency and independence investigation process, and appropriate follow up.
14. Supervise to ensure the Company implements an adequate management system following good corporate governance practices.

15. Review, revise and amend the Audit Committee Charter for approval to further submit to the Board of Directors.

16. Implement self-appraisal review at least once a year.

17. Engage in other acts as assigned by the Board of Directors and deemed justified by the Audit Committee under company regulations and the law.

In performing the above duties, the Audit Committee is directly responsible to the Board of Directors, who are accountable to the shareholders and general investors.

Audit Committee Meeting

According to the charter, the Audit committee must meet at least once every 3 months and may call additional meetings as necessary. In 2023, the Audit Committee held 4 meetings in total, with the schedule set in advance throughout the year. A meeting with the management to discuss and exchange opinions related to the Company's business also took place, as well as one with the Company's auditors to inquire about issues from the Company's financial statements audit. The Audit Committee reports its performance results to the Board of Directors regularly every quarter.

2. The Nomination and Remuneration Committee

Name	Position
1. Mr. Vichai Kulsomphob	Chairman of the Nomination and Remuneration Committee
2. Mr. Kavin Kanjanapas	Nomination and Remuneration Committee Member
3. Mr. Surayut Thavikulwat	Nomination and Remuneration Committee Member
4. Ms. Suthida Jongjenkit	Nomination and Remuneration Committee Member

Ms. Suthida Jongjenkit serves as the secretary of the Nomination and Remuneration Committee.

The Nomination and Remuneration Committee has the authority, duties and responsibilities specified in the Nomination and Remuneration Committee Charter as follows:

Authority of the Nomination and Remuneration Committee

1. To have the power to summon executive officers and relevant employees of the Company for an explanation, opinion, participation in a meeting, or the submission of documents deemed as appropriate and necessary.
2. To consult specialists or advisors of the Company (if any) or to hire external advisors or specialists where necessary at the expense of the Company.

Duties and Responsibilities of the Nomination Committee

1. To determine rules and procedures for the Nominating of Company Directors.
2. To examine the biography and other information of persons nominated for Company Directors, considering such persons' knowledge, skills, experience and diversity of professional expertise, to obtain the most qualified persons by the Nominating rules, Articles of the Company and relevant laws.
3. To prepare opinions or suggestions on various matters for consideration.
4. To consider nominating persons with suitable qualifications for a Company Director for nomination to the meeting of the Board of Directors for approval.

5. To revise and amend the Charter of the Nomination Committee and to submit such revisions or amendments to the Board of Directors for approval.

6. To carry out any other acts as assigned by the Board of Directors.

Duties and Responsibilities of the Remuneration Committee

1. To evaluate the Board of Directors' performance each year.
2. To set the amount of remuneration for Company directors per the Company's performance, the amount of remuneration approved by the shareholders' meeting, and the amount of compensation paid in the past year, then present to the Board of Directors and pass to shareholders' meeting for approval.
3. To consider the allocation of remuneration for Company directors from the performance, authority, and responsibility within the amount approved by the shareholders and present to the Board of Directors for approval.
4. To consider the allocation of remuneration for various sub-committees (non-director of the Company) by their performance, authority, and responsibility, then present to the Board of Directors for approval.
5. To revise and amend the Charter of the Committee and present such revisions or amendments to the Board of Directors for approval.
6. To carry out any other acts the Board of Directors assign.

According to the Nomination and Remuneration Committee Charter, the Committee members shall meet at least twice a year and may call additional meetings as necessary. In 2023, the Nomination and Remuneration Committee held 2 meetings.

3. The Corporate Governance, Risk Management and Sustainability Committee

Name	Position
1. Prof Dr. Suchatvee Suwansawat	Chairman of the Corporate Governance, Risk Management and Sustainability Committee
2. Mr. Kittichai Treerachatapong	Corporate Governance, Risk Management and Sustainability Committee Member
3. Mrs. Lapika Sasanavin	Corporate Governance, Risk Management and Sustainability Committee Member
4. Ms. Suthida Jongjenkit	Corporate Governance, Risk Management and Sustainability Committee Member
5. Mr. Nuntawat Surawatsatien	Corporate Governance, Risk Management and Sustainability Committee Member
6. Mr. Yosakorn Srisuksawat	Corporate Governance, Risk Management and Sustainability Committee Member

Mr. Nuntawat Surawatsatien serves as the secretary of the Corporate Governance, Risk Management and Sustainability Committee.

Authority of the Committee

1. The power to invite relevant employees of the Company to explain, present an opinion, participate in a meeting, or submit documents deemed necessary and appropriate.
2. To consult experts or advisors of the Company (if any) or hire external advisors or experts where necessary at the Company's expense.
3. The power to appoint working groups to carry out good governance and risk management throughout the organization.

Duties and responsibilities regarding Corporate Governance and Sustainability

1. Set, review, and improve policies, directions, goals, and scope of operations regarding the sustainability of the environment, society, and governance (ESG) principles of corporate governance, business ethics code for Company directors, executives, and employees, anti-corruption policy and regulations to be consistent with business changes, announcements, regulations, and related laws continuously.

2. Supervise and set operational guidelines for sustainability and corporate governance principles, including risks and opportunities from climate change that may affect business operations, sustainable development, corporate governance, anti-corruption policies, and work performance evaluation.
3. Promote and support Company directors, executives, and employees in complying with the sustainable development policy, principles of corporate governance, and anti-corruption policy.
4. Any other duties assigned by the Board of Directors

Duties and Responsibilities Regarding Risk Management

1. Set forth the policies, plans, and targets concerning the implementation of the risk management plans in a clear-cut and continuous manner to effectively cope with significant risk factors. Consequently, compile and present achievement progress report to The Board of Directors.
2. Encourage and promote cooperation among various departments to implement the risk management plans at all operational levels.
3. Follow up, supervise, and conduct performance evaluation to ensure the Company has appropriate and effective risk management. Pay utmost attention and monitor early

warning signs and various irregularities.

4. Develop the risk management system throughout the organization to remain effective consistently.
5. Any other duties assigned by the Board of Directors.

According to the Charter of the Good Governance Committee, Risk Management and Sustainability, the Committee members shall meet at least twice a year and may call additional meetings as necessary. In 2023, the Good Governance, Risk Management, and Sustainability Committee had 2 meetings.

4. The Executive Committee

Name	Position
1. Mr. Kavin Kanjanapas	Chairman of the Executive Committee
2. Mr. Vichai Kulsomphob	Executive Committee Member
3. Mr. Surayut Thavikulwat	Executive Committee Member
4. Mrs. Lapika Sasanavin	Executive Committee Member
5. Mr. Kittichai Treerachatapong	Executive Committee Member
6. Ms. Suthida Jongjenkit	Executive Committee Member

Mr. Kittichai Treerachatapong serves as the secretary of the Executive Committee.

Authority of the Executive Committee

1. To appoint, remove, transfer, evaluate, and determine the remuneration and welfare benefits of employees at every level.
2. To appoint and remove any other working committee to carry out any management activities.
3. To issue regulations and announcements regarding work operations and the authority to grant the executive committee and/or employees holding administrative positions as the person to sign and approve the disbursement of the Company's assets.
4. To approve the grant of loans to companies having business relationships with

the Company as shareholders or companies engaged in trade with the Company or other companies in the amount not exceeding 50 million baht per Company.

5. To approve the guarantees of credit lines for companies having business relationships with the Company as shareholders or companies engaged in trade with the Company or other companies in the amount not exceeding 50 million baht per Company.
6. To approve non-financial legal transactions at no more than 50 million baht per transaction.
7. To approve the grant or credit lines cancellation at no more than 50 million baht each time.
8. To approve investments and sales of investments in capital instruments and/or debt instruments no more than 50 baht million each time.

9. To approve procurements and investments in fixed assets no more than 50 baht million each time.
10. To approve the distribution, payment, and transfer of fixed assets in an amount not exceeding 50 million baht each time.
11. To approve the modification, demolition, and writing off of fixed assets and/or intangible assets decommissioned, out of order, lost, damaged, deteriorated, outdated, and no longer usable, with book value no more than 50 baht million each time.
12. To approve the adjustment of price and destruction of raw materials and/or outstanding stocks that have deteriorated or become outdated, which could reduce the book value as it occurred at no more than 50 baht million each time.
13. To approve a settlement, dispute settlement by arbitration, filing of complaint, lawsuit and/or to participate in any legal proceedings on behalf of the Company for the non-normal business of the Company at no more than 2 million baht per episode and/or the regular business of the Company at no more than 50 million baht per episode.
In cases of urgency, the authority goes to the Managing Director to approve such matters and present it to the next Executive Committee meeting.
14. To approve the dispatch of employees to foreign countries for business or study not at the amount not exceeding 1 million baht each time.
15. All power of the Executive Committee stated above, which involve acquiring or disposing of assets and connected transactions, shall be exercised under Notifications of the Capital Market Supervisory Board.
16. To delegate authority to the executive-level employees of the Company or any other person to act on its behalf.
17. To have the power to summon executive officers and relevant employees of the Company for an explanation, opinion, participation in a meeting, or the submission of documents deemed as appropriate and necessary.
18. To consult specialists or advisors of the Company (if any) or to hire external advisors or specialists where necessary at the expense of the Company.
19. To issue any other work regulations as deemed appropriate.

Duties and Responsibilities

1. To propose the goals, policies, plan, and annual budget to the Board of Directors.
2. To take responsibility for the management of the Company following the direction, goals and business policies.
3. To take charge in enhancing the competitiveness of the Company and to promote continual innovations.
4. To supervise the Company's operations in accordance with the laws, objects, Articles of the Company, resolutions of the meeting of shareholders, resolutions of the Board of Directors, and relevant rules and regulations.
5. Executive Committee members may divide the works and responsibilities amongst themselves, in which case reports on the activities within each member's supervision must be submitted to the meeting of the Executive Committee for acknowledgment.
6. To supervise the preparation of financial statements, these shall be submitted to the auditor for audit and/or review prior to submission to the Audit Committee and Board of Directors, respectively.
7. To consider matters submitted to the Board of Directors for approval or endorsement.
8. To revise and amend the Executive Committee Charter and submit such an amendment to the Board of Directors for approval.
9. To carry out any other acts as assigned by the Board of Directors.

According to the Nomination and Remuneration Committee Charter, the Executive Committee members shall meet at least once every 3 months and may call additional meetings as necessary. In 2023, the Executive Committee held a total of 12 meetings.

7.4 Executive

7.4.1 Management

As December 31, 2023, the Company has total of Managements is 5 peoples with details as follows

Name	Position
1. Ms. Suthida Jongjenkit	Chief Executive Officer
2. Mr. Kittichai Treerachataphong	Chief Strategy Officer
3. Mr. Nuntawat Surawatsatien	Chief Financial Officer
4. Mr. Yotsakorn Srisuksawadi	Chief Investment Officer
5. Ms. Rudee Tarudeeyataworn	Acting Senior Manager – Corporate Strategy

Remark: 1. Executive No. 2 was appointed to the position of Chief Strategy Officer Division on June 1, 2023.

2. Executive No. 3 was appointed to the position of Chief Financial Officer, replacing Ms. Yupapom JearrakulChief, effective June 1, 2023.

3. Executive No. 4 was appointed to hold the position of Chief Investment Officer Division on June 1, 2023

4. Executive No. 5 was appointed to the position of Acting Senior Manager - Corporate Strategy, replacing Mr. Ukkachon Saengsook on September 7, 2023.

With due awareness on the importance of the Good Corporate Governance and to comply with Section 3/1 of the Securities and Exchange Act B.E. 2535, as per amendment by the Securities and Exchange Act (Volume 4) B.E. 2551, the Board of Directors has appointed Managing Director with the duties, authority and responsibility as follows:

1. To have the power to administer the operations of the Company pursuant to policies, law, objectives, Articles of the Company, resolutions of the meeting of shareholders, resolutions of the Board of Directors, resolutions of the Executive Committee, as well as relevant regulations and procedures.
2. To have the power to issue orders and carry out any act as necessary and

appropriate to satisfactorily carry out the functions under article 1 and in the case of an important matter, a report shall be made and/or notice shall be given to the Board of Directors and/or the Executive Committee.

3. To have the power to issue regulations on the Company's operations, such regulations not being inconsistent with or contrary to the policies, articles, regulations, rules, orders, and resolutions of the Board of Directors and/or Executive Committee.
4. Have the power to instruct, appoint, assign, dismiss, relocate, consider the performance, disciplinary measure as well as to determine employee compensation and welfare to the extent that these acts will not be in the contrary with the Executive Committee authority.
5. Have the power to provide and invest in fixed assets within the budget no more than 10

million baht for each investment.

6. Have the power to distribute, pay, and transfer fixed assets within the budget no more than 10 million baht for each transaction.
7. Have the power to approve an investment budget, disposal of investment money in the ordinary shares and/or any other securities issued by other companies for no more than 10 million baht per each transaction.
8. Have the power to approve an act in the law for all types of contracts, except the legal contract made for payment, in which the approval for each transaction shall not exceed 10 million baht.
9. Approve the compromise, settle a dispute by an arbitrator, grievance, filing a lawsuit and/or carrying out of proceedings for any lawsuit on behalf of the company regarding the case other than business course with the amount not exceeding 500,000 baht and/or the case under normal business course with the amount not exceeding 10 million baht.
10. All the power of authority of the Managing Director concerning the acquisition or disposal of assets and connected transactions shall be according to the notification of

the Capital Market Advisory Board.

11. To grant and/or delegate powers to other people to perform specific tasks on behalf of the Managing Director.
12. The above powers of the Managing Director shall not be exercised in the event of the Managing Director's having a potential personal interest in or a conflict of interests of any character with the Company.
13. Any questions or doubt in such power or any ambiguity in exercising the power hereof shall be proposed to the Board of Directors for consideration.
14. To promote and develop adherence to good conduct, legal compliance, ethics, and culture in the Company's business operations while observing good governance principles.
15. To carry out any other act as entrusted by the Board of Directors and/or Executive Committee.

7.4.2 Policy on Remuneration of Directors and Executives

The Nomination and Remuneration Committee is responsible for reviewing the compensation of the Chief Executive Officer and presenting it to the Board of Directors for consideration and approval. This remuneration is determined appropriately according to the company's remuneration structure, considering performance results and compliance with assigned duties and responsibilities. The Company's Board of Directors evaluates performance annually.

The Chief Executive Officer will consider the appropriateness of determining compensation and annual salary adjustments for executives by considering the performance and operating results of the company.

7.4.3 Total remuneration of the Executive Committee and the Management

1. Remuneration in money

Remunerations	2023		2022		2021	
	Number (people)	Amount (Baht)	Number (people)	Amount (Baht)	Number (people)	Amount (Baht)
Salaries and others	5	24,681,439	6	20,150,160	6	22,824,986
Meeting allowance	5	352,000	6	858,000	6	842,000
Total		25,033,439		21,008,160		23,666,986

2. Other Remuneration

Other remuneration of Executive Officers according to the definition of the SEC total of 5 persons (excluding the chief accountant) who are member of provident fund will receive monthly contribution at the rate of 3-8 percent of the salary. In 2023, the Company made contributions to the provident fund totaling 168,000 Baht.

7.5 Employees

Total employees of the Company as of 31 December 2023

TNL	2023			2022			2021		
	Administration (person)	Production (person)	Total (person)	Administration (person)	Production (person)	Total (person)	Administration (person)	Production (person)	Total (person)
Head Office / Bangkok	430	500	930	432	581	1013	346	522	868
Lamphun	-	399	399	-	505	505	-	374	374
Kabinburi	-	365	365	-	425	425	-	403	403
Mae Sot	-	194	194	-	258	258	-	173	173
Sriracha	-	32	32	-	54	54	-	-	-
Total	430	1,490	1,920	432	1,823	2,255	346	1,472	1,818

Labour disputes over the previous 3 years period

- None -

Remuneration of all employees (Excluding Executives)

Remuneration consists of salaries, overtime pay, bonuses, provident fund contributions, retirement fees and other incomes.

Consolidated Returns (Salary and others)	2023 Amount (million baht)	2022 Amount (million baht)	2021 Amount (million baht)
	606.01	551.47	438.93

Provident fund

The Company has established a provident fund according to the Provident Fund Act B.E. 2530 with corporate contribution of 3% of employee salary. The employee can select to contribute to the fund at 3, 5, 10 and 15% based on their salary rate.

In 2023, a total of 1,266 employees, or 65% of total employees, joined the provident fund.

7.6 Other important information

7.6.1 Information about Company Secretary, Chief of Accountant, Head of Compliance Office and Head of Internal Audit.

Company Secretary

The Board of Directors adopted a resolution to appoint Ms. Suthida Jongjenkit, whose qualifications are stated in “Details of directors, executives, controlling persons, and the Company’s secretary” (Attachment 1), as the Company Secretary from December 8, 2022.

The Company Secretary is under an obligation to perform duties prescribed under section 89/15 and section 89/16 of the Securities and Exchange Act (No. 4) 2008, which came into force on August 31, 2008. Those duties must be performed responsibly, prudently and in good faith, and in accordance with laws, objects, Company Articles, Board of Directors resolutions, including shareholders’ meeting resolutions, as follows:

1. To provide preliminary advice to the directors on laws, regulations, and articles of the Company, and to monitor proper and regular compliance, as well as to report substantive changes to the directors.
2. To coordinate between the Company directors and the management, to supervise and coordinate matters pertaining to the relevant laws and regulations, including proceedings to ensure compliance with resolutions of the Board of Directors.
3. To organize meetings of shareholders and meetings of the Board of Directors in accordance with laws, Company Articles and other directives.
4. To record minutes of meetings of shareholders and meetings of the Board of Directors as well as to monitor compliance with resolutions of meetings of shareholders and meetings of the Board of Directors.
5. To oversee the disclosure of information and file the relevant reports under the rules and regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand.
6. To prepare and archive the following documents:
 - (g) Directors' Register
 - (h) Notice of Board of Directors meeting, minutes of Board of Directors meeting and Annual Report of the Company
 - (i) Notice of shareholders meeting and minutes of shareholders meeting.
7. To maintain reports of interest reports filed by directors or executives.
8. To carry out other proceedings as prescribed by the Capital Market Supervisory Board.

7.6.2 Information about Investor Relations

The Board of Directors adopted a resolution to appoint Mr. Saran Sriweraskul, whose qualifications, as the Investor Relations from June 1, 2023. The Company prioritizes the importance of information disclosure, which is transparent and thorough. News and information are shared to investors and related parties to acknowledge them without delay and in equal manner via SET channel and the Company's site: www.tnl.co.th In addition, the Company has assigned a person to provide information and news for investors and related person as per request through below channel.

Mr. Saran Sriweraskul Investor Relations
Tel: 02-293-0049
E-mail : ir@tnl.co.th

Head of Accountant

The Company has assigned MS. Rudee Tarudeeyataworn, Accounting and Tax Section Manager, to act as Head of Accountant according to the rules of official agencies overseeing the company's business operations. Further details as described in Attachment 1.

Head of Compliance Office

The Company has not yet appointed the head of the Compliance team, the Company has assigned the head of each department to be responsible for each line of work. To ensure that work performances shall comply with any related laws, rules, regulations, and provisions.

Head of Internal Audit Office

The company has appointed Mr. Yotsakorn Srisuksawadi to perform duties as the head of internal audit and Secretary of the Audit Committee, replacing Mr. Woradej Puengsiricharoen, effective June 1, 2023. He was selected for his expertise, abilities, and experience in the relevant field of work.

The Audit Committee agreed that the Head of Internal Audit's education, experience, and training experience are adequate and suitable to perform duties as the Head of Internal Audit. Further details as described in Attachment 3.

7.6.3 Auditor's remuneration

The Company and subsidiary companies have obtained approval from the meeting of shareholders to pay an audit fee to EY Office Company Limited, the audit office of the auditor's affiliation. Details of the fees are as follows:

Audit Fee	2023 (Baht)	2022 (Baht)	2021 (Baht)
Thanulux Public Company Limited	1,485,000	1,177,000	1,100,000
Subsidiary (4 Companies)	2,145,000	100,000*	100,000*
Other Services**			
Thanulux Public Company Limited	120,000	60,000*	60,000*
Subsidiary (4 Companies)	100,000	-	-
Total	3,950,000	1,337,000	1,260,000

หมายเหตุ : * In 2022 and 2021, the Company has 2 subsidiaries.

** The Company paid other services fee for reviewing of compliance with conditions under the Investment Promotion Certificate.

8. Performance Report on Corporate Governance



8.1 Performance Summary Report of the Board of Directors in the Past Year

In 2023, the Board of Directors has conducted complete and appropriate corporate governance activities, and monitored the performance of the sub-committees and other working teams closely, with the following reports from each Committees:

Audit Committee Report

The Audit Committee has performed its duties independently within the scope of the Audit Committee Charter, in line with the regulations and best practices of the Securities and Exchange Commission. and the Stock Exchange of Thailand

In 2023, the Audit Committee held a total of 4 meetings, with the following directors attending the meetings:

		Number of attendance / Number of meetings held
1. Prof. Dr Suchatwee Suwansawat	Chairman of the Audit Committee	4/4
2. Mr. Maris Saengiamphong	Audit Committee Member	4/4
3. Mr. Wittawat Phanpanich	Audit Committee Member	4/4

The Audit Committee reports its performance to the Board of Directors every quarter. The summary of essential issues in 2023 is as follows:

1. Review of financial statements

The Audit Committee has reviewed the Company's quarterly and annual financial statements, including the consolidated financial statements of the Company and its subsidiaries, and the auditor, management, and internal audit unit, considering essential issues and providing advice and valuable comments to ensure that the control system the Company's financial statements preparation is accurate and reliable. Sufficient and timely information is

disclosed to the financial statement users, complying with relevant laws and regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission and financial reporting standards. A meeting with the auditor without the participation of the management is held for independent consultants concerning the performance of reviewing and auditing financial statements.

2. Internal control and internal audit system

The Audit Committee has reviewed the evaluation results of the internal control system, both operating systems and information systems, as reported by the Internal Audit Office on a monthly and quarterly basis. The review result shows to be sufficient and suitable for current business operations and consistent with the auditor's opinion, and no significant defects were found, including approving the annual internal audit plan.

3. Review of connected transactions or transactions that may have conflicts of interest

The Audit Committee has reviewed connected transactions or transactions that may have conflicts of interest between the Company and its subsidiaries in 2023 based on the principle of caution, taking into account the benefits of the shareholders. Sufficient information is disclosed and conforms to the laws and regulations of the Stock Exchange of Thailand and the announcement of the Capital Market Supervisory Board.

4. Compliance with laws and government regulations

The Audit Committee has assigned the Office of Internal Audit. Conduct a review of compliance with the Securities and Exchange Act, including the regulations of the Stock Exchange and the Securities and Exchange Commission and other laws related to the Company's operations. The audit result shows that the Company complied with the laws and regulations without affecting the operations.

5. Evaluation of the performance of the Audit Committee


The Audit Committee reviewed the charter and evaluated the performance of the Audit Committee as a group and individually according to the Committee's guidelines and charter. The evaluation results show that the Audit Committee has performed its duties efficiently and effectively according to the scope of duties and responsibilities specified in the Audit Committee Charter.

6. Appointment of auditors

The Audit Committee has considered selected and proposed the appointment of the Company and its subsidiaries, with EY Office Company Limited as the auditor of the Company and its subsidiaries for 2023, considering qualifications specified by the SEC Office.

The Audit Committee proposes to the Board of Directors for consideration. It requests approval from the shareholders' meeting to appoint Mr. Wichati Loketkrawee, Certified Public Accountant No. 4451 and/or Ms. Saifon Inkaew, Certified Public Accountant No. 4434 and/or Ms. Kamontip Lertwitworathep Certified Public Accountant No. 4377 of EY Office Company Limited as the auditors of the Company and its subsidiaries for 2023. The Committee also approved the financial statement audit fee, quarterly financial statement review fee, and the Company's 2023 financial statements, totaling 1,585,000 baht, including acknowledgement of the annual audit fee. The subsidiary's quarterly financial statements review fee for 2023 is a total of 1,515,000 baht.

On behalf of the Audit Committee



(Prof. Dr. Suchatwee Suwansawat)
Chairman of the Audit Committee

Report of the Nomination and Remuneration Committee

In 2023, the Nomination and Remuneration Committee held two meetings. The meeting details are disclosed on meeting attendance and committee member's remuneration topics. The Committee performed their duties as assigned by the Board of Directors, which can be summarized as follows:

1. Nomination

In selecting qualified candidates, the Committee considered the knowledge, skills, experience, and expertise from various professions. The Nomination Committee also considers their leadership, visions, ethics, and transparency, following the laws and regulations of the Company, with no sexual prejudice for their nominations.

In this regard, the committee structure, position allocation, and duties of directors and sub-committees have been considered for management to be efficient and appropriate to the current situation. A self-assessment is set to improve work efficiency, and the Committee charter is reviewed to ensure the appropriation and compliance with laws and regulations.

2. Remuneration Committee

The Remuneration Committee determines the remuneration limit and rules for allocating remuneration to the Directors to achieve an appropriate distribution that creates an incentive for work efficiency and ensures knowledgeable and proficient personnel retention. The Committee has determined the reasonable remuneration limit for the Directors based on comparisons with other companies in the same industry, the limit approved by the shareholders' meeting in the preceding year, and the amount of remuneration paid.

The allocation of remuneration to the Company's Directors and members of subcommittees, consideration is based on the powers, duties, responsibilities, performance, and growth rate and performance of the Company within the limit approved by the shareholders.

The remuneration of the Directors and sub-committee members has been disclosed in the annual report. The Remuneration Committee finds the remunerations appropriate and commensurate with duties, responsibilities, and the Company's policies.

Report of the Corporate Governance, Risk Management and Sustainability Committee

In 2023, the Corporate Governance, Risk Management, and Sustainability Committee held two meetings, which were presented on the meeting attendance and remuneration payment topic. The Committee has performed its duties as assigned by the Board of Directors, which can be summarized as follows:

1. Corporate Governance and Sustainability

The Company conducts business according to the principles of good corporate governance, following the anti-corruption policy, in compliance with relevant laws and work standards, and is committed to the continuous development of operations, along with the emphasis on the importance of social and environmental responsibility that support efficient operations that are sustainable in the long term and build confidence among all groups of stakeholders. In 2023, the Committee managed and worked on the principles of good corporate governance in the following matters:

- 1) Review the vision, mission, and core values per the Company's goal and direction.
- 2) Review the Company's good corporate governance practice, support, and monitor compliance with good corporate governance for the listed companies in 2017 issued by the Securities and Exchange Commission. Good corporate clauses are implemented annually to suit the Company's business context.
- 3) Oversee and encourage the Company's practice according to corporate governance principles, resulting in the Company getting certified as "very good" by CG Scorecard for listed Company.
- 4) Monitor and ensure that the company has reviewed and evaluated its business operations regarding economic, environmental, and social dimensions according to the THSI sustainability assessment model to facilitate sustainability in business operations. Create opportunities and manage risks in the operating process efficiently to align with all stakeholders' expectations in the business value chain.
- 5) Supervise the Company and organize a general meeting of shareholders according to relevant criteria, which results in the Company receiving an evaluation score on quality of shareholder meetings (AGM), 100 total points.

2. Risk Management

The Company has established the Risk Management Committee, comprised of members who effectively possess the knowledge and understanding of risk assessment on a corporate operating system. The Committee shall determine the business operation direction to achieve the goals outlined in the strategic target and sustainable growth to assure and create creditability among shareholders and stakeholders of all groups. In addition, the Risk Management Committee has determined the risk management framework to be consistent with the strategic target, prepared an operation plan to support the corporate goal and complied with the risk management approach effectively.

- 1) Supervise risk management for utmost efficiency under the risk management policy and company strategy to ensure that the Company has adequate and appropriate risk management. Follow up and give recommendations in preparing risk management plans for each department, as well as follow up on risk management results and report to the Board of Directors regularly, at least twice a year.
- 2) Consider and review the Strategic Risk Management and Risk Action Plan, which must be acceptable. Review the Risk Management Committee Charter annually to ensure the comprehension of internal and external factors affecting the organization, society, environment, or stakeholders in the short and long term.

8.1.1 Recruitment, Development, and Performance Evaluation of the Committees

1. Nomination and Appointment of Directors

Selection Criteria for Directors

For the nomination and appointment of directors, the Company has set the criteria, and the process as follows:

1. Qualifications of nominated directors shall be diverse (Board Diversity) in terms of educational level, professional skills, specialization that is beneficial to the Company's business, and ability to meet the requirements of the strategy of the Company's business operation without discrimination such as sex, age, and race, etc.
2. The appointed persons shall be qualified with leadership, vision, integrity, ethics, and transparent work experiences.
3. The appointed persons shall not be prohibited under the laws and regulations of the Company
4. In case of retiring directors' nomination to serve another term, there will be additional consideration regarding their past performance as directors and various committees.
5. In case of independent directors' appointment, they must have the qualifications required for independent directors by notification from The Capital Market Supervisory Board.

Directors Selection Process

1. The Nomination Committee is responsible for selecting qualified persons with appropriate qualifications as Company Directors. Such nominations must go through the Board of Directors' consideration before being submitted to the shareholders' meeting for approval by the majority votes.
In case of early retirement before term completion, with the remaining term being not less than two months, the Board of Directors' meeting shall be authorized to select the persons from the candidates proposed by The Nomination Committee for further appointment as company directors, by the majority votes of not less than 3/4 of the remaining directors. In such cases, the newly appointed directors shall serve out

the remaining term of their predecessors.

The Nomination Committee will analyze the Board's skills, experience, knowledge, and expertise (Skill Matrix) as the consideration information for selecting directors is under the Company's business operation and strategy.

2. Furthermore, regarding the selection of new board members, the Nomination Committee considers nominees with knowledge, ability, and experience that can be beneficial to the directors' performance and essential to the board's structure, the qualification that the current Board team needs to be improved.
3. The Committee makes consideration of the additional nomination of directors, apart from professional directors of the Thai Institute of Directors Association (IOD).

Independent Directors

Regarding the selection of independent directors, the Committee shall select those persons with qualifications required for independent directors by the Capital Market Supervisory Board, in addition to the basic qualification requirements above.

Independent Directors' Qualifications

The Board of Directors adopts the definition of independent director with qualifications defined by the Capital Market Supervisory Board as follows:

- 1) Hold shares not exceeding one (1) per cent of the total number of shares with voting rights of the Company, parent company, subsidiaries, associated Company, major shareholder or controlling person of the Company, including the shareholding of related persons of said independent director.
- 2) Neither being nor having been an executive director, employee, staff, or advisor who receives a regular salary or is a controlling person of the Company, its parent company, subsidiary, associated Company, same-level subsidiary, major shareholders or persons having supervision authority over the Company unless the preceding status ended no less than two years before the date of their appointment. Nevertheless, such a prohibited nature would not apply if such independent directors had earlier served

as government officials or advisors to government agencies acting as major shareholders or having supervision authority over the Company.

- 3) Not a person related by blood or by legal registration in the manner of being father, mother, spouse, sibling, and child, including the spouse of child of executive, major shareholder controlling person or the person who will be offered the position of executive or the controlling person of the Company or subsidiaries.
- 4) Having no business relationship with the Company, its parent company, subsidiary, associated Company, major shareholders or controlling person of the Company, in such manner likely to interfere with own independent judgment and neither being nor having been a significant shareholder or person having supervision authority over the person who has a business relationship with the Company, its parent company, subsidiary, associated Company, major shareholders or controlling person of the Company, unless the preceding relationship ended not less than two years before the date of appointment as an independent director.

The term 'business relationship' aforementioned includes any standard business transaction, rental or lease of immovable property, the transaction relating to the assets or services or the granting or receipt of financial assistance through receiving or extending loans, guarantee, providing holdings as collateral, including any other similar action, resulting in the Company or its counterparty being subject to indebtedness payable to the other parties in the amount of three per cent or more of the net tangible assets of the Company or twenty million Baht or more, whichever is lower. The amount of such indebtedness shall be calculated according to the calculation method for the value of connected transactions under The Notification of The Capital Market Supervisory Board regarding The Compromise Criteria for Connected Transactions. The combination of such indebtedness shall include indebtedness during one year before the date on which the business relationship with the person commences.

- 5) Neither being nor having been an auditor of the Company, its parent the Company, subsidiary, associated Company, major shareholders or controlling person of the Company, and not being a significant shareholder or person having supervision authority or partner of an audit firm that employs auditors of the Company, its parent

company, subsidiary, associated Company, major shareholders, or controlling person of the Company unless the preceding relationship has ended at least two years before the date of appointment as an independent director.

- 6) Neither being nor having been any professional advisor, including legal advisor or financial advisor who receives an annual service fee exceeding two million Baht from the Company, its parent company, subsidiary, associated Company, major shareholders, or controlling person of the Company, and not being a significant shareholder or person having supervision authority or partner of the professional advisor unless the previous relationship has ended at least two years prior to the date of appointment as an independent director.
- 7) Not being a director appointed as the representative of the Company's director, major shareholder, or a shareholder related to the major shareholder.
- 8) Not engaging in business operations of the exact business nature or competition against the business operations of the Company or its subsidiaries, nor serving as a significant partner in a limited partnership or otherwise serving as a director participating in the management, or serving as an employee or a consultant receiving salary or holding over 1% shares out of total shares in other companies engaging in the exact business nature or competition against the Company and its subsidiaries.
- 9) Not having any characteristics makes him incapable of expressing independent opinions regarding the Company's business affairs.

In the event of any announcement by the Capital Market Supervisory Board imposing the revision to the qualifications for independent directors, the Company's independent director would be required to possess such qualifications well complying with such revision.

After fulfilling the requirement stated above, such an independent director shall be assigned by the Board to take part in the business decisions of the Company, its parent company, its subsidiaries, its associated companies, same-level subsidiaries, major shareholders or controlling persons of the Company on the condition that such a decision must be collective.

Additionally, the Company's independent directors shall have neither business relationships

nor professional services in the past accounting period. Also, the appointed independent directors shall only have business relationships or professional services that exceed the rules stipulated in the notification of the Capital Market Supervisory Board regarding the application for and approval of the offer for the sale of newly issued shares.

Shareholders' rights to elect Company Directors

Minor shareholders' rights to propose candidates as Director

The Company provided minor shareholders with the opportunity to nominate candidates to be appointed as company directors at the annual shareholders' general meeting in advance according to the criteria specified by the company, whose further details were displayed on the company website under the heading "Investor Relations or IR News".

Vote-casting method for director appointment

According to company articles of association no.20, the shareholders' meeting was authorized to appoint company directors according to the criteria and method as follows:

1. One shareholder shall have one vote per share.
2. Each shareholder must exercise all their votes under the first paragraph to elect one or several persons to be a director or directors and must not allow their votes to any person in any number.
3. The individual receiving the highest number of votes, followed by those with the highest

number of votes, shall be elected as the directors, fulfilling the number of directorships required to be selected by the shareholder's meeting. If the number of votes for the candidates in descending order is equal and exceeds the number of directors to be elected at said meeting, the Chairman shall cast the deciding vote.

2. The selection of the Chief Executive Officer

2.1 The management nomination

The nomination process for the Company's management positions begins with nominating suitable and qualified individuals with sound morality and ethics to join the Company. The Company then trains these people to be well-prepared for the challenges as future management members by consistently evaluating employees' potential and capabilities.

2.2 Chief Executive Officer Nomination

Concerning Chief Executive Officer nomination, the Committee shall consider and select a suitable person from the current management team or others with qualified knowledge and abilities who understand the Company's business and can achieve the objectives and targets set by the Board of Directors and is also not prohibited by laws to be a candidate. Such a person is then proposed to the Board of Directors for consideration of appointment.

Development of Directors and Executives

All Directors and Executives are encouraged to enhance their knowledge by participating in relevant training courses and seminars indicated by the Thai Institute of Directors Association (IOD), the office of the Securities and Exchange Commission, the Stock Exchange of Thailand, and the Thai Listed Company Association. Furthermore, the Company's directors and executives meet regularly with their counterparts from other organizations to exchange their views.

Training Attendance of the Directors and Executives in developing various knowledge in 2023

List of directors	Training courses / Seminars
1. Ms. Suthida Jongjenkit	<ul style="list-style-type: none"> Board Nomination and Compensation Program (BNCP) Class 17/2023, Thai Institute of Directors Association Transfer pricing, strategy for transferring profits to affiliated companies in 2023, Omega world-class Corporate Innovation Summit 2023 Rise
2. Mr. Kittichai Triratchataphong	<ul style="list-style-type: none"> Director Certification Program (DCP) Class 336/2023, Thai Institute of Directors Association
3. Mrs. Lapika Sasanawin	<ul style="list-style-type: none"> Director Certification Program (DCP) Class 344/2023, Thai Institute of Directors Association PMO: Set up and Sustain Project Management Office, year 2023, KNOWLEDGER Institute PPP Executive Leadership Program, PPP Leadership Academy 2023, Fiscal Policy Research Institute
4. Miss Chawadee Rungruang	<ul style="list-style-type: none"> Director Certification Program (DCP) Class 342/2023, Thai Institute of Directors Association e-Learning CFO Orientation for New IPOs course 2023, Stock Exchange of Thailand
5. Mr. Wittawat Phanpanich	<ul style="list-style-type: none"> Director Certification Program (DCP) Class 341/2023, Thai Institute of Directors Association Advanced Audit Committee Program (AACP) Class /2023, Thai Institute of Directors Association
6. Mr. Nanthawat Surawattisathie	<ul style="list-style-type: none"> How to Develop a Risk Management Plan (HRP) Class 35/2023, Thai Institute of Directors Association CFO Refresher Course 2023, Stock Exchange of Thailand TLCA CFO CPD No. 7/2023, topic: Economic Update for CFO, Thai Listed Companies Association TLCA CFO Professional Development Program (TLCA CFO CPD) No. 8/2023, topic "Guidelines for issuing and offering debt instruments for environmental conservation," Thai Listed Companies Association
7. Mr. Yosakorn Srisuksawat	<ul style="list-style-type: none"> Risk Management Program for Corporate Leaders (RCL) Class 33/2023, Thai Institute of Directors Association
8. Miss Ruedee Trudiyathaworn	<ul style="list-style-type: none"> TLCA CFO CPD No. 7/2023, topic: Economic Update for CFO, Thai Listed Companies Association TLCA CFO Professional Development Program (TLCA CFO CPD) No. 8/2023, topic "Guidelines for issuing and offering debt instruments for environmental conservation," Thai Listed Companies Association

Succession plan

The Board of Directors emphasizes the importance of building executives to succeed in the chief executive positions, with the following principles pursued:

- 1) A description of the chief executive positions, relevance to targets and strategies of the organization, as well as the qualification specification, knowledge and skills required.
- 2) Nomination of executive officers who possess competence and abilities.
- 3) Analysis of individual qualifications to identify strengths and areas needing further development.
- 4) Constructing an individual development plan to promote the development of competence and potential.

Performance Assessment of the Board of Directors

The Committee recognizes the importance of their roles, duties, and responsibilities in performing their duties to achieve maximum benefit to the Company and all stakeholders; an evaluation of the performance of the Board of Directors and every sub-committee is organized. The Company has established criteria for evaluating the performance of directors as follows:

Group Evaluation

- 1) Roles, duties, and responsibilities of the Committee
- 2) Independence of directors
- 3) Relationships with management and stakeholders

Individual Evaluation

- 1) Roles, duties, and responsibilities of the Committee
- 2) Independence of directors
- 3) Relationships with management and stakeholders

Annual performance evaluation	2023 (percent)	2022 (percent)	2021 (percent)
Board of Directors			
Group	85.53	85.16	83.16
Individual	89.24	89.63	89.03
Sub-committees			
Audit Committee	97.65	99.50	89.03
Nomination and Remuneration Committee	93.75		
Nomination Committee		83.33	86.67
Remuneration Committee		83.56	91.56
Corporate Governance, Risk Management and Sustainability Committee	85.00		
Corporate Governance Committee		85.50	88.25
Risk Management Committee		76.75	74.75
Executive Committee	91.89	81.93	82.78

Annual performance evaluation of the Chief Executive Officer

All members of the Board of Directors evaluate the performance of the Chief Executive Officer. The topics for the assessment are as follows:

1. Leadership
2. Strategy determination
3. Strategy Execution
4. Financial planning and performance
5. Relationship with the committee
6. External relations
7. Administration and personnel relations
8. Succession
9. Knowledge of products and services
10. Personal characteristics

In 2023, the Chief Executive Officer received a total evaluation result of 92%.

8.1.2 Meeting attendance and compensation for individual committee members

In 2023, the committee attended the following meetings:

Directors		General Meeting of Shareholders	Board of Directors	Audit committee	Nomination and Remuneration Committee	Corporate Governance, Risk Management and Sustainability	Management Committee	Non-Executive Director
1.	Mr. Thamarat Chokwatana	1/1	8/10					1/1
2.	Mr. Surayut Thavikulwat	1/1	10/10		2/2	2/2	12/12	
3.	Mrs. Lapika Sasanavin	1/1	10/10			2/2	12/12	
4.	Ms. Chawadee Rungruang	1/1	10/10		2/2		9/12	1/1
5.	Ms. Suthida Jongjenkit	1/1	10/10			2/2	11/12	
6.	Mr. Kittichai Treerachatapong	1/1	10/10					
7.	Prof. Dr. Suchatvee Suwansawat	1/1	10/10	4/4		2/2		1/1
8.	Mr. Maris Sangiampongsa	1/1	10/10	4/4				1/1
9.	Mr. Vittawat Panpanich	1/1	10/10	4/4				1/1
10.	Mr. Kawin Kanchanapas				2/2		10/12	
11.	Mr. Wichai Kulsompob				2/2		11/12	

The Board of Directors and subcommittees meetings

The Board of Directors and sub-committees have arranged a meeting schedule one year in advance. Additional meetings may be called upon as necessary. Clear agendas accompany each meeting. The Secretary of each committee shall send invitation letters with the agenda and supplemental meeting documents to the directors at least seven days in advance to enable the directors to conduct adequate studies of the information before the

meeting. In the meeting, the chairman shall give opportunities to all directors to fully debate and express opinions and the executives to provide explanations and responses to questions. Minutes are recorded in writing. Minutes approved by the board are systematically archived as evidence for reference and are ready for inspection.

Directors' Remuneration

Criteria for Directors' Remuneration

The consideration of the remuneration is subject to the benchmark of companies in the same industry, the Company's growth and expansion, operation results, the directors' power, duties, responsibilities, and performance.

Remuneration Determination

The Remuneration Committee is responsible for determining the appropriate amount of remuneration, which is set as meeting allowance and annual remuneration. The details are presented to the Board of Directors for consideration and then to the shareholders' general meeting for approval.

Annual Remuneration for the Directors

The Remuneration Committee sets the annual remuneration according to the specified criteria and then presents it to the Board of Directors' meeting for approval.

1. Monetary Remuneration

(a) Directors' Remuneration

During the Shareholders' Meeting No. 49 on April 25, 2023, a resolution was passed approving the remuneration limit not exceeding 10 million THB per annum for Company Directors. This remuneration does not include compensation or welfare benefits payable to Company Directors in their capacities as employees of the Company. The following remuneration has been determined according to their performances.

Board of Directors	Chairman's Meeting Allowance (Bah /meeting)	Meeting Allowance (Bah /meeting)
Board of Directors	10,000	8,000
Audit Committee	60,000	30,000
Nominating Committee Remuneration Committee	10,000	8,000
Governance Committee Risk Management Committee	10,000	8,000
Executive Committee	5,000	5,000

Remark: Meeting allowances are paid only to directors who attend the meeting.

(b) Annual Remuneration (Gratuity)

This amount is paid to all company directors by having the Remuneration Committee consider the allocation and then submit it to the Board of Directors for approval.

Summary of Directors' Remuneration for 2023

Directors		Meeting Allowance	Remuneration	Total	Remark
1.	Mr. Thamarat Chokwatana	80,000	480,000	560,000	
2.	Ms. Suthida Jongjenkit	143,000	30,000	173,000	
3.	Mr. Kittichai Treerachatapong	143,000	30,000	173,000	
4.	Mr. Surayut Thavikulwat	112,000	30,000	142,000	
5.	Mrs. Lapika Sasanavin	138,000	30,000	168,000	
6.	Ms. Chawadee Rungruang	72,000	30,000	102,000	
7.	Mr. Maris Sangiampongsa	200,000	240,000	440,000	
8.	Prof. Dr. Suchatvee Suwansawat	340,000	150,000	490,000	
9.	Mr. Vittawat Panpanich	200,000	30,000	230,000	
10.	Mr. Kavin Kanjanapas	45,000	-	45,000	
11.	Mr. Vichai Kulsomphob	50,000	-	50,000	
12.	Ms. Dusadee Soontornumraon		960,000	960,000	Resigned from Chairman Committee on December 8, 2022.
13.	Ms. Marin Leelanuwatna		480,000	480,000	Resigned from Chairman Committee on December 7, 2022.
14.	Ms. Yupaporn Jearrakul		360,000	360,000	Resigned from Chairman Committee on December 8, 2022.
15.	Mr. Suchart Layluxsiri		240,000	240,000	Resigned from Chairman Committee on December 7, 2022.
16.	Mr. Wasin Teyateeti		360,000	360,000	Resigned from Chairman Committee on December 7, 2022.
17.	Mr. Nipon Poapongsakorn		300,000	300,000	Resigned from Chairman Committee on June 9, 2022.
18.	Mr. Krish Follett		240,000	240,000	Resigned from Chairman of the Risk Management Committee on December 8, 2022.
		1,523,000	3,990,000	5,513,000	

2. Other Remuneration

- None-

The Company does not have a policy of paying other remuneration apart from those paid to Directors or employees in the ordinary course of business. There is no grant of shares, debentures, or other securities.

8.1.3 Supervision of Subsidiaries

The assigned directors of the Company will select individuals nominated by the Company and exercise their voting rights to appoint them as directors for the Company's subsidiaries. The number of persons with voting rights to nominate directors is proportional to the Company's shareholding. The appointed director in the subsidiaries must act in the best interest of the subsidiary in which he holds the director position, except in matters that are important policies that affect business operations; the Company requires that the person appointed receive approval from the Board of Directors before voting.

The Company has established a policy to ensure its subsidiary has a sufficient and appropriate internal control system by having the Company's internal audit office monitor the subsidiary company's internal control system annually. In addition, the Company appoints an individual to oversee the subsidiary company's compliance and disclosure of significant information under the same applicable rules as the Company, such as connected transactions, acquisition or disposal of assets, or other significant transactions, including supervision of data collection and financial accounting of the subsidiary company to facilitate inspections and consolidation of financial statements on time.

The Company has no agreement with other shareholders on the management of subsidiary companies. Moreover, the Company also has no agreement with other shareholders on the allocation of returns other than regular returns under the shareholding proportion in the subsidiary company.

In 2023, the Company has four subsidiaries. The directors of each subsidiary are as follows:

1. TNLX Co., Ltd.

Name	Position
1. Mr. Thamarat Chokwatana	Chairman
2. Ms. Dusadee Soontorntumraon	Director
3. Ms. Marin Leelanuwatna	Director
4. Ms. Yupaporn Jearrakul	Director
5. Mr. Suchart Layluxsiri	Director
6. Mr. Vichai Kulsomphob	Director
7. Ms. Suthida Jongjenkit	Director

2. TNL Alliance Co., Ltd.

Name	Position
1. Mr. Surayut Thavikulwat	Chairman
2. Mrs. Lapika Sasanavin	Director
3. Miss Chawadee Rungruang	Director

3. Oxygen Asset Co., Ltd.

Name	Position
1. Mr. Vichai Kulsomphob	Chairman
2. Ms. Kesara Sumkarnjanaruk	Director
3. Mr. Kittichai Treerachataphong	Director
4. Mr. Supradit Said	Director
5. Ms. Suthida Jongjenkit	Director

4. Oxygen Asset Management Co., Ltd.

Name	Position
1. Mr. Vichai Kulsomphob	Chairman
2. Ms. Kesara Sumkarnjanaruk	Director
3. Mr. Kittichai Treerachataphong	Director
4. Mr. Supradit Said	Director
5. Ms. Suthida Jongjenkit	Director

8.1.4 The Implementation of the Corporate Governance Policy and Practice

The Board believes compliance with the Good Corporate Governance Code, the foundation of sustainable development and business value creation, will bring about competitiveness and desirable profitability. To this end, the Board has considered long-term effects, ethical business practices, respect for and responsibility towards shareholders and stakeholders, benefits to society, eco-friendly developments, the minimization of environmental impact, and the ability to cope with change.

In addition, the Company also follows up to ensure compliance with good corporate governance in 4 critical issues as follows:

1) Management of Conflicts of Interests

The Board of Directors emphasizes that transactions that may cause conflicts of interest should be handled carefully and honestly. Therefore, a policy regarding conflicts of interest was established as part of the corporate governance and business ethics policy, reported in Section 6.1 Overview of Corporate Governance Policy and Guidelines (Code 6.3) and Section 6.2 Business Ethics (Part 2 Conflicts of Interest), which is available on the Company's website. www.tnl.co.th

In 2023, no directors or executives of the Company served as directors in other companies with a similar business nature. No related transactions may cause conflicts of interest with the Company.

2) Supervision of Internal Information Usage

The Company places much emphasis on protecting and supervising internal information usage, as specified in the Company's business ethics, prohibiting directors, management, and employees with access to internal information from exploiting such information, especially those not yet disclosed to the public. Violation is considered a disciplinary offense.

1) The Company places a measure for monitoring its security trading transactions by prohibiting directors, management members, and employees from accessing internal information and engaging in any exploitation of such information, particularly those not yet disclosed to the public. Any violation would be deemed as a disciplinary offense of regulations. Furthermore, for one month prior to the public disclosure of financial statements, the Company informs the directors, the management, and the employees

that have access to internal information, with the instruction to refrain from any purchase or sales transaction of company shares during the said period, together with the penalties imposed in the case of violation or non-compliance. In 2023, the company directors, management members, and employees were not found to have any abuses related to internal information.

- 2) The Company ensures directors and management members acknowledge their duty of reporting their shareholding status as well as those of spouses and children yet to reach legal maturity within 30 days of their director's or management members' appointments. Furthermore, in the case of any change to their shareholding status, they must report to the Securities and Exchange Commission within three days from the day of change according to article 59 of the Securities and Exchange Act B.E. 2535.

underaged children, to inform their Company's securities trading to Chairman of the Board at least one working day prior to trading and report their shareholding and the changes of securities holding to the Board of Directors at the next Board of Directors' meeting. The Company provides the agenda to inform the securities holding status by directors and the management, including their spouses and underage children, to the Board of Directors' meeting for acknowledgment every quarter. In 2023, directors and the management did not have any trading of the Company's securities.

- 3) The Company establishes a measure for monitoring its directors' and management's interests by requiring the interest report from directors, management, and related persons whose interests are connected to the Company's business operation. In 2023, the directors and the management strictly followed the above regulation.

Holding of TNL Securities by the Board of Directors and Executives

Name	Number of common shares (shares)					
	As of December 30, 2023		As of December 30, 2022		Increase (decrease) during the fiscal year	
	Own	Spouse/underage children	Own	Spouse/underage children	Own	Spouse/underage children
1. Mr. Thamarat Chokwatana	362,637	-	252,747	-	109,890	-
2. Mr. Surayut Thavikulwat	-	-	-	-	-	-
3. Mrs. Lapika Sasanavin	-	-	-	-	-	-
4. Ms. Chawadee Rungruang	-	-	-	-	-	-
5. Ms. Suthida Jongjenkit	306,000	-	300,000	-	6,000	-
6. Mr. Kittichai Treerachataphong	900,050	-	600,000	-	300,050	-
7. Prof. Dr. Suchatvee Suwansawat	-	-	-	-	-	-
8. Mr. Maris Sangiampongsa	-	-	-	-	-	-
9. Mr. Vittawat Panpanich	16,356	-	11,400	-	4,956	-
10. Mr. Nanthawat Surawattisathian	-	-	-	-	-	-
11. Mr. Yotsakorn Srisuksawadi	5,100	-	-	-	5,100	-
12. Ms. Rudee Tarudeeyataworn	-	-	-	-	-	-

3) Anti-Corruption

The working philosophy of Dr. Thiam Chokwatana, founder of Sahapat Group, emphasizes working with honesty, fairness, and inculcation into the Company's values that do not encourage employees and executives to be dishonest or give/receive bribes to obtain the Company's benefits, as recorded in the Company's principles of good corporate governance, business, and employee ethics. Therefore, to be consistent with these values and in line with the spirit and social responsibility, the Company has applied for certification as a member of Thailand's Private Sector Collective Action Coalition against Corruption (CAC) and received accreditation on February 19, 2014. The certificate has been renewed for the second time on December 30, 2022.

Anti-Corruption Policy

1. The Company does not accept any form of corruption, does not commit and/or does not support bribery. Any form of facilitation payment Covers all businesses and transactions of all related departments. All directors, executives, and employees must comply with the anti-corruption policy.
2. The Company is committed to creating an organizational culture that adheres to corruption, which is unacceptable. Promote awareness creation and anti-corruption values to directors, executives, and all employees to comply with relevant laws, announcements, and regulations. The anti-corruption policy is communicated and published, including pertinent information through various channels at regular intervals.
3. Company directors, executives, and employees are prohibited from doing anything or being an intermediary in learning and receiving property or any benefits from government agencies or private agencies to induce or commit illegal acts, including using your position and/or using company information to seek benefits for yourself or others.
4. When the Company makes donations for charity or receives donations, being a giver or receiver of support political assistance, hiring government employees or government officials, including giving or receiving gifts, giving, or receiving entertainment and hospitality services. The Company will operate with transparency and can be checked.
5. The Company provides an audit process and internal control system to prevent corruption by providing a mechanism for reporting financial status that is transparent and accurate. An efficient and effective internal control system is applied, with balances in using power appropriately to prevent the involvement of corruption.
6. Regularly review compliance with the anti-corruption policy and review guidelines for practice and operating requirements to comply with changes in business, laws, and related regulations.
7. The Company provides risk management measures to prevent corruption. It identifies high-risk events from corruption that may occur in business operations, evaluates the level of risk, both the likelihood of occurrence and the impact, and follows up on the progress of risk management to prevent corruption regularly. Risk management measures will be reviewed to ensure they are appropriate to prevent risks to an acceptable level.
8. The Company has a mechanism for reporting clues and receiving complaints, including cases involving offenses or behaviors that lead to corruption. According to the policy on reporting clues and complaints, appropriate protection measures for whistleblowers have been established.
9. Open a channel for any suspected activity report and ensure such reporters receive protection.

Compliance with anti-corruption policy Definition

"Corruption" means

1. Use of power obtained by duty to seek benefits for oneself or others
2. Giving bribes in any form by offering, promising, giving, receiving, or demanding benefits which incentivize people to do something illegal against good morals or destroys trust.

The exemption is made for laws, announcements, regulations, local customs, and traditions or trade customs.

"Political assistance" means providing financial or other forms of assistance to support political activities, such as goods or services, advertisements promoting or supporting political parties, purchasing tickets for events organized to raise funds, or donating money to organizations with close ties to political parties, including encouraging employees to participate in political activities on behalf of the Company to gain business advantage.

Forms of corruption

1. Political support

- 1.1 The Company possesses political neutrality and firmly adheres to the democratic government regime with the King as Head of State. The Company shall not support or conduct any act regarded as biased toward any political party.
- 1.2 For democratic political support, such support shall not be contrary to law nor be made with the expectation of preferential treatment in return. In such case, support shall be made in compliance with the Company's regulations concerning the withdrawal of funds by specifying the receiver's name, support purpose, transaction detail, amount, and withdrawal date with related documents attached and sent to the person in charge with respect to the approval authority.
- 1.3 Employees have the freedom to participate in political activities under the provisions of law but shall not use employment status, the Company's properties, or its equipment for political benefit. Employees should be aware of any act that may cause a misunderstanding that the Company is a political partisan or supports any political party.

2. Charity donation may come in the form of financial support, a part of corporate social responsibility activities to promote and improve the Company's reputation with no expectation for a business benefit and shall be under the following guidelines.

- 2.1 The Company shall ensure that the charity donation is no hidden transaction to avoid bribery and shall always be made transparently and by the law.
- 2.2 Charity donation shall be made in compliance with the Company's regulations concerning the withdrawal of funds by specifying the name of donation, donation purpose with related documents attached for the HR department to verify and comment before passing to the person in charge for approval.

3. Sponsorship The Company acts as a sponsorship giver or receiver, giving or receiving financial assistance or other forms to publicize and enhance its business, branding, and good image. Such support includes educational activities, art and culture promotion, sports competitions, etc., with the following guidelines:

- 3.1 The Company must ensure that such sponsorship will not be considered a hidden transaction to avoid bribery. All support activities are done with transparency and

following applicable law.

- 3.2 All sponsorship activities must be carried out in accordance with the regulations regarding the withdrawal of money, such as specifying the name of the support recipient, purpose, item details, amount, and date of the request for withdrawal of funds, along with supporting documents to propose to the authorized person for approval.

4. Gift, entertainment, and hospitality fees refer to giving or receiving things; entertainment, hospitality, or any other benefit to build good relationships with business partners under the Company's business ethics guidelines.

- 4.1 Employees can give/receive gifts, souvenirs, and entertainment to/from any person only when the following conditions are met:

- (1) Such gifts conform to business ethics, Company regulations, and related laws
- (2) Such gifts are given/received on behalf of the Company, not on behalf of Company directors, executives, and employees, and the act of receiving is open.
- (3) The gifts are not in the form of cash or cash equivalents like gift cards or vouchers.
- (4) The situation is appropriate, such as gifts during various festivals, which is considered a standard practice

- 4.2 Such gifts and souvenirs follow traditional practices. Employees can receive gifts and souvenirs with a value not exceeding 3,000 Baht. If more than 3,000 Baht, report to your supervisor accordingly.

5. Facilitation payment refers to small expenses to a government employee or informal government official to ensure the process or encourage faster action, where such a process is already under the Company's right to receive according to law and is under the duties of that government official—for example, a request for a license, a certificate, or other public services, etc.

Practice Guidelines

The Company does not support the payment of facilitation fees to government employees or government officials.

6. Conflict of interest means a situation or action in which personal interests' conflict with the interests of the Company, whether directly or indirectly.

The Company controls and supervises transactions made by people with conflicts of

interest, according to the principles of good corporate governance and business ethics and the announcement of the Capital Market Committee and the Stock Exchange of Thailand. The guidelines for practice are as follows:

- 6.1 The Company manages conflicts of interest carefully, fairly, with a transparent process of transaction approval,
- 6.2 Directors, executives, and employees should focus on public interest more than personal interest. They must perform their duties for the benefit of the Company under the law and morality without benefiting or granting special rights to any person.
- 6.3 Company directors, executives, or employees are prohibited from participating in the decision-making of transactions in which they or those involved are interested.
- 6.4 Company directors, executives, or employees are prohibited from seeking benefit from information or anything they know from their positions, duties, and responsibilities.

7. Business relationships and procurement with the government or private sector refers to the Company's operations and work contact with government officials or the private sector, which must be transparent and honest. It must follow regulations regarding purchasing, hiring, and related laws, and no bribery in any business transaction.

8. Recruitment of government employees or officials means that the Company hires people from the government sector or former government employees/officials to work for the Company, which can create a risk of corruption regarding conflicts of interest among individuals with roles and responsibilities in both organizations, as they may act unbiasedly or try to push for government policy to benefit the Company. The guidelines for practice are as follows:

- 8.1 Government employees or officials working for the Company
 - 8.1.1 The Company conducts a history check on the individuals it recruits for directors, executives, and employees by examining the potential conflicts of interest issues before the recruitment or appointment.
 - 8.1.2 Employment approval and remuneration determination for government employees/officials to work for the executive level must be carefully considered and follow the Company's regulations.
 - 8.1.3 Approval and remuneration determination of government employees/ officials

to serve as the Company's director must be carefully considered by the Nomination and Remuneration Committee before proposing to the Board of Directors or shareholders for final approval.

- 8.1.4 For transparency, information regarding the employment of government employees or officials must be disclosed in the Company's annual report (Form 56-1 One Report).
- 8.2 The Company's personnel working for government agencies
 - 8.2.1 Company personnel can assist in policy work for government agencies, but they shall notify the Company immediately after such appointment
 - 8.2.2 If the Company's personnel assume duties related to government policy, they must perform duties with care and caution within the law and morality to prevent abuse of power or conflicts of interest.
 - 8.2.3 Disclose information regarding the Company's personnel who work for government agencies in the Company's annual report (Form 56-1 One Report) to ensure transparency.

Practice Guidelines

1. The Company shall not conduct any act regarded as bribery or corrupt practice, whether directly or indirectly. Directors, management, and employees shall not overlook or ignore any suspected corrupt practice related to the Company he has witnessed. The witness shall report to the supervisors or person in charge and cooperate with the investigation. Questions and inquiries, if any, shall be made with supervisors or designated persons responsible for compliance with the Company's business ethics.
2. The Company shall cooperate with and support the government and private sectors to combat corruption or misconduct.
3. The Company will not support or conduct any act that is biased toward any political party. In case of political support to promote democracy, such support shall not be contrary to law and shall not be given with the expectation of preferential treatment in return.
4. Gift, gratuity, and entertainment shall be permitted only to the extent permitted by law, acceptable concerning social tradition, and commercial practices.
5. The Company requires all directors, management, and employees to be aware of and

comply with the Anti-corruption policy, including applicable directives.

6. Reports and complaints

Employees or stakeholders who witness, possess evidence or suspect that an employee or a person acting on behalf of the Company, whether directly or indirectly, with bribery or corruption, violation of law, non-compliance of the Company's rules and regulations, including policies or code of conduct for directors, management, and employees, or unfair treatment in the workplace, can report or complain to the following channels.

6.1 Complaint channels

1. 1. directly verbally or in writing to the recipient of the complaint
2. Send an email to the superior officer or the company secretary:
comsec@tnl.co.th
3. Send a letter by mail to the chairman of the audit committee or a company director at 129/1 Chong Nonsi Road, Yan Nawa, Bangkok 10120, Thailand
4. Whistleblowing Form

<https://www.tnl.co.th/en/corporate-governance/whistleblowing-form>

In the case of an anonymous whistleblower, details of facts or sufficient evidence shall be provided to demonstrate an involvement with bribery or corruption. Relevant information will be strictly kept confidential, considering the whistleblower's safety, unless required to be disclosed by law.

Complaints in bad faith

Suppose any evidence, complaints, statements, or information is proven to be an act in bad faith, resulting in damages to any person or the Company, and such whistleblower is an employee of the Company, he shall be subject to disciplinary action under the Company's regulations and/or legal action. In case such whistleblower who causes damages to the Company is a third party, the Company reserves the right to take legal action against such person.

6.2 Complaints Conditions and procedures for

1. Complaint or evidence of misconduct must be accurate, precise, and contain sufficient details to initiate an investigation.
2. The information received shall be kept strictly confidential. The identity of the

whistleblower shall not be disclosed without consent.

3. The whistleblower who reports misconduct in good faith shall be treated fairly and appropriately, whether he is the company's employee or an outside third party.
4. The proceedings period depends on the case's complexity, the evidence's sufficiency, and the whistleblower's statement.
5. Report receivers and investigation participants shall keep relevant information confidential. Information shall be disclosed to the extent necessary concerning the safety of the whistleblower, collaborator, and related persons.

Related personnel

1. A whistleblower is someone who files a complaint or report of suspected misconduct.
2. Report receiver means the person described in clause 3.6.1 no.1.

7. Investigation

The report receiver shall conduct an investigation and examine the facts, or he may assign the following personnel to act on his behalf:

1. A reliable person or department is someone who is authorized to summon an employee to make a statement or demand documents necessary for investigation.
2. The recipient of the complaint or the designated person can invite employees to provide information or request delivery of any documents related to fact-finding.
3. The report receiver shall report the examined case to top management to pass to the Risk Management Committee, Audit Committee, and Board of Directors respectively.

For the case concluded as misconduct with disciplinary or legal action to be imposed, the HR department shall submit a summary report with recommendations to top management for final decision.

The Company shall propose proper and fair remedies to the injured person to relieve damages incurred due to complaints in bad faith.

8. Protection for whistleblower

The Company shall protect the rights of the good faith whistleblower by maintaining the confidentiality of the name, address, or any information that could identify the

whistleblower. Such information shall be treated as confidential and accessible only by the person responsible for the case investigation under the provisions concerning whistleblower protection as described in the code of conduct for directors, management, and employees.

9. Protection for Employees

The Company shall treat and protect employees who comply with the Anti-corruption policy and this Directive according to the provisions concerning whistleblower protection as described in the code of conduct for directors, management, and employees.

10. Human resources

The Company will adopt an anti-corruption policy as part of personnel management, starting from recruitment, training, performance evaluation, remuneration determination, and promotion, by requiring supervisors at all levels to communicate and understand employees to perform business activities efficiently.

11. Training and communication

1. The Company shall regularly provide education and training on anti-corruption through a variety of channels such as orientation, seminars, public announcements, etc., to raise awareness of Anti-corruption policy, forms, and risks of being involved in corruption, as well as how to report corruption witnessed or suspected, including a penalty in case of violation.
2. The Company shall communicate the Anti-corruption policy to subsidiaries, associated companies, directors, management, employees, shareholders, customers, business partners, all stakeholders, persons with business relationships, and business representatives through appropriate channels.

12. Recording and storage of data

The Company manages its data in compliance with the governing policy of its group to maintain the standards of the work system, computer system, and data communication system as fundamentals for the development of an effective control system. Actions shall be taken to ensure that information, work, and computer systems are well-protected and ready for business operation. In addition, the structure and cost of all measures in the Company's control are appropriate for the data, work system,

and computer system risk.

The following standards and practices shall be applied to achieve the objectives above:

1. Determine the scope of responsibility for the user and administrator in all computer systems.
2. Evaluate risk and develop an appropriate risk-controlling system to support the changing environment.
3. Develop protection system for data, work system, computer system including responsible person.
4. Develop a security system to protect data from illegal access, editing, or misuse regardless of accident or intention.

13. Audit process/internal control

The Company provides independence and does not limit the scope of the auditors in their work. A certified public accountant also conducts the audit quarterly and yearly in accordance with regulations of the relevant authorities.

The Audit Committee performs a thorough monitoring to ensure the internal control is enabling the Company's business to operate within the proper scope and in compliance with policies, laws, and regulations applicable to the business.

14. Penalty

The Company shall impose disciplinary action on violators or persons who ignore corrupted practices following the anti-corruption policy and this procedure, and such person is subject to punishment under provisions of law (if applicable).

The operation in 2023

1. The internal audit department verified whether the reimbursement of some expenses could lead to corruption activities according to the anti-corruption policy. The expenses in 2023 were:

Transactions	Amount
1.1 Political Support	- None -
1.2 Charity	811,790.07 Baht
1.3 Sponsorship	- None -
1.4 Gift, souvenir and entertainment	46,937.36 Baht

After verification, all the reimbursement was done according to the company policy.

- Orientation for new employees is conducted according to the anti-corruption course.
- The Board of Directors has reviewed the anti-corruption policy and guidelines for anti-corruption and communicated them to executives and employees through the website www.tnl.co.th, with a test on knowledge and understanding of anti-corruption policy.
- Prepare a circular letter informing trading partners about refraining from accepting gifts during the 2024 New Year festival.
- A seminar titled “TNL expands coalition (partners) against corruption for sustainable growth” was held on Monday, November 20, 2023, from 9:00 a.m. - 12:00 p.m. at the 30th Anniversary Meeting Room (Building 5, Floor 4), Thanulux Public Company Limited, for all groups of stakeholders in the supply chain to grow together stably and sustainably. All stakeholders shall know the importance of corruption problems in the business sector, and all companies and business partners should have a sound internal control system that is transparent, reduces corruption, and strictly follows regulations and the law. Such an understanding will help reduce operating costs for the organization. Many business partners attended the seminar and signed the declaration of intent against the Anti-Corruption Coalition of Thanulux Public Company



Limited.

Human Right

The Company pays attention to the fundamental rights of human beings. Business operations comply with laws and human rights principles. There is no discrimination based on gender, race, religion, political rights, or other factors. Employees get education on human rights principles; if they feel their rights have been violated or mistreated, they can complain to the Company through any communication channel. The complaint deserves attention and is treated fairly. The policy concerning human rights management is as follows.

- Respect human rights and treat all stakeholders, such as employees, customers, and business partners, with respect. Respect and treat each other equally without discrimination. No discrimination against physical, mental, racial, nationality, country of origin, ethnicity, religion, gender, language, age, skin color, education, social status, culture, customs, or any other matter shall occur.
- Be conscious and cautious in performing one's duties to prevent the risk of human rights violations in business operations and monitor and monitor respect for human rights.
- Operate business with respect for human rights, following labor laws and international labor standards, including determination of working hours and fair compensation payment. In addition, the Company also prevents using illegal labor in all forms, such as not using child labor under the legal age and no forced labor from human trafficking and other illegal workers, both within the Company and throughout the Company's supply chain. The Company shall adhere to business ethics and make transparent and fair employment contracts.
- The Company supports and promotes actions to protect human rights, communicates, disseminates, provides knowledge and understanding, sets guidelines, and supports employees and stakeholders in the value chain. It shall conduct business with ethics, respect human rights, and treat everyone according to human rights principles in line with this policy.
- The Company monitors respect for human rights and shall not ignore or be negligent when any actions considered human rights violations related to the Company occur.

Such action shall be reported to a supervisor or responsible person and cooperate in investigating various facts. If you have any doubts or inquiries, please consult with your supervisor. or responsible persons through various channels specified.

6. The Company will provide fairness and protection to those who report human rights violations related to the Company, with measures to protect complainants or those who cooperate in reporting human rights violations as specified by the Company in its complaint policy.
7. The Company will continuously develop and implement a human rights management process (Due diligence process) to identify issues and assess risks and the impact of human rights violations on the groups or individuals affected. The process includes planning and determining corrective measures, managing, resolving, and preventing human rights violations, and checking the results by providing an appropriate mitigation process in cases of human rights violations.
8. The Company will inspect and follow up on the management's results and problem-solving of human rights violations according to the inspection and follow-up process, as well as providing support and cooperation in relieving the impacts caused by or related to the Company.
9. The Company is committed to creating and maintaining an organizational culture that respects human rights under this human rights policy.
10. Any individual who violates human rights' disciplinary punishment must be considered according to the regulations set by the Company. Punishment by law may also apply if such actions are illegal.

No complaints on human rights violations of employees or partners were reported in 2023.

4) Whistleblowing

The Company is committed to conducting business under the principles of good corporate governance and morality according to business ethics. Therefore, the whistleblowing policy and complaint guidelines have been created to support and give importance to the organization's internal or external stakeholders. A channel for whistleblowing or complaints of corruption or violation of business ethics is available to help improve or take accurate, appropriate, and transparent action, resulting in greater efficiency in business operations. In 2023, the Company did not receive any complaints about corruption. For more information: <https://www.tnl.co.th/en/corporate-governance/whistleblowing-form>

Tax operations

The Company places importance on and prepares tax policies to comply with the laws and tax regulations of the government sector. The Company's tax policy is managed accurately, on time, and with complete accounting records. Tax calculations are reviewed regularly, and tax reports are stored appropriately. Anything tax evasive is prohibited. Tax Policy: <https://www.tnl.co.th/storage/documents/cg/tax-policy-th.pdf>

8.2 Performance Report of the Audit Committee

8.2.1 Number of meetings and attendance

Details in “Section 8.1.2 Meeting attendance and remuneration for individual committee members”

8.2.2 Performance Report of the Audit Committee

Details in “Report of the Audit Committee”

8.3 Summary of the Performance Report of other Sub-Committees

8.3.1 Performance Report of the Nomination and Remuneration Committee

Details in in “Report of the Nomination and Compensation Committee”

8.3.2 Performance Report of the Corporate Governance, Risk Management, and Sustainability Committee

Details in “Report of the Corporate Governance, Risk Management, and Sustainability Committee”

9. Internal Control and Connected Transactions

9.1 Internal Control

The Company realizes the importance of the internal control system which has been established based on the integrated internal control framework called “COSO” (The Committee Sponsoring Organizations of the Tread way Commission). The system consists of internal control of organization, risk assessment, implementation control, information and communication system and tracking system. The Company requires an Internal Auditing Office to evaluate the internal control system according to assessment form of the Office of Securities and Exchange Commission, including a Control Self-Assessment (CSA) system. The key purposes are to increase the efficiency, effectiveness and save time in operations; to create an accurate, complete, reliable and timely financial report, financial statements as well as other related reports; and to ensure the strict compliance with the laws, rules and requirements related to business operation of the Company.

9.1.1 The Sufficiency and Appropriateness of the Internal Control System

The Board of Directors Meeting No.2/2024 on 26 February 2024 in which the Audit Committee attended, considered the Company’s internal control systems sufficiency evaluation form in 5 different areas which were Control Environment, Risk Assessment, Control Activities, Information and Communication and Monitoring Activities. The internal control system was assessed according to the evaluation form of the Securities and Exchange Commission (SEC), taking into consideration the management interrogation, the Audit Committee’s opinion, and the Office of Internal Audit’s report. The assessment has been reviewed by the Audit Committee, information from the management team as well as discuss with the Audit Committee together with a report on the evaluation of the internal control system which was assessed by the Company’s Internal Audit Office and info99 Company Limited.

Part	Topic	Sufficiency of internal control system
Part 1	Control Environment	✓
Part 2	Risk Assessment	✓
Part 3	Control Activities	✓
Part 4	Information & Communication	✓
Part 5	Monitoring Activities	✓

9.1.2 Defects in the Internal Control System

-None-

9.1.3 Opinion of the Audit Committee that is different from the opinion of the Board of Directors

-None-

9.1.4 Opinion of the Audit Committee to ensure that the person holding the position of Head of Internal Audit has education, experience, training

In 2023, The Audit Committee has assigned an outsource expert, including info99 Company Limited, to manage the internal control system, inspect governance and risk management. The Audit Committee appointed Mr. Woradej Puengsiricharoen. Because he has knowledge, ability, and experience in performing internal audit work in businesses/industries that have the same characteristics as the company, he has attended training courses related to operations. Internal audit and understands the Company's activities and operations, therefore is of the opinion that he is suitable to perform such duties appropriately and adequately. The qualifications of the person holding the position of Head of Internal Audit are shown in Attachment 3 (details about the Head of the Internal Audit Office).

9.1.5 Appointment, removal, and transfer of the company's head of Internal Audit Office must be approved by the Audit Committee.

The Audit Committee considers the independence of the internal audit department. as well as to approve the assessment, appointment, transfer, termination of the head of the internal audit department. or any other agency responsible for internal auditing.

9.2 Connected Transactions

9.2.1 Characteristics of the transaction and relationship

In 2023, the Company executed accounting transactions with subsidiaries and related companies. The relationship may be by shareholding or the companies may have the same group of shareholders or directors, as stated in note of the financial statements. The notes provide details on the connections of connected companies, policies for determining prices for connected transactions and the connected transactions, as follows:

The transaction has operated according to the market price, which was normal trading business, in the absence of the underlying market price, fair prices will be agreed upon. all items were approved in accordance with the rules on connected transactions

Connected Transactions in 2023

Person who may have a conflict	Relationship	Characteristics of the transaction	Value of related transactions (Million Baht)	Necessity/Note
1. Saha Pathana Inter-Holding Plc. ("SPI")	Major shareholder, holds 42.19% of shares	SPI charges a royalties from the Company SPI collects rental expense and service charge from the Company SPI charges other expenses from the Company SPI pays dividends to the Company SPI has a security obligation on the company. The Company pays dividends to SPI The Company has SPI creditors.	15.62 1.98 1.27 4.26 0.03 25.68 0.00	The Audit Committee has reviewed and considered such connected transaction, have the opinion that the service fee rate is appropriate and brings the greast benefit to the Company
2. BTS Group Holding Plc. ("BTS")	Major shareholder, holds 42.12% of shares	The Company pays dividends to BTS BTS charges a other expenses from the Company	25.66 2.12	The Audit Committee has reviewed and considered such connected transaction, have the opinion that the service fee rate is appropriate and brings the greast benefit to the Company
3. S. Apparel Co., Ltd. ("SAP")	Subsidiary, The Company holds 99.99% of shares	SAP pays dividends to the Company	3.60	
4. TNL Alliance Co., Ltd. ("TNLA")	Subidiary, The Company holds 99.97% of shares	The Company lends money to TNLA TNLA pays management fee to the Company TNLA pays the interest on the loan to the Company The Company has TNLA creditors	1,973.00 4.51 92.02 4.51	The Audit Committee has reviewed and considered such connected transaction, have the opinion that the service fee rate is appropriate and brings the greast benefit to the Company
5. TNLX Co., Ltd. ("TNLX")	Subidiary, The Company holds 99.99% of shares	TNLX pays the products to the Company TNLX pays rental expense to the Company TNLX pays other expenses to the Company TNLX charges a products from the Company TNLX charges a other expenses from the Company	2.65 6.54 0.02 3.57 0.59	The Audit Committee has reviewed and considered such connected transaction, have the opinion that the service fee rate is appropriate and brings the greast benefit to the Company
6. Oxygen Asset Co., Ltd. ("OXA")	Subidiary, The Company holds 90.00% of shares	The Company lends money to OXA OXA pays the interest on the loan to the Company OXA pays management fee to the Company The Company has OXA creditors	5,158.80 170.85 6.55 6.55	The Audit Committee has reviewed and considered such connected transaction, have the opinion that the service fee rate is appropriate and brings the greast benefit to the Company

Person who may have a conflict	Relationship	Characteristics of the transaction	Value of related transactions (Million Baht)	Necessity/Note
7. Oxygen Asset Management Co., Ltd. ("OAM")	Subsidiary, The Company holds 99.99% of shares	The Company lends money to OAM OAM pays the interest on the loan to the Company OAM pays management fee to the Company The Company has OAM creditors	723.33 13.54 6.09 6.09	The Audit Committee has reviewed and considered such connected transaction, have the opinion that the service fee rate is appropriate and brings the greatest benefit to the Company
8. Thai Wacoal Public Company Limited ("TWC")	SPI is a common major shareholder	TWC pays the products to the Company TWC pays other expenses to the Company TWC pays dividends to the Company TWC charges a products from the Company The Company pays dividends to TWC	2.58 0.08 1.17 0.17 0.29	The Audit Committee has reviewed and considered such connected transaction, have the opinion that the service fee rate is appropriate and brings the greatest benefit to the Company
9. I.C.C. International Plc. ("ICC")	SPI is a common major shareholder	ICC pays the products to the Company ICC pays other expenses to the Company ICC charges a other expenses from the Company ICC lends money to the Company The Company pays dividends to ICC The Company pays the interest on the loan from ICC	389.17 1.48 4.84 500.00 3.62 12.59	The Audit Committee has reviewed and considered such connected transaction, have the opinion that the service fee rate is appropriate and brings the greatest benefit to the Company
10. World Saha Fashion Co.,Ltd. ("WSF")	SPI is a common major shareholder	WSF pays the products to the Company WSF pays other expenses to the Company WSF pays the interest on the loan to the Company WSF charges a products from the Company WSF charges a other expenses from the Company The Company lends money to WSF The Company has a WSF receivable	5.41 2.29 0.40 0.01 0.02 10.00 0.03	The Audit Committee has reviewed and considered such connected transaction, have the opinion that the service fee rate is appropriate and brings the greatest benefit to the Company
11. Saha Pathanapibul Plc. ("SPC")	SPI is a common major shareholder	SPC pays other expenses to the Company	0.02	The Audit Committee has reviewed and considered such connected transaction, have the opinion that the service fee rate is appropriate and brings the greatest benefit to the Company
12. Thai Gunze Co., Ltd. ("TGZ")	SPI is a common major shareholder	TGZ pays the products to the Company TGZ charges products and raw materials from the Company TGZ pays dividends to the Company	0.01 2.68 1.24	The Audit Committee has reviewed and considered such connected transaction, have the opinion that the service fee rate is appropriate and brings the greatest benefit to the Company

Person who may have a conflict	Relationship	Characteristics of the transaction	Value of related transactions (Million Baht)	Necessity/Note
13. Thai Secom Security Co., Ltd. ("TSC")	SPI is a common major shareholder	TSC charges a other expenses from the Company	0.45	The Audit Committee has reviewed and considered such connected transaction, have the opinion that the service fee rate is appropriate and brings the greast benefit to the Company
14. Morgan De Toi (Thailand) Ltd. ("MDT")	SPI is a common major shareholder	MDT pays the products to the Company MDT pays other expenses to the Company MDT pays interest on loans to the Company MDT charges a other expenses from the Company	0.87 0.29 0.05 0.08	The Audit Committee has reviewed and considered such connected transaction, have the opinion that the service fee rate is appropriate and brings the greast benefit to the Company
15. Thai Itokin Co., Ltd. ("ITK")	SPI is a common major shareholder	ITK charges the products from the Company ITK pays the products to the Company	0.65 0.27	The Audit Committee has reviewed and considered such connected transaction, have the opinion that the service fee rate is appropriate and brings the greast benefit to the Company
16. SSDC (Tigertex) Co., Ltd. ("SSDC")	SPI is a common major shareholder	SSDC pays dividends to the Company SSDC charges a products from the Company	3.07 2.40	The Audit Committee has reviewed and considered such connected transaction, have the opinion that the service fee rate is appropriate and brings the greast benefit to the Company
17. Erawan Textile Co., Ltd. ("ERW")	SPI is a common major shareholder	ERW pays the interest on the loan to the Company ERW charges products and raw materials from the Company The Company lends money to ERW	0.76 3.31 20.00	The Audit Committee has reviewed and considered such connected transaction, have the opinion that the service fee rate is appropriate and brings the greast benefit to the Company
18. Total Way Image Co., Ltd. ("TWI")	SPI is a common major shareholder	TWI pays other expenses to the Company	0.01	The Audit Committee has reviewed and considered such connected transaction, have the opinion that the service fee rate is appropriate and brings the greast benefit to the Company
19. International Laboratories Co., Ltd. ("ILC")	SPI is a common major shareholder	ILC lends money to the Company The Company pays dividends to ILC The Company pays the interest on the loan from ILC	100.00 2.71 0.09	The Audit Committee has reviewed and considered such connected transaction, have the opinion that the service fee rate is appropriate and brings the greast benefit to the Company
20. BSC SO IN Co., Ltd. ("BSC")	Mr. Thamarat Chokwatana is a director of the Company and major shareholder of IDF	The Company pays dividends to BSC	0.17	The Audit Committee has reviewed and considered such connected transaction, have the opinion that the service fee rate is appropriate and brings the greast benefit to the Company

Measures or Procedures for Approving Connected Transactions

1. Transactions in the ordinary and usual course of business between the Company or its subsidiary and a Director, executive officer or related person are executed under general commercial terms as would have been done by a reasonable person under similar circumstances. These agreements are negotiated at arm's length without any undue influence exerted by virtue of the status of a Director, executive officer or related person pursuant to section 89/12 of the Securities and Exchange Act (No. 4) B.E. 2551 (2008). The Management seeks the approval of the Board of Directors' Meeting on a yearly basis in the first Board of Directors' Meeting following the Annual General Meeting of Shareholders, to inform the new Board of Directors of such matter. As regards other transactions that are not executed under general commercial terms, done in the ordinary and usual course of business of the Company or subsidiaries with connected persons, the Management seeks the approval of the Board of Directors' Meeting on a regular basis in the 4th quarter of each year. In addition, the Management reports the transactions executed under the aforesaid conditions to the Board of Directors' Meeting every quarter.
2. Connected transactions which are not executed in the ordinary and usual course of business must be approved by the Company Executive Committee first. If the size of the transaction is within the Executive Committee's authority, the process would be concluded at this stage. However, if the size of the transaction exceeds the authority of the Executive Committee, the Executive Committee would submit a summary of the meeting's resolution to the Audit Committee for an opinion before submission to the Board of Directors for approval if the matter is within its authority. If the connected transaction has a value which exceeds the authority of the Board of Directors, the matter would be submitted to the shareholders' meeting for approval pursuant to regulations of the Stock Exchange of Thailand. At any stage of the deliberations, an interested person shall not be present at the meeting and shall not cast a vote.

Criteria for Consideration

1. Regard shall be given to the present and future benefits to the Company and Group, e.g.
 - Returns on investment, e.g. interests and dividends
 - Company's business opportunities
2. Security which should be received by the Company in connection with the transaction
3. Standing of the relevant company as well as managerial competency

9.2.2 Necessity and reasonableness

Doing business under highly competitive environment would require business alliance or networks, so as to increase the strength and potential in business operation which lead to sustainable development and growth. Although some business alliance or their networks may be related persons, but the Company still need to engage in business transaction with them for the benefit to the company itself and its shareholders.

9.2.3 Policies and Trends for Future Connected Transactions

The Company, as a public limited company, is aware of its responsibilities towards shareholders, employees and all stakeholders under the principles of good corporate governance. Connected transactions are only executed as necessary. Any increase or decrease will depend on economic conditions. In any event, there will be full compliance with the rules stated in all Notifications of the Stock Exchange of Thailand on "Rules Governing Connected Transactions."

CHAPTER 03

FINANCIAL STATEMENTS

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The Board of Directors' Responsibility Report towards Financial Statements

The Board of Directors duly recognized their obligations and responsibilities in their status as the directors of SET listed company, with regard to the compilation of financial statements for Thanulux Public Company Limited and its subsidiary companies. Said financial statements were prepared in accordance with Thai Financial Reporting Standards (TFRS), based on the adoption of appropriate accounting policies on a consistent basis, accompanied by careful consideration and justifiable accounting estimates. Furthermore, adequate significant information was disclosed per the notes to the financial statements, together with necessary clarification and analysis regarding the financial positions and performances by the company and its subsidiaries, so as to contribute to the interests of the shareholders and general investors. Moreover, said financial statements were duly audited and unconditionally verified by independent certified public accountants.

The Board of Directors had exercised efforts to promote good governance practice, and to establish risk management system and internal control system in an efficient and effective manner. These practices were intended to ensure that the recording of accounting information was carried out in an accurate, complete, and sufficient manner, in order to safeguard the assets of the company and its subsidiaries, while also safeguarding against any significant fraud or abuse.

In the regard, The Board of Directors had appointed the Audit Committee whose members comprising independent directors had duly carried out audit work on the quality of the financial statements and the efficiency of internal control system. The opinions of The Audit Committee were displayed per the Audit Committee's report contained in the annual report 2023 (56-1 one Report)

Accordingly, The Board of Directors concluded that, the good corporate governance practice, the risk management system, as well as the internal control system already in place at the company, were well adequate and sufficient, reasonably providing sufficient confidence to all the concerned parties that, the financial statements of the company and its subsidiaries ending 31 December 2023 were prepared and presented in substantial context, in accordance with Thai Financial Standards and related regulation, in an accurate and reliable manner.



(Mr. Thamarat Chokwatana)
Chairman of the Board



(Miss Suthida Jongjenkit)
Chief Executive Officer



Independent Auditor's Report

To the Shareholders of Thanulux Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of Thanulux Public Company Limited and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at 31 December 2023, and the related consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Thanulux Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Thanulux Public Company Limited and its subsidiaries and of Thanulux Public Company Limited as at 31 December 2023, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the 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.

I have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matter and how audit procedures respond for each matter are described below.

Revenue recognition

Sales of goods are significant accounting transactions as the amounts recorded are material, and directly affect profit or loss of the Group. I have therefore focused on the audit of the actually occurring of revenue recognition.

I examined the revenue recognition of the Group by assessing and testing the Group's internal controls in an accounting function with respect to the revenue cycle by making enquiries of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls. Furthermore, I applied a sampling method to select revenues near the end of the accounting period to examine the

supporting documents and reviewed credit notes issued after the period-end. I requested a balance confirmation from accounts receivable at the end of the accounting period. I also performed correlation analysis of accounting records between revenue from sales, accounts receivable and cash receipts to detect possible irregularities in revenues from sales transactions throughout the period, particularly for accounting entries made through journal vouchers.

Business combination

As discussed in Note 13 to the financial statements, during year 2022, the Company acquired 90% of ordinary shares of Oxygen Asset Co., Ltd. Group which is engaged in providing secured loan business and assets management in Thailand. The Company assessed fair values of the identified assets acquired and liabilities assumed at the acquisition date and the assessment has been completed in the current year which is within the measurement period of 12 month from the acquisition date. The Company therefore retroactively adjusted its consolidated financial statements as of 31 December 2022, as comparative figures to reflect the fair value of identifiable assets acquired and liabilities assumed from the date of acquisition. I have focused on this business acquisition since they are material to the financial statements as a whole, and management was required to exercise substantial judgement when appraising the fair values of the assets acquired and liabilities assumed. Therefore, there is a risk with respect to the recognition and measurement of the assets acquired and liabilities assumed, including goodwill.

I reviewed the terms and conditions of the agreements and inquired with the management as to the nature and objectives of the acquisition in order to evaluate whether the acquisition meets the definition of a business combination under Thai Financial Reporting Standard 3 Business Combinations. In addition, I checked the value of the acquisitions to the supporting documents and related payments to assess whether it reflected the fair value of the consideration transferred and did not include acquisition-related costs. I also assessed the fair value of assets acquired and liabilities assumed specified in the documentation of measurement under the acquisition method as prepared by the independent valuation specialist, by considering the methods and significant assumptions used by the independent

valuation specialist in calculating the fair value of assets and liabilities, and evaluating the expertise, ability and integrity of the independent valuation specialist. I also reviewing the disclosures related to the business combinations in the notes to financial statements.

Impairment of goodwill

I have focused my audit on the consideration of the impairment of goodwill, as discussed in Note 18 to the financial statements, because the assessment of impairment of goodwill is a significant accounting estimate requiring management to exercise a high degree of judgement in identifying the cash generating units, estimating the cash inflows that are expected to be generated from that group of assets in the future, and setting an appropriate discount rate and long-term growth rate. There are thus risks with respect to the amount of goodwill. I therefore gave significant attention to the amount of goodwill of the Group.

I assessed the identification of cash generating units and the financial models selected by management by gaining an understanding of management's decision-making process and assessing whether the decisions made were consistent with how assets are utilised. In addition, I tested the significant assumptions applied by management in preparing estimates of the cash flows expected to be realised from the assets, by comparing those assumptions with information from both internal and external sources and comparing past cash flow projections to actual operating results in order to evaluate the exercise of management judgement in estimating the cash flow projections. I also evaluated the discount rate applied by management through analysis of the moving average finance costs of the Group and of the industry, tested the calculation of the realisable values of the assets using the selected financial model, as well as sensitivity of the impact of changes in key assumptions to the cash flow projections. Moreover, I reviewed the disclosures made with respect to the impairment assessment for goodwill.

Other matter

The consolidated financial statements of Thanulux Public Company Limited and its subsidiaries (the Group) and the separate financial statements of Thanulux Public Company Limited for the year ended 31 December 2022, presented herein as comparative information,

were audited by another auditor who, under her report dated 24 February 2023, expressed an unmodified opinion on those financial statements, and drew attention to the matter that the Group is in the process of assessment of the fair value of the identifiable assets acquired and liabilities assumed at the acquisition dates of the Group of Oxygen Asset Co., Ltd. and the 7 Joints Ventures, acquired during the year 2022.

Other Information

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

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

I am responsible for the audit resulting in this independent auditor's report.

Wichart Lokatekrawee

Certified Public Accountant (Thailand) No. 4451

EY Office Limited
Bangkok: 26 February 2024

Thanulux Public Company Limited and its subsidiaries
Statement of financial position
As at 31 December 2023

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2023	2022 (Restated)	2021	2020
Assets					
Current assets					
Cash and cash equivalents	7	1,281,173,462	2,384,414,365	675,926,886	2,356,072,349
Trade and other receivables	8	235,387,722	234,864,513	52,062,691	178,488,692
Short-term loans to related companies	6	27,821,344	29,821,344	5,912,130,000	595,869,795
Current portion of long-term loan to related company	6	40,000,000	-	40,000,000	-
Short-term loans to customers and accrued interest receivables - net	9	4,154,222,023	2,542,840,575	-	-
Current portion of long-term loans to customers	9	1,050,000,000	-	-	-
Inventories	10	288,781,686	443,508,240	-	443,508,240
Other current financial assets	11	-	99,474,426	-	99,474,426
Total current assets		7,077,386,237	5,734,923,463	6,680,119,577	3,673,413,502

(Unit: Baht)

	<u>Note</u>	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		<u>2023</u>	<u>2022</u> (Restated)	<u>2021</u>	<u>2020</u>
Non-current assets					
Long-term loan to related company - net of current portion	6	1,649,267,454	328,925,028	1,973,000,000	860,849,818
Loans purchased of receivables and accrued interest receivables - net	12	927,190,402	-	-	-
Long-term loans to customers - net of current portion	9	680,000,000	1,050,000,000	-	-
Investments in subsidiaries	13	-	-	1,470,300,894	848,749,853
Investments in associate	14	-	-	-	-
Investments in joint ventures	15	436,231,348	527,829,953	-	-
Other non-current financial assets	11	1,475,392,025	1,704,940,935	1,475,392,025	1,704,940,935
Investment properties	16	97,380,672	139,274,900	379,498,160	200,366,342
Property, plant and equipment	17	341,531,699	346,729,902	22,434,139	323,855,611
Right-of-use assets		21,556,560	10,985,960	10,644,921	10,985,960
Intangible assets		11,018,324	12,140,265	1,108,523	12,140,265
Goodwill	18	693,530,696	693,530,696	-	-
Other non-current assets		9,939,137	8,323,872	249,254	8,218,872
Total non-current assets		6,343,038,317	4,822,681,511	5,332,627,916	3,970,107,656
Total assets		13,420,424,554	10,557,604,974	12,012,747,493	7,643,521,158

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

(Unit: Baht)

	<u>Note</u>	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		<u>2023</u>	<u>2022</u> (Restated)	<u>2021</u>	<u>2020</u>
Liabilities and shareholders' equity					
Current liabilities					
Trade and other payables	19	251,188,323	308,012,151	22,865,509	250,787,506
Financial institution payable from purchase receivables	20	156,520,000	-	-	-
Current portion of lease liabilities		2,939,812	3,093,086	2,288,311	3,093,086
Current portion of provision for long-term employee benefits	22	19,681,871	10,193,760	-	10,193,760
Short-term loans from related companies	6	573,200,000	2,873,279,460	-	-
Provision for goods returned		300,000	15,400,000	-	15,400,000
Income tax payable		99,893,050	12,688,264	719,616	-
Other current financial liabilities		392,884	236,959	-	236,959
Total current liabilities		1,104,115,940	3,222,903,680	25,873,436	279,711,311
Non-current liabilities					
Long-term debentures	21	494,269,589	-	494,269,589	-
Long-term lease liabilities, net of current portion		19,438,045	8,229,966	8,733,201	8,229,966
Long-term loans from related companies	6	1,080,000,000	-	1,080,000,000	-
Deferred tax liabilities	32	104,762,278	149,414,914	158,243,526	150,214,914
Provision for long-term employee benefits	22	118,510,770	109,515,680	1,561,271	109,120,497
Other non-current liabilities		5,842,406	4,616,022	128,800	4,616,022
Total non-current liabilities		1,822,823,088	271,776,582	1,742,936,387	272,181,399
Total liabilities		2,926,939,028	3,494,680,262	1,768,809,823	551,892,710

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

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2023	2022 (Restated)	2021	2020
Liabilities and shareholders' equity (continued)					
Shareholders' equity					
Share capital					
Registered share capital					
311,547,664 ordinary shares of Baht 1 each	23	311,547,664	311,547,664	311,547,664	311,547,664
Issued and fully paid-up share capital					
304,622,662 ordinary shares of Baht 1 each (2022: 212,312,766 ordinary shares of Baht 1 each)	23	304,622,662	212,312,766	304,622,662	212,312,766
Share premium		6,024,024,028	3,067,335,278	6,024,024,028	3,067,335,278
Change in ownership interest in a subsidiary		(219,339)	(2,514,496)	-	-
Capital reserve for share-based payments	24	23,863,950	6,267,300	23,863,950	6,267,300
Retained earnings					
Appropriated					
Statutory reserve		17,100,000	12,000,000	17,100,000	12,000,000
General reserve		234,400,000	234,400,000	234,400,000	234,400,000
Unappropriated		3,245,561,020	2,829,483,807	3,022,251,273	2,869,289,388
Other components of shareholders' equity		617,675,757	686,823,716	617,675,757	690,023,716
Equity attributable to owners of the Company		10,467,028,078	7,046,108,371	10,243,937,670	7,091,628,448
Non-controlling interests of the subsidiaries		26,457,448	16,816,341	-	-
Total shareholders' equity		10,493,485,526	7,062,924,712	10,243,937,670	7,091,628,448
Total liabilities and shareholders' equity		13,420,424,554	10,557,604,974	12,012,747,493	7,643,521,158

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

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	<u>Note</u>	<u>2023</u>	<u>2022</u> (Restated)	<u>2021</u>	<u>2020</u>
Profit or loss:					
Revenues					
Revenue from sales		1,563,799,199	1,716,479,229	840,452,131	1,716,479,229
Revenue from rendering of services		55,500,147	60,578,519	29,055,827	60,578,519
Interest income	26	648,229,867	46,213,007	291,209,459	30,687,659
Monitoring and consulting service revenue	6	207,200,358	-	-	-
Other income					
Gain on sales of investments in joint ventures	15.3	201,223,640	-	-	-
Gain on partial business transfer	13.5	-	-	35,370,598	-
Dividend income		28,391,075	45,564,716	31,991,075	45,564,716
Gain on disposals of investment properties	16	118,931,573	8,909,353	37,037,853	8,909,353
Others		46,672,246	82,735,839	51,675,143	73,284,048
Total other income		395,218,534	137,209,908	156,074,669	127,758,117
Total revenues		2,869,948,105	1,960,480,663	1,316,792,086	1,935,503,524

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

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		<u>2023</u>	<u>2022</u> (Restated)	<u>2021</u>	<u>2020</u>
Expenses					
Cost of sales		1,105,555,639	1,203,511,599	585,409,011	1,203,511,599
Cost of rendering of services		30,190,880	39,269,523	16,767,401	39,269,523
Interest expense		84,012,245	6,759,348	36,991,844	597,898
Selling and distribution expenses		151,827,097	111,268,046	84,669,754	112,168,479
Administrative expenses		553,155,126	455,551,683	305,033,589	444,541,782
Allowance for expected credit losses		108,030,579	-	-	-
Total expenses		2,032,771,566	1,816,360,199	1,028,871,599	1,800,089,281
Profit from operating activities		837,176,539	144,120,464	287,920,487	135,414,243
Share of loss from investments in associate	14	-	(55,488)	-	-
Share of loss from investments in joint ventures	15.1	(205,076,159)	(4,094,837)	-	-
Profit before income tax expenses		632,100,380	139,970,139	287,920,487	135,414,243
Income tax expenses	32	(118,718,730)	(38,113,682)	(47,659,904)	(35,084,611)
Profit for the period		513,381,650	101,856,457	240,260,583	100,329,632

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

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
Note	2023	2022 (Restated)	2021	2020
Other comprehensive income:				
Other comprehensive income to be reclassified to profit or loss in subsequent periods				
Loss on measuring financial assets	-	(710,167)	-	(710,167)
Less: Income tax effect	-	142,033	-	142,033
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax	-	(568,134)	-	(568,134)
Other comprehensive income not to be reclassified to profit or loss in subsequent periods				
Loss on investments in equity designated at fair value through other comprehensive income	(95,466,383)	(145,464,345)	(99,466,383)	(145,464,345)
Actuarial gain (loss)	(17,561,273)	3,883,330	(17,561,273)	3,883,330
Less: Income tax effect	22,605,531	28,316,203	23,405,531	28,316,203
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax	(90,422,125)	(113,264,812)	(93,622,125)	(113,264,812)
Other comprehensive income for the period	(90,422,125)	(113,832,946)	(93,622,125)	(113,832,946)
Total comprehensive income for the period	422,959,525	(11,976,489)	146,638,458	(13,503,314)

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

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2023</u>	<u>2022</u> (Restated)	<u>2021</u>	<u>2020</u>
Profit attributable to:				
Equity holders of the Company	503,375,911	102,340,798	240,260,583	100,329,632
Non-controlling interests of the subsidiaries	10,005,739	(484,341)		
	<u>513,381,650</u>	<u>101,856,457</u>		
Total comprehensive income attributable to:				
Equity holders of the Company	412,953,786	(11,492,148)	146,638,458	(13,503,314)
Non-controlling interests of the subsidiaries	10,005,739	(484,341)		
	<u>422,959,525</u>	<u>(11,976,489)</u>		
Earnings per share (Baht)				
Basic earnings per share				
Profit attributable to equity holders of the Company	1.76	0.80	0.84	0.78
Weighted average number of ordinary shares (Shares)	285,654,875	127,820,751	285,654,875	127,820,751
Diluted earnings per share				
Profit attributable to equity holders of the Company	1.75	0.79	0.83	0.77
Weighted average number of ordinary shares (Shares)	288,160,551	130,298,481	288,160,551	130,298,481

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

(Unit: Baht)

Consolidated financial statements

	Issued and paid-up share capital	Share premium	Change in ownership interest in a subsidiary	Capital reserve for share-based payments	Retained earnings			Other components of equity		Total equity attributable to owners of the Company	Equity attributable to non-controlling interest of the subsidiaries	Total shareholders' equity
					Statutory reserve	General reserve	Unappropriated	Fair value reserve of financial assets at FVOCI	Total other components of equity			
Balance as at 1 January 2022	120,000,000	181,125,000	(2,514,496)	-	12,000,000	231,400,000	2,631,978,965	803,763,326	803,763,326	3,977,752,795	389,368	3,978,142,163
Profit for the year - restated	-	-	-	-	-	-	102,340,798	-	-	102,340,798	(484,341)	101,856,457
Other comprehensive income for the year	-	-	-	-	-	-	3,106,664	(116,939,610)	(116,939,610)	(113,832,946)	-	(113,832,946)
Total comprehensive income for the year - restated	-	-	-	-	-	-	105,447,462	(116,939,610)	(116,939,610)	(11,492,148)	(484,341)	(11,976,489)
Transferred unappropriated retained earnings to general reserve	-	-	-	-	-	3,000,000	(3,000,000)	-	-	-	-	-
Dividend paid (Note 29)	-	-	-	-	-	-	(59,999,950)	-	-	(59,999,950)	-	(59,999,950)
Capital reserve for share-based payments	-	-	-	6,267,300	-	-	-	-	-	6,267,300	-	6,267,300
Increase in share capital TNL-ESOP 2022	5,075,000	106,067,500	-	-	-	-	-	-	-	111,142,500	-	111,142,500
Increase in share capital	87,237,766	2,780,142,778	-	-	-	-	-	-	-	2,867,380,544	-	2,867,380,544
Write-off the dissolution from investment	-	-	-	-	-	-	(3,317,590)	-	-	(3,317,590)	-	(3,317,590)
Loss from capital distribution of investment	-	-	-	-	-	-	(666,899)	-	-	(666,899)	-	(666,899)
Increase in non-controlling interests of the subsidiary from acquisition of subsidiary	-	-	-	-	-	-	-	-	-	-	16,911,314	16,911,314
Transfer of fair value reserve of equity instruments designated at FVOCI to retained earnings	-	-	-	-	-	-	159,041,819	-	-	159,041,819	-	159,041,819
Balance as of 31 December 2022 - restated	212,312,766	3,067,335,278	(2,514,496)	6,267,300	12,000,000	234,400,000	2,829,483,807	686,823,716	686,823,716	7,046,108,371	16,816,341	7,062,924,712

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

(Unit: Baht)

Consolidated financial statements

	Issued and paid-up share capital	Share premium	Change in ownership interest in a subsidiary	Capital reserve for share-based payments	Retained earnings			Other components of equity		Total equity attributable to owners of the Company	Equity attributable to non-controlling interest of the subsidiaries	Total shareholders' equity
					Statutory reserve	General reserve	Unappropriated	Fair value reserve of financial assets at FVOCI	Total other components of equity			
Balance as at 1 January 2023 as previously reported	212,312,766	3,067,335,278	(2,514,496)	6,267,300	12,000,000	234,400,000	2,838,197,690	686,823,716	686,823,716	7,054,822,254	17,930,182	7,072,752,436
Effects from recording business combination transactions (Note 13)	-	-	-	-	-	-	(8,713,883)	-	-	(8,713,883)	(1,113,841)	(9,827,724)
Balance as of 1 January 2023 - as restated	212,312,766	3,067,335,278	(2,514,496)	6,267,300	12,000,000	234,400,000	2,829,483,807	686,823,716	686,823,716	7,046,108,371	16,816,341	7,062,924,712
Profit for the year	-	-	-	-	-	-	503,375,911	-	-	503,375,911	10,005,739	513,381,650
Other comprehensive income for the year	-	-	-	-	-	-	(14,049,019)	(76,373,106)	(76,373,106)	(90,422,125)	-	(90,422,125)
Total comprehensive income for the year	-	-	-	-	-	-	489,326,892	(76,373,106)	(76,373,106)	412,953,786	10,005,739	422,959,525
Increase in share capital during the year (Note 23)	92,309,896	2,956,688,750	-	-	-	-	-	-	-	3,048,998,646	-	3,048,998,646
Capital reserve for share-based payments (Note 14)	-	-	-	17,596,650	-	-	-	-	-	17,596,650	-	17,596,650
Transferred unappropriated retained earnings to statutory reserve (Note 30)	-	-	-	-	5,100,000	-	(5,100,000)	-	-	-	-	-
Dividend paid (Note 29)	-	-	-	-	-	-	(60,924,532)	-	-	(60,924,532)	-	(60,924,532)
Decrease in non-controlling interests of the subsidiaries from subsidiary liquidation (Note 13)	-	-	2,295,157	-	-	-	-	-	-	2,295,157	(364,632)	1,930,525
Transfer of fair value reserve of equity instruments designated at FVOCI to retained earnings	-	-	-	-	-	-	(7,225,147)	7,225,147	7,225,147	-	-	-
Balance as of 31 December 2023	304,622,662	6,024,024,028	(219,339)	23,863,950	17,100,000	234,400,000	3,245,561,020	617,675,757	617,675,757	10,467,028,078	26,457,448	10,493,485,526

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

(Unit: Baht)

Separate financial statements

	Issued and paid-up share capital	Share premium	Capital reserve for share- based payments	Retained earnings			Other components of equity		
				Appropriated		Unappropriated	Fair value reserve of financial assets at FVOCI	Total other components of equity	Total shareholders' equity
				Statutory reserve	General reserve				
Balance as at 1 January 2022	120,000,000	181,125,000	-	12,000,000	231,400,000	2,673,795,712	806,963,326	806,963,326	4,025,284,038
Profit for the year	-	-	-	-	-	100,329,632	-	-	100,329,632
Other comprehensive income for the year	-	-	-	-	-	3,106,664	(116,939,610)	(116,939,610)	(113,832,946)
Total comprehensive income for the year	-	-	-	-	-	103,436,296	(116,939,610)	(116,939,610)	(13,503,314)
Increase in share capital TNL-ESOP 2022 (Note 23)	5,075,000	106,067,500	-	-	-	-	-	-	111,142,500
Increase in share capital (Note 23)	87,237,766	2,780,142,778	-	-	-	-	-	-	2,867,380,544
Capital reserve for share-based payments (Note 24)	-	-	6,267,300	-	-	-	-	-	6,267,300
Transferred unappropriated retained earnings to general reserve	-	-	-	-	3,000,000	(3,000,000)	-	-	-
Dividend paid (Note 29)	-	-	-	-	-	(59,999,950)	-	-	(59,999,950)
Write-off the dissolution from investment	-	-	-	-	-	(3,317,590)	-	-	(3,317,590)
Loss from capital distribution of investment	-	-	-	-	-	(666,899)	-	-	(666,899)
Transfer of fair value reserve of equity instruments designated at FVOCI to retained earnings	-	-	-	-	-	159,041,819	-	-	159,041,819
Balance as of 31 December 2022	212,312,766	3,067,335,278	6,267,300	12,000,000	234,400,000	2,869,289,388	690,023,716	690,023,716	7,091,628,448
Balance as of 1 January 2023	212,312,766	3,067,335,278	6,267,300	12,000,000	234,400,000	2,869,289,388	690,023,716	690,023,716	7,091,628,448
Profit for the year	-	-	-	-	-	240,260,583	-	-	240,260,583
Other comprehensive income for the year	-	-	-	-	-	(14,049,019)	(79,573,106)	(79,573,106)	(93,622,125)
Total comprehensive income for the year	-	-	-	-	-	226,211,564	(79,573,106)	(79,573,106)	146,638,458
Increase in share capital during the year (Note 23)	92,309,896	2,956,688,750	-	-	-	-	-	-	3,048,998,646
Capital reserve for share-based payments (Note 24)	-	-	17,596,650	-	-	-	-	-	17,596,650
Transferred unappropriated retained earnings to statutory reserve (Note 30)	-	-	-	5,100,000	-	(5,100,000)	-	-	-
Dividend paid (Note 29)	-	-	-	-	-	(60,924,532)	-	-	(60,924,532)
Transfer of fair value reserve of equity instruments designated at FVOCI to retained earnings	-	-	-	-	-	(7,225,147)	7,225,147	7,225,147	-
Balance as of 31 December 2023	304,622,662	6,024,024,028	23,863,950	17,100,000	234,400,000	3,022,251,273	617,675,757	617,675,757	10,243,937,670

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

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2023</u>	<u>2022</u> (Restated)	<u>2021</u>	<u>2020</u>
Cash flows from operating activities				
Profit before tax	632,100,380	139,970,139	287,920,487	135,414,243
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	35,765,669	43,370,285	30,445,897	46,067,512
Amortisation of transaction costs for issuing debentures	1,023,969	-	1,023,969	-
Share-based payments	17,596,650	6,267,300	17,596,650	6,267,300
Gain on disposals of investment properties	(118,931,573)	-	(37,037,853)	-
Gain on disposals of property, plant and equipment and intangible assets	(935,533)	(983,778)	(36,765,628)	(984,148)
Gain from transfer-in of assets	-	(43,790,000)	-	(43,790,000)
Gain on partial business transfer	-	-	(35,370,598)	-
Gain on disposal of investment in associates and joint ventures	(201,223,640)	(1,548,800)	-	(1,548,800)
Loss on liquidation of the subsidiary	2,295,157	-	69,297,430	-
Loss on disposal of other financial assets	349,341	9,239,688	193,508	9,239,688
Unrealised loss on fair value of derivatives	-	186,884	2,875,443	186,884
Allowance for diminution in value and slow-moving of inventories (reversal)	1,421,357	1,290,247	(6,924,717)	1,290,247
Allowance for expected credit losses (reversal)	102,969,155	13,283,681	(2,475,477)	13,911,115
Right to return goods	9,500,000	-	-	-
Increase in impairment loss on investments (reversal)	12,421,105	-	(68,095,054)	179,908
Employee benefit obligation expenses	13,338,075	14,672,480	5,681,352	13,311,674
Share of loss from investments in associate and joint ventures	205,076,159	4,150,325	-	-
Dividend received	(28,391,075)	(45,564,716)	(31,991,075)	(45,564,716)
Unrealised loss (gain) on exchange rate	577,981	(171,042)	253,732	(171,042)
Interest income	(648,229,867)	(46,406,515)	(291,209,459)	(30,687,659)
Finance cost	84,012,245	6,759,349	36,991,844	597,898

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

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2023</u>	<u>2022</u> (Restated)	<u>2021</u>	<u>2020</u>
Cash flows from operating activities (continued)				
Profit (loss) from operating activities before changes in operating assets and liabilities	120,735,555	100,725,527	(57,589,549)	103,720,104
Operating assets (increase) decrease				
Trade and other receivables	40,135,079	(37,172,278)	(19,683,548)	20,892,820
Inventories	143,805,197	(45,528,315)	84,465,906	(45,528,315)
Loan to customers	(2,351,025,789)	(2,069,000,000)	-	-
Loans purchased of receivables and accrued interest receivables	(882,100,682)	-	-	-
Other current assets	-	-	-	(19,697,032)
Other non-current assets	(1,615,265)	(557,686)	5,747,239	(612,686)
Operating liabilities increase (decrease)				
Trade and other payables	(61,802,445)	176,418,385	(87,671,033)	116,346,068
Financial institution payable from purchase receivables	156,520,000	-	-	-
Provision for goods returned	(15,100,000)	(200,000)	(15,400,000)	(200,000)
Provision for long-term employee benefits	(12,196,453)	(15,591,592)	(3,547,235)	(15,591,592)
Other non-current liabilities	1,226,384	1,474,548	1,154,182	1,474,548
Cash flows from (used in) operating activities	(2,861,418,419)	(1,889,431,411)	(92,524,038)	160,803,915
Cash received from interest income	517,678,911	44,598,263	295,953,433	32,955,307
Cash paid for finance cost	(78,497,177)	(737,269)	(31,476,776)	(597,898)
Cash paid for income tax	(54,568,756)	(54,344,748)	(20,513,852)	(44,685,097)
Cash received from withholding tax refundable	-	8,467,083	-	8,467,083
Net cash flows from (used in) operating activities	(2,476,805,441)	(1,891,448,082)	151,438,767	156,943,310

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

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2023</u>	<u>2022</u> (Restated)	<u>2021</u>	<u>2020</u>
Cash flows from investing activities				
Decrease in fixed deposits and certificate of deposits			-	5,439,672
Cash paid for investment and increase in share capital of subsidiaries			(622,753,417)	(837,702,244)
Cash paid for investment and increase in share capital of joint ventures	(145,500,000)	(647,829,953)	-	-
Cash received from sales of associate			-	121,548,800
Cash paid for purchase of other financial assets			(45,000,000)	(1,369,868,340)
Cash received from sales of other financial assets			279,371,151	2,513,137,647
Decrease (increase) in loans to related parties			(6,466,510,387)	(1,378,619,614)
Cash received from disposal of business segments			344,151,943	-
Cash paid for property, plant and equipment and intangible assets			(21,609,476)	(22,783,010)
Proceeds from disposals of property, plant and equipment			38,361,477	1,447,771
Cash paid for purchase of investment properties			-	-
Proceeds from disposal of investment properties			70,999,974	-
Dividend received			31,991,075	45,564,716
Net cash flows from (used in) investing activities			(6,390,997,660)	(921,834,602)

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

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2023</u>	<u>2022</u> (Restated)	<u>2021</u>	<u>2020</u>
Cash flows from financing activities				
Decrease (increase) in loans from related parties			1,080,000,000	-
Cash received from debentures			500,000,000	-
Cash paid fees for issuing debentures			(6,754,380)	-
Payment of principle portion of lease liabilities			(1,943,200)	(4,159,646)
Dividend paid			(60,887,636)	(59,981,062)
Increase in non-controlling interests of the subsidiary from acquisition of subsidiary			-	-
Decrease in non-controlling interests of the subsidiary from subsidiary liquidation	(364,632)	-	-	-
Cash received from increase in share capital			3,048,998,646	2,974,463,043
Net cash flows from financing activities			4,559,413,430	2,910,322,335
Net increase (decrease) in cash and cash equivalents		2,170,423,622	(1,680,145,463)	2,145,431,043
Cash and cash equivalents at beginning of year	2,384,414,365	213,990,743	2,356,072,349	210,641,306
Cash and cash equivalents at end of year	<u>1,281,173,462</u>	<u>2,384,414,365</u>	<u>675,926,886</u>	<u>2,356,072,349</u>
Supplemental disclosure of cash flows information				
Non-cash related transactions				
Transfer property, plant and equipment to investment properties	-	-	219,619,127	-
Lease liabilities	8,439,000	11,323,052	8,439,000	11,323,052
Dividend payable	36,896	-	36,896	-

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

Thanulux Public Company Limited and its subsidiaries
Statement of financial position
As at 31 December 2023

1. General information

Thanulux Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. Its major shareholders are Saha Pathana Inter-Holding Public Company Limited and BTS Group Holdings Public Company Limited which are public companies incorporated and domiciled in Thailand. The Company is principally engaged in an investment holding company. The registered office and head office of the Company is at 129/1, Chongnonsi Road, Chongnonsi, Yannawa, Bangkok, Thailand.

Business restructuring

During the year 2023, the Company had restructured its business structure by Partial Business Transfer transaction (“PBT transaction”), which was approved by the General Annual Meeting of Shareholders of the Company No. 49 held on 25 April 2023. The shareholders approved the restructuring plan by PBT transaction to increase the possibility of future business expansion and to improve the efficiency and flexibility of business management more efficiently by changing the nature of the Company’s business to an investment holding company, operating 4 main businesses via its subsidiaries, including 1) textile and apparel business, 2) secured lending business, 3) asset management business, and 4) real-estate development for sale business. The PBT transaction of the textile and apparel business to TNLX Company Limited, a subsidiary of the Company, was completed and legally effective as of 1 July 2023.

2. Basis of preparation

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

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

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

2.2 Basis of consolidation

a) The consolidated financial statements include the financial statements of Thanulux Public Company Limited (“the Company”) and the following subsidiary companies (“the subsidiaries”) (collectively as “the Group”):

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2023 Percent	2022 Percent
Subsidiaries held by the Company				
S. Apparel Co., Ltd.	Manufacturing, Subcontracting and distributing apparel	Thailand	99.99	99.99
Celebrate Wealth Co., Ltd.	Liquidated	Thailand	-	87.76
TNL Alliance Co., Ltd.	Real estate development for sale	Thailand	99.97	99.97
Oxygen Asset Co., Ltd.	Secured credit business	Thailand	90.00	90.00
TNLX Co., Ltd.	Manufacturing and distributing apparel	Thailand	99.99	99.97
Oxygen Asset Management Co., Ltd.	Assets management	Thailand	99.99	-
Subsidiaries held by Oxygen Asset Co., Ltd.				
Oxygen Asset Management Co., Ltd.	Assets management	Thailand	-	99.99
Oxygen One Co., Ltd.	Operating consignment sales and auction sales business	Thailand	100.00	100.00
Oxygen Two Co., Ltd.	Operating consignment sales and auction sales business	Thailand	100.00	-

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

- 2.3 The separate financial statements present investments in subsidiaries, joint ventures and associates under the cost method.

3. New financial reporting standards

3.1 Financial reporting standards that became effective in the current year

During the year, the Group has adopted the revised financial reporting standards which are effective for fiscal years beginning on or after 1 January 2023. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

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

3.2 Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2024

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2024. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The management of the Group believes that adoption of these amendments will not have any significant impact on the Group's financial statements.

4. Significant accounting policies

4.1 Revenue and expense recognition

Sales of goods

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

Rendering of services revenue

Rendering of services revenue is recognised at a point in time upon completion of the service. Monitoring and consulting service revenue

Monitoring and consulting service revenue is recognised when service has been rendered, with reference to the term of contract, excluding value added tax.

Interest income

Interest income is calculated using the effective interest method and recognised on an accrual basis. The effective interest rate is applied to the gross carrying amount of a financial asset, unless the financial assets subsequently become credit-impaired when it is applied to the net carrying amount of the financial asset (net of the expected credit loss allowance).

Interest income on loans purchased of receivables

The subsidiary recognises interest income on loans purchased of receivables based on the cost of the receivables, net of allowance for expected credit losses, using the credit-adjusted effective interest rate, and on accrual basis.

The credit-adjusted effective interest rate is determined from the rate used in discounting the estimated future cash flows to be paid or received over the expected life of the financial assets, to derive the amortised cost of financial assets that are purchased or originated credit-impaired. In estimating the net expected cash inflows, the reference is made to historical data on actual cash inflows, net of related expenses, to develop a model based on the assumption that the net expected cash inflows and the expected life of financial instruments with similar characteristics can be estimated with a reasonable level of accuracy.

In cases where the cost and accrued interest receivables of acquired non-performing loans (NPLs) have been fully amortised, but the Group retains the right to claim payment from the debtor under the contract, The subsidiary recognises subsequent payments from the debtor as gains on loans purchased of receivables.

Dividends

Dividends are recognised when the right to receive the dividends is established.

Other revenues and expenses

Other revenues and expenses are recognised on an accrual basis.

4.2 Loans purchased of receivables and accrued interest receivables

As the subsidiary operates by acquiring or receiving transfer of non-performing loans (NPLs) from other financial institutions, the amounts paid to acquire loans purchased of receivables are recognised as purchased or originated credit-impaired financial assets which are presented at amortised cost. The cost of purchased or originated credit-impaired financial assets includes the amounts paid to acquire loans purchased of receivables (the fair value as of the transaction date is near or the same as the acquisition price), legal expenses or other obligations which will be transferred to the debtors. The subsidiary will then collect the debt from the debtors upon settlement.

Loans purchased of receivables are presented at amortised cost plus accrued interest receivables, and net of allowance for expected credit loss (if any).

4.3 Cash and cash equivalents

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

4.4 Inventories

Finished goods and work in process are valued at the lower of cost (under the weighted average method) and net realisable value. The cost of inventories is measured using the standard cost method, which approximates actual cost and includes all production costs and attributable factory overheads.

Raw materials, chemicals, spare parts and factory supplies are valued at the lower of average cost and net realisable value and are charged to production costs whenever consumed.

4.5 Investments in subsidiaries, joint venture and associates

Investments in joint venture and associates are accounted for in the consolidated financial statements using the equity method.

Investments in subsidiaries, joint ventures and associates are accounted for in the separate financial statements using the cost method net of allowance for impairment (if any).

4.6 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and allowance for impairment loss (if any).

Depreciation is charged to the statement of comprehensive income on a straight-line basis over the estimated useful lives of each part of an item of assets which are as follows:

Land improvement	5 years
Building	20 years

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

4.7 Property, plant and equipment/Depreciation

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

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

Land improvement	5 years
Building and structures	20, 25, 35 and 40 years
Machinery	5 - 10 years
Office equipment	3 - 5 years
Furniture and fixtures	5 years
Vehicles	5 years

Depreciation is included in determining income.

No depreciation is provided on land and assets under installation.

4.8 Intangible assets

Intangible assets are stated at cost less accumulated amortisation and impairment losses (if any).

Intangible assets with finite lives are amortised on a systematic basis over the economic useful life. The amortisation expense is charged to the comprehensive income statements. Intangible assets with finite useful lives comprise of computer software having useful lives of 3 - 10 years.

4.9 Goodwill

Goodwill is initially recorded at cost, which equals to the excess of cost of business combination over the fair value of the net assets acquired. If the fair value of the net assets acquired exceeds the cost of business combination, the excess is immediately recognised as gain in profit or loss.

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Company's cash-generating units (or group of cash-generating units) that are expected to benefit from the synergies of the combination. The Company estimates the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in profit or loss. Impairment losses relating to goodwill cannot be reversed in future periods.

4.10 Leases

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

The Group as a lessee

The Group applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. At the commencement date of the lease (i.e. the date the underlying asset is available for use), the Group recognises right-of-use assets representing the right to use underlying assets and lease liabilities based on lease payments.

Right-of-use assets

Right-of-use assets are measured at cost, less accumulated depreciation, any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of

right-of-use assets includes the amount of lease liabilities initially recognised, initial direct costs incurred, and lease payments made at or before the commencement date of the lease less any lease incentives received.

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

Land	5 years
Building	20 years

If ownership of the leased asset is transferred to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Lease liabilities

Lease liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under residual value guarantees. Moreover, the lease payments include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the year in which the event or condition that triggers the payment occurs.

The Group discounted the present value of the lease payments by the interest rate implicit in the lease or the Group's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

A lease that has a lease term less than or equal to 12 months from commencement date or a lease of low-value assets is recognised as expenses on a straight-line basis over the lease term.

4.11 Related party transactions

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

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

4.12 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Company's functional currency.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting year.

Gains and losses on exchange are included in determining income.

4.13 Impairment of non-financial assets

Impairment of assets, the Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, the Group makes an estimate of the asset's recoverable amount. Where the carrying amount of the asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment loss is recognized in the comprehensive income statements. (An asset's recoverable amount is the higher of fair value less costs to sell and value in use).

4.14 Employee benefits*Short-term employee benefits*

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

*Post-employment benefits and other long-term employee benefits**Defined contribution plans*

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

Defined benefit plans and other long-term employee benefits

The Group has obligations in respect of the severance payments it must make to employees upon retirement under labor law and other employee benefit plan. The Group treats these severance payment obligations as a defined benefit plan. In addition, the Group provides other long-term employee benefit plan, namely long service awards.

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

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

Actuarial gains and losses arising from other long-term benefits are recognised immediately in profit and loss.

4.15 Provisions

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

The Group recognises provisions of inventory in the sales that has an agreement with customers for returns within an agreed-upon timeframe. These estimates are based on historical inventory return data and forecasted future trends.

4.16 Income tax

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

Current tax

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

Deferred tax

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

The Group recognizes deferred tax liabilities for all taxable temporary differences while it recognises deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised. At each reporting date, the Group reviews and reduces the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

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

4.17 Basic earnings per share

Basic earnings per share are calculated by dividing net income by the number of ordinary shares outstanding at the end of the year. In case of a capital increase, the number of ordinary shares is weighted according to time of subscription received.

4.18 Financial instruments

The Group initially measures financial assets at its fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs. However, trade receivables, that do not contain a significant financing component are measured at the transaction price as disclosed in the accounting policy relating to revenue recognition.

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

Financial assets at amortised cost

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

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets designated at FVOCI (equity instruments)

Upon initial recognition, the Group can elect to irrevocably classify its equity investments which are not held for trading as equity instruments designated at FVOCI. The classification is determined on an instrument-by-instrument basis.

Gains and losses recognised in other comprehensive income on these financial assets are never recycled to profit or loss.

Dividends are recognised as other income in profit or loss, except when the dividends clearly represent a recovery of part of the cost of the financial asset, in which case, the gains are recognised in other comprehensive income.

Equity instruments designated at FVOCI are not subject to impairment assessment.

Financial assets at FVTPL

Financial assets measured at FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

These financial assets include derivatives, security investments held for trading, equity investments which the Group has not irrevocably elected to classify at FVOCI and financial assets with cash flows that are not solely payments of principal and interest.

Dividends on listed equity investments are recognised as other income in profit or loss.

Classification and measurement of financial liabilities

Except for derivative liabilities, at initial recognition the Group's financial liabilities are recognised at fair value net of transaction costs and classified as liabilities to be subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. In determining amortised cost, the Group takes into account any fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in profit or loss.

Regular way purchases and sales of financial assets

Regular way purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace are recognised on the trade date, i.e., the date on which the Group commits to purchase or sell the asset.

Derecognition of financial instruments

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Group has transferred substantially all the risks and rewards of the asset, or the Group has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially

modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate.

Allowance for expected credit losses of financial assets

The Group recognises an allowance for expected credit losses on its financial assets measured at amortised cost, without requiring a credit-impaired event to have occurred prior to the recognition. The Group accounts for changes in expected credit losses in stages, with differing methods of determining allowance for credit losses and the effective interest rate applied at each stage. An exception from this approach is that for trade receivables that do not contain a significant financing component, the Group applies a simplified approach to determine the lifetime expected credit losses

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. It is based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

Allowance for expected credit losses of loan to customers

Loans to customers

The subsidiary applies the general approach to measure the expected credit losses (ECL) on loan to customers. The subsidiaries accounts for changes in credit risk of loan to customers in 3 stages as follows:

- **Stage 1: Loan to customers with no significant increase in credit risk (Performing)**
The subsidiary recognises expected credit losses at the amount equal to the expected credit losses in the next 12 months. The subsidiaries will use the probability

of default which correspond with remaining terms for loan to customers with a remaining maturity of less than 12 months.

- **Stage 2: Loan to customers with significant increase in credit risk (Under-Performing).**
The subsidiary recognises expected credit losses at the amount equal to the lifetime expected credit losses of loan to customers.
- **Stage 3: Loan to customers with credit - impaired (Non-Performing).**
The subsidiary recognises expected credit losses at the amount equal to the lifetime expected credit losses of loan to customers.

At every reporting date, the subsidiaries assess whether the credit risk of loans to customers has increased significantly since the date of the initial recognition by comparing the risk of contract default that is expected to occur throughout the expected life at the report date and credit risk at the date of the initial recognition. The subsidiaries use internal quantitative and qualitative factors, and forecasted information as a basis to evaluate a decrease on credit quality of loan to receivables such as overdue status i.e. past due more than 30 days.

Loan to customers are credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of loan to customers. Evidence that loan to customers are credit-impaired included overdue more than 90 days or having an indication of significant financial difficulty of the borrowers such as breach of contract, legal status, bankrupt status or credit - impaired debt restructuring.

Expected credit losses are an estimated of the probability of the lifetime expected credit losses of the loans to customers. It is based on the present value of all expected cash shortfalls, which is derived from historical loss experience data, adjusted with the current observable data and add on the supported and reasonable forecasts of future economic conditions that have been statistically proven to be correlated, including appropriate use of judgement in estimating expected credit losses. The subsidiary has established the process to review and monitor methodologies, assumptions and forward-looking macroeconomics scenarios on a yearly basis. Moreover, an expected credit losses model includes the management overlay for the factors which are not captured by the model.

Increase (decrease) in an allowance for expected credit losses is recognised as expenses during the period in profit or loss in the statements of comprehensive income.

Loans purchased of receivables and accrued interest receivables

The subsidiary adopts the purchased or originated credit-impaired financial asset approach and applies it to loans purchased of receivable.

The subsidiary records allowance for expected credit losses when changes in the projected cash inflows to be received from these receivables are expected. The process involves discounting the projected cash flows based on historical data, adjusted to reflect current observable data and forward-looking macroeconomic scenarios that are supportable and reasonable. Making such estimates of expected credit losses requires the exercise of appropriate judgement. However, the subsidiary has established a process to review and revise the methodologies, assumptions and forward-looking macroeconomic scenarios on a regular basis. In addition, expected credit loss also include a management overlay. The subsidiaries recognises changes in expected credit losses over the expected lifetime as impairment gains or losses in the profit or loss.

Loans purchased of receivables is written off when there is no reasonable expectation of recovering the contractual cash flows.

Offsetting of financial instruments

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

4.19 Fair value 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 buyer and seller (market participants) at the measurement date. The Group applies a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a

quoted market price is not available, the Group measures fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

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

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

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

5. Significant accounting judgements and estimates

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

Allowance for expected credit losses

The management is required to use judgement in estimation in determining the allowance for expected credit losses of the financial assets. The calculation of allowance for expected credit losses of the Group is based on the criteria of assessing if there has been a significant increase in credit risk and net collateral value, the development of complex expected credit losses model with a series of underlying assumptions. The estimation has various relevant factors; therefore, the actual results may differ from estimates.

Fair value of financial instruments

In determining the fair value of financial instruments recognised in the statement of financial position that are not actively traded and for which quoted market prices are not readily available, the management exercise judgement, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of credit risk, liquidity, correlation and longer-term volatility of financial instruments. Change in assumptions about these factors could affect the fair value recognised in the statement of financial position and disclosures of fair value hierarchy.

Goodwill

The initial recognition and measurement of goodwill, and subsequent impairment testing, require management to make estimates of cash flows to be generated by the asset or the cash-generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows.

Post-employment benefits under defined benefit plans and other long-term employee benefits

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

6. Related party transactions

During the years, the Group had significant business transactions with related parties.

Such transactions, which are summarised below, arose in the ordinary course of business. There were no significant changes in the transfer pricing policy of transactions with related parties during the current year.

Pricing policies of related party transactions are as follows:

Transactions	Pricing policies
Revenue from sales and rendering of service	Agreed-upon price by referring to market price
Rental income	Agreed-upon price
Dividend income	Rates approved by shareholders
Interest income	At 3% - 8% per annum.
Other income	Agreed-upon price
Revenue from management fee	Contractually - agreed prices
Monitoring and consulting service revenue	Contractually - agreed prices
Purchase of goods and rendering of services	Agreed-upon price/market price
Distribution costs and administrative expenses	Contractually - agreed prices
Gain from partial business transfer	Contractually - agreed prices
Interest expenses	At 5%, 6% per annum.
Purchase/ sales of investments	Agreed-upon price/market price
Purchase of fixed assets	Agreed-upon price

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

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
<u>Transactions with subsidiary companies</u>				
(Eliminated from the consolidated financial statements)				-
Revenue from sales	-	-	2,648,284	-
Rental income	-	-	6,560,523	-
Dividend income	-	-	3,600,000	2,902,221
Interest income	-	-	276,410,310	-
Other income	-	-	18,340,000	633,482
Revenue from management Fee	-	-	46,277	-
Purchase of investment in subsidiary	-	-	23,753,417	-
Purchase of goods and raw materials	-	-	3,567,107	-
Distribution costs and administrative expenses	-	-	587,182	-
Gain from partial business transfer	-	-	35,370,598	-
<u>Transactions with joint ventures</u>				
Monitoring and consulting service revenue	207,200,358	-	-	-
Interest income	79,400,479	-	-	-
<u>Transactions with related parties</u>				
Revenue from sales	805,180,203	657,666,981	404,869,997	657,666,981
Revenue from rendering of services	6,081,166	2,829,143	3,567,865	2,829,143
Dividend income	27,126,795	37,084,115	27,126,795	37,084,115
Interest income	4,414,086	4,771,010	4,414,086	4,771,010
Other income	11,557,545	13,503,647	7,707,693	13,503,647
Purchase of goods and raw materials	35,645,266	37,217,562	19,189,285	37,217,562
Rendering of service	8,150,179	4,860,368	2,503,625	4,860,368
Distribution costs and administrative expenses	59,819,205	46,623,257	35,812,925	46,623,257
Interest expenses	77,848,651	-	31,182,661	-
Purchase of fixed assets	-	43,834,009	-	43,834,009
Purchase of general investment	-	120,000,000	-	957,702,244
Sale of general investment	-	492,612,366	-	492,612,366
Gain on disposal of investments	-	191,302,213	-	191,302,213

As at 31 December 2023 and 2022, the balance of the accounts between the Company and those related companies are as follows:

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
(Unit: Baht)				
<u>Trade and other receivables (Note 8)</u>				
Subsidiaries	-	-	21,312,768	2,930,830
Other related companies				
I.C.C. International Plc.	58,003,219	77,957,861	-	77,957,861
Others	62,141,420	10,781,813	1,805,300	10,781,813
Total	120,144,639	88,739,674	23,118,068	91,670,504
<u>Short-term loans to</u>				
Subsidiaries	-	-	5,882,130,000	563,869,795
Associated	10,000,000	10,000,000	10,000,000	10,000,000
Other related companies	17,821,344	19,821,334	20,000,000	22,000,000
Total	27,821,344	29,821,334	5,912,130,000	595,869,795
<u>Current portion of Long-term loan</u>				
Other related company	40,000,000	-	40,000,000	-
Total	40,000,000	-	40,000,000	-
<u>Long-term loans - net of current portion</u>				
Subsidiaries	-	-	1,973,000,000	820,849,818
Joint ventures	1,649,267,454	288,925,028	-	-
Other related companies	-	40,000,000	-	40,000,000
Total	1,649,267,454	328,925,028	1,973,000,000	860,849,818

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
<u>Trade and other payables (Note 19)</u>				
Subsidiaries	-	-	3,169,948	-
Other related companies	11,313,587	11,747,836	228,740	11,747,836
Total	11,313,587	11,747,836	3,398,688	11,747,836
<u>Short-term loans from</u>				
Other related companies	573,200,000	2,873,279,460	-	-
Total	573,200,000	2,873,279,460	-	-
<u>Long-term loans from</u>				
Other related companies	1,080,000,000	-	1,080,000,000	-
Total	1,080,000,000	-	1,080,000,000	-

6.1 Short-term loans to related companies

(Unit: Baht)

Consolidated financial statements

	Balance as at 31 December 2022	Increase	Decrease	Balance as at 31 December 2023
Joint ventures	10,000,000	-	-	10,000,000
Related companies	29,900,000	-	(3,900,000)	26,000,000
Total	39,900,000	-	(3,900,000)	36,000,000
Less: Allowance for expected credit losses	(10,078,656)	-	1,900,000	(8,178,656)
Net	29,821,344	-	(2,000,000)	27,821,344

(Unit: Baht)

Separate financial statements

	Balance as at 31 December 2022	Increase	Decrease	Balance as at 31 December 2023
Subsidiaries	563,869,795	5,525,394,535	(207,134,330)	5,882,130,000
Associate	10,000,000	-	-	10,000,000
Related companies	29,900,000	-	(3,900,000)	26,000,000
Total	603,769,795	5,525,394,535	(211,034,330)	5,918,130,000
Less: Allowance for expected credit losses	(7,900,000)	-	1,900,000	(6,000,000)
Net	595,869,795	5,525,394,535	(209,134,330)	5,912,130,000

As at 31 December 2023, the short-term loans to an associate of Baht 10 million are guaranteed by the borrower's parent company at 60 percent of the loan balance.

As at 31 December 2023, The interest rate of such short-term loans are 3.00 - 5.00 percent per annum. The repayment term is within one year or at call.

6.2 Long-term loan to related companies

(Unit: Baht)

Consolidated financial statements

	Balance as at 31 December 2022	Increase	Decrease	Balance as at 31 December 2023
Joint ventures	288,925,028	2,486,571,926	(1,053,293,681)	1,722,203,273
Related companies	40,000,000	-	-	40,000,000
Total	328,925,028	2,486,571,926	(1,053,293,681)	1,762,203,273
Less: Share loss from investment in joint ventures (Note15.1)	-	(72,935,819)	-	(72,935,819)
Total	328,925,028	2,413,636,107	(1,053,293,681)	1,689,267,454
Less: Current portion				(40,000,000)
Long-term loan - net of current portion				<u>1,649,267,454</u>

(Unit: Baht)

Separate financial statements

	Balance as at 31 December 2022	Increase	Decrease	Balance as at 31 December 2023
Subsidiaries	820,849,818	2,324,986,045	(1,172,835,863)	1,973,000,000
Related company	40,000,000	-	-	40,000,000
Total	860,849,818	2,324,986,045	(1,172,835,863)	2,013,000,000
Less: Current portion				(40,000,000)
Long-term loan - net of current portion				<u>1,973,000,000</u>

As at 31 December 2023, such long-term loans are clean loans, and carries interest rate at 3.73 - 8.00 percent per annum. The loans are repayable at call, except loan to related company amounting to Baht 40 million is repayable on June 2024.

6.3 Short-term loans from related companies

(Unit: Baht)

Consolidated financial statements				
	Balance as at 31 December 2022	Increase	Decrease	Balance as at 31 December 2023
Related companies	2,873,279,460	252,500,000	(2,552,579,460)	573,200,000
Total	2,873,279,460	252,500,000	(2,552,579,460)	573,200,000

(Unit: Baht)

Consolidated and separate financial statements

	Balance as at 31 December 2022	Increase	Decrease	Balance as at 31 December 2023
Related companies	-	1,080,000,000	-	1,080,000,000
Total	-	1,080,000,000	-	1,080,000,000

As at 31 December 2023, such short-term loans carries interest rate at 5.00 percent per annum. The loans are repayable at call.

6.4 Long-term loans from related companies

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Short-term employee benefits	38,153,138	27,425,818	38,153,138	27,425,818
Post-employment benefits	1,501,408	1,163,395	1,501,408	1,163,395
Total	39,654,546	28,589,213	39,654,546	28,589,213

6.5 Directors and management's benefits

The subsidiary entered into service agreement with joint ventures to provided monitoring and consulting services whereby the joint ventures are committed to pay on the basis and the rate as stipulated in the agreements.

7. Cash and cash equivalents

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Cash	177,683	103,591	15,130	18,394
Cash at bank	1,280,995,779	2,384,310,774	675,911,756	2,356,053,955
Total	1,281,173,462	2,384,414,365	675,926,886	2,356,072,349

As at 31 December 2023, bank deposits in saving accounts and fixed deposits carried interests at the rate between 0.15 and 0.70 percent per annum (2022: between 0.15 and 0.45 percent per annum).

8. Trade and other receivables

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
<u>Trade receivables - related parties</u>				
Aged on the basis of due dates				
Not yet due	62,350,079	82,184,878	-	82,184,878
Past due				
Not over 3 months	695,322	588,734	-	588,734
3 - 6 months	-	1,223,226	-	1,223,226
6 - 12 months	-	2,973,158	-	2,973,158
Over 12 months	4,313,436	953,050	4,313,436	953,050
Total	67,358,837	87,923,046	4,313,436	87,923,046
Less: Allowance for expected credit losses	(4,313,436)	(4,328,309)	(4,313,436)	(4,328,309)
Total trade receivables - related companies - net	63,045,401	83,594,737	-	83,594,737
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	30,319,182	31,489,100	2,748,017	31,489,100
Past due				
Not over 3 months	24,703,031	7,140,688	-	7,140,688
3 - 6 months	2,886,680	5,681,673	-	5,681,673
Over 12 months	5,425,632	5,986,236	5,425,632	5,986,236
Total	63,334,525	50,297,697	8,173,649	50,297,697
Less: Allowance for expected credit losses	(5,425,632)	(5,986,235)	(5,425,632)	(5,986,235)
Total trade receivables - unrelated companies - net	57,908,893	44,311,462	2,748,017	44,311,462
Total trade receivables - net	120,954,294	127,906,199	2,748,017	127,906,199

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
<u>Other receivables - related parties</u>				
Accrued income	15,834,645	3,128,951	18,911,337	3,157,561
Accrued interest	41,011,170	1,668,795	1,638,356	4,571,015
Others	253,423	347,191	2,568,375	347,191
Total	57,099,238	5,144,937	23,118,068	8,075,767
Other receivables – unrelated parties				
Accrued income	1,955,321	10,412,220	1,599,773	1,473,951
Accrued interest	201,096	2,468,473	11,233	1,822,548
Advance payment for goods	2,175,903	4,423,798	-	4,423,798
Revenue Department receivables	31,500,915	31,757,951	21,089,542	23,615,958
Others	21,500,955	55,336,882	3,496,058	13,756,418
Total	57,334,190	104,399,324	26,196,606	45,092,673
Less: Allowance for expected credit losses	-	(2,585,947)	-	(2,585,947)
Total other receivables - unrelated parties - net	57,334,190	101,813,377	26,196,606	42,506,726
Total other receivables - net	114,433,428	106,958,314	49,314,674	50,582,493
Trade and other receivables - net	235,387,722	234,864,513	52,062,691	178,488,692

9. Loans to customers

As at 31 December 2023 and 2022, the subsidiary has loans to customers as follows:

	(Unit: Baht)	
	Consolidated financial statements	
	2023	2022
Short-term loans to customers	5,260,025,789	2,539,000,000
Long-term loans to customers	680,000,000	1,050,000,000
Total loans to customers	5,940,025,789	3,589,000,000
Add: Accrued interest	39,276,799	3,840,575
Total loans to customers and accrued interest	5,979,302,588	3,592,840,575
Less: Allowance for expected credit losses	(95,080,565)	-
Total loans to customers and accrued interest - net	5,884,222,023	3,592,840,575
Less: Short-term loans to customers and accrued interest	(4,154,222,023)	(2,542,840,575)
Current portion of long-term loans to customers	(1,050,000,000)	-
Long-term loans to customers - net of current portion	680,000,000	1,050,000,000

Loans to customers are secured loan and carries interest rate at fixed rate.

As at 31 December 2023 and 2022, loans to customers and interest receivable are classified by hierarchy as follows:

	(Unit: Baht)		
	Consolidated financial statements		
	31 December 2023		
	Loan to customers and accrued interest	Allowance for expected credit losses	Net book value
Loans to customers with no significant increase in credit risk (Performing)	4,385,586,447	(3,539,858)	4,382,046,589
Loans to customers with significant increase in credit risk (Under-Performing)	1,593,716,141	(91,540,707)	1,502,175,434
Loans to customers with credit -impaired (Non-Performing)	-	-	-
Total	5,979,302,588	(95,080,565)	5,884,222,023

	(Unit: Baht)		
	Consolidated financial statements		
	31 December 2022		
	Loan to customers and accrued interest	Allowance for expected credit losses	Net book value
Loans to customers with no significant increase in credit risk (Performing)	3,592,840,575	-	3,592,840,575
Loans to customers with significant increase in credit risk (Under-Performing)	-	-	-
Loans to customers with credit -impaired (Non-Performing)	-	-	-
Total	3,592,840,575	-	3,592,840,575

Movements of allowance expected credit losses for loans to customers are as follows:

(Unit: Baht)

Consolidated financial statements				
31 December 2023				
	Loans to customers with no significant increase in credit risk	Loans to customers with significant increase in credit risk	Loans to customers with credit - impaired	Total
Beginning balance	-	-	-	-
Add: Increase in allowance for expected credit losses during the year	(3,539,858)	(91,540,707)	-	(95,080,565)
Ending balance	(3,539,858)	(91,540,707)	-	(95,080,565)

10. Inventories

(Unit: Baht)

	Consolidated financial statements			Separate financial statements	
	2023	2022		2023	2022
Finished goods	162,875,367	241,003,259	-	241,003,259	
Work in process	61,576,420	103,737,669	-	103,737,669	
Raw materials	56,446,161	84,509,617	-	84,509,617	
Supplies	1,486,667	1,421,899	-	1,421,899	
Goods in transit	14,743,145	19,760,513	-	19,760,513	
Total	297,127,760	450,432,957	-	450,432,957	
Less: Allowance for diminution in value and slow moving	(8,346,074)	(6,924,717)	-	(6,924,717)	
Net	288,781,686	443,508,240	-	443,508,240	

11. Other financial assets

11.1 Other current financial assets

Movement in other current financial assets during the year ended 31 December 2023 and 2022 are summarised below:

(Unit: Baht)

Consolidated and Separate financial statements		
	2023	2022
<u>Investment in debt and equity securities measured at fair value through profit or loss</u>		
Mutual funds		
Balance as at 1 January	2,010	215,072,867
Decrease during the year	(2,010)	(215,070,857)
Balance as at 31 December	-	2,010
<u>Financial assets measured at amortisation costs</u>		
Debentures with redemption within 1 year		
Balance as at 1 January	99,193,508	171,289,950
Decrease during the year	(99,193,508)	(72,096,442)
Balance as at 31 December	-	99,193,508
Foreign currency forward contracts receivables		
Balance as at 1 January	278,908	228,833
Increase (decrease) during the year	(278,908)	50,075
Balance as at 31 December	-	278,908
Total other current financial assets as at 31 December	-	99,474,426

11.2 Other non-current financial assets

Movement in other non-current financial assets during the year ended 31 December 2023 and 2022 are summarised below:

(Unit: Baht)

	Consolidated and Separate financial statements	
	2023	2022
Equity instruments designated at FVOCI		
Listed equity instruments		
President Bakery Plc.,	244,125,000	241,500,000
People's Garment Plc.,	94,356,000	80,202,600
Thai Wacoal Plc.,	52,611,300	58,457,000
Others	420,842,263	419,384,613
Non-listed equity instruments		
Thai Asahi Kasei Spandex Co.,Ltd.	178,432,200	205,889,580
Kingbridge Tower Co., Ltd.	127,500,000	82,149,645
Erawan Textile Co., Ltd.	77,819,400	186,383,498
SSDC (Tigertech) Co., Ltd.	55,031,038	40,750,987
Thai Naxis Co., Ltd.	48,972,924	32,511,660
Others	173,701,900	205,739,169
Financial assets at amortisation costs		
Debenture	2,000,000	151,972,183
Total	1,475,392,025	1,704,940,935

Movement in other non-current financial assets during the year ended 31 December 2023 and 2022 are summarised below:

(Unit: Baht)

	Consolidated and Separate financial statements	
	2023	2022
<u>Investments in equity securities measured at FVOCI</u>		
Investments in listed equity securities		
Balance as at 1 January	799,544,213	1,220,353,665
Decrease during the year	-	(392,294,756)
Gain (loss) from measurement of investments	12,390,350	(28,514,696)
Balance as at 31 December	811,934,563	799,544,213
Investments in non-listed equity securities		
Balance as at 1 January	753,424,538	729,623,957
Increase	45,000,000	-
Decrease during the year	(30,118,050)	(16,448,137)
Gain (loss) from measurement of investments	(106,849,026)	40,248,719
Balance as at 31 December	661,457,462	753,424,539
<u>Other financial assets measured at amortisation costs</u>		
Debentures, net of current portion		
Balance as at 1 January	151,972,183	478,691,500
Decrease during the year	(149,972,183)	(326,719,317)
Balance as at 31 December	2,000,000	151,972,183
Total other non-current financial assets as at 31 December	1,475,392,025	1,704,940,935

Equity instruments designated at FVOCI include listed and non-listed equity investments which the Company considers these investments to be strategic in nature.

During the year ended 31 December 2023, the Company sold its non-listed instruments. The fair value on the date of sale was Baht 25.85 million. From the sale, the Company received share capital of Baht 4.27 million as a result of the investment in non-listed instruments (2022: the Company sold its listed instruments at a fair value of Baht 391.93 million as at the date of sale and received share capital of Baht 0.36 million from the investment in listed instruments. The Company sold its non-listed instruments at a fair value of Baht 10.08 million as at the date of sale and received share capital of Baht 6.36 million from the investment in non-listed instruments.) In addition, the accumulated loss previously recognised in other comprehensive income amounting to Baht 9.03 million (2022: Loss amounted to Baht 4.06 million) was transferred to retained earnings.

During the current year, the Company received dividend from investments in other financial assets of Baht 28.39 million (2022: Baht 45.56 million).

12. Loans purchased of receivables and accrued interest receivables

(Unit: Baht)

	Consolidated financial statements	
	2023	2022
Loans purchased of receivables - at amortised cost	882,100,682	-
Add: Accrued interest	58,039,734	-
Total	940,140,416	-
Less: Allowance for expected credit loss	(12,950,014)	-
Total loans purchased of receivables and accrued interest receivables - net	927,190,402	-

Changes in loans purchased of receivables for the year ended 31 December 2023 were as follows:

(Unit: Baht)

	Consolidated financial statements
	2023
Loans purchased of receivables and accrued interest beginning balance	-
Add: Additional purchase	917,713,927
Add: Interest income	71,364,944
Less: Cash received from loan purchased of receivables and interest	(48,938,455)
Loans purchased of receivables and accrued interest ending balance	940,140,416

13. Investments in subsidiaries

(Unit: Baht)

Subsidiaries	Separate financial statements					
	Paid-up share capital		Percentage of shareholding (%)		Cost method	
	2023	2022	2023	2022	2023	2022
<u>Subsidiaries held by the Company</u>						
S. Apparel Co., Ltd.	8,100,000	8,100,000	99.99	99.99	20,583,208	20,583,208
Celebrate Wealth Co., Ltd.	-	85,000,000	-	87.76	-	69,235,995
TNL Alliance Co., Ltd.	1,000,000	1,000,000	99.97	99.97	999,700	999,700
Oxygen Asset Co., Ltd.	100,000,000	100,000,000	90.00	90.00	835,702,844	835,702,844
TNLX Co., Ltd.	600,000,000	1,000,000	99.99	99.97	599,999,700	999,700
Oxygen Asset Management Co., Ltd.	26,000,000	-	99.99	-	23,753,417	-
Total					1,481,038,869	927,521,447
<u>Subsidiaries held by Oxygen Asset Co., Ltd.</u>						
Oxygen Asset Management Co., Ltd.	-	26,000,000	-	99.99	-	-
Oxygen One Co., Ltd.	1,000,000	1,000,000	100.00	100.00	-	-
Oxygen Two Co., Ltd.	250,000	-	100.00	-	-	-
					1,481,038,869	927,521,447
Less: Allowance for impairment losses					(10,737,975)	(78,771,594)
Net					1,470,300,894	848,749,853

During the current year, the Company received dividend from investments in subsidiaries of Baht 3.60 million (2022: Nil).

13.1 Acquisition of the group of Oxygen Asset Co., Ltd.

On 30 September 2022, the Company has entered into a share purchase agreement whereby the Company will acquire 90 percent of the ordinary shares of the group of Oxygen Asset Co., Ltd. representing 900,000 ordinary shares at a price of Baht 100 per share. The Group is incorporated in Thailand and engages in providing secured loan business and assets management. On 15 December 2022, the Company made a payment to existing shareholders in the amount of Baht 835.70 million.

The financial statements of group of Oxygen Asset Co., Ltd. have been included in the consolidated financial statements since the Group gained controlling authority 15 December 2022 ("acquisition date"). The details of the acquisition are as follows:

	(Unit: Baht)
Acquisition cost of investment in the group	835,702,544
Less: Fair value of net assets (as described in below paragraph)	(142,171,848)
Goodwill	<u>693,530,696</u>
Acquisition cost of investment in the group	835,702,544
Less: Cash and cash equivalents of the group	(6,617,576)
Net cash paid for acquisition of investment in the group	<u>829,084,968</u>

The Group assessed the fair values of identifiable assets acquired and liabilities assumed at the acquisition dates of the group of Oxygen Asset Co., Ltd. The assessments were completed in the current year and within the measurement period of 12 months from the acquisition dates pursuant to the year allowed by Thai Financial Reporting Standard 3 Business Combinations. During the measurement period, the Group obtained further information on the fair values of part of the assets and liabilities and had retrospectively adjusted the provisional amount recognised at the acquisition dates.

The fair value of the identifiable assets acquired and liabilities assumed of the group of Oxygen Asset Co., Ltd. assessed by the audit financial statements as at 31 December 2022 and had retrospectively adjusted to the acquisition date (15 December 2022) were summarised as below:

	(Unit: Baht)
Cash and cash equivalents	6,617,576
Trade and other receivables	2,731,331
Short-term loans to related companies	24,000,000
Short-term loans to customers	2,539,000,000
Long-term loans to customers	1,050,000,000
Investment in subsidiary	26,267,566
Property, plant and equipment - net	90,210
Deferred tax assets	4,293,302
Other non-current assets	<u>50,000</u>
Total assets	<u>3,653,049,985</u>
Trade and other payables	23,499,167
Short-term loans from related company	3,437,149,256
Income tax payable	8,061,277
Provisions for employee benefit	395,183
Other current liabilities	<u>25,976,382</u>
Total liabilities	<u>3,495,081,265</u>
Fair value of net assets	<u>157,968,720</u>
Net assets in the portion held by the Group	142,171,848
Goodwill	<u>693,530,696</u>
Cost of acquisitions of investments in the group	<u>835,702,544</u>

The difference of Baht 693.5 million between the consideration paid and the fair value of identifiable net assets acquired was included in a part of goodwill in the consolidated statement of financial position as at 31 December 2022.

Goodwill comprises the value of the secured loan business.

As a result of the adjustments of the provisional amounts recognised as at the acquisition date for business combinations in 2022, the Group restated the prior period's financial statements, presented as comparative information, whereby the amounts of adjustments affecting the consolidated statements of financial position and income are summarised below.

	(Unit: Baht)
	As at
	31 December 2022
Consolidated statement of financial position	
Increase in goodwill	693,530,696
Excess of acquisition cost over the estimated value of interest acquired in the net assets from the acquisition of the subsidiary	(703,358,420)
Decrease in unappropriated retained earnings	(9,827,724)

(Unit: Baht)

2022

Consolidated income statement

Increase in administrative expenses	9,827,724
Profit attributable to	
Decrease in profit attributable to equity holders of the company	(8,713,883)
Decrease in profit attributable to non-controlling interest	(1,113,841)
Earnings per share (Baht)	
Decrease in basic earnings per share	(0.07)
Decrease in diluted earnings per share	(0.07)

The adjustment had no effect to consolidated income statement as at 1 January 2022, which were comparative statement

13.2 Acquisition of Oxygen Asset Management Co., Ltd.

On 18 January 2023, the Company entered into a share purchase agreement to acquire 259,998 ordinary shares of Oxygen Asset Management Co., Ltd. at a par value of 100 Baht per share, representing 99.99% of its share capital from Oxygen Asset Co., Ltd. (its subsidiary). Such company is incorporated in Thailand and engaged in asset management business. The Company paid the share subscription of Baht 23.75 million to the existing shareholders on 18 January 2023.

13.3 Establishment of Oxygen Two Co., Ltd.

According to the resolution of the Board of Directors of Oxygen Asset Co., Ltd. on 27 January 2023, such company approved to establish a new subsidiary company named Oxygen Two Co., Ltd. with a registered capital of Baht 1 million, consisting of 10,000 ordinary shares at a par value of Baht 100 per share. Such subsidiary company already registered its establishment on 27 January 2023 with a paid-up capital of 25% of the registered capital of Baht 0.25 million.

13.4 Increment of share capital of TNLX Co., Ltd.

According to the resolution of the Extraordinary General Meeting of shareholders of TNLX Co., Ltd. No.1/2023 on 21 June 2023, such a company approved an increase in the registered share capital from Baht 1 million (10,000 ordinary shares at par value of Baht 100 per share) to Baht 600 million (6,000,000 ordinary shares at a par value of Baht 100 per share) by issuing 5,990,000 ordinary shares at a par value of Baht 100 per share, and the Company fully paid an increase in the share capital of Baht 599 million. Such a subsidiary company was already registered with the Ministry of Commerce on 26 June 2023.

13.5 Business restructuring by Partial Business Transfer of its textiles and apparel business to TNLX Co., Ltd.

On 1 July 2023, the Company has completed its business restructuring by Partial Business Transfer of its textiles and apparels business to TNLX Co., Ltd., which is a subsidiary of the Company. The valuation of the partial business transfer is Baht 344.15 million. The Company already transferred the assets and the assumed liabilities, with the net assets and liabilities values as at the business transfer date as follows:

(Unit: Baht)

Trade and other receivables	141,301,280
Inventories	365,967,051
Property, plant and equipment	80,848,458
Intangible assets	10,061,246
Other non-current assets	2,222,379
Trade and other payables	(145,636,581)
Other current financial liabilities	(3,112,402)
Provision for long-term employee benefits	(137,228,682)
Other non-current liabilities	(5,641,404)
Total net assets value	308,781,345
Transferring price of partial business transfer	344,151,943
Net gain on partial business transfer	35,370,598

13.6 Dissolution of business of Celebrate Wealth Co., Ltd.

On 25 August 2023, Celebrate Wealth Co., Ltd. registered its business dissolution with Department of Business Development and already repaid share capital to shareholder. The Company then recorded disposal of investment of Baht 69.2 million and reverse allowance for impairment losses of Baht 68.0 million.

14. Investments in associate**14.1 Details of associate**

(Unit: Baht)

Company's name	Consolidated financial statements		Separate financial statements	
	Carrying amounts based on equity method		Carrying amounts based on cost method - net	
	2023	2022	2023	2022
World Saha Fashion Co., Ltd	-	-	9,500,000	9,500,000
Less: Allowance for impairment losses	-	-	(9,500,000)	(9,500,000)
Net	-	-	-	-

14.2 Share of comprehensive income

As at 31 December 2023, the Group has not recognised the share of loss from investment in associate (2022: Baht 0.01 million) since the Group had already recognised the unrealised loss until the carrying amount of investment in the associate was reduced to zero.

The shares of loss from investment in an associate was calculated from the financial statement, prepared by its management. The Group's management believes that there would be no significant difference from that financial statement if they had been audited or reviewed by its auditor.

There was no dividend received from associate during 2023 and 2022.

15. Investments in joint ventures

15.1 Details of joint ventures

(Unit: Baht)

Consolidated financial statements															
Company's name	Nature of business	Paid-up capital		Shareholding percentage (percent)		Carrying amount based on cost method		Carrying amount based on equity method		Allowance for diminution		Carrying amount based on equity method - net		Share of gain (loss) from investment in joint venture during the year	
		<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
		(Million)	(Million)												
Ratchada Alliance Co., Ltd.	Real estate	50	50	50.00	50.00	24,100,000	24,100,000	7,383,604	22,344,933	-	-	7,383,604	22,344,933	(14,961,329)	(1,755,067)
Phraram 9 Alliance Co., Ltd.	Real estate	768	768	-	50.00		6,750,000	-	4,735,745	-	-	-	4,735,745	(4,735,745)	(2,014,255)
Khu Khot Station Alliance Co., Ltd.	Real estate	300	300	-	50.00	-	113,666,000	-	113,768,554	-	-	-	113,768,554	(21,231,395)	102,554
Majestic Park Co., Ltd.	Real estate	300	300	50.00	50.00	156,272,000	156,272,000	108,490,627	156,849,267	(12,421,105)	-	96,069,522	156,849,267	(48,358,639)	577,267
Future Domain Co., Ltd.	Real estate	200	200	50.00	50.00	148,634,000	148,634,000	123,928,369	150,955,309	-	-	123,928,369	150,955,309	(27,026,940)	2,321,109
Suksawat Alliance Co., Ltd.	Real estate	50	50	50.00	50.00	27,000,000	27,000,000	50,875,751	26,725,172	-	-	50,875,751	26,725,172	24,150,549	(274,828)
Ratburana Alliance Co., Ltd.	Real estate	300	10	50.00	50.00	200,502,590	55,502,590	157,974,102	52,450,973	-	-	157,974,102	52,450,973	(39,476,871)	(3,051,617)
Khu Khot Station Alliance Holding Co., Ltd.	Real estate	1	-	50.00	-	500,000	-	-	-	-	-	-	-	(73,435,819)	-
Total						557,008,590	531,924,590	448,652,453	527,829,953	(12,421,105)	-	436,231,348	527,829,953	(205,076,189)	(4,094,837)

As at 31 December 2023, the Group has recognised the share loss from investment in joint ventures of Baht 73 million (2022: Nil) to loan to related companies (Note 6.4) since the Group had already recognised share loss from investment in joint ventures until the carrying amount of investment in the joint venture was reduced to zero.

There was no dividend received from joint ventures during 2023 and 2022.

15.2 Summarised financial information about material joint ventures

(Unit: Million Baht)

	Ratchada Alliance Co., Ltd.		Majestic Park Co., Ltd.		Future Domain Co., Ltd.		Suksawat Alliance Co., Ltd.		Ratburana Alliance Co., Ltd.		Khu Khot Station Alliance Holding Co., Ltd.*	
	<u>2566</u>	<u>2565</u>	<u>2566</u>	<u>2565</u>	<u>2566</u>	<u>2565</u>	<u>2566</u>	<u>2565</u>	<u>2566</u>	<u>2565</u>	<u>2566</u>	<u>2565</u>
<u>Summarised information</u>												
<u>about financial position</u>												
Current assets	1,350.93	17.55	2,394.00	9.73	2,887.93	27.88	792.45	12.19	1,541.25	43.25	1,647.87	-
Non-current assets	45.72	838.38	128.75	2,150.06	65.13	2,782.08	743.39	662.48	122.26	840.88	94.23	-
Current liabilities	1,529.06	484.13	1,577.65	1,162.29	1,504.00	1,270.68	507.96	275.19	943.70	551.93	1,310.50	-
Non-current liabilities	-	415.64	968.61	924.28	1,506.95	1,543.13	196.77	359.32	710.27	533.70	458.89	-
<u>Summarised information</u>												
<u>about comprehensive income</u>												
Revenue	0.64	0.61	0.02	0.05	127.89	72.48	407.53	0.01	425.02	0.01	-	-
Profit	(29.92)	(40.98)	(96.72)	(72.86)	(54.05)	(58.85)	48.30	(9.83)	(78.95)	(55.18)	(28.29)	-
Total comprehensive income	(29.92)	(40.98)	(96.72)	(72.86)	(54.05)	(58.85)	48.30	(9.83)	(78.95)	(55.18)	(28.29)	-

* Financial information of Khu Khot Station Alliance Holding Co., Ltd presented as consolidated financial statement.

15.3 Others

The Extraordinary General Meeting of Shareholders No. 2/2022 on 30 November 2022 passed a resolution approving TNL Alliance Co., Ltd. which is a subsidiary of the Company to purchase 50 percent of ordinary shares in 7 companies, which engage in residential real estate development business, from U City Public Company Limited and U Global Hospitality Company Limited, a subsidiary of U City Public Company Limited in the amount of Baht 531.92 million. The subsidiary entered into the transaction on 15 December 2022 and recorded such transaction as investments in joint ventures.

During the current year, the Group had reconsidered the purchase of ordinary shares in such 7 joint ventures as an asset acquisition because it did not meet the definition as defined in TFRS 3, Business Combinations. This change did not have any significant impact on the Group's financial statements for the year ended 31 December 2022.

In January 2023, at the General Meeting of the Ratburana Alliance Co., Ltd. the shareholders approved an increase the Ratburana Alliance Co., Ltd.'s registered share capital and requested a paid-up capital from TNL Alliance Co., Ltd., which is a subsidiary of the Company, in the amount of Baht 145 million, or 50% of increasing share capital. The subsidiary paid-up the additional share capital on 27 January 2023.

On 26 May 2023, the Board of Directors' Meeting of the Company No. 6/2023 approved the following resolutions.

- 1) To approve TNL Alliance Co., Ltd. (a subsidiary of the Company) to sell all ordinary shares of two joint ventures, namely Phraram 9 Alliance Co., Ltd. and Khu Khot Station Alliance Co., Ltd., to Proud Real Estate Public Company Limited, for a total amount of Baht 171.7 million (3,840,000 shares) and Baht 122.0 million (1,500,000 shares), respectively. Such subsidiary received payments for the shares in 2 installments, amounting to Baht 286.6 million on 25 July 2023 and amounting to Baht 7.1 million on 12 October 2023. The Group recognised gain on sales of investments of Baht 201.2 million in the consolidated financial statements.
- 2) Additionally, the subsidiary transferred the liabilities that Phraram 9 Alliance Co., Ltd. and Khu Khot Station Alliance Co., Ltd. owed to the subsidiary to Proud Real Estate Public Company Limited. The subsidiary received repayment in the amount of Baht 192.4 million and Baht 181.7 million, respectively, on 25 July 2023.
- 3) To approve TNL Alliance Co., Ltd. (a subsidiary of the Company) to purchase 50 percent of the ordinary shares in Khu Khot Station Alliance Holding Co., Ltd. from Noble Development Public Company Limited, totaling Baht 0.5 million (5,000 shares). The subsidiary paid for the share subscription on 20 July 2023.

16. Investment properties

(Unit: Baht)

	Consolidated financial statements				Separate financial statements			
	Land	Land improvement	Building	Total	Land	Land improvement	Building	Total
Cost:								
1 January 2022	65,128,255	9,372,870	71,438,033	145,939,158	87,128,255	9,372,870	121,438,033	217,939,158
Transfers from related company	-	-	32,030,000	32,030,000	-	-	32,030,000	32,030,000
Acquisition	3,748,543	-	-	3,748,543	-	-	-	-
31 December 2022	68,876,798	9,372,870	103,468,033	181,717,701	87,128,255	9,372,870	153,468,033	249,969,158
Additions	174,695,586	-	-	174,695,586	-	-	-	-
Disposals	(201,204,440)	(699,000)	(21,376,000)	(223,279,440)	(22,760,311)	(699,000)	(21,376,000)	(44,835,311)
Transfer from property, plant and equipment	-	-	-	-	155,550,945	15,074,998	518,506,626	689,132,569
31 December 2023	42,367,944	8,673,870	82,092,033	133,133,847	219,918,889	23,748,868	650,598,659	894,266,416
Accumulated depreciation:								
1 January 2022	-	9,372,841	30,076,643	39,449,484	-	9,372,841	34,895,034	44,267,875
Depreciation for the year	-	-	2,993,317	2,993,317	-	-	5,334,941	5,334,941
31 December 2022	-	-	33,069,960	42,442,801	-	9,372,841	40,229,975	49,602,816
Depreciation for the year	-	-	3,624,011	3,624,011	-	-	5,965,635	5,965,635
Disposals	-	(698,995)	(9,614,642)	(10,313,637)	-	(698,995)	(9,614,642)	(10,313,637)
Transfer from property, plant and equipment	-	-	-	-	-	15,074,958	454,438,484	469,513,442
31 December 2023	-	8,673,846	27,079,329	35,753,175	-	23,748,804	491,019,452	514,768,256
Net book value:								
31 December 2022	68,876,798	29	70,398,073	139,274,900	87,128,255	29	113,238,058	200,366,342
31 December 2023	42,367,944	24	55,012,704	97,380,672	219,918,889	64	159,579,207	379,498,160

During the current year, the Group has profit from sales of investment properties of Baht 119 million (Separated financial statement: profit of Baht 37 million) (2022: Consolidated and separated financial statement have profit of Baht 9 million).

Based on the latest valuation during the year 2022, performed by an independent valuer, using the comparison approach, and cost approach as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2566</u>	<u>2565</u>	<u>2566</u>	<u>2565</u>
Fair value	204,565	244,409	2,307,524	304,600

17. Property, plant and equipment

(Unit: Baht)

Consolidated financial statements

	Land	Land improvement	Building	Machinery	Office equipment	Vehicles	Furniture and fixtures	Assets under construction and installation	Total
Cost:									
1 January 2022	175,129,886	24,116,604	408,935,880	351,252,677	155,010,469	39,513,723	258,771,023	3,350	1,412,733,612
Additions	-	-	-	-	4,180,291	-	-	15,758,812	19,939,103
Transfers in/out	-	-	11,760,000	10,514,702	2,746,460	-	2,334,500	(15,595,662)	11,760,000
Disposal/write-off	-	-	-	(377,655)	5,249,385	(1,519,600)	(2,400,902)	-	(19,547,542)
31 December 2022	175,129,886	24,116,604	420,695,880	361,389,724	146,687,835	37,994,123	258,704,621	166,500	1,424,885,173
Additions	-	-	-	549,001	14,394,996	-	357,545	8,660,057	23,961,599
Transfers in/out	-	-	-	3,872,843	796,189	-	4,157,525	(8,826,557)	-
Disposal/write-off	-	-	(4,252,846)	(296,750)	(24,739,809)	(4,803,324)	(7,052,098)	-	(41,144,827)
31 December 2023	175,129,886	24,116,604	416,443,034	365,514,818	137,139,211	33,190,799	256,167,593	-	1,407,701,945
Accumulated depreciation:									
1 January 2022	-	23,039,183	303,490,646	330,398,075	148,008,607	28,065,310	232,801,756	-	1,065,803,577
Depreciation for the year	-	310,098	4,748,399	8,566,914	3,475,269	3,149,383	11,431,579	-	31,681,642
Depreciation on disposals/write-off	-	-	-	(375,846)	(15,098,404)	(1,519,595)	(2,336,103)	-	(19,329,948)
31 December 2022	-	23,349,281	308,239,045	338,589,143	136,385,472	29,695,098	241,897,232	-	1,078,155,271
Depreciation on disposals/write-off	-	153,775	5,534,370	6,620,428	5,074,483	1,642,186	7,192,274	-	26,217,516
Depreciation on disposals	-	-	(3,278,400)	(139,007)	(24,719,633)	(3,013,428)	(7,052,073)	-	(38,202,541)
31 December 2023	-	23,503,056	310,495,015	345,070,564	116,740,322	28,323,856	242,037,433	-	1,066,170,246
Net book value:									
31 December 2022	175,129,886	767,323	112,456,835	22,800,581	10,302,363	8,299,025	16,807,389	166,500	346,729,902
31 December 2023	175,129,886	613,548	105,948,019	20,444,254	20,398,889	4,866,943	14,130,160	-	341,531,699

2022 (Baht 22 million included in manufacturing and rendering of services cost, and the balance in selling and administrative expenses)

31,681,642

2023 (Baht 16 million included in manufacturing and rendering of services cost, and the balance in selling and administrative expenses)

26,217,516

(Unit: Baht)

Consolidated financial statements

	Land	Land improvement	Building	Machinery	Office equipment	Vehicles	Furniture and fixtures	Assets under construction and installation	Total
Cost:									
1 January 2022	159,199,941	24,116,604	362,274,251	340,412,709	151,292,414	39,063,442	257,301,791	3,350	1,333,664,502
Additions	-	-	-	-	4,024,998	-	-	15,758,812	19,783,810
Transfers in/out	-	-	11,760,000	10,514,702	2,746,460	-	2,334,500	(15,595,662)	11,760,000
Disposal/write-off	-	-	-	(377,655)	(15,249,385)	(1,519,600)	(2,342,452)	-	(19,489,092)
31 December 2022	159,199,941	24,116,604	374,034,251	350,549,756	142,814,487	37,543,842	257,293,839	166,500	1,345,719,220
Additions	-	-	-	549,000	11,782,952	-	227,543	6,401,881	18,961,376
Transfers in/out	-	-	-	2,321,916	88,940	-	4,157,525	(6,568,381)	-
Disposal/write-off	-	-	-	(131,774)	(24,737,273)	(3,488,321)	(6,859,568)	-	(35,216,936)
Partial business transfer	-	(2,611,446)	(31,096,000)	(353,288,898)	(126,142,877)	(29,566,522)	(39,217,401)	-	(581,923,144)
Transfer to investment properties	(155,550,945)	(15,074,998)	(308,874,561)	-	-	-	(209,632,065)	-	(689,132,569)
31 December 2023	3,648,996	6,430,160	34,063,690	-	3,806,229	4,488,999	5,969,873	-	58,407,947
Accumulated depreciation:									
1 January 2022	-	23,039,183	261,703,397	319,447,790	145,155,381	27,615,029	230,943,775	-	1,007,904,555
Depreciation for the year	-	310,098	4,748,399	8,557,509	3,448,931	2,699,022	12,769,439	-	32,533,398
Depreciation on disposals/write-off	-	-	-	(366,442)	(15,242,316)	(1,077,782)	(1,887,804)	-	(18,574,344)
31 December 2022	-	23,349,281	266,451,796	327,638,857	133,361,996	29,236,269	241,825,410	-	1,021,863,609
Depreciation for the year	-	153,775	4,741,986	4,391,868	2,601,191	1,054,786	6,349,738	-	19,293,344
Depreciation on disposals/write-off	-	-	-	(131,768)	(24,720,697)	(2,883,007)	(6,859,545)	-	(34,595,017)
Partial business transfer	-	(1,997,938)	(3,487,834)	(331,898,957)	(107,959,333)	(23,719,048)	(32,011,576)	-	(501,074,686)
Transfer to investment properties	-	(15,074,958)	(250,320,936)	-	-	-	(204,117,548)	-	(469,513,442)
31 December 2023	-	6,430,160	17,385,012	-	3,283,157	3,689,000	5,186,479	-	35,973,808
Net book value:									
31 December 2022	159,199,941	767,323	107,582,455	22,910,899	9,452,491	8,307,573	15,468,429	166,500	323,855,611
31 December 2023	3,648,996	-	16,678,678	-	523,072	799,999	783,394	-	22,434,139

2022 (Baht 22 million included in manufacturing and rendering of services cost, and the balance in selling and administrative expenses)

32,533,398

2023 (Baht 12 million included in manufacturing and rendering of services cost, and the balance in selling and administrative expenses)

19,293,344

As at 31 December 2023, certain assets have been fully depreciated but are still in use. The gross carrying amount (before deducting accumulated depreciation) of those assets amounted to Baht 508.82 million (2022: Baht 1,007.60 million).

18. Goodwill

The Group determined the recoverable amounts of the cash generating units (CGUs) based on value-in-use. These cash flow projections were prepared with reference to financial budgets approved by the management. The management determined the growth rate based on historical operating results, the expected market growth rate, the rate of gross domestic product growth and the discount rate that reflects the specific risk of the particular business unit. The discount rate uses is 14.4 percent per annum.

The management has considered those all goodwill is not impaired.

19. Trade and other payables

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2566</u>	<u>2565</u>	<u>2566</u>	<u>2565</u>
Trade payables - related parties	5,870,484	5,051,190	3,169,948	5,051,190
Trade payables - unrelated parties	63,235,210	90,487,572	1,461,053	90,487,572
Accrued expenses - related parties	5,270,553	6,696,646	56,190	6,696,646
Accrued expenses - unrelated parties	78,546,431	78,249,053	10,793,926	79,823,182
Revenue Department payable	10,252,065	7,940,071	842,923	5,756,010
Property deposit	-	14,200,000	-	14,200,000
Other payable - related parties	172,550	-	172,550	-
Other payable - unrelated parties	87,841,030	105,387,619	6,368,919	48,772,906
Total trade and other payables	<u>251,188,323</u>	<u>308,012,151</u>	<u>22,865,509</u>	<u>250,787,506</u>

20. Financial institution payable from purchase receivables

As at 31 December 2023, the outstanding financial institutions creditor for loan purchased of Baht 156.52 million were payable for the purchase of Non-Performing Loan (NPLs) under the asset transfer agreements. The payment will be due within February 2024 (2022: Nil).

21. Long-term debenture

The outstanding balances of long-term debenture of the Company as at 31 December 2023 and 2022 are as follows:

Debentures period						(Unit: Baht)	
No.	Issue Date	Maturity Date	Number of unit	Amount (Million Baht)	Coupon rate per annum (%)	2023	2022
TNL25OA	27 Oct 2023	27 Oct 2025	500,000	500	6.10	500,000,000	-
Less: Deferred transaction costs						(5,730,411)	-
Total debentures						<u>494,269,589</u>	<u>-</u>

Movement in debenture during the year ended 31 December 2023 and 2022 are summarised below:

	(Unit: Baht)	
	<u>2566</u>	<u>2565</u>
Balance at beginning of the year	-	-
Issued debentures during the year	500,000,000	-
Paid fees for issuing debentures	(6,754,380)	-
Amortisation of transaction costs for issuing debentures	1,023,969	-
Balance at ending of the year	<u>494,269,589</u>	<u>-</u>

During the current year, the Company issued debentures in amount not exceeding Baht 500 million. The debenture in the form of specific name, unsubordinated and unsecured. The interest is payable every three months throughout the debentures period. The debentures contains certain covenants with which the Company has to comply, pertaining to matters such maintaining of Interest Bearing Debt to Shareholders' Equity ratio of the consolidated financial statements not exceeding 3:1 throughout the debentures period (Interest Bearing Debt excludes lease liabilities).

22. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employees after they retire, was as follows:

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Provision for long-term employee benefits at beginning of year	119,709,440	127,445,440	119,314,257	127,445,440
Included in profit or loss:				
Current service cost	11,230,797	6,748,669	5,107,208	6,353,486
Interest cost	2,107,278	1,106,923	574,144	1,106,923
Included in other comprehensive income:				
Actuarial (gain) loss arising from				
Demographic assumptions changes	1,862,809	-	1,862,809	-
Financial assumptions changes	(7,268,467)	-	(7,268,467)	-
Experience adjustments	22,747,237	-	22,747,237	-
Transfer employee to the subsidiary	-	-	(137,228,682)	-
Benefits paid during the year	(12,196,453)	(15,591,592)	(3,547,235)	(15,591,592)
Provision for long-term employee benefits at end of year	138,192,641	119,709,440	1,561,271	119,314,257
Less: Current portion	(19,681,871)	(10,193,760)	-	(10,193,760)
Provision for long-term employee benefits at end of year - net	118,510,770	109,515,680	1,561,271	109,120,497

The Group expects to pay Baht 19.7 million of long-term employee benefits during the next year (2022: Baht 10.2 million) (the Company only: Nil (2022: Baht 10.2 million)).

As at 31 December 2023, the weighted average duration of the liabilities for long-term employee benefit is 14 years (2022: 7 years) (the Company only: 16 years (2022: 7 years)). Significant actuarial assumptions are summarised below:

(Unit: percent per annum)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Discount rate	2.25 - 3.16	0.70 - 0.88	3.14	0.70 - 0.88
Salary increase rate	2.50 - 5.00	2.50 - 4.00	5.00	2.50 - 4.00
Turnover rate	Variable according to employee age	Variable according to employee age	Variable according to employee age	Variable according to employee age

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2023 and 2022 are summarised below:

(Unit: Baht)

	Consolidated financial statements					
	Impact on employee benefit obligations					
	Change in assumptions		Increase in assumptions		Decrease in assumptions	
	2023 (%)	2022 (%)	2023	2022	2023	2022
Discount rate	0.5	0.5	(3,097,122)	(2,721,976)	3,234,051	2,840,184
Salary increase rate	0.5	0.5	3,531,420	4,185,573	(3,402,748)	(4,023,574)
Turnover rate	10.0	10.0	(4,657,728)	(6,526,754)	5,686,827	7,270,034

(Unit: Baht)

	Separate financial statements					
	Change in assumptions		Impact on employee benefit obligations			
			Increase in assumptions		Decrease in assumptions	
	2023	2022	2023	2022	2023	2022
	(%)	(%)				
Discount rate	0.5	0.5	(107,397)	(2,721,976)	117,362	2,840,184
Salary increase rate	0.5	0.5	119,257	4,185,573	(102,108)	(4,023,574)
Turnover rate	10.0	10.0	(68,421)	(6,526,754)	77,314	7,270,034

23. Share capital

The Company's the Extraordinary General Meeting of No. 2/2022 dated 30 November 2022 had resolved to approve the increase of the registered capital and the allocation of the newly issued shares of the Company to the currently ordinary shareholders of the Company in proportion to their shareholding (Right Offering) in an amount not exceeding 92,309,898 shares at a par value of Baht 1.00 per share at the ratio of 2.3 existing ordinary shares per 1 newly issued ordinary share. The offering price is Baht 33.06 per share. Such additional shares have been traded and the Company has received the full payment of such ordinary shares.

The share capital increase was registered with the Ministry of Commerce on 17 March 2023.

Reconciliation of share capital

	2023		2022	
	Number of shares	Amount	Number of shares	Amount
	(Thousand shares)	(Thousand Baht)	(Thousand shares)	(Thousand Baht)
Registered share capital				
As at 1 January	311,548	311,548	120,000	120,000
Increase registered capital to support the offering ESOP (TNL-ESOP 2022)	-	-	5,075	5,075
Increase registered capital to support the exercise of rights ESOP (TNL-ESOP W 2022)	-	-	6,925	6,925
Increase registered capital to support Private Placement and current shareholders (Right Offering)	-	-	179,548	179,548
As at 31 December	311,548	311,548	311,548	311,548
Issued and fully paid-up share capital				
As at 1 January	212,313	212,313	120,000	120,000
Increase registered capital to support the offering ESOP (TNL-ESOP 2022)	-	-	5,075	5,075
Increase registered capital to support Private Placement	-	-	87,238	87,238
Increase registered capital to current shareholders (Right Offering)	92,310	92,310	-	-
As at 31 December	304,623	304,623	212,313	212,313

Reconciliation of Share premium

	(Unit: Baht)	
	<u>2023</u>	<u>2022</u>
As at 1 January	3,067,335,278	181,125,000
Increase registered capital to support the offering ESOP (TNL-ESOP 2022)	-	106,067,500
Increase registered capital to support Private Placement	-	2,780,142,778
Increase registered capital to current shareholders (Right Offering)	2,956,688,750	-
As at 31 December	<u>6,024,024,028</u>	<u>3,067,335,278</u>

24. Warrants**TNL-ESOP W 2022**

On 23 August 2022, the Extraordinary General Meeting of the Company's shareholders No. 1/2022 passed a resolution for the allotment of warrants under the Employee Stock Option Plan to the employees of the Company for 6,925,000 units. The exercise ratio is 1. The warrant has the right to purchase 1 ordinary share of the Company at a price of Baht 21.10 per share.

During the year ended 31 December 2023, the Company recorded expenses related to the warrants schemes as employee benefits expenses and recognised a corresponding increase in shareholders' equity under "Capital reserve for share-based payments", in the amount of Baht 17.60 million (2022: Baht 6.27 million).

25. Provident fund

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Company contribute to the fund monthly at the rate of 3 - 15 percent of basic salary. The fund, which is managed will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2023 amounting to approximately Baht 8.53 million (2022: Baht 6.52 million) (The Company: Baht 6.46 million (2022: Baht 6.52 million)) were recognised as expenses.

26. Interest income

	(Unit: Baht)			
	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Interest income from loans to customers	480,801,764	16,677,234	-	-
Interest income from loans purchased of receivables	71,364,944	-	-	-
Interest income from loans	83,805,468	6,488,587	280,815,299	7,653,812
Others	12,257,691	23,047,186	10,394,160	23,033,847
Total	<u>648,229,867</u>	<u>46,213,007</u>	<u>291,209,459</u>	<u>30,687,659</u>

27. Earnings per share

Basic earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

Diluted earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year plus the weighted average number of ordinary shares which would need to be issued to convert all dilutive potential ordinary shares into ordinary shares. The calculation assumes that the conversion took place either at the beginning of the year or on the date the potential ordinary shares were issued.

Consolidated financial statements

	Profit for the year		Weighted average number of ordinary shares		Earnings per share	
	<u>2023</u> (Baht)	<u>2022</u> (Baht)	<u>2023</u> (Shares)	<u>2022</u> (Shares)	<u>2023</u> (Baht)	<u>2022</u> (Baht)
Basic earnings per share						
Profit attributable to equity holders of the parent	503,375,911	102,340,798	285,654,875	127,820,751	1.76	0.80
Effect of dilutive potential ordinary shares						
TNL-ESOP W 2022	-	-	2,505,676	2,477,730		
Diluted earnings per share						
Profit attributable to ordinary shareholders assuming the conversion of warrants to ordinary shares	<u>503,375,911</u>	<u>102,340,798</u>	<u>288,160,551</u>	<u>130,298,481</u>	1.75	0.79

Separate financial statements

	Profit for the year		Weighted average number of ordinary shares		Earnings per share	
	<u>2023</u> (Baht)	<u>2022</u> (Baht)	<u>2023</u> (Shares)	<u>2022</u> (Shares)	<u>2023</u> (Baht)	<u>2022</u> (Baht)
Basic earnings per share						
Profit attributable to equity holders of the parent	240,260,583	100,329,632	285,654,875	127,820,751	0.84	0.78
Effect of dilutive potential ordinary shares						
TNL-ESOP W 2022	-	-	2,505,676	2,477,730		
Diluted earnings per share						
Profit attributable to ordinary shareholders assuming the conversion of warrants to ordinary shares	<u>240,260,583</u>	<u>100,329,632</u>	<u>288,160,551</u>	<u>130,298,481</u>	0.83	0.77

28. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance. The Chief Operating Decision Makes has been identified as Executive Committee.

For management purposes, the Group is organised into business units based on the business of the Company and investee companies and have four reportable segments as follows:

1. Textiles and apparels industries business
2. Secured lending business
3. Assets management business
4. Real estate development business

No operating segments have been aggregated to form the above reportable operating segments.

The chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and on a basis consistent with that used to measure operating profit or loss in the financial statements.

There is no assets and liabilities information in the internal reports that are submitted to chief operating decision maker.

(Unit: Baht)

	For the year ended 31 December 2023					
	Textiles and apparels business	Secured lending business	Assets management business	Real estate development business	Eliminate	Consolidated financial statements
Revenue						
Revenue from sales and rendering of services	1,619,299,346	-	-	-	-	1,619,299,346
Interest income	292,322,747	481,092,802	71,462,302	79,762,326	(276,410,310)	648,229,867
Monitoring and consulting service revenue	-	-	-	207,200,358	-	207,200,358
Cost						
Cost from sales and rendering of services	(1,135,746,519)	-	-	-	-	(1,135,746,519)
Interest expense	(37,331,351)	(217,569,365)	(13,537,895)	(92,023,287)	276,449,653	(84,012,245)
Gross profit by segment	738,544,223	263,523,437	57,924,407	194,939,397	39,343	1,254,970,807
Other income						395,218,534
Selling and distribution expenses						(151,827,097)
Administrative expenses						(553,155,126)
Allowance for expected credit losses						(108,030,579)
Share of loss from investments in joint ventures						(205,076,159)
Profit before income tax expense						632,100,380
Income tax expense						(118,718,730)
Net profit for the year						513,381,650

(Unit: Baht)

	For the year ended 31 December 2022					Consolidated financial statements
	Textiles and apparels business	Secured lending business	Assets management business	Real estate development business	Eliminate	
Revenue						
Revenue from sales and rendering of services	1,777,057,748	-	-	-	-	
Interest income	30,691,255	16,677,234	-	655,669	(1,811,151)	46,213,007
Cost						
Cost of sales and rendering of services	(1,242,781,122)	-	-	-	-	(1,242,781,122)
Interest expense	(597,898)	(6,161,450)	-	-	-	(6,759,348)
Gross profit by segment	564,369,983	10,515,784	-	655,669	(1,811,151)	573,730,285
Other income						137,209,908
Selling and distribution expenses						(111,268,046)
Administrative expenses						(455,551,683)
Share of loss from investments in associates and joint ventures						(4,150,325)
Profit before income tax expense						139,970,139
Income tax expense						(38,113,682)
Net profit for the year						101,856,457

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Geographical areas for textiles and apparels business				
Domestic sales	1,061,478,272	1,013,077,588	569,424,355	1,013,077,588
Export sales				
- Asia	142,673,554	130,094,145	82,499,456	130,094,145
- America	200,645,276	296,166,320	99,999,720	296,166,320
- Europe	214,117,780	337,719,695	117,584,427	337,719,695
- Australia	384,464	-	-	-

Major customer

For the years ended 31 December 2023, the Group has revenue from one major customer in amount of Baht 763.17 million (2022: Baht 637.65 million), arising from sales by textiles and apparels segments.

Revenue from external customers is based on locations of the customers.

29. Dividend

Final dividends for 2022

(Approved by the Annual General Meeting of the Company's shareholders No. 49/2023 on 25 April 2023)

BOI-promoted operation	0.07	21,324	24 May 2023
BOI-non promoted operation	0.13	39,601	
Total dividend paid in 2023	0.20	60,925	

Final dividends for 2021

(Approved by the Annual General Meeting of the Company's shareholders No. 48/2022 on 26 April 2022)

BOI-promoted operation	0.42	50,400	25 May 2022
BOI-non promoted operation	0.08	9,600	
Total dividend paid in 2022	0.50	60,000	

30. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution. During the year, the Company set up statutory reserve of Baht 5.10 million.

31. Expenses by nature

Significant expenses classified by nature are as follows:

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	(Unit: Baht)			
Salaries and wages and other employee benefits	606,009,617	551,469,472	353,651,691	548,361,135
Depreciation and amortisation expenses	35,765,669	43,370,285	30,445,897	46,067,512
Royalty expenses	38,494,561	33,105,149	21,285,070	33,105,149
Raw materials and consumables used	473,844,857	654,418,902	253,107,198	654,418,902
Changes in inventories of finished goods and work in progress	110,789,140	(67,014,263)	335,040,927	(67,014,263)

32. Income tax

Income tax expenses for the years ended 31 December 2023 and 2022 are made up as follows:

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Current income tax:				
Current income tax charge	144,101,841	34,256,602	21,431,504	31,227,531
Deferred tax:				
Relating to origination and reversal of temporary differences	(25,383,111)	3,857,080	26,228,400	3,857,080
Income tax expenses reported in profit or loss	118,718,730	38,113,682	47,659,904	35,084,611

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2023 and 2022 were as follows:

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Deferred tax relating to				
Loss from the change in value of financial assets measured by FVOCI	19,093,276	29,234,902	19,893,276	29,234,902
Actuarial loss (gain)	3,512,255	(776,666)	3,512,255	(776,666)
Total	22,605,531	28,458,236	23,405,531	28,458,236

The reconciliation between accounting profit and income tax expenses was shown below.

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Accounting profit before tax	632,100,380	139,970,139	287,920,487	135,414,243
Applicable tax rate	10% - 20%	15% - 20%	10% - 20%	10% - 20%
Accounting profit before tax multiplied by applicable tax rate	166,570,680	9,521,723	57,584,097	6,599,382
Effects of:				
Non-deductible expenses	78,693,280	36,029,694	40,090,793	35,922,963
Additional expense deductions allowed	(110,711,070)	(891,316)	(37,929,246)	(891,316)
Promotional privileges	(2,833,803)	93,665	(2,084,119)	93,665
Income not subject to tax	(13,000,357)	(6,640,084)	(10,001,621)	(6,640,083)
Total	(47,851,950)	28,591,959	(9,924,193)	28,485,229
Income tax expenses reported in profit or loss	118,718,730	38,113,682	47,659,904	35,084,611

The components of deferred tax assets and deferred tax liabilities were as follows:

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Deferred tax assets				
Allowance for expected credit loss	24,474,790	-	2,882,584	-
Allowance for diminution in value and slow moving of inventories	1,669,215	1,384,943	-	1,384,943
Provision for goods return	8,721,640	9,359,166	-	9,359,166
Allowance for impairment losses	15,905,553	-	4,047,595	-
Provision for long-term employee benefits	27,638,528	23,862,851	312,254	23,862,851
Others	59,335	164,127	75,318	164,127
Total	78,469,061	34,771,087	7,317,751	34,771,087
Deferred tax liabilities				
Interest receivable	11,607,947	-	-	-
Depreciation	7,982,582	10,474,497	7,982,582	10,474,497
Unrealised fair value gain of investments	158,810,695	172,505,928	157,578,695	173,305,928
Others	4,830,115	1,205,576	-	1,205,576
Total	183,231,339	184,186,001	165,561,277	184,986,001
Deferred tax liabilities - net	104,762,278	149,414,914	158,243,526	150,214,914

33. Promotional privileges

The Group has received promotional privileges from the Board of Investment as follow:

1. Promotional certificates No.	60-1470-1-03-1-0	60-0122-0-00-1-0	1627(2)/2554
Dated	26/12/2560	31/1/2560	31/5/2554
Transferred	Transfer to new certificate No.	60-0978-1-03-1-2	60-0977-0-00-1-2
Dated	19/7/2566	19/7/2566	-
2. The first receiving revenues dates	1/3/2561	2/8/2561	4/5/2554
3. The type of business promoted	Leather products or artificial leather	Leather products or artificial leather	Textile or fragment
4. The significant conditions to follow are 4. Significant condition under a certificate			
4.1 Plant to be located at 4.1 Location	Tak province	Lampoon province	Prachinburi province
5. Important privileges which are granted:			
5.1 Exemption from corporate income tax on net profit from promotional operations, commencing from the first receiving revenue date.	8 years (Expired on 28/02/26)	8 years (Expired on 31/01/22)	8 years (Expired on 30/11/18)
5.2 Exemption from income tax on dividends from promoted business which was exempted from income tax in 5.1.	8 years (Expired on 28/02/26)	8 years (Expired on 31/01/22)	8 years (Expired on 30/11/18)
5.3 Reduction of the corporate income tax on net profit from promoted business at 50% of normal rate after the end of exemption period.	5 years (Expired on 28/02/31)	5 years (Expired on 31/01/27)	5 years (Expired on 31/01/27)
5.4 Double deduction of expenses for utilities (electricity, water and transportation) for the year.	10 years (Expired on 28/02/28)	10 years (Expired on 01/08/28)	10 years (Expired on 03/05/21)
5.5 Exemption from corporate income tax for amounts not exceeding (Adjustable to capital investment amount excluding cost of land and working capital).	Baht 42 million	Baht 61 million	Baht 46 million

The Group's operating revenues for the years ended 31 December 2023 and 2022, divided between promoted and non-promoted operations, are summarised below.

(Unit: Baht)

Consolidated financial statements					
	Promoted operations		Non-promoted operations		Total
	2023	2022	2023	2022	2023 2022
Revenue					
Domestic sales	264,410,605	313,124,616	796,848,968	699,952,971	1,061,259,573 1,013,077,587
Export sales	309,480,762	498,596,913	248,559,011	265,383,248	558,039,773 763,980,161
Total sales and rendering of service	573,891,367	811,721,529	1,045,407,979	965,336,219	1,619,299,346 1,777,057,748

(Unit: Baht)

Separate financial statements					
	Promoted operations		Non-promoted operations		Total
	2023	2022	2023	2022	2023 2022
Revenue					
Domestic sales	184,995,250	313,124,616	384,210,404	699,952,971	569,205,654 1,013,077,587
Export sales	192,096,515	498,596,913	108,205,789	265,383,248	300,302,304 763,980,161
Total sales and rendering of service	377,091,765	811,721,529	492,416,193	965,336,219	869,507,958 1,777,057,748

34. Commitment and contingent liabilities

34.1 Long-term purchase commitments

- a) As at 31 December 2023, the Company has contracts with respective owners for the manufacturing and distribution of apparel products, whereby both parties have mutual obligations to fulfill under these contracts. The Company has 3 trademarks whereby the Company is obliged to pay the royalty fees at the rate of 3.50 - 7.50 percent of the total sales and 2 trademark whereby the Company is obliged to pay the royalty fees at the rate of 6.50 percent of the net sales (2022: The Company has 4 trademarks whereby the Company is obliged to pay the royalty fees at the rate of 3.50 - 7.50 percent of the total sales and 1 trademark whereby the Company is obliged to pay the royalty fees at the rate of 6.50 percent of the net sales). During the year ended 31 December 2023, the Company paid the royalty fees under such contracts and the royalty fees under other trademark agreements totaling Baht 38.49 million (2022: Baht 33.10 million).
- b) The Group has commitment relating to building lease agreement and service agreements, whereby the Group must pay the rentals as follows:

(Unit: Million Baht)

Description	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Within 1 year	18	5	10	5
More than 1 year not over 5 years	9	5	-	5

- c) As at 31 December 2023, a subsidiary has commitment relating to computer software installation and implementation agreement of Baht 1.25 million (2022: Baht 1.28 million).

34.2 Guarantees

The Group has commitments and contingent liabilities as follows:

(Unit: Million Baht)

Transaction	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Loan guarantee for related companies	4,477	2,923	4,477	2,923
Bank guarantee with Customs Department	7	22	7	22
Bank guarantee for electricity	8	4	4	4
Bank guarantee for business operations	-	1	-	1

34.3 Investment commitments

As at 31 December 2023, the Company has commitment to invest in the newly-issued ordinary shares of King Bridge Tower Co., Ltd. (formerly known as “Saha Capital Tower Company Limited”) in proportion to the Company's shareholding with a total balance of Baht 22.5 million (2022: Baht 67.5 million).

35. Fair value hierarchy

As of 31 December 2023, the Group had the financial assets that were measured at fair value using different levels of inputs as follows:

(Unit: Million Baht)

Consolidated financial statements				
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through OCI				
Investments in equity instruments of listed companies	812	-	-	812
Investments in equity instruments of non-listed companies	-	-	661	661
Assets for which fair value are disclosed				
Investment properties	-	205	-	205
Liabilities for which fair value are disclosed				
Long-term debenture	-	502	-	502

(Unit: Million Baht)

Separate financial statements				
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through OCI				
Investments in equity instruments of listed companies	812	-	-	812
Investments in equity instruments of non-listed companies	-	-	661	661
Assets for which fair value are disclosed				
Investment properties	-	2,308	-	2,308
Liabilities for which fair value are disclosed				
Long-term debenture	-	502	-	502

During the current year, there was no change in the methods and assumptions used by the Group estimating the fair value of financial instruments and no transfer within the fair value hierarchy.

36. Financial instruments

36.1 Financial risk management objectives and policies

The Group's financial instruments-principally comprise cash and cash equivalents, trade accounts receivable, loans, investments, and short-term borrowing, long-term borrowing and debentures. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Group is exposed to credit risk primarily with respect to trade accounts receivable, loans, deposits with banks and financial institutions. The maximum exposure to credit risk is limited to the carrying amounts as stated in the statement of financial position.

Trade receivables

The Group manages the risk by adopting appropriate credit control policies and procedures and therefore do not expect to incur material financial losses. The majority of services of the Group is supplied to creditworthy customers. In addition, the Group does not have high concentrations of credit risk since it has a large customer base in various industries.

Financial instruments and cash deposits

The Group manages the credit risk from balances with banks and financial institutions by making investments with counterparties within only approved credit limits assigned to each counterparty. Counterparty credit limits are reviewed and may be updated throughout the year with approval by the Company's Board of Directors. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.

The credit risk on debt instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Market risk

Foreign currency risk

The Group's exposure to the foreign currency risk relates primarily to its trading transactions that are denominated in foreign currencies. Mostly the Group seeks to reduce this risk by entering into foreign exchange forward contracts when it considers appropriate. Generally, the forward contracts mature within one year.

The balances of financial assets and liabilities denominated in foreign currencies of the Group as at 31 December 2023 are summarised below.

Foreign currency	Consolidated financial statements		Average exchange rate as at 31 December 2023
	Financial assets	Financial liabilities	
			(Baht per 1 foreign currency unit)
US dollar	62,583	632,036	34.39 - 34.06
Japanese Yen	772,200	3,573,478	0.24 - 0.25
Euro	1,685	79,021	38.40 - 37.67

The Group's foreign exchange contracts outstanding at 31 December 2023 are summarised below.

Consolidated financial statements					
Foreign currency	Sold amount	Purchase amount	Maturity date	Forward exchange rate	
				Sold amount	Purchase amount
	(Baht per 1 foreign currency unit)				
US dollar	-	912,390	29 January 2024 - 4 June 2024	-	33.87 - 35.56
Euro	-	100,000	8 February 2024 - 12 March 2024	-	33.87 - 35.56

Interest rate risk

The Group's exposure to interest rate risk relates primarily to its cash at banks short-term borrowing, long-term borrowing and debentures. Most of the Group's financial assets and liabilities bear fixed interest rates which are close to the market rate. The risk is therefore low.

As at 31 December 2023 and 2022, significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

Consolidated financial statements

	Fixed interest rates						Floating interest rate		Non-interest bearing		Total		Effective interest rate (% p.a.)	
	Within 1 year		1 - 5 years		Over 5 years		2023	2022	2023	2022	2023	2022	2023	2022
	2023	2022	2023	2022	2023	2022								
Financial Assets														
Cash and cash equivalents	-	-	-	-	-	-	1,281	2,384	-	-	1,281	2,384	0.15 - 0.70	0.15 - 0.45
Trade and other receivables	-	-	-	-	-	-	-	-	235	235	235	235	-	-
Loans to related parties	68	30	1,649	329	-	-	-	-	-	-	1,717	359	3.00 - 8.00	3.73 - 5.00
Loans to customers	5,204	2,542	680	1,050	-	-	-	-	-	-	5,884	3,592	10.00 - 15.00	9.00 - 15.00
Loans purchased of receivables and accrued interest receivables - net	-	-	927	-	-	-	-	-	-	-	927	-	0.28 - 2.51	-
Other financial assets	2	99	-	151	-	-	-	-	1,473	1,553	1,475	1,803	-	-
Total	5,274	2,671	3,256	1,530	-	-	1,281	2,384	1,708	1,788	11,519	8,373		
Financial Liabilities														
Trade and other payables	-	-	-	-	-	-	-	-	251	308	251	308	-	-
Financial institutions payable from purchase receivables	-	-	-	-	-	-	-	-	157	-	157	-	-	-
Loans from related parties	573	2,873	-	-	-	-	1,080	-	-	-	1,653	2,873	4.50 - 5.00	4.50 - 5.00
Lease liabilities	3	3	19	8	-	-	-	-	-	-	22	11	0.40 - 5.50	0.40 - 5.50
Long-term debenture	-	-	494	-	-	-	-	-	-	-	494	-	6.10	-
Total	576	2,876	513	8	-	-	1,080	-	408	308	2,577	3,192		

(Unit: Million Baht)

Separate financial statements

	Fixed interest rates						Floating interest rate		Non-interest bearing		Total		Effective interest rate (% p.a.)	
	Within 1 year		1 - 5 years		Over 5 years		2023	2022	2023	2022	2023	2022	2023	2022
	2023	2022	2023	2022	2023	2022								
Financial Assets														
Cash and cash equivalents	-	-	-	-	-	-	676	2,356	-	-	676	2,356	0.15 - 0.70	0.15 - 0.45
Trade and other receivables	-	-	-	-	-	-	-	-	52	178	52	178	-	-
Loans to related parties	5,952	596	1,973	861	-	-	-	-	-	-	7,925	1,457	3.00 - 8.00	3.73 - 5.00
Other financial assets	2	99	-	151	-	-	-	-	1,473	1,553	1,475	1,803	-	-
Total	5,954	695	1,973	1,012	-	-	676	2,356	1,525	1,731	10,128	5,794		
Financial Liabilities														
Trade and other payables	-	-	-	-	-	-	-	-	23	251	23	251	-	-
Loans from a related parties	-	-	-	-	-	-	1,080	-	-	-	1,080	-	MLR-1	-
Lease liabilities	2	3	19	8	-	-	-	-	-	-	21	11	0.40 - 5.50	0.40 - 5.50
Long-term debenture	-	-	494	-	-	-	-	-	-	-	494	-	6.10	-
Total	2	3	513	8	-	-	1,080	-	23	251	1,618	262		

36.2 Fair values of financial instruments

Since the majority of the Group's financial instruments are short-term in nature or carrying interest at rates close to the market interest rates, their fair value is not expected to be materially different from the amounts presented in the statement of financial position, except the fair value of debentures are value at the market price of THB 502 million, calculated using the yield published by the Thai Bond Market Association.

During the current year, there were no transfers within the fair value hierarchy.

36.3 Reconciliation of recurring fair value measurements of financial assets and liabilities, categorised within Level 3 of the fair value hierarchy

(Unit: Thousand Baht)

Consolidated and separate financial statements

Equity instruments designated at FVOCI	
Balance as of 1 January 2023	753,425
Acquired during the year	45,000
Disposed/ capital deduction/ liquidated during the year	(30,118)
Net loss recognised into other comprehensive income	(106,849)
Balance as of 31 December 2023	<u>661,458</u>

Key assumptions used in the valuation are summarised below.

Financial instruments	Valuation technique	Significant unobservable inputs	Rates	Sensitivity of the input to fair value
Investment in equity instruments	Discounted future cash flows, discounted dividend and other methods	Weighted average cost of capital (WACC)	8.72% - 11.45%	0.05% change in the weighted average cost of capital (WACC) would result in Baht 1.9 million change in fair value
		Long-term growth rate	0.92%	0.05% change in the long-term growth rate would result in Baht 1.5 million change in fair value

37. Capital management

The primary objective of the Group's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2023, the Group's interest bearing debt to equity ratio of consolidated financial statements was 0.21 (2022: Consolidated financial statements is applied was 0.41). Therefore, Interest Bearing Debt excludes lease liabilities.

38. Events after the reporting year

38.1 On 26 February 2024, the Board of Directors' Meeting No. 2/2024 resolved to propose to the 50th Annual General Meeting of Shareholders in 2024 to consider and approve a sale of all ordinary shares in TNLX Company Limited held by the Company to the following companies:

1. I.C.C International Public Company Limited in the amount of 4.20 million shares for a total of Baht 468.93 million;
2. I.D.F. Company Limited in the amount of 0.66 million shares for a total of Baht 60.29 million.
3. BSC SO IN Company Limited in the amount of 0.60 million shares for a total of Baht 73.69 million;
4. Saha Pathana Inter-Holding Public Company Limited in the amount of 0.54 million shares for a total of Baht 66.99 million; and

The approval for the aforementioned transaction will be proposed to the 50th Annual General Meeting in 2024 for further consideration and approval.

38.2 On 26 February 2024, the Board of Directors' Meeting No. 2/2024 resolved to propose to the 50th Annual General Meeting of Shareholders in 2024 to pay dividends from operation result for the year 2023 at the rate of Baht 0.30 per share, totaling Baht 91.39 million. The approval for dividend payment will be proposed to the 50th Annual General Meeting in 2024 for further consideration and approval.

39. Reclassification in financial statements

The Company reclassified the following amounts in the statements of financial position as at 31 December 2022 and comprehensive income for the year then ended to conform with the current period's classification. The reclassifications had no effect to previously reported profit or shareholders' equity.

Statement of financial position

(Unit: Baht)

	As at 31 December 2022			
	Consolidated financial statements		Separate financial statements	
	Current reclassification	Before reclassification	Current reclassification	Before reclassification
Trade and other receivables	234,864,513	238,705,088	-	-
Short-term loans to related companies	29,821,344	318,746,372	595,869,795	1,416,719,613
Current portion of short-term loans to customers	2,542,850,575	2,539,000,000	-	-
Inventories	443,508,240	433,808,240	443,508,240	433,808,240
Right to return goods	-	9,700,000	-	9,700,000
Long-term loan to related companies - net of current portion	328,925,058	40,000,000	860,849,818	40,000,000
Deferred tax assets	-	32,765,512	-	32,765,512
Deferred tax liabilities	149,414,914	182,180,426	150,214,914	182,980,426
Change in ownership interest in a subsidiary	(2,514,496)	-	-	-
Retained earnings	2,829,483,807	2,791,736,482	2,869,289,388	2,822,828,179
Other components of shareholder's equity	686,823,716	730,770,428	690,023,716	736,484,925

Statement of comprehensive income

(Unit: Baht)

	For the year ended 31 December 2022			
	Consolidated financial statements		Separate financial statements	
	Current reclassification	Before reclassification	Current reclassification	Before reclassification
Rent income	-	4,097,911	-	4,097,911
Other income	82,735,839	78,637,928	73,284,048	69,186,137
Administrative expenses	455,551,683	412,618,810	444,541,782	411,256,726
Royalty expenses	-	33,105,149	-	33,105,149
Allowance for impairment losses on investment	-	-	-	179,907

40. Approval of interim financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 26 February 2024.

CHAPTER 04

ATTACHMENT



Attachment 1 266

- Details of Directors

Attachment 2 280

- Details of Subsidiaries, Associated, and Related Companies' Directors

Attachment 3 281

- Detail of Head of Internal Audit

Attachment 4 281

- Asset Used in Operations and Information of Asset Assessment

Attachment 5 282

- Corporate Governance Policy and Code of Conduct

Attachment 6 282

- Audit Committee's Report

Our Board of Directors



Mr. Thamarat Chokwatana

- Chairman of the Board of Directors



Mr. Surayut Thavikulwat

- Director
- Executive Director
- Nomination and Remuneration Committee Member



Mrs. Lapika Sasanavin

- Director
- Executive Director
- Corporate Governance, Risk Management and Sustainability Committee Member



Ms. Chawadee Rungruang

- Director



Ms. Suthida Jongjenkit

- Director
- Executive Director
- Chief Executive Officer
- Nomination and Remuneration Committee Member
- Corporate Governance, Risk Management and Sustainability Committee Member
- Company Secretary



Mr. Kittichai Treerachataphong

- Director
- Executive Director
- Chief Strategy Officer
- Corporate Governance, Risk Management and Sustainability Committee Member



Prof. Dr. Suchatvee Suwansawat

- Independent Director
- Chairman of Audit Committee
- Chairman of Corporate Governance, Risk Management and Sustainability Committee



Mr. Maris Sangiampongsa

- Independent Director
- Audit Committee Member



Mr. Vittawat Panpanich

- Independent Director
- Audit Committee Member

Our Management



Ms. Suthida Jongjenkit

- Director
- Executive Director
- Chief Executive Officer
- Nomination and Remuneration Committee Member
- Corporate Governance, Risk Management and Sustainability Committee Member
- Company Secretary



Mr. Kittichai Treerachataphong

- Director
- Executive Director
- Chief Strategy Officer
- Corporate Governance, Risk Management and Sustainability Committee Member



Mr. Nuntawat Surawatsatien

- Chief Financial Officer



Mr. Yotsakorn Srisuksawadi

- Chief Investment Officer
- Head of the Internal Audit



Ms. Rudee Tarudeeyataworn

- Acting Senior Manager - Corporate Strategy



Mr. Thamarat Chokwatana

Chairman of the Board of Directors

54 Years

Appointment date

July 11, 2016

Education

Bachelor's Degree of Arts, Assumption University

Training course

- Company Secretary Program (CSP 31/2009)
Thai Institute of Directors Association (IOD)
- Director Certification Program (DCP 68/2005)
Thai Institute of Directors Association (IOD)
- Director Accreditation Program (DAP 3/2003)
Thai Institute of Directors Association (IOD)

Share hold (%) : 362,637 shares (0.119%)

Family relationship among executives : None

Any position in others business or other organization in the previous year which has an impact the time devoted significant : None

Past 5 years of working experiences

• Others listed company

2021 - present	Managing Director and Chairman of the Executive Board Remuneration Committee Member Chairman of the Nomination Committee Member Risk Management Committee	I.C.C. International Public Company Limited
1999 - present	Director Company Limited	I.C.C. International Public
2023 - present	Executive Director of Marketing and Sales	Thai Wacoal Public Company Limited
2001 - present	Director	Thai Wacoal Public Company Limited
2017 - present	Director	Saha Phatanapibul Public Company Limited

• Others non-listed companies

45 Companies

• Competitive business related to company's business

None



Mr. Surayut Thavikulwat

Director | Executive Director | Nomination and Remuneration Committee Member

51 Years

Appointment date

December 7, 2022

Education

- MBA, Ross School of Business, University of Michigan-Ann Arbor USA
- Bachelor's Degree of Faculty of Commerce and Accountancy, Chulalongkorn University

Training course

- TLCA Executive Development Program (Batch 7th) 2012
Thai Listed Companies Association
- Bhumipalung Phadin Course (Batch 1st) 2013
Chulalongkorn University
- Certificate of How to Develop a Risk Management Plan (HRP) 2015
Thai Institute of Directors Association (IOD)
- Positive Business Strategic Management Program (The Master) 2018 (Batch 4th)
Institute of Strategic and Appreciative Business Thailand (iSAB)

Share hold (%) : None

Family relationship among executives : None

Any position in others business or other organization in the previous year which has an impact the time devoted significant : None

Past 5 years of working experiences

• Others listed company

2020 - 2023	Member of Risk Management Committee	BTS Group Holdings Public Company Limited
2011 - 2023	Chief Financial Officer	BTS Group Holdings Public Company Limited
2015 - 2017	Director	U City Public Company Limited

• Others non-listed companies

1 Company

• Competitive business related to company's business

None



Mrs. Lapika Sasanavin

Director | Executive Director | Corporate Governance, Risk Management and Sustainability Committee Member

45 Years

Appointment date

December 7, 2022

Education

- MBA Sasin School of Management, Chulalongkorn University
- MS in Facilities Management, Pratt Institute, USA
- Advance Graduate Certificate in Real Estate New York University, USA
- B. Arch in Architecture (International Program)
King Mongkut's University of Technology Thonburi

Training course

- The International Investment Forum
Taylor Bennett Partner, UK
- E3 Leader: Engage, Empower and Execute Year 2022
South East Asia Center (SEAC)
- Director Certification Program (DCP 344/2023)
Thai Institute of Directors Association (IOD)
- PMO: Set up and Sustain Project Management Office 2023
KNOWLEDGER
- PPP Executive Leadership Program, PPP Leadership Academy 2023
Fispri Training

Share hold (%) : None

Family relationship among executives : None

Any position in others business or other organization in the previous year which has an impact the time devoted significant : None

Past 5 years of working experiences

• Others listed company

2020 - present	Senior Vice President - Business Development	BTS Group Holdings Public Company Limited
2020 - 2020	Senior Vice President Investment Department	Rabbit Holdings Public Company Limited

• Others non-listed companies

1 Company

• Competitive business related to company's business

None



Ms. Chawadee Rungruang

Director

45 Years

Appointment date

December 7, 2022

Education

- Master of Business Administration, Chulalongkorn University
- Bachelor's Degree of Accounting, Chulalongkorn University

Training course

- TLCA Executive Development Program, Year 2013 (EDP12)
Thai Listed Companies Association
- Strategic CFO in Capital Markets Program, Year 2018
Thailand Securities Institute (TSI) The Stock Exchange of Thailand
- Strategic and Appreciative Business Development Program (The Master), Year 2022
Institute of Strategic and Appreciative Business Thailand (iSAB)
- E-Learning CFOs Orientation Course for New IPOs, Year 2023
The Stock Exchange of Thailand
- Director Certification Program (DCP 342) Year 2023
Thai Institute of Directors Association (IOD)

Share hold (%) : None

Family relationship among executives : None

Any position in others business or other organization in the previous year which has an impact the time devoted significant : None

Past 5 years of working experiences

• Others listed company

15 Aug 2023 - Present	Chief Financial Officer	BTS Group Holdings Public Company Limited
2011 - 2023	Financial Controller	BTS Group Holdings Public Company Limited

• Others non-listed companies

1 Company

• Competitive business related to company's business

None



Ms. Suthida Jongjenkit

Director | Executive Director | Chief Executive Officer | Nomination and Remuneration Committee Member | Corporate Governance, Risk Management and Sustainability Committee Member | Company Secretary

38 Years

Appointment date

December 8, 2022

Education

- Master of Science in Finance, University of Texas at Dallas, USA
GPA: 4.00 (Dean's Excellence Scholarship Award)
- Bachelor's degree Faculty of Commerce and Accountancy
- Department of Accounting, Thammasat University GPA: 3.63
(1st class honors)

Training course

- Boardroom Success through Financing & Investment (BFI 6/2019)
Thai Institute of Directors Association (IOD)
- Director Certification Program (DCP297/2020)
Thai Institute of Directors Association (IOD)
- Company Secretary Program (CSP132/2022)
Thai Institute of Directors Association (IOD)
- Board Nomination and Compensation Program (BNCP 17/2023)
Thai Institute of Directors Association (IOD)
- Transfer pricing : Strategies for transferring profits to affiliates 2023"
Omega worldclass
- Corporate Innovation Summit 2023 Rise

Share hold (%) : 306,000 shares (0.10%)

Family relationship among executives : None

Any position in others business or other organization in the previous year which has an impact the time devoted significant : None

Past 5 years of working experiences

• Others listed company

2014 - Present	Manager, Finance & Investment Department	Saha Pathana Inter-Holding Public Company Limited
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• Others non-listed companies

6 Companies

• Competitive business related to company's business

None



Mr. Kittichai Treerachataphong

**Director | Executive Director | Chief Strategy Officer |
Corporate Governance, Risk Management and Sustainability Committee Member**

44 Years

Appointment date

December 8, 2022

Education

- Young – Executive MBA, Chulalongkorn University
- Bachelor's Degree of Faculty of Commerce and Accountancy, Department of Finance and Banking, Chulalongkorn University

Training course

- TLCA Executive Development Program (Batch 7th)
The Stock Exchange of Thailand (SET)
- Intermediate Certificate course of Young Leadership
in Democratic Governance (Batch 3rd) (Por Nor Por 3)
King Prajadhipok's Institute
- Ultra Wealth Group Certificate (Batch 2nd) (Invest like a Master)
- Top Executive Program in Commerce and Trade (TEPCoT) (Batch 14th)
- Director Certification Program (DCP) 2023
Thai Institute of Directors Association (IOD)

Share hold (%) : 900,050 shares (0.295%)

Family relationship among executives : None

**Any position in others business or other organization in the previous year
which has an impact the time devoted significant :** None

Past 5 years of working experiences

• Others listed company

2021 - Present	Real Estate Investment Business Consultant	Saha Pathana Inter-Holding Public Company Limited
2009 - 2020	Managing Director	RHB OSK Securities (Thailand) Public Company Limited

• Others non-listed companies

3 Companies

• Competitive business related to company's business

None



Prof. Dr. Suchatvee Suwansawat

**Independent Director | Chairman of Audit Committee
Chairman of Corporate Governance, Risk Management and Sustainability Committee**

51 Years

Appointment date

December 8, 2022

Education

- Honorary Doctorate Degree in Science and Technology Tokai University, Japan
- Doctor of Science (Sc.D.) in Civil and Environmental Engineering (Massachusetts Institute of Technology (MIT), USA
- Master of Science (MS.) in Technology and Policy (Massachusetts Institute of Technology (MIT), USA
- Master of Science (MS.) in Civil and Environmental Engineering (University of Wisconsin-Madison, USA
- Bachelor of Engineering (B.Eng.) in Civil Engineering, King Mongkut's Institute of Technology Ladkrabang (KMITL)

Training course

- Senior budget management course Bureau of the Budget (Nor NGor Sor. 1)
- The Executive Program in Energy Literacy for a Sustainable Future, TEA (Wor Por Nor.5 Thailand Energy Academy
- Senior Executive Program in Urban Development Administration "Mahanakorn" (Mahanakorn Batch 5th) Bangkok
- Executive Program on the Rule Of Law and Sustainable Development (RoLD Program) Thailand Institute of Justice (TIJ)
- Corporate Governance for Directors and Senior Executives of Regulator, State Enterprises and Public Organizations King Prajadhipok's Institute

and the Office of the Commission State Enterprise Policy and the Office of the Public Sector Development Commission (Batch 3rd)

- Oxford Programme on Negotiation in Bangkok Thai Institute of Directors Association (IOD)
- Director Certification Program (DCP 105/200 Thai Institute of Directors Association (IOD)
- Audit Committee Program (ACP 27/2009) Thai Institute of Directors Association (IOD)
- Monitoring Fraud Risk Management (MFM 1/2009) Thai Institute of Directors Association (IOD)

Share hold (%) : None

Family relationship among executives : None

Any position in others business or other organization in the previous year which has an impact the time devoted significant : None

Past 5 years of working experiences

• Others listed company

None

• Others non-listed companies

5 Companies

• Competitive business related to company's business

None



Mr. Maris Sangiampongsa

Independent Director | Audit Committee Member

65 Years

Appointment date

August 4, 2020

Education

- Master of Arts (International RelationsX, Ohio University, USA
- Bachelor of Arts (Political and Government) Ramkhamhaeng University

Training course

- Director Certification Program (DCP /2022)
Thai Institute of Directors Association (IOD)

Share hold (%) : None

Family relationship among executives : None

Any position in others business or other organization in the previous year which has an impact the time devoted significant : None

Past 5 years of working experiences

• Others listed company

None

• Others non-listed companies

1 Company

• Competitive business related to company's business

None



Mr. Vittawat Panpanich

Independent Director | Audit Committee Member

41 Years

Appointment date

December 8, 2022

Education

- Master of Business Administration (MBA),
Judge Business School, University of Cambridge, UK
- Bachelor of Business Administration,
Chulalongkorn Business School, Chulalongkorn University

Training course

- Director Accreditation Program (DAP138/2017)
Thai Institute of Directors Association (IOD)
- Director Certification Program (DCP /2023)
Thai Institute of Directors Association (IOD)
- Advanced Audit Committee Program (AACP) 48/2023
Thai Institute of Directors Association (IOD)

Share hold (%) : 16,356 shares (0.005%)

Family relationship among executives : None

Any position in others business or other organization in the previous

year which has an impact the time devoted significant : None

Past 5 years of working experiences

- **Others listed company**
None
- **Others non-listed companies**
4 Companies
- **Competitive business related to company's business**
None



Mr. Nuntawat Surawatsatien

Chief Financial Officer

40 Years

Appointment date

June 1, 2023

Education

- Master's degree of Finance (Investment Management), Warwick Business School, University of Warwick, United Kingdom
- Bachelor's degree of Business Administration (BBA), Chulalongkorn University

Training course :

- How to Develop a Risk Management Plan (HRP) 35/2023 Thai Institute of Directors Association (IOD)
- CFO Refresher Course 2023 The Stock Exchange of Thailand
- TLCA CFO CPD No. 7/2023 "Economic Update for CFO" Thai Listed Companies Association
- TLCA CFO Professional Development Program (TLCA CFO CPD) No. 8/2023 "Guidelines for issuing and offering debt instruments for environmental conservation" "
- Thai Listed Companies Association

Share hold (%) : None

Family relationship among executives : None

Any position in others business or other organization in the previous year which has an impact the time devoted significant : None

Past 5 years of working experiences

• Others listed company

2016 - 2023 Executive Vice President, Corporate Banking Siam Commercial Bank

• Others non-listed companies

None

• Competitive business related to company's business

None



Mr. Yotsakorn Srisuksawadi

Chief Investment Officer | Head of the Internal Audit

39 Years

Appointment date

June 1, 2023

Education

- Master's degree of Business Administration (MBA - Finance)
Kellogg School of Management, Northwestern University, United States
- Bachelor's degree of Arts in Economics (International Program),
Thammasat University

Training course :

- Risk Management Program for Corporate Leaders (RCL) 33/2023
Thai Institute of Directors Association (IOD)

Share hold (%) : 5,100 shares (0.002%)

Family relationship among executives : None

Any position in others business or other organization in the previous year which has an impact the time devoted significant : None

Past 5 years of working experiences

• Others listed company

2018 - 2023	Principal, Investment Department	ARES SSG Capital Management (Thailand) LTD.
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• Others non-listed companies

None

• Competitive business related to company's business

None



Ms. Rudee Tarudeeyataworn

Acting Senior Manager – Corporate Strategy

33 Years

Appointment date

September 7, 2023

Education

- Bachelor's degree of Account, Chiangmai University

Training course :

- TLCA CFO CPD No. 7/2023 "Economic Update for CFO"
Thai Listed Companies Association
- TLCA CFO Professional Development Program (TLCA CFO CPD) No. 8/2023
"Guidelines for issuing and offering debt instruments for environmental conservation"
- Thai Listed Companies Association

Share hold (%) : None

Family relationship among executives : None

Any position in others business or other organization in the previous year which has an impact the time devoted significant : None

Past 5 years of working experiences

• Others listed company

2021 - 2023	Investment Manager	Univentures Public Company Limited
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• Others non-listed companies

None

• Competitive business related to company's business

None

Attachment 2

Details of the Directors of Subsidiaries

As of December 31, 2023, the Company has 4 subsidiaries, significant subsidiary with characteristics such as earnings more than 10 percent of the total income in the consolidated profit and loss statement of the most recent financial year, namely:

Directors's Name		TNLX Company Limited	Oxygen Asset Company Limited	Oxygen Asset Management Company Limited	TNL Alliance Company Limited
1.	Mr. Thamarat Chokwatana	✓			
2.	Ms. Dusadee Soontrontumrong	✓			
3.	Ms. Marin Leelanuwatana	✓			
4.	Ms. Yupaporn Jearrakul	✓			
5.	Mr. Suchart Layluxsiri	✓			
6.	Mr. Vichai Kulsomphob	✓	✓	✓	
7.	Ms. Suthida Jongjenkit	✓	✓	✓	
8.	Ms. Kesara Sumkanjanaruk		✓	✓	
9.	Mr. Kittichai Treerachataphong		✓	✓	
10.	Mr. Supradit Sa-id		✓	✓	
11.	Mr. Surayut Thavikulwat				✓
12.	Mrs. Lapika Sasanavin				✓
13.	Ms. Chawadee Rungruang				✓

Attachment 3

Details of Head of the Internal Audit

The Audit Committee has appointed Mr. Yotsakorn Srisuksawadi as the Details of the Head of the Internal Audit and Secretary to the Company's Audit Committee. He is responsible for overseeing the operations of the company to ensure compliance with laws, rules, regulations, and requirements from relevant agencies, as well as promoting good governance. Additionally, he manages risk and sustainability, performing duties to support operations. For biography details, please refer to attached 1, page 278, for Mr. Yotsakorn Srisuksawadi.

Attachment 4

Assets used in Business and Details of Property Appraisal Items

Show details in the topic "1.1.2 (4) Assets used in Business and Details of Property Appraisal Items.

เอกสารแนบ 5

Corporate Governance Policy Business Ethics Manual and charter of directors and sub-committees

Good Corporate Governance Policy

<https://www.tnl.co.th/th/corporate-governance/corporate-governance-policy>

Business Ethics

<https://www.tnl.co.th/storage/documents/cg/code-of-conduct-th.pdf>

Charter of the Board of Directors and Charter of Sub-Committees

<https://www.tnl.co.th/en/corporate-governance/charter-definitions-and-authority>

Attachment 6

Audit Committee Report

Show details in the topic "Audit Committee Report"



TNL **THANULUX**
PUBLIC COMPANY LIMITED

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