



Annual Registration Statement / Annual Report

Form 56-1 One Report

(e-One Report)

Tanachira Retail Corporation Public Company Limited

Fiscal Year End 31 December 2024



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## Part 1 Business Operations and Performance

# 1. Organizational structure and operation of the group of companies

## 1.1 Policy and business overview

### 1.1.1 Overview of the vision, objectives, goals and business strategies

#### Message from the chairman

Dear Shareholders,

The year 2024 marked another significant milestone for the Tanachira Group in strengthening its position as a true leader among regional lifestyle companies. Amid the ongoing challenges posed by the ever-changing global economy, we have adapted our strategies and business operations to be more sustainable. This includes maintaining and growing our domestic revenue base, while also expanding further into international markets. Our commitment to the principles of ESG (Environmental, Social, and Governance) remains steadfast, ensuring that we continue to deliver value to all stakeholders, including employees, customers, business partners, and shareholders.

Over the past year, the Company has made significant investments to expand our business both in Thailand and across the region. We have introduced world-class brands to Thai consumers and expanded our international presence in markets such as Singapore, China, Vietnam, Japan, and Saudi Arabia. As a result, we achieved record-breaking total revenue of THB 1,774 million, driven by strong sales growth across all channels, particularly for our flagship brands, Marimekko and HARNN, despite market challenges. This success reflects the strength of our strategic vision and effective management. Notably, our international revenue contributed 8% of total revenue, representing an impressive 180% growth from the previous year—an indication of our progress in global expansion.

In particular, in China, Tanachira Group has established HARNN Greater China Company Limited, a significant milestone in expanding our business footprint in this high-potential market. This investment not only drives growth in the East Asian region but also elevates the HARNN brand to greater international recognition, meeting the rapidly growing demand of Chinese consumers.

We remain focused on delivering the finest products and services under the concept of "Bring The Best of The Brand to The Best of Thailand." In 2024, we are enhancing our portfolio with the addition of United Arrows, a leading Japanese fashion brand. Simultaneously, we are expanding our food and beverage business, including the second location of Gordon Ramsay Bread Street Kitchen & Bar, strategically positioned along one of Bangkok's most scenic riverside locations. These initiatives demonstrate Tanachira's deep market insight and ability to meet the evolving preferences of modern consumers.

#### Sustainability Strategy

We are committed to conducting our business with responsibility toward the environment, society, and the economics under the concept of "Consistency-Sustainability-Long Term Growth." Our goal is to ensure that our business has a positive impact on all aspects of consumers' lives. The Company has initiated various projects focused on reducing environmental impact and promoting sustainable consumption. For instance, the HARNN brand has redesigned its HARNN Homey Diffuser Set packaging to use 100% recycled PET (rPET) materials. This aligns with our sustainability and eco-friendly policies, emphasizing efficient resource use, sustainable supply chain management, strict product and service quality control, and the development of products that prioritize customer health and well-being.

Furthermore, we place great importance on developing our employees' potential by fostering a flexible corporate culture that encourages innovation while ensuring appropriate risk management. We provide opportunities for our personnel to grow and be well-prepared for societal changes. All of this is aimed at delivering the best experiences to our customers and building long-term trust and value for all stakeholders.

On behalf of the Company's Board of Directors and Executives, I would like to extend my gratitude to our shareholders, partners, suppliers, the media, and all our valued customers for their continuous support and trust. I also sincerely appreciate our dedicated employees for their commitment and outstanding contributions. I firmly believe that with our clear vision, strong strategies, and sustainable operations, Tanachira Group will achieve stable growth and emerge as a true leader in the regional lifestyle business.

#### Image Message from the chairman



**MR. KITTIPOL PRAMOJ NA AYUDHYA**  
Chairman

**MR. TANAPONG CHIRAPANIDCHAKUL**  
Chief Executive Officer

## Vision

Leading regional lifestyle retailer that deliver exceptional customer's experience and create long term sustainable value to all

## Objectives

The Company has important missions as follows:

**To Customers :** Offering lifestyle products that help promote quality living to customers through exceptional omni-channel shopping experience.

**To Employees :** Empowering our colleagues to go beyond their potential, to improve productivity based on entrepreneurial spirit and to practice corporate values such that their quality of life can be enhanced and sustained.

**To Shareholders :** Providing shareholders with good return and long term sustainable value creation.

**To Society :** Operating business under social responsiveness and environmental awareness in all countries that the Company undertakes

**To All :** Embedding good governance while seeking for new business opportunities to drive sustainable long term value to all of our stakeholders

## Goals

Tanachira Retail Corporation Company Limited import and sell Pandora products as the first brand. Later, the brand portfolio was continuously expanded, including the Marimekko brand, the Cath Kidston brand, the GANNI brand, the UNITED ARROWS brand, the HARNN brand, and the Vuudh brand. The Company also expanded into the spa service business and the food and beverage business with Gordon Ramsay brand to complement the lifestyle product business with more coverage, increase opportunities to expand business in the future and ready to become a regional fashion lifestyle product company.

## Business strategies

The Company has the following strategies to increase its capabilities and expand its business.

- (a) Increase same store sales growth
- (b) Continuously expand channels for distributing products and services, expanding branches both domestically and abroad in potential areas
- (c) Develop an Omni-channel platform to increase the ability to grow profits, work efficiency and support future growth
- (d) Maintain product quality and provide excellent service
- (e) Introduce new product brands or expand into related businesses

### 1.1.2 Material changes and developments

In 2010, Mr. Tanapong Chirapanidchakul saw an opportunity for growth in the fashion lifestyle product business and therefore founded Tanachira Retail Corporation Company Limited to import and sell Pandora products as the first brand. Later, the brand portfolio was continuously expanded, including the Marimekko brand, the Cath Kidston brand, the GANNI brand, UNITED ARROWS brand, the HARNN brand, and the Vuudh brand. The Company also expanded into the spa service business and the food and beverage business with Gordon Ramsay brand to complement the lifestyle product business with more coverage, increase opportunities to expand business in the future and ready to become a regional fashion lifestyle product company.

The Company have been significant changes and developments of the Group in the past 3 years. as follows

### Details regarding material changes and developments

Year	Material changes and developments
2024	<ul style="list-style-type: none"><li>• Launched Gordon Ramsay Bread Street Kitchen &amp; Bar Flagship, the second location in Thailand, at ICONSIAM.</li><li>• The Company has registered the dissolution of Han Harmony Co., Ltd., a subsidiary of the Company, with the Department of Business Development, Ministry of Commerce, and completed the liquidation registration on September 6, 2018.</li><li>• The Company has been included in the sSET Index for the second half of 2024 (July 1 - December 31, 2024), which highlights its steady growth and consistent returns. The sSET Index features high-potential companies in the Stock Exchange of Thailand, serving as a key benchmark to attract investors interested in businesses with solid expansion prospects.</li><li>• The Company has been selected for inclusion in the FTSE SET Index Series under the FTSE SET Shariah Index, developed by the Stock Exchange of Thailand in collaboration with a leading global index organization. This index is designed to recognize companies that operate in accordance with Islamic principles, emphasizing transparency, ethics, and business practices that do not conflict with religious guidelines. This inclusion took effect on June 24, 2024.</li><li>• HARNN Heritage Spa, a luxury spa brand under the HARNN Wellness &amp; Hospitality group, has officially opened its first branch in the Middle East region at the InterContinental Durrat Al Riyadh Resort &amp; Spa in Riyadh, Saudi Arabia. This marks a significant first step for HARNN Wellness &amp; Hospitality in its expansion into the Middle East region.</li><li>• Officially launched Gordon Ramsay Street Pizza at the EMSPHERE.</li><li>• The Company has signed an agreement with Richarm Investment Company Limited ("Richarm") on April 3, 2024 for the purpose of establishing a subsidiary company in Special administrative regions of China,</li></ul>



Year	Material changes and developments
2024	<p>namely HARNN Greater China Company Limited ("A Subsidiary"). The Company is established with registered capital of 10,000,000 RMB. The Company and Richarm will hold 55 and 45 percent of outstanding shares in a subsidiary company, respectively. The subsidiary company is operated in China, Special administrative regions of China</p> <ul style="list-style-type: none"> <li>• Tatler Co., Ltd. ("TAT"), a subsidiary of the Company, has agreed to become a distributor of 'UNITED ARROWS,' a Japanese fashion brand. TAT will open its first branch in June 2024 at the EMSPHERE shopping mall."</li> </ul>
2023	<ul style="list-style-type: none"> <li>• Opened the first Cath Kidston Tearoom branch in Thailand at Central World shopping center in April 2023 and later opened a second branch at Central Westville in December 2023.</li> <li>• Established Harnn Harmony Company Limited ("HA") to support fundraising through the sale of digital tokens, to be an alternative for financing to support the business expansions. However, the Company could source funds from other channels including borrowing from financial institutions with lower interest rates. The Company postponed the digital token sales project. Currently, HA has not started any operations.</li> <li>• Established Tanachira SEA PTE Limited ("TRGS") in Singapore to be the distributor of Marimekko and HARNN brands. In June 2023, TRGS was appointed as the distributor of Marimekko products in Singapore and opened its first branch in Singapore in October 2023.</li> <li>• The Company's Annual General Meeting of Shareholders on 30 March 2023 passed the following resolutions: <ul style="list-style-type: none"> <li>- Increased registered capital of 162.5 million Baht, resulting in increased registered capital from 60.0 million Baht to 222.5 million Baht by issuing 1,625,000 additional common shares with a par value of 100.0 Baht per share. Therefore, the number of the Company's common shares increased from 600,000 shares to 2,225,000 shares. The Company registered the increase in paid-up capital on 4 April 2023. As a result, the shareholding proportion changed as follows: (1) Mr. Tanapong Chirapanidchakul held 99.98% of shares, (2) Ms. Lakana lamnumphol held 0.01% of shares, and (3) Ms. Nattanee Tanprasert held 0.01% of the shares.</li> <li>- Approved the change in the par value of the Company's common shares from the original 100.0 Baht per share to 1.0 Baht per share, additional registered capital was increased by 77.5 million Baht to support the initial public offering of common shares. As a result, the registered capital of the Company increased from 222.5 million Baht to 300.0 million Baht and the transformation of the Company from a limited company to a public limited company.</li> <li>- The Company registered the change from a limited company to a public limited company and registered an additional capital increase on 5 April 2023.</li> </ul> </li> <li>• TRC received the right to manage restaurants in the Gordon Ramsay chain for a period of 10 years, consisting of (1) Gordon Ramsay Hell's Kitchen, (2) Street Burger Gordon Ramsay, (3) Street Pizza Gordon Ramsay, and (4) Bread Street Kitchen &amp; Bar and opened the first Bread Street Kitchen &amp; Bar in Thailand in December 2023.</li> <li>• On 18 October 2023, Tanachira Retail Corporation Public Company Limited (Stock symbol TAN) listed its shares for trading on the Stock Exchange of Thailand for the first day in the service industry group, commerce sector.</li> <li>• Agreed to a contract to become a distributor for the brand "GANNI", a fashion brand from Denmark, through Tanachira Home Company Limited, a subsidiary of the Company, and opened the first branch in December 2023.</li> </ul>
2022	<p>Launched the first Marimekko pop-up cafe in Thailand at the Central Embassy shopping center, entering the food and beverage business to further complement the lifestyle trends.</p>

### 1.1.3 Spending of the raised fund to serve the objectives declared in the registration statement for securities offering

Is there an issuance of equity securities or debt securities? : Yes

### Spending of the money obtained from each offering of equity or debt securities

List of spending of the money obtained from each offering of equity or debt securities			
Item 1			
Types of securities used for fundraising		Amount of funds raised	
Equity Instruments		1,233.02 Million Baht	
Spending objectives	Duration (approximate)	Amount of money as planned	Amount of spent money
1. For repayment of loans from financial institutions	Dec 2023	991.59	991.59
2. For investment in business expansion.	Dec 2025	100.00	80.61
3. For using as working capital of the Company	Dec 2025	141.43	141.43
Implementation according to objectives			
Achieve objectives			
Progress of fund utilization / reasons and measures taken in case the funds are not spent according to the objectives			
-			
Related links			
-			

#### 1.1.4 The obligations to which the company has committed in the registration statement, including the compliance with such obligations or conditions in the following years

Are there any issued securities with obligations or conditions? : No

#### 1.1.5 Company information

Company name : Tanachira Retail Corporation Public Company Limited  
Symbol : TAN  
Address : The Offices at Central World, Room OFMH 2807 & 2812, 28th floor 999/9 Rama 1 Rd, Pathumwan, Bangkok 10330  
Province : Bangkok  
Postcode : 10330  
Business : Retail lifestyle and fashion products; body care, skin care, spa, fragrances products; spa services and food and beverage business  
Registration number : 0107566000216  
Telephone : 0-2264-5081  
Website : <http://www.tanachira.co.th/>  
Email : [Info@tanachira.co.th](mailto:Info@tanachira.co.th)  
**Total shares sold**  
Common stock : 300,000,000  
Preferred stock : 0

#### Diagram of organization's logo

# TANACHIRA

## 1.2 Nature of business

### 1.2.1 Revenue structure

#### Revenue structure by product line or business group

	2022	2023	2024
<b>Total revenue from operations (thousand baht)</b>	1,265,950.77	1,414,558.05	1,736,944.90
Revenue from sales of life style group (thousand baht)	849,956.11	868,944.50	831,560.51
Revenue from sales of fashion group (thousand baht)	216,074.92	282,292.05	395,363.46
Revenue from sales of beauty and wellness group (thousand baht)	199,919.74	263,321.50	403,932.15
Revenue from sales of food and beverage group (thousand baht)	0.00	0.00	106,088.78
Others (thousand baht)	0.00	0.00	0.00
<b>Total revenue from operations (%)</b>	100.00%	100.00%	100.00%
Revenue from sales of life style group (%)	67.14%	61.43%	47.87%
Revenue from sales of fashion group (%)	17.07%	19.96%	22.76%
Revenue from sales of beauty and wellness group (%)	15.79%	18.62%	23.26%
Revenue from sales of food and beverage group (%)	0.00%	0.00%	6.11%
Others (%)	0.00%	0.00%	0.00%

#### By geographical area or market

	2022	2023	2024
<b>Total revenue (thousand baht)</b>	1,265,950.77	1,414,558.05	1,736,944.90
<b>Domestic (thousand baht)</b>	1,155,447.00	1,313,957.00	1,545,054.00
<b>International (thousand baht)</b>	110,503.77	100,601.05	191,890.90
China (thousand baht)	54,833.00	42,638.00	81,503.00
Vietnam (thousand baht)	15,706.00	15,369.00	23,232.00
Japan (thousand baht)	29,816.00	17,494.00	22,882.00
Switzerland (thousand baht)	1,653.00	0.00	0.00
Taiwan (thousand baht)	5,846.00	821.00	0.00
Singapore (thousand baht)	0.00	20,168.00	61,478.00
Saudi Arabia (thousand baht)	0.00	2,044.00	1,325.00
Norway (thousand baht)	0.00	1,020.00	251.00
Others (thousand baht)	2,649.77	1,047.05	1,219.90

	2022	2023	2024
Total revenue (%)	100.00%	100.00%	100.00%
Domestic (%)	91.27%	92.89%	88.95%
International (%)	8.73%	7.11%	11.05%
China (%)	49.62%	42.38%	42.47%
Vietnam (%)	14.21%	15.28%	12.11%
Japan (%)	26.98%	17.39%	11.92%
Switzerland (%)	1.50%	0.00%	0.00%
Taiwan (%)	5.29%	0.82%	0.00%
Singapore (%)	0.00%	20.05%	32.04%
Saudi Arabia (%)	0.00%	2.03%	0.69%
Norway (%)	0.00%	1.01%	0.13%
Others (%)	2.40%	1.04%	0.64%

Other income as specified in the financial statements

	2022	2023	2024
Total other income (thousand baht)	22,462.90	15,404.65	37,426.69
Other income from operations (thousand baht)	22,462.90	15,404.65	37,426.69
Other income not from operations (thousand baht)	0.00	0.00	0.00

Share of profit of joint ventures and associates accounted for using equity method

	2022	2023	2024
Share of profit (thousand baht)	0.00	0.00	0.00

## 1.2.2 Information on products and services

### 1.2.2.1 Product/service information and business innovation development

#### Lifestyle Business

##### 1. Pandora

Pandora is a leading jewelry brand from Denmark with outstanding quality, design and affordable price. Customers can choose to present their identity or individuality in a unique way (Customization). This is because they can create jewelry with “Charms” that have specific meanings, whether from life memories or important moments such as birthdays, Valentine’s Day, or wedding anniversaries. The products under the Pandora brand cover a wide range of jewelry, including bracelets, necklaces, earrings, and rings. In addition, the Company regularly releases new product collections including marketing and distribution plans for Pandora products that have been co-designed with leading licensors including Disney Marvel, Game of Thrones, and Netflix in order to create product interest and attract customers to choose products in stores. As of 31 December 2024, the Company had a total of 50 Pandora branches and sold through 4 online channels: (1) Facebook (2) Line Official (3) Central Online and (4) Lazmall.

##### 2. Cath Kidston

Cath Kidston is a lifestyle brand from England with the highlight of a print on a vintage-style coated fabric mixed with a bright pattern of flowers and various cartoon patterns. There are many types of products under the Cath Kidston brand, including bags, clothing, skin care, household items, and children’s products, etc. As of 31 December 2024, the Company had 30 Cath Kidston branches in Thailand and 6 Cath Kidston branches in Vietnam and sold through 6 online channels in Thailand, including (1) Cath Kidston Official Website (2) Facebook (3) Line Official (4) Central Online (5) Shopee and (6) Lazmall and 7 channels in Vietnam, including (1) Cath Kidston Official Website (2) Facebook (3) Shopee (4) Lazada (5) Tiki (6) Gusomo and (7) TikTok.

#### Diagram of Lifestyle Business



#### Fashion Business

##### 1. Marimekko

Marimekko is a world-famous lifestyle brand from Finland with its unique floral prints and colors Unikko, or poppy in Finnish, which is very eye-catching and conveys the mood of fun and relaxation. Marimekko is one of the first lifestyle brands in the world that combines clothes, bags, accessories, home decorations and tableware perfectly. In addition, the Company

expanded into the food and beverage business, starting with the opening of Marimekko pop-up cafe decorated with home collection products from Marimekko, including food containers, pillowcases, and other decorative items. As of 31 December 2024, the Company had a total of 14 Marimekko branches in Thailand and 2 branches in Singapore and sold through 4 online channels: (1) Marimekko Official Website (2) Facebook (3) Central Online and (4) Lazmall.

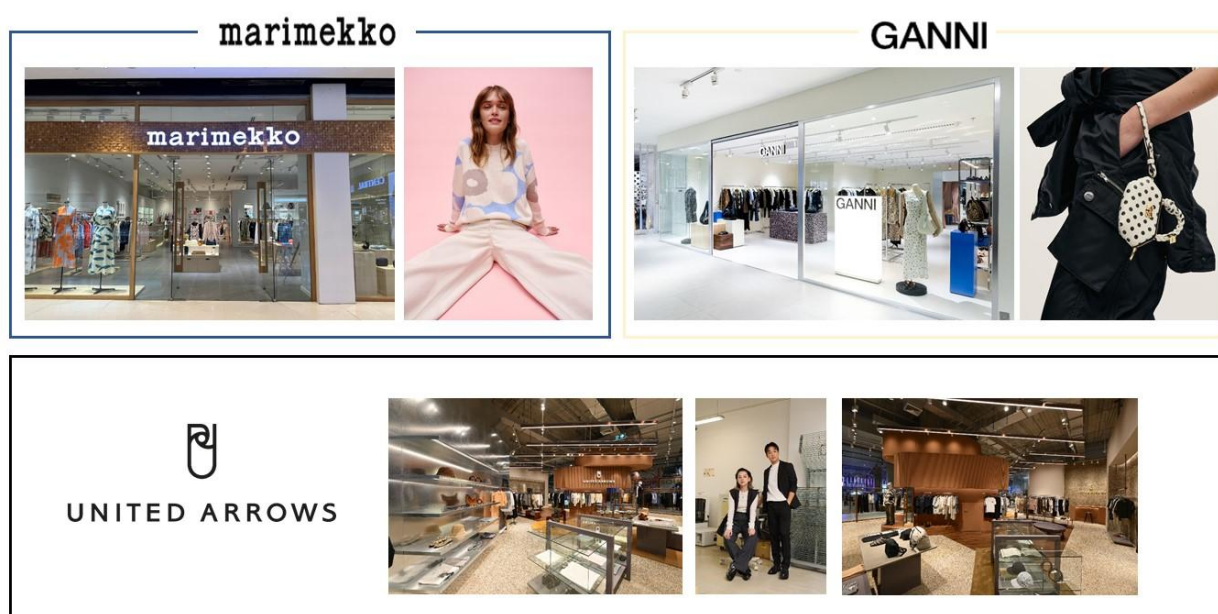
## 2. GANNI

GANNI is a fashion brand with unique design and identity from Denmark, visibly luxurious in style with unique details, a combination of modern design and a cool Scandinavian vibe as well as demonstrating the importance of being a fashion brand that preserves the world and bearing in mind sustainable fashion. The Company has opened a branch at Central Embassy and a second branch at Siam Discovery in December 2024.

## 3. United Arrows

UNITED ARROWS is a Japanese multi-brand store that sells fashion products for both men and women, such as clothing, accessories, bags, and shoes. The Company has imported sub-brands such as BEAUTY & YOUTH, H BEAUTY & YOUTH, LOEF, and UNITED ARROWS AND SONS, and opened its first branch at EMSPIRE in June 2024.

### Diagram of Fashion Business



### Beauty and wellness Business

## 1. HARNN

HARNN is a Thai product brand that the Company owned, outstanding in facial and body care products, spa and aromatherapy products made from natural ingredients. Along with bringing the wisdom of Thai herbs to blend together to create a scent that is unique to HARNN. As of 31 December 2024, the Company had 23 HARNN store branches in Thailand, 5 branches in Japan, 4 branches in Vietnam, and 2 branch in Singapore. The Company also sold through 5 online channels in Thailand: (1) HARNN Official Website (2) Facebook (3) Line (4) Lazmall and (5) Central Online, 2 online channels in Japan: (1) Amazon and (2) Hankyu Beauty Online, 3 online channels in China: (1) T-MALL Global (2) [JD.Com](https://www.jd.com) and (3) Douyin and 5 online channels in Vietnam: (1) HARNN Official Website (2) Facebook (3) Shopee (4) Lazada and (5) TikTok. In addition, with the good response from foreigners, the Company exported for distribution through agents in 4 foreign countries: China, Japan, Switzerland and Taiwan.

## 2. Vuudh

Vuudh is a contemporary Thai-style fragrance brand under the HARNN group, consisting of diffusers, scented candles and scented bags. The Vuudh brand has told the story of its journey to experience the charm of 12 cities in Asia through presenting fragrances named after the cities: Bangkok, Phuket, Chiangmai, Samui, Tokyo, Kobe, Beijing, Shanghai, Hong Kong, Singapore, Mumbai and Taipei. Each scent is created from pure, natural essential oils extracted from various plants, herbs,

flowers, and spices. This helps to relax and relieve stress.

### **Spa Business**

HARNN Wellness and Hospitality, managed by the Company, currently operates four spa brands: HARNN Heritage Spa, The Spa by HARNN, By HARNN, and SCape by HARNN. Each brand has its own unique concept, operational approach, and target customer group, as detailed below;

#### **1. HARNN Heritage Spa**

HARNN Heritage Spa is a luxury spa brand offering spa treatments created with meticulous care in every step, reflected through the uniqueness of traditional Thainess combined with knowledge of traditional medicine and natural therapy by expert therapists to restore complete balance of body and mind. HARNN Heritage Spa offers spa courses that cover the needs of all types of customers with complete facilities, including a Jacuzzi, steam room, sauna, hydro spa swimming pool, hammam, etc., as well as a time period to choose according to the needs of each person.

Currently, HARNN Heritage Spa has 1 branch under the management of the Company, namely HARNN Heritage Spa Krungthep at Central World Shopping Center and has collaborated with leading 5-star hotels both domestically and abroad to open 5 franchise branches: The Salil Hotel Riverside Bangkok, Hong Kong Ocean Park Marriott Hotel, InterContinental Phu Quoc Long Beach Resort, ANA InterContinental Beppu Resort & Spa, and InterContinental Durrat Al Riyadh Resort & Spa.

#### **2. The Spa by HARNN**

The Spa by HARNN is an Upper Upscale/Boutique spa brand for franchisees that have a small spa management space and are not suitable for full-service spas like HARNN Heritage Spa and wanted to offer treatments at a more affordable price point. The Spa by HARNN offers contemporary spa treatments that are unique, integrate knowledge of massage science with local culture to provide a relaxing spa experience hidden in impressive stories, including a massage inspired by Origami, a lullaby massage to treat insomnia (The Lullaby), etc.

Currently, The Spa by HARNN is jointly managed with leading hotels, both domestically and abroad, to open three franchise branches: Hotel Indigo Karuizawa, ANA Intercontinental Appi Kogen Resort and InterContinental Sukhumvit 59.

#### **3. By HARNN**

By HARNN is a luxury and lifestyle spa brand offering luxurious spa treatments with outstanding and uniqueness as service recipients can choose the products used for the treatment, music during spa services including healthy drinks after the treatment to truly respond to the lifestyle of service recipients. Franchisees can also use their own unique spa name. Currently, the Company has joint management with leading hotels in the country to open 1 franchise branch: InterContinental Koh Samui Resort (Baan Thai by HARNN).

#### **4. SCape by HARNN**

SCape by HARNN is a premium spa brand that is designed to meet the lifestyle and way of life of urban people. It combines physical therapy knowledge (Physiotherapy) and aromatherapy massage (Aromatherapy), which offers spa services and various signature treatments that are designed to be in line with the lifestyles of modern people, including (1) Urbanista's SCape, a treatment that helps relax muscles and relieve stress, ready to nourish and protect the skin from pollution, and (2) Desk Dwellers, a treatment that will help treat office syndrome with the science of therapy and relieve pain and fatigue from working.

SCape by HARNN branches are located in leading shopping centers in order to reach target customers more easily. The nature of the service will be a short treatment or spa, approximately 45-90 minutes. At present, SCape by HARNN provides services under the management of the Company in 3 branches: Central Plaza Pinklao shopping center, EmQuartier shopping center and Central World shopping center.

### **Spa Franchise Business**

The Company places great importance on selecting franchisees. Typically, the Company enters into franchise agreements with franchisees for a period of approximately three years. Franchisees are carefully chosen from leading hotel chains worldwide to ensure that franchise management maintains its standards throughout the contract period. The Company establishes two types of compensation for franchisees: (1) Opening Fee – The amount charged depends on the size of the spa and the scope of services provided by the Company at the time of opening. This is a one-time fee payable at the start of the franchise agreement. (2) Monthly Management Fee – The fee rate varies depending on each contract.

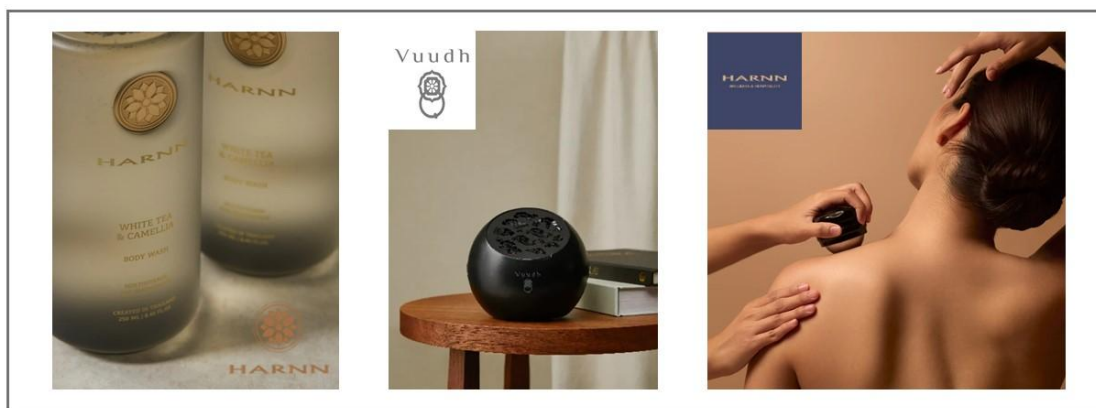
The Company provides comprehensive support to franchisees, including coordinating spa design and decoration with the franchisee's lead designer, developing spa treatments, curating spa menus and service formats, training staff, designing



staff uniforms, sourcing products from manufacturers, and marketing. However, franchisees are responsible for covering the expenses associated with these operations. In addition to franchise fees, the Company generates revenue from franchisees through the sale of massage oils and other HARNN (Spa Supply) products throughout the contract period.

As of December 31, 2024, the Group operates the following franchise branches: HARNN Heritage Spa: 1 branch domestically and 4 branches internationally. The Spa by HARNN: 1 branch domestically and 1 branch internationally. By HARNN: 1 branch domestically.

### Diagram of Beauty and wellness Business



## Food and Beverage Business

### 1. Marimekko pop-up cafe, Marimekko kafe

Marimekko Cafe/Marimekko Kafe is a full-service restaurant with a fashion cafe concept. It offers a unique dining experience with a distinctive menu layout and decor. The company prioritizes maintaining high standards of food quality, taste, and service.

As of December 31, 2024, Marimekko Cafe/Marimekko Kafe operates two branches. The restaurant stands out for its modern, creative, and airy atmosphere, as well as its strong brand identity, which is reflected in both the presentation and taste of its dishes. The food is elegantly simple yet unique, complemented by tableware and decorations from the Marimekko brand. The restaurant primarily targets students and middle- to high-income professionals who value uniqueness and quality at a worthwhile price. It also attracts foreign visitors and expatriates in Bangkok, with an average spending per person of 300–450 baht.

Marimekko Cafe/Marimekko Kafe specializes in healthy Western and Scandinavian cuisine and offers a wide selection of beverages, with a focus on premium tea and coffee. Additionally, the use of Marimekko lifestyle products in decor and tableware provides customers with a hands-on brand experience, contributing to increased sales of lifestyle products in nearby branches.

### 2. Cath Kidston Tearoom

Cath Kidston Tea Room has a total of three branches, with the first branch opening at Central World in April 2023. It is an English-style tea shop offering a variety of baked goods, pastries, savory dishes, and premium tea and coffee. Cath Kidston Tea Room was established with the goal of providing customers with a hands-on brand experience by incorporating Cath Kidston household products into the shop's decor. This allows customers to interact with and experience the products firsthand, making purchasing decisions easier. As a result, sales of household products in nearby branches have also increased. The shop primarily targets students and middle- to high-income professionals who appreciate uniqueness and quality at a worthwhile price. It also attracts foreign visitors and expatriates in Bangkok, with an average spending per person of 300–400 baht.

### 3. Gordon Ramsay

The Company has fully expanded into the food and beverage industry by collaborating with world-class Michelin-starred chef Gordon Ramsay. It has obtained exclusive rights to manufacture and distribute food and beverage products under the trademarks Bread Street Kitchen & Bar, Street Pizza Gordon Ramsay, Street Burger Gordon Ramsay, and Gordon Ramsay Hell's Kitchen in Thailand. The Gordon Ramsay brand is highly popular in Thailand. The format and product offerings of its stores in Thailand closely resemble those abroad in terms of quality, variety, store management, and atmosphere. As a result, the stores in Thailand have built a strong customer base, experienced continuous sales growth, and expanded their branches annually. All locations are situated in Shopping center across the country.

Additionally, the Group offers catering services through a dedicated department responsible for designing and selecting products that meet customer needs based on the nature of specific events, such as meetings, seminars, parties, and various other activities. The department also prepares snack boxes to enhance convenience and provide more choices for customers.

#### Diagram of Food and Beverage Business



#### Research and development policy in various areas, and details regarding innovation development in processes, products and/or services, or business models.

Research and development (R&D) policy : Yes

#### R&D expenses in the past 3 years

	2022	2023	2024
Research and development (R&D) expenses over the past 3 years (Million Baht)	0.81	1.15	1.24

#### Additional explanation about R&D expenses in the past 3 years

The Company places importance on research and development in order to present lifestyle products that meet the needs of diverse customers and future market trends.

The Company is therefore looking for a lifestyle product brand that complements itself as a leader in lifestyle product brands in the region with the goal of having all brands of the Company support each other (Group Brand Synergy). Customers of each product brand of the Company can choose to buy products and/or use the services of other brands in the group effortlessly, for example, Marimekko brand customers can choose to buy HARNN brand body care products or use SCape by HARNN spa services. The Company also develops the HARNN product brand that the Company owned for sustainable future growth.

For products in the HARNN and Vuudh groups, the Company aims to develop new products and services by offering products that have a unique identity. This also includes launching new collections at least 2 times per year and creating product

differences and positioning without emphasizing price competition but focus on highlighting the strength of being a new product that has a story of design or presentation (Story Telling) and has a luxury that creates a connection between the product and target customers. The New Product Development department, together with OEMs, develops new products according to the laid-out concept. This usually takes time from planning, product development, product testing, preparation for marketing to the first release of approximately 6 -12 months, depending on the product type.

For brands that the Company is a representative for selling products including Pandora, Marimekko, Cath Kidston, GANNI and UNITED ARROWS, the Company has no research and development expense.

### 1.2.2.2 Marketing policies of the major products or services during the preceding year

#### 1. Distribution Channel

At present, the Company distributes products and provides services through (1) Concept Store and Shop in Shop branches, (2) online distribution channels, and (3) Other distribution channels with the details as follows:

##### 1.1 Branch Store

Stores are the main distribution channel of the Company, selling through various types of branches, such as Concept Store branches, Shop in Shop branches, and Franchise branches. The nature of sales for Concept Store branches is outright sales, and Shop-in-shop branches is on consignment through department stores. Most of the sales revenue comes from Concept Store format branches. Most of the Company's branches are located in shopping center, community areas and leading hotels in Thailand and abroad which the Company believed that it would help promote to access target customer groups, increase the number of customers and lead to the growth of income and profits of the Company.

Therefore, the Company places importance on selecting branch locations in order to expand the customer base coverage. The Company has a business development team that is responsible for selecting space for new stores that meet the set criteria by considering important factors such as the average income per household, population density, target customer group, proximity to community areas, volume of customer traffic (Foot Traffic) and overall competition conditions, etc. Details of the number of branches of the Company as of 31 December 2024 are as follows:

- Pandora : Domestic 50 branches
- Marimekko : Domestic 16<sup>(1)</sup> branches, Overseas 2 branches
- Cath Kidston : Domestic 33<sup>(2)</sup> branches, Overseas 6 branches
- GANNI : Domestic 2 branches
- UNITED ARROWS : Domestic 1 branch
- HARNN (including spa) : Domestic 23 branches
- Gordon Ramsay group : Domestic 3 branches

Remark <sup>(1)</sup> 14 branches selling Marimekko products and 2 Pop-Up cafe / kafe branches  
<sup>(2)</sup> 33 branches selling Cath Kidston products and 2 Cath Kidston Tearoom branches

##### 1.2 Online Distribution Channel

The Company saw a change in the purchasing behavior of customers who were more likely to purchase products through online channels due to convenience and time saving. Even though the severe COVID-19 epidemic had passed, online ordering behavior had not decreased. Currently, the Company sells products of each brand through various online channels both online trading platforms (Marketplace) domestically and abroad, including Shopee, Lazada, Central Online, [JD.Com](https://www.jd.com), T-MALL, Douyin and Amazon, as well as social media trading platforms (Social Commerce), including Line Official, Facebook and Instagram. Customers can choose to buy products 24 hours a day, just like buying products through the Company's branches and can choose to pay in many forms, including money transfers, via credit or debit card, Lazada/Shopee Wallet, Alipay, etc. The Company provides product delivery services to the homes of customers who purchase products through the Company's online channels with coverage throughout Thailand, by professional and fast external service provider, which customers can check the delivery status until they receive the product.

##### 1.3 Other Distribution Channel

In addition to distributing products through a network of branches and online channels, the Company sells through distributors abroad, selling to corporate customers (B2B) and various events occasionally held for the sale of discounted products (Further Marked Down Stocks) and the sale of spa vouchers.

#### 2. Target Customer Group

The target customers of the Company are divided into 3 main groups as follows:

- (1) Retail Customer Group: Y-W-N or Youth-Women- Netizens group, Thais and foreigners who are the new generation both women and teenagers, and working age groups with middle to high incomes, with a passion for fashion lifestyle products, pay attention to quality and do not worry about the price and actively seek information through the internet and social media.
- (2) Business Customer Group: Business customer group both domestically and abroad, such as leading hotels and product distributors who purchase products to resell domestically and abroad.
- (3) Food and Beverage Customer group: Customer group with middle to high income, like to eat quality food and beverage experiences that enhance a good image, do not worry about the price, and love to have great dining experience.

### 3. Sales and Marketing

The Company regularly conducts sales promotions and marketing activities to increase market share among new customers by increasing brand awareness, maintaining the existing customer base by building brand loyalty, and increasing the rate of customers coming to use the service. The Company has studied behavioral data of target customers to determine activities, marketing formats and media. This includes stressing the importance of product Visual Merchandising within the store to support the Story Telling of new products so that they are connected to the Marketing Calendar and various promotional activities at each time of the year to reflect each situation and to stimulate sales. Sales promotion activities of the Company are as follows:

- (1) **Purchase Direct Discounts** to promote sales according to various festivals, including Valentine's Day, Halloween, Black Friday, Chinese New Year, and Mother's Day, etc., or giving discounts for newly released collections by specifying a minimum purchase amount. In addition, the Company cooperates with various E-Marketplaces platforms to provide discounts for purchasing products through online channels, such as discounts when purchasing a specified minimum amount, shipping discounts and Double Date discounts (3.3, 9.9, 11.11), etc. Also, the Company cooperated with shopping centers, department stores or various credit cards to provide discounts to customers according to specified conditions.
- (2) **Gift with Purchase or GWP**; The Company would give free gifts to customers who purchase products according to the conditions set, such as jewelry boxes for the Pandora brand, wallets for the Cath Kidston brand and glass gift sets for the Marimekko brand, etc.
- (3) **Next Purchase Discount**; The Company would specify conditions for product purchase in order to receive the right to purchase the next product at a discount price.

Moreover, the Company places importance on selecting communication channels between the Company and target customer groups to achieve maximum efficiency. Therefore, the Company has chosen communication channels to cover customer groups both online and offline, along with presenting content that is appropriate and worth the most investment in each channel. The marketing communication channels of the Company are as follows:

- (1) **Online Media (Online Channel)**: includes advertising and public relations through social media such as Instagram and Facebook, including product reviews using KOLs (Key Opinion Leaders) including Youtubers and Influencers. These online media could present product information that matches the target audience and various promotions. With the advancement of technology and the behavior of consumers who increasingly follow news through online channels, the Company can reach target customers quickly and spread widely. Furthermore, customers can also follow news about product releases or new collections through each brand's Official Website, Facebook Page and Instagram.
- (2) **Offline Channel**: includes billboards outside buildings (Out of Home Media), billboards in shopping centers (In Mall Media) or organizing various public relations activities when a new branch is opened, or a new collection is released (In Store Activity) to encourage people to come and buy products in the store and enhance brand awareness.

### 4. After-Sales Service

The Company places importance on providing after-sales service, which is in line with the strategy of the Company that emphasizes providing excellent service and creating maximum customer satisfaction. The important after-sales services of the Company include:

- Providing cleaning and polishing services for jewelry products in every branch free of charge for the life of the product.
- Providing repair services for jewelry products by expert technicians at reasonable prices.
- Accepting exchanges and returns within 30 days in the event that the product is not damaged.

### 5. Pricing Policy

The Company has a policy to set product prices on a cost-plus margin basis, considering the price to be appropriate for the target customer group and consistent with the brand's positioning in the market.

## The industry competition during the preceding year

### Lifestyle Business

#### Marketing and Competition

After COVID-19, consumers have changed their behaviors and values. They have become more self-reliant and future-focused, which affects their choices in products and services that meet these new needs. In 2024, the lifestyle business in Thailand has continued to grow, with expansion and diversification in the market. However, the entry of e-commerce platforms from China has impacted consumers, leading to changes in spending patterns. Additionally, the purchasing power in rural areas is growing at a slower rate compared to tourism cities. Nonetheless, the government has started to spend on economic stimulus and tourism recovery, as well as implementing debt relief measures in the financial sector to support the cost of living for the people in the country.

#### Outlook for 2025

The lifestyle business will continue to face challenges from various factors. Business operators are still under pressure from the slow economic growth, although some support may come from government measures to stimulate spending. However, due to the high cost of living and household debt, consumer spending remains cautious or is gradually recovering. As the lifestyle business must adapt to consumer trends, it is crucial to focus on making products or services cost-effective, offering value for money, and being flexible to adapt to changing trends.

### Fashion Business

#### Marketing and Competition

In 2024, the fashion market in Thailand continues to grow with high competition from both local and international brands entering the Thai market. The competition focuses on differentiating products through design, customer service, and creating memorable experiences for consumers. Brands must adapt and innovate to capture consumer attention in an era where technology and social media play significant roles in purchasing decisions.

#### Outlook for 2025

The fashion industry in 2025 is expected to continue facing slow growth, with revenue growth expected to remain low. Although luxury goods were the primary drivers of value in recent years, a BoF-McKinsey survey indicates that most industry leaders remain concerned about the future of the industry, with only 20% expecting consumer confidence to improve. Meanwhile, 39% predict that market conditions will decline. Geographical factors influencing revenue and economic profit are changing significantly. The fashion industry is expected to benefit from positive factors in regions like Europe, the U.S., and emerging Asian markets. Although China remains a key market, brands will need to adjust strategies to address economic uncertainties in China, while focusing on other Asian markets like Japan, Korea, and India.

*source : Thailand Textile Institute*

### Spa Business

#### Marketing and Competition

Since the COVID-19 situation, the spa business in Thailand has continued to grow and has become an important part of the country's economy. People have increasingly become more focused on health and wellness. While discretionary spending in other areas may have reduced, people are willing to spend more on self-care and sustainable health. This trend has attracted investors who aim to expand their presence in the spa market. As of October 2024, there are 17,897 health massage establishments in Thailand, with 16,609 health massage shops, 1,092 spas, and 196 beauty massage centers.

To capitalize on the growth of the spa industry, HARNN Wellness and Hospitality sees an opportunity to enhance operations and manage spa businesses both domestically and internationally. As a key player in Thailand's health, beauty, and premium spa services sector, HARNN has established a strong international reputation, positioning itself to capture revenue and growth potential in this expanding market.

#### Outlook for 2025

Thailand's reputation in the health, beauty, and wellness industry, combined with affordable services compared to international standards, continues to attract international tourists. The return of international tourists will drive growth in the spa services and products market. HARNN Wellness and Hospitality plans to expand its business operations by transitioning from its existing franchise branches to opening new locations in emerging business districts such as Silom, Surawong, Phaya Thai, and Charoen Krung, with a focus on hotel spas. This will help control costs, maintain operational standards, and promote

sustainable career growth for staff while enhancing business efficiency.

### **Food and Beverage Business**

#### Marketing and Competition

The food service industry in Thailand is highly competitive, with new entrants continuously joining the market. This has led to increased competition among restaurant businesses, resulting in some closures. As a result, operators need efficient management and a deep understanding of changing consumer behaviors to retain and expand their customer base and continue building brand value. According to Kasikorn Research Center, the total market value of restaurants and beverage businesses is expected to reach 657 billion THB in 2025, growing by 4.6% from 2024, driven by the growth in domestic tourism, regional expansions, and increasing consumer demand for new food and beverage experiences.

#### Outlook for 2025

In 2025, the Thai economy is expected to grow at a rate of 3.0% annually (with a forecast range of 2.5%-3.5%), supported by four main factors: private consumption, exports, tourism, and both public and private investments. Private consumption is expected to grow at 3.3% annually (with a forecast range of 2.8%-3.8%), boosted by government stimulus measures and rising agricultural incomes. Exports are expected to grow by 4.4% annually (with a forecast range of 3.9%-4.9%), in line with the recovery of global markets and trading partners. The tourism sector is expected to continue expanding, with foreign tourists projected to reach 38.5 million, which will support revenue from tourism and promote service and related production sectors.

However, key factors that may affect the Thai economy, and consequently the food and beverage industry, include the U.S. economic policy and its impact on global markets, rising imports from countries affected by U.S. policies, the confidence of international tourists, geopolitical tensions, and household debt issues, which could affect purchasing power and consumer spending in the near future.

### **1.2.2.3 Procurement of products or services**

#### **(1) Product Distribution Business Under Pandora, Marimekko, Cath Kidston, GANNI and UNITED ARROWS**

##### **Planning and Ordering Products**

Merchandise department prepares an annual product purchase plan by using information from the Master Distribution Agreement agreed with the brand owner and the Sales Target prepared by the Sales Department (Retail Operation) to analyze and prepares a product purchasing budget for the entire year (OTB Budget) and submits it to the CEO for approval. Generally, Pandora brand products are ordered 2 times a month, with delivery time approximately 2 weeks because the brand owner's production base is in Thailand. Marimekko, Cath Kidston and GANNI brand products are ordered quarterly due to orders from overseas. The transportation time is approximately 4-6 months. When the order period is due, the Merchandise department confirms the order amount with the brand owner, prepares purchase orders (PO) and prepares product distribution plans as well as preparing to distribute products to various branches from the warehouse of the Company when the product arrives in Thailand.

For the procurement of the Cath Kidston brand in Vietnam, TRGV will prepare an annual budget plan including procurement plans for TRC to approve. When ordering products, TRC will approve the order. Then TRGV will confirm the order amount with the brand owner, prepare a PO, and plan to prepare for receiving the products.

##### **Receiving and Distributing Products**

When the product arrives at the warehouse, the Warehouse department checks the product condition and actual quantity of products against the purchase order and delivery note/tax invoice. In the case that the product does not conform to the delivery note, a table summarizing the lack/excess will be made and notify the Merchandise department to further coordinate with the brand owner. After receiving the products, the Warehouse department will separate the products into 2 groups: 1) products to be sent to the branch and 2) products stored in the warehouse. Most of the Pandora, Marimekko and GANNI brand products are distributed to various branches except for the products stored for sale through online channels. Cath Kidston brand products are stored in warehouses waiting to be sent out to branches according to sales cycle and stored for sale through online channels. Each type of Cath Kidston product has a different production base and needs to be imported from many countries. Transportation of products to various stores of the Company is done by the transportation vehicles of the Company for the urban zone and by outsourced transport vehicles for transportation to zones outside the city and other provinces.

For the Cath Kidston brand in Vietnam and the Marimekko brand in Singapore, when the products arrive, the warehouse department will check the product condition and actual quantity of products against the purchase order and delivery note/tax invoice. If it is found that the product does not match the delivery note, a table summarizing the lack/excess will be made and notify the Merchandise department to further coordinate with the brand owner. After receiving the products, they will be distributed to branches and warehouses.

### **Product Management and Inventory Count**

The Merchandise department will analyze product sales and inventory levels in order to plan the ordering of regular turnover products in the stores (Replenishment Order). This is to prevent the product level in the store from being lower than the minimum inventory level (Safety Stock) or not having products in the store, which will result in losing the opportunity to sell products. For products released as Collection or Seasonal, generally there will be no replenishment of products because the brand owner has a policy of producing in cycles based on orders collected from distributors in many countries.

The Company has a policy to track the movement of products, both products that circulate quickly and slow moving products to determine suitable action plans, such as transferring products between branches with good sales and branches with slow sales or between regular branches and Outlet branches and organizing various promotional activities. The Company has a policy for Physical Cycle Count for all products at branches. The Retail Audit department will inspect products at every branch at least 3 times per year, at the head office and warehouse at least 1 time per year and have surprise checks at least 2 times per year for branches that are located in Bangkok and surrounding areas. In addition, every year the auditor participates in observing the inventory count in the warehouse and branches of the Company. If the results differ from the counting, an analysis will be done to find the cause to determine future solutions and adjust the inventory balance in the accounting system. For the Cath Kidston brand in Vietnam and for the Marimekko brand in Singapore, there are inventory counts at branches and warehouses every quarter, and every year the auditor will participate in observing the count of inventories in warehouses and branches.

## **(2) Product Distribution Business Under HARNN Group of Brands**

### **Product Development and Manufacturing**

The New Product Development department together with the Strategic Marketing department met together to prepare the Go To Market (GTM) Year Plan, which specifies the details of new product launches. Then, the Product Marketing department will plan the product concept, scent and packaging design of the new product. After that, the New Product Development department will select OEMs who passed the qualification examination (Approved Vendor List) or registered as vendors first for new product manufacturers, to develop products together according to the laid-out concept, produce and test product samples, produce product packaging so that the products can be finished in time with the marketing plan and product placement in store (Visual Merchandising) that was set in advance and actually start selling according to the marketing calendar. Normally, the total time from planning, product development, product testing, preparation for marketing until product launch takes approximately 6 -12 months, depending on the product type.

The Supply Chain (Supply Planning) department will plan orders for HARNN brand products into 3 categories: 1) products for Corporate and Hospitality (B2B) customers, 2) products for sale to customers in store (Retail), and 3) products for sale via online T-Mall, JD and Douyin in China.

For purchasing of HARNN brand in Japan, Vietnam and in Singapore, HJ, TRGV and TRGS will prepare an annual budget plan including a procurement plan for TRC to approve. Orders from HJ, TRGV and TRGS will be purchased from HG in Thailand. When the product is ordered, TRC will approve the order. After that, HJ, TRGV and TRGS will confirm the order amount with HG and prepare PO and plan for receiving products.

### **Receiving and Distributing Products**

When the products arrive at the warehouse, the Warehouse department inspects the product condition, product packaging and the actual quantity of products with the purchase order and delivery note/tax invoice. If the product does not conform to the delivery note, a table summarizing the lack/excess will be made and notify the Purchasing department in order to further coordinate with the OEM. After receiving the products, the Warehouse department will separate the products into 2 groups: 1) products to be sent to branches according to the Merchandise department's distribution plan and 2) products stored in the warehouse.

For the HARNN brand in Japan, Vietnam and in Singapore, when the products arrive, the warehouse department will check the condition of the products and the actual quantity of the products against the purchase order and delivery note/tax invoice. If the product does not conform to the delivery note, a table summarizing the lack/excess will be made and notify the Merchandise department to further coordinate with the brand owner. After receiving the products, the products will be distributed to branches and warehouses.

### **Product Management and Inventory Count**

The Supply Chain (Supply Planning) department will analyze product sales and inventory levels in order to plan the purchase of products for sale at the retail stores. The duration of the quantity of products for sale is set to not exceed 5 months. The Supply Chain (Supply Planning) department will calculate the items and quantities of products to be ordered every 2 weeks. The Purchasing department will check the minimum order quantity set by the seller before ordering.

In addition, the Company has a policy to track the movement of products and checking the expiration date of the products to determine suitable action plans, such as transferring products between branches that sell well and branches that sell slowly, and organizing various promotional activities. The Company has a policy for Physical Cycle Count for all products at branches. The Retail Audit department will inspect products at every branch at least 3 times per year, and have surprise checks at least 2 times per year for branches that are located in Bangkok and surrounding areas. In addition, every year the auditor will participate in observing the inventory count in the warehouses and branches of the Company. If a result differs from the count, an analysis will be done to find the cause in order to determine future solutions and adjust the inventory balance in the accounting system. For the HARNN brand in Japan, Vietnam and in Singapore, there are inventory count at branches and warehouses 2 times a year and every year the auditor will participate in observing the count of inventories in warehouses and branches.

### (3) Spa Service Business

The spa business operation of the Company is divided into 2 types: 1) spa shops managed by the Company and 2) spa franchise shops. For spa shops managed by the Company, the spa shop staff will prepare a list of product names and quantities to be withdrawn through the Retail Operations department and send to the Warehouse department. After the product is delivered, the spa shop staff will count the products together with the Warehouse department when receiving the products. Every time after providing spa services, the spa shop staff will record the items that customers used by keying in the package code into the POS system.

For franchised spa shops, the Company will provide support to franchisees starting from coordinating the design and decoration of the spa area with the main designer of the franchisee, employee training, uniform design for employees used in spas, ordering products from manufacturers and marketing expenses are borne by the franchisee. The Company sends a Master Trainer to train franchisees at least 3 weeks before opening a store, as well as having an Audit Quality inspection once a quarter. The inspection topics cover everything from welcoming customers when they arrive at the store, providing treatment services and saying goodbye to customers after providing service, etc.

## 1.2.2.4 Assets used in business undertaking

### Core permanent assets

As of 31 December 2024, the Company had main assets used in business operations, which had book value after deduction of depreciation and various impairment reserves as shown in the consolidated financial statements of the Company, equivalent to 684.16 million Baht, with the following details:

#### The appraisal price of core permanent assets

List of assets	Book value / Appraised value	Ownership	Obligations	Additional details
Leasehold Improvements and Equipment	234.29	Owned and under lease agreement	No obligation	-
Right-of-use Assets	449.87	Leasehold rights	No obligation	-

### Core intangible assets

As of December 31, 2024, the Group has intangible assets consisting of trademarks and computer software, with details as follows:

#### The appraisal price of core intangible assets

List of assets	Types	Book value / Appraised value	Additional details
Trade name (million baht)	Trademark	168.18	Right of use trademarks



List of assets	Types	Book value / Appraised value	Additional details
Computer software (million baht)	Software	32.52	Software used for business operations

## Investment policy in the subsidiaries and associated companies

Investment policy in the subsidiaries and associated companies : Yes

The Company has a policy to invest in businesses that align with its objectives, vision, and strategic growth plan, enhancing growth and competitiveness for the company, its subsidiaries, and/or its affiliates (the "Group"). In considering investments, the Company conducts feasibility analyses and assesses potential and risk factors associated with the investment through an appropriate investment analysis process. Such investments must receive approval and/or authorization from the Executive Committee, the Board of Directors, and/or the shareholders' meeting of the company, as applicable. Additionally, all investment approvals must comply with the relevant notifications of the Capital Market Supervisory Board, the Securities and Exchange Commission, and the Stock Exchange of Thailand ("SET")

### 1.2.2.5 Under-construction projects

Under-construction projects : No

## Details of under-construction projects

Total projects : N/A

Values of total ongoing projects : N/A

Realized value : N/A

Unrealized value of remaining projects : N/A

Additional details : -

## 1.3 Shareholding structure

### 1.3.1 Shareholding structure of the group of companies

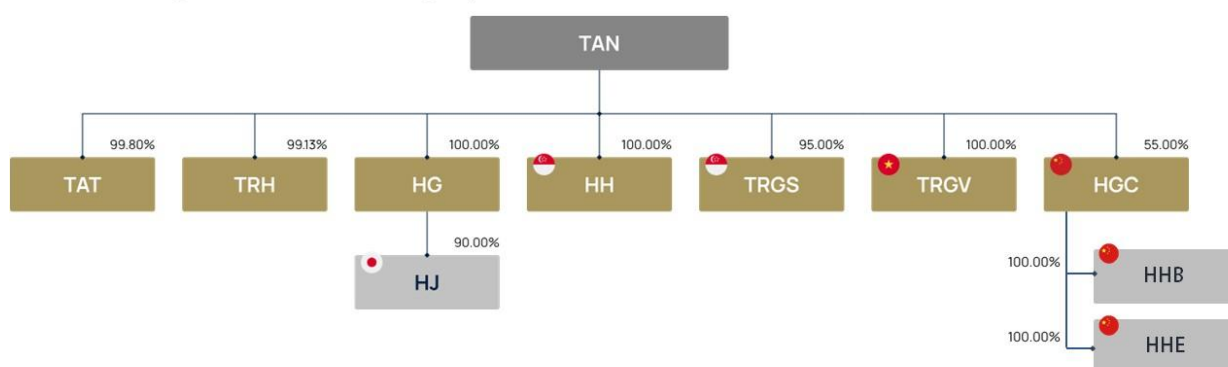
#### Policy on operational organization within the group of companies

The Company and its subsidiaries operate within a clear and systematic structure to enhance efficiency in resource management and promote sustainable growth. Therefore, policies and guidelines have been established to delineate the operations of each company within the group, ensuring alignment with their respective goals, roles, and responsibilities. The Company is responsible for setting policies, strategies, and overseeing the operations of its subsidiaries. The subsidiaries, in turn, comply with the Company's guidelines and operate within their assigned scope.

#### Shareholding diagram of the group of companies

#### Shareholding diagram

##### Shareholding structure of the Company



TAN : Tanachira Retail Corporation PLC.

HH : Harnn Heritage Pte., Ltd.

TAT : Tatler Co., Ltd

TRGS : Tanachira SEA Pte. Ltd.

TRH : Tanachira Home Co., Ltd.

TRGV : Tanachira Vietnam Co., Ltd.

HG : Harnn Global Co., Ltd.

HGC : Harnn Greater China Co., Ltd.

HJ : Harnn Japan Co., Ltd.

HHB : Harnn (Hangzhou) Beauty Technology Co., Ltd.

HHE : Harnn (Hangzhou) Ecommerce Co., Ltd.

#### Subsidiaries

Company name	Juristic person who holds shares of the company	Shareholding proportion (%)	Voting right proportion (%)
Tanachira Home Co., Ltd.	Tanachira Retail Corporation Public Company Limited	99.13%	99.13%
Tatler Co., Ltd.	Tanachira Retail Corporation Public Company Limited	99.80%	99.80%
Harnn Global Co., Ltd.	Tanachira Retail Corporation Public Company Limited	100.00%	100.00%
Harnn Heritage Pte., Ltd.	Tanachira Retail Corporation Public Company Limited	100.00%	100.00%
Tanachira Vietnam Co., Ltd.	Tanachira Retail Corporation Public Company Limited	100.00%	100.00%

Company name	Juristic person who holds shares of the company	Shareholding proportion (%)	Voting right proportion (%)
Harnn Japan Co., Ltd.	Tanachira Retail Corporation Public Company Limited	90.00%	90.00%
Tanachira SEA Pte. Ltd.	Tanachira Retail Corporation Public Company Limited	95.00%	95.00%
Harnn Greater China Co., Ltd.	Tanachira Retail Corporation Public Company Limited	55.00%	55.00%
Harnn (Hangzhou) Beauty Technology Company Limited	Tanachira Retail Corporation Public Company Limited	55.00%	55.00%
Harnn (Hangzhou) Ecommerce Company Limited	Tanachira Retail Corporation Public Company Limited	55.00%	55.00%

#### Company that holds 10% or more of the total shares sold

Name and the location of the head office	Type of business	Type of shares	The number of shares	The number of shares sold
Tanachira Home Co., Ltd. 999/9 The Office at Central World, Room OFMH2807 and OFMH 2812, Floor 28, Rama I Road, Patumwan Sub-district, Patumwan Bangkok 10330 Telephone : 02-264-5081 Facsimile number : -	Import and distribute products under the Marimekko  brand in Thailand.	Common shares	158,600	160,000
Tatler Co., Ltd. 999/9 The Office at Central World, Room OFMH2807 and OFMH 2812, Floor 28, Rama I Road, Patumwan Sub-district, Patumwan District Bangkok 10330 Telephone : 0-2264-5081 Facsimile number : -	Import and distribute products under the Cath Kidston in Thailand.	Common shares	299,400	300,000
Harnn Global Co., Ltd. 999/9 The Office at Central World, Room OFMH2807 and OFMH 2812, Floor 28, Rama I Road, Patumwan Sub-district, Patumwan District Bangkok 10330 Telephone : 0-2264-5081 Facsimile number : -	Produce and sell products and provide spa services under the HARNN group of brands in domestic and international.	Common shares	499,998	500,000
Harnn Heritage Pte., Ltd. 80 Marine Parade Road, #16-09 Parkway Parade, Singapore Telephone : - Facsimile number : -	Trademark licensor to HG	Common shares	10	10

Name and the location of the head office	Type of business	Type of shares	The number of shares	The number of shares sold
Tanachira Vietnam Co., Ltd. L18-11-13, 18th floor, Vincom Center Tower, 72 Le Thanh Ton, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam. Telephone : - Facsimile number : -	Import and distribute Cath Kidston and HARNN products in Vietnam.	Common shares	0	0
Harnn Japan Co., Ltd. Shinjuku 6-7-22, Shinjuku-ku, Tokyo, Japan Telephone : - Facsimile number : -	Produce and distribute products under the HARNN group of brands in Japan	Common shares	900	1,000
Tanachira SEA Pte. Ltd. 80 Marine Parade Road, #16-09 Parkway Parade, Singapore Telephone : - Facsimile number : -	Distributing Marimekko and HARNN brand products in Singapore	Common shares	380,000	400,000
Harnn Greater China Co., Ltd. Suites 3701-3710, 37/F, Jardine House, 1 Connaught Place, Central, Hong Kong. Telephone : - Facsimile number : -	Investment and holding shares in operating companies	Common shares	55,000	100,000
Harnn (Hangzhou) Beauty Technology Company Limited Hangzhou, China Telephone : - Facsimile number : -	Wholesaling of body care, skin care and home ambience products	Common shares	0	0
Harnn (Hangzhou) Ecommerce Company Limited Hangzhou, China Telephone : - Facsimile number : -	Online distribution of body care, skin care and home ambience products	Common shares	0	0

### 1.3.2 Shareholding by a person with a potential conflict of interest holding exceeding 10 percent of the voting shares in a subsidiary or associated company

Does the company have a person with potential : No  
conflicts of interest holding shares in a subsidiary or  
associated company?

### 1.3.3 Relationship with major shareholders' business

Does the company have a relationship with a business : No  
group of a major shareholder?

### 1.3.4 Shareholders

#### List of major shareholders

Group/List of major shareholders	Number of shares (shares)	% of shares
1. MR. TANAPONG CHIRAPANIDCHAKUL	222,971,700	74.32
2. กองทุนเปิด เค Mid Small Cap ทุนทุนเพื่อการเลี้ยงชีพ	6,047,300	2.02
3. บริษัท Thai NVDR Company Limited	3,831,336	1.28
4. MR. KACHEN BENJAKUL	2,966,400	0.99
5. กองทุนเปิด ทีเอสโก้ Mid/Small Cap อีควิตี้	2,143,900	0.71
6. TISCO MASTER POOLED REGISTERED PROVIDENT FUND	2,028,800	0.68
7. MR. SATAPORN NGAMRUENGPHONG	1,719,400	0.57
8. กองทุนเปิด เค Mid Small Cap ทุนระยะยาว	1,631,900	0.54
9. MISS PATCHAREE SURALERTRANGSON	1,600,000	0.53
10. MISS TAPANEE TREEMUTTHAPHONG	1,555,100	0.52
11. MISS SUPASSORN JAOVISIDHA	1,552,500	0.52

### Major shareholders' agreement

Does the company have major shareholders' : No  
agreements?

## 1.4 Amounts of registered capital and paid-up capital

### 1.4.1 Registered capital and paid-up capital

#### Registered capital and paid-up capital

Registered capital (Million Baht)	:	300,000,000.00
Paid-up capital (Million Baht)	:	300,000,000.00
Common shares (number of shares)	:	300,000,000
Value of common shares (per share) (baht)	:	1.00
Preferred shares (number of shares)	:	0
Value of preferred share (per share)	:	0.00

#### Has the company listed in other stock exchange?

Has the company listed in other stock exchange? : No

### 1.4.2 Other types of share whose rights or terms differ from those of ordinary share

Other types of share whose rights or terms differ from those of : No  
ordinary share

### 1.4.3 Shareholding by Thai NVDR Company Limited (NVDR)

Are shares held by Thai NVDR Company Limited (NVDR)? : Yes

Number of shares (Share) : 3,831,336

Calculated as a percentage (%) : 1.28

#### The impacts on the voting rights of the shareholders

The ordinary shares held by Thai NVDR will not be able to exercise voting rights in the shareholder's meeting except in the case of exercising voting rights to vote on the delisting of shares from the Stock Exchange of Thailand (Delist). Therefore, the number of shares with voting rights of the Company will decrease which will cause the voting rights of other shareholders to increase naturally. Other shareholders and investors can check the number of shares held by Thai NVDR from the website of the SET for the benefit of further voting.

## 1.5 Issuance of other securities

### 1.5.1 Convertible securities

Convertible securities : No

### 1.5.2 Debt securities

Debt securities : No

## 1.6 Dividend policy

### The dividend policy of the company

The Company has a policy of paying dividends at a rate of not less than 40% of the net profit according to the consolidated financial statements after deducting corporate income tax and allocations for various types of reserves as required by law and as determined by the Company each year. The dividend payment rate may vary from what is set, depending on the company's operational results, financial position, liquidity, the need for investment, additional investments, business expansion, reserving funds for debt repayment or working capital within the company, conditions and limitations specified in loan agreements, and other related factors in management as deemed appropriate by the company's board of directors and/or shareholders.

The mentioned dividend payment will not exceed the retained earnings as shown in the Company's separate financial statements and in accordance with relevant laws. When the Board of Directors has resolved to approve the payment of annual dividends, it must be presented to the Company's shareholder meeting to consider for approval. Except for the payment of interim dividends which the Board of Directors has the authority to approve the payment of interim dividends from time to time when there is enough profit to do so. This must be reported to the shareholder meeting at the next shareholder meeting of the company.

### The dividend policy of subsidiaries

The subsidiary will pay dividends at a rate of not less than 40% of net profits according to the separate financial statements after deducting taxes and allocation of various types of reserves as specified by law and the subsidiary company each year. The dividend payment rate may vary according to operating results, financial status, liquidity, investment needs, additional investment, business expansion, reserving funds for debt repayment or as working capital within the company, conditions and limitations as specified in the loan contract and other related factors.

The subsidiary's board of directors may consider paying the subsidiary's annual dividend. This must be approved by the shareholder meeting of the subsidiary company. Except for the payment of interim dividends, which the subsidiary's board of directors has the authority to approve the payment of dividends from time to time when it is considered that the subsidiary has sufficient profits to do so. Then the board of directors will report to the shareholder meeting of the subsidiary company at the next meeting.

### Historical dividend payment information

	2020	2021	2022	2023	2024
Net profit per share (baht : share) <sup>(1)</sup>	23.9900	-53.7400	2.0900	0.8400	0.4300
Dividend per share (baht : share)	9.5900	0.0000	3.3800	0.7000	0.3300
Ratio of stock dividend payment (existing share : stock dividend)	0.0000	0.0000	0.0000	0.0000	0.0000
Value of stock dividend per share (baht : share)	0.0000	0.0000	0.0000	0.0000	0.0000
Total dividend payment (baht : share)	0.0000	0.0000	0.0000	0.0000	0.0000
Dividend payout ratio compared to net profit (%)	39.97	0.00	161.68	83.33	76.74

Remark : <sup>(1)</sup> The Annual General Meeting of Shareholders for year 2023, on March 30, 2023 has resolved to change the par value of the Company's ordinary shares from 100.0 baht per share to 1.0 baht per share.



## 2. Risk management

### 2.1 Risk management policy and plan

#### Risk management policy and plan

The Company recognizes enterprise risk management as a key foundation for achieving its business objectives and fostering sustainable growth. Effective risk management enables the Company to make informed decisions, mitigate negative impacts, and capitalize on opportunities for increased returns. The Company has established a corporate risk management policy that provides a framework aligned with good corporate governance principles. This policy ensures that the Company's management and business operations effectively achieve their defined objectives and goals. The risk management policy is as follows:

- The Company conducts its business within acceptable risk levels to achieve its objectives and meet stakeholder expectations. Risk management is an integral part of the annual business planning process, daily operations, decision-making, and project management.
- All executives and employees of the Company are risk owners who have the responsibility to identify and assess the risks of their respective departments, as well as to define appropriate measures to manage risks.
- Risks that affect the achievement of the company's objectives must be addressed as follows:
  - Identify risks in a timely manner.
  - Assess the likelihood of risks occurring and the impact if such events occur.
  - Manage risks in accordance with the established risk management guidelines, taking into account the associated costs and benefits of such risk management.
  - Monitor to ensure that the Company's risks are properly managed.

#### Risk Governance Structure

**Board of Directors** Responsible for overseeing the Group's policies and understanding the risks that could have a serious impact on the company to ensure that appropriate actions are taken to manage those risks.

**Risk Management Committee** Responsible for considering and approving risk management policies and frameworks, monitoring risk assessments, approving risk management plans, and reporting to the Board of Directors.

**Risk Management Working Group** Responsible for monitoring risk management by risk owners and consolidating risk information from each department to report to the Risk Management Committee.

#### Risk Management Process

The Company has established a risk management process to ensure that the steps and methods of risk management are systematic and consistent throughout the organization. It has clearly defined its business strategies and objectives to be in line with risk assessment and the company's risk appetite. The Company has identified four types of risk as follows:

- 1. Strategic Risk** Risks associated with inappropriate strategic planning, business planning, and implementation. In addition, strategic risks include changes in external and internal factors that affect the formulation of strategies or operations to achieve the organization's key objectives, goals, and operational guidelines.
- 2. Operational Risk** Risks related to the execution of processes and activities within the organization, including those associated with information technology and knowledge management, which are essential for achieving operational objectives. Operational risks can impact the efficiency of work processes and the overall achievement of the organization's goals.
- 3. Financial Risk** Risks related to financial management that may arise from internal factors, such as liquidity management, credit management, and investment management, or external factors, such as fluctuations in interest rates, exchange rates, or counterparty default. These risks can impact operations and potentially cause financial damage to the organization.
- 4. Compliance Risk** Risks arising from non-compliance with relevant regulations set by authorities such as the Securities and Exchange Commission, as well as various laws governing the business operations of the Stock Exchange Group. This also includes risks associated with failing to adhere to the policies and operating procedures established by the Stock Exchange of Thailand. If this risk materializes, it could negatively impact the organization's reputation and overall image.

## 2.2 Risk factors

### 2.2.1 Risk that might affect the company's business, including environmental, social and corporate governance issues

#### Risk 1 Risk from competition

Related risk topics : Strategic Risk  
• Competition risk

##### Risk characteristics

The fashion lifestyle retail business is a highly competitive business, both from current domestic and international competitors and new ones that may exist in the future; both having a storefront and selling through online channels such as (1) Swarovski brand, which sells premium jewelry products at accessible prices (Affordable Premium Jewelry) and is a close competitor to Pandora brand, (2) Kate Spade, Marc Jacobs and Michael Kors brands, which sell premium handbags and apparel products and are close competitors to the Marimekko brand, (3) Anello, Kipling, Klose & Etcetera brands, which sell affordable premium handbags and are close competitors to Cath Kidston brand, (4) Erb, KarmaKamet, Panpuri, Thann, Yugen brands, which sell Premium Beauty & Wellness Spa Products and Spa Services and are close competitors to the HARNN brand etc. Most of the competition are in the form of presenting the uniqueness of products and services, building Brand Loyalty, expansion of business by opening new branches to increase market share and adjustment to support the changing behavior of consumers such as adding online distribution channels (E-Commerce) and organizing marketing activities to be in line with the situation including using channels to communicate with target customers through both online and offline channels. Some competitors may have financial resources, distribution channels, availability of other resources that resulted in lower competitive costs than the Company or could adapt to market needs or consumer behavior better than the Company.

Although new competitors could easily enter the business but creating brand awareness, building a strong customer base in the long term and increasing branch sales would not be that easy. The Company emphasizes on building brand awareness by stressing the communication of the concept and identity of each brand, developing a well-known brand, recognizing of brand values, connecting product brands to suit the way of life of Thai people in their daily life and building a strong customer base to build brand trust and loyalty. In the past, the Company had been very successful in introducing leading international brands in Thailand, such as Pandora, Marimekko, Cath Kidston, GANNI, as well as HARNN brand that the Company owned.

In addition, with quality products, successful marketing and efficient management, product brands owned by the Company such as HARNN has greatly increased in popularity over the past which may lead to counterfeit products that are similar in appearance including products that imitate the ideas of the Company and causing consumers to think that those products belonged to the Company. Low quality counterfeit products could cause side effects to consumers when using the product.

##### Risk-related consequences

The factors mentioned above may cause the Company lower income than expected or higher expenses in marketing, advertising, and organizing marketing activities, which might have a material adverse impact on the business, performance and financial status of the Company.

##### Risk management measures

The Company is aware of the impact on the organization in terms of product image and consumer safety from counterfeit products and damage from substandard products, hence the Company registered the trademark of the HARNN brand group.

#### Risk 2 Risk from relying on the rights to sell imported product in Thailand

Related risk topics : Strategic Risk  
• Reliance on large partners / distributors or few partners / distributors

##### Risk characteristics

Currently, the Company has entered into Distribution Agreement contracts with the owners of the overseas brands i.e. Pandora, Marimekko and Cath Kidston to be the sole distributor of such brands in Thailand, Cath Kidston in Vietnam and Marimekko in Singapore according to period of time and type of product and various conditions as specified in the contracts for using the rights of those brands. For the fiscal year ending 31st December 2022, 2023 and 2024, revenues from sales of the 3 brands were 83%, 81% and 73% of the total revenues of the Company, respectively.

Nevertheless, the Company has good relationships with the owners of those brands. In the past, the Company had coordinated and worked very well with the brand owner companies. The Company has effectively combined the strengths of its brands with its knowledge and understanding of communication and marketing for target groups in Thailand. As a result, various brands that the

Company distributed had increased customer base, better brand awareness in the Thai market, significant increase in sales and number of branches and received a contract renewal from the brand owner every time the contract was renewed. For Pandora, the Company received a contract renewal for the 5th time, Marimekko renewal for the 2nd time and Cath Kidston renewal for the 3rd time. From the mentioned success and strengths, the Company believed to continue to be trusted by various brand owners and would continue to be distributors of products in Thailand including the renewal of product distribution contracts with various brand owners in the future. In addition, to reduce such risks, the Company has a strategy for getting Distribution Agreement for additional new product brands including expansion of the business of owned HARNN brand to reduce reliance on distribution contracts with specific brand owners in case a Distribution Agreement for additional new product brands, GANNI, might not be as successful as expected.

#### **Risk-related consequences**

If the product distribution contract were canceled or the Company could not renew or enter into a new contract under similar or more favorable terms, the Company would not be able to continue selling products under that brand. Most of the product distribution contracts that the Company engaged with the brand owner also have conditions that would make the Company unable to procure competing products according to the conditions specified in the contract to distribute or sell during a certain period after contract termination. This would negatively impact on the business, performance and financial status of the Company significantly.

However, in the event that the brand owner changed ownership, shareholding structure or management, it might affect or cause the brand owner's business policy to change. Such factors are beyond the control of the Company. If such a case would occur in the future, it might affect the distributorship of the Company.

In addition, the Company is exposed to risks from operations in other countries, even though they were operated by brand owners or product distributors in other countries. If there were an operation that went wrong damaging the reputation of the brand or its products, this might impact on operations in Thailand.

If the above situation occurred, it could negatively impact on the business, performance and financial status of the Company.

#### **Risk 3 Risk from the Company's income mainly from Pandora brand**

Related risk topics : [Strategic Risk](#)

- Reliance on large partners / distributors or few partners / distributors

#### **Risk characteristics**

The Company has revenue from selling Pandora products in 2022, 2023 and 2024 in the proportion of 50 percent, 50 percent and 44 percent, respectively, making the Companies exposed to a risk of relying on income from the Pandora brand. If there were an event that affected the revenue of the Pandora brand (such as a change in the popularity of the brand or products causing sales to decline).

#### **Risk-related consequences**

The brand owner could not to deliver products, the distribution contract was canceled, or the brand owner exercised its right to acquire the business before the contract ended, etc.), those may cause a negative impact on the business, performance and financial status of the Company significantly.

In Pandora's case, the brand owner might exercise its buyout option before the contract ends. The price of such buyback varies according to the performance of the brand in Thailand. If the performance of the brand in Thailand was during a period of poor performance or at loss while the brand owner asked to exercise rights, the company would receive a smaller amount of money in return or may not receive any compensation at all in the case of a loss.

#### **Risk management measures**

The Company recognized such risks and developed a strategy for entering into product distribution contracts (Distribution Agreement) for additional new product brands, including expansion of the business of owned HARNN brand to reduce reliance on distribution contracts with specific brand owners in case a contract to distribute products (Distribution Agreement) for additional new product brands might not be as successful as expected.

#### **Risk 4 Risk from changes in consumer behavior or market trends**

Related risk topics : [Strategic Risk](#)

- Behavior or needs of customers / consumers

#### **Risk characteristics**

The Company operates the business of importing and distributing lifestyle and fashion products both in Thailand and abroad (including Vietnam through TRGV, Japan through HJ and Singapore through TRGS). The success of the business operations depends on the ability to predict, understanding consumer needs and behavior including trends in the markets in which the Company operates business. If the Company are unable to analyze changes in consumer behavior and market trends in order to expand products and services, develop communication formats, marketing, develop distribution channels and presenting products that could attract customers, the Company may be unable to maintain the same customer base and attract new customer base.

#### **Risk-related consequences**

The Company may be unable to maintain the same customer base and attract new customer base which may have a material adverse impact on the business, performance and financial status of the Company.

#### **Risk management measures**

The Company has guidelines for closely monitoring consumer behavior in purchasing lifestyle and fashion products, tracking sales of each product group in order to plan sales promotion guidelines to be in line with the current situation, using information to make decisions in further procuring products and services that meet customer needs and studying trends in popular products. In addition, the Company has plans to expand new business lines and continually introduce new product brands. Recently, the Company had expanded into the food and beverage business under Marimekko pop-up Cafe and Cath Kidston Tearoom which were decorated using products from the Marimekko and Cath Kidston brands respectively, including restaurant under Gordon Ramsay group of brands to complement the Company's portfolio of lifestyle brands.

#### **Risk 5 Risk from expanding into Food & Beverage business**

Related risk topics : Strategic Risk  
• New business risk

#### **Risk characteristics**

The Company expanded into the food and beverage business by opening Marimekko pop-up Cafe and Cath Kidston Tearoom decorated using products of Marimekko and Cath Kidston respectively. In addition, in 2023, the Company received the right to manage restaurants under Gordon Ramsay, a world-renowned chef, in Thailand for a period of 10 years, which included (1) Gordon Ramsay Hell's Kitchen, (2) Street Burger Gordon Ramsay, (3) Street Pizza Gordon Ramsay, and (4) Bread Street Kitchen & Bar and planned to open a total of 14 branches within that period. In December 2023, the Company opened Bread Street Kitchen & Bar and planned to open Street Pizza Gordon Ramsay in January 2024. The investment for opening new branches is approximately 231.0 million Baht for 14 branches (including the cost of construction and decoration of the branch and inventories; excluding rent). The Company believed that expanding into the food and beverage business would increase income and complement the lifestyle brand portfolio of the Company.

However, the food and beverage business is a highly competitive business. There is uncertainty regarding changes in consumer behavior, popularity of each type of food and there are other important risks such as fluctuations in the price level of raw materials that may be beyond the control of the Company. The Company also does not have much experience in managing a full service restaurant.

#### **Risk-related consequences**

From the above, it may cause the food and beverage business under the management of the Company to be unsuccessful, which may have a negative impact on its business, cash flow, financial position, operating results and business opportunities of the Company significantly.

#### **Risk management measures**

The Company understands the importance of growth through the food and beverage business. The Company reduces the risk of not being successful by selecting famous and world-class brands to market in Thailand, adding personnel with expertise in the restaurant business management since the end of 2022, working closely with brand owner company to ensure that restaurants could be opened with quality that meets the original standards (restaurant decoration, ingredient selection, cooking and service standards). There had also been preparation in other areas such as public relations, marketing, sourcing of raw materials and quality control in details including a project feasibility study that analyzed the financial value of the investment.

## **Risk 6 Risk from fluctuation of business operations according to festivity and seasonality**

Related risk topics : Strategic Risk

- Volatility in the industry in which the company operates

### **Risk characteristics**

The revenue of the Company may fluctuate according to festivals and seasons because some customers will buy products according to festivals and seasons. Normally, the demand for the products of the Company increases during the 4th quarter of every year, which is a time when there are a lot of purchases and a high number of tourists. Some customers may purchase products as gifts for Christmas and New Year's Day. The 1st quarter of every year will still be a time of high purchasing and tourist numbers and various festivals such as Chinese New Year, Valentine's Day and Children's Day, which customers purchase products as gifts and exchange souvenirs.

### **Risk-related consequences**

The Company has higher revenue, profits and cash flow from operations during the 4<sup>th</sup> and 1<sup>st</sup> quarters than other periods of the year.

### **Risk management measures**

The Company manages by launching promotional and marketing activities including releasing new product collections so that income does not fluctuate much each quarter. However, investors should be aware that the quarterly operating results may not reflect the full year's operating results. This is a result of the seasonal fluctuations mentioned above.

## **Risk 7 Risk from obtaining commercial space for use as branch location**

Related risk topics : Strategic Risk

- New business risk

### **Risk characteristics**

The Company focuses on expanding the branch network to cover major provinces and tourist attractions and needs to procure suitable commercial space for future branch expansion. Therefore, the Company is at risk from getting commercial space with an appropriate location to reach the customer base and/or the risk of higher-than-expected costs of acquiring or leasing commercial space.

### **Risk-related consequences**

The Company may incur higher-than-expected investment or rental expenses, experience delays in opening new branches compared to the planned schedule, or be unable to expand new branches according to the business plan.

### **Risk management measures**

The Company's Business Development Department will proceed to procure commercial space that is appropriate and consistent with the Company's annual strategy. The Company maintains good relationships with many commercial space owners including leading shopping centers and department stores in important strategic locations and covering all regions. In addition, the Company also has online product distribution channels (E-Commerce) to increase access to products for customer groups.

## **Risk 8 Climate change risks affecting the organization**

Related risk topics : Strategic Risk

- Climate change and disasters

### **Risk characteristics**

The Company recognizes the importance of climate change, which may directly and indirectly impact business operations, both strategically and operationally. The Company has conducted a risk assessment in two main dimensions: Physical Risk and Transitional Risk, to identify potential impacts and develop response strategies. These efforts aim to ensure business continuity and minimize disruptions caused by climate-related risks.

### **Risk-related consequences**

The Company has assessed climate change risks in two key dimensions: Physical Risk and Transitional Risk, in order to establish appropriate response and adaptation strategies. This aims to support sustainable business growth. The potential impacts are as follows:

#### **1. Physical Risk**

Climate change has led to more frequent and severe natural disasters, which may affect the company's infrastructure, business locations, and supply chain. Key areas of concern include:

### Impacts on Office Buildings and Retail Stores

- Heavy rainfall and urban flooding may disrupt employee and customer transportation and potentially damage inventory in stores and warehouses.
- Severe storms or thunderstorms may lead to power outages, affecting IT systems, point-of-sale (POS) systems, and customer services at branches.

### Impacts on Supply Chain and Product Transportation

- Natural disasters such as flash floods or storms in supplier areas may cause shipment delays, affecting product delivery timelines.
- Unpredictable weather conditions could increase logistics costs, such as higher transportation expenses due to rerouted deliveries or the need for weather-resilient vehicles.

## 2. Transitional Risk

Changes in regulations, markets, and consumer behavior toward greater environmental awareness directly impact the company's business operations. Key factors include:

### Changes in Consumer Behavior

- Consumers are increasingly prioritizing eco-friendly products, which means the company must consider raw materials, sourcing, and sustainable manufacturing processes when selecting product brands.
- There is a growing trend among customers favoring environmentally friendly and recyclable packaging, requiring the company to select products with sustainable packaging to meet market demand.

### Stricter Environmental Regulations

- Many countries have introduced carbon reduction policies and carbon taxes, which could increase the cost of imported goods if suppliers do not use environmentally friendly production methods.
- The implementation of new standards for eco-friendly materials may require the company to adjust its brand selection strategies accordingly.

### Technological and Innovation Changes

- Sustainability-related technologies, such as plastic alternatives or low-carbon logistics systems, may affect business competitiveness if the company is unable to adapt in time.
- The increasing adoption of digital systems in retail, such as e-commerce platforms with carbon-controlled shipping practices, may influence market positioning and operational models.

### Risk management measures

In response to the aforementioned risks, the Company has prepared the following mitigation strategies:

#### 1. Physical Risk

- Develop a Business Continuity Plan (BCP) to handle emergency situations, such as preparing backup energy sources and maintaining inventory reserves in low-risk areas.
- Diversify supply chain risks by selecting suppliers from various locations and establishing a flexible logistics network.
- Utilize advanced weather forecasting technologies to improve transportation planning and efficiency.

#### 2. Transitional Risk

- Consider selecting brands that meet sustainability standards and prioritize environmentally friendly production processes.
- Adapt logistics processes to be more environmentally friendly, such as opting for low greenhouse gas emission transportation or using clean energy in warehouses.
- Assess the potential impact of environmental regulations on the business and prepare operational guidelines to comply with new requirements.

### Risk 9 Risk from inventory management

Related risk topics : Operational Risk

- Inventory risk

### Risk characteristics

As of 31st December 2022, 2023 and 2024, the Company had net inventories equal to 455.6 million Baht, 525.4 million Baht and 745.0 million Baht, respectively and had an average sales period of 280.59 days, 356.58 days, and 382.12 days, respectively. More than 40.0 percent of inventory is Pandora products. There is no provision for obsolete products for Pandora because in the past products could be sold without lowering the price below cost. The increase in the average selling period is mainly due to an increase in product reserves to prepare for sale, which is in line with the trend of increasing sales. For the lifestyle and

fashion products, most are collections and products that change according to trends. In addition, the Company has more than 16,000 SKUs from all brands, so inventories must be managed by reducing the number of obsolete products. If the Company failed to manage inventory effectively, this may result in a large amount of inventory remaining and lost opportunities to use funds for other business activities. In addition, HARNN products are products that can be expired. If there are inventory remaining for a long time, the quality of the products may deteriorate. Therefore, the Company is exposed to risks related to deteriorated or obsolete products or lower inventory turnover rates than specified.

#### **Risk-related consequences**

The Company is exposed to risks related to deteriorated or obsolete products or lower inventory turnover rates than specified. This may have a material adverse impact on the business, performance and financial status of the Company.

#### **Risk management measures**

The Company is aware of such risks and put continuous efforts to reduce the average sales time through continuous monitoring of sales of each brand in order to plan sales promotions and marketing to drive sales of products with a high average selling time or at the end of the season, festival, or collection. The Company plans for promotions and communications for each brand every month including established a policy to reserve allowance for obsolete products separated by SKU of each product brand. According to the policy for provision for obsolete products, the Company has made sufficient reserves and as a result the carrying value is not higher than the value that may be sold (Net Realizable Value). In addition, products are displayed within the store along with the use of art in displaying products through the storefront (Visual Merchandise) in order to attract the highest possible attention from customers and enhance the purchasing experience and create repeat visits. In addition, an information technology system using the ERP system has been introduced to help connect sales data with ordering information, making inventory management more efficient. For example, analyzing past sales data to find the right amount of product purchases in the annual purchasing plan and distributing products to branch stores. Also, there are more options for customers to buy products through the online platform.

#### **Risk 10 Risk from product loss**

Related risk topics : Operational Risk  
• Corruption

#### **Risk characteristics**

Operating results of the Company depend on not only the ability to make money from selling products, but also the ability to control costs and expenses. The Company pays great attention and is extremely careful about lost goods. Because some products are in small pieces and have a high value, there is a risk of product loss, which may occur for many reasons including corruption or fraud of employees and customers. The Company has set criteria for the acceptable value of lost products for each product brand. In case the value of lost merchandise exceeds the specified criteria, the Company will consider disciplinary action or deduct the value of lost merchandise from employees.

#### **Risk-related consequences**

If the above situation occurred, it could negatively impact on the business, performance and financial status of the Company.

#### **Risk management measures**

To deal with such risks, the Company has planned and organized measures to prevent product loss within the branches and warehouses. The measures that the Company put in place include:

- Assign branch employees to count products when products are delivered from the warehouse to the branch store.
- Installation of cameras and closed-circuit television.
- Assign employees to check customer products against receipts.
- Require cashiers to scan barcodes for each product item.
- Counting products within branches and warehouses which is arranged by the Retail Audit department. There is a routine inspection 3 times per year, which is the actual count compared to the information displayed in the POS system for the branch on the date of the count, and surprise check. For overseas subsidiaries, namely HJ, it is set that products be counted at branches twice a year by employee of HJ together with warehouse service provider. For TRGV, it is set that products be counted at branches and at warehouses every quarter by employee of TRGV. In the past, there were only a small number of results that differed, which most of them were switching SKUs, products during transfer and storing products in the different location.
- Setting punishment measures for offenders, such as suspension from work or dismissal in case of an employee and impose a fine or legal proceedings in case of an employee or customer.

**Risk 11 Risk from the Company relying on rental of commercial space to operate business**

Related risk topics : Operational Risk

- Property lease agreement execution

**Risk characteristics**

At present, the Company has entered into agreements to lease office space, warehouse, and commercial space for business operations. For example, rental contracts of various branches are located in shopping centers of the Central, Siam Piwat, LH Mall and The Mall group as well as warehouse rental contracts. Most rental periods are approximately 1 - 3 years (depending on each contract).

If the rental contract was canceled, or the lease could not be renewed on terms and conditions that are similar or more beneficial than the original contract, or unable to renew the contract in the same location or desired area, or unable to renew the lease contract at all, or the shopping center changed or moved rental space, the Company would not be able to use the commercial space and warehouse to continue operating the business and/ or unable to take advantage of area improvements or construction work that had been invested as planned or there may be costs for demolishing or moving assets from the building.

**Risk-related consequences**

If the Company is unable to avoid such risks, it may have a material adverse impact on the business, performance and financial status of the Company including additional investment cost.

**Risk management measures**

However, throughout the past, the Company has had a good relationship with the management of the office space and commercial areas and never had a problem renewing the contract with the owner of the areas. This is because the Company has brands that can create value for various shopping centers. Moreover, the Company studies to find areas to expand additional branches regularly, so that the branches can be located in important strategic locations.

**Risk 12 Risk from the ability to provide quality products to satisfy the needs of various customers**

Related risk topics : Operational Risk

- Shortage or fluctuation in pricing of raw materials or productive resources

**Risk characteristics**

The Company relies on sourcing products from brand owners. For the HARNN brand, the Company hires manufacturers to produce HARNN products. If the brand owner had problems procuring products or the manufacturers for HARNN products had a problem in the production process or the shipping process was delayed, the Company may not be able to provide quality products at the appropriate price and quantity according to the situation and period that the Company required.

**Risk-related consequences**

The Company may be unable to respond to customer needs and this may have a material adverse impact on the business, performance and financial status of the Company.

**Risk management measures**

The Company plans to purchase and deliver products from manufacturers and/or distributors according to the annual operating plan. The purchasing department, sales department, and marketing department have discussions together to review and review purchasing plans regularly. The Company also regularly discusses with international brand owners about best-selling products for the Thai market or in countries where the Company carrying out business to ensure that products have quality and order quantities that meet the needs of consumers in related markets. This includes visual merchandise plans to promote products as well. In addition, the Company also recognizes the importance of maintaining good relationships with manufacturers and/or product distributors both domestically and abroad. In the past, the Company has never encountered a problem that affected its ability to sufficiently procure products to meet the needs of customers.

**Risk 13 Risk from Increasing Product Costs**

Related risk topics : Operational Risk

- Shortage or fluctuation in pricing of raw materials or productive resources

**Risk characteristics**

Product costs are the main operating costs of the Company. Changes in product costs may have a direct and significant effect on the Company's operating results. The cost of products may fluctuate and depend on factors beyond the control of the Company such as economic conditions, demand and supply of products or main raw materials, shipping cost, inflation and foreign



currency exchange rates, etc. Sometimes the Company may not be able to adjust the product selling price according to the increased costs for the entire amount or adjust the selling price immediately because the price increase depends on market conditions, competition conditions and standards of the manufacturer and/or product distributors. In addition, brand owners may increase product selling prices, which may affect the sales of that product.

#### **Risk-related consequences**

The Company may therefore have risks related to the cost of procuring products and the value of inventory, which may affect the business, performance and financial status of the Company. However, product costs for brands distributed by the Company had no significant increase. The main changes were from exchange rates and the collection of products, which normally had different product costs. For product costs of brands owned by the Company, there was no significant increase.

#### **Risk management measures**

The Company monitors exchange rates every month and arranges for a quarterly review of the calculation of product costs that may be affected by exchange rates. When calculating the selling price of the Company's products, allowance is always made for exchange rate fluctuations. As most of the products are imported, to reduce the risk from exchange rate fluctuation, the Company set a policy of exchange rate matching. The costs of imported products are converted into Thai Baht as soon as the Company is obligated to pay for the products to keep product costs constant. Moreover, the Company does plan for purchasing products from manufacturers and/or product distributors according to the annual operating plan. Thus, making it possible to purchase appropriate quantities of goods with good trading conditions.

#### **Risk 14 Risk from the Insurance Policy May Not Have Enough Coverage**

- Related risk topics : Operational Risk
- Other : Risk from the Insurance Policy May Not Have Enough Coverage

#### **Risk characteristics**

Business operations of the Company may expose to risks from the operating process including from negligence, which may cause injury, death, damage or destruction of the property. The Company has insurance related to the business operations to reduce the risk of loss and damage to the main assets used in the business operations of the Company. The insurance includes property risk insurance, legal liability insurance for third parties, business interruption insurance, all-risks insurance, etc. With such insurance, the Company believes that it is appropriate and sufficient to cover the Company's important assets, however there may still be risk from damages that the insurance policy may not cover completely.

#### **Risk-related consequences**

- (1) the insurance policy does not cover the loss and/or sustained damage in some events, which includes business interruption damages, loss of income, suspension or shutdown of utility services and damage caused by war and terrorism,
- (2) the value of the damage is greater than the insured amount,
- (3) the insurance company is unable to pay the claim as stated in the policy,
- (4) the Company may be at risk of not being able to purchase insurance policies at reasonable prices in cases where the insurance premium is high and inappropriate and
- (5) the Company cannot claim compensation from insurance companies because of failure to comply with the conditions specified in the policy.

Those risks may affect the business, performance and financial status of the Company.

#### **Risk 15 Risk from Relying on Key Executives and Talented Employees**

- Related risk topics : Operational Risk
- Reliance on employees in key positions

#### **Risk characteristics**

The success of the Company depends on knowledge, understanding and experience in the industry and business operations and continuity of work for senior executives and personnel with the Company. However, the Company is in the process of recruiting additional senior executives and personnel with knowledge, understanding and experience in the industry to support the growth and expansion of the business.

#### **Risk-related consequences**

If the Company lose important executives, or unable to attract and retain key executives with knowledge and ability to continue working with the Company, or

unable to find replacement or additional personnel within a reasonable time in the event of changes, this could have a significant negative impact on the business, performance and financial status of the Company.

#### **Risk management measures**

The Company is aware of the importance of motivating and retaining its human resources and has created a personnel development policy to promote the development of abilities and work skills appropriate to duties, responsibilities and in accordance with the career path of personnel. This includes setting compensation that is appropriate to each person's knowledge and abilities and compare with other operators. Moreover, the Company has created a succession policy and succession plan to plan the strategic workforce in order to set up a system to prepare to replace lost personnel so that the Company has sufficient personnel in line with the operating plans.

#### **Risk 16 Business Operations Of The Company are Subject to Various Types of Laws and Regulations Especially Relating to Consumers Risk**

Related risk topics : Compliance Risk  
• Change in laws and regulations

#### **Risk characteristics**

In addition to conducting normal business operations that are subject to general laws and regulations, the business of the Company is directly related to consumers and is subject to important specific laws such as the Cosmetics Act B.E. 2558 (including amendments), Healthy Establishments Act B.E. 2559 (including amendments) and Public Health Act B.E. 2535 (including amendments), etc. Furthermore, because the Company has business operations abroad, including Vietnam, Japan and Singapore, so the Company must also conduct business in accordance with the legal requirements of those countries.

#### **Risk-related consequences**

If the relevant laws are changed, those may result in more restrictions on product distribution, which may lead to an increase in costs. If the Company were unable to set or adjust product prices according to changing costs, this could have a significant negative impact on the business, performance and financial status as well as the significant impact on the reputation and business opportunities of the Company.

#### **Risk management measures**

The Company is aware of such risks. Therefore, there are guidelines to study and monitor related law change/amendment in order to take into account the decision to prevent such risks. This includes requiring that products be inspected before they are sold to customers. In the past, the Company has never encountered any problems related to laws and regulations especially laws and regulations related to consumers.

#### **Risk 17 Risk related to obtaining various required licenses for selling products or providing services**

Related risk topics : Compliance Risk  
• Change in laws and regulations

#### **Risk characteristics**

In conducting business of the Company, it is necessary for some businesses to obtain, provide or maintain various licenses for use in business operations. For example, a license to operate a business that is hazardous to health and license to operate a health business establishment which is related to HARNN's spa service business, etc. The licenses that must be obtained, provided, or maintained may change according to the type of products that the Company sells and services that will provides at any given time. Even though the Company is responsible for following up and taking action regarding various license matters on a regular basis, it cannot guarantee that it will be able to obtain or arrange for various licenses completely and correctly.

#### **Risk-related consequences**

In case that the Company is unable to obtain or maintain the necessary licenses in a complete and proper manner, it may have a significant negative impact on the business, performance and financial status of the Company.

#### **Risk management measures**

The Company is aware of such risks. Therefore, a process has been established to monitor and oversee to ensure that the Company has obtained, provided or maintained various licenses that are necessary to conduct business. The Company has already arranged for a license to operate a health business establishment and a license to establish a food distribution and food storage location.

#### **Risk 18 Risk from not being able to maintain and inappropriate use of customer information**

Related risk topics : Compliance Risk  
• Violations of laws and regulations

#### **Risk characteristics**

The Personal Data Protection Act B.E. 2562 was announced in the Royal Gazette on 27th May 2019 and was announced to be fully enforced on 1st June 2022. The Company as the controller of personal data has a duty to be followed in the process of collecting, using or disclosing personal data in accordance with the procedures and requirements within the Personal Data Protection Act. Relevant agencies under the Personal Data Protection Act will enact additional related rules to ensure full compliance with the Personal Data Protection Act. If the Company would fail to comply with legal requirements and regulations regarding personal protection, this may give rise to legal action or any other action in legal matters by government agencies or any other persons to the Company.

#### **Risk-related consequences**

If the Company would fail to comply with legal requirements and regulations regarding personal protection, this may give rise to legal action or any other action in legal matters by government agencies or any other persons to the Company. This would have a significant negative impact on both the reputation, operating performance and business opportunities of the Company significantly.

#### **Risk management measures**

The Company places great importance on the security of personal information related to customers. The Personal Data Protection Policy has been established in accordance with the procedures and requirements within the Personal Data Protection Act. Measures have been put in place to limit access to customer personal information for employees who need to receive the information and will process customer personal data according to the purposes notified to the customer who is the owner of the personal data and in accordance with the specified legal standard.

### **Risk 19 Risk from Fluctuation in Foreign Currency Exchange**

#### **Rate**

Related risk topics : Financial Risk  
• Fluctuation in exchange rates, interest rates, or the inflation rate

#### **Risk characteristics**

The Company makes payments for most of its products in foreign currencies. Pandora products require payment in Australian dollars. Marimekko and GANNI products require payment in Euros. Cath Kidston products and Gordon Ramsay related payments are in US dollars. Most of the Company's revenue is in Baht, which exposes it to the risk of exchange rate fluctuations.

#### **Risk-related consequences**

From the mention risks, exchange rate fluctuations may cause the Company's cost of sales to increase, which may affect the Company's operations.

#### **Risk management measures**

The Company has established a Risk Management Committee to screen policies and guidelines for risk management in various areas. This includes the risk of fluctuations in foreign currency exchange rates. In addition, the Company closely follows news and the direction of exchange rate movements. The Company set a policy of exchange rate matching. The costs of imported products are converted into Thai Baht as soon as the Company is obligated to pay for the products to keep product costs constant to prevent risk from exchange rate fluctuations. There is also planning to purchase products in advance to prevent risk in the event that product prices fluctuate according to exchange rates.

### **Risk 20 Financial Liquidity Risk**

Related risk topics : Financial Risk  
• Liquidity risk

#### **Risk characteristics**

As of 31st December 2023 and 2024, the Company has a current ratio of 1.60 times and 1.35 times respectively, a cash cycle of 293.14 days and 309.70 days respectively, and a debt-to-equity ratio of 4.74 times and 0.49 times respectively.

After the IPO, the Company's debt to equity ratio decreased significantly. The Company has more cash and liquidity as it used the proceeds to repay most of the loans and improved the capital structure significantly to be more appropriate and flexible. In addition, the Company also has cash inflows from operating branches as an important source of internal funds.

### Risk-related consequences

The Company receives payment for merchandise in cash and credit cards. Trade receivables mostly come from consignment sales through department stores only, which is a sales proportion of approximately 13% of the Company's sales revenue. Current liabilities of the Company mostly are short-term loans in the form of trust receipts for paying for goods. The Company regularly monitors liquidity to ensure that the company is able to repay short-term debts as agreed.

### Risk management measures

At present, the Company has financial planning and continuous performance monitoring to ensure there is enough cash flow to pay interest and repay any loan, to comply with the financial conditions specified in the loan contract, and to expand investment efficiently according to the goals set.

### Risk 21 Risk from Acquiring Investment Funds for Branch

#### Expansion

- Related risk topics : Financial Risk
- Insufficient sources of funding

### Risk characteristics

In investing to open new branches, the Company will consider using investment funds from cash flow generated by the operations of existing branches. Additionally, it may consider using investment funds from loans obtained from financial institutions, as well as capital raised from offering shares to shareholders. However, the investment required for branch construction, branch decoration, and the purchase of equipment for future expansion may differ from past investments.

### Risk-related consequences

If the Company were unable to obtain sufficient funds to expand the business, had a financial cost, or unfavorable financial conditions, this would result in future investment in branch expansion not being in accordance with the business plan.

### Risk management measures

In investing for opening a new branch, the Company will consider using the investment from cash flow from the operating results of the current branches, may consider using investments from loans from financial institutions and additional capital received from the IPO.

## 2.2.2 Risk to securities holders

Are there any risk factors affecting securities holders? : Yes

### Risk 1 Risk from being controlled by major shareholder in the shareholders' meeting

- Related risk topics : Risk to Securities Holder
- Risk of the company having a majority shareholder holding > 50% of shares

### Risk characteristics

As of 31st December 2024 Mr. Tanapong Chirapanidchakul directly and indirectly holds approximately 74.3 percent of all issued and sold shares ("major shareholder") Despite the fact that the major shareholder has no intention of taking over the business, such a person may consider exercising the rights as a major shareholder of the Company. Major shareholders would be able to control the Company and the Company's business. This includes nominating individuals for appointment as directors, determining the dividend payment period and the amount of dividends, issuing of new securities, or any other approval that requires at least three-quarters of the votes of the Company's shareholders. Major shareholder may exercise his voting rights and take actions that may conflict and be inconsistent with the best interests of other shareholders. Therefore, other shareholders may not be able to gather votes to oppose matters presented by the major shareholder.

### Risk-related consequences

Other shareholders of the company are at risk of not being able to gather votes to check and balance the matters that the major shareholder proposes to the meeting for consideration.

### Risk management measures

The Company's management structure, the scope of authority and duties are clearly defined, making the company transparent in its management and having a system that can be verified. Moreover, the Company's Board of Directors consists of a total of 9 directors, including 6 independent directors, which is more than one-third of the total number of directors. There is also an independent director as chairman of the board and 3 independent directors who serve as members of the audit committee to perform the duty of inspecting the operations of the committee, and a corporate governance committee. Furthermore, the Company has arranged a policy for

entering into related party transactions, conflict of interest prevention policy which stipulates that stakeholders will not have the right to vote in the agenda related to such item as well as good corporate governance policy to make decisions on the business activities that are for the highest benefit of the Company and shareholders of the Company.

### **2.2.3 Risk to securities holders from investing in foreign securities (applicable to only foreign companies)**

Are there any risk factors affecting securities holders : No  
from investing in foreign securities?

## 3. Business sustainability development

### 3.1 Policy and goals of sustainable management

#### Sustainability Policy

Sustainability Policy : Yes

The Company is dedicated to conducting business based on good corporate governance, with the ultimate goal of organizational sustainability. This is achieved by fostering confidence among stakeholders through transparent and efficient operations. The Board of Directors, executives, and employees are tasked with supporting, promoting, and implementing works in alignment with the sustainable development policy as follows:

##### 1. Creating Economic Value through High Product Quality and Corporate Governance Principles

The Company is committed to creating value for the business, not only focusing on profit growth but also emphasizes transparent, ethical business operations that are auditable under good governance principles. The Company also implements risk management concurrent with the delivery of high-quality products which has the production processes that concern on environmental management through products that are both high-quality and customer friendly, as well as environment and communities.

##### 2. Participation in the Corporate Social Responsibility

The Company conducts its business with integrity and is firmly committed to social responsibility, as outlined in the Corporate Social Responsibility Policy. Relevant information and details related to Corporate Social Responsibility will be disclosed in Attachment 5, “Policy and Practices for Corporate Governance – Full Version, and the Business Ethics and Code of Conduct - Prepared by the Company”.

##### 3. High-Quality Personnel

Employees are the main driving factor to the business, and the Company places a high priority on developing human resources through training, skill development, and knowledge enhancement. This is aimed at enhancing competitiveness, keeping up with changing circumstances, and maintaining a steadfast commitment to labor practices and human rights. Simultaneously, there is a commitment to fostering good relationships between the Board of Directors, executives, and employees, to promote an organization that values sharing and works towards achieving its goals.

##### 4. Environmental Stewardship and Sustainability

The Company operates its business with a consciousness and prioritizes the conservation of natural resources and efficient resources utilization. This includes product design and the selection of eco-friendly packaging materials. Additionally, the Company supports activities that promote environmental sustainability and conservation of natural resources. The Company instills a sense of awareness in their personnel regarding the appreciation use of resources, ensuring efficiency and maximizing benefits while maintaining a commitment to environmental preservation, growth, and sustainable coexistence.

Reference link for sustainability policy : <https://www.tanachira.co.th/storage/document/governance/sustainability-development-policy-th.pdf>

#### Sustainability management goals

Does the company set sustainability management goals : Yes

The Company has established sustainability strategies and goals that encompass all stakeholders while creating value for society, the environment, and the overall economy under this strategy. The Company has defined a clear sustainability framework known as 3P: PLANET (Environment) PEOPLE (Society) PROSPERITY & WEALTH (Corporate Governance);

##### 1. PLANET: Environmental Responsibility

- **Sustainable Packaging:** Expansion of the HARNN Upcycle / Recycle Packaging Program, increasing the use of recycled and biodegradable materials.

##### 2. PEOPLE: Strong and Sustainable Society

- **Employee Development:** Specialized training programs for customer service and technological skills to support future growth.
- **Social Initiatives:** Launch of TANACHIRA CARE to promote mental health and community well-being through charity

sales and events.

### 3. PROSPERITY & WEALTH: Transparent and Sustainable Governance

- **Innovative Products and Services:** Development of high-quality, consumer-focused products.
- **Transparent Business Practices:** Strong adherence to governance principles to build long-term trust with shareholders and investors.

United Nations SDGs that align with the organization's sustainability management goals	:	Goal 1 No Poverty, Goal 3 Good Health and Well-being, Goal 4 Quality Education, Goal 8 Decent Work and Economic Growth, Goal 9 Industry, Innovation and Infrastructure, Goal 10 Reduce Inequalities, Goal 12 Responsible Consumption and Production, Goal 13 Climate Action
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### Review of policy and/or goals of sustainable management over the past year

Has the company reviewed the policy and/or goals of sustainable management over the past year : Yes

Has the company changed and developed the policy and/or goals of sustainable management over the past year : Yes

The Company has reviewed its sustainability strategies and goals to ensure alignment with the operations of the Group. The Company is committed to conducting business in a way that creates economic value while upholding social and environmental responsibility. Additionally, it aims to meet stakeholder expectations appropriately and ensure measurable, tangible outcomes.

## 3.2 Management of impacts on stakeholders in the business value chain

### 3.2.1 Business value chain

Supply chain management is the core of the organization's sustainable business operations, which aim to drive the business in a sustainable manner. The Group is dedicated to conducting business while caring for society, communities, and the environment, following ethical practices and principles outlined in the Business Code of Conduct. The Group emphasizes the importance of all stakeholders, including shareholders, employees, customers, partners, communities, or society, and the environment. A committed to human rights principles and the principles of business ethics in order to build a positive image for the company. This commitment leads to the creation of balance and sustainable development in economic, social, and environment, and the benefit-sharing is appropriate and fair.

#### (1) Primary Activities

##### • **Sourcing Products from Brand Owners and/or Contract Manufacturers**

The Group prioritizes the sourcing and presentation of leading lifestyle products to offer experiences and products that resonate with the target customer groups. For brands like Pandora, Marimekko, Cath Kidston and GANNI, the Group purchases products from brand owners, fostering consistent communication and collaboration to drive business and strengthen positive relationships. Regarding the HARNN brand, the Group purchases products from contracted manufacturers within the country. The Group emphasizes the selection and procurement of high-quality and suitable contract manufacturers. Additionally, the Group is environmentally conscious, incorporating recycled PET ("rPET") in the bottles production process for HARNN brand products.

##### • **Distribution**

The Group has branch stores in shopping malls and/ or commercial centers across every region of Thailand and in other countries where the Group operates which follows the 'Sales-Staff-Stock' concept in its operations. The Group is committed to offering high-quality lifestyle products that align with customer needs. Adequate staffing is ensured to provide customer service, and inventory management is organized to meet customer demands. This is aimed at delivering a memorable and delightful shopping experience to customers. In addition, the Group also distributes products through online channels such as the websites of each company in the Group, external service provider marketplaces, and social media platforms. The distribution channels of the Group, both offline and online, aim to provide customers with a comprehensive shopping experience. Moreover, the Group has partners who act as distributors and franchisees both domestically and internationally. This approach allows the Group to reach and deliver products and/or services to customers in areas where the Group's operations may not directly cover.

##### • **Sales and Marketing Activities**

The Group recognizes the importance of promoting sales and marketing by conducting its brand and product advertising through various channels, both online and offline. This is not only to retain existing customers but also to attract new ones. The Group focuses on communicating the image and products to align with the target customer group for each brand within the Group.

#### (2) Supporting Activities

##### • **Human Resource Development**

The Group prioritizes the management and development of its human resource. The Group has established the Tanachira Training Academy ("TTA Program") to enhance the skills, capabilities, and potential of employees to align with the image and vision of the Group, also continuously improving the efficiency of employees at all levels in various aspects.

### 3.2.2 Analysis of stakeholders in the business value chain

#### **Key Material Topics of the Business**

#### **The Process of Identifying and Prioritizing Material Topics Related to Corporate Sustainability**

##### **1. Gathering Relevant Sustainability Topics for the Business**

The Company has identified and compiled material sustainability topics relevant to its operations across all dimensions — social, environmental, economic, and good corporate governance — through the following steps:

- Reviewing sustainability issues and context for the year 2024 to align with evolving circumstances and goals.
- Studying and benchmarking against industry peers, as well as considering sustainability issues based on the Stock Exchange of Thailand's sustainability assessment and recommendations from sustainability experts.
- Analyzing the company's business strategy and code of ethics to ensure alignment with the company's vision and mission.
- Engaging stakeholders from all relevant areas of the business to gather perspectives and sustainability concerns from



various groups such as employees, investors, communities, customers, and business partners.

## **2. Prioritizing Sustainability Material Topics**

The Company prioritizes sustainability topics by assessing their impact on the business, as well as their potential effects on the economy, environment, people, and human rights, through the following process:

- Conducting surveys or meetings with various stakeholder groups to understand their expectations and needs.
- Applying a Double Materiality perspective:
  - Financial Materiality: Topics that affect the company's performance and growth.
  - Environmental & Social Materiality: Topics where business operations may impact the environment and society,

considering both short-term and long-term effects.

## **3. Approval of Material Topics by Senior Management**

The Company prepares a report on identified material topics and presents it to senior management for:

- Approval of the identified material topics.
- Authorization to disclose the information in the Sustainability Development Report published on the Company's website.

## **4. Reviewing Material Sustainability Topics**

The Company conducts periodic reviews of material topics in collaboration with stakeholders, aiming to:

- Gather feedback and suggestions from stakeholder groups.
- Continuously improve the company's sustainability strategies for greater effectiveness.

The Group prioritizes both internal and external stakeholders to evaluate the importance in the business value chain and their direct and indirect impacts in order to establish guidelines that meet the expectations and encourage the engagement of stakeholders as follows:

## **Details of stakeholder analysis in the business value chain**

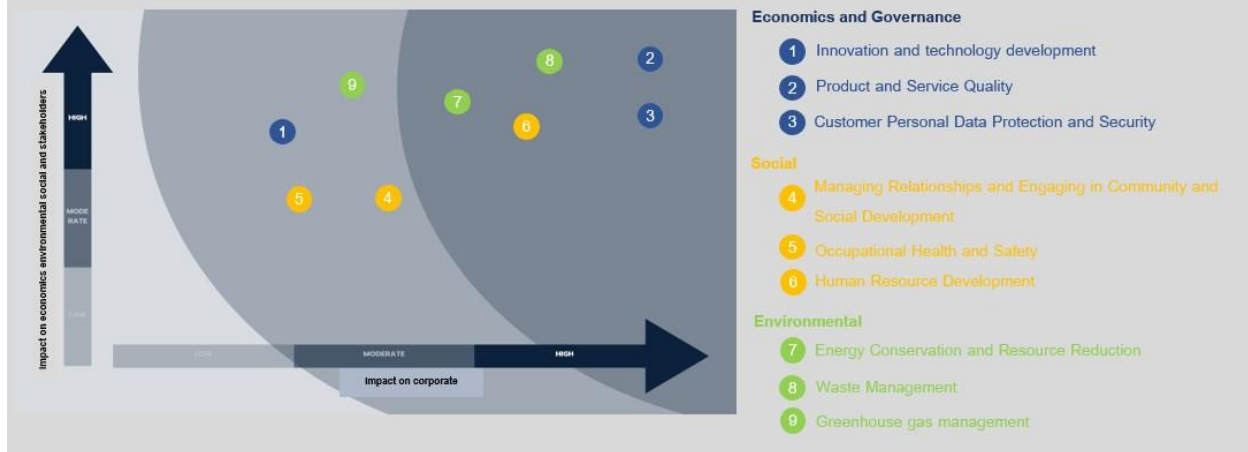
Group of stakeholders	Stakeholders' expectations	Responses to stakeholder expectations	Channels for engagement and communication
Internal stakeholders			
<ul style="list-style-type: none"> <li>• Employees</li> </ul>	<ul style="list-style-type: none"> <li>• Reasonable compensation</li> <li>• Developing learning skills</li> <li>• Benefits and welfare</li> <li>• Stability and career growth</li> <li>• Employee engagement</li> <li>• Equality treatment and Human Rights</li> </ul>	<ul style="list-style-type: none"> <li>• Providing appropriate remuneration and welfare</li> <li>• Implementing performance evaluation and potential assessment to ensure fair compensation</li> <li>• Welcoming on suggestions and comments from employees</li> <li>• Supporting on the employees skills development to enhance personal growth and create opportunities for their career path</li> <li>• Conducting satisfaction and engagement surveys</li> <li>• Protecting</li> </ul>	<ul style="list-style-type: none"> <li>• Internal Meeting</li> <li>• Complaint Reception</li> <li>• Satisfaction Survey</li> </ul>

Group of stakeholders	Stakeholders' expectations	Responses to stakeholder expectations	Channels for engagement and communication
<b>External stakeholders</b>			
<ul style="list-style-type: none"> <li>• Investors or investment institutions</li> <li>• Shareholders</li> </ul>	<ul style="list-style-type: none"> <li>- Operating business with good performance, growing, and sustainable results.</li> <li>- Consistently paying dividends.</li> <li>- Conducting business with transparency and accountability, including having good corporate governance.</li> <li>- Anti-Corruption.</li> <li>- Appropriate qualifications of the Board of Directors and executives.</li> <li>- Accurate, comprehensive, and timely disclosure of information and operational results of the Company.</li> </ul>	<ul style="list-style-type: none"> <li>- Planning the business management to grow continuously and sustainably.</li> <li>- Disclosing information accurately in accordance with the practices for information disclosure of a listed company</li> <li>- Effectively managing risks, both short-term and long term, including potential emerging risks.</li> </ul>	<ul style="list-style-type: none"> <li>• Visit</li> <li>• Online Communication</li> <li>• Annual General Meeting (AGM)</li> <li>• Complaint Reception</li> <li>• Others <ul style="list-style-type: none"> <li>• Website and e-mail.</li> </ul> </li> </ul>
<ul style="list-style-type: none"> <li>• Customers</li> </ul>	<ul style="list-style-type: none"> <li>• Producing products with high quality and meet standards, and provide good services</li> <li>• Fair price</li> <li>• Meeting the customers' needs</li> <li>• Promptly responding when customers encounter issues</li> <li>• Equitable treatment</li> </ul>	<ul style="list-style-type: none"> <li>• Distributing products with high quality and meet standards</li> <li>• Building customers confidence in products and services includes offering products warranties and providing various channels for complaints.</li> <li>• Treating customers with fairness and equality, avoiding discrimination against consumers</li> <li>• Protecting customers personal data</li> </ul>	<ul style="list-style-type: none"> <li>• Online Communication</li> <li>• Complaint Reception</li> <li>• Satisfaction Survey</li> </ul>

Group of stakeholders	Stakeholders' expectations	Responses to stakeholder expectations	Channels for engagement and communication
<ul style="list-style-type: none"> <li>Suppliers</li> <li>Business partners</li> </ul>	<ul style="list-style-type: none"> <li>Transparent and fair procurement</li> <li>Fair trade and on-time debt payments</li> <li>Supporting on collaborative trade to receive or forward high-quality products or services at fair price</li> </ul>	<ul style="list-style-type: none"> <li>Conducting business in accordance with business ethics</li> <li>Establishing procurement and/or outsourcing policies and maintaining a transparent and fair procurement process</li> <li>Adopting a payment policy that is accurate and in accordance with the specified conditions.</li> <li>Protecting the partners personal data</li> </ul>	<ul style="list-style-type: none"> <li>Complaint Reception</li> <li>Others <ul style="list-style-type: none"> <li>Website and e-mail.</li> </ul> </li> </ul>
<ul style="list-style-type: none"> <li>Community</li> <li>Society</li> <li>Others <ul style="list-style-type: none"> <li>Environmental</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Conducting the Group's business without impacts on society, community and environment</li> <li>Utilizing natural resources responsibly and recognize their value</li> </ul>	<ul style="list-style-type: none"> <li>Conducting business with responsibility, diligence, and caution, including selecting raw materials and packaging to minimize impacts on environment and prevent effects on society, communities, and</li> </ul>	<ul style="list-style-type: none"> <li>Online Communication</li> </ul>
<ul style="list-style-type: none"> <li>Creditor</li> <li>Financial institution</li> </ul>	<ul style="list-style-type: none"> <li>Debt repayment and adherence to the specified conditions</li> <li>Communicating and disclosing information consistently and transparently</li> </ul>	<ul style="list-style-type: none"> <li>Settling debts according to the agreed-upon terms</li> <li>Maintaining financial ratios within the specified limits or conditions for requesting credit from financial institutions</li> </ul>	<ul style="list-style-type: none"> <li>Complaint Reception</li> </ul>
<ul style="list-style-type: none"> <li>Government agencies and Regulators</li> </ul>	<ul style="list-style-type: none"> <li>Conducting business without violating applicable laws and regulations.</li> </ul>	<ul style="list-style-type: none"> <li>Complaining with laws, regulations, and relevant standards related to business operations, fostering good cooperation with government agencies.</li> <li>Conducting Legal risk assessment</li> </ul>	<ul style="list-style-type: none"> <li>Online Communication</li> <li>Complaint Reception</li> </ul>

### Diagram of the stakeholder analysis in the business value chain

## Materiality Assessment



## 3.3 Management of environmental sustainability

### 3.3.1 Environmental policy and guidelines

#### Environmental policy and guidelines

Environmental policy and guidelines	:	Yes
Environmental guidelines	:	Electricity Management, Water resources and water quality management, Waste Management, Greenhouse Gas and Climate Change Management, Air Quality Management

Tanachira Retail Corporation Public Company Limited ("the Company") is committed to conducting business responsibly towards the community, society, and the environment throughout the value chain of the organization. Therefore, the Company has developed an environmental policy with the objective of establishing operational frameworks to ensure that the Company conducts its business while considering the reduction of negative environmental and community impacts. The policy also supports the conservation of ecosystems, biodiversity, and mitigating the effects of climate change, with the following details:

- Comply with all applicable environmental laws, regulations, rules, and requirements related to the Company's operations strictly.
- Foster environmental awareness among all employees and provide necessary support, including human resources, budget, time, training, and employee involvement in offering feedback to implement operations while reducing negative environmental impacts.
- Promote the conservation of natural resources and ecosystems, including protecting biodiversity through the Company's operations, integrating the Mitigation Hierarchy practices, which include Avoidance, Reduction, Restoration, and Offsetting.
- Set environmental goals and plans, such as energy conservation, waste reduction, and water management, both in the short and long term, while communicating these clearly to all employees so that they understand and can implement them properly.
- Continuously strive to develop and improve operational processes to optimize the use of natural resources efficiently and effectively.
- Promote pollution reduction, including the reduction of greenhouse gas emissions, and actively participate in addressing climate change from the Company's business processes, as well as supporting policies and regulations related to climate change, both from the government and associations or agencies the Company is a member of, integrating climate change risk management into the Company's overall risk management processes.
- Support environmentally friendly projects and reduce air pollution that align with the Company's business operations throughout the value chain.
- Provide environmental conservation training and operations for relevant employees and stakeholders in the value chain to achieve the Company's environmental goals.
- Regularly review the environmental policy, action plans, environmental goals, and energy conservation efforts.

#### Review of environmental policies, guidelines, and/or goals over the past year

Review of environmental policies, guidelines, and/or goals over the past year	:	No
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### 3.3.2 Environmental operating results

#### Information on energy management

#### Energy management plan

The company's energy management plan	:	Yes
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##### Efficient Use of Resources

The Company places great importance on operating its business in an environmentally responsible manner, minimizing negative impacts across all dimensions. It fully recognizes the increasing severity of climate change, and understands that the use of natural resources in business operations contributes to this global issue. Furthermore, the Company acknowledges the

continuously rising costs of these resources, which pose a potential risk to overall business expenses.

Therefore, efficient management and utilization of resources is considered a key factor in reducing operational costs and enhancing the Company’s adaptability and resilience to environmental changes. The Company has established guidelines for resource usage as follows:

**Energy Management**

Given the nature of the Company’s service-based business, with no manufacturing involved, energy consumption primarily arises from office operations and retail branches. As such, the company has implemented measures to reduce energy usage across all stores and office locations, including:

- 1. **Replacing fluorescent lighting (36W) with LED lighting (14–18W):** LED lights consume significantly less electricity and have a longer lifespan. The company began gradually replacing existing lights across all departments at the end of 2024, with the goal of reducing electricity usage by more than 40% compared to the previous lighting system.
- 2. **Switching from desktop computers to laptops:** Laptops consume far less energy, dropping from approximately 200–250W for a desktop to only 60–70W for a laptop. The company plans to continue this transition throughout 2025.
- 3. **Raising awareness and promoting energy and water conservation:** The Company regularly educates and encourages employees in both factories and offices to use resources efficiently and with care. Communication efforts include emails, bulletin board notices, and awareness materials such as stickers placed near usage points — promoting practices like turning off lights after use, unplugging devices, and switching off all electrical equipment when not in use.

**Setting goals for managing electricity and/or oil and fuel**

The Company has set goals for energy and electricity management, with a strong commitment to utilizing energy efficiently and to its fullest potential. The primary objective is to conserve electricity by using high-efficiency tools and equipment, while also fostering awareness among employees to use electricity wisely and avoid unnecessary consumption.

As the Company continues to expand its retail operations, overall energy usage has naturally increased. In response, the company has implemented energy reduction measures for the period 2025–2027, with the target of reducing electricity expenses by no less than 2.5% per year compared to the 2024 baseline, based on a branch-by-branch comparison during the same operational period each year.

Does the company set goals for electricity and/or fuel : Yes  
management

**Details of setting goals for electricity and/or fuel management**

Target(s)	Base year(s)	Target year(s)
Reduction of electricity purchased for consumption	2024 : purchased electricity for consumption 128,171.89 Kilowatt-hour	2027 : Reduced by 2.5%

**Performance and outcomes of energy management**

Performance and outcomes of energy management : Yes

Due to the Company’s offices and retail stores are located within leased office buildings and shopping centers, actual electricity consumption data is not directly available. Therefore, the Company began collecting electricity expense data based on actual charges incurred from operating its retail stores and related office buildings during 2023–2024. This data serves to provide insights into electricity costs and will be used to establish targets for electricity reduction and to support effective energy management. Details are presented in the table below.

**Diagram of Performance and outcomes of energy management**



Note: In 2024, when comparing electricity usage costs for the same branches as in 2023, electricity expenses increased by 11%.

#### Energy management: Electricity consumption

	2022	2023	2024
Total electricity consumption within the organization (Kilowatt-Hours)	N/A	N/A	128,171.89

#### Information on water management

##### Water management plan

The Company's water management plan : Yes

"Water" is one of the world's most valuable resources and a vital input in the economic system. However, due to climate variability caused by global warming, water-related natural disasters are becoming more frequent and severe. Additionally, economic growth and industrial expansion have led to issues such as water scarcity, flooding, and water pollution.

The Company places strong emphasis on effective water management within the organization by promoting mindful and efficient water usage. Awareness campaigns are regularly conducted to instill water-conscious behaviors among employees at both corporate offices and retail branches across all brands, through the following ongoing measures:

1. In 2025, the Company plans to control water usage levels and regularly inspect potential leak points across all stores and offices. This ensures the plumbing systems remain in good condition and reduces the risk of leaks due to aging infrastructure. Maintenance will be carried out to ensure plumbing systems remain efficient and fully operational, with water-saving fixtures and certified sanitary ware being installed where appropriate.
2. Water conservation campaigns: The Company continues to promote water and energy-saving initiatives to raise awareness of efficient and responsible resource usage. Guidelines and reminders are shared via email, bulletin boards, and visual signage such as stickers placed near water usage areas, encouraging employees to turn off taps properly after use.
3. Environmental impact from food operations: The Company is committed to minimizing environmental impacts from its food and beverage businesses. Measures include monitoring water use and wastewater quality, maintaining grease traps regularly before releasing water into public sewage systems, and requiring all employees to strictly follow water-related protocols and standard operating procedures.



## Setting goals for water management

Does the company set goals for water management : No

## Performance and outcomes of water management

Performance and outcomes of water management : Yes

Due to the Company's offices and retail stores are located within leased office buildings and shopping centers, actual water consumption data is not available. Instead, the company receives water-related charges based on invoices issued by the building management. Nevertheless, the Company has begun collecting and recording water expense data from its office buildings and restaurants to gain insights into overall water costs. This information will be used to set future water expense reduction targets. However, the Company has carried out a public awareness campaign to promote water conservation in order to instill a sense of responsibility in using resources efficiently and valuing their importance. This has been done through email communications and announcement boards, as well as by producing promotional materials in the form of stickers placed at various water usage points.

## Diagram of performance and outcomes in water management

**TANACHIRA**

SAVE  
**WATER**  
SAVE  
**LIFE**

## Water management: Water withdrawal by source

	2022	2023	2024
Total water withdrawal (Cubic meters) <sup>(2)</sup>	N/A	N/A	385.73

Remark : <sup>(2)</sup> It is only the water consumption data for the Company's warehouse building, as the company's office is located in a rented space.  
The company cannot collect water usage data and pay for water based on a flat-rate charge. Additionally, the Company does not have other branches where water usage data can be recorded.

## Water management: Water consumption

	2022	2023	2024
Total water consumption (Cubic meters)	N/A	N/A	385.73

## Information on waste management

### Waste management plan

The company's waste management plan : Yes

#### Waste Management within the Organization

The Company places great importance on conducting business sustainably by focusing on reducing environmental impacts from operations in all dimensions, including systematic and efficient waste management within the organization, to create a corporate culture that recognizes the importance of the environment. The Company has established comprehensive guidelines for waste management, which are as follows:

##### Reducing the Use of Single-Use Resources

The Company begins by changing the behavior of employees in their daily lives by encouraging everyone to participate in reducing the use of single-use resources, such as plastic cups or disposable packaging. This is done by promoting employees to bring their own containers to use at the office, such as water cups, lunch boxes, or personal eating utensils. The Company also reduces the use of plastic bags by encouraging employees to use cloth bags when shopping, replacing plastic bags from stores.

##### Waste Management in the Office

The Company supports and promotes employees to bring reusable cups, lunch boxes, and utensils to the office to reduce waste from single-use plastics. Furthermore, to improve the efficiency of waste management, the Company has organized training to educate employees on how to properly separate waste through public communication media, such as posters on waste separation. The Company also supports training on waste management, both internally and externally.

Recyclable waste, such as paper and packaging boxes, is separated and sent to a certified recycling company through projects with private-sector partners. Additionally, designated recycling bins for paper and packaging boxes are provided to properly recycle or dispose of waste.

##### Reduction of Food Waste

The Company is committed to managing food waste efficiently to reduce its environmental impact and optimize resource use. The following measures have been implemented, covering food waste reduction from the source, managing excess food, and maximizing the benefit of food waste:

1. Efficient Management of Raw Materials – Control the quantity of raw material purchases to reduce waste from expiration.

Encouraging Customers to Order the Right

2. Amount of Food – Offering various menu sizes or options for customers to choose the desired portion size.

3. Utilizing Food Waste – Converting food scraps into organic fertilizer or bioenergy. The company also campaigns to reduce food waste within the organization by training employees on food waste reduction and raising awareness about effective raw material management.

### Setting goals for waste management

Does the company set goals for waste management : No

## Performance and outcomes of waste management

Performance and outcomes of waste management : No

## Information on greenhouse gas management

### Greenhouse gas management plan

The company's greenhouse gas management plan : Yes

The Company places great importance on operating its business sustainably, recognizing the impact of greenhouse gas (GHG) emissions on the environment and climate change. As a result, the Company has initiated various projects to support the reduction of GHG emissions from its activities. These efforts aim to mitigate the environmental impact of its operations and strike a balance between business growth and environmental responsibility.

#### 1. Energy Saving Projects in Office Buildings and Retail Stores

The Company focuses on improving energy efficiency in office buildings and retail stores to reduce greenhouse gas emissions from the use of fossil fuels. Key measures include:

- Installing energy-saving electrical systems, such as using LED lighting
- Promoting employee participation in energy-saving initiatives, such as turning off electrical equipment when not in use and reducing unnecessary printing
- Replacing photocopiers with energy-efficient models. Photocopiers are one of the main devices used in office settings, typically operating 8–10 hours per day. Therefore, choosing energy-efficient models helps the company save on electricity costs and contributes to lowering greenhouse gas emissions.

**Expected Outcome:** Reduced energy consumption in office buildings and retail stores, along with a decrease in carbon dioxide emissions from electricity usage within the organization.

#### 2. Use of Clean Energy from Renewable Sources

To reduce reliance on fossil fuels, the Company leases office space in buildings that utilize clean energy. The Company follows these approaches:

- Use of Solar Energy
  - Solar panels are installed on the office building to reduce electricity consumption from fossil fuels.
- Water Resource Management System
  - Water-saving systems are implemented, such as automatic faucets and water recycling systems.

**Expected Outcome:** Reduced electricity consumption from fossil energy sources and decreased greenhouse gas emissions from energy use in office buildings.

### Setting greenhouse gas emission goals

Does the company set greenhouse gas management goals : No

## Performance and outcomes of greenhouse gas management

Performance and outcomes of greenhouse gas management : Yes

In 2024, the Company replaced two photocopiers with energy-efficient models, resulting in an annual reduction in electricity costs of 8,194.56 baht and a reduction in greenhouse gas emissions of 1,160.35 kgCO<sub>2</sub>e per year.

### Diagram of Performance and outcomes of greenhouse gas management



**TANACHIRA**

Greenhouse gas management : Corporate greenhouse gas emission

	2022	2023	2024
Total greenhouse gas emissions (Metric tonnes of carbon dioxide equivalent)	0.00	0.00	64.07
Total greenhouse gas emissions - Scope 2 (Metric tonnes of carbon dioxide equivalent) <sup>(3)</sup>	N/A	N/A	64.07

Remark : <sup>(3)</sup> Calculate only the electricity consumption of the office building and the warehouse.

Greenhouse gas management: Verification of the company's greenhouse gas emissions over the past year

Verification of the company's greenhouse gas emissions : No

## Information on incidents related to legal violations or negative environmental impacts

### Number of cases and incidents of legal violations or negative environmental impacts

	2022	2023	2024
Number of cases or incidents of legal violations or negative environmental impact (cases)	0	0	0

## 3.4 Social sustainability management

### 3.4.1 Social policy and guidelines

Social and human rights policy and guidelines : Yes

Social and human rights guidelines : Employee rights, Child labor, Consumer/customer rights, Community and environmental rights, Non-discrimination, Supplier rights

Tanachira Retail Corporation Public Company Limited and its subsidiaries ("the Company") recognize the significance of international human rights principles and are committed to conducting business responsibly by respecting the human rights of employees, business partners, suppliers, customers, and all stakeholders. In support of sustainable development and good corporate governance, the Company has established this Human Rights Policy to demonstrate its commitment to promoting and protecting human rights in accordance with international standards. This policy aligns with the Universal Declaration of Human Rights (UDHR), the United Nations Global Compact (UNGC), and the UN Guiding Principles on Business and Human Rights (UNGPs) as follows:

1. Respect human rights and treat all stakeholders and vulnerable groups with respect, equality, and dignity, without discrimination based on physical or mental abilities, ethnicity, nationality, origin, race, religion, gender, language, age, skin color, education, social status, culture, traditions, or any other factors. This includes practices for all stakeholder groups and vulnerable populations that align with international best practices, such as respecting children's rights and business principles in accordance with the guidelines of the United Nations Children's Fund (UNICEF), among others.
2. Promote fair employment by treating all employees and workers equally. Employment terms and conditions will be mutually agreed upon by both parties. Wage rates, benefits, working hours, overtime, work on holidays, leave, and other benefits will be no less than those stipulated by law. There will be no forced labor, illegal labor, or child labor throughout the company's supply chain. The criteria and age requirements for employment will be strictly in accordance with the provisions of the Labor Protection Act.
3. Respect the rights of consumers and customers by ensuring fair practices, protecting their personal data, and providing clear and accurate information about products and services. Product quality and service safety must meet high standards.
4. Respect the rights of partners by treating them fairly, ensuring a transparent procurement process to promote fair competition, and encouraging compliance with human rights principles.
5. Respect and recognize the rights of communities by actively listening to their opinions and suggestions. Foster and support community engagement with the Company through various activities and projects.
6. Exercise caution in performing duties to minimize the risk of human rights violations in business operations and actively prevent all forms of harassment, including sexual harassment and other types of misconduct. This policy ensures that any complaints received by the Company will be taken seriously, handled confidentially, and addressed with compassion. If an allegation is confirmed, appropriate remedial measures will be implemented, and disciplinary actions, including termination of employment or legal proceedings, will be enforced in accordance with the company's regulations.
7. Support and promote actions to protect human rights by communicating, disseminating information, educating, raising awareness, setting guidelines, and providing other forms of support to employees and stakeholders throughout the business value chain, including suppliers, contractors, and joint ventures. Foster participation in ethical business practices, uphold respect for human rights, and ensure that everyone is treated in accordance with human rights principles as outlined in this policy.
8. Monitor and uphold respect for human rights; do not neglect or ignore any potential violations. If you encounter any actions that may constitute a human rights violation related to the Company, report them to your supervisor or the designated responsible person and cooperate in the investigation. If you have any doubts or questions, consult your supervisor or the appropriate personnel through the specified channels.
9. Develop a comprehensive human rights due diligence system and process within the Company and the businesses it manages throughout the supply chain to identify human rights risks, assess impacts, and establish preventive and mitigation measures. This includes implementing appropriate, legitimate, or widely accepted remedial measures and mitigation processes, conducting audits of human rights violations, monitoring compliance with the human rights policy, and regularly reporting and disclosing relevant information." Key Improvements:
10. Regularly review the human rights policy, taking into account any significant changes within the organization to ensure its appropriateness and relevance.

### Compliance with human rights principles and standards

Human rights management principles and standards : The UN Guiding Principles on Business and Human Rights

## Review of social and human rights policies, guidelines, and/or goals over the past year

Review of social and human rights policies, guidelines, and/or : No  
goals over the past year

## Human Rights Due Diligence : HRDD

Does the company have an HRDD process : No

### 3.4.2 Social operating results

#### Information on employees and labor

#### Employees and labor management plan

The company's employee and labor management plan : Yes

Employee and labor management plan implemented by the : Employee training and development, Safety and occupational  
Company in the past year health at work

##### 1. Employee Capability Development

The Company places great importance on the continuous development of its employees by focusing on enhancing knowledge, skills, and work capabilities to improve performance and outcomes. The training programs are regularly updated to align with current business trends and needs.

The approach to employee development is divided into two main groups: the management group and the general employee group. Each group is developed according to their respective roles and responsibilities.

##### 1) Management Group (Department Manager and above)

The Company focuses on developing its executives to be leaders who can drive the organization into the future. A Business Plan Workshop is organized, covering key topics such as:

- **Strategic Planning:** Helps executives analyze the strengths and weaknesses of their work and use this information to define business strategies.

- **Goal Setting:** Encourages leaders to set clear, measurable goals that align with the company's vision.

- **Cross-Functional Collaboration:** Promotes cooperation between departments to create a unified business plan.

Additionally, the Company tracks and evaluates post-training results by having executives create departmental action plans and present these plans to management for feedback, helping to refine and improve their effectiveness.

##### 2) Employee Group (Below Department Manager Level or Equivalent)

The Company promotes the development and management of employee potential to support future business expansion. Various forms of training are provided, such as workshops, to help employees develop skills and expertise based on their roles and responsibilities.

##### Sales Staff Capability Development

Sales staff play a crucial role, as they are directly engaged with customers and contribute to building the company's image. The Company places great importance on developing the necessary skills for this group of employees by offering training programs such as "New Staff Training" and "Group Store Manager Development" to enhance knowledge, abilities, and skills in alignment with business goals. These programs also prepare employees for industry growth and changes, enhancing the Company's competitiveness both now and in the future.

Additionally, the Company continuously monitors and evaluates the effectiveness of the training by conducting knowledge tests after training sessions. For example, in the "New Staff Training" program, employees must pass tests on the brand and products, as well as role-playing exercises to simulate customer service scenarios. The "Group Store Manager Development" program focuses on planning and presenting strategies for developing store operations, to assess the readiness of store managers in efficiently managing operations.

##### 2. Promoting Health



The Company promotes the health and well-being of employees to reduce illness or accidents at work. Therefore, it has initiated projects that help promote health and reduce work-related stress, as well as support visually impaired individuals to create income and provide opportunities for a better quality of life. As part of this, the Company offers a relaxation massage service for employees provided by visually impaired individuals (at no charge) every Thursday.

Additionally, this initiative is part of the Company's sustainability efforts aligned with the Sustainable Development Goals (SDGs), specifically SDG 3: Good Health and Well-being. Maintaining physical and mental health is a key factor in creating an efficient and happy work environment, which benefits both employees and the organization in the long term. It also provides opportunities for people with disabilities to engage in and pursue work, which aligns with SDG 10: Reduced Inequalities.

Setting employee and labor management goals

Does the company set employee and labor management : Yes  
goals

Details of setting goals for employee and labor management

Target(s)	Indicator(s)	Base year(s)	Target year(s)
• Employee training and development	Training hours/person/year	2024: 11 hours/person/year	2024: 10 hours/person/year
• Safety and occupational health at work	no. of accident	2024: accident = 0	2024: accident = 0

Performance and outcomes for employee and labor management

Performance and outcomes for employee and labor : Yes  
management

Employee Development

In 2024, the Company supported employees in attending 25 training programs, totaling 7,361 hours, with an average of 11.0 hours of training per employee (compared to the target of 10.0 hours of average training per employee per year).

Health Promotion

The Company provides a complimentary relaxation massage service by visually impaired therapists every Thursday. This initiative supports the skills and careers of individuals with disabilities while also helping employees relieve stress and alleviate work-related muscle pain (Office Syndrome). The program aims to promote good health and enhance the quality of life for both employees and individuals with disabilities. Each week, 20 employees participate in this service.

Diagram of performance and outcomes for employee and labor management

### Relaxation Massage Project by Visually Impaired Therapists



## Employee and labor management: Employment

### Hiring employees

	2022	2023	2024
Total employees (persons)	496	637	731
Male employees (persons)	75	128	153
Female employees (persons)	421	509	578

### Employment of workers with disabilities

	2022	2023	2024
Total employment of workers with disabilities (persons)	0	0	0
Total number of employees with disabilities (persons)	0	0	0
Total male employees with disabilities (persons)	0	0	0
Total female employees with disabilities (persons)	0	0	0
Total number of workers who are not employees with disabilities (persons)	0	0	0
Contributions to empowerment for persons with disabilities fund	Yes	Yes	Yes

## Employee and labor management: Remuneration

## Employee remuneration

	2022	2023	2024
Total employee remuneration (baht)	173,016,240.95	204,664,008.03	261,404,434.03
Total male employee remuneration (Baht)	N/A	N/A	60,654,060.53
Total female employee remuneration (Baht)	N/A	N/A	200,750,373.50

## Employee and labor management: Employee training and development

### Employee training and development

	2022	2023	2024
Average employee training hours (hours / person / year)	N/A	3.18	11.00

## Employee and labor management: Safety, occupational health, and environment at work

### Safety, occupational health, and environment at work

	2022	2023	2024
Total number of lost time injury incidents by employees (cases) <sup>(4)</sup>	0	1	0

Remark : <sup>(4)</sup> In 2024, the Company had no employee fatalities from work-related incidents.

## Employee and labor management: Employee engagement and internal employee groups

### Employee engagement

	2022	2023	2024
Total number of employee turnover leaving the company voluntarily (persons)	212	191	261
Total number of male employee turnover leaving the company voluntarily (persons)	33	30	82
Total number of female employee turnover leaving the company voluntarily (persons)	179	161	179
Proportion of voluntary resignations (%)	42.74	29.98	35.70
	2022	2023	2024
Evaluation result of employee engagement	No	No	No

### Employee internal groups

Employee internal groups : No

## Information about customers

### Customer management plan

Company's customer management plan : Yes

Customer management plan implemented by the company : Development of customer satisfaction and customer relationship over the past year

Providing health and beauty services to customers is not only about meeting their needs but also about creating a positive experience. To ensure our products and services meet high-quality standards and customer expectations, we are committed to maintaining, developing, and improving our services in all aspects. This includes the quality of products used, cleanliness of the facilities and equipment, treatment techniques, and attentiveness of our staff. Customer satisfaction is assessed after each service through our in-store evaluation form, and the collected data is analyzed to develop further improvements.

#### Service Procedures

1. Customers complete a Health Questionnaire, specifying personal preferences such as areas to avoid and preferred massage pressure.
2. Staff provide treatment based on the information in the questionnaire.
3. Staff observe and inquire about customer satisfaction during the treatment.
4. After the treatment, customers complete a Service Satisfaction Survey.
5. The receptionist records customer information into the system.
6. The spa manager reviews daily records. If any dissatisfaction or complaints are found, the customer will be contacted for further inquiry the following day.
7. Each month, the spa manager compiles satisfaction scores for analysis and presents an improvement plan to enhance service quality.

#### Customer Satisfaction Evaluation Areas

1. Arrival Journey – Customer reception and welcome experience.
2. Treatment Journey – Experience during the treatment.
3. Departure Journey – Experience after the service.
4. Facility – Cleanliness and quality of spa amenities.
5. Overall Experience – General satisfaction with the service.

All feedback scores are recorded at the end of each business day to ensure up-to-date information, enabling quick problem resolution and minimizing complaints or dissatisfaction.

### Setting customer management goals

Does the company set customer management goals : Yes

#### Details of setting customer management goals

Target(s)	Indicator(s)	Base year(s)	Target year(s)
• Development of customer satisfaction and customer relationship	Customer satisfaction	2024: 3.84	2025: Customer satisfaction > 3.90

### Performance and outcomes of customer management

Performance and outcomes of customer management : Yes

Based on the results from the 2024 assessment, the satisfaction score was 3.84. It was found that the topic with a score below the set threshold was "Receiving services that are worth the money spent." Therefore, further investigation was conducted through the additional comments section in the survey, which helped summarize the issues that customers felt were not worth the value as follows:

1. Quality of towels and bathrobes.
2. Reduced service time due to delays.

Based on this feedback, the Company has implemented the following service improvement plan:

1. Conduct a Brand Standard Audit quarterly, led by the Spa Equity & Training team, to ensure that all spa branches maintain high-quality operations aligned with brand standards.
2. Regularly inspect and maintain equipment and tools to ensure it are in good condition and safe for use.
3. Provide ongoing staff training on treatment techniques, customer service, and health and wellness knowledge enhancement.
4. Keep employees informed about emerging trends relevant to their work, such as consumer behavior and wellness trends, to better adapt to evolving customer needs.

## Customer management: Customer satisfaction

### Customer satisfaction

	2022	2023	2024
Evaluation results of customer satisfaction	Yes	Yes	Yes

## Information on community and society

### Community and social management plan

Company's community and social management plan : No

### Setting community and social management goals

Does the company set community and social management : No  
goals

### Performance and outcomes of community and social management

Performance and outcomes of community and social : Yes  
management

- The Company group has expressed concern and provided support to employees as well as the public in the southern region affected by flooding. The Company have contributed to alleviating the hardships by donating funds to help through the Friends in Need (of "PA") Volunteers Foundation, Thai Red Cross Society.

- HARNN Wellness & Hospitality, under Tanachira Group and led by Ms. Apiradee Thammasorn, HARNN Spa Equity & Training Director, takes pride in participating and supporting the charitable activity "IHG Run for Good," organized by IHG Hotels and Resorts. This running event was held to raise funds for the Foundation for the Blind in Thailand, under the Royal Patronage of Her Majesty the Queen, to support and improve the quality of life and create equal career opportunities. It reflects the commitment of HARNN Wellness & Hospitality to promoting the health and well-being of society and the community.

## Information on incidents related to legal or social and human rights violations

### Number of cases and incidents of significant legal or social and human rights violations

	2022	2023	2024
Total number of cases or incidents of significant legal or social and human rights violations (cases)	0	0	0

	2022	2023	2024
Total number of cases or incidents leading to significant labor disputes (cases)	0	0	0
Total number of incidents or complaints related to business partner's rights violations (cases)	0	0	0
The total number of cases or complaints related to partner rights violations (Cases)	0	0	0
Total number of cases or incidents leading to disputes with the community/society (cases)	0	0	0
Total number of cases or incidents related to cybersecurity or customer data breaches (cases)	0	0	0
Total number of cases or incidents related to workplace safety and occupational health (cases)	0	0	0

## 4. Management Discussion and Analysis (MD&A)

### 4.1 Operation, financial condition and material changes

#### Operational overview

For the year 2024, the average growth of the Private Consumption Index was low to negative, while the Group was able to achieve revenue growth of 22.8 % but profit decreased by 22 % mainly due to losses from new overseas investments and accounting adjustments to align with Thai GAAP standards, which are one-time transactions. For the year 2024, the Company had revenue from sales and services of 1,736.9 million Baht, +22.8%, and net profit attributable to shareholders of the Company of 130.1 million Baht, -22.0% compared to the same period of the previous year, which had revenue from sales and services of 987.5 million Baht and net profit attributable to shareholders of the Company of 98.4 million Baht.

#### Segmented Performance Report of the Group for the Year 2024

In 2024, the Lifestyle segment saw a decline in revenue due to reduced sales of the Cath Kidston brand in both Thailand and Vietnam. However, the Pandora brand continued to experience slight growth from the opening of new stores. The profitability potential of the Pandora brand remains strong, while the Cath Kidston brand continues to face losses. As a result, in 2025, the management plans to reduce the number of unprofitable Cath Kidston stores both in Thailand and Vietnam.

The Fashion segment saw strong revenue growth across all brands, particularly Marimekko, which continued to grow with double-digit same-store sales growth. Sales growth also came from new brands such as Ganni and United Arrows, both of which launched operations in 2024. Overall, the fashion brands in Thailand utilized the existing team and resources to generate impressive profits. The decline in profits was mainly due to Marimekko in Singapore, largely resulting from new investments in opening new stores and accounting adjustments to align with Thai GAAP standards.

The Beauty and Wellness segment achieved strong revenue growth through expansion both in Thailand and internationally, particularly in China, where the response has been favorable. However, the HARNN brand's operations abroad still failed to generate profits in 2024, and there were marketing expenses of 26 million Baht for the HARNN brand in China. As a result, the Beauty and Wellness segment recorded a loss of 8 million Baht in 2024, compared to a profit of 22 million Baht in 2023.

The Food and Beverage segment is a new business segment established in 2024 with a significant investment in the Gordon Ramsay brand. For 2024, the Food and Beverage segment generated revenue of 106 million Baht, with 75% or 80 million Baht coming from the Gordon Ramsay brands. However, the segment recorded a total loss of 20 million Baht, which included a 9 million Baht loss from the Gordon Ramsay brands and an 11-million-Baht loss from lifestyle cafes in Thailand and Singapore. Management plans to gradually close all lifestyle cafes in Thailand in 2025, even though some locations, such as the Marimekko Pop Up Cafe at Central Embassy and the Cath Kidston Tearoom at Central World, still have potential for profitability. This decision aims to better allocate resources within the group for the Gordon Ramsay brands, which show strong profitability potential in the short term.

#### Diagram of operational overview

Unit : THB Million	2023	2023	2023	2024	2024	2024	%YoY	%YoY	%YoY
	Domestic	Overseas	Total	Domestic	Overseas	Total	Domestic	Overseas	Total
Revenue from Sales & Services	1,364.8	49.7	1,414.6	1,597.4	139.5	1,736.9	17.0%	180.7%	22.8%
Cost of Sales & Services	-489.0	-18.7	-507.8	-559.7	-53.9	-613.6	14.4%	187.7%	20.8%
Gross Profit	875.8	31.0	906.8	1,037.7	85.6	1,123.4	18.5%	176.4%	23.9%
Selling and Distribution Expenses	-446.5	-38.9	-485.4	-567.5	-132.9	-700.4	27.1%	241.3%	44.3%
Administrative Expenses	-168.4	-12.8	-181.2	-206.4	-50.3	-256.7	22.6%	292.4%	41.7%
Other Income	13.3	2.1	15.4	28.1	9.4	37.4	110.9%	346.2%	143.0%
Profit before Interest and Tax	274.2	-18.7	255.6	291.8	-88.1	203.7	6.4%	372.4%	-20.3%
Finance Cost	-46.4	-0.3	-46.7	-21.0	-3.8	-24.8	-54.7%	1245.9%	-46.9%
Profit before Income Tax Expenses	227.9	-18.9	208.9	270.8	-91.9	178.9	18.8%	385.3%	-14.4%
Corporate Income Tax	-47.4	1.4	-45.9	-57.7	-0.8	-58.5	21.9%	-154.4%	27.5%
Net Profit	180.5	-17.5	163.0	213.1	-92.7	120.4	18.0%	429.9%	-26.2%

Summary of Operating Results for 2024 and 2023

## Analysis on the operation and financial condition

### Operating results and profitability

#### 1. Revenue from Sales

The Company' revenue from sales consisted of sales through two main distribution channels i.e. offline and online channel. The offline channel consisted of (1) Concept store (2) Shop in shop and (3) Other offline channel i.e. B2B, event and sales through distributors. Revenue of the Company can be categorized into Business Group including (1) Lifestyle, (2) Fashion, (3) Beauty and Wellness, and (4) Food and Drink. For the year 2023 and 2024, the Group had sales revenues of 1,414.6 million Baht and 1,736.9 million Baht, respectively. Revenue from domestic business accounted for 92% and overseas 8%. Revenue from overseas in 2024 was at 139.5 million Baht increased 49.7 million Baht or 180.7% from 2023.

The Group's overseas revenue grew due to 3 main factors: the establishment of a subsidiary in China to distribute HARNN's products including expanding its business branches in Vietnam and Singapore. In 2024, the Company's highest foreign revenue came from Singapore with Marimekko brand that has the potential to generate revenue from high sales per bill and is a brand that meets the needs of daily life for both tourists and locals.

Meanwhile, Vietnam, generates most of the sales from domestic consumers of both HARNN and Cath Kidston brands. Currently, the Company has stores in leading shopping malls in Ho Chi Minh City and Hanoi, with 6 branches for each brand, and the average annual sales ratio through online channels on the E-Commerce Platform and Livestreaming is equivalent to offline sales due to the Company's strong network of KOLs.

Sales from Japan have developed a wholesale business and a spa management business to replace closed branch in Kobe. HARNN brand is already widely known among consumers in Japan and enabled the Company to generate good feedback in distributing products through suppliers in various prefectures. . As a result, HARNN brand has been able to expand its market coverage quickly and steadily in the early stages, as well as focusing on marketing and standardizing the service of the spa business through spa management for leading hotels in major tourist destinations.

For new business in China, the Company 2 main sales channels are online and wholesale. After Brand Conference held by the Company in July 2024 with great interest from business partners from China, the Company started to have real sales since late August. Currently HARNN's products are available at various Cosmetic Chain Store, Drug Store and Specialty Store with around 200 point of sales in 6 provinces i.e. Guangdong, Henan, Heilongjiang, Jiangsu, Zhejiang and Tibet provinces. There are also 2 branches of HARNN Concept Stores at Shanghai and Shenzhen. Online sales is the main channel during the start of business in China and contributed 60% of total Sales through E-Commerce Platform and Livestreaming such as T-Mall, Xiao Hong Shu, Douyin, [JD.com](https://www.jd.com), etc.

The structure of revenue from overseas has begun to develop significantly from an average of 2% in 2023 to 8% in 2024, driven by the expansion of investments in new businesses overseas since Q4 of 2023 onwards. This includes the expansion of investments in building the Marimekko brand in Singapore and the HARNN brand in China. The growth strategy in the region has been planned alongside Thailand, with a focus on diversifying the risk of relying on revenue from any single brand. A larger overseas



revenue base will help create sustainable profits for the Group in the long term.

The revenue structure by business group for domestic and overseas for the year 2024 compared to the same period of the previous year showed an increase in the proportion of revenue from the Food and Beverage group, from 1% to 6%, driven by the operation of restaurants in the Gordon Ramsay group. The proportion of revenue from the Fashion group increased from 19% to 23%, due to the outstanding growth of the Marimekko brand, along with the addition of the GANNI and United Arrows brands. Meanwhile, the proportion of revenue from the Lifestyle group decreased from 61% to 52%, with stable growth of the Pandora brand except last 2 months of the year with price increase affecting sales in Q4 and the decline in revenue from Cath Kidston. The revenue growth of the HARNN brand increased by 26.9% from the previous year, which aligns with the strategic plan to further increase the brand's popularity in Thailand. It remains a brand that continues to be popular among the target tourist group.

For the year 2024, compared to the same period in the previous year, sales revenue by distribution channels showed an increase in the proportion of sales through concept stores, rising from 69% to 73%, and a decrease in the proportion of sales through Shop-in-Shop channels, falling from 16% to 13%. This shift has a positive impact on the Group's gross profit in the long run. The increase in the proportion of sales from concept stores is in line with the marketing strategy plan, which reflects an understanding of consumer purchasing behavior. The Group's same store sales growth (SSSG) was at 4%, with the Marimekko and HARNN brands showing outstanding growth, especially HARNN, which performed significantly better despite no significant increase in core tourist numbers. Only the Cath Kidston brand continued to decline, due to both the closure of branches to reduce expenses and the lack of new products, though clear improvement was observed after receiving new products in the middle of the third quarter.

## **2. Gross Profit and Gross Profit Margin**

For the year 2024, gross profits and gross margins improved from the same period last year from (1) an increase in sales revenue through Concept Store (2) controlling discounts to maintain sales at full price and (3) an increase in the proportion of products and services with high gross margins (part of pre-requisite in considering adding new brand in various business groups). The Company places emphasis on brand building, which enables preservation of high gross profit levels and maintain long-term sustainability.

Overall gross profit margin in 2024 is still in the similar level as 2023 at 64-65% indicating the maintenance of sales guidelines according to the Group's policy that sets selling prices effectively to maintain gross profit margin and not selling at unnecessary heavy discount domestically and internationally.

## **3. Selling and Distribution Expenses**

Selling and distribution expenses consisted of branch employee expense, space rental, depreciation and amortization, marketing expense, commission, branch utility cost, and royalty fee.

For the year 2024, selling and distribution expenses and the ratio of selling and distribution expenses to sales increased mainly due to business expansions which food and beverage business with employees coming in to support the expansion, an increase in expenses related to store expansion locally and abroad, and more marketing to support the launch of new brands, including early marketing spendings in China to prepare for HARNN's business expansion in the second half of 2024, which will be significantly lower in 2025. If considering excluding this one-time adjustment in Q4 2024, the ratio of selling and distribution expenses to revenue of 2024 would be at 39.2%.

## **4. Administrative Expenses**

Administrative expenses included salaries and benefits for office staff, consulting fees and professional fees, depreciation and amortization of the head office and office rent.

For the year 2024, the Company reported administrative expenses of 256.7 million Baht, increased 75.5 million Baht or 41.7% compared to the same period last year. This is mainly due to an increase in the number of employees in the support department at the head office, additional office space rental to support the growth of the organization, and the write-off of assets of HARNN in Japan. Nonetheless, the ratio of administrative expenses to sales for the year 2024 increased slightly compared to the year 2023.

## **5. Finance cost**

Finance cost consisted of interest incurred on loans and the recognition of interest on lease liabilities from accounting records according to Accounting Standard No. 16. Liabilities under lease contracts, which were included in Q4 2024 with a value of 3.3 million Baht representing 43.4% of total finance cost. After the initial public offering (IPO) in October 2023, finance costs were reduced significantly. Interest expenses in 2024 decreased from 2023 by 46.9%.

## **6. Effective Tax Rate**

Effective Tax rate is the percent of corporate income tax expense for the period on its net accounting profits before tax.

The corporate income tax expense consists of income tax for the period calculated according to the Revenue Department criteria and deferred tax recognized in profits and loss account. Effective Tax Rate in Q42024 increased mainly from income tax of (1) revenue from more sale to HARNN Global Co., Ltd. to HARNN Greater China Co., Ltd. (2) Deferred tax from Timing Difference items, i.e. Amortization – Goodwill and Right of Use (ROU – Depreciation) from the expansion of branches. The investment in shops expansion in this period is considered the new cycle of investment which indirectly affected calculation of deferred income tax compared to the previous year. In addition, the basis for calculating the actual tax rate is derived from the net profit of the consolidated financial statements, which is different from the net tax profit.

## **7. Net Profit and Net Profit Margin**

For the year 2024, the Company had a net profit attributable to the shareholders of the company of 130.1 million Baht and net profit margin in the year 2024 was at 7.5%, decreased from the same period last year mainly due to selling, marketing and administrative expenses increased significantly compared to previous year to support future growth of the business locally and internationally in the long term. If excluding the onetime accounting adjustment of 27.7 million Baht, net profit would be at 157.8 million Baht and net profit ratio would be at 9.1%.

## **Asset management capability**

### **1. Assets**

As of 31 December 2024, the Company had total assets of 2,725.0 million Baht. The main assets of the Company consisted of (1) Goodwill, (2) Inventory, and (3) Right-of-use assets, which together accounted for 67.3% of the total asset value.

As of 31 December 2024, the Company's total assets increased 422.8 million Baht compared to the end of 2023 or 18.4% increase mainly from the increase of (1) Inventory which involves increasing the reserve of finished goods to support sales growth, especially for branches/sales channels opening at the end of 2024 and the beginning of 2025, with a value of 29.7 million Baht, including packaging and finished goods of the HARNN brand to support delivery to subsidiaries in various countries (2) right-of-use assets from branch expansion, and (3) other non-current assets from the increase of deposit for branch expansion.

### **2. Liabilities**

As of 31 December 2024, the Company's liabilities were 1,088.7 million Baht. The main liabilities of the Company consisted of (1) liability under lease agreement, (2) trade and other payables, and (3) short-term loan from financial institution, altogether accounted for 85.1% of total liabilities.

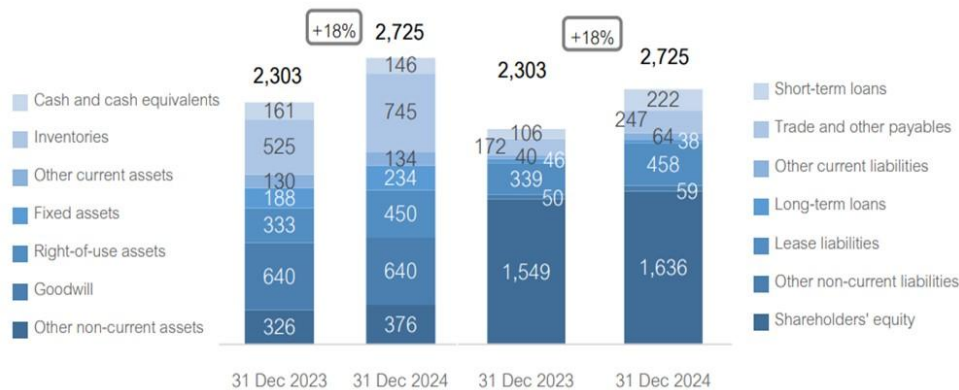
As of 31 December 2024, the Company's liabilities increased 335.9 million Baht compared to the end of 2023 or 44.6 % mainly from an increase in short-term loan from institution in the form of Trust Receipt, trade and other payables and liability under lease agreement following store addition.

### **3. Equity**

As of 31 December 2024, the Company's total shareholder's equities were at 1,636.3 million Baht increased 87.3 million Baht from 31 December 2023 due to an increase in retained earnings. The company paid a total dividend of 60.0 million Baht in 2024.

## **Diagram of asset management capability**

## Statement of Financial Position



## Liquidity and capital adequacy

The cash flow statement for the year 2024 showed positive net cash from operating activities of 247.1 million Baht, indicating that the business generated good cash flow. Net cash used in financing activities was mainly from payment of principal portion of lease liabilities and dividend payments of 60 million Baht. Cash and cash equivalents as of 31 December 2024 were at 146.2 million Baht.

## Diagram of liquidity and capital adequacy

Unit: Million Baht For the year ended 31 December	2023	2024
Net cash from operating activities	239.8	247.1
Net cash used in investing activities	-171.8	-121.7
Net cash from (used in) financing activities	47.2	-146.8
Increase in translation adjustments	2.7	6.7
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>118.0</b>	<b>-14.8</b>
Cash and cash equivalents at beginning of period	42.9	160.9
<b>Cash and cash equivalents at end of period</b>	<b>160.9</b>	<b>146.2</b>

Analysis of Statement of Cash Flow

## Issuance of debt securities with an obligation to maintain financial ratios

Is there an issuance of debt securities with an obligation : No  
to maintain financial ratios?

## 4.2 Potential factors or incidents that may materially affect the financial condition or the operating results

### Significant factors or incidents that may materially affect the future financial condition or the operating results

With the goal of building a consistent and sustainable revenue base for the long term, the Group continues to focus on investing in building the brands it manages, building more store locations in major key cities or strategic locations both in Thailand and internationally, while recruiting and increasing number of talents to support the already diversified business groups at the same time. As a result, increases in selling and administrative expenses are inevitable in the short term and it also has an indirect effect on the calculation of the effective tax rate as mentioned in Section 7 above. The management adjusted the branch expansion plan and the increase in expenses to be in line with the seasonality of generating revenue and profits in 2024.

However, the management of the Group has re-evaluated the strategy and investment plans for 2025, and implemented stricter measures to reduce expenses both domestically and internationally. Additionally, the Group will increase the evaluation of each new project's performance before starting and will terminate unprofitable projects more quickly in 2025. The details are as follows;

1. Adjust the annual investment plan to reduce from 2024, focusing more on investments in projects with quicker returns, and set a new investment budget framework at 4% of total revenue. At the same time, total revenue is still projected to grow by no less than 20%, which will directly reduce the ratio of expenses to revenue and help restore profitability.
2. Expense control across all departments, particularly for new ventures such as the food and beverage business, ensuring that expenses adhere to or are below the budget.
3. Reduce losses from unprofitable businesses, such as:
  - 3.1 Gradually close Cath Kidston branches with high rental costs that exceed the revenue potential of those locations. Management has instructed the relevant teams to communicate with affected employees in advance, offering them the option to transfer to other branches.
  - 3.2 Gradually close Cafe and Tearoom branches to reduce losses, and communicate with affected employees in advance to provide them with the option to transfer to the Gordon Ramsay brand businesses.
  - 3.3 Focus on increasing sales in the international business segment, stop new investments in countries that are still not profitable or require further adjustments to their revenue-generating plans, and strictly control expenses to reduce losses compared to 2024.
  - 3.4 Revise the organizational structure of the international business segment again to align its work standards with those of the head office in Thailand, including increasing personnel and expanding the roles of staff at the head office to provide stronger oversight of international operations.
4. Revise the operation plans of the food and beverage business segment to enhance expense controls, reduce waste, and improve the efficiency of procurement management. Additionally, control staff expenses in line with short-term revenue generation.
5. The directions for implementation of Digital Transformation strategies, such as the Line CRM with Rewards Program, Real-Time Marketing Automation with AI, and Business Intelligence, will enable better integration of all business segments, increasing sales and reducing dependence on marketing expenses that do not directly contribute to sales. This will lead to higher and more sustainable profitability in the long term.

Furthermore, the Group continues to focus on increasing the number of brands to diversify income sources, reducing reliance on any single brand or business segment. In 2025, the Group plans to launch two new brands in the lifestyle and fashion segments within the country. By controlling expenses through reduced new investments, increasing foreign sales, and closing unprofitable branches, the management of the Group is confident that there will be a significant improvement in performance in 2025 compared to 2023 and 2024.

## 4.3 Information from financial statements and significant financial ratios

### Information from financial statements

#### Summary of financial position statements

	THB		
	31 Dec 2022	31 Dec 2023	31 Dec 2024
	Consolidate	Consolidate	Consolidate
	AUDITED	AUDITED	AUDITED
<b>Assets</b>			
Cash And Cash Equivalents (MillionTHB)	42.93	160.94	146.17
Trade And Other Receivables - Current - Net (MillionTHB)	79.83	86.53	79.20
Inventories - Net (MillionTHB)	455.57	525.37	744.98
Other Current Assets (MillionTHB)	28.32	43.13	55.22
Other Current Assets - Others (MillionTHB)	28.32	43.13	55.22
<b>Total Current Assets</b> (MillionTHB)	606.65	815.97	1,025.57
Restricted Deposits - Non- Current (MillionTHB)	20.97	21.10	27.97
Other Non-Current Financial Assets (MillionTHB)	70.11	88.32	111.96
Deposits (MillionTHB)	70.11	88.32	111.96
Property, Plant And Equipment - Net (MillionTHB)	117.11	187.94	234.29
Right-Of-Use Assets - Net (MillionTHB)	242.27	332.61	449.87
Intangible Assets - Net (MillionTHB)	136.74	183.44	200.70
Intangible Assets - Others (MillionTHB)	136.74	183.44	200.70
Goodwill - Net (MillionTHB)	639.55	639.55	639.55
Deferred Tax Assets (MillionTHB)	32.64	33.61	35.15

	THB		
	31 Dec 2022	31 Dec 2023	31 Dec 2024
	Consolidate	Consolidate	Consolidate
	AUDITED	AUDITED	AUDITED
<b>Total Non-Current Assets</b> (MillionTHB)	1,259.39	1,486.58	1,699.49
<b>Total Assets</b> (MillionTHB)	1,866.04	2,302.54	2,725.05

	THB		
	31 Dec 2022	31 Dec 2023	31 Dec 2024
	Consolidate	Consolidate	Consolidate
	AUDITED	AUDITED	AUDITED
<b>Liabilities</b>			
Bank Overdrafts And Short-Term Borrowings From Financial Institutions (MillionTHB)	527.92	106.21	222.22
Trade And Other Payables - Current (MillionTHB)	206.92	172.23	247.02
Short-Term Borrowings (MillionTHB)	N/A	N/A	0.27
Other Parties (MillionTHB)	N/A	N/A	0.27
Current Portion Of Long-Term Debts (MillionTHB)	76.68	17.02	21.10
Current Portion Of Long-Term Debts - Others (MillionTHB)	76.68	17.02	21.10
Other Current Financial Liabilities (MillionTHB)	0.12	1.03	1.11
Other Current Financial Liabilities - Others (MillionTHB)	0.12	1.03	1.11
Current Portion Of Lease Liabilities (MillionTHB)	137.51	158.21	205.76
Income Tax Payable (MillionTHB)	21.57	21.36	31.07
Other Current Liabilities (MillionTHB)	13.83	17.16	31.88
<b>Total Current Liabilities</b> (MillionTHB)	984.55	493.23	760.43
Non-Current Portion Of Long-Term Debts (MillionTHB)	386.92	28.69	17.23
Non-Current Portion Of Long-Term Debts - Others (MillionTHB)	386.92	28.69	17.23
Non-Current Portion Of Lease Liabilities (MillionTHB)	121.49	180.85	251.74

	THB		
	31 Dec 2022	31 Dec 2023	31 Dec 2024
	Consolidate	Consolidate	Consolidate
	AUDITED	AUDITED	AUDITED
Long-Term Provisions (MillionTHB)	7.80	9.57	16.93
Provisions For Employee Benefit Obligations - Non- Current (MillionTHB)	17.36	19.85	21.75
Deferred Tax Liabilities (MillionTHB)	21.92	20.49	20.47
Other Non-Current Liabilities (MillionTHB)	0.86	0.51	0.16
<b>Total Non-Current Liabilities</b> (MillionTHB)	556.35	259.96	328.29
<b>Total Liabilities</b> (MillionTHB)	1,540.91	753.19	1,088.72



	THB		
	31 Dec 2022	31 Dec 2023	31 Dec 2024
	Consolidate	Consolidate	Consolidate
	AUDITED	AUDITED	AUDITED
<b>Shareholders' equity</b>			
Authorised Share Capital (MillionTHB)	60.00	300.00	300.00
Authorised Ordinary Shares (MillionTHB)	60.00	300.00	300.00
Issued And Paid-Up Share Capital (MillionTHB)	60.00	300.00	300.00
Paid-Up Ordinary Shares (MillionTHB)	60.00	300.00	300.00
Premium (Discount) On Share Capital (MillionTHB)	N/A	1,173.17	1,173.17
Premium (Discount) On Ordinary Shares (MillionTHB)	N/A	1,173.17	1,173.17
Retained Earnings (Deficits) (MillionTHB)	279.51	93.51	163.59
Retained Earnings - Appropriated (MillionTHB)	6.00	14.32	23.82
Legal And Statutory Reserves (MillionTHB)	6.00	14.32	23.82
Retained Earnings (Deficits) - Unappropriated (MillionTHB)	273.51	79.20	139.77
Other Components Of Equity (MillionTHB)	-6.99	-16.90	-11.79
Other Components Of Equity - Others (MillionTHB)	-6.99	-16.90	-11.79
<b>Equity Attributable To Owners Of The Parent</b> (MillionTHB)	332.52	1,549.78	1,624.97
Non-Controlling Interests (MillionTHB)	-7.39	-0.43	11.37
<b>Total Equity</b> (MillionTHB)	325.13	1,549.35	1,636.34
<b>Total Liabilities And Equity</b> (MillionTHB)	1,866.04	2,302.54	2,725.05

## Summary of income statement

	THB		
	31 Dec 2022	31 Dec 2023	31 Dec 2024
	Consolidate	Consolidate	Consolidate
	AUDITED	AUDITED	AUDITED
<b>Statement of Comprehensive Income</b>			
Revenue From Operations (MillionTHB)	1,265.95	1,414.56	1,736.94
Revenue From Sales (MillionTHB)	1,257.50	1,398.12	1,718.22
Revenue From Rendering Services (MillionTHB)	8.45	16.44	18.72
Interest And Dividend Income (MillionTHB)	1.52	2.07	2.81
Interest Income (MillionTHB)	1.52	2.07	2.81
Other Income (MillionTHB)	22.46	15.40	37.43
<b>Total Revenue</b> (MillionTHB)	<b>1,289.94</b>	<b>1,432.03</b>	<b>1,777.18</b>
Costs (MillionTHB)	508.97	507.78	613.59
Cost Of Sales (MillionTHB)	508.60	502.05	606.71
Cost Of Rendering Services (MillionTHB)	0.37	5.73	6.88
Selling And Administrative Expenses (MillionTHB)	577.44	666.60	957.13
Selling Expenses (MillionTHB)	414.56	485.44	700.42
Administrative Expenses (MillionTHB)	162.88	181.16	256.70
<b>Total Cost And Expenses</b> (MillionTHB)	<b>1,086.41</b>	<b>1,174.38</b>	<b>1,570.71</b>
<b>Profit (Loss) Before Finance Costs And Income Tax Expense</b> (MillionTHB)	<b>203.52</b>	<b>257.65</b>	<b>206.47</b>
Finance Costs (MillionTHB)	45.20	48.72	27.58
Income Tax Expense (MillionTHB)	36.22	45.91	58.53

	THB		
	31 Dec 2022	31 Dec 2023	31 Dec 2024
	Consolidate	Consolidate	Consolidate
	AUDITED	AUDITED	AUDITED
<b>Profit (Loss) For The Period From Continuing Operations</b> (MillionTHB)	122.10	163.02	120.36
<b>Net Profit (Loss) For The Period</b> (MillionTHB)	122.10	163.02	120.36
Net Profit (Loss) For The Period / Profit (Loss) For The Period From Continuing Operations (MillionTHB)	122.10	163.02	120.36
Currency Translation Adjustments (MillionTHB)	1.20	2.74	5.36
<b>Other Comprehensive Income (Expense) - Net Of Tax</b> (MillionTHB)	4.63	2.74	5.36
<b>Total Comprehensive Income (Expense) For The Period</b> (MillionTHB)	126.73	165.76	125.72
Net Profit (Loss) Attributable To : Owners Of The Parent (MillionTHB)	125.29	166.79	130.07
Net Profit (Loss) Attributable To : Non-Controlling Interests (MillionTHB)	-3.19	-3.77	-9.71
Total Comprehensive Income (Expense) Attributable To : Owners Of The Parent (MillionTHB)	129.93	169.47	135.18
Total Comprehensive Income (Expense) Attributable To : Non-Controlling Interests (MillionTHB)	-3.20	-3.71	-9.46
<b>Basic Earnings (Loss) Per Share (Baht/Share)</b> (MillionTHB)	208.82	0.84	0.43
EBITDA (MillionTHB)	391.43	470.32	484.90
Operating Profit (MillionTHB)	179.54	240.17	166.23

	THB		
	31 Dec 2022	31 Dec 2023	31 Dec 2024
	Consolidate	Consolidate	Consolidate
	AUDITED	AUDITED	AUDITED
Normalize Profit (MillionTHB)	122.10	163.02	120.36

## Summary of cash flow statement

	THB		
	31 Dec 2022	31 Dec 2023	31 Dec 2024
	Consolidate	Consolidate	Consolidate
	AUDITED	AUDITED	AUDITED
<b>Cash flow statement</b>			
Profit (Loss) Before Finance Costs And/Or Income Tax Expense (MillionTHB)	158.32	208.92	178.89
Depreciation And Amortisation (MillionTHB)	187.91	212.67	278.43
(Reversal Of) Expected Credit Losses (MillionTHB)	0.27	0.26	0.41
(Reversal Of) Loss From Diminution In Value Of Inventories (MillionTHB)	-2.25	1.03	-4.04
(Gains) Losses On Foreign Currency Exchange (MillionTHB)	-6.37	5.55	-6.02
(Gains) Losses On Fair Value Adjustments Of Other Financial Instruments (MillionTHB)	-0.65	0.91	0.08
(Gains) Losses On Disposal And Write-Off Of Fixed Assets (MillionTHB)	1.97	-0.69	2.87
(Reversal Of) Impairment Loss Of Fixed Assets (MillionTHB)	-0.16	N/A	-0.06
Dividend And Interest Income (MillionTHB)	-1.52	-2.07	-2.81
Interest Income (MillionTHB)	-1.52	-2.07	-2.81
Finance Costs (MillionTHB)	45.20	48.72	27.58
Employee Benefit Expenses (MillionTHB)	4.76	4.51	4.24
(Reversal Of) Provisions (MillionTHB)	0.25	-0.05	-0.17

	THB		
	31 Dec 2022	31 Dec 2023	31 Dec 2024
	Consolidate	Consolidate	Consolidate
	AUDITED	AUDITED	AUDITED
<b>Cash Flows From (Used In) Operations Before Changes In Operating Assets And Liabilities</b> (MillionTHB)	385.44	479.39	479.40
(Increase) Decrease In Trade And Other Receivables (MillionTHB)	3.55	-8.49	9.06
(Increase) Decrease In Inventories (MillionTHB)	-126.93	-70.83	-215.57
(Increase) Decrease In Other Operating Assets (MillionTHB)	-2.77	-33.50	-37.24
Increase (Decrease) In Trade And Other Payables (MillionTHB)	63.63	-37.26	78.19
Increase (Decrease) In Provisions For Employee Benefit Obligations (MillionTHB)	-1.99	-2.01	-2.34
Increase (Decrease) In Provisions (MillionTHB)	-0.43	-0.49	-0.51
Increase (Decrease) In Other Operating Liabilities (MillionTHB)	-3.52	2.98	14.37
<b>Cash Generated From (Used In) Operations</b> (MillionTHB)	316.98	329.80	325.35
Interest Paid (MillionTHB)	-44.96	-48.49	-27.93
Income Tax (Paid) Received (MillionTHB)	-24.56	-41.50	-50.31
<b>Net Cash From (Used In) Operating Activities</b> (MillionTHB)	247.45	239.80	247.11
Proceeds From Disposal Of Investment In Subsidiaries, Associates And Joint Ventures (MillionTHB)	N/A	0.53	22.92
Proceeds From Disposal Of Fixed Assets (MillionTHB)	N/A	1.62	0.19

	THB		
	31 Dec 2022	31 Dec 2023	31 Dec 2024
	Consolidate	Consolidate	Consolidate
	AUDITED	AUDITED	AUDITED
Property, Plant And Equipment (MillionTHB)	N/A	1.62	0.19
Payment For Purchase Of Fixed Assets (MillionTHB)	-65.78	-174.33	-139.03
Property, Plant And Equipment (MillionTHB)	-64.04	-117.65	-109.83
Intangible Assets (MillionTHB)	-1.74	-56.68	-29.20
(Increase) Decrease In Restricted Deposits (MillionTHB)	-0.02	-0.13	-6.87
Interest Received (MillionTHB)	0.08	0.53	1.05
<b>Net Cash From (Used In) Investing Activities</b> (MillionTHB)	-65.72	-171.78	-121.74
Increase (Decrease) In Bank Overdrafts And Short-Term Borrowings - Financial Institutions (MillionTHB)	-7.56	-423.17	117.10
Proceeds From Borrowings (MillionTHB)	37.00	49.99	10.07
Proceeds From Short-Term Borrowings (MillionTHB)	N/A	N/A	9.80
Proceeds From Short-Term Borrowings - Related Parties (MillionTHB)	N/A	N/A	9.80
Proceeds From Long-Term Borrowings (MillionTHB)	37.00	49.99	0.27
Proceeds From Long-Term Borrowings - Other Parties (MillionTHB)	N/A	N/A	0.27
Repayments On Borrowings (MillionTHB)	-106.10	-467.88	-17.19
Repayments On Long-Term Borrowings (MillionTHB)	-106.10	-467.88	-17.19

	THB		
	31 Dec 2022	31 Dec 2023	31 Dec 2024
	Consolidate	Consolidate	Consolidate
	AUDITED	AUDITED	AUDITED
Repayments On Lease Liabilities (MillionTHB)	-133.61	-162.60	-196.81
Dividend Paid (MillionTHB)	N/A	-352.79	-60.00
<b>Net Cash From (Used In) Financing Activities</b> (MillionTHB)	-210.27	47.25	-146.83
<b>Net Increase (Decrease) In Cash And Cash Equivalent</b> (MillionTHB)	-28.54	115.27	-21.46
Differences Of Foreign Currency Exchange On Financial Statements Translation (MillionTHB)	1.20	2.74	6.69
Cash And Cash Equivalents, Beginning Balance (MillionTHB)	70.26	42.93	160.94
<b>Cash And Cash Equivalents, Ending Balance</b> (MillionTHB)	42.93	160.94	146.17



## Key financial ratios

	2022	2023	2024
<b>Liquidity ratio</b>			
Current ratio (times)	0.62	1.65	1.35
Quick ratio (times)	0.12	0.50	0.30
Cash flow liquidity ratio (times)	0.25	0.32	0.39
Average account receivable turnover (times)	15.29	16.89	21.61
Average collection period (days)	23.86	21.61	16.89
Average finish goods turnover (times)	1.32	1.05	1.01
Average finish goods turnover period (days)	276.20	346.88	360.07
Average inventory turnover (times)	1.30	1.02	0.96
Average inventory turnover period (days)	280.59	356.58	382.12
Average account payable turnover (times)	5.11	4.29	4.09
Average payment period (days)	71.43	85.05	89.31
Average cash cycle (days)	233.02	293.14	309.70
<b>Profitability ratio</b>			
Gross profit margin (%)	59.80	64.10	64.67
Operating margin (%)	15.69	18.07	11.73
Other income to total income (%)	1.74	1.08	2.11
Cash from operation to operating profit (%)	122.50	93.83	121.34
Net profit margin (%)	9.48	11.40	6.78
Return on equity (ROE) (%)	46.64	17.39	7.56
<b>Financial policy ratio</b>			
Total debts to total equity (times)	4.74	0.49	0.67

	2022	2023	2024
Interest coverage ratio (times)	8.63	9.61	17.78
Interest bearing debt to EBITDA ratio (times)	3.21	1.05	1.49
Debt service coverage ratio (times)	0.53	1.66	1.07
Dividend payout ratio (%)	N/A	216.42	49.85
Interest-bearing debt to equity ratio (Interest-bearing debt/equity) (times)	3.85	0.32	0.44
<b>Efficiency ratio</b>			
Return on asset (ROA) (%)	6.49	7.82	4.79
Return On Fixed Assets (%)	12.76	15.18	11.11
Asset turnover (times)	0.69	0.69	0.71

## 5. General information and other material facts

### 5.1 General information

#### General information

#### Securities registrar

**Name of securities registrar** : Thailand Securities Depository Co., Ltd.  
**Address/location** : 93 Ratchadaphisek Road  
**Subdistrict** : Din Daeng  
**District** : Din Daeng  
**Province** : Bangkok  
**Postcode** : 10400  
**Telephone** : 02-009-9000  
**Facsimile number** : 02-009-9991

#### Auditing firm

**Name of auditing firm\*** : EY OFFICE LIMITED  
**Address/location** : 33RD FLOOR, LAKE RAJADA OFFICE COMPLEX, 193/136-137  
RAJADAPISEK ROAD  
**Subdistrict** : KHLONG TOEI  
**District** : KHLONG TOEI  
**Province** : Bangkok  
**Postcode** : 10110  
**Telephone** : +66 2264 9090  
**Facsimile number** : +66 2264 0789-90  
**List of auditors** : Mrs WILAI SUNTHORNWANEE  
**License number** : 7356  
**List of auditors** : Mrs KUNLAPEE PIYAWANNASUTH  
**License number** : 6137  
**List of auditors** : Mrs POONNARD PAOCHAROEN  
**License number** : 5238

## 5.2 Other material facts

### 5.2.1 Other information that may significantly influence investors' decision making

Other information that may influence investors' decision : No  
making

### 5.2.2 Restrictions of foreign shareholders

Are there restrictions on foreign shareholders? : No

## 5.3 Legal disputes

### Legal disputes

Is there any legal dispute? : No

## 5.4 Secondary market

### Secondary market

Has the company's security been listed on a stock exchange in : No  
another country?

## 5.5 Financial institution with regular contact (in case of debt securities offeror)

### Financial institution with regular contact

Are there any debt securities offered? : No

## Part 2 Corporate Governance



## 6. Corporate governance policy

### 6.1 Overview of the policy and guidelines

#### Overview of the policy and guidelines

Corporate governance policy and guidelines : Yes

The Company recognizes the importance of corporate governance, understanding that it is an essential element for promoting efficient operations and sustainable growth within the corporate group and will lead to achieving optimal benefits for all stakeholders, including employees, investors, shareholders, and other relevant parties.

The Company has established the corporate governance policy based on the Corporate Governance Code for listed companies 2017. This policy was developed by the Securities and Exchange Commission to provide guidance for overseeing the company's operations. The policy consists of 8 Corporate Governance Code principles as follows:

Principle 1: Establish Clear Leadership Role and Responsibilities of the Board

Principle 2: Define Objectives that Promote Sustainable Value Creation

Principle 3: Strengthen Board Effectiveness

Principle 4: Ensure Effective CEO and People Management

Principle 5: Nurture Innovation and Responsible Business

Principle 6: Strengthen Effective Risk Management and Internal Control

Principle 7: Ensure Disclosure and Financial Integrity

Principle 8: Ensure Engagement and Communication with Shareholders

In this regard, the relevant information and details pertaining to the corporate governance policy are presented in Attachment 5, the full version of the Corporate Governance Policy and Practices, and the Business Ethics that the Company has prepared.

#### 6.1.1 Policy and guidelines related to the board of directors

Are there policy and guidelines related to the board of directors : Yes

Guidelines related to the board of directors : Nomination of directors, Determination of director remuneration, Board performance evaluation, Corporate governance of subsidiaries and associated companies

#### Nomination of directors

The Board of Directors shall oversee that the nomination and selection of directors have a transparent and clear process to ensure the appointment of a Board of Directors with qualifications in accordance with the specified criteria. The Board of Directors shall delegate the Nomination and Remuneration Committee to be responsible for the selection and nomination of directors, aiming to assemble a board with suitable expertise and knowledge. The Committee will consider the background of the individuals, provide opinions to the Board of Directors prior to propose candidates to the shareholders' meeting for appointment.

#### Determination of director remuneration

The Board of Directors shall assign the Nomination and Remuneration Committee to consider policies and criteria for determining remuneration. The shareholders must approve the board remuneration structure, both cash-based and non-cash compensation. The Board shall consider the appropriateness of each pay component, both in terms of fixed rates (such as retainer fee and attendance fee) and remuneration paid according to the Company's performance (such as bonus and rewards), which reflect the values that the Company creates for shareholders.

#### Board performance evaluation

The Board of Directors' and Sub-Committees' performance evaluation shall be conducted at least once a year to facilitate and improve the Board's performance and effectiveness and consideration of any problems. Moreover, The Board of Directors shall appoint an external consultant to assist in setting guidelines and providing recommendations for a Board assessment at least once

every three years. This information should be disclosed in the form 56-1 one re.

## Corporate governance of subsidiaries and associated companies

In the supervision of subsidiaries, the Company will appoint any persons as representatives to serve as directors in each subsidiary and/or joint venture company, based on the proportion of shareholding in each respective entity. This is to ensure that the subsidiaries and/or joint venture companies operate in compliance with the laws, as well as other relevant policies of the company, as appropriate. The appointment of representatives from the Company to serve as directors in each subsidiary and/or joint venture company must be considered and approved at the Board meetings by considering the suitability of each subsidiary.

Furthermore, the Company will establish plans and implement necessary actions to ensure that subsidiaries and/or joint venture companies disclose operational and financial performance to the parent company. The Company will undertake necessary actions and closely monitor to ensure that subsidiaries and/or joint venture companies have adequate and appropriate systems for disclosing information and internal controls to conduct their business operations.

### 6.1.2 Policy and guidelines related to shareholders and stakeholders

Are there policy and guidelines and measures related to : Yes  
shareholders and stakeholders

Guidelines and measures related to shareholders and : Shareholders, Other guidelines and measures related to  
stakeholders shareholders and stakeholders

## Shareholders

### Rights and Equitable Treatment of Shareholders

The Board of Directors shall ensure that shareholders have the opportunity to participate effectively in decision-making involving significant corporate matters. Additionally, they will ensure that the shareholders' meetings are held as scheduled and conducted properly, with transparency and efficiency, and ensure inclusive and equitable treatment of all shareholders and their ability to exercise their rights, as follows:

1. The Board of Directors will set the date, time, and place of the meeting by facilitating to shareholders, such as allocating sufficient time for debate, and choosing a convenient location, etc.
2. The Board of Directors will ensure that the Company will not limit opportunities or prerequisites prevent meeting attendance by or places an undue burden on shareholders, including as a result of identification requirements that exceed applicable legal and regulatory requirements.
3. In the interest of transparency and accountability, the Board of Directors will promote the use of information technology to facilitate the shareholders' meetings, including for registration and vote counting.
4. The Chairman of the Board is the Chairman of the shareholders' meeting with responsibility for compliance with applicable legal requirements and the Company's Articles of Association, allocating sufficient time for consideration and debate of agenda items, and providing opportunity to all shareholders who wish to share their opinions or ask questions related to the Company.
5. To ensure the right of shareholders to participate in the Company's decision-making process in relation to significant corporate matters by participating and voting at shareholder's meetings on the basis of sufficient notice and information, directors who are shareholders will not be allowed to add items to the meeting agenda that have not been duly notified in advance.
6. All directors and relevant executives will attend the meeting to answer questions from shareholders on company-related matters.
7. The attending shareholders will be informed of the number and the proportion of shareholders and shares represented at the meeting in person and through proxies, the meeting method, and the voting and vote counting methods before the start of the meeting.
8. There will not be any bundling of several items into the same resolution. For example, the appointment of each director should be voted on and recorded as a separate resolution.
9. The Board of Directors will promote the use of ballots for voting on resolution proposed at the shareholders' meeting and designate an independent party to count or to audit the voting results for each resolution in the meeting, and to disclose such voting results at the meeting by identifying the number of "approval", "disapproval" and "abstain" votes. The voting results for each proposed resolution

## Other guidelines and measures related to shareholders and stakeholders

### Responsibility to Stakeholders

The Board of Directors shall oversee that the Company's objectives are pursued for sustainability by creating value for the Company, in extension to its customers, stakeholders, and society at large. To achieve these objectives, the Board of Directors shall define a business model capable of generating value for the Company, stakeholders, and society simultaneously. In addition, when formulating strategies and annual plans, the Board of Directors shall ensure that the business environment is considered together with factors and various risks that may impact stakeholders throughout the value chain, including the different risk factors that may affect the achievement of the Company's objectives. Furthermore, there should be mechanisms in place to genuinely understand the needs of stakeholders.

The Board of Directors shall ensure the establishment of a dedicated Investor Relations function responsible for regular, effective, and fair communication with shareholders and other stakeholders such as analysts and potential investors.

### Ensure Disclosure and Financial Integrity

(1) The Board of Directors must 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.

(2) The Board of Directors will monitor the Company's financial liquidity and solvency. Also, they will ensure that management regularly monitors, evaluates, and reports on the Company's financial status. The Board of Directors and management will ensure that any threats to the Company's financial liquidity and solvency are promptly addressed and remedied.

(3) The Board of Directors will seek to ensure confidence that risks to the financial position of the Company or financial difficulties are promptly identified, managed, and mitigated, and that the Company's governance framework provides for the consideration of stakeholders' rights.

(4) The Board of Directors will ensure sustainability reporting, as appropriate.

(5) The Board of Directors will ensure the establishment of a dedicated Investor Relations function responsible for regular, effective, and fair communication with shareholders and other stakeholders such as analysts and potential investors.

(6) The Board of Directors will ensure the effective use of the Company's information technology in disseminating information. In addition to the Company's mandatory periodic and non-periodic disclosure of information pursuant to applicable requirements, the Board of Directors will consider regularly disclosing relevant information in both Thai and in English through other channels, such as the Company's website.

### Prevention of Use of Inside Information

The Company conducts its business with transparency and awareness of the importance of using inside information in compliance with the Securities and Exchange Act B.E. 2535 (1992) (As Amended) ("the Securities and Exchange Act"). This includes relevant announcements, regulations, and/or guidelines. (Please view the full policy details at <https://www.tanachira.co.th/th/about-us/governance-and-ethics>)

The Company will organize training to educate newly appointed directors and executives about their responsibilities to prepare and disclose securities holding reports and changes in the securities holdings, as well as those related to their securities holdings, in accordance with Section 59 of the Securities and Exchange Act and related notifications of the SEC.

Furthermore, the Company has established penalties for directors, executives, and employees who violate this policy, which may include disciplinary actions deemed appropriate. There may also be legal consequences both criminally and civilly, in accordance with the Securities and Exchange Act.

### Prevention of Conflict of Interests

The Board of Directors has established a policy for preventing conflict of interests on the basis that any decision-making on business transactions must be made only for the best interests of the Company and its shareholders, and that any acts which may cause a conflict of interests should be avoided. It is required that a person involved in or having a conflict of interests in any agenda item to be discussed in a meeting shall report the relationship or conflict of interests in such agenda item to the Company, as well as abstain from voting and shall have no authority to grant approval for such transaction. (Please view the full policy details at <https://www.tanachira.co.th/th/about-us/governance-and-ethics>)

### Anti-Corruption

The group of companies ("the Group") is committed to conducting business with honesty, transparency, and in accordance with good corporate governance principles. The Group recognizes the importance of resisting corruption in all forms and has established an Anti-Corruption Policy as guidelines for the practices of the Board of Directors, executives, and employees of the Group. The policy aims to prevent and counteract corruption issues within the Group, outlining clear guidelines for action. (Please view the full policy details at <https://www.tanachira.co.th/th/about-us/governance-and-ethics>)



## 6.2 Business code of conduct

### Business code of conduct

Business code of conduct : Yes

The Company is committed to conducting business in accordance with good corporate governance principles, firmly adhering to legal and ethical standards, managing operations with transparency, and taking responsibility towards stakeholders. In order to ensure sustainable growth, the Group has established a Code of Conduct, serving as a guideline for executives, employees, consultants, representatives, or individuals acting on behalf of the Group. They are expected to adhere to and act in accordance with the principles outlined therein.

Policy and guidelines related to business code of conduct : <https://www.tanachira.co.th/en/about-us/governance-and-ethics>

### Policy and guidelines related to business code of conduct

Guidelines related to business code of conduct : Anti-corruption, Whistleblowing and Protection of Whistleblowers, Preventing the misuse of inside information, Gift giving or receiving, entertainment, or business hospitality, Information and assets usage and protection, Anti-unfair competitiveness, Information and IT system security, Human rights, Safety and occupational health at work

### Anti-corruption

Act with honesty, integrity, morality, and responsibility. Do not unfairly seek any position, recognition, or other benefits from superiors or others, whether directly or indirectly. This includes actively opposing all forms of fraud and corruption.

### Whistleblowing and Protection of Whistleblowers

Mail: Tanachira Retail Corporation Public Company Limited  
999/9 The Office at Central World,  
Room OFMH2807 and OFMH 2812,  
Floor 28, Rama I Road, Patumwan Sub-district, Patumwan District Bangkok 10330

E-mail: [companysecretary@tanachira.co.th](mailto:companysecretary@tanachira.co.th)

Suggestion / Feedback / Complaint Box within the Company

Notify the Chief Executive Officer or the Chairman of the Board as follows:

If the respondent holds a position lower than the Chief Executive Officer: Notify the Chief Executive Officer or the Company Secretary (acting on behalf of the Chief Executive Officer).

If the respondent is an executive at the level of Chief Executive Officer or higher, or a director: Notify the Chairman of the Board or the Company Secretary (acting on behalf of the Chairman of the Board).

In 2024, no complaints regarding non-compliance with the Code of Conduct were reported.

### Preventing the misuse of inside information

- Do not engage in any occupation, profession or action that may affect the performance of duties or the reputation of oneself and the Company. Prevent or avoid any actions that may lead to a conflict of interest.
- Employees must not seek personal gain for themselves or others by using confidential information of the Company or its subsidiaries, such as plans, revenue, meeting minutes, business forecasts, and research results, for personal gain, whether or not the Company is damaged. Employees must also strictly comply with the Company's internal data use policy.

### Gift giving or receiving, entertainment, or business hospitality

The giving or receiving of gifts or donations may be made in accordance with customary practice. The value must not exceed 3,000 Baht (three thousand Baht) and must not be intended to influence, induce, or reward any person to gain an advantage through improper or hidden means, to obtain assistance, or to obtain unfair benefits. This is in accordance with this Code of Ethics, the

anticorruption policy, relevant laws, regulations, and rules of the Company.

## Information and assets usage and protection

- Keep confidential and do not use inside information or confidential information for personal or other improper gain.
- Strictly keep confidential the information of customers, partners, other relevant parties and the Company. They must be careful not to let confidential documents or information of the Company leak or fall into the hands of unauthorized persons, which may cause damage to all stakeholders and the Company. They must comply with the personal data protection policy (if any) and the personal data protection law.

## Anti-unfair competitiveness

- Treat competitors within the framework of free and fair trade competition rules. Do not attempt to destroy the reputation of competitors by making false and unfair accusations. Additionally, avoid any practices that may distort market prices and negatively impact consumers.

## Information and IT system security

- The use of the Company's computers must be limited to legally licensed software authorized by the Company to prevent intellectual property infringement.
- Strictly comply with the Company's guidelines on the use of computer equipment, communication, and electronic data. Refrain from any actions that violate the law or serve personal interests.

## Human rights

- Treat all employees equally and fairly. It must not discriminate against employees unfairly

## Safety and occupational health at work

- Maintain a safe working environment for the life and property of employees.
- Comply with the occupational health, safety, and work environment policy.

## Promotion of compliance with the business code of conduct

Promotion for the board of directors, executives, and employees to comply with the business code of conduct : Yes

The Company encourages the Board of Directors, executives, and all employees to adhere to the Code of Conduct. The Board of Directors is responsible for approving the Code of Conduct, while the Company provides training for executives and employees and includes it as a topic in the new employee orientation program.

## Participation in anti-corruption networks

Participation or declaration of intent to join anti-corruption networks : No

## 6.3 Material changes and developments in policy and corporate governance system over the past year

### 6.3.1 Material changes and developments related to the review of policy and guidelines in corporate governance system or board of directors' charter

In the past year, did the company review the corporate governance policy and guidelines, or board of directors' charter : Yes

Material changes and developments in policy and guidelines over the past year : Yes

1. Reviewed and revised the Company's policies and procedures, such as the Corporate Governance Policy, Code of Conduct, Anti-Corruption Policy, Board of Directors and Sub-Committee Charters.
2. Promoted adherence to the Code of Conduct and Anti-Corruption Policy among employees by conducting orientation for all new employees to ensure they are aware and comply with the Company's Code of Conduct and Anti-Corruption Policy.
3. Provided opportunities for stakeholders to contact the Company for inquiries, complaints, and suggestions through various channels established by the Company, including allowing shareholders to propose meeting agendas and nominate individuals for election to the Board of Directors for the Annual General Meeting.

### 6.3.2 Implementation of the CG Code for listed companies

Implementation of the CG Code as prescribed by the SEC : Mostly used in practice

The Company has adopted the principles of the Corporate Governance Code (CG Code) for listed companies 2017, issued by the Securities and Exchange Commission of Thailand, and applied them appropriately in accordance with the Company's business context. However, certain practices may not fully comply with the criteria of the Corporate Governance Report of Thai Listed Companies (CGR), as detailed below:

- The Company has not stipulated a policy limiting the number of directorships in listed companies to a maximum of five per director within its corporate governance policy. However, such a limitation is specified as part of the qualifications required for individuals to be appointed as directors, as outlined in the Board of Directors' Charter.

### 6.3.3 Other corporate governance performance and outcomes

1. Provided an opportunity for shareholders to propose agenda for the annual shareholder meeting 2024, as well as nominate qualified persons to be elected as directors for consideration and appointment. In addition, the Company also allows shareholders to submit questions related to the proposed agenda in advance for shareholders. The details and procedures are placed on the Company's website and SET's system from 22 December 2023 to 25 January 2024.
2. The Company published the AGM invitation notice 2023 via the Company's website in both Thai and English for at least 28 days prior to the date of the AGM (1 April 2024) and distribute the AGM invitation notice along with its annual report and in the QR Code format to shareholders no less than 21 days prior to the meeting (9 April 2024).
3. The Company held the AGM 2024 on 30 April 2024 via Electronic Meeting (E-Meeting). The resolutions of the meeting and the voting results were published in the evening of the meeting day via the electronic system of the Stock Exchange of Thailand. Additionally, the minutes of the Annual General Meeting of Shareholders were prepared and announced through the electronic system of the Stock Exchange of Thailand within 14 days from the meeting date (14 May 2024) and were also published on the Company's website.
4. The Company participated in Opportunity Day, organized by the Stock Exchange of Thailand, providing an opportunity for a wide range of investors to learn about the vision and business outlook, as well as to engage in a Q&A session with executives via live streaming. In 2024, the Company took part in this event four times and held four analyst meetings.

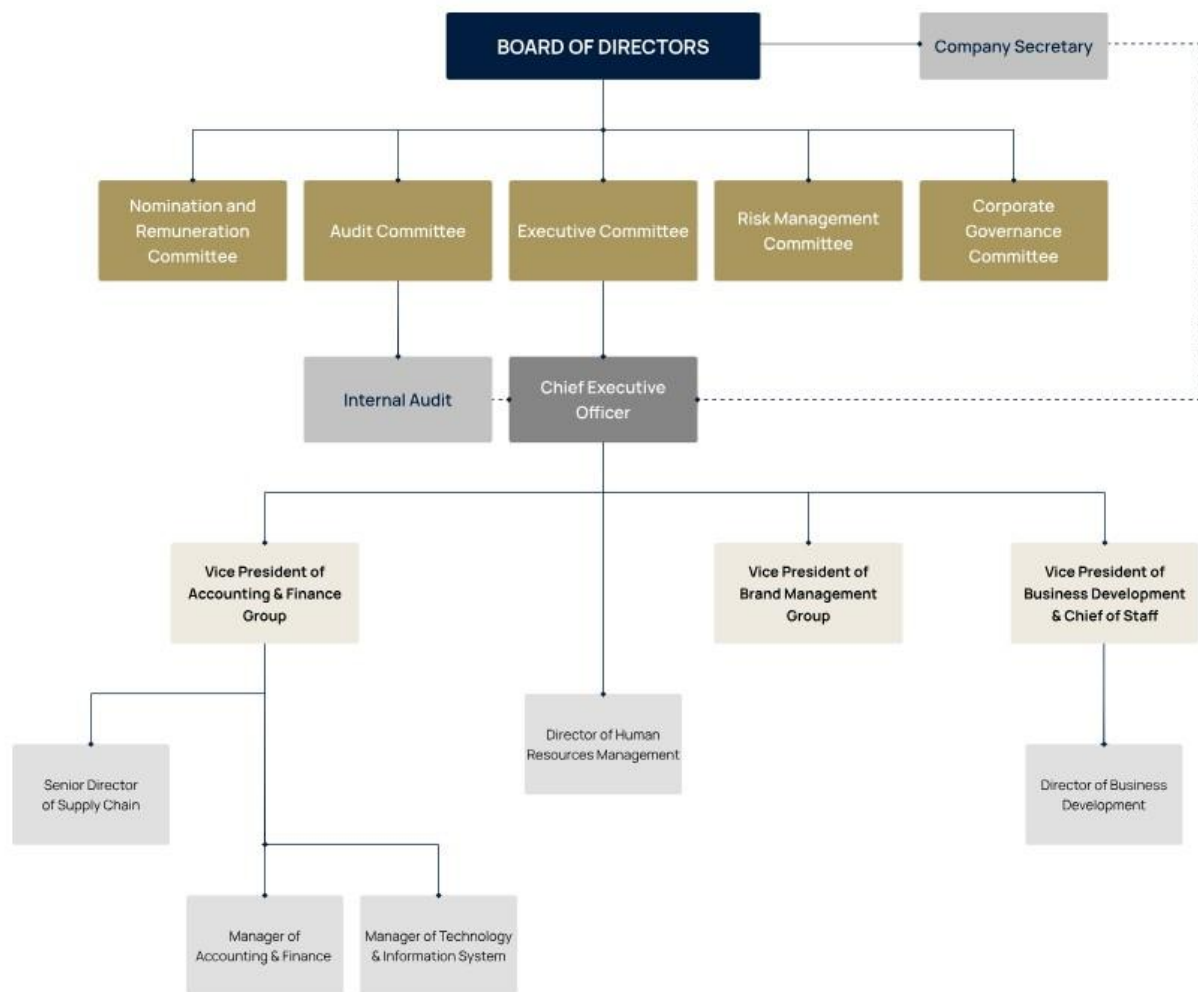
## 7. Corporate governance structure and significant information related to the board of directors, subcommittees, executives, employees, and others

### 7.1 Corporate governance structure

#### Corporate governance structure diagram

Corporate governance structure as of date : 31 December 2025

#### Corporate governance structure diagram





## 7.2 Information on the board of directors

### 7.2.1 Composition of the board of directors

	Number (persons)	Percent (%)
Total directors	9	100.00
Male directors	7	77.78
Female directors	2	22.22
Executive directors	1	11.11
Non-executive directors	8	88.89
Independent directors	6	66.67
Non-executive directors who have no position in independent directors	2	22.22

### 7.2.2 The information on each director and controlling person

#### List of the board of directors

List of directors	Position	First appointment date of director	Skills and expertise
<p>1. Mr. KITTIPOL PRAMOJ NA AYUDHYA</p> <p>Gender: Male</p> <p>Age : 52 years</p> <p>Highest level of education : Master's degree</p> <p>Study field of the highest level of education : Business Administration</p> <p>Thai nationality : Yes</p> <p>Residence in Thailand : Yes</p> <p>Family relationship between directors and executives : Doesn't Have</p> <p>Legal offenses in the past 5 years <sup>(*)</sup> : Doesn't Have</p> <p>DAP course : Yes</p> <p>DCP course : Yes</p>	<p>Chairman of the board of directors (Non-executive directors, Independent director)</p> <p>Authorized directors as per the company's certificate of registration : No</p> <p>Type of director : Continuing director (Full term of directorship and being re-appointed as a director)</p>	26 Feb 2020	Business Administration, Engineering
<p>2. Mr. TANAPONG CHIRAPANIDCHAKUL</p> <p>Gender: Male</p> <p>Age : 48 years</p> <p>Highest level of education : Master's degree</p> <p>Study field of the highest level of education : Business Administration</p> <p>Thai nationality : Yes</p> <p>Residence in Thailand : Yes</p> <p>Family relationship between directors and executives : Doesn't Have</p> <p>Legal offenses in the past 5 years <sup>(*)</sup> : Doesn't Have</p> <p>DAP course : No</p> <p>DCP course : Yes</p> <p><b>Shareholding in a company</b></p> <ul style="list-style-type: none"> <li>• Direct shareholding : 222,971,700 Shares (74.323900 %)</li> <li>• Shareholding by persons related to directors, executives according to Section 59 <sup>(**)</sup> : 61,000 Shares (0.020333 %)</li> </ul> <p><u>Indirect shareholding details</u></p> <p>Spouses</p>	<p>Director (Executive Directors)</p> <p>Authorized directors as per the company's certificate of registration : Yes</p> <p>Type of director : Existing director</p>	5 Nov 2010	Business Administration, Engineering, Marketing, Leadership, Fashion

List of directors	Position	First appointment date of director	Skills and expertise
<p>3. Mr. SARIT CHOKCHAINIRAND</p> <p>Gender: Male</p> <p>Age : 48 years</p> <p>Highest level of education : Doctoral degree</p> <p>Study field of the highest level of education : Business Administration</p> <p>Thai nationality : Yes</p> <p>Residence in Thailand : Yes</p> <p>Family relationship between directors and executives : Doesn't Have</p> <p>Legal offenses in the past 5 years <sup>(*)</sup> : Doesn't Have</p> <p>DAP course : Yes</p> <p>DCP course : Yes</p>	<p>Director (Non-executive directors)</p> <p>Authorized directors as per the company's certificate of registration : Yes</p> <p>Type of director : Existing director</p>	16 Aug 2019	Business Administration, Finance
<p>4. Mr. WUTT SRIKHAM</p> <p>Gender: Male</p> <p>Age : 51 years</p> <p>Highest level of education : Master's degree</p> <p>Study field of the highest level of education : Economics</p> <p>Thai nationality : Yes</p> <p>Residence in Thailand : Yes</p> <p>Family relationship between directors and executives : Doesn't Have</p> <p>Legal offenses in the past 5 years <sup>(*)</sup> : Doesn't Have</p> <p>DAP course : No</p> <p>DCP course : Yes</p>	<p>Director (Non-executive directors)</p> <p>Authorized directors as per the company's certificate of registration : Yes</p> <p>Type of director : Existing director</p>	16 Aug 2019	Economics, Engineering
<p>5. Mrs. PEERAMAN WARUNPANTULAK</p> <p>Gender: Female</p> <p>Age : 55 years</p> <p>Highest level of education : Master's degree</p> <p>Study field of the highest level of education : Accounting</p> <p>Thai nationality : Yes</p> <p>Residence in Thailand : Yes</p> <p>Family relationship between directors and executives : Doesn't Have</p> <p>Legal offenses in the past 5 years <sup>(*)</sup> : Doesn't Have</p> <p>DAP course : No</p> <p>DCP course : Yes</p>	<p>Director (Non-executive directors, Independent director)</p> <p>Authorized directors as per the company's certificate of registration : No</p> <p>Type of director : Continuing director (Full term of directorship and being re-appointed as a director)</p>	26 Feb 2020	Accounting

List of directors	Position	First appointment date of director	Skills and expertise
<p>6. Mr. AKARIN PHUREESITR</p> <p>Gender: Male</p> <p>Age : 52 years</p> <p>Highest level of education : Master's degree</p> <p>Study field of the highest level of education : Business Administration</p> <p>Thai nationality : Yes</p> <p>Residence in Thailand : Yes</p> <p>Family relationship between directors and executives : Doesn't Have</p> <p>Legal offenses in the past 5 years <sup>(*)</sup> : Doesn't Have</p> <p>DAP course : No</p> <p>DCP course : Yes</p>	<p>Director (Non-executive directors, Independent director)</p> <p>Authorized directors as per the company's certificate of registration : No</p> <p>Type of director : Existing director</p>	26 Feb 2020	Business Administration, Engineering
<p>7. Mr. NATHASORN BOONTANORM</p> <p>Gender: Male</p> <p>Age : 46 years</p> <p>Highest level of education : Master's degree</p> <p>Study field of the highest level of education : Business Administration</p> <p>Thai nationality : Yes</p> <p>Residence in Thailand : Yes</p> <p>Family relationship between directors and executives : Doesn't Have</p> <p>Legal offenses in the past 5 years <sup>(*)</sup> : Doesn't Have</p> <p>DAP course : No</p> <p>DCP course : Yes</p>	<p>Director (Non-executive directors, Independent director)</p> <p>Authorized directors as per the company's certificate of registration : No</p> <p>Type of director : Existing director</p>	26 Feb 2020	Business Administration, Engineering
<p>8. Mrs. CHATAYA SUPANPONG</p> <p>Gender: Female</p> <p>Age : 45 years</p> <p>Highest level of education : Master's degree</p> <p>Study field of the highest level of education : Business Administration</p> <p>Thai nationality : Yes</p> <p>Residence in Thailand : Yes</p> <p>Family relationship between directors and executives : Doesn't Have</p> <p>Legal offenses in the past 5 years <sup>(*)</sup> : Doesn't Have</p> <p>DAP course : Yes</p> <p>DCP course : No</p>	<p>Director (Non-executive directors, Independent director)</p> <p>Authorized directors as per the company's certificate of registration : No</p> <p>Type of director : Existing director</p>	1 Dec 2020	Business Administration

List of directors	Position	First appointment date of director	Skills and expertise
9. Mr. WARATHORN WONGSAWANGSIRI Gender: Male Age : 42 years Highest level of education : Master's degree Study field of the highest level of education : Law Thai nationality : Yes Residence in Thailand : Yes Family relationship between directors and executives : Doesn't Have Legal offenses in the past 5 years <sup>(*)</sup> : Doesn't Have DAP course : No DCP course : Yes	Director (Non-executive directors, Independent director)  Authorized directors as per the company's certificate of registration : No  Type of director : Newly appointed director to replace the ex-director	14 Aug 2024	Law

Additional explanation :

(\*) Any offense under the Securities and Exchange Act B.E. 2535 (1992) or the Derivatives Act B.E. 2546 (2003), only in the following cases:

(1) Dishonest act or gross negligence

(2) Disclosure or dissemination of false information or statements that may be misleading or conceal material facts that should be notified, which may affect decision making of shareholders, investors or other parties involved

(3) Unfair acts or exploitation of investors in trading securities or derivatives, or participation in, or support to, such acts.

(\*\*) Shareholdings by persons related to directors or executives as prescribed in Section 59 of the Securities and Exchange Act B.E. 2535 (1992), such as spouses or cohabiting couple (unmarried couples living together openly), minor children, etc.

## List of board of directors who resigned / vacated their position during the year

List of directors	Position	Date of resignation / termination	Replacement director
1. Mrs. PATRAPORN MILINDASUTA Gender: Female Age : 61 years Highest level of education : Master's degree Study field of the highest level of education : Law Thai nationality : Yes Residence in Thailand : Yes Family relationship between directors and executives : Doesn't Have Legal offenses in the past 5 years <sup>(*)</sup> : Doesn't Have DAP course : No DCP course : Yes	Director (Non-executive directors, Independent director)  Authorized directors as per the company's certificate of registration : No	1 Jun 2024	Mr. WARATHORN WONGSAWANGSIRI  Appointment date of replacement director : 14 Aug 2024

Additional explanation :

(\*) Any offense under the Securities and Exchange Act B.E. 2535 (1992) or the Derivatives Act B.E. 2546 (2003), only in the following cases:

(1) Dishonest act or gross negligence

(2) Disclosure or dissemination of false information or statements that may be misleading or conceal material facts that should be notified, which may affect decision making of shareholders, investors or other parties involved

(3) Unfair acts or exploitation of investors in trading securities or derivatives, or participation in, or support to, such acts.

(\*\*) Shareholdings by persons related to directors or executives as prescribed in Section 59 of the Securities and Exchange Act B.E. 2535 (1992), such as spouses or cohabiting couple (unmarried couples living together openly), minor children, etc.

## List of the board of directors by position

List of the board of directors	Position	Executive directors	Non-executive directors	Independent directors	Non-executive directors who have no position in independent directors	Authorized directors as per the company's certificate of registration
1. Mr. KITTIPOL PRAMOJ NA AYUDHYA	Chairman of the board of directors		✓	✓		
2. Mr. TANAPONG CHIRAPANIDCHAKUL	Director	✓				✓
3. Mr. SARIT CHOKCHAINIRAND	Director		✓		✓	✓
4. Mr. WUTT SRIKHAM	Director		✓		✓	✓
5. Mrs. PEERAMAN WARUNPANTULAK	Director		✓	✓		
6. Mr. AKARIN PHUREESITR	Director		✓	✓		
7. Mr. NATHASORN BOONTANORM	Director		✓	✓		
8. Mrs. CHATAYA SUPANPONG	Director		✓	✓		
9. Mr. WARATHORN WONGSAWANGSIRI	Director		✓	✓		
Total (persons)		1	8	6	2	3

### Overview of director skills and expertise

Skills and expertise	Number (persons)	Percent (%)
1. Economics	1	11.11
2. Fashion	1	11.11
3. Law	1	11.11
4. Marketing	1	11.11
5. Accounting	1	11.11
6. Finance	1	11.11
7. Engineering	5	55.56
8. Leadership	1	11.11
9. Business Administration	6	66.67

### Information about the other directors

The chairman of the board and the highest-ranking executive : No  
are from the same person

The chairman of the board is an independent director	: Yes
The chairman of the board and the highest-ranking executive are from the same family	: No
Chairman is a member of the executive board or taskforce	: No
The company appoints at least one independent director to determine the agenda of the board of directors' meeting	: No

## The measures for balancing the power between the board of directors and the Management

The measures for balancing the power between the board of directors and the Management	: Yes
Methods of balancing power between the board of directors and Management	: Appointing an independent director to jointly consider the agenda of the board of directors' meeting

If the Chairman of the Board is not an independent director, the Board shall appoint an independent director to jointly consider and determine the agenda for Board meetings, ensuring compliance with the principles of good corporate governance for listed companies.

Reference link for the measures for balancing the power between the board of directors and the management	: <a href="https://www.tanachira.co.th/storage/document/governance/corporate-governance-policy-th.pdf">https://www.tanachira.co.th/storage/document/governance/corporate-governance-policy-th.pdf</a>
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### 7.2.3 Information on the roles and duties of the board of directors

Board charter : Yes

#### Scope of Authorities, Duties, and Responsibilities of the Board of Directors.

(1) Perform duties in accordance with the laws, objectives, and regulations of the Company, as well as resolutions passed at shareholder meetings with responsibility, vigilance, and integrity, aiming to be fair and appropriate, and not engage in actions that significantly contradict or undermine the interests of the company.

(2) Determine to approve and setting of the corporate vision, mission, goals, objectives for conducting business, business strategies, business plans, and annual budgets of the Company and its subsidiaries.

(3) Supervise and manage the performance of any individual involved to ensure alignment with the Company's vision, mission, goals, business objectives, business strategies, business plans, and annual budgets as determined by the Board of Directors.

(4) Establish the organization structure and define the authority for managing the organization.

(5) Monitor the performance of the Company and its subsidiaries continuously to ensure alignment with the business plan and budget. Ensure that the Company and its subsidiaries implement suitable and efficient accounting systems, along with establishing internal control systems and ensure that an adequate and effective internal audit system is in place. This may involve hiring external service provider to audit the internal control systems alongside company personnel. Regular assessments of the adequacy of the internal control systems of the Company and its subsidiaries should also be organized.

(6) Financial statements are prepared at the end of the accounting period for the Company and its subsidiaries, to be presented at the Annual General Meeting for shareholders' consideration and approval.

(7) Consideration and approval of the selection and nomination of auditors, as well as reviewing the appropriate compensation as proposed by the Audit Committee, are conducted before presenting them to the shareholders' meeting for approval at the Annual General Meeting.

(8) Consider appointing, modifying, or changing the Sub-Committee and defining the roles and responsibilities of such sub-committee to assist and support the duties of the board. Also, review and establish the total remuneration for the Sub-Committees members as budgeting (not exceeding the total amount approved by the shareholders).

(9) Consider appointing and defining the roles and responsibilities of the Chief Executive Officer (CEO), including evaluating performance and determining compensation for the CEO.

(10) Consider approving the appointment of a Company Secretary, based on the necessary qualifications and experience required to support the company's operations, including defining the scope of authorities and responsibilities of the Company Secretary.

(11) Supervise and oversee the management and operations of the Company and its subsidiaries to comply with various company policies, securities laws, relevant regulations and criteria set forth by the Securities and Exchange Commission, the

Office of the Securities and Exchange Commission (SEC), and the Stock Exchange. This includes ensuring transactions with related parties, significant asset acquisitions or disposals, without conflicting with other laws. Additionally, establish adequate and appropriate internal control and internal audit systems which should be enforceable once the Company's shares are listed as registered securities on the Stock Exchange.

(12) Consider approving principles regarding general trade agreement conditions for transactions between the Company and its subsidiaries, directors, executives, or related parties. This is to establish a framework for management to have the authority to conduct such transactions within the boundaries and scope of relevant laws and criteria. This is done for the benefit of engaging in interrelated transactions.

(13) Ensure there are appropriate communication channels with each group of shareholders and oversee the disclosure of information to ensure accuracy, completeness, appropriateness, and timeliness

(14) Consider approving interim dividends payout when it is deemed that the Company has sufficient profits to do so and report such dividend payouts to shareholders at the next shareholders' meeting.

(15) Consider establishing and amending changes to the list of authorized signatories who have the authority to bind the company.

(16) Seek professional advice from external organizations if necessary to make informed decisions.

(17) Oversee the Company's operations to ensure efficiency and safeguard any benefits related to all stakeholders.

(18) Ensure that the Shareholders' Meeting is held as an Annual General Meeting within 4 months from the end of the Company's accounting period.

(19) Ensure that the Board of Directors' Meeting is held at least once quarterly.

(20) Prepare the Company's annual report and take responsibility for compiling and ensuring the disclosure of the Company's consolidated financial statements to reflect the financial position and operating results of the Company and its subsidiaries for the previous year, and present to the shareholders' meeting for consideration and approval.

(21) Monitor the operating results, financial position, and ensure the adequacy of the financial liquidity and debt repayment capability of the Company and its subsidiaries continuously, in line with the business plan and related budget.

(22) Evaluate the performance of committees to review achievements, problems, and obstacles each year in order to facilitate development and improvement initiatives across various operational areas.

(23) Review the Board of Directors Charter at least once a year.

(24) The Board of Directors may delegate authority and/or assign specific tasks to other persons on behalf, within the scope of authority as defined in the power of attorney letter provided and/or as prescribed by regulations, provisions, or orders set forth by the Board of Directors and/or the Company. However, the delegation of duties and responsibilities of the Board of Directors shall not include delegating or assigning tasks that would enable the Board of Directors or the person delegated authority by the Board of Directors to consider and approve transactions that may present conflicts of interest (as defined by the Securities and Exchange Commission and/or the Stock Exchange Commission and/or relevant regulatory agencies). Such transactions may result in gains or losses, or may involve other conflicting interests with the Company or its subsidiaries, unless they are approved in accordance with policies and criteria as approved by the Shareholders' Meeting or the Board of Directors. Approved transactions should align with normal business practices and normal trade conditions, as prescribed by announcements of the Securities and Exchange Commission and/or the Stock Exchange Commission and/or relevant regulatory agencies.

Reference link for the board charter : <https://www.tanachira.co.th/storage/document/governance/board-of-directors-charter-th.pdf>



## 7.3 Information on subcommittees

### 7.3.1 Information on roles of subcommittees

#### Roles of subcommittees

##### Audit Committee

##### Role

- Audit of financial statements and internal controls

##### Scope of authorities, role, and duties

- (1) To review the financial reporting of the Company and its subsidiaries to ensure that it is accurate and adequate in accordance with financial reporting standards by coordinating with external auditors and responsible managers who prepare financial reports for both quarterly and annual periods. The Audit Committee may suggest that the external auditors examine or review any transactions deemed important and necessary during the audit of the Company's and its subsidiaries' accounts.
- (2) To review the Company and its subsidiaries both internal control system and internal audit system to ensure that they are suitable, adequate, and effective.
- (3) To consider the independence of the internal audit function, as well as approval on the appointment, transfer, termination, or change of the head of the internal audit function or any other unit responsible for internal audit, including external auditors hired by the Company for internal control system auditing.
- (4) To access company information with authority at all levels, including inviting executives, management, department heads, employees, or relevant individuals to meetings to provide information. It also involves sending and providing relevant information as part of the duties and responsibilities assigned by the Company's Board of Directors.
- (5) To review and approve the staffing levels and necessary resources for the internal audit department, approving the annual audit plan, including considering and approving any significant changes to the audit plan, overseeing the implementation of the approved annual audit plan, ensuring compliance with international standards for internal audit practices, evaluating the quality of internal audit work on a regular basis, and participating in meetings with the head of the internal audit department to discuss important issues at least once a year.
- (6) To reviewing the Company's compliance with securities laws, regulations of the Stock Exchange of Thailand ("SET"), and regulations of the Securities and Exchange Commission, as well as any other relevant laws pertaining to the Company's business operations.
- (7) To evaluate, select, and propose the appointment of an independent individual to serve as the Company's auditor and propose their remuneration. Additionally, participate in meetings with the auditor without management present at least once a year.
- (8) To review transactions with related parties or transactions that may present conflicts of interest, such as acquisitions or disposals of assets by the Company and its subsidiaries. Ensure that the company's and subsidiaries' assets are accurately and completely accounted for, in accordance with relevant laws and regulations of the Stock Exchange and the Securities and Exchange Commission. This ensures confidence that these transactions are reasonable and beneficial to the Company and its shareholders.
- (9) To prepare the Audit Committee's report to be disclosed in the Company's annual report, which must be signed by the Audit Committee Chairman and consists of information as required by law.
- (10) To verify and monitor the results of risk management by the management team and/or related departments.
- (11) To review and propose amendments to the Audit Committee Charter as deemed necessary, at least once a year.
- (12) To review and approve the Charter of the internal audit function, and conduct an adequacy review at least once per year. Additionally, conduct a review of the scope of internal audit activities jointly with the external auditors of the internal control system, if engaged by the company.
- (13) To assess the performance for the previous year by preparing a work performance report and presenting it to the Board of Directors at least once a year.
- (14) To seek independent professional advice from other consultants to provide opinions or recommendations within the scope of their responsibilities as deemed appropriate and necessary, with the expenses incurred by the Company.
- (15) Perform other duties as assigned by the Board of Directors, with the approval of the Audit Committee.

##### Reference link for the charter



## Executive Committee

### Role

- Others
  - Follow up on the operations and manage the business of the Company and its subsidiaries in accordance with the objectives, regulations, policies, rules, directives, and resolutions of the Board of Directors and/or resolutions of the Shareholders' meetings.

### Scope of authorities, role, and duties

- (1) Conduct the operations and manage the business of the Company and its subsidiaries in accordance with the objectives, regulations, policies, rules, directives, and resolutions of the Board of Directors and/or resolutions of the Shareholders' meetings.
- (2) Evaluate and develop policies, directions, business strategies, objectives, and operational plans, financial goals and budgets, human resource management, investments, expansion plans, public relations of the Company and its subsidiaries. Ensure that the operations of the appointed team achieve the objectives by considering appropriate business factors, to the extent that it does not conflict with the policies or guidelines set by the Board of Directors (if any), and present them for approval by the Board of Directors.
- (3) In such a case where the Board of Directors has already established operational guidelines, if the proposed facts to the Board of Directors have changed, the Executive Committee will review the approved budget to ensure its appropriateness to the current situation, as long as it does not conflict with the Delegation of Authority.
- (4) Oversee, examine, and monitor to ensure that the business operations of both the Company and its subsidiaries are align with the approved policies on business strategies, objectives and operation plans, financial goals, and budgets set forth by the Board of Directors. This oversight should be conducted efficiently and effectively to benefit the business environment concurrent with providing advice and guidance to senior management executives.
- (5) Study the feasibility of investing in new projects and undertake the authority to consider and approve investments or joint ventures with individuals, legal entities, or other business organizations, in a manner deemed appropriate by the Executive Committee to pursue the objectives of the Company and its subsidiaries, as well as to consider and approve expenditures for such investments, entering into contracts, and/or any related operations until completion within the authorized budget, as long as it does not conflict with the Delegation of Authority and/or applicable laws and regulations, including but not limited to the criteria of the Securities and Exchange Commission ("SEC") and the Stock Exchange of Thailand ("SET") regarding the sale of assets and related transactions, under the Public Limited Companies Act B.E. 2535 (1992) (As Amended) and the Securities and Stock Exchange Act B.E. 2535 (1992) (As Amended) ("Applicable Laws for Registered Companies"), and/or according to the company's regulations and those of its subsidiaries.
- (6) Monitor the progress and outcomes of each business investment project and report the overall results, including any problems or obstacles encountered, along with suggestions for improvement to the Board of Directors.
- (7) Review the profits and losses of the Company and its subsidiaries and provide recommendations regarding dividend payments to be proposed to the Board of Directors.
- (8) Review and provide recommendations or comments to the Board of Directors regarding any projects, proposals, or transactions related to the Company's business operations and its subsidiaries. This includes considering options for fundraising when necessary and proposing actions to be taken in accordance with relevant laws, regulations, and company policies. Present these proposals for consideration and approval by the shareholders' meeting and/or the Board of Directors.
- (9) Review and approve financial transactions with financial institutions, including opening accounts, borrowing loans, requesting credit, pledging assets, mortgaging, providing guarantees, and any other financial transactions necessary for the Company's and its subsidiaries' business operations. This also includes purchasing, registering land rights, and conducting legal transactions, submitting applications, proposals, contacting with government agencies to acquire various rights for the benefit of the Company and its subsidiaries. Ensure that these transactions are completed within the specified limits in the Delegation of Authority approved by the Board of Directors and/or in compliance with relevant laws, regulations, or company policies. Additionally, the Board of Directors has the authority to consider and approve financial transactions with financial institutions to open accounts if necessary.
- (10) Approve the establishment of subsidiaries, capital increases or reductions, or seeking other sources of funding for subsidiaries. Adjust the shareholding structure within the subsidiary group, as well as engage in transactions and operations of the subsidiaries which does not conflict with the guidelines set by the Board of Directors. This should comply with relevant laws and regulations, including but not limited to those applicable to registered companies and/or according to the company's

regulations and those of its subsidiaries.

(11) Consider and approve regulations, rules, management policies, and business operations of the Company and its subsidiaries, or any actions that bind the Company and its subsidiaries, within the limits specified in the Delegation of Authority table approved by the Board of Directors.

(12) Appoint and/or delegate any individual or individuals to perform any actions within the authority of the Executive Committee, as deemed appropriate by the Executive Committee, and within the timeframe deemed appropriate by the Executive Committee, with the Executive Committee having the authority to revoke, rescind, or modify the individuals granted authority, as deemed appropriate.

(13) In this regard, the delegation of authorities, duties, and responsibilities of the Executive Committee shall not be of a nature that empowers the delegate from the Executive Committee to approve transactions that may result in the delegate or any person having a conflict of interest (as defined by the Securities and Exchange Commission and/or the Stock Exchange of Thailand, and/or relevant regulatory bodies) to benefit or potentially harm the Company, its subsidiaries, and/or related parties. The Executive Committee shall not have the authority to approve such transactions. Such matters shall be presented to the Board of Directors meeting and/or the shareholders' meeting (as applicable) for approval, except for the approval of transactions conducted in the ordinary course of business and under normal trading conditions, as defined by the regulations of the Securities and Exchange Commission and/or the Stock Exchange of Thailand, and/or relevant regulatory bodies.

(14) Arrange for executives, management, or employees to participate in the Executive Committee's Meetings or prepare and provide relevant information on matters to be discussed at the Executive Committee's Meetings.

(15) Undertake authorities, duties, and responsibilities as assigned or as per policies delegated by the Board of Directors as needed.

(16) Engage consultants or independent individuals to provide necessary and appropriate opinions or recommendations as needed.

(17) Regular report to the Board of Directors on the Company's operations conducted within the scope of authorities and duties of the Executive Committee, including any other matters necessary and appropriate to be presented

(18) Review and approve regular business transactions of the Company according to the investment budget or budget approved by the

Board of Directors, within the limits specified in the Delegation of Authority that has been approved by the Board of Directors.

This includes entering into contracts related to such transactions, provided that they must not exceed the approved annual budget allocated by the Board of Directors.

(19) Review and approve the remuneration structure of the Company and its subsidiaries.

(20) Review, assess, and amend the Executive Committee Charter at least once a year, and present it to the Board of Directors for approval.

(21) Establish written policies on good corporate governance and implement these policies effectively to ensure confidence that the Company is responsible to all stakeholders fairly.

(22) Perform any other tasks as assigned by the Board of Directors. for the Board of Directors' acknowledgment.

#### **Reference link for the charter**

<https://www.tanachira.co.th/storage/document/governance/executive-committee-charter-th.pdf>

## The Risk management Committee

### Role

- Risk management

### Scope of authorities, role, and duties

(1) Establish a comprehensive risk management policy and framework for the Company and its subsidiaries, covering various types of significant risks and encompassing core risks. Consideration must be a balance between risk and return from operations, aligning with the objectives, core goals, strategies, and acceptable risks of the business. This framework should serve as a guideline for all individuals within the organization in managing risks uniformly.

Present this to the Board of Directors for consideration and ensure that both the Company and its subsidiaries identify risks, considering both internal and external factors that may affect their ability to achieve stated objectives. Additionally, specify preventive, corrective, and risk-limiting measures for related departments or units.

(2) Oversee and ensure continuous compliance with the risk management policy and framework to establish a suitable and effective risk management system throughout the organization. This includes both the Company and its subsidiaries, ensuring consistent implementation across the entire organization.

(3) Conduct reviews of risk management reports to monitor significant risk assessments, their impacts, and potential opportunities that may arise from those risks. This includes prioritizing risks, establishing appropriate risk management methods, and taking action to ensure that the Company and its subsidiaries effectively and appropriately manage risks.

(4) Conduct meetings and exchange information with the Audit Committee to jointly consider risk matters affecting the Company and its subsidiaries that have been identified during the year, as well as risk management strategies and any other relevant risk management issues as deemed appropriate, at least once a year.

(5) Communicate and exchange information with the Risk Management Committee and the internal audit department and/or internal auditors, who are regularly engaged by the Company, to ensure that both the Company and its subsidiaries have appropriate internal control systems for risk management and that the risk management system is properly adapted and implemented throughout the organization.

(6) Regularly report to the Board of Directors regarding significant risks and risk management activities.

(7) Engage consultants or independent individuals to provide necessary insights or recommendations as required.

(8) Perform any other tasks related to risk management as assigned by the Board of Directors with approval from the Risk Management Committee.

(9) Regularly analyze risk factors and review risk management policies and frameworks, at least once a year.

(10) Review and revise the Risk Management Committee Charter at least one time per year, and present it to the Board of Directors for approval.

### Reference link for the charter

<https://www.tanachira.co.th/storage/document/governance/risk-management-committee-charter-th.pdf>

## The Corporate Governance Committee

### Role

- Corporate governance
- Sustainability development

### Scope of authorities, role, and duties

- (1) Establish corporate governance policies for the Company in accordance with the principles of good corporate governance for listed companies as prescribed by the Stock Exchange of Thailand and the Securities and Exchange Commission, as well as business ethics, sustainable development policies, and corporate social responsibility policies for the Company and its subsidiaries, to be presented to the Board of Directors.
- (2) Provide guidance to the Board of Directors on matters related to good corporate governance, business ethics, sustainable development policies, and corporate social responsibility policies.
- (3) Study and establish key principles and best practices of good corporate governance, business ethics, corporate social responsibility policies, and sustainable development policies tailored to the Company's business operations and its subsidiaries, and/or international standards and practices.
- (4) Review and assess the policies on good corporate governance, business ethics, corporate social responsibility, and sustainable development to ensure their alignment with the Company's business operations and its subsidiaries. Present any proposed changes to these policies to the Board of Directors for approval if modifications are necessary.
- (5) Review and evaluate the principles and key practices of the policies on good corporate governance, business ethics, sustainable development, and corporate social responsibility. Ensure that these policies are effectively implemented and practiced with integrity, to be presented to the Board of Directors.
- (6) Assess the annual corporate governance results as presented by the management team and report it to the Board of Directors for acknowledgment in the following year. Additionally, provide necessary feedback and recommendations.
- (7) Ensure that the management disseminates or communicates the policies on good corporate governance, business ethics, sustainable development, and social responsibility, along with relevant principles and guidelines, to all stakeholders or those affected, to ensure widespread awareness and implementation within the organization and to serve as a guideline for practice.
- (8) Engage consultants or independent individuals to provide necessary opinions or recommendations as needed.
- (9) Review, assess, and amend the Corporate Governance Committee Charter at least once a year, and present it to the Board of Directors for approval.
- (10) Provide advice to the working group to prepare for participation in corporate governance rankings by relevant organizations.
- (11) Perform any other tasks as assigned by the Board of Directors with approval from the Corporate Governance Committee for improvement as needed.

### Reference link for the charter

<https://www.tanachira.co.th/storage/document/governance/corporate-governance-committee-charter-th.pdf>

## The Nomination and Remuneration Committee

### Role

- Director and executive nomination
- Remuneration

### Scope of authorities, role, and duties

(1) Selection and Recruitment of the Board of Directors, Chief Executive Officer (CEO), Sub-Committees, and Senior Executive

1.1 Consideration of presenting the structure, compositions, and qualifications of the Board of Directors of the Company and its subsidiaries, as well as various sub- Committees.

1.2 Consideration of recruiting suitable individuals to fill vacant positions on the Board of Directors of the Company and its subsidiaries, to present at the shareholder meeting in case of vacancies due to term completion, and at the Board of Directors Meeting in case of other circumstances leading to vacancies.

1.3 Consideration of establishing qualifications and criteria for selecting individuals to serve as Chief Executive Officer (CEO) and collaborate with the CEO in recruiting senior executives. Representatives from the Nomination and Remuneration Committee should participate in interviewing senior executives, considering diversity in knowledge, expertise, skills, and experience beneficial to the Company's business operations, as well as their commitment of time.

1.4 Consideration of recruiting individuals for selection as Sub-Committee members and Chief Executive Officer (CEO) to be proposed at the Board of Directors Meeting.

1.5 Consideration of reviewing the succession plan for the Chief Executive Officer (CEO) position regularly and maintaining a list of suitable candidates for succession. Present recommendations to the Board of Directors for consideration when a vacancy arises.

1.6 Consideration of establishing criteria for evaluating the performance of the Chief Executive Officer (CEO) and conducting an annual performance review to assess achievements, problems, and obstacles. Utilize the evaluation results for developmental purposes and propose recommendations to the Board of Directors for further consideration.

(2) Determination of Remuneration for the Board of Directors, Chief Executive Officer (CEO), Sub-Committee, and Senior Executive

#### 2.1 Remuneration

a. Consider establishing criteria and policies for determining remuneration, including that of the Chief Executive Officer (CEO), Board of Directors, and Sub-Committees.

b. In the case of remuneration for senior executives, representatives from the Nomination and Remuneration Committee will collaborate with the Chief Executive Officer (CEO) to determine the remuneration for senior executives.

The above-mentioned remuneration includes both monetary and non-monetary forms, including fixed compensation (e.g., salaries, meeting allowances) and/or performance-based compensation (e.g., bonuses, incentives, if applicable), as well as other benefits deemed appropriate. This is evaluated considering duties, responsibilities, performance, and comparison with similar companies in the industry, along with

anticipated benefits to the individuals. It should align with the long-term strategies and goals of the Company, linking it to shareholder value creation, without overly focusing on short-term performance metrics. These recommendations are presented to the Board of Directors and/or shareholders' meetings for approval, as applicable.

2.2 Responsible for the Board of Directors and tasked with providing explanations and answering questions regarding the remuneration of the Board of Directors at shareholder meetings.

2.3 Disclose policies and criteria for determining remuneration for board members that reflect their duties and responsibilities, including the form and amount of compensation. Additionally, include the total amount of disclosed remuneration, which should encompass remuneration received by each board member for serving on subsidiary boards (if applicable).

(3) Review, revise, and update the Charter of the Nomination and Remuneration Committee at least once a year and present it to the Board of Directors for approval.

(4) Engage consultants or individuals with independent opinions to provide necessary feedback or recommendations.

(5) Perform any other tasks delegated by the Board of Directors with the approval of the Nomination and Remuneration Committee.

### Reference link for the charter

<https://www.tanachira.co.th/storage/document/governance/nomination-and-remuneration-committee-charter-th.pdf>

## 7.3.2 Information on each subcommittee

## List of audit committee

List of directors	Position	Appointment date of audit committee member	Skills and expertise
<p>1. Mrs. PEERAMAN WARUNPANTULAK<sup>(*)</sup></p> <p>Gender: Female</p> <p>Age : 55 years</p> <p>Highest level of education : Master's degree</p> <p>Study field of the highest level of education : Accounting</p> <p>Thai nationality : Yes</p> <p>Residence in Thailand : Yes</p> <p>Expertise in accounting information review : Yes</p>	<p>Chairman of the audit committee</p> <p>(Non-executive directors, Independent director)</p> <p>Director type : Existing director</p>	26 Feb 2020	Accounting
<p>2. Mr. NATHASORN BOONTANORM</p> <p>Gender: Male</p> <p>Age : 46 years</p> <p>Highest level of education : Master's degree</p> <p>Study field of the highest level of education : Business Administration</p> <p>Thai nationality : Yes</p> <p>Residence in Thailand : Yes</p> <p>Expertise in accounting information review : No</p>	<p>Member of the audit committee</p> <p>(Non-executive directors, Independent director)</p> <p>Director type : Existing director</p>	26 Feb 2020	Business Administration, Engineering
<p>3. Mr. WARATHORN WONGSAWANGSIRI</p> <p>Gender: Male</p> <p>Age : 42 years</p> <p>Highest level of education : Master's degree</p> <p>Study field of the highest level of education : Law</p> <p>Thai nationality : Yes</p> <p>Residence in Thailand : Yes</p> <p>Expertise in accounting information review : No</p>	<p>Member of the audit committee</p> <p>(Non-executive directors, Independent director)</p> <p>Director type : Newly appointed director to replace the ex-director</p>	14 Aug 2024	Law

Additional explanation :

(\*) Directors with expertise in accounting information review

## List of audit committee members who resigned / vacated their position during the year



List of directors	Position	Date of resignation / termination	Replacement committee member
1. Mrs. PATRAPORN MILINDASUTA Gender: Female Age : 61 years Highest level of education : Master's degree Study field of the highest level of education : Law Thai nationality : Yes Residence in Thailand : Yes Expertise in accounting information review : No	Member of the audit committee (Non-executive directors, Independent director)	1 Jun 2024	Mr. WARATHORN WONGSAWANGSIRI  Appointment date of replacement committee member : 14 Aug 2024

Additional explanation :

(\*) Directors with expertise in accounting information review

### List of executive committee members

List of directors	Position	Appointment date of executive committee member
1. Mr. TANAPONG CHIRAPANIDCHAKUL Gender: Male Age : 48 years Highest level of education : Master's degree Study field of the highest level of education : Business Administration Thai nationality : Yes Residence in Thailand : Yes	The chairman of the executive committee	26 Feb 2020
2. Mr. WUTT SRIKHAM Gender: Male Age : 51 years Highest level of education : Master's degree Study field of the highest level of education : Economics Thai nationality : Yes Residence in Thailand : Yes	Member of the executive committee	26 Feb 2020
3. Mr. SARIT CHOKCHAINIRAND Gender: Male Age : 48 years Highest level of education : Doctoral degree Study field of the highest level of education : Business Administration Thai nationality : Yes Residence in Thailand : Yes	Member of the executive committee	26 Feb 2020

## Other Subcommittees

Subcommittee name	Name list	Position
The Risk management Committee	Mr. KITTIPOL PRAMOJ NA AYUDHYA	The chairman of the subcommittee (Independent director)
	Mr. AKARIN PHUREESITR	Member of the subcommittee (Independent director)
	Mr. WUTT SRIKHAM	Member of the subcommittee
The Corporate Governance Committee	Mr. SARIT CHOKCHAINIRAND	Member of the subcommittee
	Mr. NATHASORN BOONTANORM	Member of the subcommittee (Independent director)
The Nomination and Remuneration Committee	Mr. AKARIN PHUREESITR	The chairman of the subcommittee (Independent director)
	Mrs. PEERAMAN WARUNPANTULAK	Member of the subcommittee (Independent director)
	Mr. TANAPONG CHIRAPANIDCHAKUL	Member of the subcommittee

## 7.4 Information on the executives

### 7.4.1 List and positions of the executive

List of the highest-ranking executive and the next four executives

List of executives	Position	First appointment date	Skills and expertise
1. Mr. TANAPONG CHIRAPANIDCHAKUL Gender: Male Age : 48 years Highest level of education : Master's degree Study field of the highest level of education : Business Administration Thai nationality : Yes Residing in Thailand : Yes Highest responsibility in corporate accounting and finance : No Accounting supervisor : No	CHIEF EXECUTIVE OFFICER (The highest-ranking executive)	5 Nov 2010	Business Administration, Engineering, Marketing, Leadership, Fashion
2. Ms. Siwaporn Leechanavanichpun <sup>(*)</sup> Gender: Female Age : 50 years Highest level of education : Master's degree Study field of the highest level of education : Economics Thai nationality : Yes Residing in Thailand : Yes Highest responsibility in corporate accounting and finance : Yes Accounting supervisor : No	Chief Financial Officer	16 Aug 2024	Economics, Finance, Accounting
3. Mr. Nakrit Thanachotsiri Gender: Male Age : 47 years Highest level of education : Master's degree Study field of the highest level of education : Business Administration Thai nationality : Yes Residing in Thailand : Yes Highest responsibility in corporate accounting and finance : No Accounting supervisor : No	HR Director	3 Jun 2013	Business Administration, Human Resource Management

List of executives	Position	First appointment date	Skills and expertise
4. Ms. Natkamonruk Waijawudhikamolkorn Gender: Female Age : 41 years Highest level of education : Master's degree Study field of the highest level of education : Fashion Management Thai nationality : Yes Residing in Thailand : Yes Highest responsibility in corporate accounting and finance : No Accounting supervisor : No	Commercial Development and Merchandising Director	1 Mar 2023	Fashion
5. Mr. Aphichit Chantarasakha Gender: Male Age : 44 years Highest level of education : Bachelor's degree Study field of the highest level of education : Management Thai nationality : Yes Residing in Thailand : Yes Highest responsibility in corporate accounting and finance : No Accounting supervisor : No	Director of Fashion Group Retail Operations & Customer Activities	1 Jun 2024	Fashion

Additional Explanation :

(\*) Highest responsibility in corporate accounting and finance

(\*\*) Accounting supervisor

(\*\*\*) Appointed after the fiscal year end of the reporting year

## 7.4.2 Remuneration policy for executive directors and executives

The Nomination and Remuneration Committee has the authorities, duties, and responsibilities to consider the criteria for remuneration and the format of the Board of Directors, CEO, Sub-Committees, and senior executives as per the provisions of the Nomination and Remuneration Committee Charter. In the case of remuneration for senior executives, representatives from the Nomination and Remuneration Committee will join the CEO in determining the compensation.

The above-mentioned remuneration includes both monetary and non-monetary forms, including fixed compensation and/or performance-based compensation. This is evaluated considering duties, responsibilities, performance, comparison with similar companies in the industry, anticipated benefits from the individuals, and alignment with the Company's long-term strategy and goals.

It should be noted that remuneration for directors and executives of the Company is not determined based on the management of subsidiaries.

Does the board of directors or the remuneration committee : No  
 have an opinion on the remuneration policy for executive  
 directors and executives

## 7.4.3 Remuneration of executive directors and executives

### Monetary remuneration of executive directors and executives

	2022	2023	2024
<b>Total remuneration of executive directors and executives (baht)</b>	24,392,276.00	28,040,314.67	24,789,833.34

The executives of the company receive compensation in both monetary and non-monetary forms. However, executives holding the position of executive directors do not receive compensation in their capacity as directors and sub-committee members. The company and its subsidiaries pay monetary compensation to a total of 9 executives. This compensation includes salaries and bonuses.

#### Other remunerations of executive directors and executives

	2022	2023	2024
Company's contribution to provident fund for executive directors and executives (Baht)	416,274.00	585,513.00	767,317.00
Employee Stock Ownership Plan (ESOP)	No	No	No
Employee Joint Investment Program (EJIP)	No	No	No

The Company and its subsidiaries have provided other compensation to a total of 9 executives, This compensation is in the form of contributions to the provident fund.

#### Outstanding remuneration or benefits of executive directors and executives

Outstanding remuneration or benefits of executive directors : 0.00  
and executives in the past year

## 7.5 Information on employees

### Information on the company's employees

#### Employees

	2022	2023	2024
<b>Total employees</b> (persons)	496	637	731
Male employees (persons)	75	128	153
Female employees (persons)	421	509	578

#### Number of employees by position and department

##### Number of male employees by position

	2022	2023	2024
Total number of male employees in operational level (Persons)	68	121	147
Total number of male employees in management level (Persons)	6	5	6
Total number of male employees in executive level (Persons)	1	2	0

##### Number of female employees by position

	2022	2023	2024
Total number of female employees in operational level (Persons)	412	490	559
Total number of female employees in management level (Persons)	9	19	19

#### Significant changes in the number of employees

Significant changes in number of employees over the past 3 : No  
Years

### Information on employee remuneration

#### Employee remuneration

The Company compensates employees through salaries, bonuses, overtime pay (OT), commissions, travel allowances, phone allowances, meal allowances, social security contributions, and provident fund contributions, among others. The details are as follows:

	2022	2023	2024
<b>Total employee remuneration</b> (baht)	173,016,240.95	204,664,008.03	261,404,434.03
Total male employee remuneration (Baht)	N/A	N/A	60,654,060.53

	2022	2023	2024
Total female employee remuneration (Baht)	N/A	N/A	200,750,373.50

### Provident fund management policy

Provident fund management policy : Have

The Company has established a provident fund managed by Kasikorn Asset Management Company Limited under the name “K Master Pool Fund,” in accordance with the Provident Fund Act B.E. 2530 (and its amendments). Employees and the Company Group contribute to the fund monthly at a fixed rate based on the employee’s basic salary.

### Provident fund for employees (PVD)

	2022	2023	2024
Number of employees joining in PVD (persons)	147	184	212
Proportion of employees who are PVD members (%)	29.64	28.89	29.00
Total amount of provident fund contributed by the company (baht)	2,385,825.00	2,852,951.00	3,972,969.00



## 7.6 Other significant information

### 7.6.1 Assigned person

#### List of persons assigned for accounting oversight

General information	Email	Telephone number
1. Mrs. Patcharee Suriyasuttiwong	patcharee@tanachira.co.th	02-264-5081

#### List of the company secretary

The Board of Directors' Meeting No. 1/2024, held on February 23, 2024, resolved to appoint Mr. Nakrit Thanachotsiri as the Company Secretary. The Company Secretary's scope, powers, and responsibilities are specified in Sections 89/15 and 89/16 of the Securities and Exchange Act B.E. 2535 (including amendments).

General information	Email	Telephone number
1. Mr. Nakrit Thanachotsiri	nakrit@tanachira.co.th	0-2264-5081

#### List of the head of internal audit or outsourced internal auditor

The Audit Committee has appointed Dharmniti Internal Audit Company Limited as the external internal audit service provider, with Ms. Ruetaichanoke Supapong serving as the Head of Internal Audit. The qualifications of the Head of Internal Audit are provided in Attachment 3, titled "Details about the Head of Internal Audit."

General information	Email	Telephone number
1. Ms. Ruetaichanoke Suphapong	ruetaichanoke@dir.co.th	-

#### List of the head of the compliance unit

General information	Email	Telephone number
1. Mr. Awirut Niyomdech	awirut@tanachira.co.th	02-264-5081

### 7.6.2 Head of investor relations

The Company has appointed Mr. Eakachai Pavasiriporn as the Head of Investor Relations, responsible for serving as the central point for disclosing important information to shareholders and investors, including financial information such as quarterly performance results and financial statements, as well as quarterly management reports and analyses. This information will be provided to shareholders and investors regularly, equally, and comprehensively, ensuring accuracy and transparency.

Does the Company have an appointed head of investor relations : Yes

#### List of the head of investor relations

General information	Email	Telephone number
1. Mr. Eakachai Pavasiriporn	ir@tanachira.co.th	02-264-5081

### 7.6.3 Company's auditor

#### Details of the company's auditor

Audit firms	Audit fee (Baht)	Other service fees	Names and general information of auditors
EY OFFICE LIMITED 33RD FLOOR, LAKE RAJADA OFFICE COMPLEX, 193/136-137 RAJADAPISEK ROAD KHLONG TOEI KHLONG TOEI Bangkok 10110 Telephone +66 2264 9090	4,990,000.00	-	<p>1. Mrs. WILAI SUNTHORNWANEE Email: wilai.sunthornwanee@th.ey.com License number: 7356</p> <p>2. Mrs. KUNLAPEE PIYAWANNASUTH Email: Kunlapee.Piyawannasuth@th.ey.com License number: 6137</p> <p>3. Mrs. POONNARD PAOCHAROEN Email: poonnard.wattanawong@th.ey.com License number: 5238</p>

#### 7.6.4 Assigned personnel in case of a foreign company

Does the company have any individual assigned to be : No  
representatives in Thailand

## 8. Report on key operating results on corporate governance

### 8.1 Summary of duty performance of the board of directors over the past year

#### 8.1.1 Selection, development and evaluation of duty performance of the board of directors

##### Information about the selection of the board of directors

##### List of directors whose terms have ended and have been reappointed

List of directors	Position	First appointment date of director	Skills and expertise
Mr. KITTIPOLO PRAMOJ NA AYUDHYA	Chairman of the board of directors (Non-executive directors, Independent director)	26 Feb 2020	Business Administration, Engineering
Mrs. PEERAMAN WARUNPANTULAK	Director (Non-executive directors, Independent director)	26 Feb 2020	Accounting

##### List of newly appointed director to replace the ex-director

List of directors	Position	First appointment date of director	Skills and expertise
Mr. WARATHORN WONGSAWANGSIRI	Director (Non-executive directors, Independent director)	14 Aug 2024	Law

##### Selection of independent directors

##### Criteria for selecting independent directors

In nominating and appointing independent directors, the Nomination and Remuneration Committee will consider selecting suitable candidates to serve as directors of the Company and its subsidiaries and propose the shareholders' meeting for approval. It will be considered the qualifications and not having prohibited characteristics according to the Public Limited Companies Act B.E. 2535 (As amended), the Securities and Exchange Act B.E. 2535 (As amended) or according to the criteria determined by the Securities and Exchange Commission including not having characteristics that indicate a lack of suitability to be trusted to manage a business in which the general public is the shareholder as required by the Office of the Securities and Exchange Commission determined and other relevant criteria. In addition, the Nomination and Remuneration Committee will consider nominating independent directors based on their qualifications, knowledge, expertise, working experience and suitability in other areas. It will be proposed to the shareholders' meeting to consider the appointment of independent directors as directors of the Company.

The Company requires that the Board of Directors must consist of at least one-third of the total number of independent directors and must not be less than 3 persons. As of 31 December 2024, the Board of Directors consists of 6 independent directors from a total of 9 directors, which is not less than 1/3 of the total number of directors. The independent directors must have all qualifications according to the relevant criteria of the Capital Market Supervisory Board, the SEC Office, and related laws. The independent directors' qualification shall be summarized as follows:

(1) Holding no more than 1.0% of voting shares of the Company or its parent companies, subsidiaries, associates, major shareholders or controlling persons, whereby shares held by related persons of the independent director are also included.

(2) Neither being nor ever was a director with involvements in the management of Company; an employee; a consultant with a regular salary; a controlling person of the Company or its parent companies, subsidiaries, associates, same-level subsidiary

companies, major shareholders or of Company controlling persons; with the exceptions of involvements that have been ended for no less than 2 years. However, such prohibited characteristics shall not include the case where the independent director used to be a government official or advisor of a government unit which is a major shareholder or controlling person of the Company.

(3) Neither being related by birth nor by legal registration as an immediate family member – i.e. father, mother, spouse, sibling, and child, including spouse of child – of the executives, major shareholders, controlling persons, or nominated executive candidates or controlling persons of the Company or its subsidiaries.

(4) Neither being nor ever was a person having business relationship with the Company or its parent companies, subsidiaries, associates, major shareholders or controlling persons in any manner that may hinder impartial judgement. Neither being nor ever was a significant shareholder or controlling person of any person having business relationship with the Company or its parent companies, subsidiaries, associates, major shareholders or controlling persons of the Company. An exception is for the case that such relationship has been ended for no less than 2 years.

The term “business relationship” under paragraph one includes any normal business transaction, rental or lease of immovable property, transaction relating to assets or services or granting or receiving of financial assistance including loans, guarantee, providing assets as collateral, and any other similar actions, which result in the Company or its counterpart being subject to indebtedness payable to the other party in the amount of 3% or more of the net tangible assets of the Company or Baht 20 million or more, whichever is lower. The amount of such indebtedness shall be calculated according to the method for calculation of value of connected transactions under the Notification of the Capital Market Supervisory Board governing rules on connected transactions mutatis mutandis. The consideration of such indebtedness shall include indebtedness occurred during the period of 1 year prior to the date on which the business relationship with the person commences.

(5) Neither being nor ever was an auditor of the Company or its parent companies, subsidiaries, associates, major shareholders or controlling persons of the Company; and not being a significant shareholder, controlling person, or partner of the audit firm which employs auditors of the Company or its parent companies, subsidiaries, associated companies, major shareholders or controlling persons of the Company; unless the foregoing relationship has been ended for no less than 2 years

(6) Neither being nor ever was a professional service provider including a legal counsellor or financial advisor receiving service fee over Baht 2 million per year from the Company or its parent companies, subsidiaries, associates, major shareholders or controlling persons of the Company; and not being a significant shareholder, controlling person or partner of the professional service provider; with the exception of services that have been ended for no less than 2 years.

(7) Is not a director appointed as a representative of a Board member, major shareholders or a shareholder who is related to the major shareholders.

(8) Not undertaking any business of the same nature that competes with the Company or its subsidiaries; neither being a significant partner in a partnership nor a director who involves in the management, an employee, a staff member, an advisor with regular salary; not holding shares exceeding 1% of the total number of shares with voting rights of other companies which undertake businesses of the same nature that competes with the Company or its subsidiaries.

(9) Not having any other characteristics that hinder impartial judgement with regard to the Company’s business operations.

## Business or professional relationships of independent directors over the past year

Business or professional relationships of independent directors over the past year : No

## Selection of directors and the highest-ranking executive

### Method for selecting directors and the highest-ranking executive

Method for selecting persons to be appointed as directors through the nomination committee : Yes  
Method for selecting persons to be appointed as the highest-ranking executive through the nomination committee : Yes

## Rights of minority shareholders on director appointment

The Company recognizes the importance of protecting shareholders' rights and ensuring fair treatment of all shareholders.

Therefore, the Company provides an opportunity for shareholders to nominate individuals whom they consider qualified, knowledgeable, and competent for election as company directors in advance of the Annual General Meeting of Shareholders, in accordance with the criteria set by the Company, which will be published on the Company's website at [www.tanachira.co.th](http://www.tanachira.co.th).

The Board of Directors will consider the qualifications of the nominated individuals and present them to the Annual General Meeting of Shareholders for consideration and election as company directors.

Method of director appointment : Method whereby each director requires approval votes more than half of the votes of attending shareholders and casting votes

## Setting qualifications for the selection of directors

### Details of qualifications for the selection of directors

Qualifications, knowledge, or experience	Skill and expertise
Knowledge, skills, experience in business operations, professional expertise, specialized proficiency, educational background, and appropriate age.	Fashion, Law, Marketing, Accounting, Business Administration

### Information on the development of directors

### Development of directors over the past year

## Details of the development of directors over the past year

List of directors	Participation in training in the past financial year	History of training participation
1. Mr. KITTIPOLO PRAMOJ NA AYUDHYA Chairman of the board of directors	Non-participating	Thai Institute of Directors (IOD) <ul style="list-style-type: none"> <li>• 2019: Role of the Chairman Program (RCP)</li> <li>• 2004: Director Accreditation Program (DAP)</li> <li>• 2002: Director Certification Program (DCP)</li> </ul> Other <ul style="list-style-type: none"> <li>• 2005: Audit Committee Program</li> </ul>
2. Mr. TANAPONG CHIRAPANIDCHAKUL Director	Non-participating	Thai Institute of Directors (IOD) <ul style="list-style-type: none"> <li>• 2020: Director Certification Program (DCP)</li> </ul>
3. Mr. SARIT CHOKCHAINIRAND Director	Non-participating	Thai Institute of Directors (IOD) <ul style="list-style-type: none"> <li>• 2016: Director Certification Program (DCP)</li> <li>• 2015: Director Accreditation Program (DAP)</li> </ul>
4. Mr. WUTT SRIKHAM Director	Non-participating	Thai Institute of Directors (IOD) <ul style="list-style-type: none"> <li>• 2020: Director Certification Program (DCP)</li> </ul>
5. Mrs. PEERAMAN WARUNPANTULAK Director	Non-participating	Thai Institute of Directors (IOD) <ul style="list-style-type: none"> <li>• 2022: Advanced Audit Committee Program (AAP)</li> <li>• 2020: Director Certification Program (DCP)</li> </ul>
6. Mr. AKARIN PHUREESITR Director	Non-participating	Thai Institute of Directors (IOD) <ul style="list-style-type: none"> <li>• 2020: Director Certification Program (DCP)</li> </ul>
7. Mr. NATHASORN BOONTANORM Director	Participating	Thai Institute of Directors (IOD) <ul style="list-style-type: none"> <li>• 2024: Role of the Chairman Program (RCP)</li> <li>• 2024: Advanced Audit Committee Program (AAP)</li> <li>• 2018: Director Certification Program (DCP)</li> </ul>
8. Mrs. CHATAYA SUPANPONG Director	Non-participating	Thai Institute of Directors (IOD) <ul style="list-style-type: none"> <li>• 2023: Director Accreditation Program (DAP)</li> </ul>
9. Mr. WARATHORN WONGSAWANGSIRI Director	Non-participating	Thai Institute of Directors (IOD) <ul style="list-style-type: none"> <li>• 2020: Director Leadership Certification Program (DLCP)</li> <li>• 2018: Director Certification Program (DCP)</li> </ul>
10. Mrs. PATRAPORN MILINDASUTA Director	Non-participating	Thai Institute of Directors (IOD) <ul style="list-style-type: none"> <li>• 2017: Director Certification Program (DCP)</li> </ul> Other <ul style="list-style-type: none"> <li>• 2017: Family Business Governance</li> <li>• 2015: Corporate Governance for Capital Market</li> </ul>

## Information on the evaluation of duty performance of directors

### Criteria for evaluating the duty performance of the board of directors

The Company has established an annual performance evaluation for the Board of Directors, which includes both a collective assessment of the entire board and an individual evaluation of each director. The scores and feedback from the directors will be used to improve the Board of Directors' performance each year and enhance its overall effectiveness.

The performance evaluation of the Board of Directors, dividing the assessment into 6 key areas:

1. Structure and qualifications of the Board of Directors
2. Roles, duties, and responsibilities of the Board of Directors
3. Meeting of the Board of Directors
4. Performance of the Board of Directors
5. Relationship with management
6. Self-development of Directors and Executive development

The performance evaluation of sub-committees, dividing the assessment into 3 key areas:

1. Structure and qualifications of the sub-committee
2. Meeting of the Sub-committee
3. Roles, duties, and responsibilities of the sub-committee

The performance evaluation of individual members of the Board of Directors and sub-committees, dividing the assessment into 3 key areas:

1. Structure and qualifications of the Board/sub-committee
2. Meetings of the Board of Directors/sub-committee
3. Roles, duties, and responsibilities of the Board/sub-committee

## Evaluation of the duty performance of the board of directors over the past year

The Company is committed to conducting its business in accordance with the principles of good corporate governance. In 2024, the Company conducted a performance evaluation of the Board of Directors by adapting the assessment guidelines from the Stock Exchange of Thailand to suit the nature and structure of the Board of Directors. In addition, the Company has also conducted a performance evaluation of the Chief Executive Officer, with the evaluation score being 97.96%.

### Details of the evaluation of the duty performance of the board of directors

List of directors	Assessment form	Grade / Average score received	Grade / Full score
Board of Directors	Group assessment	94.70%	100.00%
	Self-assessment	95.37%	100.00%
	Cross-assessment (assessment of another director)	None	None
Executive Committee	Group assessment	93.97%	100.00%
	Self-assessment	None	None
	Cross-assessment (assessment of another director)	None	None
Audit Committee	Group assessment	95.33%	100.00%
	Self-assessment	None	None
	Cross-assessment (assessment of another director)	None	None

List of directors	Assessment form	Grade / Average score received	Grade / Full score
The Nomination and Remuneration Committee	Group assessment	95.44%	100.00%
	Self-assessment	None	None
	Cross-assessment (assessment of another director)	None	None

### 8.1.2 Meeting attendance and remuneration payment to each board member

#### Meeting attendance of the board of directors

#### Meeting attendance of the board of directors

Number of the board of directors meeting over the past : 4  
year (times)  
Date of AGM meeting : 30 Apr 2024  
EGM meeting : No

#### Details of the board of directors' meeting attendance

List of directors	Meeting attendance of the board of directors			AGM meeting attendance			EGM meeting attendance		
	Attendance (times)	/	Meeting rights (times)	Attendance (times)	/	Meeting rights (times)	Attendance (times)	/	Meeting rights (times)
1. Mr. KITTIPOL PRAMOJ NA AYUDHYA (Chairman of the board of directors, Independent director)	4	/	4	1	/	1	N/A	/	N/A
2. Mr. TANAPONG CHIRAPANIDCHAKUL (Director)	4	/	4	1	/	1	N/A	/	N/A
3. Mr. SARIT CHOKCHAINIRAND (Director)	4	/	4	1	/	1	N/A	/	N/A
4. Mr. WUTT SRIKHAM (Director)	4	/	4	1	/	1	N/A	/	N/A
5. Mrs. PEERAMAN WARUNPANTULAK (Director, Independent director)	4	/	4	1	/	1	N/A	/	N/A
6. Mr. AKARIN PHUREESITR (Director, Independent director)	4	/	4	1	/	1	N/A	/	N/A



List of directors	Meeting attendance of the board of directors			AGM meeting attendance			EGM meeting attendance		
	Attendance (times)	/	Meeting rights (times)	Attendance (times)	/	Meeting rights (times)	Attendance (times)	/	Meeting rights (times)
7. Mr. NATHASORN BOONTANORM (Director, Independent director)	4	/	4	1	/	1	N/A	/	N/A
8. Mrs. CHATAYA SUPANPONG (Director, Independent director)	4	/	4	1	/	1	N/A	/	N/A
9. Mr. WARATHORN WONGSAWANGSIRI (Director, Independent director)	1	/	1	0	/	0	N/A	/	N/A
10. Mrs. PATRAPORN MILINDASUTA (Director, Independent director)	2	/	2	1	/	1	N/A	/	N/A

### Detailed justification for the Company director's non-attendance at the Board of Directors' meeting

Mrs. Patraporn Milindasuda, an independent director has resigned from her position as a Director on June 1, 2024.

Mr. Warathorn Wongsawangsi has appointed to be an independent director on August 14, 2024.

## Remuneration of the board of directors

### Types of remuneration of the board of directors

#### Monetary remuneration

The Annual General Meeting of Shareholders for the year 2024, held on April 30, 2024, resolved to approve the remuneration for the company's directors and sub-committee members for the year 2024. The remuneration will be provided in the form of meeting allowances. However, the Chief Executive Officer and executives will not receive meeting allowances.

#### Other remunerations

- None

### Remuneration of the board of directors

## Details of the remuneration of each director over the past year

Names of directors / Board of directors	Company				Total monetary remuneration from subsidiaries (Baht)
	Meeting allowance	Other monetary remuneration	Total (Baht)	Non-monetary remuneration	
<b>1. Mr. KITTIPOLO PRAMOJ NA AYUDHYA (Chairman of the board of directors)</b>			<b>140,000.00</b>		<b>N/A</b>
Board of Directors	140,000.00	0.00	140,000.00	No	
The Risk management Committee	0.00	0.00	0.00	No	
<b>2. Mr. TANAPONG CHIRAPANIDCHAKUL (Director)</b>			<b>0.00</b>		<b>N/A</b>
Board of Directors	0.00	0.00	0.00	No	
Executive Committee	0.00	0.00	0.00	No	
The Nomination and Remuneration Committee	0.00	0.00	0.00	No	
<b>3. Mr. SARIT CHOKCHAINIRAND (Director)</b>			<b>210,000.00</b>		<b>N/A</b>
Board of Directors	80,000.00	0.00	80,000.00	No	
Executive Committee	130,000.00	0.00	130,000.00	No	
The Corporate Governance Committee	0.00	0.00	0.00	No	
<b>4. Mr. WUTT SRIKHAM (Director)</b>			<b>210,000.00</b>		<b>N/A</b>
Board of Directors	80,000.00	0.00	80,000.00	No	
Executive Committee	130,000.00	0.00	130,000.00	No	
The Risk management Committee	0.00	0.00	0.00	No	

Names of directors / Board of directors	Company				Total monetary remuneration from subsidiaries (Baht)
	Meeting allowance	Other monetary remuneration	Total (Baht)	Non-monetary remuneration	
<b>5. Mrs. PEERAMAN WARUNPANTULAK (Director)</b>			<b>275,000.00</b>		<b>N/A</b>
Board of Directors	80,000.00	0.00	80,000.00	No	
Audit Committee	150,000.00	0.00	150,000.00	No	
The Nomination and Remuneration Committee	45,000.00	0.00	45,000.00	No	
<b>6. Mr. AKARIN PHUREESITR (Director)</b>			<b>140,000.00</b>		<b>N/A</b>
Board of Directors	80,000.00	0.00	80,000.00	No	
The Nomination and Remuneration Committee	60,000.00	0.00	60,000.00	No	
The Risk management Committee	0.00	0.00	0.00	No	
<b>7. Mr. NATHASORN BOONTANORM (Director)</b>			<b>200,000.00</b>		<b>N/A</b>
Board of Directors	80,000.00	0.00	80,000.00	No	
Audit Committee	120,000.00	0.00	120,000.00	No	
The Corporate Governance Committee	0.00	0.00	0.00	No	
<b>8. Mrs. CHATAYA SUPANPONG (Director)</b>			<b>80,000.00</b>		<b>N/A</b>
Board of Directors	80,000.00	0.00	80,000.00	No	
<b>9. Mr. WARATHORN WONGSAWANGSIRI (Director)</b>			<b>40,000.00</b>		<b>N/A</b>
Board of Directors	20,000.00	0.00	20,000.00	No	
Audit Committee	20,000.00	0.00	20,000.00	No	

Names of directors / Board of directors	Company				Total monetary remuneration from subsidiaries (Baht)
	Meeting allowance	Other monetary remuneration	Total (Baht)	Non-monetary remuneration	
10. Mrs. PATRAPORN MILINDASUTA (Director)			120,000.00		N/A
Board of Directors	40,000.00	0.00	40,000.00	No	
Audit Committee	80,000.00	0.00	80,000.00	No	

### Summary of the remuneration of each committee over the past year

Names of board members	Meeting allowance	Other monetary remuneration	Total (Baht)
1. Board of Directors	680,000.00	0.00	680,000.00
2. Audit Committee	370,000.00	0.00	370,000.00
3. Executive Committee	260,000.00	0.00	260,000.00
4. The Risk management Committee	0.00	0.00	0.00
5. The Corporate Governance Committee	0.00	0.00	0.00
6. The Nomination and Remuneration Committee	105,000.00	0.00	105,000.00

### Remunerations or benefits pending payment to the board of directors

Remunerations or benefits pending payment to the : 0.00  
board of directors over the past year  
(Baht)

### 8.1.3 Supervision of subsidiaries and associated companies

#### Mechanism for overseeing subsidiaries and associated companies

Does the Company have subsidiaries and associated : Yes  
companies

Mechanism for overseeing subsidiaries and associated : Yes  
companies

Mechanism for overseeing management and taking : The appointment of representatives as directors, executives, or controlling  
responsibility for operations in subsidiaries and persons in proportion to shareholding, The determination of the scope of  
associated companies approved by the board of duties and responsibilities of directors and executives as company  
directors representatives in establishing important policies, Disclosure of financial  
condition and operating results, Transactions between the company and  
related parties, Other significant transactions, Acquisition or disposal of

## assets

The Company has established a policy to supervise operations in subsidiaries and associated companies as approved by the Board of Directors' Meeting No. 3/2023 on April 25, 2023, with the objective of determining measures and mechanisms, both direct and indirect, for the Company to supervise and manage the administrative of subsidiaries and/ or associated companies including monitoring and supervising subsidiaries and/or associated companies. The various measures and mechanisms are implemented can be specified as if it were the Company's own unit and in accordance with the Company's policies including Public Limited Company Act, Civil and Commercial Code, Securities laws and related rules and notifications and relevant regulations and the criteria of the Capital Market Supervisory Board, Office of the Securities and Exchange Commission and the Stock Exchange of Thailand in order to preserve the interests of the Company's investments in the subsidiaries and/or associated companies, the details are as follows:

(1) The company will send a representative of the Company to become a director in each subsidiary company and/or associated company according to the proportion of shareholding in each company in order to perform supervisory duties for subsidiaries and/or associated companies and in accordance with the laws including other policies of the Company as appropriate. However, a representative of the Company to become a director in each subsidiary and/ or associated company must be approved by the Board of Directors' meeting by considering the appropriateness of each company.

(2) In case, entering into the transactions or any actions of the subsidiary company that is involved in or is an acquisition or disposal of assets or connected transactions according to the notification of the Stock Exchange of Thailand, Capital Market Supervisory Board and the relevant Securities and Exchange Commission which will result in the Company has a duty to seek an approval from the Company's Board of Directors' meeting and/or seek an approval from the Company's shareholders' meeting. or seek an approval from relevant government agencies according to the laws before entering into the transactions. Subsidiaries may enter into transactions or carry out such operations only after obtaining an approval from the Company's Board of Directors' meeting and/or the Company's shareholders' meeting and/or relevant government agencies. (depending on the case).

In addition, in case, entering into transactions or certain events of the subsidiary company which makes the Company has a duty to disclose information to the Stock Exchange of Thailand according to the criteria set forth in the notification of the Stock Exchange of Thailand. A representative director of such a subsidiary has a duty to notify the Company Secretary as soon as it becomes known that such subsidiary plans to enter into the transactions or such event occurs.

(3) Board of Directors and executives of subsidiaries and/or each associated company will have authority, duties and responsibilities in accordance with relevant laws, such as disclosing information about financial status and operating results to the Company by taking relevant announcements from the Stock Exchange of Thailand and the Capital Market Supervisory Board to come into force mutatis mutandis including disclosing and submitting information on their own interests and related persons to the Board of Directors to inform their relationship and conducting transactions with the Company, subsidiaries and/or associated companies in a manner that may cause conflicts of interest and avoid transactions that may cause conflicts of interest.

(4) The Company will set plans and take necessary actions to ensure that the subsidiaries and/or associated companies disclose information regarding the operating results and financial status to the parent company and the Company will take necessary actions and follow up with the subsidiary companies and/or associated companies having a system for disclosing information and an internal control system that is adequate and appropriate for conducting business.

In addition, the Company will closely monitor the operating results and operations of its subsidiaries and/or such associated companies and present the results and express opinions or suggestions to the Board of Directors and the Board of Directors of such subsidiary or associated company for considering to setting policies or improving and promoting the business of subsidiaries and/or associated companies to develop and grow continuously

### 8.1.4 The monitoring of compliance with corporate governance policy and guidelines

#### Prevention of conflicts of interest

#### Operations for conflict of interest prevention over the past year

Has the company operated in preventing conflicts of : Yes  
interest over the past year

The Company has established a policy to prevent conflicts of interest based on the principle that any decision in carrying out business activities, it must be considered the best interest of the Company and shareholders of the Company and should avoid

any actions that may cause conflicts of interest by requiring any persons who are involved or have an interests to notify to the Company of their relationship or interests in the said transactions and must not participate in the consideration including having no authority to approve such transactions.

However, if it is a transaction between the Company and related persons, it must be reviewed by the Audit Committee and approved by the Board of Directors and/or the shareholders' meeting, in accordance with the regulations of the Securities and Exchange Commission.

#### Number of cases or issues related to conflict of interest

	2022	2023	2024
Total number of cases or issues related to conflict of interest (cases)	0	0	0

### Prevention of the use of inside information to seek benefits

#### Operations for prevention of the use of inside information to seek benefits over the past year

Has the company operated in preventing the use of : Yes  
inside information to seek benefits over the past year

The Company conducts business with transparency and is aware of the importance of using inside information in which the information has not yet been disclosed to the general public and is material to changes in the price or value of the Company's securities, such as the Company's information that is likely to have a significant impact on price changes or the value of securities or investment decisions. Such information includes, but is not limited to, information about the Company, major shareholders, controlling person or key executives of the Company and is reasonably clear information that general investors should use to make investment decisions. To comply with the Securities and Exchange Act B.E. 2535 (as amended), ("Securities Act and Stock Exchange Act") including notifications, rules and relevant regulations, the Company has established a policy on the use of inside information which requires directors, executives, and employees of the Company and subsidiaries in the finance function keep a silent period for purchasing or selling the Company's securities whether for themselves or another persons and do not disclose financial information to other parties whether directly or indirectly, during the period before the disclosure of the quarterly and annual financial statements for at least 30 days and should wait at least 24 hours after the financial statements have been disclosed before purchasing or selling the Company's securities.

Additionally, the Company has set penalties for directors, executives, and employees who violate this policy, which may include disciplinary action as deemed appropriate. There may also be criminal and civil liability under the Securities and Exchange Act.

#### Number of cases or issues related to the use of inside information to seek benefits

	2022	2023	2024
Total number of cases or issues related to the use of inside information to seek benefits (cases)	0	0	0

### Anti-corruption action

#### Operations in anti-corruption in the past year

Has the company operated in anti-corruption over the : Yes  
past year

Form of operations in anti-corruption : Review of appropriateness in anti-corruption

The Company is committed to conducting business with honesty, transparency and in accordance with the principles of good corporate governance and also realizing the importance of against in all forms of corruption. The Company has established an anti-corruption policy to be a guideline for directors, executives, and employees of the Company in order to prevent and against corruption problems of the Company in deep. It is because the Company does not accept corruption of any kind, covering business operations and various transactions in every country and every relevant business units. Our personnel of the Company must strictly comply with the anti-corruption policy, charter and business ethics and prohibit our personnel of the Company participate in all forms of corruption in both of directly and indirectly.

### Number of cases or issues related to corruption

	2022	2023	2024
Total number of cases or issues related to corruption (cases)	0	0	0

## Whistleblowing

### Operations related to whistleblowing over the past year

Has the company implemented whistleblowing : Yes  
procedures over the past year

The Company group is aware of the importance of preventing wrongdoing and corruption that may occur from operations and contact with stakeholders. This may affect the decision-making and business operations of the Group of companies. The Group of companies has therefore established a mechanism for receiving complaints and actions taken in the case of reporting violations regarding illegal acts, charters, and business ethics or behavior that may indicate corruption among the personnel of the Group of companies. This includes appropriate protection measures for whistleblowers according to this policy for receiving complaints and reporting wrongdoing, it will be a clear guideline and to ensure efficient receipt of complaints and reporting of wrongdoing.

Mail:

Tanachira Retail Corporation Public Company Limited  
999/9 The Office at Central World,  
Room OFMH2807 and OFMH 2812, Floor 28, Rama I Road,  
Patumwan Sub-district, Patumwan District Bangkok 10330

E-mail: [companysecretary@tanachira.co.th](mailto:companysecretary@tanachira.co.th)

Notify the Chief Executive Officer or the Chairman of the Board as follows:

***If the respondent holds a position lower than the Chief Executive Officer:*** Notify the Chief Executive Officer or the Company Secretary (acting on behalf of the Chief Executive Officer).

***If the respondent is an executive at the level of Chief Executive Officer or higher, or a director:*** Notify the Chairman of the Board or the Company Secretary (acting on behalf of the Chairman of the Board).

### Number of cases or issues related to whistleblowing

	2022	2023	2024
Total number of cases or issues received through whistleblowing channels (cases)	0	0	0

## 8.2 Report on the results of duty performance of the audit committee in the past year

### 8.2.1 Meeting attendance of audit committee <sup>(5)</sup>

Meeting attendance of audit committee (times) : 6

List of directors	Meeting attendance of audit committee		
	Meeting attendance (times)	/	Meeting attendance rights (times)
1 Mrs. PEERAMAN WARUNPANTULAK (Chairman of the audit committee)	6	/	6
2 Mr. NATHASORN BOONTANORM (Member of the audit committee)	6	/	6
3 Mr. WARATHORN WONGSAWANGSIRI (Member of the audit committee)	1	/	1
4 Mrs. PATRAPORN MILINDASUTA (Member of the audit committee)	4	/	4

Remark : <sup>(5)</sup> 1. Ms. Pattaporn Milintasut resigned from the positions of Director and Member of the Sub-Committee, on June 1, 2024.  
2. Mr. Varathorn Vongsavangsiri was appointed as member of the Audit Committee, on August 14, 2024.

### 8.2.2 The results of duty performance of the audit committee

The Audit Committee of Tanachira Retail Corporation Public Company Limited (“the Company”) comprises three independent directors who are qualified and experienced in accounting and finance, law, and management. They also meet the qualifications stipulated in the notification of the Securities and Exchange Commission. The Audit Committee has performed its duties within the scope and responsibilities assigned by the Board of Directors, as specified in the Audit Committee Charter, and in accordance with its practices, which align with the requirements of the Stock Exchange of Thailand.

The Audit Committee operates independently and fairly, adhering to its defined responsibilities under the Audit Committee Charter and the directives of the Board of Directors, in full compliance with the requirements of the SEC and the Stock Exchange of Thailand.

The report on the performance of the Audit Committee can be found in [Attachment 6](#).



## 8.3 Summary of the results of duty performance of subcommittees

### 8.3.1 - 8.3.2 Meeting attendance and the results of duty performance of subcommittees

#### Meeting attendance Executive Committee <sup>(6)</sup>

Meeting Executive Committee (times) : 13

List of Directors	Meeting attendance Executive Committee		
	Meeting attendance (times)	/	Meeting attendance right (times)
1 Mr. TANAPONG CHIRAPANIDCHAKUL (The chairman of the executive committee)	13	/	13
2 Mr. WUTT SRIKHAM (Member of the executive committee)	13	/	13
3 Mr. SARIT CHOKCHAINIRAND (Member of the executive committee)	13	/	13

#### The results of duty performance of Executive Committee

The Executive Committees performed their assigned duties and responsibilities in 2024, summarized as follows:

1. Oversee, audit, and monitor the company's and its subsidiaries' business operations to ensure alignment with policies, business strategies, objectives, operational plans, financial goals, and budgets on a monthly basis.
2. Approve the establishment of subsidiaries, capital increases for subsidiaries, as well as transactions and various operations of subsidiaries.
3. Monitor the progress of business expansion investments of the company and its subsidiaries.
4. Review and approve financial transactions with financial institutions within the authorized limits specified in the Delegation of Authority (DOA) approved by the Board of Directors.

Remark : <sup>(6)</sup> Mrs. Chidchanok Jangpol has resigned from her position as an executive director and an employee of the Company, on June 1, 2024

#### Meeting attendance The Risk management Committee

Meeting The Risk management Committee : 0  
(times)

List of Directors	Meeting attendance The Risk management Committee		
	Meeting attendance (times)	/	Meeting attendance right (times)
1 Mr. KITTIPOL PRAMOJ NA AYUDHYA (The chairman of the subcommittee)	0	/	0
2 Mr. AKARIN PHUREESITR (Member of the subcommittee)	0	/	0
3 Mr. WUTT SRIKHAM (Member of the subcommittee)	0	/	0

## The results of duty performance of The Risk management Committee

In 2024, the Risk Management Committee did not hold any meetings. However, the Company remains aware of the importance of risk management and has prepared a plan to establish a team of experts to handle this area. Throughout the past year, the Company continued to monitor the risk situation and implement the existing risk management plan. The Company will also hold a meeting in 2025 to report on risk management performance and review the Risk Management Committee's charter.

## Meeting attendance The Corporate Governance Committee

Meeting The Corporate Governance Committee : 0  
(times)

List of Directors	Meeting attendance The Corporate Governance Committee		
	Meeting attendance (times)	/	Meeting attendance right (times)
1 Mr. SARIT CHOKCHAINIRAND (Member of the subcommittee)	0	/	0
2 Mr. NATHASORN BOONTANORM (Member of the subcommittee)	0	/	0

## The results of duty performance of The Corporate Governance Committee

In 2024, the Corporate Governance Committee did not hold any meetings. However, the Company continued to carry out corporate governance activities in accordance with good governance principles under the policies and regulations approved by the Board of Directors. The Corporate Governance Committee has consistently monitored and supported the Company's governance operations closely and will hold a meeting in 2025 to report on governance and sustainability performance, as well as to review the Corporate Governance Committee's charter.

## Meeting attendance The Nomination and Remuneration Committee

Meeting The Nomination and Remuneration Committee : 3  
Committee (times)

List of Directors	Meeting attendance The Nomination and Remuneration Committee		
	Meeting attendance (times)	/	Meeting attendance right (times)
1 Mr. AKARIN PHUREESITR (The chairman of the subcommittee)	3	/	3
2 Mrs. PEERAMAN WARUNPANTULAK (Member of the subcommittee)	3	/	3
3 Mr. TANAPONG CHIRAPANIDCHAKUL (Member of the subcommittee)	3	/	3

## The results of duty performance of The Nomination and Remuneration Committee

The Nomination and Remuneration Committee executed its designated duties and responsibilities for the year 2024, summarized as follows:

1. Conducted the process of identifying and proposing candidates for the Company's Board of Directors and sub-committees.

Candidates were selected based on their knowledge, skills, and experience relevant to the Company's business model, for consideration by the Board of Directors and subsequent approval at the shareholders' meeting.

2. Conducted the process of selecting a qualified individual to replace the resigning director and proposed the nomination to the Board of Directors for approval.

3. Reviewed the compensation for the Board of Directors and sub-committee members. Compensation criteria were based on operational results, the scope of directors' duties and responsibilities, Company growth and performance, business liquidity, and individual directors' contributions. Comparisons were made with entities in similar industries to provide recommendations for the Board of Directors and for approval at the shareholders' meeting.

4. Consider the criteria for determining the compensation and evaluating the performance of the Chief Executive Officer for the year 2024, with compensation based on performance results and operational achievements.

## 9. Internal control and related party transactions

### 9.1 Internal control

#### Summary of the opinion of the board of directors regarding the internal control of the company

The Group of companies places an importance on the internal control system. The Board of Directors has appointed the Audit Committee, an independent agency, to provide support and act on behalf of the Board of Directors. It is an important tool in good corporate governance to ensure that the Group of companies has an internal control system that is adequate and appropriate to supervise the Group of companies' operations, to meet the goals, objectives, laws, and related regulations efficiently and effectively. It can help to prevent risk management or various damages that may happen to the Company and stakeholders and also to protect assets from corruption and damage, including accurate, reliable accounting and financial reporting with complete and adequate disclosure of information in an appropriate time.

In the Board of Directors meeting No. 1/2025 held on February 26, 2025, the Board of Directors assessed the internal control system based on the Audit Committee's 2024 evaluation report, following the guidelines of the Securities and Exchange Commission (SEC). This assessment was conducted in accordance with the Stock Exchange of Thailand's internal control framework, which references the COSO (Committee of Sponsoring Organizations of the Treadway Commission) framework, encompassing all five components and 17 principles. The Board of Directors and the Audit Committee concurred that the Company maintains an adequate and appropriate internal control system aligned with the nature of its business.

#### 9.1.1 Adequacy and appropriateness of the company's internal control system

Company's internal control system : The Committee of Sponsoring Organizations of the Treadway Commission (COSO)

#### The Committee of Sponsoring Organizations of the Treadway Commission (COSO)

##### 1. Control Environment

The Company has established a corporate governance policy to serve as a guideline for its personnel, including the Board of Directors, executives, and employees, to ensure that the Company operates transparently, verifiably, and in the best interests of all stakeholders. Moreover, the Company has developed a Code of Conduct to serve as a guideline for management and operation of the Company with integrity and ethics and to encourage its personnel to perform their duties and make decisions on various matters with ethics and integrity, as well as establishing an anti-corruption policy that prohibits its personnel from engaging in any form of corruption, including giving or receiving bribes.

Executives and employees exhibit positive attitudes that support internal control, emphasizing ethics, integrity, and moral values. Actions are taken as necessary when inappropriate behavior is observed. Recognition of worker competence, awareness of information, and findings necessitate diagnosis. The management philosophy and operational model are conducive to the development and maintenance of effective internal controls. The organizational structure, including the delegation of authority, duties, responsibilities, and the adequacy of staff, aligns with job requirements. Policies and practices related to personnel are designed to motivate and support employee performance.

##### 2. Risk Management

The Company places important on risk management by establishing The " Risk Management Team" . Type of risks were specified to cover business. There are regular evaluation and monitoring of risk management plan of each department, as well as systemizing report and monitoring to be up to date. Company's executives evaluate situations of risks and situations that may affect or damage the Company by creating measures to prevent, solve and monitor the situations that are the causes of risks; as well as, measures to mitigate those risks. Moreover, Risk Management Team communicates risk management policy to all executives and employees to acknowledge and follow until it becomes a part of corporate culture.

##### 3. Operations Control

The Company has internal control that is consistent with the risks and types of business. The control is clearly allocated to each functional unit as defined in the manual of authorities and the manuals of operation which are made and revised to suit the organization structure and present operation. Each functional unit is designed to balance the power and to cross-examine

appropriately, particularly the task that incurs significant risks so as to mitigate or reduce errors such as financial transactions, sales, procurement, asset supervision, personnel management, etc. The internal audit office is set up to audit each operation regularly in accordance with rules, regulations, manual of authorities and manual of operation to ensure sufficient and appropriate internal control. There is efficient operation of work including the use of information technology to help conduct the work more rapidly and efficiently.

#### 4. Information Systems and Communication

The Company maintains an information system essential to its operations, financial reporting, and overall management. This system supports compliance with policies and procedural regulations for organizational activity control. Information from external sources is effectively communicated to executives and internal users, enabling them to fulfill their responsibilities efficiently and effectively. This ensures that both internal and external communications contribute to achieving the Company's objectives and goals.

#### 5. Monitoring and Evaluation

The Company monitors and evaluates its internal controls by assessing the quality of its operations through established work procedures. These procedures enable continuous oversight of compliance with internal control systems as part of the normal operating process involving management, supervisors, and related personnel. Furthermore, evaluations are conducted through inspections by the Company's internal audit firm, Dhammaniti Internal Audit Co., Ltd., in accordance with the annual audit plan. Additionally, the Company's Audit Committee regularly reviews the performance of the Company's risk management operations. Whenever areas for improvement are identified, specific corrective actions are prescribed to ensure that audit and review findings are adequately addressed, and immediate remedial actions are taken.

#### 9.1.2 Deficiencies related to the internal control system

	2022	2023	2024
Total number of deficiencies related to the internal control system (cases)	0	0	0

#### 9.1.3 Opinions of the audit committee and auditor's observations on internal control

Does the audit committee have opinions on internal control : No  
different from the board of directors' opinions?

Does the auditor have any observations on the company's : No  
internal control?

#### 9.1.4 Opinions of the audit committee on the position of the head of the internal audit unit

Head of the internal audit unit : Outsourced service

The Audit Committee appointed Dhamniti Internal Audit Co., Ltd. to perform the duties of internal audit of the Company by appointed Ms. Ruetaichanoke Supamong, acting as the head of the internal audit of the group of companies. The Audit Committee opined that internal control auditor has appropriate education, experience, knowledge, and capabilities to perform internal audit duties effectively.

#### 9.1.5 Appointment, discharge, and transfer of the head of the internal audit unit

Does the appointment, discharge, and transfer of the head of : Yes  
the internal audit unit require the audit committee approval?

The Audit Committee's approval is required for the appointment, evaluation, removal, transfer, termination of the Head of Internal Audit or other units responsible for internal audit, including the persons in charge of the internal control system of the Company. The biographical information is shown in [Attachment 3 The details of the Head of Internal Audit.](#)

## 9.2 Related party transactions

### Related party transactions

Does the company have any related party transactions? : Yes

### 9.2.1 - 9.2.2 Names of the group of persons who may have a conflict of interest, nature of relationship, and information on related party transactions

#### Persons/entities with potential conflicts

Name of person or entity/type of business	Nature of relationship	Information as of date
Thanapong Jirapanichkul -	Directors, executives, and major shareholders of the company	31 Dec 2024

#### Details of related party transactions

Related party transactions	Transaction value at the end of the fiscal year (million baht)		
	2022	2023	2024
Thanapong Jirapanichkul			
<b>Transaction 1</b>  <u>Nature of transaction</u>  Receiving financial assistance  <u>Details</u>  The Group of companies have loan from 2 commercial banks to use as working capital and investment in business operations and Mr. Thanaphong Jirapanichkul guaranteed this loan.  Such personal guarantee do not charge a guarantee fee.  <u>Necessity/reasonableness</u>  It is necessary and beneficial to the business operations of the Group of companies  <u>Audit committee's opinion</u>  - This transaction is a receiving financial assistance transaction from the Group of companies. It is necessary and beneficial to the business operations of the Group of companies without any charge of guaranteed fee. - After each loan guarantee will be expired, the Group of companies will not have it in the future.	987.90	0.00	0.00

### 9.2.3 Policy and future trends of related party transactions and the compliance with the obligations specified in the prospectus of the company

#### Measures and procedures for approving related party transactions or connected transactions

In entering into connected transactions of the Company and its subsidiaries, the Company will comply with the criteria of the Securities and Exchange Act B.E. 2535 (as amended), regulations, announcements, orders and related criteria of the Stock Exchange and/or the Securities and Exchange Commission and/or the Capital Market Supervisory Board as well as complying with regulations regarding disclosure of related party transactions in the notes to the financial statements that have been audited and/or reviewed by the auditors of the Company and subsidiaries, the Annual Report (Form 56-1 One Report) with measures and procedures for approving related party transactions and connected transactions as follows:

#### **(1) Transactions with General Trade Conditions**

The management can approve connected transactions in the case of normal business transactions or supporting normal business transactions and is a transaction that may continue to occur in the future. In case such transaction has general trading conditions with connected persons, which includes directors and executives according to the regulations of the Stock Exchange of Thailand, the Securities and Exchange Commission and the Capital Market Supervisory Board. There is a trade agreement in the same way that a reasonable person would do with a general contracting party in the same situation with trade bargaining power and without the influence of a connected person. This includes directors and executive. and does not cause a transfer of benefits and/or can show that the transaction has reasonable or fair prices or conditions. It has been approved by the Board of Directors or is in accordance with the principles that the Board of Directors has approved. The Company will prepare a summary report of such transactions to report to the Audit Committee meeting and Board of Directors' meeting in every quarter.

#### **(2) Transactions without General Trade Conditions**

Entering into the connected transactions that are not general trade conditions, the Company will proceed in accordance with the regulations, announcements, orders and/or relevant criteria of the Stock Exchange of Thailand, Securities and Exchange Commission and/or Capital Markets Commission including considering the size of the transaction. The Audit Committee will give opinions on the necessity of entering into the transaction and the appropriateness of the price of the transaction by considering various conditions in accordance with the normal business transaction and/or comparison to the third party price and/or market price and/or have the same price or terms of transactions as third parties and/ or can demonstrate that the transactions have fair and reasonable price or conditions and presented to the Board of Directors for consideration and approval of entering into the transaction and/or the shareholders' meeting (as the case may be, depending on the size of the transaction) for further consideration and approval. In this regard, comply with the law on securities and the stock exchange, regulations, announcements, orders, or requirements of the stock exchange. Securities and Exchange Commission and/or Capital Markets Commission Including compliance with regulations regarding disclosure of information regarding connected transactions. and other related criteria in the case that the Audit Committee does not have the expertise to consider connected transactions that may occur, the Company There will be a person with special expertise, such as an auditor or an independent property appraiser, to provide opinions on such connected transactions for the Audit Committee and/or the Board of Directors. and/or shareholders (As the case may be) used as information for decision making to ensure that entering into the said transaction is necessary and reasonable. Taking into account the Company's interests is important. The Company will disclose connected transactions in the annual information form and notes to the financial statements that have been audited by the Company's auditor.

### **Future trends in related party transactions**

In the case of entering a connected transaction after the Company offer and sale securities to the public and listed on the Stock Exchange of Thailand. The Company and its subsidiaries will enter the connected transactions in accordance with the following principles:

1. Act in accordance with the Company's policy, securities and stock exchange laws, regulations, announcements, orders or requirements of the Stock Exchange of Thailand, the SEC Office and/or the Capital Market Supervisory Board as well as complying with the regulations regarding the disclosure of information in relation to the connected transactions of the Company or subsidiaries according to accounting standards set by the Federation of Accounting Professions and other related criteria. However, entering into the said transaction must not be a transfer or transfer of benefits between the Company or shareholders of the Company. It must be a transaction that the Company has taken into account the maximized benefits to the Company and shareholders.
2. In the case that it is a normal business transaction or supporting normal business transaction and it is expected that this will happen continuously in the future, the Company and its subsidiaries will proceed according to the rules and guidelines for compliance with the general nature of trading by comparing price and condition that are appropriate and fair, reasonable, and can be verified. Entering into such transactions will be in accordance with the principles of general trade conditions as approved by the Board of Directors' meeting. In this regard, the management will prepare a summary of the transactions to report to the Audit Committee meeting on a quarterly basis to support the preparation of the annual

information statements form (56-1).

3. Disclosure of related party transactions or connected transactions of the Company and its subsidiaries will comply with the laws and regulations determined by the SEC Office and the Stock Exchange of Thailand, as well as comply with accounting standards regarding the Company or related persons of the Federation of Accounting Professions.

#### **9.2.4 Information on appraised assets and appraisal price in conjunction with the execution of related party transactions**

Can be referred in attachment 4: assets for business undertaking and details of asset appraisal



## Part 3 Financial Statement

Board of Directors' Responsibility Statement for the  
Financial Report

## Responsibility of the Board of Directors of Financial Statements

The Board of Directors of Tanachira Retail Corporation Public Company Limited (“the Company”) is responsible for the consolidated and separate financial statements of the Company and its subsidiaries as well as any financial information presented in the Company’s 56-1 One Report. The financial statements are prepared in accordance with generally accepted accounting standards under selected accounting policies which are followed appropriately and consistently with careful discretion. The disclosure of significant information relating to the accounting policies and accounting methods in the notes to the financial statements is sufficient, transparent and aimed for the benefits of shareholders and investors.

The Board of Directors has established and maintained effective internal controls to sensible ensure that the accounting information is accurate, complete and adequate to safeguard the Company’s assets.

The Board of Directors has appointed the Audit Committee which consists solely of independent directors to be responsible for the quality of the Company’s financial statements and internal control system. The opinion of the Audit Committee on this matter is shown in report of the Audit Committee.

The consolidated and separate financial statements of the Company, which have been prepared in accordance with financial reporting standards under the Accounting Act B.E. 2543, and the financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act B.E. 2535. The Board considers the accounting policies pursued to be appropriate, and that they have been applied consistently with adequate disclosure of important information in the notes to the financial statements. The EY Office Company Limited, the Company’s independent auditor, with full supports from the Company in providing related information and documents to ensure that the auditor was able to audited and comment on the conformity with accounting standards, has audited the financial statements. The comment of the independent auditor is shown in the Auditor’s report, which is a part of the Company’s 56-1 One Report.

The Board of Directors opines that the internal control system of the Company, as a whole, is proper and sufficient, which reassures our reasonable confidence of the reliability of the Company’s consolidated and separate financial statements as of December 31, 2024



(Mr. Kittipol Pramoj Na Ayudhya)  
Chairman of the Board of Directors



(Mr. Tanapong Chirapanidchakul)  
Chairman of the Executive Committee

## Auditor's Report

Tanachira Retail Corporation Public Company Limited  
and its subsidiaries  
Report and consolidated and separate financial statements  
31 December 2024

## **Independent Auditor's Report**

To the Shareholders of Tanachira Retail Corporation Public Company Limited

### **Opinion**

I have audited the accompanying consolidated financial statements of Tanachira Retail Corporation Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2024, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information, and have also audited the separate financial statements of Tanachira Retail Corporation Public Company Limited for the same period (collectively "the financial statements").

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Tanachira Retail Corporation Public Company Limited and its subsidiaries and of Tanachira Retail Corporation Public Company Limited as at 31 December 2024, 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 Matter**

Key audit matter is this matter that, in my professional judgement, was of most significance in my audit of the financial statements of the current period. This matter was addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matter.

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 matter below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matter and how audit procedures respond to each matter are described below.

### **Revenue recognition from consignment sales**

The revenue from the sales of the group is significant to the financial statements as it holds a high value, accounting for 97% and 98% of the total revenue in the consolidated and separate financial statements, respectively. A primary sales channel for the group is consignment sales, contributing to a revenue of Baht 207 million and Baht 96 million in the consolidated and separate financial statements, respectively, for the current year. The main clients for consignment sales are department stores, and transactions are carried out by issuing an invoice upon the delivery of goods to the department store. Revenue is recognised on the delivery date. However, the group retains control of the goods as they remain its property, and the revenue can be recognised only when the goods have been delivered to the end consumers. Therefore, on a monthly basis, the group reconciles the sales report from the department stores with its internal sales report. Subsequently, to ensure an accurate representation of actual sales in the financial statements, the group reverses the consignment sales revenue by issuing a credit note. Consequently, there is a risk associated with overstatement of consignment sales revenue prior to actual delivery of goods to end consumers.

I examined the recognition of consignment sales revenue of the group by assessing and testing the group's internal controls associated with the consignment sales revenue cycle. This involved conducting inquiries with responsible personnel, gaining an understanding of the control and selecting representative samples to test the operation of the designed controls with special consideration by expanding the scope of the testing of internal controls in response to the risk associated with the accuracy and timing of consignment sales revenue recognition. On a sampling basis, I examined supporting documents for money received from department stores linked to the revenue from consignment sales incurred during the year, near the end of the year, and after the year-end. In addition, I reconciled credit notes issued by the group during the year and after the year-end with department stores' sales report, including randomised inventory counts of goods stored at department store, performed analytical procedures of disaggregated data of the consignment sales revenue to detect possible irregularities in sales transactions throughout the accounting period, particularly for accounting entries made through journal vouchers.

## **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 matter. 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.



Kunlapee Piyawannasuth

Certified Public Accountant (Thailand) No. 6137

EY Office Limited

Bangkok: 28 February 2025

## Financial Statements

**Tanachira Retail Corporation Public Company Limited and its subsidiaries**

**Statements of financial position**

**As at 31 December 2024**

(Unit: Baht)

		<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>Note</b>	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	7	146,166,691	160,937,481	103,930,493	117,997,260
Trade and other receivables	8	79,204,043	86,530,271	68,272,671	54,674,597
Short-term loans to related parties	6	-	-	367,670,912	317,670,438
Inventories	9	744,975,312	525,369,249	319,436,666	226,402,151
Other current assets		55,219,177	43,128,429	12,877,647	7,743,489
<b>Total current assets</b>		<b>1,025,565,223</b>	<b>815,965,430</b>	<b>872,188,389</b>	<b>724,487,935</b>
<b>Non-current assets</b>					
Restricted bank deposits	10	27,969,899	21,100,180	14,378,609	5,333,604
Investments in subsidiaries	11	-	-	1,379,752,266	1,354,019,986
Leasehold improvements and equipment	12	234,289,933	187,943,641	116,803,548	82,035,130
Right-of-use assets	18	449,866,525	332,612,433	170,694,519	114,258,404
Intangible assets	13	200,701,534	183,435,581	77,335,447	58,576,082
Goodwill	14	639,554,000	639,554,000	-	-
Deferred tax assets	22	35,152,270	33,612,968	4,750,325	3,830,955
Deposit		111,955,292	88,317,979	35,824,925	29,068,213
<b>Total non-current assets</b>		<b>1,699,489,453</b>	<b>1,486,576,782</b>	<b>1,799,539,639</b>	<b>1,647,122,374</b>
<b>Total assets</b>		<b>2,725,054,676</b>	<b>2,302,542,212</b>	<b>2,671,728,028</b>	<b>2,371,610,309</b>

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

**Tanachira Retail Corporation Public Company Limited and its subsidiaries**

**Statements of financial position (continued)**

**As at 31 December 2024**

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2024	2023	2024	2023
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institutions	15	222,218,164	106,207,194	82,302,007	39,111,176
Short-term loans from unrelated party		267,000	-	-	-
Trade and other payables	16	247,023,431	172,234,248	162,942,122	100,115,350
Current portion of long-term loans	17	21,097,205	17,024,143	20,342,068	16,175,131
Current portion of lease liabilities	18	205,761,634	158,207,757	71,496,942	56,470,640
Income tax payable		31,072,601	21,361,326	22,541,018	16,707,486
Other current financial liabilities		1,109,114	1,026,406	1,109,114	-
Other current liabilities		31,884,514	17,164,207	18,760,097	14,712,751
Total current liabilities		760,433,663	493,225,281	379,493,368	243,292,534
Non-current liabilities					
Long-term loans, net of current portion	17	17,227,049	28,687,862	16,665,438	27,207,421
Lease liabilities, net of current portion	18	251,742,600	180,850,371	101,562,090	59,257,927
Provision for long-term employee benefits		21,750,565	19,853,734	14,416,553	13,576,421
Provision for decommissioning		16,934,986	9,569,127	4,098,555	2,854,718
Deferred tax liabilities	22	20,471,643	20,492,247	-	-
Other non-current liabilities		159,049	510,449	-	-
Total non-current liabilities		328,285,892	259,963,790	136,742,636	102,896,487
Total liabilities		1,088,719,555	753,189,071	516,236,004	346,189,021

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

**Tanachira Retail Corporation Public Company Limited and its subsidiaries**

**Statements of financial position (continued)**

**As at 31 December 2024**

(Unit: Baht)

	Note	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
		2024	2023	2024	2023
<b>Shareholders' equity</b>					
Share capital	19				
Registered					
300,000,000 ordinary shares of Baht 1 each		<u>300,000,000</u>	<u>300,000,000</u>	<u>300,000,000</u>	<u>300,000,000</u>
Issued and fully paid up					
300,000,000 ordinary shares of Baht 1 each		300,000,000	300,000,000	300,000,000	300,000,000
Share premium	19	1,173,168,137	1,173,168,137	1,173,168,137	1,173,168,137
Retained earnings					
Appropriated - Legal reserve	20	23,819,288	14,315,811	23,819,288	14,315,811
Unappropriated		139,768,267	79,195,939	658,504,599	537,937,340
Other components of shareholders' equity		<u>(11,790,001)</u>	<u>(16,896,341)</u>	-	-
Equity attributable to owners of the Company		1,624,965,691	1,549,783,546	2,155,492,024	2,025,421,288
Non-controlling interests of the subsidiaries		<u>11,369,430</u>	<u>(430,405)</u>	-	-
<b>Total shareholders' equity</b>		<u>1,636,335,121</u>	<u>1,549,353,141</u>	<u>2,155,492,024</u>	<u>2,025,421,288</u>
<b>Total liabilities and shareholders' equity</b>		<u>2,725,054,676</u>	<u>2,302,542,212</u>	<u>2,671,728,028</u>	<u>2,371,610,309</u>
		-	-	-	-

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

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**Tanachira Retail Corporation Public Company Limited and its subsidiaries**

**Statement of comprehensive income**

**For the year ended 31 December 2024**

(Unit: Baht)

		<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>Note</b>	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
<b>Revenues</b>					
Sales		1,718,222,604	1,398,118,747	851,792,305	705,734,331
Service income		18,722,297	16,439,311	-	-
Dividend income	6, 11	-	-	2,394,000	18,033,394
Other income		37,426,690	15,404,652	18,069,821	11,579,671
<b>Total revenues</b>		<b>1,774,371,591</b>	<b>1,429,962,710</b>	<b>872,256,126</b>	<b>735,347,396</b>
<b>Expenses</b>					
Cost of sales		606,708,428	502,054,641	294,366,155	251,598,602
Cost of services		6,878,478	5,728,699	-	-
Selling and distribution expenses		700,424,907	485,439,253	216,499,398	147,102,109
Administrative expenses		256,702,571	181,161,472	122,391,837	99,266,511
<b>Total expenses</b>		<b>1,570,714,384</b>	<b>1,174,384,065</b>	<b>633,257,390</b>	<b>497,967,222</b>
<b>Operating profit</b>		<b>203,657,207</b>	<b>255,578,645</b>	<b>238,998,736</b>	<b>237,380,174</b>
Finance income		2,812,196	2,070,155	7,659,149	3,723,911
Finance cost		(27,576,231)	(48,724,386)	(11,310,453)	(35,889,514)
<b>Profit before income tax expenses</b>		<b>178,893,172</b>	<b>208,924,414</b>	<b>235,347,432</b>	<b>205,214,571</b>
Income tax expenses	22	(58,531,106)	(45,906,736)	(45,277,896)	(38,898,353)
<b>Profit for the year</b>		<b>120,362,066</b>	<b>163,017,678</b>	<b>190,069,536</b>	<b>166,316,218</b>
<b>Other comprehensive income:</b>					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>					
Exchange differences on translation of financial statements in foreign currency		5,360,894	2,744,773	-	-
Other comprehensive income to be reclassified to profit or loss in subsequent periods		5,360,894	2,744,773	-	-
<b>Other comprehensive income for the year</b>		<b>5,360,894</b>	<b>2,744,773</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>125,722,960</b>	<b>165,762,451</b>	<b>190,069,536</b>	<b>166,316,218</b>

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

**Tanachira Retail Corporation Public Company Limited and its subsidiaries**

**Statement of comprehensive income (continued)**

**For the year ended 31 December 2024**

(Unit: Baht)

		<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>Note</b>	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
<b>Profit (loss) attributable to:</b>					
Equity holders of the Company		130,074,605	166,792,601	190,069,536	166,316,218
Non-controlling interests of the subsidiaries		<u>(9,712,539)</u>	<u>(3,774,923)</u>		
		<u>120,362,066</u>	<u>163,017,678</u>		
<b>Total comprehensive income attributable to:</b>					
Equity holders of the Company		135,180,945	169,474,622	190,069,536	166,316,218
Non-controlling interests of the subsidiaries	11.3	<u>(9,457,985)</u>	<u>(3,712,171)</u>		
		<u>125,722,960</u>	<u>165,762,451</u>		
<b>Earnings per share</b>					
Basic earnings per share	23				
Profit attributable to equity holders of the Company		<u>0.43</u>	<u>0.84</u>	<u>0.63</u>	<u>0.84</u>

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



Tanachira Retail Corporation Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the year ended 31 December 2024

(Unit: Baht)

Consolidated financial statements												
Equity attributable to owners of the Company												
					Other components of equity							
					Other comprehensive income							
					Exchange differences on translation of financial statements in foreign currency	Other changes by the owners						
						Difference resulting from change in interest in subsidiary without loss of control	Difference from a business combination under common control	Total other components of shareholders' equity	Total equity attributable to owners of the Company	Non-controlling interests of the subsidiaries	Total shareholders' equity	
	Note	Issued and fully paid-up share capital	Share premium	Retained earnings								
				Appropriated - Legal reserve	Unappropriated							
Balance as at 1 January 2023		60,000,000	-	6,000,000	273,513,949	3,138,769	-	(10,133,701)	(6,994,932)	332,519,017	(7,390,644)	325,128,373
Profit (loss) for the year		-	-	-	166,792,601	-	-	-	-	166,792,601	(3,774,923)	163,017,678
Other comprehensive income for the year		-	-	-	-	2,682,021	-	-	2,682,021	2,682,021	62,752	2,744,773
Total comprehensive income for the year		-	-	-	166,792,601	2,682,021	-	-	2,682,021	169,474,622	(3,712,171)	165,762,451
Increase share capital	19	240,000,000	1,173,168,137	-	-	-	-	-	-	1,413,168,137	-	1,413,168,137
Increase in non-controlling interests of the subsidiaries	11	-	-	-	-	-	-	-	-	-	530,598	530,598
Dividend paid	26	-	-	-	(352,794,800)	-	-	-	-	(352,794,800)	-	(352,794,800)
Transfer to legal reserve	20	-	-	8,315,811	(8,315,811)	-	-	-	-	-	-	-
Increase in non-controlling interests of the subsidiary from changes in interests of investment	11	-	-	-	-	-	(12,583,430)	-	(12,583,430)	(12,583,430)	10,141,812	(2,441,618)
Balance as at 31 December 2023		300,000,000	1,173,168,137	14,315,811	79,195,939	5,820,790	(12,583,430)	(10,133,701)	(16,896,341)	1,549,783,546	(430,405)	1,549,353,141
Balance as at 1 January 2024		300,000,000	1,173,168,137	14,315,811	79,195,939	5,820,790	(12,583,430)	(10,133,701)	(16,896,341)	1,549,783,546	(430,405)	1,549,353,141
Profit (loss) for the year		-	-	-	130,074,605	-	-	-	-	130,074,605	(9,712,539)	120,362,066
Other comprehensive income for the year		-	-	-	-	5,106,340	-	-	5,106,340	5,106,340	254,554	5,360,894
Total comprehensive income for the year		-	-	-	130,074,605	5,106,340	-	-	5,106,340	135,180,945	(9,457,985)	125,722,960
Increase in non-controlling interests of the subsidiaries	11	-	-	-	-	-	-	-	-	-	21,257,820	21,257,820
Dividend paid	26	-	-	-	(59,998,800)	-	-	-	-	(59,998,800)	-	(59,998,800)
Transfer to legal reserve	20	-	-	9,503,477	(9,503,477)	-	-	-	-	-	-	-
Balance as at 31 December 2024		300,000,000	1,173,168,137	23,819,288	139,768,267	10,927,130	(12,583,430)	(10,133,701)	(11,790,001)	1,624,965,691	11,369,430	1,636,335,121

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

Tanachira Retail Corporation Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the year ended 31 December 2024

(Unit: Baht)

	Note	Separate financial statements			
		Issued and fully paid-up share capital	Share premium	Retained earnings	
				Appropriated - Legal reserve	Unappropriated
					Total shareholders' equity
<b>Balance as at 1 January 2023</b>		60,000,000	-	6,000,000	732,731,733
Profit for the year		-	-	-	166,316,218
Other comprehensive income for the year		-	-	-	-
Total comprehensive income for the year		-	-	-	166,316,218
Increase share capital	19	240,000,000	1,173,168,137	-	-
Dividend paid	26	-	-	-	(352,794,800)
Legal reserve	20	-	-	8,315,811	(8,315,811)
<b>Balance as at 31 December 2023</b>		<u>300,000,000</u>	<u>1,173,168,137</u>	<u>14,315,811</u>	<u>537,937,340</u>
<b>Balance as at 1 January 2024</b>		300,000,000	1,173,168,137	14,315,811	537,937,340
Profit for the year		-	-	-	190,069,536
Other comprehensive income for the year		-	-	-	-
Total comprehensive income for the year		-	-	-	190,069,536
Dividend paid	26	-	-	-	(59,998,800)
Legal reserve	20	-	-	9,503,477	(9,503,477)
<b>Balance as at 31 December 2024</b>		<u>300,000,000</u>	<u>1,173,168,137</u>	<u>23,819,288</u>	<u>658,504,599</u>

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

**Tanachira Retail Corporation Public Company Limited and its subsidiaries**

**Cash flow statement**

**For the year ended 31 December 2024**

(Unit: Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
<b>Cash flows from operating activities</b>				
Profit before tax	178,893,172	208,924,414	235,347,432	205,214,571
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	278,432,775	212,669,164	106,184,506	77,726,443
Allowance for expected credit losses	411,020	258,295	-	-
Reduction of inventories to net realisable value (reversal)	(4,035,348)	1,029,954	-	-
Reversal of allowance for impairment loss of leasehold improvements and equipment	(64,156)	-	(64,156)	-
Loss (gain) on disposal/write-off of equipment	2,868,284	(693,293)	60,350	(1,481,896)
Gain on lease cancellation	-	(373,007)	-	-
Unrealised loss (gain) on exchange	(6,015,486)	5,549,409	(4,987,034)	3,358,849
Provision for long-term employee benefits	4,239,251	4,511,264	2,862,432	3,208,586
Dividends income	-	-	(2,394,000)	(18,033,394)
Finance income	(2,812,196)	(2,070,155)	(7,659,149)	(3,723,911)
Finance cost	27,576,231	48,724,386	11,310,453	35,889,514
Loss (gain) on fair value adjustments of financial liabilities	82,708	909,526	-	(116,880)
Provision for decommissioning (reversal)	<u>(171,360)</u>	<u>(52,494)</u>	<u>-</u>	<u>-</u>
Profit from operating activities before changes in operating assets and liabilities	479,404,895	479,387,463	340,660,834	302,041,882
Operating assets (increase) decrease				
Trade and other receivables	9,059,637	(8,487,632)	(12,917,514)	2,684,288
Inventories	(215,570,715)	(70,833,863)	(93,034,515)	(43,309,939)
Other current assets	(12,090,748)	(14,804,970)	(5,134,159)	(3,765,993)
Deposit	(25,152,324)	(18,692,671)	(7,324,398)	(7,900,274)
Operating liabilities increase (decrease)				
Trade and other payables	78,187,312	(37,257,944)	66,663,279	18,198,228
Other current liabilities	14,720,308	3,335,361	5,156,460	11,202,225
Other non-current liabilities	(351,400)	(351,401)	-	-
Cash paid for long-term employee benefits	(2,342,420)	(2,013,444)	(2,022,300)	(1,706,045)
Provision for decommissioning	<u>(510,156)</u>	<u>(485,371)</u>	<u>-</u>	<u>-</u>
Cash from operating activities	325,354,389	329,795,528	292,047,687	277,444,372
Interest paid	(27,932,687)	(48,491,539)	(11,233,433)	(35,838,186)
Cash paid for corporate income tax and withholding tax deducted at source	<u>(50,311,497)</u>	<u>(41,500,990)</u>	<u>(40,363,734)</u>	<u>(32,981,663)</u>
<b>Net cash from operating activities</b>	<b><u>247,110,205</u></b>	<b><u>239,802,999</u></b>	<b><u>240,450,520</u></b>	<b><u>208,624,523</u></b>

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

**Tanachira Retail Corporation Public Company Limited and its subsidiaries**

**Cash flow statement (continued)**

**For the year ended 31 December 2024**

(Unit: Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
<b>Cash flows from investing activities</b>				
Increase in short-term loans to related parties	-	-	(50,000,474)	(266,638,793)
Increase in restricted bank deposits	(6,869,719)	(127,416)	(9,045,005)	(7,908)
Increase in investment in subsidiaries	-	-	(25,732,280)	(10,139,738)
Acquisition of equipment	(109,828,345)	(117,650,121)	(59,424,238)	(50,783,292)
Cash receipt from sales of equipment	194,393	1,620,093	935	1,573,364
Increase in intangible assests	(29,202,960)	(56,683,249)	(25,221,395)	(56,609,250)
Interest received	1,047,504	529,417	6,341,448	1,802,557
Dividend received	-	-	2,394,000	18,033,394
Cash receipt from non-controlling interests of the subsidiary	22,916,927	530,598	-	-
<b>Net cash used in investing activities</b>	<b>(121,742,200)</b>	<b>(171,780,678)</b>	<b>(160,687,009)</b>	<b>(362,769,666)</b>
<b>Cash flows from financing activities</b>				
Increase (decrease) in short-term loans from financial institutions	117,095,620	(423,170,926)	44,341,358	(385,552,955)
Short-term loans from unrelated party	267,000	-	-	-
Cash receipt from long-term loans	9,800,000	49,989,293	9,800,000	49,989,293
Repayment of long-term loans	(17,187,751)	(467,881,963)	(16,175,046)	(400,806,741)
Payment of principal portion of lease liabilities	(196,807,333)	(162,602,461)	(71,797,790)	(55,371,471)
Cash receipt from share capital increase	-	1,441,250,000	-	1,441,250,000
Cash paid for direct costs related to the share offering	-	(35,102,329)	-	(35,102,329)
Dividend paid	(59,998,800)	(352,794,800)	(59,998,800)	(352,794,800)
Acquisition of non-controlling interests of the subsidiary	-	(2,441,618)	-	(2,441,618)
<b>Net cash from (used in) financing activities</b>	<b>(146,831,264)</b>	<b>47,245,196</b>	<b>(93,830,278)</b>	<b>259,169,379</b>
Increase in translation adjustments	6,692,469	2,744,773	-	-
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(14,770,790)</b>	<b>118,012,290</b>	<b>(14,066,767)</b>	<b>105,024,236</b>
Cash and cash equivalents at beginning of year	160,937,481	42,925,191	117,997,260	12,973,024
<b>Cash and cash equivalents at end of year</b>	<b>146,166,691</b>	<b>160,937,481</b>	<b>103,930,493</b>	<b>117,997,260</b>
	-	-	-	-
<b>Supplemental cash flows information</b>				
Non-cash items consist of:				
Increase in right-of-use assets from new lease contracts	352,866,309	252,170,263	133,347,361	81,949,692
Increase in lease liabilities from new lease contracts	336,172,664	247,695,513	131,065,716	76,637,000
Transfer equipment to intangible assets	3,896,316	540,000	22,000	-
Receipt of investment in subsidiary in settlement				
of short-term loans to related parties	-	-	-	13,265,000

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

## Notes to the Financial Statements

# Tanachira Retail Corporation Public Company Limited and its subsidiaries

## Notes to financial statements

For the year ended 31 December 2024

### 1. General information

Tanachira Retail Corporation Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company is principally engaged in the distribution of diamond jewelry, gemstone jewelry and gems. The registered office of the Company is at 999/9 The Offices at Central World, Unit OFMH 2807 and OFMH 2812, 28th Floor, Rama 1 Road, Pathumwan Sub-district, Pathumwan District, Bangkok.

### 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 Tanachira Retail Corporation 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	
			2024	2023
			(%)	(%)
<u>Subsidiaries held by the Company</u>				
Tanachira Home Co., Ltd.	Distribution of leather goods, bags, shoes, clothes, furniture and home decorations	Thailand	100	100
Tatler Co., Ltd.	Import, export and distribution of clothes, bags and miscellaneous goods	Thailand	100	100
Harnn Global Co., Ltd.	Distribution and export of incense, skin care products and provision of spa services	Thailand	100	100
Harnn Heritage Pte. Ltd.	General wholesale	Singapore	100	100
Harnn Harmony Co., Ltd.	Retail sale in other non-specialised stores	Thailand	-	100

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2024	2023
			(%)	(%)
Tanachira SEA Co., Ltd.	Retail sale in other non-specialised stores	Singapore	95	95
Tanachira Vietnam Co., Ltd.	Import and distribution clothes, bags and miscellaneous goods	Vietnam	100	100
Harnn Greater China Co., Ltd.	Investment and holding shares in operating companies	Hongkong	55	-
<u>Subsidiary held by</u>				
<u>Harnn Global Co., Ltd.</u>				
Harnn Japan Co., Ltd.	Import and distribution of incense and skin care products	Japan	90	90
<u>Subsidiary held by</u>				
<u>Harnn Greater China Co., Ltd.</u>				
Harnn (Hangzhou) Beauty Technology Company Limited	Wholesaling of body care, skin care and home ambience products	China	100	-
Harnn (Hangzhou) Ecommerce Company Limited	Online distribution of body care, skin care and home ambience products	China	100	-

- 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) The assets and liabilities in the financial statements of overseas subsidiary companies are translated to Baht using the exchange rate prevailing on the end of reporting period, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of "Exchange differences on translation of financial statements in foreign currency" in the statements of changes in shareholders' equity.
- f) Material balances and transactions between the Group have been eliminated from the consolidated financial statements.
- g) 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 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 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 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 2025**

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 2025. 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.

Revenue from consignment sales is recognised at the point in time when control of the asset is transferred to the department stores, generally upon delivery of the goods to customer. Revenue is measured at the amount of the consideration received or receivable, excluding value added tax, of goods supplied after deducting ultimately expected returns, discounts, allowances and price promotions to customers.

##### *Rendering of services*

Service revenue is recognised at a point in time upon completion of the service.



### *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

### *Finance cost*

Interest expense from financial liabilities at amortised cost is calculated using the effective interest method and recognised on an accrual basis.

### *Dividends*

Dividends are recognised when the right to receive the dividends is established.

## **4.2 Cash and cash equivalents**

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

## **4.3 Inventories**

Finished goods are valued at the lower of cost and net realisable value.

Cost is determined by the first-in, first-out method for fashion and food and beverage, and by the weighted average method for ambience products.

Raw materials and packaging are valued at the lower of cost (under the first-in, first-out method) and net realisable value and are charged to production costs whenever consumed.

## **4.4 Investments in subsidiaries**

Investments in subsidiaries are accounted for in the separate financial statements using the cost method.

## **4.5 Leasehold improvements and equipment/Depreciation**

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

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

Leasehold improvements	3 - 5 years
Furniture and office equipment	3 - 5 years
Motor vehicles	5 years

Depreciation is included in determining income. No depreciation is provided on assets under installation.

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

#### **4.6 Intangible assets**

Intangible assets acquired through business combination are initially recognised at their fair value on the date of business acquisition while intangible assets acquired in other cases are recognised at cost. Following the initial recognition, the intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses (if any).

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

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

	<u>Useful lives</u>
Trade name	10 and 20 years
Computer software	3, 5 and 10 years

#### **4.7 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 Group's cash-generating units (or group of cash-generating units) that are expected to benefit from the synergies of the combination. The Group 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.

#### **4.8 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.

#### **4.9 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 period of time 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 right to use the leased building space, which 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, lease payments made at or before the commencement date of the lease, and an estimate of costs to dismantle and remove the underlying assets or to restore the underlying asset or the site on which it is located 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, which are 3 - 6 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.

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.

## **4.10 Foreign currencies**

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

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange are included in determining income.

## **4.11 Impairment of non-financial assets**

At the end of each reporting period, the Group performs impairment reviews in respect of the leasehold improvements and equipment, right-of-use assets and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. The Group also carries out annual impairment reviews in respect of goodwill. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Group could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in profit or loss.

In the assessment of asset impairment (except for goodwill), if there is any indication that previously recognised impairment losses may no longer exist or may have decreased, the Group estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at a revalued amount, in which case the reversal, which exceeds the carrying amount that would have been determined, is treated as a revaluation increase.

#### **4.12 Employee benefits**

##### ***Short-term employee benefits***

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

##### ***Post-employment benefits***

###### *Defined contribution plans*

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

###### *Defined benefit plans*

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

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

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

Past service costs are recognised in profit or loss on the earlier of the date of the plan amendment or curtailment and the date that the Group recognises restructuring-related costs.

#### **4.13 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.

#### **4.14 Income tax**

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

#### **Current tax**

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

#### **Deferred tax**

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

The Group recognises 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.

### **4.15 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.

#### **Classification and measurement of financial assets**

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 at FVTPL***

Financial assets measured at FVTPL are carried in the statement of financial position at fair value with net changes in fair value including interest income recognised in profit or loss.

These financial assets include derivatives and financial assets with cash flows that are not solely payments of principal and interest.

### **Classification and measurement of financial liabilities**

Except for derivative liabilities, at initial recognition the Group'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 discounts or premiums on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in profit or loss.

### **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 Group expects to receive, discounted at an approximation of the original effective interest rate.

For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure (a lifetime ECL).

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.

ECLs are calculated based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

A financial asset 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.

## **4.16 Derivatives**

The Group uses derivatives, such as interest rate swaps, to hedge its interest rate risks.

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. The subsequent changes including interest income are recognised in profit or loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Derivatives are presented as non-current assets or non-current liabilities if the remaining maturity of the instrument is more than 12 months and it is not due to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

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

## **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 impairment of investments in subsidiaries**

In determining allowance for impairment of investments in subsidiaries, the management is required to exercise judgements regarding determination of the recoverable amount of the asset, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next 5 years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the performance of the assets of the cash-generating unit being tested. The recoverable amount is sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to investments in subsidiaries recognised by the Group. The key assumptions used to determine the recoverable amount for the different cash-generating units are disclosed and further explained in Note 11 to financial statements

### **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.

## 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 and were concluded on commercial terms and bases agreed upon between the Group and those related parties.

Summaries significant business transactions with related parties as follows.

			(Unit: Million Baht)
	Separate financial statements		Transfer Pricing Policy
	2024	2023	
<b>Transactions with subsidiaries</b>			
(eliminated from the consolidated financial statements)			
Dividend income	2	18	As declared
Management fee income	9	5	As stipulated in agreement
Interest income	6	3	2.0% per annum

As at 31 December 2024 and 2023, the balances of the accounts between the Group and those related parties are as follows:

					(Unit: Thousand Baht)
	Consolidated financial statements		Separate financial statements		
	2024	2023	2024	2023	
<b>Other receivables - related parties (Note 8)</b>					
Subsidiaries	-	-	38,537	20,766	
Director	6,140	-	-	-	
<b>Total other receivables - related parties</b>	<u>6,140</u>	<u>-</u>	<u>38,537</u>	<u>20,766</u>	
<b>Short-term loans to related parties</b>					
Subsidiaries	-	-	367,671	317,670	
<b>Total short-term loans to related parties</b>	<u>-</u>	<u>-</u>	<u>367,671</u>	<u>317,670</u>	
<b>Other payables - related parties (Note 16)</b>					
Subsidiaries	-	-	-	270	
<b>Total and other payables - related parties</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>270</u>	

### Short-term loans to related parties

As at 31 December 2024, the balances of short-term loans to related parties have interest charge at rate of 2.0% per annum (2023: 2.0% per annum) with repayment within 12 months and unsecured.

As at 31 December 2024 and 2023, the balances of short-term loans to related parties and the movement in loans are as follows:

		(Unit: Thousand Baht)			
		Separate financial statements			
Short-term loans	Related by	Balance as at			Balance as at
		31 December	Increase	Decrease	31 December
		2023	during the year	during the year	2024
Tatler Co., Ltd.	Subsidiary	99,553	126,419	(104,498)	121,474
Harnn Global Co., Ltd.	Subsidiary	61,005	53,014	(64,733)	49,286
Tanachira Vietnam Co., Ltd.	Subsidiary	28,803	40,916	(28,803)	40,916
Harnn Japan Co., Ltd.	Subsidiary	27,124	18,972	(24,240)	21,856
Tanachira SEA Co., Ltd.	Subsidiary	33,539	79,592	(25,458)	87,673
Tanachira Home Co., Ltd.	Subsidiary	67,646	49,465	(70,645)	46,466
Total		317,670	368,378	(318,377)	367,671

### Directors and management's benefits

During the year ended 31 December 2024 and 2023, the Company had employee benefit expenses payable to their directors and management as below.

		(Unit: Thousand Baht)	
		Consolidated financial statements/	Separate financial statements
		2024	2023
Short-term employee benefits		14,642	17,306
Post-employment benefits		1,464	1,886
Total		16,106	19,192

### Guarantee obligations with related parties

The Company has outstanding guarantee obligations with its related parties, as described in Note 27.2 to the financial statements.

## 7. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2024	2023	2024	2023
Cash	667	569	227	204
Bank deposits	145,500	160,368	103,703	117,793
Total	146,167	160,937	103,930	117,997

As at 31 December 2024, bank deposits in saving accounts and fixed deposits carried interests 0.40% per annum (2023: between 0.50% - 0.60% per annum) (the Company only: 0.40% per annum, 2023: 0.55% per annum).

## 8. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2024	2023	2024	2023
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	66,062	59,430	27,418	30,986
Past due				
Up to 3 months	5,822	25,819	2,318	2,906
3 - 6 months	658	17	-	17
6 - 12 months	136	-	-	-
Over 12 months	1,055	-	-	-
Total	73,733	85,266	29,736	33,909
Less: Allowance for expected credit losses	(1,210)	(799)	-	-
Total trade receivable - unrelated parties, net	72,523	84,467	29,736	33,909
<u>Other receivables</u>				
Other receivables - related parties	-	-	36,370	19,279
Other receivables - unrelated parties	541	2,063	-	-
Interest receivables - related party	-	-	2,167	1,487
Advance payment - director	6,140	-	-	-
Total other receivables	6,681	2,063	38,537	20,766
Total trade and other receivables - net	79,204	86,530	68,273	54,675

The normal credit term is 15 to 90 days.

The Group has pledged trade account receivables to secure the short-term loans from financial institutions and the long-term loans of the Group.

## 9. Inventories

(Unit: Thousand Baht)

Consolidated financial statements						
	Cost		Reduce cost to net realisable value		Inventories - net	
	2024	2023	2024	2023	2024	2023
Finished goods	688,318	508,704	(11,237)	(15,273)	677,081	493,431
Raw materials and packing	64,034	31,938	-	-	64,034	31,938
Goods in transit	3,860	-	-	-	3,860	-
Total	756,212	540,642	(11,237)	(15,273)	744,975	525,369

(Unit: Thousand Baht)

Separate financial statements						
	Cost		Reduce cost to net realisable value		Inventories - net	
	2024	2023	2024	2023	2024	2023
Finished goods	290,908	221,594	-	-	290,908	221,594
Raw materials and packing	28,529	4,808	-	-	28,529	4,808
Total	319,437	226,402	-	-	319,437	226,402

During the current year, the Group reversed the write-down of cost of inventories by Baht 4.0 million (the Company only: nil), and reduced the amount of inventories recognised as expenses during the year. This was included in cost of sales. (2023: the Group reduced cost of inventories by Baht 1.0 million (the Company only: nil), to reflect the net realisable value. This was included in cost of sales)

The Group has used some inventories as collateral to secure loans from the group's financial institutions.

## 10. Restricted bank deposits

The outstanding balance are fixed deposits which were pledged with the banks to secure credit facilities.

## 11. Investments in subsidiaries

### 11.1 Details of investments in subsidiaries as presented in separate financial statements.

(Unit: Thousand Baht)

Dividends received

during the year

Company's name	Paid-up capital		Shareholding percentage		Cost		Dividends received during the year	
	2024	2023	2024	2023	2024	2023	2024	2023
			(%)	(%)				
Tanachira Home Co., Ltd.	Baht 16 million	Baht 16 million	100	100	15,860	15,860	-	14,869
Tatler Co., Ltd.	Baht 30 million	Baht 30 million	100	100	300,000	300,000	-	-
Harnn Global Co., Ltd.	Baht 5 million	Baht 5 million	100	100	120,941	120,941	-	-
Harnn Heritage Pte. Ltd.	SGD 10	SGD 10	100	100	891,373	891,373	2,394	3,164
Harnn Hamony Co., Ltd.	-	Baht 0.25 million	-	100	-	250	-	-
Tanachira SEA Co., Ltd.	SGD 0.40 million	SGD 0.40 million	95	95	9,890	9,890	-	-
Tanachira Vietnam Co., Ltd.	VND 10,301 million	VND 10,301 million	100	100	15,706	15,706	-	-
Harnn Greater China Co., Ltd.	Yuan 10 million	-	55	-	25,982	-	-	-
Total					1,379,752	1,354,020	2,394	18,033

**Harnn Harmony Co., Ltd.**

On 17 July 2024, Harnn Harmony Co., Ltd. registered the dissolution with the Ministry of Commerce and completed the liquidation process in September 2024.

**Harnn Greater China Company Limited**

On 3 April 2024, the Company entered into an investment agreement with Harnn Greater China Co., Ltd., a newly established limited company on 17 April 2024 and was registered with a registered capital of 3,000,000 Yuan (30,000 shares at 100 Yuan per share), in which the Company invested 1,650,000 Yuan (16,500 shares at 100 Yuan per share), representing 55 percent of the registered capital. The Company has fully paid for these shares on 9 August 2024.

On 17 October 2024, Harnn Greater China Co., Ltd. increased its registered capital to 7,000,000 Yuan (70,000 shares at 100 Yuan per share). The Company further invested 3,850,000 Yuan (38,500 shares at 100 Yuan per share), representing 55 percent of the additional called-up capital. The Company has paid for these shares on 17 October 2024.

**A subsidiary held by Harnn Greater China Co., Ltd.**

Harnn Greater China Co., Ltd. has invested in Harnn (Hangzhou) Beauty Technology Co., Ltd., a newly established limited company on 11 June 2024. The company was registered with a registered capital of 5,000,000 Yuan, in which the subsidiary invested 5,000,000 Yuan, representing 100 percent of the registered capital of the company.

Harnn Greater China Co., Ltd. has also invested in Harnn (Hangzhou) Ecommerce Co., Ltd., a newly established limited company on 11 June 2024. The company was registered with a registered capital of 5,000,000 Yuan, in which the subsidiary invested 5,000,000 Yuan, representing 100 percent of the registered capital of the company.

As of 31 December 2024, Harnn (Hangzhou) Beauty Technology Co., Ltd. and Harnn (Hangzhou) Ecommerce Co., Ltd. called for the payment of shares amounting to 1,629,683 Yuan and 1,861,736 Yuan, respectively, which the subsidiary of the Company has already paid.

Furthermore, Harnn Greater China Co., Ltd. still has obligations from the remaining share capital calls from these companies.

11.2 The Company has assessed the impairment of investments in subsidiaries by considering the recoverable amounts of its cash-generating units based on value in use using cash flow projections from financial estimation approved by management covering a 5-year period for each cash-generating unit.

Key assumptions used in value in use calculations are as follows:

	(Unit: percent per annum)
Terminal growth rate	1.6, 1.8, 4.0
Discount rate	6.5 - 12.0

Management has considered growth rate from expected economic growth and discount rate as a pre-tax rate to reflect the risks specific to each cash-generating unit.

Management has considered the above and believes that there is no occurrence of impairment of investment in subsidiaries.

Management believes that any reasonably possible change in the key assumptions on which the group of units' recoverable amount are based would not cause the group of units' carrying amount to exceed its recoverable amount.

The key assumptions that the management have used to determine the recoverable amounts of cash-generating units are based on the discretion of the management, taking into account past experience and business plans, including future projections that are considered reasonable under current circumstances. However, any changes in data or the availability of new information may impact the assumptions used to calculate the cash flow projections, as well as the sensitivity of the assumptions to the recoverable amount.

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

(Unit: Million Baht)						
Company's name	Proportion of equity interest held by non-controlling interests		Accumulated balance of non-controlling interests		Loss allocated to non-controlling interests during the year	
	2024	2023	2024	2023	2024	2023
	(%)	(%)				
Tanachira SAE Co., Ltd.	5	5	(2.2)	0.3	(2.5)	(0.2)
Harnn Japan Co., Ltd.	10	10	(3.4)	(0.7)	(2.7)	(3.5)
Harnn Greater China Co., Ltd.	45	-	17.0	-	(4.3)	-
Total			11.4	(0.4)	(9.5)	(3.7)

During The year 2024, no dividend payment to non-controlling interests.



11.4 Summarised financial information that based on amounts before inter-company elimination about subsidiaries that have material non-controlling interests - Harnn Greater China Co., Ltd.

Summarised information about financial position

	(Unit: Thousand Baht)	
	2024	2023
Current assets	50,619	-
Non-current assets	3,841	-
Current liabilities	16,251	-
Non-current liabilities	487	-

Summarised information about comprehensive income

	(Unit: Thousand Baht)	
	For the years ended 31 December	
	2024	2023
Revenue	36,833	-
Loss	(9,044)	-
Other comprehensive income	(473)	-
Total comprehensive income	(9,517)	-

Summarised information about cash flow

	(Unit: Thousand Baht)	
	For the years ended 31 December	
	2024	2023
Cash flow used in operating activities	(25,819)	-
Cash flow used in investing activities	(61)	-
Cash flow from financing activities	47,240	-
Net increase in cash and cash equivalents	21,360	-

## 12. Leasehold improvements and equipment

(Unit: Thousand Baht)

	Consolidated financial statements				
	Leasehold improvements	Furniture and office equipment	Motor vehicles	Assets under installation	Total
<b>Cost:</b>					
1 January 2023	300,953	81,769	4,689	4,692	392,103
Additions	67,249	38,424	-	11,977	117,650
Write-off	(14,162)	(1,745)	(3,229)	-	(19,136)
Transfers to intangible assets	-	-	-	(540)	(540)
Transfers in (out)	8,197	(4,045)	-	(4,152)	-
31 December 2023	362,237	114,403	1,460	11,977	490,077
Additions	58,297	38,877	-	12,460	109,634
Write-off	(23,753)	(3,708)	(885)	-	(28,346)
Transfers to intangible assets	-	-	-	(3,896)	(3,896)
Transfers in (out)	2,677	4,967	-	(7,644)	-
31 December 2024	399,458	154,539	575	12,897	567,469
<b>Accumulated depreciation:</b>					
1 January 2023	212,012	58,064	4,657	-	274,733
Depreciation for the year	36,040	9,307	-	-	45,347
Depreciation on write-off	(13,484)	(1,528)	(3,197)	-	(18,209)
Transfers in (out)	956	(956)	-	-	-
31 December 2023	235,524	64,887	1,460	-	301,871
Depreciation for the year	41,227	15,360	-	-	56,587
Depreciation on write-off	(21,263)	(3,329)	(885)	-	(25,477)
31 December 2024	255,488	76,918	575	-	332,981
<b>Allowance for impairment loss:</b>					
1 January 2023	262	-	-	-	262
31 December 2023	262	-	-	-	262
Decrease during the year	(64)	-	-	-	(64)
31 December 2024	198	-	-	-	198
<b>Net book value:</b>					
31 December 2023	126,451	49,516	-	11,977	187,944
31 December 2024	143,772	77,621	-	12,897	234,290

(Unit: Thousand Baht)

	Separate financial statements				
	Leasehold improvements	Furniture and office equipment	Motor vehicles	Assets under installation	Total
<b>Cost:</b>					
1 January 2023	124,981	25,756	3,200	645	154,582
Additions	22,195	21,132	-	7,456	50,783
Write-off	(319)	(795)	(3,200)	-	(4,314)
Transfers in (out)	645	-	-	(645)	-
31 December 2023	147,502	46,093	-	7,456	201,051
Additions	20,986	26,689	-	11,749	59,424
Write-off	(439)	(731)	-	-	(1,170)
Transfers in (out)	2,625	4,661	-	(7,286)	-
Transfer to intangible assets	-	-	-	(22)	(22)
31 December 2024	170,674	76,712	-	11,897	259,283
<b>Accumulated depreciation:</b>					
1 January 2023	80,999	18,170	3,168	-	102,337
Depreciation for the year	17,784	2,855	-	-	20,639
Depreciation on write-off	(259)	(795)	(3,168)	-	(4,222)
31 December 2023	98,524	20,230	-	-	118,754
Depreciation for the year	16,440	8,196	-	-	24,636
Depreciation on write-off	(439)	(670)	-	-	(1,109)
31 December 2024	114,525	27,756	-	-	142,281
<b>Allowance for impairment loss:</b>					
1 January 2023	262	-	-	-	262
31 December 2023	262	-	-	-	262
Decrease during the year	(64)	-	-	-	(64)
31 December 2024	198	-	-	-	198
<b>Net book value:</b>					
31 December 2023	48,716	25,863	-	7,456	82,035
31 December 2024	55,951	48,956	-	11,897	116,804

As at 31 December 2024, certain items of leasehold improvements and equipment were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation and allowance for impairment loss of those assets amounted to approximately Baht 243 million (2023: Baht 217 million) (the Company only: Baht 95 million, 2023: Baht 72 million).

### 13. Intangible assets

The net book value of intangible assets as at 31 December 2024 and 2023 is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements		
	Trade name	Computer software	Total	Trade name	Computer software	Total
<b>Cost:</b>						
1 January 2023	163,279	18,386	181,665	-	5,687	5,687
Additions	54,613	2,071	56,684	54,613	1,996	56,609
Transfers from leasehold improvements and equipment	-	540	540	-	-	-
31 December 2023	217,892	20,997	238,889	54,613	7,683	62,296
Additions	3,026	26,179	29,203	3,025	22,196	25,221
Write-off	-	(3,069)	(3,069)	-	-	-
Transfers from leasehold improvements and equipment	3,874	22	3,896	-	22	22
31 December 2024	224,792	44,127	268,919	57,638	29,901	87,539
<b>Accumulated amortisation:</b>						
1 January 2023	34,324	10,599	44,923	-	2,955	2,955
Depreciation for the year	8,343	2,187	10,530	179	586	765
31 December 2023	42,667	12,786	55,453	179	3,541	3,720
Depreciation for the year	13,943	1,890	15,833	5,780	704	6,484
Write-off	-	(3,069)	(3,069)	-	-	-
31 December 2024	56,611	11,606	68,217	5,959	4,245	10,204
<b>Net book value:</b>						
31 December 2023	175,225	8,211	183,436	54,434	4,142	58,576
31 December 2024	168,181	32,521	200,702	51,679	25,656	77,335

The Group's trade names comprise a licensed to use trademark and consulting services of restaurant's operation, and a licensed of the distribution of skin care and hair treatment products, incense and tea, and provision of spa services provided by a subsidiary.

#### 14. Goodwill

The Company allocates goodwill of Harnn group acquired through business combination to an asset's cash-generating unit for annual impairment testing.

The Company has determined the recoverable amounts of its cash-generating units based on value in use using cash flow projections from financial estimation approved by management covering a 5 year period.

Key assumptions used in value in use calculations are as follows:

	(Unit: percent per annum)
	Harnn group
Terminal growth rate	1.80
Discount rate	10.00

Management has considered growth rate based on past operating results, projected market growth rate and discount rate which reflects the risks specific to each cash-generating unit.

Management has considered the above and believes that there is no occurrence of impairment of goodwill.

Management believes that any reasonably possible change in the key assumptions on which the group of units' recoverable amount are based would not cause the group of units' carrying amount to exceed its recoverable amount.

#### 15. Short-term loans from financial institutions

	(Unit: Thousand Baht)					
	Interest rate		Consolidated financial statements		Separate financial statements	
	2024	2023	2024	2023	2024	2023
	(%per annum)	(%per annum)				
Short-term loans from financial institutions	MLR - 2.3	-	20,000	-	20,000	-
Trust receipts	3.55 - 10.00	3.90 - 6.20	202,218	106,207	62,302	39,111
Total			222,218	106,207	82,302	39,111

The short-term loans from financial institutions are denominated in Thai Baht, and are secured by the Company's deposits, existing claims against all rights debtors or trade debtors, and the Company's inventory.

## 16. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2024	2023	2024	2023
Trade payables	180,599	116,310	124,876	67,837
Other payables - related parties	-	-	-	270
Other payables - unrelated parties	37,293	21,436	22,340	10,186
Accrued expenses - unrelated parties	29,131	34,488	15,726	21,822
Total	247,023	172,234	162,942	100,115

## 17. Long-term loans

The Group has long-term loans from bank as follows.

Loan	Interest rate (% per annum)	Repayment schedule	(Unit: Thousand Baht)			
			Consolidated		Separate	
			financial statements		financial statements	
			2024	2023	2024	2023
1	2.5	Repayment in monthly installments commencing October 2020, with the final installment due in May 2027.	781	1,242	-	-
2	2.1	Repayment in monthly installments commencing April 2021, with the final installment due in March 2026.	536	1,088	-	-
3	5.02	Repayment in monthly installments commencing July 2023, with the final installment due in August 2026.	27,207	43,382	27,207	43,382
4	MLR - 2.30	Repayment in monthly installments commencing July 2025 with the final installment due in July 2028	9,800	-	9,800	-
Total			38,324	45,712	37,007	43,382
Less: Current portion			(21,097)	(17,024)	(20,342)	(16,175)
Long-term loans, net of current portion			17,227	28,688	16,665	27,207

Movements of the long-term loan account during the years ended 31 December 2024 and 2023 are summarised below:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2024	2023	2024	2023
Beginning balance	45,712	463,604	43,382	394,200
Additional borrowings	9,800	49,989	9,800	49,989
Repayments	(17,188)	(467,881)	(16,175)	(400,807)
Ending balance	38,324	45,712	37,007	43,382

During the current year, the Company utilised proceeds from the initial public offering to repay long-term loans of the Group amounting to Baht 420 million (the Company only: Baht 359 million).

The long-term loans of the group are secured and guaranteed by the Company and three subsidiaries, the directors of the Group, Thai Credit Guarantee Corporation, and the right of claims retained by the Group against all debtors or trade receivables.

Under the loan agreements, the Group was to comply with certain financial covenants as stipulated in the agreements, including maintenance of debt to equity ratio and debt service coverage ratio as specified in the agreements.

## 18. Leases

The Group has lease contracts for right to use the office building space used in its operations. Leases generally have lease terms between 3 - 6 years.

### a) Right-of-use assets

Movement of right-of-use assets for the years ended 31 December 2024 and 2023 are summarised below:

		(Unit: Thousand Baht)
	Consolidated financial statements	Separate financial statements
1 January 2023	242,271	90,601
Additions	264,605	81,949
Adjustments due to lease cancellation	(12,435)	-
Depreciation for the year	(156,791)	(56,321)
Adjustment of difference from rent concessions	(5,038)	(1,971)
31 December 2023	332,612	114,258
Additions	347,325	133,438
Adjustments due to lease cancellation	(7,485)	-
Depreciation for the year	(206,012)	(75,064)
Adjustment of difference from rent concessions	(13,514)	(1,937)
Translation adjustments	(3,059)	-
31 December 2024	449,867	170,695

## b) Lease liabilities

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2024	2023	2024	2023
Lease payments	483,937	357,702	186,055	124,304
Less: Deferred interest expenses	(26,432)	(18,644)	(12,996)	(8,575)
Total	457,505	339,058	173,059	115,729
Less: Current portion	(205,762)	(158,208)	(71,497)	(56,471)
Lease liabilities, net of current portion	251,743	180,850	101,562	59,258

Movements of the lease liabilities account during the years ended 31 December 2024 and 2023 are summarised below:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2024	2023	2024	2023
Balance at beginning of year	339,058	259,002	115,729	92,492
Additions	335,971	260,504	131,065	80,579
Decrease due to lease cancellation	(7,587)	(12,808)	-	-
Accretion of interest	17,154	10,553	6,760	3,825
Repayments	(210,856)	(173,155)	(78,558)	(59,196)
Adjustment of difference from rent concessions	(13,514)	(5,038)	(1,937)	(1,971)
Translation adjustments	(2,721)	-	-	-
Balance at end of year	457,505	339,058	173,059	115,729

A maturity analysis of lease payments is disclosed in Note 29.2 to the financial statements, under the liquidity risk.

## c) Expenses relating to leases that are recognised in profit or loss

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	For the years ended 31 December			
	2024	2023	2024	2023
Depreciation expense of				
right-of-use assets	206,012	156,791	75,064	56,321
Interest expense on lease liabilities	17,154	10,553	6,760	3,825



#### **d) Others**

The Group had total cash outflows for leases for the year ended 31 December 2024 of Baht 211 million (2023: Baht 163 million) (the Company only: Baht 79 million, 2023: Baht 55 million), including the cash outflow related to short-term lease and leases of low-value assets.

### **19. Share Capital**

On 30 March 2023, the Company's Annual General Meeting of the shareholder approved the following resolutions:

- 1) The meeting approved the increase of the Company's registered capital from Baht 60,000,000 (600,000 ordinary shares of Baht 100 each) to Baht 222,500,000 (2,225,000 ordinary shares of Baht 100 each) by issuing 1,625,000 new ordinary shares with a par value of Baht 100 each to the Company's existing shareholders. The Company fully received cash from such proceeds and registered the increase of its capital with the Ministry of Commerce on 4 April 2023.
- 2) The meeting approved the change in the par value of the Company's shares from Baht 100 per share to Baht 1 per share, resulting in an increase in number of the Company's shares from 2,225,000 shares to 222,500,000 shares.
- 3) The meeting approved the increase of the Company's registered capital from Baht 222,500,000 (222,500,000 ordinary shares of Baht 1 each) to Baht 300,000,000 (300,000,000 ordinary shares of Baht 1 each) by issuing 77,500,000 new ordinary shares with a par value of Baht 1 each, for an initial public offering.

During 9 to 12 October 2023, the Company made an initial public offering of 77.5 million shares with par value Baht 1 per each at the price of Baht 16.50 per share, totaling Baht 1,279 million. The Company received the whole payment of the additional capital on 12 October 2023 and registered fully paid-up share with Ministry of Commerce on 16 October 2023. Direct expenses and tax expenses related to the share offering will present as a deduction from the share premium.

### **20. Statutory reserve**

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution. In 2024, the Company has been set aside the statutory reserve of Baht 9.5 million (2023: Baht 8.3 million).

## 21. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2024	2023	2024	2023
Salaries and wages and other employee benefits	345,054	230,589	171,312	120,109
Depreciation and amortisation expenses	278,433	212,669	106,185	77,726
Sales promotion expenses	93,054	58,124	18,359	10,689
Utilities expenses	15,913	12,516	8,111	6,111
Changes in inventories of finished goods	(179,614)	(63,135)	(69,314)	(38,502)

## 22. Income tax

Income tax expenses for the years ended 31 December 2024 and 2023 are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2024	2023	2024	2023
<b>Current income tax:</b>				
Current income tax charge	60,023	48,315	46,197	39,266
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	(1,560)	(2,408)	(919)	(368)
Translation adjustments	68	-	-	-
Income tax expenses reported in profit or loss	<u>58,531</u>	<u>45,907</u>	<u>45,278</u>	<u>38,898</u>

The amount of current income tax that recognised directly in equity for the years ended 31 December 2024 and 2023 are as follows:

	(Unit: Thousand Baht)	
	Consolidated financial statements/ Separate financial statements	
	2024	2023
<b>Current income tax:</b>		
Current income tax on transaction costs issued share capital	for -	7,020

The reconciliation between accounting profit and income tax expenses is shown below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2024	2023	2024	2023
Accounting profit before tax	178,893	208,924	235,347	205,215
Applicable tax rate (percent)	17.0 - 33.6	17.0 - 33.6	20.0	20.0
Accounting profit before tax multiplied by income tax rate	41,021	44,601	47,069	41,043
Effects of eliminated transactions	-	(911)	-	-
Tax losses for the year that have not been recognised as deferred tax assets	20,507	4,193	-	-
Deferred tax from temporary difference	1,050	-	(222)	-
Reversal of prior period deferred tax	253	-	14	-
Effects of:				
Non-deductible expenses	1,280	1,644	6	1,475
Exception of income	(751)	(3,607)	(479)	(3,607)
Additional expenses deductions allowed	(4,829)	(13)	(1,110)	(13)
Total	(4,300)	(1,976)	(1,583)	(2,145)
Income tax expenses reported in profit or loss	58,531	45,907	45,278	38,898

The movements of deferred tax assets and deferred tax liabilities are as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements			
	As at		Other	As at
	1 January		comprehensive	31 December
	2024	Profit or Loss	income	2023
<b>Deferred tax assets</b>				
Allowance for expected credit losses	160	82	-	242
Allowance for diminution in value of inventories	1,639	(807)	-	832
Allowance for equipment impairment	52	(12)	-	40
Accumulated depreciation - building and equipments	-	77	-	77
Provision for decommissioning	1,852	1,535	-	3,387
Provision for long-term employee benefits	3,971	379	-	4,350
Unrealised fair value loss on derivatives	205	17	-	222
Leases	666	594	-	1,260
Unused tax loss	25,068	(326)	-	24,742
Total	33,613	1,539	-	35,152
<b>Deferred tax liabilities</b>				
Trade name	(20,492)	(20)	-	(20,472)
Total	(20,492)	(20)	-	(20,472)

(Unit: Thousand Baht)

	Separate financial statements			
	As at		Other	As at
	1 January		comprehensive	31 December
	2024	Profit or Loss	income	2024
<b>Deferred tax assets</b>				
Accumulated depreciation - building and equipments	-	1	-	1
Allowance for equipment impairment	52	(12)	-	40
Provision for decommissioning	571	249	-	820
Provision for long-term employee benefits	3,401	168	-	3,569
Unrealised fair value loss on derivatives	-	222	-	222
Lease	493	291	-	784
<b>Total</b>	<b>4,517</b>	<b>919</b>	<b>-</b>	<b>5,436</b>
<b>Deferred tax liabilities</b>				
Provision for long-term employee benefits	(686)	-	-	(686)
<b>Total</b>	<b>(686)</b>	<b>-</b>	<b>-</b>	<b>(686)</b>

As at 31 December 2024, the subsidiaries have unused tax losses totaling Baht 43 million (2023: Baht 21 million), on which deferred tax assets have not been recognised as the subsidiaries believes future taxable profits may not be sufficient to allow utilisation of the unused tax losses.

As at 31 December 2024, the unused tax losses amounting to Baht 168 million (2023: Baht 146 million) (the Company only: nil, 2023: nil) will expire by 2029 (2023: by 2028).

## 23. Earnings per share

Basic earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year after adjusting the number of ordinary shares to reflect the impact of the change in the par value of the ordinary shares, as described in Note 19 to the financial statements, as if the change in the par value of the ordinary shares had been occurred at the beginning of the earliest period reported.

	Consolidated		Separate	
	financial statements		financial statements	
	2024	2023	2024	2023
Profit for the years (Thousand Baht)	130,074	166,793	190,070	166,316
Weighted average number of				
ordinary shares (Thousand shares)	300,000	197,466	300,000	197,466
Basic earnings per share (Baht)	0.43	0.84	0.63	0.84

## **24. Segment information**

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

For management purposes, the Group is organised into business units based on its products and services and have four reportable segments as follows:

- ☐ Lifestyle business
- ☐ Fashion business
- ☐ Beauty and wellness business
- ☐ Food and beverage 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.

The basis of accounting for any transactions between reportable segments is consistent with that for third party transactions.

The following tables present revenue and profit (loss) information regarding the Group's operating segments for the years ended 31 December 2024 and 2023.

(Unit: Million Baht)

	For the years ended 31 December													
	Lifestyle		Fashion		Beauty and wellness		Food and beverage		Total reportable segments		Adjustments and eliminations		Consolidated	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
<b>Revenue</b>														
Revenue from external customers	832	869	395	282	404	264	106	-	1,737	1,415	-	-	1,737	1,415
Inter-segment revenue	-	-	-	-	73	24	-	-	73	24	(73)	(24)	-	-
Other income	24	31	13	2	10	4	2	-	49	37	(12)	(22)	37	15
<b>Total revenue</b>	<b>856</b>	<b>900</b>	<b>408</b>	<b>284</b>	<b>487</b>	<b>292</b>	<b>108</b>	<b>-</b>	<b>1,859</b>	<b>1,476</b>	<b>(85)</b>	<b>(46)</b>	<b>1,774</b>	<b>1,430</b>
Segment operating profit (loss)	209	207	40	50	(8)	22	(20)	-	221	279	(17)	(23)	204	256
Unallocated revenues and expenses:														
Finance income													3	2
Finance cost													(28)	(49)
Income tax expenses													(59)	(46)
Non-controlling interests of the subsidiaries													10	4
<b>Profit attributable to equity holders of the Company</b>													<b>130</b>	<b>167</b>

Revenue from external customers is based on locations of the customers.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2024	2023	2024	2023
<u>Revenue from external customers</u>				
Thailand	1,545,054	1,313,957	851,792	705,734
China	81,503	42,638	-	-
Vietnam	23,232	15,369	-	-
Japan	22,882	17,494	-	-
Taiwan	-	821	-	-
Singapore	61,478	20,168	-	-
Saudi Arabia	1,325	2,044	-	-
Norway	251	1,020	-	-
Others	1,220	1,047	-	-
Total	<u>1,736,945</u>	<u>1,414,558</u>	<u>851,792</u>	<u>705,734</u>

For the years 2024 and 2023, the Group has no major customer with revenue of 10 percent or more of an entity's revenues.

## 25. Provident fund

The Group and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Group contribute to the fund monthly at the rate of 5 percent of basic salary. The fund, which is managed by K-Master Pooled Fund, will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2024 amounting to Baht 3.9 million (2023: Baht 2.8 million) (the Company only: Baht 2.3 million, 2023: Baht 1.5 million) recognised as expenses.

## 26. Dividends

Dividends	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)
Final dividend for 2023	Annual General Meeting of the shareholders on 30 April 2024	60	0.2
Total dividends for 2024		60	
Interim dividend	Board of Directors' Meeting of the Company on 8 March 2023	181	301.0
Final dividend for 2022	Annual General Meeting of the shareholders on 30 March 2023	22	37.0
Interim dividend	Board of Directors' Meeting of the Company on 10 November 2023	150	0.5
Total dividends for 2023		353	

## 27. Commitments and contingent liabilities

### 27.1 Capital commitments

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	2024	2023	2024	2023
Construction of new restaurants	4	5	4	2
Acquisition of intangible asset	17	5	17	5

### 27.2 Guarantees

- (1) The Company has guaranteed loans and credit facilities of three subsidiaries.
- (2) The Company has guaranteed finance leases of three subsidiaries.
- (3) There were outstanding bank guarantees issued by banks on behalf of the Group in respect of certain performance bonds as required in the normal course of business are as follows:

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	2024	2023	2024	2023
Bank guarantee of shop rental	6	4	2	1



- (4) There were outstanding bank guarantees issued by banks on behalf of the subsidiaries to guarantee payments to creditors amounting to EUR 0.5 million (2023: EUR 0.5 million).

### 27.3 License commitment

On 29 May 2023, the Company has entered into a license agreement with an overseas company, whereby the Company is licensed to use trademark and consulting services of restaurant's operation as specified in the agreement.

As at 31 December 2024, the Company had commitment of using trademark amounting to USD 1.8 million (2023: USD 1.6 million). Under the conditions of the license agreement, the Company agrees to pay license fees at a percentage of net sales as specified in the agreement. The agreement was for a period of 10 years.

### 27.4 Long-term service commitments

A local subsidiary has entered into license agreement with an overseas subsidiary for the use of a trademark. Under the conditions of the license agreement, the subsidiary is to pay an annual royalty fee as stipulated in the agreement. The fees for the year 2024 amounted to approximately Baht 15 million (2023: Baht 12 million). The related party transaction was eliminated from the consolidated financial statements.

## 28. Fair value hierarchy

As at 31 December 2024, liabilities measured at the fair value of the Company were foreign exchange forward contracts (2023: foreign exchange forward contracts) as described in Note 29.1 to the financial statement, with fair value presented in the second-level hierarchy.

## 29. Financial instruments

### 29.1 Derivatives

	(Unit: Thousand Baht)			
	Consolidated		Separate financial	
	financial statements		statements	
	2024	2023	2024	2023
<b>Derivative liabilities</b>				
Derivatives liabilities not designated as hedging instruments				
Foreign exchange forward contracts	1,091	1,026	1,091	-

### **Derivatives not designated as hedging instruments**

The Group uses foreign exchange forward contracts and interest rate swaps contracts to manage some of its transaction exposures. The contracts are entered into for periods consistent with foreign currency and interest rate exposure of the underlying transactions, generally 6 months.

## **29.2 Financial risk management objectives and policies**

The Group's financial instruments principally comprise cash and cash equivalents, trade and other receivables, loans to related parties, investments and short-term and long-term loans from financial institutions. 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 and other receivables, loans, deposits with banks and financial institutions and other financial instruments. Except for derivatives, the maximum exposure to credit risk is limited to the carrying amounts as stated in the statement of financial position. The Group's maximum exposure relating to derivatives is noted in the liquidity risk topic.

#### ***Trade receivables***

The Group manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. Outstanding trade receivables are regularly monitored. In addition, the Group does not have high concentrations of credit risk since it has a large and diverse customer bases.

An impairment analysis is performed at each reporting date to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar credit risks. The Group classifies customer segments customer type. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

#### ***Financial instruments and cash deposits***

The Group manages the credit risk from balances with banks and financial institutions by making investments only with approved counterparties and within credit limits assigned to each counterparty. 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 and derivatives is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

## Market risk

There are two types of market risk comprising currency risk and interest rate risk. The Group enters into the derivatives about foreign exchange forward contracts and interest rate swaps contract to mitigate the risk of rising currency and interest rates.

### *Foreign currency risk*

The Group's exposure to the foreign currency risk relates primarily to its trading transactions that are denominated in foreign currencies.

As at 31 December 2024 and 2023, the balances of financial asset and liabilities denominated in foreign currencies are summarised below.

Foreign currency	Financial assets		Financial liabilities		Average exchange rate	
	2024	2023	2024	2023	2024	2023
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US dollar	1	-	-	-	34.1461	34.3876
Euro	-	-	1	-	35.7819	38.3988
Japanese yen	-	-	12	11	0.2189	0.2458
Chinese yuan	1	1	-	-	4.7130	4.8747
Australian dollar	-	-	3	2	21.5916	23.8717

### *Foreign currency sensitivity*

The following table demonstrate the sensitivity of the Group's profit before tax to a reasonably possible change in Australian dollar exchange rate, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary liabilities as at 31 December 2024 and 2023. The Group's exposure to foreign currency changes for all other currencies is not material.

Currency	2024		2023	
	Change in FX rate	Effect on profit before tax	Change in FX rate	Effect on profit before tax
	(%)	(Thousand Baht)	(%)	(Thousand Baht)
Australian dollar	+1%	(717)	+1%	(530)
	-1%	717	-1%	530

The information is not a forecast or prediction of future market conditions and should be used with care.

***Interest rate risk***

The Group's exposure to interest rate risk relates primarily to its long-term loans from financial institutions. Most of the Group's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

As at 31 December 2024 and 2023, 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		Non-interest		Total		Effective interest rate	
	Within 1 year		1 to 5 years		Over 5 years		Interest rate		bearing				(% per annum)	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
<b>Financial assets</b>														
Cash and cash equivalents	-	-	-	-	-	-	110	159	36	2	146	161	0.40	0.50 - 0.60
Trade and other receivables	-	-	-	-	-	-	-	-	79	87	79	87	-	-
Restricted bank deposits	-	-	28	21	-	-	-	-	-	-	28	21	0.40 - 0.80	0.85 - 1.15
	-	-	28	21	-	-	110	159	115	89	253	269		
<b>Financial liabilities</b>														
Short-term loans from financial institutions	222	106	-	-	-	-	-	-	-	-	222	106	3.55 - 10.00	3.90 - 6.20
Trade and other payables	-	-	-	-	-	-	-	-	247	172	247	172	-	-
Lease liabilities	206	158	252	175	-	6	-	-	-	-	458	339	4.15 - 4.85	4.00 - 5.02
Long-term loans	18	17	10	29	-	-	10	-	-	-	38	46	MLR - 2.30 and 2.10 - 5.02	2.10 - 5.02
	446	281	262	204	-	6	10	-	247	172	965	663		

(Unit: Million Baht)

## Separate financial statements

	Fixed interest rates						Floating		Non-interest		Total		Effective interest rate	
	Within 1 year		1 to 5 years		Over 5 years		Interest rate		bearing				(% per annum)	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
<b>Financial assets</b>														
Cash and cash equivalents	-	-	-	-	-	-	90	118	14	-	104	118	0.40	0.55
Trade and other receivables	-	-	-	-	-	-	-	-	68	55	68	55	-	-
Short-term loans to related parties	368	318	-	-	-	-	-	-	-	-	368	318	2.00	2.00
Restricted bank deposits	-	-	14	5	-	-	-	-	-	-	14	5	0.40 - 0.80	0.85
	<u>368</u>	<u>318</u>	<u>14</u>	<u>5</u>	<u>-</u>	<u>-</u>	<u>90</u>	<u>118</u>	<u>82</u>	<u>55</u>	<u>554</u>	<u>496</u>		
<b>Financial liabilities</b>														
Short-term loans from financial institutions	82	39	-	-	-	-	-	-	-	-	82	39	3.55 - 10.00	5.05
Trade and other payables	-	-	-	-	-	-	-	-	163	100	163	100	-	-
Lease liabilities	72	57	101	53	-	6	-	-	-	-	173	116	4.15 - 4.85	4.00 - 5.02
Long-term loans	17	16	10	27	-	-	10	-	-	-	37	43	MLR - 2.30	5.02
	<u>171</u>	<u>112</u>	<u>111</u>	<u>80</u>	<u>-</u>	<u>6</u>	<u>10</u>	<u>-</u>	<u>163</u>	<u>100</u>	<u>455</u>	<u>298</u>	and 5.02	

### *Interest rate sensitivity*

Changes in interest rate does not have significant impact on the Group's profit before tax.

### **Liquidity risk**

The Group monitors the risk of a shortage of liquidity through the use of bank loans and lease contracts. The Group has assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Group has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders.

The table below summarises the maturity profile of the Group's non-derivative financial liabilities and derivative financial instruments as at 31 December 2024 and 2023 based on contractual undiscounted cash flows:

	(Unit: Thousand Baht)			
	Consolidated financial statements			
	As at 31 December 2024			
	Less than 1 year	1 - 5 years	Over 5 years	Total
<b>Non-derivatives</b>				
Short-term loans from financial institutions	222,218	-	-	222,218
Trade and other payables	247,023	-	-	247,023
Lease liabilities	219,105	264,832	-	483,937
Long-term loans	21,097	17,227	-	38,324
<b>Total non-derivatives</b>	<b>709,443</b>	<b>282,059</b>	<b>-</b>	<b>991,502</b>
<b>Derivatives</b>				
Derivative liabilities: net settled	1,109	-	-	1,109
<b>Total derivatives</b>	<b>1,109</b>	<b>-</b>	<b>-</b>	<b>1,109</b>

	(Unit: Thousand Baht)			
	Consolidated financial statements			
	As at 31 December 2023			
	Less than 1 year	1 - 5 years	Over 5 years	Total
<b>Non-derivatives</b>				
Short-term loans from financial institutions	107,457	-	-	107,457
Trade and other payables	172,234	-	-	172,234
Lease liabilities	168,214	183,955	5,841	358,010
Long-term loans	18,833	29,210	-	48,043
<b>Total non-derivatives</b>	<b>466,738</b>	<b>213,165</b>	<b>5,841</b>	<b>685,744</b>
<b>Derivatives</b>				
Derivative liabilities: net settled	1,026	-	-	1,026
<b>Total derivatives</b>	<b>1,026</b>	<b>-</b>	<b>-</b>	<b>1,026</b>

(Unit: Thousand Baht)

	Separate financial statements			
	As at 31 December 2024			
	Less than	1 - 5	Over 5	Total
	1 year	years	years	
<b>Non-derivatives</b>				
Short-term loans from financial institutions	62,302	-	-	62,302
Trade and other payables	162,942	-	-	162,942
Lease liabilities	78,349	107,706	-	186,055
Long-term loans	17,984	10,377	-	28,361
<b>Total non-derivatives</b>	<b>321,577</b>	<b>118,083</b>	<b>-</b>	<b>439,660</b>

(Unit: Thousand Baht)

	Separate financial statements			
	As at 31 December 2023			
	Less than	1 - 5	Over 5	Total
	1 year	years	years	
<b>Non-derivatives</b>				
Short-term loans from financial institutions	39,671	-	-	39,671
Trade and other payables	100,115	-	-	100,115
Lease liabilities	60,457	58,005	5,841	124,303
Long-term loans	17,984	28,361	-	46,345
<b>Total non-derivatives</b>	<b>218,227</b>	<b>86,366</b>	<b>5,841</b>	<b>310,434</b>

### 29.3 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.

### 30. 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 2024, the Group's debt-to-equity ratio was 0.67:1 (2023: 0.49:1) and the Company's was 0.24:1 (2023: 0.17:1).



**31. Events after the reporting period**

On 28 February 2025, the Company's Board of Directors passed a resolution to propose to the Annual General Meeting of shareholders to be held in April 2025 to pay a dividend of Baht 0.33 per share, to shareholders in respect of the year 2024 profit. The dividend will be paid and recorded after it is approved by the Annual General Meeting of the Company's shareholders.

**32. Approval of financial statements**

These financial statements were authorised for issue by the Company's Board of Director on 28 February 2025.

Back up attachment

## Back up attachment

Attachment 1 : Details of directors, executives, controlling persons, the person assigned to take the highest responsibility in Accounting and Finance, the person assigned to take direct responsibility for accounting supervision, the Company's secretary, and the representative for contact and coordination in case of a foreign company

Link to attachment: <https://www.tanachira.co.th/en/leadership/board-of-directors>



Attachment 2 : Details of the directors of subsidiaries

Link to attachment: <https://eonemedia.setlink.set.or.th/report/1847/2024/1743122365712.pdf>



Attachment 3 : Details of the Heads of the Internal Audit and Compliance Units

Link to attachment: <https://eonemedia.setlink.set.or.th/report/1847/2024/1741826075236.pdf>



Attachment 4 : Assets for business undertaking and details of asset appraisal

Link to attachment: <https://eonemedia.setlink.set.or.th/report/1847/2024/1741826075239.pdf>



Attachment 5 : Unabridged policy and guidelines on corporate governance and unabridged code of business conduct prepared by the Company

Link to attachment: <https://www.tanachira.co.th/en/about-us/governance-and-ethics>



Attachment 6 : Report of the Audit Committee

Link to attachment: <https://eonemedia.setlink.set.or.th/report/1847/2024/1744079006598.pdf>

