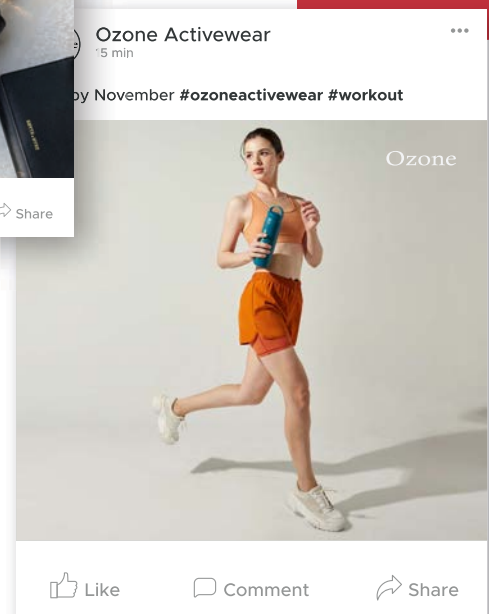
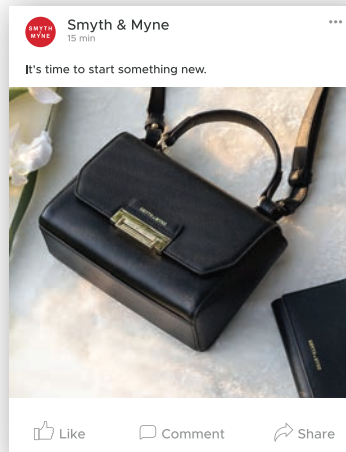
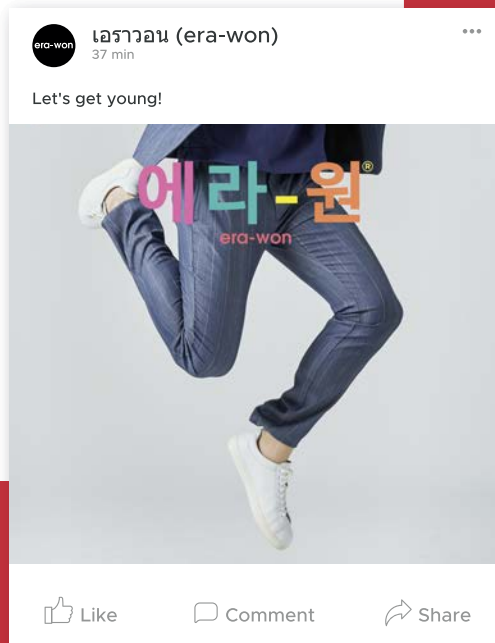
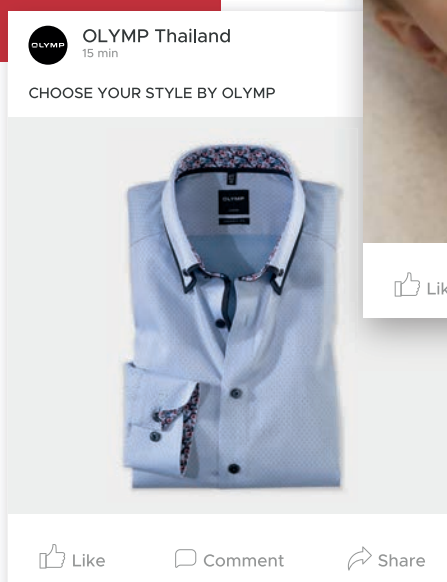
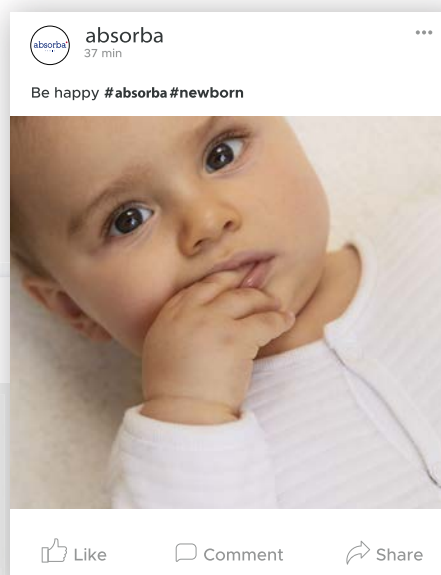


ANNUAL REPORT 2021

(Form 56-1 One Report)



THANULUX PUBLIC COMPANY LIMITED



Digital Transformation





THANULUX

9 min



THANULUX Annual Report 2021 #[DigitalTransformation](#) #[ecommerce](#)

“

**Creativity and Initiative
are
the heart of business**

”





DAKS



A man with short brown hair and a light beard is leaning against a rough, grey stone wall. He is wearing a white short-sleeved button-down shirt with a small, repeating pattern of dark dots. His hands are clasped in front of him, and he is looking off to the side with a slight smile. A black watch is visible on his left wrist. The background is a textured stone wall with some cracks and variations in color.

ARROW

USA • 1851

ARROW
»»»—————▶
USA • 1851



GUY

Guy Laroche



Guy Laroche





A close-up photograph of a young man with dark, wavy hair, looking down at a dark blue fanny pack he is holding. He is wearing a white, textured crewneck sweater. The fanny pack is made of a dark blue material with a fine, pebbled texture. It features a large horizontal zipper on the front and a smaller vertical zipper on the side. A small, square, metallic logo is visible on the front. The man's hands are positioned to hold the pack, with one hand near the top strap and the other near the bottom zipper. The background is blurred, showing what appears to be a retail or gallery setting with shelves and other items.

Guy Laroche
P A R I S



OLYMP

era-won





**SMYTH
&
MYNE**
Lifestyle and more



LOUIS FONTAINE



Ozone

MIX-SELF





thanulux  workwear
& uniform

UNIFORMS & WORKWEAR

ERAWAN

by THANULUX



Gentle & Care

อ่อนโยนและใส่ใจลูกน้อยของคุณ



absorba.
PARIS





THANULUX

15 min

Thanulux Brands [#Menswear](#) [#Womenswear](#) [#Childrenswear](#) [#Workwear](#)

DAKS

ARROW
USA • 1851

ARROW
EXCELLENCY

Guy Laroche

Guy Laroche
PARIS

ARROW
GETAWAY

GUY
Guy Laroche

Guy Laroche
INNERWEAR

TAKEO
KIKUCHI

MORGAN
MORGAN DE TOI

MORGAN
HOMME

OLYMP

era-won

icon

HORNBILL
INTERNATIONAL



#[GovernmentUniform](#) #[Healthcare&MedicalTextile](#) #[LeatherGoods](#)

absorba.
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CADEAU
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Ozone

POSITIF⁺
THE FASTER WE LIVE

25C
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MIX-SELF

LOUIS FONTAINE

PARI PASSU

SMYTH
&
MYNE
Lifestyle and more

UNIFORMS & WORKWEAR
ERAWAN
by THANULUX

thanulux < workwear
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Highlights of the year

Thanulux Public Company Limited and Subsidiaries

SELECTED DATA	2021	2020	2019
FINANCIAL POSITION AND OPERATING RESULTS (Million Baht)			
Total Assets	4,494	4,337	4,362
Total Liabilities	516	543	583
Equity Attributable to Parent Company	3,978	3,794	3,779
Sales	1,333	1,119	1,633
Total Revenues	1,438	1,251	1,783
Gross Profit	382	291	442
Profit Attributable to Owners of The Parent Company	63	11	90
Per Share Data (Baht)			
Par Value	1.00	1.00	1.00
Book Value	33.15	31.61	31.49
Net Earnings	0.52	0.09	0.75
Market Price	18.00	17.10	19.00
Dividend	0.50	0.07	0.55
Financial Ratios			
Profitability Ratios (%)			
Percentage of Net Profit	4.35	0.86	5.03
Return on Equity	1.61	0.28	2.38
Growth Rates (%)			
Percentage Increase (Decrease) of Sales	19.08	(31.48)	(8.18)
Percentage Increase (Decrease) of Net Profit	482.28	(88.00)	(54.17)
Percentage Increase (Decrease) of Total Assets	3.62	(0.57)	(0.51)
Percentage Increase (Decrease) of Equity- Attributable to The Parent Company	4.85	0.39	0.50
Liquidity Ratios (Times)			
Current Ratio	7.48	6.32	5.58
Quick Ratio	5.01	4.39	3.69
Liquidity of Cash Flow from Operation	(0.05)	0.08	0.01
Efficiency Ratios (%)			
Return on Total Assets	1.42	0.25	2.05
Return on Fix Assets	23.08	13.20	26.37
Financial Policy Ratios (Times)			
Debt-Equity Ratio	0.13	0.14	0.15
Time Interest Earned	(12.08)	18.67	112.72
Leverage Ratio	(0.01)	0.03	0.00
Payout Ratio (%)	95.79	78.09	73.65

** The Board of Directors' Meeting No. 1/2022 has resolved to submit the agenda of dividend payment Baht 0.50 per share for approval at the Annual General of Shareholders' Meeting to be held on April 26, 2022

Board of Directors Report

To summarize overall situation of 2021, the severe outbreak of COVID-19- Delta and Omicron variant prolongs the recovery of Thai economy. Many activities are suspended under the strict measure imposed to control the outbreak. Suspended businesses stop the employment rate as well as labour's income. Consumer confidence index dropped to the lowest record even in the last quarter of the year. Vaccination progressively operated following by relaxed controlling measures while many economic activities have been resumed. Private consumption slightly grew with support from government measure. The export sector surprisingly rose by approximately 16.5% from the contraction in the previous year (-6.5%). The fluctuation of Thai baht demonstrates as the rapid weakening, especially during the third quarter of the year. Overall, Thai economy in 2021 slightly grew by approximately 1.2% after the severe contraction in 2019 (-6.1%).

After adjustment of strategic plan to cope with such situation in 2019, the revenue from sales of the Company and subsidiary reaches THB 1,332.66 million, an increase by 19.08% from the previous year. Proportion of domestic sales is 57.57%, export

sector is 42.43% with the net profit of THB 62.61 million, an increase by 482.28%. The Company will carry on adjusting the strategic plan to keep up with rapid changes of situations

With our robust determination to conduct business to achieve the target set forth, the Company has established explicit vision and mission which cover economic, social and corporate governance aspects. The aim is to create corporate culture and value to adjust behavior and working style of the personnel within the Company, as well as to raise confidence among stakeholders. The Company administrates environmental management that meets required standard continually, the sustainable environmental development and social responsibility. The Company has an intention against corruption of all forms, while adheres to the morality, proper risk management, good corporate governance and care for all stakeholders.

The Company achieved "very good" score from Corporate Governance Report of Thai listed company 2021 from Thai Institute of Directors Association (IOD) including the certificate of Industrial Promotion Program for Sustainable Social and Community Report

On behalf of the Board of Directors



(Mr. Manu Leelanuwatana)

Chairman of the Board of Directors

Audit Committee's Report

The Audit Committee has performed their duties independently within the scope specified in the Audit Committee Charter, which is consistent with the requirements and best practices of the Securities and Exchange Commission (SEC) and The Stock Exchange of Thailand (SET).

In 2021, the Audit Committee held 12 meetings, the directors attended the meeting as follows:

			Number of attended / Number of meetings held
1)	Mr. Padoong Techasarintr *	Chairman of the Audit Committee	5/5
2)	Assoc. Prof. Nares Kesaparakorn**	Member	4/4
3)	Assoc. Prof. Dr. Nipon Poapongsakorn	Member	12/12
4)	Mr. Wasin Teyateeti ***	Chairman of the Audit Committee	7/7
5)	Mr. Maris Sangiampongsa ***	Member	7/7

Remark * Mr. Padoong Techasarintr has resigned from the Director on May 11, 2021

** Assoc. Prof. Nares Kesaparakorn has no renewal of the directorship on the Annual General Meeting on April 27, 2021

*** Mr. Wasin Teyateeti was appointed as the Chairman of the Audit Committee and Mr. Maris Sangiampongsa was appointed as the Audit Committee member on May 11, 2021

The Audit Committee held two meetings with the Management to discuss the Company's business operation. The report of the Audit Committee's performance has been reported to the Board of Directors for acknowledgment and consideration every quarter with summarized as follows:

1. Financial Statement Audit:

The Audit Committee has audited the quarterly and annual financial statements, including consolidated financial statement of the Company and subsidiary in collaboration with the auditor, the management and the Internal Audit to ensure that the control system for preparation of the Company's financial statement is accurate and reliable, the information disclosure is adequate and made in a timely manner for financial statement users and in conformity with the laws and relevant notifications, criteria of the Stock Exchange of Thailand and the Securities and Exchange Commission, in consistency with the financial report standard. The Audit Committee also held a meeting without the management's attendance to enable the independent discussion on the audit work and financial statement review.

2. Internal Control and Internal Audit

The Audit Committee has audited the assessment result of the internal control, which include the operation system and information system reported from the Audit Office on a monthly and quarterly basis. The assessment result shows that the performance is adequate and appropriate for the current business operation and in line with the Auditor's opinion, which states that there is no material error in the internal control. the Audit Committee has approved the annual internal audit plan.

3. Audit of the related transactions or the transaction that may have a conflict of interest

The Audit Committee has reviewed the related transaction or the transaction that may have a conflict of interest between the Company and subsidiary in 2021, under the prudent, logical principles, taking into account the stakeholders' benefits. The information is disclosed adequately in accordance with the condition established by the Stock Exchange of Thailand.

4. Risk Management

The Company has appointed the Risk Management Committee to supervise and prepare the comprehensive risk management plan, which covers internal and external risks. The risks that pose impacts on the corporate goal are assessed from time to time with the measure to mitigate risk at an acceptable level. The performance report is proposed to the Board of Directors for acknowledgement and consideration every on a quarterly basis.

5. Compliance to the laws and government requirements

The Audit Committee has requested the Internal Audit Office to conduct a compliance audit on the laws related to securities and stock exchange, including the requirement of the Securities and SEC as well as other law which is in connection with the Company's business operation. The result shows that the Company's compliance with the laws and regulations has no impact on the business operation, being

6. Good Corporate Governance

The Company has the Governance Committee by reviewing the compliance with the aforementioned items, compliance with the laws, regulations and the Company's code of conduct to acknowledge compliance report on the Anti-Corruption measures, receipt of complaint and whistleblowing via different channels. The performance is reported to the Board of Directors every quarter.

7. Performance assessment of the Audit Committee

After reviewing the Audit Committee Charter, performance assessment of the Audit Committee which consists of individual and collective assessment consistent with the code of practice and the Audit Committee Charter. The assessment result indicates that the Audit Committee has performed their duty efficiently and effectively to the scope of duty and responsibility as described in the Audit Committee Charter.

8. Appointing the Auditor

After consideration with the Management, the Audit Committee agreed to propose to the Board of Directors for approval in the shareholders' meeting regarding the appointment of Mr. Anusorn Kiatkangwanklai, the certified public accountant, license no. 2109 or Mrs. Khwanjai Kiatkangwanklai, a certified public accountant, license no. 5875 or Mr. Sathit Kiatkangwanklai, a certified public accountant, license no. 9760 or Mr. Prasitporn Kesama, a certified public accountant, license no. 9910 of ASV and Associates Company Limited as the Company's auditor for the year 2022. The compensation assigned is 1,177,000 baht which considered appropriate.

On behalf of the Audit Committee



(Mr. Wasin Teyateeti)

Chairman of the Audit Committee

Risk Management Committee's Report

Recognizing the importance of the risk management that adheres to the sustainability approach and the cultivation into the corporate culture with an aim to build confidence on the strategic achievement effectively and efficiently of the corporation, the Board of Directors has ordered to appoint the Risk Management Committee to supervise and oversee the entire risk management for Thanulux Public Company Limited under the 5 Enterprise Risk Management Framework as below.

- 1) Corporate Strategy Risk
- 2) Operational Risk
- 3) Financial Risk
- 4) Marketing Risk
- 5) Potential External Risk

Each risk framework comprises minor risks. For example, upon the COVID-19 outbreak crisis, executives of all departments arrange risk management in each department by following the above risk framework, and prepare related risk mitigation plan to propose to the Risk Management Committee for approval and proceed.

In 2021, the Risk Management Committee held 4 meetings to consider risk assessment procedures and risk management plan of every department in a systematic approach and in consistence with the good corporate governance, and ensure the risk management upon implementation will be at an acceptable level.

On behalf of the Risk Management Committee



(Mr. Krish Follet)

Chairman of the Risk Management Committee

Nomination Committee's Report

Thanulux Public Company Limited has appointed 3 members of Nomination Committee in accordance with the Good Corporate Governance Principles to perform the task of supporting the Board of Directors in selecting Company Directors and Top Management.

In the year 2021, the Nomination Committee held 2 meetings as follow;

In February, The Meeting had considered appointing 2 directors to replace their retired by rotation and acknowledged the result of given an opportunity for shareholders to nominate persons for selection as Company Directors prior to the Annual General Meeting of Shareholders in 2021, since 1 – 30 December 2020. No shareholder, however, nominated any person for selection as Company Director. Having reviewed the Nomination Committee's Charter to comply with the related regulation and practice guidelines and also considered the qualifications of 2 persons who had been nominated to serve as company directors replacing the directors who retired by rotation. In the consideration for the selection of qualified candidates, the committee took into account the knowledge, skills, experience and expertise from various professions. The Nomination Committee also consider their leaderships, visions, ethics, transparency, and must not be prohibited by laws and regulations of the company and not being sexual prejudice for their nominations. The name of 2 candidates are Mr. Manu Leelanuwatana and Mr. Thamarat Chokwatana. The Nomination Committee conducts self-assessment to improve their performance for utmost result. The Nomination Committee Charter is reviewed to ensure the appropriateness and to be in conformity with the required criteria.

The second meeting in May, The Meeting had considered and appointed one Director to replace the resigned Director, namely: Mr. Padoong Techasarintr that resigned from the Director and Chairman of Audit Committee effective on 11 May 2021. After recruiting a person with due knowledge and skill to hold the vacant position in the board, based on prudent consideration and proposing to the Board of Directors, the Nomination Committee has appointed Mr. Wasin Teyateeti to as a director of the Company and Chairman of the Audit Committee to replace the resigned director. Mr. Wasin Teyateeti possesses knowledge, skill, vision and experience in business operation, being qualified and has no prohibited characteristics under Section 68 of the Public Company Act B.E. 2535 and the requirements of the Securities and Exchange Commission and had considered the structure of the committees, the allocation of functions to Directors and sub committees, in order to promote good governance and efficient management and found that it is appropriate for the current situation

The Nomination Committee has performed its Duties as assigned by the Board of Directors in compliance with the Charter of the Nomination Committee discreetly and reasonably.

On behalf of the Nomination Committee



(Mr. Manu Leelanuwatana)

Chairman of the Nomination Committee

Remuneration Committee's Report

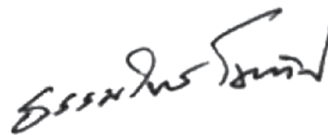
Thanulux Public Company Limited has appointed 3 members of Remuneration Committee in accordance with the Good Corporate Governance Principles to assist the Board of Directors in the determination of limits and rules for allocating remuneration to Company Directors.

In the year 2021, the Remuneration Committee held 2 meetings. The Committees had performed their duties to follow and consider important matters entrusted by the Board of Directors as assignment within the scope of the Remuneration Committee Charter, the Remuneration Committee has the duty of determining the remuneration limit and rules for allocating remuneration to Company Directors with a view to achieving an appropriate distribution capable of creating an incentive for working efficiency and to retain knowledgeable and proficient personnel in the Company. In addition, the Committee has reviewed the Charter of the Remuneration Committee and found that it is appropriate for the current situation and conducts self-assessment to improve their performance for utmost result.

The Remuneration Committee has determined the appropriate remuneration limit for Company Directors based on comparisons with other companies in the same industry, the remuneration limit approved by the shareholders' meeting in the preceding year and the amount of remuneration had been paid. As for the allocation of remuneration to Company Directors and members of sub committees, due consideration was given to the powers, duties, responsibilities, performance and the growth rate and performance of the Company, within the limit approved by the shareholders.

The Remunerations of Company Directors and members of sub committees have been disclosed in the Annual Report. The Remuneration Committee finds the remunerations appropriate and commensurate with duties, responsibilities and Company policies.

On behalf of the Remuneration Committee



(Mr. Thamarat Chokwatana)

Chairman of the Remuneration Committee

Governance Committee's Report

The Board of Directors of Thanulux Public Company Limited recognized the importance of good governance. Therefore, 5 members of the Governance Committee was appointed to perform duties as assigned by the Board of Directors which had been determined in the Governance Committee Charter, carried on the duties according to the governance code. The support regarding good governance was provided to the board of directors to raise value of the company, to bolster investors' and stakeholders' confidence and to conduct long-term sustainable business.

In 2021, the Governance Committee arranged 4 meetings to monitor assigned tasks. All 5 members attended completely. The outcomes can be summarized as follows:

1. Review the vision, mission, core values in accordance with the goal and the direction of the company.

2. Performed a review on Governance Committee Charter to be in line with Good Corporate Governance Principles and to ensure it is up-to-date and suitable to current circumstance.

3. To review the Company's good corporate governance, support and monitor the compliance with the good corporate governance for the listed companies year 2017 issued by the Securities and Exchange Commission. The good corporate clauses are implemented to suit the Company's business context every year.

4. Overseen and encouraged the practice of the company according to corporate governance principles, result to the Company got certified as "very good" by CG Scorecard for listed company 2020.

5. To consider the criteria of self-assessment and collective assessment of the Board of Directors, sub-committee, and Managing Director to improve their performance based on the assessment result

6. To supervise to have criteria and to allow shareholders proposing meeting agenda and/or list of candidates of the board members prior to the annual general meeting of shareholders 2022 between 1 -30 December 2021. After the prescribed duration, no shareholders propose the meeting agenda and/or propose the person for a directorship in the 2022 ordinary meeting of shareholders.

7. To supervise to have the securities holding report among directors and executives according to the code of conduct established by the Securities and Exchange Commission and report to The Board of Directors every quarter.

8. Supervise the compliance with the insider trading. Directors, executives and the person related to the inside information must not trade securities. In case of necessity, the matter must be notified to the company secretary in advance for transparency purpose.

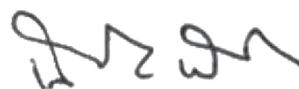
9. Monitor to ensure the Company audit and assess business operations which support the business sustainability, to create opportunities and effectiveness in risk management in operation process, to conform with stakeholders' expectation. In 2021, the Company has been selected as a sustainable securities.

10. Monitored a progress of short-term strategic plan of 2021 on a quarterly basis and of medium-term strategic plan in the fourth quarter to give advice and suggestion to the management in charge to make sure the strategic plan is adjusted appropriately. Seek for new business operation which responses to the current situation. Give advice in short-medium term strategic plan of the Company for the year 2022 to conform with the rapid change nowadays, to be more digitalisation. Assess risks of a strategic plan in each aspect. Prepare emergency plan to accommodate performance indicator. Monitor and assess achievement of the strategic plan established.

11. To report operation result to the Board of Directors on a regular basis.

The Governance Committee believes that the Company conducts business adhering to good corporate governance, complies with the Anti-Corruption Policy, complies with the relevant laws and work standard and determined to carry on, prioritises and cares for the social and environmental responsibility. These are the facts contribute to the business sustainability in the long term, including the company's image, which builds confidences among stakeholders of all groups.

On behalf of the Governance Committee



(Assoc.Prof. Dr. Nipon Poapongsakorn)

Chairman of the Governance Committee

1 Structure and operation of company

1.1 Overview of Business Operations

History

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

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

The name "Thanulux" was created to match the name ARROW, with its arrow symbol. Thanulux is associated with a red symbol of Rama God pointing an arrow towards the sky.

The name expresses a deeper meaning whereby the Rama God, represents Thainess, the red color symbolizes good fortune and the arrow pointing towards the sky represents fashion trends moving forward.

Business Overview

The Company is a producer and distributes of finished garments and leather products under licensed international trademarks and Company own brands that are renowned domestically and Export.

Domestic distribution is undertaken through I.C.C. International Public Company Limited, being the major distributor to departmental stores, while international distributions are made through distributors and/or trademark owners, such as in the United States of America, Europe, Asia, ASEAN and Japan.

The Company is also a manufacturer of uniform and workwear products. Dharma practice set, a Buddhist monk triple robes and Healthcare and Medical Textile.

Vision

Dedicated to providing superior quality and innovative products and services by using digital technology management to ensure sustainable value for customers

Mission

1. Committed to add value and satisfaction to employees, customers and shareholders
2. Promote the good corporate governance with morality and ethics in business operation
3. Conducting business with responsibility to society and the environment

Business Goal

Thanulux drives for the sustainable growth, business operation that bases on honesty, transparency, and stakeholders' interest, as well as the efficient consumption of resources, being environmental-friendly. Our primary goal is to escalate economic value and operation performance, while developing personnel ability continually to support the sustainable business growth and expansion.

Significant Changes and Developments

First Decade: 1975 - 1985

Laying down the business foundations

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

Important events

- 1975 - Company registration on 23 June 1975 with a registered capital of Baht 3 Million.
- 1983 - Increase of registered capital to Baht 6 million for business expansion.
- 1984 - Increase of registered capital to Baht 12 million for business expansion.

Second Decade: 1986 - 1995

Business expansion

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

Important events

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

Being the licensee of



LOUIS FONTAINE

Leather Goods

Guy Laroche

Fashion Men's Wear

absorba.
PARIS

Fashion Children's Wear

Being the licensee of

MIX-SELF

Fashion Women's Wear

Guy Laroche

Swimwear, underwear and pants

Third Decade: 1996 - 2005

A test of the organization's strength

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

Important events

- 1996 - Increase of registered capital to Baht 120 million.
- 1999 - Issue of debentures in the amount of Baht 300 million.
- 2002 - Received the transfer of the trademark "LOUIS FONTAINE" from Thai Wacoal Public Company Limited.
- 2003 - The par value was changed from Baht 10 per share to Baht 1 per share on 9 May 2003

Fourth Decade: 2006 - 2015

Never-ending innovations

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

Important events

- 2006 - Rebranding of "ZAZCH" to "HORNBILL".
- 2007 - Received an outstanding product innovation award for "COTTAZILK".
- 2012 - Opening of a second factory building at the Lamphun branch
- Expanded laundry service business at Bangplee branch
- 2015 - Expanded laundry service business at Bangplee branch

Being the licensee of



Being the licensee of



Fifth Decade: 2016 - Present

Value-based economic

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

Important events

- | | |
|------|--|
| 2016 | - Established a Joint venture company named “World Saha Fashion Company Limited” for the businesses relating to the distribution of apparel under the trademark “Takeo Kikuchi”. |
| 2017 | - Entrusted to be the licensee for distribute high-quality shirt from Germany under the trademark “Olymp”
- Opening of Thanulux Public Company Limited, Mae-Sot Branch, Tak Province, to expand manufacturing capacity for leather goods. |
| 2018 | - Established a Joint venture company named “Saha Komehyo Company Limited” for investment in new business.
- Expanded manufacturing capacity for leather goods at Lamphun branch. |
| 2019 | - Investment in ordinary shares of Saha Komehyo Company Limited
- Investment in ordinary shares for establishment Saha Capital Tower Company Limited to expand in real estate business.
- Transfer of retail business under “Era-won” brand from Celebrate Wealth Company Limited |
| 2020 | - Expanded business channels in the B2B, B2C format, including work wear (government uniforms and uniforms), healthcare and medical textile businesses. |
| 2021 | - Creation of new product brands and distributes more via online platforms, i.e., “Bubble” kid apparel and leather wear “Smyth & Myne”
- Expansion of product lines in addition to apparel and leather wear under the Company’s brands, i.e., ERAWON drinking water, Absorba baby care products, and the import of Antigen test kit (AKT) for initial testing of Covid-19 and the syringes for sales. |

Being the licensee of

OLYMP

Hi End Men's Wear
From German

era-won

Men's Wear

Social Awards



Ministry of Labor and Social Welfare

- 2016 - Awarded "Safe Workplace Honoring Her Royal Highness Princess Maha Chakri Sirindhorn, Head Office and Lamphun Branch"
- 2016 -2020 - Awarded the "Outstanding Workplace on Labour Relations and Labour Welfare (National)" for the 7th consecutive year.
- 2021 - Certificate on the standard of prevention and remedy of drug problems within the establishment.
- Certificate for the Good Labor Practices: GLP



สภาราชชาดไทย
The Thai Red Cross Society

Thai Red Cross Society

- 2015 - Received honors from Her Royal Highness Princess Soamsawali as an agency supporting blood donation activities for 3 consecutive years.

Ministry of Industry



- 2012 - Was certified as a Green Factory, First Level Green Industry.
- 2013 - Awarded an honorary shield as a workplace that is compliant with good governance principles on the environment.
- 2017 - Received the Green Industry Certificate Level 4 (Green Culture) and "Eco Factory: Eco Industrial Town in 4.0 era".
- 2018 - Gold Medal 3Rs Awards from Project "To develop waste utilization potential"
- 2019 - Certificate Production scheme of Low Greenhouse Gas Emission
- 2016 - 2020 - Received the prestigious CSR-DIW CONTINUOUS Award 2020 for the 7th consecutive year
- 2021 - Green Industry, Level 4 Award for the Green Culture, Lampoon branch
- Eco Factory plus Social Award, Kabinburi branch



Bangkok Metropolitan Administration

2018 - Certificate "Sponsor and a precursor to the benefit of the Yannawa area"



กระทรวงพลังงาน
MINISTRY OF ENERGY

Ministry of Energy

2019 - Award of the promotion of energy conservation in industrial, Lower Eastern region



กรมอนามัย
DEPARTMENT OF HEALTH

Department of Health

2021 - Certificate of establishment of safety and hygiene to prevent Covid-19



Thai Garment Manufacturers Association

2021 - Certificate for declaration on the intent against child labor and forced labor within the establishment

Management Standardization



- 2002 - Awarded quality accreditation ISO9001:2000 for designs and manufacturing of garments and leather goods from Bureau Veritas Certification (Thailand) Ltd. (BVQI)
- 2010 - Awarded quality accreditation ISO9001:2008 for design and manufacturing of garments and leather goods from Bureau Veritas Certification (Thailand) Ltd. (BVQI)
- 2016 - Awarded environmental management standard accreditation ISO14001:2004 for design and manufacture of menswear, women's wear, children's wear and leather goods from Bureau Veritas Certification (Thailand) Ltd. (BVQI)
- 2017 - - Certified quality accreditation ISO9001:2015 for design and manufacturing of garments and leather goods from Bureau Veritas Certification (Thailand) Ltd. (BVQI)
- 2021 - - Certified environmental management standard accreditation ISO14001:2015 for design and manufacturing of menswear, women's wear, children's wear and leather goods from Bureau Veritas Certification (Thailand) Ltd. (BVQI)



- 2019 - Bronze Award of Happy Retirement Companies, organizes by the Stock Exchange of Thailand (SET), Securities and Exchange Commission (SEC), Provident Fund Association and Fund Management Companies



Products Awards

- | | |
|------|---|
| 2011 | - Received royal accreditation of Thai silk standard “Thai silk blend” for Cottazilk fabric under trademark Daks. |
| 2013 | <ul style="list-style-type: none"> - Certified a Carbon Footprint label for the shirt, Brand ARROW Style AY 630 from the Greenhouse Gas Management Organization (Public Organization) in collaboration with the Thai Textile Institute - Certified the “Smart Fabric” standard accreditation from the Thailand Textile Institute for good ventilation of moisture and sweat as well as greater comfort. The product accredited was shirt (cool innovation) under brand Guy Laroche. |
| 2014 | <ul style="list-style-type: none"> - Certified an Environmental Footprint label for the shirt, Brand ARROW Style AY 630, from the Thailand Textile Institute. - First operator to receive accreditation for the use of the “Smart Fabric” mark under the “Anti Bacteria” category, after having undergone inspection and standard accreditation procedures applied by the Thailand Textile Institute for the men’s shirt category. This proves the goods’ efficiency in eliminating more than 99.9% of odor-releasing bacteria. |
| 2015 | - Received royal accreditation of Thai silk standard ‘Thai silk’ for 100% silk fabric fabric under brand Daks. |
| 2016 | - Accreditation of Cool Mode standard for 100% Cotton Knitted TRI003 by the Greenhouse Gas Management Organization (Public Organization) in collaboration with the Thai Textile Institute. |
| 2017 | - Certified for the electric saving “Label No.5” for shirt from the project of Electricity Saving type shirt of Electricity Generating Authority of Thailand. |
| 2021 | <ul style="list-style-type: none"> - MiT Certificate from the Federation of Thai Industries for manufacturing of short-sleeve shirt for government official, with the nano-zinc fabric size 36. The product is made in Thailand. - Certificate for the development of the CoolMode fabric “VRCool” from the Greenhouse Gas Management Organization (public organization) under collaboration with the Thailand Textile Institute. |

Purposeful use of funds from funding

- None -

Obligations made by the company in the registration statement

- None -

Name, Head Office Location, Type of Business

THANULUX PUBLIC COMPANY LIMITED

Registration Number	:	0107537001358
Register Capital	:	120,000,000 Baht, Ordinary shares 120 shares and fully paid-up
Par value	:	1 baht
Business operation	:	Manufacturer of ready-made clothes and Leather goods
Head Office	:	129/1 Chongnonthri Road, Chongnonthri, Yannawa, Bangkok10120
Website	:	www.thanulux.com
Telephone	:	0-2295-0911-9, 0-2295-4171-80
Fax	:	0-2294-5101, 0-2294-5918, 0-2294-0794

1.2 Type of Business

1.2.1 Revenue Structure

In 2021, the proportion of domestic to foreign distributions was 58 : 42

Revenue of the Company and Subsidiaries

Divided by the operator

(Unit: Million Baht)

Product	Operated By	% of Shareholding	2021	%	2020	%	2019	%
Fashion Goods	Thanulux PCL.	-	1,332.56	99.99	1,120.07	100.08	1,508.66	92.38
Fashion Goods	S. Apparel Co. Ltd.	99.999	-	-	-	-	5.43	0.33
Fashion Goods	Celebrate wealth Co. Ltd.	87.76	0.10	0.01	(0.93)	(0.08)	119.09	7.29
Total Sales Revenue			1,332.66	100.00	1,119.14	100.00	1,633.19	100.00

Divided into Sources of Revenue

(Unit: Million Baht)

Product	Sales Revenue	2021	%	2020	%	2019	%
Fashion Goods	Domestic	767.22	57.57	708.83	63.34	1,139.49	69.77
Fashion Goods	Export	565.44	42.43	410.31	36.66	493.70	30.23
Total Sales Revenue		1,332.66	100.00	1,119.14	100.00	1,633.19	100.00

Revenue Structure of the Company only

(Unit : Million Baht)

Sales Revenue	2021	%	2020	%	20219	%
Finished garments	871.88	65.43	748.43	66.80	959.55	62.53
Leather goods	460.68	34.57	372.02	33.20	575.11	37.47
Total	1,332.56	100.00	1,120.44	100.00	1,534.66	100.00

1.2.2 Product information

(1) Characteristics of products or services and development of business innovation

Company's Products

The Company's products may be classified into two categories, as follows:

Finished Garments

The Company's finished garments incorporate men, women and children customer groups, consisting of shirts, polo shirts, trousers, suits, jackets, pajamas, underwear, neckties, handkerchiefs, scarves, swimsuits, sportswear and socks under the trademarks ARROW, EXCELLENCY, GETAWAY, COOL, Guy Laroche, Guy Guy Laroche, DAKS, ELLE HOMME, Takeo Kikuchi, Olymp, HORNBILL, ICON, Positif, MIX-SELF, MORGAN and Erawon for men and women. As for children products, the Company manufactures and distributes garments for infants to 8-year olds. In addition, there are also diapers, bedding, shoes, socks, dolls and accessories for toddlers under the trademarks Absorba

Leather Goods

These products are manufactured for men and women, consisting of wallets, handbags and belts under the trademarks ARROW, EXCELLENCY, GETAWAY, Guy Laroche, Guy Guy Laroche, DAKS, LOUIS FONTAINE and MORGAN.

Other products such as food, household Equipment and beauty products under the brand Era-won and Healthcare and Medical Textile.

(2) Marketing and Competition

Marketing strategy

Domestic market

The Covid-19 impact elongates for 2 years. The Delta variant which is severe and rapidly spreading caused lockdowns in many provinces nationwide. The same situation was in 2020 and posed a direct impact to the retail business.

The Company always seek the way to adjust business scope continuously from 2020, with the focus on available sales channels, for instance, exporting products during the time when the domestic market is shrunk. Moreover, with utmost utilization of the online sales channels, new products are selected to feed to domestic markets in addition to the apparel to enhance the sales opportunities as well as to extend customer base.

Fashion Brand Business: License and House Brand

1. Product Details

The design that highlights procedures of the presentation, raw material development, pattern and innovation that requires customers' engagement. The concept is to make the difference in the market, to respond directly to customers' need and to keep up with the rapid change of fashion trend. Thanulux has innovated manufacturing process to improve every procedure, from the input to output to enhance manufacturing capacity and ensure the product quality will meet the required standard.

ARROW Products

Arrow Shirt - BAMBOO

The shirt innovated from bamboo fiber with special properties of bamboo in absorbing carbon dioxide and generating oxygen at the higher rate than other plants, bamboo fiber is hence capable of storing coolness by its nature. According to the research, the fabric from bamboo fiber is developed and woven into the cloth of tenderness, lightness and have the glossy surface which resemble silk. The bamboo fiber is airy, allowing fine air ventilation, no moisture. It absorbs water and gets dry quickly, making perfect condition for suppressing unpleasant odor, minimizing accumulation of germs and fungi that may affect the body. For all these advantages, the clothes made of bamboo fiber is a genuine natural product that process through the environmentally friendly method.

DAKS Products

Ladies' shirts and dresses SILK TOUCH

100% polyester but gives the tender touch like silk with an innovative method of heating thread and finishing for glossy and tender contact. The fabric can also prevent static electricity.

ABSORBA Products

The Company has released new products in the Cosmetic and Household group. With primary concept bases on environmental care, the 100% organic products were released in the previous year.

Group 1 Cosmetic: Baby care products include baby wash and 2-in-1 shampoo, body lotion and baby natural corn powder.

Group 2 Household includes cloth care delicate laundry detergent and cloth care delicate laundry softener.

The products of these 2 groups are made of a well-selected essence organic substance, certified by the world class institute ECOCERT and USDA. The content gives moisture to the child skin, improving tender touch. All ingredients are vegan-friendly and 0% harsh chemical, which means no harsh chemical that may cause irritation is used. The product is dermatological test for non-irritation, the FDA certified even the sensitive skin.

To keep up with the Covid-19 situation, the Company has released 1 new product, the alcohol hand sanitizer spray and gel. The product will disinfect and nourish the skin with the aloe vera extract and organic chamomile extract.

Era-Won Products*ERAWON Filagen Shirt and Slacks*

The shirt and trousers made of fish scale-thread the collagen in fish scales has special properties which help in adjusting temperature when wearing. For instance, in the cooled temperature or air-conditioned room, the fabric will increase the temperature while wearing. On the other hand, during the warm environment, the fabric will cool down. The texture made of fish scale is an alternative approach that helps to reduce waste on the earth and it is available for the reuse.

ERAWON Sport

New product category added up to office outfit and the casual. The product is innovated with anti-bacteria to have odorless apparel, ideal for exercise, especially during the work from home period when people will have more time for exercise.

ERAWON Water Drink

With an expansion of the non-garment items, the fashionable item to commodities, such as drinking water under the concept "You are what you drink" - Erawon drinking water is made from natural resource, filled in the bottles which are recyclable, being the part that reducing the amount of waste.

ERAWON Beauty

The new product from the cosmetic group, is launched with hair gel with special properties that stops pimple. With organic ingredients, the hair gel is odorless and transparent, offered with the affordable price, available in stores.

2. Pricing

Taking customers as a primary concern, Thanulux sets the price that matches quality of products which allow competitiveness in the same market.

3. Distribution Channels

The Company and distributors join hands in providing information of the products and services to sales representatives. In this regard, the customers will be satisfied when hearing advice from sales person. Moreover, the visual merchandising display is also a tool that presents the product and communicates to customers clearly the concept of each product.

Distribution and distribution channels

1. The Company appoints dealers to distribute products to department stores or modern trade.
2. Online channels
3. Factory outlets and community malls
4. Direct sales to customers for made to order uniforms and medical textile.
5. Export to oversea market.

4. Sales Promotion

The company operates a proactive marketing strategy. In collaboration with Saha Group companies, the Saha Group Fair is held annually by inviting both domestic and foreign partners to attend the event. But last 2 years, the situation of the COVID-19 epidemic changed the organization of the Saha Group Fair to an online nature. The event was named "Saha Group Fair Online" to find opportunities to expand the market in new channels.

The company's website for public relations and communication is a significant channel to create new opportunities to grow markets for both local and international customers. Besides, the target customers are distribution companies and international trademark owners in countries such as the European Union, Japan, Asia, and ASEAN.

Uniform Business

Uniforms & Workwear

Products for corporate

The prolonged outbreak of Covid-19 for two consecutive years is a major factor that many organizations decide to change uniforms to keep up with the changes of environment. With well understanding of such matter, the Company has put its best effort in developing the product that is responsive to the utilization which can enlarge customer base to new groups. Last year, Thanulux's sales volume hit the growth for over 48% from the precedent year.

The major driving force for our business in the previous year is the addition of product categories to meet the variation of customers' expectation.

The Company develops products of the concept that prevent and secure safety at work amid the epidemic i.e., facial masks, personal protective equipment (PPE) including the functional uniform for various companies with new textile innovation and special features.

Business development and commitment to create Satisfaction for customers

Upon customers' positive feedback on product and service quality, Thanulux is also trusted as a uniform manufacturer for various organizations. The Company can maintain and expand customer base in automotive industry, petrochemical and energy, educational institutions, hospitals and logistics. The Company applies technology to enhance customer database function for convenience, fast and accurate result, increasing customer satisfaction index.

The innovative and eco-friendly raw materials which feature the comfortable feeling when wearing.

Having an intention to take social responsibility, the Company carries on development innovation that adds value to users and targets to become a part that build up the sustainability to the environment. In the previous year, the Company has developed the innovation the "COOLYESTER" that meets the Cool Mode, free of chemicals and endurance for the tear and wear. The fabric can transfer heat while absorbs moisture well. Moreover, the "MICOR BLOCK" textile innovation can protect against UVA and UVB at 99% for 8 hours, with the Ultraviolet Protection Factor (UPF) 50+. These innovative products are a great success with positive feedback from customers.

Government Officials uniform

From made to order uniform for government officials and the police officers, the Company has advanced the manufacturing and sales process toward the manufacturing of ready-made uniforms for each brand and store under the concept "ready-made official uniforms that perfectly fit just like made to order". Moreover, the special feature is the anti-bacteria properties that last through the life of the fabric, reducing odor issue, free of toxic and safe for wearers.

In the previous year, the Company has expanded sales channels to reach wider ranges of consumers by opening stores under coordination with department stores, for instance, The Mall Group in 4 branches which include Ngam Wongwan, Bang Kapi, Bang Khae and Tha Phra. For provincial zone, the Company collaborates with minor dealers in major provinces such as Songkhla, Chonburi, Nakhon Ratchasima, Petchaburi and Phitsanulok. To ensure the sales will cover nationwide, the Company also expanded the sales channels through the online marketplaces, for instance, LAZADA, SHOPEE, communication channel on Facebook Page as a publicity for news and information including introduction to products and stores.

Healthcare and Medical Textile

With the concentration and support on the development of medical products that bases on technology and design, the Company has joined the project that develop technical material model development to accommodate the comprehensive medical industry for the year 2021 under the collaboration with the Thailand Textile Institute (THTI). The aim is to create medical textile, reusable anti-static surgical gown which does not interfere function of electronic devices within the surgery room. The fabric is free of chemicals, light-weighted and well ventilation with anti-dirt and dust surface. The product is washable and reused for a long period. Thanulux has delivered the innovative gown to the medical personnel of Klang Hospital, Bangkok on 13 August 2021.

After the import of products necessary during Covid-19 epidemic, some items receive good feedback i.e., MEDIPAL disinfectant wipes, ONCE low dead space syringes.

Distribution

As a part of business development, the Company releases new ready-made product INNO-Innowear to the Health-care and Medical Textile business to meet the daily lifestyle of nowadays where people tend to focus more on healthcare and hygiene. The product character indicates the innovation that will leverage life quality of consumers in daily basis. With various sales channels, for example, direct sales, the sales team will approach customers in Bangkok and vicinity, direct contact with state and private hospitals both in central and regional zones. The tour started in the central region, east and west in the previous year.

For online platform, the Company has created Facebook Page name: INNO-Innowear and Official Line: @Innowear as a publicity tool for product information. The online marketplace such as LAZADA SHOPEE, and SAHA ONLINE is also another channel that the Company has placed the product.

Participation in the seminars, training courses of medical institutions and healthcare institutions held in Thailand.

Overseas Market**1. Product**

With the Focus on quality of products and goods that respond perfectly to the rapid changes in lifestyle, especially the casual wear, the Company aim to enlarge market base to wider ranges of customer groups.

2. Pricing

The Company realizes the importance of reasonable pricing that fit quality of the product, proper manufacturing technique and the price customer willing to pay. To enhance customers' competitiveness amid the current economic situation, intense competition in the overseas market, volatile behavior of consumers which tend to be more online, the Company has diverted to safety stock manufacturing in coupling with the existing made-to-order manufacturing.

3. Sales Promotion

In current situations that we could not visit with overseas clients as well as invites them to visit trade fairs in our country, we have changed the way businesses market products by meeting with the client by online channel to purpose our new product for the opportunities to expand the new markets in Asia, Middle East and Europe through the cooperation with Partner companies that we also have in Thai and Oversea. The Company also provides a variety of online communication channels to boost up the sales, enhance opportunities and the communication with the buyer or manufacturers.

Industry trends and competition

In 2020, the Covid-19 pandemic knocked the textile and apparel industry, foreign market sank, export rate deficit by 16.9%-17.1%. However, the improved situation in 2021 enables growth in apparel export thanks to the surge in the US export market which accounts one third of the overall export market, and the import rate from Thailand increased due to the cut of import from China as a result of US-China trade war.

The textile export shows positive factor from other textile manufacturers such as Vietnam, Cambodia, Indonesia, India, and Europe including parts of apparel factory in the US. Thailand's export rate for the raw materials increases such as fiber, yarns, fabric. Currently, the apparel and textile factories in Thailand have resumed their production capacity by 100%. However, the shortage of labor is a current problem after the foreign labor has returned to their countries during the outbreak of Covid-19. To conclude, the apparel and textile factories experience labor shortage around 30,000 - 50,000 men. Some factories apply the overtime to boost the production capacity.

It is forecast that the apparel export will rise by 10% in 2022 while the textile business will grow by approximately 15%.

The Covid-19 Omicron variant is the first risk factor for Thai and the global economy at the moment. In addition, there are another 4 risk factors that cause impacts to the industry in 2022 as follows:

1. Labor shortage
2. Labor wage that may increase following the inflation
- 3 Short supply of containers for export while the freight fee remains high
4. Thai baht may be strong afterward. Now, the Thai baht is weakened at 33 baht per USD, which favorably

enhances competitiveness. Moreover, the US-China trade war poses a positive factor for Thai export.

The trend for apparel and textile intends toward environmental-friendliness or eco-friendly with the purpose of mitigating the global warming crisis, i.e., product made of recycled yarns, saving water, saving energy, organic cotton. These green products, saving the environment, are an alternative choice for our customers with the price approximately 20% higher than normal apparel.

However, the Covid-19 pandemic, Omicron variant may impact the world economy growth in 2022 from 4.9% to 3.6% according to the forecast by IMF in the event that the outbreak is beyond control by the first quarter of 2022. For Thai economy, GDP growth rate in 2022 is at risk of declining from 3.6% to 2.5% according to the latest forecast, in the event that the border opening will be postponed.

Promotional Privileges

By virtue of the Investment Promotion Act, B.E. 2520, the Company has been granted some promotional privileges from the Board of Investment (BOI) as follows:

1. Promotional certificates No.	60-1470-1-03-1-0	60-0122-0-00-1-0	1627(2)/2554	1628(2)/2554
2. Dates of promotional certificates	26/12/2017	31/01/2017	31/05/2011	31/05/2011
3. The first receiving revenues dates	1/03/2018	2/08/2018	4/05/2011	2/09/2011
4. The type of business promoted	Leather products or artificial leather	Leather products or artificial leather	Textile or fragment	Leather products or artificial leather
5. Important privileges which are granted:-				
5.1. Exemption from corporate income tax on net profit from promotional operations, commencing from the first receiving revenue date.	8 years	8 years	8 years (Expired on 30/11/18)	8 years (Expired on 30/10/17)
5.2. Exemption from income tax on dividends from promoted business which was exempted from income tax in 5.1.	8 years	8 years	8 years (Expired on 30/11/18)	8 years (Expired on 30/10/17)
5.3. Reduction of the corporate income tax on net profit from promoted business at 50% of normal rate after the end of exemption period.	5 years	5 years	5 years	5 years
5.4. Double deduction of expenses for utilities (electricity, water and transportation) for the year.	10 years	10 years	10 years	10 years
5.5. Exemption from corporate income tax for amounts not exceeding (Adjustable to capital investment amount excluding cost of land and working capital).	Baht 60.00 million	Baht 15.12 million	Baht 46.13 million	Baht 76.27 million

The Company had strictly comply with certain terms and conditions stipulated in the promotional certificates.

(3) Raw material sourcing and raw material purchase proportion

The main raw material in the Company's production is ready-made woven fabrics, finished knit fabric, finished dyed leather. The secondary materials are sewing threads, buttons, zips, raw materials that used to make finished good, metal parts such as buckles, logo, rings, assembly parts for leather products and raw materials used for packaging such as bags, paper tags, boxes, etc.

The raw materials sourcing, it is purchased from 65% domestic sources and 35% imported from overseas; Italy, France, Australia, USA, China, Hong Kong, Japan and Asian countries etc. Domestic purchasing is from major manufacturers which has a management system and a standardized production control system environmental friendly. In addition, the company has jointly invested with an affiliated manufacturing company (Saha Value Chain) to establish a manufacturing and raw material development plant in Thailand such as

Erawan Textile Co., Ltd produces yarn and woven fabrics,
SSDC (TIGERTEX) Co., Ltd. produces of Bleaching, Dyeing and Finishing of Fabric,
Thai Gunze Dyeing Co., Ltd. produces underwear products,
TPCS Co., LTD produces lining, Spunbond nonwovens
Thai Stafflex Co., Ltd. produces lining fabric,
Thai Naxis Co., Ltd. produces woven labels, branded fabrics, printed fabrics,
FUJIX International Co., Ltd. produces sewing threads Japanese standard quality

To reinforce competitiveness and to continue product development, the Company has started Supplier and Sub-contractor control and assessment system in accordance with ISO9001. The system will assure the production and labor will meet international standard, the fair selection of suppliers for business operation, legal compliance, consideration on stakeholders, respect to humanity, the manufacturing process that is environmental-friendly, no use of hazardous paints and chemicals and anti-corruption.

The severe impact from Covid-19 pandemic affects the world economy, recession in trading and many manufacturing bases. The dramatic drop of market situation and consumers' demand slightly fluctuates prices of raw materials. However, the price variation may be dramatic after the economic recovery. The Company is always prudent and monitors the changes closely for the purchase of raw materials this year. The purchase is made systematically with stringent and transparent raw material inventory. Hence, the impact is considered minor. On the other hand, Thanulux has conducted a research and development on fabrics and raw materials continually, for example, development of new fabrics, control and testing of raw materials under international standard before feeding to the manufacturing process. All these efforts allow the effective cost and raw material inventory management.

Factories in which the company is located and production capacity

(Unit: Pieces)

Operators	Location	Category	Production capacity (unit) per year
Thanulux Public Company Limited	129/1 Chongnonthri Road, Chongnonthri, Yannawa, Bangkok	Garment	450,000
		Leather goods	60,000
	99/3 Moo 5 Saha Group Industrial Park-Lamphun, Paa-sak, Muang Lamphun, Lamphun	Leather goods	600,000
	125 Moo 5 Saha Group Industrial Park- Kabinburi, Suwannasorn Road, Nonthri, Kabinburi, Prachinburi	Garment	900,000
	269/15 Moo 15 Saha Group Industrial Park-Mae Sot, Mae Kasa, Mae Sot, Tak	Leather goods	240,000
Total			2,250,000

Capacity production and volume classified by product

(Unit: Pieces)

	Subsidiaries company			Thanulux Public Company Limited		
	2021	2020	2019	2021	2020	2019
Production capacity (unit)						
Finished garments	-	-	165,000	1,350,000	1,350,000	2,000,000
Leather goods	-	-	-	900,000	860,000	1,000,000
Total	-	-	165,000	2,250,000	2,210,000	3,000,000
Actual production (unit)						
Finished garments	-	-	132,266	1,427,521	1,127,730	1,775,700
Leather goods	-	-	-	594,553	590,434	779,747
Total	-	-	132,266	2,022,074	1,718,164	2,555,447
Capacity utilization (%)	-	-	80.16	89.87	77.74	85.18
Output increase (decrease) (%)	-	(100.00)	(24.45)	17.69	(32.76)	(14.88)

Note: The subsidiaries were in the process of dissolving its business.

The Company has manufactured 1,533,403 additional masks in 2021 and 545,596 units in 2020.

(4) Assets used in business

Fixed asset

The Company's fixed assets include land, building, and machine. All the assets have no encumbrance or being under any suretyship. Details are shown in Attachment 4.

Intangible asset

Trademark

The Company has signed the bilateral contract with the person trademark owner including owner or those franchisors in association with using trademark for manufacturing and distributing of apparel and leather wear. As stated in the contract, the royalty is subject to 3.5-7.5% of the sales volume.

The feasibility to renew trademark contract

The Company has strictly complied with the contractual conditions regarding keeping reputation of the trademark, maintaining the standard and quality of the product as if the owner or franchisor of each trademark would. The annual survey of trademark owner and/or franchisor on the market, sales and production always be satisfied. Thanks to the prolonged relation in collaborated business with them, including our success, those trademarks have become widely known in the market. Hence, the contract renewal is continued.

1.3 Shareholding Structure for Companies under Thanulux Group

1.3.1 Shareholding Structure



The Company has 2 subsidiaries, namely

1. S. Apparel Company Limited

- Apparel manufacturing and distribution
- Were situated at No. 4/2, Moo 8, Bangna-Trad Road, Km.18, Tambon Bangchalong, Amphoe Bangplee, Samut Prakarn Province.

2. Celebrate Wealth Company Limited

- Apparel distribution
- The office is situated at No. 129/1, Chongnonthri Road, Chongnonthri Sub-district, Yannawa district, Bangkok.

Group Task Allocation Policy

The Company and subsidiaries have collaborated in the development of products. Procurement of raw materials, production planning and manufacturing orders are undertaken by the Company.

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

Cross-Shareholding

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

Name of Company	Proportion (%)	
	The Company's Shareholding in other	Other Company Shareholding in the company
1. Shareholdings exceeding 50%		
(A) Other company holding more than 50% of the Company's share; the Company must not have cross-shareholding in the other company.	-	-
(B) The Company holding more than 50% of shares in other companies; the other company must not have cross-shareholding in the Company.		
1. S. Apparel Company Limited	99.99	-
2. Celebrate Wealth Co., Ltd.	87.76	-
(C) The Company holding more than 50% of shares in 2 or more other companies; such other companies must not have cross-shareholding amongst themselves.	-	-
The two subsidiary companies as (b) do not have cross-shareholding amongst		
2. Shareholdings exceeding 25% but not exceeding 50 %		
(A) Other company holding > 25% but < 50% of the Company's share; the Company's cross-shareholding in the other company must not exceed 10%	-	-
(B) The Company holding > 25% but < 50% of other company's share; the other company's cross-shareholding in the Company must not exceed 10%.	-	-
3. Shareholdings not exceeding 25%*		
(A) Other company holding not more than 25% of the Company's share; the Company's cross-shareholding in the other company must not exceed 25%		
* 1. Saha Pathana Inter-Holding Public Company Limited	0.93	24.93
2. I.C.C. International Public Company Limited	3.44	11.09
(B) The Company holding not more than 25% of other company's share; the other company's cross-shareholding in the Company must not exceed 25%.	-	-

Cross-Shareholding as at 31 December 2021

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

1.3.3 Business Relationship with the Company's major shareholding parties

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

1.3.4 Share Holder

(1.) Major Shareholder

(n) Top 10 Shareholders

The Company's 10 Major Shareholders as of 31 December 2021

	Name of Share Holder	Number of shares	%
1	Saha Pathana Inter-Holding Plc.	29,920,820	24.934
2	I.D.F. Co., Ltd.	16,000,000	13.333
3	Ramasorn Thaveekarn Co., Ltd.	15,101,700	12.585
4	I.C.C. International Plc.	13,307,040	11.089
5	Mr. Samreung Manoonpol	9,213,000	7.678
6	Mr. Boonsithi Chokwatana	4,655,220	3.879
7	Watsadoramai Co., Ltd.	2,800,000	2.333
8	Mrs.Sirina Pavarolavidya	1,881,140	1.568
9	Ms. Sirikul Pavarolarvidya	1,507,480	1.256
10	Ms. Marin Leelanuwatana	1,093,560	0.911
Total		95,479,960	79.57%

Note: Investors can see the updated shareholders' information from the Company website, www.thanulux.com, and prior to the 48th General Meeting of Shareholders.

Distribution of Shareholding as at the Book Closing Date on 31 December 2021, Categorized According to Type of Shareholder

Type of Shareholder	No. of shareholder	No. of share	%
Legal entity			
Thai Nationality	19	92,210,909	76.84
Foreign Nationality	-	-	-
Total Legal entity	19	92,210,909	76.84
Ordinary person			
Thai Nationality	244	27,585,431	22.99
Foreign Nationality	3	203,660	0.17
Total Ordinary person	247	27,789,091	23.16
Total	266	120,000,000	100.00

(2.) Investments in other companies

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

Company Name/Address	Type of Business	Type of Share	Issued Shares	Shares Hold	% of Shares Hold	Amount (Baht)
DISTRIBUTING COMPANIES						
1. Celebrate Wealth Co., Ltd. 129/1 Chongnonthri Rd., Chongnonthri, Yannawa, Bangkok Tel : 0-2294-9505 Fax : 0-2294-9506	Apparel	Ordinary	850,000	746,000	87.76	69,235,995.20
2. Saha Komehyo Co., Ltd. Room No. T28A1, 28th FL. Siam Piwat Tower, 989 Rama 1 Rd., Pathumwan, Pathumwan, Bangkok. Tel : 0-2251-3527 to 8 Fax : 0-2251-3529	Second hand products	Ordinary	1,350,000	135,000	10.00	13,500,000.00
3. Miwaki SDN. BHD. 37B, Jalan SS22/23, Damansara Jaya, 47400 Petaling Jaya Selangor Darul Ehsan, Malaysia Tel : (03) 719-4381 Fax : (03) 719-5399	Apparel	Ordinary	1,000,000	190,000	19.00	2,481,039.21
4. Miwaki Philippines, Inc. 25/F Yuchengco Tower, RCBC Plaza, 6819 cor. Ayala & Sen. Gil Puyat Avenues, Makati City, Philippines 1200 Tel : (632) 753-4791-2 Fax : (632) 753-4794	Apparel	Ordinary	20,800,000	3,952,000	19.00	3,317,590.00
5. International Commercial Coordination (Hong Kong) Limited Room 408, 4/F., Hope Sea Industrial Centre, 26 Lam Hing Street, Kowloon Bay, Kowloon, Hong Kong Tel : (852) 2756-5622 Fax : (852) 2753-8631	Apparel	Ordinary	50,000	7,200	14.40	3,822,438.85
6. World Saha Fashion Co., Ltd. 129/1 Chongnonthri Rd., Chongnonthri, Yannawa, Bangkok Tel : 0-2294-2250 Fax : 0-2294-2251	Apparel	Ordinary	50,000	9,500	19.00	9,500,000.00
7. Wise Winner Co., Ltd. 555/128-129 Ratchaphreuk Road Maha Sawat, Bang Krui, Nonthaburi Tel : 0-2101-6698 Fax : 0-2101-6698	Clothing and Sporting Goods	Ordinary	100,000	18,000	18.00	1,800,000.00

Company Name/Address	Type of Business	Type of Share	Issued Shares	Shares Hold	% of Shares Hold	Amount (Baht)
8. Morgan De Toi (Thailand) Ltd. 129/1 Chongnonthri Rd., Chongnonthri, Yannawa, Bangkok Tel : 0-2295-1737, 0-2295-1730 Fax : 0-2294-1757	Apparel	Ordinary	400,000	64,000	16.00	6,400,597.59
9. Paknumpo Wattana Co., Ltd. 310/47-50 Sawanvithi Road, Paknumpo, Muang, Nakornsawan Tel : (056) 222-354, 223-683 Fax : (056) 223-683	Apparel	Ordinary	10,000	1,400	14.00	1,037,442.00
10. Intanin Chiangmai Co., Ltd. 162/2 Changklan Road, Changklan Muang, Chiangmai Tel : (053) 274-514-15, 282-598-9 Fax : (053) 282-358	Apparel	Ordinary	5,000	625	12.50	2,781,362.50
11. Koraj Wattana Co., Ltd. 3/44-47 Troksoathong, Mukamontree Road, Muang, Nakhonratsima Tel : (044) 253-772 Fax : (044) 261-556-9	Apparel	Ordinary	10,000	1,250	12.50	1,527,575.00
12. Sun & Sand Co., Ltd. 74/220-224 Phoon-pon Road, Muang,Phuket Tel : (076) 213-137, 223-984-5 Fax : (076) 213-137	Apparel	Ordinary	10,000	1,250	12.50	1,498,637.50
13. Intersouth Co., Ltd. 229-231 Dhamnoonvithi Road, hadyaiSongkhla Tel : (074) 243-850, 245-019 Fax : (074) 356-339	Apparel	Ordinary	10,000	1,250	12.50	4,285,612.50
14. Eastern I.C.C. Co., Ltd. 90/5-6, 8 Moo 4, Pipit Road, Bangsai, Muang, Cholburi Tel : (038) 285-194 Fax : (038) 285-194	Apparel	Ordinary	10,000	1,250	12.50	2,938,062.50
15. Maharachapreuk Co., Ltd. 470/7 Praaongdam Road, Muang, Phitsanulok Tel : (055) 212-288-90 Fax : (055) 212-288	Apparel	Ordinary	10,000	1,200	12.00	415,584.00

Company Name/Address	Type of Business	Type of Share	Issued Shares	Shares Hold	% of Shares Hold	Amount (Baht)
MANUFACTURING COMPANIES						
1. S. Apparel Co., Ltd. 4/2 Moo 8, Bangna-Trad Rd., KM.18 Bangchalong, Bangplee, Samutprakarn Tel : 0-2337-1657-8 Fax : 0-2337-1659	Garment	Ordinary	180,000	179,998	99.998	20,583,208.27
2. Total Way Image Co., Ltd. 129/1 Chongnonthri Rd., Chongnonthri, Yannawa, Bangkok Tel : 0-2295-4171-9 Fax : 0-2294-5101	Leatherware	Ordinary	200,000	38,000	19.00	7,132,316.93
3. Thai Monster Co., Ltd. 129/1 Chongnonthri Rd., Chongnonthri, Yannawa, Bangkok Tel : 0-2295-4171-9 Fax : 0-2294-5101	Garment	Ordinary	50,000	9,500	19.00	5,548,942.47
4. Thai Naxis Co., Ltd. 222 Moo 5, Suwannasorn Rd., Nonthri, Kabinburi, Prachinburi Tel : (037) 205-145-7 Fax : (037) 205-229	Label	Ordinary	200,000	38,000	19.00	4,700,000.00
5. International Leather Fashion Corp., Ltd. 129/1 Chongnonthri Rd., Chongnonthri, Yannawa, Bangkok Tel : 0-2295-4171-9 Fax : 0-2294-5101	Leatherware	Ordinary	500,000	90,000	18.00	8,810,100.00
6. Erawan Textile Co., Ltd. 49 Moo 3 Poochaosamingprai Rd., Samrongtai,Prapradaeng, Samutprakarn Tel : 0-2183-3898-9 Fax : 0-2183-3916	Spun yarn and fabrics manufacturing	Ordinary	6,214,634	922,468	14.84	17,726,177.91
7. Champ Ace Co., Ltd. 3885/2 Bangklo, Bangkorleam, Bangkok Tel : 0-2291-2533-4 Fax : 0-2291-2537	Garment	Ordinary	400,000	60,000	15.00	6,000,000.00
8. People's Garment Public Co., Ltd. 666 Rama 3 Rd., Bangpongpan, Yannawa, Bangkok Tel : 0-2685-6500 Fax : 0-2294-5159	Garment	Ordinary	96,000,000	13,484,000	14.05	52,683,587.15

Company Name/Address	Type of Business	Type of Share	Issued Shares	Shares Hold	% of Shares Hold	Amount (Baht)
SERVICE COMPANIES						
1. SSDC (Tigertex) Co., Ltd. 111 Moo 5, Nonthri, Kabinburi, Prachinburi Tel : (037) 281-930, 281-932 Fax : (037) 281-937	Bleaching, Dyeing Fabric and Yarn	Ordinary	32,400,000	6,144,600	18.96	68,634,718.97

(3.) Agreement between major shares

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

1.4 Amount of registered capital and paid-up capital

Amount of registered capital and paid-up capital

Thanulux Public Company Limited is a listed company on the Stock Exchange of Thailand (SET), its trading abbreviation is "TNL" ordinary shares as of 31 December 2021 of Thanulux Public Company Limited has a registered 120 million baht and paid up capital 120 million baht divided into ordinary shares 120 shares with a par value of 1 baht per share.

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

- None -

Shares or Convertible Securities

- None -

1.5 Issuance of other securities

- None -

1.6 Dividend Payment Policy

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

Thanulux Plc.	2021	2020	2019	2018	2017
Earnings per share (Baht)	0.51	0.07	1.12	1.68	1.30
Dividend per share (Baht)	*0.50	0.07	0.55	0.75	0.70
Payout ratio (%)	98.37	105.40	49.01	44.53	54.02

Note *The Board of Directors Meeting No. 1/2022 adopted a resolution to propose to the 48th General Meeting of shareholders, which is to be held on April 26, 2021, the approval of dividend payment at the rate of Baht 0.50 per share.

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

2 Risk management

2.1 Risk Management Policy and Plan

The Company realizes the importance of sustainable risk management and promote the risk management as an integral part of the corporate governance as to enhances added value to the corporation. The risk analysis is conducted continuously with the consideration of internal and external factors that cover all aspects. All these efforts contribute to preparation of individual department's risk management into a solid format to cope all operations at an acceptable level.

2.2 Risk Assessment of each department

2.2.1 Distribution channels

Upon the COVID-19 outbreak from 2020, which poses severe affects to the Company's business operation, especially the domestic scale via offline platforms, i.e., department stores, stores. Majority of the customer deviated their buying pattern more to an online channels. Eventually, the parts of our stores are canceled and allocated to online resources. Regarding the overseas market, thanks to the positive impact as a result of China-US trade war, the purchase orders has increased. Another favorable event is the growth of both offline and online sales and the weakening Thai Baht. Nonetheless, the economic recovery of each country will take time, and the Company has prepared the marketing risk management plan as below.

Domestic markets

- 1) Licenses brand: The Company joins hands with the partner in developing innovative products which highlight the improvement on quality and price that meet the need of the target groups while the online sale channels are expanded.
- 2) The Company develops and manufactures own house brand for distribution within own stores, fairs, factory outlets within Sahaphat Group and the online channels.
- 3) Special design and production of uniforms for government officers to boost up sales volume
- 4) Product development, manufacturing and procurement for sale during COVID-19 crisis, i.e., fabric masks, PPE (personal protective equipment, low-dead space syringe, wet tissue paper and disinfectant wipes.

Overseas markets

With the policy to maintain the existing customer base which potentially for expansion while in search of the new customers in existing and new markets, the Company is committed in development of its products and manufacturing techniques under collaboration with the customers, including the search for quality raw materials.

2.2.2 COVID-19 Pandemic

Amid the prolonged outbreak of COVID-19, the Company has learned to cope with the crisis by appointing a special unit to communicate and ensure employee's understanding regarding the practices when being infected with COVID-19 or the preventive measures. The said unit also monitor and assesses the situation, studies and designs safety measures and practices guideline during the outbreak. The unit sets up screening point before entering officer building. Every employee must wear a face mask at all times and fill in the assessment form every week. In addition, there are preparations that cover many aspects as follows.

1) Hygiene care within the organization: The Company has imposed a measure to prevent the COVID-19 outbreak to be consistent with the public health measure, coordinate with related entities to accelerate the vaccination progress for employees in Bangkok and provincial branches with an intention to create herd immunity within the organization. Moreover, the Company has establish an additional measure of random test for COVID-19 with a weekly ATK kit. The Company collaborates in providing a field hospital, necessary equipment to facilitate employees within the Sahaphat Industrial branch to create bubble and seal among employees and community residents. All these efforts are to ensure the safety and hygiene of our employees and to take responsibility of the society and community for the living in harmony. The Company also provides medicine and necessities for the employees who are infected with the COVID-19 virus with contribution from the executive and employees.

2) The process in manufacturing is as below.

- Prepare raw materials in advance for the order with precise shipment schedule.
- Arrange alternative manufacturing venue to reduce the congestion within the factory. Install the fans instead of air-conditioners.
- Set up screening point, isolate the employees from the risk group. Coordinate with the local public health entity to proceed in compliance with the disease control approach of the Public Health Ministry.

3) During the lockdown, the domestic turnover declined. To cope with the situation, the Company provided the products that meet the situation, for instance, syringes, PPEs to boost up the sales. In the meantime, the online sale channels are also promoted.

2.2.3 Entering the Digital Technology Era

The Company has applied digital technologies to the business operation with an intention to create new things as well as to adjust business process in response to the volatility of the business and market situation, to enhance the performance and time of operation. Moreover, the new normal lifestyle which is a result of COVID-19 crisis is another factor that stimulates the Company's direction toward digital technology in order to enhance the flexibility in business operation, to leverage competitiveness, to create uniqueness in business identity or to create new business opportunities.

With more and more application on digital tools in business operation, there is a risk of cyber attack on the Company's database. The cyber attack is developing continuously and becomes more complex, creating more damages to the affected parties. For example, losing delicate information, financial loss, reputation impact, lack of confidence, business disruption or corporate reputation.

The Company has arranged the information technology security management with the Data Loss Prevention (DLP) to check and detect any suspicious events, for example, detection of cyber thread, ransomware detection, PDPA. There are specific measures imposed on various matters, for instance, notification of personal data policy, and data use request, data owner's right, data leakage management. Moreover, the Company arranges training courses to pass on knowledge and understanding on the personnel through the entire corporation. The Company also implement the business continuity plan and the Disaster Recovery Plan (DRP) with an annual drill every year.

2.2.4 Exchange rate

In 2021, overall economic situation is not fully recovered due to the COVID-19 pandemic. Our business operation has declined as a result of the global supply chain. Such affects the Company's business which involves the trading with foreign currency where the risk is at the exchange rates such as JPY, USD and EUR.

The Company has prepared risk management plan by analyzing and monitoring the exchange rate trend closely, signing the forward contracts based on the preventive measure on the risk of foreign currency. The income and expense in foreign currency is managed in natural hedge with the management summary report on the exchange rate fluctuation. Purchase orders from the customers with foreign currency are estimated and reported to the Risk Management Committee on a quarterly basis.

2.2.5 Investment and liquidity management

The COVID-19 outbreak in 2019 poses dramatic change in economy and finance field. The interest reduction policy keeps the yield upon investment at a low scale. Realizing such a situation, the Company has optimized the investment plan by considering the liquidity risk of the assets for investment in order to prevent the risk of illiquid where the Company will not be able to dispose the assets immediately when in need of cash.

For risks of yield upon investment and liquidity of cash and financial assets, the Company has managed the excess quick capital in the form of deposits with a commercial bank, government bond, money market fund and debt instruments, corporate bonds. All these transactions are under consideration of the Risk Management Committee, Executive Committee and the Board of Directors. The Asset-Liability Management Committee is responsible for a close monitoring and reporting to the Executive Committee and Risk Management Committee on a quarterly basis.

2.2.6 Receipt of debt payments

Upon an assessment on the risk of granting credit in commercial purpose, based on the consideration of credit of each customer, the Company will check financial status of every new customer before releasing the credit. In addition, the Company has applied for the risk insurance for the customer of high value purchase, required to have the trade receivables period reported to the executives regularly to monitor the transaction that could lead to the damages.

However, most of the customers are not due and the credit term does not pose any effect on the Company's liquidity and financial status.

2.2.7 Human Resource Management

From the previous year, there are still risk factors on the COVID-19 outbreak crisis which affect the business operation. Eventually, the human resource management and development must be swiftly adjusted, especially, the hygiene care and personnel safety. Furthermore, the Company strives to manage and develop human resources in order to enhance knowledge and working skills of employees effectively under the 'new normal' style. Followings are the strategies on our human resource management to cope with the personnel risks.

1) The Company has adjusted into the flat organization to enhance the flexibility and mobility in the management. The reorganization includes reduction of job level to optimize the management efficiency. The concept is communicated to employees of all levels to ensure their understanding and recognizing the career path. Furthermore, there are a review and proportionate of labor force to support digital business and new business to be persistent with the recent direction and the new organization structure. The Company concentrates on seeking for a person with experience in the E-Commerce and Digital marketing to build up the competitiveness in the current situation.

2) In prioritizing the preparing and developing successor plan, the Company has established the successor plan after the meeting of People Development Committee with a focus on a review of successor nomination and development procedures, highlighting the competency gap assessment of the current person holding the position (Incumbent Assessment). The target is to develop the current and next executives. Furthermore, the Company also considers the person with advance potentiality from out of the Company to supplement the part where the corporation will need to cope with the business approach.

3) Developing personnel and propelling the organization with performance In 2021, the Company concentrates on the development and management of human resource basing on the Performance Management System by using the goal setting or performance indicator of individual person which is persistent with the corporate strategy and the work plan set forth. The Company provided training courses and workshops for the head of divisions and higher, which is the leading

group to ensure their understanding of the clear work goal. The Company recognizes the importance of the performance feedback to improve work and accomplish the work result set in place. In addition, the personnel development program for the year 2021 - 2021 also aims to improve the digital skill, which covers the sales and digital marketing skills as well as the digital application to enhance employees' performance at work.

2.2.8 Compliance with the rules, regulations, and relevant laws

The Company requires audit and performance assessment to ensure the compliance with the relevant laws. In this regards, the legal department is responsible for supervising and monitoring the laws related to business operation which may be changed or amended. The legal department will disseminate and create the understanding among the personnel regularly.

2.2.9 Fraud and Corruption

The Company conducts business with honesty, transparency, promotes the employees and executives to be aware of the importance of the anti-corruption and fraud by joining the Thai Private Sector Collective Action Against Corruption or CAC. Furthermore, there is the Charter, code of practices and channels for whistleblowing and reporting complaints under the whistleblower protection measure. The Company has appointed the Anti-Corruption Working Group to be responsible for assessment, review, monitor, communication and report to the executives on a regular basis.

2.2.10 Environmental Management

For over years of business operation, the Company manufactures and distributes ready-made apparels and leather products with a solid endeavor to empower the business for the growth together with responsibility on the society and environment, taking into account the benefits of stakeholders. The Company has policy and work plan on environmental management, i.e., energy consumption, water consumption, waste management, waste and pollution. The Company prioritizes the efficient use of resources which helps in developing and mitigating impacts to the environment.

3 Business driving for sustainability

3.1 Sustainable management policy and goals

The Company has strong determination and support on implementing sustainable development policy consisting of 3 main elements

1. Human resource development and sustainable competency development.
2. Innovative management.
3. Reduction of direct and indirect impact to the environment.

With these factors being applied, organizational culture “SMART” will drive the economy, society and environment under good corporate governance principles. There are also including the anti-corruption in the context of responsibility to create a valuable organization for sustainable business, as well as supply chain management, appropriate and timely risk management, Customer relationship management, and community development

S : Synergy
 M : Moral & Ethic
 A : Active to Quality
 R : Responsibility for Social
 T : Transform to Digital Culture

- In terms of economy, the Company develop a product with continual innovation launch and leverages the use of modern IT system and technology to optimise performance.
- For society, the Company commits to enhance human resource ability by educating and adding digital communication with an aim to cultivate digitalization corporate while caring for all stakeholders.
- For environment, the Company recognizes the need to minimize impact to environment and effective use

3.2 Management managing stakeholder impacts in the business value chain

Addressing the importance of supply chain management, the Company has determined a business operation policy that is transparent and effective to achieve the target and success. Emphasis on data analysis, research

and new technologies to conform to customers' demands. We procure and provide a manufacturing process that yields effectiveness. Provide various distribution channels. Develop the systematic storage and delivery, including the after sales service.

The Company has the policy to manage a sustainable supply chain, treat vendors with fairness and equality, adhere to corporate governance and ethics, transparency, and traceability. We create a positive relation and collaboration to develop products and services to run our business sustainably.

3.3 Sustainability management in the environmental dimension

The company takes care of stakeholders of all groups to ensure their highest satisfaction. With an aim to become an organization that creates happiness at work, to cultivate among employees, social and environmental responsibility, to raise their awareness of voluntary mind and consciousness about environmental aspects. The Company has established resource management plan to return benefit in the long term. Our environmental activities are launched in coupling with business operation, from selecting a supplier with awareness on environment, implementing the production process that minimizes environmental impact, and the eager to help and develop the community for sustainable growth.

3.4 Sustainability management in the social dimension

Human resource is a essential factor in driving an organization to achieve the targeted goal and to divert business into the planned direction. Therefore, the Company emphasises the need for human resource management and development which deemed as the heart of surviving amid the situation where the external factors, politics, society, economy and technology are fluctuating. If the organization and human resource are able to make a change in response to the change, it will cause prosperity and sustainable growth.

**Note; For more guidance and results information, its shown in the 2021 Sustainability Report.*

4 Management's discussion and analysis

4.1 Performance of The Company and its Subsidiaries (referred as the "Group")

4.1.1 Performance Analysis

For the year 2021, the Group generated Baht 1,438.40 million in total revenue, an increase of 14.98% from 2020. Total sales increased 19.08%, came from Domestic sales increased by 8.24% and Export Sales increased by 37.81% because of The Group expanded its sales channels in corporate customers and online channel to replace the old domestic sales channels that have not recovered. In addition, including Baht depreciation comparing to Euro, US Dollars and Japanese Yen and the existing customers increased their orders from the expansion of online distribution channels.

Net profit was Baht 62.64 million, an increase of 482.28% from 2020 because of total revenue increased from the last year, as a result of the increasing of sales proportion of products which higher price. The Company will continuously assess and monitor the business situation and will consider sizing the production capacity to be appropriate in accordance with the situation and various measures as necessary for cost control to reduce the business impact of the coronavirus disease (COVID-19) epidemic situation that continues to spread.

4.1.2 Performance for the Completed Period

Total Revenue

The Group generated total revenue of Baht 1,438.40 million in 2021, an increase of Baht 187.44 million or 14.98% from 2020 due to an increase of sales revenue by Baht 213.52 million but other revenues decrease Baht 26.08 million.

Unit : million Baht

	2021		2020		2019		Change Increase (Decrease)			
	Amount	%	Amount	%	Amount	%	2021/2020	%	2020/2019	%
Sale Revenue	1,332.66	92.65	1,119.14	89.46	1,633.19	91.61	213.52	19.08	(514.05)	(31.48)
Other Revenue	105.74	7.35	131.82	10.54	149.67	8.39	(26.08)	(19.78)	(17.85)	(11.93)
Total Revenue	1,438.40	100.00	1,250.96	100.00	1,782.86	100.00	187.44	14.98	(531.90)	(29.83)

Sales Revenue

During 2021, The Group generated sales revenue amounted to Baht 1,332.66 million, an increase of Baht 213.52 million or 19.08% from 2020, detail as below.

Unit : million Baht

Consolidated Financial Statement	2021		2020		2019		Change Increase (Decrease)			
	Amount	%	Amount	%	Amount	%	2021/2020	%	2020/2019	%
Domestic	767.22	57.57	708.83	63.34	1,139.49	69.77	58.39	8.24	(430.66)	(37.79)
Oversea	565.44	42.43	410.31	36.66	493.70	30.23	155.13	37.81	(83.39)	(16.89)
Total Sales Revenue	1,332.66	100.00	1,119.14	100.00	1,633.19	100.00	213.52	19.08	(514.05)	(31.48)

- **Domestic sales** : In 2021, sales revenue amounted to Baht 767.22 million, an increase of Baht 58.39 million or 8.24% from 2020. In 2021, the overall Thai economy continues to slow down due to the impact of the new coronavirus (COVID-19) epidemic situation around the world. Thailand continues to face the epidemic that affects the Thai economy in all business sectors and the tourism sector has not yet recovers from the country's lockdown measures to curb the spread of the disease. Therefore, the company had to restructure its business; enhance the team to expand the corporate channels that still have sales opportunities and online sales channels to meet the changing consumer behavior. As well as expanding the medical product portfolio that is growing during the coronavirus (COVID-19) epidemic situation.

• **Export Sales** : In 2021, a sales revenue amounted to Baht 565.44 million, an increase from 2020 of Baht 155.13 million or 37.81% due to the increasing demand of trading partners from the expansion of online distribution channels and also benefit from the volatility of the exchange rate as the baht depreciates against the currencies of its partner country. The Group improving quality and services to meet the needs of customers and continually increase competitiveness. For exchange risks, the Group had used financial tools to manage them.

• **Other Revenues** : In 2021, The Group generated other revenues amount Baht 105.74 million, a decrease from 2020 of Baht 26.08 million or 19.78% due to the Company had received the dividends decrease to Baht 7.90 million, interest income decrease to Baht 4.76 million and in 2020 had income of building transfers, free of charge, from tenants Baht 9.65 million

Costs of goods sold and Selling and Administrative Expenses

Unit : million Baht

Consolidated Financial Statement	2021		2020		2019		Change Increase (Decrease)			
	Amount	%	Amount	%	Amount	%	2021 / 2020	%	2020 / 2019	%
Domestic	1,332.66	100.00	1,119.14	100.00	1,633.19	100.00	213.52	19.08	(514.05)	(31.48)
Oversea	950.88	71.35	827.83	73.97	1,190.84	72.91	123.05	14.86	(363.01)	(30.48)
Total Sales Revenue	381.78	28.65	291.31	26.03	442.35	27.09	90.47	31.06	(151.04)	(34.14)

Cost of Goods Sold

In 2021, The Group's proportion of cost of goods sold to sales revenue was 71.35% compared to 73.97% in 2020 due to the increasing sales volume compared to last year and the increasing of sales proportion of products which higher price. The Group's will consider to various measures as necessary for cost control and resizing the production force to suit the sales situation.

Unit : million Baht

Consolidated Financial Statement	2021		2020		2019		Change Increase (Decrease)			
	Amount	%	Amount	%	Amount	%	2021 / 2020	%	2020 / 2019	%
Sales Revenue	112.50	8.44	94.20	8.42	144.03	8.82	18.30	19.43	(49.83)	(34.60)
Costs of Goods Sold	296.19	22.23	324.09	28.96	360.49	22.07	(27.90)	(8.61)	(36.40)	(10.10)
Gross Profit	13.36	1.00	(9.51)	(0.85)	(3.77)	(0.23)	22.87	240.48	(5.74)	(152.25)

* Proportional to Sale Revenues

Selling and Administrative Expenses

In 2021, The Group had selling expenses of Baht 112.50 million, an increase of Baht 18.30 million or 19.43% from 2020 due to the Company had expenses in expanding distribution channels for offline and online.

Administrative Expenses of Baht 296.19 million, a decrease of Baht 27.90 million or 8.61% from 2020 due to the Group will consider to various measures as necessary for cost control to reduce the business impact.

Income tax expense

The Group's corporate income tax for the year 2021 was Baht 13.36 million, an increase of Baht 22.87 million or 240.48% from 2020 due to the Group did not have any corporate income tax, in addition the estimated of Deferred income tax increased from previous year resulted to the income tax expense in the Statement of Comprehensive Income was Baht 13.36 million, as detailed below

Unit : million Baht

Consolidated Financial Statement	2021	2020	2019	Change Increase (Decrease)			
	Amount	Amount	Amount	2021 / 2020	%	2020 / 2019	%
Corporate Income tax expense for the year	-	-	-	-	-	-	-
Reconciled with deferred income tax							
- Retirement benefits obligation	1.16	7.23	(2.10)	(6.07)	(83.96)	9.33	444.61
- Consignment goods (increase) decrease	(3.36)	(1.28)	(1.89)	(2.08)	(162.50)	0.61	32.28
- Depreciation of fixed assets	0.27	1.35	0.59	(1.08)	(80.00)	0.76	128.81
- Allowance for slow - moving stock	0.92	(1.68)	(0.37)	2.60	154.76	(1.31)	(354.05)
- Leases	(0.46)	(0.11)	-	(0.35)	(318.18)	(0.11)	(100.00)
- Tax loss carried forward	14.83	(15.02)	-	29.85	198.74	(15.02)	(100.00)
Total deferred income tax	13.36	(9.51)	(3.77)	22.87	240.48	(5.74)	(152.39)
Income Tax Expenses on Consolidated Financial Statement	13.36	(9.51)	(3.77)	22.87	240.48	(5.74)	(152.39)

Profit

Unit : million Baht

Consolidated Financial Statement	2021		2020		2019		Change Increase (Decrease)			
	Amount	%	Amount	%	Amount	%	2021 / 2020	%	2020 / 2019	%
Sales Revenue	1,332.66	92.65	1,119.14	89.46	1,633.19	91.61	213.52	19.08	(514.05)	(31.48)
Other Revenues	105.74	7.35	131.82	10.54	149.67	8.39	(26.08)	(19.78)	(17.85)	(11.93)
Total Revenues	1,438.40	100.00	1,250.96	100.00	1,782.86	100.00	187.44	14.98	(531.90)	(29.83)
Cost of Goods Sold	950.88	* 71.35	827.83	* 73.97	1,190.84	* 72.91	123.05	14.86	(363.01)	(30.48)
Gross Profit	381.78	* 28.65	291.31	* 26.03	442.35	* 27.09	90.47	31.06	(151.04)	(34.14)
Selling and Administrative Expenses	410.82	28.56	420.58	33.62	507.11	28.44	(9.76)	(2.32)	(86.53)	(17.06)
Impairment Loss on investment, net	-	-	-	-	0.30	0.02	-	-	(0.30)	(100.00)
Finance Costs	0.73	0.05	1.03	0.08	0.07	0.00	(0.30)	(29.13)	0.96	1,371.43
Income Tax Expense	13.36	0.93	(9.51)	(0.76)	(3.77)	(0.21)	22.87	240.48	(5.74)	(152.25)
Net Profit for the Year	62.61	4.35	11.03	0.88	88.31	4.95	51.58	467.63	(77.28)	(87.51)
Owners of the parent company	62.64	4.35	10.76	0.86	89.61	5.03	51.88	482.16	(78.85)	(87.99)
Non-controlling interests	(0.03)	(0.00)	0.27	0.02	(1.30)	(0.07)	(0.30)	(111.11)	1.57	120.77
Return on Equity (ROE)	1.61%		0.28%		2.38%		1.33%		(2.10%)	
Return on Asset (ROA)	1.42%		0.25%		2.05%		1.17%		(1.80%)	

* Proportional to Sales Revenue

Gross Profit

The Group's gross profit margin for the year 2021 was Baht 381.78 million, an increase of Baht 90.47 million or an increase of 31.06% from 2020, due to an increase of sales and the management of costs and expenses is more efficient.

Profit attributable to equity holders of the Company

The Group's net profit attributable to equity holders of the Company in 2021 was Baht 62.64 million, an increase of Baht 51.88 million or 482.16% from 2020, due to the increasing of operating profit according to the reasons mentioned above. Net profit was 4.35%, previous year 0.86%. Return on assets was 1.42%, previous year 0.25%.

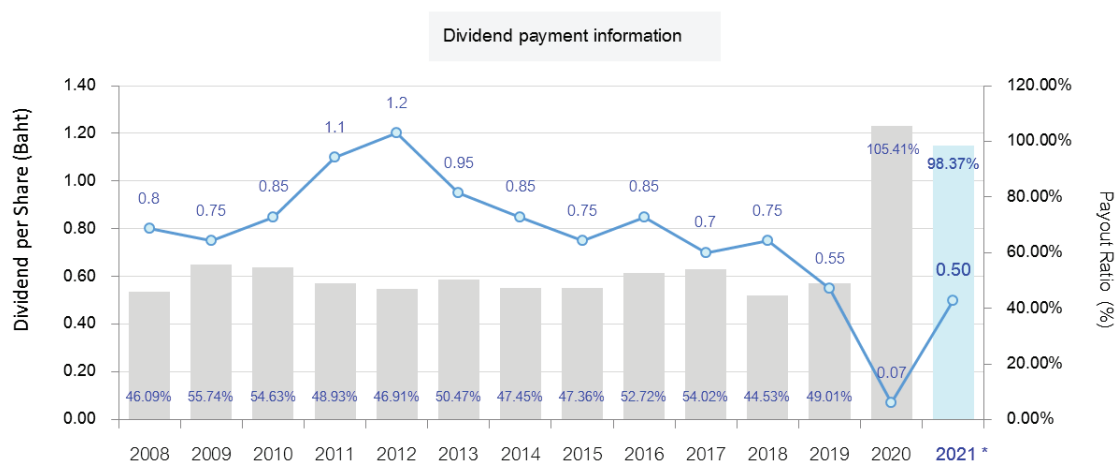
Return on Equity

Return on equity in 2021 was 1.61% while previous year was 0.28% due to the increasing of net profit.

The company has a policy of paying dividends to shareholders at the rate of Baht 0.20 per share, which is equivalent to 20 percent of the par value. However, payment is principally subject to the Company's operating results and economic conditions. Dividend payments would be made from net earnings and retained earnings.

In 2021, the Company earned net profits as evidenced by the Separate financial statements in the amount of Baht 60.99 million equaled to Baht 0.51 per share. The Board of Directors Meeting No.1/2022 on 21st February 2022 agree to propose the General Meeting of Shareholders on 26th April 2022 to approve dividend payments at Baht 0.50 per share, totaling Baht 60.00 million. Payout Ratio was 98.37% and will be paid on 25th May 2022.

Separate Financial Statements	Units	2021	2020	2019	Change Increase (Decrease)			
			Amount	Amount	2021 / 2020	%	2020 / 2019	%
Owners of the parent company	Million Baht	60.99	7.97	134.66	53.02	665.24	(126.69)	(94.08)
Total Shares	Million Share	120.00	120.00	120.00	-	-	-	-
Earning per Share	Baht / Share	0.51	0.07	1.12	0.44	665.24	(1.05)	(94.08)
Dividend per Share	Baht / Share	0.50	0.07	0.55	0.43	614.29	(0.48)	(87.27)
Total dividend Paid	Million Baht	60.00	8.40	66.00	51.60	614.29	(57.60)	(87.27)
Dividend Payout Ratio	%	98.37%	105.41%	49.01%	(7.04%)		56.40%	



Note: * The Board of Directors has resolved to pay a dividend of 0.50 Baht per share and propose to the Annual General Meeting of Shareholders for approval on April 26, 2022.

4.2 Financial Position

4.2.1 Assets

Components of Assets

Consolidated Statement of Financial Position as of December 31

Unit : million Baht

งบการเงินรวม	2021		2020		2019		Change Increase (Decrease)			
	Amount	%	Amount	%	Amount	%	2021 / 2020	%	2020 / 2019	%
Cash and Cash equivalents	213.99	4.76	85.42	1.97	29.83	0.68	128.57	150.52	55.59	186.36
Short-term Investments	-	-	-	-	545.88	12.51	-	-	(545.88)	(100.00)
Trade and Other Accounts Receivables	201.16	4.48	197.34	4.55	277.63	6.36	3.82	1.94	(80.29)	(28.92)
Inventories, net	389.17	8.66	331.10	7.63	354.76	8.13	58.07	17.54	(23.66)	(6.67)
Other current financial assets	484.20	10.77	648.97	14.96	-	-	(164.77)	(25.39)	648.97	100.00
Other Current Assets	52.57	1.17	80.08	1.85	79.97	1.83	(27.51)	(34.35)	0.11	0.14
Total Current Assets	1,341.09	29.84	1,342.91	30.97	1,288.07	29.53	(1.82)	(0.14)	54.84	4.26
Other non - current financial assets	2,585.08	57.53	2,404.37	55.44	-	-	180.71	7.52	2,404.37	100.00
Long-term Investments	-	-	-	-	2,492.25	57.14	-	-	(2,492.25)	(100.00)
Property, Plant and Equipment (net)	346.93	7.72	371.85	8.57	444.71	10.20	(24.92)	(6.70)	(72.86)	(16.38)
Investment property - net	106.49	2.37	109.31	2.52	62.41	1.43	(2.82)	(2.58)	46.90	75.15
Other Non-current Assets	114.20	2.54	108.37	2.50	74.44	1.71	5.83	5.38	33.93	45.58
Total Fixed Assets	3,152.70	70.16	2,993.90	69.03	3,073.81	70.47	158.80	5.30	(79.91)	(2.60)
Total Assets	4,493.79	100.00	4,336.81	100.00	4,361.88	100.00	156.98	3.62	(25.07)	(0.57)

Current Assets

As of 31st December 2021, The Group posted Baht 1,341.09 million in total current assets, decrease from the previous year of Baht 1.82 million, mainly due to:

- Other current financial assets amount Baht 484.20 million decreased Baht 164.77 million from Short-term investment that maturity which the business holds as cash and cash equivalents pending investment timing. It also invests in other non-current financial assets to manage excess liquidity for high returns.
- Other current assets amount Baht 52.57 million decreased Baht 27.51 million from Right to returned goods a decrease Baht 22.40 million and Short-term loans to related companies a decrease Baht 5 million.

Non-Current Assets

As of 31st December 2021, the Group posted Baht 3,152.70 million in non-current assets, increased by Baht 158.80 million from the previous year. This was mainly due to:

- Other non-current financial assets amount Baht 2,585.08 million increased Baht 180.71 million was a result of from long-term investments in securities and debt instruments to manage excess liquidity and increments from financial assets designated at fair value.

4.2.2 Assets Quality

Trade Accounts Receivable

In 2021, trade accounts receivable before deduction for allowance for doubtful accounts, and allowance for sales returns was Baht 165.09 million, an increase by Baht 6.46 million. It comprised of Baht 46.01 million or 27.87% related trade accounts receivable and Baht 119.08 million or 72.13% other trade accounts receivable. (2020 related trade accounts receivable Baht 95.81 million or 60.40% and other trade accounts receivable Baht 62.82 million or 39.60%.)

Aging of Trade Accounts Receivable

Unit : million Baht

	total amount	within credit term		overdue					
				less than 3 months		3 to 6 months		more than 6 months	
		amount	%	amount	%	amount	%	amount	%
Related trade accounts receivable									
2021	46.01	42.29	91.91	1.82	3.96	1.90	4.13	-	-
2020	95.81	95.32	99.49	0.17	0.18	0.32	0.33	-	-
2019	134.14	129.85	96.80	4.29	3.20	-	-	-	-
Other trade accounts receivable									
2021	119.08	63.96	53.71	32.34	27.17	15.86	13.32	6.92	5.81
2020	62.82	51.74	82.36	2.44	3.89	8.01	12.75	0.63	1.00
2019	109.76	79.05	72.02	22.51	20.51	7.93	7.22	0.27	0.25

The Group might has risk for uncollectible debts amounted to Baht 6.91 million same amount as allowance for doubtful accounts. (2020: Baht 0.63 million)

Inventory

The Group measured the ending balance of inventory in financial statement at cost (weighted average) or net realizable value whichever was lower value. The Group had considered to reduce the value of inventory according to accounting standard and also managed consistently on balancing the inventory level in accordance with the market demand.

Other Non - Current Financial Assets (see additional information from Notes to the Financial Statements No.12), as below

Investments in debt and equity instruments at fair value through other comprehensive income**Listed equity investments**

Investments in listed securities were stated in the financial statements at fair value which was higher than the cost amounted to Baht 780.12 million. Dividend yield was 4.37%, previous year was 6.26%. (Dividend yield at fair value was 1.58%, previous year was 2.36%)

Debt securities

Investment in government bonds and debentures with rating over BBB and were stated in the financial statements at amortized cost.

Non - listed equity investments

Investment in unlisted equity securities were stated in the financial statements at cost net of allowance for impairment loss (if any) determined using Dividend Discount Model, Discounted Cash Flow and Book Value approaches determined by the Group's management and dividend yield was 3.56%. (Previous year was 3.67%)

Financial assets at amortization costs - debt securities held to maturity

Investment in debentures with rating over BBB and were stated in the financial statements at amortized cost.

The Group had received the return on long-term investments in pass year over the average of fixed deposit rates at 5 major commercial banks. Moreover, the Group benefited from the investment in supply chain companies, resulting in stability of raw material, which was in accordance with financial management policy of the Group.

Investment Properties

The Group has invested in land and building for aiming the benefits from rental and capital appreciation. The investment properties are stated at cost less accumulated depreciation, there were regularly review of fair value in accordance with accounting standard mentioned in Notes 16.

Property, Plant and Equipment (see additional information from Noted to the Financial Statements No. 17)

Land disclosed in the financial statements at cost which had been acquired by the Group for over a long period. So the current market price of such land had overwhelmingly exceeded the cost stated in the financial statements. Factory and office building were had improvements and repairs to suit the applications. Machinery and equipment are efficient and technologically advanced as the Group continuously improved technologies in production to replace the old machinery and had regularly maintenance. Moreover, for unused assets, the Group had already disposed it.

4.2.3 Liquidity

Components of Cash Flows

In 2021, the Group had cash and cash equivalent of Baht 213.99 million, year 2020 had Baht 85.42 million, increased of Baht 128.57 million. For liquidity management, the Group considers to invest in long-term securities and invest in fixed assets for improve efficiency in production, expand distribution channel to suit the current situation. Details of net cash flows classified by type to operating, investments and financing activities are as follows:

Unit : million Baht

Consolidated Cashflow Statement	2021	2020	2019	Change Increase (Decrease)			
	Amount	Amount	Amount	2021 / 2020	%	2021 / 2020	%
Cash Received (Used) from Operating Activities	(9.54)	18.17	0.07	(27.71)	(152.50)	18.10	25,857.14
Cash Received (Used) from Investing Activities	151.97	108.53	50.28	43.44	40.03	58.25	115.85
Cash Received (Used) from Financing Activities	(13.86)	(71.11)	(51.00)	57.25	80.51	(20.11)	(39.43)
Net Cash Received (Used)	128.57	55.59	(0.65)	72.98	131.28	56.24	8,652.31
Net Cash Beginning of the year	85.42	29.83	30.48	55.59	186.36	(0.65)	(2.13)
Net Cash End of the year	213.99	85.42	29.83	128.57	150.52	55.59	186.36

The Group's net cash used in operating activities in 2021 amounted to Baht 9.54 million, while in 2020 net cash received in the amount of 18.17 million baht because in 2021, the procurement of raw material for use in production from Export Sales had to be paid in advance. In addition, the finished goods at the end of the period increased considerably compared to the previous year. As a result, the Group has negative net liquidity from operating activities.

Net cash from investing activities in 2021 amounted to Baht 151.97 million, which were mainly came from dividends received Baht 37.12 million, interest income Baht 31.51 million as well as they has received from the return of financial assets (net) such as debt and equity instruments Baht 129.66 million but used cash for invested in land, buildings and equipment and intangible assets (net) Baht 16.32 million and Short-term loans of Baht 30 million.

Net cash used in financing activities for 2021 amounted to Baht 13.86 million, decreased by Baht 57.25 million from year 2020. Due to in 2021, the Company had paid dividend at Baht 0.07 per share totaling Baht 8.39 million but in 2020 had paid dividends at Baht 0.55 per share totaling Baht 66.00 million.

As reason mentioned above, net cash flow of the Group's increased by Baht 128.57 million when combined with cash at the beginning of the period in amount of 85.42 million baht resulting in cash at the end of the period in the amount of 213.99 million baht.

Adequacy of liquidity

		2021	2020	2019
Current Ratio	(times)	7.48	6.32	5.58
Quick Ratio	(times)	5.01	4.39	3.69
Cash Flow Liquidity Ratio	(times)	(0.05)	0.08	0.01
Net Increase (Decrease) in Cash Flows From Operating Activities	(million baht)	(9.54)	18.17	0.07

According to financial ratio above, the Group had a relatively low debt ratio. It showed that the Group still had the appropriate liquidity for business operation, any investments and payment of dividend to the shareholders.

The Company has pursued the policy to manage its excessive liquidity through investment in securities, debt and equity instruments, and/or open-ended funds listed in the Stock Exchange of Thailand which were secure and offer preferable returns. The Company has also invested in businesses which were complementary to its principal business in order to improve competitiveness. In addition, the Company focused on shortening the payment period to obtain benefits from cash discounts.

Cash Cycle

(days)

	2021	2020	2019
Average inventory period	73	81	56
Average collection period	44	65	55
Average payment period	28	41	33
Cash cycle	89	105	78

Over the past, the Group had closely and continuously monitored on sales situation, marketing and economic circumstance including other factors which might had effect on sales and collection period.

4.2.4 Significant Investment Expenditures

In 2021, the Group has various investment expenditures as follows:

1. Investment in sales system: Centralize Order Management to support sales management and product management both online and offline channels with maximum efficiency.
2. Investment Infrastructure system (WIFI Wireless) to improve data connectivity and communication inside and outside the organization to be more efficient and information security management systems to support the Personal Data Protection Act PDPA that will come into effect in 2022.
3. Investment in manufacturing technology for increasing management efficiency and reduce cost of waste in each process.
4. Joint investment with the company in supply chain to develop innovative products that respond customer needs, care for the health conscious and reduce global warming problems such as

ARROW Bamboo: Bamboo fiber fabric is soft, light, comfortable, shiny like silk and fibers that are airy breathable, not stuffy, absorb water and evaporate quickly It can also inhibit odors to reduce the accumulation of fungi and bacteria that affect the body.

ERAWON Filagen Shirt and Slacks: Developing fish scales into yarn Collagen contained in threads from fish scales such as a special feature in helping to adjust the temperature when wearing when it's cold outside, clothing adjusts to a warmer temperature while wearing but if it's in the hot weather outside, the clothes will adjust the temperature to be cooler. The fibers from cloth flakes also help reduce the generation of waste in the world because the yarn made from this flake can be reused.

5. There were also invest in the property for the operation and some of them were held for the benefit of rent or profit taking in the future.

6. Improve the factory environment so that employees have good quality of life, in accordance with the Occupational Health Act. Safety and Environment.

7. Additional investment in proportion in Saha Capital Tower Co., Ltd., the property development business, Saha Pathana Real Estate Co., Ltd., the operates a holding business that does not primarily invest in financial business, and Saha Komehyo Co., Ltd., the second-hand goods business which was an opportunity to invest in new business In order to manage the excess liquidity and get better returns.

4.2.5 Sources of Fund

The Group's Fund for operation and investment had been mainly from capital and retain earning.

Statement of Financial Position as at 31 December

Unit : million Baht

Liabilities and Shareholders' Equity	2021		2020		2019		Change Increase (Decrease)			
	Amount	%	Amount	%	Amount	%	2021/2020	%	2020/2019	%
Trade and Other Accounts Payables	143.87	3.20	135.28	3.12	174.79	4.01	8.59	6.35	(39.51)	(22.60)
Total Current Liabilities	179.40	3.99	212.48	4.90	231.04	5.30	(33.08)	(15.57)	(18.56)	(8.03)
Provision for Employee Benefits	112.03	2.49	118.22	2.73	161.02	3.69	(6.19)	(5.24)	(42.80)	(26.58)
ของพนักงาน										
Deferred Tax Liabilities	211.20	4.70	194.06	4.47	188.31	4.32	17.14	8.83	5.75	3.05
Total Non-current Liabilities	336.25	7.48	330.28	7.62	351.89	8.07	5.97	1.81	(21.61)	(6.14)
Total Liabilities	515.65	11.47	542.76	12.52	582.93	13.36	(27.11)	(4.99)	(40.17)	(6.89)
Issued and Fully Paid-up Share Capital	120.00	2.67	120.00	2.77	120.00	2.75	-	-	-	-
Premium on Ordinary Shares	181.13	4.03	181.13	4.18	181.13	4.15	-	-	-	-
Other Components of Equity	844.60	18.79	777.11	17.92	749.69	17.19	67.49	8.68	27.42	3.66
Appropriated Retained Earnings	243.40	5.42	243.00	5.60	236.30	5.42	0.40	0.16	6.70	2.84
Unappropriated Retained Earnings	2,588.62	57.60	2,472.39	57.01	2,491.68	57.12	116.23	4.70	(19.29)	(0.77)
Total Shareholders' Equity	3,977.75	88.52	3,793.63	87.48	3,778.80	86.63	184.12	4.85	14.83	0.39
Non-controlling Interests	0.39	0.01	0.42	0.01	0.15	0.00	(0.03)	(7.14)	0.27	180.00
Total Liabilities and Shareholders' Equity	4,493.79	100.00	4,336.81	100.00	4,361.88	100.00	156.98	3.62	(25.07)	(0.57)

Capital Structure

Capital structure comprised of liabilities at Baht 515.65 million, equity at Baht 3,977.75 million, and non-controlling interest at Baht 0.39 million. The Group's debt to equity ratio was 0.13 slightly lower than previous year. The Group's capital structure was still stable.

Liabilities

As of December 31, 2021, the Group's total liabilities amounted to Baht 515.65 million, decreasing from 2020 by Baht 27.11 million. This was mainly due from a decrease of Provision for goods returned Baht 38.10 million, Provisions for employee benefit Baht 5.79 million, Lease liabilities Bath 8.10 million. While the increased list of liabilities from Trade and Other Accounts Payables Baht 8.58 million, Deferred Tax Liabilities Baht 17.14 million.

Shareholders' Equity

As of December 31, 2021, the Group's equity amounted to Baht 3,977.758 million, slightly increase from year 2020. Due to in 2021 the Net profit by Baht 62.64 million, Unrealized loss from valuation of current financial assets (net) by Baht 67.49 million, Gain from selling other financial assets Baht 63.68 million, dividends payment for the year 2020 in amount of Baht 8.40 million. The book value per share as at December 31, 2021 equaled to Baht 33.15.

Commitments and Contingent Liabilities

Detail per Notes to the Financial Statements No. 28

4.3 Factors or Situations that might affect toward the Company's Financial Position or Business Operation in the Future

- 1) The slowdown of the economy in the country and around the world due to the epidemic situation of the new coronavirus (COVID-19) Including the tension of the conflict between Russia and Ukraine that may escalate into a war.
- 2) Household debt burden is still at a high level. Consumers are cautious about spending.
- 3) The fluctuation of exchange rate affected the Group's total sales and profit.
- 4) Business policy of the company that must be aware of and pay attention to the problem of global warming.

4.4 Financial Statements and Key Financial Ratios

Synopsis of Operations of the Company and Subsidiaries

Unit : million Baht

Selected Data	2021	%	2020	%	2019	%
STATEMENTS OF COMPREHENSIVE INCOME						
Revenue from sales	1,332,663	92.65	1,119,138	89.47	1,633,189	91.60
Other incomes	105,734	7.35	131,815	10.53	149,675	8.40
Total revenues	1,438,397	100.00	1,250,954	100.00	1,782,865	100.00
Cost of sales	950,879	71.35	827,826	73.96	1,190,841	72.92
Selling and administrative expenses	410,821	28.56	420,587	33.62	507,112	28.44
Total expenses	1,362,430	94.72	1,249,442	99.88	1,698,322	95.26
EBITDA	129,394	9.00	60,577	4.84	138,219	7.75
Depreciation and amortization	52,697	3.66	58,037	4.64	53,307	2.99
Profit before finance costs and corporate income tax	76,697	5.33	2,540	0.20	84,609	4.75
Net profit for the year attributable to owners of the parent company	62,638	4.35	10,757	0.86	89,610	5.03
STATEMENTS OF CASH FLOWS						
Net cash received from operating activities	(9,545)	(0.66)	18,168	1.45	65	0.00
Net cash used in investing activities	151,973	10.57	108,535	8.68	50,283	2.82
Net cash used in financing activities	(13,862)	(0.96)	(71,109)	(5.68)	(51,000)	(2.86)
Cash and cash equivalent increase(decrease)-net	128,566	8.94	55,594	4.44	(652)	(0.04)
STATEMENTS OF FINANCIAL POSITION						
Cash and cash equivalents	213,991	4.76	85,425	1.97	29,831	0.68
Short - term investments	-	-	-	-	545,880	12.51
Trade and other receivables	201,166	4.48	197,340	4.55	277,625	6.36
Inventories - net	389,170	8.66	331,103	7.63	354,765	8.13
Other current financial assets	484,196	10.77	648,973	14.96	-	-
Total current assets	1,341,091	29.84	1,342,907	30.97	1,288,070	29.53
Other non - current financial assets	2,585,077	57.53	2,404,367	55.44	-	-
Long - term investments	-	-	-	-	2,492,246	57.14
Investment property - net	106,490	2.37	109,309	2.52	62,410	1.43
Property, plant and equipment - net	346,930	7.72	371,852	8.57	444,709	10.20
TOTAL ASSETS	4,493,792	100.00	4,336,805	100.00	4,361,879	100.00
Trade and other payables	143,866	3.20	135,284	3.12	174,786	4.01
Total current liabilities	179,396	3.99	212,481	4.90	231,043	5.30
Retirement benefit obligation	112,031	2.49	118,220	2.73	161,023	3.69
Deferred tax liabilities	211,201	4.70	194,061	4.47	188,313	4.32
Total non - current liabilities	336,254	7.48	330,283	7.62	351,892	8.07
TOTAL LIABILITIES	515,650	11.47	542,764	12.52	582,935	13.36

Synopsis of Operations of the Company and Subsidiaries

Unit : million Baht

Selected Data	2021	%	2020	%	2019	%
Registered share capital	120,000	2.67	120,000	2.77	120,000	2.75
Issued and paid - up share capital	120,000	2.67	120,000	2.77	120,000	2.75
Premium on ordinary shares	181,125	4.03	181,125	4.18	181,125	4.15
Other components of equity	844,603	18.79	777,113	17.92	749,693	17.19
Appropriated retained earnings	243,400	5.42	243,000	5.60	236,300	5.42
Unappropriated retained earnings	2,588,624	57.60	2,472,386	57.01	2,491,679	57.12
EQUITY ATTRIBUTABLE TO PARENT COMPANY	3,977,753	88.52	3,793,625	87.48	3,778,797	86.63
Non - controlling interests	389	0.01	417	0.01	148	0.00

Notes * cost of sales / sales

* EBITDA = Earning before interest, corporate income tax, depreciation and amortization

Financial Ratios of the Company and Subsidiaries

Description	2021	2020	2019
Liquidity Ratios			
Current Ratio	(times) 7.48	6.32	5.58
Quick Ratio (times)	(times) 5.01	4.39	3.69
Liquidity of Cash Flow from Operation	(times) (0.05)	0.08	0.01
Account Receivable Turnover	(times) 8.23	5.56	6.58
Average Collection Period	(days) 44	65	55
Inventory Turnover	(times) 4.92	4.45	6.38
Average Inventory Turnover Period	(days) 73	81	56
Account Payable Turnover	(times) 13.06	8.85	10.98
Average Payment Period	(days) 28	41	33
Cash Cycle	(days) 89	105	78
Profitability Ratios (%)			
Gross Profit Margin	(%) 28.65	26.03	27.08
Net Profit Margin	(%) 4.35	0.86	5.03
Return on Equity	(%) 1.61	0.28	2.38
Efficiency Ratios			
Return on Total Assets	(%) 1.42	0.25	2.05
Return on Fix Assets	(%) 23.08	13.20	26.37
Total Assets Turnover	(times) 0.32	0.29	0.41
Financial Policy Ratios			
Debt-Equity Ratio	(times) 0.13	0.14	0.15
Time Interest Earned	(times) (12.08)	18.67	112.72
Leverage Ratio (cash basis)	(times) (0.01)	0.03	0.00
Dividend Payout	(%) 95.79	78.09	73.65

Remark * Meeting of the Board of Directors adopted a resolution to propose to the General Meeting of shareholders, which is to be held on 26th April 2022, the approval of dividend payment at the rate of Baht 0.50 per share.

5 General information and reference

General Information

Thanulux Public Company Limited, Registered No. 0107537001358

Registered capital	:	120 million Baht, divided into 120 million ordinary shares, fully paid up
Type of Business	:	Manufacturer of garment and leather goods
Head Office	:	129/1 Chongnonthri Road, Chongnonthri, Yannawa, Bangkok 10120
Home Page	:	www.thanulux.com
Tel	:	0-2295-0911-9, 0-2295-4171-80
Fax	:	0-2294-5101, 0-2294-5918, 0-2294-0794
Customer Relation Center	:	0-2295-0911-9, 0-2295-4171-80
E-mail	:	Company Secretary and Investor Relation supachoke@thanulux.com
		Internal Audit Department audit@thanulux.com
		Customer Relation Center crcenter@thanulux.com

References

Securities registrar

Thailand Securities Depository Company Limited

No.93 Rachadaphisek Road, Dindaeng, Bangkok 10400, Thailand

Tel	:	0-2009-9000
Fax	:	0-2009-9991
SET Contact Center	:	0-2009-9999
Website	:	http://www.set.or.th/tsd
E-mail	:	SETContactCenter@set.or.th

Auditor

ASV & Associates Limited

47 Soi 53, Rama 3 Road, Bangpongpan, Yannawa, Bangkok 10120

Tel	:	0-2294-8504, 0-2294-8587
Fax	:	0-2294-2345
By	Mr. Anusorn Kiatgungwalgri	Licensed Auditor no. 2109, and/or
	Mrs. Kwunjai Kiatgungwalgri	Licensed Auditor no. 5875, and/or
	Mr. Satis Kiatgungwalgri	Licensed Auditor no. 9760, and/or
	Mr. Prasitporn Keasma	Licensed Auditor no. 9910

Other Information

- None of the information is significant -

Legal Dispute

- None -

Second market

- None -

6 Corporate governance policy

6.1 Overview of Corporate Governance Policy and Practices

The Board of Directors is confident that a proper, transparent, and accountable governance system has been put in place, along with checks and balances and an adequate and appropriate internal control. Alongside these mechanisms is due respect for shareholders' rights and equality, as well as accountability for all stakeholders. These key factors contribute to the enhancement of the Company's immunity and to the promotion of balanced and sustainable long-term growth.

6.1.1 Policy and practice of Director

Corporate governance policy

The Board of Directors has prescribed corporate governance policies as operational guidelines for Company Directors, Executive Officers and employees, as follows:

1. Company Directors, Executives and all employees are fully committed to the application of corporate governance principles, business ethics and Codes of Conduct for Company Directors, Executives and employees to Company operations.

2. Company Directors, Executives and all employees must perform their duties responsibly, prudently, earnestly and honestly in accordance with the relevant laws, Company Articles and Notifications.

3. Actions shall be taken to ensure that the Company management structure contains clear prescriptions of powers, duties and responsibilities of each Company Committees and Executives.

4. An internal control system shall be installed and risks management shall be managed at suitable levels, including an accounting system and financial statement which are accurate and reliable.

5. Information shall be disclosed in a sufficient, reliable and timely matter to the extent that the legitimate interests of the Company are not prejudiced.

6. The ownership rights of shareholders shall be appreciated and respected. Shareholders shall be treated equitably.

7. Undertakings shall have regard to the responsibilities of shareholders, stakeholders, communities, society and the environment.

8. There shall be a determination to strive towards business excellence with commitment to the creation of customer satisfaction by receiving comments and self-assessments in order to enhance management capabilities and continually promote productive creativity.

9. Virtue, ethics and good values shall be instilled. Employees shall be treated fairly with a commitment to develop and enhance the capabilities of personnel.

10. Dishonest conduct, corruption and intellectual property violations shall be suppressed. Laws and human rights shall be respected.

11. Conflict of interests shall be dealt with prudently and reasonably with due regard for the Company's interests.

The Company has disseminated the corporate governance policies to employees, shareholders and the general public through the Company website www.thanulux.com under the heading About the Company Good Corporate Governance ➔ Corporate Governance Policies

6.1.2 Shareholders and Stakeholders Policies and Practices

Compliance with Good Corporate Governance Principles

The Board of Directors believes that compliance with the Good Corporate Governance Code, which is the foundation of sustainable development and business value creation, will bring about competitiveness and desirable profitability. To this end, the Board has considered long-term effects,

ethical business practices, respect for and responsibility towards shareholders and stakeholders, benefits to society, eco-friendly developments, the minimization of environmental impact, and the ability to cope with change. The document comprises the following:

- The Good Corporate Governance Policy
- The Eight Principles of Good Corporate Governance

Principle 1 The Board of Directors shall be aware of its leadership roles and responsibilities in the creation of the Company's sustainable prosperity.

Principle 2 The Board of Directors shall define the Company's objectives to ensure sustainability.

Principle 3 The Board of Directors shall strengthen its effectiveness.

Principle 4 The Board of Directors shall nominate and develop senior executive officers and ensure good people management.

Principle 5 The Board of Directors shall nurture innovations and responsible business practices.

Principle 6 The Board of Directors shall provide an adequate system of risk management and internal control.

Principle 7 The Board of Directors shall ensure information disclosure and financial integrity.

Principle 8 The Board shall encourage engagement and communication with shareholders.

- The Business Ethics
- The Code of Conduct for Directors, Executives, Officers, and Employees

In 2021, the Board of Director required the Eight Principles of Good Corporate Governance be adapted to the Company's business conduct, covering the following five aspects:

Section 1: Rights of Shareholders

The Board of Directors appreciates and respects the ownership rights of shareholders. As a consequence, corporate governance principles have incorporated safeguards for shareholder rights, including the non-violation or non-infringement thereof. The Board of Directors assumes the function of overseeing the equitable benefits of shareholders, as well as supporting and promoting all shareholder groups whether foreign or domestic, major, retail or institutional shareholders to enable the exercise of their respective rights, as follows:

1.1 Basic rights Referred to the right for shares transaction, the right to receive profits allocation in term of dividend payment based on outstanding shares, the right to access company information in sufficient, timely, and consistent manner, the right to nominate candidates to be elected as directors, the right to attend and cast votes at the shareholders' meeting, the right to elect individual company director and approve directors remuneration, the right to remove directors, the right to appoint company auditor and approve audit remuneration, and the right to appoint proxy to attend and cast vote on his/her behalf.

1.2 The right to significant information access

Shareholders were entitled to access information on an equitable basis. In that regard, the company facilitated information distribution in both Thai and English languages, via the channels of The Stock Exchange of Thailand and company website, to provide shareholders with additional access channel. Such information included performance results, connected transactions, changes in the funding structure, and changes in supervisory control, transactions of significant company assets, and other information essential for decision-making by shareholders.

1.3 The right to attend the shareholders' meeting

The Company held its annual shareholders' meeting regularly each year, within 4 months after completing its accounting year. Nevertheless, in the event of such emergency situations possible affecting the shareholders' interests, or involving amendments to the laws or company articles requiring approval by the shareholders, the company was authorized to convene the extraordinary shareholders' meeting on a case by case basis. The company held its meeting at such date, time, and venue, deemed convenient to the shareholders, to facilitate their meeting attendance. For 2020, the company convened the shareholders' general meeting once, without convening any shareholders' extraordinary meeting, according to the following details:

During the 47th General Meeting of Shareholders for 2021, the Company treated the shareholders in the following chronological order.

Proceedings Prior to the Shareholders' Meeting Day

1. The Company informed the shareholders of the resolution to convene the shareholders' meeting 64 days prior to the meeting date, namely on February 23, 2021 to allow the shareholders sufficient time to plan their meeting attendance.

2. The Company disseminated the meeting invitation letter via company website, carrying the same content as the letter sent to the shareholders, in both Thai and English, 32 days prior to the meeting, to provide the shareholders with necessary information in a swift, convenient, and sufficient manner in advance.

3. The Company sent out the meeting invitation letter to the shareholders 21 days prior to the meeting on March 26, 2020, exceeding the minimum time limit specified by law.

4. The Company also posted the announcement notifying said meeting invitation to the shareholders in the newspapers for 3 consecutive days, 14 days prior to the meeting namely during April 9, 12 and 14, 2021.

5. Shareholders could submit questions in advance 7 working days prior to the meeting day. The shareholders were informed of this right through the Company website and the notice of invitation to the shareholders' meeting.

6. The documents sent out to the shareholders (QR Code Downloading) were, the meeting invitation letter providing details on the rationale for each meeting agenda, together with related opinions by the Board of Directors and the documents in support of the voting decision by the shareholders for each meeting agenda. Furthermore, the documents also included the annual report publication, profile of the persons nominated as directors replacing those due to retire upon term completion, definition of independent director, profile of independent directors proposed as proxies by the shareholders, company regulations regarding the shareholders' meeting, the documents and evidences required for the shareholders to present for meeting attendance, meeting regulations, meeting procedures, the map of the meeting venue, and the registration form. Other documents were the proxy appointment letter form B for voting in line with the shareholders' decision, or the proxy appointment letter either form A and C which shareholders could download from company website, as well as procedures for shareholders to post advance questions prior to the shareholders meeting.

Day of Shareholders' Meeting

1. Determination of day, time and place of meeting that is convenient and suitable, and does not pose an obstacle for attendance. In 2020, the Company held the General Meeting of Shareholders on Tuesday, April 27, 2021, 11.00 hours, at Montien Riverside Hotel, which the transportation system is accessible and sufficient to facilitate the shareholders and the Institutional investors for easily to attend the meeting.

2. Registration of shareholders attending the meeting by barcode scanning was open 2 hours prior to the meeting and remained open until the conclusion of the meeting. Registration was open from 9.00 hours. Sufficient staff was provided for meeting registration. Duty stamps were also provided for shareholders granting proxies to others or Independent Directors to attend the meeting on their behalves. Voting placards and ballot papers were distributed to shareholders for casting votes.

3. The Board of Directors attaches significance to the meeting of shareholders. Attendance at all meetings is deemed a duty, save for important engagements or illness.

At the General Meeting of Shareholders for 2021 The Chairman was unable to attend due to illness, there were 10 Directors in attendance from a total of 9 Directors, including the Chairman, Chairman of the Audit Committee, Chairman of the Nominating Committee, Chairman of the Remuneration Committee, Chairman of the Governance Committee and Chairman of the Executive Committee. In addition, the Managing Director, Chief Financial Officer, Executive Committee Members and Company Auditor were also present and open to questions from shareholders on relevant issues.

4. Prior to the commencement of the meeting, the Company Secretary declared the number of shares and ratio attending the meeting as well as explained voting and vote counting procedures for voting of shareholders in each agenda pursuant to the law and Company Articles. In the event of a shareholder attending the meeting after the commencement of the meeting, the Company still granted the right to vote in the remaining agenda that had not yet been considered and voted upon. Such shareholder would be included in the quorum.

5. In order to ensure transparency of the meeting in accordance with laws and the Company Article, the Company invited a representative of the Company's audit office, namely ASV And Associates Company Limited, to act as a witness in the vote counting. A barcode system was used for processing of votes in each agenda, and the voting results were displayed instantly after the end of the agenda on a screen at the meeting room's anterior.

6. During the meeting, the Chairman proceeded with the meeting in accordance with the agenda stated in the notice of meeting without adding any new items in the agenda or changing any significant data without giving prior notice to shareholders and gave investors opportunity to question, comment and suggest equally and thoroughly in all agendas. In the General Meeting of Shareholders for 2021, no shareholder requested for the addition of any new agenda, and there was no any question.

Important Agenda in the Meeting of Shareholders of the following:

(1) Dividend Payout: The Company had provided details on the appropriation of earnings, dividend payout of 0.07 Baht per share which were in accordance with the payout policies of the Company, including comparison between the dividend payout of the current year and preceding year, also specified the record date for the shareholders who are entitled to receive dividends:

(2) Appointment of Directors: The Company provided an opportunity for shareholders to elect directors individually. Preliminary information on each person nominated for election as director, together with a specification of positions held in other businesses of the nominees, clearly stating whether the nature of such companies' were identical to or in competition with the businesses of the Company, Shareholding in the Company, Meeting attendance record (In case reappointed at the expiration of term), Type of Directorial Position Nominated and Nominations were made after screening by the Nominating Committee.

(3) Directors' Remuneration: The Company had provided details on the amount of remuneration proposed, which was in accordance with the policies and conditions relating to the remunerations of directors subsequent to review by the remuneration committee. The Company proposed remuneration limits for approval by the meeting of shareholders on an annual basis and disclosed remunerations of the Company Board of Directors and remuneration of other subcommittees in Form 56-1 as well as in the Annual Report.

(4) Appointment of Auditor and Determination of Audit Fee: The Company had provided details on the names of auditors, along with their audit office, independence, relationship with the Company, number of years of performing duties, reasons for change of auditor (if any), and comparative data on the audit fees for the current and preceding year. This information had been reviewed by the Audit Committee. Other fees for services rendered by the audit office to which the auditor was associated with respect to both the Company and its subsidiaries were also disclosed.

Voting Summary of Shareholders in Each Agenda

Agendum	No. of Shareholders (No.)	Approval			Disapproval			Abstention		
		No.	Shares	%	(No.)	Shares	%	(No.)	Shares	%
1	56	56	104,238,820	100	-	-	-	-	-	-
3	56	56	104,238,820	100	-	-	-	-	-	-
4	56	56	104,238,820	100	-	-	-	-	-	-
5.1	57	56	104,238,820	99.9990	1	1,000	0.0010	-	-	-
5.2	57	56	104,238,820	99.9990	1	1,000	0.0010	-	-	-
6	57	57	104,239,820	100	-	-	-	-	-	-
7	57	57	104,239,820	100	-	-	-	-	-	-
8	57	57	104,239,820	100	-	-	-	-	-	-

Proceedings after the Shareholders' Meeting Day

1. The company disclosed the resolutions adopted by the shareholders' meeting, together with the voting results for each meeting agenda, also declared the details of the dividend payment to all the shareholders at the same rate, as per their rights, in both Thai and English, via the news channel of the SET, and the company website, on the following day.

2. The company compiled the meeting minutes subsequent to the shareholders' meeting, by incorporating all essential details and summarizing voting results for each meeting agenda, classified as consent, dissent, and abstention votes, together with the record on the discussion and conclusion regarding significant topics. Said minutes was submitted to The Stock Exchange of Thailand and The Securities and Exchange Commission within 14 days subsequent to the meeting, and disseminated on the company website, in both Thai and English, so as to enable the shareholders to review said minutes content without having to wait until the next shareholders' meeting.

3. The company recorded the meeting on VDO, for further dissemination to the shareholders upon request.

Section 2: Equitable Treatment of Shareholders

2.1 The shareholders' meeting

(1) The Company granted an opportunity to

shareholders to propose meeting agenda in advance, as well as to nominate suitable persons for election as Directors in the General Meeting of Shareholders for 2021. A proposal could be made between 1-30 December 2020 pursuant to the rules and procedures stipulated and published on the Company website www.thanulux.com. Notice was also given to shareholders through the Stock Exchange of Thailand information system, as well as provided the opportunities for Shareholders to submit the questions in advance before the meeting. No shareholder made any proposal for an addition to the meeting agenda and did not sent any Question in advance.

(2) The right to vote at the meeting was in accordance with the number of votes held by the shareholder. Each share carried one vote. There was no share which carried a preference or limitation on the voting rights of other shareholders.

(3) In the case of foreign shareholders, the company sent out meeting invitation letter in English, to facilitate the understanding by foreign shareholders, as well as disseminating said information on company website made accessible at the same time as The Thai version.

(4) In the case where shareholders could not attend the meeting in person, the company allowed said shareholders to appoint proxies from independent directors or other parties, to attend the meeting on own behalf. The company provided clear details pertaining to the proxy appointment letter, sent together with the proxy appointment letter (form B), allowing the shareholders to instruct own voting direction.

Number and nature of attendance of the Annual General Meeting of Shareholders No.47 on April 27, 2021.

	Person	No. of Shares	(%) Shares
Share owners as listed in share registration	667	120,000,000	100.00
Total number of attendants	56	104,238,820	86.87
Attended by oneself	10	2,195,274	1.83
Proxy	46	102,043,546	85.04

(5) The voting procedure for each meeting agenda was carried out in a transparent manner, with the voting ballot provided the shareholders for each agenda, whereas only disapproval and abstention votes were kept afterwards. Nevertheless, for the agenda related to directors' appointment, all voting ballots bearing the signature of each shareholder were collected and kept as evidence. Vote tallying was carried out using the barcode system and displayed on-screen in the meeting room after the end of the agenda, to facilitate convenience, transparency, and easy verification.

(6) Shareholders were given the right to pose questions in the meeting of shareholders. At the 47 General Meeting in 2021, there were no any question.

2.2 Supervision over inside information The Company has laid down the policy safeguarding against inside information abuse, by stating in writing in the business ethics manual, and the code of conduct for company directors, the management and employees, not allowing Company Directors, the management, and employees, to exploit the information or assets belonging to the company, or accorded own position, in such manner seeking unjust gains for own self or for others. In relation to this, the Company handed out relevant manuals to Company Directors, the management, and the employees, to serve as guidelines for their business operations and assignments, while also disseminating those information on company website. Detail had been shown on the Item Supervision of inside information. Furthermore, the Company also incorporated above information into company regulations, together with the penalty provision. In 2021, no contravention of such policy by any Company Director, Executive Officer and employees was found.

2.3 Supervision over the transaction of Company securities The Board of Directors has prescribed measures to oversee securities trading and reporting of interests of directors and executives. The Company forbade the Directors, the management, and the employees working in those departments accessible to inside information, to engage in the transaction of company securities, during the period of 1 month before the disclosure of such information to the public. The company distributed said instructions in circular to all concerned parties each quarter, together with the penalties to be imposed in the case of violation or non-compliance with said regulation. In 2021, all the company directors and management members strictly followed accordingly, without engaging in such transactions during said period.

In addition, the Company had set a policy to oversee the interests of the directors and executives by request the report of their and the related parties interests, which related to the operation of the company. In the year 2021, the Company's directors and executives have complied with the prescribed measures.

2.4 Treatment of conflict of interests The company treated the issue of conflict of interests with caution and reason, with the company's interests in mind, price setting is on fair trade terms, in the same condition as outsider. The Company laid down operations systems in a transparent manner, deemed as one major policy regarding good governance practice and business ethics for the company. The company controlled the implementation of connected transactions being conducted in the fair market price, in accordance with the normal business, so as to comply with the announcement by The Capital Market Supervisory Board. Before implementing each connected transaction requiring prior approval from The Board of Directors, the item was first proposed to The Audit Committee for endorsement prior to submitting to The Board of Directors for further approval. The directors with possible conflict of interests were not allowed to take part in the meeting. Afterwards, the company informed said meeting resolution to the shareholders via the news channel of the SET together with the company website. The information included the disclosure of names and relationship of connected parties, pricing policy, transaction value, and other related details, as well as the opinions of The Board of Directors pertaining to such transactions.

Furthermore, the company held The Board of Directors' meeting subsequent to the shareholders' meeting each year, to decide on the approval criteria for business transactions under normal business term, conducted between the company and the directors, management members, or connected persons. Such transaction items were to be concluded and reported to The Board of Directors on a quarterly basis.

2.5 Supervision over assets transaction The company supervised assets transaction in accordance with the announcement by The Capital Market Supervisory Board regarding the acquisition and disposal of assets, whereby directors with possible conflict of interests were not allowed to participate, so as to facilitate fairness and transparency.

Section 3: Role of Stakeholders

The Board of Directors appreciates and respects the rights of all stakeholders. Regard is given to the rights under the law or agreements executed by the Company. As a consequence, a policy has been determined as a guideline for treatment of each stakeholder group. Further regard is also given to communities, society and the environment. This policy aims to achieve sustainable development, combat wrongful and corrupt practices, prevent intellectual infringement, as well as respect human rights.

The Company has prepared a Code of Business Ethics and Employee Conduct for Company operations in order to secure confidence that all stakeholders will be protected and treated fairly and equally.

3.1 Shareholders The Company respects the rights of both major and minority shareholders as required various laws and regulations. All shareholders are treated equally. The Company strives to satisfactorily represent the shareholders in advancing the businesses as well as generating a fair return in accordance with the dividend policies of the Company. In addition, the Company has mechanisms for ensuring the trust of shareholders in obtaining accurate information, controlling connected transactions, and having measures for preventing conflicts of interests. Measures have also been in place to prevent the exploitation of insiders' information for personal benefits, including the use of such information for the trade of the Company's securities, especially in the 1month period prior to the disclosure of financial statements to the public, which is stipulated in the code of conduct for employees.

The Company invited all shareholders to the annual general meeting. Shareholders were given the right to vote

on all agenda. Shareholders also have the right to acquire important information, such as the Company's quarterly operating results, investment disclosures and connected transactions. The Company has disclosed these data through channels of the Stock Exchange of Thailand and the Company website (www.thanulux.com).

3.2 Employees The Company realizes that employees are the most valuable resources and constitute the heart and main driving force of the organization to success. The Company has therefore treated its employees in accordance with good governance principles. Human dignity, human rights and ethics are respected and promotion, support, practice, training and knowledge development of employees are provided comprehensively for employees. Employees are given opportunities to express their potential. They are also encouraged to participate in determining the development and operational directions of the Company. In order to secure career path security, the Company offers fair remuneration for employees as appropriate for the knowledge, skills, responsibilities and performances of each employee.

Moreover, the Company has looked after the working environment by having due regard to the safety of life, health and properties of employees. Security personnel are on duty 24 hours a day. Alarm systems have been installed in buildings. Safety equipment and fire engines have been provided. Basic firefighting training and drills have been held as well as evacuation drills and the use of personal protective equipment. These training and drills were held to promote the employees' understanding of the proper practices according to standard systems on safety and the environment. Various welfare benefits have also been provided for employees to raise the quality of lives and standard of living, e.g.

- Together with the Saha group set up cooperatives for employees
- Provision of a clinic attended by a medical doctor twice weekly and 2 nurses every day.
- Annual medical examination
- Employee uniforms
- Welfare sale of goods at special prices as sustenance aid for employees
- Collaboration with the Government Housing Bank in providing low-interest housing loans
- Accommodation for employees assigned to perform tasks in other provinces
- Provident fund for future savings
- Retirement benefits

Financial assistance in the event of death of an employee, employee's parent and spouse

Financial assistance in the event of an employee being a victim of fire or a natural disaster, such as flooding or storms

Cash rewards for employees completing 10, 20, 30, 40 years of employment

In addition, the Company has established a Welfare Committee in order to offer an opportunity for employees to participate in the administration of welfare benefits and to act as a center for the comprehensive distribution of welfare aid to employees, as well as to act as a channel for communications, suggestions or voicing grievances on various matters pertaining to work.

3.3 Customers The Company operates its businesses by adhering to the principles of loyalty, justice and providing accurate information to customers. Customers' complaints are handled with priority and processed with all due fairness in order to promote an expeditious response to customers' needs as well as to develop products and services which meet the requirements of customers. Constant innovations are undertaken in order to add value to products and services according to the quality accreditation ISO9001 on design and manufacture of garments and leather goods. Customers' trade secrets are also protected. A survey of customer satisfaction on quality, services and delivery of goods for 2020, show that the Company enjoyed a satisfaction approval of 85%.

In this regard, the Company has a customer relations center which serves as a central medium for receiving comments and suggestions from customers. The center may be call at 0-2295-0911-9, 0-2295-4171-80

3.4 Competitors The Board of Directors placed much importance on fair and honest business competition under the framework specified by law. Accordingly, the company always implemented its business operations according to fair competition rules. In the year 2021, the company was not engaged in any trade dispute with other competitors.

3.5 Business partners

The Company has prescribed policies of fair and equitable treatment and responsibilities to business partners, which was based on the appropriate compensation for both parties as follows.

- (1)The Company has a system for screening trading partners in the value chain who operate businesses in compliance with the law, safety and occupational hygiene standards and friendliness to the environment.
- (2)The confidentiality of secrets or information of trading partners is maintained and not exploited for wrongful gains of oneself or of others.
- (3)The Company adheres to trade agreements and makes proper representations of data. In the event that an agreement cannot be complied with, the Company will expeditiously engage in early negotiations with trading partners.
- (4)Had criteria according to international standards ISO 9001 for evaluating, selecting, checking and monitoring the performance of business partners.

(5)Relationships, and good understandings are fostered. Knowledge is exchanged. Developments and value adding to goods and services are jointly undertaken to promote mutual growth

(6)The Company does not demand, receive or consent to the receipt of properties or any other benefits outside trading agreements.

In addition, the company had also formulated procurement regulations to serve as a guideline for efficient and ethical business conduct in accordance with good corporate governance.

In 2021, there was no case of non-compliance with the contract with partners.

3.6 Creditors The Company adhered to operating business with ethics to gain trust from creditors by:

- (1)Prescribe policy to treat every creditors with fairness justly.
- (2)Espouse responsibility and transparency through strict compliance to contractual terms and conditions.
- (3)Present financial statement with accuracy and punctuality.

In 2021, the company paid all creditors in accordance with agreed term, without causing any default.

3.7 Communities and Society The Company operates business with due regard to impact on communities and society. There is a continual instillation of conscience of responsibility amongst employees. One heading of the social responsibility policy is the importance attached to participation in community development. The Company would consider the needs of communities and participation in the development of community quality of lives. Attitudes and organizational cultures are fostered in order to enable employees to participate in volunteer works and socially beneficial activities with communities.

3.8 Environment

The Company has recognized responsibility towards environment by prescribing it as one of the company's missions, and also define in the corporate governance policy and business ethics towards. The company conducts business with due concern toward natural resources and the environment. Accordingly, the company paid due attention to ensure that all activities starting from manufacturing were eco-friendly:

- (1)Conduct business in compliance with applicable laws, regulations and policies on the environment with due regard for the impact on natural resources and the environment, the performance was reviewed and evaluated regularly.

- (2) Organizational culture and consciousness of Employees at all levels shall be promoted to encourage cooperation and responsibility for the efficient and sustainable management of the environment and utilization of resources.
- (3) Provide knowledge and training about environmental management.
- (4) An Environmental management system shall be promoted, from the economical use of resources to the sustainable treatment and rehabilitation, replacement, monitoring and prevention of impact on natural resources.
- (5) Environmentally friendly technology is developed and used whenever possible

Promotion of efficient use of resources

The Company realizes the importance of control on the use of resources for sustainable development. This can be achieved with the cooperation of all personnel in the organization. A value is promoted amongst employees that society advancement requires a balanced development in the economy, quality of life as well as natural resources and environmental conservation.

3.11 Participation channels for the stakeholders

The Board of Directors provides channels and procedures for all stakeholder groups to report or file a complaint on any matter which poses a risk of loss to the Company, the accuracy of financial statements or an unfair treatment. Shareholders and other stakeholders may contact

- (1). Mr. Supachoke Sirichantaradilok, Company Secretary and Investor Relations Officer
Telephone : 02-295-0911-19, 02-2954171-80 ext. 250 , facsimile : 0-2294-5101
Email : supachoke@thanulux.com
- (2). Mr. Woradej Puengsiricharoen, President of Internal Audit Department
Telephone : 02-295-4171-9 ext. 168, facsimile : 0-2294-5101
Email : audit@thanulux.com.

Who also reports directly to the Audit Committee and investigation outcomes would be reported to the Board of Directors. Details on informants and complaints will be kept secret.

In 2021, there were no complaints filed by shareholders and stakeholders.

Section 4: Information Disclosure and Transparency

The Board of Directors oversees that there is proper, transparent and timely disclosure of significant information in accordance with the relevant laws and regulations. These disclosures include reports filed in accordance with accounting periods and reports of events having an impact on shareholders' interests, as well as the disclosure of other information pursuant to the principles of good corporate

In 2021, the Company has activities were organized to encourage creativity by employees in the creation of value from leftover materials.

Knowledge Building and Training of Employees on the Environment

The Board of Directors has promoted employees' awareness of the importance of the environment. The Company disseminated knowledge on the environment to employees via the internet, information notice board and audio announcements, as well as continually promoted employees' training to build knowledge on the environment.

3.9 Promotion of Activities for Community Development

The Board of Directors has attached importance to community development by continually promoting activities which are beneficial to communities. Detail of the activities had displayed in the Corporate Social Responsibility Report

3.10 Public Sector The Company undertakes businesses in compliance with the laws and regulations enacted by the State. The company also give the cooperating in providing accurate information according to government requests, pay taxes correctly, completely, in time according to the requirements of the Revenue Tax Law and customs duties law.

governance prescribed by the Stock Exchange of Thailand. Disclosure is made to the extent that the Company's legitimate interests are not prejudiced. Information is published in both Thai and English on the Company's website, disclosure channels of the Stock Exchange of Thailand and other channels which are comprehensively and equitably accessible.

The Company has transmitted such information through the information dissemination system of the Stock Exchange of Thailand within the time limit for dissemination to the investors and the general public. Moreover, the Company has added new dissemination channels by publishing the information on the Company's website (www.thanulux.com) in both Thai and English and regularly updating such information.

The information disclosed in the annual reporting annual report (Form 56-1) include not only financial statements, but also information on various matters which are demonstrative of business transparency, as follows:

4.1 Good Governance The Company discloses good governance policies, good governance principles, business ethics and codes of conduct for Company Directors, Executive Officers and employees, as well as report performance results on compliance with such policies on the Company website.

4.2 Social and Environmental Policies The Company holds this as an important business policy, and thus prescribes therefor in its good governance policies. Regard shall be given to impact on natural resources and the environment. Details of compliance with such policies may be found under the heading "Sustainability Report".

4.3 Risk Management Policy The Company has disclosed risk factors affecting businesses, indicating the characteristics of the risks, causes, impact and approaches to preventing or mitigating those risks.

4.4 Shareholding Structure The Company has disclosed the list of top 10 shareholders of the Company as at the date of book closing prior to the general meeting of shareholders. This disclosure is made on the Company website (www.thanulux.com)

4.5 Report of Board of Directors' Responsibility for Financial Statements The Board of Directors is aware of the significance of Financial Statements that are accurate, complete and in accordance with accounting standards. The disclosure of such information has been audited by an independent auditor and approved by the Audit Committee and Board of Directors prior to dissemination to shareholders. Also, in order to secure confidence, the Board of Directors has prepared a Report of the Board of Directors' Responsibility for the Financial Statements, signed by the Company Chairman and Managing Director, disclosed in the Annual Report (Form 56-1) together with the Auditor's Report. In 2021, the Company's Financial Statements were approved unconditionally by the auditor. The Financial Statements have been submitted to the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission in a timely manner. No instructions were given to amend the Company's Financial Statements.

4.6 Performance of the Board of Directors and Subcommittees The roles and duties of the Board of Directors and Company Committees have been disclosed, along with the number of meetings, attendance of each Company Director in meetings during the past year, under the heading "Management Structure" and "Governance" in the part pertaining to the Board of Directors and Company Committees.

4.7 Securities Holding of Directors and Executive Officers The Company has disclosed shareholdings and changes in shareholdings in the Company during the year of Directors and Executive Officers, directly and indirectly, in the Annual Report. Details can be found under the heading "Shareholder" in the part pertaining to Report of Shareholdings of Directors and Executive Officers in Thanulux Public Company Limited as of December 31, 2021"

4.8 Remuneration of Directors and Executives A disclosure of the policy on remuneration payments to directors and executives, including the forms, types and amount of remuneration received by director and sub-committees, these details have been disclosed in the annual report (Form 56-1) under the heading on management structure, sub heading "Remuneration of Directors and Executives".

4.9 Report of Directors' Interests Policy The Board of Directors has prescribed a policy for Company Directors and Executive Officers to report to the Company every occasion which gives rise to a personal interest or the interest of a connected person. In 2021, the Company Directors and Executive Officers have strictly complied with the policy. In addition, during the meeting of the Board of Directors, an interested Director could not participate in deliberations on an important agenda, and the Company has disclosed the interests of such Company Directors and Executive Officers in the notice of resolution submit to the Stock Exchange of Thailand information system.

4.10 Development of Directors and Executives Officers The Company has disclosed information on training and development of Directors and Executive Officers. Details can be found under the heading "Personal Details of Company Directors, Executives, Controller and Company Secretary" and "Governance" in the part pertaining to compliance with good governance principles in other areas (Section 5 Responsibilities of the Board of Directors, Article 5.7).

4.11 Connected Transactions The Company has complied with the rules of the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand. There are clear, prudent and reasonable guidelines for the greatest benefit of the Company and shareholders. Details of such transactions are disclosed, with specifications of contractual parties, relationships, characteristics of transaction, price terms and value of transaction, to the Stock Exchange of Thailand, published on the Company website and summarized in the Annual Report (Form 56-1) under the heading "Connected Transactions".

4.12 Quarterly Performance Reports The Company has published quarterly performance reports on the Stock Exchange of Thailand and Company websites. In the event of a change in net earnings in the same quarter on a year-on-year basis by more than twenty percent, the Company would provide an additional explanation for the performance.

4.14 Investor Relations The Company has stressed the importance of disclosing transparent and comprehensive information. Various news have been disseminated to investors and related persons in a timely manner and on an equal basis through channels and media of the Stock Exchange of Thailand, and via the Company's website at www.thanulux.com. In addition, the Company has designated a person who can provide information and news as required by investors or related persons.

Mr. Supachoke Sirichantaradilok, Company secretary and Investor relations

Telephone No. 0-2295-0911, 0-2295-4171-80 ext. 250, facsimile No. 0-2294-5101

Email: supachoke@thanulux.com.

Section 5: Responsibilities of the Board of Directors

The Board of Directors plays an important role in governing the Company to ensure efficient operations. These duties must be performed responsibly, prudently, honestly, and must utilize knowledge and competencies in the determination of the Company vision and mission statement with a view to securing sustained growth. In addition, there must be oversight of Executive Officers and employees to ensure compliance with guidelines in order to achieve the set objectives, as follows:

1. The Board of Directors has prescribed a structure for the Board of Directors comprising of persons having a diverse range of knowledge, competencies and experiences, without limitation to gender, and having the qualifications required by law. At least one Company Directors is a Non-Executive Director who has experience in the Company's business undertaking. There are also Independent Directors as required under the Notification of the Office of the Securities and Exchange Commission.

2. The Board of Directors has provided a definition for an Independent Director which meets the minimum requirements of the Office of the Securities and Exchange Commission.

3. The Board of Directors has appointed Committees to screen key matters prior to submission to the Board of Directors.

4. The Board of Directors has issued a charter for each Company Committee by prescribing the tenure and scope of powers and duties to clearly demarcate the roles, duties and responsibilities of each Company Committee and the management.

4.13 Whistle Blowing The Company has prescribed a policy and measures for the protection of employees or whistle blowers in the Code of Conduct of Company Directors, Executive Officers and Employees. Details can be found under the heading "Anti-Corruption in the Sustainability Report".

5. The Board of Directors has a policy which requires Company Directors and Executives holding directorial positions in other companies to make a disclosure to the Company Chairman and Chairman of the Audit Committee.

6. The Board of Directors has provided for a Company Secretary to perform duties prescribed by law and as entrusted. The qualifications of a Company Secretary should be a person possessing knowledge of law or accounting, or who has completed training relating to the performance of company secretarial duties. Continual training and knowledge development are also continually provided.

7. The Board of Directors has prescribed policies for governance, business ethics and codes of conduct for Company Directors, Executives and employees to ensure a harmonized approach.

8. The Board of Directors has prescribed a Company vision and mission so that the Company Directors, Executives and employees would strive towards the same goal.

9. The Board of Directors has a policy of continually promoting and sponsoring the development of knowledge amongst Company Directors, Executives and employees.

10. The Board of Directors prescribes an annual meeting schedule in advance every year. The determination of agenda takes into account the fair interests of shareholders and all stakeholders. All Company Directors enjoy independence in the expression of opinions. A Company Director having an interest in an agenda shall not have the right to vote in such agenda.

11. The Board of Directors prescribes a duty for Company Directors to attend all Board Meetings unless there is a necessary cause.

12. The Board of Directors has a policy of encouraging senior Executives to attend Board Meetings.

13. The Board of Directors provides Non-Executive Directors with opportunities to meet among themselves in the absence of the management when necessary. The Managing Director shall be notified of the meeting outcome.

14. The Board of Directors has a policy of promoting the Company Directors' access to essential additional information from the Managing Director, Company Secretary or other assigned Executives within the scope of the set policies. In the event of necessity, the Board of Directors may obtain independent opinions from advisors or external professionals on the Company's expenses.

15. The Board of Directors has implemented measures pertaining to conflicts of interest which are prudent, rational and in compliance with the rules and regulations of the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand.

16. The Board of Directors prohibits Company Directors and Executives from trading in Company shares in the 1-month period prior to the public disclosure of financial statements.

17. The Board of Directors has directed Company Directors and Executives as well as their spouses and children who have not attained legal age to have the duty to disclose shares holdings and changes in holdings of the Company shares to the Office of the Securities and Exchange Commission, and to submit a copy to the Company Secretary for reporting to the Board of Directors in the subsequent Board Meeting.

18. The Board of Directors has directed Company Directors and Executives to disclose personal interests and interests of connected persons in accordance with the prescribed rules.

19. The Board of Directors has established an internal audit unit as an internal agency accountable to the Audit Committee.

20. The Board of Directors requires an annual assessment of the Board of Directors' performance.

21. The Board of Directors prepares a report on the responsibilities of the Board of Directors pertaining to the financial statements submitted in the Annual Report.

22. The Board of Directors oversees and determines the payment of appropriate remuneration to each committee member pursuant to the powers, duties and responsibilities and draws comparison to the operation levels in the same business sector.

23. The Board of Directors has prescribed a succession plan for employees in various positions in view of their advancement to higher positions.

24. The Board of Directors provides an orientation for first term Company Directors.

25. The Board of Directors has established an internal control system and risk management system.

26. The Board of Directors has provided for the monitoring and assessment of corporate governance by establishing the Governance Committee.

6.2 The Business Ethics

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

Responsibility towards stakeholders

1) Shareholders

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

1. The Board shall respect shareholders' ownership rights and shall treat shareholders equitably.

2. Operations shall be undertaken in accordance with the principles of good corporate governance, which will foster the trust and confidence of shareholders and lead to sustainable growth.

3. The Board shall see to the advancement of the Company's businesses to ensure proper returns on investment for shareholders.

4. Significant information that affects or may affect shareholders' interests shall be disclosed, whether in periodic accounting reports or ad-hoc reports, pursuant to the relevant laws and notifications. No action shall be taken to restrict shareholders' access to the Company's information.

5. A report on the Board's accountability for financial statements shall be included in each year's annual report.

6. Minority shareholders shall be given an opportunity to propose matters for inclusion in the meeting agenda and/or to nominate directorial candidates to be elected at an annual general meeting of shareholders.

7. Shareholders shall be granted an opportunity to submit questions relevant to the meeting in advance.

8. Shareholder meeting notices in both Thai and English shall be published on the Company's website at least 30 days prior to the meeting date to enable shareholders to arrange to be in attendance and to study the information.

9. Shareholders' convenience shall be ensured. The meeting's date, time, venue, and procedure shall not limit shareholders' attendance. Shareholders unable to attend in person shall be able to assign a proxy to attend and vote on their behalf.

10. Conflicts of interest shall be dealt with prudently and rationally. Information about any conflict of interest shall be fully disclosed.

11. The Company's interests and assets shall be safeguarded as a reasonable person would safeguard his or her property. Wrongful interests, whether obtained by direct or indirect means, shall be eliminated.

2) Customers

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

1. The Company shall manufacture and distribute products and services that are environmentally friendly and safe for consumers.

2. The Company's businesses shall be operated with commitment to developing goods and services, introducing innovations, and adding value to goods and services in order to continuously meet customer demand, along with the disclosure of critical information needed for decision-making without concealment or distortion of facts.

3. The Company's businesses shall be operated in an honest, earnest, and just manner. No action shall be taken to violate customers' rights. Moreover, consumer data shall be treated with confidentiality and shall not be wrongfully exploited for personal gain or the benefit of a related person.

4. The Company shall never demand, receive, or consent to the direct or indirect receipt of any property or other dishonest benefit from a customer.

5. The Company shall adhere to trade agreements. Whenever adherence is not possible, customers shall promptly be notified in order to jointly find a remedial measure and to prevent losses.

6. The Company shall provide communication channels by which customers are able to file complaints to the Company. Complaints shall be processed with care and dealt with fairly.

3) Partners

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

1. The Company shall put a system in place to select environmentally friendly trading partners in the supply chain whose operations comply with relevant laws, as well as safety and occupational hygiene standards. Business partners shall be treated on the basis of fair competition, equality, and mutual respect.

2. Trading partners' secrets or information shall be treated with confidentiality and shall not be wrongfully exploited for personal gain or the benefit of a related person.

3. The Company shall build good relations and understanding with trade partners, which will serve as the basis for knowledge exchange. The development and creation of value added to goods and services shall be jointly undertaken to promote mutual growth.

4. The Company shall adhere to trade agreements and provide accurate information. In the event that a violation is inevitable, the Company shall expeditiously engage in negotiations with trading partners in order to reach a mutual solution and prevent losses.

5. The Company shall not demand, receive, or consent to the receipt of any property or other benefit outside trade agreements.

4) Competitors

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

1. The Company shall conduct its businesses within the rules of fair competition with due regard to business ethics and trade competition laws of various countries in which the Company operates.

2. The Company shall not damage the reputation of its business competitors.

5) Creditors

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

1. All creditors shall be treated equitably.

2. Contracts and terms shall be strictly adhered to.

3. Operations shall be administered to ensure creditors' confidence in the Company's financial standing and credit rating.

4. Financial standing shall be accurately and timely disclosed.

5. In the event of an inability to comply with a particular term, the creditor shall be forthwith notified in order to reach a mutual solution and prevent losses.

6) Employees

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

1. Employees' human dignity and fundamental rights shall be respected at work. Employee data or confidential information shall not be disclosed or transmitted to third parties or unrelated persons.

2. Employees shall be treated in accordance with the provisions of law, regulations, and articles governing the Company's operations

3. Employment equality shall be promoted. There shall be no discrimination on the basis of gender, skin color, race, religion, age, disability, or any other status that is not directly related to work.

4. Training and knowledge exchange shall be sponsored and promoted to encourage learning and skill development throughout employment; The Company shall seek to strengthen employees' career security and offer opportunities for advancement pursuant to each person's potential.

5. Employees' participation in the determination of the Company's direction and development shall be promoted.

6. Fair compensation shall be offered, subject to employees' knowledge, skills, duties, responsibilities, and performance.

7. Appropriate welfare and benefits shall be given to employees, e.g. medical expenses, provident fund contribution, and a savings cooperative.

8. Channels shall be provided for employees to communicate suggestions and complaints pertaining to work. All suggestions shall be considered, and remedies shall be determined in the best interest of all parties and with regard to good professional relations.

9. Facilities necessary for operations shall be provided. Working conditions shall be maintained with due regard to health, safety, and occupational hygiene as a means to promote and raise employees' quality of life.

10. Employees of all levels shall be encouraged to participate in corporate social responsibility activities.

7) Community and Society

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

1. A business that could lead to social degradation shall not be undertaken, and the rights of any person in the community and society shall not be violated.

2. The consciousness of responsibilities towards the community and society as a whole shall always be instilled for the benefit of the Company and all of its employees.

3. Measures shall be provided for the prevention and remedy of any negative impact on the community and society caused by the Company's operations.

4. The preservation of local culture and traditions shall be promoted.

5. The Company shall cooperate with various agencies for community development.

6. Activities that benefit the public shall be sponsored.

7. Income shall be locally distributed through the employment of community members and the use of community products.

8. Good relations shall be fostered between the Company and the community and society on the basis of propriety, transparency, and fairness.

8) Environment

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

1. Businesses shall be undertaken in accordance with laws, regulations, and policies on the environment with due regard to the impact on natural resources and the environment. Regular revision and assessment of the Company's environmental performance shall be performed.

2. Organizational culture and consciousness of all employees shall be promoted to encourage cooperation and responsibility for the efficient and sustainable management of the environment and utilization of resources.

3. Knowledge promotion and environmental training shall be extended to employees.

4. An environmental management system shall be promoted, including economical use of resources, treatment and rehabilitation of resources exploited, replenishment of resources, and sustainable environmental watch and impact prevention.

5. There shall be a system in place for selecting trade partners in the supply chain who operate in an environmentally friendly manner.

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

9) State Sector

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

1. The laws governing operations shall be studied and understood. Meanwhile, no activities that would violate the letters of the law shall be undergone.

2. Legal compliance shall be assured when conducting a transaction with any state official or agency.

3. Good relations between the Company and the state sector shall be fostered so long as they are within proper boundaries.

4. The Board shall comply with the relevant laws and business traditions in a particular country or locality.

6.3 Major Changes and Developments of Policy, Practice and Corporate Governance System in the Past Year

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

Upon due studies on criteria, rules, notifications and guideline for the corporate governance of the Office of Securities and Exchange Commission (SEC) including principles and assessment criteria of various regulating departments, the Company assigns the Board of Directors and related boards for the review on policy, principles and practice guideline on the whole corporate governance every year. Details of the review for the year 2021 are as follows:

Charter of the Board of Directors and Charter of Sub-Committees were reviewed and approved for the same content and/or amendment 7 documents as follows:

- Charter of the Board of Directors
- Charter of the Audit Committee
- Charter of the Nomination Committee
- Charter of the Remuneration Committee
- Charter of the Governance Committee
- Charter of the Risk Management Committee
- Charter of the Executive Committee

4 documents about policy, practice guideline and corporate governance system are reviewed and approved for the same content and/or amendment as follows:

- Risk Management Policy
- The Good Corporate Governance Principles
- Authority, duty, and responsibility scope of the Chairman
- Authority, duty, and responsibility scope of the Managing Director

The matter has passed discussion of the Board of Directors No. 7/2021, held on 9 November 2021.

6.3.2 Compliance with good corporate governance principles for listed Companies

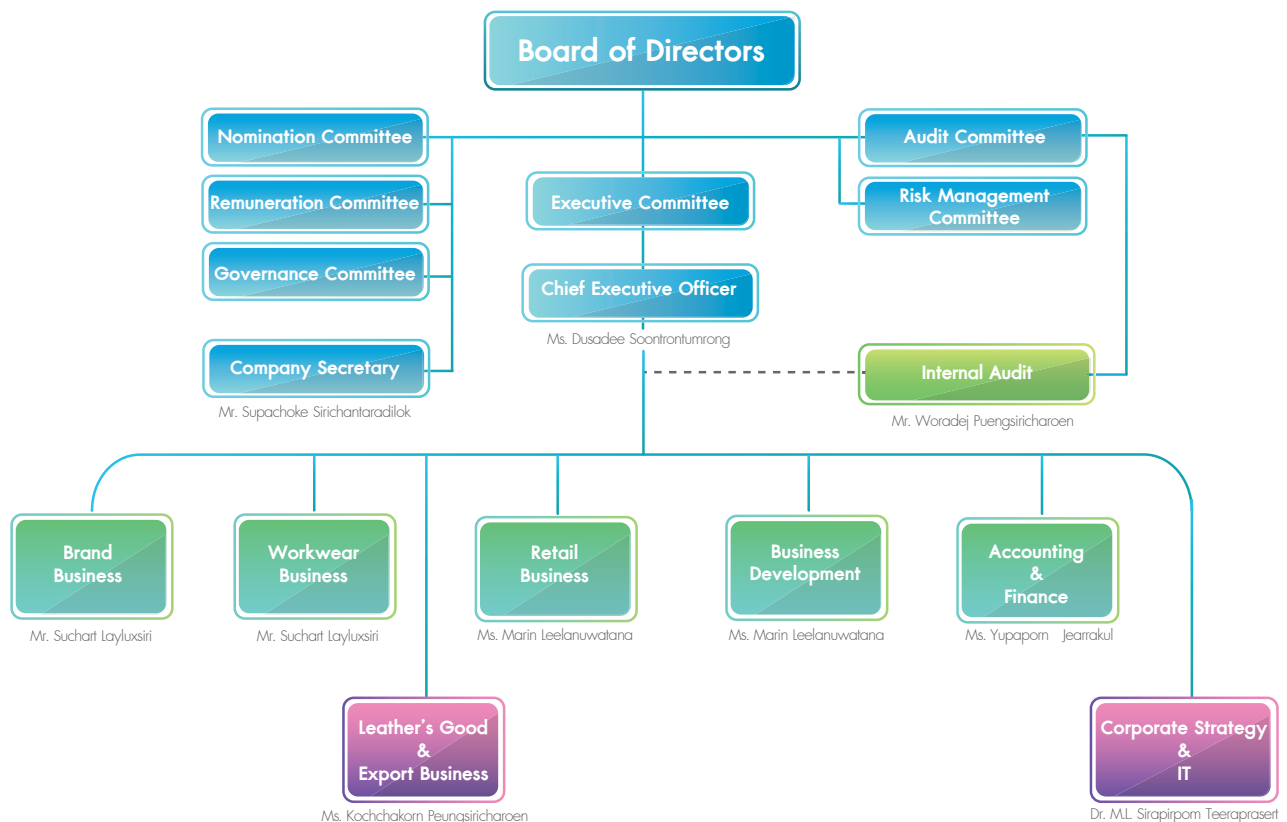
The Company has determined appropriated code of practice to conform with the business operation approach, with an aim to develop the corporate governance supervision for the listed companies, to oversee the business operation with transparency and fair, taking into consideration benefits of stakeholders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

6.3.3 Performing other matters in accordance with good corporate governance principles

In 2021, Annual General meeting, the Company was assessed by the Thai Investors Association. In the project to assess the quality of the shareholders' meeting. The Company received a full 100 scores (5TIA) and Corporate Governance Report of Thai Listed Companies (CGR Checklist) 2021 was assessed by Thai Institute of Directors Association (IOD) under collaboration with the Stock Exchange of Thailand, Thanulux PCL has been ranked for 89 points, which is a very good range, exceeding the average score of overall listed companies.

7 Corporate governance structure and important information about the board, sub-committees, management and other employees

7.1 Corporate Governance Structure



7.2 Board of Directors

7.2.1 Composition of the Board of Directors

The Company has a clear management structure which ensures accountability as well as sufficient checks and balances. The Board of Directors has appointed 6 Company Committees to scrutinize various aspects of the operation and has appointed Executive Officers to take charge of the Company's operational management. The powers, duties and responsibilities of each Company Committee, Chairman and Managing Director are clearly stated in writing in the Charters. The Company Secretary performs functions prescribed by law and as assigned by the Board of Directors.

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

- 5 Non-Executive Directors constituting 55% which include 3 Independent Directors
- 4 Executive Directors constituting 45%

The Board of Directors oversees operations for the greatest benefit of the Company and shareholders and ensures compliance with law, objects, articles and shareholders' meeting resolutions. The Board of Directors is under an obligation to perform duties responsibly, prudently, honestly and in good faith as a reasonable operator of such business would perform under the same circumstances.

The Company has independent directors equal to one-third as required by law.

List of Board of Directors

Name-Surname		Position
1. Mr. Manu	Leelanuwatana	Chairman
2. Mr. Thamarat	Chokwatana	Vice of Chairman
3. Ms. Dusadee	Soontrontumrong	Director
4. Ms. Marin	Leelanuwatana	Director
5. Ms. Yupaporn	Jearrakul	Director
6. Mr. Suchart	Layluxsiri	Director
7. Mr. Wasin	Teyateeti	Independent Director
8. Assoc.Prof.Dr. Nipon	Poapongsakorn	Independent Director
9. Mr. Maris	Sangiampongsa	Independent Director

Mr. Boonsithi Chokwatana as the Advisor to the Board of Directors.

Mr. Supachoke Sirichantaradilok holds the position of Company Secretary

The Company management structure consists of the Board of Directors, sub-committee and executives with clear separate duties to ensure the transparent of operation and balanced of power. The Board of Directors appoints sub-committee, which comprises members who possess suitable knowledge and skills for each field to assure shareholders that the Company's operation and evaluating are prudent. The sub-committee are Audit Committee, Nomination Committee, Remuneration Committee, Risk Management Committee, Corporate Governance Committee and Executive Committee.

7.2.2 The Board of Directors and Individuals with controlling Power of the Company

Directors authorized to sign on behalf of the Company

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

1. Ms. Dusadee Soontrontumrong
2. Ms. Marin Leelanuwatana
3. Ms. Yupaporn Jearrakul
4. Mr. Suchart Layluxsiri

Controlling persons

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

7.2.3 Duty and responsibility of the Board of Directors

The Board of Directors has determined scope of operation and duties of each committee clearly in the individual committee charter as described in Attachment 5.

During 2021, The Board of Directors convened total 8 meetings, there was a review of the vision, mission, core values, direction, goals, and business strategies. Moreover, in every quarter, the Board also monitored performance and progress of the strategic plan, whereby the meeting dates had been earlier decided throughout the entire year. Furthermore, additional meeting could also be summoned according to necessary circumstances.

Board of Directors



**Mr. Boonsithi
Chokwatana**

Chief Advisory of the Board of Directors



**Mr. Manu
Leelanuwatana**

Chairman of the Board of Directors
Chairman of the Nomination Committee



**Mr. Thamarat
Chokwatana**

Vice Chairman of the Board of Directors
Chairman of the Remuneration Committee
Nomination Committee Member



**Ms. Dusadee
Soontrontumrong**

Director
Remuneration Committee Member
Governance Committee Member



**Ms. Marin
Leelanuwatana**

Director
Nomination Committee Member
Remuneration Committee Member
Governance Committee Member



**Ms. Yupaporn
Jearrakul**

Director
Risk Management Committee Member
Governance Committee Member



**Mr. Suchart
Layluxsiri**

Director



**Mr. Wasin
Teyateeti**

Independent Director
Chairman of the Audit Committee



**Assoc. Prof. Dr. Nipon
Poapongsakorn**

Independent Director
Chairman of the Governance Committee
Audit Committee Member



**Mr. Maris
Sangiampongsa**

Independent Director
Audit Committee Member

Executive Managements



**Ms. Dusadee
Soontrontumrong**

Chairman of the Executive Committee



**Ms. Marin
Leelanuwatana**

Vice Chairman
of the Executive Committee



**Mr. Suchart
Layluxsiri**

Deputy Managing Director



**Ms. Yupaporn
Jearrakul**

Chief Financial Officer



**Dr. M.L. Sirapirom
Teeraprasert**

Senior President
of Organization Strategy and
Information Technology Department



**Ms. Kochakorn
Puengsiricharoen**

Senior President
of Leather's Good and
Export Department

7.3 Sub-Committees

The Board of Directors Meeting No.2/2021 on May 11, 2021 passed a resolution to appoint 6 sub-committees performed the duties of supporting the Board of Directors. The sub-committees hold office for a term of 1 year, in the period of June 2021 to May 2022.

1. Audit Committee

Name-Surname		Position
1. Mr. Wasin	Teyateeti	Chairman
2. Assoc.Prof.Dr. Nipon	Poapongsakorn	Member
3. Mr. Maris	Sangiampongsa	Member

Mr. Woradej Puengsiricharoen to hold the position of the Audit Committee Secretary

Authority, duty and responsibility of the Audit Committee, further details as described in Attachment 5.

All members of the Audit Committee were not the company shareholders, not engages in business relationship or provided any professional service to the company, its parent company, subsidiary, associated company or juristic person who may have conflicts of interest. Furthermore, they also did not serve as audit committee in its parent company, subsidiary, or same-level subsidiary.

2. Nomination Committee

Name-Surname		Position
1. Mr. Manu	Leelanuwatana	Chairman
2. Mr. Thamarat	Chokwatana	Member
3. Ms. Marin	Leelanuwatna	Member

Authority, duty and responsibility of the Nomination Committee, further details as described in Attachment 5.

In 2021, The Nomination Management Committee held its meeting 2 times, on the dates which had been decided in advance throughout the entire year. The Nomination management Committee subsequently reported the results to the Board of Directors and shareholders as stated in 56-1 One Report.

3. Remuneration Committee

Name-Surname		Position
1. Mr. Thamarat	Chokwatana	Chairman
3. Ms. Dusadee	Soontrontumrong	Member
3. Ms. Marin	Leelanuwatna	Member

Authority, duty and responsibility of the Remuneration Committee, further details as described in Attachment 5.

In 2021, The Remuneration Management Committee held its meeting 2 times, on the dates which had been decided in advance throughout the entire year. The Remuneration management Committee subsequently reported the results to the Board of Directors and shareholders as stated in 56-1 One Report.

4. Risk Management Committee

Name-Surname		Position
1. Mr. Krish	Follet	Chairman
2. Ms. Yupaporn	Jearrakul	Member
3. Dr. M.L. Sirapirpomp	Teeraprasert	Member
4. Ms. Busarin	Treeratpijarn	Member
5. Ms. Budchasri	Pinato	Member

Ms. Sunee Kongsong to hold the position of the Risk management Committee Secretary.

Authority, duty and responsibility of the Risk Management Committee, further details as described in Attachment 5.

In 2021, The Risk Management Committee held its meeting 4 times, on the dates which had been decided in advance throughout the entire year. The Risk management Committee subsequently reported the results to the Board of Directors and shareholders as stated in 56-1 One Report.

5. Governance Committee

Name-Surname		Position
1. Assoc. Prof. Dr. Nipon	Paopongsakorn	Chairman
2. Ms. Dusadee	Soontrontumrong	Member
3. Ms. Marin	Leelanuwatana	Member
4. Ms. Yupaporn	Jearrakul	Member
5. Dr. M.L. Sirapirom	Teeraprasert	Member

Mrs. Ratchanit Luepongpanich to hold the position of the Governance Committee Secretary.

Authority, duty and responsibility of the Governance Committee, further details as described in Attachment 5.

In 2021, The Governance Committee held its meeting 4 times, on the dates which had been decided in advance throughout the entire year. The Governance Committee subsequently reported the results to The Board of Directors and shareholders as stated in 56-1 One Report.

6. Executive Committee

Name-Surname		Position
1. Ms. Dusadee	Soontrontumrong	Chairman
2. Ms. Marin	Leelanuwatana	Vice Chairman
3. Mr. Suchart	Layluxsiri	Member
4. Ms. Yupaporn	Jearrakul	Member
5. Dr. M.L.Sirapirom	Teeraprasert	Member
6. Ms. Kochchakorn	Peungsiricharoen	Member
7. Mr. Chairit	Supasitichan	Member
8. Ms. Busarin	Treeratpijarn	Member
9. Mr. Chairat	Wattanachotiwat	Member
10. Mrs. Tueanjai	Peungsiricharoen	Member
11. Mr. Chayarop	Mahamontri	Member

Mr. Manu Leelanuwatana as the Advisor to the Executive Committee.

Mr. Supachoke Sirichantaradilok to hold the position of Executive Committee Secretary.

Mrs. Ratchanit Luepongpanich to hold the position of Vice Executive Committee Secretary.

Authority, duty and responsibility of the Executive Committee, further details as described in Attachment 5.

In 2021, The Executive Board held its meeting 12 times, where by the meeting dates had been decided in advance throughout the entire year.

In addition, the Executive Committee has appointed several subcommittees to enable participation of employees in certain areas of management of the Company to ensure compliance, efficiency and effectiveness of Company operations. The following subcommittees have been appointed.

1. Safety Vocational Hygiene and Working Environment Committee
2. Workplace Welfare Committee
3. Provident fund committee
4. Energy Management working group
5. Thai Labor Standard and Drug Prevention working group
6. The Innovation Competition Project Committee
7. The Customer Compliance Committee
8. Financial and Benefit Committee
9. Anti-Corruption working group
10. Corporate Social Responsibility Committee
11. ISO9001 Quality Management System working group
12. ISO14001 Environment System working group
13. Environmental Committee

7.4 Executive and Management information

7.4.1 Management

As December 31, 2021, the Company has total of Managements is 6 peoples with details as follows

Name-Surname		Position
1. Ms. Dusadee	Soontrontumrong	Chief Executive Officer and Managing Director
2. Ms. Marin	Leelanuwatana	Vice Chairman of Executive Committee
3. Mr. Suchart	Layluxsiri	Deputy Managing Director
4. Ms. Yupaporn	Jearrakul	Chief Finance Officer
5. Dr. M.L. Sirapirom	Teeraprasert	Senior President of Organization Strategy and Information Technology Department
6. Ms. Kochchakorn	Peungsiricharoen	Senior President of Leather's Good and Export Department

Powers, Duties and Responsibility of the Managing Director

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

1. To have the power to administer the operations of the Company pursuant to policies, law, objectives, Articles of the Company, resolutions of the meeting of shareholders, resolutions of the Board of Directors, resolutions of the Executive Committee, as well as relevant regulations and procedures.
2. To have the power to issue orders and carry out any act as necessary and appropriate in order to satisfactorily carry out the functions under article 1 and in the case of an important matter, a report shall be made and/or notice shall be given to the Board of Directors and/or the Executive Committee.
3. To have the power to issue regulations on the Company's operations, such regulations not being inconsistent with or contrary to the policies, articles, regulations, rules, orders and resolutions of the Board of Directors and/or Executive Committee.
4. To grant and/or delegate powers to other persons to perform specific tasks on behalf of the Managing Director.
5. To promote and develop adherence to good conduct, legal compliance, ethics and culture in the Company's business operations while observing good governance principles.
6. To carry out any other act as entrusted by the Board of Directors and/or Executive Committee.
7. The above powers of the Managing Director shall not be exercised in the event of the Managing Director's having a potential personal interest in or a conflict of interests of any character with the Company.

7.4.2 Policy on Remuneration of Directors and Executives

Payment of remuneration to Executive Officers is made in accordance with the principles prescribed by the Company after having due regard to the Company's operating result, level of responsibility assigned and performance of the Executive Officer. For the performance of the Managing Director, the Board of Directors has assigned the Chief Executive Officer to evaluate.

7.4.3 Total remuneration of the Executive Committee and the Management

Compensation of the executive directors and executives means compensation provided for the executives as per definition of the Securities and Exchange Commission. The Company provides compensation to 6 executives (not include controller of accounting) in salary, supporting wages, allowance, retirement compensation provided as an employee and attendance fee paid according to the number of attendance.

1. Remuneration in money

Remunerations	Year 2021		Year 2020		Year 2019	
	person	Amount (Baht)	person	Amount (Baht)	person	Amount (Baht)
Salaries and others	6	22,824,986	9	27,395,352	7	27,239,334
Meeting allowance	6	842,000	9	899,000	7	799,000
Total		23,666,986		28,294,352		28,038,334

2. Other Remuneration

Other remuneration of Executive Officers according to the definition of the SEC total of 6 persons (excluding the chief accountant) who are member of provident fund will received monthly contribution at the rate of 3 percent of the salary. In 2021, the Company made contributions to the provident fund totaling 0.25 million baht.

7.5 Employees

Total employees of the Company as of 31 December 2021

TNL	2021			2020			2019		
	Administration (person)	Production (person)	Total (person)	Administration (person)	Production (person)	Total (person)	Administration (person)	Production (person)	Total (person)
Head office / Bangkok	346	522	868	361	530	891	397	674	1,071
Bangplee	-	-	-	-	-	-	3	11	14
Lamphun	-	374	374	14	379	393	22	512	534
Kabinburi	-	403	403	13	352	365	18	418	436
Mae Sod	-	173	173	3	167	170	3	187	190
Total	346	1,472	1,818	391	1,428	1,819	443	1,802	2,245

*Remark: 2 subsidiaries were in the process of dissolving its business.
 1. S. Apparel Company Limited
 2. Celebrate Wealth Company Limited

Labour disputes over the previous 3 years period

-None-

Remuneration of all employees (Excluding Executives)

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

Unit: million baht

Consolidated Returns	2021	2020	2019
	Amount	Amount	Amount
	438.93	460.16	557.09

Provident fund

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

In 2021, total of 958 employees, or 52% of total employees, joined the provident fund.

7.6 Other important information

7.6.1 Information about Company Secretary, Investment Relations, Head of Internal Audit, and Head of Compliance

Chief of Accountant

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

Head of Internal Audit Office

The Audit Committee approved of Mr. Woradej Puengsiricharoen to take a position as head of Internal Audit Office, since the person has good quality of knowledge, abilities and experiences in such work and also received Internal Auditing Certificate Program (CIA No. 30825)

The Audit Committee agreed that the Head of Internal Audit's education, experience and training experience are adequate and suitable to perform duties as the Head of Internal Audit. Further details as described in Attachment 1.

Head of Compliance Office

The Company has assigned Miss Morakod Kladpetch, Legal office, to act as head of Compliance unit according to the rules of official agencies overseeing the company's business operations. Further details as described in Attachment 1.

Company Secretary and Investor Relations

The Board of Directors adopted a resolution to appoint Mr. Supachoke Sirichantaradilok, whose qualifications are stated in "Details of directors, executives, controlling persons, and the Company's secretary" (Attachment 1), as the Company Secretary from May 8, 2008. The Company prioritises the importance of information disclosure, which is transparent and thorough. News and information are shared to investors and related parties to acknowledge them without delay and in equal manner via SET channel and the Company's site: www.thanulux.com. In addition, the Company has assigned a person to provide information and news for investors and related person as per request through below channel.

Mr. Supachoke Sirichantaradilok

Position Company Secretary and Investor Relations

Tel. 02-295-0911-19, 02-295-4171-80 ต่อ 250

Fax. 02-294-5101

E-mail : supachoke@thanulux.com

The roles, duties and responsibilities of Company Secretary

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

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

7.6.2 Auditor's Remuneration

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

Unit : Baht			
Audit Fee	2021	2020	2019
Thanulux Public Company Limited	1,100,000	1,100,000	996,500
Subsidiary (2 Companies)	100,000	175,000	384,000
Other Services			
Thanulux Public Company Limited	60,000	60,000	60,000
Subsidiary (2 Companies)	-	-	-
Total	1,260,000	1,335,000	1,440,500

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

8 Importance performance reports on corporate governance

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

In 2021, the Board of Directors has carried out completely and appropriated of corporate governance activities and monitored the performance of the Sub-committees and other working teams closely.

8.1.1 Nomination, Development and Evaluation of the Board's Performance

Nominating and Appointment of Directors

The Board of Directors was appointed by the shareholders' meeting. Since the Company shareholding was not structured as a joint venture, there is no need to allocate Directors according to shareholder groups.

1. Selection Procedure for Appointment of Company Directors

Criteria for the selection of directors

For nominating process of the persons to be appointed directors, the company has set the criteria as follows:

1. Qualifications of nominated directors to be diverse or what is called Board Diversity in terms of educational level, professional skills, specialization that is beneficial to the company's business, and ability to meet the requirements of the strategy of the company's business operation without discrimination such as sex, age, and race, etc.
2. Having leadership, vision, integrity and ethics, as well as transparent work experiences.
3. Being qualified and not be prohibited under the laws and regulations of the company.
4. In case of the nomination of the retiring directors to serve another term, they will be considered additionally in term of the performance as directors and various committees in the past.
5. In case of the selection of persons to be appointed independent directors, they must have the qualifications required for independent directors, in accordance with The Notification by The Capital Market Supervisory Board.

Process for the selection of Directors

1. The Nominating Committee has been assigned to select qualified persons having appropriate qualifications to be nominated as company directors for consideration by The Board of Directors, prior to submitting to the shareholders' meeting for approval by the majority votes of the shareholders present at said meeting.

In the case where the retirement took place prior to term completion with the remaining term being not less than 2 months, The Board of Directors' meeting shall then be authorized to select the persons from the candidates proposed by The Nominating Committee, for further appointment as company directors, by the majority votes of not less than 3/4 of the remaining directors. In such case, the newly-appointed directors shall serve out the remaining term of their predecessors.

2. The Nominating Committee will analyse the skills, experience, knowledge and expertise of the board (Skill Matrix) as the consideration information for selecting directors in accordance with the strategy of the company's business operation.

In addition, regarding the selection of new board members, The Nominating Committee has considered more in terms of knowledge, ability and experience that can be beneficial to the performance of directors and essential to the structure of the board that is still lacking.

3. The Nominating Committee has considered the person to be nominated to serve as directors, apart from professional directors of the Thai Institute of Directors Association (IOD).

Independent Director

With regard to the selection of persons to be appointed independent director, The Nominating Committee shall select from those persons having qualifications required for independent directors, in accordance with The Notification by The Capital Market Supervisory Board, in addition to basic qualification requirements above.

Independent Director's qualifications

The Board of Directors resolved to adopt the definition for "Independent Director" having qualifications in accordance with the notification of The Capital Market Supervisory Board as follows:

1. Holding shares not exceeding 1 percent of the total number of voting rights of the company, its parent company, subsidiary, associated company, major shareholders or controlling person of the company, including the shares being held by related persons of independent directors.

2. Neither being nor having been an executive director, employee, staff, or advisor who received regular salaries, or being a controlling person of the company, its parent company, subsidiary, associated company, same-level subsidiary, major shareholders or persons having supervision authority over the company, unless the foregoing status ended not less than two years prior to the date of their appointments as independent directors. Nevertheless, such prohibited nature would not apply in the case of these independent directors having earlier served as government officials, or advisors to government agency acting as major shareholder in the company or having supervision authority over the company.

3. Not being a person related by blood or registration under laws, such as father, mother, spouse, sibling, and child, including spouse of the children, executive, major shareholder, controlling person, or person to be nominated as executive or as controlling person of the company or its subsidiary.

4. Not having business relationship with the company, its parent company, subsidiary, associated company, major shareholders or controlling person of the company, in such manner likely to interfere with own independent judgment and neither being nor having been a significant shareholder or person having supervision authority over the person who has business relationship with the company, its parent company, subsidiary, associated company, major shareholders or controlling person of the company, unless the foregoing relationship ended not less than two years prior to the date of appointment as independent director.

The term 'business relationship' aforementioned under paragraph one included any normal business transaction,

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

5. Neither being nor having been an auditor of the company, its parent company, subsidiary, associated company, major shareholders or controlling person of the company, and not being a significant shareholder or person having supervision authority, or partner of an audit firm which employs auditors of the company, its parent company, subsidiary, associated company, major shareholders or controlling person of the company, unless the foregoing relationship has ended not less than two years prior to the date of appointment as independent director.

6. Neither being nor having been any professional advisor including legal advisor or financial advisor who receives an annual service fee exceeding two million Baht from the company, its parent company, subsidiary, associated company, major shareholders or controlling person of the company, and not being a significant shareholder or person having supervision authority or partner of the professional advisor, unless the foregoing relationship has ended not less than two years prior to the date of appointment as independent director.

7. Not being a director who has been appointed as the representative of the company's director, major shareholder, or being a shareholder who is related to the major shareholder.

8. Not engaging in business operations of the same business nature or in competition against the business operations of the company or its subsidiaries, nor serving as a significant partner in a limited partnership or otherwise serving as a director participating in the management, or serving as employee or consultant receiving regular salary or holding over 1% shares out of total shares in other companies engaging in the same business nature or in competition against the company and its subsidiaries.

9. Not having any characteristics which make him incapable of expressing independent opinions with regard to the company's business affairs.

After appointed to be independent director who qualifies as stated above, such independent director may be assigned by the Board of Directors for taking part in the business decisions of the company, its parent company, its subsidiaries, its associated companies, same level subsidiaries, major shareholder or controlling person of the company on the condition that such decision must be a collective one.

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

Additionally, in the past accounting period, the independent directors of the company had neither business relationship nor professional services. Also, the appointed independent directors never have or had business relationship or professional services exceeded than the rules stipulated in the notification of The Capital Market Supervisory Board regarding the Application for and Approval of Offer for Sale of Newly Issued Shares

Shareholders' rights to elect Company Directors

Minor shareholders' rights to propose candidates as Company Director

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

Vote-casting method for director appointment

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

1. One shareholder shall have one vote per one share.
2. Each shareholder must exercise all of the votes he or she has under the first paragraph to elect one or several persons to be a director or directors and must not allot his or her votes to any person in any number.
3. The persons receiving the highest number of votes, followed by those with descending highest number of votes shall be elected as the directors fulfilling the number of directorship required to be elected by the shareholder's meeting. In case the number of votes for the candidates in descending order are equal and exceed the number of directors to be elected at said meeting, the Chairman shall cast the deciding vote.

2. The selection method for the person to be appointed as Chief Executive Officer

2.1 The nominating of the management

The nominating process for the persons to further serve in management positions for the company begins with the nominating of the persons having good qualifications and sound morality and ethics to join the company. The company then trains and develops these people to be well-prepared to meet the challenges as future management members, through its consistent evaluation process of employees' potentials and capabilities.

2.2 The nominating of the Chief Executive Officer

With the regard of nominating methods for the company's Chief Executive Officer, The Nominating Committee shall consider and select from the current management or others, with qualified knowledge and abilities, who understand the company's business very well, as well as be able to manage to achieve the objectives and targets set by The Board of Directors, and also not be prohibited by laws. Accordingly, such person is then proposed to The Board of Directors for consideration of appointment.

Assessment of the Board of Directors

The Board of Directors appreciates the significance of its roles, duties and responsibilities towards the performance of functions for the best interest of the Company and all stakeholders. Therefore, there is an annual assessment of the Board of Directors and Sub-committee.

The Company stipulates criteria for Assessment the performance of directors as follows:

The Board of Directors:

- (1) Role, duty and responsibility of the Board of Directors
- (2) Independence of the Company Director
- (3) Relationship with management and stakeholders

Individual:

- (1) Roles, duties and responsibilities of Director
- (2) Duty fulfillment of the Company Director
- (3) Self-development of the Company Director

Annual Assessment	2021		2020	2019
	%	Level Satisfaction	%	%
Company Directors				
Board of Directors	83.16	Very good	81.16	85.86
By Individual	89.03	Very good	87.00	87.68
Sub-committees				
Audit Committee	97.33	Excellent	98.00	98.33
Nominating Committee	86.67	Very good	79.58	75.00
Remuneration Committee	91.56	Excellent	84.44	78.67
Risk Management Committee	74.75	Very good	81.56	76.67
Governance Committee	88.25	Very good	85.50	87.19
Executive Committee	82.78	Very good	73.42	78.13

Annual Evaluation of the Managing Director

The Board of Directors requested the Chairman of the Executive Committee to evaluate the performance of the Managing Director on an annual basis. The result is used to determine remuneration, based on the following factors:

- (1) Performance of the company
- (2) Vision and business strategy
- (3) Leadership, teamwork and succession plan
- (4) Flexibility and adaptability
- (5) Integrity and loyalty to the organization.

The evaluation result is confidential personal data which cannot be disclosed.

8.1.2 Meeting Attendance and Remuneration for Individual Committees

In 2021, attendance in each Company Committee may be summarized as follows:

Unit : Time / Year

No.	List of Directors		Attendance					
			AGM No.47	Directors	Audit Committee	Nomination Committee	Remuneration Committee	Risk Management Committee The Governance Committee
1	Mr. Manu	Leelanuwatana	1/1	8/8	-	2/2		
2	Mr. Thamarat	Chokwatana	1/1	8/8	-	2/2	2/2	
3	Ms. Dusadee	Soontorntrumrong	1/1	8/8	-		2/2	4/4
4	Ms. Marin	Leelanuwatana	1/1	8/8	-	2/2	2/2	4/4
5	Ms. Yupaporn	Jearrakul	1/1	8/8	-			4/4
6	Mr. Suchart	Layluxsiri ⁶	1/1	7/7	-			
7	Mr. Wasin	Teyateeti ²	1/1	6/6	7/7			
8	Assoc. Prof. Dr. Nipon	Poapongsakorn	1/1	8/8	12/12			4/4
9	Mr. Maris	Sangiampongsa ³	1/1	8/8	7/7			
10	Mr. Padoong	Techasarintr ¹	1/1	1/1	5/5			
11	Assoc.Prof. Nares	Kesaprakorn ⁴⁻⁵	0/1	1/1	4/4			

- Notes: 1. Mr. Padoong Techasarintr was resigned from a director and a chairman of the Audit Committee on May 11, 2021
2. Mr. Wasin Teyateeti was appointed as a director and a chairman of the Audit Committee on May 11, 2021
3. Mr. Maris Sangiampongsa was appointed as a member of the Audit Committee on May 11, 2021
4. Assoc.Prof. Nares Kesaprakorn was resigned from a director and a member of the Audit Committee on April 27, 2021
5. Assoc.Prof. Nares Kesaprakorn was not attended the Annual General Meeting of Shareholders. Due to the government's quarantine measures due to COVID-19
6. Mr. Suchart Layluxsiri was appointed as a director on February 4, 2021

The Board of Directors and subcommittees meetings

The Board of Directors and subcommittees have arranged meeting schedule one year in advance. Additional meetings may be called upon issued, as necessary. Each meeting is accompanied by clear agendas. The secretary of each committee shall send out invitation letters together with the agenda and supplemental meeting documents to the directors not less than 7 days in advance in order to enable the directors to carry out adequate studies of the information prior to the meeting. In the meeting, the chairman shall give opportunities to all directors to fully debate and express opinions, and to the executives to give explanations and responses to questions. Minutes are recorded in writing. Minutes which have been approved by the board are systematically archived as evidence for references and ready for inspection.

Remuneration of Directors

Criteria for remuneration of Directors and Executives

Payment of remuneration to Company Directors is subject to the limits and rules set by the Remunerations Committee. Due regard is given to other companies in the same industry, the Company's expansion, growth of the Company's operating results, and the powers, duties, responsibilities and performance of Company Directors.

Remuneration is determined as meeting allowances and an annual fee

A proposal would be made to the Board of Directors for consideration before submission to the General Meeting of Shareholders for approval of the remuneration limit.

Payment of remuneration to Executive Officers is made in accordance with the principles prescribed by the Company after having due regard to the Company's operating result, level of responsibility assigned and performance of the Executive Officer. For the performance of the Managing Director, the Board of Directors has assigned the Chief Executive Officer to evaluate. Remuneration

1. Monetary Compensation

(A) Directors Remuneration

Shareholders' Meeting No. 47 on April 27, 2021 passed a resolution approving the remuneration limit in an amount not exceeding Baht 10 million per annum for Company Directors. This remuneration does not include compensation or welfare benefits payable to Company Directors in their capacities as officers or employees of the Company. The following compensation has been determined for performance of duties.

Remuneration for the Director of Committees		Meeting Allowance (Baht / meeting)
Board of Directors	- Chairman	10,000
	- Director	8,000
Audit Committee - Monthly	- Chairman	10,000
	- Member	8,000
- Quarterly	- Chairman	60,000
	- Member	30,000
Nominating Committee	- Chairman	10,000
	- Member	8,000
Remuneration Committee	- Chairman	10,000
	- Member	8,000
Risk Management Committee	- Chairman	10,000
	- Member	8,000
Governance Committee	- Chairman	10,000
	- Member	8,000

Remark: Meeting allowances are paid only to Members present at the meeting

(B) Annual fee (remuneration)

Payable to all Company Directors. The Remuneration Committee considers allocation of this amount and proposes to the Board of Directors for approval.

Monetary Remuneration details for the Board of Directors and Subcommittees

No.	List of Directors		Position	Meeting Allowance (Baht)	Annual fee	Total Remuneration
1	Mr. Manu	Leelanuwatna	Chairman of the Board	80,000	-	100,000
			Nominating Committee member	20,000		
2	Mr. Thamarat	Chokwatana	Vice Chairman	64,000	250,000	350,000
			Chairman of the Remuneration Committee	20,000		
			Nominating Committee member	16,000		
3	Ms. Dusadee	Soontornumraon	Director	64,000	650,000	762,000
			Remuneration Committee member	16,000		
			Governance Committee member	32,000		
4	Ms. Marin	Leelanuwatna	Director	64,000	250,000	378,000
			Nominating Committee member	16,000		
			Remuneration Committee member	16,000		
			Governance Committee member	32,000		
5	Ms. Yupaporn	Jearrakul	Director	64,000	120,000	245,000
			Risk Management Committee member	26,000		
			Governance Committee member	32,000		
6	Mr. Suchart	Layluxsiri	Director	56,000	-	56,000
7	Mr. Wasin	Teyateeti	Director	56,000	-	218,000
			Chairman of the Audit Committee (was appointed on 11 May 2021)	170,000		
8	Assoc. Prof. Dr. Nipon	Poapongsakorn	Independent Director	64,000	160,000	448,000
			Audit Committee member	184,000		
			Chairman of the Governance Committee	40,000		
9	Mr. Maris	Sangiampongsa	Independent Director	64,000	120,000	284,000
			Audit Committee member	92,000		
10	Mr. Padoong	Techasarintr	Independent Director	8,000	350,000	508,000
			Chairman of the Audit Committee (resigned 11 May 2021)	150,000		
11	Assoc. Prof. Nares	Kesaparakorn	Independent Director	8,000	160,000	222,000
			Audit Committee member (resigned 27 April 2021)	54,000		
12	Mr. Supotch	Pakaworawuth	Director (resigned 1 January 2021)		560,000	560,000
Total				1,511,000	2,620,000	4,131,000

Note: The Annual General Meeting of Shareholders resolved to approve Adjust the rate of meeting allowance of the Risk Management Committee as follows:

Meeting allowance for the chairman, originally 6,000 baht per time, adjusted to 10,000 baht per time.

Meeting allowance for directors, originally 5,000 baht per time, adjusted to 8,000 baht per time, effective from 27 April 2021

For the remuneration of other committee members appointed by the Board of Directors, the Remuneration Committee shall determine in appropriate circumstances and in accordance with the duties and responsibilities and presented to the Board for approval.

In 2021, The Company paid the meeting allowance of Baht 1,511,000 annual fee Baht 2,620,000 total Baht 4,131,000.

2. Other Remuneration

- None-

The Company does not have a policy of paying other remuneration apart from remuneration paid by the Company to Directors or employees in the ordinary course of business. There is no grant of shares, debentures or other securities.

8.1.3 Supervision of Subsidiaries

The designated Company Directors will meet together to select a person which the Company would nominate and vote to appoint as a director of a subsidiary company. The number of persons voted by the Company for appointment would be in proportion to the Company's shareholding. The person appointed as a director of a subsidiary company would be under a duty to act in the best interest of that subsidiary company, except on matters pertaining to important policies having an impact on business operations for which the Company requires such appointed person to obtain the approval of the Board of Directors prior to voting on the resolution.

The Company has a policy of ensuring that a subsidiary has a sufficient and appropriate internal control system. The Company's internal audit office would monitor the subsidiary company's internal control system every year.

In addition, the Company instructs the person appointed by the Company to oversee the subsidiary company's compliance and disclosure of significant information pursuant to the same applicable rules as the Company, such as connected transactions, acquisition or disposal of assets or other significant transactions, including supervision of data collection and financial accounting of the subsidiary company in order to facilitate inspections and consolidation of financial statements in a timely manner.

The Company does not have any agreement with other shareholders on the management of subsidiary companies. The Company also does not have any agreement with other shareholders on the allocation of returns other than normal returns pursuant to the proportion of shareholding in the subsidiary company.

In 2021, the Company has 2 subsidiaries, the directors of each subsidiaries are as follows:

1. S. Apparel Company Limited

Name-Surname			Position
1.	Mr. Supotch	Pakaworawuth	Chairman
2.	Mr. Woradej	Puengsiricharoen	Director
3.	Mr. Chayarop	Mahamontri	Director

2. Celebrate Wealth Company Limited

Name-Surname			Position
1.	Miss Yupaporn	Jearrakui	Director and Managing Director
2.	Miss Marin	Leelanuwatana	Director
3.	Mr. Chairat	Wattanachotiwat	Director
4.	Mr. Suchart	Layluxsiri	Director

8.1.4 Monitoring to ensure the implement of the corporate governance policy and practice

The Board of Directors believes that compliance with the Good Corporate Governance Code, which is the foundation of sustainable development and business value creation, will bring about competitiveness and desirable profitability. To this end, the Board has considered long-term effects, ethical business practices, respect for and responsibility towards shareholders and stakeholders, benefits to society, eco-friendly developments, the minimization of environmental impact, and the ability to cope with change.

The Company has announced the Good Corporate Governance since the year 2002. These principles have been revised and updated by the Board of Directors every year. In 2017, the Board of Directors assessed and reviews the Good Corporate Governance Principles against the Corporate Governance Code for listed companies 2017 and then on the Board of Directors Meeting No. 7/2018 on December 18, 2018 had approved the said documents. The document comprises the following:

- The Good Corporate Governance Policy
- The Eights Principles of Good Corporate Governance
 - Principle 1 The Board of Directors shall be aware of its leadership roles and responsibilities in the creation of the Company's sustainable prosperity.
 - Principle 2 The Board of Directors shall define the Company's objectives to ensure sustainability.
 - Principle 3 The Board of Directors shall strengthen its effectiveness.
 - Principle 4 The Board of Directors shall nominate and develop senior executive officers and ensure good people management.
 - Principle 5 The Board of Directors shall nurture innovations and responsible business practices.
 - Principle 6 The Board of Directors shall provide an adequate system of risk management and internal control.
 - Principle 7 The Board of Directors shall ensure information disclosure and financial integrity.
 - Principle 8 The Board shall encourage engagement and communication with shareholders.
- The Business Ethics
- The Code of Conduct for Directors, Executive Officers, and Employees

In addition, the Company also follow up to ensure the compliances with good corporate governance in 4 important issues as follows:

(1) Management of Conflicts of Interests

The Board of Directors attaches significance to the scrutiny of transactions which could potentially lead to a conflict of interests. This is to be carried out prudently, honestly and in good faith. Thus, policies relating to conflicts of interests have been prescribed as part of the corporate governance policies and business ethics. Further details are available on the Company website (www.thanulux.com). The Company disclosed details of transactions with potential conflicts of interests under the heading "Connected Transactions".

(2) Supervision of inside

The company placed much emphasis on the protection and supervision over usage of inside information, as specified in the company's business ethics, prohibit directors, managements and employees who access to inside information, from any act in exploitation of such inside information, especially those information not yet disclosed to the public. Violation is considered as a disciplinary offence.

1. The company has in place a measure for the monitoring of its security trading transactions by prohibiting company directors, management members, and employees having access to inside information, from engaging in any act in exploitation of such information, particularly those information not yet disclosed to the general public. Any violation would be deemed as a disciplinary offence of company regulations. Furthermore, for the period of 1 month prior to the disclosure of financial statements to the public, the company sent out related circular to the directors, the management, and the employee having access to inside information, instructing them to refrain from any purchase or sales transaction of company shares during said period, together with the penalties to be imposed in the case of violation or non-compliance with said regulation.

In 2021, the company directors, management members, and employees were not found to have any abuses related to inside information.

2. The company informed company directors, management members to acknowledge of duty to report their shareholding status, as well as those by spouses and children not yet reaching legal maturity, within 30 days from the day of their appointments to become directors or management members. Furthermore, in the case of any change occurring to their shareholding status, they were required to report such change details within 3 days from the day of change to The Securities and Exchange Commission according to article 59 of The Securities and Exchange Act B.E. 2535.

Furthermore, the company has set a policy for company directors, management members including their spouse and underaged children having duty to inform of the company's securities trading to the Chairman of the Board at least 1 working day prior to trading and report their shareholding and the changes in holding of the company's securities to The Board of Directors at the next Board of Directors' meeting. The company has to provide the agenda to report the securities holding status by the company directors and the management including their spouse and underaged children to the Board of Directors' meeting acknowledged on a quarterly basis.

In 2021, the company directors and the management did not have any trading of the company's securities.

3. The company had in place a measure for monitoring of the company director and the management's interest by requiring the interest report of company director, the management, and related persons which their interest are connected to the company's business operation.

In 2021, the company directors and the management strictly followed the above regulation.

(3) Anti-CorruptionAnti-Corruption Policy

1. The company will not be a party to pay bribes. In case of charitable contributions, political contributions as well as offering gifts in a business manner, this must be transparent, explainable and audited.

2. Supporting enhancement of awareness and value for anti-corruption among the company directors, executives and employees to perform duties in accordance with relevant laws, notifications and regulations by preparing such manual for guidelines.

3. The company directors, executives and employees must not act as an intermediary in demanding and accepting gifts or benefits from government sectors or private sector, which induces to violate the laws. Moreover, it is illegal to use positions and/or duties to use the company's data to seek benefits for one or others.

4. Setting the system to report financial status transparently and accurately, providing and efficient and effective internal control system, and controlling check-and-balance system to be appropriate in order to prevent conducting any fraud or taking part in any fraud and corruption.

5. Monitoring and reviewing the anti-corruption policy, guidelines and regulations consistently for operation in order to adjust with business changes, laws and regulations.

6. Opening channel for reporting any suspected activity and ensuring that such reporters receive protection.

The Company had disseminated the Anti-Corruption policy through the Company website www.thanulux.com under the heading About the Company → Good Corporate Governance → Anti-Corruption

(4) Whistleblowing

Reports and complaints employees or stakeholders who witness, possess evidence or suspect that an employee or a person acting on behalf of the company involve, whether directly or indirectly, with bribery or corruption, violation of law, non-compliance of the company's rules and regulations including policies or code of conduct for directors, managements, and employees, or unfair treatment in workplace, can report or complaint as detail below:

Complaint channels

1. Verbal or correspondence complaints to

- | | |
|--|---------------------------|
| - President of Internal Audit Department | Tel: 0-2295-0911 ext. 168 |
| - Chief Financial Officer | Tel: 0-2295-0911 ext. 248 |
| - HR Manager | Tel: 0-2295-0911 ext. 286 |
| - Company Secretary | Tel: 0-2295-0911 ext. 250 |

2. E-mail address: anticorruption@thanulux.com

3. Suggestion Box

4. PO Box.27, Sathupradit post office, Bangkok 10124

In case of anonymous whistle blower, detail of facts or sufficient evidence shall be provided to demonstrate that there is an involvement with bribery or corruption.

Relevant information will be strictly kept in confidential, taking into account safety of the whistleblower, unless required to be disclosed by law.

8.2 Report on the performance of duties of the Audit Committee for the past year

In 2021, the Audit Committee holds monthly meetings Totally 12 times. A meeting schedule has been set in advance for the entire year. Joint meetings are also held with the management to discuss and exchange opinions relating to the Company's businesses. In addition, the joint meeting is held with the management and company auditor 1 time to inquire on issues identified by the audit of Company financial statements. The Audit Committee reports its performance results to the Board of Directors regularly every quarter and reports to the shareholders as stated in the annual report (Form 56-1 One Report).

Meeting Attendance for Individual of the Audit Committee

No.	Name-Surname		Position	Number of attended /Number of meetings held
1	Mr. Wasin	Teyateeti	Chairman of the Audit Committee	7/7 ²
2	Assoc. Prof. Dr. Nipon	Poapongsakorn	Member	12/1 ²
3	Mr. Maris	Sangiampongsa	Member	7/7 ³
4	Mr. Padoong	Techasarintr	Chairman of the Audit Committee	5/5 ¹
5	Assoc. Prof. Nares	Kesaparakorn	Member	4/4 ⁴

Mr. Woradej Puengsiricharoen to hold the position of Secretary to the Audit Committee

Remark: 1. Mr. Padoong Techasarintr has resigned from the Chairman of the Audit Committee on May 11, 2021
 2. Mr. Wasin Teyateeti was appointed as the Chairman of the Audit Committee on May 11, 2021
 3. Mr. Maris Sangiampongsa was appointed as the Audit Committee member on May 11, 2021
 4. Assoc. Prof. Nares Kesaparakorn was resigned from the Audit Committee member on April 27, 2021

8.3 Report on the performance of duties of the Sub Committees for the past year

The Sub Committees report its performance results to the Board of Directors regularly every quarter and reports to the shareholders as stated in 56-1 One Report.

9 Internal Control and Connected Transactions

9.1 Internal Control

The Company realizes the importance of the internal control system which has been established based on the integrated internal control framework called "COSO" (The Committee Sponsoring Organizations of the Tread way Commission). The system consists of internal control of organization, risk assessment, implementation control, information and communication system and tracking system. The Company requires Internal Auditing Office to evaluate the internal control system according to assessment form of the Office of Securities and Exchange Commission, including a Control Self-Assessment (CSA) system. The key purposes are to increase the efficiency, effectiveness and save time in operations; to create an accurate, complete, reliable and timely financial report, financial statements as well as other related reports; and to ensure the strict compliance with the laws, rules and requirements related to business operation of the Company.

9.1.1 The Sufficiency and Appropriateness of the Internal Control System

In 2021, the Board of Directors and Audit Committee are of the opinion that the Company and subsidiaries had the effective and appropriate internal control system.

9.1.2 Defects in the internal control system

-None-

9.1.3 Opinion of the Audit Committee that is different from the opinion of the Board of Directors

-None-

The Company has assigned Mr. Woradej Puengsiricharoen to take a position as head of Internal Audit Office, since the person has good quality of knowledge, abilities and experiences in such work / industry with the same characteristics as the company for 38 years. Training in courses related to operations internal audit and has

an understanding of the activities and operations of the Company, therefore, that it is appropriate to perform such duties appropriately and adequately. The qualifications of the person holding the position of Head of Internal Audit are shown in Attachment 3 (details about the Head of the Internal Audit Office).

The Company has assigned Miss Morakod Kladpetch, Legal office, to act as head of Compliance unit according to the rules of official agencies overseeing the company's business operations with the qualifications of the person holding the position of Head of Compliance are shown in Attachment 3 (details about the Head of the Compliance unit).

Appointment, removal, and transfer of the company's head of Internal Audit Office must be approved by the Audit Committee.

9.2 Connected Transactions

9.2.1 Characteristics of the transaction and relationship

In 2021, the Company executed accounting transactions with subsidiaries and related companies. The relationship may be by shareholding or the companies may have the same group of shareholders or directors, as stated in note of the financial statements. The notes provide details on the connections of connected companies, policies for determining prices for connected transactions and the connected transactions, as follows:

The transaction has operated according to the market price, which was normal trading business, in the absence of the underlying market price, fair prices will be agreed upon. All items were approved in accordance with the rules on connected transactions.

Connected Transactions in 2021

No.	Person who may have a conflict	Relationship	Characteristics of the transaction	Value of related transactions (Million Baht)	Necessity/ Note
1	Saha Pathana Inter-Holding Plc. ("SPI")	Major shareholder, holds 23.52% of shares	SPI charges a royalties from the Company SPI collects rental and common expenses from the Company SPI charges a other expenses from the Company SPI pays dividends to the Company SPI has a security obligation on the company. The Company pays dividends to SPI The Company has SPI creditors.	17,555 3,052 0,617 3,728 0,313 2,094 3,238	The Audit Committee has reviewed and considered such connected transaction, have the opinion that the service fee rate is appropriate and brings the greatest benefit to the Company
2	Ramasorn Thaveekarn Co., Ltd. ("RST")	Major shareholder, holds 11.68% of shares	RST pays the rental to the Company RST pays other expenses to the Company RST charges a other expenses from the Company The Company pays dividends to RST The Company has RST receivables. The Company has RST creditors.	0,540 1,630 0,250 1,060 0,009 0,004	The Audit Committee has reviewed and considered such connected transaction, have the opinion that the service fee rate is appropriate and brings the greatest benefit to the Company
3	I.D.F. Co., Ltd. ("IDF")	Major shareholder, holds 13.33% of shares	IDF pays the interest on the loan to the Company The Company lends money to IDF The Company pays dividends to IDF The Company has a IDF receivable	1,690 40,000 1,120 1,070	The Audit Committee has reviewed and considered such connected transaction, have the opinion that the service fee rate is appropriate and brings the greatest benefit to the Company
4	S. Apparel Co., Ltd. ("SAP")	Subsidiary, The Company holds 100% of shares			
5	Celebrate Wealth Co., Ltd. ("CW")	Subsidiary, The Company holds 87.76% of shares	CW pays other expenses to the Company CW pays the interest on the loan to the Company The Company has a CW receivable	3,045 0,055 0,272	The Audit Committee has reviewed and considered such connected transaction, have the opinion that the service fee rate is appropriate and brings the greatest benefit to the Company
6	Thai Wacoal Public Company Limited ("TWC")	SPI is a common major shareholder	TWC pays the products to the Company TWC pays other expenses to the Company TWC pays dividends to the Company TWC charges a products from the Company The Company pays dividends to TWC The Company has a TWC receivable The Company has TWC creditors	4,768 0,154 0,835 2,289 0,070 0,267 0,234	The Audit Committee has reviewed and considered such connected transaction, have the opinion that the service fee rate is appropriate and brings the greatest benefit to the Company

No.	Person who may have a conflict	Relationship	Characteristics of the transaction	Value of related transactions (Million Baht)	Necessity/ Note
7	I.C.C. International Plc. ("ICC")	SPI is a common major shareholder	ICC pays the products to the Company ICC pays dividends to the Company ICC pays other expenses to the Company ICC charges a other expenses from the Company ICC charges a products from the Company The Company pays dividends to ICC The Company has a ICC receivable The Company has ICC creditors	427,529 2,502 2,455 18,830 7,453 0,931 38,536 2,092	The Audit Committee has reviewed and considered such connected transaction, have the opinion that the service fee rate is appropriate and brings the greast benefit to the Company
8	PTK Multi Services Co.,Ltd. ("PTK")	SPI is a common major shareholder	PTK charges garden maintenance fees from the Company PTK charges cleaning fees from the Company	0.758 0.151	The Audit Committee has reviewed and considered such connected transaction, have the opinion that the service fee rate is appropriate and brings the greast benefit to the Company
9	Pitakkij Security Gard. Co.,Ltd. ("PSG")	Being a major shareholder indirectly through PSG	PSG charges security fees from the Company	2,636	The Audit Committee has reviewed and considered such connected transaction, have the opinion that the service fee rate is appropriate and brings the greast benefit to the Company
10	World Saha Fashion Co.,Ltd ("WSF")	SPI is a common major shareholder	WSF pays the products to the Company WSF pays other expenses to the Company WSF pays the interest on the loan to the Company The Company lends money to WSF The Company has a WSF receivable	8,180 3,020 0.400 10,000 2,711	The Audit Committee has reviewed and considered such connected transaction, have the opinion that the service fee rate is appropriate and brings the greast benefit to the Company
11	T-Chamber Co.,Ltd ("TC")	RST is a common major shareholder	TC pays the products to the Company TC pays other expenses to the Company TC charges a other expenses from the Company The Company has a TC receivable The Company has TC creditors	3,477 1,442 0.029 0.753 0.021	The Audit Committee has reviewed and considered such connected transaction, have the opinion that the service fee rate is appropriate and brings the greast benefit to the Company
12	Wise Winner Co., Ltd. ("WW")	RST is a common major shareholder	WW pays other expenses to the Company The Company has a WW receivable	0.002 0.605	The Audit Committee has reviewed and considered such connected transaction, have the opinion that the service fee rate is appropriate and brings the greast benefit to the Company
13	Thai Monster Co., Ltd. ("TMT")	SPI, RST are a common major shareholders	TMT pays other expenses to the Company TMT charges a other expenses from the Company The Company has a TMT receivable The Company has TMT creditors	0.790 0.160 0.017 0.199	The Audit Committee has reviewed and considered such connected transaction, have the opinion that the service fee rate is appropriate and brings the greast benefit to the Company
14	Saha Pathanapibul PLC. ("SPC")	SPI, ICC is a common major shareholders	SPC pays dividends to the Company SPC pays other expenses to the Company	0.753 0.012	The Audit Committee has reviewed and considered such connected transaction, have the opinion that the service fee rate is appropriate and brings the greast benefit to the Company

No.	Person who may have a conflict	Relationship	Characteristics of the transaction	Value of related transactions (Million Baht)	Necessity/ Note
15	Thai Gunze Co., Ltd. ("TGZ")	SPI, ICC are a common major shareholders	TGZ charges products and raw materials from the Company TGZ pays dividends to the Company TGZ pays other expenses to the Company TGZ pays the products to the Company The Company has TGZ creditors	3,492 1,397 0.140 0.041 0.175	The Audit Committee has reviewed and considered such connected transaction, have the opinion that the service fee rate is appropriate and brings the greatest benefit to the Company
16	Thai Secom Security Co., Ltd. ("TSC")	SPI, ICC are a common major shareholders	TSC charges a other expenses from the Company The Company has TSC creditors	0.894 0.766	The Audit Committee has reviewed and considered such connected transaction, have the opinion that the service fee rate is appropriate and brings the greatest benefit to the Company
17	Morgan De Toi (Thailand) Ltd. ("MDT")	SPI, ICC are a common major shareholders	MDT pays the products to the Company MDT pays other expenses to the Company MDT pays interest on loans to the Company MDT charges the products from the Company MDT charges a other expenses from the Company The Company lends money to MDT The Company has a MDT receivable	8,462 4,986 0.480 0.430 0.355 16,000 6,343	The Audit Committee has reviewed and considered such connected transaction, have the opinion that the service fee rate is appropriate and brings the greatest benefit to the Company
18	Thai Itokin Co., Ltd. ("ITK")	SPI, ICC are a common major shareholders	ITK charges the products from the Company ITK pays the products to the Company The Company has ITK creditors	9,817 0.003 0.465	The Audit Committee has reviewed and considered such connected transaction, have the opinion that the service fee rate is appropriate and brings the greatest benefit to the Company
19	SSDC (Tiger) Co., Ltd. ("SSDC")	SPI, ICC are a common major shareholders	SSDC charges a products from the Company SSDC pays dividends to the Company The Company has SSDC creditors	2,116 0.614 0.074	The Audit Committee has reviewed and considered such connected transaction, have the opinion that the service fee rate is appropriate and brings the greatest benefit to the Company
20	Erawan Textile Co., Ltd. ("ERW")	SPI, ICC are a common major shareholders	ERW pays the products to the company. ERW pays the interest on the loan to the Company ERW charges products and raw materials from the Company The Company lends money to ERW The Company has ERW creditors	0.068 0.924 15,079 20,000 1,610	The Audit Committee has reviewed and considered such connected transaction, have the opinion that the service fee rate is appropriate and brings the greatest benefit to the Company
21	Total Way Image Co., Ltd. ("TWI")	SPI, ICC, RST are a common major shareholders	TWI pays the products to the Company TWI pays other expenses to the Company TWI charges products and raw materials from the Company TWI charges a other expenses from the Company TWI collects fixed assets from the Company The Company has TWI creditors	1,419 2,020 8,679 0.077 1,102 0.391	The Audit Committee has reviewed and considered such connected transaction, have the opinion that the service fee rate is appropriate and brings the greatest benefit to the Company
22	International Leather Fashion Corp., Ltd. ("ILF")	SPI, ICC, RST are a common major shareholders	ILF charges a products from the Company ILF pays other expenses to the Company The Company has ILF creditors	3,268 1,943 0.058	The Audit Committee has reviewed and considered such connected transaction, have the opinion that the service fee rate is appropriate and brings the greatest benefit to the Company

Measures or Procedures for Approving Connected Transactions

1. Transactions in the ordinary and usual course of business between the Company or its subsidiary and a Director, executive officer or related person are executed under general commercial terms as would have been done by a reasonable person under similar circumstances. These agreements are negotiated at arm's length without any undue influence exerted by virtue of the status of a Director, executive officer or related person pursuant to section 89/12 of the Securities and Exchange Act (No. 4) B.E. 2551 (2008). The Management seeks the approval of the Board of Directors' Meeting on a yearly basis in the first Board of Directors' Meeting following the Annual General Meeting of Shareholders, to inform the new Board of Directors of such matter. As regards other transactions that are not executed under general commercial terms, done in the ordinary and usual course of business of the Company or subsidiaries with connected persons, the Management seeks the approval of the Board of Directors' Meeting on a regular basis in the 4th quarter of each year. In addition, the Management reports the transactions executed under the aforesaid conditions to the Board of Directors' Meeting every quarter.

2. Connected transactions which are not executed in the ordinary and usual course of business must be approved by the Company Executive Committee first. If the size of the transaction is within the Executive Committee's authority, the process would be concluded at this stage. However, if the size of the transaction exceeds the authority of the Executive Committee, the Executive Committee would submit a summary of the meeting's resolution to the Audit Committee for an opinion before submission to the Board of Directors for approval if the matter is within its authority. If the connected transaction has a value which exceeds the authority of the Board of Directors, the matter would be submitted to the shareholders' meeting for approval pursuant to regulations of the Stock Exchange of Thailand. At any stage of the deliberations, an interested person shall not be present at the meeting and shall not cast a vote.

Criteria for Consideration

1. Regard shall be given to the present and future benefits to the Company and Group, e.g.
 - Returns on investment, e.g. interests and dividends
 - Company's business opportunities
2. Security which should be received by the Company in connection with the transaction
3. Standing of the relevant company as well as managerial competency

9.2.2 Necessity and reasonableness

Doing business under highly competitive environment would require business alliance or networks, so as to increase the strength and potential in business operation which lead to sustainable development and growth. Although some business alliance or their networks may be related persons, but the Company still need to engage in business transaction with them for the benefit to the company itself and its shareholders.

9.2.3 Policies and Trends for Future Connected Transactions

The Company, as a public limited company, is aware of its responsibilities towards shareholders, employees and all stakeholders under the principles of good corporate governance. Connected transactions are only executed as necessary. Any increase or decrease will depend on economic conditions. In any event, there will be full compliance with the rules stated in all Notifications of the Stock Exchange of Thailand on "Rules Governing Connected Transactions."

The Board of Directors' Responsibility Report towards Financial Statements

The Board of Directors duly recognized their obligations and responsibilities in their status as the directors of SET listed company, with regard to the compilation of financial statements for Thanulux Public Company Limited and its subsidiary companies. Said financial statements were prepared in accordance with Thai Financial Reporting Standards (TFRS), based on the adoption of appropriate accounting policies on a consistent basis, accompanied by careful consideration and justifiable accounting estimates. Furthermore, adequate significant information was disclosed per the notes to the financial statements, together with necessary clarification and analysis regarding the financial positions and performances by the company and its subsidiaries, so as to contribute to the interests of the shareholders and general investors. Moreover, said financial statements were duly audited and unconditionally verified by independent certified public accountants.

The Board of Directors had exercised efforts to promote good governance practice, and to establish risk management system and internal control system in an efficient and effective manner. These practices were intended to ensure that the recording of accounting information was carried out in an accurate, complete, and sufficient manner, in order to safeguard the assets of the company and its subsidiaries, while also safeguarding against any significant fraud or abuse.

In the regard, The Board of Directors had appointed the Audit Committee whose members comprising independent directors had duly carried out audit work on the quality of the financial statements and the efficiency of internal control system. The opinions of The Audit Committee were displayed per the Audit Committee's report contained in the annual report 2021 (56-1 one Report)

Accordingly, The Board of Directors concluded that, the good corporate governance practice, the risk management system, as well as the internal control system already in place at the company, were well adequate and sufficient, reasonably providing sufficient confidence to all the concerned parties that, the financial statements of the company and its subsidiaries ending 31 December 2021 were prepared and presented in substantial context, in accordance with Thai Financial Standards and related regulation, in an accurate and reliable manner.



(Mr. Manu Leelanuwatana)

Chairman of the Board



(Miss Dusadee Soontrontumrong)

Chairman of the Executive Committee

Independent auditor's report

To the shareholders and the board of directors thanulux public company limited

Opinion

I have audited the accompanying consolidated financial statements of Thanulux Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as of 31 December 2021, 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 a summary of significant accounting policies, and have also audited the separate financial statements of Thanulux Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Thanulux Public Company Limited and its subsidiaries and of Thanulux Public Company Limited as of 31 December 2021, 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 as issued by the Federation of Accounting Professions under the Royal Patronage of His Majesty the King as relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

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

1. Related Party Transactions

The Company has a commercial agreement with a related company (having co-director/shareholder with the Company) to manufacture and distribute the Company's products in several department stores and other channels. The agreement stipulates that the related company may have goods return rights within specified period after the sales date.

For the year ended 31 December 2021, the Company has sales transactions with the related company in the amount of Baht 427.53 million, approximately 33 percent of the Group's total sales, which include reversal of goods returns deducted from revenue from sales in the statement of comprehensive income, in the consolidated and separate statements during the year ended 31 December 2021, amounting to Baht 38.10 million. The management also made estimates for the right of return goods of Baht 10.10 million and the provision of goods return of Baht 15.60 million, as reflected in the consolidated and separate statement of financial position as of 31 December 2021.

We considered the related party transaction a key audit matter because generally transactions with related companies contain management overriding control risk which may affect sales transaction not in ordinary course of business. This matter also requires the use of judgment by management to estimate the right of return goods (asset) and the provision for goods returned (liabilities) in connection with goods return.

Therefore, our audit procedures included the review of the policies and compliance of the control relating to sales recognition with the related party when goods were delivered to department stores and pricing policy under the agreed-upon structure. We also reviewed the sales transactions with other related parties whether they represents the same arrangement as well as compared the prices charged to the related company to those charged to third parties.

Furthermore, we also reviewed key assumptions used by management to estimate the right of return goods and the provision for goods returned which consists of historical goods return data, management forecast of future trend and gross profit margin ratio. We then compared such information to the actual goods returned to date.

2. Net Realizable Value of Inventories

The Group's inventories as of 31 December 2021 included garments and leather goods in fashionable product group shown in the consolidated and separate financial statements amounting to Baht 389.17 million. The Group has a devaluation policy during the year to reduce inventory costs as soon as there is a potential indication, such as product ages, inventory conditions and goods returned, etc. Such policy requires management to use judgment for the product obsolescence and the likely sales prices.

We considered the net realizable value of inventory a key audit matter because of the significant inventory value to the financial statements, the probability that the inventories would be obsolete or out of fashion, and significant use of judgment by the management for the stock devaluation policies.

Our audit included the review the policy and compliance of price reduction policies, including frequencies of inventory devaluation, identification of potentially devalued stock,

such as stock ages, number of events which the items were displayed under sales promotion events, product conditions, devalued amount and the situation when it is necessary to devalue more than once, and assessed if they were appropriate to the circumstances. We also reviewed sales documents of the devalued stocks during the year till the date of this report and noted that the sales of the devalued inventories are at the price higher the devalued cost.

Furthermore, we also reviewed the calculation of lower of inventory cost and net realizable value, including the major assumptions used by the management consisting of sales prices and selling expenses.

3. Impairment of investments in subsidiary companies, investments in associate company, and general investments

As discussed in Notes to the financial statements no. 13 and 14 of the separate financial statements, as of 31 December 2021, the Company had net investments in subsidiary company and in associated company totaling Baht 11.23 million. As discussed in note to the financial statements, No. 12 of the consolidated financial statements and the separate financial statements, as of 31 December 2021 the Company had non-listed equity securities-net totaling to Baht 729.62 million. The Company had recorded the allowances for impairment of investments in subsidiary company, associated company totaling Baht 78.59 million and Baht 9.50 million respectively and unrealized gain on revaluation of non-listed equity securities in the consolidated financial statements and the separate financial statements totaling to Baht 223.88 million and Baht 227.88 million, respectively.

We considered the above issue a key audit matter due to the impairment in investments test in accordance with Thai Financial Reporting Standard No. 36 and measuring the fair value of investments in accordance with Financial Reporting Standard No. 9 Financial Instruments is significant to audit because the investment amount is material to the financial statements. The consideration of impairment in investments and fair value determination depends on the Group's management judgements and significant assumption to consider whether recoverable amount and fair value is appropriate.

Our audit procedures include understanding consideration process and internal control procedures related to the impairment assessment, we also reviewed the design and implementation of the internal control procedures, recalculate and examine the supporting documents in relation to the management consideration of impairment indicators for investments and assessing the appropriateness of the methodology applied by the Group's management in calculating the impairment charges, and various judgments applied in determining recoverable amount and measuring the fair value of investments.

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 this matter in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Ms. Kwunjai Kiatgungwalgri

Ms. Kwunjai Kiatgungwalgri

Certified Public Accountant No. 5875

ASV & ASSOCIATES LIMITED

Bangkok

21 February 2022

THANULUX PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS OF 31 DECEMBER 2021

(UNIT : BAHT)

		Consolidated Financial Statements		Separate Financial Statements	
	Notes	31 December 2021	31 December 2020	31 December 2021	31 December 2020
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	6	213,990,743	85,424,732	210,641,306	83,392,065
Trade and other current receivables - net	7	201,165,646	197,340,482	193,220,597	187,724,196
Short - term loans to related companies	8	41,000,000	46,000,000	41,000,000	49,800,000
Inventories - net	9	389,170,172	331,103,216	389,170,172	331,103,216
Right to returned goods	10	10,100,000	32,500,000	10,100,000	32,500,000
Current tax assets		1,468,019	1,565,061	1,468,019	1,564,310
Other current financial assets	11	484,196,426	648,973,386	484,196,426	648,973,386
TOTAL CURRENT ASSETS		1,341,091,006	1,342,906,877	1,329,796,520	1,335,057,173
NON - CURRENT ASSETS					
Other non - current financial assets	12	2,585,077,481	2,404,367,313	2,585,077,481	2,404,103,726
Investments in subsidiaries - net	13	-	-	11,227,517	11,764,007
Investments in associate - net	14	-	-	-	-
Long - term loans to related company	15	42,876,832	10,000,000	45,000,000	10,000,000
Investment property - net	16	106,489,674	109,308,832	173,671,283	178,832,066
Property, plant and equipment - net	17	346,930,035	371,852,436	325,759,947	351,676,559
Right-of-use assets - net	18	14,568,736	24,892,218	14,568,736	21,068,876
Intangible assets - net	19	11,807,247	13,524,280	11,807,247	13,524,280
Deferred tax assets	32	37,185,083	50,273,439	37,185,083	50,273,439
Other non - current assets		7,766,186	9,679,814	7,606,186	5,743,782
TOTAL NON - CURRENT ASSETS		3,152,701,274	2,993,898,332	3,211,903,480	3,046,986,735
TOTAL ASSETS		4,493,792,280	4,336,805,209	4,541,700,000	4,382,043,908

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

THANULUX PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION (CONTINUED)

AS OF 31 DECEMBER 2021

(UNIT : BAHT)

		Consolidated Financial Statements		Separate Financial Statements	
	Notes	31 December 2021	31 December 2020	31 December 2021	31 December 2020
LIABILITIES AND					
SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Trade and other current payables	20	143,865,833	135,284,033	143,831,678	135,500,122
Current portion of lease liabilities	21	4,515,842	8,096,354	4,515,842	4,709,259
Current provisions for employee benefit	22	15,414,533	15,010,441	15,414,533	15,010,441
Other current liabilities		-	390,176	-	390,176
Provision for goods returned		15,600,000	53,700,000	15,600,000	53,700,000
TOTAL CURRENT LIABILITIES		179,396,208	212,481,004	179,362,053	209,309,998
NON - CURRENT LIABILITIES					
Long - term lease liabilities - net of current portion	21	9,910,308	14,434,495	9,910,308	13,548,063
Deferred tax liabilities	32	211,201,152	194,060,789	212,001,152	194,808,071
Non - current provisions for employee benefit	22	112,030,907	118,220,257	112,030,907	118,220,257
Other non - current liabilities		3,111,542	3,567,263	3,111,542	3,567,263
TOTAL NON - CURRENT LIABILITIES		336,253,909	330,282,804	337,053,909	330,143,654
TOTAL LIABILITIES		515,650,117	542,763,808	516,415,962	539,453,652

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

THANULUX PUBLIC COMPANY LIMITED AND SUBSIDIARIES
 STATEMENTS OF FINANCIAL POSITION (CONTINUED)
 AS OF 31 DECEMBER 2021

(UNIT : BAHT)

		Consolidated Financial Statements		Separate Financial Statements	
	Notes	31 December 2021	31 December 2020	31 December 2021	31 December 2020
SHAREHOLDERS' EQUITY					
Share capital					
Registered share capital					
120,000,000 ordinary shares of Baht 1 each		120,000,000	120,000,000	120,000,000	120,000,000
Issued and paid-up share capital					
120,000,000 ordinary shares of Baht 1 each		120,000,000	120,000,000	120,000,000	120,000,000
Premium on ordinary shares		181,125,000	181,125,000	181,125,000	181,125,000
Retained earnings					
Appropriated					
Legal reserve	23	12,000,000	12,000,000	12,000,000	12,000,000
General reserve	24, 25	231,400,000	231,000,000	231,400,000	231,000,000
Unappropriated		2,588,624,421	2,472,386,053	2,630,441,167	2,515,848,147
Other components of equity		844,603,374	777,113,481	850,317,871	782,617,109
EQUITY ATTRIBUTABLE TO PARENT COMPANY		3,977,752,795	3,793,624,534	4,025,284,038	3,842,590,256
Non - controlling interests		389,368	416,867	-	-
TOTAL SHAREHOLDERS' EQUITY		3,978,142,163	3,794,041,401	4,025,284,038	3,842,590,256
TOTAL LIABILITIES AND					
SHAREHOLDERS' EQUITY		4,493,792,280	4,336,805,209	4,541,700,000	4,382,043,908

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

THANULUX PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021

(UNIT : BAHT)

	Notes	Consolidated Financial Statements		Separate Financial Statements	
		2021	2020	2021	2020
Revenue from sales		1,289,863,844	1,082,581,353	1,289,767,229	1,083,887,999
Revenue from rendering of services		42,798,822	36,556,748	42,798,822	36,556,748
Net sales	29	1,332,662,666	1,119,138,101	1,332,566,051	1,120,444,747
Cost of sales		(925,832,977)	(803,388,154)	(925,832,977)	(804,249,972)
Cost of rendering of services		(25,045,674)	(24,438,065)	(25,045,674)	(24,438,065)
GROSS PROFIT		381,784,015	291,311,882	381,687,400	291,756,710
Other incomes					
Dividend income		37,111,639	45,008,715	37,111,639	52,028,636
Interest income		28,697,706	33,459,712	28,749,768	33,832,846
Rental income from investment property		9,421,384	9,262,838	9,421,384	9,262,838
Rental income		3,865,827	4,389,340	3,865,827	4,389,340
Gain on disposal of investments		-	-	22,532	-
Others		26,637,437	39,694,850	25,949,695	35,559,864
PROFIT BEFORE EXPENSES		487,518,008	423,127,337	486,808,245	426,830,234
Distribution costs		(89,007,085)	(71,387,780)	(94,541,375)	(83,729,277)
Administrative expenses		(296,194,855)	(324,091,851)	(293,245,643)	(313,124,775)
Royalty expenses		(23,496,176)	(22,811,938)	(23,496,176)	(22,811,938)
Allowance for impairment loss of investments		-	-	(536,490)	(8,002,116)
Gain (Loss) from operating activities		78,819,892	4,835,768	74,988,561	(837,872)
Finance costs		(729,981)	(1,028,142)	(639,667)	(707,881)
Share of loss from investment in associated company	14	(2,123,168)	(2,295,886)	-	-
PROFIT (LOSS) BEFORE INCOME TAX		75,966,743	1,511,740	74,348,894	(1,545,753)
Income tax revenue (expense)	32	(13,356,247)	9,514,650	(13,356,247)	9,514,650
NET PROFIT FOR THE YEAR		62,610,496	11,026,390	60,992,647	7,968,897

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

THANULUX PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF COMPREHENSIVE INCOME (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

(UNIT : BAHT)

	Consolidated Financial Statements		Separate Financial Statements	
	2021	2020	2021	2020
NET PROFIT FOR THE YEAR	62,610,496	11,026,390	60,992,647	7,968,897
Other comprehensive income :-				
Component of other comprehensive income				
that will be reclassified to profit or loss :				
Loss on measuring financial assets	(1,384,124)	(611,095)	(1,384,124)	(611,095)
Less income tax effect	276,825	122,219	276,825	122,219
Component of other comprehensive income				
that will be reclassified to profit or loss - net income tax	(1,107,299)	(488,876)	(1,107,299)	(488,876)
Component of other comprehensive income				
that will be not reclassified to profit or loss :				
Profit (loss) on investment in equity designated at fair value				
through other comprehensive income	85,746,490	(22,523,390)	86,010,076	(22,786,976)
Less income tax effect	(17,149,298)	4,504,678	(17,202,015)	4,557,395
Actuarial gain	-	12,214,732	-	12,214,732
Less income tax effect	-	(2,368,910)	-	(2,368,910)
Component of other comprehensive income				
that will be not reclassified to profit or loss - net income tax	68,597,192	(8,172,890)	68,808,061	(8,383,759)
OTHER COMPREHENSIVE INCOME FOR THE YEAR	67,489,893	(8,661,766)	67,700,762	(8,872,635)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	130,100,389	2,364,624	128,693,409	(903,738)
PROFIT (LOSS) ATTRIBUTABLE TO :-				
Owners of the parent company	62,637,995	10,757,449	60,992,647	7,968,897
Non - controlling interests	(27,499)	268,941	-	-
	62,610,496	11,026,390	60,992,647	7,968,897
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO :-				
Owners of the parent company	130,127,888	2,095,683	128,693,409	(903,738)
Non - controlling interests	(27,499)	268,941	-	-
	130,100,389	2,364,624	128,693,409	(903,738)
EARNINGS PER SHARE				
Basic earnings per share				
Profit attributable to owners of the parent company (Unit : Baht)	0.52	0.09	0.51	0.07

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

UBLIC COMPANY LIMITED AND SUBSIDIARIES
OF CHANGES IN SHAREHOLDERS' EQUITY
R ENDED 31 DECEMBER 2021

CONSOLIDATED FINANCIAL STATEMENTS												(UNIT : BAHT)	
	Retained earnings			Other components of equity									
	Notes	Issued and paid-up share capital	Premium on ordinary shares	Appropriated		Unappropriated	Gain (loss) on financial assets designated at fair value through other comprehensive income	Difference from change in shareholding ratio in subsidiary company	Actuarial gain	Total other components of shareholders' equity	Total equity of parent company	Non-controlling interests	Total shareholders' equity
				Legal Reserve	General Reserve								
as of 1 January 2020		120,000,000	181,125,000	12,000,000	224,300,000	2,533,074,010	754,781,021	(2,514,496)	33,508,722	785,775,247	3,856,274,257	147,926	3,856,422,183
other financial assets distribution of investment dispositive income for the year as of 31 December 2020	24, 25	-	-	-	6,700,000	(6,700,000)	-	-	-	-	-	-	-
	25	-	-	-	-	(65,999,088)	-	-	-	-	(65,999,088)	-	(65,999,088)
		-	-	-	-	241,126	-	-	-	-	241,126	-	241,126
		-	-	-	-	1,012,556	-	-	-	-	1,012,556	-	1,012,556
		-	-	-	-	10,757,449	(18,507,588)	-	9,845,822	(8,661,766)	2,095,683	268,941	2,364,624
		120,000,000	181,125,000	12,000,000	231,000,000	2,472,386,053	736,273,433	(2,514,496)	43,354,544	777,113,481	3,793,624,534	416,867	3,794,041,401
January 2021		120,000,000	181,125,000	12,000,000	231,000,000	2,472,386,053	736,273,433	(2,514,496)	43,354,544	777,113,481	3,793,624,534	416,867	3,794,041,401
other financial assets distribution of investment dispositive income for the year as of 31 December 2021	24, 25	-	-	-	400,000	(400,000)	-	-	-	-	-	-	-
	25	-	-	-	-	(8,400,000)	-	-	-	-	(8,400,000)	-	(8,400,000)
		-	-	-	-	63,678,381	-	-	-	-	63,678,381	-	63,678,381
		-	-	-	-	(1,278,008)	-	-	-	-	(1,278,008)	-	(1,278,008)
		-	-	-	-	62,637,995	67,489,893	-	-	67,489,893	130,127,888	(27,499)	130,100,389
		120,000,000	181,125,000	12,000,000	231,400,000	2,588,624,421	803,763,326	(2,514,496)	43,354,544	844,603,374	3,977,752,795	389,368	3,978,142,163

ng notes are an integral part of the financial statements.

SC PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
YEAR ENDED 31 DECEMBER 2021

SEPARATE FINANCIAL STATEMENTS											(UNIT : BAHT)
	Notes	Issued and paid-up share capital	Premium on ordinary shares	Retained earnings			Other components of equity				Total shareholders' equity
				Appropriated		Gain (loss) on financial assets designated at fair value through other comprehensive income	Actuarial gain	Total other components of shareholders' equity			
				Legal Reserve	General Reserve						
Balance as of 1 January 2020		120,000,000	181,125,000	12,000,000	224,300,000	757,981,021	33,508,723	791,489,744		3,908,239,212	
Issue of new shares	24, 25	-	-	-	6,700,000	-	-	-	-	-	
Transfer from retained earnings to general reserve	25	-	-	-	-	(65,998,900)	-	-	-	(65,998,900)	
Transfer from retained earnings to legal reserve		-	-	-	-	241,126	-	-	-	241,126	
Transfer from retained earnings to other comprehensive income		-	-	-	-	1,012,556	-	-	-	1,012,556	
Transfer from retained earnings to actuarial gain		-	-	-	-	7,968,897	(18,718,457)	9,845,822	(8,872,635)	(903,738)	
Balance as of 31 December 2020		120,000,000	181,125,000	12,000,000	231,000,000	739,262,564	43,354,545	782,617,109		3,842,590,256	
Balance as of 1 January 2021		120,000,000	181,125,000	12,000,000	231,000,000	739,262,564	43,354,545	782,617,109		3,842,590,256	
Issue of new shares	24, 25	-	-	-	400,000	-	-	-	-	-	
Transfer from retained earnings to general reserve	25	-	-	-	-	(8,400,000)	-	-	-	(8,400,000)	
Transfer from retained earnings to legal reserve		-	-	-	-	63,678,381	-	-	-	63,678,381	
Transfer from retained earnings to other comprehensive income		-	-	-	-	(1,278,008)	-	-	-	(1,278,008)	
Transfer from retained earnings to actuarial gain		-	-	-	-	67,700,762	-	67,700,762		128,693,409	
Balance as of 31 December 2021		120,000,000	181,125,000	12,000,000	231,400,000	806,963,326	43,354,545	850,317,871		4,025,284,038	

Supplementary notes are an integral part of the financial statements.

THANULUX PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2021

(UNIT : BAHT)

	Consolidated Financial Statements		Separate Financial Statements	
	2021	2020	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES				
Net profit for the year	62,610,496	11,026,390	60,992,647	7,968,897
Adjustments				
Income tax (revenue) expense	13,356,247	(9,514,650)	13,356,247	(9,514,650)
Increase (decrease) in allowance for doubtful accounts	6,287,096	(271,398)	6,287,096	(271,398)
Increase (decrease) in allowance for decline in value and slow-moving of inventories	(4,611,337)	6,853,652	(4,611,337)	8,391,688
Increase in allowance for impairment loss of investments	-	-	536,490	8,002,116
Dividend income	(37,111,639)	(45,008,715)	(37,111,639)	(52,028,636)
Depreciation and amortization	52,697,313	58,037,172	54,519,102	55,645,713
Gain on disposal of other financial assets - equity securities	-	(3,075)	-	(3,075)
Share of loss from investments in associated company	2,123,167	2,295,886	-	-
Realized gain on disposal of other financial assets - debt securities	(294,259)	(517,313)	(294,259)	(517,313)
Unrealized gain on revaluation of other financial assets - debt securities	(126,881)	(236,633)	(126,881)	(236,633)
Unrealized (gain) loss from derivatives	(606,656)	377,823	(606,656)	377,823
Loss from retirement of fixed assets	1,216,200	520,691	1,216,200	1,589
Loss from retirement of intangible assets	-	65,738	-	-
Gain on disposal of fixed assets	(137,228)	(1,263,123)	(137,228)	(1,262,821)
Gain from the transfer to investment property	-	(11,605,960)	-	(11,605,960)
Loss on exchanges	275,947	315,876	275,947	315,876
Finance costs	729,981	1,028,142	639,667	707,881
Interest income	(28,697,706)	(33,365,115)	(28,749,768)	(33,832,846)
PROFIT (LOSS) FROM OPERATION BEFORE CHANGES				
IN OPERATING ASSETS AND LIABILITIES	67,710,741	(21,264,612)	66,185,628	(27,861,749)
Operating assets (increase) decrease				
Trade and other current receivables	(19,443,301)	72,567,359	(21,125,831)	84,790,589
Inventories	(53,455,619)	16,807,893	(53,455,619)	7,938,845
Current tax assets	97,042	1,304,197	96,291	(29,331)
Right to returned goods	22,400,000	(2,200,000)	22,400,000	(2,200,000)
Other non - current assets	1,913,628	2,281,677	(1,862,404)	(2,352,289)
Operating liabilities increase (decrease)				
Trade and other current payables	8,446,780	(39,519,561)	8,196,536	(54,056,952)
Retirement benefit obligations	(5,785,258)	(24,934,747)	(5,785,258)	(24,934,747)
Provision for goods returned	(38,100,000)	6,800,000	(38,100,000)	6,800,000
Other non - current liabilities	(769,627)	214,630	(769,627)	(68,546)
CASH PROVIDED FROM (USED IN) OPERATING ACTIVITIES	(16,985,614)	12,056,836	(24,220,284)	(11,974,180)
Cash paid for financial costs	(729,981)	(1,028,142)	(639,667)	(707,881)
Cash received from withholding tax refunds	8,170,685	7,139,075	8,170,685	7,139,075
NET CASH RECEIVED FROM (USED IN) OPERATING ACTIVITIES	(9,544,910)	18,167,769	(16,689,266)	(5,542,986)

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

THANULUX PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

(UNIT : BAHT)

	Consolidated Financial Statements		Separate Financial Statements	
	2021	2020	2021	2020
CASH FLOW FROM INVESTING ACTIVITIES				
Cash received from dividend	37,116,696	45,103,493	37,116,696	52,123,415
Cash received from interest	31,507,561	35,785,266	31,570,917	36,252,997
Decrease in fixed deposits, bill of exchange and certificate of deposits	106,999,133	181,211,991	106,999,133	181,211,991
Cash received from redemption of other financial assets measured at fair value through profit or loss - debt securities	484,494,108	875,487,115	484,494,108	875,487,115
Cash paid for other financial assets measured at fair value through profit or loss - debt securities	(469,922,804)	(882,857,057)	(469,922,804)	(882,857,057)
Cash paid for long - term loans to related company	(40,000,000)	(5,000,000)	(40,000,000)	(5,000,000)
Cash received from short - term loans to related companies	10,000,000	800,000	13,800,000	20,500,000
Increase of other financial assets measured at fair value through other comprehensive income - listed equity securities	(21,837,901)	(1,220,297)	(21,837,901)	(1,220,297)
Increase of other financial assets measured at fair value through other comprehensive income - debt securities	(90,216,572)	(22,163,499)	(90,216,572)	(22,163,499)
Cash paid for other financial assets measured at amortisation costs - debt securities held to maturity	(684,052,177)	(520,076,987)	(684,052,177)	(520,076,987)
Cash received from redemption of other financial assets measured - debt securities held to maturity	758,450,323	394,791,316	758,450,323	394,791,316
Cash paid for other financial assets measured at fair value through other comprehensive income - non listed equity securities	(59,520,000)	(18,000,000)	(59,520,000)	(18,000,000)
Proceeds from decrease in share capital of other financial assets measured at fair value through other comprehensive income - non listed equity securities	-	1,597,145	-	11,497,035
Proceeds from decrease in share capital of other financial assets measured at fair value through other comprehensive income - listed equity securities	250,177	428,464	250,177	428,464
Proceeds from capital distribution of other financial assets measured at fair value through other comprehensive income - non listed equity securities	2,021,993	12,440,631	2,021,993	12,440,631
Cash received from disposal of other financial assets measured at fair value through other comprehensive income - non listed equity securities	-	3,670,472	-	3,670,472
Cash received from disposal of other financial assets measured at fair value through other comprehensive income - listed equity securities	102,999,177	20,669,544	102,999,177	20,669,544
Acquisition of fixed assets	(15,136,227)	(10,434,111)	(15,136,227)	(14,583,011)
Acquisition of intangible assets	(1,318,000)	(5,923,239)	(1,318,000)	(5,923,239)
Proceeds from disposal of fixed assets	137,252	2,224,982	137,252	2,224,682
NET CASH RECEIVED FROM INVESTING ACTIVITIES	151,972,739	108,535,229	155,836,095	141,473,572

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

THANULUX PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

(UNIT : BAHT)

	Consolidated Financial Statements		Separate Financial Statements	
	2021	2020	2021	2020
CASH FLOW FROM FINANCING ACTIVITIES				
Overdrafts and short - term loan from financial institutions	-	(8)	-	-
Cash paid for lease liabilities	(5,468,029)	(5,044,228)	(3,503,799)	(1,940,629)
Dividend payment	(8,393,789)	(66,064,595)	(8,393,789)	(66,064,407)
NET CASH USED IN FINANCING ACTIVITIES	(13,861,818)	(71,108,831)	(11,897,588)	(68,005,036)
CASH AND CASH EQUIVALENT INCREASE - NET	128,566,011	55,594,167	127,249,241	67,925,550
Cash and cash equivalents as at 1 January	85,424,732	29,830,565	83,392,065	15,466,515
CASH AND CASH EQUIVALENTS AS AT 31 DECEMBER	213,990,743	85,424,732	210,641,306	83,392,065
ADDITIONAL DISCLOSURE ITEM TO CASH FLOWS STATEMENT : -				
Significant non-cash items consist of				
- Actuarial gain (net income tax)	-	9,845,822	-	9,845,822
- Loss on measuring financial assets (net income tax)	67,489,893	(18,507,588)	67,700,762	(18,718,457)
- Lease liabilities	14,426,150	22,530,849	14,426,150	18,257,322

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

THANULUX PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

1. GENERAL INFORMATION

- 1.1** Registration Thanulux Public Company Limited (“The Company”) is incorporated in Thailand. The Company was listed on the Stock Exchange of Thailand on 21 July 1987.
- 1.2** Office location Head office and its factory is located at 129/1, Chongnonthri Road, Chongnonthri, Yannawa, Bangkok, Thailand.
- Factory branch (Saha Group Industrial Park - Lamphun Project) is located at 99/3 Moo 5, Paa-Sak, Muang Lamphun, Lamphun, Thailand.
- Factory branch (Saha Group Industrial Park - Kabinburi Project) is located at 125 Moo 5, Nonthri, Kabinburi, Prachinburi, Thailand.
- Factory branch (Mae Sot) is located at 269/1 Moo 15, Mae kasa, Mae Sot, Tak, Thailand.
- 1.3** Main activities Manufacturing and distributing apparel. The subsidiaries’ main activities are discussed in Note 2.4
- 1.4** The first two major shareholders ranged by their shareholding as of 31 December 2021 and 2020 are as follows :-

	% of issued and paid-up share capital	
	31 December 2021	31 December 2020
Saha Pathana Inter-Holding Plc.	23.52	24.93
I.D.F. Co., Ltd.	13.33	13.33

1.5 Coronavirus disease 2019 pandemic

The Coronavirus disease 2019 pandemic is continuing to evolve, resulting in an economic slowdown and adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the group operates. The Group’s management has continuously monitored ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and has used estimates and judgement in respect of various issues as the situation has evolved.

THANULUX PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

- 1.6** On 26 May 2020 the management of Saha Group Industrial Park - Lamphun Project branch had announced temporary to shut down operation during 1 June 2020 to 31 July 2020 for 61 days in accordance with the Labor Protection Act, and Social Security Law under and Social Security Law under Coronavirus disease 2019 pandemic. The employees received unemployment benefits by 62 percent of daily wage throughout the temporary cease operation but not over than 90 days.

On 23 April 2020, the management announced the permanent closure of Bangplee branch from 1 June 2020 onwards.

2. BASIS OF FINANCIAL STATEMENTS PREPARATION

- 2.1** The financial statements are prepared in accordance with Thai Accounting Standards (“TAS”) and Thai Financial Reporting Standards (“TFRS”) including related interpretations and guidelines promulgated by the Federation of Accounting Professions (“FAP”) and the presentation of the financial statements has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 26 December 2019 under the Accounting Act B.E. 2543 and the financial reporting requirements of the Securities and Exchange Commission (SEC).
- 2.2** The financial statements have been prepared on the historical cost basis except where otherwise disclosed in the accounting policies.
- 2.3** 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.
- 2.4** Basis of the consolidation of financial statements

The consolidated financial statements include the financial statements of Thanulux Public Company Limited “the Company” and the following subsidiary companies “the subsidiaries”

	% of Shareholding / Voting right		Incorporated in	Location	Main activities
	31 Dec 21	31 Dec 20			
Subsidiaries					
S. Apparel Co., Ltd.	99.99	99.99	Thailand	4/2 Moo 8, Bangna-Trad Road, KM. 18 Bangchalong, Bangplee, Samutprakarn.	Manufacturing, Subcontracting and distributing apparel
Celebrate Wealth Co., Ltd.	87.76	87.76	Thailand	129/1, Chongnonthri Road, Chongnonthri, Yannawa, Bangkok.	Distributing apparel

THANULUX PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

- 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.
- Subsidiaries are entities controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities.
- Subsidiaries' financial statements are fully consolidated as from the date of acquisition, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- The subsidiaries' financial statements are prepared on the same reporting period as the Company's using consistent significant accounting policies.
- Material balances and transactions between the Company and its subsidiaries have been eliminated from the consolidated financial statements. Book value of investments and shareholder's equity of its subsidiaries have also been eliminated from the consolidated financial statements.
- Non - controlling interest represents the portion of net income or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated statements of comprehensive income and in the shareholders' equity in the consolidated statements of financial position.

2.5 The separate financial statements present investments in subsidiaries and associates presented under the cost method.

2.6 Using of accounting estimates

The preparation of financial statements in conformity with TAS and TFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

THANULUX PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

3. NEW FINANCIAL REPORTING STANDARDS

3.1 New financial reporting standards that became effective in the current period

During the period, the Group has adopted the revised financial reporting standards and interpretations issued by the Federation of Accounting Professions which become effective for fiscal periods beginning on or after 1 January 2021. The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements.

3.2 New Financial reporting standards issued and not yet effective

In addition to financial reporting standards issued and revised as mentioned above the FAP has also issued and revised the other number of financial reporting standards which will become effective for annual financial periods beginning on or after 1 January 2022, for example.

- Thai Financial Reporting Standard No.1 “First-time Adoption of International Financial Reporting Standards”
- Thai Financial Reporting Standard No.16 “Leases” that provide temporary exemptions from the impact of interest rate benchmark reform for a lessee, provided that all specified conditions are to be met.
- Accounting Treatment Guidance on “Guidelines for supporting debtors affected by COVID-19”, which the objective of this accounting treatment guidance is to grant the temporary relief measures for entities helping their debtors who effected from COVID-19 with the supporting period during 1 January 2022 to 31 December 2023 or until there are any changes from the Bank of Thailand, which require the compliance for such changes. The entities who support their debtors and elect to apply the temporary relief measures according to this accounting treatment guidance should be disclose information as specified in this accounting treatment guidance.

The Company does not plan to early adopt these TFRS. The Company's management has assessed the effect of the above financial reporting standards and believes that these standards will not have significant impact on the financial statements for the year in which they are effective.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 Revenue recognition and expenses

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 on delivery of the goods. Revenue is measured at the amount of the consideration received or receivable, after deducting allowance for returns of goods supplied and discounts excluding value added tax.

THANULUX PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

Revenue from rendering of services

Revenue from rendering of services is recognised when service have been rendered taking into account the stage of completion.

Dividend income

Dividend income is recognised when the right to receive the dividend is established.

Interest income

Interest income is recognised on an effective interest method.

Other revenues and expenses

Other revenues and expenses are recognised on an accrual basis.

4.2 Cash and cash equivalents

Cash and cash equivalents comprise cash balances, call deposits and highly liquid short - term investments with an original maturity of three months or less and not subject to restrictions.

4.3 Inventories

Inventories are valued at the lower of cost (weighted average) or net realizable value.

Cost of inventories is comprised of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In case of finished goods and work in progress, cost includes an appropriate share of overheads.

Net realizable value is estimated selling price in the ordinary course of business less estimated costs to complete and to make the sale.

Allowance is made for all deteriorated, damaged, obsolete and certain slow-moving inventories.

THANULUX PUBLIC COMPANY LIMITED AND SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2021****4.4 Right to returned goods and provision for goods returned**

The Company has provided a provision for goods returned from customers who are allowed to return the goods within the period agreed between both parties. The provision is estimated based upon historical information of goods returned and forecast future trends.

When a customer has a right to return products bought within a given period, the Company recognizes a refund liability for the amount of consideration received for which the entity does not expect to be entitled. The Company adjusts the valuation measurement of the refund liability as at the end of the reporting period for changing in the estimated amount of the refund amount and a corresponding adjustment to revenues from sale of goods. At the same time, the Company will recognize as right to returned goods the product and a corresponding adjustment to cost of sale of goods.

4.5 Investments in subsidiaries and associate

- Investment in associate in the consolidated financial statements is accounted for using the equity method.
- Investments in subsidiaries and associate in the separate financial statements of the Company are accounted for using the cost method less allowance for impairment loss (if any).

4.6 Investments

- Investments in securities held for trading are stated at fair value. Gains or losses arising from changes in the carrying amounts of the securities are included in the statements of comprehensive income.
- Investments in available-for-sale securities mean investments in listed securities stated at fair value, with the objective for long-term investments. Changes in the carrying amounts of securities are recorded as separate item in the other comprehensive income until the securities are sold, and the changes are then included in the statements of comprehensive income.
- Investments in debt securities, both due within one year and expected to be held to maturity, are recorded at amortised cost. The premium/discount on debt securities is amortised by the effective rate method with the amortised amount presented as an adjustment to interest income.
- Investments in non-marketable equity securities, which the Company classifies as general investments, are stated at cost net of allowance for impairment loss (if any).

Investments in related companies mean those companies in which the Group has holding interest less than 20% and/or the companies which directly or indirectly have some common management, major shareholders or such related persons.

THANULUX PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

Investments in other companies are those companies in which the Group has holding interest but has no power to govern or participate in any policy.

The fair value of marketable securities is based on the latest close price of the last working day of the year quoted on the Stock Exchange of Thailand. The fair value of unit trusts is determined from their net asset value.

Weighted average method is used for the computation of cost of investments.

4.7 Investment property

Investment property is stated at cost less accumulated depreciation and loss on impairment of assets (if any).

Cost of investment property includes purchase price and other direct costs relating to the acquisition of such asset item.

Depreciation is charged to the statement of comprehensive income on a straight-line basis over the estimated useful lives of each part of an item of assets which are as follows :-

Land improvement	5 years
Building	20 years
Land	Not depreciated

4.8 Property, plant and equipment

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

Cost of property, plant and equipment include purchase price and other direct costs relating to the acquisition of such asset item.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred.

Depreciation is charged to the statements of comprehensive income on a straight-line basis over the estimated useful lives of each part of an item of plant and equipment which are as follows :-

Land improvement	5 years
Building and structures	20, 25, 35 and 40 years
Machinery	5 - 10 years
Office equipment	3 - 5 years
Furniture and fixtures	5 years
Vehicles	5 years

THANULUX PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

Land and assets under construction and installation are not depreciated.

The Group has reviewed useful life and residual value at least at each financial year-end. In case that the residual value or estimated useful lives differs from those originally estimated, such changes are considered changes in accounting estimates.

4.9 Intangible assets

Intangible assets are stated at cost less accumulated amortisation and impairment losses (if any).

Intangible assets with finite lives are amortised on a systematic basis over the economic useful life.

The amortisation expense is charged to the comprehensive income statements.

Intangible assets with finite useful lives comprise of computer software having useful lives of 3 - 10 years.

4.10 Impairment of non-financial assets

Impairment of assets, the Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, the Group makes an estimate of the asset's recoverable amount. Where the carrying amount of the asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment loss is recognized in the comprehensive income statements. (An asset's recoverable amount is the higher of fair value less costs to sell and value in use).

4.11 Leases

● **Right-of-use assets**

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

Unless the Group is reasonably certain that it will obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis from the commencement date of the lease to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

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

THANULUX PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

- **Lease liabilities**

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of the lease payments to be made over the lease term, discounted 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 modification or reassessment.

- **Short - term leases and Leases of low-value assets**

Payments under leases that, have a lease term of 12 months or less at the commencement date, or are leases of low-value assets, are recognised as expenses on a straight-line basis over the lease term.

4.12 Provision

A provision is recognised in the statement of financial position when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain.

Presentation for a provision in statement of comprehensive income is the net amount which can be reimbursed.

4.13 Related party transactions

Related parties and related companies with the Group means the parties or the companies that have the controlling power to the Group, controlled by the Group either directly or indirectly, or under the same control with the Group. Furthermore, the related parties and related companies also means the associated companies and the parties who have holding interest with voting rights, either directly or indirectly, and have significant influence to the Group, important management, being directors or employees of the Group who have the power to manage and control the Group's operations including the family members close to the said persons which could persuade or to act in compliance with the said persons and businesses that the said persons have controlling power or significant influence, either directly or indirectly.

THANULUX PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

4.14 Foreign currency transactions

Foreign currency transactions are translated into Baht at the rates ruling on the occurrence dates. Assets and liabilities in foreign currency outstanding on the statement of financial position date are translated into Baht at the reference exchange rates as determined by the Bank of Thailand on the statement of financial position date, except the transactions of forward exchange contracted with the banks will be recognised at fair value.

Exchange gains or losses are included as incomes or expenses in the statements of comprehensive income.

4.15 Employee benefits

- **Short - term employee benefits**

Short - term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

- **Defined contribution plans**

The Group operate a provident fund, being a defined contribution plan, the assets for which are held in a separate trust fund and managed by a fund manager. The provident fund is contributed by payments from employees and by the Group. The Group's contributions to the provident fund are charged to the statement of comprehensive income in the years to which they relate.

- **Defined benefit plans**

- Termination and retirement benefits

Under Labor Laws applicable in Thailand and Group's employment policy, all employees completing 119 days of service are entitled to severance pay on termination or retrenchment without cause or upon retirement age of 55 and 58. The severance pay will be at the rate according to number of years of service as stipulated in the Labor Law which is currently at a maximum rate of 400 days of final salary. And employees who have provided the services to the Group more than 20 years, the special severance pay on termination or retrenchment without cause will be compensated at the rate specified.

- Other long - term benefits

The Group has a policy to reward employees upon 10, 20 and 30 years of services at specified lump-sum amounts.

THANULUX PUBLIC COMPANY LIMITED AND SUBSIDIARIES
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The Company also has a policy to provide compensation to retired directors by reference to service years as the Company's director multiplied by a specified rate.

The Group provides provision regarding the employee benefits under defined benefits plan by using the actuarial technique. The present value of the defined benefits obligation is determined by discounting estimated future cash flows using yields on the government bonds which have terms to maturity approximating the terms of related liability. The estimated future cash flows shall reflect employee salaries, turnover rate, length of service and other. The costs associated with providing these benefits are charged to the statement of comprehensive income so as to spread the cost over the employment period during which the entitlement to benefits is earned.

Actuarial gains and losses arising from post-employment benefits are recognised in the statement of other comprehensive income.

4.16 Corporate income tax

Income tax expense

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

Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax

Deferred 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 recognizes deferred tax liabilities for all taxable temporary differences while they recognize 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 such deductible temporary differences and tax losses carried forward that can be utilized.

At each reporting date, the Group reviewed and reduced 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 utilized.

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

THANULUX PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

4.17 Fundamental earnings per share

Fundamental earnings per share are calculated by dividing net income by the number of ordinary shares outstanding at the end of the year. In case of a capital increase, the number of ordinary shares is weighted according to time of subscription received.

4.18 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 observable active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the 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.

THANULUX PUBLIC COMPANY LIMITED AND SUBSIDIARIES
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4.19 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 recognised in profit or loss.

These financial assets include derivatives, security investments held for trading, equity investments which the Group has not irrevocably elected to classify at FVOCI and financial assets with cash flows that are not solely payments of principal and interest.

Dividends on listed equity investments are recognised as other income in profit or loss.

Classification and measurement of financial liabilities

Except for derivative liabilities, at initial recognition the Group’s financial liabilities are recognised at fair value net of transaction costs and classified as liabilities to be subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. In determining amortised cost, the Group takes into account any fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in profit or loss.

The Group may elect to measure financial liabilities at FVTPL if doing so eliminates, or significantly reduces a recognition inconsistency (sometimes referred to as an accounting mismatch).

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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 neither transferred nor retained substantially all the risks and rewards of the asset, but 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 the statement of profit or loss.

Impairment of financial assets

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. It is based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

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 consolidated 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.

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5. TRANSACTIONS BETWEEN THE COMPANY AND RELATED PARTIES

The Company had transactions with its subsidiaries and related companies, given that those companies having the same group of shareholders or mutual directors. Significant inter-company transactions and outstanding balances as of 31 December 2021 and 2020 are summarized below :-

5.1 NATURE OF RELATIONSHIPS

RELATED PARTIES	TYPES OF BUSINESS	RELATIONSHIP
1. S. Apparel Co., Ltd.	Manufacturing, subcontracting and distributing apparel	Co-directors, Co-shareholders and being subsidiary
2. Celebrate Wealth Co., Ltd.	Distributing apparel	Co-directors, Co-shareholders and being subsidiary
3. World Saha Fashion Co., Ltd.	Distributing apparel	Co-directors, Co-shareholders and being associate
4. T- Chamber Co., Ltd.	Distributing apparel	Co-management
5. People's Garment Plc.	Garment manufacturing	Co-shareholders
6. I.C.C. International Plc.	Consumer goods distributing	Co-directors, Co-shareholders
7. Sahacogen (Chonburi) Plc.	Electricity generating and distributing	Co-shareholders
8. Thai Wacoal Plc.	Ladies' lingerie manufacturing	Co-directors, Co-shareholders
9. TPCS Plc. (Formerly known as Textile Prestige Plc.)	Manufacture of other textiles, not elsewhere classified	Co-directors, Co-shareholders
10. Saha Pathana Inter - Holding Plc.	Holding company	Majority shareholders
11. Far East Fame Line DDB Plc.	Advertising	Co-shareholders
12. O C C Plc.	Distributing cosmetics and apparel	Co-shareholders
13. Saha Pathanapibul Plc.	Consumer goods distributing	Co-shareholders
14. Thai Monster Co., Ltd.	Garment manufacturing	Co-directors, Co-shareholders
15. Total Way Image Co., Ltd.	Leatherware manufacturing	Co-directors, Co-shareholders
16. Thai Naxis Co., Ltd.	Label manufacturing	Co-shareholders
17. SSDC (Tigertex) Co., Ltd.	Bleaching, dyeing fabric and yarn	Co-directors, Co-shareholders
18. International Commercial Coordination (Hong Kong) Ltd.	Distributing apparel	Co-shareholders
19. International Leather Fashion Co., Ltd.	Leatherware manufacturing	Co-directors, Co-shareholders
20. Wise Winner Co., Ltd.	Distributing garment and sport equipment	Co-shareholders
21. Morgan De Toi (Thailand) Co., Ltd.	Distributing apparel	Co-directors, Co-shareholders
22. Champ Ace Co., Ltd.	Real estate development	Co-directors, Co-shareholders

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RELATED PARTIES	TYPES OF BUSINESS	RELATIONSHIP
23. Pak Numpo Wattana Co., Ltd.	Distributing apparel	Co-management, Co-shareholders
24. Intanin Chiangmai Co., Ltd.	Distributing apparel	Co-directors, Co-shareholders
25. Koraj Wattana Co., Ltd.	Distributing apparel	Co-directors, Co-shareholders
26. Sun & Sand Co., Ltd.	Distributing apparel	Co-directors, Co-shareholders
27. Eastern I.C.C. Co., Ltd.	Distributing apparel	Co-directors, Co-shareholders
28. Maharachapreuk Co., Ltd.	Distributing apparel	Co-directors, Co-shareholders
29. Thai Takaya Co., Ltd.	Jeans manufacturing	Co-directors, Co-shareholders
30. Thai Gunze Co., Ltd.	Garment manufacturing	Co-shareholders
31. Waseda Education (Thailand) Co., Ltd.	Education institution	Co-shareholders
32. Thai Bunka Fashion Co., Ltd.	Fashion institution	Co-directors, Co-shareholders
33. Sriracha Aviation Co., Ltd.	Retail sale of automotive fuel in specialized stores	Co-directors
34. K.Commercial and Construction Co., Ltd.	Construction contractor	Co-shareholders
35. H & B Intertext Co., Ltd.	Fabric doll manufacturing	Co-shareholders
36. Thai Staflex Co., Ltd.	Fabric products	Co-shareholders
37. Treasure Hill Co., Ltd.	Golf course	Co-directors, Co-shareholders
38. Thai Asahi Kazei Spandex Co., Ltd.	Manufacturing and distributing spandex	Co-shareholders
39. Panland Co., Ltd.	Property development	Co-shareholders
40. Wien International Co., Ltd.	Direct sale	Co-shareholders
41. Sahapat Real Estate Co., Ltd.	Real estate development	Co-directors, Co-shareholders
42. Janome (Thailand) Co., Ltd.	Sewing machines	Co-shareholders
43. Sahapat Properties Co., Ltd.	Property development	Co-directors, Co-shareholders
44. Thai Itokin Co., Ltd.	Garment manufacturing	Co-shareholders
45. Racha Uchino Co., Ltd.	Household textile	Co-shareholders
46. Erawan Textile Co., Ltd.	Spun yarn and fabrics manufacturing	Co-shareholders
47. Pattaya Manufacturing Co., Ltd.	Garment manufacturing	Co-shareholders
48. Ramasorn Thaveekarn Co., Ltd.	Investment	Majority shareholders
49. PTK Multi Services Co., Ltd.	Garden maintenance and cleaning service	Co-shareholders
50. I.D.F. Co., Ltd.	Investment	Majority shareholders
51. Bangkok Tokyo Socks Co., Ltd.	Manufacturing and distributing socks	Co-shareholders
52. Fujix International Co., Ltd.	String distributing	Co-shareholders
53. PT. TRINITY LUXTRO APPAREL	Distributing apparel	Co-management, Co-shareholders
54. Pitakkit Security Guard Co., Ltd.	Service of security	Co-shareholders

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RELATED PARTIES	TYPES OF BUSINESS	RELATIONSHIP
55. President Bakery Plc.	The food and beverage	Co-shareholders
56. Eastern Thai Consulting 1992 Co., Ltd.	Wholesale of industrial chemicals	Co-majority shareholders
57. Pitakkij Co., Ltd.	Constuctions of non-residential building	Co-majority shareholders
58. Thai Secom Security Co., Ltd.	Service of security	Co-majority shareholders
59. Saha Komehyo Co., Ltd	Buy and sell of luxury used products	Co-shareholders
60. Saha Capital Tower Co., Ltd	Property development	Co-directors, Co-shareholders

Pricing policies of related party transactions are as follows :-

Transactions	Pricing policies
Revenue from sales	Agreed-upon price by referring to market price
Royalty income	Agreed-upon price
Purchase of goods and rendering of services	Agreed-upon price/market price
Distribution costs and administrative expenses	Contractually - agreed prices
Interest income	At 3.00% - 8.00% per annum.
Directors' remunerations (Meeting allowance, annual compensation)	Rates approved by shareholders
Purchase of marketable equity securities	Market price
Purchase of general investment	Agreed-upon price
Purchase of fixed assets	Agreed-upon price

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5.2 RELATED PARTY REVENUE AND EXPENSES

The revenue, expenses and other transaction for the years ended 31 December 2021 and 2020 are as follows :-

	(UNIT : THOUSAND BAHT)			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Transactions with subsidiaries				
Revenue from sales	-	-	-	382
Dividend income (Note 13)	-	-	-	7,020
Interest income	-	-	55	383
Other income	-	-	-	210
Purchase of goods and raw materials	-	-	-	8,132
Rendering of service	-	-	-	-
Distribution costs and administrative expenses	-	-	3,045	12,904
Purchase of fixed assets	-	-	-	4,149
Transactions with related parties				
Revenue from sales and services				
- I.C.C. International Plc.	427,529	425,915	427,529	425,915
- Others	27,182	35,516	27,182	35,516
Total	454,711	461,431	454,711	461,431
Revenue from rendering of service	2,589	2,922	2,589	2,922
Dividend income (Note 12)	29,308	42,406	29,308	42,406
Interest income	3,496	1,982	3,496	1,982
Other income	19,063	18,639	19,063	18,639
Purchase of goods and raw materials	60,512	64,970	60,512	64,970
Rendering of service	19	704	19	704
Distribution costs and administrative expenses	48,254	37,631	48,254	37,605
Purchase of general investment	59,520	18,000	59,520	18,000
Purchase of fixed assets	1,102	2,245	1,102	2,245

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Management benefit expenses

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

Management benefit expenses for the years ended 31 December 2021 and 2020 are as follows :-

	(UNIT : BAHT)	
	Consolidated and separate financial statements	
	2021	2020
Remuneration to Executive Board	842,000	899,000
Short - term employee benefits	21,484,961	24,397,960
Post - employment benefits	1,340,025	2,997,392
Total	23,666,986	28,294,352

5.3 INTER - COMPANY BALANCES OF ASSETS AND LIABILITIES

As of 31 December 2021 and 2020, inter - company balances are as follows :-

	(UNIT : THOUSAND BAHT)			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Accounts receivable - trade				
Other related companies				
- I.C.C. International Plc.	37,823	89,028	37,823	89,047
- Others	8,192	6,786	8,192	6,786
Total (Note 7)	46,015	95,814	46,015	95,833
Short - term loans				
Subsidiaries	-	-	-	3,800
Other related companies	41,000	46,000	41,000	46,000
Total (Note 8)	41,000	46,000	41,000	49,800
Accrued income				
Subsidiaries	-	-	272	28
Other related companies	4,080	1,314	4,075	1,309
Total	4,080	1,314	4,347	1,337

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	(UNIT : THOUSAND BAHT)			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Investments - net				
Subsidiaries (Note 13)	-	-	11,228	11,764
Associate (Note 14)	-	-	-	-
Other related companies (Note 12)	1,846,263	1,707,172	1,846,263	1,706,908
Total	1,846,263	1,707,172	1,857,491	1,718,672
Long - term loans				
Associate	42,877	10,000	45,000	10,000
Total (Note 15)	42,877	10,000	45,000	10,000
Accounts payable - trade				
Subsidiaries	-	-	-	632
Other related companies	4,945	12,715	4,945	12,715
Total (Note 20)	4,945	12,715	4,945	13,347
Accrued expenses				
Subsidiaries	-	-	-	20
Other related companies	6,206	3,727	6,206	3,727
Total	6,206	3,727	6,206	3,747

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Movements of loans to related parties for the years ended 31 December 2021 and 2020 are as follows :-

(UNIT : THOUSAND BAHT)

	Consolidated financial statements		Separate financial statements		Interest per annum (percent)	
	2021	2020	2021	2020	2021	2020
Celebrate Wealth Co., Ltd.						
Beginning balance	-	-	3,800	23,500		
Less repayment during the period	-	-	(3,800)	(19,700)		
Ending balance	-	-	-	3,800	3.00	3.00
World Saha Fashion Co., Ltd.						
Beginning balance	10,000	5,000	10,000	5,000		
Add increase during the period	-	5,000	-	5,000		
Less allowance for expected credit losses	(2,123)	-	(2,123)	-		
Ending balance	7,877	10,000	7,877	10,000	4.00	4.00
Erawan Textile Co., Ltd.						
Beginning balance	30,000	30,000	30,000	30,000		
Less repayment during the period	(10,000)	-	(10,000)	-		
Ending balance	20,000	30,000	20,000	30,000	3.73	3.73
Morgan De Toi (Thailand) Co., Ltd.						
Beginning balance	16,000	16,800	16,000	16,800		
Less repayment during the period	-	(800)	-	(800)		
Ending balance	16,000	16,000	16,000	16,000	3.00	3.00
I.D.F. Co., Ltd.						
Beginning balance	-	-	-	-		
Add increase during the period	40,000	-	40,000	-		
Ending balance	40,000	-	40,000	-	8.00	-
Total loans	83,877	56,000	83,877	59,800		

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6. CASH AND CASH EQUIVALENTS

(UNIT : BAHT)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Cash on hand	25,844	262,763	23,950	258,696
Deposits - saving accounts	181,276,267	80,143,563	177,928,725	78,114,963
Fixed deposits and bill of exchanges	32,688,632	5,018,406	32,688,631	5,018,406
Total	213,990,743	85,424,732	210,641,306	83,392,065

7. TRADE AND OTHER CURRENT RECEIVABLES - NET

(UNIT : BAHT)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Account receivables - trade				
Related companies (Note 5.3)	46,014,876	95,813,891	46,014,876	95,833,224
Others	119,078,087	62,819,254	118,430,172	61,760,291
Total	165,092,963	158,633,145	164,445,048	157,593,515
<u>Less</u> Allowance for expected credit loss	(6,914,530)	(627,434)	(6,287,096)	-
Account receivables - trade - net	158,178,433	158,005,711	158,157,952	157,593,515
Other receivables				
Accrued income	3,644,423	2,607,895	3,911,080	1,599,023
Accrued dividend	-	5,057	-	5,057
Accrued interest	5,606,855	6,615,016	5,606,855	6,626,309
Advance payment for goods	3,528,758	4,554,045	3,528,758	4,554,045
Revenue Department receivables	20,577,198	15,229,364	12,386,008	7,033,731
Others	9,629,979	10,323,394	9,629,944	10,312,516
Total trade and other current receivables	201,165,646	197,340,482	193,220,597	187,724,196

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The aging of trade accounts receivable are as follows :-

	(UNIT : BAHT)			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Account receivables - related companies				
Current	42,288,008	95,322,665	42,288,008	95,341,998
Overdue within 3 months	1,823,723	172,298	1,823,723	172,298
Over 3 to 6 months	1,903,145	318,928	1,903,145	318,928
Total	46,014,876	95,813,891	46,014,876	95,833,224
Account receivables - other companies				
Current	63,959,778	51,738,337	63,939,297	51,306,808
Overdue within 3 months	32,341,905	2,446,026	32,341,905	2,446,026
Over 3 to 6 months	15,861,874	8,007,457	15,861,874	8,007,457
Over 12 months	6,914,530	627,434	6,287,096	-
Total	119,078,087	62,819,254	118,430,172	61,760,291
<u>Less</u> Allowance for expected credit loss	(6,914,530)	(627,434)	(6,287,096)	-
Net	112,163,557	62,191,820	112,143,076	61,760,291
Total	158,178,433	158,005,711	158,157,952	157,593,515

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8. SHORT - TERM LOANS TO RELATED COMPANIES

As of 31 December 2021 and 2020, The loans represent promissory notes which are unsecured and repayable at call, and subject to the interest at 3.00 - 3.73 percent per annum. (Note 5.3)

As of 31 December 2021, The short - term loans in amount of Baht 5 million are guaranteed 60 percent of the loan balance by the parent company of the borrower (31 December 2020 : nil).

9. INVENTORIES - NET

(UNIT : BAHT)

	Consolidated and separate financial statements	
	2021	2020
Finished goods	197,799,728	193,741,602
Work in process	70,226,935	53,046,825
Raw materials	114,221,352	88,313,833
Supplies	1,603,284	1,326,678
Goods in transit	10,953,343	4,920,085
Total	394,804,642	341,349,023
<u>Less</u> Allowance for decline in value and slow-moving of inventories	(5,634,470)	(10,245,807)
Net	389,170,172	331,103,216

10. RIGHT TO RETURNED GOODS

Right to returned goods as at 31 December 2021 and 2020 consist of the following :-

(UNIT : BAHT)

	Consolidated and separate financial statements	
	2021	2020
Right to returned goods	10,100,000	32,500,000

The right to returned goods represents the Company's right to recover products from customers where customers exercise their right of return under the Company's return policy. The provision is estimated based upon historical information of goods returned and forecast future trends.

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11. OTHER CURRENT FINANCIAL ASSETS

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

	(UNIT : BAHT)	
	Consolidated and separate financial statements	
	2021	2020
Fixed deposits and certificate of deposits (*)	5,439,672	112,438,804
Investments in debt and equity instruments at fair value through profit or loss		
- Mutual funds	215,072,867	139,553,515
- Government bond	64,943,254	80,500,984
- Debentures	27,221,850	66,326,982
Financial assets at amortisation costs		
- Debentures under repurchase agreement (**)	101,289,950	114,975,190
- Held-to-maturity debt securities due within 1 year - Debentures (Note 12)	70,000,000	135,165,557
- Foreign currency forward contracts receivables	228,833	12,354
Total	484,196,426	648,973,386

(*) Fixed deposit and certificate of deposits are subject to the interest at 0.15 - 0.70 percent per annum.

(**) Fair value of debentures under repurchase agreement is Baht 101.20 million (31 December 2020 : Baht 118.12 million).

Level of fair value and valuation techniques

- The fair value measurement of investments in mutual funds has been categorised as a Level 2, the fair value determined from their net asset value (NAV) at the measurement date of investment.
- The fair value measurement of investments in government bond has been categorized as a Level 2, the fair value determined by using the yield curve as announced by the Thai Bond Market Association at the measurement date of investment.
- The fair value measurement of investments in debt securities has been categorized as a Level 2, the fair value determined by using the yield curve as announced by the Thai Bond Market Association at the measurement date of investment.

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12. OTHER NON - CURRENT FINANCIAL ASSETS

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

(UNIT : BAHT)						
	Consolidated financial statements		Separate financial statements		Dividend for	
	2021	2020	2021	2020	The years ended	
					2021	2020
Investments in debt and equity instruments						
at fair value through other						
comprehensive income						
Listed equity investments :						
Related companies	1,141,036,138	1,136,020,681	1,141,036,138	1,136,020,681	17,317,288	26,174,387
Others	79,317,527	76,538,560	79,317,527	76,538,560	1,924,469	2,477,588
Total fair value	1,220,353,665	1,212,559,241	1,220,353,665	1,212,559,241	19,241,757	28,651,975
Debt securities :						
Government bonds	57,234,173	20,414,462	57,234,173	20,414,462		
Debentures	99,174,186	82,168,103	99,174,186	82,168,103		
Total fair value	156,408,359	102,582,565	156,408,359	102,582,565		
Total	1,376,762,024	1,315,141,806	1,376,762,024	1,315,141,806		
Non - listed equity investments :						
Related companies	705,227,381	571,150,915	705,227,381	570,887,328	11,990,640	16,231,740
Others	24,396,576	42,034,047	24,396,576	42,034,047	5,879,242	125,000
Total	729,623,957	613,184,962	729,623,957	612,921,375	17,869,882	16,356,740
Financial assets at amortisation costs - debt						
securities held to maturity - net						
Debentures (*)	548,691,500	611,206,102	548,691,500	611,206,102		
Less current portion of debentures with						
redemption within 1 year (Note 11)	(70,000,000)	(135,165,557)	(70,000,000)	(135,165,557)		
Net (Redemption within 2 - 8 years)	478,691,500	476,040,545	478,691,500	476,040,545		
Other non - current financial assets	2,585,077,481	2,404,367,313	2,585,077,481	2,404,103,726	37,111,639	45,008,715

(*) As of 31 December 2021, Fair value of debentures is Baht 555.87 million (31 December 2020 : Baht 621.20 million).

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Level of fair value and valuation techniques

- The fair value measurement of investments in marketable equity securities has been categorized as a Level 1.
- The fair value measurement of investments in debt securities has been categorized as a Level 2, the fair value determined using the yield curve as announced by the Thai Bond Market Association at the measurement date of investment.
- The fair value measurement of non - listed investments has been categorized as a Level 3, the fair value determined using Dividend Discount Model, Discounted Cash Flow and Book Value approaches determined by the Group's management.

13. INVESTMENTS IN SUBSIDIARIES - NET

(UNIT : THOUSAND BAHT)								
					Separate financial statements			
Subsidiary companies	Paid-up share capital		Percentage of shareholding (%)		Cost method		Dividend for the years ended	
	2021	2020	2021	2020	2021	2020	2021	2020
S. Apparel Co., Ltd.	8,100	8,100	99.99	99.99	20,583	20,583	-	7,020
Celebrate Wealth Co., Ltd.	85,000	85,000	87.76	87.76	69,236	69,236	-	-
					89,819	89,819	-	7,020
<u>Less</u> Allowance for impairment loss					(78,591)	(78,055)	-	-
Net					11,228	11,764	-	7,020

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Movements of allowance for impairment for the years ended 31 December 2021 and 2020 are as follows :-

		(UNIT : THOUSAND BAHT)	
		Separate financial statements	
		2021	2020
Beginning balance		78,055	72,417
Increase (included in loss on impairment of investment)		536	7,077
Decrease (included in profit on impairment of investment)		-	(1,439)
Ending balance		78,591	78,055

14. INVESTMENTS IN ASSOCIATE - NET

		(UNIT : THOUSAND BAHT)					
Associate company	Incorporated in	Percentage of shareholding (%)		Consolidated financial statements		Separate financial statements	
				Equity method		Cost method	
		2021	2020	2021	2020	2021	2020
World Saha Fashion Co., Ltd.	Thailand	19.14	19.14	-	-	9,500	9,500
<u>Less</u> Allowance for impairment loss				-	-	(9,500)	(9,500)
Net				-	-	-	-

		(UNIT : THOUSAND BAHT)			
Associate company	Main activities	Paid-up share capital		Share of loss from investment in associated company for year ended	
				2021	2020
		2021	2020	2021	2020
World Saha Fashion Co., Ltd.	Distributing apparel	50,000	50,000	(2,123)	(2,296)
Net				(2,123)	(2,296)

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Summary of financial statements of investment in associate and statement of income for as follows :-

(UNIT : THOUSAND BAHT)

	As of 31 December	
	2021	2020
Current assets	23,914	25,472
Non - current assets	207	823
Current liabilities	33,693	27,385

(UNIT : THOUSAND BAHT)

	For the year ended 31 December	
	2021	2020
Total revenue	19,790	17,531
Total expense	(29,282)	(31,127)
Net loss for the year	(9,492)	(13,596)

15. LONG - TERM LOANS TO RELATED COMPANY

The loans to a related company represent promissory notes with unsecured by charging interest rates and due for repayment as follows: - (Note 5.3)

(UNIT : BAHT)

Due date	Interest rate (%)	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
September 2022 (*)	4.00	-	5,000,000	-	5,000,000
April 2023 (*)	4.00	5,000,000	5,000,000	5,000,000	5,000,000
June 2024	8.00	40,000,000	-	40,000,000	-
Total		45,000,000	10,000,000	45,000,000	10,000,000
<u>Less allowance for expected</u>					
credit losses		(2,123,168)	-	-	-
Net		42,876,832	10,000,000	45,000,000	10,000,000

(*) The long - term loans are guaranteed 60 percent of the loan balance by the parent company of the borrower.

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16. INVESTMENT PROPERTY - NET

(UNIT : BAHT)

	Consolidated financial statements			
	Land	Land improvement	Building	Total
Cost :-				
1 January 2020	41,407,944	8,673,870	37,621,835	87,703,649
Transfers from related company	-	-	11,605,960	11,605,960
Transfers from property, plant and equipment	23,720,311	699,000	22,210,238	46,629,549
31 December 2020	65,128,255	9,372,870	71,438,033	145,939,158
31 December 2021	65,128,255	9,372,870	71,438,033	145,939,158
Accumulated depreciation :-				
1 January 2020	-	8,673,847	16,620,215	25,294,062
Depreciation for the year	-	-	2,646,255	2,646,255
Transfers from property, plant and equipment	-	698,994	7,991,015	8,690,009
31 December 2020	-	9,372,841	27,257,485	36,630,326
Depreciation for the year	-	-	2,819,158	2,819,158
31 December 2021	-	9,372,841	30,076,643	39,449,484
Net book value :-				
31 December 2021	65,128,255	29	41,361,390	106,489,674
31 December 2020	65,128,255	29	44,180,548	109,308,832
Appraised value (*)	123,970,848	6,211,212	68,347,940	198,530,000
Appraised value (**)	8,000,000	-	5,040,000	13,040,000
Total appraised value	131,970,848	6,211,212	73,387,940	211,570,000

(*) The appraised value was determined by an independent appraiser during the year 2020.

(**) The appraised value was determined by an independent appraiser during the year 2021.

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(UNIT : BAHT)

	Separate financial statements			
	Land	Land improvement	Building	Total
Cost :-				
1 January 2020	63,407,944	8,673,870	87,621,835	159,703,649
Transfers from related company	-	-	11,605,960	11,605,960
Transfers from property, plant and equipment	23,720,311	699,000	22,210,238	46,629,549
31 December 2020	87,128,255	9,372,870	121,438,033	217,939,158
31 December 2021	87,128,255	9,372,870	121,438,033	217,939,158
Accumulated depreciation :-				
1 January 2020	-	8,673,847	16,755,356	25,429,203
Depreciation for the year	-	-	4,987,880	4,987,880
Transfers from property, plant and equipment	-	698,994	7,991,015	8,690,009
31 December 2020	-	9,372,841	29,734,251	39,107,092
Depreciation for the year	-	-	5,160,783	5,160,783
31 December 2021	-	9,372,841	34,895,034	44,267,875
Net book value :-				
31 December 2021	87,128,255	29	86,542,999	173,671,283
31 December 2020	87,128,255	29	91,703,782	178,832,066
Appraised value (*)	123,970,848	6,211,212	68,347,940	198,530,000
Appraised value (**)	36,137,013	-	52,772,987	88,910,000
Total appraised value	160,107,861	6,211,212	121,120,927	287,440,000

(*) The appraised value was determined by an independent appraiser during the year 2020.

(**) The appraised value was determined by an independent appraiser during the year 2021.

Level of fair value and valuation techniques

The fair value measurement of land and building has been categorized as a Level 2, the fair value is based on the comparison approach, and cost approach to the valuation technique used.

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17. PROPERTY, PLANT AND EQUIPMENT - NET

	Consolidated financial statements								(UNIT : BAHT)
	Land	Land improvement	Building	Machinery	Office equipment	Vehicles	Furniture and fixtures	Assets under installation	
Cost :-									
1 January 2020	198,850,197	24,815,604	420,288,273	365,523,372	163,676,959	48,151,940	252,320,925	-	1,473,627,270
Acquisition	-	-	-	284,645	2,040,362	350,000	3,593,450	4,081,654	10,350,111
Transfers in	-	-	-	2,250,454	-	-	1,831,200	-	4,081,654
Disposal	-	-	-	(17,525,277)	(30,667)	(9,638,217)	-	-	(27,194,161)
Writes off	-	-	-	-	(7,319,541)	-	(4,992,807)	-	(12,312,348)
Transfers out	-	-	-	-	-	-	-	(4,081,654)	(4,081,654)
Transfers to investment property	(23,720,311)	(699,000)	(22,210,238)	-	-	-	-	-	(46,629,549)
31 December 2020	175,129,886	24,116,604	398,078,035	350,533,194	158,367,113	38,863,723	252,752,768	-	1,397,841,323
Acquisition	-	-	-	319,900	2,302,195	650,000	535,000	11,329,132	15,136,227
Transfers in	-	-	-	4,789,882	233,645	-	6,302,255	-	11,325,782
Disposal	-	-	-	(1,659,093)	(770,367)	-	-	-	(2,429,460)
Writes off	-	-	-	(2,731,206)	(5,122,117)	-	(819,000)	-	(8,672,323)
Transfers out	-	-	-	-	-	-	-	(11,325,782)	(11,325,782)
31 December 2021	175,129,886	24,116,604	398,078,035	351,252,677	155,010,469	39,513,723	258,771,023	3,350	1,401,875,767

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Consolidated financial statements									(UNIT : BAHT)
	Land	Land improvement	Building	Machinery	Office equipment	Vehicles	Furniture and fixtures	Assets under installation	Total
Accumulated depreciation :-									
1 January 2020	-	23,023,150	291,410,793	331,111,235	148,058,689	28,400,983	206,913,815	-	1,028,918,665
Depreciation for the year	-	404,929	4,634,381	11,389,708	7,555,382	4,451,368	15,348,420	-	43,784,188
Disposal	-	-	-	(17,498,499)	(18,783)	(8,715,018)	-	-	(26,232,300)
Writes off	-	-	-	-	(7,170,294)	-	(4,621,363)	-	(11,791,657)
Transfers to investment property	-	(698,994)	(7,991,015)	-	-	-	-	-	(8,690,009)
31 December 2020	-	22,729,085	288,054,159	325,002,444	148,424,994	24,137,333	217,640,872	-	1,025,988,887
Depreciation for the year	-	310,098	4,578,642	9,785,904	4,844,122	3,927,977	15,652,566	-	39,099,309
Disposal	-	-	-	(1,659,073)	(770,363)	-	-	-	(2,429,436)
Writes off	-	-	-	(2,731,200)	(4,490,146)	-	(491,682)	-	(7,713,028)
31 December 2021	-	23,039,183	292,632,801	330,398,075	148,008,607	28,065,310	232,801,756	-	1,054,945,732
Net book value :-									
31 December 2021	175,129,886	1,077,421	105,445,234	20,854,602	7,001,862	11,448,413	25,969,267	3,350	346,930,035
31 December 2020	175,129,886	1,387,519	110,023,876	25,530,750	9,942,119	14,726,390	35,111,896	-	371,852,436

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(UNIT : BAHT)

Consolidated financial statements									
	Land	Land improvement	Building	Machinery	Office equipment	Vehicles	Furniture and fixtures	Assets under installation	Total

(UNIT : BAHT)

	Separate financial statements								
	Land	Land improvement	Building	Machinery	Office equipment	Vehicles	Furniture and fixtures	Assets under installation	Total
Cost :-									
1 January 2020	182,920,252	24,815,604	373,626,643	354,683,404	153,914,482	47,701,659	242,999,588	-	1,380,661,632
Acquisition	-	-	-	284,645	2,184,762	350,000	7,597,950	4,081,654	14,499,011
Transfers in	-	-	-	2,250,454	-	-	1,831,200	-	4,081,654
Disposal	-	-	-	(17,525,277)	(30,667)	(9,638,217)	-	-	(27,194,161)
Writes off	-	-	-	-	(2,997,128)	-	(6,552)	-	(3,003,680)
Transfers out	-	-	-	-	-	-	-	(4,081,654)	(4,081,654)
Transfers to investment property	(23,720,311)	(699,000)	(22,210,238)	-	-	-	-	-	(46,629,549)
31 December 2020	159,199,941	24,116,604	351,416,405	339,693,226	153,071,449	38,413,442	252,422,186	-	1,318,333,253
Acquisition	-	-	-	319,900	2,302,195	650,000	535,000	11,329,132	15,136,227

THANULUX PUBLIC COMPANY LIMITED AND SUBSIDIARIES
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(UNIT : BAHT)

	Separate financial statements						
	Land	Land improvement	Building	Machinery	Office equipment	Vehicles	Furniture and fixtures
Transfers in	-	-	-	4,789,882	233,645	-	6,302,255
Disposal	-	-	-	(1,659,093)	(770,367)	-	-
Writes off	-	-	-	(2,731,206)	(3,544,508)	-	(1,957,650)
Transfers out	-	-	-	-	-	-	-
31 December 2021	159,199,941	24,116,604	351,416,405	340,412,709	151,292,414	39,063,442	257,301,791
							3,350
							1,322,806,656

Accumulated depreciation :-

1 January 2020	-	23,023,150	249,625,132	320,160,950	140,330,398	27,950,702	201,152,981	-	962,243,313
Depreciation for the year	-	404,929	4,632,792	11,389,708	6,901,466	4,451,368	14,557,518	-	42,337,781
Disposal	-	-	-	(17,498,499)	(18,783)	(8,715,018)	-	-	(26,232,300)
Writes off	-	-	-	-	(2,995,540)	-	(6,551)	-	(3,002,091)
Transfers to investment property	-	(698,994)	(7,991,015)	-	-	-	-	-	(8,690,009)
31 December 2020	-	22,729,085	246,266,909	314,052,159	144,217,541	23,687,052	215,703,948	-	966,656,694
Depreciation for the year	-	310,098	4,578,642	9,785,904	5,246,133	3,927,977	15,987,860	-	39,836,614
Disposal	-	-	-	(1,659,073)	(770,363)	-	-	-	(2,429,436)

THANULUX PUBLIC COMPANY LIMITED AND SUBSIDIARIES

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	Separate financial statements							(UNIT : BAHT)	
	Land	Land improvement	Building	Machinery	Office equipment	Vehicles	Furniture and fixtures		Assets under installation
Writes off	-	-	-	(2,731,200)	(3,537,930)	-	(748,033)	-	(7,017,163)
31 December 2021	-	23,039,183	250,845,551	319,447,790	145,155,381	27,615,029	230,943,775	-	997,046,709
Net book value :-									
31 December 2021	159,199,941	1,077,421	100,570,854	20,964,919	6,137,033	11,448,413	26,358,016	3,350	325,759,947
31 December 2020	159,199,941	1,387,519	105,149,496	25,641,067	8,853,908	14,726,390	36,718,238	-	351,676,559

THANULUX PUBLIC COMPANY LIMITED AND SUBSIDIARIES
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18. RIGHT-OF-USE ASSETS - NET

Movements of right-of-use assets for the year ended 31 December 2021 and 2020 are as follows :-

	(UNIT : BAHT)	
	Consolidated financial statements	Separate financial statements
Cost :-		
1 January 2020	28,774,755	19,102,553
Increase during the year	7,683,725	7,683,725
Decrease during the year	(2,578,252)	-
31 December 2020	33,880,228	26,786,278
Increase during the year	1,715,390	1,715,390
Decrease during the year	(9,703,135)	(2,609,185)
31 December 2021	25,892,483	25,892,483
Accumulated amortization :-		
1 January 2020	-	-
Amortization expenses for the year	9,960,981	5,717,402
Decrease during the year	(972,971)	-
31 December 2020	8,988,010	5,717,402
Amortization expenses for the year	10,666,577	8,215,530
Decrease during the year	(8,330,840)	(2,609,185)
31 December 2021	11,323,747	11,323,747
Net book value - 31 December 2021	14,568,736	14,568,736
Net book value - 31 December 2020	24,892,218	21,068,876

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19. INTANGIBLE ASSETS - NET

As of 31 December 2021 and 2020, computer software consist of :-

(UNIT : BAHT)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Cost :-				
1 January	56,385,847	50,698,860	56,185,846	50,262,607
Acquisition	1,318,000	5,923,239	1,318,000	5,923,239
Transfer in	-	5,716,539	-	5,716,539
Transfer out	-	(5,716,539)	-	(5,716,539)
Writes Off	-	(236,252)	-	-
31 December	57,703,847	56,385,847	57,503,846	56,185,846
Accumulated amortization :-				
1 January	42,861,567	40,129,519	42,661,566	39,775,071
Amortization expenses for the year	3,035,033	2,902,562	3,035,033	2,886,495
Writes Off	-	(170,514)	-	-
31 December	45,896,600	42,861,567	45,696,599	42,661,566
Net book value - 31 December	11,807,247	13,524,280	11,807,247	13,524,280

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20. TRADE AND OTHER CURRENT PAYABLES

(UNIT : BAHT)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Accounts payables - trade				
Related companies (Note 5.3)	4,945,486	12,715,208	4,945,486	13,347,443
Others	61,623,875	66,352,350	61,623,875	66,352,349
Total accounts payables - trade	66,569,361	79,067,558	66,569,361	79,699,792
Other payables				
Accrued bonus	22,289,054	12,332,658	22,289,054	12,332,658
Accrued expenses	26,903,570	19,347,933	26,869,603	18,943,555
Accrued royalties	4,007,782	3,435,954	4,007,782	3,435,954
Revenue Department payables	3,588,376	4,263,339	3,588,188	4,251,572
Others	20,507,690	16,836,591	20,507,690	16,836,591
Total trade and other current payables	143,865,833	135,284,033	143,831,678	135,500,122

21. LEASE LIABILITIES

As of 31 December 2021 and 2020, lease liabilities consist of :-

(UNIT : BAHT)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Lease liabilities	16,053,770	25,021,474	16,053,770	20,529,711
<u>Less</u> Deferred interest expense	(1,627,620)	(2,490,625)	(1,627,620)	(2,272,389)
Total	14,426,150	22,530,849	14,426,150	18,257,322
<u>Less</u> Current portion of long - term				
lease liabilities	(4,515,842)	(8,096,354)	(4,515,842)	(4,709,259)
Long - term lease liabilities - net of current portion	9,910,308	14,434,495	9,910,308	13,548,063

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Future minimum lease payments required under the lease agreements were as follows :-

(UNIT : BAHT)

	Consolidated and separate financial statements			
	31 December 2021			
	Less than 1 year	2 - 5 years	More than 5 years	Total
Future minimum lease payments	5,051,052	8,746,065	2,256,653	16,053,770
Deferred interest expenses	(535,210)	(997,196)	(95,214)	(1,627,620)
Present value of future minimum lease payment	4,515,842	7,748,869	2,161,439	14,426,150

(UNIT : BAHT)

	Consolidated financial statements			
	31 December 2020			
	Less than 1 year	2 - 5 years	More than 5 years	Total
Future minimum lease payments	8,952,269	11,867,174	4,202,031	25,021,474
Deferred interest expenses	(855,915)	(1,392,584)	(242,126)	(2,490,625)
Present value of future minimum lease payment	8,096,354	10,474,590	3,959,905	22,530,849

(UNIT : BAHT)

	Separate financial statements			
	31 December 2020			
	Less than 1 year	2 - 5 years	More than 5 years	Total
Future minimum lease payments	5,386,606	10,941,074	4,202,031	20,529,711
Deferred interest expenses	(677,347)	(1,352,916)	(242,126)	(2,272,389)
Present value of future minimum lease payment	4,709,259	9,588,158	3,959,905	18,257,322

THANULUX PUBLIC COMPANY LIMITED AND SUBSIDIARIES
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22. RETIREMENT BENEFIT OBLIGATION

(UNIT : BAHT)

	Consolidated and separate financial statements	
	2021	2020
Current provisions for employee benefit	15,414,533	15,010,441
Non-current provisions for employee benefit	112,030,907	118,220,257
Total	127,445,440	133,230,698

Movement of retirement benefit obligation for the years ended 31 December 2021 and 2020 are as follows :-

(UNIT : BAHT)

	Consolidated and separate financial statements	
	2021	2020
Retirement benefit obligation		
- beginning balance - 1 January	133,230,698	170,380,177
Employee benefit expenses for the year	9,225,119	13,232,656
Employee benefit paid during the year	(15,010,377)	(13,024,419)
Early-retirement paid	-	(25,888,305)
Loss on reversal of retirement benefit obligations (presented in the statements of comprehensive income)	-	745,321
Actuarial loss (presented in the statements of other comprehensive income)	-	(12,214,732)
Retirement benefit obligation		
- ending balance - 31 December	127,445,440	133,230,698

Employee benefit expenses were recognized in statements of income for the years ended 31 December 2021 and 2020 are as follows :-

(UNIT : BAHT)

	Consolidated and separate financial statements	
	2021	2020
Current service costs	8,119,759	9,467,371
Interest costs	1,105,360	3,765,285
Total	9,225,119	13,232,656

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During in the year 2020, the Group companies had a retirement project and reduced manpower according to the organizational restructuring policy and paid extra compensation in the consolidated and separate financial statements amount of Baht 44.60 million.

Under such project, some part of extra compensation has to deduct from incremental liabilities from provision for long-term employee benefits in the consolidated and separate financial statements, for the years 2020 amount of Baht 27 million and recorded as expenses in the consolidated statements of income amount of Baht 17.60 million.

The principle of actuarial assumption used to calculate the defined benefit obligations for the years ended 31 December 2021 and 2020 are as follows :-

	Consolidated and separate financial statements	
	2021	2020
Discount rate	0.70% - 0.88%	2.15%
Mortality rate	100%(TMO 2017)	100%(TMO 2017)
Salary increase rate	2.50% - 3.00%	2.50% - 3.00%
Turnover rate	Age-related scale	Age-related scale

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The sensitivity analysis for significant assumptions used in actuarial valuation can be analyzed as follow :-

		(UNIT : BAHT)	
		Effect to retirement benefit obligation increase (decrease)	
		Consolidated and separate financial statements	
	Change in assumptions	2021	2020
Discount rate	Increase 0.5%	(3,096,625)	(3,461,442)
Discount rate	Decrease 0.5%	3,236,040	3,623,128
Salary increase rate	Increase 0.5%	4,016,479	3,766,133
Salary increase rate	Decrease 0.5%	(3,867,038)	(3,630,190)
Turnover rate	Increase 10%	(6,093,055)	(5,579,045)
Turnover rate	Decrease 10%	6,765,161	6,179,926

23. LEGAL RESERVE

Under the Public Limited Companies Act B.E. 2535 the Company is required to allocate not less than 5 percent of its annual net profit, less any accumulated losses brought forward (if any), as legal reserve until this account reaches an amount not less than 10 per cent of the registered capital. The legal reserve is not available for dividend distribution.

24. GENERAL RESERVE

The Company has appropriated part of its net profit for general reserves with no specific objective.

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25. DIVIDEND PAYMENT, GENERAL RESERVE AND DIRECTORS' REMUNERATION

25.1 On 27 April 2021, the Company's Annual General Meeting of shareholders approved the following resolutions :-

- To pay dividends of Baht 0.07 per share totaling Baht 8.40 million, to the existing shareholders of 120 million shares which will be paid on 25 May 2021. The Company will pay dividends from corporate income tax exempted business operations.
- To pay the directors' remuneration not more than Baht 10 million.
- To appropriate net profit for general reserve in the amount of Baht 0.40 million.

25.2 On 4 August 2020, the Company's Annual General Meeting of shareholders approved the following resolutions :-

- To pay the directors' remuneration not more than Baht 10 million.
- To appropriate net profit for general reserve in the amount of Baht 6.70 million.

25.3 On 7 April 2020, the Company's Board of Director Meeting No.2/2563 approved to pay interim dividend of Baht 0.55 per share totaling Baht 66 million, to the existing shareholders of 120 million shares which will be paid on 5 May 2020. The Company will pay dividends from business operations as follows :-

- To pay dividends from corporate income tax exempted business operations of Baht 0.45 per share totaling Baht 54 million, to the existing shareholders of 120 million shares.
- To pay dividends from corporate income tax non-exempted business operations of Baht 0.10 per share totaling Baht 12 million, to the existing shareholders of 120 million shares.

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26. PROVIDENT FUND

The Company and its subsidiaries have set up a provident fund for their employees under the Provident Fund Act B.E. 2530 (1987) for the staff's welfare as well as security upon their resignation or retirement as defined by the Company's regulations, which is contributed by its employees and by the Company at the rate of 3 - 5% of salary. The Company has appointed the CIMB-Principal Asset Management Company Limited to act as the fund manager.

The Company and subsidiaries' contributions to the employee provident fund were recorded as expenses in the statements of comprehensive income for the years ended 31 December 2021 and 2020, amounting to Baht 6.51 million and Baht 4.39 million, respectively.

27. DERIVATIVES IN FOREIGN CURRENCY TRANSACTIONS

The Group has entered into selling forward exchange contracts with a local commercial bank to hedge against risk in exchange rate fluctuation which might affect Baht to be received or Baht payable.

27.1 Selling forward exchange contracts

The Group has entered into exchange forward contracts with a local commercial bank to hedge against risk in exchange rate fluctuation which might affect the Baht currency receivable from export trade accounts receivable which having the term not over one year which can be summarized as follows:-

Consolidated and separate financial statements						
Foreign currency	31 December 2021			31 December 2020		
	Amount	Delivery will be	Exchange rates on	Amount	Delivery will be	Exchange rates on
	(Million)	made during	delivery date (Currencies exchange to Baht)	(Million)	made during	delivery date (Currencies exchange to Baht)
USD	1.48	May. 22 - Jun. 22	33.47 - 33.94	1.17	Apr. 21 - Jun. 21	29.82 - 31.29
JPY	10.00	Jun. 22	0.29 - 0.30	7.00	Jun. 21	0.29
EUR	0.17	Apr. 22 - May. 22	38.04 - 38.84	0.54	Feb. 21 - Jun. 21	36.14 - 37.14

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27.2 Uncovered transactions

As of 31 December 2021 and 2020, the Group has outstanding assets and liabilities denominated in foreign currencies which are not covered by any hedging transaction as follows :-

(UNIT : MILLION)

	Consolidated and separate financial statements			
	Foreign currencies		Converted to Baht	
	2021	2020	2021	2020
Assets				
USD	0.85	0.25	28.34	7.56
EUR	0.19	0.07	7.21	2.41
HKD	0.36	0.36	1.53	1.38
Total			37.08	11.35
Liabilities				
USD	0.50	0.49	16.94	14.79
EUR	0.09	0.13	3.30	4.92
JPY	5.88	41.14	1.73	12.12
Total			21.97	31.83

28. COMMITMENT AND CONTINGENT LIABILITIES

28.1 As of 31 December 2021 and 2020, the Group has commitments and contingent liabilities as follows :-

(UNIT : MILLION BAHT)

Commitments and contingent liabilities	Consolidated and separate financial statements	
	2021	2020
Bank guarantee with Customs Department	16.10	8.79
Bank guarantee for electricity	3.99	3.99
Bank guarantee for business operations	0.75	0.54
Loan guarantee for related companies	18.31	18.91

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28.2 As of 31 December 2021 and 2020, The Company has contracts with respective owners for the manufacturing and distribution apparel products under their contracts. Both parties have mutual obligations to fulfill under these contracts into 5 trademark whereby the Company is obliged to pay the royalty fees at the rate of 3.5% - 7.5% of total sales and 1 trademark whereby the Company is obliged to pay the royalty fees at the rate of 6.5% of net sales (31 December 2020 : The Company has 6 trademark whereby the Company is obliged to pay the royalty fees at the rate of 3.5% - 7.5% of total sales.).

As of 31 December 2020, a subsidiary company has contracts with respective owner into 1 trademark whereby it must pay the royalty fee at the rate of 6% of total sales and 12% of total costs (31 December 2021 : nil).

28.3 As of 31 December 2021 and 2020, The Group has commitment relating to building lease agreement and service agreements, whereby the Group must pay the rentals as follows :-

(UNIT : MILLION BAHT)

Description	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Within 1 year	4.11	7.63	4.11	7.13
More than 1 year not over 5 year	2.07	6.49	2.07	6.49

28.4 As of 31 December 2021 and 2020, the Company has commitment relating to store lease and service agreement for 3 years, the Company must pay the rentals and other service fees as follows :-

(UNIT : BAHT)

	Store lease and service agreement	Common area service agreement
First year	4% - 6% of total sales	42,372
Second year	4% - 6% of total sales	44,491
Third year	4% - 6% of total sales	46,715

28.5 As of 31 December 2021, the Company has commitment relating to computer software installation and implementation agreement of Baht 1.03 million (31 December 2020 : nil).

28.6 As of 31 December 2021, the Company has commitment to invest in newly-issued ordinary shares of Saha Capital Tower Company Limited in proportion to the Company's shareholding in total balance of Baht 67.50 million. The payment will be divided to 3 installments at Baht 22.50 million each, payable in December 2022, June 2023 and October 2023 (31 December 2020 : nil).

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29. PROMOTIONAL PRIVILEGES

By virtue of the Investment Promotion Act, B.E. 2520, the Company has been granted some promotional privileges from the Board of Investment (BOI) as follows :-

1. Promotional certificates No.	60-1470-1-03-1-0	60-0122-0-00-1-0	1627(2)/2554	1628(2)/2554
2. Dates of promotional certificates	26/12/2017	31/1/2017	31/5/2011	31/5/2011
3. The first receiving revenues dates	1/3/2018	2/8/2018	4/5/2011	2/9/2011
4. The type of business promoted	Leather products or artificial leather	Leather products or artificial leather	Textile or fragment	Leather products or artificial leather
5. Important privileges which are granted :-				
5.1 Exemption from corporate income tax on net profit from promotional operations, commencing from the first receiving revenue date.	8 years	8 years	8 years (Expired on 30/11/18)	8 years (Expired on 30/10/17)
5.2 Exemption from income tax on dividends from promoted business which was exempted from income tax in 5.1.	8 years	8 years	8 years (Expired on 30/11/18)	8 years (Expired on 30/10/17)
5.3 Reduction of the corporate income tax on net profit from promoted business at 50% of normal rate after the end of exemption period.	5 years	5 years	5 years	5 years
5.4 Double deduction of expenses for utilities (electricity, water and transportation) for the year.	10 years	10 years	10 years	10 years
5.5 Exemption from corporate income tax for amounts not exceeding (Adjustable to capital investment amount excluding cost of land and working capital).	Baht 60.00 million	Baht 15.12 million	Baht 46.13 million	Baht 76.27 million

As a promoted entity, the Company must strictly comply with certain terms and conditions stipulated in the promotional certificates.

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Income derived from BOI and Non - BOI activities are summarized as follows :-

(UNIT : MILLION BAHT)

	Consolidated financial statements					
	2021			2020		
	Local	Export	Total	Local	Export	Total
BOI promoted business	286.01	329.35	615.36	214.70	211.69	426.39
Non - BOI promoted business	481.21	236.09	717.30	494.13	198.61	692.74
Total	767.22	565.44	1,332.66	708.83	410.30	1,119.13

(UNIT : MILLION BAHT)

	Separate financial statements					
	2021			2020		
	Local	Export	Total	Local	Export	Total
BOI promoted business	286.01	329.35	615.36	214.70	211.69	426.39
Non - BOI promoted business	481.11	236.09	717.20	495.44	198.61	694.05
Total	767.12	565.44	1,332.56	710.14	410.30	1,120.44

30. EXPENSES CLASSIFIED BY NATURE OF EXPENSES

For the years ended 31 December 2021 and 2020 expenses classified by their nature are as follows :-

(UNIT : BAHT)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Changes in finished goods and work-				
in process (increase) decrease	(21,238,236)	4,415,035	(21,238,236)	(4,454,013)
Purchases of finished goods	145,676,415	91,972,265	145,676,415	102,212,843
Loss on diminution in inventories	9,412,318	20,893,235	9,412,318	22,431,270
Raw materials and supplies used	436,238,446	357,517,623	436,238,446	357,517,623
Management benefit expenses	23,666,986	28,294,352	23,666,986	28,294,352
Employee benefit expenses	438,934,247	460,171,715	438,934,247	460,158,637
Depreciation and amortization expenses	52,697,314	58,037,172	54,519,102	55,645,713
Royalty expenses	23,496,176	22,811,938	23,496,176	22,811,938

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31. FINANCIAL INFORMATION BY SEGMENT

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

The Group's business operation involves 2 principal segments: (1) men's apparel (2) women's apparel with geographical segments of both local and export sales. Segment performance is considered by revenue and gross profit, and is also measured based on the group operating profit or loss, on a basis consistent with that used to measure operating profit or loss in the financial statements. Revenue and gross profit of operating segments for the years ended 31 December 2021 and 2020 are as follows :-

(UNIT : THOUSAND BAHT)

	For the year ended 31 December 2021			Consolidated financial statements
	Men's apparel	Women's apparel	Other segment	
Revenue				
Revenue from sales	967,374	322,489	-	1,289,863
Revenue from rendering of services	42,799	-	-	42,799
Gross profit by segment	289,413	92,371	-	381,784
Dividend income	-	-	37,112	37,112
Interest income	-	-	28,698	28,698
Gain on disposal of fixed assets	-	-	137	137
Other income	-	-	39,787	39,787
Distribution costs	(77,943)	(26,650)	(7,910)	(112,503)
Administrative expenses	(81,784)	(26,193)	(188,218)	(296,195)
Finance costs	-	-	(730)	(730)
Share of loss from investment in associate	-	-	(2,123)	(2,123)
Profit (loss) before income tax	129,686	39,528	(93,247)	75,967
Income tax expense				(13,356)
Net profit for the year				62,611
Additional information :-				
Depreciation and amortization expenses				52,697

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(UNIT : THOUSAND BAHT)

	For the year ended 31 December 2020			
	Men's apparel	Women's apparel	Other segment	Consolidated financial statements
Revenue				
Revenue from sales	917,573	165,008	-	1,082,581
Revenue from rendering of services	36,557	-	-	36,557
Gross profit by segment	250,137	41,175	-	291,312
Dividend income	-	-	45,009	45,009
Interest income	-	-	33,460	33,460
Other income	-	-	53,347	53,347
Distribution costs	(73,043)	(14,012)	(7,145)	(94,200)
Administrative expenses	(106,220)	(17,187)	(200,685)	(324,092)
Finance costs	-	-	(1,028)	(1,028)
Share of loss from investment in associate	-	-	(2,296)	(2,296)
Profit (loss) before income tax	70,874	9,976	(79,338)	1,512
Income tax revenue				9,514
Net profit for the year				11,026
Additional information :-				
Depreciation and amortization expenses				58,037

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As of 31 December 2021 and 2020, segment assets and liabilities of the Group are as follows :-

(UNIT : THOUSAND BAHT)

	As of 31 December 2021				
	Men's apparel	Women's apparel	Total segments	Unallocated assets/liabilities	Consolidated financial statements
Segment assets	435,171	113,387	548,558	3,945,234	4,493,792
Segment liabilities	55,564	9,042	64,606	451,045	515,651

(UNIT : THOUSAND BAHT)

	As of 31 December 2020				
		Women's	Total	Unallocated	Consolidated
	Men's apparel	apparel	segments	assets/liabilities	financial statements
Segment assets	373,461	92,176	465,637	3,871,168	4,336,805
Segment liabilities	60,302	15,380	75,682	467,082	542,764

(UNIT : THOUSAND BAHT)

For the year ended 31 December		
	2021	2020
GEOGRAPHICAL AREAS		
Domestic sales	768,095	708,833
Export sales		
- EUROPE	198,364	166,825
- ASIA	136,498	96,824
- AMERICA	229,706	145,199
- AUSTRALIA	-	957
- SOUTH AFRICA	-	500

Information of major customers

The Company has one major customer from segment of Men's apparel and Women's apparel for the years ended 31 December 2021 and 2020, in the amount of Baht 427.53 million and Baht 425.92 million, respectively.

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32. INCOME TAX

As of 31 December 2021 and 2020, the components of deferred tax assets and deferred tax liabilities are as follows :-

(UNIT : THOUSAND BAHT)				
For the year ended 31 December				
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Deferred tax assets				
- Consignment sales	11,069	4,566	11,069	4,566
- Allowance for decline in value of inventories	1,127	2,049	1,127	2,049
- Leases	571	110	571	110
- Provision for goods returned	1,100	4,240	1,100	4,240
- Retirement benefit obligation	23,120	24,277	23,120	24,277
- Tax loss carried forward	198	15,031	198	15,031
Total deferred tax assets	37,185	50,273	37,185	50,273
Deferred tax liabilities				
- Depreciation	10,260	9,992	10,260	9,992
- Other non - current financial assets	200,941	184,069	201,741	184,816
Total deferred tax liabilities	211,201	194,061	212,001	194,808

Income tax (revenue) expense for the year ended 31 December 2021 and 2020 are as follows :-

(UNIT : THOUSAND BAHT)				
For the year ended 31 December				
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Current income tax				
Corporate income tax for the year	-	-	-	-
Deferred tax				
Relating to origination and reversal of temporary differences	13,356	(9,515)	13,356	(9,515)
Income tax (revenue) expense reported in the - statements of comprehensive				

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Reconciliation between income tax (revenue) expense and the product of accounting profit (loss) multiplied by the applicable tax rates for the years ended 31 December 2021 and 2020 are as follows :-

	(UNIT : THOUSAND BAHT)			
	For the year ended 31 December			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Accounting profit (loss) before corporate income tax	75,967	1,512	74,349	(1,546)
Applicable tax rate	20%	20%	20%	20%
Accounting profit (loss) before corporate income tax multiplied by applicable tax rate	15,193	302	14,870	(309)
Effects of :				
Promotional privileges (Note 29)	(16,882)	(4,734)	(16,882)	(4,734)
Non - deductible expenses	16,190	1,000	16,093	1,095
Additional expense deductions allowed	(1,687)	(3,254)	(1,687)	(3,254)
Exemption of income	(6,182)	(10,357)	(6,182)	(10,305)
Deferred tax assets of tax loss	7,144	7,992	7,144	7,992
Effect from un - recording of deferred tax assets	16	7	-	-
Effect of elimination entry on the consolidated financial statements	(436)	(471)	-	-
Total	(1,837)	(9,817)	(1,514)	(9,206)
Income tax (revenue) expense reported in the statement of comprehensive income	13,356	(9,515)	13,356	(9,515)

Corporate income tax of the Group for the year ended 31 December 2021 and 2020 are calculated from the accounting profit and adjusted with revenues and expenses which are exempted from income tax or expenses not allowed by income tax law.

Non - BOI business operations are subjected to corporate income tax at the rate of 20 percent.

BOI business operation, the corporate income tax is calculated according to the privileges which are granted (Note 29).

Corporate income tax of the subsidiaries is calculated at the rate of 20 percent of taxable profit.

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33. FINANCIAL INSTRUMENTS

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

33.1 Accounting policies and procedure

See Note 4.

33.2 Credit risk

Credit risk refers to the risk that accounts receivable will default on its contractual obligations resulting in a financial loss to the Company.

The Company has concentration of risks as most of trade accounts receivable are related companies (Note 5). However, the said customers have been associated continuously for many years and maintained good payment capability.

For other customers, the management has credit policies in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount.

As at the statements of financial position date there was no other significant credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statements of financial position.

33.3 Interest rate risk

Interest rate risk arises from the potential of a change in interest rates to have an effect on the operation of the Company in the current reporting period and in future years. The Group is confident that the risk can be managed because the Group has maintained plans and monitor the market situation closely.

Furthermore the Group has invested in debt securities, interest risk are depended on the fluctuation of prices of the debt securities due to the changes of interest rates. If the interest rate increased, the price of debt securities will be decreased and if the market interest rate decreased, the price of debt securities will increase.

33.4 Risk from currency exchange

The Group's risk from the fluctuation of foreign exchange rates, from debtors and creditors from the trading in foreign currencies. The Group will make forward exchange contract, in case the Baht currency is highly fluctuated and it is considered appropriate (Note 27).

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33.5 Fair values of financial instruments

The Group uses the market approach to measure its assets and liabilities that are required to be measured at fair value. However, if some financial assets and financial liabilities are classified as short-term or have interest rates close to market rates, Company's management The fair value of these financial assets and financial liabilities approximates the carrying values shown in the statement of financial position.

The following methods and assumptions were used by the Group in estimating fair value of financial instruments as disclosed here in :

- Investments in mutual funds have been categorized as a Level 2, the fair value is determined from their net asset value (NAV) at the measurement date of investment.
- The fair value measurement of investments in government bond has been categorized as a Level 2, the fair value determined using the yield curve as announced by the Thai Bond Market Association at the measurement date of investment.
- Investments in marketable securities have been categorized as a Level 1, the fair value is based on quoted market price.
- The fair value measurement of non - listed investments has been categorized as a Level 3, the fair value determined using Dividend Discount Model, Discounted Cash Flow and Book Value approaches determined by the Group's management.
- Investments in debt securities have been categorized as a Level 2, the fair value is determined by using the yield curve as announced by the Thai Bond Market Association at the measurement date of investment.
- The fair value measurement of land and building has been categorized as a Level 2, the fair value is based on the comparison approach, and cost approach to the valuation technique used.

34. CAPITAL MANAGEMENT

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the businesses. The Board monitors the return on capital, which the Group defines as result from operating activities divided by total equity, excluding non-controlling interests and also monitors the level of dividends paid to ordinary shareholders.

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35. RECLASSIFICATION

The Company's financial statements for the year ended 31 December 2020 have been reclassified to conform to for the year ended 31 December 2021 classification, without any effect to the previously reported net profit or shareholder's equity.

36. EVENTS AFTER THE REPORTING PERIOD

On 21 February 2022, the Board of Directors meeting No. 1/2022 passed a resolution to propose a final dividend payment from the result of its operation for the year 2021 at Baht 0.50 per share for 120 million shares, totaling Baht 60.00 million to the 2022 Annual General Meeting of the shareholders for approval. This dividend payment is subject to the approval of the Annual General Meeting of the shareholders.

37. APPROVAL OF FINANCIAL STATEMENTS

These financial statements have been approved for issuance by the Company's board of directors on 21 February 2022.

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, and the company's secretary.

Name-Surname / Position Appointment date	Age (Year)	Education	Share hold %	Family relation- ship among Executives	Past 5 Years Experiences		
					Period	Position	Name of Department / Company
1. Mr. Manu Leelanuwatana - Chairman of the Board of Directors - Chairman of the Nomination Committee	76	- Bachelor's Degree in Mechanical Engineering, Chiba University, Japan	-	Miss Marin Leelanuwat's Father		<u>Others Listed Company</u>	
<u>Appointment date</u>		<u>Training course</u>			1990 – Present	Chairman	Thai Wacoal Public Company Limited
- December 17, 2019		Thai Institute of Directors Association (IOD)			1987 – Present	Director	O.C.C Public Company Limited
		- Director Accreditation Program (DAP 3/2003)			1980 – Present	Chairman	TPCS Public Company Limited
		- Director Certification Program (DCP 68/2005)			2004 – 2021	Director	I.C.C. International Public Company Limited
						<u>Others Non-Listed Companies</u>	16 Companies
						<u>Competitive Business related to Company's Business</u>	1 Company
					1990 – Present	Chairman	Thai Gunze Company Limited
Any position in others business or other organization in the previous year which has an impact the time devoted significant						- None –	

Name-Surname / Position Appointment date	Age (Year)	Education	Share hold %	Family relation- ship among Executives	Past 5 Years Experiences		
					Period	Position	Name of Department / Company
2. Mr. Thamarat Chokwatana - Vice Chairman of the Board of Directors - Chairman of the Remuneration Committee - Nominating Committee Member <u>Appointment date</u> - July 11, 2016	52	- Bachelor's Degree in Arts, Assumption University <u>Training course</u> Thai Institute of Directors Association (IOD) - Director Accreditation Program (DAP 3/2003) - Director Certification Program (DCP 68/2005) - Company Secretary Program (CSP 31/2009)	0.13%	- None -		<u>Others Listed Company</u>	
					2017 – Present	Director	Saha Phatanapibul Public Company Limited
					2018 – Present	Director / Executive Director / Director of Marketing Division	Thai Wacoal Public Company Limited
					2001 – 2018	Director / Executive Director	
					1999 – Present	Director	I.C.C. International Public Company Limited
					2009 - Present	President of G Department	
					2015 - Present	President Director / Vice Chairman	
					2017- Present	President of S Department	
					2019- Present	President of N Department	
						<u>Others Non-Listed Companies</u>	40 Companies
						<u>Competitive Business related to Company's Business</u>	1 Company
					2008 – Present	Director	Champ Kabin Company Limited
Any position in others business or other organization in the previous year which has an impact the time devoted significant						- None -	

Name-Surname / Position Appointment date	Age (Year)	Education	Share hold %	Family relation- ship among Executives	Past 5 Years Experiences		
					Period	Position	Name of Department / Company
3. Ms. Dusadee Soontrontumrong - Director - Chairman of the Executive Committee - Managing Director - Remuneration Committee Member - Governance Committee Member <u>Appointment date</u> - July 11, 1984 Authorized Director to bind the Company	73	- Mini MBA of Economics, Chulalongkorn University	0.36%	- None -		<u>Others Listed Company</u>	- None -
		- Higher Education Certificate in Accounting, Kerk College				<u>Others Non-Listed Companies</u>	1 Company
		<u>Training course</u>				<u>Competitive Business related to Company's Business</u>	- None -
		<u>Thai Institute of Directors Association (IOD)</u>					
		- Director Accreditation Program (DAP 8/2003)					
		- Director Certification Program (DCP 42/2004)					
Any position in others business or other organization in the previous year which has an impact the time devoted significant							- None -
4. Ms. Manin Leelanuwatana - Director - Nomination Committee Member - Remuneration Committee Member - Governance Committee Member - Vice Chairman of Executive Committee <u>Appointment date</u> - April 23, 2013 Authorized Director to bind the com- pany	48	- Master's Degree in Business Administration, Loyola University, Chicago, USA	0.93%	Mr.Manu Leelanu- watana's Daughter		<u>Others Listed Company</u>	- None -
		- Bachelor's Degree in Commerce and Accounting, Thammasat University				<u>Others Non-Listed Companies</u>	4 Companies
		<u>Training course</u>				<u>Competitive Business related to Company's Business</u>	- None -
		<u>Thai Institute of Directors Association (IOD)</u>					
		- Director Certification Program (DCP 180/2013),					
Any position in others business or other organization in the previous year which has an impact the time devoted significant							- None -

Name-Surname / Position Appointment date	Age (Year)	Education	Share hold %	Family relation- ship among Executives	Past 5 Years Experiences		
					Period	Position	Name of Department / Company
5. Ms. Yupaporn Jearrakul - Director - Risk Management Committee Member - Governance Committee Member - Executive Committee Member - Chief Financial Officer <u>Appointment date</u> - August 4, 2020	62	- Master's Degree in Business Administration, Ramkhamhaeng University	0.004%	- None -		<u>Others Listed Company</u>	- None -
		- Bachelor's Degree in Fiance and Banking, Ramkhamhaeng University				<u>Others Non-Listed Companies</u>	3 Companies
		- Bachelor's Degree in Accounting, Sukhothai Thammathirat Open University				<u>Competitive Business related to Company's Business</u>	1 Company
		<u>Training course</u>			2001 – Present	Director	Thai Monster Company Limited
		<u>Thai Institute of Directors Association (IOD)</u>					
		- Director Certification Program(DCP 150/2011)					
		<u>Others</u>					
		- Insight Financial Management					
		- Financial and Risk Management during Times of Crisis					
Authorized Director to bind the Company							
Any position in others business or other organization in the previous year which has an impact the time devoted significant							
6. Mr.Suchart Layluxsiri - Director - Executive Committee Member - Deputy Managing Director <u>Appointment date</u> - February 23, 2021 Authorized Director to bind the Company	56	- Master's Degree in Business Administration, Bangkok University	0.004%	- None -		<u>Others Listed Company</u>	- None -
		- Bachelor's Degree in Economics Kasetsart University				<u>Others Non-Listed Companies</u>	2 Companies
		<u>Training course</u>				<u>Competitive Business related to Company's Business</u>	- None -
		<u>Thai Institute of Directors Association (IOD)</u>					
		- Director Certification Program (DCP 154/2011)					
Any position in others business or other organization in the previous year which has an impact the time devoted significant							

Name-Surname / Position Appointment date	Age (Year)	Education	Share hold %	Family relation- ship among Executives	Past 5 Years Experiences		
					Period	Position	Name of Department / Company
9. Mr.Maris Sangiampongsa - Independent Director - Audit Committee Member <u>Appointment date</u> - August 4, 2020	63	- Master of Arts (International Relations Ohio University, USA	-	- None -	2017 – 2019	Ambassador of Thailand to Ottawa, Canada	The Ministry of Foreign Affairs
		- Bachelor of Arts (Political and Government) Ramkhamhaeng University			2014 – 2017	Ambassador of Thailand to Wellington, New Zealand	
		<u>Training course</u>			2011 – 2014	Ambassador of Thailand to Canberra, The Common Wealth of Australia	
		<u>Thai Institute of Directors Association (IOD)</u>			2009 – 2011	Ambassador of Thailand to Kathmandu, The FDR of Nepal	
		- Director Certification Program (DCP)				<u>Others Listed Company</u>	
						<u>Others Non-Listed Companies</u>	
						<u>Competitive Business related to Company's Business</u>	
Any position in others business or other organization in the previous year which has an impact the time devoted significant					- None -		

10. Dr. M.L. Sirapirom Teeraprasert - Risk Management Committee Member - Governance Committee Member - Executive Committee Member - Senior President of Organization Strategy and Information Technology Department	57	- Doctoral Degree of Business Administration, Ramkhamhaeng University	0.006% Spouse 0.016%	- None -		<u>Others Listed Company</u>	- None -
		- Master's Degree in Public and Private Management, National Institute of Development Administration				<u>Others Non-Listed Companies</u>	1 Company
		- Bachelor's Degree in Science (Statistics) Khon Kaen University				<u>Competitive Business related to Company's Business</u>	- None -
		<u>Training course</u>					
		<u>Thai Institute of Directors Association (IOD)</u>					
		- Successful Formulation & Execution of Strategy (SFE) SFE 34/2021					
		- Director Certification Program (DCP 150/2011)					
Any position in others business or other organization in the previous year which has an impact the time devoted significant					- None -		

Name-Surname / Position Appointment date	Age (Year)	Education	Share hold %	Family relation- ship among Executives	Past 5 Years Experiences		
					Period	Position	Name of Department / Company
11. Ms.Kochakorn Puengsricharoen - Executive Committee Member - Senior President of Leather's Good & Export Department <u>Appointment date</u> - January 1, 2020	69	- Bachelor's degree, Faculty of Education, Ramkhamhaeng University	0.003%	- None -		<u>Others Listed Company</u>	- None -
		<u>Training course</u>				<u>Others Non-Listed Companies</u>	- None -
		-				<u>Competitive Business related to Company's Business</u>	- None -
		Any position in others business or other organization in the previous year which has an impact the time devoted significant				- None -	
12. Mr. Woradej Puengsricharoen - President of Internal Audit Department <u>Appointment date</u> - January 1, 2019	64	- Master's degree in Management Mahidol University	0.005%	- None -		<u>Others Listed Company</u>	- None -
		- Bachelor's Degree in Faculty of Commerce and Accountancy, Chulalongkorn University				<u>Others Non-Listed Companies</u>	3 Companies
		<u>Training course</u>				<u>Competitive Business related to Company's Business</u>	1 Company
		- Certified Internal Auditor (CIA No 30825)				2016 – Present	S. Apparel Company Limited
		- The Institute of Internal Auditors (IIA USA)					
		Thai Institute of Directors Association (IOD)					
		- Effective Audit Committee					
		- Good Corporate Governance Program					
Any position in others business or other organization in the previous year which has an impact the time devoted significant				- None -			

Name-Surname / Position Appointment date	Age (Year)	Education	Share hold %	Family relation- ship among Executives	Past 5 Years Experiences		
					Period	Position	Name of Department / Company
13. Mr.Supachoke Sirichantaradilok - Company Secretary - Investor Relations	62	- Master's Degree in Public and Private Management, National Institute of Development Administration (NIDA)	-	- None -		<u>Others Listed Company</u>	
		- Bachelor's Degree in Faculty of Commerce and Accountancy, Chulalongkorn University			2019 – Present	Director	Qualitech Public Company Limited
		<u>Training course</u>				<u>Others Non-Listed Companies</u>	1 Company
		<u>Thai Institute of Directors Association (IOD)</u>				Competitive Business related to Company's Business	- None -
		- Director Accreditation Program (DAP 91/2011)					
		- Director Certification Program (DCP 49/2004)					
		- Investor Relations 2006					
Any position in others business or other organization in the previous year which has an impact the time devoted significant						- None -	

14. Ms. Somjit Sukkho - Chief Accountant - Accounting and Tax Section Manager <u>Appointment date</u> - May 11, 2018	56	- Bachelor's Degree in Accounting Srinakharinwirot University	-	- None -		<u>Others Listed Company</u>	- None -
		- Preparation of financial statements and submission of financial statements Via DBD-e Filing system				<u>Others Non-Listed Companies</u>	1 Company
		<u>Training course</u>				<u>Competitive Business related to Company's Business</u>	- None -
		- Update Taxation 2020					
		- Summary of material matters from TFRS for PAEs for use and the changes for the year 2021					
		- M&A trends and major issues for consideration and the strategy for a successful MA					
Any position in others business or other organization in the previous year which has an impact the time devoted significant		- Knowing of the digital currency (Crypto Currency)					
		- Digital Asset Accounting					
		- Statment of Cash Flows					
						- None -	

Attachment 2

Details of the Directors of Subsidiaries

Subsidiary means any significant subsidiary with characteristics such as earnings more than 10 percent of the total income in the consolidated profit and loss statement of the most recent financial year.

- None-

Attachment 3

Details of the Head of the Internal Audit

1. **Name:** Mr. Woradej Puengsiricharoen
2. **Age:** 64 years
3. **Position:** Head of Internal Audit Department
4. **Education :**
 - Master's Degree in Management, Mahidol University
 - Bachelor's Degree in Faculty of Commerce and Accountancy, Chulalongkorn University
 - Certified Internal Auditor (CIA No 30825) The Institute of Internal Auditors (IIA USA)
5. **Experience:** 38 years
6. **Training Course / Seminar:**
 - Risk Management
 - Revenue Code
 - Auditing Information System
 - Control - Self Assessment
 - Accounting Standards
 - Effective Audit Committee (IOD)
 - Good Corporate Governance (IOD)
 - Balanced Scorecard
 - COSO Internal Audit
 - SAP Audit
 - Resources for Lean Manufacturing
 - Exchange Rate and Risk Management Tools
 - Change Management

7. Responsibility :

To determine targets and prepare audit plan to be in conformity with the Company's policy. To develop work system to be effective, efficient and cost-saving. To oversee the operation to ensure the work plan set forth. To enhance and develop skills of subordinates to meet international audit standard including the audit and corporate risk management. To give advice to reinforce the good internal control and management system.

Details of the Head of the Compliance Unit

1. **Name:** Ms. Morakod Kladpetch
2. **Age:** 39 years
3. **Position:** Legal officer, Head of Compliance
4. **Education:**
 - Master of Laws, Sripatum University
 - Bachelor's Degree in Law, Chulalongkorn University
 - Attorney at Law License
 - Barrister-at-law
5. **Experience:** 15 years
6. **Training Course / Seminar:**
 - Notarial Services Attorney
 - Entering into a legal and enforceable business contract
 - AGM Checklist
 - Foundation of Professional to manage condominium and housing estate, class of 7
 - Occupational Safety and Workplace Environment Management
 - Policy and Direction for protection Self-employed worker
 - Explanation of new Factory Act and various subordinate laws, B.E. 2563
 - Personal Data Protection Act B.E. 2562 Process and Guidelines, Class 10
7. **Responsibility :**

Supervise the company's operations in accordance with the rules, regulations, rules and laws related to the company's business to make the operation successful with efficiency and effectiveness. Monitoring and gathering new regulations, rules and laws related to company business. Provide basic knowledge of law, give advice, answer questions and communicate new rules to staff of company to comply with the guidelines including preparing a risk assessment form for various departments for self-check in order to obtain advance risk information and able to prepare personnel to comply with the rules and collecting compliance issues to develop and improve additional regulatory measures.

Attachment 4

Assets used in Business and Details of Property Appraisal Items

Characteristics of the main fixed assets that the Company used in business of 31 December 2021

1. Land used for business operations which is the ownership of the Company

Land location with ownership rights	Amount	Total area			Account Price (Unit : Million Baht)
Bangkok	11 plots	20 rais	1 ngan	17.00 sq m.	101.82
Kabinburi District, Prachinburi Province	6 plots	28 rais	3 ngans	53.00 sq m.	23.70
Mueang Lamphun District, Lamphun Province	7 plots	27 rais	3 ngans	85.60 sq m.	31.84
Pak Chong District, Nakhon Ratchasima Province	1 plots			29.00 sq m.	1.83
Total		77 rais	- ngans	84.60 sq m.	159.19

2. Buildings used in business operations which is the ownership of the Company

Building location	Account Price (Unit : Million Baht)
Office Building, Bangkok	17.65
Office Building, Lamphun Province	-
Factory, Bangkok	-
Factory, Prachinburi Province	7.44
Factory, Lamphun Province	23.78
Factory, Tak Province	28.81
Dormitory Building, Bangkok	1 place -
Dormitory Building, Chonburi Province	1 place -
Dormitory Building, Prachinburi Province	1 place 1.93
Dormitory Building, Lamphun Province	1 place 2.88
Dormitory Building, Phetchaburi Province	1 place 6.30
Dormitory Building, China	1 place 1.17
Dormitory Building, Tak Province	1 place 2.80
Dormitory Building, Nakhon Ratchasima Province	1 place 7.81
Total	100.57

3. Machine

Machine	Number (Machine)	Account Price (Unit : Million Baht)
Service life is not more than 5 years.	338	20.96
Service life of more than 5 years	2,316	-
Total	2,654	20.96

4. Investment Property of the Company

location	Amount	Total Area			Account Price (Unit : Million Baht)
Land, Sriracha District, Chonburi Province	5 plots	7 rai	56 sq w.		31.90
Land, Khao Chamao District, Rayong Province	1 plot	17 rais	1 ngan	87 sq w.	5.48
Land, Bang Phli District, Samut Prakan Province	2 plots	6 rais	2 ngan	55 sq w.	44.76
Land, Cha-am District, Phetchaburi Province	1 plot	1 rai	2 ngan	- sq w.	4.99
Pom Yam Building, Chonburi Province					0.02
Factory Building, Chonburi Province					17.62
Factory Building, Rayong Province					9.43
Factory Building, Samut Prakan Province					57.75
Dormitory Building, Chonburi Province	2 places				-
Dormitory Building, Rayong	1 place				0.37
Dormitory Building, Phetchaburi Province	1 place				-
Dormitory Building, Chiang Mai Province	1 place				1.35
Total		32 rais	2 ngans	98 sq w.	173.67

Note: As of December 31, 2021, the Subsidiaries do not have any fixed assets used in its business operations.

5. Intangible asset for business operations

Trademark

Trademark	Amount of Contract	Contract Period
DAKS	10 years	2018 - 2028
Olymp	6 years	2016 - 2022

Trademark	The term of the contract between the trademark owner and the licensee	Amount of Contract between the grantor and TNL	Contract period between the grantor and TNL
Guy Laroche, Guy Guy Laroche	10 years	2 years	2021- 2022
Absorba	5 years	5 years	2021 - 2025
ELLE HOMME	5 years	5 years	201 - 2021

Attachment 5

Policy and Practice of Corporate Governance and Business Ethic

Policy and Practice of Corporate Governance and Business Ethics

1. Good Corporate Governance Principles
2. Good Corporate Governance Policy
3. 8 Good Corporate Governance Principles
4. Business Ethics
5. Code of Conduct for Directors, Executives, Officers, and Employees
6. Authority, Duty, and Responsibility Scope of the Chairman

Charter of the Board of Directors and Charter of Sub-Committees

1. Charter of the Board of Directors
2. Charter of the Audit Committee
3. Charter of the Nomination Committee
4. Charter of the Remuneration Committee
5. Charter of the Governance Committee
6. Charter of the Risk Management Committee
7. Charter of the Executive Committee

The Good Corporate Governance Principles and Business Ethics

1. Good Corporate Governance Principles

The Board of Directors had recognized the importance of the Good Corporate Governance principles which was a key foundation to the sustainable development and raised value to the Company. In order to lead a competitive business with good operating results. Taking into account the long-term impact, the Company ethically runs business by paying respect to the rights of shareholders and stakeholders. The business also contributes to the society's benefit, reduces negative impact to the environment and is adaptive to any different circumstances.

Hence, the Board of Directors has established the revised version of the "Good Corporate Governance Principle" Manual, to be consistent with the good corporate governance for the listed companies year 2017 for acknowledgement and adherence as practice guideline among the directors, executives and all employees, as follows:

- The Good Corporate Governance Policy
- The 8 Good Corporate Governance Principles
- The Business Ethics
- The Code of Conduct for Directors, Executives, and Employees

And determine to review the Company's Good Corporate Governance Principle every year, at least once a year to improve and conform with the new criteria imposed and to keep up with business operation situation.

2. Good Corporate Governance Policy

The Board of Directors is confident that a proper, transparent, and accountable governance system has been put in place, along with checks and balances and an adequate and appropriate internal control. Alongside these mechanisms is due respect for shareholders' rights and equality, as well as accountability for all stakeholders. These key factors contribute to the enhancement of the Company's immunity and to the promotion of balanced and sustainable long-term growth.

The Board of Directors has prescribed corporate

governance policies as operational guidelines for Company Directors, Executive Officers and employees, as follows:

1. Company Directors, Executives and all employees are fully committed to the application of corporate governance principles, business ethics and Codes of Conduct for Company Directors, Executives and employees to Company operations.

2. Company Directors, Executives and all employees must perform their duties responsibly, prudently, earnestly and honestly in accordance with the relevant laws, Company Articles and Notifications.

3. Actions shall be taken to ensure that the Company management structure contains clear prescriptions of powers, duties and responsibilities of each Company Committees and Executives.

4. An internal control system shall be installed and risks management shall be managed at suitable levels, including an accounting system and financial statement which are accurate and reliable.

5. Information shall be disclosed in a sufficient, reliable and timely matter to the extent that the legitimate interests of the Company are not prejudiced.

6. The ownership rights of shareholders shall be appreciated and respected. Shareholders shall be treated equitably.

7. Undertakings shall have regard to the responsibilities of shareholders, stakeholders, communities, society and the environment.

8. There shall be a determination to strive towards business excellence with commitment to the creation of customer satisfaction by receiving comments and self-assessments in order to enhance management capabilities and continually promote productive creativity.

9. Virtue, ethics and good values shall be instilled. Employees shall be treated fairly with a commitment to develop and enhance the capabilities of personnel.

10. Dishonest conduct, corruption and intellectual property violations shall be suppressed. Laws and human rights shall be respected.

11. Conflict of interests shall be dealt with prudently and reasonably with due regard for the Company's interests.

3. 8 Good Corporate Governance Principles

Principle 1 The Board of Directors shall be aware of its leadership roles and responsibilities in the creation of the Company's sustainable prosperity.

The Board shall place a great deal of importance on its awareness of its roles and responsibilities as leaders of the Company and as caretakers of shareholders' and stakeholders' interests. To this end, the Board shall establish both present and long-term business strategies and directions. The Board shall also ensure the transparency of the Company's operations as added value on the road towards sustainability.

Principle 1.1

The Board shall determine the Company's vision and mission statements, which steer directors, executive officers, and employees towards the same goals. The vision and mission statements shall be annually reviewed.

Guidelines

1. The Board shall determine the Company's vision and mission statements, objectives, targets, strategies, operational policies, and budgets. Board members shall freely express their opinions while conducting an annual workshop with senior management to establish directions for the Company.

2. The Board shall review company objectives and targets annually to ensure that executive officers are able to execute their plans according to the Company's directions and strategies.

3. The Board shall grant executive officers the freedom to express their opinions and hold discussions to establish the framework of the Company's directions and prepare for events of economic significance.

4. The Board shall offer management-related advice, suggestions, and guidelines, which will be used to establish clear plans and in the allocation of major resources to ensure the achievement of objectives.

5. The Board shall communicate company policies, goals, and directions to everyone in the Company in the following manners:

- To executive officers via meetings
- To employees via meetings and internal communication.

6. The Board shall monitor and assess the Company's performance. In this regard, management shall be tasked with preparing and presenting a performance report to the Board at least once every quarter.

Principle 1.2

The Board plays an important role in driving forward all aspects of the Company's organizational culture by supporting and encouraging good corporate governance, competitiveness, and desirable profitability. To this end, the Board shall consider long-term effects, ethical business practices, respect for and responsibility towards shareholders and stakeholders, benefits to society, eco-friendly developments, the minimization of environmental impact, and the ability to cope with change, all of which creates long-term value for the Company.

Guidelines

1. While evaluating the Company's performance, the Board shall consider not only its financial results but also other factors, such as the Company's ethical conduct and environmental impact, by reviewing and approving the proposed environmental management and corporate social responsibility policies.

2. The Board shall play a leading role in creating and driving forward a steadfast organizational culture of ethical conduct. As leaders, board members shall serve as role models and set an example of compliance with good corporate governance principles.

3. The Board shall provide in writing policies and guidelines of good corporate governance, business ethics, and code of conduct, applicable to all directors, executive officers, and employees.

4. The Board shall oversee communication to all directors, executive officers, and employees to ensure their understanding of good corporate governance. The Board shall also make certain that adequate mechanisms have been put in place for regular monitoring, reviewing, and reporting of their compliance with the Company's policies and guidelines.

5. Due to constantly changing factors, the Board shall always monitor current news and events, especially economic conditions and other crises that may affect the Company's performance. Strategies and revenue targets shall be established in accordance with the Company's risk appetites and tolerances. The Board shall promote risk management as an integral aspect of the Company's organizational culture and supports the adequate management of risks that may hinder the achievement of the Company's objectives and strategies. The Risk Management Committee shall oversee matters of risk management.

Principle 1.3

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

Guidelines

1. The Board shall ensure that all directors and executive officers perform their fiduciary duties responsibly and prudently, pursuant to applicable laws, rules, and regulations.

2. The Board shall provide adequate systems and mechanisms to ensure that the Company complies with applicable laws, Articles of Association, related notifications, and resolutions passed at general meetings of shareholders, as well as established policies and guidelines. In addition, any major transaction shall be approved through a due process pursuant to the rules of law.

Principle 1.4

The Board shall demonstrate a thorough understanding of the scope of its powers, duties, and responsibilities. The Board shall clearly define the roles and responsibilities of the President and management, as well as ensure that the President and management properly perform their duties.

Guidelines

1. The Board shall appoint committees to oversee specific matters and report back to the Board.

2. The Board shall provide charters for itself and for each of the committees, by which the roles and responsibilities of directors are defined. These charters shall serve as points of reference for every director. Each charter shall be reviewed at least annually.

3. The Board shall assign duties and responsibilities to management, as well as monitor its performance, including

- 1) reports on operating results and assigned tasks;
- 2) the scope of powers, duties, and responsibilities of the President; and
- 3) annual review of the executive authority or approval process handbook.

Principle 2: The Board of Directors shall define the Company's objectives to ensure sustainability.

Principle 2.1

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

Guidelines

1. The Board shall oversee that the Company has clearly defined and suitable long-term objectives that support its business model. The Board shall ensure company-wide communication of these objectives to drive everyone in the same direction by establishing the vision and mission statements, as well as organizational values, that reflect good corporate governance.

2. The Board shall develop a business model for sustainable value creation for the Company itself, its stakeholders, and society, taking into consideration the following factors:

- 1) the Company's ecosystem, including changes to business conditions and opportunities, and the Company's effective use of innovation and technology;
- 2) the needs of its customers and stakeholders; and
- 3) its available competitiveness, skillfulness and opportunity/risk of business.

3. The Board shall oversee that the Company's long-term objectives are communicated to and instilled in the mind of all levels of personnel, engraining them as part of the organizational culture.

Principle 2.2

The Board shall ensure that the Company's annual and/or medium-term objectives, targets, and strategies are consistent with its long-term objectives, and that the Company uses innovation and technology safely and effectively.

Guidelines

1. The Board shall ensure that the Company's annual objectives and plans are aligned with its long-term objectives with due regard to its business environment, opportunities, and risk appetite. The Board shall arrange the Company's objectives and strategies to be annually reviewed.

2. The Board shall make certain that the Company's strategies and plans take into account the business environment and risk factors that may affect its stakeholders throughout the supply chain, including factors that may affect the achievement of the Company's long-term objectives. To this end, the Board shall

- 1) clearly define the method, process, and channel by which stakeholders may engage or communicate with the Company, enabling the Company to identify the interests of each stakeholder group accurately or as close as possible;
- 2) identify internal and external stakeholders; and
- 3) identify stakeholders' expectations in order to analyze potential impacts on the Company and on the stakeholders themselves. These shall be ranked in order of importance and dealt with accordingly.

3. The Board shall encourage innovation and promote the use of innovation and technology to enhance competitiveness and to respond to stakeholders' expectations without compromising its social and environmental responsibilities.

4. While in the process of approving financial and non-financial targets, the Board shall take into account the Company's business environment and potential while ensuring compliance with good corporate governance.

5. The Board shall make certain that the Company's annual objectives, targets, and plans are thoroughly communicated to everyone throughout the organization.

6. The Board shall ensure the proper allocation of resources and see to the effective control of operations, as well as monitor the progress of operations according to the annual plan.

Principle 3: The Board of Directors shall strengthen its effectiveness.

Principle 3.1

The Board of Directors shall be responsible for determining and reviewing its own structure, in terms of the size, composition, and number of independent directors that is suitable and needed to bring about the achievement of the Company's long-term objectives.

Guidelines

1. The Board of Directors shall be diverse in terms of qualifications, such as skills, professional experiences, and specialized traits that will benefit the Company. Directors may be of any gender as long as they possess all the legally required qualifications. In addition, there shall be at least one non-executive director with experience and competence in the Company's main business or industry.

2. The appropriate number of directors shall be determined by the Board itself, provided that the Board is able to function effectively. It shall comprise at least five (5) directors, depending on the Company's size, type, and business complexity.

3. The ratio between executive and non-executive directors shall support proper checks and balances. The majority of the Board shall be non-executive directors, who shall exercise objective and independent judgement on the work of management. The number and qualifications of independent directors shall meet the requirements of the Securities and Exchange Commission and the Stock Exchange of Thailand. The Board shall afford independent directors the ability to work efficiently with the rest of the directors and to exercise objective and independent judgement.

4. The Board shall explicitly disclose its board diversity policy and details of its members, including directors' age, gender, education, experiences, shareholding percentage, years of service as directors, and directorships at other listed companies in annual reports and on the Company's website.

Principle 3.2

The Board shall select a suitable member as its Chairman, as well as oversee that its composition and exercise of power allow the Board to objectively and independently exercise judgement on corporate affairs.

Guidelines

1. The Board shall not require that the Chairman be an independent director.

2. The Chairman's roles and responsibilities shall be distinct and separate from those of the President to establish effective checks and balances of power:

1) The Chairman shall be responsible for leading the Board of Directors. The Chairman's duties shall at least include the following matters:

- (1) Chairing any general meeting of shareholders;
- (2) Chairing any board meeting;
- (3) Casting the deciding vote to break a tie;
- (4) Calling board meetings and establishing meeting agenda in tandem with the President, in which important matters shall be included;
- (5) Overseeing, monitoring, and ensuring that the Board efficiently carries out its duties;
- (6) Ensuring that all directors contribute to the Company's ethical culture and good corporate governance;
- (7) Allocating sufficient time for management to propose topics and for directors to debate important matters thoroughly; Encouraging directors to exercise prudence and express their opinions freely;
- (8) Promoting constructive relations between executive and non-executive directors, and between the Board and management.

2) The President's roles and responsibilities shall be determined by the Board.

3. Should the Chairman and the President be the same person, the following measures shall apply:

1) In the event of a conflict of interest, the Chairman or President shall be barred from the meeting and have no right to vote on that particular agenda item.

2) The Vice Chairman shall chair the meeting in his or her stead. If the post is vacant or the Vice Chairman is unable to serve in this capacity, the Board shall elect a director to chair the meeting for the time being.

4. There shall be no term limit for independent directors; however, if an independent director has already served nine (9) consecutive years since his or her first appointment to the post, the Board shall reasonably evaluate the necessity of his or her continued directorship.

5. The Board shall appoint committees to oversee specific matters, to filter information, and to recommend action for board approval.

6. The Board shall disclose the roles and responsibilities of the Board itself and of its committees, the number of meetings, and the number of directors in attendance over the course of the year. The Board shall also report the performance of each committee.

Principle 3.3

The Board of Directors shall ensure that the selection and nomination of directors be transparent, resulting in the desired board composition.

Guidelines

1. The Board shall establish a Nomination Committee.

2. The Nomination Committee shall meet to determine the nomination criteria and process to ensure that elected board members possess the appropriate qualifications, knowledge, and expertise.

3. The Board shall afford shareholders the opportunity to nominate directorial candidates.

Principle 3.4

When proposing directors' remuneration to a shareholder meeting for approval, the Board shall consider whether the remuneration structure is appropriate for the directors' respective roles and responsibilities, reflects their individual and company performance, and provide incentives for the Board to lead the Company to achieve its short- and long-term objectives.

Guidelines

1. The Board shall appoint a Remuneration Committee.
2. The remuneration of the Board shall reflect each member's accountability and responsibilities, in addition to being comparable to the practice of other companies in the industry.
3. The structure and rate of the Board's remuneration, as well as other benefits, shall require shareholders' approval.
4. The Board shall disclose its remuneration policy and criteria that reflect the duties and responsibilities of each individual.

Principle 3.5

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

Guidelines

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

Principle 3.6

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

Guidelines

1. The Board shall consider and establish a subsidiary's governance policies, including:

- 1) The appointment of a director, executive officer, or another authoritative post to a subsidiary. The senior executive team of the investing Company shall consider a director or an executive officer from within the group who possess the knowledge, ability, and expertise in the subsidiary's business to represent the Company as an investor or in compliance with the joint-venture agreement.
- 2) The scope of duties and responsibilities of the position in 1). The Board shall also have the representative to oversee that the subsidiary's operations comply with its own policies. If the subsidiary has other investors, the Board shall require the Company's appointed representative to perform his or her role in the subsidiary's in the best interest of the subsidiary while maintaining compliance with the Company's policies.
- 3) The suitability and adequacy of the subsidiary's internal control, along with the conformity with relevant laws and regulations of all transactions.
- 4) The disclosure of the subsidiary's financial information, operating results, related party transactions, acquisition and disposition of assets, other important transactions, capital increases or decreases, termination, etc.

2. For any significant investment in a business, the Board shall make certain that the shareholders' agreement or another agreement in place clearly defines the Company's ability to manage the subsidiary's affairs, partake in major decisions, and monitor the subsidiary's performance, which will enable the Company to prepare its financial statements in a timely manner and in conformity with relevant standards.

Principle 3.7

The Board shall conduct a formal annual performance evaluation of itself and its committees. The evaluation results shall be used to strengthen their future performance.

Guidelines

1. The performance of the Board and its committees shall be evaluated at least once a year.
2. The Board shall disclose performance evaluation results, whether as a whole or as individuals, in the corresponding annual report.
3. The Board shall use evaluation results to improve its and its committees' performance.

Principle 3.8

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

Guidelines

1. A newly appointed director shall undergo orientation, which includes the following:

- Any information that may benefit his or her directorial role;
- Business directions (objectives, target, vision, mission, and organizational values); and
- Roles and responsibilities, as well as directorial remunerations and other benefits.

2. Directors shall regularly receive the necessary training, any of which shall be disclosed in the corresponding annual report.

3. The Board shall possess the knowledge and understanding of relevant laws, regulations, standards, risks, and business-related environment. The Board shall always stay up to date on such information.

Principle 3.9

The Board shall ensure the effectiveness of its performance and have access the necessary information. The Board shall appoint a person with the desired qualifications, knowledge, skills, and experience to support the Board as "Company Secretary".

Guidelines

1. Board meetings shall be scheduled in advance to afford each director sufficient time to arrange to attend.

2. The Board shall meet at least six (6) times per fiscal year.

3. The Board shall provide a mechanism that allows each board member and management to propose relevant topics to be included on the meeting agenda.

4. The Board shall oversee that relevant meeting documents be sent to each director at least seven (7) business days before the meeting.

5. The Board shall encourage the President and other executive officers to attend board meetings to present additional information and details on matters for which they are directly responsible.

6. The Board shall be able to request additional information from the President, Company Secretary, or a designated executive officer within the framework of the established policy. If necessary, the Board shall be able to seek independent professional advice, the expenses for which shall be absorbed by the Company.

7. Non-executive directors shall be able to meet, as many times as necessary, among themselves without management to debate their concerns and report the outcome of their meeting to the President.

8. The Board shall appoint a Company Secretary with duties pursuant to the Securities and Exchange Act and provide any training and education relevant to his or her ability to serve in this capacity.

Principle 4: The Board of Directors shall nominate and develop senior executive officers and ensure good people management.

Principle 4.1

The Board shall afford a proper mechanism for the nomination and development of president and senior executive officers, making certain that they possess the knowledge, skills, experience, and characteristics necessary for the Company to achieve its objectives.

Guidelines

1. The Board shall nominate or assign the Nomination Committee to nominate a candidate with the desired qualifications for the post of the President.

2. The Board shall task the President with overseeing the suitability of senior executive officers.

3. The Board shall ensure business continuity. To this end, succession plans shall be developed for the posts of the President and other senior executive officers. The implementation of these plans shall be reported to the Board at least once a year.

4. The Board shall encourage the President and other senior executive officers to continuously undergo any training relevant to their roles.

5. The Board shall require the President and other senior executive officers to report their directorships or executive posts at any other company to the Chairman of the Board and the Chairman of Audit Committee through the Company Secretary.

Principle 4.2

The Board shall ensure that an appropriate compensation structure and performance evaluation are in place.

Guidelines

1. The Board shall establish the President's compensation structure:

- Short-term benefits, such as monthly salaries, bonus, and pension, based on the Company's performance and the President's performance evaluation.
- Long-term benefits, such as contribution to the Provident Fund, retirement compensation, and ESOP.

2. The Board shall assign the Chairman or the Chairman of Executive Board to communicate the following evaluation results to the President:

- The year's performance evaluated against the year's objectives and the previous year's performance
- The Company's financial liquidity and economic condition in comparison with other businesses in the same sector.

3. The Board shall task the President with evaluating senior executive officers and other personnel in accordance with the predetermined performance evaluation criteria.

Principle 4.3

The Board shall consider the Company's shareholding structure and relationships with its shareholders, which may affect its management and operation.

Guidelines

The Company shall not have a shareholders' agreement that hinders the duties of the Board.

Principle 4.4

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

Guidelines

1. The Board shall task the Executive Board with the supervision of human-resource management. The following matters shall be reported to the Board at least once a year:

- Company structure and appropriate remunerations; and
- Talent development and retention plans.

2. The Board shall see to the establishment of a provident fund to make certain that the Company's employees will have

sufficient savings to support their retirement.

Principle 5 The Board of Directors shall nurture innovations and responsible business practices.

Principle 5.1

The Board shall prize and encourage innovations that create value for the business together with benefits for its customers, other stakeholders, society, and the environment.

Guidelines

1. The Board shall attach importance to an organizational culture of innovation that creates value or sets a standard for products, services, or work processes. Innovations of this nature shall be incorporated into the Company's strategies and guidelines.

2. The Board shall encourage further development of a business innovation, subject to the current business environment. The Board shall also endeavor to improve the production and work process, in addition to jointly developing innovations with the Company's partners, to increase the Company's competitiveness.

Principle 5.2

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

Guidelines

1. The Board shall recognize and respect the rights of its various groups of stakeholders. Pursuant to the rules of law or to any agreements made with the Company, the Board shall ensure the protection of stakeholders' rights and that all stakeholders be treated equitably. In this regard, the Board shall devise policies to serve as guidelines for the treatment towards each group of stakeholders and shall take into account the interests of communities and society, benefits to the environment, sustainable development, anti-corruption efforts, intellectual property protection, and respect for fundamental human rights.

2. The Board shall support the preparation of the corporate social responsibility report, which shall be included in the annual report.

3. The Board shall afford all groups of stakeholders a channel and process by which they may submit a report or complaint about a matter that may result in damage to the Company, the accuracy of financial reports, or unequitable treatment.

4. The Board shall devise a whistleblower protection policy or set of guidelines, its matters that may cause damage to the company or unfair, which shall appear in the Business Ethics and the Code of Conduct for Directors, Executive Officers, and Employees.

Principle 5.3

To bring about sustainability, the Board shall monitor that resources are efficiently and effectively managed with due regard to the impact of such management and to resource development throughout the supply chain.

Guidelines

1. The Company's operations shall conform to the rules of law, regulations, and environmental policies, taking into consideration its impact on natural resources and the environment. Operations shall have its performance reviewed and evaluated regularly.

2. Participation in environmental management, environmental accountability, and efficient and sustainable use of resources shall become part of the organizational culture. An awareness of these topics shall be instilled in the mind of all employees.

3. Environmental education and training shall be provided to all employees.

4. A comprehensive environmental management system shall be encouraged, including economical use of resources, treatment and rehabilitation of resources exploited, replenishment of resources, and sustainable environmental watch and impact prevention.

5. A mechanism shall be put in place to allow the Company to select eco-friendly trading partners in the supply chain.

6. The Company shall support the development and distribution of eco-friendly technology.

Principle 5.4

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

Guidelines

1. The Board shall ensure sufficient information technology resources for operations.

2. The Board shall develop an information technology security policy and measures.

Principle 6: The Board of Directors shall provide an adequate system of risk management and internal control.

Principle 6.1

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

Guidelines

1. The Board shall educate its members about major risks to the business.

2. The Board shall task the Risk Management Committee with the following:

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

3. The Board shall establish Internal Audit as an internal department. Internal Audit shall report to the Audit Committee on the following matters:

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

Principle 6.2

The Board shall establish an Audit Committee, who shall perform its tasks effectively and independently.

Guidelines

1. The Board shall establish an Audit Committee that comprises at least three (3) directors, all of whom shall be independent directors with required qualifications pursuant to applicable legal requirements promulgated by the Securities and Exchange Commission and the Stock Exchange of Thailand.

2. The Board shall provide a charter for the Audit Committee, in which the directors' term in office and scope of duties and responsibilities are clearly defined.

Principle 6.3

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

Guidelines

1. The Board shall provide an information security system, which includes policies and procedures on the confidentiality, integrity, and availability of such information, as well as market-sensitive information. The Board shall oversee compliance by any directors, senior executive officers, employees, and outsiders with access to such information.

2. The Board shall manage and monitor any transaction with a potential conflict of interest, as well as provide guidelines and procedures to make certain that such a transaction will be made in conformity with the legally prescribed procedure and information disclosure requirements in the best interest of the Company and the majority of the shareholders. Any party with a vested interest in a particular transaction shall be excluded from the decision.

3. The Board shall require all directors to report their personal stake in a particular agenda item that will constitute a conflict of interest before the commencing the consideration of the item. Such a report shall be recorded in the minutes. The director(s) in question shall be excused from the meeting for the time being and shall cast no vote on that agenda item.

Principle 6.4

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

Guidelines

1. The Board shall provide in writing an anti-corruption handbook and anti-corruption regulations. All directors, executive officers, and employees shall abide by the handbook and regulations. The Board shall also support activities that promote and instill an awareness of the relevant laws, rules, and regulations in the mind of all directors, executive officers, and employees.

2. The Board shall disclose to the public its anti-corruption policy and whistleblower channel on the Company's website and annual report.

Principle 6.5

The Board shall provide a mechanism for handling complaints and whistleblowing.

Guidelines

1. Instructions on how to handle complaint submissions shall be included in the Code of Conduct for Directors, Executive Officers, and Employees.

2. In the event that a submission entails matters of corruption, it shall be subject to the procedures in the Anti-Corruption Policy.

Principle 7 The Board of Directors shall ensure information disclosure and financial integrity.

Principle 7.1

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

Guidelines

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

2. Regarding information disclosures, the Board shall include a report on its financial reporting accountability.

3. The Board shall oversee that information disclosures, including financial statements, annual reports, and Form 56-1, sufficiently reflect the Company's financial status and performance. The Board shall promote the inclusion of Management Discussion and Analysis (MD&A) in quarterly or annual financial reports.

4. Any disclosure of information about the Company's directors and executive officers shall be in conformity with the regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand, as well as other relevant laws.

Principle 7.2

The Board shall monitor the Company's financial liquidity and solvency.

Guidelines

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

2. The Board shall ensure that it does not consciously approve any transactions or propose any transactions for shareholders' approval that could negatively affect business continuity, financial liquidity, and solvency.

Principle 7.3

In the event of financial difficulties, the Board shall ensure that the Company has a mitigation plan or mechanism in place. Stakeholders' rights shall always be taken into consideration.

Guidelines

1. The Company operates prudently and in conformity with information disclosure requirements. In the event of financial difficulties, the Board shall monitor the situation closely.

2. The Board shall ensure that the Company has sound financial mitigation plans that consider stakeholders' and creditors' rights. The Board shall diligently monitor the mitigation process through regular reports from management.

3. The Board shall ensure that any mitigatory action taken is reasonable.

Principle 7.4

The Board of Directors shall make certain of appropriate sustainability reporting.

Guidelines

1. The Board shall consider the appropriateness of the Company's information disclosure on its legal compliance; ethical business practices; code of conduct for directors, executive officers, and employees; anti-corruption policy; treatment of employees and other stakeholders, including equitable treatment and respect for human rights; and social and environmental responsibilities. Such disclosure shall be aligned with national or international reporting standards. For instance, the Company may disclose these types of information in the annual report.

2. The Board shall ensure that the information disclosed is important and reflects corporate practices that will bring about sustainable value creation.

Principle 7.5

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

Guidelines

1. The Board shall assign the President or a related person, who thoroughly understands the Company's business, to disclose information to and communicate with external entities via appropriate channels.

2. The Board shall oversee that management establishes a dedicated Investor Relations department or officer.

Principle 7.6

The Board shall encourage the use of information technology to disseminate information.

Guidelines

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

Principle 8: The Board shall encourage engagement and communication with shareholders.

Principle 8.1

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

Guidelines

1. The Board shall recognize and respect the ownership rights of shareholders and shall not act in any manner to violate or deprive shareholders of these rights. The Board shall justly serve as caretakers of shareholders' interests and shall encourage shareholders, whether they be majority or minority or institutional shareholders from Thailand or overseas, to exercise their rights, including their basic rights as shareholders, their right to access sufficient information in a timely manner, and their right to attend any shareholder meeting during which corporate directions and major decisions are made.

2. The Board shall ensure that the agenda of any general meeting of shareholders comply with the Company's Articles of Association and relevant laws. Explanations and reasons shall accompany each agenda item in the meeting notice.

3. The Board shall afford minority shareholders an opportunity to propose an agenda item and/or nominate a directorial candidate to be elected at a general meeting of shareholders.

4. The Board shall allow shareholders to submit questions prior to the meeting.

5. The Board shall ensure that the notice of a general meeting of shareholders and related documents contain complete and correct information and be made available in both Thai and English on the Company's website at least 30 days before the meeting.

6. The Board shall encourage all shareholders to exercise their rights. The notice of a general meeting of shareholders and related documents in both Thai and English shall be delivered to them in advance to afford them sufficient time for consideration.

7. The Board shall treat every shareholder equitably. Every share of the same type has the same voting right, which is one share per vote.

8. The Board shall allow shareholders who are unable to attend a shareholder meeting in person to assign a proxy to attend and vote on their behalf. The Board shall facilitate the process by using a proxy statement form that allows shareholders to specify their votes in advance and by nominating at least one independent director as a proxy choice for shareholders.

Principle 8.2

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

Guidelines

1. The Board shall consider shareholders' interests before setting a meeting's date, time, and place.

2. The Board shall ensure that no action is taken to limit shareholders' attendance.

3. The Board shall use information technology to facilitate shareholder meetings

4. The Board shall adhere to the following shareholder meeting regulations:

- 1) The Chairman of the Board shall preside over a shareholder meeting.
- 2) No agenda items shall be added without prior notice.
- 3) Directors, committee chairpersons, the Chief Financial Officer, and other relevant executive officers are required to attend shareholder meetings.
- 4) The number and ratio of shareholders attending in person to shareholders attending via proxies, meeting procedures, voting instructions, and vote-counting process shall be made known to the meeting before its commencement.
- 5) Each director shall be individually elected by shareholder votes.
- 6) The authority to approve directors' remuneration shall lie with shareholders
- 7) Ballots shall be used for voting, and there shall be independent witnesses during the vote counting process.

Principle 8.3

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

Guidelines

1. The Board shall disclose shareholder resolutions and voting results of each agenda through the designated channel of the Stock Exchange of Thailand and on the Company's website by the next business day.

2. The Board shall oversee that the minutes of a shareholder meeting include the following: meeting and voting instructions; names of directors, committee members, and executive officers present and absent; each agenda item's voting result; and every question and answer. The minutes shall be made available on the Company's website.

3. The Board shall ensure that the minutes of every shareholder meeting is submitted to the Stock Exchange of Thailand within 14 days from the meeting date and to the Department of Business Development, Ministry of Commerce, within the legally required period.

4. Business Ethics

1. Responsibility towards Stakeholders

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

1) Shareholders

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

1. The Board shall respect shareholders' ownership rights and shall treat shareholders equitably.
2. Operations shall be undertaken in accordance with the principles of good corporate governance, which will foster the trust and confidence of shareholders and lead to sustainable growth.
3. The Board shall see to the advancement of the Company's businesses to ensure proper returns on investment for shareholders.
4. Significant information that affects or may affect shareholders' interests shall be disclosed, whether in periodic accounting reports or ad-hoc reports, pursuant to the relevant laws and notifications. No action shall be taken to restrict shareholders' access to the Company's information.
5. A report on the Board's accountability for financial statements shall be included in each year's annual report.
6. Minority shareholders shall be given an opportunity to propose matters for inclusion in the meeting agenda and/or to nominate directorial candidates to be elected at an annual general meeting of shareholders.
7. Shareholders shall be granted an opportunity to submit questions relevant to the meeting in advance.
8. Shareholder meeting notices in both Thai and English shall be published on the Company's website at least 30 days prior to the meeting date to enable shareholders to arrange to be in attendance and to study the information.

9. Shareholders' convenience shall be ensured. The meeting's date, time, venue, and procedure shall not limit shareholders' attendance. Shareholders unable to attend in person shall be able to assign a proxy to attend and vote on their behalf.

10. Conflicts of interest shall be dealt with prudently and rationally. Information about any conflict of interest shall be fully disclosed.

11. The Company's interests and assets shall be safeguarded as a reasonable person would safeguard his or her property. Wrongful interests, whether obtained by direct or indirect means, shall be eliminated.

2) Customers

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

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

3) Partners

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

1. The Company shall put a system in place to select environmentally friendly trading partners in the supply chain whose operations comply with relevant laws, as well as safety and occupational hygiene standards. Business partners shall be treated on the basis of fair competition, equality, and mutual respect.
2. Trading partners' secrets or information shall be treated with confidentiality and shall not be wrongfully exploited for personal gain or the benefit of a related person.
3. The Company shall build good relations and understanding with trade partners, which will serve as the basis for knowledge exchange. The development and creation of value added to goods and services shall be jointly undertaken to promote mutual growth.
4. The Company shall adhere to trade agreements and provide accurate information. In the event that a violation is inevitable, the Company shall expeditiously engage in negotiations with trading partners in order to reach a mutual solution and prevent losses.
5. The Company shall not demand, receive, or consent to the receipt of any property or other benefit outside trade agreements.

4) Competitors

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

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

5) Creditors

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

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

6) Employees

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

1. Employees' human dignity and fundamental rights shall be respected at work. Employee data or confidential information shall not be disclosed or transmitted to third parties or unrelated persons.
2. Employees shall be treated in accordance with the provisions of law, regulations, and articles governing the Company's operations
3. Employment equality shall be promoted. There shall be no discrimination on the basis of gender, skin color, race, religion, age, disability, or any other status that is not directly related to work.
4. Training and knowledge exchange shall be sponsored and promoted to encourage learning and skill development throughout employment; The Company shall seek to strengthen employees' career security and offer opportunities for advancement pursuant to each person's potential.
5. Employees' participation in the determination of the Company's direction and development shall be promoted.
6. Fair compensation shall be offered, subject to employees' knowledge, skills, duties, responsibilities, and performance.
7. Appropriate welfare and benefits shall be given to employees, e.g. medical expenses, provident fund contribution, and a savings cooperative.
8. Channels shall be provided for employees to communicate suggestions and complaints pertaining to work. All suggestions shall be considered, and remedies shall be determined in the best interest of all parties and with regard to good professional relations.

9. Facilities necessary for operations shall be provided. Working conditions shall be maintained with due regard to health, safety, and occupational hygiene as a means to promote and raise employees' quality of life.
10. Employees of all levels shall be encouraged to participate in corporate social responsibility activities.

7) Community and Society

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

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

8) Environment

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

1. Businesses shall be undertaken in accordance with laws, regulations, and policies on the environment with due regard to the impact on natural resources and the environment. Regular revision and assessment of the Company's environmental performance shall be performed.

2. Organizational culture and consciousness of all employees shall be promoted to encourage cooperation and responsibility for the efficient and sustainable management of the environment and utilization of resources.
3. Knowledge promotion and environmental training shall be extended to employees.
4. An environmental management system shall be promoted, including economical use of resources, treatment and rehabilitation of resources exploited, replenishment of resources, and sustainable environmental watch and impact prevention.
5. There shall be a system in place for selecting trade partners in the supply chain who operate in an environmentally friendly manner.
6. Environmentally friendly technology shall be developed and applied whenever possible.

9) State Sector

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

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

2. Conflict of Interest

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

1. Conflicts of interest or connected transactions shall be administered prudently, fairly, and rationally. There shall be a transparent system for approving transactions that takes into account the Company's best interests. Directors with a vested interest in a particular matter shall not have the right to vote on it and shall be required to make a full disclosure in accordance with the rules of the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand.

2. The Company's interests shall be upheld, subject to legality. No action that would constitute a conflict of interest with the Company shall be taken. In addition, no special benefits or privileges shall be given to any person.
3. Directors and executive officers shall be required to disclose their and related persons' interests in accordance with the prescribed rules.
4. Directors, executive officers, and employees with insider information shall be prohibited from trading Company's securities during the 1-month period prior to public disclosure of the Company's financial statements and 24 hours, after the Company's financial statements disclosure.
5. Directors, executive officers, as well as their spouses and underage children, shall have the duty to report their holding of the Company's securities and any changes to their holding to the Board of Directors in the subsequent board meeting.
6. Company information or secrets acquired or acknowledged shall not be disclosed or transmitted to third parties or unrelated persons.
7. Any information disclosure shall be made by authorized employees. Classes of confidentiality may be prescribed in accordance with the significance of the information. Disclosure shall be made within the assigned scope of duties and responsibilities.
8. Directors and senior executive officers shall be required to inform the Chairman about their trading of the Company's securities at least one (1) day before the trading date.

3. Receiving or Giving a Meal or Gift

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

1. A gift, token, or meal that may influence a decision shall always be prohibited. If it is customary to give or to receive a gift, token, or meal whose value is in excess of normal practices, a report shall be filed to the respective supervisor.
2. In the case of an assignment or authorization by a supervisor to assist with an external agency, a sum of money, an object, or a gift may be received in accordance with the applicable rules or standards prescribed by that external agency, e.g. gifts, presents, and lucky draw prizes.

3. In the case where an agent, contractual party, partner, or any other person wishes to offer a gift, token, or meal in the name of the Company, prior authorization from the Company shall always be required.
4. Expenses pertaining to these matters shall be maintained within a reasonable budget.

4. Anti-Fraud and Anti-Corruption Efforts

It is the Board of Directors' policy to comply with anti-corruption laws. In this regard, the Board shall adopt the following guidelines:

1. Create consciousness, values, attitudes for employees in performing their duties according to the law, rules with integrity.
2. An efficient and effective internal control system shall be put in place. There shall be suitable supervision and a system of checks and balances to prevent employees from being involved in fraud and corruption.
3. Directors, executive officers, and employees shall be prohibited from performing any act that amounts to a demand or acceptance of any property or any other benefit, whether for themselves or for others, as an inducement to wrongfully perform or refrain from performing a duty or to act in a way that could result in a loss to the Company's legitimate benefits.
4. Directors, executive officers, and employees shall be prohibited from giving or offering to give any property or any other benefits to third parties to induce such persons to unlawfully or wrongfully perform or refrain from an act.
5. There shall be a transparent and accurate financial reporting system.
6. There shall be a channel for employees and related persons to provide notices of causes for suspicion with confidence of protection. Personnel shall be appointed to examine all notices of suspicion given.

5. Non-Infringement of Intellectual Property

Pursuant to the Non-Infringement of Intellectual Property Policy, the Board shall adopt the following guidelines.

1. Business undertakings shall be consistent with laws, regulations, and contractual obligations governing intellectual property rights.
2. Intellectual property works of the Company shall be safeguarded. Such intellectual property shall not be used or allowed to be used by outsiders without authorization.

3. The intellectual property rights of others shall be respected. The works of others shall not be infringed upon or applied to personal use except when a license has been obtained or a fee paid to the owner of the work.
4. Intellectual property of creative works produced by employees shall belong to the Company. Upon termination of employment, such intellectual property works must be returned to the Company regardless of the form in which it is stored.

6. Non-Violation of Human Rights

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

1. There shall be no activities or support for activities that violate human rights.
2. Employees shall be provided with knowledge and understanding of human rights, which shall be applied to their respective functions.
3. There shall be no limitations to independence or differences in ideology, gender, race, religion, politics, or other matters. Nonetheless, expressing an opinion that could cause conflicts or divisions shall be best avoided.
4. Channels shall be provided for employees or persons who believe that their personal rights have been violated or that they have been treated unfairly to file a complaint with to Company. Such complaints shall be heeded and processed fairly.

7. Occupational Safety and Health

Attaching importance to occupational safety and health, the Board of Directors shall adopt the following guidelines:

1. Business undertakings shall comply with safe and healthy work environment laws, regulations, and policies with due regard to the safety of life and property, as well as to the impact on the health of employees, trading partners, and stakeholders. Regular monitoring and safety assessment shall be conducted.
2. Occupational safety shall be promoted. Work regulations, procedures, and standards shall be prescribed according to the level of risk. The safety of the working condition, work environment, and work procedures shall be improved. Protective tools and equipment shall be provided to employees.
3. Preparations shall be made for emergency events. An emergency plan shall be devised. Regular drills and improvements shall be carried out to prevent and minimize any loss of life or property of the Company, employees, trading partners, and related persons.

4. A safe workplace culture shall be fostered for the entire organization to ensure sustainable and safe operations.

5. Code of Conduct for Directors, Executives, and Employees

1. Formal Responsibilities

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

Directors and Executives

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

8. Directors and senior executive officers shall be required to inform the Chairman about their trading of the Company's securities at least one (1) day before the trading date.
9. The Board of Directors' performance shall be assessed every year.

Employees

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

2. Maintenance of Company Assets

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

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

3. Informants and Complaints

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

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

Measures for the Protection of Complainants

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

4. Interpretations

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

6. Authority, Duty, and Responsibility Scope of the Chairman

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

1. Take responsibility as the leader of The Board of Directors in monitoring and supervising the operations of The Board of Directors and various committees.
2. Preside at The Board of Directors' meeting. In case of tie, the Chairman adds an additional vote as a casting vote.
3. Summon the Board of Directors' meeting or may assign another person to act on own behalf.
4. Preside at the shareholders' meeting and control the meeting to be in accordance with the company's regulations regarding the meeting. Conduct the meeting according to the agenda specified in the invitation to the meeting, unless the meeting resolves to change the order of the agenda by votes of not less than two-thirds of the shareholders present at the meeting.
5. Engage in other acts as assigned by The Board of Directors.

Charter of the Board of Directors and Charter of Sub-Committees

1. Charter of the Board of Directors

With due awareness on the importance of the Good Corporate Governance and to comply with Section 3/1 of the Securities and Exchange Act B.E. 2535, as per amendment by the Securities and Exchange Act (Volume 4) B.E. 2551, the Board of Directors has appointed Chairman of the Board with the duties, authority and responsibility and the Securities and Exchange Act (Volume 5 B.E. 2559 has edited the new Charter of the Board of Directors as follows:

1. Objectives

The Board of Directors is appointed to supervise business operation, taking into discretion the utmost benefits to the Company and shareholders, to ensure compliance with the policy, law, objectives, articles of association, resolution of the Board and shareholders' meeting, with adherence to responsibility, caution, integrity as the reasonable diligence of business operator will conduct under the same situation, with the trading bargaining power free of influence of the directorship.

2. Composition and Qualifications

The shareholders' meeting determines the number of the Board members, which must not be less than 5 people. The director must not possess the prohibited characteristics as stipulated by the law and articles of association, including the characteristics that demonstrate the disqualifications to manage a business of the public company for shareholders as announced by the SEC. Not less than half of the Board of Directors must have a domicile in the Kingdom and the number of Independent Directors must be as announced by the Capital Market Advisory Board and operate as a set of committee.

Selection of the Board members is subject to the articles of association, and requirement of relevant laws which must be transparent and explicit. The nomination of the Board member must proceed via Nomination Committee and base on education background and professional experience of each person. The information provided must be adequate to support the decision of the Board of Directors and/or shareholders.

3. Independent Director

Qualifications of the Board of Directors must be in accordance with the requirement of the Capital Market Advisory Board, as follows:

- 3.1 Holding shares not exceeding 1 percent of the total number of voting rights of the company, its parent company, subsidiary, associated company, major shareholders or controlling person of the company, including the shares being held by related persons of independent directors.
- 3.2 Neither being nor having been an executive director, employee, staff, or advisor who received regular salaries, or being a controlling person of the company, its parent company, subsidiary, associated company, same-level subsidiary, major shareholders or persons having supervision authority over the company, unless the foregoing status ended not less than two years prior to the date of their appointments as independent directors.

3.3 Not being a person related by blood or registration under laws, such as father, mother, spouse, sibling, and child, including spouse of the children, executive, major shareholder, controlling person, or person to be nominated as executive or as controlling person of the company or its subsidiary.

3.4 Not having business relationship with the company, its parent company, subsidiary, associated company, major shareholders or controlling person of the company, in such manner likely to interfere with own independent judgment and neither being nor having been a significant shareholder or person having supervision authority over the person who has business relationship with the company, its parent company, subsidiary, associated company, major shareholders or controlling person of the company, unless the foregoing relationship ended not less than two years prior to the date of appointment as independent director.

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

3.5 Neither being nor having been an auditor of the company, its parent company, subsidiary, associated company, major shareholders or controlling person of the company, and not being a significant shareholder or person having supervision authority, or partner of an audit firm which employs auditors of the company, its parent company, subsidiary, associated company, major shareholders or controlling person of the company, unless the foregoing relationship has ended not less than two years prior to the date of appointment as independent director.

3.6 Neither being nor having been any professional advisor including legal advisor or financial advisor who receives an annual service fee exceeding two million Baht from the company, its parent company, subsidiary, associated company, major shareholders or controlling person of the company, and not being a significant shareholder or person having supervision authority or partner of the professional advisor, unless the foregoing relationship has ended not less than two years prior to the date of appointment as independent director.

3.7 Not being a director who has been appointed as the representative of the company's director, major shareholder, or being a shareholder who is related to the major shareholder.

3.8 Not having any characteristics which make him incapable of expressing independent opinions with regard to the company's business affairs.

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

After appointed to be independent director who qualifies as stated above, such independent director may be assigned by the Board of Directors for taking part in the business decisions of the company, its parent company, its subsidiaries, its associated companies, same level subsidiaries, major shareholder or controlling person of the company on the condition that such decision must be a collective one.

4. Term of Office

4.1 At the Annual General Meeting of Shareholders, one-third (1/3) of all directors shall resign by rotation. In case the number of resigned directors cannot be proceeded, the similar amount to one third of the directors to resign during the first year. The director holding longest term of office shall resign. The resigning directors may be re-elected. The resignation from directorship, as described in paragraph one, is called retirement by rotation.

4.2 In the event that the positions on the Board becomes vacant for some other reason than the normal expiration of a director's term, in the next Board of Directors' meeting, the Board may elect a person to fill that position only for the remaining term, unless the remaining period is less than two months.

4.3 The director shall vacate the office when:

- (a) due to rotation
- (b) resignation
- (c) deceased
- (d) Unqualified or having prohibited character as stipulated by law or the regulations of the Company.
- (e) possess the character which disqualifies the trust to manage business operation where the public is a shareholder, as announced by the Securities and Exchange Commission
- (f) Resigned by resolution of the shareholders' meeting
- (g) Resigned by virtue of the court order

4.4 The director resigned before a due term of office must submit the resignation letter. The resignation shall be effective from the date when the letter reaches the Company and the director may also notify the registrar for his resignation as per public company law.

5 Meeting

5.1 Meeting Agenda

In calling for the Board of Directors' meeting, Chairman of the Board or a person assigned by Chairman shall set the date, time, place and meeting agenda and sent the invitation letter to the meeting as well as supporting document to the directors for no less than 7 days prior to the meeting date unless it is an urgent case. To preserve the right or benefit of the Company, the meeting invitation can be proceed in alternative approach where the meeting date may be earlier. The minutes of the meeting must be in a written form.

The meeting place, as mentioned in paragraph one, must be within the area where the head office or branch office is located or any other venue as determined by the Board of Directors.

5.2 Number of the meeting

The Board of Directors must hold a meeting for at least every 3 months, and more as deemed necessary.

5.3 Meeting attendants

At the Board of Directors meetings, at least half of the members must be present in order to constitute a quorum.

In case Chairman of the Board is not present in the meeting, or unable to perform his duty, the vice chairman of the Board of Directors shall act as chairman of the shareholders' meeting. If there is no vice Chairman of the Board or he is unable to perform the duty, directors attending the meeting shall elect one of the members present to act as chairman of the meeting.

5.4 Casting votes

A majority vote in the meeting determines a resolution unless specified otherwise by the law. Each member of the Board shall have one vote. Board Members that may have interest on a particular issue must leave the room during discussion and do not have the right to vote on the particular issue. If the votes on both side is equal, the chairman of the meeting shall cast the vote.

6. Authority of the Board of Directors

- 6.1 Appoint, remove, and assign authority to advisors to The Board of Directors, various committees, and The Managing Director, to carry out the assigned duties.
- 6.2 Seek advices from specialists or company consultants (if any), or solicit the services of outside specialists or consultants at the company's expenses.
- 6.3 Approve the acceptance or cancellation of the credit lines, for such portion exceeding the authority of The Executive Board.
- 6.4 Approve loan extension to companies having business connection with the company, either as the shareholder or the company engaging in business transaction, or other companies, for such portion exceeding the authority of The Executive Board.
- 6.5 Approve the entering into guarantee for credit facility, for companies having business connection with the company, either as the shareholder or the company engaging in business transaction, or other companies, for such portion exceeding the authority of The Executive Board.
- 6.6 Approve the set-up, merger, or dissolution of subsidiary company.
- 6.7 Approve the investment for the purchase or sales of common shares, and/or debt securities, for such portion exceeding the authority of The Executive Board.
- 6.8 Approve the procurement and investment in fixed asset, for such portion exceeding the authority of The Executive Board.

- 6.9 Approve the sales, disposal, transfer for fixed asset, for such portion exceeding the authority of The Executive Board
- 6.10 Approve the adjustment, disposal, and write-off for fixed assets, and/or intangible assets no longer in use, or being subject to damage, loss, destruction, deterioration, out-of-date, or no longer functional for such book value exceeding the authority of The Executive Board.
- 6.11 Approve the adjustment, disposal, and write-off for deteriorate or out-of-date raw material and/or inventory which its book value become lower, for such book value exceeding the authority of The Executive Board.
- 6.12 Approve the settlement of conflicts by reconciliation or by the resolution through arbitration, petition, lawsuit, and/or court proceedings on the company's behalf, for such case not considered as normal business practice, and/or such case considered as normal business practice, for such portion exceeding the authority of The Executive Board.
- 6.13 Approve the entering into such transaction not considered as normal business practice, for such portion exceeding the authority of The Executive Board.
- 6.14 Propose the capital increase or capital decrease, or the change in par value, change or amendment to memorandum of association, articles of association, and/or objectives of the company to the shareholders for consideration.
- 6.15 Authorize the Executive Board to stipulate guideline for authorization and relevant operations as appropriate.
- 6.16 Authorize the Executive Board members, management members, managers or other persons, to act on their behalf.
- 6.17 Authorize to summon management members or employees concerned to provide explanation or opinion, to join the meeting, and to submit those documents deemed necessary.
- 6.18 Appoint and remove Company Secretary
- 6.19 The authority scope for The Board of Directors pertaining to the acquisition and disposal of assets and connected transactions, shall comply with the Notification of The Capital Market Supervisory Board.

7. Duty and responsibility of The Board of Directors

- 7.1 Set the direction, target, and business policy for the company.
- 7.2 Approve the annual business plan and annual budget, as well as supervising the operations by the management to well comply with the laws, policies, and plans in an efficient and effective manner.
- 7.3 Promote the establishment of corporate governance policy, business ethics, and business morality in writing, to serve as guidelines for the directors, the management, and the employees, in carrying out their business practices, while regularly following up to ensure their strict adherence and compliance accordingly.
- 7.4 Set up adequate internal control systems, so as to ensure that all transactions receive proper approval from the authorized persons, and that proper accounting review and bookkeeping practice are carried out, while proper checking systems are in place to safeguard against unauthorized exploitation of company assets.
- 7.5 Ensure that careful consideration is given to the issue of conflict of interests, and that clear practice guidelines are in place to safeguard the interests of the shareholders and the company. Also ensure that the persons having interests at stake do not take part in adopting the decision, and that all concerned parties strictly follow the procedures and regulations to disclose relevant information in a proper manner.
- 7.6 Grant approval to financial statements already audited and verified by the certified public accountant and earlier approved by The Audit Committee.
- 7.7 Being accountable to all shareholders on an equal basis, while ensuring that information are disclosed to the shareholders and investors in an accurate, reliable, and transparent manner.
- 7.8 Acknowledge the corporate management report prepared by the Executive Board.
- 7.9 Set the date, time, place and agenda for the annual shareholders' general meeting, and convene said meeting accordingly. Also set the rate for dividend payments (if any), and provide comments relating to the meeting agenda to the shareholders.

In that regard, the company may suspend shares transfer registration for the period of 21 days leading up to the meeting, whereby the company is required to post such announcement to the shareholders at the company's head office and its branches for the period of no less than 14 days prior to such suspension. Otherwise, the company may set the date to finalize the shareholders' list (Record Date) no longer than 2 months prior to the meeting, to entitle the shareholders to attend the meeting, and to be eligible for dividend payments.

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

8. Good Practice of Directors

Since Thanulux Public Company Limited, as a public company and has been registered as a listed company in the Stock Exchange of Thailand, the directors shall adhere to the followings practices.

- 8.1 Perform duty with responsibility, caution, integrity as the reasonable diligence will conduct in the same situation, with the trading bargain power free of influence of directorship. Comply with the policy, law, objectives, articles of association, Board's resolution and shareholders' meeting resolution.
- 8.2 Intended to conduct business continually and dedicate time to attend the meeting to consider and give opinions regularly.

- 8.3 Have a leadership, vision, ethics and independence in making a decision for the highest benefits of the Company and shareholders as a whole. Apply knowledge, skill and experience which is beneficial to business operation and truly keen on the Company's business.
- 8.4 Supervise and monitor operations to ensure compliance with the policy set forth efficiently and effectively.
- 8.5 Care for stakeholders as per related legal right. Encourage the coordination between the Company and stakeholders in building wealth and financial security, as well as business sustainability.
- 8.6 Report security holding, changes of security holding of oneself, spouse, child(ren) and minor child to the Securities and Exchange Commission and the Board of Directors' meeting.
- 8.7 Report to the Company of one's interest or of related person where such interest involves business management of the Company or subsidiary according to criteria, conditions and procedures announced by the Capital Market Advisory Board.
- 8.8 In case the Board of Directors including related person or close relative enter the transaction with the Company or a subsidiary company, which is considered as a related transaction and/or acquisition or disposal of assets, such matter must comply with criteria of the Office of Securities and Exchange Commission and Capital Market Advisory Board.
- 8.9 When offering the Company's securities, the Board of Directors shall monitor to ensure that the financial status and the Company's operation result are disclosed truly without concealing the statement of which the public should know.

The Board of Director Charter as approved by the resolution of the Board of Directors' meeting no. 6/2017 held on 9 November 2017 and is effective from 10 November 2017 onwards.

2. Charter of the Audit Committee

After consideration on the Audit Committee Charter which reviewed by the Audit Committee with the revision on duty and responsibility of the Audit Committee to conform with the Anti-Corruption practice, the Board of Directors request to cancel the Audit Committee Charter as approved by the Board of Directors' meeting no. 7/2008 held on 30 December 2008 and has established the new Audit Committee Charter as follows:

1. Objectives

The Audit Committee is appointed to support the duty of the Board of Directors in the good corporate governance, especially financial report procedures, internal control system, audit procedure and compliance with relevant law and requirement.

2. Composition and Qualifications

The Audit Committee must comprise not less than 3 members, namely, Chairman of the Audit Committee and member of the Audit Committee. Every member must be a director of and have qualifications for the Audit Committee members as established by the Office of Securities and Exchange Commission below.

- 2.1 Appointed by the Board of Directors or meeting of shareholders
- 2.2 Being an independent director.
- 2.3 Has never been assigned by the Board to make a decision in business operation of the Company, holding company, subsidiaries, joint ventures, subsidiaries on the same level, or a juristic person which may have a conflict.
- 2.4 Not holding directorship in the holding company, subsidiaries or subsidiaries at the same level, only the listed company with the duty as determined by the Stock Exchange of Thailand and the Company.
- 2.5 Have sufficient knowledge and skill to perform duties as a member of the Audit Committee. However, at least one member should have competent knowledge to review the accountability of the financial statement.

Upon any changes in qualifications of the Audit Committee member announced by the Office of Securities and Exchange Commission and/or the Capital Market Advisory Board, the member of the Audit Committee must have the qualifications as announced thereof in all aspects.

3. Term of Office

- 3.1 The Audit Committee's term of office is for 1 year, from the date of appointment. Upon due term, if there is no resolution for appointment of the new committee by the Board of Directors or shareholders' meeting, the existing Audit Committee shall carry on duty until the new committee is appointed to replace. The appointment of the new set of Audit Committee must be within 2 months from the due date. The retired member of the Audit Committee may be re-elected.
- 3.2 In the event that the positions on the board become vacant for some other reason than rotation, in the next meeting of the Board of Directors or shareholders may elect a qualified person as a replacement to fill that position only for the remaining term without delay. The new director will remain in his/her position only for the remaining term of the independent directors/he replaces.
- 3.3 The Audit Committee shall vacate the office when:
- (a) due to rotation
 - (b) relieved from directorship
 - (c) resignation
 - (d) deceased
 - (e) The Board of Directors' resolution to remove from directorship before due term.
 - (f) disqualified as a member of the Audit Committee, as determined by the Office of the Securities and Exchange Commission.
- 3.4 The member of the Audit Committee resigned before due term, must notify the Company 1 month in advance together with reason of such resignation. The Company must disclose the information about the member of the Audit Committee resignations before due term and the reason to the Stock Exchange of Thailand immediately for acknowledgement of shareholders or investors. The member of the Audit Committee who resigns before due term may explain the reason to the Office of Securities and Exchange Commission and the Stock Exchange of Thailand.

3.5 Removal of the member of the Audit Committee before due term must be notified to the Stock Exchange of Thailand immediately for acknowledgement of shareholders or investors. The member of the Audit Committee who is removed before due term may explain the reason to the Office of Securities and Exchange Commission and the Stock Exchange of Thailand.

4. Meeting

4.1 Meeting agenda

Set the date, time, place and meeting agenda for no less than 7 days in advance, including adequate supporting document. The minutes of the meeting must be written in a written form.

4.2 Number of the meeting

The Audit Committee must hold a meeting for at least every 3 month, and more as deemed necessary.

4.3 Meeting attendants

In the meeting of the Audit Committee, no less than half of total members of the Audit Committee must attend the meeting to constitute a quorum. The Audit Committee may invite Internal Auditor, Auditor, executives, management or related person to attend the meeting and to provide the relevant information. If the Chairman of the Audit Committee is unable to attend the meeting or is unable to execute his duties, the remaining members of the Board shall elect one director to chair the meeting.

4.4 Casting votes

A majority vote in the meeting determines a resolution. Each member of the Board shall have one vote. Board members that may have interest on a particular issue must leave the room during discussion and does not have the right to vote on the particular issue. If the votes on both side is equal, the chairman of the meeting shall cast the vote.

5. Authority of the Audit Committee

- 5.1 To lay down collaborative measures with a view to achieving a harmonized understanding between the auditors, board of directors and internal audit units.
- 5.2 To consult specialists or advisors of the Company (if any), or to hire external advisors or specialists where necessary at the expense of the Company.
- 5.3 To have the power to call upon executive officers, the management or relevant employees of the Company to give statements or opinions as well as to attend meetings or send documents which are deemed as relevant, and also to have access to data at every organizational level.
- 5.4 To have the power to conduct an examination of relevant persons or relevant matters within the scope of powers and duties of the Audit Committee.

6. Duty and Responsibility of The Audit Committee

- 6.1 Review the company's financial statements to ensure that they are accurate and adequate by reviewing the company's major accounting policies, and supervising information disclosure in such manner complying with Thai Financial Reporting Standards.
- 6.2 Review the company's internal control system to ensure that it is suitable and review fraud and corruption prevention and internal audit system to ensure that they are effective.
- 6.3 Review operational independence of the internal audit office; approve, appraise, appoint, transfer, or dismiss the chief of internal audit office or any other office responsible for internal audit operations. Supervise to ensure that chief of internal audit office has sufficient education, experiences, and training, adequate to such internal audit operations.
- 6.4 Grant approval to the Internal Audit Charter.
- 6.5 Grant approval and monitor the progress made in relation to the internal audit plan.
- 6.6 Review to ensure that the company duly follows the laws on securities and stock exchange, the regulations of The Stock Exchange of Thailand, and the laws concerning the company's business operations.
- 6.7 Review, select, nominate and/or dismiss independent persons to serve as the company auditor, and propose related remuneration. Also take part in joint meeting with the company auditor, in the absence of the management for at least once a year.

- 6.8 Review connected transactions or transactions with possible conflict of interests, to ensure that they follow the laws, the regulations of The Stock Exchange of Thailand, and the notification of The Capital Market Supervisory Board and that they are justified and are of maximum benefits to the company.

- 6.9 Prepare the report by The Audit Committee and disclose it in the company's annual report. Said report requires the signature of the Audit Committee Chairman, and needs to contain at least the following information:

- a. Opinion regarding the accuracy, complete coverage and reliability of the company's financial statements.
- b. Opinion regarding the adequacy of the company's internal control, fraud and corruption and the risk management system.
- c. Opinion regarding the practices in compliance with the laws on securities and stock exchange, the regulations of The Stock Exchange of Thailand, or other laws concerning the company's business operations.
- d. Opinion regarding the suitability of the company auditor and the chief of internal audit office.
- e. Opinion regarding the transaction with possible conflict of interests.
- f. The number of The Audit Committee's meeting and the attendance record of each member.
- g. Overall opinion or comment provided by The Audit Committee out of its practices in accordance with the charter.
- h. Other items deemed to benefit the shareholders and general investors, in accordance with the authority and duty scope assigned by The Board of Directors.

- 6.10 During the course of its duty, should The Audit Committee come across or have any doubt relating to below transactions that they may significantly affect the company's financial position or performances, they are then required to report the matter to The Board of Directors, in order for necessary remedial actions to be taken within the timeframe decided upon by The Audit Committee.

- a. Transaction incurring conflict of interests.
- b. Significant fraud and corruption, irregularity or deficiency within the internal control system.
- c. Breach of laws concerning securities and stock exchange, the regulations of The Stock Exchange of Thailand, and other laws concerning the company's business operations.

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

- 6.11 Encourage and follow-up to ensure that the company has effective risk management system.
- 6.12 Supervise to ensure that the company has adequate channel to take care of complaints or tips relating to suspicious or improper items contained in the financial statements or fraud and corruption. At the same time, ensure that the company has protective confidential measurement for whistleblower, transparency and independence investigation process, and appropriate follow up.
- 6.13 Supervise to ensure that the company implements adequate management system in accordance with the good corporate governance practice.
- 6.14 Review, revise and amend the Audit Committee Charter for further submission to The Board of Directors for approval.
- 6.15 Implement self-appraisal review at least once a year.
- 6.16 Engage in other acts as assigned by The Board of Directors and deemed justified by The Audit committee in accordance with company regulations and the law.

In carrying out its above duties, The Audit Committee is directly responsible to The Board of Directors, who in turn is responsible to the shareholders and general investors.

This Audit Committee is approved by the resolution of the Board of Directors' meeting No. 5/2559 held on 11 July 2016 and is effective from 12 July 2016 onwards.

3. Charter of the Nomination Committee

With due awareness on the importance of the Good Corporate Governance and to comply with Section 3/1 of the Securities and Exchange Act B.E. 2535, as per amendment by the Securities and Exchange Act (Volume 4) B.E. 2551, The Board of Directors deems as appropriate to revoke the Director Code of Practice No. KorKor. 006/2000 dated 11 November 2000 and to establish the new Charter of the the Nomination Committee as follows:

1. Objectives

The Nomination Committee is appointed to support operation of the Board of Directors for the good corporate governance, to nominate and screen the person with suitable qualifications to undertake the directorship to ensure that the Company's nomination process is transparent.

2. Composition and Qualifications

The Nomination Committee shall comprise no less than 3 members, which include Chairman of the Nomination Committee and member of the Nomination Committee.

The Board of Directors shall appoint the member of the Nomination Committee from the Board members and/or other person who have due knowledge and experience to perform the nomination process.

3. Term of Office

3.1 The Nomination Committee's term of office is for 1 year, from the date of appointment. Upon due term, if there is no resolution for appointment of the new committee by the Board of Directors or shareholders' meeting, the existing Nomination Committee shall carry on duty until the new committee is appointed to replace. The appointment of the new set of Nomination Committee must be within 2 months from the due date. The retired member of the Nomination Committee may be re-elected.

3.2 In the event that the positions on the Board becomes vacant for some other reason than the normal expiration of a director's term, in the next Board of Directors' meeting, the Board may elect a person to fill that position only for the remaining term, unless the remaining period is less than two months.

3.3 The director shall vacate the office when:

- (a) due to rotation
- (b) resignation
- (c) deceased
- d) Resigned by resolution of the shareholders' meeting

3.4 The member of the Nomination Committee who resigns before a due term of office must notify the Company 1 month in advance together with the reason of resignation.

4. Meeting

4.1 Meeting agenda

Set the date, time, place and meeting agenda for no less than 7 days in advance, including adequate supporting document. The minutes of the meeting must be in a written form.

4.2 Number of the meeting

The Nomination Committee must hold a meeting at least once a year, and more as deemed necessary.

4.3 Meeting attendants

In the meeting of Nomination Committee, at least half of the members must attend to meeting to constitute a quorum. In case the Chairman of the Nomination Committee is not in the meeting or unable to perform duty, the Nomination Committee may select one member to chair the meeting.

4.4 Casting votes

A majority vote in the meeting determines a resolution. Each member of the board shall have one vote. Board members that may have interest on a particular issue does not have the right to vote on the particular issue. If the votes on both side is equal, the chairman of the meeting shall make casting vote.

5. Authority of the Nomination Committee

5.1 To consult specialists or advisors of the Company (if any), or to hire external advisors or specialists where necessary at the expense of the Company.

5.2 To have the power to summon executive officers and relevant employees of the Company for an explanation, opinion, participation in a meeting, or the submission of documents deemed as relevant and necessary.

6. Duties and Responsibilities of the Nomination Committee

6.1 To determine rules and procedures for the Nomination of Company Directors.

6.2 To examine the biography and other information of persons nominated for appointment as Company Directors, taking into consideration such persons' knowledge, skills, experience and diversity of professional expertise, in order to obtaining the most qualified persons in accordance with the Nominating rules, Articles of the Company and relevant laws.

6.3 To consider the Nomination of persons having suitable qualifications for a Company Director for nomination to the meeting of the Board of Directors for approval, except in the event of the retirement of Company Directors at the expiration of term where a submission is made to the meeting of shareholders for approval.

6.4 To prepare opinions or suggestions on various matters for consideration.

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

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

This Nomination Committee Charter is approved by a meeting of the Board of Directors No. 7/2551 on 30 December 2008 and is effective from 1 January 2009 onwards.

4. Charter of the Remuneration Committee

Whereas the Board of Directors' meeting No. 1/2018 held on 19 February 2018 resolved to revoke the Remuneration Committee Charter which approved by a resolution of the Board of Directors' meeting No. 2/2011, held on 12 May 2011 and has established the new Remuneration Committee Charter as follows:

1. Objectives

The Remuneration Committee is appointed to support operation of the Board of Directors for the good corporate governance, to consider compensation criteria and aspects to ensure that the Company's compensation process is transparent.

2. Composition and Qualifications

The Remuneration Committee comprises no less than 3 members, which include Chairman of the Remuneration Committee and members. The Board of Directors select the Board members and/or other person which must have competent knowledge and experience to perform the duty as a member of the Remuneration Committee.

3. Term of Office

3.1 The Remuneration Committee's term of office is for 1 year, from the date of appointment. Upon due term, if there is no resolution for appointment of the new committee by the Board of Directors or shareholders' meeting, the existing Remuneration Committee shall carry on duty until the new committee is appointed to replace. The appointment of the new set of Remuneration Committee must be within 2 months of the due date. The retired member of the Remuneration Committee may be re-elected.

3.2 In the event that the positions on the Remuneration Committee becomes vacant for some other reason than the normal expiration of a director's term, in the next Board of Directors' meeting, the Board may elect a person to fill that position only for the remaining term, unless the remaining period is less than two months.

3.3 The director shall vacate the office when:

- (a) due to rotation
- (b) resignation
- (c) deceased
- (d) Resigned by resolution of the shareholders' meeting

3.4 The member of the Remuneration Committee who resigns before a due term of office must notify the Company 1 month in advance together with the reason of resignation.

4. Meeting

4.1 Meeting agenda

Set the date, time, place and meeting agenda for no less than 7 days in advance, including adequate supporting document. The minutes of the meeting must be in a written form.

4.2 Number of the meeting.

The Remuneration Committee must hold a meeting at least once a year, and more as deemed necessary.

4.3 Meeting attendants

In the meeting of Remuneration Committee, at least half of the members must attend to meeting to constitute a quorum. In case the Chairman of the Remuneration Committee is not in the meeting or unable to perform duty, the Remuneration Committee may select one member to chair the meeting.

4.4 Casting votes

A majority vote in the meeting determines a resolution. Each member of the board shall have one vote. Remuneration Committee members that may have interest on a particular issue does not have the right to vote on the particular issue. If the votes on both side is equal, the chairman of the meeting shall make a casting vote. If the votes are equal, chairman of the meeting shall have a casting vote.

5. Authority of the Nominating Committee

5.1 To consult specialists or advisors of the Company (if any), or to hire external advisors or specialists where necessary at the expense of the Company.

5.2 To have the power to summon executive officers and relevant employees of the Company for an explanation, opinion, participation in a meeting, or the submission of documents deemed as relevant and necessary.

6. Duties and Responsibilities of the Nominating Committee

6.1 To determine rules and procedures for the Nominating of Company Directors.

6.2 To examine the biography and other information of persons nominated for appointment as Company Directors, taking into consideration such persons' knowledge, skills, experience and diversity of professional expertise, in order to obtaining the most qualified persons in accordance with the Nominating rules, Articles of the Company and relevant laws.

6.3 To consider the Nominating of persons having suitable qualifications for a Company Director for nomination to the meeting of the Board of Directors for approval, except in the event of the retirement of Company Directors at the expiration of term where a submission is made to the meeting of shareholders for approval.

6.4 To prepare opinions or suggestions on various matters for consideration.

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

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

This Remuneration Committee Charter is approved by a meeting of the Board of Directors No. 1/2018 on 19 February 2018 and is effective from 20 February 2018 onwards.

5. Charter of the Governance Committee

After consideration of the Corporate Governance Charter which reviewed by the Audit Committee with the revision on duty and responsibility of the Corporate Governance Committee to conform with the current management and operation, the Board of Directors request to cancel the Corporate Governance Committee Charter as approved by the Board of Directors' meeting no. 5/2017 held on 10 August 2017 as follows:

1. Objectives

The Corporate Governance Committee is appointed to support operation of the Board of Directors in determining criteria and practice guidelines as follows:

1.1 To set criteria that for certain plan and standard for business operation to be in conformity with the good corporate governance, consistent with legal requirement and international standard as well as relevant law.

1.2 To enhance effective, transparent, and accountable internal operation, and to build confidence among shareholders and stakeholders in all parts.

1.3 To raise knowledge and understanding in the good corporate governance to directors, executives and employees of the Company to ensure awareness on applying the good corporate governance into practice.

2. Composition and Qualifications

The Corporate Governance Committee comprises no less than 3 members, which include Chairman of the Corporate Governance Committee and members of the Corporate Governance Committee. The Board of Directors shall appoint the member of the Corporate Governance Committee from the Board members and/or other person who have due knowledge and experience to perform the corporate governance duties.

3. Term of Office

3.1 The Corporate Governance Committee's term of office is for 1 year, from the date of appointment. Upon due term, if there is no resolution for appointment of the new committee by the Board of Directors or shareholders' meeting, the existing Corporate Governance Committee shall carry on duty until the new committee is appointed to replace. The appointment of the new set of Corporate Governance Committee must be within 2 months of the due date. The retired member of the Corporate Governance Committee may be re-elected.

3.2 In the event that the positions on the Corporate Governance Committee becomes vacant for some other reason than the normal expiration of a director's term, in the next Board of Directors' meeting, the Board may elect a person to fill that position only for the remaining term, unless the remaining period is less than two months.

3.3 The member of the Corporate Governance Committee who resigns before a due term of office must notify the Company 1 month in advance together with the reason for resignation.

4. Meeting

4.1 Meeting agenda

Set the date, time, place and meeting agenda for no less than 7 days in advance, including adequate supporting document. The minutes of the meeting must be in a written form.

4.2 Number of the meeting.

The Corporate Governance Committee must hold a meeting at least twice a year, and more as deemed necessary.

4.3 Meeting attendants

In the meeting of Corporate Governance Committee, at least half of the members must attend to meeting to constitute a quorum. In case the Chairman of the Corporate Governance Committee is not in the meeting or unable to perform duty, the Corporate Governance Committee may select one member to chair the meeting.

4.4 Casting votes

A majority vote in the meeting determines a resolution. Each member of the board shall have one vote. Corporate Governance Committee members that may have interest on a particular issue do not have the right to vote on the particular issue. If the votes on both side is equal, the chairman of the meeting shall make a casting vote.

5. Authority of the Governance Committee

5.1 The power to invite relevant employees of the Company to provide an explanation, present an opinion, participate in a meeting or submit documents deemed as necessary and relevant.

5.2 To consult experts or advisors of the Company (if any) or hire external advisors or experts where necessary under the Company's expense.

5.3 To have the power to appoint a working group to assess and monitor governances in the entire organization.

6. Duties and Responsibilities the Governance Committee

6.1 Stipulate, review and improve Corporate Governance policy and principles, Business Ethics, Code of Conduct for Company's directors, managements and employees, including Anti-Corruption policy and rules and regulations to conform with changes in business, related rules, announcements, regulations and law, on a continual basis.

6.2 Promote and support Company directors, managements and employees to comply with Good Corporate Governance principles and Anti-Corruption policy.

6.3 Stipulate Corporate Governance guidelines including Anti-Corruption policy as well as follow up, provide advice and suggestion in order to develop good corporate governance system of the Company.

6.4 Review, improve and amend the Charter of Corporate Governance Committee and present to the Company Board of Directors for approval.

6.5 Other duties as assigned by the Board of Directors.

7. Reporting and Disclosure

7.1 Report meeting of the Corporate Governance Committee to the Board of Directors by the next meeting of the Board of Directors

7.2 Report performance of the Corporate Governance Committee to shareholders in the annual report, including other forms of reporting as announced by relevant authority.

This Governance Committee Charter is approved by a meeting of the Board of Directors No. 1/2019 on 26 February 2019 and is effective from 27 February 2019 onwards.

6. Charter of the Risk Management Committee

After consideration on the Risk Management Committee Charter which reviewed by the Risk Management Committee with the revision on duty and responsibility of the Risk Management Committee to conform with the Anti-Corruption practice, the Board of Directors request to cancel the Risk Management Committee Charter as approved by the Board of Directors' meeting no. 6/2017 held on 9 November 2017 and the Risk Management Committee Charter is established as follows:

1. Objectives

The Risk Management Committee is appointed to support operation of the Board of Directors in risk assessment and preparation of action plan to mitigate risk and monitor to ensure the risk is maintained at a proper and acceptable level.

2. Composition and Qualifications

The Risk Management Committee comprises no less than 3 members, which include Chairman of the Risk Management Committee and members. The Board of Directors select the Board members and/or other person which must have competent knowledge and experience to perform the risk management duty.

3 Term of Office

- 3.1 The Risk Management Committee's term of office is for 1 year, from the date of appointment. Upon due term, if there is no resolution for appointment of the new committee by the Board of Directors or shareholders' meeting, the existing Risk Management Committee shall carry on duty until the new committee is appointed to replace. The appointment of the new set of Risk Management Committee must be within 2 months from the due date. The retired member of the Risk Management Committee may be re-elected.
- 3.2 In the event that the positions on the Risk Management Committee becomes vacant for some other reason than the normal expiration of a director's term, in the next Board of Directors' meeting, the Board may elect a person to fill that position only for the remaining term, unless the remaining period is less than two months.

3.3 The director shall vacate the office when:

- (a) due to rotation
- (b) resignation
- (c) deceased
- (d) Resigned by resolution of the shareholders' meeting

3.4 The person appointed shall hold the office to the remaining period of the person he replaces. The member of the Risk Management Committee who resigns before a due term of office must notify the Company 30 days in advance together with the reason of resignation.

4. Meeting

4.1 Meeting agenda

Set the date, time, place and meeting agenda for no less than 7 days in advance, including adequate supporting document. The minutes of the meeting must be in a written form.

4.2 Number of the meeting.

The Risk Management Committee must hold a meeting for at least every quarter, and more as deemed necessary.

4.3 Meeting attendants

In the meeting of Risk Management Committee, at least half of the members must attend to meeting to constitute a quorum. In case the Chairman of the Risk Management Committee is not in the meeting or unable to perform duty, the Risk Management Committee may select one member to chair the meeting.

4.4 Casting votes

A majority vote in the meeting determines a resolution. Each member of the board shall have one vote. Risk Management Committee members that may have an interest in a particular issue do not have the right to vote on the particular issue. If the votes on both side is equal, the chairman of the meeting shall make a casting vote.

5. Authority of the Risk Management Committee

- 5.1 The power to invite relevant employees of the Company to provide an explanation, present an opinion, participate in a meeting or submit documents deemed as necessary and relevant.
- 5.2 To consult experts or advisors of the Company (if any) or hire external advisors or experts where necessary under the Company's expense.
- 5.3 To have the power to appoint a working group to assess and monitor risks in the entire organization.

6. Duties and Responsibilities of the Risk Management Committee

- 6.1 Set forth the policies, plans, and targets in relation to the implementation of the risk management plans, in a clear-cut and continuous manner, to effectively cope with significant risk factors. Consequently, compile and present achievement progress report to The Board of Directors' meeting on a quarterly basis, also notify to the Audit Committee for acknowledgement.
- 6.2 Encourage and promote mutual cooperation among various departments within the company, to implement the risk management plans at all operational levels.
- 6.3 Supervise to ensure that the company has adequate and efficient risk management system in place, which also cover against such risks resulting from fraudulent practices, while providing attention and priorities to early warning signals and items showing irregularities.
- 6.4 Supervise company operations to ensure that all the departments and the company overall duly follow those laws and regulations pertaining to company operations.
- 6.5 Develop and upgrade the risk management system throughout the organization, so as to remain effective on a consistent basis.
- 6.6 Supervise the compilation of the report by The Risk Management Committee, for disclosure in the annual report compilation by the company, whereby the Chairman of The Risk Management Committee is duly required to affix his signature in verification of said report.

- 6.7 Review and revise the charter for The Risk Management Committee, and submit to The Board of Directors for approval.

- 6.8 Engage in other acts as assigned by The Board of Directors.

This Risk Management Committee Charter is approved by a meeting of the Board of Directors No. 1/2019 on 26 February 2019 and is effective from 27 February 2019 onwards.

7. Charter of the Executive Committee

With due awareness on the importance of the Good Corporate Governance and to comply with Section 3/1 of the Securities and Exchange Act B.E. 2535, as per amendment by the Securities and Exchange Act (Volume 4) B.E. 2551, the Board of Directors resolved to revoke the Board of Directors Code of Practices No. KorKor.006/2000 dated 11 November 2000 and establish the new Executive Committee Charter as follows:

1. Objectives

The Executive Committee is appointed to supervise business operation, as assigned by the Board of Directors with responsibility, caution, integrity as the reasonable diligence of the business operator will conduct under the same situation, with the trading bargaining power free of influence of the directorship.

2. Composition and Qualifications

The Executive Committee comprises no less than 5 members, which include Chairman of the Executive Committee and members. The Board of Directors select the Board members and/or other person which must have competent knowledge and experience to perform the Company's administration duties.

3. Term of Office

- 3.1 The Executive Committee's term of office is for 1 year, from the date of appointment. Upon due term, if there is no resolution for appointment of the new committee by the Board of Directors or shareholders' meeting, the existing Executive Committee shall carry on duty until the new committee is appointed to replace. The appointment of the new set of Executive Committee must be within 2 months from the due date. The retired member of the Executive Committee may be re-elected.

3.2 In the event that the positions on the Executive Committee becomes vacant for some other reason than the normal expiration of a director's term, in the next Board of Directors' meeting, the Board may elect a person to fill that position only for the remaining term, unless the remaining period is less than two months.

3.3 The director shall vacate the office when:

- (a) due to rotation
- (b) resignation
- (c) deceased
- (d) possess the character which disqualifies the trust to manage business operation where the public is a shareholder, as announced by the Securities and Exchange Commission
- (e) The Board of Directors' resolution to remove from directorship before due term.

3.4 The Board of Directors' resolution to remove from directorship before due term.

4. Meeting

4.1 Meeting agenda

Set the date, time, place and meeting agenda for no less than 7 days in advance, including adequate supporting document. The minutes of the meeting must be in a written form.

4.2 Number of the meeting.

The Corporate Governance Committee must hold a meeting at least twice a year, and more as deemed necessary.

4.3 Meeting attendants

In the meeting of Executive Committee, at least half of the members must attend to meeting to constitute a quorum. In case the Chairman of the Executive Committee is not in the meeting or unable to perform duty, the Executive Committee may select one member to chair the meeting.

4.4 Casting votes

A majority vote in the meeting determines a resolution. Each member of the board shall have one vote. Executive Committee members that may have interest in a particular issue do not have the right to vote on the particular issue. If the votes on both side is equal, the chairman of the meeting shall make a casting vote.

5. Powers of the Executive Committee

5.1 To appoint, remove, transfer, evaluate as well as to determine the remuneration and welfare benefits of employees at every levels.

5.2 To appoint and remove any other working committee to carry out any activity with respect to the management of the Company.

5.3 To consult specialists or advisors of the Company (if any), or to hire external advisors or specialists where necessary at the expense of the Company.

5.4 To issue rules and notifications on the performance of work, and to have the ability to delegate powers to an Executive Committee member and/or an executive-level employee as the authorized signatory for giving approval to disposals of the Company's assets.

5.5 To approve the acceptance or cancellation of the credit lines in an amount not exceeding Baht 60 million each time.

5.6 To approve the grant of loans to companies having business relationships with the Company as shareholders or companies engaged in trade with the Company or other companies in the amount not exceeding Baht 80 million per company.

5.7 To approve the guarantees of credit lines for companies having business relationships with the Company as shareholders or companies engaged in trade with the Company or other companies in the amount not exceeding Baht 40 million per company.

5.8 To approve investments and sales of investments in capital instruments and/or debt instruments in an amount not exceeding Baht 20 million each time.

5.9 To approve procurements and investments in fixed assets in an amount not exceeding Baht 20 million each time.

5.10 To approve the modification, demolition and writing off of fixed assets and/or intangible assets which are decommissioned, out of order, lost, damaged, deteriorated or outdated and no longer usable with book value not exceeding Baht 1 million per year.

- 5.11 To approve the adjustment of price and destruction of raw materials and/or outstanding stocks that have deteriorated or become outdated, which could have an effect in reducing the book value as actually occurred.
- 5.12 To approve a settlement, dispute settlement by arbitration, filing of complaint, lawsuit and/or to participate in any legal proceedings on behalf of the Company for the non-normal business of the company amounting not exceed Baht 2 million per episode and/or the normal business of the company with amounting not exceed Baht 20 million per episode.
- 5.13 To approve the dispatch of employees to foreign countries for work or study visits in an amount not exceeding Baht 1 million each time.
- 5.14 To approve transactions not part of the normal business in an amount not exceeding Baht 20 million each time.
- 5.15 To delegate authority to the executive-level employees of the Company or any other person to act on its behalf.
- 5.16 To have the power to summon executive officers and relevant employees of the Company for an explanation, opinion, participation in a meeting, or the submission of documents deemed as relevant and necessary.
- 5.17 To issue any other work regulations as deemed appropriate.
- 5.18 All powers of the Executive Committee stated above which involve the acquisition or disposal of assets and connected transactions shall be exercised in accordance with Notifications of the Capital Market Supervisory board.

6. Duties and Responsibilities of the Executive Committee

- 6.1 To propose the goals, policies, plan and annual budget to the Board of Directors.
- 6.2 To take responsibility for the management of the Company in accordance with the direction, goals and business policies of the Company.
- 6.3 To take charge in enhancing the competitiveness of the Company and to promote continual innovations.
- 6.4 To supervise the operations of the Company in accordance with the laws, objects, Articles of the Company, resolutions of the meeting of shareholders, resolutions of the Board of Directors, as well as relevant rules and regulations.
- 6.5 To supervise the preparation of financial statements, this shall be submitted to the auditor for audit and/or review prior to submission to the Audit Committee and Board of Directors respectively.
- 6.6 To consider matters submitted to the Board of Directors for approval or endorsement.
- 6.7 Executive Committee members may divide the works and responsibilities amongst themselves, in which case reports on the activities within each member's supervision must be submitted to the meeting of the Executive Committee for acknowledgement.
- 6.8 To revise and amend the Charter of the Executive Committee and to submit such revision or amendment to the Board of Directors for approval.
- 6.9 To carry out any other acts as assigned by the Board of Directors.

This Executive Committee Charter is approved by a meeting of the Board of Directors No. 7/2008 on 30 December 2008 and is effective from 1 January 2009 onwards.



SUSTAINABLE DEVELOPMENT REPORT 2021

About the Company



THANULUX PUBLIC COMPANY LIMITED

www.thanulux.com

The Company is a producer of fashion garments and leather products for men, women and children customer groups under licensed international trademarks and Company own-brands that distributes both domestically and export. In addition, the Company is also a manufacturer of uniform and workwear products. Dharma practice set, a Buddhist monk triple robes and Healthcare and Medical Textile.

Head Office	: 129/1 Chongnonthri Road, Chongnonthri, Yannawa, Bangkok10120
Date of Establishment	: June 23, 1975
Listed on the SET	: July 21, 1987
Register Capital	: 120,000,000 Baht
Paid up Capital	: 120,000,000 Baht

VISION MISSION CORE VALUE

VISION

Dedicated to providing superior quality and innovative products and services by using digital technology management to ensure sustainable value for customers

MISSION

1. Committed to add value and satisfaction to employees, customers and shareholders
2. Promote the good corporate governance with morality and ethics in business operation
3. Conducting business with responsibility to society and the environment

CORE VALUE

SMART



Products and services

Products and services

Company's products and services can be classified by groups as follows

1. MEN'S WEAR

consisting of shirts, knit, jeans, suits, jackets, pajamas, underwear, neckties and socks.



2. LADIES'S WEAR:

consisting of shirts, business dress, casual wear, maternity wear, sportswear and swimwear

3. CHILDREN'S WEAR

There are fashionable children's apparel from birth to 8 years old



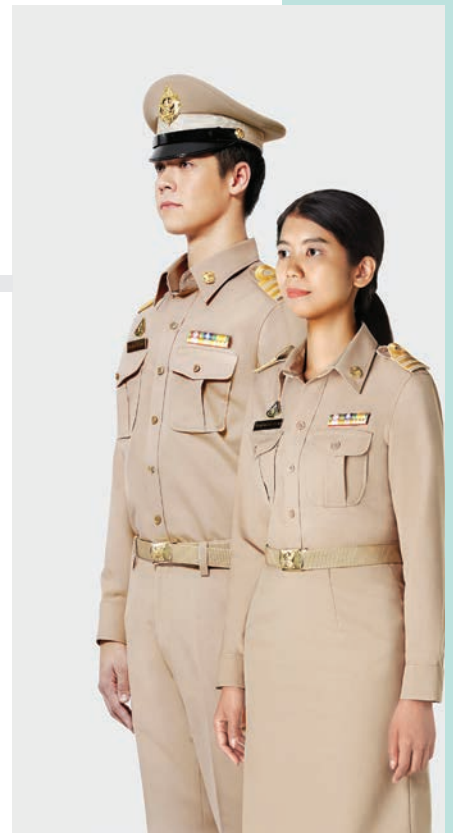


4. LEATHER GOODS

These products are for men and women, consisting of wallets, handbags and belts

5. WORKWEAR, UNIFORM & CIVIL SERVANT UNIFORM

There is a production service of workwear, uniforms and civil servants, with a team work that has expertise in both design and sewing with high technology and modern systems.



6. HEALTHCARE and MEDICAL TEXTILE

consists of medical equipment, syringes, PPE, apparatus for bedridden patients, scrubbing sets.



Message from the Chairman of the Executive Committee and Managing Directors

Amid the effect of Covid-19 outbreak on Thailand and around the globe, the Company strives to conduct business to achieve a sustainable growth in terms of economic, social and environmental aspects, adhering to the Good Corporate Governance, administrative governance, responsibility to stakeholders. To sustain the business growth, the Company constantly adjusts operation strategy to keep up with the swift changes of situations, to drive the sustainable business. For social aspect, the Company supervises to ensure the care for employees during the Covid-19 outbreak strictly optimizes working style to meet the New Normal, complies with the government's measure in controlling the Covid-19 outbreak as a social responsibility. For environmental aspect, the Company priorities the importance in the management, which aims to minimize environmental affects and to enhance safety.

After implementation into digital transformation, the Company embraces to move forward, carrying on creating innovation for new product and service to meet the customers' need in the new normal period. The Company optimizes production efficiency and implements digital technology to the entire supply chain, creating trust among all stakeholders, alters for flexibility, mobility and rapid progress which enabling the response in timely manner and to carry on business operation in any situation.

The Company commits to business operation that adheres to the Sustainability policy to reflect the explicit, transparent, ethical administration, to initiate solid development and to accomplish the intention of sustain the corporate development and growth, to take responsibility to society and community under the good corporate governance principle and consideration of all stakeholders to create sustainable success for the business.



(Miss Dusadee Soontrontumrong)

Chairman of the Executive Committee and Managing Director

Awards of the years



Thailand Sustainability Investment (THSI) 2021



"Outstanding Workplace 2021 on Labour Relations and Labour Welfare (National)"

for Kabinburi branch and Lamphun branch From Ministry of Labor and Social Welfare



CSR DIW continuous award 2021 for 3 Branches, Head Office, Kabinburi and Lamphun, 7th consecutive year



Certificate for ISO 14000:2015



Certificate for ISO 9001:2015

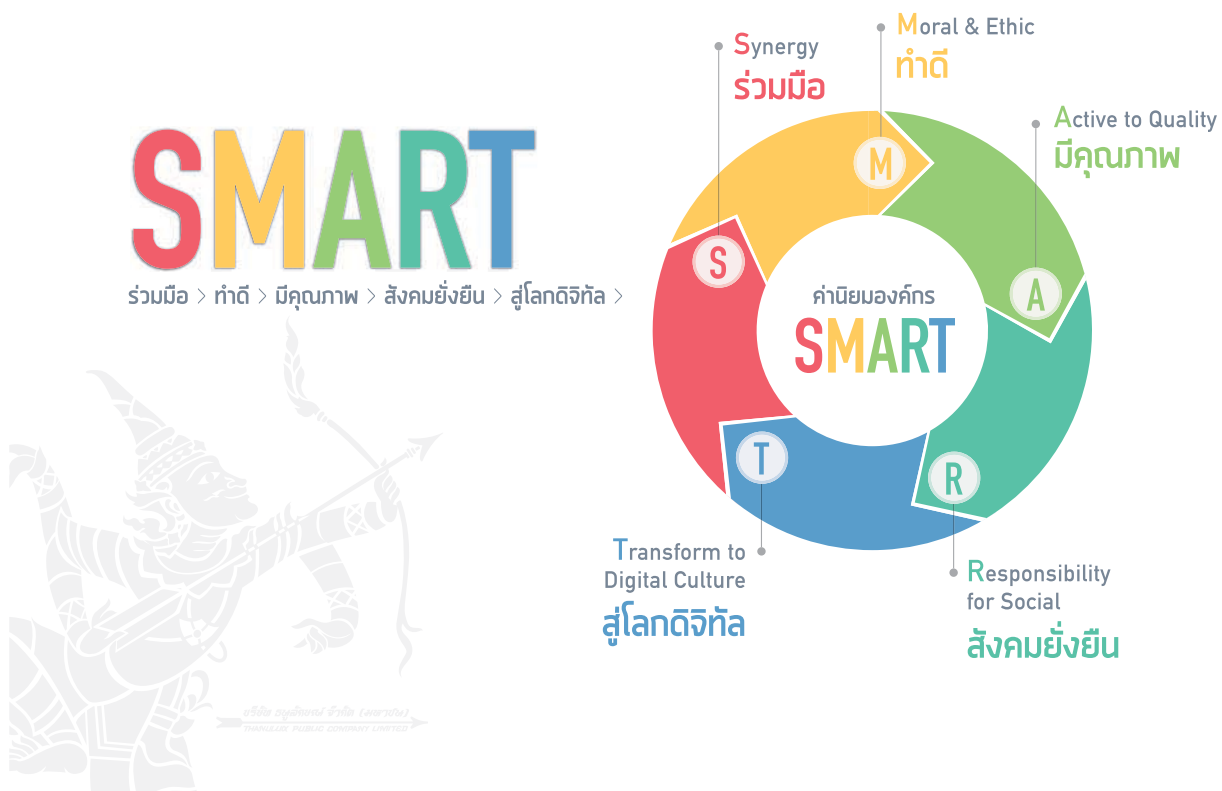


The Green Industry Certificate Level 4 (Green Factory Level 4) from the Ministry of Industry



An Eco-Industrial Factory that is valuable to society of the Gold Awards level.

Sustainable Development Policy



The Company has strong determination and support on implementing sustainable development policy consisting of 3 main elements

1. Human resource development and sustainable competency development.
2. Innovative management.
3. Reduction of direct and indirect impact to the environment.

With these factors being applied, organizational culture "SMART" will drive the economy, society and environment under good corporate governance principles. There are also including the anti-corruption in the context of responsibility to create a valuable organization for sustainable business, as well as supply chain management, appropriate and timely risk management, Customer relationship management, and community development



In terms of **Economy**

the Company develop a product with continual innovation launch and leverages the use of modern IT system and technology to optimise performance.

For **Society**

the Company commits to enhance human resource ability by educating and adding digital communication with an aim to cultivate digitalisation corporate while caring for all stakeholders.

For **Environment**

the Company recognizes the need to minimise impact to environment and effective use of resources under the good corporate governance

The Goal for Sustainability Development

1. In terms of economy, the Company hosts the innovative product every year where at least 3 new products are launched to boost the sale and create satisfaction among customers for over 85%. The system development covers designing process until product delivery to customers as an alternative approach to enhance production capacity, to stimulate sales volume and to minimize expenses
2. Human Resources
 - Encourage learning among employees, the use of digital tools in working which can be applied for over 70%.
 - Arrange at least 50% of training.
3. Environment
 - Reduce the use of electricity
 - Reduce volume of waste
 - Reduce the use of water.

The Assessment of Key Sustainability Issues

1. Identifying the Key Issues and Scope of the Report

The company analyzes the opportunities and risks both of indirect and direct that may happen as well as an impact on the business operation of the organization. Upon analysis of potential opportunities and risks that may affect the business operation, the Company has implemented significant matters into sustainable management and social responsibility, taking into awareness impacts on all stakeholders. The Company collects data, arranges meetings, discussions to gather information from all parties. And report quarterly directly to The Board of Director.



2. Prioritization

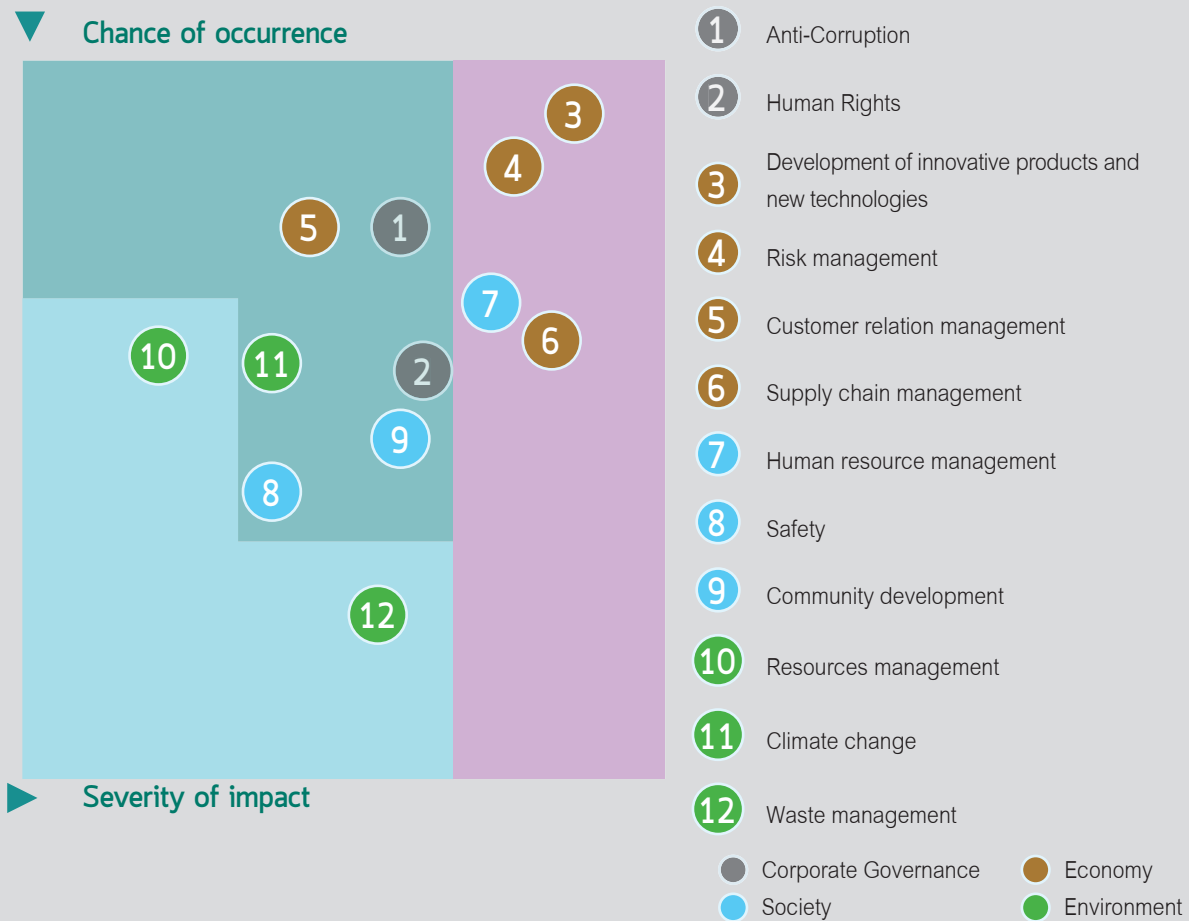
The Company assesses and analyzed those important matters to prioritize our business operation's impact and significant impacts on our stakeholders covering economic, social, and environmental aspects, including good corporate governance.

3. Continuity to Review and Development

The Company assigns a working group to collect information, accept suggestions from stakeholders and improve and develop sustainability within and outside the organization on a continual groundwork.

Selecting essential matters for the sustainability

The Assessment of Key Sustainability Issues Result 2021



● Corporate Governance	● Economy	● Society	● Environment
Anti-Corruption	Development of innovative products and new technologies	Human resource management	Resources management
Human rights	Risk management	Safety	Climate change
	Customer relation Management	Community development	Waste management
	Supply chain management		

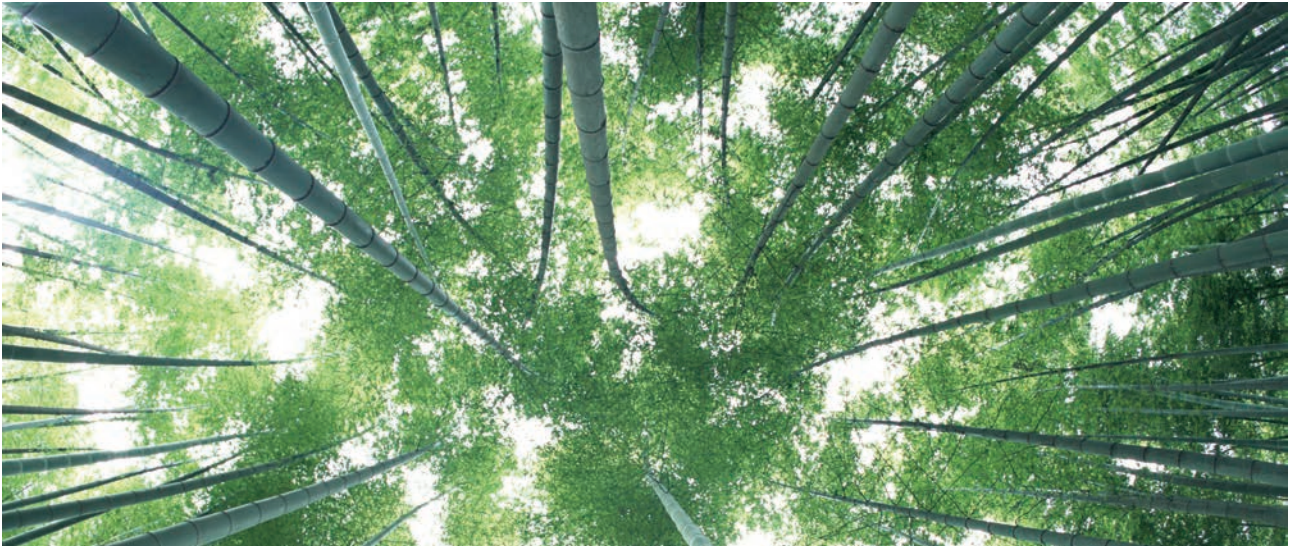
Stakeholder Engagement

Stakeholder	Expectations	Strategy that responses	Results of activities
1. Shareholders	<ul style="list-style-type: none"> Return on investment Organization Growth Business operation with transparent accountability 	<ul style="list-style-type: none"> Right to attend shareholders' meetings in order to vote and freely express opinions including making inquiries and suggestions Right to receive a fair return on investment Commitment to business operations pursuant to good corporate governance principles and reliability Sufficient, reliable and timely disclosure of significant information 	<ul style="list-style-type: none"> Ability to make regular dividend payment Acquiring the "Very Good" assessment in part of corporate governance under the listed company by the 2021 Listed Companies Corporate Governance Survey Receiving an assessment rating "5 TIA" (Full of 100 points) for AGM quality of listed companies by the Thai Investors Association for 2021
2. Employees	<ul style="list-style-type: none"> Proper and fair for welfare benefits and remunerations Opportunities to advance in career Employee potential development Better Quality of life 	<ul style="list-style-type: none"> Reconsidering welfare benefits and remunerations Employee care during Covid-19 crisis Adjust working procedures to meet the New Normal and for safety purpose. Respect to human rights and fair labour treatment Granting scholarships to the children of employees Conduct personnel development programs for all levels 	<ul style="list-style-type: none"> Receiving the award as the outstanding workplace in terms of labour Relations and Welfare in 2021 Arrange training courses for employees to meet the standard set forth by the Department of labour Skill Development. Being able to accept employees who are scholarship recipients to intern or work upon completion of studies Employees' participation in recreations held by the Company
3. Government Sector	<ul style="list-style-type: none"> Fair and transparent liaison Consultancy and learning exchange Tax privileges 	<ul style="list-style-type: none"> Submitting the complete report on the date as per the law specifications Tax and fee payment in accordance with the rate specified by law 	<ul style="list-style-type: none"> Conducted the business transparently and legally. Ability to build good relationship with the government sector Acquisition of tax privileges

Stakeholder Engagement

Stakeholder	Expectations	Strategy that responses	Results of activities
4. Customers	<ul style="list-style-type: none"> Quality of products and services Value for product and service received 	<ul style="list-style-type: none"> ISO9001:2015 Quality Management Satisfaction assessment Hotline for consumer protection division After-sales services throughout the product's expiration date There is an innovative product contest every year 	<ul style="list-style-type: none"> The long-lasting trust from customers in new products The customers' satisfaction in products and services was more than 85% according to 2021 customers' satisfaction survey in ISO9001:2015 The innovation to create environmental-friendly product that meet consumer's need.
5. Business partners	<ul style="list-style-type: none"> Transparency and fair of business operations Counseling and knowledge exchange in innovation development and new products regularly 	<ul style="list-style-type: none"> Assessment and selection criteria The expansion of payment channel On time payment Promoting social and environment responsibility policies Promoting anti- corruption policies Research and development department Procurement Committee Host activities to encourage exchange of knowledge. Fair and transparency in supplier selection and evaluation 	<ul style="list-style-type: none"> Gain a partner with social responsibility and environment and also anti-corruption Business partners, service providers and distributors can apply the corporate social responsibility principle in their companies Thanulux and business partners can mutually develop and source for alternative materials with good value and quality
6. Community and Society	<ul style="list-style-type: none"> Occupation Encouragement and income generation for members in communities Social and environment sustainability around communities Community activity sponsorship 	<ul style="list-style-type: none"> Implement an environmental management system standard ISO14001:2015 Organize a dialogue with the surrounding communities to listen to the opinions and needs of the community Do and participate with the community in activities among children and the elderly regularly Create activities for promote the quality and environment of children's classroom encouraged the learning and studying, put young children to study close to home. 	<ul style="list-style-type: none"> Better environment around the company Provide facial masks, alcohol gels and educate communities about COVID-19 Supporting the supplies and donations for the elderly club Gather the financial donation from the Company and neighboring communities to Wat Phra Bat Nam Phu foundation Young children and juvenile within community schools attend development course and receive proper knowledge.

The Good Corporate Governance Principles



The Board of Directors had recognized the importance of the Good Corporate Governance principles which was a key foundation to the sustainable development and raised value to the Company In order to lead a competitive business with good operating results. Taking into account the long-term impact, the Company ethically runs business by paying respect to the rights of shareholders and stakeholders. The business also contributes to the society's benefit, reduces negative impact to the environment and is adaptive to any different circumstances.

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- All new employees will receive job orientation on the Good Corporate Governance policy, the Business

Ethics, The Code of Conduct for Directors, Executive and employees as well as the Anti-Corruption policy.

- The Company applies intranet system, Company group Line, and Company website www.thanulux.com as channels of internal communication in any case of ethic violation on business. The Company has monitored the ethic violation on business and annually reported to the Board of Directors. Not any violation was found in 2021.
- The Board of Directors specifies the assessment of the Board of Directors' and sub-committee's working performance at least once a year. In 2021, the result of assessment shows "very satisfied".
- The Board of Directors has considered and approved the Good Corporate Governance which comprises the good corporate governance policy, 8 articles of the good corporate governance, business ethics, code of conduct for the Board of Directors, executives and employees for their acknowledgment and guideline for work. The review of the principles shall be conducted at least once a year.

Note: Further information related to the roles of Board of Directors is provided in the Annual Report 2021 (56-1 One Report) in topic of Corporate Governance Structure

Result of Good Corporate Governance Assessment (CG Checklist)



Result of Annual General Meeting Checklist

>>> 5 TIA (100 score) in 2021



The Board of Directors structure

According to company article of association, the Company must not have less than five Directors, Independent Director must not less than one-third of total directors and at least 3 members. In 2021, the Company consists of 9 Directors, which includes 3 Independent Directors.

The Chairman is a Non-Executive Director or Managing Director.

All 9 Directors are able to express their opinions independently with one Director has one vote each, without any member having interested therein.

There are 3 Audit Committees acting

- Consider an independence of Internal Auditing Department including auditing criteria and approach.
- Audit the sufficiency, efficiency and effectiveness of the internal control system.
- Review the Company's Financial Statements.
- Appoint the independent auditor and audit the compliance with the relevant laws.





3 Independent Directors.

33.33% of Independent Director



5 Non-Executive Director

66.66% of Non-Executive Director



3 persons

33.33%



6 persons

66.66%

3 Female Directors and

6 Male Directors

33.33% of Female Director

66.66% of Male Director

Skills Matrix of the Directors show the expertise and experience in various fields contributing to the good corporate

[illegible]

Anti-Corruption

ANTI CORRUPTION

Anti-Corruption

The working philosophy of Dr. Thiem Chokwatana, founder of the Saha Group, focuses on working under the principles of integrity, honesty and fair. These principles have been instilled as Company values, where employees and executives are discouraged from committing a dishonest act, give or receive bribes in order to acquire benefits for the Company. These values are stated in the Company's Good Governance Principles, Business Ethics and Employee Code of Conduct to comply with the intents and responsibilities towards society as a whole.

The Company has prepared to recertify "the of the Private Sector Collective Action Coalition Against ", due to its renewed on November 4, 2022, which is the third renewal.

Anti-Corruption Policy

1. The Company will not be a party to pay bribes. In case of charitable contributions, political contributions as well as offering gifts in a business manner, this must be , explainable and audited.

2. Supporting enhancement of awareness and value for anti-corruption among the company directors, executives and employees to perform duties in accordance with relevant

laws, notifications and regulations by preparing such manual for guidelines.

3. The Company directors, executives and employees must not act as an intermediary in demanding and accepting gifts or benefits from government sectors or private sector, which induces to violate the laws. Moreover, it is illegal to use positions and/or duties to use the company's data to seek benefits for one or others.

4. Setting the system to report financial status transparently and accurately, providing and efficient and effective internal control system, and controlling check-and-balance system to be appropriate in order to prevent conducting any fraud or taking part in any fraud and corruption.

5. Monitoring and reviewing the anti-corruption policy, guidelines and regulations consistently for operation in order to adjust with business changes, laws and regulations.

6. Opening channel for reporting any suspected activity and ensuring that such reporters receive protection.

The Company had disseminated the Anti-Corruption policy through the Company website www.thanulux.com under the heading About the Company → Good Corporate Governance → Anti-Corruption"

Anti-corruption procedure

Definition

“Corruption” means

1. Usage of power entrusted by position to obtain benefit for oneself or others.
2. Bribery, regardless of form, whether by offering, promising, giving, acceptance, or demanding for benefit, to persuade any person to act illegally, in contrary with good moral, or undermine trust.

Except those actions permitted or acceptable by law and regulations, rules, social tradition, or commercial practices

“Political support” means financial support, gift, lending or donation, supplies, advertisement to promote or support political party, event ticket purchasing for the purpose to donate funds or supplies to organization with close relationship with political party, including devotion of employee’s working period for benefit of political party or political candidate.

Forms of corruption

1. Political support

- 1.1 The Company strongly adheres to the democratic regime of government with the King as Head of State with political neutrality. The company shall not support or conduct any act regarded as a bias to any political party.
- 1.2 In case of political support to promote democracy, such support shall not be in contrary with law, and shall not be made with expectation of preferential treatment in return. In such case, support shall be made in compliance with company’s regulations concerning withdrawal of funds by specifying name of receiver, purpose of support, transaction detail, amount, withdrawal date with related documents attached and send to person in charge with respect to approval authority.
- 1.3 Employees have freedom to participate in political activities under the provisions of law, but shall not use employment status or the company’s properties or equipment for political benefit. Employees should participate with awareness of any act which may lead to misunderstanding that the company is a political partisan or support any political party.

2. **Charity donation** whether in the form of financial support or other forms, as part of corporate social responsibility activities to promote and improve the company’s reputation and image, without expectation for business benefit in return, shall be

in accordance with following guidelines;

- 2.1 The company shall be aware and ensure that the charity donation is not hidden transaction to avoid bribery. Moreover, it shall be made in transparent manner and in accordance with law.
- 2.2 Charity donation shall be made in compliance with company’s regulations concerning withdrawal of funds by specifying name of donate, purpose of donation with related documents attached, and deliver to HR department to verify and comment before sending to person in charge with respect to approval authority.
3. **Sponsorship** To promote the company’s business, brand or reputation can be made in many forms such as supporting educational activities, arts, cultures, etc. The guidelines are as described below:
 - 3.1 The company shall be aware and ensure that the sponsorship is not hidden transaction to avoid bribery. Moreover, it shall be made in transparent manner and in accordance with law.
 - 3.2 Sponsorship shall be made in compliance with company’s regulations concerning withdrawal of funds by specifying name of receiver, purpose and detail of transaction, amount, withdrawal date, with related documents attached and send for approval with respect to level of authority.

4. **Gift, gratuity, and entertainment** shall be made in accordance with the company's business ethics.

4.1 Employees may offer / accept gift, gratuity, or entertainment to / from any person if such transaction:

1. is in accordance with company's business ethics, regulations and applicable law.
2. is made openly in name of the company, not in name of directors, managements, and employees.
3. is not made in a form of cash or cash equivalent such as gift card or voucher.
4. is properly made due to time and place, such as occasional gift made during festival.

4.2 Employees can accept occasional gift and gratuity with a value not more than 3,000 Baht. Otherwise, such employees shall report to their supervisors accordingly.

5. **Conflict of Interest** The Company shall control transactions made with a person who has conflict of interest in accordance with the principles of good corporate governance, company's business ethics, and notification of the Capital Market Supervisory Board and the Stock Exchange of Thailand.

6. **Business relationships and procurement with government and private sectors** The Company's business operations and communication with government or private sectors shall be made in transparent and straightforward manner in accordance with company's regulations concerning procurement and applicable law, without any bribery in any business transactions.

Role and responsibilities

1. **The Board of Directors** are responsible for setting policies and establishing mechanisms that effectively support anti-corruption practices to ensure that working team appreciates the importance of anticorruption practices and to encourage these practices to become a part of organizational culture.

2. **The Audit Committee** has the duty of reviewing the financial and accounting reports, internal control, internal audit, risk management mechanisms, including potential corruption risks, as well as a duty to ensure that anti-corruption

measures are in compliance with international standards, and that they remain appropriate and effective.

3. **The Risk Management Committee** has a duty to monitor and promote risk management practices by evaluate the company's risk and corruption risk, including review the sufficiency of risk management and anticorruption mechanisms, before report to the Board of Directors.

4. **The Executive Committee and managements** have the duty of establishing mechanisms for support and promotion of anti-corruption policy, and communicating those policies to employees and all relevant persons. These duties include the review of related mechanisms and measures to ensure that they are proper and in conformity with changes in business, law, company's rules and regulations, notifications and other measures (if any)

5. **The Corporate Governance Committee** had a duty to determine, revise, improve the policies and guidelines for anti-corruption practices including promotion and support the Directors, Executives and Employees to comply with the principles of good corporate governance and anti-corruption policy.

Practice Guidelines

1. **The Company shall not conduct any act regarded** as bribery or corrupt practice, whether directly or indirectly. Directors, managements and employees shall not overlook or ignore any suspected corrupt practice related with the company that he has witnessed. The witness shall report to the supervisors or person in charge and shall cooperate with the investigation. Questions and enquiries if any shall be made with supervisors or designated person who are responsible for compliance with company's business ethics.

2. **The Company shall cooperate and support** both government and private sectors to combat corruption or misconduct.

3. **The Company will not support or conduct any act regarded** as being biased to any political party. In case of political support to promote democracy, such support shall not be in contrary with law, and shall not be given with expectation of preferential treatment in return.

4. **Gift, gratuity, and entertainment** shall be permitted only to the extent permitted by law, acceptable with respect to social tradition and commercial practices.

5. **The Company requires** all directors, managements, and employees to be aware of and comply with the Anti-corruption policy including applicable directives.

6. **Reports and complaints** employees or stakeholders who witness, possess evidence or suspect that an employee or a person acting on behalf of the company involve, whether directly or indirectly, with bribery or corruption, violation of law, non-compliance of the company's rules and regulations including policies or code of conduct for directors, managements, and employees, or unfair treatment in workplace, can report or complaint as detail below:

6.1 Complaint channels

1. Verbal or correspondence complaints to

- President of Internal Audit Department Tel: 0-2295-0911 ext. 168
- Chief Financial Officer Tel: 0-2295-0911 ext.248
- HR Manager Tel: 0-2295-0911 ext. 286
- Company Secretary Tel: 0-2295-0911 ext. 250

2. E-mail address: anticorruption@thanulux.com

3. Suggestion Box

4. PO Box.27, Sathupradit post office, Bangkok 10124

In case of anonymous whistle blower, detail of facts or sufficient evidence shall be provided to demonstrate that there is an involvement with bribery or corruption.

Relevant information will be strictly kept in confidential, taking into account safety of the whistleblower, unless required to be disclosed by law.

Complaints in bad faith

If any evidence, complaints, statements, or information is proven to be an act in bad faith, resulting in damages to any person or the company, if the bad faith whistleblower is an employee of the company, he shall be subject to disciplinary action in accordance with the company's regulations and/or legal action. If the bad faith whistleblower who causes damages to the company is a third party, the company reserves the right to take legal action against such person.

6.2 Conditions and procedures for complaints

1. Complaint or evidence of misconduct must be true, clear and contain sufficient details to initiate investigation.
2. The information received shall be kept strictly confidential. The identity of the whistleblower shall not be disclosed without consent.
3. The whistleblower who reports misconduct in good faith shall be treated properly and fairly whether he is the company's employee or outside third party.

4. Proceedings timeframe depends on the complexity of the case, sufficiency of the evidence and statement received from the whistleblower.

5. Report receiver and investigation participants shall keep relevant information confidential. Information shall be disclosed to the extent necessary with respect to safety of the whistleblower, collaborator, and related persons.

6.3 Related personnel

1. Whistleblower means a person who files a complaint or report of a suspected misconduct
2. Report receiver means the person described in clause 6.1 no.1

7. Investigation

- 7.1 Report receiver shall conduct investigation and examine the facts, or he may assign a reliable person or department to act on his behalf.
- 7.2 Report receiver or assigned personnel is authorized to summon an employee to make statement or demand from him documents necessary for investigation.
- 7.3 Report receiver shall report the examined case to top management in order to report to risk management committee, audit committee and Board of Directors respectively.

For the case concluded as misconduct with disciplinary or legal action to be imposed, HR department shall submit a summary report with recommendation to top management for final decision.

The Company shall propose proper and fair remedies to the injured person in order to relieve damages incurred as a result of complaints in bad faith.

8. Protection for whistleblower The Company shall protect the rights of the good faith whistleblower by maintaining the confidentiality of the name, address, or any information that could identify the whistleblower. Such information shall be treated as confidential and accessible only by the person responsible for the case investigation pursuant to the provisions concerning whistleblower protection as described in the code of conduct for directors, managements, and employees.

9. Protection for employees The Company shall treat and protect employees who comply with Anti-corruption policy and this Directive pursuant to the provisions concerning whistleblower protection as described in the code of conduct for directors, managements, and employees.

10. Human Resource The Company shall apply Anti-corruption policy as part of human resource management, not only for recruitment but also for training, evaluation, remuneration and promotion. It is mandatory for supervisors at all level to communicate with their subordinates in order to apply with the business activities and to ensure effective compliance.

11. Training and communication

- 11.1 The Company shall regularly provide education and training on anti-corruption through a variety channels such as orientation, seminar, public announcement etc. to raise awareness of Anti-corruption policy, form and risk of being involve in corruption, as well as how to report corruption witnessed or suspected, including penalty in case of violation.

- 11.2 The Company shall communicate the Anti-corruption policy to subsidiaries, associated companies, directors, managements, employees, shareholders, customers, business partners, all stakeholders, persons with business relationship and business representatives through appropriate channels.

12. Recording and storage of data The Company manages its data in compliance with governing policy of its group, with the objective to maintain the standards of work system, computer system, data communication system, as important fundamentals for the development of an effective control system. Actions shall be taken to ensure that information, work system and computer system are well-protected and ready for business operation at all time. In addition, structure and cost of all measures in the company's control are appropriate with risk of data, work system and computer system.

For achievement of the said objective, the following standards and practices shall be applied:

- 12.1 Determine scope of responsibility for user and administrator in all work system and computer system.
- 12.2 Evaluate risk and develop an appropriate risk controlling system to support changing of environment
- 12.3 Develop protection system for data, work system, computer system including responsible person.
- 12.4 Develop security system to protect data from illegal access, editing, or misuse regardless of accident or intention.

13. Process monitoring / Internal control The Company respects independent of the auditor and does not limit the scope of the auditor during performance of audit. The audit is also conducted by a certified public accountant quarterly and yearly in accordance with regulations of the relevant authorities.

The Audit Committee shall monitor internal control practices to ensure that business activities are operated within correct and appropriate scope, in compliance with company's policies, law and regulations, including applicable business standards.

14. Penalty The Company shall impose disciplinary action on violators or persons who ignore corrupted practices in accordance with Anti-corruption policy and this procedure. Also, such person is subject to punishment under provisions of law (if applicable).

The operation in year 2021

1. Internal audit department verified whether the reimbursement of some expenses that can be abused was according to the practice of anti-corruption policy. The expenses in the year 2021 were:

Category	Amount
1.1 Political support	- None -
1.2 Charity	811,790.07 THB
1.3 Sponsorship	- None -
1.4 Gift, souvenir and entertainment	46,937.36 THB

After verifying, all the reimbursement was done according to the company policy.

2. Anti-corruption course was included in the orientation of the new employees.

3. Anti-Corruption Working Group establish the anti-corruption policy and anti-corruption practices in the form of QR Code to communicate with executives and employees through convenient channels and easier access to information

4. Circular notices were sent to supplying vendors informing that the Company refrained from accepting the New Year 2022 presents

Human Right

The company pays attention to the fundamental rights of human beings. Business operations are in compliance with laws and human rights principles. There is no discrimination on the basis of gender, race, religion, political rights or other factors. Employees are also educated on human rights, if they feel that their rights have been violated or have been treated unfairly, can make a complaint through any communication channel to the company. The complaint deserves attention and treats fairly. The policy concerning human right management as below.

Non-Discrimination Policy

1. Respect to the employees with the human dignity and fundamental rights. The Company will not transmit any personal information of the employees to the third party and unrelated one.

2. The Company has a policy of paying wages and remuneration, improving and training, considering promotion, punishing, laying off and retiring to employees on the basis of fairness and suitability to knowledge, duties, responsibilities and performances.

3. Treat the employees under the law and regulation regarding the operation of the company.

4. The company will not restrain, interfere or take any action that might affect the rights of employees who have no damages towards the company to exercise any activities

include nationality belief, religion, gender, disability, ancestor or membership of political parties, sexual orientation, illness, or people living with HIV and others.

5. The company will communicate non-discrimination policy by include hiring and preserving several privileges to all employee. Hence, employees will have knowledge, good conscious and be able to behave aligned with its policies and practices since their first working day and so on.

Guidelines

1) The company gives the equality to employment, training, promotion, laying off or retiring. There is no any discrimination related to, nationality, class, religion, disability, gender, race, sexuality and membership of political parties.

2) The company recruits and remunerates employees with transparent and fair process based on knowledge, ability, skill and position. There is no any discrimination in race, religion, ethnic, class, color, gender, age, nationality, sexual orientation, military status, marital status, HIV or even disability which not related directly to the position and operation.

3) The company supports the employees' learning the knowledge learnt from work. The Company provides the relevant to work in order to enhance working skill, prepare for promotion, support employees' self-development and also for advancement of career path. Regarding promotion, the Company mainly considers from individual knowledge and ability. But the employee must be knowledgeable and able to manage staffs in the unit.

4) The company provides the equal remuneration to employees which considered by the scope of work similarity.

5) The company treats employees both men and women equally except some kinds of job that is unfavorable.

6) The company does not interfere with employees' personal right even though it's in the same line with the belief or the necessity in terms of nationality, religion, disability, gender or membership of political parties. It must have no effects on working, colleagues or the company.

7) The company does not allow employees to express behaviors such as wording and body touching including actions similar to oppression, force, sexual harassment, rape or sexual exploitation.

8) The company has no Pregnancy Discrimination Act policy to eliminate the pregnant women out of the company. In case of being pregnant that person is treated according to the laws and regulations.

Threat and Harassment Policy

1. The company creates the surrounding with the senses of respect and personal dignity, not allowing any treat, sexual harassment no matter what.

2. The company does not allow executives and employees use the authority threatening or violating others in both physical and mental way. This includes wording express, action and body touching.

3. The company has the complaint procedure to examine sexual harassment actions that might be occurred in the company.

Guidelines

The company has the direction to treat employees respectfully and emphasize the dignity of each person in order to create the happiness of living together. The company has determined guidelines as follows:

1) The punishment such as flogging, beating or rough and sarcastic wording including physically and mentally threatening benefit depriving to employees is not allowed.

2) The company has disciplinary penalties punishing the employees who violate rules. Punishment is considered by the level of offence, intention and total of punishment of employees.

Punishment consideration is the Company's policy applied every time before punishing the employee. The Company will assign Human Resources and heads of department to investigate the employee thoroughly. To be fair with the employee, that person will be informed about the recent fault so that the employee will have the chance to clarify the issue.

3) In case of receiving a disciplinary punishment, the Company has no payroll deduction of employment. The employee suspended from breaching the discipline, that person will not be paid on that suspended day, excepting suspending from job because of investigating process.

4) The Company does not encourage any action related to physical touching which leads to sexual interaction for example kissing, embracing or some part of the body.

5) The Company does not support any wording which leads to sexual issues such as physical criticizing and teasing or impolite talking

6) The Company does not support any action leading to sexual harassment.

7) The Company does not support any expression or communication leading to sexual issues such as porn display, letter, text and other kinds of communication.

8) The Company does not support any behavior leading to sexual issues that make other one in trouble.

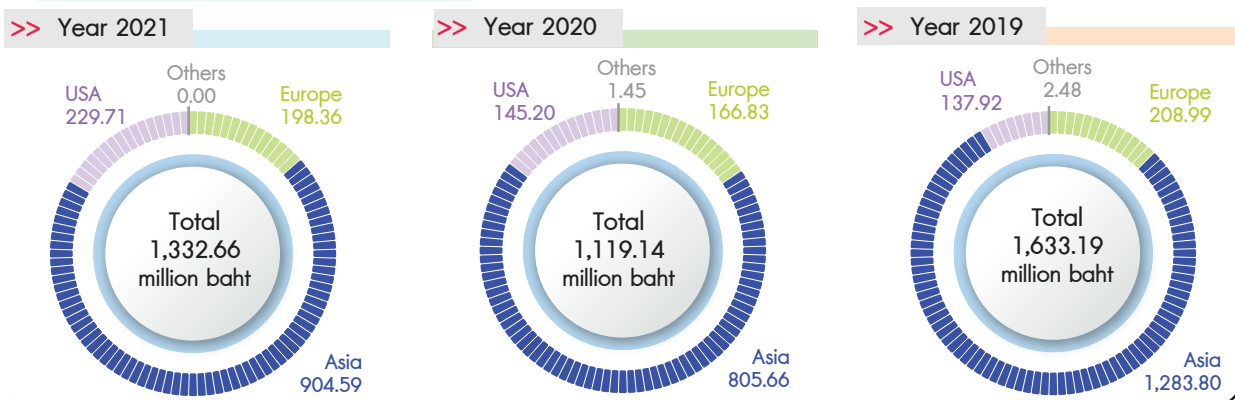
In 2021, the company has not received any human rights complaints.

Economics Operation Performance

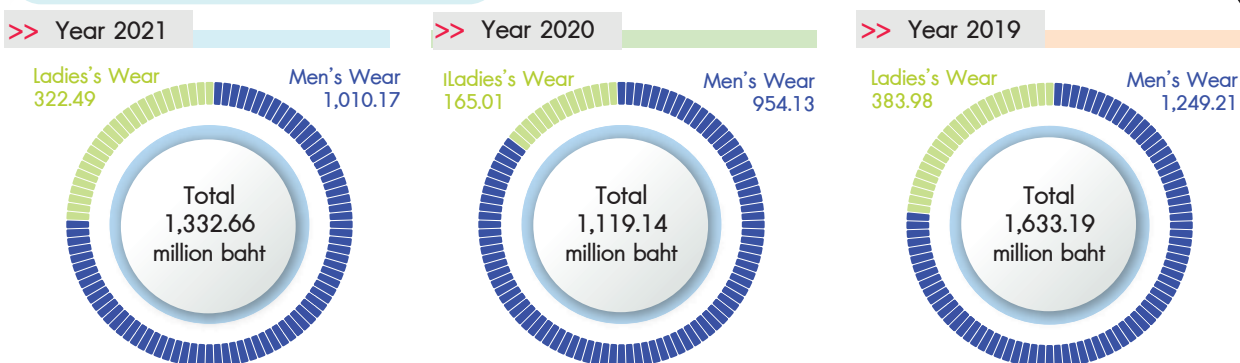
Revenue from Sales (Million Bath)



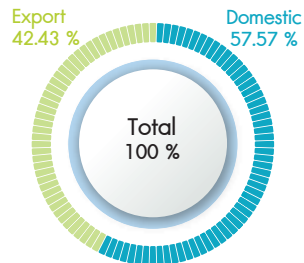
Sales by Continent (Million Bath)



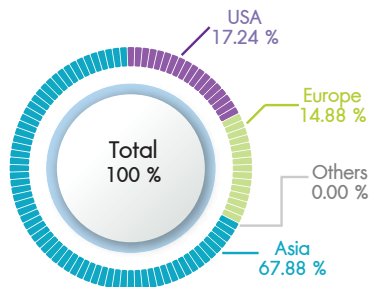
Sales by Product (Million Bath)



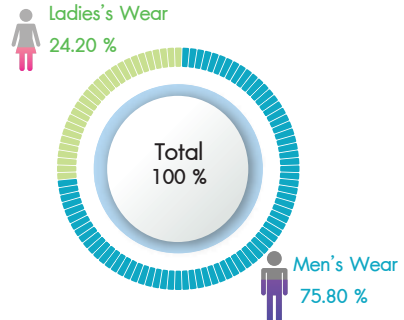
Proportion of Sales 2019



Proportion of Sales by continent 2019



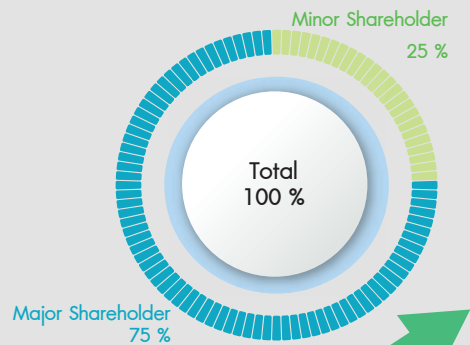
Proportion of Sales by product 2019



Distribution of Shareholding as of 31 December 2019



Distribution of Shareholding as of 31 DEcember 2019



Revenue from Sales and rendering of services

1,332.66 Million Baht

Net Profit



62.64 Million Baht

Customer Relation Management



85.00 %

Development of innovative products and new technologies

Development of innovative products and new technologies

With the policy and intention to develop the innovation for a sustainable consumption, the Company collaborates with the Thailand Greenhouse Gas Management Organization (Public Organization :TGO) and the Textile Development Institute in promotion of creating apparel that minimises the global warming. The Research and Raw Material Development Department hence has developed the VR-Fresh VR-Cool fabric and the Coolyester and joined the project and accredited for the Coolmode standard by the Thailand Greenhouse Gas Management Organization (Public Organization :TGO) under the following criteria.

1. Our dyes and chemicals are non-carcinogens.
2. Quality and durability - the fabric is durable, resistant to sunlight and sweat.
3. Heat reduction - the fabric rapidly absorbs and ventilates sweat, cooling down your skin, minimising energy consumption from air-conditioners.



The Coolyester innovation is accredited for no. 5 energy saving standard for apparel product by the Electricity Generating Authority of Thailand. The fabric smoothness




and seams after washing is rate as satisfied by consumers. Without ironing, the fabric is smooth, reducing the energy consumption from ironing.

MIT certificate is a certificate or symbol issued by the Federation of Thai Industries for operators with qualifications that meets required criteria. The certification is to stimulate the pride, confidence in Thai products, as well as to promote Thai products among state, private sectors and the public, to build recognition among our suppliers abroad. Thanulux applies the ASEAN Content method to calculate the value, with an adjustment to meet the objective to support the domestic product which must consist of at least 40% of raw materials from Thailand.

Thanulux Public Company Limited has been certified for the Made in Thailand or MiT brand certification for the government official uniform under the brand.

MICRO BLOCK Fabric Innovation

The innovation invented to protect skin from sunlight, blocking the sunlight to the skin with UPF 50+ , can suppress over 98% of UV for the duration of over 8 hours. According to the Ultraviolet Protection Testing by Thailand Textile Institute (THTI), the fabric is ideal for polo shirts, sport apparels and uniforms which will be the best choice to protect consumers from sunlight.



THAILAND TEXTILE INSTITUTE
THAILAND TEXTILE INSTITUTE
THAILAND TEXTILE INSTITUTE

Foundation for Industrial Development
Thailand Textile Institute / Textile Testing Center
 301 South, Rama 4 Road, Pratumnak, Pattaya, Chonburi 9112, THAILAND.
 TEL: (0) 377 3434 P. TEL: (0) 377 4227 www.tti.or.th

Q-0701-16, 18, 19, 20, 21

TEST REPORT

CLIENT

THANALUX PUBLIC CO., LTD.
 121 CHANGKONGKONG ROAD, THANAKA, CHANGKONGKONG
 SAMROK TUNG, THAILAND

DATE OF RECEIPT

20/01/20

DATE OF TEST

20/01/2020

SAMPLE NUMBER

PPF 001-004

SAMPLE DESCRIPTION

ONE SAMPLE OF KNITTED FABRIC

REPORT NUMBER

APP/001/001/001

ISSUE DATE

20/01/20


PAGE

16

	TEST 104	TEST 104A
STANDARD/TEST OR FOLLOWING OF INTERNATIONAL WEIGHTED ULTRAVIOLET RADIATION TYPING PAROXYLIC ACID NO. 3074	NO	YES
REASON	22	23
TRANSMISSION (%)	03	03
REASON	16.0	17.7
REASON	90.1	89.2
ULTRAVIOLET PROTECTION FACTOR (UPF)	10+	10+

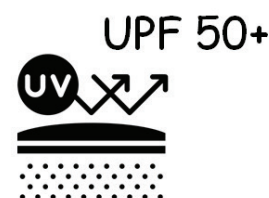
REMARKS : "TEST APPARATUS: HANCO DOUBLE BOND SCAVENGING UNIVERSAL PHOTOCHEMISTRIC
 → 20 + 4.0% TESTING OF 0.01 GRAMETER"

AUTHORIZED BY



DR. PICHAYAPORN KONGKONGKONGKONG
 PEOPLE TESTING LABORATORY MANAGER

Q-0701-16, 18, 19, 20, 21



UPCYCLING SHIRT PLUS NO.5

Innovation

Thanulux is the developer of “UPCYCLING SHIRT”, the product expanded into “UPCYCLING SHIRT PLUS NO. 5” based on the yarn made of recycled plastic bottle which is one of the ingredient added during the yarn spinning process. After weaving into a piece of cloth and finishing, the No. 5 Energy Saving shirt, which surpasses Coolmode standard. The shirt gives comfortable touch, with properties of well ventilation, has no chemicals hazardous to consumers. After washing, the shirt can be worn without ironing, emphasising the “UPCYCLING SHIRT NO. 5” the earth conservation product that reduce the pollution caused by plastic bottles, reduce global warming effect and saving energy.

“UPCYCLING SHIRT PLUS NO.5” sales volume	
2020	30,424 shirts
2021	21,976 shirts

Reduce the waste from 628,800 plastic bottles (12 bottles of the 500-ml- is equal to 1 shirt).



COTTON COLLAGEN FABRIC
ผ้าคอตตอนคอลลาเจน

ผ้าคอตตอนคอลลาเจนเป็นคอลลาเจนจากปลาแซลมอนที่มีน้ำหนัก 1200 เส้นด้าย/10 ตร.ม. คุณสมบัติพิเศษที่โดดเด่นกว่าผ้าคอตตอนทั่วไป

- COOLING**
ให้ความรู้สึกเย็นสบาย ไม่เหนียวเหนอะหนะ
- EXTRA COMFORT**
สัมผัสนุ่มสบายเป็นพิเศษ อบอุ่นและยืดหยุ่นสบาย
- HYPO-ALLERGENIC**
ไม่ก่อให้เกิดภูมิแพ้ หรือการระคายเคืองบริเวณผิวที่สัมผัสเนื้อผ้า
- DEODORIZER**
ลดกลิ่นไม่พึงประสงค์ที่เกิดจากเหงื่อออก
- QUICK ABSORB & RELEASE MOISTURE**
ดูดซับและคายความชื้นได้เร็ว ลดความแห้งตึงบริเวณผิว

era-won COLLAGEN TEXTILE
RECYCLE FROM FISH SCALE



- ✓ **COOLING**
สัมผัสเย็นสบาย ไม่เหนียวเหนอะหนะ
- ✓ **EXTRA COMFORT**
นุ่มสบายเป็นพิเศษ อบอุ่นและยืดหยุ่นสบาย
- ✓ **HYPO-ALLERGENIC**
ไม่ก่อให้เกิดภูมิแพ้ หรือการระคายเคืองบริเวณผิวที่สัมผัสเนื้อผ้า
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Era-won releases a product of special thread innovation to meet the Healthy & Beauty Textiles and Fashion. Bringing abundant use of “collagen peptide” which is widely recognized and used in pharmaceutical, cosmetic and supplementary industry. When combining into textile and apparel product line, the collagen peptide offers multi-function use case, for example, keeping moisture to skin, removing and anti-unpleasant body odor, protection against UV, keeping cool contact temperature and environmentally friendly.

Collagen peptide is made from cellulose, an extract from wooden fiber. After combining within collagen peptide extracted from Milk Fish as a viscose, the extract is fed to the High Wet Modulus Rayon Fiber, the special properties that become the best answer for green function.

Cosmetic, Household & Health product

After launching a new product in cosmetic line: Cosmetic, Household & Health product under the brand Absorba, which is an organic brand that highlights the minimal use of chemicals and environmental impacts, baby skin care. The product is free from substance that could cause irritation, contains mild ingredient.

1. Cosmetic Products: Baby care

- Baby wash and Shampoo 2 in 1
- Baby Lotion
- Baby Natural Corn Powder



2. Household product:

- Absorba Cloth care delicate laundry Detergent
- Absorba cloth care delicate laundry Softener



The special properties which passed the test are:

The product content is nourished with essence organic, well selected and certified by the world class institute- ECOCERT and USDA. The moisture contained in the product will nourish the baby skin for a soft and tender touch.

- Vegan Friendly : The testing process does not involve or contain any ingredients from animals.
- 0% Harsh chemicals: The product is free from aggressive chemicals which may cause irritation. The mild formula is safe for everyone in the family.
- Pass irritation test under medical supervision by dermatological testing institute. Guarantee no irritation, even the sensitive skin.
- The product contains FDA registration number.

Health Product:

Amid the Covid-19 outbreak, the Company has launched products that mitigate the severity of the pandemic, i.e., no rising alcohol disinfectant. The product will clean while nourish your skin with organic aloe vera extract and chamomile flower extract, moisturising the skin, easy to use, non-sticky

- 75% V/V Alcohol
- Natural Alcohol
- Fragrance Free
- Colorant Free



Absorba Alcohol Hand sanitizer Spray / Gel

Sustainability Risk Management

Having priority on risk management of the sustainability with an aim to enhance opportunity and to minimize enterprise risk, the Company has appointed the Risk Management Committee to determine policy, framework and supervision on risk management to conform with strategy and corporate goal. The Company conducts risk assessment based on internal and external factor to mitigate impacts from various potential risk factors. There is management and monitoring system where the result is reported to the Board of Directors for reviewing work plan and to provide opinions for any improvement continually toward the sustainability goal.

Risk Management that affect Sustainability

Social risk

The Covid-19 outbreak poses negative impacts to the Company's business operation, especially the sales channels which change rapidly. It is vital to optimize sales channels from offline to online platforms in response to the shift in consumers' behavior.

In addition, to prevent the spreading of Covid-19 within the organization, there must be a measure that is consistent and strict which covers the hygiene and education of employees to raise their awareness of self-care. For employees infected with the Covid-19, the Company provides necessary equipment, medical facilities for patients. There is Covid-19 Operation Team appointed as a center of communication and help for employees for a timely response to incident.

Governance risk

With adherence to business operation that bases on integrity and transparency, there is Anti-Corruption Working Group proceeds the member of the Thai Private Section Collective Action Against Corruption or CAC, Charter, code of practice including a channel for reporting or complaining under the whistleblower protection measure. The Company communicates to employees of all levels within which include executives and employees, suppliers to acknowledge them with the corporate policy and the transparent and fair business administration.

Environment risk

The Company's policy highlights the development product which is environmental-friendly and reducing the global warming impact. The Company considers work process, from designing, raw material sourcing, production, storage to meet customer's requirement and to conform with an international standard on environment, to promote and cultivate awareness for every party the reuse, recycle, reduction of energy consumption. The Company also hosts an environmental innovation contest every year.

Emerging risk

The rapid change of digital technology influences every department in our organization where every party must be eager to learn and embrace for shifting in working process to keep up with current situation and to meet customer's demand. For instance, applying automatic technology to assist in work i.e., robot system implemented in the management.

Customer Relation Management

Customer relation procedure is considered the primary strategy for successful business operation toward sustainability. Followings are our relation management promotion with customers.

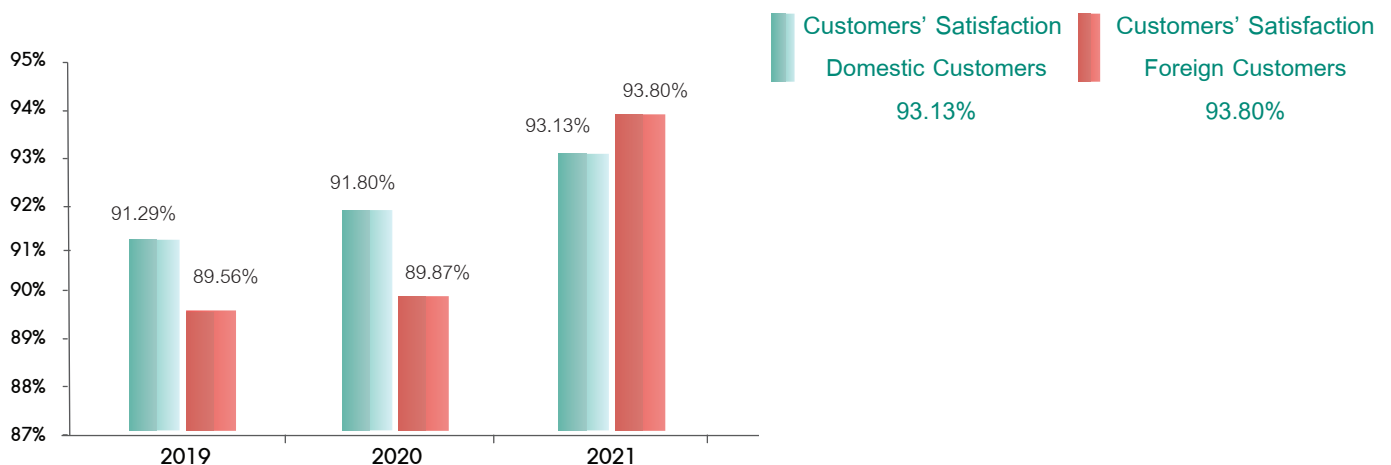
- Design the products to meet customers' expectation, driven by innovation
- Survey various customer groups, especially the consumers' behavior
- Create awareness among customers by adding different publicity channels to provide news and information continuously
- Arrange the activity that builds up good relationship with the customer via social media.
- Provide the complaint channels with easy access.

Customer Satisfaction Assessment

Information, news, and feedback from customers are essential data required to determine our business strategy, which covers the research and development process and other relevant procedures. In addition, the Company uses this information as a tool in seeking and creating new feasibilities, market changes. As a result, the Company realizes and can prepare a plan to effectively cope with the volatility, including expanding its customer base.

According to the COVID-19 outbreak, consumers tend to make a purchase online. Realizing that the communication and marketing must be adjusted toward the digitalization, the Company has implemented the digital marketing campaign, developing and installing the E-Commerce system to distribute products in a new channel with a direct approach to customers. The products highlight the health care which draw customers' attention, to satisfy them in the products and services received at reasonable prices. Moreover, there are various activities to gain more proportion in the market shares.

In 2021, the Customers' Satisfaction
Target : > 85 %



Analysis on Product Development or Improvement / Corporate Business Operation Procedures

Summary of future demand analysis

1. Quality of Products

Customer satisfaction on product quality and sewing is high. For fabric quality, it is suggested diversifying the source of raw materials to increase the variety and options for purchasing.

2. Others services

According to the survey result, customer satisfaction with service, follow-ups, data provision, turnaround time, and teamwork is reasonable.

3. Delivery

The survey result shows that the customers' satisfaction on delivery time is in a good range.

Analysis on Product Development or Improvement

The customer expects to have the product of standard, with punctual delivery and reasonable price, environmental-friendly products. With such awareness, the Company has developed products and services to meet their needs, innovate new items to add value to products and services continually. The Company also takes responsibility for the after-sales services, complies with the contract, agreements or conditions committed with customers with transparency and equity. Thanulux prioritizes keeping customers' confidentiality as to maintain the good and sustainable relation.

Creating trust and confidence in our products

1. Confidence in the quality management system and product safety

The Company is certified for various standards, i.e., ISO9001, ISO1400, and Green Industry Tier 4.

In 2019-2021, the Company was audited by ISO Auditor for 7 Man-day.

Year	Man-day of ex-audit
2019	7 times
2020	7 times
2021	14 times

Overall of External audit 2021	
by Customer	-
by external certification organization	4
Total	4

2. Promotion of quality to raise brand awareness and corporate culture

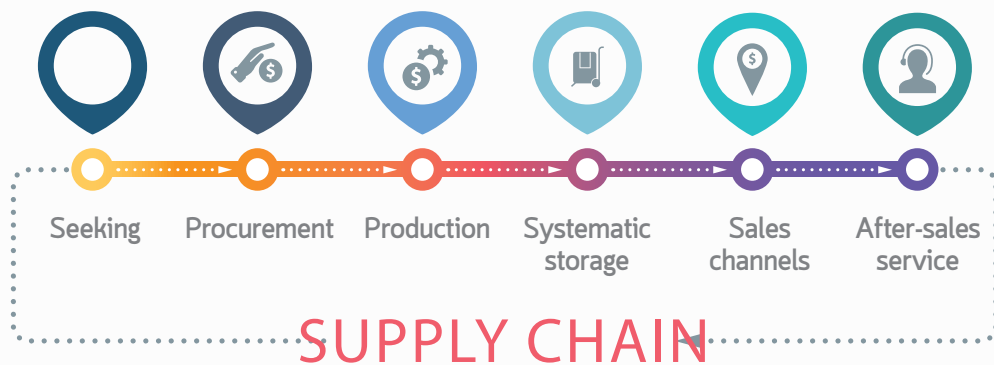
3. We cultivate corporate culture to encourage personnel engagement in driving the organization toward a complete innovative entity.

Supply Chain Management

Addressing the importance of supply chain management, the Company has determined a business operation policy that is transparent and effective to achieve the target and success. Emphasis on data analysis, research and new technologies to conform to customers' demands. We procure and provide a manufacturing process that yields effectiveness. Provide various distribution channels. Develop the systematic storage and delivery, including the after sales service.

Supply Chain Management Policy

Thanulux has the policy to manage a sustainable supply chain, treat vendors with fairness and equality, adhere to corporate governance and ethics, transparency, and traceability. We create a positive relation and collaboration to develop products and services to run our business sustainably.



Seeking toward for New Innovations

- Implement Data Analysis system to recognize customers' need.
- Raise awareness on innovation among employees by arranging the contest.
- Establish a research center to develop raw materials jointly with suppliers continually.
- Control and test quality of raw materials before feeding to manufacturing process.

A systematic storage: Monitored and tracked

- Implement sorter system in sorting and handling products.
- Apply barcode to enhance performance and reduce the resource consumption.
- Establish a system that connects to the logistics to check product status.

Procurement: Transparent and fair

- Establish explicit rules and requirement on the integrity and equality.
- Build relation on working together to exchange knowledge with suppliers for the sustainable development.
- Implement a system for screening suppliers, performance assessment to ensure the required quality and standard for register and classification in the vendor list.
- Prepare a purchase plan together with supply chain including major and minor suppliers continually.

Sales channels: Diversified

- Distribute products via dealers and market places.
- Direct distribution B to C to consumers, B to B to corporation.
- Develop sales channels to various online platforms.

Effective production procedures After-sales service

- Implements quality management ISO 9001 and ISO 14000
- Establish the fast reacting merchandize system where the communication is made throughout the entire production line, enabling the efficient management, reducing cost and waste.
- Focus on utmost efficient use of resources, taking into account impact environment.
- Implement CRM system for customer relation management.
- Implement the Robot technology which can respond fast and conveniently.
- Provide different communication channels to allow easy and convenient complaint reporting.

Social Operation Performance

Human resource management

Employees are considered a significant partner that drives the organization toward the direction and strategy set forth. The Company emphasizes the importance of human resource management and development, which is considered a core of building competitiveness and sustainable growth.

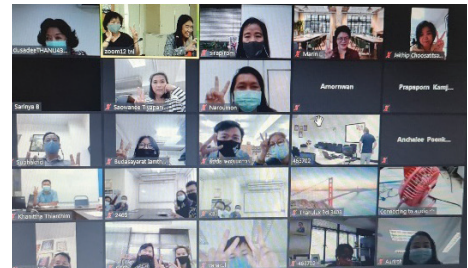
Number of Employees at last 3 years			
Details	2021	2020	2019
Classified by Gender			
Male	335	394	450
Female	1483	1416	1795
	1818	1810	2245
Classified by Position			
Executive level	13	10	11
Manager level	46	46	44
Supervisor level.	54	59	63
Operation level	1705	1695	2127
	1818	1810	2245
Classified by Ageing			
18-35 years	616	612	1044
36-50 years	930	958	943
> 50 years	272	240	258
	1818	1810	2245
Classified by Location of work			
Bangkok	868	882	1071
Lamphun	374	393	539
kabinburi	403	365	442
Mae sod	173	170	193
Bangplee	-	-	14
Total of Employees (as of year end)	1818	1810	2245

Number of Turnovers Last 3 years		
2021	2020	2019
447	716	692

Number of Female Employees on Maternity leave last 3 years			
	2021	2020	2019
Number of maternity leave (person)	19	24	40
Number of Return after on maternity leave (person)	11	16	28

Determination and Goal

Human resource is an essential factor in driving an organization to achieve the targeted goal and to divert business into the planned direction. Therefore, the Company emphasises the need for human resource management and development which is deemed as the heart of surviving amid the situation where the external factors, politics, society, economy and technology are fluctuating. If the organization and human resource are able to make a change in response to the change, it will cause prosperity and sustainable growth. The Company hence realises that human resource management approach must be designed to keep up with the internal and external variation to cope with the New normal and sudden disruption.



Town hall meeting 2021 (Hybrid Seminar)

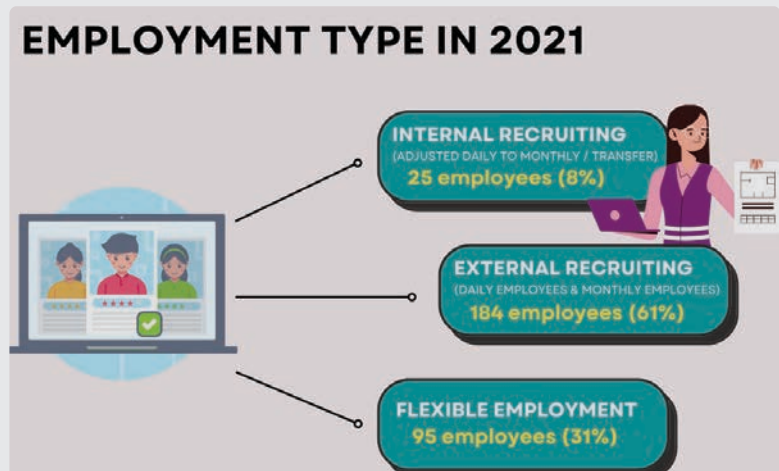
Human Resource Management Direction

The Company has set a human resource management direction to conform with the right corporate governance. The Company prioritises the design and improvement of the procedures to conform with the changes in business operation, starting from planning to optimize man force effectively and recruiting personnel to work with the collective responsibility, employment development to enhance their performance at assigned duties effectively, training and development personnel for their career growth, managing fair and competitive compensation compared to similar industry, caring and maintaining the talent to work with the Company with true value, cultivating values into corporate culture. "Determined, Creative to Excellence."

1. Planning for workforce and nominating personnel Management Direction

The proper workforce rate does have an impact on efficiency and cost of production significantly, therefore, planning for manpower is the primary step which should be prioritised.

In 2021, the Company recognises the importance of planning manpower to conform with the major mission, reviewing workforce ratio to be consistent to sales and production plan, allocating manpower to the business that focuses on online platform and direct to customer. Furthermore, the Company realises the importance of recruitment process to ensure the recruitment will have talent and skilled people to work with the organization, while adhering to the equality of employment without limitation of genders, races, nationalities and religion. The Company has applied the competence principles which consists of skills and ability as well as the experience which conform to the required position to ensure that our personnel will apply such experience and optimize and accomplish the success in business together.

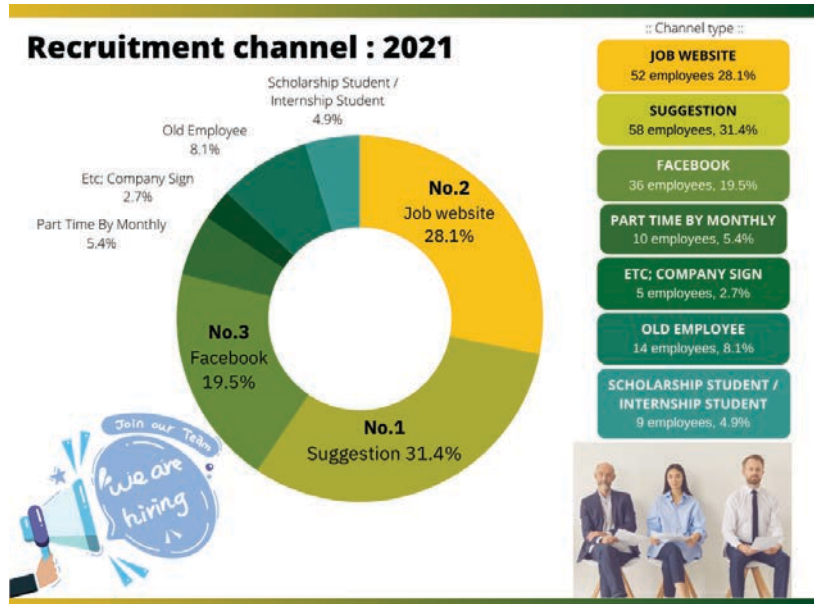


Operation result for the year 2021

The employment in 2021 is more diverse and flexible. Mainly, the employment is non-permanent position to feed short-term duties or in case of unpredictable situation, for instance, hiring designers for product design, part-time employment to support online sales platform.

Nonetheless, the permanent employment under nominating personnel to work with the Company is low, where the main is important position and specialized position to reinforce business in the part required or personnel with particular

experience to drive major business operation. Our effective 3 main recruitment channels include personal recommendation, job website and Facebook which is the popular social network.



Field Of Employment After Retirement



ปริมาณและลักษณะการจ้างงานหลังเกษียณ

Hiring the elderly

The Company has the policy to employ retired people for a position that requires specific expertise, the position that requires skill or specialists. The person with healthy condition will be considered for advisor to give advice and pass on work to the team or the specialist in product quality inspection for the production department.

In 2021, the Company employed 28 retired persons which include 9 persons for the production department, 6 persons for technique pattern department, 4 persons for sales technique, 2 persons for management and 7 persons for another departments.

Employing the disabled

The Company employs the disabled pursuant to the Disable Person Promotion and Life Quality Development Act B.E. 2550 and the Amendment (Volume 2) B.E. 2556 Section 33. In 2521, the Company employed 20 disable persons for permanent positions according to Section 33.

However, with recognition in promotion and development of life quality which great cooperation from government entity, the Vocational Rehabilitation Centre for Persons with Disabilities Phra Pradaeng, Samut Prakan under the MOU on the collaboration of occupation promotion and employment of the person with disabilities within establishments. The person with mental disability receives a short-term mental and behavioral practice session before entering the establishment. The Vocational Rehabilitation Centre for Persons with Disabilities Phra Pradaeng assigns a team to monitor result, give advice to the establishment with support that aims to help the disabled person to earn income for themselves, their families and to be a part of social development.



2. Personnel training and development program

Management Direction

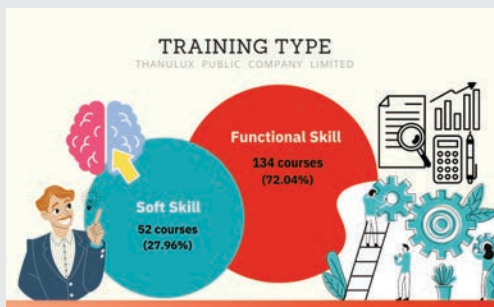
The Company's Personal training and developing plan is consistent with the direction and strategy set forth. With an aim that the personnel development will be a process that promotes and supports the additional learning and improving their knowledge and skill, especially in the digitalization where the changes are everywhere including external and internal factors. It is hence, necessary to re-skill and up-skill personnel to optimize work performance and to accomplish their duties, and to develop their potentiality to create recognition, opportunity and progress at professional level.

Operation result for the year 2021

Personal Training

In 2021, 1,742 Personals receive the training (head office and branch offices) from total 1,811 personals (representing 96.18%). There are total 186 training courses, which include 36 public training courses and 150 in-house training courses. Total 4,464 training hours or on average 2.6 hours / person / year.

Divided into 134 Functional skill courses, representing 72.04% as follows; Facebook Ads for Business Professional selling skill, The Power of Instagram, Online Livestream On Top, Microsoft Excel for PivotTable and PivotChart Report, Knowledge of Crypto Currency and Soft skill 52 courses or representing 27.96% such as Digital Transformation towards Digital Leadership, Teamwork Development, Mindful Communication, Service Mind for Counter Sales girls.



Indicating training and development result

The training and development courses for our personnel are arranged in conformity with the strategic direction which aims to initiate the re-skill and up-skill. The program is designed with an objective to have a genuine result with indicator assigned for each course. Moreover, the course is different from general trainings such as action-learning or workshop under role play concept. For example,

Facebook Ads for Business course focuses on advertising via variety sales channels and Facebook. The training topics meets business requirement and the mutual personnel development assessment are as follows:

- 1) Total Engagement rate: number of people react to the content or campaign

(Click Like/ Comment /Share comments or sharing)

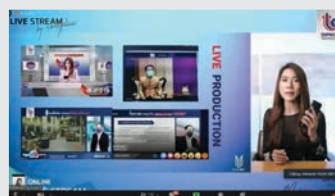
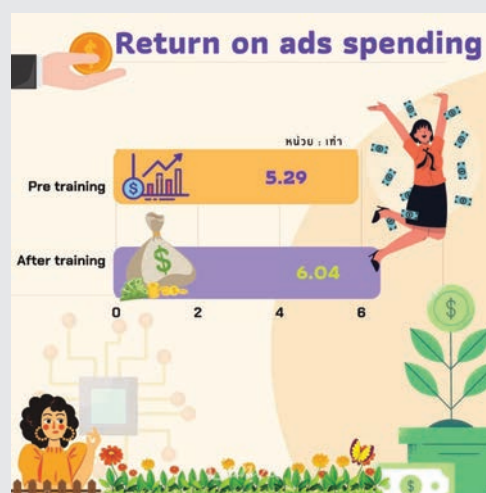
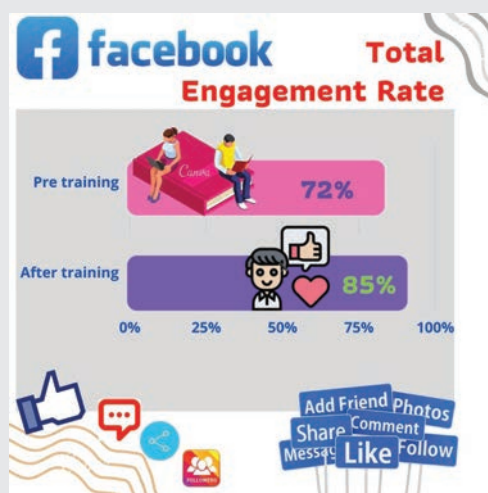
Formula = $\text{Total Engagement} / \text{Total Fans} \times 100$

- 2) ROASROAS - Return on ads spending: the analytic result to indicate how the advertisement cost result to the business.

Formula = the revenue earned from the campaign / amount of money spent on the advertisement campaign.

Result in 1. Total Engagement rate before the training (M3) 72%, the target exceeds 80%, after training (M5 - M12) actual result 85%.

Result in 2. Return on ads spending before training (M3) 5.29 times, the target not below 6.0 times. After training (M5 - M 12), actual result was 6.04 times.



Promotion

In 2021, after due consideration, the Company has promoted 13 supervisors which include 5 men and 8 women with 11 Thai and 2 Burmese nationality. The persons selected receive opportunity and career growth. They have knowledge, skills to manage working teams, including important experience that support and stimulates business goal and production to achieve the milestone set forth.

Education Scholarship

In 2021, Thanulux Public Company Limited implements the policy to support and promote the Textile Personnel Development for the Future under the collaboration with the textile companies within Sahaphat Group (Corporate University (COU)). With continuity from the previous year, 2021 is the last year of the project. The 3rd generation of 3 students under the Company supervision (200,000 baht / person) are in bachelor degree, Textile Industry Faculty, Chemical Textile Engineering Major and Textile Engineering Major, Rajamangala University of Technology Krungthep. After fourth year of cooperative practicing and graduating, the third generation students start working in April 2021.



3. Succession plan for major position

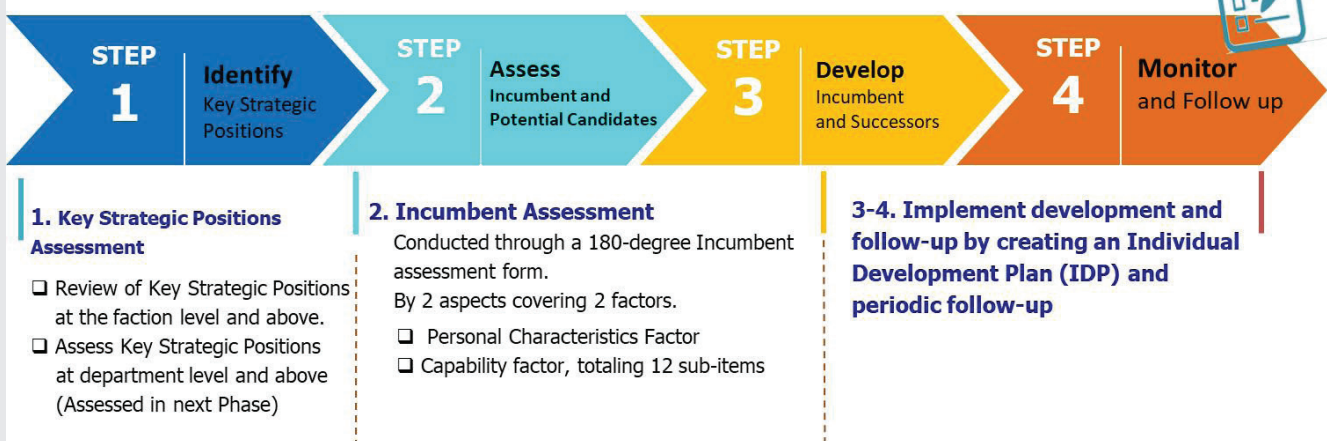
Management Direction

According to the Company's successor plan, and the approach established and the appointment of People Development Committee, the Company has prepared a policy and implemented in line with the successor nomination and development continuously. The aim is to consider important work system and policies in human resource management to ensure the same direction, to consider development plan and the executive training to keep up with the changes and to encourage business plan, and to consider to succession plan, the relocation, nomination, performance management, compensation management system and maintaining potential employees to carry on with the Company and grow together.

Operation result for the year 2021

In 2021, the Company arranges the meeting of People Development Committee in order to review policy and procedures to identify gap for the current person in the position (incumbent assessment) to develop current executive and next successor. Furthermore, the Company has nominated high potential person from outside the Company to support the department in need to be in alignment with our business direction.

Step of Key Strategic Management and Succession Planning



4. Safety, Occupational Health and Working Environment

The Company stipulated Safety, Occupational Health and Working Environment Policy as guideline for employees, customers and visitors in order to prevent accidents, to ensure safety of life and property and to preserve the environment. Manager in each working unit was responsible for constant and effective compliance of this policy.

Employees, customers and visitors were obligated to practice in the same manner, in accordance with regulations concerning safety and promulgated by relevant official and standards determined by the Company as follows:

Safety, Occupational Health and Working Environment Policy

1. The Company complies with the applicable laws and regulations concerning occupational hygiene and safety as well as monitors risk factors.
2. The Company promotes safety ambience, safety practice, and personal protective equipment usage in order to ensure all employees occupational hygiene and safety.
3. The employees' participation is encouraged by the appointment of safety committee and business matching, to improve occupational hygiene and safety environment at work place.
4. The Company monitors and assesses the outcomes of occupational hygiene and safety policy and imposes it in the annual action plan for effective implementation and utmost efficiency.

In 2021, the Company conducted the following activities:

Safety

1. Fire prevention and basic firefighting course allows for at least 40% of employees able to promptly use fire extinguisher to prevent any loss of living and belongings from fire. Moreover, it is a platform to provide knowledge and better understanding about fire and its protective ways. In addition, the Company has held fire evacuation drill twice a year.



2. Emergency drill for preparedness of emergency cases To enable employees to help

themselves and others when encountering danger, by providing the training cause in first aid and basic resuscitation such as hemostasis, defibrillation and resuscitation also Including first aid for all types of wounds as well as the movement of patients properly before being sent to the hospital.

3. Work safety education Employees has been started work. It allows employees to have more knowledge and betters their comprehension regarding safety at work. Furthermore, awareness on how to work without accident has been promoted.

Occupational Hygiene

1. Personal protective equipment (PPE) was supplied to all relevant employees for using during working hours i.e. ear cover, iron gloves or face mask, etc.

2. Health check-up following to risk factors will be held in a yearly basis or within 30 days for new employees in order to monitor and protect any diseases from work. The check-up has been done by occupational physician.



Working Environment

1. Measurement of safety, occupational health and Working environment monitoring is performed by inspecting light, noise, heat, dust, drain water and chemical substance. Information received from this annual inspection is used as a reference to monitor and specify protective way and solution on employees' health that might be affected from light, noise, hear, dust as well as chemical substance to ensure that employees work under the safe environment which will not lead to any working diseases.



Analyze Noise loudness level in



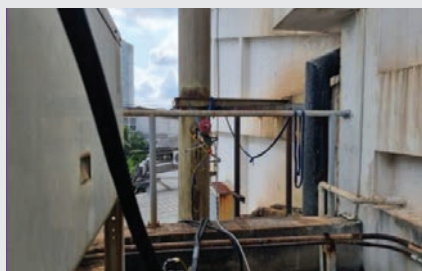
Analyze Heat stress in



Analyze Chemical agents in airborne



Analyze Chemical agents in airborne



Analyze opacity out from Boiler chimney



Analyze Chemical agents in airborne

Accident Statistics

Statistics of work accidents (2016-2021)

Violence/Damage	Time / Year					
	2016	2017	2018	2019	2020	2021
Property Damage	0	0	0	0	0	0
Slightly injured (Non-stop work)	5	5	4	4	1	0
Serious injured (Absence)	1	0	0	0	0	0
Total number of work accident	5	5	4	4	1	
Total number of days off from work accidents (days)	1	0	0	0	10	0
Illness from work (Absence)	0	0	0	0	0	0

In 2021, an absence from work or accidents are 0.

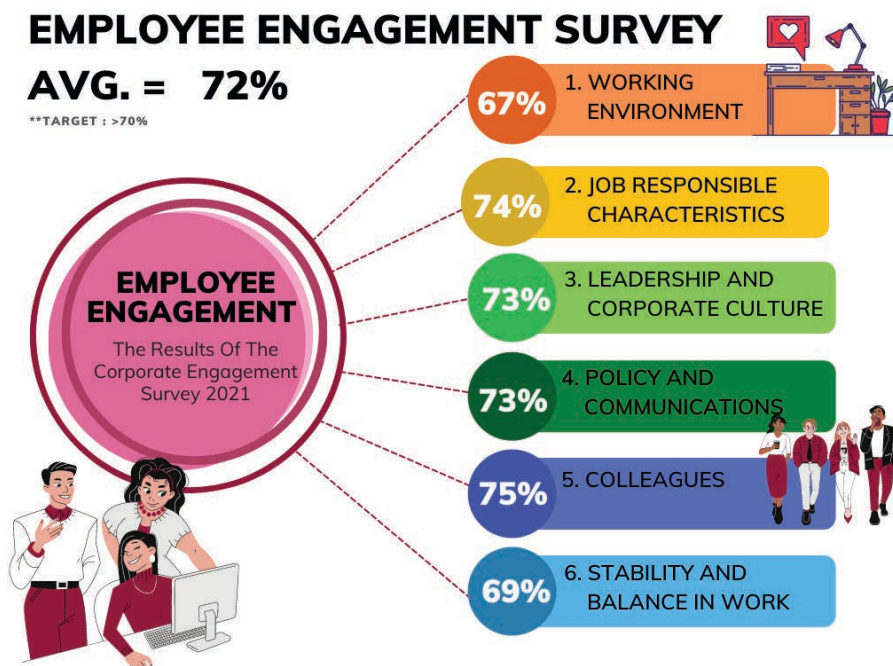
5. Employee Engagement

Engagement to the organization is an expression of employees' trust and feeling, indicating unity with the entity. The engagement survey result will lead to organisational development to initiate working with happiness, which influences corporate performance and business operation to accomplish success and sustainability.

In 2021, the Company surveyed employee engagement through an annual survey with employees from all levels, from executives to operative in 4 departments, totaling 546 employees *head office-Bangkok, Factory-Kabinburi, Factory-Lampoon, and Factory - Maesot). The assessment covers six aspects: working environment, responsibility, leader and corporate culture, policy and communication, engagement with colleagues. The result is summarized as follows:

EMPLOYEE ENGAGEMENT SURVEY**AVG. = 72%**

**TARGET : >70%



The assessment result is projected at 70%. The result of each aspect reflects the followings: It will implement into improvement and development to ensure the best satisfaction at the workplace and highest engagement.

Issues	Guidelines
1. Adding activities that build relations with employees within the organization	The Company has in place an approach to create a corporate culture within the organization with a purpose to cultivate corporate culture and to build a relation with employees under the new normal lifestyle and adjustment toward hybrid offline and online activities.
2. Promoting employee welfares such as health.	For the year 2022, the Company plans to set up promotional guideline on health & wellbeing with a campaign to raise awareness of physical and mental protection for employees.
3. Skills and growth opportunity for the position	The Company adds communication approach to the supervisor, including the plan for career growth to the executive to stimulate potential personnel for their progress in career growth.
4. Corporate management culture which is consistent with the current situation, up-to-date and initiates continual learning.	The Company has adjusted corporate value on the matter 'Transform to Digital Culture', changed system development and driven by the use of technology among the executive and employee.
5. Improve scenery and environment at the workplace to enhance work performance.	The Company has laid out the approach to improve environment and allocated budget to ensure the safety, sanitation and efficiency of work performance.
6. The communication is considerably delayed and inconsistent.	The Company has added up a communication channel Line OA : Thanulux Group as a channel to publish information and news for employees of all levels.

6. Taking care of employees amid the Covid-19 outbreak.

Due to the prolonged outbreak of Covid-19, the Company has to monitor and comply with the government measure imposed to control the spreading, to prevent being a cluster of the spreading, and to raise confidence among the employee that their workplace is safe. Thanulux prioritizes the prevention against outbreak, reduction on many activities that gathering people and the encouraging the close distance between people to ensure the employee's safety. Moreover, the continual practice that the Company has been implementing, in addition to educating employee on healthcare, is the measure to prevent risk of Covid-19 spreading. The Company monitors closely the situation to ensure the employee will be safe from the outbreak and that the crisis will not affect employees, their families, the organization and communities.

Measures to prevent risk of spreading of the Covid-19

1. Policy

- Appoint a special team to facilitate and resolve the situation, to issue orders for monitoring and preventing, to supervise, control, follow up operation of all branches of the Company and the subsidiary company, as well as to liaise with the government bodies.
- Establish the Work from Home measure to reduce the congestion at workplace and to reduce the risk from traveling to work.

2. Occupational health and prevention

- Arrange the screening system before entering workplace, i.e., thermometer, disinfectant spray.
- Prepare safety and occupational health equipment, for instance, facial masks, sanitary gels, thermometer, social distancing policy, canteen sanitary policy. Arrange disinfectant spraying on a weekly basis and every time the confirmed case is found.
- Arrange extra risk screening for all employees with the Antigen Test Kit (ATK) during the outbreak. Arrange ATK testing every week but now the schedule is set at every 2 weeks. For the employee with high risk, the Company will arrange the Real-Time Polymerase Chain Reaction (PCR) for the high-risk employee.
- Classify the risk group for isolation/quarantine to prevent the spreading of Covid-19.
- The new employee must take ATK test before entering work or isolate at work during the first 7 days.
- The Company follows up, discuss with the hospital and the network to have its employees vaccinated fully before the social insurance requirement, provides and purchases vaccine for the key man to allow them to carry on work.

3. Communication

Communicate through entity representative via the Company's Line group: Thanulux Group in order to report situation to ensure mutual understanding, to communicate measures, correct practice in self-care for safety of employees, their families, colleagues and customers.

4. Help and impact mitigation for employee

- Provide hospital or the treatment facilities for employees to receive urgent treatment
- Provide infected employees with medicine and necessities through Thanulux Help Centre supported by the executive and employee.
- Support employee to apply for Covid-19 insurance, by coordinating with the insurance company. Present the employee for applying for their rights.



Amid the concern over the Covid-19 spreading, the Company carry on activities on important occasions within the organization to relax the employees, for instance, charity, making merit, New Year party, certificate and rewarding ceremony for the employee who have been working with the Company for 10, 20 and 30 years, innovative product contest under the 'new normal' style.



Social and community responsibility proceeded through our projects.

The Company initiated the engagement with the communities and societies via various projects with the surrounding communities, for instance, education, society, community, art and culture, religion, community economy, hygiene, and environmental care. In 2021, upon COVID-19, the Company initiated activity with the community to prevent and protect the outbreak. The followings are our activities.

Education and Youth: The Company sees the importance of children and youth and hence provides educational funds. This year, Thanulux has renovated 1 school under the project with an aim to support the young child's development by providing them with learning and sport equipment.

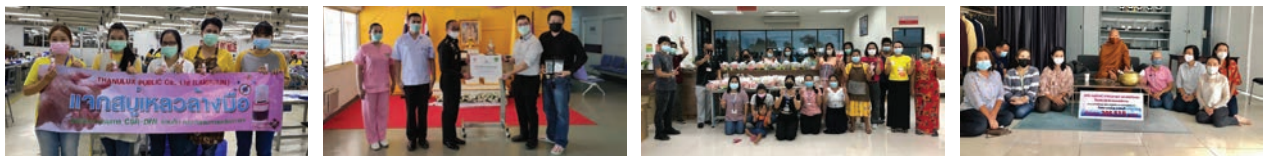
Operation result for the year 2021

- Kindergarten Classroom Renovation for Wat Dokmai School
- Educational Support - learning and sports apparatus" provided to Chong Non see school and community.



Social-Community : The Company invited executives and employees to volunteer to do good for society, supported and encouraged employees in protection against COVID-19.

Operation result for the year 2021



- Offering items and necessity to Alongkot Monk (Prabath Nampu Temple)
- Donation of PPE and antiviral cloth masks
- Donation of cloth masks and PPE to the community through Duang Prateep Foundation, Maesot Hospital Foundation
- Donation of PPE and drinking water for the field hospital at Wat Dokmai school, under coordination with Yan Nawa District Office
- Donation of drinking water under the 'Listed Companies Sharing for Communities Project'
- Donation of PPE and disinfectant wipes for Charoenkrung Pracharak Hospital, Chulalongkorn Hospital and Adisorn Hospital
- Thanulux Sharing Project (collaboration with Tesco Lotus), donating cardboard paper for building patient beds in the field hospital.
- Additional income project for employees during COVID-19 crisis
- "Brother and Sister" project against covid
- Quarterly Blood Donation Project
- Community Market Project: The sales of products at affordable prices by operators from the Group, products sold at a low cost under the Blue Flag campaign.
- The Covid-19 Workshop: Provided knowledge about COVID-19, the teaching of making soap and alcohol gel.



Art and Culture : The Company has participated in activities to carry on cultural traditions such as

Operation result for the year 2021

- Offering food to the monk in the morning every beginning of the month” project.
- Co-host for the Summer Notice Ordination Ceremony at Thong Bon Temple



Hygienic and environment : To promote an excellent atmosphere to employees and local communities to leverage their life quality. To prevent the spreading of Covid-19 and to pass one knowledge and assure the confidence in vaccination, as a solution to mitigate the outbreak and severe symptom, the Company arranged a campaign the raise awareness among employees in reducing environmental impacts, by creating useful items from waste.

Operation result for the year 2021

- Vaccination Information and the campaign supporting vaccination from the Public Health
- Amazing Creation of fabric and leather scrap season 2



Environmental Operation Performance

Environmental Policies and Practices

Thanulux has a policy to create a product of fine quality and harmless to environment, reduces the cause of global warming. Our design, raw material sourcing, production process, storage and delivery process adhere to compliance with the law and customers' requirement, including international environmental standard. The Company's management concentrates on the reuse, reduction and recycle to bring about the utmost benefits, and the promotion and cultivation among employees for their awareness and engagement in preventing the problems that could pose environmental affects on a sustainable approach.

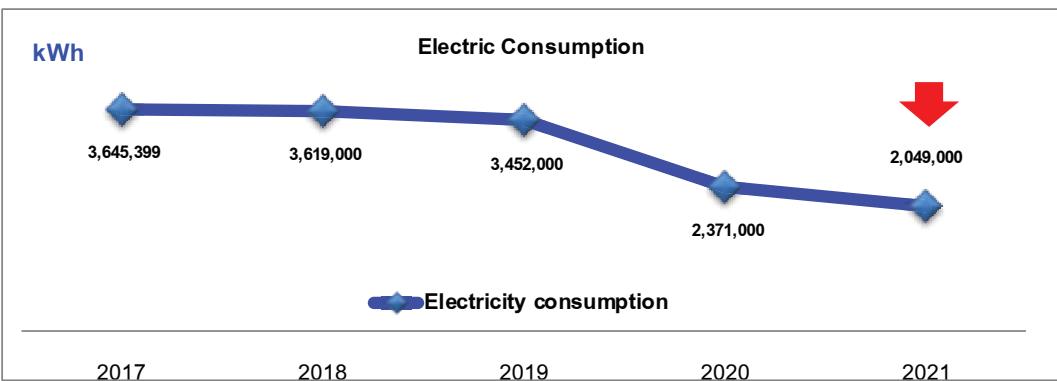
Determination and Goal

With a strong determination to take care of the environment, the Company prepares a resource management plan to ensure the highest benefits in the long-term. The Company arranged activities to conserve the environment in coupling with business procedures. We select vendors who realize the importance of the environment, including their production process providing accurate information to consumers, taking into account all stakeholders. The Company commits to environmental care, willing to help communities and develop communities toward the sustainability concept.

Resource and energy management covers the following dimensions:

Electricity Consumption

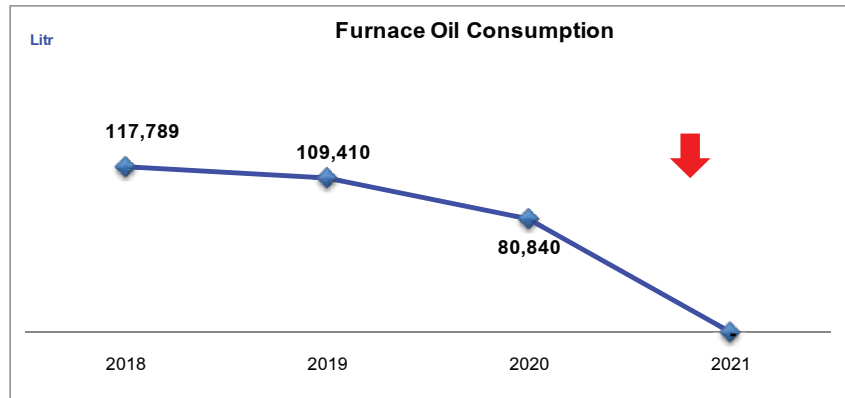
Seeing the importance of energy, the Company manages energy consumption continuously. Energy conservation is crucial, and it is the responsibility of every employee to help utilize the power to return the highest benefit. The Company set a power reduction goal every year. In 2021, we reduced the power consumption by 5% per production unit when compared to 2020.



The Company arranged training and campaign on raising awareness in continual energy saving to raise awareness among all employees, adhering to resource utilization's best benefits. The campaign covers the use of power, oil, water, paper, and other consumables. The Company continued its compliance with the criteria as a model establishment for a practical personnel development project to improve energy utilization efficiency continually.

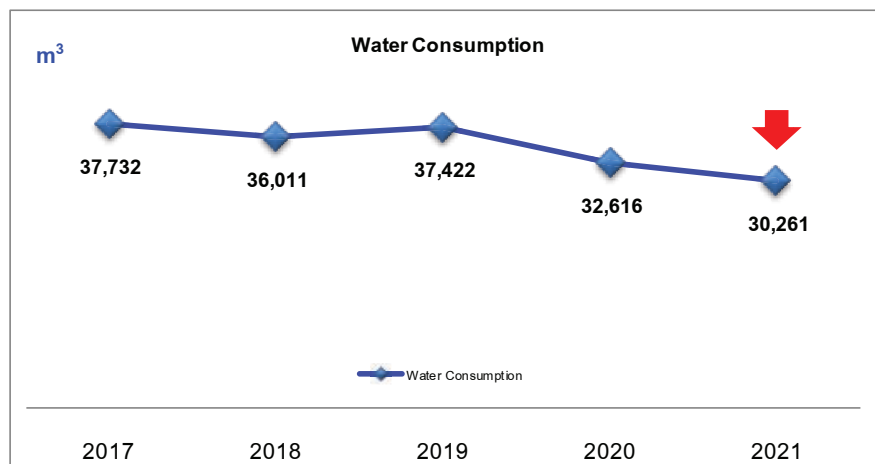
Furnace Oil Consumption

The Company reduced the use of fuel oils to 6,130 liters or by 7.58% in 2020 compared to 2020



Water Consumption

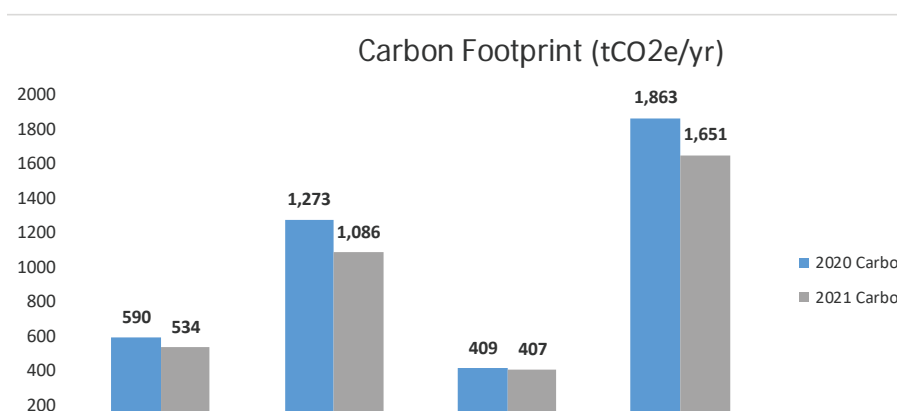
According to the water consumption data during the past five years, the water consumption volume in 2021 was less than every year.



Climate Change (Greenhouse Gas)

After studying the source of greenhouse gas emissions based on its activities, the Company has changed all bulbs into LED and solar lamps to reduce greenhouse gas emissions according to the energy conservation project - considered the main activity (type 2) that causes the greenhouse gas.

Scope	2020		2021	
	Carbon Footprint (tCO ₂ e/yr)	% Carbon Footprint	Carbon Footprint (tCO ₂ e/yr)	% Carbon Footprint
TYPE 1	590	26%	534	26%
TYPE 2	1,273	56%	1,086	54%
TYPE 3	409	18%	407	20%
Scope 1 & 2	1,863		1,651	

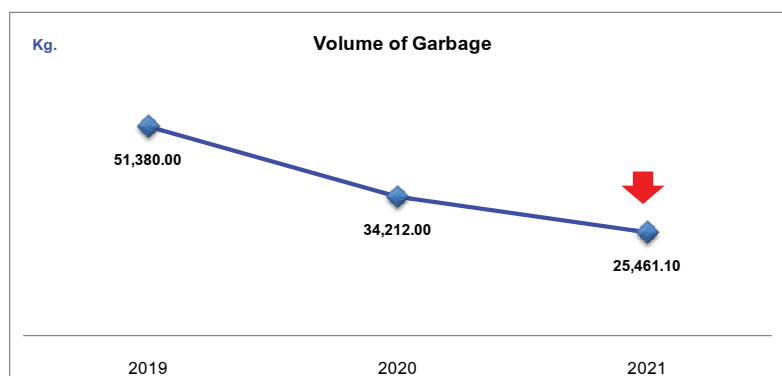


The target is to reduce greenhouse gas emissions by 5% from the previous year based on energy conservation and employee engagement.

Waste Management

The Company also launched a campaign to sort waste continuously from 2020. As a result, our employees are aware, understand and adhere more to the discipline. In 2020, the Company can reduce waste, save expenses, and reduce waste for a government agency.

In 2021, the Company's waste quantity was reduced from 2019 by 8,750.9 liters or 25.58%



Our environmental analysis result

No.	Examination Lists	Year 2021	Year 2020	Year 2019
1	8- hour noise measurement (Noises were)	75 dBA Passed the Standard	76 dBA Passed the Standard	73 dBA Passed the Standard
2	Air quality analysis according to ambient air (According to Ambient air was)	0.02 mg/m ³	0.080 mg/m ³	0.03 mg/m ³
3	Heat stress measurement at working area (Heat stress was)	29.7 WBGT	25.5 WBGT	25.2 WBGT
4	Measurement of chemical agents in airborne workplace (Chemical agents in airborne workplace were)	Passed the Standard	Passed the Standard	Passed the Standard
5	Measurement of illumination levels (Illumination levels were)	Passed all of standards	Passed all of standards	Passed all of standards
6	Measurement of chemical agents, with sampling at cotton (Chemical agents were sampling at Cotton)	Passed all of standards	Passed all of standards	Passed all of standards
7	Air opacity measurement at the boiler (Opacity was)	Passed the Standard	Passed the Standard	Passed the Standard
8	Wastewater analysis (According to waste water was))	Passed the Standard	Passed the Standard	Passed the Standard
		pH = 8.1at 25°C	pH = 8.2at 25°C	pH = 8.2at 25°C
		Biological oxygen demand = 13 mg/l	Biological oxygen demand = 2 mg/l	Biological oxygen demand = 2 mg/l
		Chemical oxygen demand = 52 mg/l	Chemical oxygen demand = <40 mg/l	Chemical oxygen demand = <40 mg/l
		Total Suspended solids = 10 mg/l	Total Suspended solids = <5 mg/l	Total Suspended solids = <5 mg/l
		Total dissolved solids = 325 mg/l	Total dissolved solids = 337 mg/l	Total dissolved solids = 337 mg/l
		Oil & Grease = 2.5 mg/l	Oil & Grease = 1.0 mg/l	Oil & Grease = 1.0 mg/l
		Total Kjeldahl Nitrogen = 4.4 mg/l	Total Kjeldahl Nitrogen = <1.0 mg/l	Total Kjeldahl Nitrogen = <1.0 mg/l
		Temperature = 32.4°C	Temperature = 30°C	Temperature = 30°C
		Color (Normal) = 82 Pt-Co	Color (Normal) = 21 Pt-Co	Color (Normal) = 21 Pt-Co
		Color (Adjust) = 74 Pt-Co	Color (Adjust) = 20 Pt-Co	Color (Adjust) = 20 Pt-Co
9	Analysis of the water quality through the removal of hardness (Water quality through the removal of hardness were) - Feed in boiler - Feed out boiler	Passed the Standard	Passed the Standard	Passed the Standard
		pH = 7.6 at 25	pH = 7.6 at 25	pH = 8.0 at 25
		Total hardness = 7.2	Total hardness = <2.0	Total hardness = <3.5
		pH = 11.2 at 25	pH = 10.7 at 25	pH = 10.3 at 25
		Totaldissolved solids = 84 ppm	Totaldissolved solids = 2,591 ppm	Totaldissolved solids = 1,837 ppm

About this sustainability report

Thanulux Public Company Limited has prepared the sustainability report as the 3rd edition, separately to express our dedication to run the business based on sustainability concept, which will add value to our society, communities, and environment in coupling with business operation based on morality and ethics.

Report Guidance

This sustainability Report 2021 is prepared in reference to the global Report Activities (GRI) G4 - the guidance for sustainability report recognized internationally. The content covers our operation result, including economic, social, and environmental dimensions regarding the material topics, which contain strategic and risk management for sustainability.

Scope of Report

This report's scope demonstrated operation result that covers all operation procedures of the Company, but not includes our subsidiaries and other related companies; the duration covers 1 January to 31 December 2021.

Further Information

For comments or suggestion, please contact

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