

# ANNUAL REPORT 2022

FORM 56-1 ONE REPORT



Green  
Cosmetics



Good  
Mindset



Green  
Governance



Green  
Operations



Green  
Packaging



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Message from the Chairman

Board of Directors

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## Message from the Chairman

“ In year 2022, by adopting the utmost determination and dedication, S&J overcame numerous obstacles, and continued to show good steady growth in accordance with the organization sustainable development (ESG). This resulted in 2022, with the Company showing overall business from operations and its subsidiaries growing compared to last year. Revenue from sales, and profit before taxes were Baht 5,960 million and Baht 641 million respectively, also representing a year-on-year increase of 21% and 40% respectively

”





During 2022, there were considerable changes in the economic landscape, whereby there were rapid increases in inflation, and the worldwide economy experienced a serious slow down. This was combined with the additional effects of climate change in many regions, and the outbreak of international military conflicts. Also, as a result, both raw material and transportation costs increased significantly. Furthermore, noticeable fluctuations in foreign exchange rates, and dramatic changes to consumer behavior, all led to the overall challenges of doing business over the year.

Notwithstanding, S&J was able to respond quickly to these events in a timely manner, to ensure customer needs were continuously being met. This included creating new innovation, along with adopting business strategies that emphasized increased competitiveness, as well as controlling costs in both the supply chain, and production, in order to achieve business success in accordance with Environment, Social and Governance (ESG). In regards to environmental objectives, the Company set goals to reduce greenhouse gas emissions from various activities, including establishing a long-term goal of becoming Carbon Net Zero by 2050. Moreover, for the social aspects of the Company, it continued to manage its human resources both fairly and equally, at the same time constantly developing the knowledge of its executives and employees, to support future business growth. In terms of corporate governance, the Company conducted its businesses transparently, under the principles of good corporate governance. Furthermore, there were proper guidelines established for risk management to maintain an appropriate level of risk, also anti-corruption measures were put in place, along with ensuring equitable treatment for shareholders.

Hence, by adopting the utmost determination and dedication, S&J overcame numerous obstacles, and continued to show good steady growth. This resulted in 2022, with the Company showing overall business from operations and its subsidiaries growing compared to last year. Revenue from sales, and profit before taxes were Baht 5,960 million and Baht 641 million respectively, also representing a year-on-year increase of 21% and 40% respectively.

Moreover, in accordance with good corporate governance principles, business was conducted with transparency, at the same time taking into account the interest and differing needs of each group of stakeholders. This helped facilitate sustainable business growth along with demonstrating responsibility to society and the environment. For the ninth consecutive year, the Company was awarded with the year's Thailand Sustainability Investment Award 2022, and from the Stock Exchange of Thailand for the SET Awards 2022, it received the "Highly Commended Sustainability Investment Award 2022". Furthermore, for the fifth consecutive year, S&J was evaluated with a rating level of "excellent", under the listed companies Corporate Governance Assessment Report 2022. Each of these awards helped to indicate a high level of cooperation throughout the organization, and showed that both codes of conduct and good governance practices were being correctly observed by the directors, executives, and all employees.

On behalf of the Board of Directors, I would like to thank our shareholders, customers, and business partners for all your confidence, trust, and continued support. I also thank our executives and all employees for their contribution, dedication, and relentless efforts to support our businesses and drive ongoing success and sustainable growth for our Company.



Mr.Boonkiet Chokwatana  
Chairman

## BOARD OF DIRECTORS



**Mr.Boonkiet Chokwatana**  
Chairman



**Mrs.Tipaporn Chokwatana**  
Vice Chairman



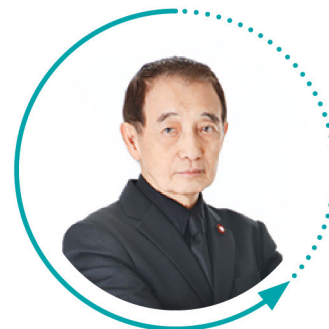
**Mr.Thirasak Vikitset**  
Managing Director



**Dr.Atthakorn Glankwamdee**  
Deputy Managing Director



**Mr.Amorn Asvanunt**  
Chairman of Audit Committee



**Pol.Gen.Somchai  
Prabhasabhakdi**  
Director of Audit Committee

## BOARD OF DIRECTORS



**Mrs. Pradittha Chongwattana**  
Director of Audit Committee



**Assist. Prof. Dr. Pongchai  
Athikomrattanakul**  
Director of Audit Committee



**Admiral Apichart Pengsritong**  
Independent Director



**Mrs. Pismai Chandrubeksa**  
Independent Director



**Mrs. Kaewta Ongsaranakom**  
Director



**Prof. Dr. Malyn Ungsurungsie**  
Director



**Mrs. Chitraporn Vikitset**  
Director



**Mrs. Teerada Ambhanwong**  
Director



**Mr. Suthep Dansiriviroj**  
Director

# **PART 1**

## **BUSINESS OPERATION**



# 1. Business Structure and Operation

## 1.1 Policy and Business Overview

### Quality Policy

S & J has its policy to be partnership with our business partners, also we are committed to produce quality products, deliver on time with competitive price and good services. Our operation are always socially responsible and environmental friendly. Each employee shall cooperate to continue improve and provide greater customer satisfaction through fast, flexible, and precise response.

### Overview of Business

S&J has responded to both the market trends and the needs of the cosmetics and beauty market. We provide a full range of services for brands retailers and our innovation has given rise to new market segments. We have been a leader in the business that offers the highest priority to the image in terms of form, design and packaging, efficient factories with high-quality technology. We are recognized and renowned for our expertise, as well as being recognized in the logistics network that is accessible around the world, and also marketing support that creates new standards in this industry.

#### 1.1.1 Vision, Mission and Core Value

##### Vision

Being a leader in the comprehensive beauty industry in Thailand and Asian region inspired by innovation in products and services to meet the direct needs of customers and customer's behaviour.

##### Mission

The Company will expand customer base and market to cover more both domestic and overseas through its expertise and being recognized as the leader in the complete beauty industry while expanding opportunities and growth from new businesses with the potential of research and innovation development. By upgrading production, management and bring in new technologies in order to add value to supply-chain products and services to respond to changing customers needs. The Company strongly recognizes and stands on good cooperate governance that takes into account benefits of partners, customers, society and environment while moving forward to digital development to be the innovative organization coupled with the continuous upgrading of the abilities and capacities of personnel.

##### Core Value

- Target Focus
- Challenging ideas
- Success
- Unity
- Ethics

## Business Development Plan and Competitive Strategies

### Business Development Plan

- **Short-Term Plan**

The Company will develop work processes to respond the needs of customers and be able to adapt in time to market conditions, product costs, currency fluctuations, customer needs, employees, as well as the requirements of partner countries that will have a significant impact to the Company's performance.

- **Long-Term Plan**

The Company will bring advanced technology to develop systems and processes to achieve fast accuracy to meet customer needs, and competitiveness in the market.

### Competitive Strategies

Strategies and Goals established to enhance the growth and strength for the Company are as follows:

- **Maintain the existing customers base and acquiring both new domestic and international customers.**

- The Company has planned for and promoted good relationship with all existing customers while improving effectiveness through quality products and speed to market in developing product to serve customers requirement in order to maintain and increase orders for new products. Additionally, the Company will be able to find small to large sizes new customers apart from existing customers in America, Asia and Southeast Asia in addition to the customers bases in England, Australia and Japan.
- The Company has planned to introduce new products which are popular and modernized while monitoring needed trends of each consumer group closely to introduce new products to catch up to fast changing demand of both existing and new customers in a timely manner.

- **Increase efficiency for supply chain and productivity.**

The Company has planned for and increased capabilities for cost and production to enhance speed to delivery the goods to customers. The Company will continually improve various working processes from products improvement, raw materials procurement, manufacturing and delivery from the sources to customer with quality and speed to increase customer's satisfaction. The company has been improving its operation system together with information technology to increase effectiveness of supply chain to reduce delay process or additional cost process.

- **Increase recognition and promotion for Corporate Brand**

The Company has planned for Corporate image and Branding to enhance recognition among customers, consumers and public awareness about the distinguished capacity, experiences and successes as research and development of leading beauty and health care products for Thailand and the Asian region. The Company has so far operated with international standard of laboratories for research and development and factory as well. Moreover, the Company is of the long operation experiences as the cosmetic and personal products manufacturer for leading brands of both domestic and overseas.

- **Increase capacity with research and development efficiency**

The Company has planned to highly upgrade research and development efficiency with an aim to firstly improve other product groups to serve consumer's demand while the Company is still of unexperiences in certain areas. Accordingly, the Company has so far concentrated to develop certain products to catch up the changing life styles of children, teenagers, working people as well as the senior and elder groups. These consumers are of changing behaviour with more attention to health care, innovative products and environmentally friendly.

- **Increase capacity with upgrading of personnel and organization efficiency**

The Company has established the plan with investment to upgrade the organization management as the "Innovative Organization" for the digital era on the operational process of digital technology including various services dimension and corporate functioning procedure coupling with personnel capabilities upgrading based on the highest acquired benefits from digital technologies.

### 1.1.2 Events and Development Highlights

S & J international Enterprises PCL. , started its business in year 1980 with the major shareholder group by SAHA Group, formerly the name of S & J Food Co., Ltd. with primery objective to produce instant food. Later, the company changed its business to manufacturing cosmetics with technical support from the specialists from the United States. In the year 1983, the company changed its name to S & J International Enterprises Co., Ltd. and in year 1988 the company has listed on the Stock Exchange of Thailand Thailand. In year 1994, the company registered as a is a public company in the name of S & J International Enterprises PCL.

- |             |   |
|-------------|---|
| <b>1988</b> | - Listed on the Stock Exchange of Thailand and Increase its registered capital to 30 million baht.  |
| <b>1994</b> | - Registered as a public company and increased its registered capital to 120 million baht.  |
| <b>1996</b> | - Established of EF Company Limited, registered capital 1 million, held 49.96% by the company, with business operation as a distributor of Personal Care consumer goods.  |
| <b>2001</b> | - EF Company Limited (a subsidiary) increased its share capital from 3 million to of 4 million baht, held 99.99% by the company.<br>- Constructed its building on an area of 10,000 square metres for production of Liquid Toiletry.  |
| <b>2003</b> | - Changed its par value from 10 bath each to 1 baht each, resulted increase in share capital from 12 million shares to 120 million shares and increased in paid-up share capital from 8 million shares to 80 million shares.<br>- Established Wild Life (Thailand) Co., Ltd. (a subsidiary), registered capital of 1 million baht, held 99.99% by the Company, with its business operation as consumer goods distributor of sunscreen and mosquito repellent cream. |
| <b>2004</b> | - Called up its share capital 20 million shares of 100 million baht.<br>- Registered the change in paid-up capital from its original 80 million shares of 80 million baht to of 100 million shares of 100 million baht with the Ministry of Commerce on May 9, 2004.  |

- 2005 - Approved by the ordinary general meeting of shareholders No.26 on April 25, 2005 for the ESOP program and got approval from the Securities and Exchange Commission, on February 20, 2005 for offering new shares to employees of the company.
- 2006 - Issued warrants to purchase common stocks offered to directors and employees of the company and its subsidiaries under the ESOP program for 5 million shares, the proposed sale of securities to directors and employees of the company and its subsidiaries (ESOP), the number of 5 million unit rate. The exercise ratio is 1 unit to 1 common stock at the exercise price of 4 Baht per shares to allocate to exercise of the ESOP project of, 5 million shares for exercise period from March 10, 2006 to March 9, 2009.
- 2009 - Established S & J International (UK) Ltd. (a subsidiary), registered capital of 5 million baht, held 100% by the company, with its business operation to provide for the marketing and distribution of raw materials and packaging.
- 2010 - Constructed its building on an area of 8,000 square meters for producing Lipstick, chemical laboratory and biological microscopically, office and warehouse.
- 2011 - Increased its share capital of 45,186,500 shares by offering to the existing shareholders of the Company in proportion to their shareholding (Right Offering) at the price of 12 baht, in case of the remaining unsubscribed shares were offering to the private placement, The offering price must not lower than 90 percent of the average market share price.
- Constructed Pinthong plant on the space of 9,000 square meters, for manufacturing Liquid, Skin Care and Toiletry products.
- 2015 - Established 4WD Vision Co.,Ltd. (a subsidiary), registered capital of 10 million baht, held by the company at 99.99%, with its business operation of trading.
- Established SAAS co.,Ltd.(a subsidiary), registered capital is 20 million baht, held by the company at 99.99%, with its business operation to research and development of the cosmetic formulation.
- 2016 - Investment in Atika Beauty Manufacturing Sdn. Bhd. (an Associate) in Malaysia with registered capital of 5 million ringgit, held 35% by the company, with its business of manufacturing of halal cosmetics.
- 2019 - Increased in proportion of shareholding in Atika Beauty Manufacturing (an Associate) in Malaysia due to the associate increased its registered share capital of 1 million Ringgit, totalling share capital of 6 million Ringgit.
- 2020 - Signed a joint investment agreement with DKSH (Thailand) Co.,Ltd. to establish DKSJ Co.,Ltd. with registered capital of 100,000 baht, by shareholding at 50%. The operation of business is distribution and marketing of beauty and body care products for customers throughout Asia including Thailand.
- 2021 - Resolved Wildlife (Thailand) Co., Ltd. (subsidiary) to register its dissolution, which is in the process of liquidation
- 2022 - Resolved SAAS Co., Ltd. (subsidiary) to register its dissolution, which is in the process of liquidation

Moreover, the company has developed the Management and Environment during the past 5 years as follows:

- 2018 - Received "SET Awards of year 2018", Outstanding Innovative Company Awards from the Securities Exchange of Thailand.
- Received "Outstanding SET Sustainability Award 2018" from the Securities Exchange of Thailand.



- 2018**
- Received “the Thailand Sustainability Investment award of year 2018” from the Securities Exchange of Thailand.
  - Received “ESG100 Certificate of year 2018” which is 1 in 100 listed companies from Thaipat Institute, Outstanding in the business of sustainable environmental, social and corporate governance (Environmental, Social and Governance : ESG100).
  - Received “TOP INNOVATIVE ORGANIZATION 2018” from National Innovation Agency (Public Organization), the Securities Exchange of Thailand and the College of Management Mahidol University. The company has been assessed to be at level 5, which is the highest level with outstanding development in innovative strategies and create an innovation culture in the organization systematically as well as being able to lead the organization to innovation excellence in a sustainable manner.
  - Received “FDA quality awards competition 2018” from the Office of the Food and Drug Administration. This award is intended to recognize establishments to do well, morality and ethics, produce products that are standard and safe for consumers.
  - Received National award for workplace excellence; Occupational Safety. The award was given by Department of Labor Protection and Welfare.
- 2019**
- Received “SET Awards of year 2019”, Highly Commended Sustainability Excellence Awards 2019 from the Securities Exchange of Thailand.
  - Received “the Thailand Sustainability Investment award of year 2019” from the Securities Exchange of Thailand.
  - Received “ESG100 Certificate of year 2019” which is 1 in 100 listed companies from Thaipat Institute, Outstanding in the business of sustainable environmental, social and corporate governance (Environmental, Social and Governance : ESG100).
  - Received “FDA quality awards competition 2019” from the Office of the Food and Drug Administration. This award is intended to recognize establishments to do well, morality and ethics, produce products that are standard and safe for consumers.
  - Received National award for workplace excellence; Occupational Safety. The award was given by Department of Labor Protection and Welfare.
- 2020**
- Received “the Thailand Sustainability Investment award of year 2020” from the Securities Exchange of Thailand. This award is intended to the listed companies who operate their businesses in accordance with the principles of corporate governance with social and environmental responsibility.
  - Received “FDA quality awards competition of year 2020”, Best of the Best Award from the Office of the Food and Drug Administration. This award is intended to those who have consistently maintained their quality.
  - The Outstanding Disability Employer Awards of the year 2020 from the Department of Empowerment of Persons with Disabilities, the Ministry of Social Development and Human Security.
- 2021**
- Received “SET Awards of year 2021”, Highly Commended Sustainability Excellence Awards 2021 from the Securities Exchange of Thailand.

- 2021
  - Received “the Thailand Sustainability Investment award of year 2021” from the Securities Exchange of Thailand.
  - The Outstanding Disability Employer Awards of the year 2021 from the Department of Empowerment of Persons with Disabilities, the Ministry of Social Development and Human Security.
- 2022
  - Received “SET Awards of year 2022”, Highly Commended Sustainability Excellence Awards 2022 from the Securities Exchange of Thailand.
  - Received “the Thailand Sustainability Investment award of year 2022” from the Securities Exchange of Thailand.
  - Best of the Best Awards of the year 2022 from the Office of the Food and Drug Administration.

**Internationally Quality standards during the past 5 years as follows:**

- 2018
  - Recertified the International Standard, ISO 22716: 2007 (Cosmetic GMP) from TUV NORD (Thailand).
  - Recertified Thai Labour Standard Certification (TLS.8001:2010) from Department of Labour Protection and Welfare, Ministry of Labour.
  - Certified Halal certification mark from LPPOM MUI Indonesia
- 2019
  - Pinthong Plant Recertified the International Standard, ISO 22716: 2007 (Cosmetic GMP) from TUV NORD (Thailand).
  - Expanded the Scope of Accreditation for Testing standards ISO / IEC 17025: 2017, Preservative Cosmetics Testing from the Bureau of Laboratory Quality Standards, Ministry of Public Health.
- 2020
  - Recertified the International Standard, HAS 23000 and Certified Halal certification mark from LPPOM MUI, Indonesia
  - Recertified the cosmetic good manufacturing practice (GMP) of the Food and Drug Administration.
  - Recertified the International Standard, ISO 9001 : 2015 from TUV NORD (Thailand).
  - Recertified the Environmental Management System ISO 14001: 2015 from TUV NORD (Thailand).
  - Certified the Occupation & health and safety management system ISO 45001:2018 from TUV NORD (Thailand).
  - Certified the Roundtable on Sustainable Palm Oil (RSPO) from TUV NORD (Thailand).
- 2021
  - Certified the Roundtable on Sustainable Palm Oil (RSPO) version 2020 from TUV NORD (Thailand), its latest version.
  - The company has received permission for the production of medical device products from The Medical Devices Control Division, Food and Drug Administration.
  - The first company in Thailand was Certified to BS EN 1276: 2019 in the Disinfectant Efficacy Test from Bureau of Laboratory Quality Standards, Ministry of Public Health.
  - Recertified Thai Labour Standard Certification (TLS.8001:2020) from Department of Labour Protection and Welfare, Ministry of Labour.
- 2022
  - The company has been changed accredited status of Halal Standard (HAS23000) from Halal Status A to Halal Certificate and cover all products type of plant Sriracha by LPPOM MUI, Indonesia.

### 1.1.3 The Purpose as Disclosed; those are

- None –

### 1.1.4 Obligation that the Company Pledges in the Securities Offering Registration Statement and/or the SEC's Conditions and/or SET's listing Conditions

- None –

### 1.1.5 Company Head Office

S & J International Enterprises Public Company Limited ("the Company") operates the main business, designing, researching, developing and producing cosmetics in the Skin Care, Make Up category, as well as products used in the bathroom and gift set. The symbol of the Company's stock trading in the Stock Exchange of Thailand is "S&J". The Company has registered as a Public Limited Company since September 6, 1988, and its registration number is 0107537001366.

As at December 31, 2022, the Company has registered capital at Baht 200,000,000 of which 200,000,000 ordinary shares with a par value of Baht 1 per share. The paid-up capital is to Baht 149,930,828.

Company Head Office – 600/4, Moo 11, Sukhapiban 8 road, Nongkham subdistrict, Sriracha district, Chonburi province 20230, Telephone (038) 480-086-89, Fax (038) 480-139, [www.snjinter.com](http://www.snjinter.com)

## 1.2 Nature of Business Operations

### 1.2.1 Revenue Structure

Saperated Revenue of each company		%	2022		2021		2020	
		Shareholding of Company	Million Baht	%	Million Baht	%	Million Baht	%
Manufacturing and Others Business Income								
Manufacturing of Cosmetic								
S & J International Enterprises PLC.	Domestic	-	2,097.5	29.3	1,559.3	25.5	1,336.4	26.1
	Oversea		2,682.7	37.5	2,407.4	39.4	1,947.2	38.0
Total Manufacturing of Cosmetic			4,780.2	66.8	3,966.7	64.9	3,283.6	64.1
Manufacturing of Packaging								
Top Trend Manufacturing Co.,Ltd.	Domestic	50.00	1,181.7	16.5	1,022.5	16.8	1,014.1	19.8
	Oversea		135.5	1.9	93.1	1.5	103.4	2.0
Total Manufacturing of Packaging			1,317.2	18.4	1,115.6	18.3	1,117.5	21.8
Others Business								
Wildlives (Thailand) Co.,Ltd.	Domestic	99.99	-	-	0.2	-	4.3	0.1
	Oversea		-	-	-	-	-	-
EF Co.,Ltd	Domestic	99.99	8.6	0.1	14.6	0.2	21.7	0.4
	Oversea		-	-	-	-	-	-
S & J International (UK) Ltd.	Domestic	100.00	-	-	-	-	-	-
	Oversea		567.7	8.0	682.4	11.2	472.5	9.2
Guangzhou S & J Cosmetic Co.,Ltd.	Domestic	100.00	-	-	-	-	-	-
	Oversea		43.5	0.6	-	-	-	-
4WD Vision (HK) Ltd.	Domestic	100.00	-	-	-	-	-	-
	Oversea		165.0	2.3	110.8	1.8	126.8	2.5
4WD Vision Co.,Ltd.	Domestic	99.99	142.7	2.0	90.8	1.5	89.7	1.8
	Oversea		-	-	-	-	-	-
4WD Vision Europe B.V.	Domestic	99.99	-	-	-	-	-	-
	Oversea		125.9	1.8	127.7	2.0	7.0	0.1
SAAS Co.,Ltd.	Domestic	99.99	0.7	-	0.9	0.1	1.0	-
	Oversea		-	-	-	-	-	-
Total Others Business			1,054.1	14.8	1,027.4	16.8	723.0	14.1
Total Manufacturing and Others Business Income			7,151.5	100.0	6,109.7	100.0	5,124.1	100.0

**Remark :** Additional information are disclosed in the Notes to Financial Statements for the year ended December 31, 2022 No.25 : Financial Information by Segment.



## 1.2.2 Significant developments during the past year

### S & J International Enterprises Public Company Limited

#### 1. Product Design and Service

The company is a leading manufacturer in the beauty and cosmetic industry for over 40 years, offering a full range of comprehensive OEM/ODM manufacturing services, covering research and development processes, product research with new innovations, product and packaging design, product development according to customer's requirement, product manufacturing with modern and standardized machinery and advanced technology, as well as designing business concepts and developing marketing strategies for domestic and overseas customers, including the start-up business. In addition, the company has been certified with world-class quality standards, which creates even more confidence in the quality of products among customers based on these certificates, for example;

- Certificate of GMP Production Standard from Food and Drug Administration (FDA), Ministry of Public Health
- ISO 9001: 2015 Quality Management System Certificate from TUV Asia Pacific Limited – Hong Kong
- ISO 14001: 2015 Environmental Management System Certificate from TUV Asia Pacific Limited – Hong Kong
- ISO 17025 Cosmetics Lotion Type Quality Certificate from the Department of Medical Sciences, Ministry of Public Health
- OHSAS 18001: 2007 Occupational Health and Safety Certificate from TUV Asia Pacific Limited – Hong Kong
- CSR-DW (Corporate Social Responsibility – Department of Industrial Work) Certificate or ISO 26000 equivalent
- ISO 22716: 2007 Quality Certificate from TUV Asia Pacific Limited – Hong Kong
- ESG 100 (Environmental Social Governance 100) certificate from Thaipat Institute
- Halal certification mark from LPPOM MUI Indonesia
- Thai Labor Standard Certificate (TLS.8001:2010)
- The company is a member of the Sedex Members Ethical Trade Audit (SMETA) or SEDEX
- Roundtable on Sustainable Palm Oil (RSPO) Production Standard Certificate from TUV NORD (Thailand)

#### 2. Market and Competition

##### (A) Policy and Market of Key Products and Services

- **Competitive Strategy**

Today, consumers of all genders and ages, from teenagers, students to working-age groups, are increasingly focusing on cosmetics and thus become an integral part of everyday life. Not only female groups but men also have an increasing demand for cosmetic products, including skincare products, hair care products, oral care products, or cosmetic products. It has been found that the market for such products is diverse both in terms of price and quality that can meet the needs of consumers and clearly reach the target group, leading to even more intense competition. Moreover, there is also increasing consumer demand for natural products that are environmentally friendly and safe. As a result, the research and development of new cosmetic products that use natural herbs as raw materials are likely to grow more rapidly. The company, therefore, focuses on various strategies as follows.

1. **Products** The company focuses primarily on the quality of products and ingredients or formulas that can respond to the needs of consumers. This is done by having a research and development department to study and develop new products to offer to customers. Also, the product packaging is designed to be visually appealing, modern, and convenient to use. This includes the continuous development of the quality of existing products to create satisfaction in the variety of products. The company produces products with efficient machines and advanced production technology. It has a quality inspection system at every step, in order to obtain products of a standard and high quality, thus gaining confidence from both domestic and international customers. Additionally, the company is also certified with world-class quality standards.

2. **Price** In assessing pricing for products, the image of the product, production costs, and marketing costs are taken into consideration as a basis of choosing the right price and quality with the goal of ensuring customer satisfaction.

3. **Relationship** The company establishes a good relationship with the supplier by placing large orders continuously and paying on time. It has earned the trust of the supplier, thus having the power to negotiate the price of the product. As a result, the company has a cost that is competitive with other companies.

4. **Service** The company has a customer relations department to meet with and inquire about the needs of customers in order to know the real issue and fix it correctly. The company puts emphasis on creating customer satisfaction by delivering the correct and quality products on time.

5. **Corporate Social Responsibility (CSR)** The company uses natural and environmentally friendly raw materials or even reusable packaging (Refill) to reduce energy consumption and improve energy efficiency.

- **Customer Characteristics**

The company serves both domestic and overseas customers. The majority of its customers are domestic customers of both local and foreign brands. The company's main customers are reputable multi-national companies and national marketing leaders who have long-term relationships with the company for years. While the company has expanded and added new customers both domestically and internationally, these clients have strong performance and good financial standing.

- **Target Customers**

The company targets middle-class entrepreneurs and above, which are its majority of customers, focusing on the quality of the product at a price that will attract the attention of this target customer group.

- **Sales and Distribution Channels**

The company sells its products both domestically and internationally. Its business model involves contract manufacturing. The company's customers are both direct sales customers (Direct Sales) and department store customers (Counter Sales). Its domestic sales to exports ratio is 39 to 61, with products exported to the United Kingdom, Japan, Australia, Malaysia, Hong Kong, Indonesia, and the Philippines.

Additionally, the company plans to expand both its domestic and international markets by participating in trade shows in the country, such as those organized by the Saha Group, as well as international trade fairs in foreign countries, such as France, etc., as another channel to find new customers.

## **(B) Industry Competition**

Competition within the industry will be based on quality, product development and diversity, price, and customer satisfaction. The markets in which the company competes are characterized by high quality. There are two competitors in the same market with similar sizes to the company.

S&J is a leading cosmetics manufacturer with executives who possess knowledge, ability, and experience in administration and management. Employees have consistently cooperated and worked well together to deliver products and services. With its own R&D department, the company continuously develops new products for the market and improves the quality of existing products to increase its expertise in the production of cosmetic products, supported by manufacturing and research expertise from American companies with global technology networks. The management of customer response time is also faster (Quick Response). The company has a factory built on its own land at Sahapat Industrial Park, Sriracha District, and a factory at Pinthong Industrial Park in order to support the continuously increasing competition and keep up with the needs of customers who have confidence in choosing products from S&J. The company has a stable financial position and has good results from the beginning, allowing the company to always have credibility with customers.

## **(C) Trend of Industry and Future Competition**

The competitive trend of the cosmetic market has changed rapidly and quite intensely because of increasing numbers of competitors both large and small. With the growth of online marketing and increasing consumers' awareness of healthcare and the environment, the company, therefore, has a strategy to respond to various changing factors, such as the development of digital technology systems in the organization and the adaptation of corporate culture towards digital technology, research and development of new innovations from natural extracts in lieu of chemical use, and the proposal of green packaging to customers, which includes the use of biodegradable materials, etc.

## **3. Procurement of Products or Services**

The company has two factories as follows.

- **Main factory** is located at 600/4, Moo 11, Sukhapiban 8 road, Nongkham subdistrict, Sriracha district, Chonburi province 20230. In 2022, its production capacity was 173 million pieces per shift.
- **Branch factory** is located at 789/159, Moo 1, Nongkho – Leamchabang Road, Nongkham subdistrict, Sriracha district, Chonburi province 20230. In 2022, its production capacity was 31 million pieces per shift.

Raw materials used in production are depending on the type of product, and come from domestic and foreign sources. Domestic raw materials are purchased directly from manufacturers and importers. For raw materials ordered from abroad, the company will first check whether these raw materials are available in the country before placing the order. The company obtains raw materials from around the world via distributors in Thailand or directly from manufacturers, or through companies with technical assistance and a global network. Presently, raw materials are available from a wide variety of suppliers and are highly competitive. Since they can easily find substitute raw materials, the impact of the loss of raw material procurement on the Company is very low. Raw material producers improve the quality of their products continuously, so there are more sources of raw material available.

The company does not purchase raw materials from suppliers that account for more than 30% of total revenue over the past three years. The selection and procurement of raw materials and packaging are based on quality and reasonable price. In 2022, the company had over 448 raw material suppliers, with raw materials bought in the country and abroad in a ratio of 76:24.

As part of its production process, the company raises awareness among all employees and ensures that problems that harm the environment are prevented. As can be seen from its environmental policy, the company promotes the use of resources in its production process economically and with maximum efficiency, and strictly adheres to environmental laws and regulations.

#### 4. Products or Services pending for Delivery

- None -

### Top Trend Manufacturing Company Limited

#### 1. Product Design and Service

Top Trend Manufacturing Co., Ltd. manufactures plastic packaging for cosmetics, food, and medical products, namely tubes, bottles, jars, powder cartridges, and lipstick sticks. Other than its own products, the company also supplies packaging produced by others such as pump caps to provide full service to customers.

#### 2. Market and Competition

##### (A) Policy and Market of Key Products and Services

- **Competitive Strategy**

The company focuses on producing the products that are of standard quality and meet customers' needs to establish confidence and satisfaction in our products. Most products are manufactured according to the order of each customer and are of different characteristics. Hence, the company requires proper production planning and a good delivery system to be able to arrange shipments in full at the quality as customer require and right on schedule. The company attaches great importance to and closely controls every step of the production process. Also, it focuses on improving the competency of its employees to increase production efficiency and reduce the loss rate during production. This results in the reduction of production costs and the better quality of the products. Furthermore, the company has emphasized on maintaining good relationships with customers and offering technical service to enable customers and end users have a good understanding of the products.

- **Customer Characteristics**

The company serves both domestic and foreign customers. Our customers are mainly local companies that have been doing business with each other for a long time, have good stability, be the market leader, and have a long track record of relationships as "business partner" with the company.

The overseas customers are mostly expanded in a group of AFTA counties, such as Malaysia and Singapore, and are well known for their leading position in the packaging business, especially in tube products. This market is growing every year and the company also plans to expand our business to other regions, for example Australia and European countries.



- **Target Customers**

Our main customers are still cosmetics companies. Whereas the company's goal is to expand our business to other groups of customers, such as cosmeceuticals, food and medicine, hair products, and others to enlarge our market for sustainable growth.

- **Sales and Distribution Channels**

The company's products are distributed through manufacturers of, for example cosmetics and hair products, which are passed to consumers in various channels, namely direct sales, over-the-counter sales, and sales in supermarket and discount store. The company will expand into the business of sourcing of products according to customer needs.

**(B) Industry Competition**

The packaging industry is highly competitive both in terms of quality, pricing, and design of products and the services that require comprehensive delivery and efficient communication and services. There are about 7 major market leaders in this business. Compared to market leaders, the company is ranked in the middle of the group with stable financial status, good operating results, a highly efficient management team, and readiness for the competition.

**(C) Trend of Industry and Future Competition**

Whilst the expansion of the plastic packaging industry in the country continues to grow, the competition in price and speed are still the key demand of the market. The company focuses on human resources development and quality management throughout the organization to satisfy the needs of our customers and build relationships with them in order to expand our business in the country and overseas.

**3. Procurement of Products or Services**

The company supplies products to meet customer needs, where customers specify the quality and competitive pricing in the market. Additionally, the company continues to develop new products with added value in response to the demand of domestic and international customers. With awareness as a service provider, the company focuses on delivering good services to its customers, both before and after sales services, to ensure that the products delivered are of good quality and corresponded to the demand of the customers.

**4. Products or Services pending for Delivery**

- None -

**EF Company Limited**

**1. Product Design or Service**

EF Co., Ltd. is the supplier of consumer products and consumables in production for industrial factories. It is the owner of a personal care product brand "EXFAC" and a chemical cleaning product brand "BIO EX", and the trader of other personal care products and products relating to manufacturing processes for use in offices and industrial factories from other trading companies.

## 2. Market and Competition

### (A) Policy and Market of Key Products and Services

- **Competitive Strategy**

The company is the brand owner and the supplier of daily-use consumer products in the group of personal care product and chemical cleaning products, including equipment and consumables in production for industrial factories. Its customers include wholesalers, cleaning companies, end user group of industrial factories, and service providers. The company emphasizes its competitive strategy on quality, price, and services that engage, access, and understand customer needs to reduce storage whilst having goods for use to meet the schedule. Additionally, the company arranges the product trial before placing orders and the environmentally friendly production process.

- **Customer Characteristics**

Customers are mainly industrial factories and sales representatives.

- **Target Customers**

Traditional Trade, Modern Trade, Beauty Shop, Industrial factories and Service Business.

- **Sales and Distribution Channels**

The company distributes directly in Traditional Trade, Modern Trade, Beauty Shop, Industrial factories and Service Business with efficient sales staffs and through sales agents in some remote areas to expand sales area.

### (B) Industry Competition

There is a high level of competition with the major and small domestic players. However, the company is still capable to expand its business from the strength of quality, service, and customers who are confident in the quality of our products and services continuously for many years.

### (C) Trend of Industry and Future Competition

The trend of industry and competition is still intense in terms of pricing. The company therefore emphasizes on engagement and accessibility approaches and understands the needs of entrepreneurs closely because we value the consultation more than the products we offer. This helps maintain our existing markets and expand new markets continuously.

## 3. Procurement of Products or Services

The company has appointed/hired the company that has been certified for international manufacturing standards both inside and outside the group to develop and manufacture products to meet the needs of consumers in the target group. Hence the company has the capability of supplying to meet the demands of customers sufficiently for the expansion of the market in the future.

## 4. Products or Services pending for Delivery

- None –

## S & J International (UK) Limited

### 1. Product Design or Service

The company's main businesses are the provider of marketing services and the distributor of raw material and packaging relating to the cosmetic manufacturing and beauty care products industry.

## 2. Market and Competition

### (A) Policy and Market of Key Products and Services

- **Competitive Strategy**

Main customers are companies in the cosmetic manufacturing and beauty care products industry. The company focuses on the distribution of raw material and packaging that are of varieties, with regard to quality, price, and the speed of responding to the needs of customers. Furthermore, the company also provides marketing services to customers who want to expand their consumer base to the United Kingdom.

- **Customer Characteristics**

At present, the company has overseas customers, of which most of them are in the cosmetic manufacturing and beauty care products industry. The company's main customers are the parent companies and their subsidiaries that are reputable multi-national companies or the leaders in cosmetic manufacturing in Thailand.

- **Target Customers**

Major customers are currently companies in the cosmetic manufacturing and beauty care products industry, where the company's goal is to expand its business to other business groups, for example cosmeceuticals, food and medicine, and others to enlarge the market for further growth.

- **Sales and Distribution Channels**

The company offers services directly to top executives of the target customers, focusing on the quality and price of the products and the speed in responding to the needs.

### (B) Industry Competition

The competition in this industry continues to focus on product quality, delivery, price, and service. As the United Kingdom remains an important market for beauty care and healthcare products, consumer preferences are therefore the determinant of the style and design of products. Hence, the company closely monitors the trend of this market in order to supply and truly respond to the needs.

### (C) Trend of Industry and Future Competition

The competition continues to focus on product quality, delivery, price, and service. As the United Kingdom is a key market for cosmetics and beauty care products, consumer preferences are therefore the determinant of the style and design of products. Hence, the company closely monitors the trend of this market in order to truly respond to the needs.

## 3. Procurement of Products or Services

With such a broad scope and variety of a number of manufacturers in the United Kingdom and nearby countries, the company can select high-quality raw materials and packaging for customers to use to produce their products for the global market.

## 4. Products or Services pending for Delivery

- None -

## 1. Product Design or Service

The company's main businesses are the provider of marketing services and the distributor of raw material and packaging relating to the cosmetic manufacturing and beauty care products industry.

## 2. Market and Competition

### (A) Policy and Market of Key Products and Services

#### ● Competitive Strategy

Main customers are companies in the cosmetic manufacturing and beauty care products industry. The company focuses on the distribution of raw material and packaging that are of varieties, with regard to quality, price, and the speed of responding to the needs of customers. Furthermore, the company also provides marketing services to customers who want to expand their consumer base to the People's Republic of China.

#### ● Customer Characteristics

The company has overseas customers, of which most of them are in the cosmetic manufacturing and beauty care products industry. The company's main customers are the parent companies and their subsidiaries that are reputable multi-national companies or the leader in cosmetic manufacturing in Thailand.

#### ● Target Customers

Major customers are currently companies in the cosmetic manufacturing and beauty care products industry, where the company's goal is to expand its business to other business groups, for example cosmeceuticals, food and medicine, and others to enlarge the market for further growth.

#### ● Sales and Distribution Channels

The company offers services directly to top executives of the target customers, focusing on the quality and price of the products and the speed in responding to the needs.

### (B) Industry Competition

The competition in this industry continues to focus on product quality, delivery, price, and services. As China is also an important market for beauty care and healthcare products, consumer preferences are therefore the determinant of the style and design of products. Hence, the company closely monitors the trend of this market in order to supply and truly respond to the needs.

### (C) Trend of Industry and Future Competition

The competition continues to focus on product quality, delivery, price, and services. As China is a key market for cosmetics and beauty care products, consumer preferences are therefore the determinant of the style and design of products. Hence, the company closely monitors the trend of this market in order to truly respond to the needs.

## 3. Procurement of Products or Services

With such a broad scope and variety of a number of manufacturers in China and nearby countries, the company can select high-quality raw materials and packaging for customers to use to produce their products for the global market.

## 4. Products or Services pending for Delivery

- None -

## 1. Product Design or Service

The company's main businesses are the provider of marketing services and the distributor of raw material and packaging relating to the cosmetic manufacturing and beauty care products industry.

## 2. Market and Competition

### (A) Policy and Market of Key Products and Services

#### ● Competitive Strategy

Main customers are companies in the cosmetic manufacturing and beauty care products industry. The company focuses on the distribution of raw material and packaging that are of varieties, with regard to quality, price, and the speed of responding to the needs of customers. Furthermore, the company also provides marketing services to customers who want to expand their consumer base to China.

#### ● Customer Characteristics

At present, the company has overseas customers, of which most of them are in the cosmetic manufacturing and beauty care products industry. The company's main customers are the parent companies and their subsidiaries that are reputable multi-national companies or the leaders in cosmetic manufacturing in Thailand.

#### ● Target Customers

Major customers are currently companies in the cosmetic manufacturing industry and beauty care products, where the company's goal is to expand its business to other business groups, for example cosmeceuticals, food and medicine, and others to enlarge the market for further growth.

#### ● Sales and Distribution Channels

The company offers services directly to top executives of the target customers, focusing on the quality and price of the products and the speed in responding to the needs.

### (B) Industry Competition

The competition in this industry continues to focus on product quality, delivery, price, and service. As Hong Kong is also an important market for beauty care and healthcare products, consumer preferences are therefore the determinator of the style and design of products. Hence, the company closely monitors the trend of this market in order to supply and truly respond to the needs.

### (C) Trend of Industry and Future Competition

The competition continues to focus on product quality, delivery, price, and service. As Hong Kong is a key market for cosmetics and beauty care products, consumer preferences are therefore the determinator of the style and design of products. Hence, the company closely monitors the trend of this market in order to truly respond to the needs.

## 3. Procurement of Products or Services

With such a broad scope and variety of a number of manufacturers in Hong Kong and nearby countries, the company can select high-quality raw materials and packaging for customers to use to produce their products for the global market.

## 4. Products or Services pending for Delivery

- None -

## 4WD Vision Company Limited

### 1. Product Design or Service

4WD Vision Co., Ltd. is a fully integrated beauty service trading company, focusing on the trading of raw materials, packaging, and other beauty related items. The company primarily supplies to the Thai market and the AEC.

### 2. Market and Competition

#### (A) Policy and Market of Key Products and Services

- **Competitive Strategy**

The core of the business is to develop an efficient procurement system that can increase the business of the manufacturer and distributor of cosmetic products in Thailand and the AEC.

- **Customer Characteristics**

As a new business, the company has developed a customer base that will bring products and services from overseas networks.

- **Target Customers**

While most of the target customers are from, but not limited to, the beauty care industry, the company, as a fully integrated trading company, is also looking for opportunities in other industries.

- **Sales and Distribution Channels**

The diversity of channels will be considered, including those relating to the rapid growth of digital opportunities and new media.

#### (B) Industry Competition

The offering of effective and cost-efficient service that is different from others with the innovation and a good design will ensure that the business will be well received in the industry.

#### (C) Trend of Industry and Future Competition

As Thailand is the key trading center in the region, and as related markets are increasingly expanding, the circulation of commodities and services between countries has become easier and opens up important opportunities for Thai companies to participate in new growth businesses. Hence, the company has expanded its business to the Netherlands to distribute cosmetic products and gift sets and provide marketing services.

### 3. Procurement of Products or Services

Initially, 4WD Vision Co., Ltd. works in close co-operation with other S & J entities to source the products and raw materials from Europe, Asia, and America, to build supply chain system and operations that have the potential for its AEC businesses.

### 4. Products or Services pending for Delivery

- None –

## 4WD Vision Europe B.V.

### 1. Product Design or Service

The company is a fully integrated beauty service trading company, focusing on the trading of raw materials, packaging, and other beauty-related items to its main customers in Thailand and the AEC.



## 2. Market and Competition

### (A) Policy and Market of Key Products and Services

- **Competitive Strategy**

The core of the business is to develop an efficient procurement system that can increase the business of the manufacturer and distributor of cosmetic products in Thailand and the AEC.

- **Customer Characteristics**

As a new business, the company has developed a customer base that will bring products and services from overseas networks.

- **Target Customers**

While most of the target customers are from, but not limited to, the beauty care industry, the company, as a fully integrated trading company, is also looking for opportunities in other industries.

- **Sales and Distribution Channels**

The diversity of channels will be considered, including those relating to the rapid growth of digital opportunities and new media.

### (B) Industry Competition

The offering of effective and cost-efficient service that is different from others with the innovation technology and a good design will ensure that the business will be well received in the industry.

### (C) Trend of Industry and Future Competition

The company will promote and increase business opportunities. Additionally in the future, the company will apply new technologies in health and hygiene products to help expand the product portfolio of its products and services.

## 3. Procurement of Products or Services

The company works in close co-operation with a subsidiary of S & J group that is responsible for sourcing the products and raw materials from Europe, Asia, and America, to build supply chain system and operations that have the potential for its AEC businesses.

## 4. Products or Services pending for Delivery

- None -

## Operational Energy Group Limited

### 1. Product Design or Service

The company is a provider of services relating to the production and maintenance of power plants under the Private Power Producer project and industrial plants both locally and overseas, the rental service of power generation machinery, and technical quality assessment (due diligence) of power plants for financial advisor.

## 2. Market and Competition

### (A) Policy and Market of Key Products and Services

- **Competitive Strategy**

The company's executives and operators operate under the quality management standard certification ISO9001:2000 from BSI Certification Services (Thailand) Ltd. Also, it has been certified with the environment quality management standard ISO14001:2004 from the same certifier, BSI Certification Services (Thailand) Ltd.

- **Customer Characteristics**

Customers of the production and maintenance of power plants business are owners and investors who are granted a license as private power producer. Most of them are joint venture companies in Thailand that are granted investment promotion privileges and have a contract to generate and supply electricity to the Electricity Generating Authority of Thailand (EGAT) and directly to electricity users who live in the area around the power plant.

- **Target Customers**

The company seeks customers from the private power producer group, the reputable and reliable real estate projects from the fast-growing markets, and industrial plants in various industries, notably those related to power, which has a vision to expand their production capacities to keep up with the country's economic growth.

- **Sales and Distribution Channels**

The company offers services directly to the top executives of the target customers. The company also continuously strives to maintain the quality and performance of services provided to existing customers, along with efforts to expand the customer base to projects that are under construction and new projects that are being promoted, such as electricity generation from agricultural products. Moreover, the company aims to expand the business to the distribution of materials related to the factory industry and service industry that are rapidly growing.

#### **(B) Industry Competition**

In the market for power plant operation and maintenance service providers, there is a high level of competition with both domestic and foreign experts entering the market. In spite of the fact that backup power generation is in oversupply and the demand for electricity tends to stabilize with economic growth. Hence, the company try to maintain its customer base.

#### **(C) Trend of Industry and Future Competition**

The COVID-19 epidemic situation has hindered the growth of the power plant business expansion to stumble even further. Manufacturers of consumer goods and service providers have reduced their production capacity. Thus, the consumption of electricity has decreased proportionally. Consequently, both the government and the private sector have slowed down their investments in electricity production. Nevertheless, the Company will accelerate its efforts to generate apparent results for current customers in general which can serve as a reference.

### **3. Procurement of Products or Services**

The company aims to maintain the quality and performance of the supply of products or services by evaluating the performance of its suppliers or service providers, as well as seeking for new suppliers or quality service providers in order to improve the management.

### **4. Products or Services pending for Delivery**

- None -

## **Yamahatsu (Thailand) Company Limited**

### **1. Product Design or Service**

The company is a manufacturer of hair coloring products, hair perming products, and a distributor of hair care products.

## 2. Market and Competition

### (A) Policy and Market of Key Products and Services

- **Competitive Strategy**

The company has developed its manufacturing operation by installing efficient machinery in the production, making it capable of producing quality goods at a more reasonable price. In addition, the company has continually been certified for goods manufacturing standards (GMP) by the Food and Drug Administration (FDA).

- **Customer Characteristics**

The company categorized its customers into 2 groups, which are;

1. Domestic customers

The products for this group of customers are the products that targeted users in working age group and customers of beauty salon.

2. Overseas customers

The company has groups of customers in many countries, namely Japan, the People's Republic of China, Australia, New Zealand, Korea, Taiwan, Singapore, Malaysia, India, and the Philippines, etc.

- **Target Customers**

The company has expanded the series of products to attract new customers in Asia and has upgraded its products under the original brand to maintain the old customer base that has used the company's products. At the same time, it also added more product categories for existing customers to have more variety of products.

- **Sales and Distribution Channels**

The company still uses the same distribution channel, which is through distributors both domestically and abroad. The percentage of overseas distribution has increased compared to domestic distribution at a ratio of 90 :10.

### (B) Industry Competition

Albeit the volatility of the economy, the company has managed to maintain and continue growing the business. However, amongst the intense competition in both domestic and overseas markets and the marketing activities to increase market shares, such as advertising and promotion, the company has been adapted to the use of efficient machinery in production to ensure that the product is of standard quality and to provide efficient production so that the cost of the product is at the right level to support the price to be competitive in the market.

### (C) Trend of Industry and Future Competition

The company continues to develop new products every year and launch new products every three months. In terms of the product formula, the company continues to improve the quality of the formula and try to use non-specific substances for each formula as necessary, so that the company does not need to purchase a variety of raw materials but order a few items in a large amount at low price. This economy of scale keeps the production costs competitive in the market. Moreover, increasing order volume from customers across Asia also helps the company better manage its procurements.

### 3. Procurement of Products or Services

The company purchases quality raw materials at a reasonable price, both chemical and packaging raw materials, to use in producing products. The company sources materials from both local and overseas manufacturers by comparing quality and price before concluding the order. Apart from this, it also selects raw materials that are harmless to consumers and inspects manufacturers on the standard of employment. With regard to our social responsibility, the company will purchase from suppliers that hire the right labor and provide appropriate treatment to employees.

The procurement of quality raw materials will create consumer confidence and trust in the company's products. Furthermore, the company has improved the logistic management to ensure efficient production management.

The company has properly defined the process to ensure the appropriate disposal of waste and industrial waste by hiring industrial waste disposal service company that has been certified by the government in order not to create harmful effects on the environment. Furthermore, the company uses the sewage pits for the disposal of wastewater. This demonstrates environmental awareness and compliance with the regulations of the Ministry of Industry.

### 4. Products or Services pending for Delivery

- None –

## Osoth Inter Laboratories Company Limited

### 1. Product Design or Service

The company is a manufacturer and distributor of pharmaceuticals and medical supplies, including dietary supplements.

### 2. Market and Competition

#### (A) Policy and Market of Key Products and Services

- **Competitive Strategy**

The company emphasizes the competitive strategy to deliver the products that are differentiated from competitors with the development, the production formula, and the production process that focuses on adding value. Sales promotion is directed to mainly specialized medical doctors and medical staff such as pharmacists, nurses, medical assistants, etc. The company uses a fair price and accessibility strategy, as well as having a customer base of university hospitals that produce healthcare personnel.

- **Customer Characteristics**

The company categorized its customers into 2 groups, which are;

1. Domestic customers

Main customers are government hospitals, private hospitals, medical clinics, and pharmacies all over the country.

2. Overseas customers

The company exports to Myanmar, Cambodia, and aiming for the ASEAN market.

- **Target Customers**

The company aims to enlarge the existing customer base by developing the existing products and innovating new products in response to the needs of today's customers and further expanding to the ASEAN market.

- **Sales and Distribution Channels**

The company has sales and marketing teams that are directly in contact with target customers. These teams keep their customers informed about product information, certification documents, and after-sales services.

**(B) Industry Competition**

The overall economic growth that is stable and the government's healthcare and drug policy that emphasizes the use of domestic general medicines have positively affected the manufacturer of pharmaceuticals and medical supplies of generic medicines. In addition, the aggregation of the ASEAN Economic Community has risen the need for generic drugs and medicines in the country, hence giving a positive opportunity for the pharmaceutical industry.

**(C) Trend of Industry and Future Competition**

The overall economic growth that is stable and the government's healthcare and drug policy that emphasizes the use of domestic general medicines have positively affected the manufacturer of pharmaceuticals and medical supplies of generic medicines. In addition, the aggregation of the ASEAN Economic Community has risen the need for generic drugs and medicines in the country, hence giving a positive opportunity for the pharmaceutical industry.

**3. Procurement of Products or Services**

Osoth Inter Laboratories Co., Ltd.'s main office is located at 600/9 Moo 11 Sukhaphiban 8 Road Nong Kham subdistrict Sriracha district Chonburi province 20230 and its branch office is located at No.10 K.N.T. Building Floor 7-8 Soi Narathiwat Ratchanakarin 8 Narathiwat Ratchanakarin road Thung Wat Don subdistrict Sathorn district Bangkok 10120. The company is certified with the GMP standard at high level from the Food and Drug Administration for two consecutive years to the present, along with the ISO9001 version 2008 standard and also is in the process of certification with the environmental standard ISO14000 and the laboratory standard ISO17025.

**4. Products or Services pending for Delivery**

- None -

**Atika Beauty Manufacturing Sdn.Bhd.**

**1. Product Design or Service**

The company's products under the main objective of the business are the sale of makeup cosmetic products with the "HALAL" certification under its own brand, such as face powder, lipstick, eyeshadow, mascara to meet the needs of customers through various channels, with an emphasis on primarily domestic Muslim customers.

**2. Market and Competition**

**(A) Policy and Market of Key Products and Services**

- **Competitive Strategy**

The company is a distributor of cosmetic products under its own brand, where it hires manufacturers that is Halal-certified and have technical expertise in product development, which is a key competitive factor. The company employs the market strategy that emphasizes the quality of its products at a high level, including packaging design that is beautiful, modern, and convenient to use. Additionally, it emphasizes the suitability of price and quality that attracts the attention of customers, taking into account the highest level of customer satisfaction.

- **Customer Characteristics**

Muslim customers who are looking for high-quality makeup products at reasonable price.

- **Target Customers**

The company's target customers are teenagers and working people who want quality cosmetics at an affordable price.

- **Sale and Distribution Channels**

The company sells products through modern trade channels.

**(B) Industry Competition**

Growth in Muslim populations and increasing purchasing power are factors driving the increasing demand for makeup products. Additionally, the Muslims' interest in makeup products has been increasing dramatically, providing potential growth opportunities for the Halal cosmetics industry.

Currently, the number of Muslim consumers using cosmetic products is increasing every year, allowing the company's products to have a market share in order to meet consumer needs and reach target groups.

**(C) Trend of Industry and Future Competition**

The Halal cosmetics industry is growing and highly competitive. However, the company believes that its growth strategy will allow it to maintain its business growth, improve its operating results in the future, and strengthen its leadership position in the makeup category of the Halal cosmetics market.

**3. Procurement of Products or Services**

The company hires manufacturers from both domestic and foreign factories that specialize in specialized production, have advanced manufacturing technology and machinery, and have a standardized quality control system in place to meet the needs of customers.

**4. Products or Services pending for Delivery**

- None -

## 1.3 Company's Business Structure

### 1.3.1 Company's Business Structure

#### S & J

The company is responsible for the design, research and development and sourcing of raw materials and packaging. Production is planned with cooperating with customers, and factory production to meet the needs of our customers.

#### Subsidiaries

A group of companies which supports the business of the company and is significant as its business unit meanwhile the company is their major investor. Affiliates are also a group of companies which is supervised by the company closely in order to ensure the pursuit of the company's policy as well as to have an efficient service.

The companies in this type are as follows :

- Top Trend Manufacturing Co., Ltd. (TTM)
- EF Co.,Ltd. (EF)
- S & J International (UK) Ltd. (S & J UK)
  - Guangzhou S & J Cosmetic Co., Ltd. (GZ S & J)
  - 4WD Vision (HK) Co.,Ltd. (4WD HK)
- 4WD Vision Co.,Ltd. (4WD TH)
  - ❖ 4WD Vision Europe B.V. (4WD NL)
- Wildlives (Thailand) Co.,Ltd. (WL)\*
- SAAS Co.,Ltd. (SAAS)\*\*

#### Remark :

- Shareholding in the company, Guangzhou S & J Cosmetic Co.,Ltd. and 4WD vision (HK) Co.,Ltd. an indirect shareholding of the company through S & J International (UK) Ltd.
- ❖ Shareholding in the company, 4WD Vision Europe B.V. an indirect shareholding of the company through 4WD Vision Co.,Ltd.
- \* The company have already registered its dissolution with the Department of Business Development on June 4, 2021 and have been in the liquidation process.
- \*\* The company have already registered its dissolution with the Department of Business Development on October 19, 2022 and have been in the liquidation process.

#### Associates

A group of companies which have investment ratio with its affiliates in order to provide benefits to the company strategically and for business coordination especially in form of various product development besides company's products. The companies in this type are as follows:

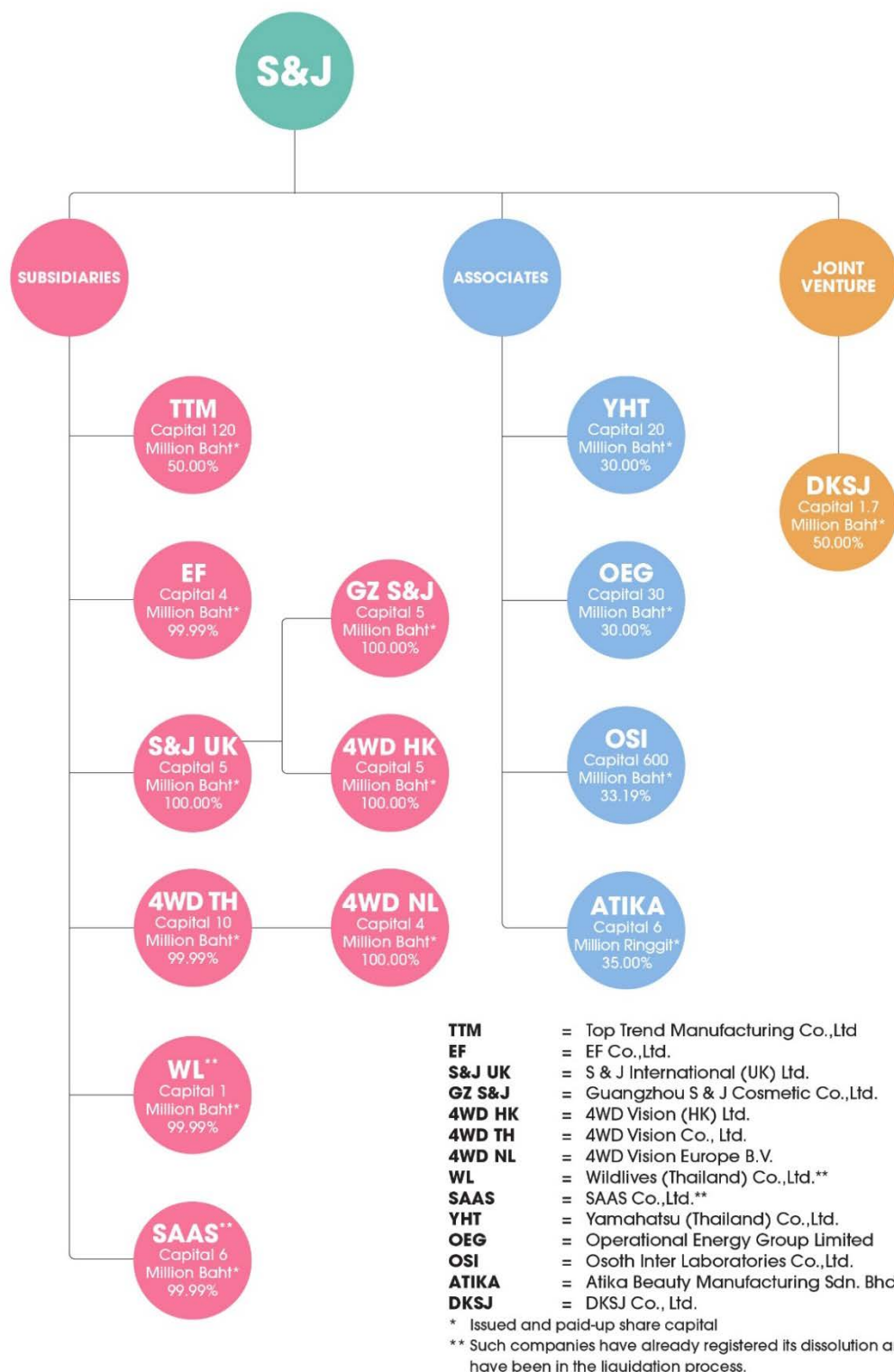
- Yamahatsu (Thailand) Co.,Ltd. (YHT)
- Operational Energy Group Limited (OEG)



- Osoth Inter Laboratories Co.,Ltd. (OSI)
- Atika Beauty Manufacturing Sdn. Bhd. (Atika)

The company's operating policy is to establish delegation within the group by each company having their own Board of Director to oversee and be responsible for their own company. Each Board of Directors has freedom to take care and supervise the company's activities under their own authority and designated responsibilities.

### Shareholding structure for companies under S & J



Investment in other Companies in which the Company holds 10% or more of paid-up shares

Company/Address	Type of Business	Type of Shares	No. of Paid-up Shares	Shareholding by the Company	
				No. of Shares	%
Subsidiaries					
1. S&J International (UK) Limited 1B Montague Road, Wimbledon, London, SW191TB Tel. (0203) 167 0095 Mobile No. 447 5989 31250 Fax No. 0870 421 5752	Distributing cosmetic products and gift set and marketing service	Common Stock	100,000	100,000	100.00
2. EF Co.,Ltd. 600/4 Moo 11 Sukaphiban 8 Road, Nongkharm, Sriracha, Chonburi 20230 Tel. (6638) 480-086-89 Fax. (6638) 480-139	Consumer Products	Common Stock	40,000	39,994	99.99
3. Wildlives (Thailand) Co.,Ltd.* 2 Naradhiwas Rajanagarindra Road, Tungwatdon, Sathorn, Bangkok 10120 Tel. (662) 676-2727 Fax. (662) 676-2726,(662) 676-4493	Consumer Products	Common Stock	100,000	99,993	99.99
4. 4WD Vision Co., Ltd. 2 Naradhiwas Rajanagarindra Road, Tungwatdon, Sathorn, Bangkok 10120 Tel. (662) 676-2727 Fax. (662) 676-2726	Import Export and Trading of chemicals, packaging and cosmetic products	Common Stock	1,000,000	999,997	99.99
5. SAAS Co., Ltd.** 2 K.A.N Bldg., Fl.6, Soi.Naradhiwas Rajanagarindra 10 Yake 4, Naradhiwas Rajanagarindra Road, Tungwatdon, Sathorn, Bangkok 10120 Tel. (662) 676-2727 Fax. (662) 676-2726	Research and development of cosmetic formulations	Common Stock	200,000	199,997	99.99

**Remark:** \* The company have already registered its dissolution with the Department of Business Development on June 4, 2021 and have been in the liquidation process.

\*\* The company have already registered its dissolution with the Department of Business Development on October 19, 2022 and have been in the liquidation process.

Company/Address	Type of Business	Type of Shares	No. of Paid-up Shares	Shareholding by the Company	
				No. of Shares	%

#### Subsidiaries

6. <b>Top Trend Manufacturing Co.,Ltd.</b> 334, Moo 1, Sriracha Industrial Zone, Sukaphiban 8 Road, Boun, Sriracha, Chonburi 20230 Tel. (6638) 760-763, (6638) 480-851 Fax. (6638) 760-763	Container	Common Stock	1,200,000	600,000	50.00
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#### Associates

7. <b>Atika Beauty Manufacturing Sdn. Bhd.</b> Suite 12-A, Level 12 Menara Northam, No. 55 Jalan Sultan Ahmad Shah 10050, Penang, Malaysia.	Manufacturing and distribute cosmetic products	Common Stock	6,000,000	2,100,000	35.00
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8. <b>Osoth Interlaboratories Co.,Ltd.</b> 600/9, Moo 11, Sukaphiban 8 Road, Nongkharm, Sriracha, Chonburi 20230 Tel. (6638) 480-766-7 Fax. (6638) 480-828	Manufacturing Phamaceutical	Common Stock	6,000,000	1,991,440	33.19
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9. <b>Operational Energy Group Limited.</b> 170/14 Floor 6th Ocean Tower 1 Building New Ratchadapisek Road, Klongtoey, Bangkok Tel. (662) 661-8990 Fax. (662) 661-8991	Servicing to operate the power plant	Common Stock	3,000,000	899,999	30.00
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10. <b>Yamahatsu (Thailand) Co.,Ltd.</b> 600/48 Moo 11 Sukaphiban 8 Road, Nongkharm, Sriracha, Chonburi 20230 Tel. (6638) 320-100 Fax. (6638) 320-111	Hair products	Common Stock	2,000,000	599,995	30.00
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#### Joint venture companies

11. <b>DKSJ Co.,Ltd.</b> 2535 Sukumvit Road, Bang Chak, Phra Khanong, Bangkok 10260 Tel. (662) 790-8000	Distribution of cosmetics	Common Stock	1,000	499	49.99
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Company/Address		Type of Business	Type of Shares	No. of Paid-up Shares	Shareholding by the Company	
					No. of Shares	%
Related companies						
12.	B.K.C. International Marketing Co.,Ltd. 2 Naradhiwas Rajanagarindra Road, Tungwatdon, Sathorn, Bangkok 10120 Tel. (662) 676-2727 Fax. (662) 676-2726, (662) 676-4493	Consumer Products	Common Stock	1,000,000	189,999	19.00
13.	E.P.F. Co.,Ltd. 549/2 Soi Saengsuk, Sathupradith Rd., Chongnonthri, Yannawa, Bangkok Tel. (662) 294-0091-4 Fax. (662) 294-4479	Consumer Products	Common Stock	65,000	11,700	18.00
14.	Train Time Test Co.,Ltd. 530 Soi Sathupradith 58, Bangpongpan, Yannawa, Bangkok 10120 Tel. (662) 293-9000	Training, Seminar	Common Stock	200,000	28,000	14.00
15.	T-Way Co.,Ltd. 549/2 Soi Saengsuk, Sathupradith Rd., Chongnonthri, Yannawa, Bangkok Tel. (662) 294-0091-4 Fax. (662) 294-4479	Tourism, hotel, buying and selling goods	Common Stock	16,000,000	1,920,000	12.00
16.	Sahacogen (Chonburi) Plc. 636 Moo 11 Sukaphiban 8 Road, Nongkharm, Sriracha, Chonburi 20230 Tel. (6638) 481-552-5 Fax. (6638) 481-551	Generating and distributing electricity	Common Stock	955,000,000	112,000,000	11.73

### 1.3.2 Person who may have led to the conflict of interests of the company with more than 10% holding of voting shares of the company, subsidiaries, or associate companies

The company has invested in Top Trend Manufacturing Company Limited (TTM), a subsidiary of the company, with a shareholding of 50%. It has 2 major shareholders who may have conflicts of interest in the company, namely Saha Pathana Inter-Holding Public Company Limited (SPI), which holds 20%, and I.C.C. International Public Company Limited (ICC), which holds 15%.

Top Trend Manufacturing Co., Ltd. (TTM) is engaged in manufacturing plastic packaging for cosmetics, food, and medicine, such as tubes, bottles, jars, powder compact, lipstick sticks to satisfy the needs of customers in a comprehensive manner. The investment in TTM is a business investment that supports the Group's operations,

even though it is a joint investment with persons who may have conflicts with the aforementioned companies. So as having considered the shareholding structure, the Board of Directors believes it to be appropriate and helps promote the business of the company and its subsidiaries.

As a shareholder, the company has the right to manage its investment independently in proportion to its ownership interest in TTM, and as a listed company on the Stock Exchange, the company adheres to the principles of good corporate governance and good internal control to treat all shareholders equally and take into account the benefits to the company and shareholders. These include measures to take action on transactions that may have conflicts of interest, such as approval of transactions with potential conflicts of interest that must be approved by the Board of Directors and must be considered by the Audit Committee in order to comply with the laws and regulations of the Stock Exchange of Thailand to ensure that these transactions are reasonable, having general commercial terms as if a transaction with third party and are in the most benefit of the company.

In addition, the regulations applicable to listed companies also encourage transparency and fairness in entering into connected transactions, both currently and in the future. Therefore, persons with vested interests will not have the right to vote, either as a director or shareholders, in transactions to which there may be conflicts of interest above.

### 1.3.3 Relationship with major shareholder business group

The company has entered into transactions with companies in the group of Saha Pathana Inter-Holding Public Company Limited and I.C.C. International Public Company Limited, which are the company's major shareholders. All of the aforementioned transactions are ordinary business transactions.

### 1.3.4 Shareholders

10 Major shareholders as of December 31, 2022

Name	No. of shares	%
1. Saha Pathana Inter-Holding Public Company Limited*	30,118,000	20.09
2. I.C.C. International Public Company Limited*	21,897,781	14.60
3. I.D.F. Company Limited*	15,682,694	10.46
4. Vittayasith Company Limited*	13,039,447	8.70
5. Mr.Boonkiet Chokwatana	10,298,408	6.87
6. Mr.Virapat Poonsakudomsin	7,430,144	4.96
7. Mr.Boonsithi Chokwatana	3,452,374	2.30
8. Mrs.Tipaporn Chokwatana	2,725,652	1.82
9. Ms.Ratiporn Punsak-Udomsin	1,800,000	1.20
10. Mrs.Pavinee Punsak-Udomsin	1,800,000	1.20
<b>Total 10 Major Shareholders</b>	<b>108,244,500</b>	<b>72.20</b>
<b>Total Shareholders</b>	<b>149,930,828</b>	<b>100.00</b>

Remark : \* Saha Group Companies

Shareholding structure classified by shareholding party categories (As of December 31, 2022)

Shareholder Category	Number	No. of shares	%
<b>Legal entity</b>			
Thai nationality	31	87,917,235	58.64
Foreign nationality	5	410,088	0.27
<b>Total legal entity</b>	<b>36</b>	<b>88,327,323</b>	<b>58.91</b>
<b>Ordinary person</b>			
Thai nationality	822	61,245,912	40.85
Foreign nationality	12	357,593	0.24
<b>Total Ordinary person</b>	<b>834</b>	<b>61,603,505</b>	<b>41.09</b>
<b>Total</b>	<b>870</b>	<b>149,930,828</b>	<b>100.00</b>

Shareholding structure classified by shareholding ratio (As of December 31, 2022)

Shareholder Category	Number	No. of shares	%
<b>Legal entity</b>			
Holding shares over 0.5%	9	86,106,585	57.43
Holding shares not over 0.5% but not less than 1 board lot	25	2,220,688	1.48
Holding shares less than 1 board lot	2	50	0.00
<b>Total legal entity</b>	<b>36</b>	<b>88,327,323</b>	<b>58.91</b>
<b>Ordinary person</b>			
Holding shares over 0.5%	17	41,227,925	27.50
Holding shares not over 0.5% but not less than 1 board lot	670	20,373,379	13.59
Holding shares less than 1 board lot	147	2,201	0.00
<b>Total Ordinary person</b>	<b>834</b>	<b>61,603,505</b>	<b>41.00</b>
<b>Total</b>	<b>870</b>	<b>149,930,828</b>	<b>100.00</b>

Distribution Information Shareholdings (Free Float)

As of February 24, 2022, the closing date of the company entitled to attend the Annual General Meeting of Shareholders No.43 on March 14, 2022 of which the company's minor shareholders holding is 32.06%.

Agreement between major shareholders.

There is no agreement between the group of major shareholders of the company (Shareholders Agreement) or with the company in matters affecting the issuance and sale of securities or management of the company.

## Cross-shareholding as of December 31, 2022

While the company allows the structure for cross-shareholding, nevertheless, such cross-shareholding is not of the nature conflicting with nor contradicting to the announcement by The Capital Market Supervisory Board no. Thor Chor 258/2008 regarding “the permission request and the permission to offer newly-issued shares” no.14. The company has acquired shares because of receiving a good rate of return in dividends payment every year and it is beneficial business to each other.

Company name	Shareholding Percentage	
	Shareholding by the company	Shareholding in the company
<b>1. In the case of over 50% shareholding</b>		
1.1 Other companies holding over 50% shares in the company. Cross-shareholding by the company in other companies is not allowed.	-	-
1.2 The company holding over 50% shares in other companies. Cross-shareholding by other companies in the company is not allowed.		
1. Top Trend Manufacturing Co.,Ltd.	50.00	-
2. Wildlives (Thailand) Co.,Ltd.*	99.99	-
3. EF Co.,Ltd.	99.99	-
4. S & J International (UK) Ltd.	100.00	-
5. Guangzhou S & J Cosmetic Co., Ltd. (100% share held by S&J UK)	100.00	-
6. 4WD Vision (HK) Co.,Ltd. (100% share held by S&J UK)	100.00	-
7. 4WD Vision Co.,Ltd.	99.99	-
8. 4WD Vision Europe B.V.	99.99	-
9. SAAS Co.,Ltd.*	99.99	-
1.3 The company holding over 50% shares in 2 other companies and Cross-shareholding between other such companies is not allowed.	-	-
<b>2. In the case of over 25% shareholding, but not exceeding 50% shareholding</b>		
2.1 Other companies holding over 25% but not exceeding 50% shares in the company. Over 10% cross-shareholding by the company in other companies is not allowed.	-	-
2.2 The company holding over 25% but not exceeding 50% shares in other companies. Over 10% cross-shareholding by other companies in the company is not allowed.		
1. Yamahatsu (Thailand) Co.,Ltd	30.00	-
2. Operational Energy Group Co.,Ltd.	30.00	-
3. Osoth Inter Laboratories Co.,Ltd	33.19	-
4. Atika Beauty Manufacturing Sdn. Bhd.	35.00	-



Company name	Shareholding Percentage	
	Shareholding by the company	Shareholding in the company
3. In the case of not exceeding 25% shareholding		
3.1 Other companies holding not exceeding 25% shares in the company.	-	-
Over 25% shareholding by the company in other companies is not allowed.		
3.2 The company holding not exceeding 25% shares in other companies. Over 25% shareholding by other companies in the company is not allowed		
1. Saha Pathana Inter-holding Public Company Limited (SPI)	0.32	20.09
2. I.C.C. International Public Company Limited (ICC)	0.35	14.60
3. Saha Pathanapibul Public Company Limited (SPC)	0.36	0.16

Remark : \* The company have already registered its dissolution and have been in the liquidation process.

## 1.4 The Company Registered capital and Paid up capital

As at December 31, 2022, the Company registered capital was Baht 200,000,000 of which Baht 149,930,828 had been paid up. The paid up capital comprises of 149,930,828 ordinary shares with a par value of Baht 1 per share, entitling of 1 share with 1 vote.

## 1.5 Issuance of other securities

- None -

## 1.6 Dividend Policy

### 1.6.1 Policy of the company

The company has a policy to pay dividends to shareholders at the rate of 20-80% of net profit of the company's separate financial statement. However, this rate principally depends on economic conditions and business performance of the company as well as the resolution of the shareholders' meeting. Dividend payment will comply with clause 56-58 of the Articles of Association of the company. The stated clauses have an essential stipulation that dividends must be paid on the basis of profit only but not from other incomes. In case the company has deficit, it is prohibited to pay dividend. Dividend will be calculated on the amount of shares basis, each share has an equal dividend. The dividends must be paid within one month after the date of the Shareholders' or Board of Directors' meeting has a resolution. The board may pay interim dividends to shareholders if the board regards that the company has a sufficient profit and report to shareholders in the next meeting.

Dividend payments for 5 latest fiscal years are as follows:

Year of Announcement	Unit	2021	2020	2019	2018	2017
1. Profit for the year	Million Baht	340.43	238.22	262.17	377.69	324.98
2. Number of Share	Million share	149.93	149.93	149.93	149.93	149.93
3. Earnings per Share	Baht / Share	2.27	1.59	1.75	2.52	2.17
4. Interim Dividend per share	Baht	-	-	1.10	-	-
5. Annual Dividend per share	Baht	1.20	1.00	-	1.26	1.20
6. Dividend Paid	Million Baht	179.92	149.93	164.92	188.91	179.92
7. Payout ratio	%	52.86	62.94	62.91	50.02	55.36

**Remark :** The Board of Directors meeting No 1/2023 held on February 23, 2023 had the resolution to propose to the shareholders meeting scheduled on April 25, 2023 in order to approve for dividend payment baht 1.70 per share in accordance with the dividend payment policy of the company.

### 1.6.2 Policies of subsidiaries

Dividends payment of subsidiaries, the company has not determined the ratio of dividend payment of the subsidiaries to the company which based on the results of operations and cash flows of each subsidiary. If the subsidiary has enough cash flow and made provision under the law, the Subsidiary's Board of Directors will consider the dividend payment on case by case basis. However, dividend payment will not exceed the unappropriated retained earnings of subsidiaries.

## 2. Risk Management

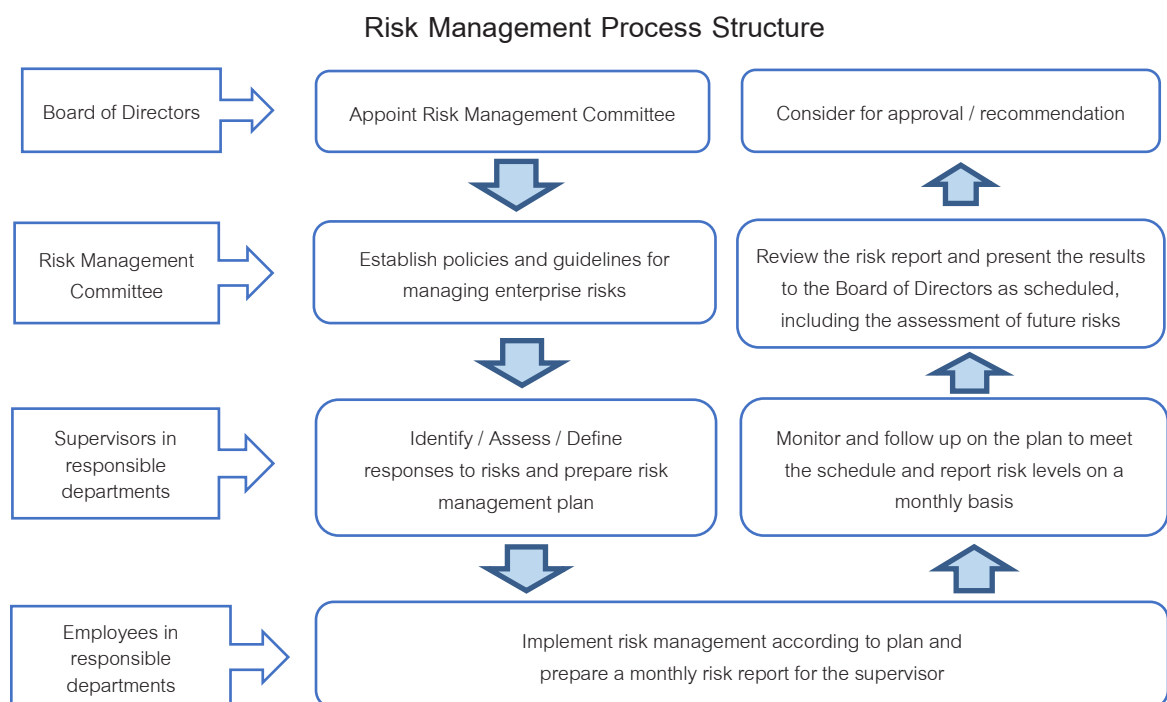
### 2.1 Risk Management Policy and Plan

The Company recognizes the importance of risk management as an integral part of good corporate governance, which is fundamental to conducting business that enables the Company to achieve corporate objectives and have sustainable growth, as well as being able to create new business opportunities and manage the impact of various events in the current situation. The Company has established a corporate risk management policy that all employees must comply with and has appointed the Risk Management Committee to establish the risk management framework, supervise and support the organization's risk management operations in accordance with the Company's strategy and business objectives by considering various risk factors in light of the constantly changing situation, both internally and externally, and that of economic, social, and environmental concerns on a regional and global scale.

The Risk Management Committee reports its management of risk to the Board of Directors at least twice a year so that the Board is informed of the organization's risk management according to the plan set forth and receives feedback to continuously improve the efficiency of risk management in all aspects. Also, this is to create proactive risk management that is in alignment with the organization's business operations and enables the organization to continuously develop strategic plans and operations in various aspects effectively and efficiently.

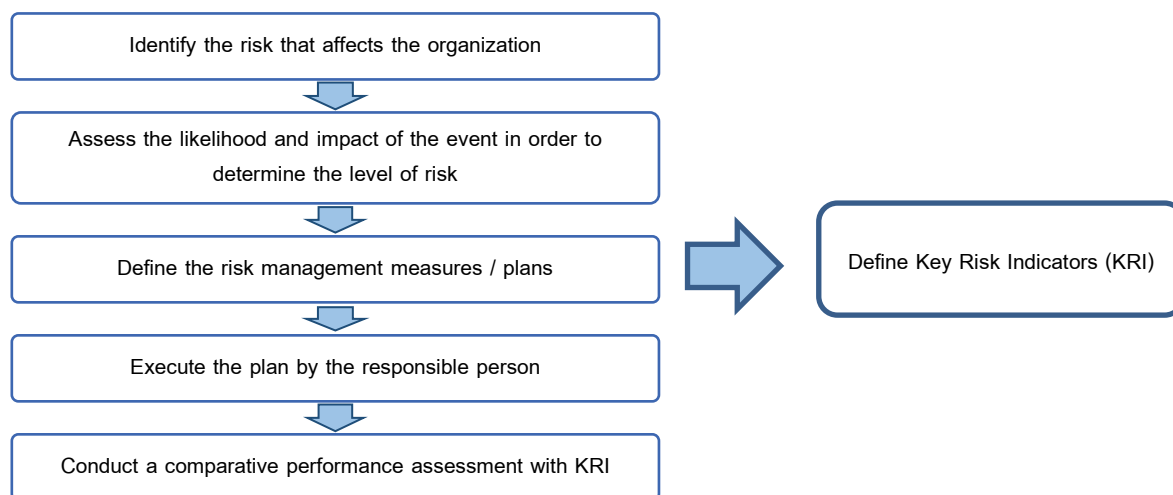
#### 1. Risk Management Process Structure

The Company recognizes the importance of risk management which must be practiced in all departments across the organization in order for systematic risk management to be achieved. Therefore, the Company has established a risk management process structure that involves the Board of Directors, the Risk Management Committee, supervisors, and employees in the responsible departments. Roles in risk management are defined in accordance with the following processes:



## 2. Determination of Key Risk Indicators (KRI) and Risk Assessment Criteria

To ensure continuous and effective risk assessment throughout the process, the Risk Management Committee has established key risk indicators (KRI) in order to monitor, inspect, and assess risks every quarter. The risk indicator assists in determining whether a risk is high, medium, or low, thereby, enabling more comprehensive risk management.



In addition, the Company has conducted a risk analysis by considering the type and degree of impact and the likelihood of that impact to derive a criterion for the overall level of risk, which is having three levels, ranging from low to high. The Company considers low and medium levels of overall risk to be acceptable. For high risks, additional risk mitigation plans will be prepared for managing such risks to reduce, including assigning responsible persons and scheduling a time frame for completion, as well as monitoring the process as described above.

In 2022, the Company assessed key significant risks, including emerging risk in order to prepare the annual risk plan, which consists of six risks, namely emerging risks, customer risks, IT & Technology risks, personal data risks, supply chain risks, and environmental, social, and governance risks. The Company evaluated each aspect of risk issue from the perspective of its importance and analyzed its likelihood and impact, including risk indicators, in order to monitor and assess the effectiveness of risk management across the organization.

## 2.2 Risk Factors for the Company's business operations

The Risk Management Committee has reviewed all aspects of risks with relevant departments in order to define measures to prevent and reduce the likelihood of occurrence, of which the following key risks have been considered.

### 1. Emerging Risks

Emerging risk is the awareness of the organization that it needs to be prepared to deal with unprecedented changes but they are the risks that may damage the organization. The Company, therefore, has to assess or forecast these new risks by using the risk assessment process as an evaluation tool for the Company to develop a risk reduction plan, and these emerging risks should be regularly assessed by departments within the organization. As for emerging risks in 2022, the Company has evaluated these risks in five areas, which are:

1. The impact of global inflation
2. Highly volatile exchange rates
3. A rise in interest rates
4. A situation resulting from the rise in crude oil prices
5. The Russia-Ukraine crisis

#### **Background Importance and Rationale**

The global inflation situation is becoming a major problem, commencing from the COVID-19 epidemic that lasted for three years, followed by the protracted crisis between Russia and Ukraine, which resulted in crude oil prices rising on forecasts of surging energy demand. Consequently, inflation in several countries reached a record over the past 40 years, with the United Kingdom at 9.1%, the United States at 8.6%, and Germany at 7.9%, prompting the Federal Reserve (FED) to adjust the policy rate upward in order to control inflation and prevent more aggressive problems.

While the war between Russia and Ukraine is still unable to find a resolution, this situation has directly impacted the prices of energy and commodities. Due to the fact that both Russia and Ukraine are key exporters and producers of a wide range of commodities, this has had an impact on the global supply chain, where production may cease or prices may increase abruptly due to a shortage of raw materials.

It is evident that the said external factors have resulted in the liquidity of global economy slowing down, and there is a tendency that the economic recovery after the COVID-19 situation in many countries may take a longer time, as well as the factor of declining purchasing power and the insecurity of investors, including the direction of the market that may change from existing.

#### **Impact Assessment**

The Company has an export proportion of 50% compared to the 2022 sales target, of which exports to Europe accounted for 80% of its total exports. Therefore, the inflation situation in many European countries could contribute directly to changes in consumer behavior, for instance considering purchasing products that are only necessary or needed, or choosing products that are worth the value of spending. These changes in consumer behavior will have an impact on the Company's revenue and profit in the future.

#### **Risk Management Measures/Plans**

It is the Company's policy to study the market growth direction according to product categories in Asia, Europe, and the United States, including Australia and New Zealand as a new market in the future, and outline a plan for the Company's growth direction in both short and long terms, including investments in new technologies. And most importantly, an urgent need is to analyze competitors both domestically and internationally in terms of their growth plans or long-term investment expansion plans.

At the same time, the Company consumes sunflower oil-based containing raw materials in the amount of 20 tons annually, and in light of the Russian-Ukrainian crisis, the Company has planned all purchases of materials containing sunflower oil-based six months in advance and covering the first quarter of 2023, which will confirm the delivery with the manufacturer every month in advance. Moreover, the R&D department is searching for new sources of sunflower oil, as well as other raw materials for substitution. The Company also has expanded its scope of searching for reserves of other primary raw materials.

#### **Determination of Key Risk Indicators (KRI)**

The Company has set risk indicators in terms of both sales and costs on the basis of a percentage comparison to the set target. In 2022, sales for the entire year exceeded the target, while costs slightly increased but remained within an acceptable range. Therefore, the risk was considered low.

### **2. Customer Risks**

#### **Background Importance and Rationale**

Being the contracted manufacturer of cosmetic products, the Company is at risk of being affected by changes in the economy that affect consumer spending, trends in goods that vary by market popularity, as well as intense market competition. All of these can have an impact on the sales and profit that the Company has planned.

#### **Impact Assessment**

If sales do not meet the target, it will affect the revenue and profit of the Company and may lead to the loss of market share to competitors. As a result, the long-term growth plan may not proceed according to the target.

#### **Risk Management Measures/Plans**

The Company has plans to track sales by each customer, both domestically and internationally, and compare actual sales with the set target. The assessment covers both the short-term with a period of 3 months and the long-term with a period of 6 months in order to plan and manage problems and analyze the causes of failure immediately if sales are not performing as planned. The Company has also formulated a strategy to seek new customers, both domestic and overseas, based on its strength in innovation and delivery speed to create maximum customer satisfaction. At the same time, the Company also emphasizes retaining its existing customer base by offering products that are growing well and have a large customer base.

#### **Determination of Key Risk Indicators (KRI)**

The Company has set indicators for the number of sales and the number of new customers that increase according to the plan. It was found that both the number of sales and the number of new customers in 2022 were higher than the target. Therefore, the risk was considered low.

### **3. IT & Technology Risks**

#### **Background Importance and Rationale**

Today, technology and digitalization are important tools for business competition, whether for communication, storage, data processing, and data analysis. As the Company's information is interconnected throughout the organization, it is considered imperative that risks of information leakage and cybersecurity shall be assessed. Additionally, the Company has updated its SAP HANA software system used for work and data storage to be more efficiently used.

#### **Impact Assessment**

Improvements to the SAP HANA software system must be planned and managed by a team of experts who understand and are familiar with the entire process. Deficiencies may result in a budget overrun and a deadline being missed if things do not go according to plan. Additionally, a threat, theft, or access to corporate data will result in a broader

impact, from various operating systems down to a personal computer, and may cause any process or the whole system to be disrupted and damaged.

#### **Risk Management Measures/Plans**

The Company has defined a plan to improve the SAP HANA software system and resources in IT and related departments, by setting up a working group to work together according to the demand of each department appropriately. This working group also jointly considers and controls the budget within the plan.

The Company's cybersecurity measures include installing a firewall on the server to prevent cyberattacks, monitoring and updating the latest version of software programs, installing the anti-virus program on every computer, limiting the use of external storage drives, and ensuring that the server is always backed up.

#### **Determination of Key Risk Indicators (KRI)**

The Company has set indicators of software system improvements (SAP HANA) are the timeline and budget of the plan which will commence in 2023. An indicator of cybersecurity is the number of reported unusual incidents resulting from management, of which there were none. Therefore, the risk was considered low.

### **4. Personal Data Protection Risks (PDPA)**

#### **Background Importance and Rationale**

According to the Personal Data Protection Act B.E. 2562, which became effective on June 1, 2022, data controllers and data processors are required to collect, disclose, and define measures to ensure that personal data is properly stored and destroyed in compliance with the law. As required to collect, use, and disclose personal data, the Company is therefore deemed to be a data controller and/or a data processor (depending on the case) and is held responsible for complying with the said Act.

#### **Impact Assessment**

The Personal Data Protection Act B.E. 2562 has been promulgated to prevent the leakage of personal information. Therefore, it is imperative that every organization adheres to it. If the organization neglects or fails to comply, the penalty for non-compliance with the Personal Data Protection Act (PDPA) will carry civil and criminal charges, which could damage the reputation of the company.

#### **Risk Management Measures/Plans**

The Company has established a Personal Data Protection Working Group to take the responsibility for drafting policies and guidelines in compliance with the laws, as well as coordinating and receiving requests from data subjects to exercise their legal rights. Additionally, the Working Group develops guidelines for agencies involved with personal data to follow and establishes measures for the retention and destruction of personal data in accordance with the law.

#### **Determination of Key Risk Indicators (KRI)**

The Company has set indicators based on the number of complaints or violations of the Personal Data Protection laws, of which there were none. Therefore, the risk was considered low.



## 5. Supply Chain Risks

### Background Importance and Rationale

Due to the macroeconomic volatility in currency exchange resulting in the depreciation of the baht, and the significant increase in oil prices, the Company has been directly and indirectly affected by imported products that increased prices as a consequence of higher exchange rates and increased transportation costs. Whereby 55 percent of the Company's total purchases are imported goods, hence, the cost of products tends to rise.

### Impact Assessment

If the baht continues to depreciate for a long period of time and the global oil market is still unstable due to the Russia-Ukraine crisis, it is possible that raw materials and packaging costs will increase. This could have a significant impact on the cost of products and consequently on the profit of the company.

### Risk Management Measures/Plans

The Company has defined a strategy to purchase raw materials that are used in a variety of products and are frequently and regularly used (COMMON), with purchase offers that are appropriate in quantities to the prices, alongside the management of raw materials inventories based on the quantities required to use, including the negotiation for a single price and the determination of a price confirmation period. These actions must all work together throughout the supply chain for planning and preparation ahead in order to reduce overall operating costs and manage the cost per unit so that they can be reduced or retained to the greatest extent possible.

Regarding exports, the Company has entered into contracts with shipping companies to handle the exports of goods for which it is responsible for freight charges. The contract specifies freight rates throughout the contract period and the expenses involved are clearly identified as both fixed costs and variable costs, such as oil prices. This results in a lower price than the market price or the spot rate price. The contract also reduces the risk of sudden price fluctuations, for instance in the event that shipping lines increase their prices due to increased market demand.

### Determination of Key Risk Indicators (KRI)

The Company has set indicators as a percentage of the average cost of raw materials, packaging, and the transportation costs that have increased compared to 2021. Whereby the average cost had increased but was still within the specified range, the risk was therefore considered low.

## 6. Environmental, Social and Governance Risks

### Background Importance and Rationale

The United Nations (UN) announced 17 Sustainable Development Goals (SDGs) in 2015. As a result, these sustainable development goals will be used to guide Thailand's and the world's future development. To conduct sustainable business, the company must give importance to the environment, society, and good governance, which affects the ability to generate profits, competition, image, and the sustainable growth of the organization.

Furthermore, the current climate conditions, which are constantly changing and unpredictable, may affect the natural raw materials from the palm group, which accounted for approximately 40% of the company's raw materials.

### **Impact Assessment**

Failure to practice or promote or value the environment, society, and governance principles can result in loss of market share, lack of trust in the company, and may lead to considerable financial loss.

### **Risk Management Measures/Plans**

The Company has placed a priority on sustainable business operations. The Company adheres to the rules and regulations of environmental laws and labor laws, as well as the protection of human rights and the equitable treatment of all stakeholders. It has established the environmental policy and ensured clear announcements and communication within the organization. Besides complying with the ISO14001 standard, the Company has been certified by an official certification body and is continuously renewed every year. Furthermore, the Company has extended its scope to include business partners by inspecting them on annual basis. It is a necessary criterion for all business partners to meet.

### **Determination of Key Risk Indicators (KRI)**

The Company has set indicators for the company or its business partners experiencing business disruptions due to labor issues, human rights issues, and discrimination, where no incidents were found by the company or its partners. Therefore, the risk was considered low.

### 3. Driving Business for Sustainability

#### 3.1 Policy and Goals on Sustainability Management

##### Sustainability Policy

The Company is committed to operating its business for sustainable growth under good corporate governance principles throughout the value chain with consideration of the impact on all groups of stakeholders. To drive the organization's business operations in an appropriate direction and create positive changes that benefit the economy, society, and the environment, the Company, therefore, has established guidelines for executives and employees to follow in driving operations within the organization, of which the essence is as follows.

##### Economy



The Company conducts its business rightfully and adheres to the principles of transparency and fairness in accordance with good corporate governance principles. It has established policies and guidelines in the organization that align with quality systems at the international level and procedures for equal treatment of stakeholders.

##### Society



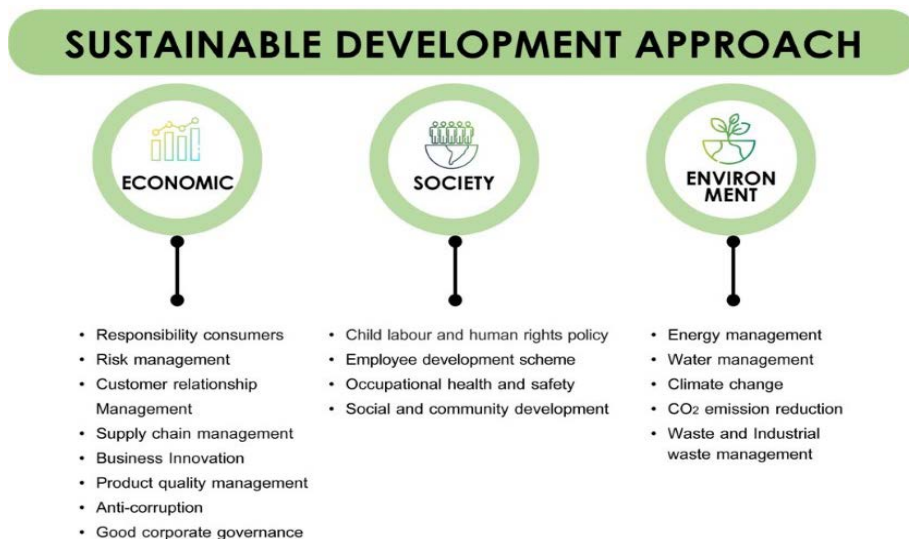
- Employees** The Company treats employees fairly, respects human rights, prohibits discrimination, does not engage child labor, ensures work safety, and provides adequate and continuous trainings.
- Partners** Develop collaborative concepts and processes within the context of sustainability and fair rules.
- Customers/Consumers** Build good relationships in conducting business together, with regard to quality, consumer safety, and caring for society and the environment
- Community** Engage participation and develop communities to build self-reliance to create coexistence atmosphere in the society.

##### Environment



The Company is mindful of the efficient use of resources and maximizing benefits throughout the supply chain from upstream to downstream with regard to energy conservation, water/wastewater management, reduction of greenhouse gas emissions, and systematic waste/industrial waste management. It also encourages stakeholders that have a significant impact on business operations, such as customers, partners, employees, and communities, to jointly care for the environment under the Green Initiative policy.

Additionally, the Company has developed a sustainable development vision that considers business operations with corporate governance in compliance with good corporate governance principles, and business operations with consideration of the impact on the environment according to the framework of international sustainability standards and the four development areas of the United Nations Agreement, namely human rights, labor, the environment, and anti-corruption. The Company has established operational guidelines for sustainability as follows.



Following the above operational guidelines for sustainability, the Company has set sustainability management goals in accordance with the Sustainable Development Goals of the United Nations. This creates confidence and a procedure to develop the Company in a direction that aligns with international targets.

#### Sustainability Management Goals in line with the United Nations Sustainable Development Goals 2022-2025

Economic Aspect		Sustainability Goals
	Goal 8 Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	<ul style="list-style-type: none"> <li>• New innovations that add value and serve consumers' needs.</li> </ul>
	8.3 Promote development-oriented policies that support productive activities, creativity and innovation.	
	8.8 Promote safe and secure working environments.	
	Goal 9 Promote inclusive and sustainable industrialization	
	9b Support technology development, research, innovation, and value addition to commodities.	
Social Aspect		Sustainability Goals
	Goal 3 Ensure healthcare services for employees	<ul style="list-style-type: none"> <li>• Occupational disease incidence of employees is "0".</li> <li>• Number of employees who are at risk of NCDs is reduced.</li> </ul>
	3d Strengthen the capacity for risk reduction and management of health risks	

Social Aspect		Sustainability Goals
	<b>Goal 4 Ensure inclusive and equitable quality education and promote lifelong learning opportunities</b> 4.7 Ensure employees acquire the knowledge and skills needed to promote sustainable development, including sustainable lifestyles, human rights, gender equality, promotion of a culture of peace, and non-violence.	<ul style="list-style-type: none"> <li>Number of employee training hours &gt; 10 hours/person/year</li> </ul>
	<b>Goal 5 Achieve gender equality</b>	<ul style="list-style-type: none"> <li>Human rights and labor complaints are "0".</li> </ul>
	<b>Goal 10 Reduce inequality</b> 10.2 Promote the social, economic, and political inclusion of all, irrespective of age, sex, disability, race, and ethnicity.	<ul style="list-style-type: none"> <li>Complaints about corruption are "0".</li> </ul>
	<b>Goal 16 Promote peaceful societies for sustainable development</b> 16b Promote and enforce non-discriminatory laws and policies.	<ul style="list-style-type: none"> <li>Number of partners joining the declaration of intention with the Company is increased and reached 100% in 2023.</li> </ul>
Environmental Aspect		Sustainability Goals
	<b>Goal 6 Ensure availability and sustainable management of water and sanitation</b> 6.5 Implement integrated water resources management at all levels.	<ul style="list-style-type: none"> <li>Amount of water consumption per production decreases by &gt;10% per year.</li> </ul>
	<b>Goal 7 Ensure access to affordable, reliable, sustainable, and modern technology for all</b> 7.2 Increase the share of renewable energy in the global energy mix.	<ul style="list-style-type: none"> <li>Amount of electricity consumption per production decreases by &gt;5% per year.</li> <li>Increase the ratio of solar energy consumption to 100%.</li> </ul>
	<b>Goal 12 Ensure sustainable consumption and production patterns</b> 12.5 Reduce waste generation through prevention, reduction, recycling, and reuse.	<ul style="list-style-type: none"> <li>Paper usage reduces by 10% per year.</li> <li>Amount of waste for recycling increases by 10% per year.</li> </ul>
	<b>Goal 13 Take urgent actions to control climate change and its impacts</b> 13b Promote mechanism for raising capacity for effective climate change-related planning and management.	<ul style="list-style-type: none"> <li>Greenhouse gas emission Scope 1, 2 reduces by 10%.</li> </ul>
	<b>Goal 14 Conserve and sustainably use the oceans, seas, and marine resources</b> 14.2 Manage and protect marine ecosystems to avoid significant adverse impacts, including take action for their restoration.	<ul style="list-style-type: none"> <li>Number of corals restoration in coastal areas by &gt;70 plots per year.</li> </ul>
	<b>Goal 15 Protect, restore, and promote sustainable use of terrestrial ecosystems and sustainably manage forests</b> 15.2 Promote the implementation of sustainability management of forests, halt deforestation and restore degraded forests.	<ul style="list-style-type: none"> <li>Number of trees planted in conserved/degraded forest areas by &gt;20,000 trees per year.</li> </ul>

## Performance of ESG in 2022

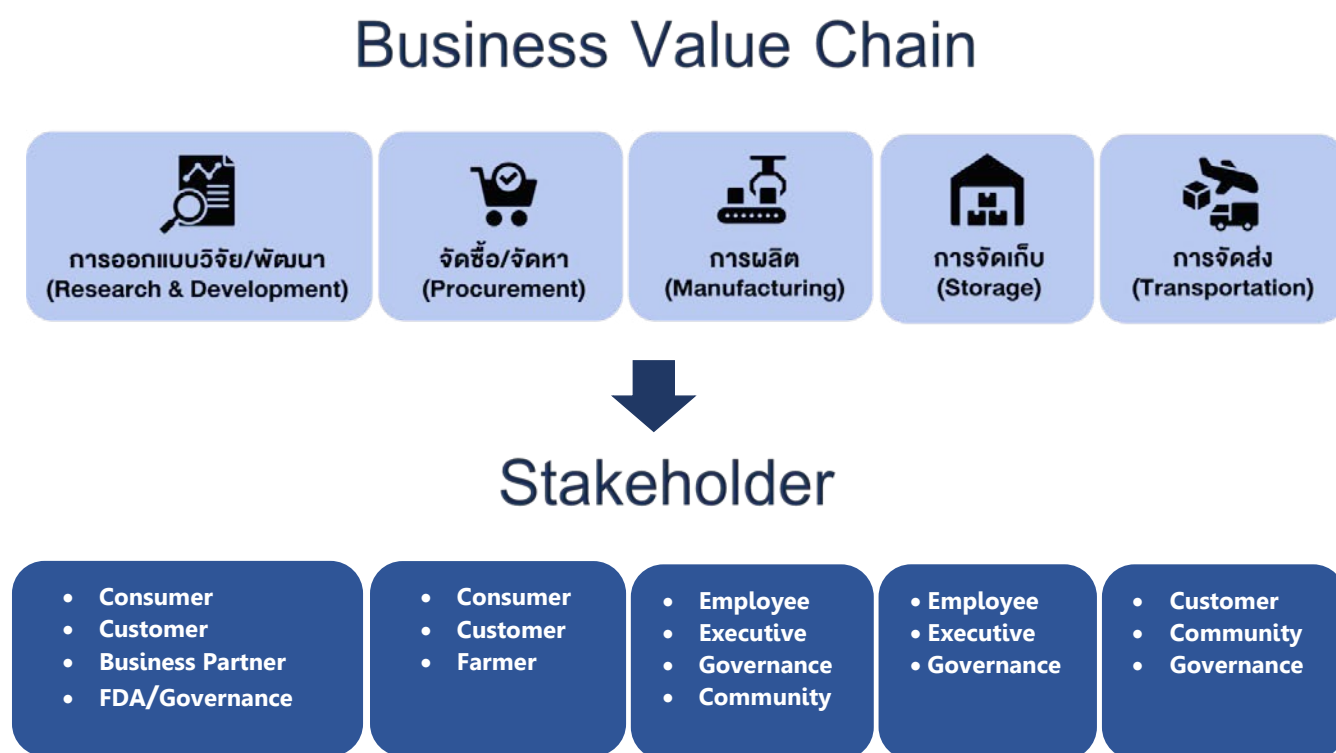
Key Issues / Indicators	Operating Performance		
	2020	2021	2022
Revenue (Million Baht)	4,316	4,906	5,960
Net Profit (Million Baht)	276	373	504
<b>Economic and Social Aspect : Goals</b>			
<b>Customer : Continuously satisfy and impress customers</b>			
Average customer satisfaction score – Domestic : > 85%	88%	88%	90%
Average customer satisfaction score – International : > 90%	85%	84%	85%
<b>Partners : Create sustainable growth together</b>			
Major partners joining the declaration of intent to fight corruption with the Company at 100%	50 companies	56 companies	77 companies
Develop potential partners that have an impact on the business : 5 partners per year	7 partners	9 partners	10 partners
<b>Employees : Promote potential and corporate innovation ideas with “Innovation is our daily activity”</b>			
Number of suggestions from employees : 700 subjects per year	835	538	611
Number of KM : 300 subjects per year	267	447	393
Number of new innovations : item per year	32	25	24
Number of innovative product sales per year	152 MB	489 MB	1,580 MB
Number of average training hours for personnel development at 10 hours/person/year	30 hours/person/year	35 hours/person/year	37 hours/person/year
Score of Employee Engagement : > 80%	85%	84%	82%
Occupational disease : 0	0	0	0
Human rights complaints : 0	0	0	0
<b>Shareholders : Ensure the satisfaction of the community for a happy coexistence</b>			
Complaints from the community : 0	0	0	0
Number of development projects around the community > 15 projects/year	15	15	15
Community satisfaction score at > 85%	96%	91%	97%
<b>Environment Aspect : Goals</b>			
<b>Acknowledged as an organization that supports and campaigns for the reduction of greenhouse gas emissions</b>			
Electricity consumption per product decreases by > 10% compared to 2020	0.112	8.9%	10.7%
Water consumption per product decreases by > 5% compared to 2020	0.0016	6.25%	6.25%
Amount of RO water recycled : Target 15,000 m <sup>3</sup> /year	19,219 m <sup>3</sup>	19,093 m <sup>3</sup>	22,071 m <sup>3</sup>
Carbon Emission (Scope 1, Scope 2) decrease by 10% starting from year 2023	-	-	Scope 1 1,068 Ton CO <sub>2</sub> Scope 2 4,188 Ton CO <sub>2</sub>
Paper usage decreases > 10% per year compared to 2020	2,352 ream	18%	19%
Amount of landfill waste is 0 in 2021	8,134 kg.	0	0
The ratio of hazardous waste to non-hazardous waste at < 50%	-	50%	45%
Increase the ratio of renewable energy using solar cell	35%	65%	96%

## 3.2 Managing the Impact on Stakeholders in the Company's Supply Chain

### 3.2.1 Value Chain of the Business

The Company strives to provide products and services that are of high quality and beneficial to customers without adversely affecting society and the environment throughout the value chain. This is why the Company places a high value on the research and development of products using raw materials that are non-harmful to consumers and the environment, the design that consumes less energy in the production, and maximize the use of limited resources. Furthermore, the Company sources raw materials and goods from partners and manufacturers that demonstrate transparency and social responsibility as well as implement innovation in their production and delivery of goods to ensure efficiency in operations that are responsible for community and the environmental sustainability.

The Company has categorized its business operations into five main activities, which are related to stakeholders in various activities as follows.



In 2022, the Company considered material topics on sustainability in accordance with the corporate strategy and stakeholders' expectations from both internal and external factors affecting stakeholders by applying the process of assessment and selection of material sustainability issues as follows.

1. The identification of material sustainability issues from stakeholders' interests with reference to the Global Sustainability Reporting Framework (GRI), the United Nations' Sustainable Development Goals (SDGs), and other issues in the same industry.
2. The prioritization of material sustainability issues, of which there are 16 issues in total, with regard to the impact on business operations and influence on stakeholders' decisions, where the impact is divided into three levels: 1) low level, 2) medium level, and 3) high level.



3. The accuracy inspection of the assessment and prioritization of material sustainability issues based on recommendations and perspectives of stakeholders toward the Company's business operations and presenting the assessment results to the management team for approval of the information disclosure.
4. The review of the assessment and preparation of material sustainability issues, including the disclosure of information in the report continuously through diverse channels and promoting the development to create new innovations in products and services.

Based on the aforementioned process of assessment and selection of material sustainability issues, the Company has summarized key issues of a high level of stakeholders' interests, which are the following.

- Consumer responsibility
- Innovation and technology
- Risk management
- Customer relationship management
- Supply chain management
- Product quality management
- CO<sub>2</sub> emission reduction
- Human rights and labor treatment
- Potential development of employees
- Safety and occupational health

### 3.2.2 Analysis of Stakeholders in the Company's Value Chain

Being aware of the significance of all stakeholders influencing the Company's business operations, the Company places a high priority on building engagement and delivering value for products and services, as well as dealing with changes to keep up with current situation. The Company intends to conduct its business by promoting engagement with all six groups of stakeholders through various channels to survey satisfaction, expectations, perspectives, suggestions, and opinions, which will assist the Company in planning appropriate responses and serve as a guide in preparing the sustainability report. The Company has implemented actions for each group of stakeholders according to the following examples.

Stake Holders	Expectation	Response to expectation	Operation indicators
Consumer	<ul style="list-style-type: none"> <li>Quality products that are safe and legitimate.</li> <li>Providing complete, clear, and accurate product information without exaggeration.</li> </ul>	<ul style="list-style-type: none"> <li>The development of production processes that meet safety and quality standards.</li> <li>The display of product information that is complete, easy-to-understand, clear, and in accordance with applicable laws.</li> <li>Establishing channels for receiving complaints and other information.</li> </ul>	<ul style="list-style-type: none"> <li>Continually receive the Best of the Best Award from the FDA Quality Award.</li> <li>"0" zero complaints from advertisement.</li> </ul>
Customer	<ul style="list-style-type: none"> <li>New innovations for products and services.</li> <li>On-time, accurate, and complete delivery of products.</li> <li>Retention of customers' personal data.</li> <li>Take care of society and the environment together.</li> </ul>	<ul style="list-style-type: none"> <li>Invent, research, and develop new innovation to serve customer's needs.</li> <li>Streamline work processes throughout the supply chain in responding to customer needs.</li> <li>Establish guidelines according to the Personal Data Protection Act. (PDPA)</li> <li>Prepare a corporate carbon footprint certification project.</li> </ul>	<ul style="list-style-type: none"> <li>New innovations of 24 items/year.</li> <li>Generate revenue of Baht 1,580 million.</li> <li>Customer satisfaction target at &gt; 85% <u>Results:</u> Domestic customer 90% Overseas customer 85%</li> <li>The Company prepares policies and guidelines for personal data protection policies.</li> <li>The Company has been certified for the carbon footprint of the organization.</li> </ul>
Business Partner	<ul style="list-style-type: none"> <li>The ethics of doing business together.</li> <li>The transparency of procurement.</li> <li>The development of business partners.</li> </ul>	<ul style="list-style-type: none"> <li>Expand the anti-corruption alliance network.</li> <li>The review and training of business ethics with partners project.</li> <li>Partner development project.</li> </ul>	<ul style="list-style-type: none"> <li>Expand the number of major business partners participating in the declaration of intent to 105 participants. 77 participants in 2022, equal to 73%.</li> <li>Ethics refresher training program for employees 100%.</li> <li>Business partners with joint development in various fields totaling 10 business partners per year.</li> </ul>
Employee	<ul style="list-style-type: none"> <li>Stability and career path.</li> <li>Ensure equal and fair treatment</li> <li>The promotion of health and the management of work-related stress.</li> </ul>	<ul style="list-style-type: none"> <li>New generation leadership development project. (Leadership Program)</li> <li>Potential personal development project.</li> <li>The application of human rights principles in personnel management.</li> <li>Proactive health promotion project in collaboration with Social Security Organization.</li> </ul>	<ul style="list-style-type: none"> <li>Average training hours <u>Results:</u> 37 hours/person/year</li> <li>Accredited with Thai labor standard system and SETDEX</li> <li>Employee Engagement of &gt; 80% <u>Results:</u> 82%</li> </ul>

Stake Holders	Expectation	Response to expectation	Operation indicators
Shareholder	<ul style="list-style-type: none"> <li>The Company is stable and generates good returns.</li> <li>Conduct business responsibly in accordance with sustainable development guidelines covering environmental, social, and governance aspects (ESG).</li> </ul>	<ul style="list-style-type: none"> <li>Conduct business in accordance with good corporate governance principles.</li> <li>Establish the framework, goals, and strategies for sustainability.</li> </ul>	<ul style="list-style-type: none"> <li>Company performance achieve the defined targets both sales and profit.</li> <li>Assessment of corporate governance of listed companies by the IOD is in an excellent criteria.</li> <li>Award for Outstanding Listed Company for five consecutive years.</li> </ul>
Community and Society	<ul style="list-style-type: none"> <li>Support activities organized by communities and government sector.</li> <li>Participate in activities and visiting people in the community.</li> </ul>	<ul style="list-style-type: none"> <li>Prepare social responsibility projects.               <ol style="list-style-type: none"> <li>Children and youth</li> <li>Elephant and other animals</li> <li>Senior citizen</li> <li>Environment</li> </ol> </li> <li>Visit community and participate in activities on special occasions such as Songkran Day, Graduation Day, visit bedridden patients, etc.</li> </ul>	<ul style="list-style-type: none"> <li>Number of social responsibility projects <u>Results:</u> 17 projects</li> <li>Satisfaction with community activities. <u>Results:</u> 97%</li> <li>Community complaints. <u>Results:</u> 0 case</li> </ul>

### 3.3 Sustainability Management in the Environmental Aspect

#### 3.3.1 Environmental Policies and Practices

##### Environmental Policy

With its realization of the importance of business operations that impact the environment and resources arising from the source of raw materials, production process, storage, and delivery of goods to end users, the Company aims to produce quality products under the intention to preserve the environment. Hence, it has established guidelines as follows.

1. Ensure compliance with laws, customer requirements, treaties, and environmental standards, both present and those that may arise in the future.
2. Manage with a focus to reduce resource consumption, reuse, and recycling, including prevention and elimination of things that pollute the environment.
3. Continuously develop the environmental capacity to create environmentally friendly products that contribute to the sustainable management of the environment.
4. Promote the consideration of the life cycle to achieve the most efficient use of resources.

5. Promote the reduction of resource consumption and products that affect greenhouse gas emissions (GHG) while focusing on the development of use and product design that is friendly to the environment
6. Promote and cultivate the consciousness of all employees, for them to be part of the impact prevention on natural resources and the environment.



### 3.3.2 Environmental Performance

In 2022, the Company operated its business in accordance with the Green Initiative policy, where it realized the importance of conducting business in conjunction with the preservation of the environment by effectively utilizing resources as a key to driving the economy and developing society toward sustainability. The Company has established policies and guidelines for business operations throughout the value chain, starting with process design and formula development, purchasing, procurement, manufacturing, and delivery that are environmentally friendly, so as to achieve cost-effectiveness and maximize the use of resources.

- **Green Cosmetic** The Company is aware of the research and development of products that are friendly to nature, reduce the impact on the environment, and safe for consumers.
  - **Operational guidelines** Design and use of raw materials that are environmentally friendly, such as RSPO certified palm oil.
  - **Operational results** Green Formula Products has increased from 20 products in 2020 to 209 products in 2022.
- **Green Packaging** The Company supports the use of natural packaging that is friendly to the environment and recyclable, harmless to human and animal health, and does not adversely affect the environment
  - **Operational guidelines** Design of packaging that reduces the use of plastic and uses package that can be recycled.
  - **Operational results** The number of environmentally friendly packaging increased from 54 items in 2020 to 744 items in 2022.
- **Green Factory** The Company has implemented projects related to energy conservation, water conservation, greenhouse gas emission reduction, waste management, of which the company reported its operations according to the following.

Categories	Topic	Goals (Ton CO <sub>2</sub> )	Results (Ton CO <sub>2</sub> )
Energy Saving	Reduce electricity consumption	1,000	1,118.6
	Reduce steam consumption	400	458.6
	Reduce fuel consumption	70	7.2
Green Energy	Use of solar energy	6,700	6,839.7
Waste Management	Land fill	0	0
	Fuel Blending	30	21.7
	Co burned in Cement Kiln	700	34.1
	Recycle	710	1,101.8
	Soil Fertilizer from sludge	30	127.0
Resource Management	Reduce water consumption	120	121.8
	Reduce paper usage	1	0.5
	Reduce the use of chemicals	3.5	369.4
	Reduce the use of materials	1,600	317.6

- **Green Project** The company has supported the "Environmental Conservation Project" activity to cultivate awareness and encourage employees' participation in effectively using resources to maximize benefits and minimize the use of products that affect greenhouse gas emissions as well as culturally conduct of the agency or organization.

Further information can be found in the Company's Sustainability Report in 2022.

## 3.4 Sustainability Management in the Social Aspect

### 3.4.1 Social Policies and Practices

The Company places a high value on fostering an atmosphere of coexistence among people in the society, both internally, meaning the employees of the organization, and externally, meaning people in the community, both near and far. It is the Company's policy to cultivate awareness of community members in the context of sustainability so that they can be self-reliant and help one another to resolve problems and continuously develop their communities. The Company has adopted a practical approach to implementing the Sustainable Development Goals of the United Nations by connecting the concept of social responsibility to concrete actions. During the year 2022, the Company organized a community dialogue in order to explain its operational procedures and assess how the Company's operations impacted the community in order to improve its operational guidelines and to solve any problems faced by the various communities to be able to serve their needs. In this approach, the surrounding communities were found to be satisfied with the Company's development of the communities, with a score of 97 percent on average. This demonstrated the Company's commitment to organizing activities for the communities and it will continue to arrange different activities to benefit the communities in the future.

### 3.4.2 Social Performance

The Company has operated according to plans and strategies through a variety of community activities, which can be summarized as follows.

Categories	Topic	Performance
Children and Youth	Mobile Science Project	Bus no.1 East region – provided knowledge on analysis of soil conditions and improve agricultural areas.  Bus no.2 North region – Number of youths enrolled in secondary school by >44%
	Reading for the Nation Project	The Company donated 22,130 kilograms of cardboard boxes to create more than 885 storybooks.
Elephants and other animals	Elderly Elephant Conservation Project	Saved the lives of 5 old elephants.  Created a career for 5 mahouts.
	Elephant Food Planting Project	Planted 4,500 banana trees on a 30-rai plot of land.
	Mobile Animal Project	Provided assistance to 2,264 animals.
Terrestrial Ecosystem	Reforestation and Forest Conservation Project	From 2006 to present, planted > 116,340 trees.
Marine Ecosystem	Coral Conservation and Restoration Project	From 2021 to present, planted 158 coral plots and 2,212 coral plants.
Community and Society	You can save project	Donated to hospitals in need of medical equipment and services nationwide, totaling Baht 1,040,000.
	SJI for the Community Project in New Normal	Provided support for COVID screening items and equipment, totaling 400 boxes.
	Sharing Smile Create Happiness Project	The Company provided support to Ban Rai Nueng Community School for the Elderly to improve the quality of life for the elderly in the community.
	Agricultural Career Promotion for Farmers Project	Promoted farmers in the community to sell 5 tons of red jasmine rice.
Religion	Kathin Unity Project	A merit of Baht 329,669 had been made.
	Novice Ordination Project	More than 30 novices participated in the project.

Further information can be found in the Company's Sustainability Report in 2022.

## 4. Management Discussion and Analysis

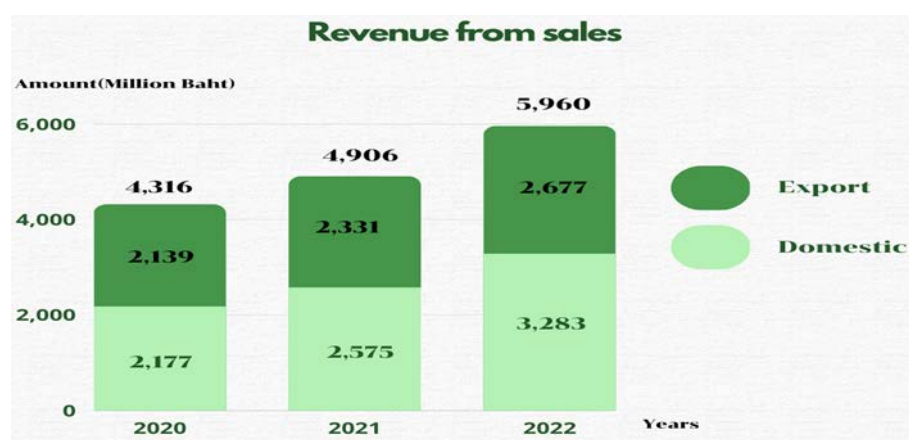
### 4.1 Analysis of Financial Position and Operating Results

#### 4.1.1 Overview of Business Operation

In 2022, the Russian-Ukrainian war, the inflation, fluctuation in foreign exchange rate had slowed down the global economy, as well as the COVID-19 virus epidemic which is continuing to spread worldwide despite an improvement trend. Due to these factors, the Company was able to respond quickly in timely manner for rising in raw material prices, thus increasing costs. Amidst these challenges in conducting the business today, the Company has adapted to find opportunities to achieve customer satisfaction as well as seek out new customers both in the country and overseas.

Furthermore, the Company strives to develop in every aspect, whether it be the creation of new innovations, the deployment of technology to communicate through every channel with both domestic and international customers, along with the management of risks resulting from various factors in conducting the business to an appropriate level. As a result, the overall business operations of the Company and its subsidiaries in the year 2022 increased in both revenue and profit compared to the previous year.

#### 4.1.2 Financial performance and Financial position



#### Revenue from sales

In 2022, the company and its subsidiaries had revenue from sales of 5,960 Million Baht, increased from prior year of 4,906 million baht or 21.5% by increasing in local sales of 708 Million Baht or 27.5% and increasing in export sales of 346 Million Baht or 14.8% due to increase in cosmetic products and packaging for cosmetic products.



(Unit : Million Baht)

Consolidated	2022	2021	2020	Increase (Decrease)			
				2022 / 2021		2021 / 2020	
				Amount	%	Amount	%
Domestic	3,283	2,575	2,177	708	27.5	398	18.3
Export	2,677	2,331	2,139	346	14.8	192	9.0
Total	5,960	4,906	4,316	1,054	21.5	590	13.7

#### Gross profit

In 2022, the company and its subsidiaries had gross profit of 29.5% of revenue from sales which was closed to prior year due to appropriate controlling their cost and expenses while cost of raw material and import expenses is higher than prior year.

#### Other income (included Dividend Income, Exchange Gains and Gain from fair value measurement on derivatives)

In 2022, the company and its subsidiaries had other income of 124 Million Baht decreased from prior year of 28 Million Baht due to decrease in exchange gains and other income.

#### Selling and distribution expenses

In 2022, the company and its subsidiaries had selling and distribution expenses of 241 Million Baht, increased from prior year 29 Million Baht or 13.7% which were related to increase in export expenses together with revenue from sales has increased.

#### Administrative expenses

In 2022, the company and its subsidiaries had administrative expenses 1,056 Million Baht, increased from prior year 60 Million Baht or 6% mainly due to increase in personel expenses and reserch and development cost.

#### Profit attributable to equity holders of the parent



In the consolidated financial statements of year 2022, the company and its subsidiaries had net profit attributable to equity holders of the parent company of 504 Million Baht, increased from prior year of 131 million baht or 35.1% due to increase in sales and its profitability together with overall control in cost and expenses as above explained.

#### Return on Equity



In the consolidated financial statements of year 2022, the company and its subsidiaries had return on equity of 11.5%, increased from prior year 2.1% due to increase in profit for the year. The company has a policy to pay dividend to shareholders at 20-80 percent of profit for the year of the company's separate financial statement (under the cost method). However, this rate principally depends on economic conditions and operational results of the company.

In 2022, the company had profit for the year of 452.8 Million Baht. The company had the resolution of the Board of Directors' Meeting No. 1/ 2023 held on February 23, 2023 which shall be proposed to the shareholders' ordinary meeting for their approval on April 25, 2023 to pay dividend at the rate of 1.70 Baht per share, totally 254.9 Million Baht. The proposed dividend payment is equal to 56.3% of profit for the year of the separate financial statement and shall be paid on May 24, 2023.

#### Financial position

**Total Assets :** In 2022, the company and its subsidiaries had total assets amounting to 6,377 Million Baht, increased from prior year of 368 Million Baht or 6.7% due to material changes as follows:

1. Increase in Cash and cash equivalent of 293 Million Baht due to collection of receivables from increase in revenue from sales.
2. Increase in Trade and other receivables of 124 Million Baht due to increase in revenue from sales.
3. Increase in Other non-current assets of 34 Million Baht mainly due to land lease payment during the year.
4. Decrease in Other non-current financial assets of 65 Million Baht due to decrease in listed equity instruments.

**Total Liabilities** : In 2022, the company and its subsidiaries had total liabilities amounting to 1,437 Million Baht, increased from prior year of 94 Million Baht or 7% due to material changes as follows:

1. Increase in Bank overdraft and short-term borrowing from financial institutions of 13 Million Baht due to a subsidiary has borrowing for its working capital.
2. Increase in Trade and other payables of 88 Million Baht due to increase in purchase of raw material and packaging for manufacturing.

**Shareholders' Equity** : In 2022, the company and its subsidiaries had shareholders' equity amounting to 4,940 Million Baht, increased from prior year of 304 Million Baht or 6.6% due to material changes as follows:

1. Profit for the year of 399 Million Baht.
2. Dividend payment of 180 Million Baht.

### Liquidity

1. Cash flows in 2022, the company and its subsidiaries had net increase in cash and cash equivalent of 62 Million Baht by separated activities as follows:

(Unit : Million Baht)

	2022	2021	2020
Cash Flows provided from Operating Activities	676	552	557
Cash Flows provided from (used in) Investing Activities	(171)	(141)	(76)
Cash Flows used in Financing Activities	(210)	(61)	(343)
Increase (decrease) in transaction adjustments	(2)	5	4
Net Increase (Decrease) in Cash and Cash Equivalent	293	355	142

The material changes in cash flows are as follows:

- Increase in cash flows provided from operating activities of 124 Million Baht mainly due to increase in profit from operating activities.
- Increase in cash flows used in investing activities of 30 Million Baht mainly due to decrease in sales of investments and acquisitions of property , plant and equipment.
- Increase in cash flows used in financing activities of 149 Million Baht mainly due to a subsidiary has repayment for short term borrowing from financial institutions.

## 2. Sufficiency of liquidity

(Unit : Million baht)

	2022	2021	2020	
Current Ratio	2.74	2.63	3.14	Times
Quick Ratio	2.76	2.79	3.13	Times
Current Cash Flow Ratio	0.67	0.70	0.82	Times
Debt to Equity ratio	0.29	0.29	0.25	Times

In 2022, the company and its subsidiaries had increase in Current Ratio compare to prior year, whereas Current Cash Flow Ratio was slightly decreased from prior year.

### 4.1.3 Sustainability Operations

The Company recognizes the importance of conducting business in conjunction with the sustainable development of the organization, where the impacts on the environmental aspects, social aspects, and corporate governance aspects are considered. In 2022, the Company carried out the following sustainability activities:

**Environmental aspect** The Company has set a goal to reduce greenhouse gas emissions from various activities by 12,000 ton Co<sub>2</sub> per year with a long-term goal of Carbon Neutrality in 2040 and Carbon Net Zero in 2050 from the base year of 2019 to adapt and keep pace with the challenge of climate change. In 2022, the Company implemented the Carbon Footprint project at the corporate level and achieved certification, which led to setting long-term goals and plans to reduce greenhouse gas emissions. The environmental preservation, particularly the efficient use of natural resources, is a significant issue in driving the economy and social development toward sustainability. The Company has established policies and guidelines for conducting business throughout the supply chain, starting with the development and design of a formula, purchasing, procuring raw materials, producing, and delivering products that are environmentally friendly, to ensure the efficient, cost-effective, and beneficial utilization of resources under the Green Initiative policy, consisting of Green Cosmetics, Green Packaging, Green Operations, and Green Project. This satisfied customers' needs and created competitive advantages among customers in this group, whereby the Company can generate sales of Baht 1,660 million in 2022.

**Social aspect** The Company conducts its business under the philosophy of "good people," which emphasizes the development of its employees into both good and great individuals. In 2022, the Company developed the spirit of being a "good person" among a group of leaders through the Leadership Program, consisting of an important course on "Growth Mindset & Greenversation", which prepares them for a work environment that may change constantly and for them to focus on helping others and contributing to the development of the organization and community. For a "great person", the Company developed the knowledge and skills of its personnel, both the leadership team and operational staff, to support sustainable business growth in the future through the development of high potential, the preparation of succession plans, and the performance evaluation systems.

Moreover, the Company encourages its employees to participate in the development of innovation within the organization to deliver products that are of high quality and environmentally friendly. In 2022, research and development expenses for technology and innovation amounted to Baht 124 million, which accounted for 2.1% of total revenue. The Company focuses on developing innovation to serve the needs of its customers, whether they are innovative products and services, production processes, and business models that can generate tangible business benefits. For its research and development planning, the Company has a strategy and portfolio that are aligned with its current and future goals.

Continuous research and development of innovation is an important factor that enhances the competitiveness of the business. The Company has adjusted its innovation strategy to create added value in products and services and emphasized adaptation to meet customers' needs that change rapidly to generate higher profits. In 2022, the Company had products with a new innovation made from red jasmine rice extracts with high antioxidants. The Company has used it as an ingredient in sunscreen products to increase the efficacy of care and be gentle on the skin, thus serving customers' needs and resulting in sales of up to Baht 828 million.

**Corporate Governance aspect** The company conducts its business under the principles of corporate governance and promotes a work environment that is transparent, fair, and no discrimination by implementing risk management principles and business continuity planning to ensure the business can continue its operations appropriately. In addition, the Company has prepared a tax policy to guide its tax operations in a transparent manner. The Company and its subsidiaries paid income tax expenses to the government as follows:

Consolidated	2022	2021	2020
Accounting profit before tax (Million Baht)	640.5	457.6	334.6
Applicable tax rate	0-20%	0-20%	0-20%
Income tax expenses (Million Baht)	100.6	58.8	20.5
Effective tax Rate (%) *	15.7%	12.8%	6.1%
Corporate income tax paid (Million Baht)	94.7	44.9	46.7

\* Calculated from income tax expenses divided by profit before tax

In 2022, the Company and its subsidiaries had Income tax expense according to the consolidated financial statements was Baht 100.6 Million, representing an effective income tax rate of 15.7%. However, the effective tax rate was lower than the applicable tax rate, main reason is that some companies have losses. In 2022, the Company and its subsidiaries paid income tax in the amount of Baht 94.7 Million.

## 4.2 Factors or situations which may significantly impact Operating Results and Financial Status of the Company and its Subsidiaries in the Future

In the future, aside from increased cost from the price of raw materials and oil prices that may affect the operating expenses of the company and its subsidiaries, economic conditions, purchasing power, and changes in consumer behavior, as well as technological advances and the economic impact of COVID-19 are also important factors that will affect the company's operations and financial position in the future. Nevertheless, if the company

and its subsidiaries is able to adjust and manage its associated costs appropriately, develop innovative products through understanding the needs of customers and changing consumer behavior, and then use that information to set a short-term and long-term strategic plan that covers various related matters, this will lead to the opportunity to sell products to existing customers and new customers in the future.

### 4.3 Key Financial Information

Item	Unit	2022	2021	2020
<b>Statement of income</b>				
Revenue from sales	Million Baht	5,960	4,906	4,316
Cost of sales	Million Baht	4,204	3,453	3,059
Gross Profit	Million Baht	1,756	1,453	1,257
Selling and distribution expenses	Million Baht	241	212	144
Administration expenses	Million Baht	1,056	996	950
Operating profit	Million Baht	459	245	163
Share of profit from investments in associates	Million Baht	64	69	74
Other income	Million Baht	124	152	104
Other expenses	Million Baht	-	3	-
Finance costs	Million Baht	6	5	7
Profit before income tax expenses	Million Baht	641	458	334
Income tax expenses	Million Baht	101	59	20
Net profit	Million Baht	540	399	314
Profit attributable to equity holders of the Company	Million Baht	504	373	276
Profit attributable to noncontrolling interests	Million Baht	36	26	38
<b>Statement of financial position</b>				
Total assets	Million Baht	6,377	5,979	5,115
Total current assets	Million Baht	2,939	2,516	1,959
Cash and cash equivalents	Million Baht	917	624	269
Trade and other receivables	Million Baht	1,080	956	858
Inventories	Million Baht	841	864	771
Other current financial assets	Million Baht	11	8	19
Other current assets	Million Baht	90	64	42
Non-current assets	Million Baht	3,438	3,463	3,156
Other non-current financial assets	Million Baht	1,234	1,299	1,044
Investments in associates	Million Baht	341	319	290
Investments in joint venture	Million Baht	1	1	-
Investment properties	Million Baht	77	81	87

Item	Unit	2022	2021	2020
Property, plant and equipment	Million Baht	1,592	1,579	1,485
Right-of-use assets	Million Baht	57	79	128
Intangible assets	Million Baht	19	24	29
Deferred tax assets	Million Baht	56	54	59
Other non-current assets	Million Baht	61	27	34
<b>Total liabilities</b>	<b>Million Baht</b>	<b>1,437</b>	<b>1,343</b>	<b>1,027</b>
<b>Current liabilities</b>	<b>Million Baht</b>	<b>1,073</b>	<b>957</b>	<b>632</b>
Bank overdrafts and short-term loans				
from financial institutions	Million Baht	219	206	60
Trade and other payables	Million Baht	740	652	500
Current portion of lease liabilities	Million Baht	28	35	43
Income tax payable	Million Baht	56	48	11
Other current liabilities	Million Baht	30	16	18
<b>Non-current liabilities</b>	<b>Million Baht</b>	<b>364</b>	<b>386</b>	<b>395</b>
Lease liabilities, net of current portion	Million Baht	28	45	85
Provision for long-term employee benefits	Million Baht	180	173	188
Deferred tax liabilities	Million Baht	155	167	121
Other non-current liabilities	Million Baht	1	1	1
<b>Shareholders' equity</b>	<b>Million Baht</b>	<b>4,940</b>	<b>4,636</b>	<b>4,088</b>
Unappropriated Retained earnings	Million Baht	3,015	2,687	2,341
Equity attributable to owners of the Company	Million Baht	4,537	4,259	3,722
Non-controlling interests	Million Baht	403	377	366
<b>Statement of cash flows</b>				
Net cash flows from operating activities	Million Baht	676	552	557
Net cash flows used in investing activities	Million Baht	(171)	(141)	(76)
Net cash used in financing activities	Million Baht	(210)	(61)	(343)
Increase (decrease) in translation adjustments	Million Baht	(2)	5	4
Net increase in cash and cash equivalents	Million Baht	293	355	142
Cash and cash equivalents at beginning of the year	Million Baht	624	269	127
<b>Cash and cash equivalents at end of the year</b>	<b>Million Baht</b>	<b>917</b>	<b>624</b>	<b>269</b>
<b>Information per share</b>				
Par value	Baht	1.00	1.00	1.00
Book value	Baht	30.26	28.41	24.82
Earnings per share	Baht	3.36	2.49	1.84
Market price at year end date	Baht	31.75	29.00	23.90
Dividend payment	Baht	1.70*	1.20	1.00



Item	Unit	2022	2021	2020
<b>Financial Ratio</b>				
<b>Liquidity ratio</b>				
Current Ratio	times	2.74	2.63	3.14
Quick Ratio	times	2.76	2.79	3.13
Liquidity of Cash Flow from Operation	times	0.67	0.70	0.82
Account receivable Turnover	times	6.05	5.49	5.02
Average Collection Period	days	60	66	72
Inventory Turnover	times	13.60	11.61	10.40
Average Sale Period	days	26	31	35
Account Payable Turnover	times	12.42	11.74	10.52
Average Payment Period	days	29	31	34
Cash Cycle	days	57	66	73
<b>Profitability</b>				
Gross Profit Margin	%	29.45	29.62	29.13
Operation Profit Margin	%	7.69	4.99	3.79
Cash to Profit Margin	%	147.64	225.62	340.97
Return on Total Revenues	%	8.29	7.38	6.24
Return on Equity	%	11.47	9.35	7.55
<b>Efficiency ratio</b>				
Return on assets	%	8.16	6.73	5.48
Return on fixed assets	%	44.64	37.97	32.17
Asset Turnover	%	0.98	0.91	0.88
<b>Financial policy ratio</b>				
Debt to equity ratio	times	0.29	0.29	0.25
Interest coverage	times	133.00	112.18	81.89
Payout ratio (The Separate Financial Statements)	%	56.29*	52.86	62.94

\* The Board of Directors resolved to set dividend payment rate at Baht 1.70 per share, for further proposal to the shareholder's general meeting for approval on April 25, 2023.

## 5. General Information and Other Key Information

### 5.1 General Information

Name	S & J International Enterprises Public Company Limited
Stock Code	S&J
Registered No.	0107537001366
Major Activities	Cosmetics Manufacturing
Capital value	200,000,000 common stocks of Baht 1.- par value
Paid-up capital	149,930,828 common stocks of Baht 1.- par value
Address	<b>Office</b> 2 Naradhiwas Rajanagarindra Road, Thungwatdon, Sathorn, Bangkok, 10120, Thailand. Tel. (662) 676-2727, (662) 676-2737 Fax. (662) 676-2726, (662) 373-2747 <b>Factory 1 (Saha Group Industrial Park - Sriracha)</b> 600/4 Moo 11 Sukaphiban 8 Road, Nongkharm, Sriracha, Chonburi, 20230, Thailand. Tel. (6638) 480-086-89 Fax. (6638) 480-139 <b>Factory 2 (Pinthong Industrial Park)</b> 789/159 Moo 1, Sai Nong Kho-Laemchabang Road, Nongkharm, Sriracha, Chonburi, 20230, Thailand. Tel. (6638) 348-512 Fax. (6638) 348-461
Website	<a href="http://www.snjinter.com">www.snjinter.com</a>

#### Contact Information

DEPARTMENT	TELEPHONE NUMBER	E-MAIL ADDRESS
COMPANY SECRETARY	(02) 676-2727 Ext. 2812	sumit_k@snjinter.com
INVESTOR RELATION	(02) 676-2727 Ext. 2508	sjj_sec@snjinter.com
HEAD OF INTERNAL AUDIT	(02) 676-2727 Ext. 2784	Jittipong_s@snjinter.com

#### Other Personnel Reference

Security Registra	<b>Thailand Securities Depositary Co., Ltd.</b> The Stock Exchange of Thailand Building 93 Ratchadaphisek Road, Dindaeng, Dindaeng, Bangkok 10400, Thailand Tel. (662) 009-9000 Fax. (662) 009-9991
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Legal Consultant	Vira Law Office Co.,Ltd. 548/14-15 Soi Sathupradith 58 Yak 18, Bangpongpan Yannawa, Bangkok 10120 Tel. (662) 683-8023, (662) 683-8843 Fax. (662) 683-8843	
Financial Consultant	None	
Consultant or Contract Manager	None	
Auditor	Mrs.Saifon Inkaew Certified Public Accountant No. 4434 Mr.Termphong Opanaphan Certified Public Accountant No. 4501 Ms.Sineenart Jirachaikhuankhan Certified Public Accountant No. 6287 EY Office Limited. 193/136-137 Lake Rajada Office Complex, 33 <sup>rd</sup> Floor, Rajadapisek Rd., Klongtoey, Bangkok, 10110 Tel./Fax. (662) 264-9090, (662) 264-0789	

## 5.2 Other Key Information

- None -

## 5.3 Legal Disputes

5.3.1 The cases which may have the negative impact on the company's assets or its subsidiaries a higher number of 5% of the shareholders' equity as of December 31, 2022.

- None -

5.3.2 The cases that affect the business of the Company or its subsidiaries significantly but can not assess the impact number.

- None -

5.3.3 The cases that do not incur from the normal business operations of the company or its subsidiaries.

- None -

## 5.4 Secondary Market

- None -

## 5.5 Reference

- None -

# **PART 2**

## **CORPORATE GOVERNANCE**

## 6. Corporate Governance Policy Overview

### Corporate Governance Policy

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

In pursuance thereof, the Board of Directors thereby prescribed the following corporate governance policies as a practice guideline for the company and the subsidiaries' directors, Executives and all employees.

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 manner 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.

With this regard, the company has revealed corporate governance policies, business ethics, and code of conduct for company directors, the management and employees to employees, shareholders, and general public via the company website, under the heading "Investor relations: Corporate Governance". <https://snjinter.com/wp-content/uploads/2022/06/The-Good-Corporate-Governance-Policy.pdf>

## 6.1 Overview of Corporate Governance Policies and Practices

In its past operations, the Board of Directors has complied with laws, objectives, regulations, and resolutions of the Company's general meeting of shareholders, as well as adhering to corporate governance guidelines for listed companies in 2017 (Corporate Governance Code for Listed Companies 2017) specified by the Securities and Exchange Commission (SEC), as guidelines for the Company's business operations to achieve operational efficiency and to build up confidence in its business operations to outsiders.

The Board of Directors has established a good corporate governance policy, including the preparation of 8 practices of good corporate governance principles, business ethics, and codes of conduct for the Board of Directors, executives, and employees in writing, to serve as guidelines of good practices for the Company's directors, executives, and employees. The policy is published on the Company's website ([www.snjinter.com](http://www.snjinter.com)) under the "Investor Relations: Good Corporate Governance" section and distributed as a booklet to the Company's directors, executives, and employees for them to acknowledge the same practices for conducting business, in which all stakeholders are taken into consideration through a management policy under changing economic and social conditions in a balanced manner.

### Compliance with Good Corporate Governance Principles

The Board of Directors places great importance on creating a good corporate governance system and strives to continually raise the standard of good corporate governance to conduct business with transparency, efficiency, stability, and sustainable growth, as well as create added value and long-term stability for shareholders under changing economic and social conditions in compliance with the principles of good corporate governance for listed companies.

In addition, the Board of Directors is aware of its roles and duties as the organization's leader, arranging an annual review of good corporate governance principles to create sustainable value from the continuous development of good corporate governance principles. This has resulted, in 2022, the Company is assessed for compliance with good corporate governance principles and the arrangement of shareholders' meetings in the following.

	<b>Corporate Governance Assessment Results of "Excellent"</b> Received the results of the Corporate Governance Report of Thai Listed Companies – CGR 2022 for the fifth consecutive year by the Thai Institute of Directors (IOD).
 สมาคมส่งเสริมพลังงานไทย THAI INVESTORS ASSOCIATION	Received a full score of 100 from the assessment of the quality of the 2022 Annual General Meeting of Shareholders (AGM Checklist) from the Thai Investors Association.
 CAC CERTIFIED	Certified by the Private Sector Collective Action Coalition Against Corruption Council: CAC on October 14, 2016, and passed the 3rd certification renewal assessment on December 31, 2022.

In 2022, the Board of Directors has stipulated the use of the 8 Good Corporate Governance Principles of to be suitable for the business which covers 4 categories of the Corporate Governance Practice as follows:

## **Section 1 Rights of Shareholders and Equitable Treatment of Shareholders**

The Board of Directors recognizes and respects the rights of shareholders as the owners of the company without any action that violates or deprives the rights of shareholders, as well as creating equality and fairness for all groups of shareholders. Whether Thai or foreign, major or minor, individual or institutional, all shareholders shall exercise their rights, both the basic rights and other rights beyond basic rights, to set the Company's directions and decide on merits matters with significant impact on the Company's operations. The details are as follows.

### **1.1 Basic rights**

Referred to the right for shares transaction, the right to receive equitable profits allocation in term of dividend payment, the right to access company information in sufficient, timely, and equitable manner, 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 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 ([www.snjinter.com](http://www.snjinter.com)), to provide shareholders with additional access channel. Such information included performance results, connected transactions, changes in the funding structure, 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 has a policy to support and facilitate the shareholders, including institutional investors to attend the shareholders' meetings by holding its annual shareholders' meeting regularly each year, within 4 months after completing its accounting year. In order to allow shareholders to participate in monitoring the company's performance, the company set appropriate date, time, place, and method. In case of emergency which the company needs to propose special agenda regarding shareholders' benefit, regulations or related laws which need to be approved by shareholders, the company shall call for an extraordinary shareholders' meeting. In 2022, the company convened the shareholders' general meeting once, without convening any shareholders' extraordinary meeting, according to the following details:

- **Prior to the shareholders' meeting**

In 2022, the Company scheduled to convene the Annual General Meeting of Shareholders No.43 on Tuesday 26 April 2022.

(1) The company provided the shareholders with the opportunity to propose meeting agenda prior to the meeting date for 2022, during the period of November 15 – December 30, 2021, by providing related conditions on company website on November 11, 2021 together with news channel of The Stock Exchange of Thailand. Nevertheless, there were no shareholders proposing any meeting agenda during the said specified period.

(2) Shareholders were notified of the Board of Directors' resolution determining the date of 43<sup>rd</sup> shareholders' meeting 61 days prior to the meeting date, namely on February 24, 2022, through the Stock Exchange of Thailand's website and the company's website so as to enable the shareholders to set aside time for attending the meeting.

(3) Determination of voting rights is according to the number of shares held by shareholders. One share equals one vote. No shares have special privileges to limit the rights of other shareholders.

(4) The meeting notice together with all relevant documents in both Thai and English were published on the Company website on March 25, 2022, which was 32 days prior to the meeting date.

(5) The same information was sent to the Thailand Securities Depository Company Limited, the Company's Share Registrar, for forwarding to shareholders in document format on April 4, 2022 or 21 days prior to the meeting date in order to give the shareholders sufficient time to study the meeting documents.

(6) The notice of the meeting were also advertised in daily newspapers for a period of 3 consecutive days, and 20 days prior to the meeting date, during April 6-8, 2022.

(7) Prior to the meeting date, the Company had provided an opportunity for shareholders who may have queries regarding agenda to send them in advance during March 25 – April 22, 2022, via company's website. The procedure of sending questions was also mailed together with the notice of shareholder's meeting. In 2022, there were no questions received in advance.

(8) The documents sent out to the shareholders 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, procedures for shareholders to post advance questions prior to the shareholders meeting, 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.

With this regard, the company published the annual report within 120 days from the end of accounting period (December 31) via company website (March 25, 2022) and sent the annual report to the shareholders by mail (April 4, 2022).

● **On the day of the shareholder's meeting**

1. The company decided to set the meeting date, time, and venue in such manner being most convenient and not posing problems to the shareholders to attend. For year 2022, the company held the shareholders' meeting on Tuesday, April 26, 2022, at 13.00 p.m., at Montien Riverside Hotel, started registration at 11.00 a.m.

2. The shareholders were allowed to register by barcode system not less than 2 hours prior to the meeting, and continued until the meeting completion. At the registration desk, the company prepared sufficient personnel to take care of the registration, as well as providing stamp service for proxy appointment forms authorized by the shareholders. Furthermore, the company handed out vote placard and vote-casting ballot to each shareholder.



3. In the event that shareholders are unable to attend the meeting in person, the Company allows them to appoint a proxy to any person or the Company's independent director to exercise their rights on their behalf. The Company provided information regarding four members of the Audit Committee, including their names, age, and addresses in the notice of the shareholders' meeting, as well as information regarding documentary evidence and instructions on how to appoint a proxy for shareholders to prepare for and attend the meeting without difficulty. Nevertheless, in the event that shareholders appoint other persons as proxies to attend the meeting on their behalf, the Company has granted the rights and treated proxies as if they are shareholders.

The 43rd Annual General Meeting of Shareholders was held on Tuesday, April 26, 2022, where 29 shareholders holding 35,423,657 shares designated proxies to the Company's independent directors to cast their votes.

4. The Board of Directors placed much emphasis on the shareholders' meeting, by considering as their obligations to always attend the meeting in person unless facing inevitable circumstances or becoming seriously ill.

For the shareholders' meeting for the year 2022, there were 15 directors out of 15 directors accounting for 100% attended the said meeting, including Chairman of the Board and Chairman of sub committees. Furthermore, the meeting was also attended by the Managing Director, the Chief Financial Officer, Executive Directors, as well as the company auditor, so as to provide shareholders with the opportunity to ask questions related to the meeting agenda in progress. In addition, the company also invited representatives from the company's audit office of EY Office Co., Ltd., and Vira Law Office Co., Ltd., to act as meeting observers during vote tallying for each meeting agenda, to ensure that the meeting was conducted in a transparent manner, complying with legal and company articles requirements.

5. In conducting each shareholders' meeting, the Company gives all shareholders an equal opportunity. Prior to the start of the meeting, the Company Secretary provides details of the quorum and explains the voting procedure and the vote count for each agenda item by laws and the Company's Articles of Association. Those shareholders attending after the meeting has commenced are eligible to vote and constitute part of the quorum from the agenda for which they are in attendance, provided that the resolution is yet to be concluded.

6. During the meeting, The Chairman proceeded with the meeting agenda in such order earlier set forth in the meeting invitation letter without adding any further agenda or altering any significant information without prior notice to the shareholders, while allowing equal opportunity for all shareholders to present question, comment or suggestion for each meeting agenda.

In that regard, for the shareholders' meeting in 2022, there was 1 shareholders presenting question to the meeting, where by the Managing Director responded in a straightforward manner.

7. In each agenda, votes are to be cast openly using voting cards prepared for shareholders. The Company counts only the disapproval and/or abstention votes and deducts these from the total to derive the approval votes. To ensure that voting results are announced as quickly as possible and accurately following the consideration of each agenda, the Company uses the barcode system to sum up the votes for each agenda item and display the results of such resolutions in the meeting room for shareholders' acknowledgment. As a matter of transparency, voting cards are stored at the Bangkok office for auditing following the adjournment of the meeting.

In regards to the election of directors, the Company supports the election on an individual basis, with one share equal to one vote.

The summary of voting in each agenda on the General Meeting of Shareholders No.43 held on Tuesday, April 26, 2022 is as follow;

Agenda	Approve			Disapprove			Abstent		
	No. of Shareholder	Share	%	No. of Shareholder	Share	%	No. of Shareholder	Shares	%
1	68	126,900,131	100.00	-	-	-	-	-	-
3	69	126,900,141	100.00	-	-	-	-	-	-
4	69	126,900,141	100.00	-	-	-	-	-	-
5.1	69	126,900,141	100.00	-	-	-	-	-	-
5.2	68	126,900,131	100.00	-	-	-	1	10	-
5.3 – 5.5	69	126,900,141	100.00	-	-	-	-	-	-
6	69	126,900,141	100.00	-	-	-	-	-	-
7	69	126,900,141	100.00	-	-	-	-	-	-

Note : No voided ballot

• **Subsequent to the shareholders' meeting**

(1) The company disclosed the resolutions adopted by the shareholders' meeting, together with the voting results for each meeting agenda, in both Thai and English, via the news channel of The Stock Exchange of Thailand, 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 approve, disapprove, abstention and voided ballot 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. Also, sent the reports to the Ministry of Commerce within time set forth by law.

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

In recognition of its consistent efforts dedicated to holding the general shareholders' meeting efficiently on a continuous basis resulting, the company was awarded the "Excellent" appraisal result in 2022 for the quality of its shareholders' meeting by the Thai Investors Association.

#### 1.4 Managing Conflicts of Interests

Directors with vested interests in any agenda item must inform the meeting, at least prior to considering such relevant agenda items at the Board of Directors' meeting, and record such interests in the minutes. Moreover, the Company prohibits any directors who have vested interests in such a manner that they are unable to freely express their opinions on such relevant agenda items from participating in the meeting on that agenda.

## 1.5 Prevention of the Use of Internal Information

The Company has established guidelines for storing and safeguarding the use of its internal information in writing, and has communicated these guidelines to all employees in the organization to adhere to. Directors and executives with the duty to report their securities holding according to the law are required to submit such reports to the Company Secretary who will then report to the Board of Directors on a quarterly basis and disclose them in the Company's annual report.

## Section 2 : Roles of Stakeholders and Sustainable Business Development

The Board of Directors is fully aware of operating a sustainable business with consideration of the interests of all stakeholders. Therefore, it adheres to the organization's principles of good corporate governance, business ethics, and compliance with laws and regulatory requirements. Additionally, it provides an opportunity to create awareness of and a better understanding of the needs and expectations of all kinds of stakeholders, as well as creating a harmonious coexistence between the organization and all stakeholders, leading to an equilibrium among the economic, social, and environmental aspects.

### 2.1. Shareholders

The company duly respected the basic rights accorded the shareholders in accordance with the laws, regulations, and business ethics of the company. At the same time, the company had proper mechanism in place to ensure that the shareholders receive accurate and reliable information, having proper measures safeguarding against conflict of interests, and against the exploitation of inside information for personal gain. Furthermore, the company also aimed to generate justifiable return for the shareholders, by laying down appropriate dividend payment policy on a consistent basis

In year 2022, the company paid the dividend from the result of business performance of year 2021 at 1.20 Baht per share accounting for 52.86% of net profit of the separate financial statements by setting the date of payment on May 25, 2022. The dividend has been paid to shareholders for 43 years consecutively and of which accounted as real long-term wealth for all shareholders. So, each and every shareholder was invited to attend the Annual General Meeting of Shareholders of Year 2022 and has right of vote for each and every important agenda item as well as receive the important information through various medias, e. g. pamphlet and e- information. Besides, the company also reports the business performance at every quarter and disclose the transactions done with related persons in the same condition as that done with external persons for their awareness via the news system of the Stock Exchange of Thailand and the company's website.

### 2.2. Employees

In the company's recognition of company employees as its valuable human resources playing the critical role in leading the organization toward success, The Board of Directors therefore set the company's policy to devote its best efforts to develop and upgrade the employees' potentials on a consistent basis. At the same time, the company sought to provide job security and advancement opportunities to all employees based on their own potentials, as well as encouraging the employees to play a part in charting the company policies. At the same time, the company laid down its remuneration policy toward the employees by providing the employees with fair and reasonable remuneration

commensurate with the capability, responsibility, and performance results for each employee, which is in line with the compensation of the same industry. (See details under the heading “Management Structure” on employees).

The company provide benefits to promote quality of life and well-being, such as Provident Fund, Retirement gratuities to employees, Nursing room, Annual health check, product purchase welfare rates, Uniform, Loans for housing project, etc. Also has established welfare committees the opportunity to engage employees in welfare administration. As well as promoting the preparation of activities to engage employees, such as “Pheun Chuay Pheun Project”, “Dharma Sa-buy Jai Project”, New year activity.

At the same time, the company is also taking into consideration the safety of life, health and property of employees defined as Occupational Health and Safety Policy as follow:

1. Compliance with the law, Occupational Safety, Health and Environment, including a business deal for both current and future
2. To manage for committed to prevent injuries and reduce the accident rate to zero, including improved working environment to be safe.
3. Committed to developing performance management system in occupational health, safety continuously.
4. Support adequate resources in management to control and prevent danger from work of workers.
5. To cultivated conscious mind for everyone to recognize the safety to work by considering to be the primary function of all.

As noted in the policy, the company encourages and supports its employees and external workers to work safely and reduce the risk of occupational injuries and illnesses. The company has established an occupational health and safety management standard system in accordance with ISO 45001:2018 to enhance the compliance of occupational health and safety, and raise awareness of safety in order to reduce the number of accidents resulting in injury and property damage. In addition, the company encourages executives and employees in the organization to attend training, prepares standard operational procedures or manuals, improves the safety of machines and processes, and supports various projects that contribute to reducing the likelihood of work-related accidents and injuries.

The Company sets the occupational health and safety goals annually, of which the report of occupational health and safety operations can be found in the 2022 Sustainable Development Report on “Occupational Health and Safety at Work”.

As a result of the said policy, the Company was awarded a plaque of honor from Thailand Institute of Occupational Safety and Health (Public Organization), Ministry of Labor, for the 2021 Zero Accident Campaign in the gold and silver level.

**Note:** Further details can be found in the “2022 Sustainable Development Report” on “Occupational Health and Safety”.

### 2.3. Customer

The Board of Directors realizes that customer satisfaction and confidence are the keys to the company's sustainable success. Therefore, the Company has established its policies and guidelines adhering to honesty, integrity, and fairness and prohibiting any actions that violates customers' rights. The Company has emphasized its focus on providing impressive services to customers by offering quality products and services at reasonable prices to satisfy its customers and for them to receive the best value for money in both quality and price. Additionally, the Company operates

its business with the determination to develop products, services, and innovations that increase the current value to meet continuous customer demand. Information necessary for decision-making is provided without concealing or distorting facts. Producing goods and services must be environmentally friendly and safe for consumers. The Company protects the confidentiality of customers' trade information by not using it for the benefit of oneself or those involved in an unjustified manner. The Company has established a policy on the retention of confidential information and the use of internal information as a guideline for its employees in handling customer trade secrets. Furthermore, the Company has established a personal data protection policy (PDPA) to protect customers' personal information and prevent it from being misused for wrongful purposes, as well as being attentive and fair in handling customers' complaints. The Company has set up a customer relations service where customers can inquire, comment, or file a complaint through various channels, namely the direct telephone line at (02) 676-2727.

The evaluation of customer satisfaction report compares year 2020 - 2022

	2022	2021	2020
Local-Customer	90%	88%	88%
Oversea-Customer	85%	84%	85%

In 2022, the Company received confidence from customers and consumers and got “HWB Award 2022” for Avocado Hair Treatment Wax, which has become their best-selling hair treatment and Dermaction Plus by Watsons- Alive Plankton Sleeping Mask, which has become their best-selling face mask treatment.

**Noteb** : Further details can be found in the “2022 Sustainable Development Report” on “Customer Relationship Management.”

#### 2.4. The Competitor

The Board of Directors operates business in accordance with the provisions of law. In this regard, the following policies and guidelines have been prescribed:

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

In addition to these policies. The company did not seek the confidential information of competitors by dishonest or inappropriate ways. We considered competitors take part in empowering your organization's stability and even stronger. Throughout the period of the past, we never had any disputes with competitors.

#### 2.5. Business Partner

The company treats business partners equitably and takes into account mutual interests by prescribing the following policies and guidelines:

1. The company has a system for screening business partners in the value chain who operate businesses in compliance with the law, safety and occupational hygiene standards, and friendliness to the environment. Business partners are treated on the basis of fair competition, equality and mutual respect.
2. The confidentiality of secrets or communications of trading partners are maintained and not exploited for wrongful gains of oneself or of others.

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

4. 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 business partners in order to reach a mutual remedy and loss prevention solution.

5. The company does not demand, receive or consent to the receipt of properties or any other benefits outside trade agreements.

In addition, the company have a policy for selection of business partners that recognizes its responsibility and environment, encourage partners to develop a process that takes regard to human rights, not using forced labor and regard to children rights. As well as offering products and service that take into consideration the environmental impact and the safety of consumers. As well as improving process of work to prevent pollution and impacts on the environment along with conservation of natural resources, reduce energy consumption and eliminate the risk of unsafe conditions, including got certified of quality standards ISO9001:2015 , ISO 14001:2015.

#### Selection Criteria and Business Partners Evaluation

The Company set up partner selection system based on the ability to manufacture products that satisfy the needs of the customer, the quality of business partners, production capacity, standard system, availability of services, transportation, safety, health, including operation of business partners who be responsible for social and environment, by using the questionnaire in the preliminary assessment and follow up to ensure that business partner are sufficient ability and reliable.

Moreover, the Company has prepared an announcement on using an ethics manual and guidelines for business partners so that they understand various risk issues in business operations, relevant regulations and regulatory requirements, including social and environmental issues, to prevent business disruption that may affect the image of business partnerships.

In which year 2022, there is no event that we do not abide by the contract partner.

**Note :** Further details can be found in the “2022 Sustainable Development Report” on “Supply chain management.”

## **2.6. Creditors**

The company's policy of treating all creditors equally and fairly by complying with the contract or the terms strictly creditors to disclose financial position correctly, on time, and in the case that cannot abide by any one institution that let the creditor know in advance in order to jointly find solutions and prevent damage.

For The Creditors, the company provides can be billed on the 1st to the 6th of each month and payable every 25th of every month by means of bank transfer in Media Clearing, Which are the facilities for the creditors.

In the year 2022 The Company pays to the trade meets Credit Term agreed in advance, without payment of any company's business been adhered to competition in good faith and fairness under the framework of the law strictly.

## 2.7. Community and socialty

The Board of Directors is aware of the responsibility toward the community and the society to define policies, there is a strong responsibility to the community and society, formed within the company, and employees at all levels as well as support activities beneficial to the community and society as a whole.

### Social Responsibility Policy

S & J aim to a good model to operate in according with corporate governance. Proceed to social activities without force. Participate in society other than the pursuit of profit. Focus on the existence of the business coupled with value creation and corporate social responsibility from the process all section within the organization.

The company has appointed the Corporate Social Responsibility Committee responsible for determining corporate social responsibility policies and establishing guidelines for social activities consistent with the United Nations Sustainable Development Guidelines 17 GOALS covering CSR IN PROCESS and CSR AFTER PROCESS.

**Note :** Further details can be found in the “2022 Sustainable Development Report” on “Good Society”

## 2.8. Environment

The Board of Directors of the company are aware of the responsibility for the environment. The policy is one of the missions of the company's governance and ethics in the operations. The company are aware for the impact on the natural resources and the environment.

The company has appointed a working group on environmental and conservation of energy in order to work in accordance with the laws and systems for environmental standards ISO 14001:2015 along with policy and planning environmental projects to reduce the negative impact that sources since in the process including. Waste disposal based on the 3R were Reduce: reducing resource usage, Reuse : reuse worthy and Recycle : recycled process standard. As well as a support and rehabilitation in emergency situations.

### Environmental Policy

S&J International Enterprises Public Company Limited aims to produce quality products in which it realizes the significance of business operations that have an impact on the environment and the resources, arising from the sources of raw materials, production process, storage, and delivery of products to the end users. In its intention to preserve the environment, the Company has defined operating guidelines as follows.

1. Comply with laws, customer requirements, treaties, and the environmental standards.
2. Manage with a focus on prevention, reduction, reuse, and recycling, including getting rid of things that pollute the environment.
3. Continuously develop environmental capabilities to create environmentally friendly products.
4. Promote the life cycle development to achieve the most efficient and effective use of resources.
5. Reduce the use of resources and products that contribute to greenhouse gas emissions.
6. Cultivate employees' awareness and involvement to prevent impact on natural resources and the environment.

According to the policy, the Company has managed the environment on all dimensions, including energy conservation, water conservation, waste management, carbon dioxide emission reduction, and air quality management. The Company has gathered all environmental activities from all departments to work together seamlessly and support each other under the “Green Initiative” concept.

In addition, the company has opened a channel of complaint for the community if it has been affected due to the company's business operations, which in the past year, the company has not received complaints about the impact of the operation on the environmental.

**Note :** Further details can be found in the “2022 Sustainable Development Report” on “Environmental Management”

## 2.9 Social Responsibility Reporting

The Board of Directors is aware of social responsibility by providing an Sustainable Development Report to disclose its business practices, in accordance with the Code of Conduct and results of the implementation of the policies and guidelines for sustainable development of the company both on economic, social and environment.

Sustainable Development Report" of the Company have been prepared in accordance with International Standards of "Global Reporting Initiatives Guideline: GRI (G4 Guidelines)" has the analysis and link to the company's performance relative to the strategies and objectives of sustainable development of the company by further disseminating innovation in business and society. Including the implementation of against corruption consistent with the reporting guidelines of the Stock Exchange of Thailand.

The company has the commitment and work in this continuously, result in year 2022, the company received award of "Thailand Sustainability Investment 2022" from the stock exchange of Thailand which is a reward for the listed companies that have business operations in accordance with good corporate governance, social responsibility and the environment. The company has received the said reward for 9 consecutive years.

The company has delivered Sustainable Development Report 2022 to shareholders on QR Code together with invitation letter of The Annual General Meeting of Shareholders for the year 2023 and published the report for those interested on the company website "www.snjinter.com" under the topic "Investors Relation : Publication".

## 2.10 Encouraged to use resources efficiently

The Committee recognizes the value of the resources. To achieve efficient use of resources coupled with business operations, one of the established guidelines is "to promote the use of resources in the production process economically and efficiently". The company provides training and the campaign to conserve energy conscience continuously regarding ways to use resources to maximize value in all activities of the organization covers the use of electricity, water, paper and other consumables.

The company has implemented an energy conservation in various aspects, as follow:

- **Energy** - Energy conservation, Renewable energy
- **Water** - Water conservation, Renewable water, Waste water management
- **Air** - Reduces Carbon Dioxide and others emissions
- **Industrial waste management**

**Note :** Further details can be found in the “2022 Sustainable Development Report” on : Environmental Management”



## 2.11 Educating and training employees on environmental

The board of directors encourage the employees to realize the importance of the environment. The Company provides dissemination environment to employees through computer system, manage the Information board and publicity through the sound cable. Activities about nature conservation and the environment, as well as encouraging employees to increase their knowledge training in environmental matters continuously. In 2022, the company provided training environment course, as follow:

- “Basic knowledge of ISO14001/OHSAS18001” course.
- “Risk & Opportunities ISO 45001:2018 Assessment” course.
- “Waste Management” course.

## 2.12 Supporting and Participation in Community Development

The company gives priority to business of social responsibility and the environment. In addition to conducting business without creating a negative impact on society and the environment, then. Engagement and social assistance, sustainable growth along the way. That is what the company has been addressed with its actions. It can be seen from the policy and guidelines on how to conduct activities that are clearly defined in various ways, such as Children and Youth, Community and Underprivileged, Elephant and other Animals, Religious charities, Environment.

**Note :** Further details can be found in the “2022 Sustainable Development Report” on : Good Society.

## 2.13 Policies and practices regarding unrelated to human rights violations

The company places great emphasis on basic human rights and conducts its business according to laws and human rights principles without discrimination regarding gender, race, religion, political rights, or any other matter, such as hiring or promoting people with disabilities. The company has a policy of not taking any actions or not supporting activities that violate human rights.

The Company has established a human rights policy and published it by providing employees with training from the start of their job. This is to ensure that all departments comply with human rights laws, employment regulations, and basic human rights principles as per international standards. The company also conforms to the Thai labor standard system TLS 8001:2020 that it has been certified at the highest level by the Department of Labor Protection and Welfare, Ministry of Labor. Throughout the past period, the company has never had any history or court case involving human rights violations.

In 2022, the company has been awarded for the fifth consecutive years the “Excellent Support Organization for People with Disabilities for the year 2022” by the Ministry of Social Development and Human Security from “the SJI Care You project that promotes the employment of persons with disabilities”.

**Note :** Further details can be found in the “2022 Sustainable Development Report” on : Good people."

## 2.14 The Policies and practices of non-infringement of intellectual property or copyright

The company adheres to our policy on business operations that are not related to intellectual property violations by imitators or take other people's intellectual property used in the business without permission. But we developed a new raw material, goods and services, the company continuously research and development team, more

than 150 people sharing valuable innovation of business enterprise. By realizing corporate social responsibility and the environment proactively until the company can bring to a patent to be protected of creative concept of the company.

In addition, the company also encourages employees to continuous innovation in both product production by Small Group Activity through projects or suggestions that will help-system as a mechanism to store employee of innovation in the practice and delivery of various innovative projects competition in the Saha group, continuous innovation and awarded annually.

In the year 2022, the company was not associated with abuse of any copyright and/or other intellectual property.

**Note** : Further details can be found in the “2022 Sustainable Development Report” on : Innovation"

### 2.15 Policies and Guidelines for the Security of the Organization's Information Systems

The Company places great importance on good organizational management to drive and expand business growth, build a stable financial position, and generate reasonable shareholder returns. In compliance with good corporate governance principles, the Company has established a policy and regulations for using the computer system as a guideline for safeguarding corporate information systems and reducing information technology risks. The Company has assigned the Digital and Technology department to be responsible for the company's information system, where it has measures to install a firewall on the server to prevent cyberattacks, as well as monitoring the upgrade of the new version, installing the Antivirus program on every computer, limiting the use of external storage devices (Thumb drive), and managing the back up of the server at all times.

**Note** : Further details on the policy and regulations for using the computer system are provided on the company's website at <https://snjinter.com/th/wp-content/uploads/sites/3/2023/01/นโยบายและระเบียบข้อบังคับการใช้งานระบบคอมพิวเตอร์.pdf>

## Section 3 : Disclosure and Transparency

Information disclosure, both financial and non-financial, is a significant operation that the Company always emphasizes. It is also a key indicator of operational transparency in accordance with good corporate governance principles. It is an important channel for shareholders who are not involved in the Company's operations can monitor the performance of the management through the disclosure of information. The Company ensures that information is disclosed accurately, completely, timely, consistently, and equally for all groups of shareholders according to the regulations of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand. It has proceeded as follows.

3.1. Establish a mechanism to ensure that the information disclosed to investors is accurate, not misleading, and sufficient to enable them to make an informed decision.

3.2. Establish an investor relations department to communicate with investors and shareholders. Information concerning the Company is published to shareholders, analysts, and relevant agencies through various channels, including the Securities and Exchange Commission (SEC), the Stock Exchange of Thailand, and the Company's website. The Company ensures regular disclosures to shareholders on its website in both Thai and English and keeps this information up-to-date. This includes the vision and mission statement, financial statements, press releases, Annual

Report, Form 56-1 One Report, Sustainable Development Report, organizational structure, the structure of the group of companies, as well as the shareholding structure and major shareholders and notices of shareholders' meetings.

3.3. The Company will not disclose material information that has not been made public to unauthorized employees, groups of persons, or any other person (including investors, media, and analysts) until such information has been made public. Should a business necessity require that information be disclosed to related parties, auditors, underwriters, banks, legal counsels, or other consultants, the Company will take appropriate measures to ensure confidentiality is maintained. In the event that any information that should not be disclosed is published, the Company will publish such information immediately to comply with the regulations of the Stock Exchange of Thailand concerning the release of news and other requirements.

3.4. Disclose and publish the Company's financial statements, which have been audited by independent, knowledgeable, skilled, and fully qualified auditors, through the channels of the Stock Exchange of Thailand in accordance with the specified criteria for the benefits of shareholders and investors. Furthermore, the Board of Directors assigns the Audit Committee to review the credibility and accuracy of financial statements to ensure that the Company's financial statements are reliable. There has never been a history of the Company having to amend its financial statements. The Company's quarterly and annual financial reports are delivered prior to the deadline specified by law.

3.5. Prepare the Management Discussion and Analysis to accompany the disclosure of financial statements upon a change in the Company's total income or net profit according to the latest financial statements compared to the same period of the previous year by more than 20 percent, whereby the Company has disclosed an explanation of the quarterly operating results on the website of the Stock Exchange of Thailand and the Company's website. This provides investors with information for a better understanding of changes in the financial position and operating performance in each quarter apart from the numbers in financial statements alone.

3.6. Disclose information about the roles and responsibilities of the Board of Directors and sub-committees, the number of meetings, their attendance in the past year, and opinions from performing their duties, as well as training and continuous development of professional knowledge in the annual disclosure form (Form 56-1) and the Annual Report. It also includes disclosure of the remuneration policy for directors and senior executives and the form and nature of compensation.

3.7. Disclose audit fees and other service fees charged by the auditor. In addition to the dissemination of information in the annual disclosure form (Form 56-1) and the Annual Report according to the specified criteria and through the channels of the Stock Exchange of Thailand, the Board of Directors also considers disclosing through other channels in both Thai and English, such as on the Company's website, and presenting the current information.

## **Section 4: Responsibilities of Directors**

### **1. Structure of the Board of Directors and the sub-committees**

The Board of Directors consists of individuals with diverse qualifications and backgrounds in knowledge, skills, and experiences that are beneficial to the Company. They are the key players in determining the organization's policies and guiding the overall operations and directions, and in addition, has a vital role in supervising, auditing, and evaluating the Company's performance in accordance with the set goals.

The Board of Directors must contain at least five members and elect a person who does not possess any prohibited characteristics by laws and the Company's Articles of Association as well as not having characteristics that indicate any disqualification from being entrusted with the administration of the business that has public are shareholders as required by the Securities and Exchange Commission. Not less than half of the total number of directors shall have their ordinary residence in the Kingdom of Thailand, and the number of independent directors shall be in compliance with the mandate of the Capital Market Advisory Board and operate as a committee.

The Board of Directors has a term of service of not more than three years as stipulated by relevant laws. Retiring directors on rotation may be re-elected to serve as the Company's directors for the reasons and necessities the Board deems appropriate. The Company's directors and executives may also serve as directors or executives of affiliated companies or other companies, but this must comply with the requirements of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand as well as other rules, regulations, and relevant laws, and shall be reported to the Board of Directors' meeting for acknowledgment.

With the segregation of duties between Chairman and Chief Executive Officer by their different roles and responsibilities as a chairman and top management of the organization, the Company, therefore, requires that the person holding the position of Chairman must not be the same person as the Managing Director to segregate the duties of governing the business from managing the operations, thus creating a balance of authority in the operations. The Company has prepared a Charter for the Chairman of the Board of Directors and the Managing Director to define the authority clearly.

Furthermore, the Board of Directors has appointed sub-committees to assist with the Company's corporate governance as follows.

- (1) The Executive Committee has the responsibility of supporting and helping the Board of Directors manage the Company's business according to its policies, plans, regulations, and any orders, including the defined targets, within the framework assigned by the Board.
- (2) The Audit Committee supports the Board of Directors in supervising and auditing management, internal controls, and compliance with relevant laws, including preparing financial reports, for ensuring transparency and reliability in the Company's operations and information disclosure.
- (3) The Nomination Committee supports the Board of Directors in performing its duties in good corporate governance by nominating and selecting qualified candidates to serve on the Board of Directors and ensuring that the nomination process is transparent.
- (4) The Remuneration Committee supports the Board of Directors in performing its duties in good corporate governance by considering the payment criteria and the type of remuneration for the Company's directors, to ensuring that the company considers the remuneration transparently and fairly.
- (5) The Risk Management Committee is responsible for supervising and ensuring the Company has an appropriate and sufficient risk management system, which enables the company to achieve its objectives efficiently and effectively and operate in compliance with relevant laws and standards, to maintain an acceptable level of overall risks.

(6) The Corporate Social Activity Committee supports the Board of Directors in performing its duties in good corporate governance by supervising the Company's operations on social and environmental responsibility by focusing on the impact on shareholders and stakeholders.

(7) The Corporate Governance Committee supports the Board of Directors in performing its duties and responsibilities in good corporate governance, which will assist various business operations in achieving success in accordance with the objectives and the defined goals to create added value and confidence for shareholders and stakeholders in all sectors.

In addition, the Company has appointed a company secretary to carry out the arrangements for the Board of Directors' meeting and the shareholders' meeting and to assist the Board of Directors in performing its duties by providing advice on legal requirements and rules and regulations related to fulfilling those duties and coordinating with the Board to ensure compliance.

## **2 The roles, authority, and responsibility scope of the Board of Directors**

### **2.1 Leadership and vision**

The Board of Directors consisted of members who had extensive capabilities and experiences beneficial to company management, together with leadership and independent decision-making qualities, necessary to supervise company operations in such manner best contributing to the objectives and goals of the company and shareholders.

The Board of Directors were obliged to assign the vision and mission of the company, with yearly revision, in which in 2022, The Board of Directors' meeting had considered and reviewed that vision and mission were still appropriate with current business engagement. Moreover, The Board of Directors also approved strategy, target, plan, and annual budget of the company proposed by the management. At the same time, they were required to ensure that there were adequate mechanisms in supervising, monitoring the implementation of the company's strategies, and evaluating performances by the management, so as to meet the targets contributing to further value and wealth for both shareholders and the company, while properly safeguarding the interests of all stakeholders concerned.

### **2.2 Good Corporate Governance**

In due recognition of the importance of good corporate governance practice, The Board of Directors therefore laid down good corporate governance policy in writing, consisting of 4 parts of information which are corporate governance policies, corporate governance principles, business ethics, and code of conduct of the company's directors, the management and employees. The good corporate governance principles were prepared in two languages : Thai and English. There was evaluation of compliance and review of good corporate governance principles annually, and revealed through the company website. The manual was distributed to directors, the management, and employees, which required that all of them comply with such manual strictly. The ethics and code of conducts also being presented to the management and employees in animated cartoon for easy understanding.

The Board of Directors followed the measures of good corporate governance to strengthen its management and business engagement transparency, and those who do not comply with such measures will be appropriately punished and might be prosecuted in the case of law violation. If the employees are in doubt and cannot comply or make decision, they shall consult with sequence supervisor. In the case of dispute, the judgment from the

Managing Directors, The Executive Board and The Board of Directors will be considered as final order. ( See full details of corporate governance policies, business ethics, and code of conduct for company directors, the management and employees on the company website).

### 2.3 The policy regarding possible conflict of interest

The Board has a clear guideline for care. To eliminate conflicts of interest with prudence for the benefit of the Company and its shareholders. The item may have a conflict of interest. The company has informed the meeting about these transactions for transparency in accordance with the Capital Market Commission, Directors who have conflict of interest were out of the meeting and abstained on the agenda for independent of the company's decision. In addition, the company do not to provide financial assistance except in the case of loans or loan guarantees in proportion to their shareholding by preparing report in the Annual Report (56-1 One Report).

### 2.4 Supervision over internal control and audit system

The Board of Directors address on the systems overseeing financial control, company management, and corporate supervision, by assigning The Internal Audit Office to supervise over the audit, review, and monitoring of those operations results. Furthermore, The Internal Audit Office also provided recommendations to ensure independent and effective practices according to those guidelines in an independent and balanced manner.

Accordingly, The Board of Directors instructed The Internal Audit office to directly report to The Audit Committee every quarter, so as to allow the Committee to review and ensures sufficient internal control practice. At The Board of Directors' meeting no.5/2022, also attended by The Audit Committee members, the meeting together reviewed the adequacy of the internal control system and risk management system, and then concluded that the company had adequate internal control system in place. (The details are disclosed under the heading "Internal control and risk management").

With this regard, The Audit Committee is responsible for considering and giving approval for the appointment, transfer and dismissal of the head of internal audit office. Currently, the head of the company's internal audit office is Mr.Jittipong Somyapukdee, who has good quality of knowledge, abilities and experiences in internal audit. (The details are disclosed under "Attachment 3 Information of Head of Internal Audit").

### 2.5 Risk Management

The Board of Directors places emphasis on risk management affecting the organization's goals by having risk management process in a systematic and in compliance with the company's policies.

The Board of Directors appointed The Risk Management Committee to supervise the risk management to be effective and meet the standard with risk assessment and monitoring risk management plan, as well as reporting to the Board of Directors. (See the details on risk management for each area of the company under the heading " Risk factors").

## 2.6 The Board of Directors' Report

The Audit Committee is responsible for reviewing financial reports in a meeting jointly with the accounting department and auditors and presenting such reports to the Board of Directors quarterly. The Board of Directors is responsible for the consolidated financial statements of the Company and its subsidiaries, including financial information disclosed in the annual disclosure form / Annual Report (Form 56-1 One Report).

### 3. The Board of Directors' Meeting and Self-Assessment

The Company arranges a meeting of the Board of Directors at least every quarter and may hold additional special meetings as necessary with a clear agenda outlined in advance and an agenda to follow up on the progress of operations on a regular basis. The Company sends notice of the meeting and supporting documents to all directors at least seven days prior to the meeting date, so they have sufficient time to study before attending the meeting unless there is an urgent necessity. The meeting minutes are recorded and certified documents are collected for reference and possible audit. At every meeting, executives and related parties shall be present to provide detailed information for accurate and timely decision-making.

In the resolution of the Board of Directors' meeting, a majority vote shall be passed, with one director representing one vote, whereby any directors having vested interests in any agenda item shall not exercise their right to vote on that item. In case of a tie of votes, the chairperson of the meeting shall have a casting vote. By the time the Board of Directors votes at the meeting, there must be at least two-thirds of the total number of directors, except for the connected transaction agenda, which shall be governed by the rules prescribed by law.

In addition, the Board of Directors encourages performance assessments be conducted at least once a year in order to improve and resolve operations. Topics are clearly defined prior to the assessment to gather opinions and present to the meeting. Criteria, procedures, and the overall assessment results are disclosed in the annual disclosure form/Annual Report (Form 56-1 One Report).

### 4. Remuneration

The remuneration of directors should be comparable to industry practices, experience, obligations, and the scope of a director's duties and responsibilities, as well as the benefits the Company expects to receive from each director. Directors with additional duties and responsibilities, such as subcommittees' members, should be compensated incrementally appropriately. In this regard, the Company has assigned the Remuneration Committee to consider and determine the form and criteria of directors' remuneration for proposing to the shareholders' meeting for approval.

### 5. Development of Directors and Executives

The Board of Directors has the policy to promote and facilitate the arrangement of training and education for those involved in the Company's corporate governance system, including directors, members of the Audit Committee, executives, and company secretaries, etc., to improve operations continuously. Training and education can be conducted internally by the Company or hire services from outside institutions.

In the event of a change of director or the appointment of a new director, management has provided the useful documents and information necessary for performing the duties of new directors, as well as providing new directors with an introduction to the business and guidelines for the Company's business operations.

## The Company has established policies relating to stakeholders in the following matters:

### Policy for Trading of the Company's Securities

The Company has established guidelines for the trading of the Company's securities to ensure equal treatment for all shareholders and to create transparency in the disclosure of important information under the Company's corporate governance policy, with details are as follows.

- (1) The company clearly specified conditions regarding the transaction of company securities in its business ethics, by forbidding 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 and 24 hour after disclosure of financial statements. The company distributed said instructions in circular to all concerned parties each quarter.

In 2022, all the company directors and management members strictly followed accordingly, without engaging in such transactions during said period.

- (2) The company informed company directors and the management to acknowledge of duty to report their first securities holding, together with any subsequent change in securities holding, to The Securities and Exchange Commission, in accordance with article 59 of The Securities and Exchange Act B.E. 2535. Furthermore, the company provided for the report on securities holding by the directors and their spouses, as a regular item in The Board of Directors' meeting

The Board of Directors has set a policy for directors and top management to inform of the company's securities trading to the company secretary at least 1 working day prior to trading. In 2022, the directors and the management have strictly followed the above policy by informing to the company secretary 4 - 6 days prior to trading.

**Note :** Further details on the policy can be found at <https://snjinter.com/th/wp-content/uploads/sites/3/2022/06/หลักเกณฑ์ปฏิบัติในการซื้อขายหลักทรัพย์บริษัท.pdf>

### Confidentiality Policy and the Use of Internal Information

The Company recognizes the importance of information used in business operations, which is the Company's internal information that can and cannot be disclosed as it may affect the Company and data of customers and partners, which is confidential and cannot be disclosed to outsiders. Therefore, the Company has established a policy regarding the confidentiality of the information and the use of internal information to guide its employees to have understanding and awareness regarding the confidentiality of corporate data and the proper and safe use of such confidential information, which will prevent severe consequences for all groups of stakeholders.

In 2022, personnel responsible for confidential information strictly adhered to this policy. There were no case in which confidential information about all groups of stakeholders was disclosed to the public.

**Note :** Further details of the policy can be found at <https://snjinter.com/th/wp-content/uploads/sites/3/2023/01/นโยบายการรักษาข้อมูลที่เป็นความลับ-ลงนาม.pdf>



## Conflict of interests Policy

The company treated the issue of conflict of interests with caution and reason, with the company's interests in mind, by laying down operations systems in a transparent manner, deemed as one major policy regarding good governance practice and business ethics for the company. The company supervised the implementation of connected transactions 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.

**Note :** Further details of the policy can be found at <https://snjinter.com/wp-content/uploads/2022/06/2.Conflict-of-Interest.pdf>

## Anti-Corruption Policy

The Company is aware of the importance of anti-corruption and commits to conducting its business with integrity within the framework of good corporate governance by adhering to good governance principles and business ethics as well as taking responsibility for society, the environment, and all stakeholders. Thus, the Company has established a written Anti-Corruption policy that covers all forms of corruption, including support for political parties, donations to charities and public interests, grants of gifts, gratuities, entertainment, hospitality, sponsorship, payment facilitation, hiring government agencies, and conflicts of interest. Also, it has established measures relating to the prevention of corruption, the responsibilities, the scope, the guidelines, whistleblowing, and the filing of complaints. In this regard, the Company has published an Anti-Corruption policy for all stakeholders to acknowledge in order to prevent corruption in all aspects of its operations, whereby decisions regarding business that may pose a corruption risk must be considered and handled carefully.

**Note :** Further details of the policy can be found at <https://snjinter.com/th/investor-relations/> -Corporate Governance – Anti Corruption Policy

## 6.2 Business Ethics

The company has established business ethics and a code of conduct for its directors, executives, and employees, which is compiled in the manual on good corporate governance principles. Directors, executives, and employees of the company must perform their duties with honesty, comply with the laws and regulations, adhere to the rule of law, be transparent, resist injustice, and be conscientious. It is responsible for shareholders, customers, business partners, competitors, creditors, and employees, as well as society-at-large, the community, and the environment. The company takes into account all stakeholders, including the rights of individuals as permitted by law, respects human rights, counters corruption, not giving or receiving anything in return that goes beyond the norm, not associated with the call or bribes, avoids conflict of interest, safeguards assets, does not misuse inside information, and does not infringe on the rights of others' intellectual property or copyright.

The company has disseminated manuals to directors, executives, and employees, as well as published them on the company's website. It requires everyone to strictly follow the manual. It also brings the company's business ethics and code of conduct to create cartoon animations for the matter to be easier to understand.

(Detailed information of the company's business ethics and code of conduct of directors, executives, and employees is available on the company's website ([www.snjinter.com](http://www.snjinter.com)) under Investor Relations section and the topic of corporate governance.)

## 6.3 The Important Change and Development of Corporate Governance Policy, Guideline and Charter during the past year

### 6.3.1. Major changes and developments relating to the review of policies, guidelines, corporate governance, and charters in the past year

1. Establish a confidentiality policy and the use of inside information as a guideline for directors, executives, and employees to ensure the company's confidentiality and that of its stakeholders.
2. Establish the Personal Data Protection policy as a guideline in compliance with the Personal Data Protection Act (PDPA).
3. Review the policy and regulations regarding to the use of computers as a guideline for the Company's personnel to use the computer system and the Company's network with due care and to prevent cyberattacks.
4. Establish rules on trading in company securities as a guideline for directors, executives, and those who know inside information for trading company stocks.
5. The Company has been certified as a member of the Thai Private Sector Collective Action Coalition Against Corruption (CAC) for the third time.
6. Arrange trainings and publicize the Anti-Corruption policy in an online format for business partners including signing a declaration of intent as collective actions to fight against corruption together with the Company.
7. Arrange online training and public relations on anti-corruption, as well as having employees take a test to assess their knowledge of relevant policies and practices.

### 6.3.2 The adoption of CG Code 2017 for listed companies issued by the SEC

The Company has annually reviewed the appropriateness of compliance with the CG Code for listed companies issued by the SEC and adopted the Code for the Company's business context as appropriate. Throughout 2022, the Company has fully complied with the CG Code, except for the following aspects:

Non - practiced aspects	Reasons
1. The Board of Directors has specified the number of listed companies that each director hold directorship for not more than 5 places in the company's corporate governance policy.	The Board of Directors has not specified the number of listed companies that each director hold directorship for not more than 5 places, since The Board of Directors believed that each director's business expertise and capabilities should not be restricted by the number of companies said director served, as long as he/she proved to be capable and devoted enough to carry out own assignments in fulfilling the expectations by The Board of Directors and shareholders.
2. The Board of Director's policy has specified the limit of the number of years on the tenure of independent directors not exceeding 9 years.	The Board of Director's policy does not limit the number of years on the tenure of independent directors since the company's independent directors continue to perform their duties with independence and without private interests that may conflict with the interests of the company, as well as make decisions by taking into account the best interests of the company. They are also independent from the management and major shareholders of the company
3. The Board of Directors has no independent director appointed as the company's director for more than 9 years.	The Board of Directors has four independent directors appointed as the company's director for more than 9 years because they are fully qualified per definition of company's independent directors, while duly processing such sound knowledge, professional expertise, and work experiences, beneficial to the company's business operations.
4. The Chairman of The Board of Directors is independent director.	The Board of Directors has appointed non-executive director serving as the Chairman of The Board of Directors due to his ability and expertise in the company's business. Furthermore, despite the Chairman of The Board of Directors not being an independent director, nevertheless, the Chairman of The Board of Directors duly carried out his assignments in an independent manner, and providing opportunities to all directors to act freely in expressing own opinions and suggestions contributing to the best interests of the organization.

Non - practiced aspects		Reasons
5.	The Chairman of The Nominating Committee and the Chairman of The Remuneration Committee are independent directors and The Nominating Committee and The Remuneration Committee mainly comprise independent directors.	Although the Chairman of The Nominating Committee and the Chairman of The Remuneration Committee are not independent directors, all of them are directors with knowledge and experience who served the positions for a long period of time. They have performed their duties with responsibility and honesty, while never voted when they have conflict of interests.

### 6.3.3. Other information in accordance with good corporate governance principles to support various assessments

The Board of Directors have placed much emphasis on building good corporate governance practice, and upgrading those practice on continuous basis, to enable company operations to be carried out in a transparent and effective manner, leading to further growth and stability for the company. Furthermore, such practice was aimed at contributing to further economic value and long- term wealth for the shareholders, while providing fair treatment to all stakeholders concerned. The company has set the policy to achieve balanced business operations under changing social and economic environments, based on sufficiency economy principles, and in compliance with good governance practice principles for listed companies.

The consistent development of good corporate governance principles to comply with the criteria of ASEAN CG Scorecard, which is a more intensive criteria of survey, has resulted in the company receiving an “Excellent” score in the annual good corporate governance practices assessment of Thai listed companies for 2022 for the fifth consecutive year.

#### Details of Corporate Governance Evaluation:

Categories	2022 (%)	2021 (%)	2020 (%)
1. Right of Shareholders	92	92	92
2. Equitable Treatment of Shareholders	99	99	99
3. Role of Stakeholders	94	94	94
4. Disclosure and Transparency	97	93	97
5. Responsibilities of the Board	85	85	84
<b>Average Score</b>	<b>91</b>	<b>90</b>	<b>91</b>

In addition to the information presented on various topics in this document, the Board of Directors has resolved to approve the policy for use in additional governance in 2022 as follows.

## 1. Tax Policy

The Company has guidelines regarding the tax policy as follows.

- **Tax Practice**

The Company adheres to the principles and is committed to complying with the guidelines set forth by the Revenue Code and related tax laws with accuracy, transparency, and audibility.

- **Tax Responsibility**

The Company is responsible for all groups of stakeholders by providing legal tax operations and using tax benefits to achieve efficiency of the Company's business operations.

- **Transfer Pricing**

The Company determines the transfer price for sales and purchases of goods and services transactions between companies, businesses, and related persons to recognize income and expenditures to be used as a basis for tax payment in accordance with law.

- **Use of Tax Benefits**

The Company exercises tax benefits in accordance with the law and fully effective under sustainable and appropriate business operations. This may cover tax exemption measures or other benefits which is subjected to the tax policy of the country.

- **Relations with Government Agencies**

In the relations with government agencies, the Company has a department responsible for taxation to coordinate with government tax regulators in an open, transparent, and collaborative manner effectively.

- **Knowledge in Tax Law**

The Company encourages its employees responsible for the tax to have knowledge and capabilities to efficiently perform their duties to reduce the risk that may cause damage to the Company, whereby arranging employees accountable for the tax to receive training in taxation continuously.

- **Tax Transparency**

The Company applies the tax regulations set forth as a guideline for the disclosure of tax information to provide information to all groups of stakeholders in a complete and transparent manner and ensure the sustainability of its business operations.

**Note :** Further details of the policy can be found at <https://snjinter.com/th/wp-content/uploads/sites/3/2023/01/นโยบายทางด้านภาษี-ลงนาม.pdf>

## 2. Personal Data Protection Policy

The Company recognizes and places importance on processing personal data, which includes data collection, retention, usage, and transfer of personal data of the owner, to comply with the Personal Data Protection Act B.E. 2562 including other related laws which will be announced in the future. This policy consists of the following:

- Principles and Objectives
- Scope of application
- Definition
- Collection of Personal Data
- Source of Personal Data
- The Use of Personal Data
- Retention period of Personal Data
- Disclosure of Personal Data
- Retention and Protection of Personal Data
- Right of the Data Subject
- Security for Personal Data

**Note :** More information on the policy can be foundn at <https://snjinter.com/wp-content/uploads/2022/06/Personal-Data-Protection-Policy.pdf>

## 3. Policy and Regulations on the Use of Computer Systems

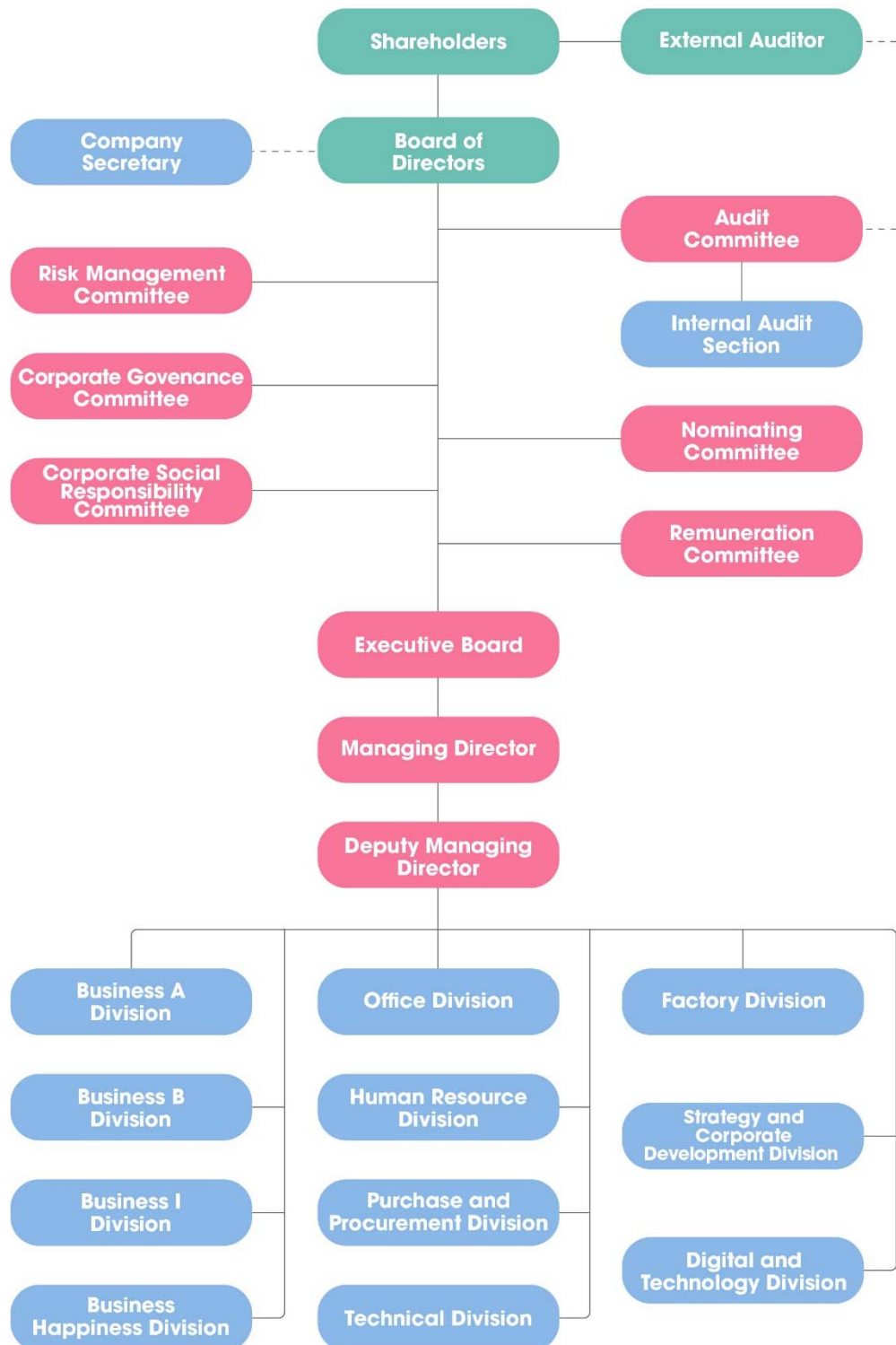
The Company recognizes the importance of computer systems to facilitate and speed up operations and support the business to run continuously and effectively. Therefore, maintaining confidentiality, accuracy, and completeness, including the availability of business data and information systems, is crucial for the business to operate effectively, build confidence in customers and partners, and ensure compliance with the legal requirements related to computer crime and other related laws. The policy consists of the following:

- Definition
- Policy on the use of the system
- Regulations on the use of computer systems

**Note :** More information on the policy can be found at <https://snjinter.com/th/wp-content/uploads/sites/3/2023/01/นโยบายและระเบียบข้อบังคับการใช้งานระบบคอมพิวเตอร์.pdf>

## 7. Corporate Governance Structure and Important Information of the Board of Directors, Sub-committees, Executives, Employees and Others

### 7.1 Corporate Governance Structure as of December 31, 2022



## 7.2 Information of the Board of Directors

At present, The Board of Directors consisted of 15 members, classified into :

Composition of the Board of Directors	Member of Director (person)			Proportion (%)
	Male	Female	Total	
Executive directors	2	3	5	33.33
Non-executive directors	2	2	4	26.67
Independent directors	4	2	6	40.00
<b>Total</b>	<b>8</b>	<b>7</b>	<b>15</b>	<b>100</b>
<b>Director proportion for male and female (%)</b>	<b>53.33</b>	<b>46.67</b>	<b>100</b>	

### 7.2.1 Composition of the Board of Directors

1. The Company's Board of Directors is composed of at least 5 Directors, and at least half the total number of Directors must reside within the Kingdom of Thailand. And, at least one-third of the total number of Directors must be Independent Directors, of whom there must be not less than a total of 3.
2. The Directors of the Company are appointed and must possess the complete qualifications as well as do not possess any disqualifications as specified by the Public Company Act and Stock Exchange of Thailand. Directors must possess the knowledge, capabilities, extensive expertise that will be genuinely beneficial for the Company. They must also possess the dedication and be able to devote much time in genuinely discharging their required duties in accordance with their assigned responsibilities together with leadership skill and wide vision. They must also be a person with good moral and ethical standards and have a good track record.
3. The Company's Independent Directors must possess the qualifications as specified by the Charter of the Board of Directors of the Company with regards to the qualification of Independent Directors, that have been specified in detail and are more comprehensive and stringent than those minimal qualifications specified by the SEC and SET with regards to the ownership of the Company shares.
4. The Chairman of the Board of the Company is not an executive and is not the same person as the Management Director, whereby there is a clear separation of power and roles between Board Directors and the Management. Additionally, the Chairman of the Board also encourages every Director to debate and discuss as well as freely and fully express their opinions in Board Meetings by allowing adequate time.
5. The Company provides a system in place to report their Board Directorship in other listed companies, so that it will not be an obstacle in discharging their responsibilities towards the Company, and such reports should be open for acknowledgment.
6. The Board of Directors of the Company has appointed a Company Secretary and has disclosed details regarding the appointed Company Secretary in Attachment 1. The Company Secretary is responsible for explaining and making recommendations regarding the related law, regulatory requirements, and



duties of directors in order to that Directors be aware of and know, and is required to comply with; arranging the Board of Directors meeting and the Annual General Meeting of Shareholders; coordinating with internal units to ensure that all resolutions of the Board and AGM have been strictly complied with; liaising with regulatory agencies such as the Securities and Exchange Commission and the Stock Exchange of Thailand and overseeing information disclosure and reporting to the regulatory agencies and general public to be correct and complete according to the laws; and providing information to and arranging an orientation for newly appointed directors. There is also an Office of the Company Secretary as a support units.

## 7.2.2 Information of the Board of Directors and the Controlling Person

### Name of the Board of Directors

	Name		Position
1	Mr.Boonkiet	Chokwatana	Chairman, Chairman of the Nominating Committee, Chairman of the Remuneration Committee
2	Mrs.Tipaporn	Chokwatana	Vice Chairman
3	Mr.Thirasak	Vikitset	Managing Director, Chairman of the Executive Board, Director of the Nominating Committee, and Director of the Remuneration Committee
4	Dr.Atthakorn	Glankwamdee	Deputy Managing Director, and Director of the Nominating Committee
5	Mrs.Kaewta	Ongsaranakom	Director, Director of the Nominating Committee, and Director of the Remuneration Committee, Director of the Corporate Governance Committee, and Director of the Executive Board
6	Prof.Dr.Malyn	Ungsurungsie	Director, Chairman of the Corporate Social Responsibility Committee, and Director of the Executive Board
7	Mrs.Chitraporn	Vikitset	Director, Director of the Nominating Committee, and Director of the Executive Board
8	Mrs.Teerada	Ambhanwong	Director
9	Mr.Suthep	Dansiriwiroj	Director
10	Admiral Apichart	Pengsritong	Independent Director, and Director of the COrporate Social Responsibility Committee
11	Mrs.Pismai	Chandrubeksa	Independent Director, and Director of the Remuneration Committee

Name		Position
12 Mr.Amorn	Asvanunt	Independent Director, and Chairman of the Audit Committee
13 Mrs.Pradittha	Chongwattana	Independent Director, and Director of the Audit Committee
14 Pol.Gen.Somchai	Prabhasabhakdi	Independent Director, Chairman of the Corporate Governance, and Director of the Audit Committee
15 Assist.Prof.Dr.Pongchai	Athikomrattanakul	Independent Director, Chairman of the Risk Management Committee, and Director of the Audit Committee
Mr.Sumit	Khopai boon	Company Secretary

**Remark :** Qualification standards for independent director and the Audit Committee members were in accordance with the provisions set forth in related announcements.

#### Authorized Director' the Company

To represent the company, 2 out of the following 9 directors are required to sign their names, together with the affixing of company seal, namely :

- |                   |              |
|-------------------|--------------|
| 1. Mr.Boonkiet    | Chokwatana   |
| 2. Mrs.Tipaporn   | Chokwatana   |
| 3. Mr.Thirasak    | Vikitset     |
| 4. Mr.Atthakorn   | Glinkwamdee  |
| 5. Mrs.Kaewta     | Ongsaranakom |
| 6. Mrs.Malyn      | Ungsurungsie |
| 7. Mrs.Chitraporn | Vikitset     |
| 8. Mrs.Teerada    | Ambhanwong   |
| 9. Mr.Suthep      | Dansiriviroj |

### 7.2.3 Role and Duties of the Board of Directors

#### Duty and responsibility scope of the Board of Directors

1. To establish directions, goals and business policies of the company.
2. To approve plans and annual budgets; including to supervise the performance of the management in order to ensure effectiveness and compliance with the laws and established policies and plans.
3. To encourage the development of the policy of corporate governance, ethics and business code of ethics in written in order for company directors, executives and employees to use as guideline in the conduct of the business and follow up its real practice.
4. To arrange for a sufficient internal control system in order to ensure that transactions are approved by authorized individuals, examined and prepared accurate accounting reports; and, to implement various systems preventing inappropriate use of company assets.

5. Transactions with possible conflict of interests must be carefully reviewed, with a definite guideline to ensure the interests of the company and the shareholders. Individuals with interests may not be involved in the decision-making process. They must observe the requirements on the proper procedure and disclosure of transactions with possible conflict of interests.
6. To approve the reviewed and/or audited financial reports, which have been approved by the Audit Committee.
7. To be equally responsible to all shareholders, and, to correctly, basely and transparently disclose information to shareholders and investors.
8. To acknowledge business management reports from the Executive Board.
9. To convene shareholders meeting by specified date, time, place and agenda as well as dividends (if any) and to provide shareholders with opinions of the Board of Directors on the matters proposed to the shareholders. During the twenty-one days prior to each shareholder meeting, the company may stop share transfer registration by informing the shareholders at the headquarters and the branch offices at least fourteen days prior to the day of share transfer registration suspension. Alternatively, a record date (RD) may be determined no longer than two months prior to the day of any shareholders meeting, to determine the right to attend shareholders meeting and to receive dividends.
10. To prepare the Report on the company Board of Directors' Responsibilities for Financial Statements and disclose it in the annual report of the company (56-2 Form) and the annual disclosure report (56-1 Form).
11. To follow up on documents to be submitted to relevant regulatory agencies, in order to ensure that the statements or the items are correct as per the data appearing in the account books, the registration or any other document of the company.
12. To approve the charter of the Board of Directors and/or other committees.
13. To Review, revise and amend the Charter of the Board of Directors at least once a year.
14. To engage in any other action, which is beyond the authority of the Executive Board, or which the Board of Directors deems appropriate.

#### **Authority of the Board of Directors**

1. To appoint, remove and authorize consultants to the Board of Directors, and/or to other individuals.
2. To approve loans, of the amount greater than the authority of the Executive Board, to companies with a business relation to the company as shareholders or to companies with a trading relation or other companies.
3. To approve guarantee of loan, of the amount greater than the authority of the Executive Board, to companies with a business relation with the company as shareholders or to companies with a trading relation or other companies.
4. To approve engagement in a legal act, this is not a financial transaction, of the amount greater than the authority of the Executive Board.

5. To approve acceptance or cancellation of loans of the amount greater than the authority of the Executive Board.
6. To approve investment, sale of investment capital in ordinary shares and/or any other securities of the amount greater than the authority of the Executive Board.
7. To approve sourcing and investment in fixed assets of the amount greater than the authority of the Executive Board.
8. To approve the payment for, or disposal or transfer of fixed assets that exceeds the authority of the Executive Board.
9. To approve modification, destruction and disposal of fixed assets and intangible assets which are no longer in use, damaged, lost, destroyed, deteriorated and out of date, which are of the amount greater than the authority of the Executive Board.
10. To approve modification, change of price and destruction of raw materials and/or remaining inventories which are deteriorated or out of date, which are of the amount greater than the authority of the Executive Board.
11. To approve compromise or settlement of dispute by arbitration, complaint, filling of lawsuits and /or any legal proceeding on behalf of the company on matter which are not/or normal business course with an amount exceeding the authority of the Executive Board.
12. To propose to shareholders an increase or a decrease of capital, a change of share value: modification of memorandum, articles of association and /or objectives of the company.
13. To approve incorporation, merger or dissolution of subsidiaries.
14. To authorize to management, managerial employees of the company, or any other individual to act on their behalf.
15. To invite member of the management, executives, or relevant employees to provide explanations, opinions or documents as necessary.
16. To consult with specialist or company consultants (if any) or hire third-party consultant or outside specialist if necessary at the expense of the company.
17. To appoint and remove a company secretary.

#### **Term for company directors**

The term for company directors is in accordance with company articles of association and Charter for The Board of Directors as follows:

1. At each annual shareholders' general meeting, one- third of the sitting directors are required to retire from directors, whereas if the number of directors cannot be divided into 3 equal portions, the closet to such number shall apply. Retiring directors are eligible for re-election. At present, The Board of Directors had 15 members, therefore each director shall have a 3-year term.
2. Apart from retiring upon term completion, the company director shall also relieved of his/ her position upon resignation or death or having disqualifications as prohibited by laws or the resolution adopted

by the shareholders' meeting to remove that person from the position, or court ruling remove that person from the position.

3. In the case where the position of Board member is left vacant due to reasons other than term completion, with such remaining term not less than 2 months, The Board of Directors are required to appoint other persons having full qualifications to succeed in that position. In such case, the newly-appointed Board member may only serve out the term remaining for the person he/she succeeds.
4. The company director resigning from the position before term completion is required to submit his/ her resignation letter to the company, with such resignation coming into effect on the date of said submission.
5. The shareholders' meeting may vote for any of director to be out before retiring upon term completion, by a vote of not less than three-fourths of the number of shareholders attending the meeting and having the right to vote and the total number of shares being not less than half of the number of shares held by the shareholders attending the meeting and having the right to vote.

#### **The Authorities and Responsibilities of the Chairman**

The authorities and responsibilities of the Chairman as a guideline to serves as the Chairman are described as below:

1. Take responsibilities as the leader of the Board of Directors in monitoring and supervising the operations of the Board of Directors and various committee.
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.

#### **The Authorities and Responsibilities of the Managing Director**

The Board of Directors has clearly assigned the authority, duty and responsibility of the Managing Director as a guideline to serve as the Managing Director. The details are as follows:

1. Manage company operations so as to well comply with the laws, objectives, company regulations, resolutions by the shareholders' meeting, resolutions by The Board of Directors, resolutions by The Executive Board, and other standard practices concerned.
2. Instruct or engage in necessary and appropriate acts, so as to achieve those purposes laid down in above item 1. Should the matter be deemed significant, the Managing Director is required to report said matter to The Board of Directors and/or The Executive Board.

3. Review and approve the recruitment, appointment, transfer, and dismissal of employees, granting approval to the promotion or disciplinary action against employees, as well as deciding on the remuneration and welfare benefits for employees. However, such action must not contradict with the authority and the decision by The Executive Board.
4. Set company regulations regarding work practice, which must not contradict with the policies, regulations, provisions, instructions, or resolutions, set forth by the shareholders' meeting, The Board of Directors' meeting, and/or The Executive Board's meeting.
5. Authorize and/or assign other persons to carry out specific assignment on own behalf.
6. Promote and encourage company operations to be carried out with morality, to well comply with the laws, ethics, and cultures, based on good governance principles.
7. The exercise of authority by the Managing Director shall not be permitted, if he/ she is deemed to have interests at stake, or have conflict of interests with the company.
8. In the exercise of authority by the Managing Director, should there arise any doubt or unclear aspect regarding such action, the matter shall be forwarded to The Board of Directors for consideration and conclusion.
9. Engage in other acts as assigned by The Board of Directors, and/or The Executive Board.

## 7.3 Information of Sub-Committee

### 7.3.1 Composition and Components of Sub-Committee

The Board of Directors appointed the committees comprising of competent and experienced members, to supervise over each particular aspect of company operations, to ensure careful and effective management and operations for the company. Those committees consisted of The Executive Board, The Audit Committee, The Nominating Committee, The Remuneration Committee, The Risk Management Committee, The Corporate Social Responsibility Committee and The Corporate Governance Committee.

The Board of Directors clearly laid down the authority and responsibility scope for each committee per the charter for said committee. The chairman of every other committee was responsible for supervising the operations in accordance with the policies of The Board of Directors and reported the operating results annually to the Board of Directors' meeting.

#### 1. The Audit Committee

The Board of Directors has approved the appointment of the Audit Committee with the qualifications specified under the conditions of security law and Stock Exchange of Thailand. Such the committee must consist of at least 3 independent directors and at least 1 director must be qualified in accounting and finance, and whose term in 1 year from May 2022 – May 2023. In 2022 the total amount of the Audit Committee was 4 persons.

#### Name list of the Audit Committee

	Name		Position
1	Mr.Amorn	Asvanunt	Chairman of the Audit Committee / Independent Director
2	Mrs.Pradittha	Chongwattana	Director of the Audit Committee / Independent Director
3	Pol.Gen.Somchai	Prabhasabhakdi	Director of the Audit Committee / Independent Director
4	Assist.Porf.Dr.Pongchai	Athikomrattanakul	Director of the Audit Committee / Independent Director
	Mr.Jittipong	Somyapukdee	Secretary of the Audit Committee

**Remark :** \* Well knowledge and experienced in accounting & finance.

#### Authority of the Audit Committee

1. Coordinate to facilitate common understanding to be in the same direction among the certified public accountant, The Board of Directors, and the internal control office.
2. To invite the management, or company relevant employees to provide clarification and comment, to take part in meetings, and to submit documents deemed necessary. As well as having the authority to access corporate documents of all levels.
3. Authorized to carry out investigation on concerned persons relating to such matters lying within the authority and duty scope of The Audit Committee.
4. To consult with specialists or company consultants (if any), or hire outside consultants or specialists, if necessary, at the expense of the company.

#### Duty and responsibility scope of the Audit Committee

1. To review that the company has accurate and adequate financial reporting.
2. To review that the company has suitable and efficient internal control system and internal audit.
3. To review that the company comply with laws concerning securities and stock exchange, the Stock Exchange's regulations, and other laws related to the company's business.
4. To review the compliance of the anti-corruption policy.
5. To encourage the company to have an efficient risk management system and follow up on it.
6. To ensure the company has a management system with the Good Corporate Governance principles.
7. To approval and monitor the progress made in relation to the internal audit plan.
8. To consider independence of the internal audit including agreement of appointment, transfer and dismissal of the chief of the internal audit office or any other unit in charge of internal audit.
9. To consider, select, nominate for approval for the persons with independence of performing the duties of external auditors for the Company including the proposed termination of auditor and propose the remuneration of such external auditors to the Board of Director and jointly attend the meeting with the external auditors, at least once a year, without the attendance of the Company's management.
10. 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.

11. To disclose the Audit Committee's Report in the Company's Annual Report, consist of at least the following information.
  - a. An opinion on the accuracy, completeness and reliability of the Company's Financial Report.
  - b. An opinion on the adequacy of the Company's Internal Control System.
  - c. An opinion on compliance with the laws concerning securities and stock exchange, the Stock Exchange of Thailand's regulations, or other laws relating to the company's business.
  - d. An opinion on the suitability of the Auditor.
  - e. An opinion on transactions that may have conflicts of interests.
  - f. The number of the Audit Committee Meetings, and its attendance record of each committee member.
  - g. An opinion or overview comment that the Audit Committee perceived from its performance under the charter.
  - h. Other information that the shareholders and general investors should know under its scope of duties and responsibilities assigned by the Company's Board of Directors.
12. In carrying out the Audit Committee's duties, if it found or has any suspects that there are transactions or the following doings which may have a considerable impact on the company's financial status and performance; it should report them to the Board of Directors in order to correct them within a suitable time frame set by the Audit Committee.
  - a. Transactions causing conflicts of interests.
  - b. Fraud or irregularity or have key mistakes in the internal control system.
  - c. Breach of laws concerning securities and stock exchange, regulations of the Stock Exchange of Thailand, and other laws related to the company's business.

If the Company's Board of Directors or its executives failed to arrange to have them corrected within due course, any member of the Audit Committee may report such transactions or doings to the Securities and Exchange Commission or the Stock Exchange of Thailand.
13. To review, improve and amend the Charter of the Audit Committee and present it to the Company's Board of Directors for approval.
14. To perform any other matters as assigned by the Company's Board of Directors with the Audit Committee's agreement under the Company Regulations and laws.

In carrying out the mentioned above duties, the Audit Committee is directly responsible to the Board of Directors, who in turn is responsible to the shareholders and general investors.

## 2. The Nominating Committee

The Board of Directors appointed 5 company directors to serve as members of The Nominating Committee, by the Chairman of the Nominating Committee is a non-executive director. The term of the Nominating Committee is 1 year from May 2022 – May 2023.



#### Name list of the Nominating Committee

	Name		Position
1	Mr.Boonkiet	Chokwatana	Chairman of the Nominating Committee
2	Mr.Thirasak	Vikitset	Director of the Nominating Committee
3	Dr.Atthakorn	GlanKwamdee	Director of the Nominating Committee
4	Mrs.Kaewta	Ongsaranakom	Director of the Nominating Committee
5	Mrs.Chitraporn	Vikitset	Director of the Nominating Committee

#### Authority of the Nominating Committee

1. To invite the management or company relevant employees to provide explanations, opinions or documents as necessary.
2. To consult with specialists or company consultants (if any), or hire outside consultants or specialists, if necessary, at the expense of the company.

#### Duty and responsibility scope of the Nominating Committee

1. Set the criteria and method in selecting the persons to be nominated as directors.
2. Review the background and relevant information of the persons to be nominated as directors, by considering their knowledge, experiences, and expertise from various professions, so as to secure qualified persons according to the selection criteria, company regulations, and related laws.
3. Select the persons to be nominated as company directors, for The Board of Directors to consider and approve. However, in the case of the directors retiring upon term completion, such nomination needs to be submitted to the shareholders' meeting for approval.
4. Prepare comment and suggestion to serve as references for The Board of Directors' consideration.
5. Review and revise the charter for The Nominating Committee, to be proposed to The Board of Directors for consideration and approval.
6. Engage in other acts as assigned by The Board of Directors.

### 3. The Remuneration Committee

The Board of Directors appointed 4 company directors to serve as members of The Remuneration Committee, by the non-executive director, 2 persons are member, which including the Chairman of the Remuneration Committee. Its term is 1 year from May 2022 – May 2023.

#### Name list of the Remuneration Committee

	Name		Position
1	Mr.Boonkiet	Chokwatana	Chairman of the Remuneration Committee
2	Mr.Thirasak	Vikitset	Director of the Remuneration Committee
3	Mrs.Kaewta	Ongsaranakom	Director of the Remuneration Committee
4	Mrs.Pismai	Chandrubeksa	Director of the Remuneration Committee

#### Authority of the Remuneration Committee

1. To invite the management or company relevant employees to provide explanations, opinions or documents as necessary.
2. To consult with specialists or company consultants (if any), or hire outside consultants or specialists, if necessary, at the expense of the company.

#### Duty and responsibility scope of the Remuneration Committee

1. Review the remuneration criteria for The Board of Directors, and if deemed necessary, propose the suggestion or revision to existing criteria, in order to make them more suitable.
2. Review the remuneration budget earmarked for The Board of Directors, by taking into account the company's performances, the remuneration budget approved by the shareholders' meeting, and the actual remuneration amount for the previous year, for further presentation to The Board of Directors for consideration, and for final approval by the shareholders' meeting.
3. Review the remuneration budget for The Board of Directors, by taking into account their duty and responsibility scope and related performances, based on the remuneration budget approved by the shareholders' meeting.
4. Review the remuneration budget for the Remuneration Committee members (who do not serve as company directors), by taking into account their duty and responsibility scope, and related performances.
5. Review and revise the charter for The Remuneration Committee, to be proposed to The Board of Directors for consideration and approval.
6. Engage in other acts as assigned by The Board of Directors.

#### 4. The Risk Management Committee

The Board of Directors appointed 6 members to serve as members of The Risk Management Committee, by the non-executive officer 3 persons, which including the Chairman of the Risk Management Committee and executive officer, 3 persons. The term of the Risk Management Committee is 1 year from May 2022 – May 2023.

#### Name list of the Risk Management Committee

Name		Position
1	Assist.Prof.Dr.Pongchai Athikomrattanakul	Chairman of the Risk Management Committee / Independent Director
2	Mrs.Pornthip Putipat	Director of the Risk Management Committee
3	Mrs.Thongsuk Upathambhakul	Director of the Risk Management Committee
4	Mr.Praj Srichandra	Director of the Risk Management Committee
5	Mrs.Daranee Ajjaneeeyakul	Director of the Risk Management Committee
6	Ms.Waraluck Punpairoj	Director of the Risk Management Committee
	Ms.Waraluck Punpairoj	Secretary of the Risk Management Committee

#### Authority of the Risk Management Committee

1. To consult with specialists or company consultants (if any), or hire outside consultants or specialists, if necessary, at the expense of the company.
2. To invite the management or company relevant employees to provide explanations, opinions or documents as necessary.
3. To set-up a working committee, to monitor and evaluate risk management activities throughout the overall organization.

#### Duty and responsibility scope of the Risk Management Committee

1. To determine policies, targets and plans of corporate risk management systems clearly and consistently and keeping close communication with the Audit Committee.
2. To encourage and stimulate at all levels cooperation in company risk management.
3. To supervise corporate risk management appropriately and effectively.
4. To develop corporate risk management systems with efficiency and consistency.
5. 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. To review, revise and amend the charter for The Risk Management Committee, and submit to The Board of Directors for approval.
7. Other duties as assigned by the Board of Directors.

#### 5. The Corporate Social Responsibility Committee

The Board of Directors appointed 7 members to serve as members of The Corporate Social Responsibility Committee, by company directors and executives with the knowledge and experience. Its term is 1 year from May 2022 – May 2023.

#### Name list of the Corporate Social Responsibility Committee

	Name		Position
1	Prof.Dr.Malyn	Ungsurungsie	Chairman of the Corporate Social Responsibility Committee
2	Admiral Apichart	Pengsritong	Director of the Corporate Social Responsibility Committee / Independent Director
3	Mrs.Rujapa	Srisurang	Director of the Corporate Social Responsibility Committee
4	Mrs.Pranee	Petcharayutphan	Director of the Corporate Social Responsibility Committee
5	Ms.Natpichaya	Kitthamrongworakul	Director of the Corporate Social Responsibility Committee
6	Ms.Pornpanawan	Boonrom	Director of the Corporate Social Responsibility Committee
7	Ms.Usa	Kingsubmanee	Director of the Corporate Social Responsibility Committee
	Mrs.Rujapa	Srisurang	Secretary of the Corporate Social Responsibility Committee

#### Authority of the Corporate Social Responsibility Committee

1. To invite the management or company relevant employees to provide explanations, opinions or documents as necessary.
2. To consult with specialists or company consultants (if any), or hire outside consultants or specialists, if necessary, at the expense of the company.

#### Duty and Responsibility scope of the Corporate Social Responsibility Committee

1. Set up policy and framework of activities for the Company's Corporate Social Responsibility.
2. Review and screen the activities and policies on social and environment responsibility in order to propose to the Board of Directors.
3. Review and approve strategies and activities of the company in order to achieve the objectives and policies on social and environment responsibility.
4. Review and screen annual plan and budget for activities on social and environment responsibility to propose to the Board of Directors.
5. Review and monitor the progress of activities on social and environment responsibility and assess their achievement in addition to quality of related projects.
6. Suggested corporate governance policies and business ethics including employee's ethics of the company.
7. Other duties as assigned by the Board of Directors.

#### 6. The Corporate Governance Committee

The Board of Directors appointed 6 members, with independent directors serving as the Chairman and committee member, further joined by members representing The Executive Board, its term is 1 year, from May 2022 - May 2023.

#### Name list of the Corporate Governance Committee

Name			Position
1	Pol.Gen.Somchai	Prabhasabhakdi	Chairman of the Corporate Governance Committee / Independent Director
2	Mrs.Kaewta	Ongsaranakom	Director of the Corporate Governance Committee
3	Mrs.Patchara	Pongwichan	Director of the Corporate Governance Committee
4	Mr.Sumit	Khopaiboon	Director of the Corporate Governance Committee
5	Ms.Thatsruang	Saengwichian	Director of the Corporate Governance Committee
6	Mr.Jittipong	Somyapukdee	Director of the Corporate Governance Committee
	Mr.Sumit	Khopaiboon	Secretary of the Corporate Governance Committee

#### Authority of the Corporate Governance Committee

1. To invite the management or company relevant employees to provide explanations, opinions or documents as necessary.
2. To consult with specialists or company consultants (if any), or hire outside consultants or specialists, if necessary, at the expense of the company.
3. To set up the working group to process the corporate governance activities at all levels.

#### Duty and responsibility scope of the Corporate Governance Committee

1. Set up, review and revise the policy of corporate governance, the principles of Corporate Governance, Business Ethics, Code of Conduct for Company Directors, Executives and Employees and Policy against Corruption, regulations, work practices and announcements, rules and relevant laws consistency.
2. Set up work practices according to the principles of Corporate Governance, Policy against Corruption, also monitor and evaluate them consistency.
3. Promote and encourage company directors, executives and employees to practice according to the principles of Corporate Governance and Policy against Corruption.
4. Supervision and support of anti-corruption measures by risk management risk assessment of anti-corruption measures, including a review of corruption risk management measures to adequately report the Board of Directors at least 1 time per year.
5. To disclose the Corporate Governance Committee's Report in the Company's Annual Report.
6. To review, revise and amend the charter for The Corporate Governance Committee, to be proposed to The Board of Directors for consideration and approval.
7. Other duties as assigned by the Board of Directors.

#### 7. The Executive Board

The Board of Directors sets up the Executive Board to support its administration as assigned by the Board. The Executive Board comprises 11 persons with 1 year term, from May 2022 - May 2023, and shall be nominated by the resolution of the meeting of the Board held after the Annual General Meeting of Shareholders.

##### Name list of the Executive Board

Name			Position
1	Mr.Thirasak	Vikitset	Chairman of the Executive Board / Managing Director
2	Mrs.Kaewta	Ongsaranakom	Director of the Executive Board
3	Porf.Dr.Malyn	Ungsusungsie	Director of the Executive Board
4	Mrs.Chitraporn	Vikitset	Director of the Executive Board
5	Mrs.Thongsuk	Upathambhakul	Director of the Executive Board
6	Mr.Praj	Srichandra	Director of the Executive Board
7	Mrs.Patchara	Pongwichan	Director of the Executive Board

	Name		Position
8	Mrs.Daranee	Ajjaneeyakul	Director of the Executive Board
9	Ms.Kritsanarath	Rassameesuriyan	Director of the Executive Board
10	Mr.Sumit	Khopai boon	Director of the Executive Board
11	Ms.Yarin	Arayatanitkul	Director of the Executive Board
	Mrs.Patchara	Pongwichan	Secretary of the Executive Board

#### Authority of the Executive Board

1. To appoint, remove, transfer, evaluate and determine compensation and welfare of employees of different levels.
2. To appoint and remove any other working committee to carry out actions necessary for the management of the company.
3. To issue regulations and announcement on performance of duties: to assign authority to members of the Executive Board and/or employees serving managerial posts: and, to execute authorization on company assets.
4. To approve loans to related companies as shareholders or the company as trading parties or other companies, provided that the amount does not exceed the limited amount 20 million baht per company.
5. To approve guarantee of loan to related companies as shareholders or the company as trading parties or other companies, provided that the amount does not exceed the limited amount 20 million baht per company.
6. To approve engagement in non-financial juristic actions provided that the amount does not exceed the limited amount 20 million baht per case.
7. To approve acceptance or cancellation of loans provided that the amount does not exceed the limited amount 20 million baht per case.
8. To approve investment, sale of investment capital in ordinary shares and/or any other securities, provided that the amount does not exceed the limited amount 20 million baht per case.
9. To approve sourcing and investment in fixed assets, provided that the amount does not exceed the limited amount 20 million baht per case.
10. To approve a payment for, disposal or transfer of fixed assets, provided that each transaction amount does not exceed 20 million baht.
11. To approve modification, destruction and disposal of fixed assets and intangible assets which are no longer in use, damaged, lost destroyed, deterioration and out of date, provided that the book value does not exceed the limited amount 20 million baht per case.
12. To approve modification, change of price and destruction of raw materials and/or remaining inventory which are deteriorated or out of date, provided that the book value does not exceed the limited amount 20 million baht per case.

13. To approve compromise or settlement of disputes by arbitration, complaint, filing of lawsuits and/or any legal proceeding on behalf of the company on matters which are not normal business course of the value not exceeding the specified amount. In such case of a normal business course, the amount must not exceed the limited amount 20 million baht.
14. To authorize executive of the company or other individuals to act on their behalf.
15. To invite members of the management or relevant employee to provide explanations, opinions or documents as necessary.
16. To consult with specialists or company consultant (if any) or hire third-party consultant or outside specialists if necessary at the expense of the company.
17. To stipulate any other regulations as deemed appropriate.

#### **Duty and responsibility scope of the Executive Board**

1. Present the company's objectives, policy, plan, and annual budget to The Board of Directors.
2. Managing company's operations in order to comply with the direction, target, and business policy of the company.
3. Promote the competitiveness of the company, while encouraging consistent innovation development activities.
4. Supervise company operations to comply with the laws, objectives, company regulations, resolutions by the shareholders' meeting, resolutions by The Board of Directors, as well as other standard practices concerned.
5. The Executive Board members may allocate work responsibilities among themselves, whereby they are required to report the progress of own responsible work to The Executive Board.
6. Supervise the compilation of financial statements, for review and/ or verification by the certified public accountant, prior to submitting to The Audit Committee, and The Board of Directors, for endorsement respectively.
7. Review the matters to be submitted to The Board of Directors for further acknowledgment or approval.
8. To disclose the Executive Board's Report in the Company's Annual Report.
9. To review, revise and amend the charter for The Executive Board, to be submitted to The Board of Directors for further approval.
10. Engage in other acts as assigned by The Board of Directors.

In 2022, the Executive Board consists of 4 Executive Directors leading by the Managing Director for the execution of management planning to comply with the policies of the Board of Directors. The Executive Directors also participated in stipulating business goal together with the Board of Directors.

## **7.4 The Executive's Information**

### **7.4.1 The Executives**

At present, there were 13 company's executive members in accordance with the definition of the executive set by The Securities and Exchange Commission. The executive were authorized by the company to carry out duties in accordance with the company's policies.

## Name list of the Executives as of December 31, 2022

Name		Position
1. Mr.Thirasak	Vikitset	Managing Director / Director which is Executive
2. Dr.Atthakorn	Glankwamdee	Deputy Managing Director / Director which is Executive
3. Mrs.Kaewta	Ongsaranakom	Director / Director which is Executive
4. Prof.Dr.Malyn	Ungsurungsie	Director / Director which is Executive
5. Mrs.Chitraporn	Vikitset	Director / Director which is Executive
6. Mr.Bo Nystrup Nielsen		Strategy and Coporate Development Division Manager
7. Mr.Simon Rhoderick Knight		Overseas Business Division Manager
8. Mrs.Thongsuk	Upathambhakul	Domestic Business Division Manager
9. Mr.Praj	Srichandra	Factory Division Manager
10. Mr.Varith	Tritrapun	Office Division Assistant Manager (Accounting & Finance)
11. Mrs.Patchara	Pongwichan	Human Resource Division Assistant Manager
12. Mrs.Daranee	Ajjaneeyakul	Technical Division Assistant Manager
13. Dr.Arucha	Budsakornbhinanda	Digital and Technology Division Assistant Manager

### Executives' personal information

The details of executives' personal information were display per Attachment 1 "Information of Directors, Executives, Chief Financial Officer, Chief Accountant, and Company Secretary".

## 7.4.2 Remuneration for the Executives

### Remuneration criteria for the High-level Executives and Executive Officers

The remuneration authorization for High-level Executives and Executive Officers would be required to follow the criteria set forth by the company, in term of the duty and responsibility scope, as well as the individuals' performance evaluation by said High-level Executives and Executive Officers, who would be entitled to such same remuneration criteria.

## 7.4.3 Remuneration for the High-level Executives and Executive Officers

(a) **Cash remuneration** Referred to the remuneration for the 5 executive directors who were non-executive offices and 8 company's executive offices in accordance with the definition of the executive set by The Securities and Exchange Commission, altogether totaling 13 persons. The remuneration details were classified into salary, bonus, allowance, and meeting allowance accorded their status as company employees.

### Remuneration details for Executives

Remuneration	2022		2021	
	Number of persons	Amount (baht)	Number of persons	Amount (baht)
Salary and bonus	13	79,822,075	13	64,609,130
Meeting fee	13	578,000	13	718,000
<b>Total</b>		<b>80,400,075</b>		<b>65,327,130</b>



(b) Other remuneration

The Company has established a provident fund to executive by subscribing to be provident fund membership. The company has contributed at rate of 3 percent of salary.

Other remuneration details for Executives

Other remuneration	2022		2021	
	Number of persons	Amount (baht)	Number of persons	Amount (baht)
Provident fund contribution	13	300,600	13	282,636
<b>Total</b>		<b>300,600</b>		<b>282,636</b>

## 7.5 Employees

The company places importance on ensuring that the manpower allocations are appropriate to the size of its divisions and prepare the workforce in anticipation of future expansion. As of December 31, 2022 and 2021, the company has a total of 1,754 and 1,615 employees respectively, which are divided into 9 main divisions as follows.

Main Division	2022 (persons)	2021 (persons)
Customer Service	122	120
Office	92	99
Purchase and Procurement	48	49
Human Resource	127	125
Technical	226	218
Factory	1,108	979
Digital and Technology	25	20
Strategy and Corporate Development	4	4
Internal Audit	2	1
<b>Total</b>	<b>1,754</b>	<b>1,615</b>

### Human Resource Management

#### Human Resource Management Policy

Human resources play a crucial role in driving an organization's strategy toward its objectives. In the present situation that the world is changing rapidly, the organization needs to adjust its internal processes, as well as adaptations of human resource management, to keep up with these changes. Among them are recruitment, selection, human resource planning, human resource development, and incentive programs, with the main missions as follows.

1. Develop human resource management processes in response to the organization's business strategy.
2. Establish an organizational culture that aims at continuously being an innovative organization in order to promote sustainable business operations.

3. Develop and train leaders to have a collaborative team leadership style that aims to achieve the organization's overall success.
4. Create a happy working atmosphere on the basis of the Happy Workplace project.

#### Strategy and Operational Guidelines

- Make Man Knowledge** - Develop personnel with the knowledge and skills to be ready to adapt to changes for sustainable growth.
- Make Man Fit Job** - Assign work that is valuable and appropriate to each position and individual.
- Make Man Growth** - Develop leaders at every level according to the Career Development Plan to ensure stable growth.

In the year 2022, given the company's policy that focuses on growth through creating new businesses and creating new innovations both in terms of products and services, human resources are therefore among the company's top priorities to respond to such business goals. The company has set the direction for human resource management, starting with the restructuring of the organization for greater clarity and the recruitment and selection of new generations in the management levels to fill various positions in the organization. Therefore, the human resource development process is an important process that shall be adjusted to align with the policy and business strategies. Whereby main development topics are primarily focusing on creating attitudes and ideas for creating new innovations within the organization, developing supervisors to be the leader in creating people and creating job professionally, as well as inserting the concept of building morality and business ethics that are essential to the organization through activities in various forms to strengthen its foundation to support the expansion of businesses in the future.

#### **Compensation management and employee retention.**

Good and standardized compensation management encourages talented employees to efficiently drive the organization together and to retain good and competent employees with the company. Accordingly, the company sets appropriate compensation for employees based on their qualifications, knowledge, competence, and experience, with the minimum salary that is aligned with the minimum wage set by the government and a salary structure that is determined by their knowledge, capabilities, and work performance. Additionally, the company considers the annual salary increases and bonuses once a year to employees based on their performance assessment using the Competency Model and Key Performance Indicator (KPI). It also analyzes, compares, and improves its compensation management with other leading companies every year.

Employee Benefit	2022 (Million baht)	2021 (Million baht)
Employee benefit expenses	895.8	834.8
Provident fund	10.5	9.7
<b>Total</b>	<b>906.3</b>	<b>844.5</b>

Number of employees participating in the provident fund (PVD)

Company	PVD Yes/No	No. of Employees who joined PVD (Persons)	% of Total Employees
S & J International Enterprises Pcl.	Yes	1,086	61.92%

The company has a policy for the Provident Fund Committee to select a fund manager who complies with the investment governance principles for responsible and effective stewardship over investments, taking into account the Environment, Social, and Governance (ESG) factors. Compliance with good investment governance principles will secure the best returns to fund members who are the company's employees in the long term.

In addition, the company also paid other compensation benefits for employees, such as provident fund contributions to employees at all levels, whereby it makes a contribution at the rate of 3% of wages or basic salary, Savings Cooperative, employee retirement benefits, including awards for employees completed 30 years, 20 years, and 10 years of services and awards for employees with persistence and without a record of absent, leave, late, etc.

The company places great value on human capital in the organization, which is the driving force behind the company's sustainable growth and leaped forward. Hence, knowledge and competence of employees is a necessity that the company shall ensure a systematic process of employee stewardship and development, including instilling positive attitudes from the start of their careers through activities and learning processes in different forms both inside and outside of the classroom, such as training, teaching, project assignments, business trips, etc. In the past three years, the company has not had any cases of change in the number of employees or labor disputes that were of significance.

#### Employee Development and Training

The company places great value on human capital in the organization, which is the driving force behind the company's sustainable growth and leaped forward. Hence, knowledge and competence of employees is a necessity that the company shall ensure a systematic process of employee stewardship and development, including instilling positive attitudes from the start of their careers through activities and learning processes in different forms both inside and outside of the classroom, such as training, teaching, project assignments, business trips, etc. In the past three years, the company has not had any cases of change in the number of employees or labor disputes that were of significance.

**Note :** Further details can be found in the "2022 Sustainable Development Report" on "Personnel's Development".

#### Knowledge Management in the Organization

The Company has emphasized systematically managing knowledge in the organization, both explicit knowledge and tacit knowledge, with a goal of documenting at least 300 subjects a year since 2017. The Company has a process for following up on the implementation of knowledge through the review of the quality system manuals under ISO9001, 14001, and 45001 systems. In 2022, the Company reviewed and developed a knowledge storage program for tacit knowledge in the form of Best Practices / Lessons learned in order to provide personnel with access to knowledge information more systematically, thereby leading to further development into corporate innovation.

**Note :** Further details can be found in the "2022 Sustainable Development Report" on "Organization knowledge management".

Strengthening Quality of Life and Happy Working

Happy Workplace is a purposeful process of human resource development within an organization that is based on the 8 basic elements of happiness as a guideline for management. The process begins with the formation of a positive attitude toward life perspectives, coexistence with others, and social responsibilities, including being an equally good member of the family, the organization, and society in a balanced manner.

**Note :** Further details can be found in the “2022 Sustainable Development Report” on “Better living for a happy working”.

Establishing Employee Engagement

The Company has placed great emphasis on the continuous assessment of employee engagement between the organization and its employees since 2016. A rotational assessment has been conducted at each level of the organization in order to know employee satisfaction and employee confidence in the organization. Establishing employee engagement is an important process that assists in retaining quality employees within an organization, which contributes to sustained business success.

In 2022, the Company conducted an assessment of employee engagement within the organization from daily and monthly employees up to the supervisory level, covering the Saha Group factories in Sriracha and Pinthong, as well as the Bangkok office, which totaled 977 employees.

Assessment Score	Target	Result
Employee Engagement	> 80%	82.5%

**Note :** Further details can be found in the “2022 Sustainable Development Report” on “Employee Engagement”.

Human rights and labor practices

The company is well aware of human rights and equality. The company treats its employees with fairness regardless of differences in age, sex, race, color, religion, language, caste, and disabilities. This includes the prohibition of child labor and forced labor.

The company has established guidelines for fair treatment of employees at all levels in accordance with the code of conduct and business ethics framework and has complied with Thai labor standards. The company arranges the election and appointment of the welfare committee in the workplace and the safety committee to represent employees to discuss and propose suggestions to the company’s Executive Board. It also provides opportunities for employees to express their opinions through various channels, for example, meetings, comment boxes, satisfaction evaluations of activities for continuous improvement and development.

**Note :** Further details can be found in the “2022 Sustainable Development Report” on “Human rights and labor practices”.

Employment of people with disabilities

The company adheres to and complies with the principles of equality and non-discrimination against individuals in all aspects by promoting and improving the quality of life for the disabled under Section 33 and 35 of the Empowerment of Persons with Disabilities Act. In addition, the company encourages people with disabilities across the country to access opportunities for self-reliance with dignity by operating under the “S & J (Care You)” project that has been ongoing since

2017 until now. As a result, the company received plaques and certificates. Excellent Organization in Supporting Disabled Persons" from the Ministry of Social Development and Human Security for the 2nd year.

**Note :** Further details can be found in the "2022 Sustainable Development Report" on "Employment of people with disabilities".

## 7.6 Other Important Information

### 7.6.1 Information of the Company Secretary, Head of Internal Audit, and Chief Accountant

#### Company Secretary

Mr.Sumit Khopaiboon, Accounting and Finance Section Manager, who acts as the Company Secretary, has appointed by the Board of Directors since 24 February 2016, having the duties and responsibilities as specified in The Company Directors, Securities and Exchange Act (No.4) B.E.2008, together with other duties assigned by the Board of Director. The detail of the Company Secretary is shown in Attachment 1.

#### Head of Internal Audit

Mr.Jittipong Somyapukdee, Internal Audit Section Manager – Internal acts as the Secretary of the Audit Committee, and Head of Internal Audit. The detail of Head of Internal Audit is shown in Attachment 3.

#### Chief Accountant

Mr.Sumit Khopaiboon, Accounting and Finance Section Manager with the qualifications specified by Department of Business Development, had been appointed as the person supervising accounting of the Company and responsible for bookkeeping according to accounting standards and financial reporting standards; and attends Continuing Professional Development Program in compliance with the criteria, method, and timeline according to the laws. The detail of the Chief Accountant is shown in Attachment 1

### 7.6.2 Investor Relations Contact Information

The Company set up Company Secretary and Investor Relation Department, to serve as the center in communicating and distributing significant information useful to the investors and other parties concerned. Interested person could view the Company's latest developments via the Company' website, under the heading "Investor Relations", and the news system of the Stock Exchange of Thailand. Investors and related persons may contact Company Secretary and Investor Relation Department represented by:

Mr.Varith Tritapun  
Investor Relation  
Tel. (662) 676-2727 ext. 2508  
E-mail : [sji\\_sec@snjinter.com](mailto:sji_sec@snjinter.com)

### 7.6.3 Auditor's remuneration

In 2022, the shareholders approved the appointment of EY Office Limited. as the external auditor of the company with independent and reliable and did not have any relations and/or interests with the company, its subsidiaries, directors, executives, major shareholders or related parties.

#### 1. Audit fee

The Company and its subsidiaries paid audit fees, according to the details as follows:

Unit : baht

Audit remuneration	2022	2021
S & J International Enterprises Pcl.	1,810,000	1,810,000
4 Subsidiary companies*	995,000	1,150,000
Other service for viewing the work of other auditors	90,000	90,000
<b>Total</b>	<b>2,895,000</b>	<b>3,050,000</b>

**Remark** \* Audit fee was reduced due to Subsidiaries decreased by 1 company from 5 companies

#### 2. Non-audit fee

The Company and subsidiary companies paid for other services as following:

Unit : baht

Non-audit fee	2022	2021
Observation on destruction of goods	120,000	80,000
<b>Total</b>	<b>120,000</b>	<b>80,000</b>

## 8. Corporate Governance Report

### 8.1 Summary of the Performance of the Committees for Last Year

The Board of Directors has an important role in determining the Company's key policies and, together with the Executive Board and other senior Executives/Managers, in defining the Company's values, corporate culture, vision and mission, corporate objectives, financial policy, risk management policy, strategy, operating business plans, and annual budgets. They also oversee the operations activities so as to ensure that the defined strategies and annual business plans correspond to the established core corporate objectives and goals; whereby in determining the strategies and annual business plans, a full analysis of the operating business environment, the challenges and opportunities that may impact the Company's business operations have been undertaken, increase competitive advantage, supervision of the adequacy of the internal control system, so that the outcome will be a well-defined set of strategic objectives and core operating corporate objectives to which the organization has focused for the next 5 years.

#### The Board of Directors' Meeting

The Board of Directors scheduled the meeting for the whole year and notified the directors in advance in which the meeting will be held at least every quarter with additional meeting if necessary as specified in the Charter of Board of Directors. For each meeting and agenda for The Board of Directors' meeting, each director was able to propose agenda, and the Chairman together with the Managing Director shall consider the matter to be brought into the meeting. After that, the Company Secretary sent out meeting invitation letter, meeting agenda, and relevant meeting documents, to the directors not less than 7 days in advance, to allow them sufficient time to review the information prior to the meeting.

All directors considered as their duties to attend the meeting each time, unless unable to do so due to significant obligation or illness. During the meeting, The Chairman allowed the directors to present opinions and comments freely. The company has set a policy of minimum quorum of the committee to vote at the meeting of the Committee that must have directors not less than 2 out of 3 of all members. While those directors having conflict of interests would not be allowed to attend or cast votes at such meetings. The Company Secretary recorded the meeting minutes and then classified those minutes in a systematic manner, to facilitate easy references.

The Board of Directors supported the joint meeting between The Board of Directors and The Executive Board at least once a year, to deliver yearly strategic targets and operation plans of the company, as well as to build good relationships between directors and executives. In addition, Chief Financial Officer has joined The Board of Directors' meeting at all times.

The Audit Committee has scheduled meetings with external auditors and report this to the Board of Directors every quarter.

During 2022, The Board of Directors held 5 meetings with all directors attending at 100% of the meetings for the whole year. and non-executive directors held 1 meeting on February 24, 2022, without any management in attendance.

In addition, in 2022 has set scheduled of the Board of Director meeting for the year 2023 in advance (this schedule is subject to change.) excluding the agenda of the special meeting as follows:

Number	The Board of Director's Meeting
1	January 19, 2023
2	February 23, 2023
3	May 11, 2023
4	July 13, 2023
5	August 10, 2023
6	November 9, 2023
7	December 21, 2023

### 8.1.1 Recruitment, Development, Assessment of the Performance of the Board of Directors

#### 1. The selection method of persons to be appointed Directors and Independent 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 for 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 Director

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 the 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 considered about the knowledge, ability and experience that are beneficial to the duties of Directors and in accordance with the strategy in business.
3. The company provides an opportunity for stakeholders to participate in the nomination of qualified directors. Including the Nominating Committee also considered the person to be nominated to serve as directors apart from List of professional directors of the Thai Institute of Directors Association (IOD).

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, affiliate, 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, affiliate, 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, affiliate, major shareholders or controlling person of the company, in such manner likely to interfere with own independent judgement, 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, affiliate, 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, affiliate, 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, affiliate, 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, affiliate, 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.

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 being appointed independent director having qualifications complying with the criteria under item 1 to 9, the independent director may then be assigned by The Board of Directors to participate in the decision-making procedures for the company, its parent company, subsidiary, affiliate, same-level subsidiary, major shareholders or controlling person of the company on the condition that such decision must be a collective one.

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.

#### **The rights accorded minor shareholders regarding Directors appointment**

##### **Nomination of Directors**

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 : Data of shareholders' Meeting".

##### **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:

- One shareholder shall have one vote per one share.
- 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.
- 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 directorships 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.

#### **The selection method for the persons to be appointed High-level Executive**

##### **The selection of the High-level Executive**

With the regard of selection methods for the company' s High-level Executive, 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.

##### **The selection of the Executive Officer**

The selection process for the persons to further serve in management positions for the company begins with the selection 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. Those employees so selected and trained by the company would be assigned to work in the positions having higher authority and responsibility scope. As general practice, the company regularly carries out training programs

seeking to upgrade employees' potentials to a higher level, so as to be well- prepared to take up further significant positions when they become vacant.

#### Plan for Successors

The company has plans for successors to be ready for in case the executives are unable to work. The details are as follows

1. To provide opportunity for middle management to work closely with senior management.
2. To prepare having senior management be ready to take up other functions if necessary.
3. To prepare specialized personnel to be able to take up higher management positions.
4. To establish various committees for development of works and potentials of flame works in a systematic process.
5. To encourage middle management to propose their various plans.
6. To provide training courses for middle management to take up high posts.
7. To organize a training course for senior and middle management to promote common awareness for accountability, integrity and corporate image as a whole.
8. To provide executive training for each department for higher potential, advance planning in addition to systematic thinking to middle managements.
9. To enhance charitable spirit and activities among executives at all levels for promoting happy living in societies.

## 2. Board and Management Development

The Board of Directors has set up a policy to promote and support those training activities seeking to promote further knowledge for the directors, managers, and all parties concerned on a consistent basis. So, as to gain better effective skills and understanding regarding their duty assignments. These activities included the programs organized by Thai Institute of Directors Association (IOD) and other agencies concerned (See the details under the heading "Board of Directors Information"), as well as the meeting to exchange opinions with The Board of Directors and the managers of other organizations, in order to apply the knowledge and experience gained to develop the Company.

The Board of Directors participated in training programs organized by Association of Thai Institute of Directors (IOD)

Name		DAP	DCP	RCC	RMP	RCP	ACP
1. Mr.Boonkiet	Chokwatana	3/2003	41/2004	-	-	-	-
2. Mrs.Tipaporn	Chokwatana	3/2003	68/2005	-	-	-	-
3. Mr.Thirasak	Vikitset	3/2003	68/2005	-	-	-	-
4. Dr.Atthakorn	Glankwamdee	3/2003	68/2005	-	-	-	-
5. Mrs.Kaewta	Ongsaranakom	-	27/2003	10/2010	-	-	-
6. Prof.Dr.Malyn	Ungsurungsie	17/2004	-	-	-	-	-
7. Mrs.Chitraporn	Vikitset	66/2007	-	-	-	-	-
8. Mrs.Teerada	Ambhanwong	3/2003	51/2004	-	-	-	-

	Name	DAP	DCP	RCC	RMP	RCP	ACP
9. Mr.Suthep	Dansiriviroj	32/2005	60/2005	-	5/2014	-	-
10. Admiral Apichart	Pengsritong	82/2010	-	-	-	-	-
11. Mrs.Pismai	Chandrubeksa	82/2010	-	-	-	-	-
12. Mr.Amorn	Asvanunt	4/2003	-	-	-	-	-
13. Mrs.Pradittha	Chongwattana	-	5/2001	-	-	-	-
14. Pol.Gen.Somchai	Prabhasabhakdi	25/2004	51/2004	-	-	12/2005	2/2004
15. Assist.Prof.Dr.Pongchai	Athikomrattanakul	162/2019	283/2019	-	-	-	-

The Company directors and managers paid much attention to attend training courses or seminars designed to promote their management abilities.

### Training and seminar attended by the Board of Directors and Management in 2022

Name		Training Course/Seminar
Mr.Thirasak	Vikitset	- Extension of Anti-Corruption for Corporate Sustainable Development for business partners (Online) : Mr.Thanakrit Peompoonkantisuk - Understanding about business sustainability : Mr.Anantachai Yoonprathom
Mrs.Kaewta	Ongsaranakom	- Understanding about business sustainability : Mr.Anantachai Yoonprathom
Mrs.Chitraporn	Vikitset	- Understanding about business sustainability : Mr.Anantachai Yoonprathom
Prof.Dr.Malyn	Ungsurungsie	- Understanding about business sustainability : Mr.Anantachai Yoonprathom
Mr.Bo NYSTRUP NIELSEN		- Understanding about business sustainability : Mr.Anantachai Yoonprathom
Mrs.Thongsuk	Upathambhakul	- Understanding about business sustainability : Mr.Anantachai Yoonprathom
Mr.Praj	Srichandra	- Understanding about business sustainability : Mr.Anantachai Yoonprathom
Mr.Varith	Tritapun	- CFO Refresher Course "Sustainable Business (ESG) Issues Related to Disclosure Operations Strategy and financial reports of listed companies" : The Stock Exchange of Thailand
Mrs.Patchara	Pongwichan	- Understanding about business sustainability : Mr.Anantachai Yoonprathom
Mrs.Daranee	Ajjaneeyakul	- Understanding about business sustainability : Mr.Anantachai Yoonprathom

### Orientation for new directors

The company hosted the orientation course for new directors, to properly prepare them for director assignments. The company arranged factory tour, organized presentations on company background, business perspective and business policies for these new directors. The company also provided them with the manual for directors for listed company, clearly summarizing and comparing the provision in the company regulations, with those in The Securities and Exchange Act, The Public Company Act, Good Governance Practice Principles, as well as the charter for each respective Committee and the corporate governance policies, corporate governance principles, business ethics, and code of conduct for the company directors, the management, and employees, anti-corruption policy and other regulations. In addition to related regulations issued by concerned agencies in supervising over listed companies, to serve as their practice guidelines during the directorship term.

### 3. Assessment of the performance of the Board of Directors

The assessment of the Board of Directors performance for the year 2023 has been carry out, in which the assessment was set to conduct yearly. Each of the directors will be given opportunity to assess the performance both individuals and the board as a whole to review performance results, problems, and obstacles faced during the past year, in order to contribute to better effective performances by The Board of Directors.

There is a process in which the evaluation as follows: the Company Secretary sent out an evaluation of the performance of the Board of Directors form, an assessment of the performance of the directors individually form, and an assessment of the performance of the Sub- Committees Directors form ( Only directors who are members of the committees of the Board) to all directors. Every director was independent in taking such assessment. The assessment form was returned to the Company Secretary once completed to be collected, summarized, and reported to The Board of Directors at The Board of Directors' meeting

The percentage score criteria was set as follows

Criteria	Score
Excellent	Over 80 percent
Good	70 – 79 percent
Fair	60 – 69 percent
Improve	Less than 60 percent

#### Yearly Performance Assessment of the Board of Directors

The Board of Directors carried out the board's performance assessment, which divided in to 3 aspects as follow:

1. Role, Duty, and Responsibility of the board
2. Independence of director
3. Relationship with the management and stakeholders

In 2022, the assessment result was in “Excellent” criteria with the average score of 91%

#### Yearly Performance Assessment of the Individual Director

The Board of Directors carried out the individuals' performance assessmnt, which divided in to 3 aspects as follow:

1. Role, Duty, and Responsibility of director
2. Duty fulfilment of director
3. Self-development of director

In 2022, the assessment result was in “Excellent” criteria with the average score of 91%

#### Yearly Performance Assessment of the Sub-Committee

The Board of Directors has set the assessment of performance of every Sub-Committees in 2022 that each member of the Sub-Committees assessment the work of his/her Sub-Committees as a whole. The result can be summarized as follow:

Sub-Committee	Assessment Result
The Corporate Governance Committee	98
The Corporate Social Responsibility Committee	94
The Executive Board	94
The Nominating Committee	90
The Audit Committee	88
The Remuneration Committee	84
The Risk Management Committee	84

With regard to the appraisal of the performances of the Managing Director, this would be carried out by the Chairman and the Board of Director, by considering and assessment the performances result from target of company every year.

### 8.1.2 Board Members Attendance and Remuneration of Individual Director

#### 1. Board Members Attendance

Name of the Board of Directors and Board Members Attendance for the Year 2022 (Number of meetings attended during the directorship period)

Name	Position	The Board of Director (5 times)	Attendance Proportion (%)	General Shareholders Meeting (1 time)
1. Mr.Boonkiet Chokwatana	Chairman	5/5	100	1/1
2. Mrs.Tipaporn Chokwatana	Vice Chairman	5/5	100	1/1
3. Mr.Thirasak Vikitset	Managing Director	5/5	100	1/1
4. Dr.Atthakorn Glankwamdee	Deputy Managing Director	5/5	100	1/1
5. Mrs.Kaewta Ongsaranakorn	Director	5/5	100	1/1
6. Prof.Dr.Malyn Ungsurungsie	Director	5/5	100	1/1
7. Mrs.Chitraporn Vikitset	Director	5/5	100	1/1
8. Mrs.Teerada Ambhanwong	Director	5/5	100	1/1
9. Mr.Suthep Dansiriviroj	Director	5/5	100	1/1
10. Admiral Apichart Pengsritong	Independent Director	5/5	100	1/1
11. Mrs.Pismai Chandrubeksa	Independent Director	5/5	100	1/1
12. Mr.Amorn Asvanunt	Independent Director	5/5	100	1/1
13. Mrs.Pradittha Chongwattana	Independent Director	5/5	100	1/1
14. Pol.Gen.Somchai Prabhasabhakdi	Independent Director	5/5	100	1/1
15. Assist.Prof.Dr.Pongchai Athikomrattanakul	Independent Director	5/5	100	1/1

## 2. Remuneration for the Directors

### Remuneration criteria for the Directors

The Board of Directors set up a policy on the determination of the director's remuneration in a fair and reasonable manner and assigned the Remuneration Committee to be responsible for setting the budget and allocation criteria for the directors, on a comparative basis with other companies in the same business category. Consideration were given to such areas as, expansion in the company's business activities, business growth rate, operating results, together with proper reference to the authority, duty, responsibility scope, the financial liquidity position, the possible factors impacts on both the company and overall economic situation, and performances by the directors. The Remuneration Committee set the criteria on meeting allowance and yearly remuneration. The said resolution would be proposed to the Board of Directors' meeting for their consideration prior to propose to the shareholders' meeting for final approval of said remuneration budget.

#### (1) Remuneration amount

The shareholders' meeting approved annual remuneration budget for company directors for total amount not exceeding 20 million baht per year as the prior year, until further changes. The disbursement of said remuneration budget required the consideration by the Remuneration Committee, and the approval of the Board of Directors, with such disbursement not exceeding the budget amount earlier approved by the shareholders' meeting and compared with other group of companies in the same level. This is not inclusive of remuneration or welfare to which the directors are entitled to in the capacity as a staff member or an employee of the company.

- Annual Remuneration is paid to all directors. The Remuneration Committee will allocate the remuneration on basis of principle, operational results and propose to the Board of Directors.
- Meeting fee, is paid to attending directors only. In case of there is a meeting more than 1 times in each month, it accounts to receive the meeting fee not exceeding 1 time.
- Remuneration of other sub-committees which organized by the Board will be in the consideration of the Remuneration Committee by considering in accordance with appropriateness, and to be in line with duties and responsibilities.

Details of meeting allowance payments were as follows:

	2022 (baht/time)		2021 (baht/time)	
	Chairman	Director	Chairman	Director
The Board of Director	12,000	10,000	12,000	10,000
The Audit Committee				
The Nominating Committee				
The Remuneration Committee				
The Risk Management Committee	10,000	9,000	10,000	9,000
The Corporate Social Responsibility Committee				
The Corporate Governance Committee				



For year 2022, the company paid the meeting allowance of Baht 1,370,000 and director remuneration of Baht 14,375,000, totalling Baht 15,745,000.

Details of remuneration received by each company directors in 2021 are as follows:

Unit : Thousand baht

Name		Directors fee	Meeting fee							Total	Total Directors fee
			The Board of Directors	The Audit Committee	The Nomination Committee	The Remuneration Committee	The Risk Management Committee	The Corporate Social Responsibility Committee	The Corporate Governance Committee		
1.	Mr.Boonkiet Chokwatana	1,495	60	-	20	20	-	-	-	100,000	1,595
2.	Mrs.Tipaporn Chokwatana	1,210	50	-	-	-	-	-	-	50,000	1,260
3.	Mr.Thirasak Vikitsat	3,450	50	-	18	18	-	-	-	86,000	3,536
4.	Dr..Athakorn Glankwamdee	315	50	-	18	-	-	-	-	68,000	383
5.	Mrs.Kaewta Ongsaranakorn	1,265	50	-	18	18	-	-	36	122,000	1,387
6.	Prof.Dr.Malyn Ungsurungsie	1,265	50	-	-	-	-	40	-	90,000	1,355
7.	Mrs.Chitraporn Vikitsat	1,265	50	-	18	-	-	-	-	68,000	1,333
8.	Mrs.Teerada Ambhanwong	315	50	-	-	-	-	-	-	50,000	365
9.	Mr.Suthep Dansiriviroj	550	50	-	-	-	-	-	-	50,000	600
10.	Admiral Apichart Pengsritong	420	50	-	-	-	-	36	-	86,000	506
11.	Mrs.Pismai Chandrubeksa	420	50	-	-	18	-	-	-	68,000	488
12.	Mr.Amorn Asvanunt	770	50	72	-	-	-	-	-	122,000	892
13.	Mrs.Pradittha Chongwattana	315	50	60	-	-	-	-	-	110,000	425
14.	Pol.Gen.Somchai Prabhasabhakdi	550	50	60	-	-	-	-	40	150,000	700
15.	Assist.Prof.Dr.Pongchai Athikomrattanakul	770	50	60	-	-	40	-	-	150,000	920
Total		14,375	760	252	92	74	40	76	76	1,370	15,745

## (2) Other Remuneration

The company does not have the policy to provide any extra benefits to its executives, whether in term of shares, debentures, other than those remuneration normally accorded the directors and company employees.

### 8.1.3 Supervising the Operations of subsidiaries and associates

The company's directors were assigned to hold a joint meeting to consider selecting the person to be the company's representative. The number of individual that the company nominated and voted to appoint as director in subsidiaries and associates is in accordance with the company's proportion of shareholding. The person who was appointed as a director in subsidiary or associated companies was entitled to perform the operations for the best interests of their subsidiaries or associate, unless it is important policies affecting the company's business operations. The company required the appointed person to be approved by The Executive Board prior to cast a vote.

The company has laid down the policy for subsidiaries and associate that are the company's main business to have proper and adequate internal control systems. The internal control systems of subsidiaries were monitored by the Internal Audit Office of the company annually.

Furthermore, the company has assigned the person who was appointed by the company to oversee its subsidiaries to operate and disclose significant information according to the rules in the same way as the company

performed, such as making connected transaction, the acquisition or disposition of assets, or making other important transactions, including to supervise the information storage and bookkeeping of the subsidiaries for the company, so that it can be reviewed and collected for financial statements in due time.

The company had no agreements between the company and other shareholders in the management of Subsidiaries due to the company is a major shareholder and no other persons holding shares more than 10% of the shares with voting rights of subsidiaries. In addition, the company had no agreements between the company and other shareholders in sharing returns beyond normal returns according to proportion of their shareholding in subsidiaries.

#### 8.1.4 Compliance with the Corporate Governance Principles

The company places great importance on good corporate governance, which is embodied in our policy for good corporate governance principles, business ethics, as well as codes of conduct for directors, executives, and employees. The company has compiled a manual and provided training to test knowledge, understanding, and communication to promote the real-world practice to build confidence among all stakeholders.

In 2022, the company has followed up to ensure compliance with good corporate governance with regards to the following areas:

##### 1. Prevention of conflicts of interest

The Board of Directors has a duty to supervise and manage conflicts of interest that may arise between the company and its management, board of directors, or shareholders, as well as to prevent misuse of the company's assets, information, opportunities, and transactions with those who are related to the company in an inappropriate manner. The Board has therefore established a policy on transactions that may have conflicts of interest that it must be for the benefit of the company and shareholders as a whole, so a list of potential conflicts of interest is carefully considered and is reviewed and scrutinized by the Audit Committee before being presented to the Board of Directors for approval. Directors with vested interests do not participate in the decision. After approval of the connected transaction, the resolution of the meeting resolution was sent to the Stock Exchange of Thailand to be disseminated to shareholders within the meeting date or by no later than 9.00 AM on the following business day for shareholders to receive accurate and timely information.

To avoid any conflict of interest within the company, the following steps were taken:

- Establish policies and guidelines regarding confidentiality and the use of inside information for directors, executives, and employees, as well as related parties or agencies, to strictly follow so that inside information cannot be used for securities trading or for self-interested purposes.
- Approve the principle of commercial agreements with general commercial terms allowing management to do transaction between the company and subsidiaries, with directors, executives, or related persons if those transactions have commercial agreements in the same way a reasonable person would deal with general counterparties in the same circumstances with commercial bargaining power without considering any influence of their status as directors, executives, or related person.

## 2. Inside information supervision

The company placed much emphasis on the protection and supervision over inside information, by clearly specifying in the business ethics and code of conduct for company directors, management members and employees that directors, management members and employees perform their duties with responsibility, carefulness and honesty, as well as consider the interests of the company as the most important. The significant policies can be summarized as follows.

- The company prohibited company directors, management members, and company employees having access to inside information, from engaging in any act in exploitation of such information, particularly that 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 and 24 hour after disclosure of financial statements, 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.

During 2022, the company directors, management members, and company employees were not found to have committed any authority abuses related to inside information.

- 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 Board of Directors was regularly informed each quarter of the securities holding status by the directors and management member.
- The company has set a policy for directors and top management to inform of the company's securities trading to the company secretary at least 1 working day prior to trading.

In 2022, the company directors and the management who had the company's securities trading strictly followed the above policy by informing their trading to the company secretary at least 4 – 6 days prior to trading.

- The company has 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.
- The company developed internal control system regarding inside information, by applying information technology system to classify inside information access level for each employee level, through the setting of ID code for accessing such information.

In 2022, the company did not receive a caution offence by the Securities and Exchange Commission (SEC).

## Report on the change in shareholding of the Directors and the Executives as of December 31, 2022

Name			Common share 2021	Increase (Decrease) During the year	Common share 2022	Share-holding ratio (%)	2022	
							Director	Spouse
1.	Mr.Boonkiet	Chokwatana	13,024,060	-	13,024,060	8.69	10,298,408	2,725,652
2.	Mrs.Tipaporn	Chokwatana	13,024,060	-	13,024,060	8.69	2,725,652	10,298,408
3.	Mr.Thirasak	Vikitset	2,661,174	19,642	2,680,816	1.79	1,720,693	960,123
4.	Dr.Atthakorn	Glankwamdee	470,774	-	470,774	0.31	470,774	-
5.	Mrs.Kaewta	Ongsaranakom	1,004,709	8,392	1,013,101	0.68	779,541	233,560
6.	Prof.Dr.Malyn	Ungsurungsie	177,284	-	177,284	0.12	177,284	-
7.	Mrs.Chitraporn	Vikitset	2,661,174	19,642	2,680,816	1.79	960,123	1,720,693
8.	Mrs.Teerada	Ambhanwong	867,857	-	867,857	0.58	867,857	-
9.	Mr.Suthep	Dansiriviroj	-	-	-	-	-	-
10.	Admiral Apichart	Pengsritong	85,714	-	85,714	0.06	85,714	-
11.	Mrs.Pismai	Chandrubeksa	84,285	-	84,285	0.06	84,285	-
12.	Mr.Amorn	Asvanunt	-	-	-	-	-	-
13.	Mrs.Pradittha	Chongwattana	168,548	-	168,548	0.11	167,857	691
14.	Pol.Gen.Somchai	Prabhasabhakdi	-	-	-	-	-	-
15.	Assist.Prof.Dr.Pongchai	Athikomrattanakul	-	-	-	-	-	-
16.	Mr.Bo Nystrup Nielsen		-	-	-	-	-	-
17.	Mr.Simon Rhoderick Knight		116,142	-	116,142	0.08	116,142	-
18.	Mrs Thongsuk	Upathambhakul	136,178	-	136,178	0.09	136,178	-
19.	Mr.Praj	Srichandra	-	-	-	-	-	-
20.	Mr.Varith	Tritapun	245,383	-	245,383	0.16	245,383	-
21.	Mrs.Patchara	Pongwichan	120,178	-	120,178	0.08	120,178	-
22.	Mrs.Daranee	Ajjaneeyakul	82,141	-	82,141	0.05	82,141	-
23.	Dr.Arucha	Budsakombhinanda	5,592	2,100	7,692	0.01	7,692	-

**Remark :** The Company has issued and paid-up share capital 149,930,828 shares. The Board of Directors and the Executives, including shares of spouse and underage children, according for 12.87% number of shares issued and paid-up.

### 3. Anti-Corruption

The company has set anti-corruption policy and prepared a manual for anti-corruption measures for Directors, Executives and employees to use as guidelines. The key focus of such policy and measures is to prevent and corruption in all forms whether directly or indirectly. The company will not participate in any bribery or corruption to government officials, public as well as private sectors in order to gain or maintain competitive advantage. In addition, the company have set the practice guidelines for activities with potential risk of corruption in order to clear guidelines in the doing business and reduce the risk of corruption.

The Anti-Corruption Policy and Practices 6 editions are "Principles and guidelines for Anti-Corruption" and provide to the Board of Director, Executives and other units within the organization to compliance guidelines

in case of doubt in regard to corruption. In addition, there has been published on the company's website ([www.snjinter.com](http://www.snjinter.com)) under the heading investor relations: Corporate Governance: Anti-Corruption.

In 2022, the Company submitted its self-evaluation and anti-corruption risk assessment results to the Thai Private Sector Collective Action Against Corruption (CAC) to recertify its membership. The CAC Certification Committee has resolved to approve the Company as a certified member for the third year in the third quarter of 2022.

#### **Corruption risk assessment**

The company requires units whose transactions may create corruption risks of all units which contact the government department, such as Engineering section, accounting and finance section, import and Export department, to conduct corruption risk assessment. Cause and chances of the corruption risks in the entire business process, from project development to project financing, project and power plant management and organizational administration, are identified while practice guidelines, regulations and rules used for control such risks are prepared.

Corruption Risk Assessment represented that the Company has effective risk prevention, such as prevention, whistleblowing system, control and monitoring. Chances of such risks are very low. Although the assessment also represented that some anti-corruption guidelines are already in writing, such as gifting, entertainment, internal control, human resource management and procurement, as well as such other practices, including sponsorship, training and communication. The Management and employees however have correctly, properly and transparently performed, which is a strong organizational culture, To support effective implementation and provide clear guidelines, the Company has improved and put in writing those guidelines by preparing the "Anti-corruption Measures Manual". The manual has been disseminated throughout the entire Organization via internal communication channels and to outsiders via the company website under Corporate Governance.

#### **Performance and Implementation of Anti-Corruption Policy for the year 2022**

- The Company was certified as a member of Thai Private Sector Collective Action Against Corruption (CAC) for the third time.
- Anti-corruption Policy and Practices are regularly communicated within the Organization 2 times per day by voice channel. Set up a poster and QR Code for publication about anti-corruption principles and practices at various point of the company , adding detail of anti-corruption policy in employee manual for new employee and set up Brochure for officer and outsider , which can be see become aware of company commitment.
- The Company conducted training through the E-learning system to promote partners' awareness and understanding of the declaration of intent against corruption on the topic of "Expanding alliances (partners) to fight against corruption towards sustainable development of the organization". All 77 business partners attended the training and declared their intention to fight corruption with S&J, thus ensuring a truly transparent supply chain process.

- The Company conducted training through the E-learning system in the “Anti-Corruption” course, along with an evaluation to assess understanding. A total of 2,232 employees attended the training and all of them passed the evaluation. (Assessment criteria > 90%)
- Orientation for new employees, which have content policies and guidelines, operating for anti-corruption, to cultivate the consciousness from the start.
- The Company has notified its policy to its trading partners by sending a notice informing the anti-fraud policy. In cooperation, if found guilty person in the organization. In addition, the company has prepared the memorandum committing to Anti- Corruption for the represent of the company to provide customers and partners to realize in this matter.
- The company has set the notification letter policy stopped accepting gift from business partner every year.

#### Annual Plan for the Anti-Corruption for the year 2023

- Organization of training courses on “Extending the Coalition (Partners) Against Corruption to Sustainable Organization Development” via the internet for trading partners with a turnover of from Baht 10 million to attend and announce their intention with S&J of 40, and in 2023 of 45, to expand the Anti-Coalition Project for partners to understand the importance of such matters and to encourage all stakeholders their responsibility to self and society for sustainable growth.
- Extending the Anti-Corruption Coalition to an associate company by reviewing its manual, procedures, rules and regulations and adjusting to comply with the Anti-Corruption Policy, as well as review its internal control system and assess the risks to find ways of preventing corruption within the organization.

#### Whistleblowing

The company encourages its employees and stakeholders to participate in monitoring the actions in compliance with related laws, regulations rules, corporate governance practice and business ethics and report or complain on breach of laws, ethics or malpractice that may involve corruption. Measures for whistleblower protection are also put in place so as to keep reported information confidential and will be acknowledged only be relevant parties to provide whistleblowers with full confidence and protection.

The company provides a channel for all stakeholder groups to report or complaint that may cause damage to the Company. Wrongful action against related laws, regulations and business ethics or Corruption and bribery or suspected actions that may involve money laundering, wrongful actions related to accounting, finance, control and auditing. Issues to be reported directly by telephone or e-mail as following:

Division	Telephone Number	E-mail Address
Human Resource Division Manager	(02) 676-2727 ext. 2208	patchara@snjinter.com
Company Secretary	(02) 676-2727 ext. 2812	sumit_k@snjinter.com

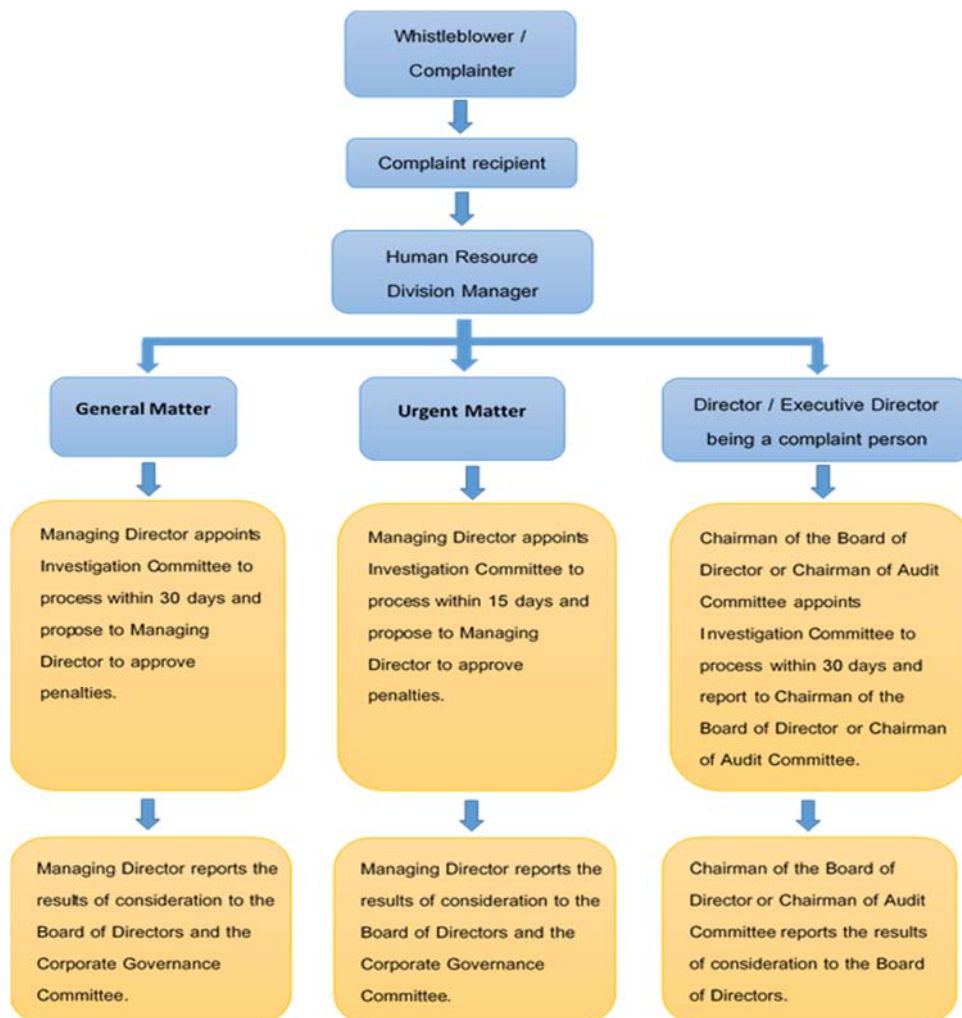
Or send a registered mail to Chairman of the Audit Committee or Chairman of the Corporate Governance Committee or Human and Resource Division Manager or Head of Internal Audit or Company Secretary at the following address :

S & J International Enterprises Public Company Limited

2 Naradhiwas Rajanagarindra Road, Tungwatdon, Sathorn, Bangkok, 10120

#### Process of whistleblowing and complaints

The company conducted the investigation with fairness, transparency, prudence and fairness to the complainant, as following :



#### The protection of the whistleblower and complainer

The company will protect the whistleblower and complainer made by fide intent by concealing the name or any information that could identify the whistleblower and complainer and maintain the information of whistleblower and complainer to be confidential by limited to those who have a responsibility to investigate complaints only.

#### The protection of employees

The company will provide care and protect employees who comply with Anti-corruption policy and regulation by protection complainer set in Code of conduct the Board of Directors, executives and employees. Including the company give justice and protection to employee. By employee will not be punished, or reduce position, if denied the corruption acts, even though such actions would cause the company to lose business opportunities.

The company has set whistleblowing process and protection of whistleblowers and those being complained as well as penalty and clue reporting; and clearly published such details in the Anti-corruption Manual. In 2022 the company did not receive any complaints about a violation of work regulations and corruption.

#### **Monitoring, Reviewing and Assessment**

The company has a process to review, monitoring and assessment of the risks of corruption, as well as plans for preventing such risks. The supervisory board governance is the risk assessor in corruption and coordination with internal audit checks and presentation at the meeting of the Audit Committee to review the internal control and internal audit follow-up. In the case of fraud, internal audit work unit will report directly to the Audit Committee and the Audit Committee will report to the Board of Directors, respectively.

#### **4. Communication Channel**

Stakeholders are able to provide their recommendations and concerns to company via the following channels:

Channel	Telephone Number	E-mail Address
Company Secretary	(02) 676-2727 ext. 2812	sumit_k@snjinter.com
Investor Relations	(02) 676-2727 ext. 2508	sj_sec@snjinter.com
Human Resources Division	(02) 676-2727 ext. 2208	patchara_p@snjinter.com

The mailing address is S & J International Enterprises Public Company Limited. 2 Naradhiwas Rajanagarindra Road, Tungwatdon, Sathorn, Bangkok, 10120.

The Company Secretary is responsible for sending documents directly to the Board and then forwarding them to relevant committees or directors. Issues and recommendations will be summarized and submitted to the Board on a quarterly basis. In 2022, the company did not received neither complaint nor involved recommendations from stakeholders.



## 8.2 Report of Audit Committee during the past year

### 8.2.1 Number of Audit Committee Meetings

During 2022, the Audit Committee held a total of 7 meetings, with the Members attending every meeting as follow:

Name		Position	Number of Attendance
1. Mr.Amorn	Asvanunt	Chairman, Audit Committee	7/7
2. Mrs.Pradittha	Chongwattana	Director, Audit Committee	7/7
3. Pol.Gen Somchai	Prabhasabhakdi	Director, Audit Committee	7/7
4. Assist.Prof.Dr.Pongchai	Atikomrattanakul	Director, Audit Committee	7/7

### 8.2.2 Report of Audit Committee

(appear in Attachment 6 Report of the Audit Committee)

## 8.3 Report of the Other Sub-committees

### 8.3.1 Number of Sub-committee Meetings

#### 8.3.1.1 The Nominating Committee

During 2022, the Nominating Committee held a total of 2 meetings, with the Members attending every meeting as follow:

Name		Position	Number of Attendance
1. Mr.Boonkiet	Chokwatana	Chairman of the Nominating Committee	2/2
2. Mr.Thirasak	Vikitset	Director of the Nominating Committee	2/2
3. Dr.Atthakorn	Glankwamdee	Director of the Nominating Committee	2/2
4. Mrs.Kaewta	Ongsaranakom	Director of the Nominating Committee	2/2
5. Mrs.Chitraporn	Vikitset	Director of the Nominating Committee	2/2

#### 8.3.1.2 The Remuneration Committee

During 2022, the Remuneration Committee held a total of 2 meetings, with the Members attending every meeting as follow:

Name		Position	Number of Attendance
1. Mr.Boonkiet	Chokwatana	Chairman of the Remuneration Committee	2/2
2. Mr.Thirasak	Vikitset	Director of the Remuneration Committee	2/2
3. Mrs.Kaewta	Ongsaranakom	Director of the Remuneration Committee	2/2
4. Mrs.Pismai	Chandrubeksa	Director of the Remuneration Committee	2/2

### 8.3.1.3 The Risk Management Committee

During 2022, the Risk Management Committee held a total of 4 meetings, with the Members attending every meeting as follow:

Name		Position	Number of Attendance
1.	Assist.Prof.Dr.Pongchai Athikomrattanakul	Chairman of the Risk Management Committee	4/4
2.	Mrs.Porntip Putipat	Director of the Risk Management Committee	4/4
3.	Mrs.Thongsuk Upathambhakul	Director of the Risk Management Committee	4/4
4.	Mr.Praj Srichandra	Director of the Risk Management Committee	4/4
5.	Mrs.Daranee Ajjaneeeyakul	Director of the Risk Management Committee	4/4
6.	Ms.Waraluck Punpairoj	Director of the Risk Management Committee	4/4

### 8.3.1.4 The Corporate Social Responsibility Committee

During 2022, the Corporate Social Responsibility Committee held a total of 4 meetings, with the Members attending every meeting as follow:

Name		Position	Number of Attendance
1.	Prof.Dr.Malyn Ungsurungsie	Chairman of the Corporate Social Responsibility Committee	4/4
2.	Admiral Apichart Pengsritong	Director of the Corporate Social Responsibility Committee	4/4
3.	Mrs.Rujapa Srisurang	Director of the Corporate Social Responsibility Committee	4/4
4.	Mrs.Pranee Petcharayutpun	Director of the Corporate Social Responsibility Committee	4/4
5.	Ms.Natpitchaya Kitthamrongworakul	Director of the Corporate Social Responsibility Committee	3/4*
6.	Ms.Pornpanawan Boonrom	Director of the Corporate Social Responsibility Committee	4/4

Name	Position	Number of Attendance
7. Ms.Usa Kingsubmanee	Director of the Corporate Social Responsibility Committee	4/4

\* Appointed on May 12, 2022

#### 8.3.1.5 The Corporate Governance Committee

During 2022, the Corporate Governance Committee held a total of 4 meetings, with the Members attending every meeting as follow:

Name	Position	Number of Attendance
1. Pol.Gen.Somchai Prabhasabhakdi	Chairman of the Corporate Governance	4/4
2. Mrs.Kaewta Ongsaranakom	Director of the Corporate Governance	4/4
3. Mrs.Patchara Pongwichan	Director of the Corporate Governance	4/4
4. Mr.Sumit Khopaiboon	Director of the Corporate Governance	4/4
5. Ms.Thatsruang Saengwichian	Director of the Corporate Governance	4/4
6. Mr.Jittipong Somyapukdee	Director of the Corporate Governance	3/4*

\* Appointed on May 12, 2022

#### 8.3.1.6 The Executive Board

During 2022, the Executive Board held a total of 19 meetings, with the Members attending every meeting as follow:

Name	Position	Number of Attendance
1. Mr.Thirasak Vikitset	Chairman Of the Executive Board	19/19
2. Dr.Atthakorn Glankwamdee	Director Of the Executive Board	7/19**
3. Mrs.Kaewta Ongsaranakom	Director Of the Executive Board	18/19
4. Prof.Dr.Malyn Ungsurungsie	Director Of the Executive Board	18/19
5. Mrs.Chitraporn Vikitset	Director Of the Executive Board	19/19
6. Mrs.Thongsuk Upathambhakul	Director Of the Executive Board	19/19
7. Mr.Praj Srichandra	Director Of the Executive Board	16/19
8. Mrs.Patchara Pongwichan	Director Of the Executive Board	19/19
9. Mrs.Daranee Ajjaneeeyakul	Director Of the Executive Board	19/19
10. Ms.Kritsanarath Rassameesuriyan	Director Of the Executive Board	19/19
11. Mr.Sumit Khopaiboon	Director Of the Executive Board	19/19
12. Ms.Yarin Arayatanitkul	Director Of the Executive Board	19/19

\*\* Retired on May 12, 2022

### 8.3.2 Report of other Sub-Committee

8.3.2.1 The Nominating Committee's Report

8.3.2.2 The Remuneration Committee's Report

8.3.2.3 The Risk Management Committee's Report

8.3.2.4 The Corporate Social Responsibility Committee's Report

8.3.2.5 The Corporate Governance Committee's Report

8.3.2.6 The Executive Board's Report

(appear in Attachment 5 - No.8.3.2.1 -8.3.2.6 Report of the Sub-Committee)

## 9. Internal Control and Related Transactions

### 9.1 Internal control and risk management

**Opinion of the Board of Directors on the adequacy and appropriateness of the internal control system.**

The company recognizes the importance of the system of internal control which all employees of the company have joint roles and responsibilities together by assigning the duties and responsibilities, operating power on administrative and operation level is written clearly, covers financial control, operations, management, governance, compliance with the relevant laws and relating regulations to ensuring accomplishment of the objectives of the company will be achieved as follows:

1. Strategies and goals are clearly defined, consistent and support mission of the company.
2. Achieve the performance objectives with an efficient and cost effective resource management.
3. Report significant information both financial, administrative and implementation are accurate and reliable.
4. Implementation and practicing are in consistent with policies, rules and regulations set forth with the law and other regulations related to business.
5. Has the safety of personnel, property including data in information systems.
6. Has suitable oversight and management of the effectiveness.
7. Continuing in improving operational quality.

The company's internal audit department is responsible and accountable for ensuring an independent assessment of the internal control system, risk management and Corporate governance together with reviews the company's compliance with regulations especially the connected transaction.

In 2022, the internal audit department has set up an annual audit plan. Present to the audit committee for consideration and approval. The audit committee is of the opinion that The company has appropriate and sufficient internal control to the operations to meet the goals, objectives, laws and various related requirements. Protecting assets from fraud accurate accounting and reporting. There may be some operations that should be considered for improvement. The management considers that there is The need for operating business of the company is present to the Board of Directors meeting every quarter.

The Board of Directors Meeting No.5/2022 held on December 22, 2022 by a committee of 4 members attended the meeting. The Board of Directors reviewed the system of internal control by questioning for assessment of internal controls. The overall conclusion based on the evaluation of internal control systems in different 5 elements are as follows.

1. Internal Organization Control
2. Risk Assessment
3. Operational Control
4. Information and Communication System
5. Monitoring System

The management has reasonable confidence in the company's internal control system is adequate enough to carry out such an effective way to protect the property from damage that may occur from use or disposal without permission and monitoring of the operations of the subsidiary enabling to protect assets of the company and its subsidiaries caused by the director or executive deployed without adequate power as follow.

### **1. Control Environment**

The Company has its policy and target for doing business. The policy and business goals are clear, regard to fairness to employees, customers, business partners including responsible to the shareholders, society and the environment. Review of the performance to meet defined goals regularly in order to comply with the conditions at that time. Prepare organizational structure and a charter of various committees including the duties and responsibilities of the Managing Director in writing to define authority clearly, in addition, setting policies of governance, ethics in business and conduct of directors management and staff in writing to guide the conduct of directors, management and staff which makes the system of internal control operates more effectively. It also records check, which is overseen by the Audit Committee, the approval of financial transactions, procurement regulations to be made in writing to prevent of using assets with abuse of power. The company provides training both internal and external to develop staff skills, have the knowledge and appropriate ability to operate in each position.

### **2. Risk Assessment**

The company assesses type of the risk, cause of the risk factors, opportunities and possible impacts to provide to prevent plan and manage the possible risks that may arise as to the acceptable level as well as informed to the management and employees to minimize and prevent risks that may occurred. The internal audit has its process to monitor each operational unit and aware of the possible risks that may arise with supporting by the Board of Directors and the Audit Committee.

### **3. Control Activities**

The company granted the scope of authority and approval level amount to each level of management clearly in writing. Including segregation of the roles and responsibilities of each working unit for check and balance. In the case of transactions with major shareholders, the Directors, management or related to such persons including connected transactions, the company has complied with the process of the Capital Market Commission and will conclude the said transaction as a normal business transaction in order to report to the Board of Directors. If not, it will be proposed to approve the procedure and inform the Stock Exchange of Thailand. The Company shall follow-up, review of the results of operations of the company on monthly basis and monitor the operation of the company in accordance with resolution of the Board of Directors, Shareholders and related laws. In the event of approval of the transaction in a manner that is binding the company long-term period, the company shall monitor to comply with the agreed conditions and reviewing the appropriateness of the contract in accordance with the situation.

Also to highlight the clear duty of the employees to be legitimate, the company has determined that employee must abide by the rules and regulations of the company and laws strictly under the principles of corporate governance.

#### **4. Information and Communication**

The company provides both internal and external communications effectively. Accounting documents are kept in full by category and use accounting policies generally accepted accounting principles in the communications for financial information or other information that is accurate, current to people involved for making decision. There is a storage system that can monitor the accuracy and security of data and information effectively. In a proposal to the Board for consideration, there is sufficient information to make decision, prepare minute of meeting, comments, questions or comments observations of Directors of the company in the consideration (if any) and resolution which can be verified.

#### **5. Monitoring Activities**

The company's operating results is monitored on a monthly basis and is compared with the performance in the prior year to analysis of the causes of differences and adjust their strategies to meet the needs in order to achieve a goal. In addition to having adequate internal control by requiring internal audit to do the audit, analyze and evaluate the internal control of various internal control system and monitor performance continuously by report directly to the audit committee if any significant defects are found, Audit Committee has to report to the Board of Directors for corrective action and to monitor progress in improving deficiencies regularly.

From the assessment of the internal controls of the company in 5 various aspects of the above, the Board of Directors including the 4 members of the Audit Committee concluded that the internal controls are appropriate and sufficient. The Board recognizes that any system of internal control may not be ensured against all damages resulting from significant mistakes, but it can be prevented or acceptable at reasonable level.

**Opinion of the Audit Committee in case of having different opinion from Board of Directors.**

- No different opinion –

## 9.2 Related Transactions

### Information disclosure for relating transaction

In year 2022, the company and its subsidiaries entered into related party transactions with parties with possible conflict of interests, according to the details as follows:

1. Normal business transactions, normal business support transactions, rental or lease transaction for immovable property (not more than 3 years), and transactions related to assets and services.

(Unit : Million baht)

Name	Relation ship	Shareholding by the company (%)	Significant item	Relating transaction amount
1. Saha Pathana Inter-Holding Plc.	A,B,C,D	0.32	- Immovable property rental expenses	1.98
			- Electrical and Utility charges expenses	154.38
2. I.C.C. International Plc.	A,B,C,D	0.35	- Purchase of products / Service	5.89
			- Other expenses	0.06
			- Sale of goods	3.13
			- Other income	0.70
3. Osoth Inter laboratories Co., Ltd.	A,B,D	33.19	- Purchase of products	0.18
			- Other expenses	0.28
			- Sale of goods	16.58
			- Immovable property rental income	3.04
			- Other income	0.38
4. Yamahatsu (Thailand) Co.,Ltd.	A,B	30.00	- Sale of goods	4.13
			- Immovable property rental income	29.82
			- Other income	0.04
5. Thai Cubic Technillogy Co.,Ltd	A,B	5.00	- Purchase of products	0.05
			- Other expenses	0.02
6. E.P.F Co.,Ltd	A,B	18.00	- Sale of goods	1.53
7. B.K.C. International Marketing	A,B	19.00	- Purchase of goods	0.04
8. T-way Co.,Ltd.	A,B	12.00	- Sale of goods	0.01
			-Other expenses	0.30
9. Thai Wacoal Plc.	A,D	0.08	- Other expenses	0.06
			- Sale of goods	5.04
10. Better Way (Thailand) Co., Ltd.	B,D	-	- Sale of goods	1,292.37
			- Other income	8.66
			-Purchase of products	0.19



(Unit : Million baht)

Name	Relation ship	Shareholding by the company (%)	Significant item	Relating transaction amount
11. International Laboratories Crop.,Ltd	B,D	-	- Purchase of products	2.43
			- Other expenses	0.48
			- Sale of products	162.23
			- Other income	0.29
12. O.C.C. Plc.	B,D	-	- Sale of goods	4.66
13. People's Garment Plc.	B,D	-	- Purchase of products	0.30
14. Worldbest Corporation Co.,Ltd.	B,D	-	- Purchase of products	1.29
			- Sale of goods	0.04
15. H&B Intertex Co.,Ltd.	B,D	-	- Purchase of products	6.66
			- Other expenses	0.01
16. Make up Technique International Co.,Ltd.	B	-	- Sale of goods	0.11
17. I.S.B.M. Co.,Ltd.	B	-	- Sale of goods	2.92
18. Shaldan (Thailand) Co.,Ltd.	B	-	- Sale of goods	3.65
			-Other income	0.14
19. Chokwathana Co.,Ltd.	B	-	- Immovable property rental expenses	0.65
			- Utility charges expenses	0.26
20. Vitayasithi Co., Ltd.	B	-	- Other expenses	0.03
21. Daiso Sangyo (Thailand) Co.,Ltd.	D	-	- Sale of goods	1.93
22. Saha Pathanapibul Plc.	D	-	- Other expenses	0.04
			- Sale of goods	10.13
23. Lion Corporation (Thailand) Limited	D	-	- Purchase of products	2.99
			- Sale of goods	36.87

<b>Relationship</b>	A = Shareholding by the Company	B = Co-directors
	C = Major shareholders	D = Major shareholder with over 10% shareholding

Relating Party Transactions can be looked at the past 3 years at “www.snjinter.com” topic “Investor Relation” “Financial Information”.

**Transfer Pricing Policy** The company set selling price, by considering product design, complexity level of production process, sales forecast, sales volume, and production cost. Which is the same price level with the general customers.

**Remuneration Policy** The company carried out relating transactions with other companies, on a fair business practice basis, based on market prices and normal business terms being applied to those transactions conducted with unconnected outside business parties or persons.

Item	Remuneration Policy
- Immovable property rental fees	Fees depending on the location, surrounding, building condition, and utilization purpose for said assets
- Service charges	The remuneration of the service provider, the difficulty of the task, without compensation, as well as other persons or other parties that are not involved.
- Utility charges	According to the rates announced by Saha Group Industrial Park, based on actual units or volume used
- Other expenses	According to the actual rate.

## 2. Transaction in providing or receiving financial assistance

**Loan Providing** The company and the subsidiaries had not provided additional loan to related parties during year, 2022.

### Necessity and rational of transaction with related personnel

The Board of Directors has its opinion on related party transactions that is the normal course of doing business. This is the same as recording transactions with other personnel in the industry relating with the business. Determining buying - selling prices is corresponding to normal practice. It is not for transferring company's benefits to related personnel.

The related transaction is made for the benefit of the company and shareholders as a whole in order to sustain growth and grow the business for long term. Teaming-up with an alliance is for mutual strengthening in doing business in order to maximize benefits to all parties concerned.

### Criteria or process of authorization in recording related transactions

For unusual transactions, if the size of transactions are not in the level with no need to get approval from a shareholder's meeting. Under SET's regulations, the transactions will be considered and approved by the Executive Board of Directors without get approval from the interested persons. If the size of the transactions are larger than approval, the Executive Board of Directors will obtain a resolution from the Executive Board and propose the resolution to the Board of Directors to gain further approval without gaining an approval from the interested persons.

Also, the Audit Committee shall review the paid transaction and disclose it every quarter to avoid conflict of interest.

In the related transaction between, the company have policy and terms of the transaction such as buying price, selling price, value of the related transaction between the company is subject to normal course of business.

Related party transactions are conform with the regulations of the Stock Exchange of Thailand and propose to the Audit Committee for consideration and follow the steps to the reasonableness of the transaction and is in the best interests of the company. The Audit Committee will review such prices or rates of the transaction with the staff of the company and internal auditors that the price is reasonable and disclosures in the financial statements are correct.

The company have the process of approving the related party transaction between the company in the same way as the procurement of the company and the executives or shareholders have no interest in the transaction, and not to the approval of such matters.

To enter into the related transaction between the company, the company have complied with the requirements and regulations of the Stock Exchange of Thailand. The Audit Committee will provide an opinion on the suitability of the item and the fair price in order to maximize benefit of the company.

The company complies with the standards of the Stock Exchange of Thailand on the related transaction and / or the acquisition or disposition of assets of the company which will be amended to include the practices disclosed to the shareholders of the company. The Investors and related agencies, including the Stock Exchange of Thailand and will be approved by the Board of Directors and / or the Annual General Meeting of Shareholders, as defined by the Stock Exchange of Thailand.

**Comments of Audit Committee relating to the transactions incurred.**

The Audit Committee had considered the 2022 connected transactions with comment of no deviation from Board of Directors' resolution.

**Policy and trend of making related transactions in future.**

Recording related transactions will be continued. Number of transactions will vary depending on economic conditions since personnel who may have conflict are the company's supply chain. Flexibility and convenience of being part of the supply chain will benefit in the competing business and to the shareholders. The company realizes its responsibility to the shareholders, employees and all parties concerned under good corporate governance.

# **PART 3**

## **FINANCIAL STATEMENTS**

## 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 listed company, with regard to the compilation of financial statements for S & J International Enterprises Public Company Limited and its subsidiaries. The said financial statements were prepared in accordance with Thai Financial Reporting Standards, based on the adoption of appropriate accounting policies on a consistent basis, accompanied by careful consideration and justifiable accounting estimates.

Furthermore, the adequate significant information was disclosed in 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, the said financial statements were duly audited with unqualified audit opinion by independent certified public accountants.

In Addition, the Board of Directors had exercised efforts to promote good corporate governance principle, and to establish risk management system and internal control system in an efficient and effective manner, 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 Company's 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 Form 56-1 One Report for the year 2022.

Accordingly, the Board of Directors concluded that, the good corporate governance principle, the risk management system, as well as the internal control system of 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 December 31, 2022, were prepared and fair presented in accordance with Thai financial report standards as well as the related laws and regulations.



Mr. Thirasak Vikitset  
Managing Director

## Independent Auditor's Report

To the Shareholders of S & J International Enterprises Public Company Limited

### Opinion

I have audited the accompanying consolidated financial statements of S & J International Enterprises Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2022, and the related consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of S & J International Enterprises 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 S & J International Enterprises Public Company Limited and its subsidiaries and of S & J International Enterprises Public Company Limited as at 31 December 2022, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

### Basis for Opinion

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

## Key Audit Matters

Key audit matter is that matter that, in my professional judgement, was of most significance in my audit of the financial statements of the current period. This matter was addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on this matter.

I have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matter below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matter and how audit procedures respond to each matter are described below.

### Revenue recognition

Revenues from sales of the Group are a significant to the financial statements because the amount of revenue is high (representing 98% and 96% of total revenues in the consolidated financial statements and the separate financial statements, respectively) which directly affect the Group's profit or loss. In addition, economic volatility may have a direct impact on competition in the industry overall. The Group has a large number of domestic and overseas customers, and the prices vary according to the competitive situation. As a result, revenues from sales of the Group are recognised under different conditions and amounts for each customer. There are therefore risks with respect to the amount and timing of revenue recognition.

I have examined the revenue recognition of the Group by assessing and testing the internal controls of the Group with respect to revenue cycle by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls and with special considerations given to testing related to the accuracy and timing of revenue recognition. On a sampling basis, examining supporting documents for sales transactions occurring during the year, near the end of the accounting period and after the period-end. In addition, I reviewed credit notes issued by the Group after the period-end and performed analytical procedures on disaggregated data to detect possible irregularities in sales transactions throughout the period, particularly for accounting entries made through journal vouchers.

## **Other Information**

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

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

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

When I read the annual report of the Group, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for connection 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 that matter that was of most significance in the audit of the financial statements of the current period and is therefore the key audit matter. I describe these 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.

I am responsible for the audit resulting in this independent auditor's report.



Sineenart Jirachaikhuan Khan

Certified Public Accountant (Thailand) No. 6287

EY Office Limited

Bangkok: 23 February 2023

**S & J International Enterprises Public Company Limited and its subsidiaries**

**Statement of financial position**

**As at 31 December 2022**

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2022	2021	2022	2021
Assets					
Current assets					
Cash and cash equivalents	7	917,377,349	624,178,695	827,603,293	557,955,055
Trade and other receivables	8	1,079,789,655	955,510,275	913,032,337	836,055,826
Short-term loans to subsidiary	6	-	-	-	-
Inventories	9	841,065,451	863,713,639	692,431,342	716,585,136
Other current financial assets		11,128,904	8,507,121	9,628,904	2,000,000
Other current assets		90,279,197	64,373,975	78,668,830	52,935,949
Total current assets		2,939,640,556	2,516,283,705	2,521,364,706	2,165,531,966
Non-current assets					
Other non-current financial assets	10	1,234,322,057	1,298,764,892	1,231,283,337	1,293,885,692
Investments in subsidiaries	11	-	-	143,903,636	147,903,636
Investments in associates	12	340,723,242	318,794,138	216,261,032	216,261,032
Investments in joint venture		849,900	849,900	849,900	849,900
Long-term loans to other company	13	-	-	-	-
Investment properties	14	76,953,693	80,831,613	76,833,693	80,711,613
Property, plant and equipment	15	1,591,754,439	1,579,188,478	805,761,730	828,909,939
Right-of-use assets	19	56,531,354	78,914,956	47,234,398	73,055,978
Intangible assets	16	19,316,290	23,895,890	16,680,234	20,186,374
Deferred tax assets	23	56,248,697	54,107,657	47,434,454	42,686,265
Other non-current assets	28.2	61,031,203	27,647,981	50,949,879	5,671,115
Total non-current assets		3,437,730,875	3,462,995,505	2,637,192,293	2,710,121,544
Total assets		6,377,371,431	5,979,279,210	5,158,556,999	4,875,653,510

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

**S & J International Enterprises Public Company Limited and its subsidiaries**

**Statement of financial position (continued)**

**As at 31 December 2022**

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2022	2021	2022	2021
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans					
from financial institutions	17	218,696,215	205,559,040	-	-
Trade and other payables	18	739,621,979	651,563,884	681,285,694	597,475,596
Current portion of lease liabilities	19	27,765,357	34,780,144	24,231,662	30,033,688
Income tax payable		56,358,184	48,464,861	48,170,409	47,740,396
Other current financial liabilities		174,578	2,082	-	2,082
Other current liabilities		30,961,253	16,374,267	25,075,771	13,343,789
Total current liabilities		1,073,577,566	956,744,278	778,763,536	688,595,551
Non-current liabilities					
Lease liabilities, net of current portion	19	27,737,995	44,943,791	24,947,550	44,928,118
Provision for long-term employee benefits	20	180,207,459	172,600,228	126,988,776	123,658,416
Deferred tax liabilities	23	154,931,561	167,596,441	156,039,657	168,635,016
Other non-current liabilities		630,267	885,203	406,267	431,453
Total non-current liabilities		363,507,282	386,025,663	308,382,250	337,653,003
Total liabilities		1,437,084,848	1,342,769,941	1,087,145,786	1,026,248,554
Shareholders' equity					
Share capital					
Registered					
200,000,000 ordinary shares of Baht 1 each		200,000,000	200,000,000	200,000,000	200,000,000
Issued and fully paid-up					
149,930,828 ordinary shares of Baht 1 each		149,930,828	149,930,828	149,930,828	149,930,828
Share premium		724,763,392	724,763,392	724,763,392	724,763,392
Retained earnings					
Appropriated-statutory reserve	21	20,000,000	20,000,000	20,000,000	20,000,000
Unappropriated		3,015,449,108	2,687,011,462	2,536,193,332	2,263,653,453
Other components of shareholders' equity		626,399,067	677,730,702	640,523,661	691,057,283
Equity attributable to owners of the Company		4,536,542,395	4,259,436,384	4,071,411,213	3,849,404,956
Non-controlling interests		403,744,188	377,072,885	-	-
Total shareholders' equity		4,940,286,583	4,636,509,269	4,071,411,213	3,849,404,956
Total liabilities and shareholders' equity		6,377,371,431	5,979,279,210	5,158,556,999	4,875,653,510

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

**S & J International Enterprises Public Company Limited and its subsidiaries**

**Income statement**

**For the year ended 31 December 2022**

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2022	2021	2022	2021
<b>Revenues</b>					
Sales		5,959,969,053	4,905,707,439	4,780,162,771	3,966,702,877
Dividend income		19,081,129	19,574,188	73,981,078	77,754,023
Exchange gains		6,617,332	23,805,004	11,112,631	28,961,163
Gain from fair value measurement of derivatives		445,944	-	627,642	-
Other income		97,274,344	107,669,899	102,705,787	123,072,032
<b>Total revenues</b>		<b>6,083,387,802</b>	<b>5,056,756,530</b>	<b>4,968,589,909</b>	<b>4,196,490,095</b>
<b>Expenses</b>					
Cost of sales		4,204,471,466	3,452,644,006	3,344,843,936	2,772,682,758
Selling and distribution expenses		240,807,408	211,932,627	200,502,606	169,663,110
Administrative expenses		1,056,403,378	996,319,103	887,648,231	848,595,684
Loss from fair value measurement of derivatives		-	2,802,356	-	2,811,112
Loss on diminution of investment in subsidiary		-	-	-	5,999,850
<b>Total expenses</b>		<b>5,501,682,252</b>	<b>4,663,698,092</b>	<b>4,432,994,773</b>	<b>3,799,752,514</b>
<b>Operating profit</b>		<b>581,705,550</b>	<b>393,058,438</b>	<b>535,595,136</b>	<b>396,737,581</b>
Share of profit from investments in joint venture and associates	12	63,634,540	69,505,171	-	-
Finance income		932,082	456,521	870,321	323,143
Finance cost		(5,746,914)	(5,461,663)	(1,942,738)	(2,536,436)
<b>Profit before income tax expenses</b>		<b>640,525,258</b>	<b>457,558,467</b>	<b>534,522,719</b>	<b>394,524,288</b>
Income tax expenses	23	(100,555,573)	(58,814,795)	(81,717,947)	(54,090,696)
<b>Profit for the year</b>		<b>539,969,685</b>	<b>398,743,672</b>	<b>452,804,772</b>	<b>340,433,592</b>
<b>Profit attributable to:</b>					
Equity holders of the Company		504,298,382	373,167,092	452,804,772	340,433,592
Non-controlling interests		35,671,303	25,576,580	-	-
		<b>539,969,685</b>	<b>398,743,672</b>		
<b>Earnings per share</b>					
Basic earnings per share	24				
Profit attributable to equity holders of the Company		3.36	2.49	3.02	2.27

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

**S & J International Enterprises Public Company Limited and its subsidiaries**

**Statement of comprehensive income**

**For the year ended 31 December 2022**

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2022	2021	2022	2021
<b>Profit for the year</b>		<u>539,969,685</u>	<u>398,743,672</u>	<u>452,804,772</u>	<u>340,433,592</u>
<b>Other comprehensive income:</b>					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent years:</i>					
Exchange differences on translation of financial statements in foreign currencies		(315,984)	961,803	-	-
Share of other comprehensive income from investments in associates	12	<u>(209,645)</u>	<u>389,825</u>	<u>-</u>	<u>-</u>
Other comprehensive income to be reclassified to profit or loss in subsequent years - net of income tax		<u>(525,629)</u>	<u>1,351,628</u>	<u>-</u>	<u>-</u>
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent years:</i>					
Gain (loss) on changes in value of equity investments designated at fair value through other comprehensive income - net of income tax	10,23	(51,154,267)	289,025,373	(50,881,883)	289,030,493
Actuarial gain - net of income tax	20	-	15,763,077	-	21,827,667
Share of other comprehensive income from investments in associates	12	<u>4,404,157</u>	<u>5,174,199</u>	<u>-</u>	<u>-</u>
Other comprehensive income not to be reclassified to profit or loss in subsequent years - net of income tax		<u>(46,750,110)</u>	<u>309,962,649</u>	<u>(50,881,883)</u>	<u>310,858,160</u>
<b>Other comprehensive income for the year</b>		<u>(47,275,739)</u>	<u>311,314,277</u>	<u>(50,881,883)</u>	<u>310,858,160</u>
<b>Total comprehensive income for the year</b>		<u><u>492,693,946</u></u>	<u><u>710,057,949</u></u>	<u><u>401,922,889</u></u>	<u><u>651,291,752</u></u>
<b>Total comprehensive income attributable to:</b>					
Equity holders of the Company		457,022,643	687,516,224	<u>401,922,889</u>	<u>651,291,752</u>
Non-controlling interests		<u>35,671,303</u>	<u>22,541,725</u>		
		<u><u>492,693,946</u></u>	<u><u>710,057,949</u></u>		

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

S & J International Enterprises Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the year ended 31 December 2022

(Unit: Baht)

	Consolidated financial statements										
	Equity attributable to owners of the Company										Total equity attributable to shareholders of the Company
	Other components of shareholders' equity										
	Exchange differences					Share of other comprehensive income from associates		Total other components of shareholders' equity			
	Issued and paid-up share capital	Share premium	Appropriated - statutory reserve	Unappropriated	on translation of financial statements in foreign currencies	Fair value reserve	Share of other comprehensive income from associates	equity	Equity attributable to non-controlling interests	Total shareholders' equity	
<b>Balance as at 1 January 2021</b>	149,930,828	724,763,392	20,000,000	2,341,178,792	(14,611,648)	500,589,624	-	485,977,976	3,721,850,988	386,531,202	4,088,382,190
Profit for the year	-	-	-	373,167,092	-	-	-	-	373,167,092	25,576,580	398,743,672
Other comprehensive income for the year	-	-	-	23,969,571	961,803	289,027,933	389,825	290,379,561	314,349,132	(3,034,855)	311,314,277
Total comprehensive income for the year	-	-	-	397,136,663	961,803	289,027,933	389,825	290,379,561	687,516,224	22,541,725	710,057,949
Dividend paid (Note 27)	-	-	-	(149,930,828)	-	-	-	-	(149,930,828)	-	(149,930,828)
Decrease in non-controlling interests from dividend paid by the subsidiary	-	-	-	-	-	-	-	-	-	(12,000,042)	(12,000,042)
Transfer of fair value reserve of equity instruments designated at FVOCI to retained earning	-	-	-	98,626,835	-	(98,626,835)	-	(98,626,835)	-	-	-
<b>Balance as at 31 December 2021</b>	149,930,828	724,763,392	20,000,000	2,687,011,462	(13,649,845)	690,990,722	389,825	677,730,702	4,259,436,384	377,072,885	4,636,509,269
<b>Balance as at 1 January 2022</b>	149,930,828	724,763,392	20,000,000	2,687,011,462	(13,649,845)	690,990,722	389,825	677,730,702	4,259,436,384	377,072,885	4,636,509,269
Profit for the year	-	-	-	504,299,382	-	-	-	-	504,298,382	35,671,303	539,969,685
Other comprehensive income for the year	-	-	-	4,404,157	(315,984)	(51,154,267)	(209,645)	(51,679,896)	(47,275,739)	-	(47,275,739)
Total comprehensive income for the year	-	-	-	508,702,539	(315,984)	(51,154,267)	(209,645)	(51,679,896)	457,022,643	35,671,303	492,693,946
Dividend paid (Note 27)	-	-	-	(179,916,632)	-	-	-	-	(179,916,632)	-	(179,916,632)
Decrease in non-controlling interests from dividend paid by the subsidiary	-	-	-	-	-	-	-	-	-	(9,000,000)	(9,000,000)
Transfer of fair value reserve of equity instruments designated at FVOCI to retained earning	-	-	-	(348,261)	-	348,261	-	348,261	-	-	-
<b>Balance as at 31 December 2022</b>	149,930,828	724,763,392	20,000,000	3,015,449,108	(13,985,829)	640,184,716	180,180	626,399,067	4,536,542,395	403,744,188	4,940,286,583

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

**S & J International Enterprises Public Company Limited and its subsidiaries**

**Statement of changes in shareholders' equity (continued)**

**For the year ended 31 December 2022**

	Separate financial statements						(Unit: Baht)
	Retained earnings			Other components of equity		Total shareholders' equity	
	Issued and paid-up share capital	Share premium	Appropriated - statutory reserve	Unappropriated	Fair value reserve		
<b>Balance as at 1 January 2021</b>	149,930,828	724,763,392	20,000,000	1,952,696,187	500,653,625	3,348,044,032	
Profit for the year	-	-	-	340,433,592	-	340,433,592	
Other comprehensive income for the year	-	-	-	21,827,667	289,030,493	310,858,160	
Total comprehensive income for the year	-	-	-	362,261,259	289,030,493	651,291,752	
Dividend paid (Note 27)	-	-	-	(149,930,828)	-	(149,930,828)	
Transfer of fair value reserve of equity instruments designated at FVOCI to retained earning	-	-	-	98,626,835	(98,626,835)	-	
<b>Balance as at 31 December 2021</b>	149,930,828	724,763,392	20,000,000	2,263,653,453	691,057,283	3,849,404,956	
<b>Balance as at 1 January 2022</b>	149,930,828	724,763,392	20,000,000	2,263,653,453	691,057,283	3,849,404,956	
Profit for the year	-	-	-	452,804,772	-	452,804,772	
Other comprehensive income for the year	-	-	-	-	(50,881,883)	(50,881,883)	
Total comprehensive income for the year	-	-	-	452,804,772	(50,881,883)	401,922,889	
Dividend paid (Note 27)	-	-	-	(179,916,632)	-	(179,916,632)	
Transfer of fair value reserve of equity instruments designated at FVOCI to retained earning	-	-	-	(348,261)	348,261	-	
<b>Balance as at 31 December 2022</b>	149,930,828	724,763,392	20,000,000	2,536,193,332	640,523,661	4,071,411,213	

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



## Statement of cash flows

For the year ended 31 December 2022

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
<b>Cash flows from operating activities</b>				
Profit before income tax expenses	640,525,258	457,558,467	534,522,719	394,524,288
Adjustments to reconcile net profit before tax to				
net cash provided by (paid from) operating activities				
Depreciation and amortisation	278,491,401	289,907,986	112,317,290	131,404,211
Reversal impairment loss on financial assets	(770,310)	(20,259,172)	(415,340)	(14,705,630)
Reduction in cost of inventories to net realisable value	14,356,043	43,919,393	20,788,991	34,321,425
Loss (gain) on sales of property and equipment	4,308,373	(636,050)	4,475,728	(350,100)
Loss on write-off of intangible assets	12,496	-	-	-
Loss on sales of investment property	-	2,136,634	-	2,136,634
Provision for long-term employee benefits	17,838,491	18,447,442	11,683,499	13,867,448
Adjustment due to lease modification	(474,880)	(455,907)	48,931	(455,907)
Share of profit from investments in joint venture and associates	(63,634,540)	(69,505,171)	-	-
Unrealised loss (gain) on exchange	9,193,774	(33,099)	9,762,621	(57,699)
Loss (gain) from fair value measurement of derivatives	(445,944)	2,802,356	(627,642)	2,811,112
Loss on diminution of investment in subsidiary	-	-	-	5,999,850
Dividend income	(19,081,129)	(19,574,188)	(73,981,078)	(77,754,023)
Finance income	(932,082)	(456,521)	(870,321)	(323,143)
Finance cost	5,746,914	5,461,663	1,942,738	2,536,436
Profit from operating activities before changes				
in operating assets and liabilities	885,133,865	709,313,833	619,648,136	493,954,902
Operating assets (increase) decrease				
Trade and other receivables	(133,209,257)	(77,365,335)	(86,157,150)	(114,724,658)
Inventories	8,292,145	(136,588,061)	3,364,803	(73,260,805)
Other current assets	(25,917,328)	(21,995,415)	(25,732,881)	(22,602,902)
Other non-current assets	(33,383,222)	5,920,787	(45,278,764)	158,000
Operating liabilities increase (decrease)				
Trade and other payables	72,109,083	138,802,844	74,471,297	142,323,852
Other current liabilities	14,586,986	(1,626,799)	11,731,982	(1,449,059)
Provision for long-term employee benefits	(10,231,260)	(14,135,291)	(8,353,139)	(12,608,848)
Other non-current liabilities	(254,936)	303,189	(25,186)	(73,046)
Cash flows from operating activities	777,126,076	602,629,752	543,669,098	411,717,436
Interest paid	(5,842,858)	(5,371,851)	(1,942,738)	(2,536,436)
Corporate income tax paid	(94,681,865)	(44,916,275)	(85,911,011)	(44,598,816)
<b>Net cash flows from operating activities</b>	<b>676,601,353</b>	<b>552,341,626</b>	<b>455,815,349</b>	<b>364,582,184</b>

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

**S & J International Enterprises Public Company Limited and its subsidiaries**

**Statement of cash flows (continued)**

**For the year ended 31 December 2022**

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
<b>Cash flows from investing activities</b>				
Interest received	945,582	445,526	870,321	323,143
Decrease (increase) in other current financial assets	(2,003,344)	7,500,000	(7,003,344)	4,000,000
Cash received from sales of other non-current financial assets	500,000	175,238,304	-	175,238,304
Cash paid for purchase of other non-current financial assets	-	(68,498,167)	(1,000,000)	(66,998,167)
Cash received from returning funds in subsidiary	-	-	4,000,000	-
Cash paid for investments in joint venture	-	(800,000)	-	(800,000)
Acquisitions of property, plant and equipment	(236,639,713)	(320,737,135)	(48,741,053)	(25,541,472)
Proceeds from sales of property and equipment	2,674,454	1,972,068	2,323,987	1,765,440
Proceeds from sales of investment property	-	99,533	-	99,533
Increase in intangible assets	(1,369,987)	(1,607,919)	(1,149,530)	(1,534,918)
Dividend received	64,981,078	65,474,065	73,981,078	77,754,023
<b>Net cash flows from (used in) investing activities</b>	<u>(170,911,930)</u>	<u>(140,913,725)</u>	<u>23,281,459</u>	<u>164,305,886</u>
<b>Cash flows from financing activities</b>				
Increase (decrease) in bank overdrafts and short-term loans				
from financial institutions	14,832,844	141,378,195	-	(702,393)
Payment of principal portion of lease liabilities	(36,396,197)	(40,554,987)	(29,531,936)	(32,099,115)
Dividend paid	(179,916,634)	(149,930,828)	(179,916,634)	(149,930,828)
Dividend paid by subsidiary to non-controlling interests	(9,000,000)	(12,000,042)	-	-
<b>Net cash flows used in financing activities</b>	<u>(210,479,987)</u>	<u>(61,107,662)</u>	<u>(209,448,570)</u>	<u>(182,732,336)</u>
Net foreign exchange difference	<u>(2,010,782)</u>	<u>4,861,537</u>	<u>-</u>	<u>-</u>
<b>Net increase in cash and cash equivalents</b>	293,198,654	355,181,776	269,648,238	346,155,734
Cash and cash equivalents at beginning of the year	<u>624,178,695</u>	<u>268,996,919</u>	<u>557,955,055</u>	<u>211,799,321</u>
<b>Cash and cash equivalents at end of the year</b>	<u><u>917,377,349</u></u>	<u><u>624,178,695</u></u>	<u><u>827,603,293</u></u>	<u><u>557,955,055</u></u>

**Supplementary disclosures of cash flows information**

**Non-cash items**

Increase in right-of-use from new lease contracts	8,940,525	10,995,425	2,137,051	9,750,008
Accounts payable - purchase of plant and equipment	16,551,369	12,536,961	9,172,162	8,332,973
Gain (loss) on changes in value of equity investments designated				
at fair value through other comprehensive income	(63,942,835)	361,284,916	(63,602,355)	361,288,116

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

**S & J International Enterprises Public Company Limited and its subsidiaries**  
**Notes to consolidated financial statements**  
**For the year ended 31 December 2022**

**1. General information**

S & J International Enterprises Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company is principally engaged in the manufacture and distribution of all type of cosmetics and business of investment. The registered office of the Company is at 600/4 Moo 11, Sukapiban 8 Road, Nhongkharm, Sriracha, Chonburi with 3 branches as follows:

Branch No.1 2 Naradhiwas Rajanakarindra Road, Tungwatdon, Sathorn, Bangkok

Branch No.2 19/43 Moo 7, Bangna-Trad Road Km. 17, Bangchlong, Bangplee, Samutprakan

Branch No.3 789/159 Moo 1, Sai Nongkho-Laemchabang Road, Nongkham, Sriracha, Chonburi

**2. Basis of preparation**

- 2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development, issued under the Accounting Act B.E. 2543.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

## 2.2 Basis of consolidation

- a) The consolidated financial statements include the financial statements of S & J International Enterprises Public Company Limited (“the Company”) and the following subsidiary companies (“the subsidiaries”) (collectively as “the Group”):

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			<u>2022</u> (%)	<u>2021</u> (%)
<b>Held by the Company</b>				
E F Co., Ltd.	Manufacturer and distributor of consumer products	Thailand	100	100
Top Trend Manufacturing Co., Ltd.	Manufacturer and distributor of packaging	Thailand	50	50
Wildlives (Thailand) Co., Ltd.	Under the process of liquidation	Thailand	100	100
4WD Vision Co., Ltd.	Import, export, purchase and sale of chemicals, packaging products and cosmetic products	Thailand	100	100
SAAS Co., Ltd.	Under the process of liquidation	Thailand	100	100
S&J International (UK) Limited	Distributor of cosmetic products, gift set and marketing service	The United Kingdom	100	100
<b>Held by S&amp;J International (UK) Limited</b>				
Guangzhou S&J Cosmetics Company Limited	Distributor of material and packaging	China	100	100
4WD Vision (HK) Limited	Distributor of material and packaging	Hong Kong SAR	100	100
<b>Held by 4WD Vision Co., Ltd.</b>				
4WD Vision Europe B.V.	Distributor of cosmetic products, gift set and marketing service	The Netherlands	100	100

- b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- c) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- e) The assets and liabilities in the financial statements of overseas subsidiaries are translated to Baht using the exchange rate prevailing on the end of reporting period, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of “Exchange differences on translation of financial statements in foreign currencies” in the statement of changes in shareholders’ equity.

- f) Material balances and transactions between the Group have been eliminated from the consolidated financial statements.
- g) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

2.3 The separate financial statements present investments in subsidiaries, joint ventures and associates under the cost method.

### **3. New financial reporting standards**

#### **3.1 Financial reporting standards that became effective in the current year**

During the year, the Group has adopted the revised financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2022. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements.

#### **3.2 Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2023**

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2023. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The management of the Group believes that adoption of these amendments will not have any significant impact on the Group's financial statements.

### **4. Significant accounting policies**

#### **4.1 Revenue and expense recognition**

##### *Sales of goods*

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. Revenue is measured at the amount of the consideration received or receivable, excluding value added tax, of goods supplied after deducting returns, discounts, allowances and price promotions to customers.

### *Interest income*

Interest income is calculated using the effective interest method and recognised on an accrual basis. The effective interest rate is applied to the gross carrying amount of a financial asset, unless the financial assets subsequently become credit-impaired when it is applied to the net carrying amount of the financial asset (net of the expected credit loss allowance).

### *Finance cost*

Interest expense from financial liabilities at amortised cost is calculated using the effective interest method and recognised on an accrual basis.

### *Dividends*

Dividends are recognised when the right to receive the dividends is established.

## **4.2 Cash and cash equivalents**

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

## **4.3 Inventories**

Finished goods and work in process are valued at the lower of cost (under the weighted average method) and net realisable value. The cost of inventories is measured using the standard cost method, which approximates actual cost and includes all production costs and attributable factory overheads.

Raw materials, chemicals, spare parts and factory supplies are valued at the lower of average cost and net realisable value and are charged to production costs whenever consumed.

## **4.4 Investments in subsidiaries, joint ventures and associates**

Investments in joint ventures and associates are accounted for in the consolidated financial statements using the equity method.

Investments in subsidiaries, joint ventures and associates are accounted for in the separate financial statements using the cost method.

## **4.5 Investment properties**

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and allowance for loss on impairment (if any).

Depreciation of investment properties, which is building for rent, is calculated by reference to their costs on the straight-line basis over estimated useful lives of 20 years. Depreciation of the investment properties is included in determining income.

On disposal of investment properties, the difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period when the asset is derecognised.

#### **4.6 Property, plant and equipment and depreciation**

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).

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

Building and building improvements	-	20 - 25 years
Machinery and equipment	-	5 - 10 years
Furniture, fixtures and office equipment	-	5 - 10 years
Motor vehicles	-	5 - 8 years

Depreciation is included in determining income.

No depreciation is provided on land and assets under installation and under construction.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

#### **4.7 Intangible assets**

Intangible assets are initially recognised at cost. Following the initial recognition, the intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses (if any).

Intangible assets with finite lives are amortised on the straight-line basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

A summary of the intangible assets with finite useful lives is computer software with estimated useful lives of 10 years.

## 4.8 Leases

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

### **The Group as a lessee**

The Group applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. At the commencement date of the lease (i.e. the date the underlying asset is available for use), the Group recognises right-of-use assets representing the right to use underlying assets and lease liabilities based on lease payments.

### ***Right-of-use assets***

Right-of-use assets are measured at cost, less accumulated depreciation, any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities initially recognised, initial direct costs incurred, and lease payments made at or before the commencement date of the lease less any lease incentives received.

Depreciation of right-of-use assets are calculated by reference to their costs, on the straight-line basis over the shorter of their estimated useful lives and the lease term.

Land	3 - 5 years
Buildings and building improvements	2 - 5 years
Office equipment	2 - 4 years
Motor vehicles	2 - 5 years

If ownership of the leased asset is transferred to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

### ***Lease liabilities***

Lease liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under residual value guarantees. Moreover, the lease payments include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate.



The Group discounted the present value of the lease payments by the interest rate implicit in the lease or the Group's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

#### ***Short-term leases and leases of low-value assets***

A lease that has a lease term less than or equal to 12 months from commencement date or a lease of low-value assets is recognised as expenses on a straight-line basis over the lease term.

#### **The Group as a lessor**

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset to a lessee. Lease receivables from operating leases is recognised as income in profit or loss on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying assets and recognised as an expense over the lease term on the same basis as the lease income.

### **4.9 Related party transactions**

Related parties comprise individuals or enterprises that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

They also include associates, and individuals or enterprises which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors, and officers with authority in the planning and direction of the Company's operations.

### **4.10 Foreign currencies**

The consolidated and separate financial statements are presented in Baht, which is the Company's functional currency. Items of each entity included in the consolidated financial statements are measured using the functional currency of that entity.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange are included in determining income.

#### **4.11 Impairment of non-financial assets**

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

An impairment loss is recognised in profit or loss.

#### **4.12 Employee benefits**

##### ***Short-term employee benefits***

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

##### ***Post-employment benefits and other long-term employee benefits***

##### ***Defined contribution plans***

The Group and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Group. The fund's assets are held in a separate trust fund and the Group's contributions are recognised as expenses when incurred.

##### ***Defined benefit plans and other long-term employee benefits***

The Group has obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Group treats these severance payment obligations as a defined benefit plan. In addition, the Group provides other long-term employee benefit plan, namely long service awards.

The obligation under the defined benefit plan and other long-term employee benefit plans is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from defined benefit plans are recognised immediately in other comprehensive income.

Actuarial gains and losses arising from other long-term benefits are recognised immediately in profit and loss.

Past service costs are recognised in profit or loss on the earlier of the date of the plan amendment or curtailment and the date that the Group recognises restructuring - related costs.

#### **4.13 Provisions**

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

#### **4.14 Income tax**

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

##### **Current tax**

Current income tax of the Group in Thailand is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation of Thailand.

Current income tax of overseas subsidiaries is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation of those countries.

##### **Deferred tax**

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Group recognises deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Group reviews and reduces the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Group records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

#### **4.15 Financial instruments**

The Group initially measures financial assets at its fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs. However, trade receivables, that do not contain a significant financing component, are measured at the transaction price as disclosed in the accounting policy relating to revenue recognition.

## **Classification and measurement of financial assets**

Financial assets are classified, at initial recognition, as to be subsequently measured at amortised cost, fair value through other comprehensive income (“FVOCI”), or fair value through profit or loss (“FVTPL”). The classification of financial assets at initial recognition is driven by the Group’s business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

### ***Financial assets at amortised cost***

The Group measures financial assets at amortised cost if the financial asset is held in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate (“EIR”) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

### ***Financial assets designated at FVOCI (equity instruments)***

Upon initial recognition, the Group can elect to irrevocably classify its equity investments which are not held for trading as equity instruments designated at FVOCI. The classification is determined on an instrument-by-instrument basis.

Gains and losses recognised in other comprehensive income on these financial assets are never recycled to profit or loss.

Dividends are recognised as other income in profit or loss, except when the dividends clearly represent a recovery of part of the cost of the financial asset, in which case, the gains are recognised in other comprehensive income.

Equity instruments designated at FVOCI are not subject to impairment assessment.

### ***Financial assets at FVTPL***

Financial assets measured at FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

These financial assets include derivatives, 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.

## **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.

## **Derecognition of financial instruments**

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Group has transferred substantially all the risks and rewards of the asset, or the Group has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

## **Impairment of financial assets**

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure (a lifetime ECL).

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

ECLs are calculated based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

## Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

### 4.16 Derivatives

The Group uses derivatives, such as forward currency contracts, to hedge its foreign currency risks.

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. The subsequent changes are recognised in profit or loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Derivatives are presented as non-current assets or non-current liabilities if the remaining maturity of the instrument is more than 12 months and it is not due to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

### 4.17 Fair value measurement

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

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

Level 1 - Use of quoted market prices in an active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows

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

## 5. Significant accounting judgements and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgements and estimates are as follows:

### **Leases**

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

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

#### ***Estimating the incremental borrowing rate - The Group as a lessee***

The Group cannot readily determine the interest rate implicit in the lease, therefore, the management is required to exercise judgement in estimating its incremental borrowing rate to discount lease liabilities. The incremental borrowing rate is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

### **Allowance for expected credit losses of trade receivables**

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

### **Allowance of diminution in value of inventories**

In determining an allowance of diminution in value of inventories, the management makes judgment and estimates net realisable value of inventories based on the amount the inventories are expected to realise. These estimates take into consideration fluctuations of price or cost directly relating to events occurring after the end of reporting period. Also, the management makes judgment and estimates expected loss from stock obsolescence based upon aging profile of inventories and the prevailing economic condition.

## Property plant and equipment/Depreciation

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

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

## 6. Related party transactions

During the years, the Company had significant business transactions with related parties. Such transactions, which are summarised below, arose in ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and those related parties.

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
<b><u>Transaction with subsidiaries</u></b>				
(Eliminated from the consolidated financial statements)				
Sales of goods	-	-	349	313
Other income	-	-	33	33
Purchases of goods and services	-	-	656	691
Other expenses	-	-	2	3
<b><u>Transactions with associates</u></b>				
Sales of goods	21	19	-	-
Rental income	33	33	33	33
<b><u>Transactions with related parties</u></b>				
Sales of goods	1,525	1,218	1,342	1,070
Other income	10	7	9	6
Purchases of goods and services	19	17	16	16
Rental expenses	3	8	3	8
Electricity and utilities expenses	157	122	66	50



Transfer pricing policy for significant business transactions with related parties are summarised below.

Transactions	Transfer pricing policy
Sales of goods	Market price
Other income	Cost plus margin
Rental income	Contract price
Purchases of goods and services	Market price
Rental expenses	Contract price
Electricity and utilities expenses	Contract price
Other expenses	Market price

The balances of the accounts as at 31 December 2022 and 2021 between the Company and those related parties are as follows:

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	2022	2021	2022	2021
<b><u>Trade and other receivables - related parties (Note 8)</u></b>				
<b><u>Trade receivables</u></b>				
Subsidiaries	-	-	98,133	118,546
Associates	4,754	5,815	-	1,055
Related companies	301,895	122,334	267,609	104,234
Trade and other receivables - related parties	306,649	128,149	365,742	223,835
<b><u>Other receivables</u></b>				
Subsidiaries	-	-	1,855	4,791
Associates	131	51	131	41
Related companies	195	1,108	195	1,108
Total other receivables - related parties	326	1,159	2,181	5,940
<b>Total trade and other receivables - related parties</b>	<b>306,975</b>	<b>129,308</b>	<b>367,923</b>	<b>229,775</b>
<b><u>Short-term loans to subsidiary</u></b>				
Subsidiary	-	-	3,000	3,000
Less: Allowance for expected credit losses	-	-	(3,000)	(3,000)
<b>Total short-term loans to subsidiary - net</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b><u>Other non-current assets - related parties</u></b>				
Related companies	430	2,192	334	2,096
<b>Total other non-current assets - related parties</b>	<b>430</b>	<b>2,192</b>	<b>334</b>	<b>2,096</b>

	Consolidated		(Unit: Thousand Baht)	
			Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
<b><u>Trade and other payables - related parties (Note 18)</u></b>				
<b><u>Trade payables</u></b>				
Subsidiaries	-	-	82,896	104,510
Associates	18	159	18	85
Related companies	2,789	1,017	2,721	1,017
Total trade payables - related parties	2,807	1,176	85,635	105,612
<b><u>Other payables</u></b>				
Subsidiaries	-	-	211	390
Associates	69	13	69	13
Related companies	720	6,409	554	644
Total other payables - related parties	789	6,422	834	1,047
<b>Total trade and other payables - related parties</b>	<b>3,596</b>	<b>7,598</b>	<b>86,469</b>	<b>106,659</b>
<b><u>Lease liabilities - related parties (Note 19)</u></b>				
Related companies	12,617	11,053	10,236	9,766
<b>Total lease liabilities - related parties</b>	<b>12,617</b>	<b>11,053</b>	<b>10,236</b>	<b>9,766</b>

#### **Short-term loans to subsidiary**

As at 31 December 2022 and 2021, the balance of short-term loan between the Company and its subsidiaries and the movement are as follows.

	(Unit: Thousand Baht)			
	Separate financial statements			
	Balance as at 31 December 2021	Increase During the period	Decrease during the period	Balance as at 31 December 2022
<b><u>Short-term loans to subsidiary</u></b>				
Subsidiary	3,000	-	-	3,000
Less: Allowance for expected credit losses	(3,000)	-	-	(3,000)
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Set out below is the movement in the allowance for expected credit losses of loans to subsidiary

(Unit: Thousand Baht)		
	Separate financial statements	
	<u>2022</u>	<u>2021</u>
Beginning balance	3,000	4,000
Reversal provision for expected credit losses	-	(1,000)
Ending balance	<u>3,000</u>	<u>3,000</u>

The above short-term loans are promissory notes. The loans are due at call and unsecured.

#### Directors and management's benefits

During the years ended 31 December 2022 and 2021, the Group had employee benefit expenses payable to their directors and management as below.

(Unit: Thousand Baht)				
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Short-term employee benefits	98,901	83,445	94,776	78,127
Post-employment benefits	564	510	564	510
Total	<u>99,465</u>	<u>83,955</u>	<u>95,340</u>	<u>78,637</u>

## 7. Cash and cash equivalents

(Unit: Thousand Baht)				
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Cash	331	623	180	450
Bank deposits	916,054	623,556	827,423	557,505
Cheque on hand	992	-	-	-
Total	<u>917,377</u>	<u>624,179</u>	<u>827,603</u>	<u>557,955</u>

As at 31 December 2022, bank deposits in saving accounts and fixed deposits carried interests between 0.05 and 0.63 percent per annum (2021: between 0.01 and 0.25 percent per annum) (the Company only: between 0.05 and 0.50 percent per annum, 2021: between 0.05 and 0.25 percent per annum).

## 8. Trade and other receivables

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
	2022	2021
	2022	2021
<u>Trade accounts receivable - related parties</u>		
Aged on the basis of due dates		
Not yet due	290,055	118,384
Past due		
Up to 3 months	16,095	8,798
3 - 6 months	39	284
6 - 12 months	1	575
Over 12 months	459	108
Total trade accounts receivable - related parties	306,649	128,149
<u>Trade accounts receivable - unrelated parties</u>		
Aged on the basis of due dates		
Not yet due	554,065	631,236
Past due		
Up to 3 months	170,624	148,255
3 - 6 months	5,130	8,065
6 - 12 months	5,376	1,444
Over 12 months	4,848	6,493
Total	740,043	795,493
Less: Allowance for expected credit losses	(10,367)	(11,137)
Trade accounts receivable - unrelated parties, net	729,676	784,356
Total trade accounts receivable - net	1,036,325	912,505
<u>Other receivables</u>		
Other receivables - related parties	326	1,159
Other receivables - unrelated parties	5,438	8,464
Advance payment for inventories	32,116	30,281
Prepaid expenses	5,585	3,101
Total other receivables	43,465	43,005
Total trade and other receivables - net	1,079,790	955,510

The normal credit term is 30 to 120 days.

Set out below is the movement in the allowance for expected credit losses of trade receivables.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Beginning balance	11,137	31,396	5,429	19,135
Reversal provision for expected credit losses	(770)	(20,259)	(415)	(13,706)
Ending balance	<u>10,367</u>	<u>11,137</u>	<u>5,014</u>	<u>5,429</u>

## 9. Inventories

	(Unit: Thousand Baht)					
	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories-net	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Finished goods	326,359	323,911	(12,686)	(19,117)	313,673	304,794
Work in process	84,327	87,199	(10,838)	(11,150)	73,489	76,049
Raw materials	287,171	268,582	(38,606)	(21,471)	248,565	247,111
Packaging	199,242	184,473	(18,682)	(14,718)	180,560	169,755
Supplies	4,926	3,738	-	-	4,926	3,738
Goods in transit	19,852	62,267	-	-	19,852	62,267
Total	<u>921,877</u>	<u>930,170</u>	<u>(80,812)</u>	<u>(66,456)</u>	<u>841,065</u>	<u>863,714</u>

	(Unit: Thousand Baht)					
	Separate financial statements					
	Cost		Reduce cost to net realisable value		Inventories-net	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Finished goods	239,634	228,032	(6,612)	(10,170)	233,022	217,862
Work in process	55,397	62,645	(10,838)	(9,878)	44,559	52,767
Raw materials	246,293	231,346	(35,092)	(15,670)	211,201	215,676
Packaging	204,620	189,892	(18,682)	(14,717)	185,938	175,175
Supplies	3,005	2,190	-	-	3,005	2,190
Goods in transit	14,706	52,915	-	-	14,706	52,915
Total	<u>763,655</u>	<u>767,020</u>	<u>(71,224)</u>	<u>(50,435)</u>	<u>692,431</u>	<u>716,585</u>

During the current year, the Group reduced cost of inventories by Baht 83 million (2021: Baht 76 million) (The Company only: Baht 64 million, 2021: Baht 63 million), to reflect the net realisable value. This was included in cost of sales. In addition, the Group reversed the write-down of cost of inventories by Baht 69 million (2021: Baht 32 million) (The Company only: Baht 43 million, 2021: Baht 29 million), and reduced the amount of inventories recognised as expenses during the year.

#### 10. Other non-current financial assets

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
<b><u>Equity instruments designated at FVOCI</u></b>				
<b>Listed equity instruments</b>				
Sahacogen (Chonburi) Plc.	542,080	677,600	542,080	677,600
President Bakery Plc.	207,750	208,500	207,750	208,500
Saha Pathana Inter-Holding Plc.	128,940	120,221	128,940	120,221
Saha Pathanapibul Plc.	78,000	76,200	78,000	76,200
I.C.C. International Plc.	33,907	30,825	33,907	30,825
Bangkok Bank Plc.	9,368	7,659	9,368	7,659
Nation Multimedia Group Plc.	2,180	6,737	2,180	6,737
Thai Wacoal Plc.	3,450	3,850	3,450	3,850
Far East Fame Line DDB Plc.	102	114	102	114
Boutique New City Plc.	27	21	27	21
<b>Total listed equity instruments</b>	<b>1,005,804</b>	<b>1,131,727</b>	<b>1,005,804</b>	<b>1,131,727</b>

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
<b>Non-listed equity instruments</b>				
Sahapat Assets Co., Ltd.	55,418	41,032	55,418	41,032
United Utility Co., Ltd.	34,005	33,791	34,005	33,791
Thai Cubic Technology Co., Ltd.	46,392	22,913	46,392	22,913
Tipwarin Watana Co., Ltd.	32,761	14,127	32,761	14,127
T-Way Co., Ltd.	12,154	13,515	9,115	10,136
Saha Sehwa Co., Ltd.	8,601	10,300	8,601	10,300
Pan Land Co., Ltd.	3,723	6,826	3,723	6,826
E.P.F. Co., Ltd.	2,493	4,161	2,493	4,161
Waseda Education (Thailand) Co., Ltd.	3,234	3,606	3,234	3,606
Thai Yukilon Co., Ltd.	15,169	3,548	15,169	3,548
K. Commercial & Construction Co., Ltd.	3,380	3,080	3,380	3,080
Thai Lotte Co., Ltd.	2,996	2,633	2,996	2,633
Thanara Co., Ltd.	1,732	1,743	1,732	1,743
H&B Kabinburi Co., Ltd.	2,664	1,440	2,664	1,440
B.K.C. International Marketing Co., Ltd.	1,060	1,072	1,060	1,072
American Food Co., Ltd.	-	546	-	546
Others	1,736	1,205	1,736	1,205
<b>Total non-listed equity instruments</b>	<u>227,518</u>	<u>165,538</u>	<u>224,479</u>	<u>162,159</u>
<b>Certificates of deposits</b>	<u>1,000</u>	<u>1,500</u>	<u>1,000</u>	<u>-</u>
<b>Total other non-current financial assets</b>	<u>1,234,322</u>	<u>1,298,765</u>	<u>1,231,283</u>	<u>1,293,886</u>

As at 31 December 2022, non-listed equity instruments consisted of investment in 5 companies with fair value of Baht 2 million or 0.8 percent of total non-listed equity instruments in consolidated financial statements (2021: 5 companies with fair value of Baht 1 million or 0.7 percent) (the Company only: 5 companies with fair value of Baht 1 million or 0.8 percent, 2021: 5 companies with fair value of Baht 1 million or 0.7 percent).

On 22 September 2021, the Company invested in listed equity instrument of Saha Pathanapibul Public Company Limited amounting to Baht 67 million. The Company had a 0.36% of shareholding in such company.

During the year 2021, the Group sold its equity interest in Sahacogen (Chonburi) Plc. The fair value on the date of sale was Baht 174 million and the accumulated gain recognised in other comprehensive income of Baht 99 million was transferred to retained earnings.

During the year 2022, the Group received dividends from equity instruments designated at FVOCI, which still existed at the reporting date, in the amount of Baht 19 million (2021: Baht 20 million) (the Company only: Baht 19 million, 2021: Baht 20 million).

## 11. Investments in subsidiaries

11.1 Details of investments in subsidiaries as presented in separate financial statements are as follows:

(Unit: Thousand Baht)

Company's name	Paid-up capital		Shareholding percentage		Cost		Dividend received during the year	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
			%	%				
E F Co., Ltd.	Baht 4.0 million	Baht 4.0 million	100	100	4,005	4,005	-	280
Top Trend Manufacturing Co., Ltd.	Baht 120.0 million	Baht 120.0 million	50	50	124,825	124,825	9,000	12,000
Wildlives (Thailand) Co., Ltd.	Baht 1.0 million	Baht 1.0 million	100	100	1,000	1,000	-	-
4WD Vision Co., Ltd.	Baht 10.0 million	Baht 10.0 million	100	100	10,000	10,000	-	-
SAAS Co., Ltd.	Baht 10.0 million	Baht 10.0 million	100	100	6,000	10,000	-	-
S&J International (UK) Limited	GBP 0.1 million	GBP 0.1 million	100	100	5,073	5,073	-	-
Total					150,903	154,903	9,000	12,280
Less: Allowance for diminution in value of investments					(6,999)	(6,999)		
Total Investments in subsidiaries					143,904	147,904		

Wildlives (Thailand) Co., Ltd. and SAAS Co., Ltd., subsidiaries, registered their dissolution with the Ministry of Commerce on 4 June 2021 and 19 October 2022, respectively. They are currently undergoing a liquidation process. However, they did not constitute an integral part of the Group's business, there were therefore no material impacts on the consolidated financial statements.

11.2 Details of investments in subsidiary that has material non-controlling interests.

(Unit: Thousand Baht)

Company's name	Proportion of equity interest held by non-controlling interests		Accumulated balance of non-controlling interests		Profit allocated to non-controlling interests during the year		Dividend paid to non-controlling interests during the year	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	(%)	(%)						
Top Trend Manufacturing Co., Ltd.	50	50	403,743	377,072	35,671	22,542	9,000	12,000



11.3 Summarised financial information that based on amounts before inter-company elimination about subsidiary that has material non-controlling.

Top Trend Manufacturing Co., Ltd.

Summarised information about financial position.

	(Unit: Million Baht)	
	As at 31 December	
	<u>2022</u>	<u>2021</u>
Current assets	403	342
Non-current assets	771	742
Current liabilities	312	280
Non-current liabilities	54	50

Summarised information about comprehensive income.

	(Unit: Million Baht)	
	For the year ended	
	31 December	
	<u>2022</u>	<u>2021</u>
Revenue	1,350	1,133
Profit	71	51
Other comprehensive income	-	(6)
Total comprehensive income	71	45

Summarised information about cash flow

	(Unit: Million Baht)	
	For the year ended	
	31 December	
	<u>2022</u>	<u>2021</u>
Cash flow from operating activities	10	128
Cash flow used in investing activities	(41)	(269)
Cash flow from financing activities	16	136
Net decrease in cash and cash equivalents	<u>(15)</u>	<u>(5)</u>

## 12. Investments in associates

### 12.1 Details of associates

No.	Company's name	Country of incorporation	Nature of business	Paid-up capital		Percentage of investment	
				2022	2021	2022 (%)	2021 (%)
1.	Yamahatsu (Thailand) Co., Ltd.	Thai	Hair products	Baht 20 million	Baht 20 million	30	30
2.	Operational Energy Group Limited	Thai	Servicing to operate the power plant	Baht 30 million	Baht 30 million	30	30
3.	Atika Beauty Manufacturing Sdn. Bhd.	Malaysia	Manufacturing and distribute cosmetic products	RM 6 million	RM 6 million	35	35
4.	Osoth Interlaboratories Co., Ltd.	Thai	Manufacturing pharmaceutical	Baht 600 million	Baht 600 million	33	33

### 12.2 Carrying amount share of comprehensive income and dividend received

During the years, the Company recognised its share of profit (loss) from investments in the consolidated financial statements and dividend received from associates in the separate financial statements and presented carrying amount based on equity method in the consolidated financial statements and carrying amount based on cost method in the separate financial statements as follows:

No.	Company's name	Consolidated financial statements				Separate financial statements			
		Carrying amount based on equity method		Share of profit (loss) from investments in associates during the year		Share of other comprehensive income from investments in associates during the year		Carrying amount based on cost method	
		2022	2021	2022	2021	2022	2021	2022	2021
1.	Yamahatsu (Thailand) Co., Ltd.	35,487	37,438	(1,913)	20,556	(38)	1,216	6,000	9,900
2.	Operational Energy Group Limited	103,449	86,010	59,235	47,256	4,104	4,229	13,151	36,000
3.	Atika Beauty Manufacturing Sdn. Bhd.	2,803	2,568	106	(2,346)	129	119	17,916	-
4.	Osoth Interlaboratories Co., Ltd.	198,984	192,778	6,206	4,039	-	-	201,994	-
Total		340,723	318,794	63,634	69,505	4,195	5,564	239,061	45,900
Less: Provision for impairment loss								(22,800)	(22,800)
Total investment in associates								216,261	216,261

(Unit: Thousand Baht)

## Summarised information about financial position

## Summarised information about comprehensive income

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### 13. Long-term loans to other company

In March 2017, the Company has entered into loan agreement with ELLA CORA, INC., which established under the Law of the United States of America, in the amount of USD 0.5 million as a secured convertible promissory note for a period of 3 years with interest rate equal to the greater of 3% p.a. or the Applicable Federal Rate and no repayment of principal or interest until the maturity date. The loan is secured by a security interest in all of the assets of that company. After maturity date, the loan shall be extended not exceeding for a period of 2 years and the loan and its interest shall be converted to voting preferred shares of that borrower company under the conditions as specified in the promissory note.

Since ELLA CORA, INC. has been fraught with operational difficulties, there are uncertainties as to the amount payable from the company to date. Therefore, the Company already set aside allowance for expected credit losses in full amount.

### 14. Investment properties

The net book value of investment properties as at 31 December 2022 and 2021 is presented below.

	Consolidated financial statements			Separate financial statements		
	Non-operating land	Land and building for rent	Total	Non-operating land	Land and building for rent	Total
31 December 2022:						
Cost	120	140,363	140,483	-	140,363	140,363
Less: Accumulated depreciation	-	(63,529)	(63,529)	-	(63,529)	(63,529)
Net book value	120	76,834	76,954	-	76,834	76,834
31 December 2021:						
Cost	120	140,363	140,483	-	140,363	140,363
Less: Accumulated depreciation	-	(59,651)	(59,651)	-	(59,651)	(59,651)
Net book value	120	80,712	80,832	-	80,712	80,712

A reconciliation of the net book value of investment properties for the year 2022 and 2021 is presented below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Net book value at beginning of year	80,832	87,130	80,712	87,010
Transfer from properties, plant and equipment				
Disposal/write-off during the year -				
net book value at disposal/write-off date	-	(2,236)	-	(2,236)
Depreciation for the year	(3,878)	(4,062)	(3,878)	(4,062)
Net book value at end of year	<u>76,954</u>	<u>80,832</u>	<u>76,834</u>	<u>80,712</u>

The additional information of the investment properties as at 31 December 2022 and 2021 stated below:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
The fair value	201,855	189,879	201,775	189,759

The fair value of non-operating land has been determined based on market prices assessed by an accredited independent valuer. The fair value of the land and building held for rental has been determined using the market approach by an accredited independent valuer.

The Company has jointly invested with the related companies to purchase land and construction thereon, with a total value of approximately Baht 30 million, with the investment proportion as follow

	Amount	Ownership in land
	(Thousand Baht)	(Square wa)
Wittaya Sitthi Co., Ltd.	14,929	76.57
S&J International Enterprises Plc.	9,953	51.05
K Commercial and Construction Co., Ltd.	5,474	28.08
Total	<u>30,356</u>	<u>155.70</u>

## 15. Property, plant and equipment

(Unit: Thousand Baht)

Consolidated financial statements								
	Buildings			Assets under				
	Land and	and	Furniture	Office	Machinery	Motor	installation	
	land	building	and	equipment	and	vehicles	and under	
	improvements	improvements	fixtures	equipment	equipment	vehicles	construction	Total
<b>Cost:</b>								
1 January 2021	301,906	1,211,066	371,934	158,916	2,939,917	33,145	51,002	5,067,886
Additions	104,416	2,284	656	4,301	5,685	-	215,931	333,273
Disposals/write-off	-	(637)	(3,093)	(726)	(8,512)	(5,723)	-	(18,691)
Transfers	-	14,067	2,802	112	125,388	-	(142,369)	-
31 December 2021	406,322	1,226,780	372,299	162,603	3,062,478	27,422	124,564	5,382,468
Additions	-	1,642	847	10,847	10,537	-	229,318	253,191
Disposals/write-off	-	(14,394)	(14,347)	(7,763)	(22,102)	(16)	-	(58,622)
Transfers	-	37,800	13,595	628	171,699	-	(223,722)	-
31 December 2022	406,322	1,251,828	372,394	166,315	3,222,612	27,406	130,160	5,577,037
<b>Accumulated depreciation:</b>								
1 January 2021	-	542,967	361,528	129,761	2,514,653	31,691	-	3,580,600
Depreciation for the year	-	54,546	4,126	11,969	167,194	-	-	237,835
Depreciation on								
disposals/write-off	-	(262)	(3,089)	(727)	(8,471)	(4,806)	-	(17,355)
31 December 2021	-	597,251	362,565	141,003	2,673,376	26,885	-	3,801,080
Depreciation for the year	-	52,088	4,945	9,438	167,171	-	-	233,642
Depreciation on								
disposals/write-off	-	(7,739)	(14,333)	(7,639)	(21,912)	(16)	-	(51,639)
31 December 2022	-	641,600	353,177	142,802	2,818,635	26,869	-	3,983,083
<b>Allowance for impairment loss:</b>								
1 January 2021	-	-	-	-	-	-	2,200	2,200
31 December 2021	-	-	-	-	-	-	2,200	2,200
31 December 2022	-	-	-	-	-	-	2,200	2,200
<b>Net book value:</b>								
31 December 2021	406,322	629,529	9,734	21,600	389,102	537	122,364	1,579,188
31 December 2022	406,322	610,228	19,217	23,513	403,977	537	127,960	1,591,754
<b>Depreciation for the year</b>								
2021 (Baht 179 million included in manufacturing cost, and the balance in administrative expenses)								237,835
2022 (Baht 182 million included in manufacturing cost, and the balance in administrative expenses)								233,642

(Unit: Thousand Baht)

## Separate financial statements

	Land and improvements	Buildings and improvements	Furniture and fixtures	Office equipment	Machinery and equipment	Motor vehicles	Assets under installation and under construction	Total
<b>Cost:</b>								
1 January 2021	200,750	1,014,098	196,479	128,288	1,296,436	18,323	8,945	2,863,319
Additions	-	2,284	656	2,885	1,805	-	26,244	33,874
Disposals/write-off	-	(637)	(2,314)	(615)	(4,274)	(5,447)	-	(13,287)
Transfers	-	8,278	89	93	8,874	-	(17,334)	-
31 December 2021	200,750	1,024,023	194,910	130,651	1,302,841	12,876	17,885	2,883,906
Additions	-	1,642	727	9,282	8,701	-	37,561	57,913
Disposals/write-off	-	(14,166)	(12,505)	(5,118)	(3,953)	(16)	-	(35,758)
Transfers	-	11,751	9	-	5,730	-	(17,490)	-
31 December 2022	200,750	1,023,250	183,141	134,815	1,313,319	12,860	37,926	2,906,061
<b>Accumulated depreciation:</b>								
1 January 2021	-	444,984	191,647	102,629	1,218,703	17,265	-	1,975,228
Depreciation for the year	-	45,731	1,815	10,144	31,750	-	-	89,440
Depreciation on disposals/ write-off	-	(262)	(2,314)	(615)	(4,234)	(4,447)	-	(11,872)
31 December 2021	-	490,453	191,148	112,158	1,246,219	12,818	-	2,052,796
Depreciation for the year	-	42,539	1,534	7,901	22,287	-	-	74,261
Depreciation on disposals/ write-off	-	(7,511)	(12,491)	(5,008)	(3,932)	(16)	-	(28,958)
31 December 2022	-	525,481	180,191	115,051	1,264,574	12,802	-	2,098,099
<b>Allowance for impairment loss:</b>								
1 January 2021	-	-	-	-	-	-	2,200	2,200
31 December 2021	-	-	-	-	-	-	2,200	2,200
31 December 2022	-	-	-	-	-	-	2,200	2,200
<b>Net book value:</b>								
31 December 2021	200,750	533,570	3,762	18,493	56,622	58	15,655	828,910
31 December 2022	200,750	497,769	2,950	19,764	48,745	58	35,726	805,762
<b>Depreciation for the year</b>								
2021 (Baht 39 million included in manufacturing cost, and the balance in administrative expenses)								89,440
2022 (Baht 30 million included in manufacturing cost, and the balance in administrative expenses)								74,261

As at 31 December 2022, certain items of plant and equipment were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 3,198 million (2021: Baht 2,889 million) (The Company only: Baht 1,761 million, 2021: Baht 1,610 million).

## 16. Intangible assets

The net book value of intangible assets as at 31 December 2022 and 2021 is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements		
	Computer software	Computer under installation	Total	Computer software	Computer under installation	Total
31 December 2022						
Cost	106,432	-	106,432	76,529	-	76,529
Less: Accumulated amortisation	(87,116)	-	(87,116)	(59,849)	-	(59,849)
Net book value	19,316	-	19,316	16,680	-	16,680
31 December 2021						
Cost	105,332	350	105,682	75,430	350	75,780
Less: Accumulated amortisation	(81,786)	-	(81,786)	(55,594)	-	(55,594)
Net book value	23,546	350	23,896	19,836	350	20,186

A reconciliation of the net book value of intangible assets for the year ended 31 December 2022 and 2021 are presented below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Net book value at beginning of year	23,896	29,111	20,186	23,771
Acquisition of computer software	1,370	1,608	1,150	1,535
Amortisation (included in administrative expense)	(5,937)	(6,823)	(4,656)	(5,120)
Disposal/write-off during the year - net book value at disposal/write-off date	(13)	-	-	-
Net book value at end of year	19,316	23,896	16,680	20,186

## 17. Bank overdrafts and short-term loans from financial institutions

	(Unit: Thousand Baht)					
	Interest rate		Consolidated		Separate	
	(percent per annum)		financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Promissory notes	1.43 - 5.89	0.88 - 2.53	192,915	205,559	-	-
Bank overdrafts	6.35 - 6.65	-	<u>25,781</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total			218,696	205,559	-	-

Short-term loans from financial institutions of the Group are unsecured.



## 18. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Trade payables - related parties	2,807	1,176	85,635	105,612
Trade payables - unrelated parties	361,349	311,969	308,748	223,206
Other payables - related parties	789	6,422	834	1,047
Other payables - unrelated parties	62,347	69,049	45,173	42,873
Accrued expenses	296,074	250,184	231,724	216,405
Payable from acquisition of assets	16,125	12,537	9,172	8,333
Accrued interest expenses	131	227	-	-
Total trade and other payables	<u>739,622</u>	<u>651,564</u>	<u>681,286</u>	<u>597,476</u>

## 19. Leases

### 19.1 The Group as a lessee

The Group has lease contracts for used in its operations. Leases generally have lease terms between 2 - 5 years.

#### a) Right-of-use assets

Movement of right-of-use assets for the years ended 31 December 2022 and 2021 are summarised below:

	(Unit: Thousand Baht)				
	Consolidated financial statements				
	Land	Buildings and building improvements	Office equipment	Motor vehicles	Total
1 January 2021	6,282	97,940	2,445	21,265	127,932
Additions	-	897	176	9,924	10,997
Adjustment due to lease modification	-	(18,580)	-	(246)	(18,826)
Depreciation for the year	(4,708)	(26,247)	(993)	(9,240)	(41,188)
31 December 2021	1,574	54,010	1,628	21,703	78,915
Additions	-	4,253	-	4,688	8,941
Adjustment due to lease modification	-	2,154	2,304	(748)	3,710
Depreciation for the year	(1,542)	(23,253)	(871)	(9,369)	(35,035)
31 December 2022	32	37,164	3,061	16,274	56,531

(Unit: Thousand Baht)

	Separate financial statements				
	Land	Buildings and building improvements	Office equipment	Motor vehicles	Total
1 January 2021	2,413	92,277	2,305	17,919	114,914
Additions	-	367	-	9,383	9,750
Adjustment due to lease modification	-	(18,580)	-	(246)	(18,826)
Depreciation for the year	(1,207)	(23,262)	(827)	(7,486)	(32,782)
31 December 2021	1,206	50,802	1,478	19,570	73,056
Additions	-	-	-	2,137	2,137
Adjustment due to lease modification	-	-	2,311	(748)	1,563
Depreciation for the year	(1,175)	(19,907)	(827)	(7,613)	(29,522)
31 December 2022	31	30,895	2,962	13,346	47,234

**b) Lease liabilities**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Lease payments	58,734	84,522	52,035	79,593
Less: Deferred interest expenses	(3,231)	(4,798)	(2,856)	(4,631)
Total	55,503	79,724	49,179	74,962
Less: Portion due within one year	(27,765)	(34,780)	(24,232)	(30,034)
Lease liabilities - net of current portion	27,738	44,944	24,947	44,928

Movements of the lease liability account during the years ended 31 December 2022 and 2021 are summarised below:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Balance at beginning of year	79,724	128,565	74,962	116,593
Additions	8,940	10,996	2,137	9,750
Adjustment due to lease modification	3,235	(19,282)	1,612	(19,282)
Accretion of interest	2,196	2,809	1,942	2,536
Repayments	(38,592)	(43,364)	(31,474)	(34,635)
Balance at end of year	55,503	79,724	49,179	74,962

A maturity analysis of lease payments is disclosed in Note 30.2 under the liquidity risk.

**c) Expenses relating to leases that are recognised in profit or loss**

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Depreciation expense of right-of-use assets	35,035	41,188	29,522	32,782
Interest expense on lease liabilities	2,196	2,809	1,942	2,536
Expense relating to short-term leases	-	48	-	48
Expense relating to leases of low-value assets	59	77	59	77

**d) Others**

The Group had total cash outflows for leases for the year ended 31 December 2022 of Baht 39 million (2021: Baht 43 million) (the Company only: Baht 32 million, 2021: Baht 35 million), including the cash outflow related to short-term lease and leases of low-value assets. The future cash outflows relating to leases that have not yet commenced and disclosed in Note to the financial statement 28.2.

**19.2 The Company as a lessor**

The Company has entered into operating leases for its investment property portfolio consisting of land and building for rent (see Note to the financial statement 14) of the lease terms are between 1 and 3 years.

The Company has future minimum rentals receivable under non-cancellable operating leases as at 31 December 2022 in immaterial amount.

**20. Provision for long-term employee benefits**

Provision for long-term employee benefits, was as follows.

	(Unit: Thousand Baht)					
	Consolidated financial statements					
	Defined benefit plans		Other long-term employee benefits		Total	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
<b>Provision for long-term employee benefits at beginning of year</b>	168,110	182,150	4,490	5,842	172,600	187,992
Included in profit or loss:						
Current service cost	15,087	16,070	187	309	15,274	16,379
Interest cost	2,505	2,910	59	52	2,564	2,962
Actuarial (gain) loss arising from						
Demographic assumptions changes	-	-	-	(2)	-	(2)
Financial assumptions changes	-	-	-	(1,404)	-	(1,404)
Experience adjustments	-	-	-	512	-	512

(Unit: Thousand Baht)

Consolidated financial statements						
	Defined benefit plans		Other long-term employee benefits		Total	
	2022	2021	2022	2021	2022	2021
Included in other comprehensive income:						
Actuarial (gain) loss arising from						
Demographic assumptions changes	-	(5,780)	-	-	-	(5,780)
Financial assumptions changes	-	6,672	-	-	-	6,672
Experience adjustments	-	(20,596)	-	-	-	(20,596)
Benefits paid during the year	(9,518)	(13,316)	(713)	(819)	(10,231)	(14,135)
<b>Provision for long-term employee benefits at end of year</b>	<b>176,184</b>	<b>168,110</b>	<b>4,023</b>	<b>4,490</b>	<b>180,207</b>	<b>172,600</b>

(Unit: Thousand Baht)

Separate financial statements						
	Defined benefit plans		Other long-term employee benefits		Total	
	2022	2021	2022	2021	2022	2021
<b>Provision for long-term employee benefits at beginning of year</b>	<b>120,719</b>	<b>145,031</b>	<b>2,939</b>	<b>4,653</b>	<b>123,658</b>	<b>149,684</b>
Included in profit or loss:						
Current service cost	9,761	12,788	101	232	9,862	13,020
Interest cost	1,785	2,348	37	41	1,822	2,389
Actuarial (gain) loss arising from						
Demographic assumptions changes	-	-	-	(81)	-	(81)
Financial assumptions changes	-	-	-	(1,573)	-	(1,573)
Experience adjustments	-	-	-	112	-	112
Included in other comprehensive income:						
Actuarial (gain) loss arising from						
Demographic assumptions changes	-	(4,999)	-	-	-	(4,999)
Financial assumptions changes	-	2,702	-	-	-	2,702
Experience adjustments	-	(24,987)	-	-	-	(24,987)
Benefits paid during the year	(7,844)	(12,164)	(509)	(445)	(8,353)	(12,609)
<b>Provision for long-term employee benefits at end of year</b>	<b>124,421</b>	<b>120,719</b>	<b>2,568</b>	<b>2,939</b>	<b>126,989</b>	<b>123,658</b>

The Group expect to pay Baht 18 million of long-term employee benefits during the next year (2021: Baht 9 million) (the Company only: Baht 13 million, 2021 Baht 7 million).

As at 31 December 2022, the weighted average duration of the liabilities for long-term employee benefit is 11 - 13 years (2021: 11 - 13 years) (the Company only: 11 years, 2021: 11 years).

Significant actuarial assumptions are summarised below:

	(Unit: Percent per annum)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Discount rate	1.27 - 1.69	1.27 - 1.69	1.27 - 1.67	1.27 - 1.67
Salary increase rate	2.50 - 5.00	2.50 - 5.00	2.50 - 4.63	2.50 - 4.63

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2022 and 2021 are summarised below:

	(Unit: Million Baht)			
	As at 31 December 2022			
	Consolidated		Separate	
	financial statements		financial statements	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(12)	13	(9)	9
Salary increase rate	24	(21)	19	(18)

	(Unit: Million Baht)			
	As at 31 December 2021			
	Consolidated		Separate	
	financial statements		financial statements	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(12)	14	(9)	9
Salary increase rate	21	(19)	17	(16)

## 21. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution. At present, the statutory reserve has fully been set aside.

## 22. Expenses by nature

Significant expenses classified by nature are as follows:

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	2022	2021	2022	2021
Salaries and wages and other employee benefits	1,362,210	1,226,459	906,315	844,462
Depreciation and amortisation	278,491	289,908	112,317	131,404
Raw materials and consumables used	2,096,040	1,479,311	2,752,443	2,241,421
Changes in finished goods and work in progress	424	(31,738)	(4,354)	10,165
Research and development expenses	23,520	31,656	23,520	31,656

## 23. Income tax

Income tax expenses for the years ended 31 December 2022 and 2021 are made up as follows:

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	2022	2021	2022	2021
<b>Current income tax:</b>				
Current income tax charge	104,298	60,660	88,066	57,193
Adjustment in respect of income tax of previous year	(1,725)	94	(1,725)	94
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	(2,017)	(1,939)	(4,623)	(3,196)
<b>Income tax expenses reported in profit or loss</b>	<b>100,556</b>	<b>58,815</b>	<b>81,718</b>	<b>54,091</b>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2022 and 2021 are as follows:

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	2022	2021	2022	2021
Deferred tax on				
Loss (gain) from the change in value of financial assets measured at FVOCI	12,788	(72,256)	12,720	(72,258)
Actuarial gain	-	(3,941)	-	(5,457)
Share of other comprehensive income from investments in associates	(1,101)	(1,391)	-	-
<b>Total</b>	<b>11,687</b>	<b>(77,588)</b>	<b>12,720</b>	<b>(77,715)</b>

The reconciliation between accounting profit and income tax expense is shown below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Accounting profit before tax	<u>640,525</u>	<u>457,558</u>	<u>534,523</u>	<u>394,524</u>
Applicable tax rate	0 - 20%	0 - 20%	20%	20%
Accounting profit before tax multiplied by income tax rate	126,517	90,060	106,905	78,905
Adjustment in respect of income tax of previous year	(1,725)	94	(1,725)	94
Effects of:				
Exempt income	(14,796)	(15,407)	(14,796)	(15,407)
Non-deductible expenses	1,524	3,104	1,191	2,250
Additional expense deductions allowed	(15,644)	(20,573)	(13,768)	(12,817)
Others	4,680	1,537	3,911	1,066
Total	<u>(24,236)</u>	<u>(31,339)</u>	<u>(23,462)</u>	<u>(24,908)</u>
Income tax expense reported in profit or loss	<u>100,556</u>	<u>58,815</u>	<u>81,718</u>	<u>54,091</u>

The components of deferred tax assets and deferred tax liabilities are as follows:

	(Unit: Thousand Baht)			
	Statements of financial position			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
<b>Deferred tax assets</b>				
Allowance for expected credit losses	2,073	2,227	1,002	1,086
Allowance for diminution in value of inventories	16,148	13,028	14,245	10,087
Provision for long-term employee benefits	36,387	34,866	25,398	24,732
Provision for impairment loss	200	200	5,960	5,960
Lease	389	381	389	381
Unused tax loss	612	2,966	-	-
Others	440	440	440	440
Total	<u>56,249</u>	<u>54,108</u>	<u>47,434</u>	<u>42,686</u>
<b>Deferred tax liabilities</b>				
Unrealised fair value gain on investments	154,807	167,595	155,915	168,635
Others	125	1	125	-
Total	<u>154,932</u>	<u>167,596</u>	<u>156,040</u>	<u>168,635</u>

As at 31 December 2022, a subsidiary has unused tax losses totaling Baht 20 million (2021: Baht 15 million), on which deferred tax assets have not been recognised as the subsidiary believes future taxable profits may not be sufficient to allow utilisation of the unused tax losses.

The unused tax losses amounting to Baht 23 million will expire by 2027.

## **24. Earnings per share**

Basic earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

## **25. Segment information**

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

For management purposes, the Group is organised into business units based on its products and services and have three reportable segments as follows.

- Cosmetics
- Packaging
- Others

No operating segments have been aggregated to form the above reportable operating segments.

The chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and on a basis consistent with that used to measure operating profit or loss in the financial statements.

The basis of accounting for any transactions between reportable segments is consistent with that for third party transactions.



The following tables present revenue and profit information regarding the Group' operating segments for the years ended 31 December 2022 and 2021.

	Cosmetics		Packaging		Others		Total reportable segments		Adjustments and eliminations		(Unit: Million Baht) Consolidated financial statements	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Sales	4,780	3,967	1,317	1,116	1,054	1,027	7,151	6,110	(1,191)	(1,204)	5,960	4,906
Other income	189	230	33	17	4	2	228	249	(103)	(98)	123	151
<b>Total revenue</b>	<b>4,969</b>	<b>4,197</b>	<b>1,350</b>	<b>1,133</b>	<b>1,058</b>	<b>1,029</b>	<b>7,379</b>	<b>6,359</b>	<b>(1,294)</b>	<b>(1,302)</b>	<b>6,083</b>	<b>5,057</b>
Cost of sales	(3,314)	(2,733)	(993)	(829)	(919)	(917)	(5,227)	(4,479)	1,204	1,206	(4,022)	(3,273)
Selling and distribution expenses	(200)	(170)	(30)	(35)	(10)	(8)	(240)	(213)	-	1	(240)	(212)
Administrative expenses	(806)	(766)	(82)	(74)	(115)	(106)	(1,004)	(946)	43	57	(960)	(889)
Depreciation and amortisation	(113)	(131)	(159)	(151)	(7)	(8)	(279)	(290)	-	-	(279)	(290)
<b>Total expenses</b>	<b>(4,433)</b>	<b>(3,800)</b>	<b>(1,264)</b>	<b>(1,089)</b>	<b>(1,051)</b>	<b>(1,039)</b>	<b>(6,750)</b>	<b>(5,928)</b>	<b>1,247</b>	<b>1,264</b>	<b>(5,501)</b>	<b>(4,664)</b>
<b>Operating profit</b>	<b>536</b>	<b>397</b>	<b>86</b>	<b>44</b>	<b>7</b>	<b>(10)</b>	<b>629</b>	<b>431</b>	<b>(47)</b>	<b>(38)</b>	<b>582</b>	<b>393</b>
Share of profit from investments in joint venture and associates	-	-	-	-	-	-	-	-	64	70	64	70
Finance income	1	-	-	-	-	-	1	-	-	-	1	-
Finance cost	(2)	(3)	(2)	(1)	(2)	(1)	(6)	(5)	-	-	(6)	(5)
Income tax expenses	(82)	(54)	(16)	(3)	(3)	1	(101)	(56)	-	(3)	(101)	(59)
<b>Profit for the year</b>	<b>453</b>	<b>340</b>	<b>68</b>	<b>40</b>	<b>2</b>	<b>(10)</b>	<b>523</b>	<b>370</b>	<b>17</b>	<b>29</b>	<b>540</b>	<b>399</b>

### Geographic information

Revenue from external customers is based on domestic and export sales in consolidated financial statements for the years ended 31 December 2022 and 2021 presented below.

	(Unit: Thousand Baht)	
	<u>2022</u>	<u>2021</u>
Sales		
- Domestic	3,282,653	2,574,700
- Export	<u>2,677,316</u>	<u>2,331,007</u>
Total	<u>5,959,969</u>	<u>4,905,707</u>

### Major customers

In the year 2022, the Group has revenue from 3 major customers in amount of Baht 2,658 million, arising from sales by cosmetics segments (2021: revenue from 3 major customers in amount of Baht 2,377 million, arising from sales by cosmetics segments).

## **26. Provident fund**

The Group and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Group contributes to the fund monthly at the rate of 3 percent of basic salary. The fund, which is managed by Principal Asset Management Co., Ltd. will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2022 amounting to approximately Baht 13 million (2021: Baht 13 million) (the Company only: Baht 11 million, 2021: Baht 10 million) were recognised as expenses.

## **27. Dividend**

Dividend	Approved by	Total dividend (Million Baht)	Dividend per share (Baht)
Final dividends for 2020	Annual General Meeting of the shareholders on 27 April 2021	<u>150</u>	<u>1.0</u>
Final dividends for 2021	Annual General Meeting of the shareholders on 26 April 2022	<u>180</u>	<u>1.2</u>

## **28. Commitments and contingent liabilities**

### **28.1 Capital commitments**

As at 31 December 2022, the Group has capital commitments of approximately Baht 26 million (2021: Baht 77 million) (the Company only: Baht 8 million, Baht 7 million), relating to factory construction and purchase machine.

## 28.2 Lease commitments

On 9 September 2022, the Company entered into land lease agreements for the land to be used for the location of its Bangkok office. The agreements are for a period of 25 years, from May 2023 to April 2048, totaling Baht 289 million. On the agreement date, the Company paid Baht 43 million for the land lease fee.

The Group has future lease payments required under these non-cancellable leases contracts that have not yet commenced as follows:

	(Unit: Million Baht)	
	Consolidated financial statements/ Separate financial statements	
	2022	2021
Within 1 year	2	-
Over 1 and up to 5 years	37	-
Over 5 years	250	-
Total	289	-

## 28.3 Guarantees

The Group has outstanding bank guarantees as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Bank guarantee for:				
Electricity use guarantees	16.2	15.8	7.5	7.1
Tax refund guarantees	3.9	6.5	3.9	6.5
Other guarantees	3.2	3.1	3.2	3.1

The guarantees in respect of certain performance bonds as required in the normal course of business.

## 29. Fair value hierarchy

As at 31 December 2022 and 2021, the Group had the assets and liabilities that were measured and disclosed at fair value, as follows:

(Unit: Thousand Baht)				
Consolidated financial statements				
As at 31 December 2022				
	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value</b>				
Financial assets measured at FVOCI				
Equity instruments	1,005,804	-	227,518	1,233,322
Derivatives				
Foreign currency forward contracts	-	626	-	626
<b>Liabilities measured at fair value</b>				
Derivatives				
Foreign currency forward contracts	-	175	-	175
<b>Assets for which fair value are disclosed</b>				
Investment properties	-	166,978	66,399	233,377

(Unit: Thousand Baht)				
Consolidated financial statements				
As at 31 December 2021				
	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value</b>				
Financial assets measured at FVOCI				
Equity instruments	1,131,727	-	165,538	1,297,265
Derivatives				
Foreign currency forward contracts	-	7	-	7
<b>Liabilities measured at fair value</b>				
Derivatives				
Foreign currency forward contracts	-	2	-	2
<b>Assets for which fair value are disclosed</b>				
Investment properties	-	33,878	156,001	189,879

	(Unit: Thousand Baht)			
	Separate financial statements			
	As at 31 December 2022			
	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value</b>				
Financial assets measured at FVOCI				
Equity instruments	1,005,804	-	224,479	1,230,283
Derivatives				
Foreign currency forward contracts	-	626	-	626
<b>Assets for which fair value are disclosed</b>				
Investment properties	-	166,898	66,399	233,297

	(Unit: Thousand Baht)			
	Separate financial statements			
	As at 31 December 2021			
	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value</b>				
Financial assets measured at FVOCI				
Equity instruments	1,131,727	-	162,159	1,293,886
<b>Liabilities measured at fair value</b>				
Derivatives				
Foreign currency forward contracts	-	2	-	2
<b>Assets for which fair value are disclosed</b>				
Investment properties	-	33,758	156,001	189,759

### 30. Financial instruments

#### 30.1 Derivatives

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
<b>Derivative assets</b>				
Derivative assets not designated as hedging instruments				
Foreign exchange forward contracts	626	7	626	-
<b>Total derivative assets</b>	<u>626</u>	<u>7</u>	<u>626</u>	<u>-</u>
<b>Derivative liabilities</b>				
Derivatives liabilities not designated as hedging instruments				
Foreign exchange forward contracts	175	2	-	2
<b>Total derivative liabilities</b>	<u>175</u>	<u>2</u>	<u>-</u>	<u>2</u>

### **Derivatives not designated as hedging instruments**

The Group uses foreign exchange forward contracts to manage some of its transaction exposures. The contracts are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally from 6 to 12 months.

## **30.2 Financial risk management objectives and policies**

The Group's financial instruments principally comprise cash and cash equivalents, trade and other receivables, loans to subsidiary, investments, and short-term loans from banks. The financial risks associated with these financial instruments and how they are managed is described below.

### **Credit risk**

The Group is exposed to credit risk primarily with respect to trade accounts receivable, borrowing, deposits with banks and financial institutions and other financial instruments. Except for derivatives, the maximum exposure to credit risk is limited to the carrying amounts as stated in the statement of financial position. The Group's maximum exposure relating to derivatives is noted in the liquidity risk topic.

### ***Trade receivables***

The Group manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. Outstanding trade receivables are regularly monitored. In addition, the Group does not have high concentrations of credit risk since it has a large and various customer.

An impairment analysis is performed at each reporting date to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar credit risks. The Group classifies customer segments by geography and customer type. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

## ***Financial instruments and cash***

The Group manages the credit risk from balances with banks and financial institutions by making investments only with approved counterparties and within credit limits assigned to each counterparty. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.

The credit risk on derivatives is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

## **Market risk**

There are two types of market risk comprising foreign currency risk and interest rate risk. The Group enters into derivatives to manage its risk exposure for foreign exchange forward contracts to hedge the foreign currency risk arising on the export or import of goods.

## ***Foreign currency risk***

The Group's exposure to the foreign currency risk relates primarily to its trading transactions that are denominated in foreign currencies. The Group seeks to reduce this risk by entering into foreign exchange forward contracts when it considers appropriate. Generally, the forward contracts mature within one year.

As at 31 December 2022 and 2021, the balances of financial assets and liabilities denominated in foreign currencies are summarised below.

Foreign currency	Financial assets		Financial liabilities		Average exchange rate	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
<u>The Company</u>						
USD	6.30	6.20	0.66	1.08	34.56	33.42
GBP	2.33	3.06	0.07	0.38	41.66	45.10
JPY	63.08	47.43	23.43	5.29	0.26	0.29
Euro	0.15	0.81	0.31	0.99	36.83	37.89
<u>The subsidiaries</u>						
USD	0.25	0.59	0.21	0.23	34.56	33.42
GBP	-	0.01	-	0.02	41.66	45.10
Euro	0.06	0.49	0.20	0.05	36.83	37.89
CNY	0.39	0.51	0.89	0.50	4.97	5.25
CHF	0.20	-	-	-	37.43	-

### Foreign currency sensitivity

The following tables demonstrate the sensitivity of the Group's profit before tax to a reasonably possible change in USD GBP JPY and Euro exchange rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives as at 31 December 2022 and 2021. The Group's exposure to foreign currency changes for all other currencies is not material.

Currency	2022		2021	
	Change in	Effect on profit	Change in	Effect on profit
	FX rate	before tax	FX rate	before tax
	(%)	(Thousand Baht)	(%)	(Thousand Baht)
USD	+10	27,201	+10	27,655
	- 10	(27,201)	- 10	(27,655)
GBP	+10	11,471	+10	15,639
	- 10	(11,471)	- 10	(15,639)
Euro	+10	2,851	+10	8,962
	- 10	(2,851)	- 10	(8,962)
JPY	+10	4,342	+10	1,517
	- 10	(4,342)	- 10	(1,517)

This information is not a forecast or prediction of future market conditions and should be used with care.



### Interest rate risk

The Group's exposure to low interest rate risk. Most of the Group's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

As at 31 December 2022 and 2021, significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

Consolidated financial statements											(Unit: Thousand Baht)
Fixed interest rates											
Within 1 year		Over 1 and up to 2 years		Floating interest rate		Non-interest bearing		Total		Effective interest rate	
2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Financial assets											
Cash and cash equivalents		-	-	-	916,054	623,556	1,323	623	917,377	624,179	0.05 - 0.63
Trade and other receivables		-	-	-	-	-	1,079,790	955,510	1,079,790	955,510	-
Other current financial assets		10,503	8,500	-	-	-	626	7	11,129	8,507	0.75 - 1.40
Other non-current financial assets		-	-	1,000	1,500	-	1,233,322	1,297,265	1,234,322	1,298,765	1.35
		10,503	8,500	1,000	1,500	916,054	623,556	2,315,061	3,242,618	2,886,961	1.40
Financial liabilities											
Bank overdrafts and short-term loans											
from financial institution		192,915	205,559	-	-	25,781	-	-	218,696	205,559	1.43 - 6.65
Trade and other payables		-	-	-	-	-	-	739,622	651,564	739,622	-
		192,915	205,559	-	-	25,781	-	739,622	651,564	958,318	0.88 - 2.53



### Interest rate sensitivity

The change in interest rate is no significant impact on the Group's profit before tax.

### Liquidity risk

The Group monitors the risk of a shortage of liquidity through the use of bank overdrafts and loans from financial institutions and lease contracts. The Group has assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Group has access to a sufficient variety of sources of funding. In addition, the Group's management considered that the Group has sufficient net working capital as compared with the expected cash flow will be paid in near future.

The table below summarises the maturity profile of the Group's non-derivative financial liabilities and derivative financial instruments as at 31 December 2022 and 2021 based on contractual undiscounted cash flows:

	(Unit: Thousand Baht)				
	Consolidated financial statements				
	As at 31 December 2022				
	On demand	Less than 1 year	1 to 5 years	Over 5 years	Total
<b>Non-derivatives</b>					
Bank overdraft and short-term loans					
from financial institutions	-	222,937	-	-	222,937
Trade and other payables	-	739,622	-	-	739,622
Lease liabilities	-	29,085	29,649	-	58,734
<b>Total non-derivatives</b>	-	991,644	29,649	-	1,021,293
<b>Derivatives</b>					
Derivative liabilities: gross settled					
Cash inflows	-	-	-	-	-
Cash outflows	-	175	-	-	175
<b>Total derivatives</b>	-	175	-	-	175

(Unit: Thousand Baht)

## Consolidated financial statements

As at 31 December 2021

	On demand	Less than 1 year	1 to 5 years	Over 5 years	Total
<b>Non-derivatives</b>					
Bank overdraft and short-term loans					
from financial institutions	-	207,054	-	-	207,054
Trade and other payables	-	651,564	-	-	651,564
Lease liabilities	-	36,740	47,782	-	84,522
<b>Total non-derivatives</b>	-	895,358	47,782	-	943,140
<b>Derivatives</b>					
Derivative liabilities: gross settled					
Cash inflows	-	(845)	-	-	(845)
Cash outflows	-	847	-	-	847
<b>Total derivatives</b>	-	2	-	-	2

(Unit: Thousand Baht)

## Separate financial statements

As at 31 December 2022

	On demand	Less than 1 year	1 to 5 years	Over 5 years	Total
<b>Non-derivatives</b>					
Trade and other payables	-	681,286	-	-	681,286
Lease liabilities	-	25,374	26,661	-	52,035
<b>Total non-derivatives</b>	-	706,660	26,661	-	733,321

(Unit: Thousand Baht)

## Separate financial statements

As at 31 December 2021

	On demand	Less than 1 year	1 to 5 years	Over 5 years	Total
<b>Non-derivatives</b>					
Trade and other payables	-	597,476	-	-	597,476
Lease liabilities	-	31,873	47,720	-	79,593
<b>Total non-derivatives</b>	-	629,349	47,720	-	677,069
<b>Derivatives</b>					
Derivative liabilities: gross settled					
Cash inflows	-	(845)	-	-	(845)
Cash outflows	-	847	-	-	847
<b>Total derivatives</b>	-	2	-	-	2

### 30.3 Fair values of financial instruments

Since the majority of the Group's financial instruments are short-term in nature or carrying interest at rates close to the market interest rates, their fair value is not expected to be materially different from the amounts presented in the statement of financial position.

During the current year, there were no transfers within the fair value hierarchy.

### 30.4 Reconciliation of recurring fair value measurements, of financial assets categorised within Level 3 of the fair value hierarchy

(Unit: Thousand Baht)

	Non-listed equity instruments	
	Consolidated financial statements	Separate financial statements
<b>Balance as of 1 January 2021</b>	168,253	164,868
Net loss recognised into other comprehensive income	(2,715)	(2,709)
<b>Balance as of 31 December 2021</b>	165,538	162,159
Disposed during the year	(435)	(435)
Net loss recognised into other comprehensive income	62,415	62,755
<b>Balance as of 31 December 2022</b>	227,518	224,479

Key assumptions used in the valuation are summarised below.

Financial instruments	Valuation technique	Significant unobservable inputs	Rates	Sensitivity of the input to fair value
Non-listed equity instruments	Discounted future cash flow, dividend discount and other methods	Discount rate	7.7% - 11.5% (2021: 4.7% - 8.9%)	1% (2021: 1%) increase (decrease) in discount rate would result in Baht 5 million decrease in fair value (increase in Baht 7 million) (2021: Baht 9 million decrease in fair value (increase in Baht 7 million))

### 31. Capital management

The primary objective of the Group's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value.

As at 31 December 2022, the Group's debt-to-equity ratio was 0.3:1 (2021: 0.3:1) and the Company only was 0.3:1 (2021: 0.3:1).

### **32. Events after the reporting period**

On 23 February 2023, the Company's Board of Directors passed a resolution to propose to the Annual General Meeting of shareholders to be held in April 2023 to pay a dividend of Baht 1.70 per share, or a total of Baht 254.88 million to shareholders in respect of the year 2022 profit and retained earnings. The dividend will be paid and recorded after it is approved by the Annual General Meeting of the Company's shareholders.

### **33. Approval of financial statements**

These financial statements were authorised for issue by the Company's Board of Directors on 23 February 2023.

# ATTACHMENTS

# Attachment 1

## Information of Directors and Executives

### 1. Mr.Boonkiet Chokwatana

75 years old

**Position :**

- Chairman
- Authorized Director
- Chairman of the Nominating Committee
- Chairman of the Remuneration Committee

**Appointment Date :**

April 22, 1980

**Education :**

- Honorary Doctorate Degree in Business Faculty of Management and Information Sciences, Naresuan University.
- Honorary Doctorate Degree in Business Administration (Management), Sripatum University.
- Honorary Doctorate Degree in Business Administration College of Commerce, Burapha University
- B.S.Engineering, Worcester Polytechnic Institute, Massachusetts, U.S.A.

**Training by the Thai Institute of Directors Association (IOD) :**

- Director Accreditation Program (DAP) 3/2003
- Director Certification Program (DCP) 41/2004

**5-Year Past Experiences :**

**Other Listed Company:**

2016-present	Chairman	I.C.C. International PCL.
2015-2016	Executive Chairman	
1995-2014	President, Executive Chairman	
1991-present	Chairman	People's Garment PCL.
2011-present	Chairman	PAN Asia Footwear PCL.
1986-present	Director	Saha Pathana Inter Holding PCL.
1996-2021	Director, Nominating and Remuneration Director	Sahacogen (Chonburi) PCL.

**Other Non-listed Company** 53 companies

**Competitive Business related to**

**Company's Business** - None -

**% Shareholding** 8.69%

**Family Relationship among Directors and Executives:**

Mrs.Tipaporn Chokwatana's spouse

**Any position in other business or other organizations in the previous year which has an impact the time devoted significant :**

- None -

### 2. Mrs.Tipaporn Chokwatana

76 years old

**Position :**

- Vice Chairman
- Authorized Director

**Appointment Date :**

April 24,1995

**Education :**

- BA.- Ramakhamhaeng University
- Secretary - Pitman London

**Training by the Thai Institute of Directors Association (IOD) :**

- Director Accreditation Program (DAP) 3/2003
- Director Certification Program (DCP) 68/2005

**5-Year Past Experiences :**

**Other Listed Company:**

2010-present Director O.C.C. PCL.

**Other Non-listed Company** 23 companies

**Competitive Business related to**

**Company's Business** 1 From 23 companies

1974-present Chairman International Laboratories Crop., Ltd

**% Shareholding** 8.69%

**Family Relationship among Directors and Executives:**

Mr.Boonkiet Chokwatana's spouse

**Any position in other business or other organizations in the previous year which has an impact the time devoted significant :**

- None -

### 3. Mr.Thirasak Vikitset

71 years old

**Position :**

- Managing Director
- Authorized Director
- Chairman of the Executive Board
- Nominating Director
- Remuneration Director

**Appointment Date :**

April 30, 1985

**Education :**

- MBA, Clark University, Worcester, Massachusetts, U.S.A.
- B.D. Engineering, Worcester Polytechnic Institute, Massachusetts, U.S.A.

**Training by the Thai Institute of Directors Association (IOD) :**

- Director Accreditation Program (DAP) 3/2003
- Director Certification Program (DCP) 68/2005



#### 5-Year Past Experiences :

##### Other Listed Company:

1996-present Director Sahacogen (Chonburi) PCL.

Competitive Business related to 15 companies

Competitive Business related to - None -

##### Company's Business

% Shareholding 1.79%

#### Family Relationship among Directors and Executives:

Mrs.Chitraporn Vikitset's spouse

Any position in other business or other organizations in the previous year which has an impact the time devoted significant :

- None -

#### 4. Dr.Atthakorn Glankwamdee

74 years old

##### Position :

- Deputy Managing Director
- Authorized Director
- Nominating Director

##### Appointment Date :

April 22, 1991

##### Education :

- Ph.D. University of Illinois@Urbana U.S.A.

#### Training by the Thai Institute of Directors Association (IOD) :

- Director Accreditation Program (DAP) 3/2003
- Director Certification Program (DCP) 68/2005

#### 5-Year Past Experiences :

##### Other Listed Company:

1996-2021 Director Sahacogen(Chonburi) PCL.

Other Non-listed Company 6 companies

Competitive Business related to - None -

##### Company's Business

% Shareholding 0.31%

#### Family Relationship among Directors and Executives:

- None -

Any position in other business or other organizations in the previous year which has an impact the time devoted significant :

- None -

#### 5. Mrs.Kaewta Ongsaranakom

66 years old

##### Position :

- Director
- Authorized Director
- Executive Director
- Nominating Director
- Remuneration Director
- Corporate Governance Director

#### Appointment Date :

June 22, 1987

##### Education :

- Bachelor of Political science, Thammasat University

#### Training by the Thai Institute of Directors Association (IOD) :

- Director Certification Program (DCP) 27/2003
- Role of the Compensation Committee (RCC)10/2010

#### 5-Year Past Experiences :

Other Listed Company: - None -

Other Non-listed Company 9 companies

Competitive Business related to 1 From 9 companies

##### Company's Business

2008-present Directors International Laboratories  
Crop., Ltd

% Shareholding 0.68%

#### Family Relationship among Directors and Executives:

- None -

Any position in other business or other organizations in the previous year which has an impact the time devoted significant :

- None -

#### 6. Prof.Dr.Malyn Ungsurungsie

72 years old

##### Position :

- Director
- Authorized Director
- Chairman of CSR Committee
- Executive Director

##### Appointment Date :

April 26, 2004

##### Education :

- Doctor of Philosophy (Microbiology)From Mahidol University
- B.Sc. In Pharm From Chulalongkorn University
- Certificate in Management of Higher Education from Galilee College, Israel and Harvard University Extension School, U.S.A.

#### Training by the Thai Institute of Directors Association (IOD) :

- Director Accreditation Program (DAP) 17/2004

#### 5-Year Past Experiences :

Other Listed Company: - None -

Other Non-listed Company 3 companies

Competitive Business related to - None -

##### Company's Business

% Shareholding 0.12%

#### Family Relationship among Directors and Executives:

- None -

Any position in other business or other organizations in the previous year which has an impact the time devoted significant :

- None -

#### 7. Mrs.Chitraporn Vikitset

71 years old

Position :

- Director
- Authorized Director
- Executive Director
- Nominating Director

Appointment Date :

April 23, 2007

Education :

- Master of Early Childhood Education From Worcester College, U.S.A.

Training by the Thai Institute of Directors Association (IOD) :

- Director Accreditation Program (DAP) 66/2007

5-Year Past Experiences :

Other Listed Company: - None -

Other Non-listed Company 5 companies

Competitive Business related to - None -

Company's Business

% Shareholding 1.79%

Family Relationship among Directors and Executives:

Mr.Thirasak Vikitset's spouse

Any position in other business or other organizations in the previous year which has an impact the time devoted significant :

- None -

#### 8. Mrs.Teerada Ambhanwong

52 years old

Position :

- Director
- Authorized Director

Appointment Date :

April 26, 1998

Education :

- Master of Marketing, Sasin Graduate Institute of Business Administration, Chulalongkorn University

Training by the Thai Institute of Directors Association (IOD) :

- Director Accreditation Program (DAP) 3/2003
- Director Certification Program (DCP) 51/2004

5-Year Past Experiences :

Other Listed Company:

2008-present Managing Director O.C.C. PCL.

1999-present Director People's Garment PCL.

1999-present Director Sun Vending Technology PCL.

Other Non-listed Company 10 companies

Competitive Business related to 1 From 10 companies

Company's Business

1974-present Director International Laboratories Crop., Ltd

% Shareholding 0.58%

Family Relationship among Directors and Executives:

- None -

Any position in other business or other organizations in the previous year which has an impact the time devoted significant :

- None -

#### 9. Mr.Suthep Dansiriviroj

74 years old

Position :

- Director
- Authorized Director

Appointment Date :

April 22, 2014

Education :

- Bachelor of Accountancy (Honors), Thammasat University

Training by the Thai Institute of Directors Association (IOD) :

- Risk Management Program (RMP) 5/2014
- Director Accreditation Program (DAP) 32/2005
- Director Certification Program (DCP) 60/2005

5-Year Past Experiences :

Other Listed Company:

2022-present Independent Director NL Development PCL.  
and Chairman of the  
Audit Committee

2013-2021 Director, Executive Sahacogen(Chonburi) PCL.  
Director and  
Chairman of the Risk  
Management  
Committee

Other Non-listed Company 2 companies

Competitive Business related to - None -

Company's Business

% Shareholding - None -

Family Relationship among Directors and Executives:

- None -

Any position in other business or other organizations in the previous year which has an impact the time devoted significant :

- None -

#### 10. Admiral Apichart Pengsritong

73 years old

Position :

- Independent Director
- CSR Director

Appointment Date :

November 12, 2009

Education :

- Bachelor of Engineering in Electrical Engineering, Royal Thai Naval Academy

**Training by the Thai Institute of Directors Association (IOD) :**

- Risk Management Program for Corporate Leaders (RCL) 4/2016
- Director Accreditation Program (DAP) 82/2010

**5-Year Past Experiences :****Other Listed Company:**

present	Chairman, Chairman of	JKN Global Media PCL.
	Audit Committee and	
	Independent Director	
present	Chairman and	T.A.C. Consumer PCL.
	Independent Director	
present	Chairman, and	Muangthai Capital PCL.
	Independent Director	

Other Non-listed Company - None -

Competitive Business related to - None -

Company's Business

% Shareholding 0.06%

**Family Relationship among Directors and Executives:**

- None -

Any position in other business or other organizations in the previous year which has an impact the time devoted significant :

- None -

**11. Mrs.Pismai Chandrubeksa**

74 years old

**Position :**

- Independent Director
- Remuneration Director

**Appointment Date :**

April 28, 2009

**Education :**

- Cambridgeshire College of Arts & Technology, Catering Diploma  
England Cambridge, Hotel & Restaurant Management

**Training by the Thai Institute of Directors Association (IOD) :**

- Director Accreditation Program (DAP) 82/2010

**5-Year Past Experiences :**

Other Listed Company: - None -

Other Non-listed Company - None -

Competitive Business related to - None -

Company's Business

% Shareholding 0.06%

**Family Relationship among Directors and Executives:**

- None -

Any position in other business or other organizations in the previous year which has an impact the time devoted significant :

- None -

**12. Mr.Amorn Asvanunt**

74 years old

**Position :**

- Independent Director
- Chairman of Audit Committee

**Appointment Date :**

April 24, 2017

**Education :**

- Master of MBA, Bowling Green State University, Ohio, U.S.A.
- Bachelor of .Accountancy, Chulalongkorn University

**Training by the Thai Institute of Directors Association (IOD) :**

- Director Accreditation Program (DAP) 4/2003

**5-Year Past Experiences :****Other Listed Company:**

2002-present	Independent Director	Far East Fame Line DDB PCL.
	and Audit Committee	
2005-present	Independent Director,	Krungdhep Sophon PCL.
	Chairman of Nominating	
	and Remuneration	
	Committee, and Risk	
	Management Director	
1999-2022	Independent Director,	I.C.C. International PCL.
	Audit Committee	
	Director, and Chairman	
	of Risk Management	
	Committee	
2002-2021	Independent Director,	Sahacogen (Chonburi) PCL.
	and Audit Committee	
	Director	
2002-2017	Independent Director	People's Garment PCL.
	and Chairman of Audit	
	Committee	

Other Non-listed Company 1 company

Competitive Business related to - None -

Company's Business

% Shareholding - None -

**Family Relationship among Directors and Executives:**

- None -

Any position in other business or other organizations in the previous year which has an impact the time devoted significant :

- None -

**13. Mrs.Pradiitha Chongwattana**

73 years old

**Position :**

- Independent Director
- Audit Committee Director

**Appointment Date :**

April 28, 2002

**Education :**

- Bachelor of Faculty of Law, Thammasat University
- MINI MBA, Thammasat University

**Training by the Thai Institute of Directors Association (IOD) :**

- Director Accreditation Program (DAP) 5/2011
- Management Construction (6months), Chulalongkorn University

#### 5-Year Past Experiences :

Other Listed Company: - None -  
Other Non-listed Company 2 companies  
Competitive Business related to - None -  
Company's Business  
% Shareholding 0.11%

#### Family Relationship among Directors and Executives:

- None -

Any position in other business or other organizations in the previous year which has an impact the time devoted significant :

- None -

#### 14. Pol.Gen.Somchai Prabhasabhakdi

80 years old

#### Position :

- Independent Directors
- Chairman of Corporate Governance committee
- Audit Committee Director

#### Appointment Date :

April 28, 2015

#### Education :

- Master of Public Administration (M.P.A.), National Institution of Development Administration.
- Branches of public administration, Royal Police Cadet Academy.

#### Training by the Thai Institute of Directors Association (IOD) :

- Director Accreditation Program (DAP) 25/2004
- Director Certification Program (DCP) 51/2004
- Role of Chairman Program (RCP) 12/2005
- Audit Committee Program 2/2004

#### 5-Year Past Experiences :

#### Other Listed Company:

2005-2021 Independent Director, Sahacogen (Chonburi) PCL.  
and Audit Committee  
Director

Other Non-listed Company - None -  
Competitive Business related to - None -  
Company's Business  
% Shareholding - None -

#### Family Relationship among Directors and Executives:

- None -

Any position in other business or other organizations in the previous year which has an impact the time devoted significant :

- None -

#### 15. Assist.Prof.Dr.Pongchai Athikomrattanakul

51 years old

#### Position :

- Independent Directors
- Chairman of the Risk Management committee
- Audit Committee Director

#### Appointment Date :

April 23, 2018

#### Education :

- Ph.D. in Industrial Engineering, Iowa State University, USA.
- MS. In Industrial Engineering, Iowa State University, U.S.A.

#### Training by the Thai Institute of Directors Association (IOD) :

- Director Accreditation Program (DAP) 162/2019
- Director Certification Program (DCP) 283/2019

#### 5-Year Past Experiences :

#### Other Listed Company:

2005-present Independent Director, Krungdhep Sophon PCL.  
and Chairman of Risk  
Management Committee

Other Non-listed Company - None -  
Competitive Business related to - None -  
Company's Business

% Shareholding - None -

#### Family Relationship among Directors and Executives:

- None -

Any position in other business or other organizations in the previous year which has an impact the time devoted significant :

- None -

#### 16. Mr.Bo Nystrup Nielsen

52 years old

#### Position :

- Strategy and Corporate Development Division Manager

#### Education :

- Master of Economic Institute University of Aarhus, Institute of Management.
- Bachelor of Senior Executive Program, London Business School.

#### 5-Year Past Experiences :

Other Listed Company: - None -

Other Non-listed Company 6 companies

Competitive Business related to - None -

Company's Business

% Shareholding - None -

#### Family Relationship among Directors and Executives: - None -

#### 17. Mr.Simon Rhoderick Knight

68 years old

#### Position :

- Overseas Business Division Manager

#### Education :

- Bachelor of Economics & Mathematics Sheffield University

#### 5-Year Past Experiences :

Other Listed Company: - None -

Competitive Business related to 5 companies

Competitive Business related to - None -

Company's Business

**% Shareholding** 0.08%

**Family Relationship among Directors and Executives:** - None -

#### 18. Mrs.Thongsuk Upathambhakul

63 years old

##### Position :

- Executive Director
- Risk Management Director
- Domestic Business Division Manager

##### Education :

- Bachelor of Economics, Thammasat University

##### 5-Year Past Experiences :

Other Listed Company: - None -

Other Non-listed Company 2 companies

Competitive Business related to Company's Business - None -

**% Shareholding** 0.09%

**Family Relationship among Directors and Executives:** - None -

#### 19. Mr.Praj Srichandra

44 years old

##### Position :

- Executive Director
- Risk Management Director
- Factory Division Manager

##### Education :

- Master of Environmental and Natural Resources Management Economics, Faculty of Economics, International Program, Chulalongkorn University
- Bachelor of Major Industrial Engineering, Sirindhorn International Institute of Technology

##### 5-Year Past Experiences :

Other Listed Company: - None -

Other Non-listed Company 1 company

Competitive Business related to Company's Business - None -

**% Shareholding** - None -

**Family Relationship among Directors and Executives:** - None -

#### 20. Mr.Varith Tritrapun

78 years old

##### Position :

- Office Division Assistant Manager (Accounting & Finance)
- Chief Financial Office (CFO)

##### Education :

- Master of Managerial Economic, University of Wisconsin, USA.

##### 5-Year Past Experiences :

Other Listed Company: - None -

Other Non-listed Company 3 companies

Competitive Business related to Company's Business - None -

**% Shareholding** 0.16%

**Family Relationship among Directors and Executives:** - None -

#### 21. Mrs.Patchara Pongwichan

63 years old

##### Position :

- Executive Director
- Corporate Governance Director
- Human Resource Division Assistant Manager

##### Education :

- Bachelor of Liberal Arts, Thammasat University

##### 5-Year Past Experiences :

Other Listed Company: - None -

Other Non-listed Company 1 company

Competitive Business related to Company's Business - None -

**% Shareholding** 0.08%

**Family Relationship among Directors and Executives:** - None -

#### 22. Mrs.Darane Ajjaneeyakul

55 years old

##### Position :

- Executive Director
- Risk Management Director
- Technical Division Assistant Manager

##### Education :

- Master of Science, Mahidol University

##### 5-Year Past Experiences :

Other Listed Company: - None -

Other Non-listed Company - None -

Competitive Business related to Company's Business - None -

**% Shareholding** 0.05%

**Family Relationship among Directors and Executives:** - None -

#### 23. Dr.Arucha Budsakornbhinanda

44 years old

##### Position :

- Automation and Digital Technology Division Assistant Manager

##### Education :

- Doktor der Ingenieurwissenschaften Pn.D.in Engineering (Dr. Ing.) Mechatronics University of Erlangen Nuremberg Erlangen. Germany

##### 5-Year Past Experiences :

Other Listed Company: - None -

Other Non-listed Company - None -

Competitive Business related to Company's Business - None -

**% Shareholding** 0.01%

**Family Relationship among Directors and Executives:** - None -

## Information of Company Secretary

### Mr.Sumit Khopaiboon

55 years old

#### Position :

- Company Secretary
- Accounting and Finance Section Manager
- Executive Director
- Corporate Governance Director

#### Appointment Date :

February 24, 2016

#### Education :

- Bachelor of Administration (Accounting), Ramkhamhaeng University

#### Training by the Thai Institute of Directors Association (IOD) :

- Company Secretary Program 83/2017

#### Training Course :

- Succession Plan Management System
- Personal Data Protection Act. B.E. 019 for Executives (PDPA)
- Business and human rights courses and guidelines for filling out human rights information in Form 56-1 One Report – SEC.
- Road to Certify CAC 4/2021 – IOD

#### 5-Year Past Experiences :

Other Listed Company: - None -

Other Non-listed Company - None -

Competitive Business related to - None -

Company's Business

% Shareholding - None -

#### Family Relationship among Directors and Executives:

- None -

#### Any position in other business or other organizations in the previous year which has an impact the time devoted significant :

- None -

#### The Company Secretary was assigned the following responsibilities:

Company Secretary having the duties and responsibilities as specified in The company directors, Securities and Exchange Act (no. 4) B.E. 2551, together with other duties assigned by The Board of Directors.

1. To provide preliminary advice to the company directors on laws, regulations and articles of the company, and to monitor properly 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 the shareholders' meeting and the Board of Directors' meeting in accordance with laws, company articles and code of conduct.
4. To record minutes of the shareholders' meeting and The Board of Directors' meeting as well as to monitor compliance with their resolutions of the shareholders' meeting and the Board of Directors' meeting.
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 keep the following documents:
  - Company directors' register
  - Notice of the Board of Directors' meeting/minutes of the Board of Directors' meeting
  - Notice of the shareholders' meeting/minutes of shareholders' meeting
  - Annual Registration Statement (Form 56-1) and Annual Report (Form 56-2)
7. To keep hold reports of interests of Directors or Executives, as well as sent copies to the President and Chairman of the Audit Committee within 7 days from the day of receiving the report.
8. To organize orientations with guidelines to newly appointed board members.
9. To communicate with general shareholders to ensure that they have complete and continual knowledge of their rights including the Company's news and information.
10. To undertake other responsibilities as regulated by SEC and others as assigned by the Company.

## Information of Chief Financial Officer (CFO)

Criteria of the Company's Chief Financial Officer according to the regulations of the Securities and Exchange Commission (SEC) defines is Mr.Varith Tritrapun, Office Division Assistant Manager (Accounting & Finance), who is an account and finance administrator of the company with qualifications as follow :

### Mr.Varith Tritrapun

#### Position :

Office Division Assistant Manager (Accounting & Finance)

#### Education :

Master of Managerial Economic, University of Wisconsin, USA.

#### Training Course :

CFO Refresher Course: The Stock Exchange of Thailand

#### 5-Year Past Experiences :

Other Listed Company - None -

Other Non-Listed Company 3 Companies

Competitive Business related to Company's Business - None -

% Shareholding : 0.16%

Family Relationship among Directors and Executives : - None -

Any position in other business or other organizations in the previous year which has an impact the time devoted significant :

- None -

## Information of Chief Accountant

The company's bookkeeper under the accounting Act AD 2000 is Mr. Sumit Khopaiboon, Accounting and Finance Section Manager, who supervised the preparation of the financial statements and the disclosure of information of a company to be complete and accurate with qualifications of the bookkeeper as follow :

### Mr.Sumit Khopaiboon

#### Position :

Accounting and Finance Section Manager

#### Education :

Bachelor of Faculty of Business Administration (Accounting),  
Ramkhamhaeng University

#### Training Course :

- 2023 TFRS
- Electronic tax for the whole system in 2022
- Financial Statement Analysis for future : NYC Management

#### 5-Year Past Experiences :

Other Listed Company - None -

Other Non-Listed Company - None -

Competitive Business related to Company's Business - None -

% Shareholding : - None -

Family Relationship among Directors and Executives :

- None -

Any position in other business or other organizations in the previous year which has an impact the time devoted significant :

- None -

## Attachment 2

### Detail of the Directors of Subsidiaries, Associate, and Related Companies

Name	Company	1	2	3*	4	5	6	7	8	9**	10	11	12	13
Mr.Boonkiet Chokwatana	xxx	xxx	xxx	/	xx			xx					/	
Mrs.Tipaporn Chokwatana	xx				xx	/								
Mr.Thirasak Vikitset	/	/	/	xxx	xxx	xxx	xxx	xxx			xx	/	xx	/
Dr.Atthakorn Glankwamdee	/	/												
Mrs.Kaewta Ongsaranakom	/		/											
Prof.Dr.Malyn Ungsurungsie	/				/								/	
Mrs.Chitraporn Vikitset	/	/	/								/			
Admiral Apichart Pengsritong	/													
Mrs.Pismai Chandrubeksa	/													
Mrs.Teerada Ambhanwong	/													
Mr.Amorn Asvanunt	/													
Mrs.Pradittha Chongwattana	/													
Pol.Gen.Somchai Prabhasabhakdi	/													
Assist.Prof.Dr.Pongchai Athikomrattanakul	/													
Mr.BO Nystrup Nielsen					xx	xx	xx	xx	xx		/			
Mr.Simon Rhoderick Knight				/	/	/	/	/	/					
Mrs.Thongsuk Upathambhakul		/												
Mr.Praj Srichandra			/											
Mr.Varith Tritrapun														
Mrs.Patchara Pongwichan		/												
Mrs.Daranee Ajjaneeeyakul														
Dr.Arucha Budsakornbhinanda														

xxx = Chairman xx = Vice Chairman / = Director



## Detail of the Directors of Subsidiaries, Associate, and Related Companies

Name	14	15	16	17	18	19	20	21	22	23	24	25	26	27
Mr.Boonkiet Chokwatana	xxx	xxx	/		xxx	xxx		/	xxx				xxx	
Mrs.Tipaporn Chokwatana	/		/	xxx				xxx	/	xxx				
Mr.Thirasak Vikitset							/		/					/
Dr.Atthakorn Glankwamdee														
Mrs.Kaewta Ongsaranakom	/		/	/				/						
Prof.Dr.Malyn Ungsurungsie											/			
Mrs.Chitraporn Vikitset				/										
Admiral Apichart Pengsritong														
Mrs.Pismai Chandrubeksa														
Mrs.Teerada Ambhanwong			/											
Mr.Amorn Asvanunt												/	/	
Mrs.Pradittha Chongwattana				/				/						
Pol.Gen.Somchai Prabhasabhakdi														
Assist.Prof.Dr.Pongchai Athikomrattanakul														
Mr.BO Nystrup Nielsen														
Mr.Simon Rhoderick Knight														
Mrs.Thongsuk Upathambhakul														
Mr.Praj Srichandra														
Mr.Varith Tritrapun														
Mrs.Patchara Pongwichan														
Mrs.Daranee Ajjaneeeyakul														
Dr.Arucha Budsakornbhinanda														

xxx = Chairman xx = Vice Chairman / = Director

## Detail of the Directors of Subsidiaries, Associate, and Related Companies

Name	28	29	30	31	32	33	34	35	36	37	38	39
Mr.Boonkiet Chokwatana	/	xxx		xxx		/	xxx	xxx			/	/
Mrs.Tipaporn Chokwatana			/	/	xxx		/	xx				
Mr.Thirasak Vikitset									/			
Dr.Atthakorn Glankwamdee										/		
Mrs.Kaewta Ongsaranakom					/		/	/				
Prof.Dr.Malyn Ungsurungsie												
Mrs.Chitraporn Vikitset												
Admiral Apichart Pengsritong												
Mrs.Pismai Chandrubeksa												
Mrs.Teerada Ambhanwong		/	/		/							
Mr.Amorn Asvanunt												
Mrs.Pradittha Chongwattana												
Pol.Gen.Somchai Prabhasabhakdi												
Assist.Prof.Dr.Pongchai Athikomrattanakul												
Mr.BO Nystrup Nielsen												
Mr.Simon Rhoderick Knight												
Mrs.Thongsuk Upathambhakul									/			
Mr.Praj Srichandra												
Mr.Varith Tritrapun								/			/	
Mrs.Patchara Pongwichan												
Mrs.Daranee Ajjaneeeyakul												
Dr.Arucha Budsakornbhinanda												

xxx = Chairman xx = Vice Chairman / = Director

## List of Subsidiaries, Associates, and Related Companies

Subsidiary Companies		Related Companies	
1	Top Trend Manufacturing Co.,Ltd.	14	H&B Kabinburi Co.,Ltd
2	EF Co.,Ltd.	15	Thai Cubic Technology Co.,Ltd.
3	Wildlives (Thailand) Co.,Ltd.*	16	Train Time Test Co.,Ltd.
4	S&J International (UK) Ltd.	17	B.K.C. International Marketing Co.,Ltd.
5	Guangzhou S&J Cosmetics Ltd.	18	United Utility Co.,Ltd.
6	4WD Vision (HK) Ltd.	19	Advantage Footwear Co.,Ltd.
7	4WD Vision CO.,Ltd.	20	Tipvarin Wattana Co.,Ltd.
8	4WD Vision Europe B.V.	21	T-way Co.,Ltd.
9	SAAS Co.,Ltd.**	22	K.Commercial & Construction Co.,Ltd.
Associate Companies		23	E.P.F Co.,Ltd.
10	Yamahatsu (Thailand) Co.,Ltd.	24	Thai Herbal Products Co.,Ltd.
11	Operational Energy Group Limited	25	Far East Fame Line DDB Plc.
12	Osoth Inter Laboratories Co.,Ltd.	26	I.C.C. International Plc.
13	Atika Beauty Manufacturing Sdn.Bhd.	27	Sahacogen (Chonburi) Plc.
Remarks		28	Saha Pattana Inter-Holding Plc.
*	The company have already registered its dissolution with the Department of Business Development on June 4, 2021 and have been in the liquidation process.	29	People's Garment Plc.
**	The company have already registered its dissolution with the Department of Business Development on October 19, 2022 and have been in the liquidation process.	30	O.C.C Plc.
		31	Better Way Co.,Ltd.
		32	International Laboratories Crop.Ltd.
		33	Vitayasithi Co.,Ltd.
		34	H&B Intertex Co.,Ltd.
		35	Makeup Technique International Co.,Ltd.
		36	I.S.B.M. Co.,Ltd.
		37	Shaldan (Thailand) Co.,Ltd.
		38	Chokwatana Co.,Ltd.
		39	Worldbest Corporation Co.,Ltd.

## Attachment 3

### Information of Head of Internal Audit

At the meeting of the Audit Committee Meeting No. 1/2022 held on 4 February, 2022 appointed Mr.Jittipong Somyapukdee to be chief internal auditor in addition to Secretary of the Audit Committee of the company since February 4, 2022 due to a highly qualified individuals knowledge experience could be used her experiences for the internal audit work of the company with the great success.

The scope and responsibilities as follows:

1. Plan annual audit according to the standards of professional conduct internal audit.
2. Determine step, process guidelines and audit procedures of the internal audit.
3. Supervision of the internal audit to be planned.
4. Evaluate performance of the audit.
5. Present the audit results to the Audit Committee.
6. Serve as secretary of the Audit Committee.
7. Coordinate with all staff, including the CPA.

As such, to consider and approve the appointment, transfer and dismissal of the incumbent head of the internal audit must be approved by the Audit Committee and be submitted to the Board for approval as stated in the Charter of the Audit Committee.

#### Information of Head of Internal Audit

Mr.Jittipong Somyapukdee

44 years old

#### Position :

Head of Internal Audit and  
Secretary of Audit Committee

#### Education :

- Master of Business Administration / Major Accounting, Ramkhamheang University
- Bachelor of Business Administration / Major Accounting, North Eastern University

#### Training Course :

- Understanding of Corporate Sustainability
  - Corruption Risk and Control
- : Institute of Internal Auditors Thailand

#### 5-Years Past Experiences :

2018-2021 Senior Manager, Internal Audit Department,  
Singha Estate Plc.

#### % Shareholding :

- None –

#### Family Relationship among Directors and Executives :

- None –

Any position in other business or other organizations in  
the previous year which has an impact the time devoted  
significant :

- None -

## Attachment 4

### Assets used in business undertaking

Property, plant and equipment used for business undertaking and are not for sale

The company and its subsidiaries have land, building, and equipment which are owned by the company and its subsidiaries and are not subjected to mortgage or pledge obligations as of December 31, 2022 as per the following.

(Unit : Million Baht)

Description	The Company	The Company and Subsidiaries
Land and land improvements	200.8	406.3
Buildings and building improvements	1,023.3	1,251.8
Furniture and fixtures	183.1	372.4
Office equipment	134.8	166.3
Machinery and equipment	1,313.3	3,222.6
Motor vehicles	12.9	27.4
Assets under installation and under construction	37.9	130.2
<b>Total</b>	<b>2,906.1</b>	<b>5,577.0</b>
<u>Deduct</u> Accumulated depreciation	2,098.1	3,983.1
<u>Deduct</u> Allowance for impairment loss	2.2	2.2
<b>Net Book Value</b>	<b>805.8</b>	<b>1,591.7</b>

Detailed information is available in the financial statements for the year 2022, notes to financial statements no.15 “Property Plant and Equipment” or the company’s website [www.snjinter.com](http://www.snjinter.com) “Financial Statements”.

Core assets used in the production of goods for sale

Category/Description of Assets	Characteristics of Ownership	Amount (Million Baht)	Obligations
1. Land with total area of 94 rai 3 ngan 34.6 sq.wa Located in Sriracha district, Chonburi province, Samutprakan province	Company owned	200.7	None
2. Plant and office buildings Located in Sriracha district, Chonburi province	Company owned	1,023.3	None
3. Machinery Type Mixing machine, Filling machine, Packing machine, Tube making machine, Blowing machine, Injection machine	Company owned	1,313.3	None

## Investment Policies on the subsidiaries and associates

As of December 31, 2022, the company has investments in 4 subsidiaries and 4 associated companies in various businesses; packaging, consumer products, distribution of cosmetic products and gift sets, with a total value of Baht 143.9 million; and the business related to hair care products, services related to power plant operation, and the manufacturer and distributor of medical supplies with a total value of Baht 216.3 million. Investments in all subsidiaries and associates constituted 7.0 percent of total assets. In the future, the company's investment policy is subject to market and economic conditions for the best benefit to shareholders. The company has no control over the companies it invests in. The investing companies are operated independently by their Board of Directors, where they invest in related businesses or mutually beneficial businesses.

## Appraisal of Assets

In 2022, the company and its subsidiaries has arranged the appraisal of assets by independent appraisers based on the appraised value which was higher than the book value, the company does not recognize the appraised value in its statement of financial position.

Nonetheless, the company and its subsidiaries will assess the asset's value every 3 years for consideration of asset impairment in accordance with accounting standards. According to the company's accounting policy, assets are stated at cost less accumulated depreciation.

## Attachment 5

### Policy on Corporate Governance, Business Ethics, Charter of Sub-Committee, and Report of Sub-Committee

The details appear on the Company's website : [www.snjinter.com](http://www.snjinter.com) - Investor Relations –

#### Corporate Governance

1. Corporate Governance Policy
2. The Business Ethics
3. The Code of Conduct for Directors, Executive Offices, and Employees
4. Anti-Corruption Policy
5. The Anti-Corruption Measures
6. The Anti-Corruption Guidelines
7. Personal Data Protection Policy
8. Risk Management Policy
9. Environmental Policy
10. Policy and Regulations on the use of computer systems
11. Policy on Treatment of Confidential Information and the use of Insider Information
12. Tax Policy
13. Guidelines for trading of the Company's securities
14. Guidelines for business operations of S&J Group partners
15. Charter of the Board of Directors
16. Charter of the Audit Committee
17. Charter of the Nominating Committee
18. Charter of the Remuneration Committee
19. Charter of the Risk Management
20. Charter of the Corporate Governance
21. Charter of the Social Responsibility Committee
22. Charter of the Executive Board

#### Report of Sub-Committee as follows;

1. Report of the Nominating Committee
2. Report of the Remuneration Committee
3. Report of the Risk Management Committee
4. Report of the Corporate Social Responsibility Committee
5. Report of the Corporate Governance Committee
6. Report of the Executive Board's Report

## Report of the Nominating Committee

S & J International Enterprises Public Company Limited has appointed the Nominating Committee, with 5 members as follows:

1. Mr.Boonkiet	Chokwatana	Chairman of the Nominating Committee
2. Mr.Thirasak	Vikitset	Member of the Nominating Committee
3. Dr.Atthakorn	Glinkwamdee	Member of the Nominating Committee
4. Mrs.Kaewta	Ongsaranakorn	Member of the Nominating Committee
5. Mrs.Chitraporn	Vikitset	Member of the Nominating Committee

The Nominating Committee has carried out the duties as assigned by the Board of Directors which is specified in the Charter of The Nominating Committee. Its duties are to select suitable candidates with proper qualifications, knowledge and expertise in various professions, to serve as company directors and top management.

The Nominating Committee has determined the criteria and methods for nominating which conform to the Charter and the Good Corporate Governance Principles including related regulations by considering basic qualifications and qualities that are in accordance with the strategy of the company's business operation. Moreover, the nominated persons must be the person with leadership, vision, morality, ethics, and transparent work experience as well as no characteristics as forbidden by laws and the Articles of Association of the company. The company has provided opportunity for minor shareholders to participate in nominating candidates to be appointed as company directors prior to the Annual General Meeting of Shareholders. In 2022, none of the shareholders nominated any candidates to be considered as company directors.

In 2022, The Nominating Committee held 2 meetings to carry out duties as assigned. The Nominating Committee, excluding the members having possible conflict of interests, considered the qualifications of 5 persons who had been nominated to serve as company directors replacing the directors who retired by rotation at the 43<sup>rd</sup> General Meeting of Shareholders, which were Mr.Boonkie Chokwatana, Mrs.Tipaporn Chokwatana, Prof.Dr.Malyn Ungsurungsie, Mrs.Chitraporn Vikitset and Assist.Prof.Dr.Pongchai Athikomrattanakul to become company directors for another term. Moreover, the Charter of The Nominating Committee is also reviewed annually to comply with the related practice guidelines, while The Nominating Committee has performed its duties as assigned discreetly and reasonably.



(Mr.Boonkiet Chokwatana)

Chairman of the Nominating Committee



## Report of the Remuneration Committee

S & J International Enterprises Public Company Limited has appointed the Remuneration Committee with 4 members as follows:

1. Mr.Boonkiet	Chokwatana	Chairman of the Remuneration Committee
2. Mr.Thirasak	Vikitset	Member of the Remuneration Committee
3. Mrs.Kaewta	Ongsaranakom	Member of the Remuneration Committee
4. Mrs.Pismai	Chandrubeksa	Member of the Remuneration Committee

The Remuneration Committee has performed its duties as assigned by the Board of Directors, which is specified in the Charter of the Remuneration Committee. Its duties are to determine remuneration to company directors, others various committees and top management at the appropriate level, and to create incentive to obtain work efficiency as well as retain knowledgeable and capable persons to work with the company and propose to the Board of Directors' Meeting.

The Remuneration Committee has determined the remuneration policy and criteria for company directors, based on the authority, assigned responsibility, and operating results, as well as growth and the company's performance, business liquidity and factors which may affect the company or overall economic situation. The methods are in accordance with the Charter and related regulations.

In 2022, The Remuneration Committee held 2 meetings to perform its assigned duties by consideration and review of annual remuneration of the company directors, other various committees and the managements. The remunerations has been disclosed the remunerations in this **Form 56-1 One Report / Annual Report for the year 2022**. The Remuneration Committee has considered its appropriate for their responsibilities in accordance with the company policy.



(Mr.Boonkiet Chokwatana)

Chairman of the Remuneration Committee

## Report of the Risk Management Committee

Nowadays, conducting a business is facing challenges in constant changes, from both external and internal factors, that may affect the company directly or indirectly. Hence, the company must change how it manages to ensure that the business operates with stability and sustainability. At S&J International Enterprises Public Company Limited, risk management has been prioritized throughout the organization. A number of measures are in place to reduce or control the risks to an acceptable level so that the company operates sustainably, achieves its goals, and creates value for all stakeholders.

In 2022, the Company established a risk management process structure and defined the organization's risk management policies and guidelines. The Company has developed plans to manage significant risks affecting its business, as well as its risk management plan and that for its affiliates, by evaluating various risk factors that could occur or are related to assess the probability and impact of occurrence, determine acceptable risk levels, risk indicators, and risk management measures. The Company monitors and reports the progress of the risk management plan to the Board of Directors' meeting on a quarterly basis. To prepare its annual risk management plan, the Company has assessed its key significant risks, including Emerging Risk, and divided them into 6 categories, namely emerging risks, customer risks, IT & Technology risks, personal data protection (PDPA) risks, supply chain risks, and environmental, social, and governance (ESG) risks. The Company evaluated each aspect of risk issue from the perspective of its importance, and analyzed its likelihood and impact, including risk indicators, in order to monitor and assess the effectiveness of risk management across the organization.

Having reviewed the risk management above, the Risk Management Committee concluded that the risk management is in accordance with the requirements, relevant laws, and in line with the organization's business operations, in order to prepare for dealing with risks and various changes to give stakeholders confidence in the business operations sustainably.



(Assist.Prof.Dr.Pongchai Atikomrattanakun)

Chairman of the Risk Management Committee

## Report of the Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee of S&J International Enterprises Public Company Limited is comprised of 7 directors, namely

1.	Prof.Dr.Malyn	Ungsurungsie	Chairman of the Corporate Social Responsibility
2.	Admiral Apichart	Pengsritong	Member of the Corporate Social Responsibility
3.	Mrs.Rujapa	Srisurang	Member / Secretary of the Corporate Social Responsibility
4.	Ms.Pornpanawan	Boonrom	Member of the Corporate Social Responsibility
5.	Ms.Usa	Kingsubmanee	Member of the Corporate Social Responsibility
6.	Mrs.Pranee	Petcharayutphan	Member of the Corporate Social Responsibility
7.	Ms.Natpichaya	Kitthamrongworakul	Member of the Corporate Social Responsibility

S&J is committed to operating its business under the concept of sustainable development to generate economic growth alongside a sense of responsibility for society and the environment with a focus on all stakeholders. During the year 2022, the Corporate Social Responsibility Committee performed its social responsibility duties according to the scope of duties and responsibilities stipulated in the Charter of the Corporate Social Responsibility Committee and the requirements of the Stock Exchange. The Committee met 4 times to review the goals and action plans, from the first to the fourth quarter, during which a quarterly performance summary report was recorded and then presented to the Board of Directors every 6 months. There are key issues that can be summarized as follows:

1. Establish a policy to consider and approve the goals and action plans for social responsibility

The Corporate Social Activity Committee operates its social responsibility duties in accordance with the 17 United Nations' Sustainable Development Goals (SDGs) through 15 projects. The Committee has reviewed and approved projects, operational directions, and budgets, and provided recommendations to ensure effective operations.

2. Supervise and monitor social responsibility operations

The Corporate Social Responsibility Committee has monitored and followed up on the activities of various projects to ensure they are proceeding according to the set plan, both in terms of the project itself and the budget, as well as providing advice on social responsibility management. Furthermore, the Company is encouraged to participate in the sustainability assessment of listed companies (THSI) as well as present for an interview for the Stock Exchange of Thailand's SET Awards in the Sustainability Excellence category, where it has consistently been recognized for its achievements. This is thus a certification of social responsibility management at an international level.

3. Enhance the understanding and knowledge of sustainability management

In 2022, the Corporate Social Responsibility Committee organized a training program to provide management with an understanding of sustainability concepts. Moreover, it encouraged the members of the Committee and the representatives of the main department to participate in the Corporate Sustainability Management course organized by the Stock Exchange of Thailand, thereby creating a system for passing on knowledge about sustainable development from generation to generation within the organization.



(Prof.Dr.Malyn Ungsurungsie)

Chairman of the Corporate Social Responsibility Committee

## Report of the Corporate Governance Committee

The Corporate Governance Committee of S&J International Enterprises Public Company Limited, which is comprised of Pol.Gen.Somchai Prabhasabhakdi as Chairman, Mrs. Kaewta Ongsaranakom, Mrs. Patchara Pongwichan, Ms. Thatsruang Saengwichian, and Mr. Jittipong Somyapukdee as members, and Mr. Sumit Khopaiboon serving as a member and secretary of the Committee, all had performed their duties as stipulated in the Charter of the Corporate Governance Committee.

The Corporate Governance Committee held 4 meetings in 2022, and its key performance can be summarized as follows:

1. **The Charter of the Corporate Governance Committee** has been revised to reflect current circumstances.
2. **Good corporate governance** that emphasizes **business ethics** qualified the Company for the Thai Institute of Directors (IOD)'s corporate governance report (CGR) for the year 2022, recognizing the Company as an "Excellent" company for the fifth consecutive year and achieving a full score of 100 percent on the Thai Investors Association's AGM Quality Assessment Project for the year 2022.
3. **The Anti-Corruption policy and guidelines** had been reviewed to ensure compliance with the assessment criteria of the Coalition against Corruption of the Thai Private Sector (CAC), and the Company was thus certified a member of the Coalition against Corruption of the Thai Private Sector for the third time.
4. **Continually cultivating "consciousness"** with regard to good corporate governance and anti-corruption among related parties in order to achieve long-term, practical results. The Company had arranged training for directors, executives, employees, subsidiaries, affiliates and partners on "Expanding the Anti-Corruption Alliance for Sustainable Organization Development".
5. **No complaints** relating to **corporate governance and anti-corruption** issues were reported in 2022.

The Corporate Governance Committee has focused on ensuring **good corporate governance** in order to gain the trust of all stakeholders.



(Pol.Gen. Somchai Prabhasabhakdi)

Chairman of the Corporate Governance Committee

## Report of the Executive Board

S&J International Enterprises Public Company Limited has appointed the Executive Board, in the capacity of Management, to perform the duties of managing and operating the Company's business and to perform the duties as assigned by the Board of Directors and in accordance with the Charter of the Executive Board.

In 2022, the Executive Board comprised of 11 members, namely;

1.	Mr.Thirasak	Vikitset	Chairman of the Executive Board
2.	Mrs.Kaewta	Ongsaranakom	Member of the Executive Board
3.	Prof.Dr.Malyn	Ungsurungsie	Member of the Executive Board
4.	Mrs.Chitraporn	Vikitset	Member of the Executive Board
5.	Mrs.Thongsuk	Upathambhakul	Member of the Executive Board
6.	Mr.Praj	Srichandra	Member of the Executive Board
7.	Mrs.Patchara	Pongwichan	Member of the Executive Board
8.	Mrs.Daranee	Ajjaneeyakul	Member of the Executive Board
9.	Mr.Sumit	Khopaiboon	Member of the Executive Board
10.	Ms.Kritsanarath	Rassameesuriyan	Member of the Executive Board
11.	Ms.Yarin	Arayatanitkul	Member of the Executive Board

The Executive Board convened a total of 19 meetings in order to fulfill its designated duties, which can be summarized as follows:

1. Presented the business strategy, sales and profit targets, and set the annual business plan to the Board of Directors, as well as responsible for managing the Company's business in accordance with the policies and strategies adopted.
2. Approved the Company's annual investment budget in various areas, including production efficiency optimization, product development, and information technology development, as well as enhancing and developing the capability and potential of personnel in various aspects to support the strategic growth and competitiveness of the business both short-term and long-term.
3. Analyzed financial statements and ensured that financial statements were prepared for external auditors to audit or review and express their opinions thereon prior to proposing such reports to the Audit Committee and the Board of Directors respectively.
4. Monitored the performance of the overall company and each department on a monthly basis, and provided recommendations to improve the efficiency of the Company.

5. Considered the connected transactions with related parties and the acquisition or disposal of assets with prudence, caution, and reasonableness in terms of prices and other relevant conditions, and upheld the interests of the company and all groups of stakeholders. Executive directors with vested interests in such matters shall not participate in decision-making prior to proposing them to the Audit Committee and subsequently to the Board of Directors for consideration and approval as outlined in the regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission (SEC).
6. Encouraged and supported employees to continually innovate new products and methods, and impelled the organization and the Company's products to attain quality standard accreditation from reputable institutions both domestically and internationally. The Company had been awarded an excellent level of sustainability development by the Stock Exchange of Thailand for 6 consecutive years.
7. Reviewed the Charter of the Executive Board to ensure that their duties and responsibilities are appropriate and suitable for the current situation, and agreed to comply with the anti-corruption policy to provide guidance for executives and employees to perform their duties in a transparent and fair manner, as well as reviewing regulations and procedures related to internal operations in response to any changes that had occurred.

The Executive Board is committed to managing the business towards the accomplishment of the Company's vision, mission, targets, and business strategies in compliance with the good corporate governance principles in a transparent and verifiable manner, while conducting business with social and environmental responsibility in order to facilitate sustainable growth for the organization.



(Mr.Thirasak Vikitset)

Chairman of the Executive Board and Managing Director

## Attachment 6

### Report of the Audit Committee

In summary, The Audit Committee performed its duties and responsibilities as specified in the Audit Committee charter. The Audit Committee consists of knowledgeable and experienced personnel in reviewing financial statements. This year 2022, The Audit Committee consists of:

1. Mr. Amorn	Asvanunt	Chairman of Audit Committee
2. Pol.Gen.Somchai	Prabhasabhakdi	Director of Audit Committee
3. Mrs.Pradittha	Chongwattana	Director of Audit Committee
4. Asst.Prof.Dr.Pongchai	Athikomrattanukul	Director of Audit Committee

The Committee held 7 meetings upon consultations with the management, the internal auditor, the external auditor as necessary. The results of each meeting were reported to the Company Board of Directors in order to take appropriate action. The Committee's main activities in 2022 are summarized as follows:

1. Reviewed financial reports to ensure that the financial statements preparation was in conformity with legal requirements and Financial Reporting Standards, reliable and in timely manner, and information was sufficiently disclosed in such statements.
2. Reviewed disclosures of data on related transactions every quarter pursuant to the Notification of the Securities Exchange Commission of Thailand on: Disclosure of Information and Conduct by Listed Companies on Inter-related Transactions to ensure that they are correct and complete.
3. Reviewed in order to ensure that the Company conducted its business according to the Securities and Exchange law, regulations of the Stock Exchange of Thailand, and related laws.
4. Reviewed and assessed the adequacy of the internal control processes and Self-Evaluation Tool for Countering Bribery 71 Core Indicators and gave recommendations for proper internal control processes and adequate internal auditing including promoting more efficient supervision of operations as well as promoting systematic risk management processes.
5. The external auditors were invited to attend the meeting with the Audit Committee on a quarterly basis to listen to explanation concerning the Auditor's report, results of the audit and review of financial statements, issues ensuing from the audit or review and recommendations on the internal control system and directions of Financial Reporting Standards. The committee also held one meeting with the external auditor without company's management representative attending the meeting.
6. Reviewed annual audit plans, acknowledged the audit report and followed up on corrective actions of issues raised by the report, especially significant to ensure good corporate governance.
7. Considered, selected and proposed the appointment of independent individuals to act as the external auditor and proposed their remuneration prior to the Company's Board of Directors for their further submission to the shareholders for approval.
8. Suggestions and monitoring the improved work flow system that can be counter balance as the circumstance change and followed up on results of audit reports.



The committee has commented that the company has adequate internal control, risk management and internal audit. Also, in place work practices aligning with good governance, Anti - corruption, complies with laws requirements and obligations related to its businesses.



Mr. Amorn Asvanunt  
Chairman of Audit Committee



# ANNUAL REPORT 2022

## FORM 56-1 ONE REPORT

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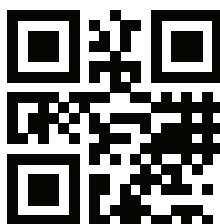
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