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**WE MAKE
A BETTER LIVING**

FORM 56-1 (ONE REPORT) 2022

Home Product Center Public Company Limited



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Website www.homepro.co.th

Type of business Retailer of products and provider of services

relating to construction, extension, renovation, and improvement of buildings,
houses, and residence as One Stop Shopping

Registration No. 0107544000043

Registered Capital Common Stock:

13,151,198,025 Shares (1 Bath per share)

Paid-up Capital Common Stock:

13,151,198,025 Shares

Exchange Market

Stock Exchange of Thailand

Ticker Symbol: HMPRO

In this regards, investors may obtain further information
from Form 56-1 (One Report) at www.sec.or.th or
www.homepro.co.th

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One Stop Shopping

Develop and offer quality and variety of products, with over 50,000 SKUs that serve customer needs of daily life as the one stop shopping.



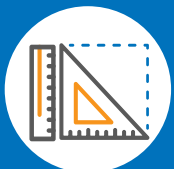
Our Own Brand

Develop and leverage the products under HomePro brand to cover all customer demands with good quality and reasonable price.



Lifestyle Products

Offer and select products that serve modern lifestyle of people such as pet related products and environmentally friendly products.



FIT4YOU

Design products regarding customer requirements to fit its function and area by professional technicians at all HomePro stores.

“

HomePro aims to offer and select products that serve customer needs, develop good quality and reasonable price of products, as well as emphasize on products that serve modern lifestyle of people, including product customization regarding the functionality and customer preference.

”



BETTER PRODUCTS





Home Service

Provide all home services such as installation, extension, maintenance, cleaning by professional technician teams with a warranty of quality service.



Home Makeover and Renovation

Provide home design, makeover and renovation services by professional teams who possess an in-depth knowledge to provide consultancy to HomePro customers at all stores.



Emergency Service

The professional technician teams are on standby throughout 24 hours for any home-related emergency service requested by customers.



Lady Service

Provide female technicians in order to offer an alternative service as well as build female and elderly customers' confidence in terms of security and safety.

“

HomePro aims to leverage all home services for customers with a warranty of quality service by professional technician teams who are on standby throughout 24 hours for any home-related emergency service.

”



BETTER SERVICE





Business Integration

Integrate HomePro and MegaHome under one single platform to facilitate customers in terms of enabling products and services cross purchasing from both HomePro and MegaHome at all stores nationwide.



Mobile Application

Facilitate customers with products and services purchasing platform through 3 application (HomePro, HomeCard, and Home Service) on smartphone.



E-commerce

Increase the variety of products purchase channel through HomePro website, including online marketplace operators such as Shopee and Lazada, to facilitate customers in digital age through online shopping platforms.



Efficient Delivery System

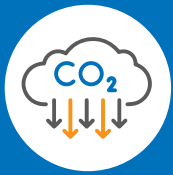
Develop and leverage delivery system in terms of speed and efficiency to deliver products to customers and install within the same day of products purchase in Bangkok and metropolitan region.

“ HomePro continuously develops and leverages customer services by focusing on efficiency enhancement and customer shopping experience through various channels, as well as emphasizes on business opportunity in digital age and enhance efficiency and speed of delivery. ”



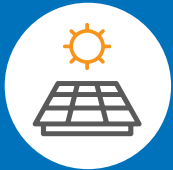
BETTER EFFICIENCIES





Net Zero

Subside environmental impacts and increase operational efficiency to contribute net greenhouse gas (GHGs) emission to zero by 2050.



Renewable Energy

Set the target to use renewable energy 100% in store buildings owned by the Company by 2030.



Responsible Consumption

Encourage sustainable production and consumption through ECO product, ECO Choice product and responsible plastic consumption.



Young Entrepreneur

Sustainably build an economic growth throughout the entire supply chain. Elevate the skills of technicians with consistent income and good quality of life.

“

HomePro sustainably operates business by building business growth in parallel with environmental impact reduction, mutual value creation to the society, and management under good corporate governance, to meet an objective “We make a better living”

”



ESG FOR SUSTAINABILITY





“

HomePro is the **Leading Home Improvement Retailer** in Thailand

”

Product Range

**40,000 –
80,000** Items



The core of product selection is its determination to bring the best products to customers; therefore, completeness, quality, and worthiness are at the heart of our people.

Our Associates

11,359 Persons



Home Service

2,159 Teams



Home improvement service was designed by HomePro from our understanding of customer needs. Our professional technicians, who have knowledge in their jobs, will provide the service and help customer accurately manage budget and time.

5.5

Million Members



Privileges provide to our valued customers. Cardholders will get a discount for purchasing products or services and every purchase made with the card will accumulate points to redeem a cash equivalent for the next purchase. Besides that, the customers also get other privileges.



Net profit (Million Baht)

14.27%

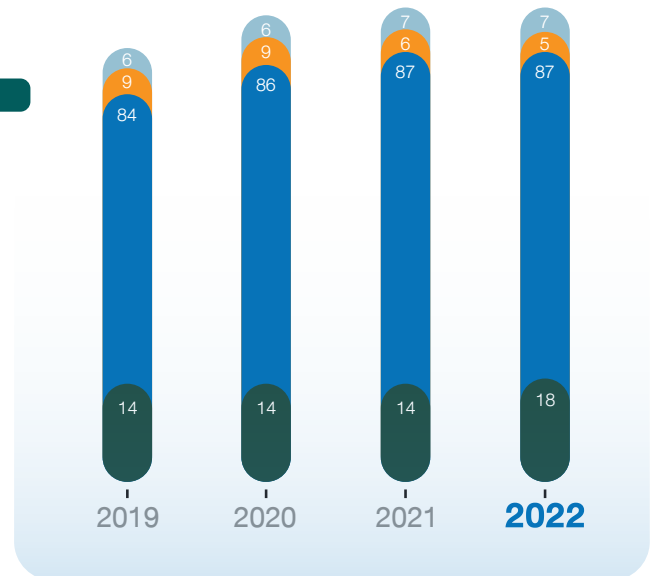


NUMBER OF NEW STORES

2 HomePro
4 MegaHome

HomePro Malaysia
HomePro S

HomePro
Mega Home



TOTAL NUMBER OF STORES



Sales (Million Baht)

7.47%



Total Asset (Million Baht)

11.26%



Message from **the Chairman**



Dear all stakeholders

In 2022, the Thai economy began to show signs of recovery following two years of the COVID-19 pandemic. The behavior and way of life of consumers has changed tremendously compared with pre-pandemic times; they are spending more time at home working and turning outdoor activities into indoor ones, which can be seen from hybrid working, learning at home, and at-home recreation. Thanks to the high vaccination rate in Thailand, the effectiveness of these vaccines, economic stimulus measures by Thai government, and the easing of the country's entry requirements, the number of tourists visiting Thailand has steadily been on the rise since the country's reopening in July 2022. The tourism industry in Thailand is once again driving the economy forward and supporting domestic consumption. Consequently, overall domestic retail business has improved when compared to that period over the last two years.

However, the pressure on the global economy in 2022 remained evident due to the conflict between Russia and Ukraine, which harmed supply chains and caused a shortage of energy and food. The trend of rising oil and commodity prices persisted, inevitably

leaving business sectors to bear higher costs. In addition, inflation remained worrisome, while the global economic situation has been on the verge of a recession due to the US Federal Reserve's (FED) interest rate hike to curb this price inflation. Similarly, the Bank of Thailand has gradually increased its policy interest rate, negatively affecting financial costs for entrepreneurs.

The Company, which focuses on offering a one-stop shop for home improvement products and services, has conducted research on and responded to changes in customer behaviors. There has been an increase in customers shopping online compared with the pre-pandemic period, together with a new way of life such as working from home, pet adoption, and more concern on the environmental impact of products; this reflects in the trend of switching toward more energy-saving equipment usage, such as solar rooftops installed at home in order to reduce energy consumption and its cost. As a result, the Company places great importance on offering products and services that align as thoroughly as possible with the lifestyles of those consumers. Moreover, the Company

rolled out additional new HomePro and MegaHome stores this year, as it had foreseen the business growth opportunities offered by positive factors such as Thailand's economic recovery and the development of new product categories in response to evolving customer behavior. Thanks to new store expansion this year and positive same store sales growth, the Company's total income increased by 8.55% and net profit increased by 14.27%.

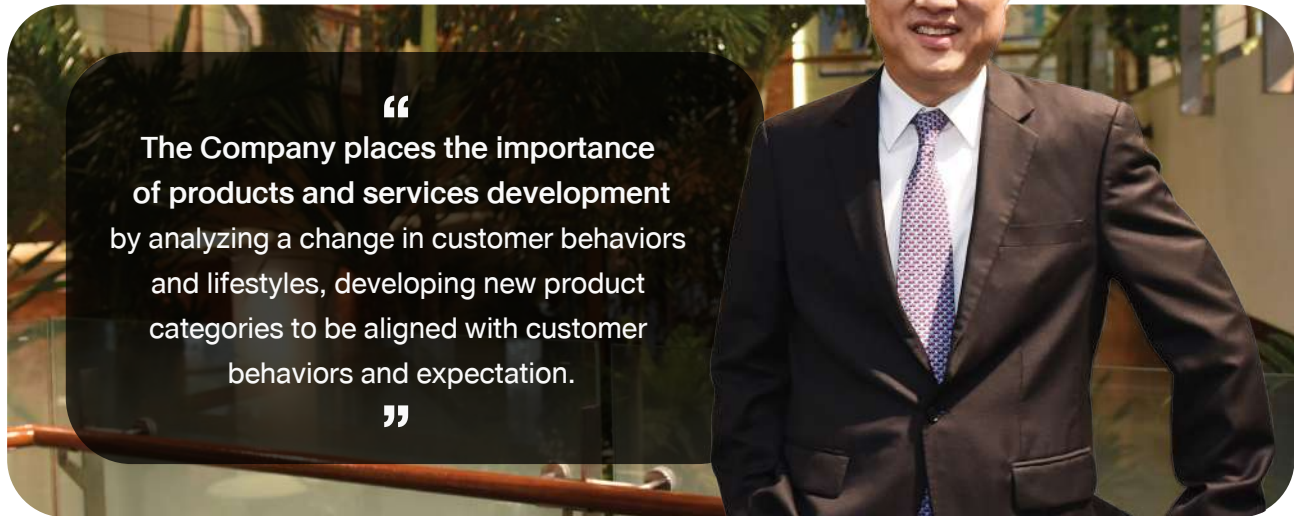
In 2023, the Company will continue to move forward with new store expansion of HomePro and MegaHome. Furthermore, the effectiveness of online shopping channels will be enhanced to better respond to existing and new customers' needs to secure the continuation of profit growth. In parallel to this, the Company will take into account global economic risks and prepare business continuity plans and backup measures to prepare for any negative circumstances that may arise in domestic and international areas. The Company foresees business opportunities arising from Thailand's economic recovery, business expansion, urbanization growth, new city development, and public construction projects. Additionally, the Company continues to focus on human capital development, improvements in the quality of products and services at reasonable prices, more environmentally friendly product procurement, and operational efficiency enhancement, all of which being integrated with sustainable management.

Lastly, the Company would like to express its sincere appreciation to those who have supported the Company in every area. The Company would also like to provide a commitment to operate and grow its business for the utmost benefit of its shareholders, business partners, customers, and more than 10,000 employees across the company.



(Mr. Anant Asavabhokhin)
Chairman of the Board of Directors

Message from the Managing Director



“
The Company places the importance
of products and services development
by analyzing a change in customer behaviors
and lifestyles, developing new product
categories to be aligned with customer
behaviors and expectation.
”

Dear Stakeholders,

The economic landscape in Thailand began to show a sign of recovery in 2022 after the spread of COVID-19 has declined and became endemic. Thai government also relaxed the COVID-19 preventive measures and rolled out economy stimulus packages to boost the consumer spending of Thai people. These programs included 'Shopping and Payback', 'We Travel Together', and 'Half-Half Co-Payment'. As a result, the private sector in Thailand has improved in terms of more business activities which led the employment rate and business expansion to be back on track. The aforementioned factors also revitalized Thailand's retail business. Nonetheless, the conflict of Russia and Ukraine caused concern. Higher price of goods and energy impacted on business operations. Consequently, the Company devised concise business plans to tackle challenges that may occur.

The Company was aware of the noticeable change in consumer behaviors following the pandemic. The consumers were increasingly switching to online shopping, allowing the Company to take this opportunity in offering products and services through online platforms. Therefore, the Company introduced online sales channels through its website and applications including HomePro Application, Home Service Application, and HomeCard Application, to offer customers convenient and efficient access. In addition, the Company enhanced several systems to serve increasing number of customers and purchase volume. New tools were put in place to facilitate customers for better product selection such as area calculation program (Product Calculator), and

Virtual Room which is a feature simulating certain types of products. In addition to optimizing the online shopping system's efficiency, the Company expanded its selling channels through Marketplaces such as Shopee and Lazada, ensuring the new target customers reach.

The Company places the importance of products and services development by analyzing a change in customer behaviors and lifestyles, developing new product categories to be aligned with customer behaviors and expectation. For instance, the Company introduced a new pet-related product category according to the rising trend of pet adoption. The solar panel category was initiated for energy and cost saving, as well as supporting the environmental conservation. Furthermore, the Company places an emphasis on customer analytics from both internal and external information for the purpose of product and service improvement resonating with the requirements of existing and new target customer groups such as the generation Y and the business-to-business (B2B); offices, hotels, resorts, government agencies, etc.

In terms of the business opportunities in 2022, the Company has taken 30% equity participation of Onestockhome Co., Ltd., an online construction material trading platform. The objective was to maximize Megahome's business opportunities by distributing products with greater efficiency. In terms of operation, the Company's goal was to enhance the efficiency of management in various dimensions. Since July 1, 2022, Mega Home business has been merged with HomePro to operate under the same entity

of Home Product Center Public Company Limited, which formerly both business units were separated. The synergy aimed to reinforce the operation efficiency in many aspects such as inventory management, efficient cost control, increase distribution channels, lowered repeating workflows, resource allocation, human resource management and customer service to increase the business opportunities. Consequently, the customers enable a cross purchasing products and services from both HomePro and Mega Home stores with more variety and speed in order to boost business opportunities.

In 2022, The Company accelerated both HomePro and Mega Home store expansion according to the positive outlook of business growth opportunities regarding the Thai economy recovery. The Company opened 2 new HomePro stores in total; at Future Park Rangsit to replace the former Rangsit store and at Ladkrabang to replace the former HomePro S in The Paseo Ladkrabang, which both are relocated to open in the nearby area with larger spaces to better facilitate customers. On the other hand, the Company closed 1 HomePro store at The Mall Bangkhae, owing to the expiry of its leasing term and a plan to open a new store nearby. Furthermore, the Company opened 4 Mega Home stores at Pattaya, Chachoengsao, Surat Thani, and Khon Kaen. At the end of 2022, there were 87 HomePro stores, 5 HomePro S stores, 18 Mega Home stores, 7 HomePro Malaysia stores, and HomePro Vietnam, which primarily distributes products via an e-marketplace.

Through its products and services, the Company strives to make a better living for the society and communities, following the guidelines of sustainable development in all dimensions (environment, social, governance: ESG).

The company promotes sustainable consumption through the selection of Eco Products, and elevates Eco Product groups to ECO CHOICE level, which are specially to be better options for customers. The company also promotes responsible use of plastic. For promotion of economic growth, the company promotes the Young Entrepreneur program by developing the skills of technicians up to standard and increasing the number of technicians through local employment to align with store expansion. The result is to deliver excellent service for customers, together with stable income for technicians who participate in the program.

Besides, the Company strives for environmental impact reductions by increasing the ratio of solar energy usage as Renewable Energy and managing garbage to achieve Zero Waste. The company also emphasizes on good corporate governance and fair treatment of all stakeholders, as well as prioritizing employee care with respect to Human Right, equality, and diversity, while promoting health and safety in the workplace.

In 2022, the Company has participated to be a member of the United Nations Global Compact (UNGC) and has set the objective for net zero emission within 2050 by reducing greenhouse gas emission from company activities to lessen environmental impacts. Moreover, the Company adopted technology and clean energy by installing solar rooftops at stores in order to reduce electricity consumption. As of December 31, 2022, the Company totally installed solar rooftops at 65 stores.

Thanks to the business operation practice in parallel to sustainability, the Company was rewarded multiple prizes locally and internationally. The rewards include being selected as a member of the Dow Jones Sustainability Indices (DJSI) in Emerging Markets for the sixth consecutive year, MSCI Global Sustainability Index, FTSE4Good Emerging Index, Bloomberg Gender-Equality Index (GEI) and ESG100 index. The rating result of the Company's Corporate Governance Report is excellent. The Company's stock is also listed for Thailand Sustainability Investment (THSI) along with receiving a commended in Sustainability Awards from the Stock Exchange of Thailand. The Company also received extension on CAC Certification by Thai Private Sector Collective Action Against Corruption.

Lastly, on behalf of the Board of Directors, I would like to express my sincere gratitude to our customers, employees, shareholders, business partners and all stakeholders for placing the trust and support in the Company unchangingly. The Company believes that everyone will be the driving force for the company to grow sustainably and continue to create value for all stakeholders indefinitely.



(Mr. Khunawut Thumpomkul)
*Board Representative and
Chairman of Executive Committee*



Message from the Executive Committee

Dear Stakeholders

Amid a sign of economic recovery in Thailand thanks to the rising number of tourists arrival since the country's reopening and the ease of country's entry requirements, including the effectiveness of vaccine distribution. Even though inflation was on the rising trend which caused higher cost of products and services, the Company had to adapt and revise various aspects of the operational strategy to keep pace with this social, economic, and technology evolution. As assigned by the Board of Directors, the Executive Committee closely examine and monitor operating result on a monthly basis, which competitions are analyzed in respect of store expansion, investment, and operation to be in line with the Company's direction before seeking an approval from the Board of Directors with the ultimate aim of enhancing value to all stakeholders whilst achieving sustainable corporate growth.

A total of 12 meetings were held in 2022 and the minutes were regularly forwarded to the Board of Directors for acknowledgement. The number of meetings and attendances are as follows:

Name – Surname	Position	Meeting Attendance (times)
Mr. Manit Udomkunnatum	Chairman of Executive Committee	11/12
Mr. Khunawut Thumpomkul	Executive Committee / Managing Director	11/12
Mr. Naporn Sunthornchitchareon	Executive Committee	12/12
Mr. Rutt Phanijsphand	Executive Committee	12/12

Below are the essences of the work performed in the year 2022.

1. Consider and review the operational performance of the Company and subsidiaries on a monthly basis to align with the set target, as well as screening the Company's strategies and initial decision-making before being proposed for the Board of Directors' approval.
2. Examine and ensure that investments, store expansion, and annual budget allocation are accurate and in line with the Company's strategies, as well as proposing other strategic plans to the Board of Directors.
3. Consider and conduct a feasibility study of various projects, as well as advise the Managing Director and operational management.
4. The executive committee has performed a self-assessment to evaluate their performance in the previous year, in which they had fully performed all their duties in accordance with the roles and responsibilities.
5. Approve other Board-assigned transactions on a case-by-case basis.

(Mr. Manit Udomkunnatum)
Chairman of Executive Committee

Message from **Nomination and Remuneration Committee**



Dear Stakeholders

As assigned by the Board of Directors and the charter of the Nomination and Remuneration Committee, the Nomination and Remuneration Committee has duly performed its duties to determine the recruitment procedures and criteria to select the new Director and Managing Director positions, as well as the nomination of potential candidates for the new Director position. The Committee is also in charge of regulating the remuneration procedures and criteria; and other benefits entitled to the Board of Directors and committee members; considering and proposing the annual remuneration policies and other benefits for the Managing Director, in accordance with the scope of duties, responsibilities and performance criteria based on different indicators; and lastly allocating budgets for salary increase, bonus, welfare and other benefits for associates of the Company and its subsidiaries. The indicators cover both short-term and long-term target such as financial performance, return on equity, and sustainability performance.

In 2022, there were 4 meetings involving the Nomination and Remuneration Committee with details as shown in the below table.

Name – Surname	Position	Meeting Attendance (times)
Mr. Rutt Phanijphand	Chairman of Nomination and Remuneration Committee	4/4
Mr. Chanin Roonsamrarn	Nomination and Remuneration Committee	4/4
Mr. Naporn Soonthornchitcharoen	Nomination and Remuneration Committee	4/4

The 2022 essence can be summarized as follows:

1. Execute the recruitment and selection for the positions of Company Directors and committee members after the predecessors' expiring term in office. The consideration was based upon the appropriate qualifications of the individuals as specified in the Securities and Exchange Commission and the Stock Exchange of Thailand regulations. The candidates must not possess characteristics prohibited by law but, instead, shall present competencies, experiences, knowledge and skills (Board Skill Matrix) such as experience related to retail industry, information technology, finance, marketing or real estate. Moreover, the Company allowed individual shareholders to nominate qualified candidates for the Director position, from October 1, 2022 until January 13, 2023, in order to propose to the Board of Directors and the Annual General Shareholders Meeting 2023 respectively. However, no nomination was proposed.
2. Formulate the remuneration procedures and criteria for the directors and sub-committee members.
3. Evaluate the Managing Director's performance with regards to the business target in order to determine an appropriate remuneration.
4. Evaluate the Nomination and Remuneration Committee's performance in the previous year, in which the Nomination and Remuneration Committee has performed the duties efficiently according to the roles and responsibilities.
5. Consider appropriate budgets for salary increase, annual bonus, welfare and other benefits for associates working for the Company and its subsidiaries to ensure that they are in line with the Company's operating performance and remain competitive when compared to market rates in the retail business, hence, sufficing the well-being of the associates and families (Living Wage).
6. Give some advice on Human Resource Management and Personal Development.
7. Consider the revision of the charter of the Nomination and Remuneration Committee. There had been no revisions proposed for the year 2022 since the current version is still complete and appropriate.

In conclusion, the Nomination and Remuneration Committee has duly performed its duties in accordance with good governance principle by adhering to the benefit the Company and all stakeholders.

(Mr. Rutt Phanijphand)

Chairman of Nomination and Remuneration Committee

Message from **Audit Committee**



Dear Stakeholders

Guided by the regulations of the Stock Exchange of Thailand, the Home Product Center Public Company Limited's Audit Committee includes three independent directors who have abilities, qualifications and independence. The Audit Committee is chaired by Mr. Boonsom Lerdhirunwong while Mr. Thaveevat Tatiyamaneeikul and Mr. Chanin Roonsamrarn perform their roles as Audit Committee.

During the year 2022, the Audit Committee has fulfilled the duties within the boundaries of responsibilities as stipulated in the charter of the Audit Committee and the assignment from the Board of Directors. There are 12 meetings in total and the external auditors are invited to attend meetings at the relevant agendas. The Committee's attendances are detailed as follows:

Name - Surname	Position	Meeting Attendance (times)
Mr. Boonsom Lerdhirunwong	Chairman of Audit Committee	12/12
Mr. Thaveevat Tatiyamaneeikul	Audit Committee	11/12
Mr. Chanin Roonsamrarn	Audit Committee	12/12

According to the charter of the Audit Committee and the assignment from the Board of Directors, the duties and responsibilities of the Audit Committee include the accurate and adequate revision of the Company's financial statements, efficient internal control system and corporate governance, compliance with relevant laws and regulations, the inspection of the transactions susceptible to the conflict of interest to ascertain conformity with the rules and regulations concerned and the Company's utmost benefits; and the selection and expression of the opinion for the appointment of the external auditors. The following are the Audit Committee's key performances in summary:

The 2022's Key Operations

1. In the Company's financial statements review sessions, validate the Company's quarterly and annual financial statements before being reported to the Stock Exchange of Thailand and the Securities and Exchange Commission.
2. Select to nominate the external auditors and arrange audit fees to propose to the Board of Directors for the approval from the shareholders' meeting.
3. Formulate the audit's execution plan and scope in collaboration with the external audit at 4 meetings without management's participation to ensure the internal audit's completion and appropriateness in conformity with the auditing standards. The audit process should be applied to key operations and risks that can pose impactful threats to the Company's operation.
4. Discuss the operation, the scope of duty and the review plan at meetings with the Internal Audit Department to ensure complete and appropriate internal audit process in line with the internal audit standards. For the year 2022, the assessment of sufficiency and efficiency was implemented for the internal control system of the Company and its subsidiaries. In addition, the Audit Committee acknowledged the review report and followed up the improvement as per recommendation to accomplish the internal control's effectiveness and efficiency and the Company is able to solve the problem in timely manner.
5. Review the Company's operation as per good corporate governance to comply with the soon-to-be improved corporate governance code (Good Corporate Governance) as set out by the Securities and Exchange Commission.
6. Review the performance to be in compliance with laws on Securities and Stock Exchange, the rules of Stock Exchange or the laws related to the business proceeding of the Company.
7. As for connected transactions and transactions that could spawn conflicts of interests, the Internal Audit Department inspect and report to the Audit Committee annually to ensure that the Company operates conforming with the typical business condition and disclose complete and accurate information in accordance with the guidelines.
8. Evaluate the sufficiency and suitability of the internal control system that covers the organization, the environment, risk management, control of administration, informational and communication system, and the follow-up system. Those includes Emerging Risk, Cyber Security Risk, Disruptive Technology, new laws and regulations, and Aging Society. An emphasis should be placed on the sufficiency and effectiveness of the internal control system to achieve good governance and drive the management of the Company towards the Three Lines of Defense guideline.

9. Ensure the appropriate, effective and efficient risk management. Make ascertain that communication with the Risk Management Committee is in place to establish an understanding of key risks, whether arising from internal or external sources, on a quarterly basis.
10. Ensure that the Audit Committee reviews and completes a yearly self-evaluation by referring to the good guidelines and the stated charter. The assessment has suggested that the Audit Committee accomplished effective performance in accordance with the stated charter.
11. Foster the whistleblowing website's launch by the Company to file a complaint regarding corruption and performance which could violate the code of conduct, of which reports are directly forwarded to the Committee for the purpose of good corporate governance.
12. To fulfill the governance of the anti-corruption operation, the Internal Audit Department is tasked with reviewing measures and devising the protective guidelines to counter corruption activities and improper behaviors companywide. What's more, the practice should be applied to suppliers through initiatives such as supplier evaluation guidelines, code of conduct for suppliers, no-gift policy during the festive celebration etc.

The Opinions by the Audit Committee on Performance in 2022

1. The Company's financial statements are reliable, accurate and complete as per the Generally Accepted Accounting Principle and material information have sufficiently been disclosed in a timely manner.
2. The Company has operated a sufficient, effective and efficient internal control system to oversee and monitor appraisal which is in line with the good corporate governance.
3. The Company's risk management system has been proper, effective and efficient. It has successfully met the established policies, guidelines and evolving climates and situations, both internal and external, that could pose emerging risks.
4. The Company has achieved zero non-compliance to the laws on Securities and Stock Exchange, the rules of the Stock Exchange or the laws relevant to the business of the Company.
5. Any transactions, whether have been related to or have included conflicts of interest, have appropriately been performed in accordance with the laws and the rules of the Stock Exchange of Thailand for the utmost benefits for the Company. Neither indication nor other observations to imply irregularity has been found.
6. The appointed external auditors have been knowledgeable, competent and have had experiences in duties. They have gained trustworthy independence and have had no relation or transaction which may cause conflicts of interest to the Company. Their qualities make certain that the audits were completely and appropriately accomplished in parallel to the accounting standards while ensuring efficiency and transparency.
7. The Audit Committee has reviewed the independency, the annual internal audit plan and the responsibilities of the Internal Audit Department. The committee has also conducted the appraisal of the head of the Internal Audit Department. The Audit Committee has viewed that the Company's internal audit has independently, sufficiently, and efficiently fulfilled its duties.

Not only has the Audit Committee independently achieved all of its duties, but also the Audit Committee has followed the designated charter of the Audit Committee through cordial cooperation by all sides concerned.



(Mr. Boonsom Lerdhirunwong)
Chairman of Audit Committee



Message from Risk Management Committee

Dear Stakeholders

To support the Board of Directors in supervising corporate governance, managing the risk of the organization sufficiently and appropriately, efficiently and agile to the dynamic situation. To be firmly assured that the Company would be able to reach the goal that has been set. Along with, reducing the negative effect or any opportunity of an effect towards the business and organization, and build confidence and trust to stakeholders involved. The Company recognized the importance of risk management to ensure the Company's appropriate, systematic, uninterrupted, efficient, and aligned with the international standard. Therefore, the risk committee has been appointed to set and review the policies, goals, and manage the framework of risk management of the company, to be in line with the company's business strategy and sustainable development goals.

the Board of Directors considers the risks affecting the achievement of goals, and constantly analyses the risk from the change in environment both internally and externally. In the procedure of risk management, Risk Appetite and Risk Tolerance have been set in order to manage those risks that would not cause any effect in reaching the goal.

In the process of considering and managing risk, the Board of Directors considers the risk that would cover all types of activities in the business, both on organizational level and department level and striving to become part of the organizational culture. Key Risk Indicators are set to predict the risk in order to control, minimize the possible risk in accordance with the goal, and ensure appropriate risk management strategies to curb risks at the acceptable or lower level under the supervision of the Risk Management Committee. During the year 2022, a total of 4 meetings were convened and the key performance essences by the Risk Management Committee can be set out below:

1. Review risk factors and enterprise risk levels by taking into account both internal and external factors such as economic, social factors, climate, and technological innovation that have potential impact on the consumers' lifestyle and behaviors. This includes the competitions which have been caused by competitors in the same industry and newcomers in the other industries which may impact on the Company's operation. The review also analyzes internal factors to determine the risk universe situation that covers the 4 key risks of the Company's operations; namely (1) strategic risks (2) operational risks (3) compliance risks; and (4) financial risks. The evaluation of crucial organizational risks and its impact on the operations has been jointly conducted by the Risk Management Committee and the Senior Management.

In 2022, Mega Home business has been merged with HomePro business to operate under the same entity of Home Product Center Public Company Limited. The objective is to increase management efficiencies in many aspects such as people management, inventory management, and efficient cost control as well as facilitating customers in terms of enabling products and services cross purchasing from both HomePro and Mega Home stores with more variety and speed in order to boost business opportunities and competitiveness.

2. Reassess the emerging risks that can significantly impact on the Company's goals or operation in the future. The Risk Management Committee has considered the following risk aspects as below:

- 2.1 Behavior Change and Disruptive Technology Risk - Those risks could cause a change in business model. The company realizes potential opportunities and threats that might happen in the future and is aware of the importance of business agility. Therefore, the Company has set up an action plan to drive HomePro into an Omni channel organization and retain the leading position in the Home Living Experience business. Similarly, the Automated Storage and Retrieval System (ASRS) warehouse, which is the main infrastructure of the logistic system has been developed in order to achieve effectiveness and ensure competitiveness in terms of cost control management.

Furthermore, according to the risk from customer behavioral change concerning environmental-care and climate change, the Company developed ECO products and ECO CHOICE in order to correspond such those changes in customer behavior.

- 2.2 Cyber Security Risk - as the reliance on technology and digital operation across business sectors has been on the rise, the Company has increasingly been aware of cyber threats that can affect the Company's operation and could tarnish the organizational reputation. As such, the Company has implemented state-of-the-art security measures and network systems for data security to ensure the capabilities and readiness to counter cyber threats (Cyber Resilience Capabilities). Moreover, the Company has devised Business Continuity Plans (BCP) to ensure

the uninterrupted operation amid crisis or emergency regarding information technology. In addition, to ensure the security system is in place and sufficiently capable to counter cyber threats, the Company hires third party to verify the security readiness system and test the readiness of the security system on a yearly basis.

The Company also deployed Data Security/Data Privacy Management measures in order to protect the Company and customers' important information by imposing policy and procedure as well as restricting the access to selected groups or individuals who are authorized to access the documents and information. Rest assured that key information is safeguarded from leakage, adjustment or misuse, and irrelevant usage to the objectives. Last but not least, training has been offered to the workforce in all levels to raise awareness of cyber security threats.

In 2022, the Company is fully aware of the safety of payment cardholders. To protect the cardholders' data especially among the Company's customers and suppliers, the Company has hired specialist to audit and certify the security standards of the Company's information systems to follow the Payment Card Industry Data Security Standard (PCI DSS), as well as to improve of the Company's information systems to meet more standard and be rigidity in the areas of headquarter and all stores nationwide.

- 2.3 Personal Data Protection Risk - The Company complies with the PDPA (Personal Data Protection Act, B.E. 2562 (2019)). The Company is fully aware and respects the importance of personal data. Living up to the trust of users, the Company has implemented the Personal Data Policy to clarify the details and supervise the collection, usage or disclosure of data access, transfer of data, and analysis of personal data to the related parties such as customers, suppliers, and associates to ensure the compliance of the relevant law. In addition, the Company has appointed a Personal Data Protection Committee (PDPA Committee) and Data Protection Officer to set and review policies, measures, and supervise the appropriate operations to ensure that the Company's operations are in accordance with the law.
- 2.4 Climate Change Risks - they can pose severe damage to the Company's operation. Similarly, corporations are encouraged to follow the policies outlined by the public sector. Furthermore, climate risks are a source of the changing behavior of consumers for years to come as green products and technology have grown in popularity. To respond to these trends, the Company has switched to use renewable energy and maximized the effectiveness of energy consumption to curb greenhouse gas in business activities. An awareness of environmental issues has been fostered among associates while green perception in consumers have been promoted through campaigns such as Solar Roof Top and standardize, safe and environmental-friendly products.
- 2.5 Consumer Behavior Change Risks - the increasing tendency of consumers switching from buying at physical stores to online channels. The Company recognizes the opportunity and risk from the changing consumer behavior as mentioned, thus the Company continuously develops online shopping channels for products and services to meet customers' need by considering their convenience of using service which is adjustable as appropriate, as well as to increase sales opportunity, capture the market, provide convenient access to customers and enhance the potential for business growth, in which the Company assigns a specialized department. As a result, the company's online operation has been well-received with increasing trend as well remained sales mix as planned despite high comparable base last year due to Covid-19 outbreak causing higher transaction through online channel in 2021.
- 2.6 Risk from the global economic slowdown impacting inflation, rising interest rate, as well as the fluctuation of exchange rate, which affects the Company's operating cost. The Company has monitored and managed these factors closely in order to determine contingency plan to reduce its impact in the future.

Through the operation that was mentioned above, the Risk Management Committee has successfully fulfilled its duties as assigned by the Board of Directors and regularly reported the risk management's outcomes for the approval by the Board of Directors. These are a testimony that our risk management has been effective and comprehensive. The 2022 risk management on events that may impact on the Company's goals and operation has been evaluated at the acceptable level and, thus, presented no significantly harmful factors to the Company.



(Mr. Khunawut Thumpomkul)

Chairman of Risk Management Committee

Board of Directors



Mr. Anant Asavabhokhin

- Chairman of the Board of Directors

1



Mr. Manit Udomkunnatum

- Chairman of Executive committee
- Director

2



Mr. Rutt Phanijsphand

- Chairman of the Nomination and Remuneration Committee
- Executive Committee
- Director

3



Mr. Boonsom Lerdhirunwong

- Chairman of Audit Committee
- Independent Director

4



Mr. Thaveevat Thatiyamaneekul

- Audit Committee
- Independent Director

5



Mr. Chanin Roonsamrarn

- Audit Committee
- Independent Director
- Nomination and Remuneration Committee

6



Mr. Naporn Sunthornchitcharoen

- Director
- Executive Committee
- Nomination and Remuneration Committee

7



Mr. Weerapun Ungsumalee

- Director
- Executive Vice President

8



Mr. Khunawut Thumpomkul

- Director
- Executive Committee
- Managing Director

9



Ms. Suwanna Buddhapasart

- Director

10



Mr. Pornwut Sarasin

- Independent Director

11



Mr. Achawin Asavabhokin

- Director

12

1. Mr. Anant Asavabhokhin (72 years old)

- Chairman of the Board of Directors (appointed on 8 April 2023)
- Authorized Signatory Director

Direct shareholding	Spouse and minor child shareholding	Family relationship with director and management
None	None	None

Education

M.B.A Thammasat University
M.S. Industrial Engineering, Illinois Institute of technology, Chicago, USA
Bachelor of Engineering Chulalongkorn University

Training

Thai Institute of Directors Association

2004 Director Certification Program (DCP) 52/2004

Main Occupation

Chairman of the Board of Directors Home Product Center Plc. (Retail - Consumer Discretionary)

The brief working experience during the past 5 years

Period	Position	Company
Director of 1 listed company		
2022 - Present	Chairman of the Board of Directors	Home Product Center Plc. (Retail - Consumer Discretionary)
2013 - 2017	Chairman of the Board of Directors and Chairman of Executive Committee	Land and Houses Plc. (Real Estate)
2005 - 2017	Chairman of the Board of Directors	Land and Houses Bank Plc. (Financials)
1983 - 2017	Director	Quality Houses Plc. (Real Estate)

2. Mr. Manit Udomkunnatum (77 years old)

- Chairman of Executive committee and Director (appointed on 29 May 2001)
- Authorized Signatory Director

Direct shareholding	Spouse and minor child shareholding	Family relationship with director and management
1.96%	None	None

Education

High School

Training

Thai Institute of Directors Association

2004 Director Accreditation Program (DAP) 29/2004

Main Occupation

Director and Chairman of Executive Directors Elysian Development Co., Ltd. (Real Estate)

The brief working experience during the past 5 years

Period	Position	Company
Director of 1 listed company		
2001 - Present	Director	Home Product Center Plc. (Retail - Consumer Discretionary)
2001 - 2022	Chairman of Executive Committee	
Director of 5 non-listed companies		
2007 - Present	Chairman of Executive Committee and Director	Elysian Development Co., Ltd. (Real Estate)
2006 - Present	Chairman of Executive Committee and Director	Shanghai Inn Co., Ltd. (Hotel, Service)
2003 - Present	Director	Koh Maphrao Island Co., Ltd. (Retail - Consumer Discretionary)
2001 - Present	Director	RLP Co., Ltd. (Real Estate)
2001 - Present	Chairman of Executive Directors	USI Holding Co., Ltd. (Real Estate)

Note: The Board of Directors has resolved the appointment of Mr. Manit Udomkunnatum as the Vice Chairman of the Board of Directors since 1st January 2023 onwards.

3. Mr. Rutt Phaniijphand (75 years old)

- Executive Committee (appointed on 21 June 2007)
- Chairman of the Nomination and Remuneration Committee (appointed on 29 March 2007)
- Director (appointed on 20 December 2001)

Direct shareholding	Spouse and minor child shareholding	Family relationship with director and management
None	None	None

Education

Master of Science in Business Administration, Fort Hays Kansas State University, USA
Bachelor of Science, Kasetsart University

Training

2018 Information Security Awareness Training: LH Bank

Thai Institute of Directors Association

2016 Corporate Governance for Capital Market Intermediaries Program (CGI) 14/2016
2010 Financial Institutions Governance Program (FGP) 1/2010
2005 Director Certification Program (DCP) 61/2005
2003 Director Accreditation Program (DAP) 4/2003

Main Occupation

Chairman of the Board of Directors LH Financial Group Plc. (Financials)

The brief working experience during the past 5 years

Period	Position	Company
Director of 1 listed company		
2007 - Present	Executive Committee and Chairman of the Nomination and Remuneration Committee	Home Product Center Plc. (Retail - Consumer Discretionary)
2001 - Present	Director	
2019 - Present	Advisor	
2014 - 2019	Audit Committee	Banpu Plc. (Energy)
2005 - 2019	Independent Director and Chairman of Remuneration Committee	
2017 - 2021	Chairman	
2009 - 2021	Director	LH Financial Group Plc. (Financials)
2009 - 2017	Chairman of Executive Committee	
2001 - 2014	Director, Chief Executive Officer, and Managing Director	Quality Houses Plc. (Real Estate)
Director of 2 non-listed companies		
2013 - Present	Chairman	Land and Houses Securities Plc. (Financials)
2010 - Present	Chairman	Land and Houses Fund Management (Financials)
2017 - 2021	Chairman	
2005 - 2021	Director	Land and Houses Bank Plc. (Financials)
2005 - 2017	Chairman of Executive Committee	

4. Mr. Boonsom Lerdhirunwong (69 years old)

- Chairman of Audit Committee and Independent Director (appointed on 1 October 2014)

Direct shareholding	Spouse and minor child shareholding	Family relationship with director and management
None	None	None

Education

Ph.D. of Civil Engineer, INSA Toulouse, France
 Master of Civil Engineer, Chulalongkorn University
 Bachelor of Civil Engineer, Chulalongkorn University

Training

Thai Institute of Directors Association

2022	Advanced Audit Committee Program (AACP) 45/2022
2019	Board Matters and Trends (BMT) 7/2019 Ethical Leaderships Program (ELP) 15/2019
2016	Anti-Corruption: The Practical Guide (ACPG) 27/2016
2014	Role of Chairman Program (RCP) 34/2014
2013	Successful Formulation & Executive of Strategy (SFE) 18/2013
2012	Director Certification Program (DCP) 162/2012 Financial Statements for Directors (FSD) 17/2012 Audit Committee Program (ACP) 41/2012 Monitoring Fraud Risk Management (MFM) 8/2012 Monitoring of the Quality of Financial Reporting (MFR) 16/2012 Monitoring the Internal Audit Function (MIA) 13/2012 Monitoring the System of Internal Control and Risk (MIR) 13/2012

Others

2014	Corporate Governance: Effectiveness and Accountability in the Boardroom, Kellogg School of Management, Northwestern University
2013	Certificate in Top Executives in the Energy Education Program (Class of 3 rd)
2006	Diploma, the Joint State-Private Sector Course National Defense College (Class of 19 th)

IOD Forum

2018	Digital Transformation: A Must for All Companies
2017	The Role of Chairman in Leading Strategic Risk Oversight Updated COSO Enterprise - Risk Management: Integrating with Strategy and Performance
2016	Corporate Governance VS Corporate Performance: Duty or Choice?

Main Occupation

Chairman of the Board of Directors and Independent Director Quality Houses Plc. (Real Estate)

The brief working experience during the past 5 years

Period	Position	Company
Director of 2 listed companies		
2014 - Present	Independent Director and Chairman of Audit Committee	Home Product Center Plc. (Retail - Consumer Discretionary)
2015 - Present	Chairman and Independent Director	Quality Houses Plc. (Real Estate)
2012 - 2014	Director and Audit Committee	PTT Plc. (Energy)
Director of 1 non-listed company		
2010 - Present	Director and Chairman of Executive and Director of Building and Infrastructure Committee	The Thai Red Cross Society (Health Care)
2015 - 2021	Rector	Shinawatra University (Education)
2015 - 2018	Chairman	Thailand Institute of Nuclear Technology (Industrials)

5. Mr. Thaveevat Tatiyamaneekul (77 years old)

- Independent Director and Audit Committee (appoint 29 May 2001)

Direct shareholding	Spouse and minor child shareholding	Family relationship with director and management
None	None	None

Education

Primary School

Training

Thai Institute of Directors Association

2006 Director Accreditation 29/2004

Main Occupation

Chairman of Executive Director Star Fashion (2008) Co., Ltd. (Retail - Consumer Discretionary)

The brief working experience during the past 5 years

Period	Position	Company
Director of 1 listed company		
2001 - Present	Independent Director and Audit Committee	Home Product Center Plc. (Retail - Consumer Discretionary)
Director of 2 non-listed companies		
2013 - Present	Chairman of Executive Committee	Manee-pin Co., Ltd. (Real Estate)
1989 - Present	Chairman of Executive Committee	Star Fashion (2008) Co., Ltd. (Retail - Consumer Discretionary)

6. Mr. Chanin Roonsamrarn (75 years old)

- Nomination and Remuneration Committee (appointed on 29 March 2007)
- Independent Director (appointed on 22 September 2005)
- Audit Committee (appointed on 22 September 2005)

Direct shareholding	Spouse and minor child shareholding	Family relationship with director and management
None	None	None

Education

Master of Business Administration (MBA), Fort Hays State University, USA

Training

Thai Institute of Directors Association

2006	DCP Refresher course 2/2006
2005	Audit Committee Program (ACP) 9/2005
2002	Director Certification Program (DCP) 15/2002
2001	Role of Chairman Program (RCM) 6/2001
1993	Executive Program Stanford-NUS

Main Occupation

Director Home Product Center Plc. (Retail - Consumer Discretionary)

The brief working experience during the past 5 years

Period	Position	Company
Director of 1 listed company		
2007 - Present	Nomination and Remuneration Committee	Home Product Center Plc. (Retail - Consumer Discretionary)
2005 - Present	Independent Director and Audit Committee	
1999 - 2019	Independent Director and Audit Committee	Thai Reinsurance Plc. (Financials)
1996 - 2009	Managing Director and Chief Executive Officer	The Siam Industrial Credit Plc. (Financials)
Director of 2 non-listed companies		
2020 - Present	Chairman	Suzuki Motor Thailand Co., Ltd. (Retail - Consumer Discretionary)
2010 - Present	Chairman of Executive Directors	SBL Leasing Co., Ltd. (Financials)

7. Mr. Naporn Sunthornchitcharoen (64 years old)

- Nomination and Remuneration committee (appointed on 1 June 2015)
- Director and Executive Committee (appointed on 29 May 2001)
- Authorized Signatory Director

Direct shareholding	Spouse and minor child shareholding	Family relationship with director and management
None	None	None

Education

Master of Business Administration (MBA), Thammasart University
Bachelor of Civil Engineering, Chiangmai University

Training

Thai Institute of Directors Association

2011 Financial Institutions Governance Program (FGP) 2/2011
2005 Director Certification Program (DCP) 53/2005
2004 Director Accreditation Program (DAP) 25/ 2004

Other

2006 Diploma, the National Defense College Course

Main Occupation

Chairman of the Board of Directors Land and Houses Plc. (Real Estate)

The brief working experience during the past 5 years

Period	Position	Company
Director of 5 listed companies		
2015 - Present	Nomination and Remuneration committee	Home Product Center Plc. (Retail - Consumer Discretionary)
2001 - Present	Director and Executive Committee	
2017 - Present	Director	Quality House Plc. (Real Estate)
2017 - Present	Chairman and Chairman of Executive Director	Land and Houses Plc. (Real Estate)
1992 - Present	Director	
2013 - 2017	Managing Director	
2011 - Present	Director	LH Financial Group Plc. (Financials)
2011 - 2019	Nomination and Remuneration Committee	
2011 - 2017	Executive Director	
1994 - Present	Director	Quality Construction Products Plc.
Director of 14 non-listed company		
2013 - Present	Director	Land and Houses Securities Plc. (Financials)
2012 - Present	Director	Land and Houses USA, INC (Real Estate)
2005 - Present	Director and Executive Director	Land and Houses Bank Plc. (Financials)
2005 - 2018	Nomination and Remuneration Committee	
2005 - 2017	Director	Phuket Future Plan Co., Ltd. (Real Estate)
2005 - 2017	Director	Double Tree Co., Ltd. (Real Estate)
2004 - Present	Director	LH Asset Co., Ltd. (Real Estate)
2003 - Present	Director	LH Real Estate Co., Ltd. (Real Estate)
2002 - Present	Director	Land and Houses Property Fund 2 Co., Ltd. (Financials)
2000 - Present	Director	Land and Houses Property Fund 1 Co., Ltd. (Financials)
1995 - Present	Director	Land and Houses North East Co., Ltd. (Real Estate)
1995 - Present	Director	Land and Houses North Co., Ltd. (Real Estate)
1995 - Present	Director	LH Mueng Mai Co., Ltd. (Real Estate)
1993 - Present	Director	Siam Tanee Real Estate Co., Ltd. (Real Estate)
1990 - Present	Director	Siam Tanee Property Co., Ltd. (Real Estate)
1988 - Present	Director	Atlantic Real Estate Co., Ltd. (Real Estate)
1986 - Present	Director	LH Mall and Hotel Co., Ltd. (Real Estate)
2001 - 2016	Director	Muang Mai Guthrie Plc. Co., Ltd. (Materials)

8. Mr. Weerapun Ungsumalee (60 years old)

- Director (appointed on 1 February 2019)
- Authorized Signatory Director

Direct shareholding	Spouse and minor child shareholding	Family relationship with director and management
0.04%	None	None

Education

Master of Industrial Engineering, Asian Institute of Technology

Bachelor of Industrial Engineering, King Mongkut's Institute of Technology Ladkrabang

Training

Absolute Alliances

2020 Digital Business Solution Summit 2020

Thai Institute of Directors Association

2019 Director Certification Program (DCP) 272/2019

Capital Market Academy

2019 Capital Market Leadership Program (CMLP) 29/2019

MAI Listed Company Association (maiA)

2019 Chief Transformation Officer Program (CTO), Digital Transformation and Cyber Security

Main Occupation

Executive Vice President Home Product Center Plc. (Retail - Consumer Discretionary)

The brief working experience during the past 5 years

Period	Position	Company
Director of 1 listed company		
2019 - Present	Director	Home Product Center Plc. (Retail - Consumer Discretionary)
2016 - 2022	Executive Vice President	
2007 - 2016	Senior Vice President - Operations Senior Vice President - Information Technology	
Director of 3 non-listed companies		
2019 - Present	Director	Home Product Center (Malaysia) Sdn. Bhd. (Consumer Discretionary)
2018 - Present	Director and Managing Director	Mega Home Center Co., Ltd. (Home Improvement Retailer; Retailing)
2013 - Present	Director	DC Service Center Co., Ltd. (Logistic, Service)
2001 - 2005	Director	IT One Co. Ltd (Information Technology)

Note: The Board of Directors has resolved the appointment of Mr. Weerapun Ungsumalee as the Managing Director since 1st January 2023 onwards.

9. Mr. Khunawut Thumpomkul (65 years old)

- Director, Executive Committee and Managing Director (appointed on 29 May 2001)
- Authorized Signatory Director

Direct shareholding	Spouse and minor child shareholding	Family relationship with director and management
1.08%	None	None

Education

Master of Business Administration (MBA), NIDA
Bachelor of Economics, Ramkhamhaeng University

Training

Thai Institute of Directors Association

2018 IT Governance and Cyber Resilience Program (ITG) 8/2018
2001 Director Certification Program (DCP) 8/2001

Main Occupation

Managing Director Home Product Center Plc. (Retail - Consumer Discretionary)

The brief working experience during the past 5 years

Period	Position	Company
Director of 2 listed companies		
2001 - Present	Director, Executive Committee	Home Product Center Plc. (Retail - Consumer Discretionary)
2001 - 2022	Managing Director	
2013 - Present	Director	LH Financial Group Plc. (Financials)
Director of 4 non-listed companies		
2013 - Present	Chairman	DC Service Center Co., Ltd. (Logistic, Service)
2012 - Present	Chairman	Mega Home Center Co., Ltd. (Home Improvement Retailer; Retailing)
2011 - Present	Chairman	Home Product Center (Malaysia) Sdn. Bhd. (Retail - Consumer Discretionary)
2005 - Present	Chairman	Market Village Co., Ltd. (Real Estates)

Note: The Board of Directors has resolved the appointment of Mr. Khunawut Thumpomkul as the Chairman of Executive Committee since 1st January 2023 onwards.

10. Ms. Suwanna Buddhaprasart (67 years old)

- Director (appointed on 2 July 2003)
- Authorized Signatory Director

Direct shareholding	Spouse and minor child shareholding	Family relationship with director and management
None	None	None

Education

Master of Business Administration (MBA), Chulalongkorn University
Bachelor of Commerce and Accountancy, Chulalongkorn University

Training

Thai Institute of Directors Association

2011 Financial Institutions Governance Program (FGP) 3/2011
2007 Director Certification Program (DCP) 85/2007
2004 Director Accreditation Program (DAP) 29/2004

Main Occupation

Chief Executive Office LH Mall & Hotel Co., Ltd. (Real Estate)

The brief working experience during the past 5 years

Period	Position	Company
Director of 3 listed companies		
2003 - Present	Director	Home Product Center Plc. (Retail - Consumer Discretionary)
2018 - Present	Director	Mandarin Hotel Plc. (Hotel, Service)
2014 - Present	Executive Director, Corporate Governance Committee, and Risk Management Committee	Quality Houses Plc. (Real Estate)
2000 - Present	Director	
2011 - 2017	Director	LH Financial Group Plc. (Financial Holdings)
Director of 17 non-listed companies		
2017 - Present	Director	Land and Houses Fund Management Co., Ltd. (Financial)
2017 - Present	Director	L&H Property Co., Ltd. (Real Estate)
2016 - Present	Director and Chief Executive Officer	LH Mall & Hotel Co., Ltd. (Mall and Hotel, Service)
2016 - Present	Director	L&H Retail Management Co., Ltd. (Retail)
2016 - Present	Director	Gusto Village Co., Ltd. (Real Estate)
2016 - Present	Director	Casa Ville (Rayong 2553) Co., Ltd. (Real Estate)
2016 - Present	Director	Casa Ville (Prachuabkhirikhan 2554) Co., Ltd. (Real Estate)
2016 - Present	Director	Casa Ville (Petchburi 2553) Co., Ltd. (Real Estate)
2013 - Present	Director	Property Host Co., Ltd. (Real Estate)
2013 - Present	Director	Casa Ville (Chonburi 2554) Co., Ltd. (Real Estate)
2012 - Present	Director	Center Point Hospitality Co., Ltd. (Real Estate)
2012 - Present	Director	L&H Hotel Management Co., Ltd. (Hotel, Service)
2008 - Present	Director	L&H Management Co., Ltd. (Hotel, Service)
2003 - Present	Director	Casa Ville Co., Ltd. (Real Estate)
2003 - Present	Director	QH Management Co., Ltd (Service)
2000 - Present	Director	QH International Co., Ltd. (Real Estate)
2000 - Present	Director	The Confidence Co., Ltd. (Real Estate)

11. Mr. Pornwut Sarasin (63 years old)

- Independent Director (appointed on 1 October 2015)

Direct shareholding	Spouse and minor child shareholding	Family relationship with director and management
0.004%	None	None

Education

Master of Business Administration (MBA), Pepperdine University, USA

Bachelor of Business Administration, Boston University, USA

Training

Thai Institute of Directors Association

2005 Director Accreditation Program (DAP) 45/2005

Main Occupation

Chairman Thai Namthip Ltd. (Consumer Staples)

The brief working experience during the past 5 years

Period	Position	Company
Director of 5 listed companies		
2015 - Present	Independent Director	Home Product Center Plc. (Retail - Consumer Discretionary)
2017 - Present	Chairman	BG Container Glass Plc. (Materials)
2015 - Present	Director	Crown Seal Plc. (Materials)
2009 - Present	Director	AP (Thailand) Plc. (Real Estate)
1994 - Present	Director and Chairman of Audit Committee	Charoong Thai Wire & Cable Plc. (Industrials)
Director of 9 non-listed companies		
2014 - Present	Director	Bangkok Glass Plc. (Materials)
2013 - Present	Chairman	Thai Namthip Co., Ltd. (Food and Drink; Consumer Staples)
2000 - Present	Director	Honda Automobile (Thailand) Co., Ltd. (Auto Industry; Industrial)
1998 - Present	Director	Denso (Thailand) Co., Ltd. (Industrials)
1993 - Present	Director	Thai Asia Pacific Brewery Co., Ltd. (Consumer Staple)
1986 - Present	Director	Thai-MC Co., Ltd. (Materials)
1986 - Present	Director	Isuzu Motors (Thailand) Co., Ltd. (Auto Manufacturing; Industrial)
1986 - Present	Director	Tri Petch Isuzu Co., Ltd. (Car Distributor; Consumer Discretionary)
1986 - Present	Director	Tri Petch Isuzu Leasing Co., Ltd. (Financials)

12. Mr. Achawin Asavabhokin (47 years old)

- Director (appointed on 10 April 2014)

Direct shareholding	Spouse and minor child shareholding	Family relationship with director and management
None	None	None

Education

Bachelor of Science in Engineering, Majoring in Systems Science and Engineering, University of Pennsylvania, USA

Bachelor of Science in Economics, Concentration in Finance, University of Pennsylvania, USA

Training

Thai Institute of Directors Association

2022 Fund Manager Refresher Course by AIMC

2014 Director Certification Program (DCP)

Main Occupation

Senior Executive Vice President, Chief Marketing Officer

SCB Asset Management Co., Ltd. (Financials)

The brief working experience during the past 5 years

Period	Position	Company
Director of 3 listed companies		
2014 - Present	Director	Home Product Center Plc. (Retail - Consumer Discretionary)
2018 - Present	Director	Land and Houses Plc. (Real Estate)
2017 - Present	Director	Quality House Plc. (Real Estate)
Director of non-listed company : None		
2018 - Present	Senior Executive Vice President, Chief Marketing Officer	SCB Asset Management Co., Ltd. (Financials)
2011 - 2018	Executive Vice President - Product & Foreign Fixed Income Group	

Management Team

1. Mr. Chaiyuth Karunyasopon (64 years old)

- Starting Date: 1 July 2007
- Executive Vice President - Supply Chain Management
- Managing Director - Distribution Services Center Co., Ltd.

Direct Shareholding	Shareholding by spouse and minor child
0.02%	0.001%

Highest Level of Education / Training

Bachelor of Finance, Ramkhamhaeng University

Experience during the past 5 years

2019 – Present	Executive Vice President - Home Product Center Plc. (Retail)
2002 – 2019	Senior Vice President - Home Product Center Plc. (Retail)

2. Mr. Vathunyu Visuthikosol (58 years old)

- Starting Date: 1 April 1994
- Executive Vice President - Business Development
- Managing Director - Market Village Co., Ltd.
- Managing Director - Home Product Center (Malaysia) SDN. BHD.

Direct Shareholding	Shareholding by spouse and minor child
0.08%	None

Highest Level of Education / Training

MBA, Georgia State University, USA

Experience during the past 5 years

2019 – Present	Executive Vice President - Home Product Center Plc. (Retail)
2002 – 2019	Senior Vice President - Home Product Center Plc. (Retail)

3. Ms. Wannee Juntamongkol (58 years old)

- Starting Date: 16 March 2005
- Executive Vice President - Accounting and Finance and Investor relations Strategy and Sustainability (Chief Finance Officer)
- Company Secretary

Direct Shareholding	Shareholding by spouse and minor child
0.09%	None

Highest Level of Education / Training

MBA, Sasin Graduate Institute of Business Administration of Chulalongkorn University
Bachelor of Commerce and Accountancy, Chulalongkorn University

- 2022 - CFO Refresher class 3/2022, Capital Market Knowledge Development of Promotion Center, Stock Exchange of Thailand (SET)
- 2021 - Program for the Company Secretary by Thai Listed Companies Association
 - CFO Refresher class 2/2021, Capital Market Knowledge Development of Promotion Center, Stock Exchange of Thailand (SET)
- 2020 - Top Executive Program in Commerce and Trade class 13 (TEPCoT)
 - Advance for Corporate Secretary Program, Institute of Director Association (IOD)
- 2019 Attended the following seminars by Thai Listed Companies Association:
 - The CFO's role in stakeholder communications
 - Automation & RPA (Robot Process Automation) for Accounting
 - The Securities and Exchange Commission's policy of capital market development and operational support for listed companies
- 2017 Director Accreditation Program class 140/2017
- 2016 Capital Market Academy class 22
- 2015 Strategic CFO class 1 by Stock Exchange of Thailand (SET)
- 2008 Laws and regulations of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET) Program for the Company Secretary by Faculty of Law of Chulalongkorn University
- 2005 Company Secretary Program, Institute of Director Association (IOD)

Experience during the past 5 years

2021 – Present	Executive Vice President - Home Product Center Plc. (Retail)
2008 – Present	Company Secretary - Home Product Center Plc. (Retail)
2005 – 2020	Senior Vice President - Home Product Center Plc. (Retail)

4. Mrs. Uraiwan Tantipiriyakij (53 years old)

- Starting Date: 1 August 2001
- Senior Vice President – HomePro Operation

Direct Shareholding	Shareholding by spouse and minor child
0.004%	0.005%

Highest Level of Education / Training

Master of Finance, Kennesaw State University, USA

Experience during the past 5 years

2018 – Present	Senior Vice President - Home Product Center Plc. (Retail)
2008 – 2018	District Manager - Home Product Center Plc. (Retail)

7. Ms. Ittaporn Srisukwattana (51 years old)

- Starting Date: 1 July 2003
- Senior Vice President - Design & Product Development

Direct Shareholding	Shareholding by spouse and minor child
0.001%	None

Highest Level of Education / Training

MBA, Assumption University

Experience during the past 5 years

2015 – Present	Senior Vice President - Home Product Center Plc. (Retail)
2010 – 2014	Vice President - Home Product Center Plc. (Retail)

5. Ms. Sannipa Swangpuen (53 years old)

- Starting Date: 1 February 2014
- Senior Vice President - Inventory Management

Direct Shareholding	Shareholding by spouse and minor child
0.002%	None

Highest Level of Education / Training

Master of Accounting, Griffith University, Australia

Experience during the past 5 years

2014 – Present	Senior Vice President - Home Product Center Plc. (Retail)
1997 – 2013	Senior Manager – Ek-Chai Distribution System Co., Ltd. (Retail)

8. Ms. Siriwan Paimsethasin (65 years old)

- Starting Date: 1 March 2002
- Senior Vice President - Water Solution & Electric Merchandising

Direct Shareholding	Shareholding by spouse and minor child
0.004%	None

Highest Level of Education / Training

Diploma in Business Computing, Dhonburi Rajabhat University

Experience during the past 5 years

2011 – Present	Senior Vice President - Home Product Center Plc. (Retail)
2007 – 2011	Vice President - Home Product Center Plc. (Retail)

6. Ms. Jarusopha Thumkathikanon (63 years old)

- Starting Date: 16 November 2003
- Senior Vice President - Bedding & Home Living Merchandising

Direct Shareholding	Shareholding by spouse and minor child
0.08%	None

Highest Level of Education / Training

Bachelor of Economics, The University of the Thai Chamber of Commerce

Experience during the past 5 years

2003 - Present	Senior Vice President - Home Product Center Plc. (Retail)
1989 - 2003	Senior Purchasing Manager – Siam Makro Plc.

9. Mr. Tanawat Klangsoontornrangsi (55 years old)

- Starting Date: 1 October 1994
- Senior Vice President - Ceramic & Bathroom Merchandising

Direct Shareholding	Shareholding by spouse and minor child
0.005%	None

Highest Level of Education / Training

Bachelor of Business Administration, Bangkok University

Experience during the past 5 years

2018 – Present	Senior Vice President - Home Product Center Plc. (Retail)
2003 – 2018	Vice President - Home Product Center Plc. (Retail)

10. Ms. Apiradee Thavilap (51 years old)

- Starting Date: 1 April 2014
- Senior Vice President – Digital Business & Merchandise Center

Direct Shareholding	Shareholding by spouse and minor child
0.002%	None

Highest Level of Education / Training

MBA, Colorado State University, USA

Bachelor of Economics, Chulalongkorn University

Experience during the past 5 years

2014 – Present	Senior Vice President - Home Product Center Plc. (Retail)
2012 – 2013	Senior Manager - Ek-Chai Distribution System Co., Ltd. (Retail)

11. Ms. Monaphat Phongpreedachit (54 years old)

- Starting Date: 1 May 2004
- Senior Vice President - Home Service

Direct Shareholding	Shareholding by spouse and minor child
0.002%	None

Highest Level of Education / Training

Senior High School, French Program, Matthayomwatnairong School

Experience during the past 5 years

2017 – Present	Senior Vice President - Home Product Center Plc. (Retail)
2004 – 2017	Vice President - Home Product Center Plc. (Retail)

12. Ms. Pornsook Damrongsiri (57 years old)

- Starting Date: 1 January 2013
- Senior Vice President – Digital Transformation

Direct Shareholding	Shareholding by spouse and minor child
0.002%	None

Highest Level of Education / Training

MS-CIS, Colorado State University, USA

Experience during the past 5 years

2013 – Present	Senior Vice President Home Product Center Plc. (Retail)
2007 – 2013	Senior Manager - Ek-Chai Distribution System Co.,Ltd. (Retail)

13. Mr. Nitat Aroontippaitoon (57 years old)

- Starting Date: 16 March 1997
- Senior Vice President - Human Resource, Loss Prevention and Energy Business

Direct Shareholding	Shareholding by spouse and minor child
0.04%	None

Highest Level of Education / Training

MBA, National Institute of Development Administration

Experience during the past 5 years

2000 – Present	Senior Vice President - Home Product Center Plc. (Retail)
2005 – 2010	Vice President - Internal Audit

14. Ms. Sudapa Chamod (49 years old)

- Starting Date: 1 July 2012
- Senior Vice President - Information and Communication Technology
- Chief Technology Officer (CTO)
- Chief Security Officer (CSO)

Direct Shareholding	Shareholding by spouse and minor child
0.002%	None

Highest Level of Education / Training

MBA, Asian Institute of Technology

Experience during the past 5 years

2012 – Present	Senior Vice President - Home Product Center Plc. (Retail)
1999 – 2012	Senior Manager - Accenture Solutions Co.,Ltd. (System Consultant)

15. Ms. Petchompoo Theppipdh (58 years old)

- Starting Date: 1 July 2012
- Senior Vice President - Distribution Center

Direct Shareholding	Shareholding by spouse and minor child
0.001%	None

Highest Level of Education / Training

Master of Education, Chulalongkorn University

Experience during the past 5 years

2019 – Present	Senior Vice President - Home Product Center Plc. (Retail)
2012 – 2019	Vice President - Home Product Center Plc. (Retail)

16. Ms. Somjai Maturaporn (62 years old)

- Starting Date: 16 January 2001
- Senior Vice President - Home Electric Merchandising

Direct Shareholding	Shareholding by spouse and minor child
0.002%	None

Highest Level of Education / Training

Bachelor of Nursing Science, Mahidol University

Experience during the past 5 years

2019 – Present	Senior Vice President - Home Product Center Plc. (Retail)
2015 – 2019	Vice President - Home Product Center Plc. (Retail)

17. Mr. Wichian Jiamwijitkul (58 years old)

- Starting Date: 1 August 2020
- Senior Vice President - Mega Home Business and Product Category Management

Direct Shareholding	Shareholding by spouse and minor child
0.0004%	None

Highest Level of Education / Training

Bachelor of Engineering, Chulalongkorn University

Experience during the past 5 years

2020 – Present	Senior Vice President - Home Product Center Plc. (Retail)
2015 – 2020	Independent Advisor
2014 – 2016	Director - SCG Cement & Building Materials Co., Ltd. (Building Materials)

18. Mr. Vorapot Techathadakul (46 years old)

- Starting Date: 1 August 2008
- Senior Vice President - Merchandise Kitchen & Home Organize

Direct Shareholding	Shareholding by spouse and minor child
0.001%	None

Highest Level of Education / Training

Bachelor of History, Kasetsart University

Experience during the past 5 years

2020 – Present	Senior Vice President - Home Product Center Plc. (Retail)
2016 – 2020	Vice President - Home Product Center Plc. (Retail)

19. Ms. Saowanee Sirariyakul (45 years old)

- Starting Date: 1 September 2020
- Senior Vice President – Marketing

Direct Shareholding	Shareholding by spouse and minor child
0.0006%	None

Highest Level of Education / Training

Master of Innovation Management, Mahidol University

Experience during the past 5 years

2020 – Present	Senior Vice President - Home Product Center Plc. (Retail)
2010 – 2019	Director - Thai Samsung Electronics Co., Ltd. (Electrical Appliances Manufacturer and Distributor)

20. Mr. Wichan Worasittanon (55 years old)

- Starting Date: 1 August 2006
- Senior Vice President - Accounting and Finance

Direct Shareholding	Shareholding by spouse and minor child
0.01%	None

Highest Level of Education / Training

Bachelor of Accounting, Thammasat University

2022 - Accounting courses by Dharmniti Seminar and Training Co., Ltd.

Experience during the past 5 years

2021 – Present	Senior Vice President - Home Product Center Plc. (Retail)
2006 – 2021	Vice President - Home Product Center Plc. (Retail)

21. Mr. Rakpong Aroonwatdhana (48 years old)

- Starting Date: 16 May 2001
- Senior Vice President - Investor Relations, Strategy, and Sustainability

Direct Shareholding	Shareholding by spouse and minor child
0.001%	None

Highest Level of Education / Training

MBA, Ramkhamhaeng University

Bachelor of Accounting, University of the Thai Chamber of Commerce

Experience during the past 5 years

2021 – Present	Senior Vice President - Home Product Center Plc. (Retail)
2014 – 2021	Vice President - Home Product Center Plc. (Retail)

22. Mr. Teerapong Sampan (49 years old)

- Starting Date: 17 March 2014
- Senior Vice President - Construction Merchandising

Direct Shareholding	Shareholding by spouse and minor child
0.0005%	0.00009%

Highest Level of Education / Training

Master of Business management and Marketing, NIDA

Bachelor of BBA and Marketing, Bangkok University

Experience during the past 5 years

2019 – Present	Senior Vice President - Home Product Center Plc. (Retail)
2014 – 2019	Senior Vice President - Mega Home Center Ltd. (Retail)

Financial Information

Item	Consolidated Financial Statements			Separate Financial Statements		
	2020	2021	2022	2020	2021	2022
Total Assets	56,090.77	58,586.35	65,184.74	52,737.15	54,591.44	63,616.96
Total Liabilities	34,525.53	35,695.91	40,938.86	32,015.72	33,033.79	40,903.58
Equity	21,565.24	22,890.43	24,245.88	20,721.43	21,557.65	22,713.38
Revenue from Contracts with Customers	58,346.77	60,567.91	65,090.88	50,771.56	52,829.27	60,042.43
Total Revenues	61,748.99	63,925.79	69,389.43	54,173.71	56,179.25	64,730.36
Net profit	5,154.70	5,440.52	6,217.09	4,788.28	4,985.00	6,021.66
EPS (Baht)	0.39	0.41	0.47	0.36	0.38	0.46
Dividend per share (Baht)*	0.30	0.32	0.38	0.30	0.32	0.38
Paid-up Capital (Million Shares)	13,151.20	13,151.20	13,151.20	13,151.20	13,151.20	13,151.20
Net cash flows from operating activities	8,362.88	7,825.41	9,951.98	7,414.68	6,975.77	8,520.38
Net cash flows used in investing activities	(3,144.81)	(1,673.08)	(5,509.17)	(2,268.44)	(1,018.24)	(3,911.25)
Net cash flows used in financing activities	(4,797.48)	(4,915.31)	(3,567.59)	(4,687.20)	(4,806.54)	(3,721.13)
Net increase (decrease) in cash and cash equivalents	422.71	1,263.28	874.33	459.04	1,150.99	888.00

* Remark: Dividend for 2022 amounted to 0.38 Baht/share paying from the first 6 months operation of 0.17 Baht/share, according to the resolution of the Board of Directors' Meeting No. 8/2022, and from the last 6 months operation of another 0.21 Baht/share, according to the Board of Directors' Meeting No.2/2023 approved to propose to 2023 Annual General Meeting of Shareholders.

Financial Ratio

Item	As of			
	31 Dec 2020	31 Dec 2021	31 Dec 2022	
Liquidity ratio				
Current Ratio ¹	(time)	0.77	0.92	0.88
Quick Ratio ²	(time)	0.18	0.23	0.24
Current Ratio – Cash basis ³	(time)	0.39	0.38	0.44
Account Receivable Turnover ⁴	(time)	266.99	312.55	240.48
Account Receivable Day ⁵	(day)	1.00	1.00	1.00
Inventory Turnover ⁶	(time)	4.20	3.92	3.67
Inventory Day ⁷	(day)	87.00	93.00	99.00
Account Payable Turnover ⁸	(time)	3.79	3.82	3.78
Account Payable Day ⁹	(day)	96.00	95.00	96.00
Cash cycle ¹⁰	(day)	(8.00)	(1.00)	4.00
Profitability ratio				
Gross Profit Margin ¹¹	(%)	25.28	25.83	26.14
Operation Profit Margin ¹²	(%)	11.37	11.63	12.43

Item		As of		
		31 Dec 2020	31 Dec 2021	31 Dec 2022
Other Revenue to Total Revenue ¹³	(%)	5.51	5.25	6.19
Cash flow to Operation Profit ¹⁴	(%)	126.09	111.11	123.05
Net Profit to Total Revenue ¹⁵	(%)	8.35	8.51	8.96
Return on Equity ¹⁶	(%)	24.14	24.48	26.38
Efficiency ratio				
Return on Asset ¹⁷	(%)	9.53	9.49	10.05
Return on Fixed Asset ¹⁸	(%)	21.76	21.64	22.47
Asset Turnover ¹⁹	(time)	1.14	1.11	1.12
Financial policy ratio				
Debts to Equity Ratio ²⁰	(time)	1.60	1.56	1.69
Interest Coverage Ratio ²¹	(time)	21.39	24.66	25.29
Interest Bearing Debt to EBITDA ²²	(time)	1.36	1.30	1.36
Debt Service Coverage ²³	(time)	1.84	2.32	1.80
Dividend Payout Ratio ²⁴	(%)	82.40	84.42	82.99

Remark: * Dividend Payout Ratio in 2022 is subject to 2023 Annual General Meeting of Shareholders' approval

1 Current Ratio = Total Current Asset / Total Current Liabilities

2 Quick Ratio = (Cash and cash equivalents + Account Payable) / Total Current Liabilities

3 Current Ratio – Cash basis = Operating Cashflow / Avg. Current Liabilities

4 Account Receivable Turnover = Revenue from Contracts with Customers / Avg. Account Receivable

5 Account Receivable Day = 365 / Account Receivable Turnover

6 Inventory Turnover = Cost of Sales / Avg. Inventory

7 Inventory Day = 365 / Inventory Turnover

8 Account Payable Turnover = Cost of Sales / Avg. Account Payable

9 Account Payable Day = 365 / Account Payable Turnover

10 Cash Cycle = Account Receivable Day + Inventory Day – Account Payable Day

11 Gross Profit Margin = Gross Profit / Revenue from Contracts with Customers

12 Operation Profit Margin = Operation Profit / Revenue from Contracts with Customers

13 Other Revenue to Total Revenue = Other Revenue / Total Revenue

14 Cash flow to Operation Profit = Operating Cash flow / Operation Profit

15 Net Profit to Total Revenue = Net Profit / Total Revenue

16 Return on Equity = Net Profit / Avg. Total Equity

17 Return on Asset = Net Profit / Avg. Total Asset

18 Return on Fixed Asset = (Net Profit + Depreciation) / Avg. Fixed Asset

19 Asset Turnover = Total Revenue / Avg. Total Asset

20 Debts to Equity Ratio = Total Liabilities / Total Equity

21 Interest Coverage Ratio = EBITDA / Interest Expense

22 Interest Bearing Debt to EBITDA = Interest Bearing Debt / EBITDA

23 Debt Service Coverage = EBITDA / Short term Interest Bearing Debt + Current Portion of Long term Interest Bearing Debt

24 Dividend Payout Ratio = Dividend Payment / Net Profit from Separate Financial Statements

Organization Culture

The Company has set the organizational culture for all HomePro's associates (HomePro Culture) to serve as the guideline for their conduct and work procedure in order to achieve the vision and missions as planned. The Company aims for the culture to be interpolated into the way of life of every associates as part of their daily lifestyles. The purpose is to develop the capabilities of associates to have more knowledge and expertise, along with promoting great products and services to compliment the good quality of living for customers. New innovations are initiated and adapted to handle all aspects of change, so that the Company can move forward and develop itself steadily and sustainably. In the present, there are 5 pillars of HomePro Culture as follows:



Customer First

The best service comes from the heart. Heart is the foundation of all service-related work that is translated into thoughts, actions and gestures.



Teamwork

Every goal is achievable with teamwork. No individual can succeed alone. Working together as a team can bring about success and the achievement of the common goal.



Think&Act as HomePro

Everyone comes from different backgrounds. However, the determination in self-development will eventually lead to success.



Passion

"Where there is a will, there is a way". No great work can be done without great determination and endeavor.



Integrity

Integrity is the honesty to do good even when nobody is watching, because our determination and good deeds are always visible.

Management Structure



Business Purpose

We Make a Better Living

Vision

To become a leader in Home Solution and Living Experience in Thailand and Southeast Asia

Mission



We will offer exceptional products and services that exceed customer's expectation and improve their standard of living through value and sufficiency.



We recognize the importance of developing our associates and enabling them to surpass their potential, enhancing productivity, behaving according to the company culture, having good standard of living, and devoting to the organization.



We will continuously seek for new business opportunities and appropriately add value to our stakeholders.



We cooperate with business partners to develop innovative products and services, and enhance management effectiveness for mutual success.



Our management team is dedicated to operate with good governance and social responsibility, and create good relationships with the community and the environment.

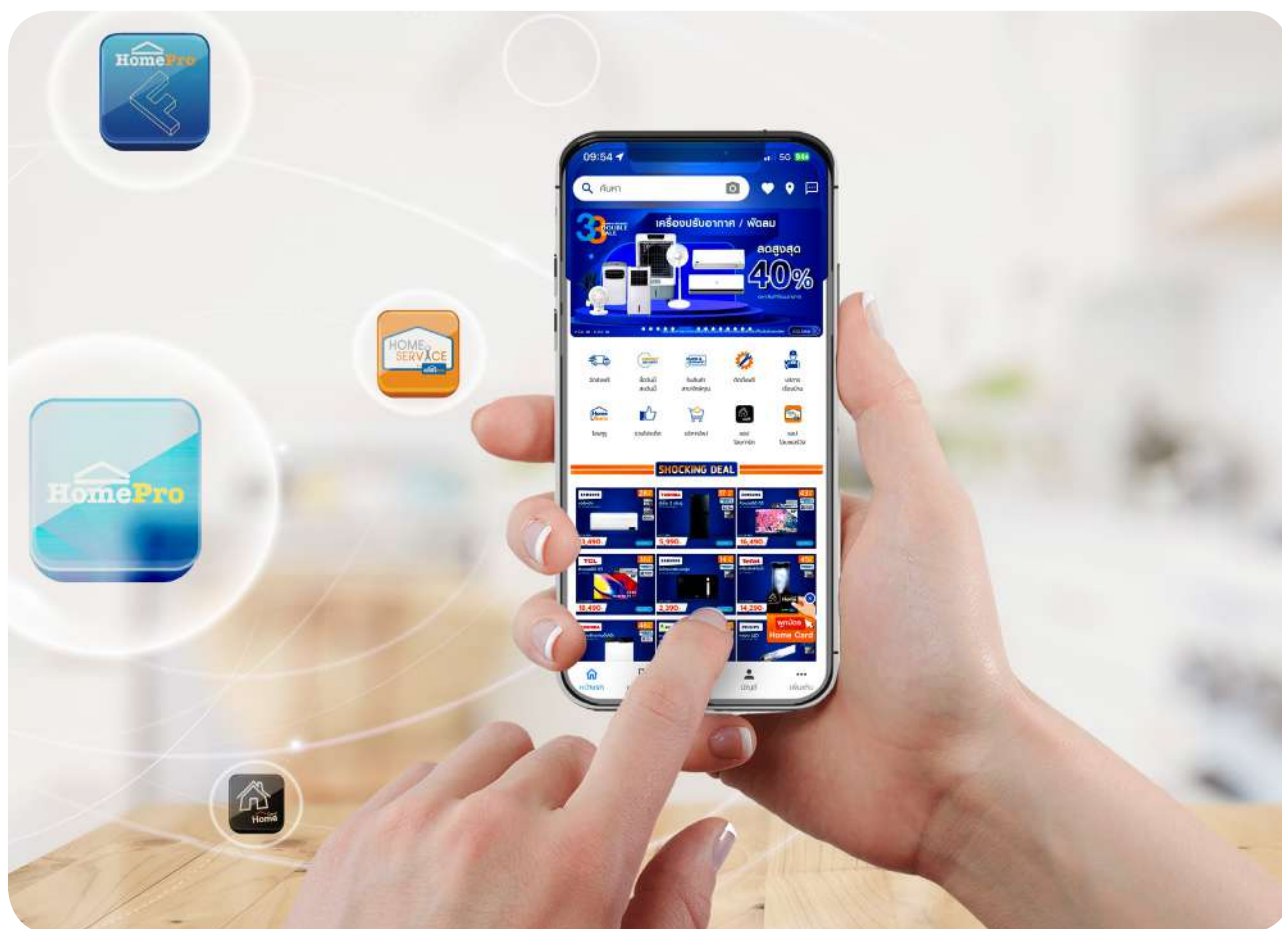
Business Objectives

The company aims to be a leading company in the Home Solution and Living Experience business in Thailand and Southeast Asia by focusing on the development of the entire value chain system to develop products and services under the One Stop Shopping concept while delivering sustainability to the environment, society and business at the same time. When lifestyles of consumers have changed, the company is investing in new stores in good potential areas including further development of the e-commerce system and the Omni Channel system to serve all customers. By the end of 2022, there are 92 HomePro stores nationwide.

Besides the HomePro business, the Company also expanded “Mega Home” to accommodate the market for building materials. Mega Home Center offers a

comprehensive range of home-related products and building materials, both wholesale and retail. The target customers of Mega Home are technicians, contractors, and project owners. By the end of 2022, the company has already opened and operated 18 Mega Home Stores to become the leader in construction materials.

With the goal of expanding business in ASEAN, the company has expanded its business in the name of “HomePro” in foreign countries starting in Malaysia as the first country, at the end of 2022, there are 7 stores in Malaysia. In addition, the Company also expanded to Vietnam, in which the Company registration was set up in 2020. Currently, it is operated through the E-marketplace.



Major Changes and Development in the Past 3 Years



> 2020

The Company opened 2 new HomePro stores in Rangsit Klong 4 as “Market Village” format and in Suk Sawat. Store expansions in 2020 were executed with careful discretion as the Company was affected by the closing order of stores in the second quarter by Thailand’s Center for COVID-19 Situation Administration (CCSA). At the end of 2020, there were 86 HomePro stores, 9 HomePro S stores, 14 Mega Home stores and 6 HomePro Malaysia stores. In addition, The Board of Directors have also approved for the Company to proceed with the establishment of Home Product Center Vietnam Company Limited to operate retail business for home-related products in Vietnam.

> 2021

The company opened 2 HomePro stores and started operating in Vietnam. The Company opened a HomePro store in Bangna Km.1 Bangkok, which is the 87th HomePro store in Thailand, and has expanded the 7th store in Malaysia in Kuala Lumpur, Damansara area. At the end of 2021, there were 87 HomePro stores, 6 HomePro S stores, 14 Mega Home stores and 7 HomePro in Malaysia. In addition, the Company has started business operations in Vietnam through the E-marketplace channel.



> 2022

The company opened 2 HomePro stores replacing the former stores, closed 1 HomePro store, and opened 4 Mega Home stores. It also consolidated Mega Home and HomePro management to operate under the same entity. In order to provide larger space with more convenience to customers, the Company opened a HomePro store in Future Park Rangsit, which was relocated from the former Rangsit store. In addition, the Company opened a HomePro store in Ladkrabang to replace the HomePro S in The Paseo Ladkrabang. On the other hand, the Company closed 1 HomePro store at

The Mall Bangkai due to the expiry of its leasing term with the plan to open a replacement store in the nearby area. Furthermore, the Company opened Mega Home stores in Pattaya, Chachoengsao, Surat Thani, and Khon Kaen. At the end of 2022, there were 87 HomePro stores, 5 HomePro S stores, 18 Mega Home stores and 7 HomePro in Malaysia. Besides, the Company operates business in Vietnam through the E-marketplace channel.

Since July 1, 2022, The Company managed to consolidate Mega Home and HomePro business to operate under the same entity of Home Product Center Public Company Limited, which formerly the two companies had completely separated management. The objective is to increase management efficiency in many aspects such as people management, inventory management, and efficient cost control as well as facilitating customers in terms of enabling products and services cross-purchasing from both HomePro and Mega Home stores with more variety and speed in order to boost business opportunities.

Nature of Business

Home Product Center Company Limited was established on June 27, 1995 as a joint venture between Land and Houses Public Company Limited and Quality Houses Public Company Limited. The Company was transformed into a public company since May 29, 2001 with the initial registered capital of Baht 150 million and listed on the Stock Exchange of Thailand since October 30, 2001.



The Structure of Business Group

As of December 31, 2022. The structure of business group and associate company are as follows:



Nature of Business of the Company

The Company was established with the objective to operate a retail business in home improvement segment by offering products and complete range of services relating to construction, extension, refurbishment, renovation, makeover and improvement of buildings, houses, and residential places through One Stop Shopping Home Center, under the trade name of “HomePro” to serve home-owner customers and the trade name of “Mega Home” to serve technicians and contractors, which is the Company’s trademark. In the present, the nature of business of the Company is as follows:

1. Home Improvement Retailing

1.1 Product Category

2 groups of merchandise categories as follows:

Hard Line: Tools, Paint, Home Improvement, Bathroom and Sanitary Ware, Kitchen, Home Appliances and Electrical Equipment

Soft Line: Bedding, Home Textiles, Furniture, Lighting, Household Decorative Products ,and Household Accessories

1.2 Services relating to retail business

With the concept of One Stop Shopping, the company provides home services that cover repairs, and home improvement services through the appointment from both stores, Line official platform, and Home Service application, providing the following services:

1. Renovation, such as renovating bathrooms, kitchens, living rooms with a 3D computer system (Home Improvement Service).
2. Installation, relocation and fixing (Installation Service)
3. Inspection, cleaning, and maintenance of various electrical appliances (Maintenance Service)
4. Washing, cleaning, and sterilizing services (Cleaning Service)
5. Home improvement and improving the areas in the house (Home Makeover)

It also covers emergency services (Emergency Service) such as power cut, power outage, broken water pump, water pipe leak, in which the customer can contact via call center 1284, 24 hours a day.

2. Space Rental Service for Retail Tenants

The Company provides available space in some HomePro Stores for retail tenants to rent. At the same time, the Company has developed a store format called “Market Village” which operates as a full-service shopping center. Inside the premises, in addition to the HomePro store, there is a shopping center in which most tenants are supermarkets, restaurants, banks, bookstores, and IT shops etc. As of December 31, 2022, the Company has a total of 5 locations under Market Village format: Suvarnabhumi, Hua-Hin, Phuket-Chalong, Ratchapruk, and Rangsit Klong 4.

Nature of Subsidiary Businesses & Associate Company

1. Market Village Co., Ltd.

was incorporated on May 26, 2005 with the objective to manage rental space and to provide facility services to tenants. In the first quarter of 2006, Market Village commenced its first operation with the “Hua-Hin Market Village” project, located on Petchkasem Road, Amphoe Hua-Hin, Prachaubkirkhan. At the end of 2022, The Company operated 5 locations under Market Village format in total.

2. Home Product Center (Malaysia) SDN. BHD.

was incorporated on July 28, 2011 with the objective to operate a retail business in the home improvement segment in Malaysia. At the end of 2022, the Company operated 7 HomePro Stores in Malaysia.

3. Mega Home Center Co., Ltd.

was incorporated on July 4, 2012 with the objective to operate a retail and wholesale business in building and structural materials, including home improvement products.

4. DC Service Center Co., Ltd.

was incorporated on September 4, 2013 with the objective to operate a business of warehousing and distribution of goods.

5. Home Product Center Vietnam Company Limited

It was established on November 13, 2020 with the objective to operate a retail business in Vietnam. At the end of 2022, it was operated through the E-marketplace channel.

6. OneStockHome Co., Ltd.

Since May 3, 2022, the Company has taken 30% equity participation of OneStockHome Co., Ltd., which is the online platform for building materials selling, with the objective to increase the opportunity for selling and distribution of Mega Home products.

Revenue Structure

Revenue of the Company and its subsidiaries consist of sales revenue and other income. Overall revenue structure can be classified as follows:

(Unit: Million Baht)

Item	2020		2021		2022	
	Amount	%	Amount	%	Amount	%
1. Revenue from contracts with customers						
- Hard Line	40,325.9	65.3	41,864.2	65.5	44,269.3	63.8
- Soft Line	9,062.0	14.7	9,450.0	14.8	9,960.7	14.4
- Home Service	484.1	0.8	598.2	0.9	709.3	1.0
2. Revenue from Subsidiaries	8,474.8	13.7	8,655.5	13.5	10,151.6	14.6
- Revenue from Thailand	7,303.8	11.8	7,664.5	12.0	8,760.6	12.6
- Revenue from CLMV countries	1,171.0	1.9	991.0	1.6	1,391.0	2.0
Total Revenue from sales	58,346.8	94.5	60,567.9	94.7	65,090.9	93.8
3. Other income ¹	3,402.2	5.5	3,357.9	5.3	4,298.5	6.2
Total	61,749.0	100.0	63,925.8	100.00	69,389.4	100.0

หมายเหตุ: 1. Other income includes revenue from space rental, in-store promotion fee, etc.

Product Information

The Company sources products by:

1. Purchase order

The Company makes the purchase of products, separate by product category, from both local and overseas manufacturers and distributors. The Company emphasizes on quality and variety of products.

2. Design and Make to order

The Company orders the product of Private Brands from both local and overseas manufacturers. The Company initially selects manufacturers by considering the certification of manufacturing standard, reputation, quality of service under the Company's condition and criteria of manufacturer as well as consistent operation. Moreover, the Company also pays regular visit to factories and inspects products and production to ensure overall quality.

Currently, the Company sources products from more than 1,189 manufacturers and distributors. The Company offers a channel for vendors to introduce their new products. Selection process is conducted by evaluating 8 aspects of Vendor's Assessment Level: Ability to Produce, Ability to Control Quality, Risk Management, Product Quality Audit and traceability, Warehouse Management, Quality of Delivery, After Sales Service, and, Sustainability Management under Environmental, Social, and Governance framework. Over the years, suppliers, manufacturers, and the Company effectively coordinated and supported each other in product development, advertising, public relations, sales promotion, business planning, and new store openings.

Research and Development Policy

The Company strives to serve the changing demand of consumers and is ready to adapt to the changes in the economy, the society and the environment through research and development of products and services. The Company also explores new business opportunities to enhance long-term competitiveness with the following highlighted programs in 2022:

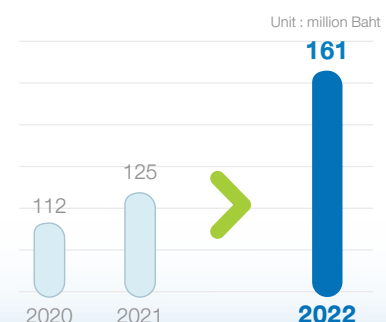
The Company has developed the Information and Communication Technology systems, Inventory Management system, and Product Development program which consist of:

1. Digital Transformation project: To improve the speed and efficiency of working processes by continuously developing BYOD (Bring Your Own Device) system. The objective is to enhance sales of products and services level, including to completely and timely serve customer demands. This enables associates to use a smartphone or a tablet with BYOD systems installed for various purposes; to check for inventories, to search product details and promotional campaigns, to take customer's orders, to appoint the delivery time, as well as to make a payment. The system will intermediary link those information to related departments, which benefits the Company and customers in terms of timesaving and convenience, respectively.
2. E-commerce platform system development project: To develop an online purchasing platform for both HomePro website and applications which are HomePro Application, Home Service Application, including HomeCard Application. Additionally, the Company has developed an e-commerce platform for B2B (Business to Business) customers; offices, hotels, resorts, government agencies, etc., in order to expand product distribution channels and to reach more new target customers.

Total spending related to the mentioned program above was approximately 29.75 million Baht.
3. ASRS (Automated Storage & Retrieval System) development project: To continue developing ASRS for automatic inventory management, which shortens the time for large numbers of order management, reduces work redundancy, and increases the safety level of associates. Total spending related to this program was approximately 78.61 million Baht.
4. Private Brand development program: The Company established a specific team to focus on the development, design and ordering of various products in order to offer products that match the needs of customers, concerning to the potential impacts prevention on environmental and social. Total spending related to this program was approximately 52.14 million Baht.



Spending on Research & Development



Market and Competitive Condition

Retail business of building materials and home-related products still has high growth potential bolstered by increasing urbanization and government's infrastructure investment projects such as intercity motorway, redeveloping and expanding of high-speed rail, which

consequently leads to continuous urbanization and standard of living improvement. Moreover, there was a positive factor from the recovery of the Thai economy after the declining of coronavirus (COVID-19) spread over two years. Consequently, the Company has prepared

and developed the seamless online and offline shopping experience (Omni Channel) continuously to be more efficient and promptly, as well as sourced and selected products that match the changes in customer behaviors and their lifestyles such as health and safety, pet-related, energy saving product categories, etc.

In order to sustain competitiveness, the Company emphasizes One-Stop service as well as focusing on products and services offering through stores, social media and online platforms, system investment such as the Automated Storage and Retrieval System (ASRS), and creating a seamless experience to customers and members through Loyalty Program. These are strategies to differentiate the Company from other retailers. Not only focusing on the product itself but also One-Stop service solutions including design, installation, and repair and maintenance. The Company has moreover added a strategy to focus on Home Service, which provides services for inspecting, cleaning, changing sanitaryware, painting, and renovating the house, which have been continuously and increasingly used by customers. Although this service income generates a small proportion, it is an important approach of attracting and fulfilling customers' satisfaction, and encouraging the products and services repurchased by customers. In this regard, the Company classifies other business operators who offer similar products as follows:

1. Home Center

- Baan & Beyond is a retail business unit offering home related products, operated by Central Retail Corporation Group, which has been merged and rebranded from Homework to Baan & Beyond. At the end of 2022, there were 7 stores in operation.
- Thai Watsadu is a retail business unit offering construction materials, home improvement goods and equipment in the form of warehouse stores, operated by Central Retail Corporation Group. At the end of 2022, there were 64 stores in operation.
- Global House operates a warehouse store business offering construction materials, tools for construction, extension and decoration of home and garden. Managed by the Siam Global House Plc. At the end of 2022, there were 77 stores in operation.
- Do Home operates a warehouse store business offering construction materials, tools and construction equipment. Managed by Do Home Co. Plc. At the end of 2022, there were 29 stores in operation, which consisted of 21 stores under Do Home format and 8 stores under Dohome ToGo.
- Hardware House operates a business offering construction materials, tools and equipment used in construction and home improvements in the form of a warehouse store.

Hardware House is operated by Hardware House Co., Ltd. At the end of 2022, there were a total of 26 stores comprising 7 hardware house stores and 3 hardware house EXTRA stores, and 16 hardware house stores located in SCG HOME. Most of the stores are operating in the central areas and the eastern region.

- Home Hub operates a business offering construction materials, tools and equipment used in construction and home improvements in the form of a warehouse store. Home Hub is operated by Home Hub Co., Ltd. At the end of 2022, there were 3 stores, mostly operating in the Northeastern region.

2. Specialty Store

Retail businesses that focus on offering specific goods which may indirectly compete with the Company in some product categories as follows:

- Ceramic, Sanitary ware, and Kitchenware stores e.g. Boonthavorn, Grand Home Mart
- Furniture and Home decoration stores e.g. Index Living Mall, IKEA
- Retail stores that sell only construction materials e.g. Cement Thai Home Mart.
- Retail stores in small format that sell hardware, small equipment and miscellaneous products e.g. MR.DIY
- Other Specialty Stores

3. Operators of Large Retail Business in Hypermarket

These businesses mainly aim at selling consumer goods and food, not home improvement products. While some product categories offered may overlap, but their main target customers are different.

4. Online Retail Business

There are 2 main categories as follows:

- Online Marketplace Operators, such as Lazada, Shopee, and NocNoc. The platforms allow both corporate and individual to sell a variety of products on the platform. However, there has been only some category overlapping between the company's products and the products offered on those Marketplaces.
- Corporate E-tailer Website, which all other Home Center business operators have their own platform. The company also has its own platform, www.homepro.co.th, HomePro application, SHOP4YOU service via LINE and Facebook, as well as other social media.

Asset for Business Operation

The Company has asset for business operation as of 31 Dec, 2022 as follow:

Item	Amount (Million Baht)
1. Investment properties	6,970.70
2. Property, buildings and equipment	55,912.45
3. Right-of-use assets	10,309.96
4. Computer software	1,147.35
Total	74,340.46
<u>Less</u> Accumulated depreciation	30,986.56
Accumulated amortization	676.44
Allowance for impairment loss	28.15
Net Fixed Asset	42,649.31

The type of ownership can be divided as follows:

Type of Rights	Approximate Area Size	Contract End Date	Right of Contract Recurring
1. Land Lease Comprise of HomePro store, distribution Center and Mega Home store	903 Rai 53.49 Square Wa	2025 - 2059	Yes*
2. Leasehold Comprise of HomePro store, HomePro in Malaysia and HomePro S	185,681.67 Square Metre	2023 - 2052	Yes*
3. Freehold (The Company is the owner) Comprise of HomePro store, distribution center, Mega Home store and new store	1,038 Rai 1 Ngan 94.9 Square Wa	-	-

Remark: * Terms and conditions of contract renewal will be agreed with lessor in the future.

Risk Management

The Company emphasizes risk management as those risks could impact the Company's operation by appointing the Risk Management Committee which main responsibilities are; to set policy, systematically framed risk assessment, and continuously monitors from strategic planning to operations. Also, continuously raising awareness of risk management to every associate in the Company, which is Enterprise Risk Management Framework that follows international standards. Details are as follows:

Board of Directors and Audit Committee

The Board of Directors has assigned the Audit Committee to review the Company's performance to efficiently and effectively organize and manage risk as appropriate. The Internal Audit Department is responsible for inspecting to ensure that the operational department has an adequate and appropriate internal risk management system and reporting to the Audit Committee. In addition, the Internal Audit Department also provides consultations to auditees and communicates feedbacks for further improvement and ensure appropriate risk management.

Determining Level of Risk in Business

The Company has clearly set the objectives and acceptable level of risk (Risk Appetite) and correlate in order to avoid potential impact on the business operation and for every department to follow the same direction.

Risk Management Committee

The Risk Management Committee consists of Managing Director which is the representative and Chairman of the Risk Management Committee, Executive Vice President and Senior Vice President who are risk owners, being responsible for setting up the policies, defining the structure, responsible for managing the risk, considering and approving the risk management strategies and plan, as well as assessing the risk profile and monitor organization risk.

Risk Management Processes and Tools

The Company adopted the risk management framework to be used in the operations. The process is divided into 4 steps: identifying business risks or opportunities, risk assessment, setting measures, control and provide solutions, and quarterly reporting risks to the Audit Committee.

In addition, the Company also adopt various tools in order to conduct Risk analysis and assessment include Risk Maps, Key Risk Indicator (KRI), Key Management Indicators, and other techniques to identify impacts on operations as 'Value at Risk' (VAR), and the monitoring of critically changing external factors in order to prepare proactive risk management measures targeted at an emerging risk in a timely manner.

Building Risk Management Culture in the Organization

The Company recognized that the corporate culture is one of the key successes in risk management including 'Tone of the top' by enhancing corporate culture to be aware of risk management as well as implementing the risk management. In addition, risk management is also requisite in performance evaluation of the management and associates, including the development of training materials in the form of Digital Learning to broadly raise awareness of the risk management for associates.

In 2022, the Company continues to operate under the stated risk management policy, which aligns with the business direction according to international standards. The Risk Factor are as follows:

1. Strategic Risk

The risks relating to the operational policies of the Company, economy, investment, and competition.

1.1 Economic Volatility

In 2022, the spread of Coronavirus (COVID-19) has subsided in which supported the recovery of overall economy of Thailand and other nations, especially economic activities in tourism sector. Despite the pressure of Russia-Ukraine war causing inflation globally due to inevitable higher oil price and electricity cost, however, the government has implemented various economic stimulus to boost spending and mitigate those impact such as Shop and Payback, Co-Payment Scheme, electricity tariff discount for consumer, and a partial subsidy for diesel price for a period of time. The Company set up risk management measures through the enhancement of operational effectiveness throughout the supply chain, including the quality and value of products and services, product assortment, product selection and service offerings that serve dynamic change in customers' demand as well as managing the operation cost for the Company to maintain sufficient liquidity and business continuity.

The Company cautiously emphasizes on store expansion, tracks the performance of stores and develops a marketing plan for sales promotion activities with business partners such as credit cards operators, government agencies, vendors, as well as marketing activities to attract in more customers to visit and shop at stores. Furthermore, the Company manages its operational efficiency in cost control to lessen the risk of interest rate fluctuation by issuing fixed-rate long-term debentures to repay loans with higher floating interest rate cost. This enables the Company to control its cost of borrowing in a manageable level even during a period of rising trend of interest rate.

1.2 Domestic Investment

As of December 31, 2022, the Company operated the stores under "HomePro" and "HomePro S" of 92 stores nationwide. In 2022, there was 2 new stores under HomePro format at Future Park Rangsit and Ladkrabang which relocated from an old store nearby. For "Mega Home" business, the Company opened 4 new stores at Pattaya, Chachoengsao, Surat Thani and Khon Kaen, totally operated 18 stores nationwide.

In 2022, Mega Home business has been merged with HomePro business to operate under the same entity

of Home Product Center Public Company Limited, which formerly the two company has completely separated management. The objective is to increase management efficiency in many aspects such as people management, inventory management, and efficient cost control as well as facilitating customers in terms of enabling products and services cross purchasing from both HomePro and Mega Home stores with more variety and speed in order to boost business opportunities.

In addition, the Company foresee an investment opportunity in building material and construction business through online channel. Therefore, the Company took equity participation of 30% in OneStockHome Co., Ltd. on May 3, 2022. The objective of this investment is to increase the selling opportunity and product distribution channel of MegaHome as OneStockHome is an online platform selling construction materials.

As the Company has planned to continuously expand its stores and increase in capital investment to expand its channel for selling product, there could be risks relating to the operating results of the new stores, including the rate of return on investment from associate company, that does not meet the target. The Company then managed such risks by analyzing the return on investment before making an investment decision. In addition, the operational plan and annual budget was set up to control operations of stores, moreover, as for the new stores, the Company will monitor the performances every month for the Company to be aware the situation and be able to plan for the risk management in order to solve problems that might occur in a timely manner.

1.3 Foreign Investments

The Company had begun investing internationally. There was a total of 7 stores in Malaysia, one of which, the Damansara Branch, newly opened in 2021. Additionally, in the same year, the Company has expanded to Vietnam, in which the Company has established "Home Product Center (Vietnam) Company Limited", as a home improvement retailer in Vietnam. As of 2022, it has started the business through the E-marketplace, studied operational process of doing business in Vietnam, and explored the product preference and behavior of Vietnamese customers.

The Company managed risks relating to foreign investments by studying and analyzing on the

market, laws, taxes, regulations on promoting foreign investment, economic and political factors, the governmental policy, and other external factors in order to determine the risk and risk exposure, which would support in the development of investment strategies. Additionally, the Company established a system and internal unit to monitor performance and expand the Company's capabilities and potential development of its personnel.

1.4 Competition

Retail business of building materials and home-related products still has high growth potential, bolstered by increasing urbanization and government's infrastructure investment projects such as intercity motorway and redeveloping and expanding of high-speed rails, which consequently leads to continuous urbanization and standard of living improvement.

Many retailers of building materials and home-related products are still trying to expand their stores to cover a broader market. However, the home-related business has different customer segmentation that can be categorized as homeowners who are end-users with purchasing power which are mainly served by home improvement retailer under HomePro stores. Another customer segment is technician customers or contractors which are served by MegaHome stores.

The Company managed risks through diversification by focusing on product differentiation and complete range of services of 'Home Service' business, which provides services for inspecting, maintenance, cleaning, installation, and home renovation, which have been continuously and increasingly used by customers. Although this income has small proportion, but it is a business strategy creating satisfaction for customers, and attracting customers to come back and buy products and use services. Moreover, the company has offered more convenience for customers to use Home Service through several channels including mobile application, website, call center, and GPS "Tracking Service" for tracking delivery status and installation quality, including customer satisfaction survey. Moreover, Same day delivery has been implemented in Bangkok and Metropolitan region, providing convenience and fasten the last-mile

delivery to customers, as well as emergency services throughout 24 hours by professional technician teams. In addition, the Company aims to enhance the efficiency of internal management, expand economy of scale and improve competencies of associates in order to gain the competitive edge.

Technological advancements lead retailers to adapt and change their strategies along with the changing environment through online shopping channel expansion. To manage such risks, the Company has developed the online platform to be up-to-date, easy to use, and more accessible to consumers, including close monitoring measures to ensure that customers are satisfied with excellent shopping experience and services. The Company implemented a seamless online system (Omni Channel) in pursuit of effective operation systems interconnecting between both physical store and online platforms to deliver good experience to shoppers. Furthermore, the business consolidation between HomePro and MegaHome under one single platform which enables better inventory management and efficient cost control as well as facilitating customers in terms of enabling products and services cross purchasing from both HomePro and MegaHome stores with more variety and speed.

1.5 Risk of Shareholder's Right and Investment

Land and Houses Public Company Limited is the number one major shareholder and the only one that holds shares over 25%. As of September 14, 2022, it held 3,975,878,432 of the Company's shares, accounting for 30.23% of paid-up capital leading to its controlling power to control votes in the shareholders' meeting except a resolution prescribed by laws or the Articles of Association that it shall be passed by the votes not less than three-fourths of the total number of votes of shareholders who attend and are entitled to the voting right at the Meeting.

Nevertheless, the Company was required to operate in accordance with the Code of Conduct and good corporate governance as well as legal requirements to protect the rights of shareholders and stakeholders and control the Company's operations to be transparent and verifiable.

2. Operational Risk

The risk relating to the operation system, the readiness of Information and Communication Technologies (ICT) system, and personnel.

2.1 Personnel Loss

“Personnel” was considered as a key driver of business operations of the Company ranging from the processes of recruitment, and understanding the nature of business, scope of work and responsibilities of associates in all levels. For all associates in the operational level, prior to start working and completing such development program, they would be provided the basic training of retail business, knowledge of product details and information system usage, and working procedures as well as other additional development program. For associates in management level, the proper training of management, leadership, and competencies development programs will be provided.

In a highly competitive business environment, the Company could have the risk of loss of skilled personnel to the competitors or other retail businesses. Therefore, the Company attempted to reduce such risk by developing abilities and skills of associates along with promoting all level for the mutual benefits as well as using technology and modern management system in operation to increase efficiency and reduce labor. Furthermore, the Company paid attention to associates and provided them career advancement at all level, good welfares, and arranged various projects to build their happiness and job stability as well as created good engagement between associates and the Company such as:

- Creating a good working atmosphere and culture focusing on innovation
- “Suk Jai Klai Baan” (Happy Home Town) project to offer opportunities for associates to relocate to work at stores in or nearby their hometown
- Employee Joint Investment Program (EJIP)
- Scholarships for bachelor’s degree and master’s degree
- Succession Planning
- Talent Management
- Management trainee programs
- Knowledge Development via Digital Training
- DNA-Management Trainee (Project to create a new generation of executives at the head office)

- HomePro nursery to take care of associates’ children during their school holiday
- The Company provides necessary tools and equipment to support associates while they work at home

In addition, to supervise and monitor the manpower of every department to be sufficient and aligned with future business expansion, Human Resource Management at both organization and store level have developed Personnel Development Plan to increase capacity and capability to suit the task in order to enhance the associates to be happy and ready to dedicate and create innovative work for the organization consistently.

2.2 Product Loss

The product loss is one of the top risks for retail business in which it would be mainly due to frauds by the criminals mixed with customers and associates, the loss during transportation process, and the failure of internal management system affecting the cost control management and Company’s expense.

To manage such risk, the Company has Loss Prevention department to plan and prevent the loss of Company’s asset by coordinate with related inter-department to determine operating procedure and mitigate the loss at the minimum acceptable level.

2.3 Inventory Management

As of December 31, 2022, 2021, and 2020, the Company had the net inventory of Baht 13,630.08 million, 12,572.20 million, Baht 10,344.56 million, respectively. The increase in inventory in 2022 was the result of the increase in buffer stocks in advance for sales in the next quarter. Inventory turnover was 99 days on average, 93 days on average, and 87 days on average, respectively.

In 2022, the Company remained facing supply chain disruption due to COVID-19 outbreak, the shortage of raw material products, and the fluctuation of exchange rate. Therefore, the Company had to increase the lead time in purchasing order to ensure the product sufficiency for customer demand, including manage the impact from the fluctuation of exchange rate which caused higher inventory level.

Nevertheless, the Company would attempt to increase its inventory turnover such as expand selling channel via online system, service improvement of

sales associates, promotional activities, schematic management and interior design of stores, regularly adding new product items in order to increase numbers of customers, sales volumes, and efficiency of inventory management at an optimal level.

The Company has a distribution center located on the Company's proprietary land at Wang Noi, Ayutthaya. It is the strategic location connected to main roads such as Phaholyothin Road which connected to Bangkok on the inbound side and connected to the Eastern region on the outbound, Asian Highway to North East, and Outer Ring Road to the East and the West, which can deliver products on time and reduce the risk of out of stock (Supply Chain Disruption). In addition, there is a plan to expand area of distribution center to efficiently manage stock and can supply for future store expansion; including investment in the Automated Storage and Retrieval System (ASRS) that provides accuracy and speed in inventory storage and retrieval, security to products, and support domestic and international expansion.

2.4 Procurement

The risk relating to product volumes and prices was the major risk for retail business. Therefore, the Company sourced and purchased products domestically and internationally, but most of them were from domestic manufacturers and agents. The Company would plan to purchase products in advance in order to have sufficient products to sell at all time, along with managing the risk from exchange rate fluctuation, and had the specific team to do the product survey and select the certified manufacturers that could develop the product quality and constantly have the product replacement.

Moreover, the Company had the policy regarding sourcing and purchasing products from many selected manufacturers and agents to reduce the risk that might occur when relying on only single supplier and balance volume and price bargaining power in the long term. Furthermore, the Company has consistently conducted Human Rights Risk Assessment in conformity to labor laws and Supplier Audit in conformity to environmental laws.

2.5 Anti-Corruption

The Company adheres to moral and ethics in its operation and refuses to tolerate any act that may lead to dishonesty and corruption, even if the act is beneficial to the Company. For HomePro, corruption refers to any kind of bribery including calling for bribe, offering or promising to offer bribe, extortion, offering benefits in terms of money, property or other inappropriate offers to a government official, private party or related authorized person, both directly and indirectly, in order to gain or maintain the business or other benefits that are not appropriate for the business. For instance, misappropriating assets, distorting financial and non-financial reports, seeking, demanding or accepting gifts from business associates.

The Company has measures to prevent corruption and reduce the risk of corruption within the organization. The measures start with the anticorruption policy and no gift policy. Both policies have been informed to all stakeholders of the company. The evaluation of corruption risk, the design and execution of internal control, and the creation of moral and values among associates are with "Integrity" culture, which is crucial to the Company's goal to prevent corruption. In addition, the Company has joined and been certified by Collective Action Coalition Against Corruption (CAC), and also encourages suppliers to counter corruption by joining CAC as well. Further details under page 142.

3. Financial Risk

The consideration of sourcing for the proper sources of funds for the business operation, foreign exchange rates, and investments of the Company.

3.1 Accounts Receivable

The Company divided its customers into 2 groups: retail customers, and contractors and project owners. Retail customers were the ones whose sales basically based on cash. Meanwhile, contractors or project owners were the ones whose sales were in large volumes and based on the credit term. The main customers were retail customers who account the major proportion of sales. For sales in credit term, the Company would consider only contractors and project owners with good financial positions by assessing their operating results and financial positions; otherwise, contractors must place the guarantee for debt repayment.

As of December 31, 2022, 2021, and 2020, the Company had account receivables of Baht 374.49 million, Baht 166.85 million, and Baht 220.72 million, respectively. They were mainly trade receivables from sales of projects. Moreover, the management had assessed the term of repayment and financial positions of each individual debtor; hence, the allowance for doubtful accounts would be properly reserved and adequate.

For other receivables, as of December 31, 2022, most of them were from sales promotions, and space leasing and related services, amounting to Baht 1,685.75 million, and reserved of Baht 10.85 million for the allowance for doubtful accounts.

3.2 Loan Covenant / Bond Issuance

The change in interest rate also had an impact on business operations relying on external funds. During 2022, the interest rate and inflation were on the rising trend in which the Company monitored the change of interest rate closely and issued fixed-rated debentures in order to reduce the risk of higher financial cost from increasing interest rate.

Moreover, the management had the financial management mechanism by analyzing and considering the investment cost through various funding instruments such as operating cash flows, loans from banks, and bond issuance. These would help the Company balance the cost of investment for each asset type's investment structure and comply with the Company's policy, along with proper liquidity management.

As of December 31, 2022, the Company had long-term debt amounting to Baht 168.66 million and outstanding bonds amounting to Baht 14,060.80 million due from 2023 to 2025. The Company had committed to the bondholders in order to maintain the financial debt to equity (D/E) ratio not exceeding 2.50 times. Moreover, the Company's D/E ratio was 0.88 times as of December 31, 2022.

3.3 Exchange Rate

The Company and subsidiaries may face exchange rate risk from purchasing products from foreign countries as well as the expansion of international investment. For international expansion, the impact is caused by currency conversion of the Financial

Statement and the investment itself that needs to be made in foreign currency.

However, for the purchasing of foreign products, the Company has already hedged against exchange rate risk by making an FX Forward agreement for foreign currencies in advance and use the agreement as the tool to manage the risk.

4. Regulatory Risk

The consideration of domestic and international legal restriction of business.

4.1 Town and Country Planning Act

The Town and Country Planning Act has the objectives to be the guidance on the national development and to support the city expansion in the future. If there shall be modification of the town planning in the future, the Company will not be affected from this Act, as the Company had put its investment to cover areas in major cities of almost all provinces. In addition, the investment of the Company's new stores, the Company will perform regulatory check to ensure that such investment comply with the regulations and conditions of the Town and Country Planning Act.

4.2 The Trade Competition Act

In the year 2019, the Office of Trade Competition Commission has announced, by virtue of the Trade Competition Act 2560 B.E., By establishing guidelines for considering unfair trade practices between wholesalers, retailers, and manufacturers or distributors as follows:

1. Unfair price settings. By setting the purchase price or lowering the price of the product from the manufacturer or supplier below the normal purchase price or forcing the manufacturer or distributor to reduce the price of the delivered product without valid reason.
2. Call for unfair trade practices. Wholesale and retail operators force manufacturers or distributors to pay benefits and include money, assets, or some services, which the manufacturer or distributor does not need to pay such as; unreasonable pay higher than the determined price when considering the benefits that the manufacturer or supplier shall receive in return such as:

- (A) Entrance free / Listing fee unfairly charged by wholesalers and retailers in addition to those specified in the contract or as agreed or charge fees from products that the manufacturer or supplier has changed the package (Minor Change) after it was on shelf. In which the quality and quantity of the products does not vary unfairly charge.
 - (B) Special product display fees, such as head shelf fees, special product placement fees to attract customers in which the wholesale and retail business operators' charges unreasonably high commissions.
 - (C) Additional fees or requests for discounts on special occasions such as opening a new branch, branch renovations, branch anniversaries celebration - in which the manufacturer or distributor has to pay an unfairly excessive high amount and also must be responsible for covering irrelevant branches.
 - (D) Other unfair economic benefits such as promotional expenses when the product is purchased according to the target (Rebate) - the discount of lost product after receiving the product from the manufacturer or supplier.
3. All unfair product returned by wholesalers and retailers, or some products which was bought by the manufacturer or distributor without any valid reasons or consent or agreement in advance by actions of unfair returning products including the act deemed to returning product such as changing a contract from a sales contract to a consignment contract, or requesting to exchange products from one item to another or engaging in another trade practice therefore would be an act of returning the product for the case of unfair products such as:
- (A) Returning products in the event that a wholesaler, retailer purchases from a large number of manufacturers or distributors in order to benefit from trade discounts. However, after a certain period of time that the product is not sold out, the return of the product is then requested, which is not part of the prior sales agreement.
 - (B) Returning the products in the event that the wholesaler, retailers want to renovate the store or warehouse and then unfairly asking to return.
 - (C) Returning products in the event that the wholesaler, retailer business operator does not accept the cost of damage caused by returning it to the manufacturer or distributor.
4. Using the unfair consignment contract in which the wholesale and retail business operators force the manufacturer or distributors to accept the consignment contract which is a disadvantage to the manufacturer or distributors, or forcing a particular manufacturer or distributor to sign consignment contract instead of conducting a normal sales contract for wholesale and retail business to receive returns from consignment contracts similar to purchase and sale contract - which in general, the compensation of consignment contracts and sale contracts are not equal.
5. Unfair coercion to purchase in which the wholesale and retail business force the manufacturer or distributor to buy the product or pay the service fee as specified for the benefit of wholesalers and retailers, which unreasonably increases the burden of costs or costs to the manufacturer.
6. Assigning the associates of manufacturer or supplier unfair work without prior consent of agreement.
7. Unfairly refusing to accept products that have been ordered or specially manufactured for the private brand or the brand of the wholesaler, retailer (House Brand), after making an agreement in which wholesaler, retailer has ordered the manufacturer or distributor to produce the product according to their specification and standards - and when the manufacturer or distributor delivers the ordered product, the wholesale and retail business operators refuse to accept all or part of product without any reason or without any fault of the manufacturer or distributor. Unless in the event of which the manufacturer or the seller agrees to be refused to receive certain product and the wholesaler and retailer operator has to take

responsibility of any damage occurred in the products that has been rejected.

8. Other unfair trade practices - in which the wholesalers and retailers conduct unfair trade practices in a manner that may cause damage, such as delayed payment of goods and removing the product from the shelves without reasonable cause and etc.

In 2021, the Trade Competition Commission announced the notification of guidelines for consideration of Fair Trade Practices related to Credit Terms in the case of Small and Medium-sized Enterprises (SMEs) being Sellers of Goods or Services. The stated intention of the notification is to regulate business operators who are the business partner with SMEs to be aware of fair trade practices, and to maintain free and fair business competition. Especially for SMEs that may be taken advantage of due to lower bargaining power, discrimination, deprivation in a manner which could be considered an unfair trade practice. It is required to have a clear written agreement, in other words, the business ethics or code of conduct that must be aware of fairness, equality, transparency and integrity in business operation without the discrimination of business partners.

By conducting a business with a partner, the company adheres to live by the standards of freedom and justice without compulsion, discrimination, exclusion, given a clear standard along with a written agreement in advanced and proceeding the business as of reasonable explanation. The company has also banned the gift exchanging on any occasions to prevent the demand of unfair economic benefits.

4.3 Industrial Product Standards Act 1968 B.E.

Regarding the free trade flow in the ASEAN community, it would increase imported products so that the government needed to set the measure to control and prevent danger to consumers from such imported products. One of the measures was the Decree setting the standard of imported products. For some products that formerly could be imported without passing through the permission process of products standards, these in the future must be passed through such permission, so that would affect the Company in terms of inconvenience regarding the higher restrictions on imported products.

The Company recognizes the importance of product standards. The Company provides training and sets clear standards for responsible associates in order to ensure that they have the necessary knowledge and understanding of each product, and perform their tasks effectively. Moreover, there are officers who are solely responsible for inspecting local and imported products in order to make sure that the quality meets the standard obliged by the law. Moreover, the Company emphasized on quality of product and service in order to promote the selling of product with good standard and safety for customer. These could enhance customer trust for shopping with the Company.

4.4 The Direct Sales and Direct Marketing Act 2002 B.E.

It is the law defined in the online selling of the importance of requirement regarding the notifying the rights to consumer for the sales of product, the termination of the purchase contract or return of products which has no effect to the company because the company has fully complied to the law.

4.5 Personal Data Protection Act 2019 B.E.

It is the law that sets the rule or regulatory measures regarding the protection of personal information. Regardless of whether the personal information of customers, partners and associates must not be violated. To ensure the legal compliance operation of the company, the company has appointed the personal data protection committee of the organization to have a duty to oversee and prepare various plans by analyzing and improving work process through set policies and practices. This shall be in accordance with the law including strict control to keep personal data of customers, business partners and associates to be safe and transparent in order to comply with the enforcement of the Personal Data Protection Act B.E. 2019.

The company has established various measures to determine the purpose, conditions, notification of consent requests, data collection, and data usage and disclose of personal information to be as required by the law. In addition, the company uses security systems that are of high standards in both technology and processes to prevent data hacking of confidential information according to the law and developing personnel at all levels to ensure that the company standardized data security by installing Firewall

and intrusion detection software, Data encryption Technology, Scan Virus Software for effective virus protection, determining users' access right according to the Level of Authorization and operation process that is in line with the requirement. Further details can be found in the Personal Data Protection Policy on the company's website. <https://www.homepro.co.th/policy/privacy.jsp>

5. Emerging Risk

5.1 Personal Data Protection

At present, the Company places great importance on data retention for the purpose of product and services development such as name, address, phone number, and email, as well as facial and voice. Moreover, data from websites, platform, online registration form, other transactions, or even the job application processes, were securely collected and stored. Those personal data are considered material and could be used inappropriately in a way that cause damage to the owner of the data, i.e. identity thieves or selling data to third parties. Details of the importance of data storage are as follows:

- Prevent data damage occurring to the data subject
- Prevent data subject from personal data breach or being impersonated in order to use their data for identity theft-related crimes
- Prevent the sale of information to third parties
- Prevent personal tracking or spying

To prevent adverse effects of the confidentiality, integrity, and availability of personal data, which could have negative impacts on individual or the Company, therefore, the Company has established the data privacy policy and related measures for determining the purpose, conditions, notification, consent requests, data collection, data usage, and disclosure of personal data in compliance with the laws and regulations. In addition, the Company employs a high-standard security system in both the technological and operational aspects to prevent data hacking of

confidential information, as well as establishing a committee and responsible person for this matter.

Impacts

Due to the fact that the Company has personal data relating to its stakeholders, such as customers, suppliers, and associates, the Company prioritized the security and stewardship of pertinent information. Despite the Company's efforts to comply with applicable laws and consistently develops its information security capabilities, operational guidance and cyber security to align with the standard, the Company would have a potential to increase investment in research and development of technology and ensure compliance with any related new laws and regulations. As a result, additional expenses associated with a third-party audit are expected to occur. If the Company does not adapt to change, information may be leaked or misused, resulting in a negative impact on its reputation and financial position.

Mitigation Plan

To manage and reduce such risks, the Company has undertaken various actions such as establishing a personal information security policy, a security policy, and information technology system management. Along with various clear measures including the establishment of Personal Data Protection Committee, preparation of the up-to-date security system, provision of training to educate and raise awareness to all associates on Cyber Security Risk, and determinations of steps and measures which can be detailed as follows:

- Conduct screening and set authorization to give only in-charge personnel, the proper access, implementation, distribution, and back-up of the data.
- Set system inspection schedule. Assign qualified officers to monitor the work process and provide solutions to system-related issues that can occur at any time. Continuously update Hardware and Software systems to meet top of the line version in order to handle new types of cybercrimes and prevent unauthorized persons from accessing the information.

- Perform Cyber Security Drill and set Disaster Recovery Plan (DRP) in case of any incident that causes the system halted or shutdown. The drill is conducted annually to ensure timely execution if an incident occurs, lessen the damage to the Company's information system and ensure the continuation of business operation.
- Install firewall and threat surveillance systems at head office and stores. Organize monthly meeting to track and monitor new threats, report cyber-attacks, find solutions, and collect data to prepare preventive measures for the future.
- Perform a Penetration Testing and Vulnerability Assessment at least once a year to assure the effectiveness of the current system.
- Roll out information security systems in accordance with applied international standard such as ISO/IEC 27001 (Information Security), which is a standard guideline of Information Security Management System (ISMS).
- Follow the standards related to the use of information technology by National Institute of Standards and Technology (NIST).
- Audited and certified by Payment Card Industry Data Security Standard (PCI DSS) to protect the data of payment cardholders, particularly among the Company's customers and business partners.
- Raise awareness of cyber security, cyber threats, prevention, and related IT laws among the workforce through internal communication channels and training. This includes providing cyber-security knowledge to all associates via e-mail such as phishing email testing. Organize E-learning to allow associates of all levels to access the training materials anywhere, anytime.

In addition, E-learning also includes assessment tool for future program development.

- Arrange cyber insurance to enhance reliability and limit potential impact of information technology activities, such as online trading or data storage in the corporate network.

5.2 Customer Behavioral Change toward Low-carbon Society

Presently, Low-carbon society is a principle to raise awareness in broader society and is implemented in many countries around the world. Most people pool efforts to reduce the emission of carbon dioxide gas (CO₂) in daily activities, particularly those emission from manufacturing process of business and industry sectors, including the purchase of products and services more taken into account to the environmental impact by the household sector. Consequently, people in society ought to be aware of a good quality of life in low-carbon environment attached to more environmentally friendly technology implementation and development.

Another important factor for the business's survival is the adaptive capacity along with changing world trends. Despite higher competition in the business sector, however, that risk would be a catalyst for the movement to a low-carbon and environmentally friendly economy. The company foresees the opportunity to offer products and services that meet customer's needs and take part in social responsibility.

Impacts

According to more customer behavioral change concerning to environmental impact from the products they purchase, the competitors in the market have to adapt themselves and develop such products in order to take market share away, which may impact on the Company's revenue to decrease if there is no action plan to continuously develop the low-carbon and environmentally friendly products.

Mitigation Plan

The Company is fully aware of the importance of business adaptability and agility. The Company has prepared guidelines to remain resilient on the emerging customer behavior that caused by low-carbon society trend. For the purpose of customer retention and sales increase of such products, the Company has been continuously developing ECO products and pushing it on shelves since 2016. The ECO products consist of Environmentally Friendly, Energy Saving, Water Saving, Sustainable Forest, Green House Gas Reduction, and Health and Safety products. Additionally, the Company also elevates ECO Products as ECO CHOICE to be an alternative for the low-carbon and environmentally friendly product demanding consumers, promotes responsible plastic consumption, as well as delivers services that offer convenience and serve the needs of customers through the integration of online and offline channels seamlessly under Omni Channel platform.

5.3 Climate Change Risk

Businesses are struggling with the impacts of climate change at different levels, according to each business type. It is a challenge for all sectors both private and public sectors to adjust and manage these issues. Sometimes, climate change can be perceived as both a risk and a business opportunity. In terms of risks, there are 2 main types: 1) Business risks from adapting to a low-carbon society, such as legislation or taxes about carbon dioxide emission; 2) Business risks affected by physical changes such as natural disasters, loss of environmental balance, an increase in global temperature, or a rise of sea level which can cause flooding.

For the Company, climate change can affect many aspects: the changing demands of goods and services, increased investment and research in clean technology, increased operating costs from the complying with new laws relating to greenhouse gas emission, or even the reputation of the company.

Impacts

The Company applies Task Force on Climate-Related Disclosures (TCFD) principles in practice to meet the global standards on climate change risk disclosures. From a change and adaptation toward the low-carbon company (Transition Risk), the Company is directly affected as follows:

1. Risks of changing demands in goods and services: The company has operational expenses regarding product and procedure development, service providing to serve the needs of the consumers who are interested in eco-friendly products, as well as investments in the installation of solar cells on the roofs of the stores to reduce dependence on energy that emits greenhouse gases.
2. Risks on business reputation: The company is a listed company on the Stock Exchange of Thailand that requires the involvement of both domestic and international investors, including stakeholders such as customers in Thailand and Malaysia and Vietnam. These people vastly give importance to climate change risk management. Therefore, it is the company's responsibility to disclose relevant risks that subsequently cause an operating cost such as the cost of third-party auditing disclosures. Also, the company is responsible for preventing and managing climate change risks.

For physical climate change (Physical Risk), the company is also affected in some aspects, for example, purchasing power risk, disasters risk. In Thailand, flooding often happens as a result of heavy rains and drought, affecting the income of the customers in particular areas, as well as sales of the products and services. On the other hand, it is an opportunity to sell products and services for residential renovations after the disaster. However, it may affect an increase in construction costs when considering the prevention of loss from natural disasters.

Mitigation Plan

The Company is well aware of these potential risks associated with its products and services in the future. As a result, the Company appoints a responsible team to regularly monitor risks and assess the likelihood and severity of potential impacts on the Company's operations. This would allow the Company to implement countermeasures in a timely manner and respond accordingly. The Company's response to the issue is as follows:

- 1) Develop and improve products and services to comply with various standards and regulations in order to minimize environmental impact and serve the demands of customers seeking more environmentally friendly products.
- 2) Improve the efficiency and sustainability of energy and natural resource consumption through renewable energy usage from solar panels installed on the roof of 65 stores, as well as promote efficiency enhancement of energy management system by installing Building Control Monitoring System for Energy (BCMS) inside the Company's buildings, which would reduce electricity consumption. Moreover, the Company plans to continue installing solar panel on the roof of remaining stores in the future.
- 3) Follow the guidelines of the ISO14064-1: 2006 guideline of the application of international practice regarding the quantification, reporting and reduction of greenhouse gas emissions in all of our sites. Disclose information related to greenhouse gas emissions accordance with international standards such as the Task Force on Climate Disclosure Framework (TCFD) and the Carbon Disclosure Project (CDP).
- 4) Maximize efficiency of energy use to reduce greenhouse gas emission responsible for each business unit. To take part in the Thailand Voluntary Emission Reduction Scheme (T-VER) to ensure greater effectiveness of greenhouse gas emission management and reduction, and to comply with the amendment in public laws and regulations.
- 5) The Company applies the Circular Economy model by promoting maximum resource efficiency through manufacture, consumption, and waste management procedures including Reuse, Recycle, and Re-material that will lead to a sustainable system. The Company promotes through 'Old TV Exchange for new' project and 'Give it Forward, get new one', 'Good promotion, Good merit' project that allows customers to exchange used items for discounts of new electrical appliances items. As for the old electrical appliance that was exchanged, the Company will donate to the foundation, educational institutions or resend it to the new production process, which would both support the needy and contribute to the correct electric waste management.
- 6) Consider environmentally friendly technology as one of the factors when considering an investment in the future to ensure that the overall greenhouse gas emission management is in line with the organizational strategies.
- 7) Utilize the holistic economic development concept, or the BCG Model. This consists of Bio Economy as the production of renewable biological resources and their conversion into value added products, Circular Economy as the reuse and recycling of resources, and Green Economy as developing economy and society in consideration of environment and sustainable resources to be aligned with the United Nations Sustainable Development Goals.

SUSTAINABILITY DEVELOPMENT REPORT 2022



ESG FOR SUSTAINABLE LIVING



Message from the Board of Directors and Sustainability Development



Dear stakeholders

Nowadays, operating sustainably is the at most important for businesses. The main focus is no longer limited to only the financial growth, the potential environmental and social impacts and good corporate governance must be taken into considerations none the less. From the past, businesses have been affected by many factors, which have increased in complications such as global economic stress, human right issues, increasing demands for diversity, equality as well as impacts from climate change that are becoming more severe in which is considered as a global urgency that the governmental and private sectors are setting targets to reduce and eventually stop the emission of green house gases (net zero targets).

The Company continues to grow financially, at the same time mitigate environmental impacts, giving back to the society and govern ethically in order to create better living standards that adhere to our objective of “we make a better living” and to further maintain the leadership in “home solution and living experience” in Thailand and South East Asia. The Company is implementing new sustainability and business strategies in a holistic manner to further progress in the industry, in which covers the following dimensions.

“

For the past 27 years, HomePro has been striving on improving the standards of living for communities and the overall society through our outstanding products and services that meet the demands while at the same time create better living for our customers. Along with our business partners, we have developed new innovations of both products and services. The company has also developed the capabilities and core competencies of our associates and the overall effectiveness of the operations to meet our objective of being the leader in “Home Solution and Living Experience” in Thailand and South East Asia.

”

In 2022, the Company committed to operating sustainably while being socially responsible by becoming a member of the United Nations Global Compact (UNGC) as well as set up Science Based Target (SBT). The Company wishes to become a part that mitigate and solve the impacts of climate change in accordance with the goals of United Nations Framework Convention on Climate Change Conference of the Parties (COP 26), in which each country announced their targets on reducing the emission of greenhouse gases, with the collective goal of achieving Net Zero by the year 2050; in line with the Sustainable Development Goals (SDG) number 13 regarding climate action. The Company has set the target of achieving Net Zero by the year 2050.

Reducing Carbon Dioxide and other Greenhouse Gases Emission (Decarbonization)

- **Renewable Energy** Increase the proportion of renewable energy used throughout the operations with the goal of 100% renewable energy usage in corporate-owned stores by the year 2030 and to expand the coverage to cover the Company’s entire operations. Presently, 65 stores are using renewable energy from solar rooftops, along with the installations of the Building Control Monitoring System for Energy (BCMS) in 47 stores to automatically control the energy usage within the building. The system could be used to monitor and control the main functions, which significantly helps to reduce the electricity consumption.
- **Green Logistics** Management of environmentally-friendly transportation using top of the line technologies to increase efficiency and the reduction of greenhouse gases while transport. The Company has planned to replace combustion vehicles with electric vehicles along with equipping the Automated Storage and Retrieval System (ASRS) into our warehouses which use electric energy to transport merchandises within the warehouses

therefore, reducing the consumption of fossil fuels. The Company emphasizes on the importance of supply chain management. The efficiency on transportations has been increased by the Back-Haul program, which enable drivers to stop and collect products from stores and suppliers on their return trips to the distribution center. The program helps the Company as well as our suppliers to become more efficient in warehouse managements and to sustainably develop our businesses.

- **Zero Waste Management** Efficient management of wastes. The Company has increased the complexity of waste separations with the concept of Circular Economy. Encouragement of responsible consumptions, reuse, recycle, re-material as well as to turn-in old products and exchange for newer ones so that the Company could achieve the goal of Zero Waste.
- **Responsible Consumption** Following the idea of Bio-Circular-Green Economy or known as the BCG Model, the Company encourages our customers, as well as our employees to consume responsibly through the development of eco-friendly products and sustainable packaging.

Carbon Removal

- **No Deforestation** The Company discourage any activities in every aspects of our operations that leads to deforestation; which include but not limited to the construction of new stores, ethical procurement of products from sustainable sources and the encouragement for our suppliers as well as business partners to follow the laws and regulations of sustainable forestry or by obtaining certifications from the Forest Stewardship Council (FSC).
- **Reforestation** The Company encourages the development of green areas to contain and absorb greenhouse gases in order to mitigate climate change impacts.

Environment

Avoid and mitigate environmental impacts by encouraging responsible consumption through the development of ECO Product line which include environmentally-friendly products, energy efficient products, water efficient products, products from sustainable forestry, products that reduce greenhouse gases and health & safety products. In 2022, the sales mix of ECO Product was at 46.9%. The Company set a target to increase the proportion of Eco Products to be 50% by the year 2025. The Company also elevates Eco Product as ECO Choice in order to provide customers with alternatives. Moreover, the Company also encourages Responsible Plastic Consumption.

Social

Create better living standards for communities and overall society through the development of products and services that are as convenient as possible; which meet the demands of our customers via seamless connection between offline

and online channels (Omni Channel). The Company supports local economic growth by hiring locals in the areas that new stores are opened. The Company also creates the “Young Entrepreneur” program to professionally trained local technicians to cope with the growing demands for Home Service. The Company pays close attention to the development of our associates, to equip everyone with knowledge and skills necessary to progress in their careers while paying close attention to the perspectives of Human Right as well as Health and safety of our associates. With the “Happy Hometown” project, the Company offers the opportunity to those who wish to relocate their careers to their hometowns while able to maintain extensive Living Wage for the associates and their families to enhance happiness at work and engagement between the associates and the Company.

Governance

The Company operates under good corporate governance, adherence to business ethics with the essence of transparency. The Company prioritized anti-corruption which expands the coverage throughout our supply chain. HomePro encourages our suppliers as well as our business partners to join forces against corruption by participating in the Collective Action Against Corruption of Thailand (CAC). Seminars regarding anti-corruption are available for our suppliers and business partners. Moreover, the Company fairly assessed our suppliers in various dimensions including manufacturing capability, professionalism, compliance to laws and regulations as well as ESG-related subjects.

From the performance of 2022, the Company received the highest evaluation score in the retail industry and is chosen as a member of the Dow Jones Sustainability Indices (DJSI) for emerging markets for the 6th consecutive year. The Company has also received awards that are recognized by other global entities including MSCI Global Sustainability Index, FTSE4Good Index, Bloomberg Gender Equality Index (GEI) and Low Risk ESG Risk Rating by Sustainalytics. Moreover, the Company also obtained domestic awards such as the 8th consecutive year of excellent Corporate Governance Report form ESG 100, 8th consecutive year of being chosen to be a part of Thailand Sustainability Investment, Commended in Sustainability Awards and the renewal of the certification of the alliance in the Collective Action Against Corruption of Thailand (CAC Certification).

The Company continues to operate under good and ethical governance, mitigation of potential environmental impacts while integrating sustainability throughout the supply chain in order to create better living standards to communities and the overall society; at the same time generate values for the stakeholders so that we can all grow sustainably.



(Mr. Khunawut Thumpomkul)
Chairman of the Strategy
and Sustainable Development

Award of Pride



INTERNATIONAL

Member of

Dow Jones Sustainability Indices

Powered by the S&P Global CSA

HomePro has been listed as a member of Dow Jones Sustainability Index (DJSI) and received the highest score for retailing industry in emerging market for the sixth consecutive year in 2022, an index for assessing the effectiveness of business operation according to sustainable development of global leading companies, rated by S&P Global.

MSCI ESG RATINGS



CCC B BB BBB A AA AAA

Being listed in "MSCI Global Sustainability Indexes" and "MSCI ESG Rating Indexes" with "AA" rating from ESG Research of Morgan Stanley Capital International (MSCI).



FTSE4Good

Being listed in FTSE4Good Index which award organization having environmental, social and good corporate governance responsibility, together with promote investor confidence across countries. The award is given by FTSE Russell.



SUSTAINALYTICS

Received Sustainably Low Risk Rating in ESG Risk ranking level from the assessment of Sustainalytics.



Being listed in Bloomberg Gender Equality Index (GEI). The index measures gender equality in various aspects such as employment, skill development, compensation, and prevention against sexual harassment etc.,



DOMESTIC



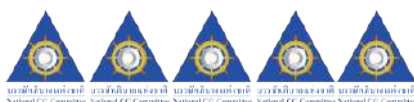
Receiving SET Sustainability Awards 2022 (Commended Sustainability Awards) which given to the Company that is outstanding in sustainable business operations by the Stock Exchange of Thailand for the company with market capitalization of over 100,000 million Baht.



Being listed in Thailand Sustainability Investment (THSI) by Stock Exchange of Thailand for the eighth consecutive year in 2022.



Selected as 1 of 100 listed companies having outstanding progress in Environmental, Social, and Governance (ESG) performance from Thaipat Institute.



Rated a governance level of "Excellence: 5 stars" from the Thai Institute of Directors Association (IOD) and obtained ASEAN CG Scorecard of 97.5 and above



Certified member of Thailand's Private Sector Collective Action Coalition Against Corruption (CAC).



Receiving Sustainability Disclosure Recognition 2022 from Thaipat institute, which given to the Company that transparently disclosing information on sustainability performance, which cover Environmental, Social, or Governance issues.

Sustainability Development Report



The sustainability report of Home Product Center Public Company Limited is a yearly publication to impart significant aspects in sustainable strategies, operational processes and performance that are integral to business operation and stakeholders across-the-board. This year the Company introduced the 56-1 (One Report) together with the reporting guideline of Global Reporting Initiative (GRI) Standards 2021.

In 2022, the joint effort between the Corporate Strategy and Sustainable Development Committee, and the Risk Management Committee reviewed and assessed the important issues in sustainable development and business-bound risks based on the integrated international approaches between the Sustainable Development Assessment criteria by S&P Global (Dow Jones Sustainability Assessment Criteria), Committee of Sponsoring Organizations of the Treadway Commission (COSO), the United Nations Sustainable Development Goals (UN SDGs), Sustainability Accounting Standard Board (SASB) Disclosure Matrix, TaskForce on Climate-related Financial Disclosure (TCFD) Framework TCFD Supporter and the opinions of stakeholders. This aims to propel working and strategic planning and organizational indicators to the appropriateness in management across issues and the satisfaction of stakeholders and further report to the Board of Directors for considerations and opinions at least 4 times a year.

The 2022 Sustainability Report's content centers on the sustainability topics on which all stakeholders stress the importance. The matters are also related to the Company's operational visions which are to be the Leader in the Home Solution and Living Experience in Thailand and Southeast Asia, and to align with the business purpose of the Company, "We make a better living". The following are the five categories of the sustainability operational strategies that cater to the Company's visions:

1. Quality Products and Services
2. Associate Care
3. Efficiency Development
4. Supply Chain Management
5. Social and Community Development

For the scope of report, Home Product Center Public Company Limited has reported in accordance with the Global Reporting Initiative (GRI) Standards 2021 for the period from 1 January 2022 to 31 December 2022. The report's scope concerns only HomePro in Thailand which is the Company's key business.

Inquiries

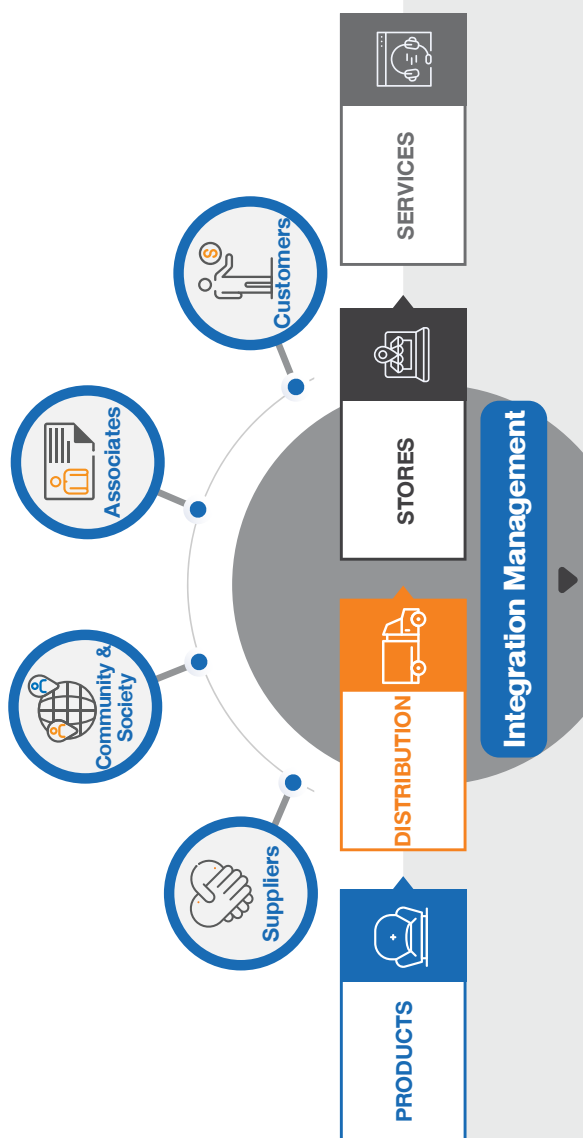
Strategy and Sustainable Development department of Home Product Center Plc. (Head Office)
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Amphoe Muang Nonthaburi, Nonthaburi, 11000

Tel. 02-832-1000 (1702)

Fax. 02-832-1066

email: sd@homepro.co.th

Website: www.homepro.co.th



Resources employed
in operations

Financial resources

- ▶ 24,246 million Baht owned by shareholders
- ▶ 11,359 associates of human resource
- ▶ 1,189 Suppliers
- ▶ Harmonious tie with community and society

Natural resources

- ▶ 146 GWh of energy use
- ▶ 898,261 m³ water use

Procurement and
Supplier Selection

Internal
Management

Distribution and
Service Provision

Shared Business
Values

Internal Control

Good Corporate Governance

Suppliers

- ▶ Product and service development
- ▶ Sustainable supplier guideline
- ▶ Supplier's self-assessment

Associates

- ▶ Training and knowledge development
- ▶ Respect for human rights
- ▶ Organizational engagement among employees
- ▶ Health and safety

Customers

- ▶ Quality products and services
- ▶ Customer satisfaction
- ▶ Product and service offered that suit to customers

Community & Society

- ▶ Environmental resource conservation
- ▶ Sustainable community development
- ▶ Community job and career promotion

Shareholder

- ▶ Good corporate governance
- ▶ Rights and equality care

Financial Shared values

- ▶ 26.38% return on equity for shareholders
- ▶ 1,441 m Baht tax expenses

Human resource shared values

- ▶ 86.6% associate engagement
- ▶ 84.5% customer experience
- ▶ 8.9 m Baht on social investment

Natural resource shared values

- ▶ 141,195 tons of CO₂ reduction
- ▶ Reduction of 17.9 million plastic bags consumption

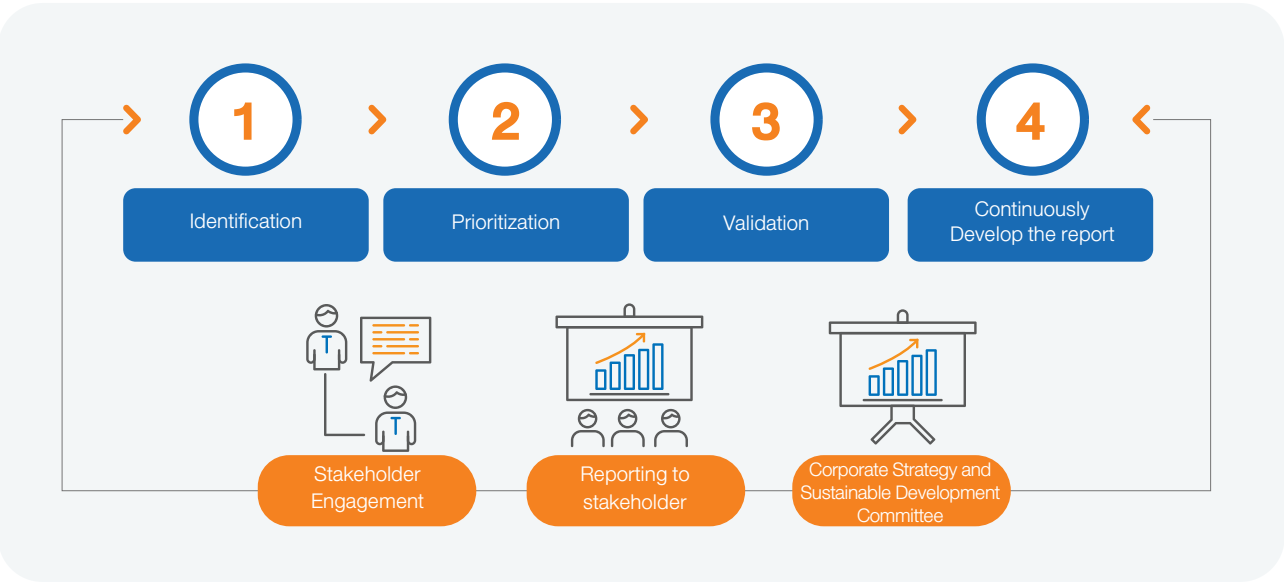
Stakeholder Engagement

The Company examined and determined the key stakeholders by incorporating stakeholders' interests and concerns into the business framework and sustainable development issues. Furthermore, the Company provided stakeholders with communication channels to give comments and recommendations, both in formal and informal forms, and promote the shared value to all stakeholders. The purpose is to properly serve their needs and meet their expectations as follows:

Stakeholders	Expectation	Approaches	Communication Channel
 Customer	<ul style="list-style-type: none"> • Social and environmentally friendly products • Fair prices • Product quality and safety • After-sales services • Data privacy protection (PDPA) 	<ul style="list-style-type: none"> • Offer Eco products • Promote responsible plastic consumption • Sales promotions • Sales of products complying with standards as advertised • Equality of services • Pre- and after-sales services • Listening and responding to all complaints • Development of customer information management system to maintain personal information and overall security 	<ul style="list-style-type: none"> • Customer satisfaction surveys • Comment box in all branches • Call Center 1284 • Customer service Center • Complaint through Website: www.homepro.co.th • Happy or Not Project
 Associate	<ul style="list-style-type: none"> • Treat associates with respect to Human Rights • Fair compensations • Comply to labor ethics • Life and Property Security • Knowledge Development • Opportunity for Career Advancement • Work-life-balance 	<ul style="list-style-type: none"> • Activities promoting associate engagement • Work stability and career opportunities • Fair compensations including competitive welfares in comparable market • Pleasant and safe working environment • Training programs directly relevant to the role of responsibility and develop in accordance with career advancement opportunities 	<ul style="list-style-type: none"> • Information providing to associates • Satisfaction survey • Team meetings • Hotline center/Complaint center, the human resource department • Direct complaint to the management Email: md@homepro.co.th • HR Clinic and hotline for associate consultation
 Suppliers	<ul style="list-style-type: none"> • Fair trades • Higher volume of product orders • Business growth through partnership • Cooperate for product innovation • Equality in business operations 	<ul style="list-style-type: none"> • Equitable treatment • Well-defined purchasing process • Knowledge sharing and improvement of product and services • Complying to trading regulations and conditions • Free and fair competition focusing on manufacturing standards • Conduct business with ethics • Promote sustainability management to suppliers through the joint projects and activities. • Support the participate of anti-corruption coalition • Promote the sharing of economy knowledge (Sharing Economy) • Promote labor utilization with respect for Human Rights 	<ul style="list-style-type: none"> • Policies and ethics for business conducting and regulations of business partnership • Site Visits and assessments • Training programs for Suppliers • Contact via the management • Website: www.homepro.co.th • Vendor Relationship Management (VRM) system • Internal audit or audit committee

Stakeholders	Expectation	Approaches	Communication Channel
 Creditor	<ul style="list-style-type: none"> Debt repayments as scheduled Comply with covenants and conditions of the loan agreement 	<ul style="list-style-type: none"> Debt repayment as scheduled and comply to conditions and covenants Maintaining the debt-to-equity ratio as required in conditions of bond and bank loans covenants. 	<ul style="list-style-type: none"> Contact via the management Website: www.homepro.co.th Contact to the Finance Department at 02 832 1430
 Shareholder/ Investor	<ul style="list-style-type: none"> Improvement in business performance Good corporate governance Data transparency Equal rights treatment 	<ul style="list-style-type: none"> Dissemination of reports, and transparent information disclosure. Conduct business operations in accordance with the corporate governance Consistent deliver long term return Maximize shareholder value 	<ul style="list-style-type: none"> Annual reports Annual General Meetings Contact via the Investor Relation at 02 2831 1000 Email: ir@homepro.co.th Website: http://hmpro-th.listedCompany.com/ Disseminate information from Investor Relation activities such as Analyst Meeting and Opportunity Day
 Community	<ul style="list-style-type: none"> Operation business with responsibilities Community development to be self-sustainability. Economic improvement of community Fair handling of complaints 	<ul style="list-style-type: none"> Maintaining the ecosystem surrounding the store areas Listening to all opinions and comments from community Career supports in the local community Organizing cultural activities together 	<ul style="list-style-type: none"> Meeting with the community before starting the construction Contact via branch managers and mall managers after the Construction Website: www.homepro.co.th Contact through managements
 Government and Organization	<ul style="list-style-type: none"> Compliance to the laws and regulations Participation in public activities Good and ethical governance 	<ul style="list-style-type: none"> Full support and compliance to the laws and regulations Coordination and participation in activities of public sectors Operating transparently, fairly, auditable and comply to the laws and regulations 	<ul style="list-style-type: none"> Contact via the management and Government Relations Department Website: www.homepro.co.th

Report Content Designing Process



To determine the Company's material issues, the Company considers both the internal and external factors pertaining to the operation alongside matters in consistent with all groups of stakeholders' expectations by adhering to the 2021 Global Reporting Initiative (GRI) Standard. It is divided into 4 crucial stages as set out below:

Step 1

Identification

The Company analyzed external factors and sustainability context such as megatrends that the shareholders prioritized, United Nations Sustainable Development Goals, global retail trends including related business segment, change in consumer behavior, and trends of market competition, together with internal factors analysis including performance, weaknesses, strengths, risk indicators at corporate levels, identification of material topics that have impact on the Company's operations; which covers the aspect of economic, social, environment as well as risk and opportunity assessments.

Step 2

Prioritization

The Company prioritizes issues by using external stakeholders' perspective – such as opportunities and impacts of each issue to the economy, social, and environment – and the Company's own perspective according to the corporate risk assessment criteria in order to prioritized.

Step 3

Validation

Consolidation and conclusion of material topics as well as relating the relationship between the material topics and the reporting standards of the GRI Standards including the specification of coverage for each topic. Present the issues based on their priority to the Corporate Strategy and Sustainable Development Committee to review and approve the completeness of relevant content to be released to the public in forms of Annual Report and Company's website. Besides, the Company assigned related department and management to review the accuracy and completeness of material issues to ensure that it covered economy, social, and environment dimensions.

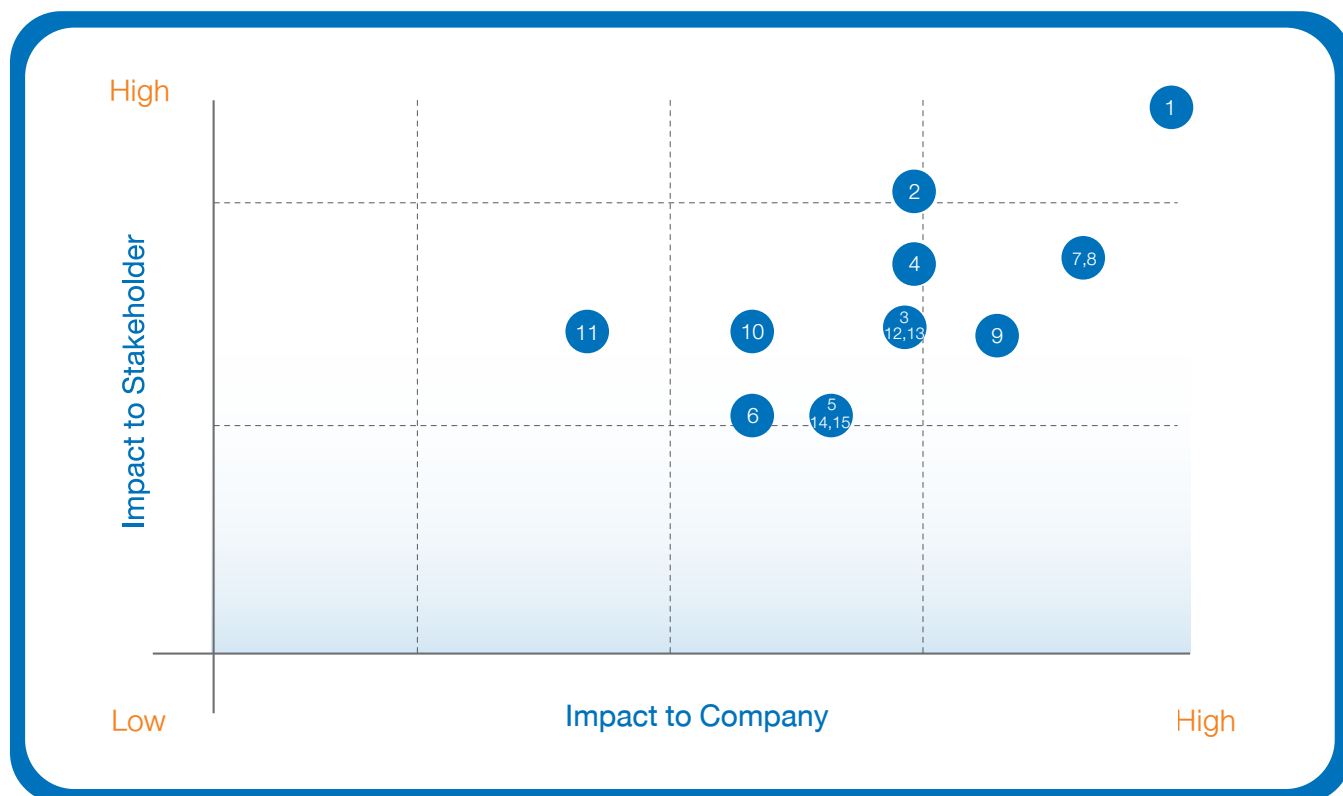
Step 4

Continuously Develop the Report

Revision of the disclosed information on the Sustainability Report while continues to gather and integrate feedbacks and opinions of the stakeholders as well as the comments from the readers that received questionnaires regarding the sustainability report. The feedbacks, comments and opinions will then be taken into consideration to further improve the next sustainability report to ensure that topics disclosed are appropriate and consistent with the issues that need to be communicated.

Materiality Assessment's Result

An annual Materiality Assessment's issue of the Company is designed by the survey of interest and expectation from first-handed stakeholders. The outcomes are deployed as important information as part of the decision-making session for sustainable policy and strategy planning. The 2022 key issues can be illustrated as follows:



Environment

- 1 Offering Quality products and services
- 8 Environmental Management
- 12 Climate Change
- 13 Management of energy consumption
- 14 Waste separation and waste management



Social

- 2 Support the Health and Safety of Customers and associates
- 3 Essential Trending Products
- 5 Product and service accessing channel
- 6 Associate care, training and development
- 10 Business Partnership (Young Entrepreneur)
- 11 Social and community development
- 15 Talent attraction



Governance

- 4 Personal Data Security
- 7 Risk Management
- 9 Good Corporate Governance

The outcome of the identification is categorized to ensure the correspondence between sustainability strategic planning and the Company's strategies which revolve around the following areas:

1. Quality Products and Services
2. Associate Care
3. Efficiency Development
4. Supply Chain Management
5. Social and Community Development

Furthermore, change in consumers' behavior has been more influenced by the impact of technology. Since the Company is associated with various customers' and suppliers' data, thereby the Company placed an importance on customer privacy security and Information Technology management to ascertain safety, steadiness, and transparency, along with respecting customers' and all stakeholder's personal data privacy rights.

Global Reporting Initiative (GRI)

sustainable strategy	Materiality	GRI	Boundaries	
			Internal	External
 <p>Quality Products and Services</p>	<ul style="list-style-type: none"> • Offering Quality products and services • Essential Trending Products • Support the Health and Safety of Customers and associates during the coronavirus (COVID-19) outbreak • Personal Data Security • Access to products and services 	<ul style="list-style-type: none"> • GRI 301 • GRI 416 • GRI 417 • GRI 418 	<ul style="list-style-type: none"> • Associate 	<ul style="list-style-type: none"> • Customer • Suppliers • Community • Government and Organization
 <p>Associate Care</p>	<ul style="list-style-type: none"> • Associate care, training and development • Talent attraction 	<ul style="list-style-type: none"> • GRI 401 • GRI 402 • GRI 403 • GRI 404 • GRI 405 • GRI 406 • GRI 407 • GRI 408 • GRI 411 	<ul style="list-style-type: none"> • Associate 	<ul style="list-style-type: none"> • Suppliers • Government and Other Organizations
 <p>Efficiency Development</p>	<ul style="list-style-type: none"> • Environmental Management • Climate change • Management of energy consumption • Waste management 	<ul style="list-style-type: none"> • GRI 302 • GRI 303 • GRI 304 • GRI 305 • GRI 306 	<ul style="list-style-type: none"> • Associate 	<ul style="list-style-type: none"> • Suppliers • Shareholder/Investor • Community • Government and Organization
 <p>Supply Chain Management</p>	<ul style="list-style-type: none"> • Corporate Governance • Risk Management • Supply chain management 	<ul style="list-style-type: none"> • GRI 201 • GRI 204 • GRI 205 • GRI 206 • GRI 207 • GRI 301 • GRI 308 • GRI 409 • GRI 414 • GRI 415 	<ul style="list-style-type: none"> • Associate 	<ul style="list-style-type: none"> • Customer • Suppliers • Creditor • Shareholder/Investor • Community • Government and Organization
 <p>Social and Community Development</p>	<ul style="list-style-type: none"> • Business Partnership (Young Entrepreneur) • Social and community development 	<ul style="list-style-type: none"> • GRI 203 • GRI 413 	<ul style="list-style-type: none"> • Associate 	<ul style="list-style-type: none"> • Suppliers • Community • Government and Organization

Strategies and Guidelines for Driving Sustainable Business

The Company thrives to create better living standards for communities and the society through the development of products and services to be able to fulfill the objective of “we make a better living” while at the same time reinforcing the leadership in “Home Solution and Living Experience” in Thailand and South East Asia.

The Company integrates sustainability strategies into business strategies to act as a guideline in operating sustainably, covering every aspect of Environment, Social, and Governance (ESG) as the following:

We make a better living

PRODUCT AND SERVICE

Encouragement of responsible consumption



SOCIAL AND COMMUNITY DEVELOPMENT

Business growth and the elevation of living standards



EFFICIENCY DEVELOPMENT

Mitigation of environmental impacts and increase sustainable efficiency



SUPPLY CHAIN

Elevation of sustainability throughout the supply chain



ASSOCIATE CARE

Development of knowledge, encourage career progression, respect human right, and maintain living wage



ENVIRONMENTAL

Continues to improve and develop environmentally-friendly operations to mitigate environmental impacts as well as to increase sustainable efficiency



Social

Creates better living standards for communities and the society as well as encourages economic growth and generates collective values through various projects and activities



Governance

Set policies and guidelines to increase the efficiency of the overall management while being transparent, verifiable and takes into account of the stakeholders.

Goals and Operation Results

Quality Products and Services	2020	2021	2022	Goal	Target Year
Sales Mix of ECO Products (%)	40.3%	43.2%	46.9%	50%	2025
Sales Mix of Products that Promote Responsible Plastic Consumptions (%)	63.4%	65.1%	63.4%	100%	2025
Customer Experience Survey (%)	79.6%	80.7%	84.5%	85.0%	2025
Sales of ECO Choice Products (Unit)	1,325,065	1,763,565	1,556,576	-	-
Elder Care Products (Unit)	671,827	730,106	743,293	-	-
Number of Room Consultant Team (Person) (Service In-store)	140	149	149	-	-
Emergency Home Service (Job Count)	173	873	1,612	-	-
Number of Lady Service Teams (Team)	255	309	388	-	-

Associates Care	2020	2021	2022	Goal	Target Year
Employee Engagement (%)	83.8	86.5	86.6	88.0	2025
Associates Development (% Associates Knowledge)	94.2	92.9	91.6	96.0	2025
Accident rate per store	0.33	0.31	0.16	0	2025
Lost Time Injury Frequency Rate: LTIFR	0.64	0.67	0.31	0	2025
Lost Time Injury Severity Rate: LTISR	9.48	131.27	3.34	0	2025
Lost time Injury Rate: LTIR	0.13	0.13	0.06	0	2025
Occupational Illness Frequency Rate: OIFR	0.0000583	0.0000233	0.0000567	0	2025
Bilateral Scholarship Program					
- High Vocational Certificate Level	412	246	275	-	-
- Bachelor's Degree Level	16	-	8	-	-
Happy Hometown Project (Associates Count)	1,463	1,523	1,592	-	-
Elderly Employment Program (Associates Count)	50	55	50	-	-
Employment of Persons with Disabilities (Associates Count)	92	89	94	-	-
Average Yearly Employee Turnover (%)	19.56%	17.33%	20.37%	-	-
Digital Learning Access (Login Count)	47,000	49,000	58,464		

Efficiency Development	2020	2021	2022	Goal	Target Year
Energy Consumption Reduction from Base Year (2014)	-39%	-42%	-39%	-40%	2025
Renewable Energy Usage in Company's Buildings	22.7%	24.2%	25.6%	100%	2030
Amount of Electricity Generated from Solar Energy (kWh/year)	37,659,040	42,359,424	52,382,640	30,000,000	Maintain Production
Greenhouse Gas Emission Reduction from Base Year (%) (Scope 1 and Scope 2)	-41%	-39%	-36%	-50%	2030
Amount of Waste Sent to Landfill (Ton)	307	237	323	0	2030
Amount of Recycled Waste (Ton)	1,273	1,525	1,893	-	-
Water Consumption per Store (m3)	8,573	9,657	10,325	-	-
Circular Economy: Trading in Old Appliances for New Ones (Quantity)	1,408	1,210	474	-	-

Supply Chain Management	2020	2021	2022	Goal	Target Year
ESG Evaluation Response Rate by Vendors	83%	87%	97%	100%	2025
Acknowledgement of suppliers on the Supplier Sustainable Code of Conduct	100%	100%	100%	100%	2025
Increase in the quantity of Local Procurement	93.9%	90.8%	93.8%	90.0%	2025

Social & Community Development	2020	2021	2022	Goal	Target Year
Number of Young Entrepreneur (Teams) (Service Outside Store)	1,899	1,922	2,159	1,800	2025
Number of Restrooms Built for Public (Unit)	26	60	10	-	-
Religion Support Activities (Baht)	2,956,933	2,841,168	1,100,000	-	-
Blood Donation Program (Person)	222	81	317	-	-
Commercial Initiatives	74.8%	50.6%	0.6%	-	-
Charitable Donations	16.5%	41.1%	17.0%	-	-
Community Investment	8.7%	8.3%	82.4%	-	-



ECO Product
Sales Mix

46.9%



ECO CHOICE Product

1.55 Units



Emergency Service

1,612 Jobs



Lady Service

388 Teams





Products and Services

From the global evolvments of technologies, pandemic, relocations of major populations, aging society and rising environmental concerns as well as the relentless motivations from both domestic and international governments to progress towards low-carbon economy in order to cope, mitigate and solve climate change impacts that are increasing in severity. The aforementioned factors are affecting the consumer behaviors; in which demands for new products and services are growing. The demands no longer only concentrate around conveniences, value for money, ability to enhance better living and other factors will have to be taken into considerations. Therefore, the Company prioritized on create better living standards for our customers through sourcing and developments of products and services that serve the needs of their daily activities, at the same time encourage responsible consumption via ECO products and Eco choices. The Company also develops seamless connection experiences between offline and online channels (Omni Channel) to be in line with the behaviors of the new generation consumers while creating better living conditions for members in the family.

Goals

1. To raise the sales mix of Eco Product to 50% of sales revenue by 2025.
2. To ensure that customer experience reaches 85% by 2025.
3. To set a target to promote responsible plastic consumption to reach 100% by 2025.



Strategies

1. To develop products and services that fulfill customer need.
2. To increase the distribution channels for new products and services.
3. To offer the standard of environmentally friendly products and services.
4. To raise the safety standard of products and services.

Management

The Company is committed to constantly delivers exceptional customer experience and excellent value to customers through products and services enhancement, product selection, and best experience delivery. Additionally, the Company addresses the demand of every customer segments and generations. The Company develops products and services relentlessly in order to produce new products and services whilst creating differentiation to keep pace with consumers' lifestyle changes as well as improving well-being. The Company emphasizes on the development of novel products and services addressing the needs of each consumer segment. Innovation and information technology are the tools to maximize benefits of customers and newly introduced Home Service as follows:



Eco Product



ECO Choice Product



Products for The Elderly and for Safety



Responsible Plastic Consumption



Omni Channel



Mobile Application



Same Day Delivery & Installation or
Next Day Delivery



FIT4YOU Service



SHOP4YOU Service



Emergency Service



Room Consultant Team



Lady Service



Cleaning Solutions



Home Makeover



Repair Center

The Performance of the Quality Products in 2022

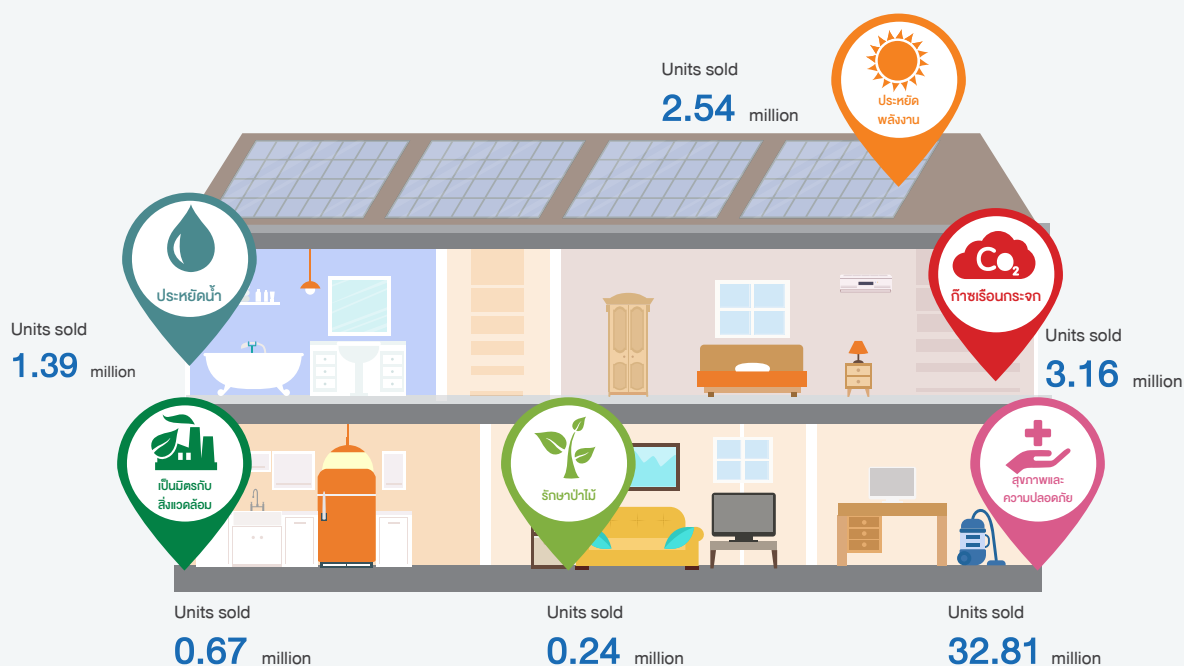
Eco Product

The key objectives of the eco product selection rest on the determination to deliver the best offer to customers through cooperation with suppliers, the Company sources environmentally friendly merchandizes and promotes eco products that save energy, cherish natural resources, ensure safety, and is certified with the international standard in order to mitigate the environmental impacts caused by climate change and to encourage our customers to consume responsibly.

The ECO products consist of 6 categories as follows:

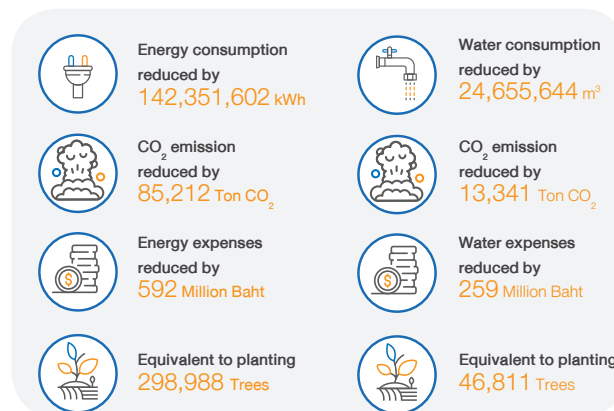
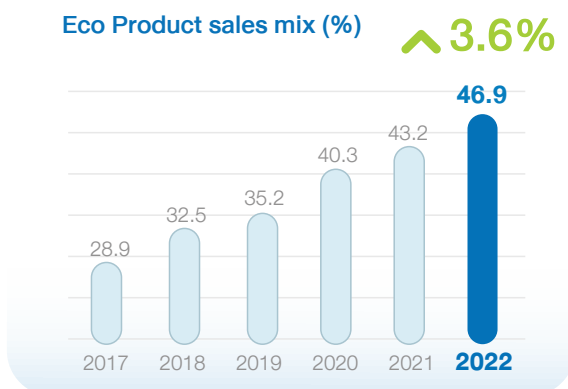
1. Energy Saving
2. Health and Safety
3. Sustainable Forest
4. Environmentally Friendly
5. Water Saving
6. Greenhouse Gas Reduction

In 2022, sales unit of Eco Products are as following



Performance

Eco Product sales mix (%)



Activities to Promote Energy Saving

The Company encourages customers to choose energy efficient products to help reduce the emission of carbon dioxide gas (CO₂), which is the major cause of global warming. The Company signed an MOU with Electricity Generating Authority of Thailand (EGAT) to promote Label No. 5 Energy Saving label products by giving special discounts to customers who purchase Label No. 5 Energy Saving label products through the following activities in HomePro, Mega Home, and other retailers who joined the program with EGAT as follows:

1. **“Deliver happiness to Thai citizens; Deliver forests to the world”** for the 2022 New Year season to offer New Year gifts and bring happiness to citizens across the country as well as promoting the use of Label No. 5 products by giving a 500 baht discount to the 10,000 citizens to purchase electrical appliances No.5 Energy Saving Label at HomePro and Mega Home as well as other retailers around Thailand that participated in the program.
2. **“EGAT ÷2”** During the summer from April to June 2022, by giving a 500 baht discount to the 10,000 citizens to purchase electrical appliances No.5 at HomePro and Mega Home as well as retailers around Thailand that participated in the program.
3. **The 2nd phase of “Clean your air, Care your life”** campaign under “Thai People Collectively Reduce Energy Consumption ÷2” by EGAT gives 300 baht discount for 20,000 people who registered to clean their air conditioners with the campaign in order to enhance efficiency and reduce energy consumption.

• Eco Choice Product

The Company jointly invent, develops and source products that are environmentally friendly or the product group that promote health and safety of the consumers, which is an alternative to consumers. The ECO Choice products are divided into 3 groups as follows:



1. Product That Reduce Chemical and Organic Products

It is a product group that contains natural ingredients (Organic) and products that are free from harmful chemicals or reduce chemical in the production process such as cleaning and sanitization products. The Company developed cleaning and sanitizing product group under the brand PORRIN, focusing on safety, and can be use in everyday life for all age group such as dishwashing liquid, laundry detergent, fabric softener that contain more than 70% natural ingredients and paraben-free. This results in a product that is hypoallergenic for the users. There is also a product group such as multipurpose paper, facial tissue with ingredients that is 100% virgin pulp and contain natural extracts for skincare, which did not contain harmful substances such as luminol or bleach, which makes it safe to use and gentle on the skin. PORRIN products are also environmentally friendly and biodegradable.



2. Recycled or Biodegradable Products

It is a group of products made of recycled materials or a group of products that are biodegradable, which promote the efficient use of materials. The Company has developed ECO FRIENDLY products of storage equipment under the STACKO brand, which is a product that uses recycled plastic granules from seashells as an ingredient for the production, which can help to reduce plastic consumption by more than 20% and the product is also durable with the compatible design. In addition, the ventilation holes have been added to prevent dampness and designed to be stackable to save space in the house.

As a part of ECO Choice, the Company has developed flowerpots as an alternative of planting trees in an environmentally-friendly manner. The flowerpots are made from components of coconut fibers and rubbers which are light, durable, and easy to use. The flowerpots do not have to be removed prior to planting trees straight into the ground due to the fact that they are composable and will transformed into fertilizer for the trees as time passed. The flowerpots are flexible, water absorbent, ventilated, and can also help to adjust the soil to be suitable for trees to expand their roots enabling them to grow faster.



In addition, the Company promotes Circular Economy and recognizes the importance of recycling used materials in the production process of new items to promote the optimal utilization of resources. The Company has developed ECO Choice products of cushions, curtains, and carpets under the brand HOME LIVING STYLE. These products are certified by OEKO-TEX Standard 100, the international standard for textiles, for being friendly to the environment and safe to consumers. In the production process of the cushions, curtains and carpets, the Company uses plastic pellets that were recycled from PET plastic bottles. The pellets are converted into fiber and used as stuffing for the cushions. The converted fiber is also used in the production of carpets and curtains to reduce waste from plastic bottles and promote responsible plastic consumption.



3. Healthy & Safety Product

3.1 Healthy Product

It is a product group that support consumers to be healthy. The Company has developed a Health Pillow product under the brand Home Living Style, which support the health of the users as it is designed according to the fundamentals of Ergonomics that improve sleep quality and increase in deep sleep, reduce nerve compression and alleviate neck or shoulder pain.

3.2 Safety Product

It is a product group that can help prevent accidents at home. The Company has developed products that enhance safety and reduce accidents under the Company's Private Brand, such as handrails, support rails, which are made from a high-quality stainless-steel material, that is last long and durable. The installation level can be adjusted according to each customers' usage.



• Products for The Elderly and for Safety

The Company responds to customer's demand in upcoming aging society. The Company offers products for the elderly, starting from 3D design by the Universal Design Standard qualified experts, installation service, and product consultation for bathroom, bedroom, kitchen, and living room. The Company designs model rooms that reflect the daily lives of elders by incorporating products that support the safety of elders and people with disabilities. The model rooms are displayed as demonstration in stores. Similarly, launched in the partnership with the Faculty of Architecture, Chulalongkorn University, the Universal Design Center is built at the institute to demonstrate sample bedroom, bathroom and kitchen with a myriad of facilities for the senior, expertized consultation and room design for the elderlies.

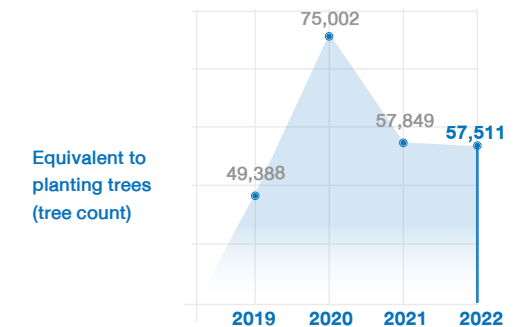
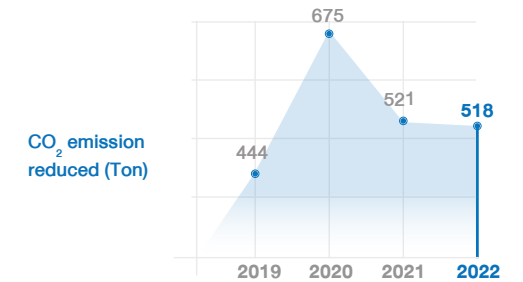
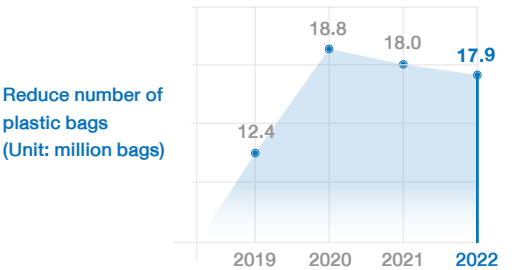
The Company developed Private Brand products including toilet, portable toilet, rails, shower chairs, and mirror to ascertain safety and suitability to the elderly and disabled whereby these products have been certified by the Construction Institute of Thailand (CIT) and received label that represents the certification which indicates the suitability. The condition of the products for elderly and disabled are in accordance with the Thai Industrial Standard which is certified by the CIT. In 2022, 743,293 pieces of Elder Care Products were sold.

Responsible Plastic Consumption



Presently, the world is waking up to plastic waste issue due to its significant impact on the environment and living organisms. The Company is aware of the impact, thus, laying out policy to promote responsible and sustainable plastic consumption, thereby the Company sets the target to stop selling Single-Use Plastic 100% by the year 2025. and selected durable plastic, recyclable plastic, bio-degradable plastic, and products manufactured from recycled plastic. Moreover, the Company collaborates with suppliers to reduce the usage of plastic in the manufacturing process by replacing plastic with biomaterials such as paper straws, biodegradable plastic bag, boxes and plastic baskets that composed of plastic from renewable ocean shell. Additionally, the Company continues to seek opportunities to create activities throughout the value chain in order to reduce, reuse and recycle to be able to ensure that the amount of plastic wastes that exits the value chain is as least as possible.

Furthermore, the Company rolled out ‘No Bag Eco-Friendly shopping’ campaign with the aim of Packaging Reduction by encouraging customers to bring their own cloth bag. The Company announced the termination of providing plastic bags, which began on 1 July 2019 until now. Customers willing to receive plastic bag must donate 1 baht for each bag whereby contributions will be donated to individuals with educational disadvantaged.



Product Source Identification and Product Safety Standard

Strongly emphasizing the safety standard of products, the procurement department inspects products closely and constantly with distributors and manufacturers to ensure that merchandises meet with safety standard of Office of the Consumer Protection Board (OCPB) and other related departments. It is so because the Company is aware that products' safety and quality are essential to customer's hygiene. Practically, trainings on safety standard and accurate product labels according to the OCPB for customer to be aware of the product information remain

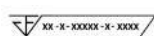
the Company's main priority. In 2022, there is no products or services that did not meet safety and hygiene standards from neither the complaints of customers nor from related government agencies regarding safety standards.

The Company sells products with regulatory compliance and do not commit infringement of intellectual property, copyright, and patent. The Company also receives safety standard certification for all products as required by local law.

The following are the list that required by local law for safety and environmentally-friendly:



Thai Industrial Standard (TIS)



Food and Drug Administration (FDA)

For list that is not required to comply with local law but it is label of quality certified or guaranteed.



International Electro Technical Commission (IEC) - Electrotechnology



Number 5 Label



High-efficiency Label



EU Energy Label



SCG Eco Value Label



Water Saving Label



Ingress Protection Ratings (IP25,44,54,65,66,IPX4), (European Committee for Electro Technical Standardization: CENELEC)



Conformite Europeenne (European Conformity)



The International Association for Research and Testing in the Field of Textile Ecology (EKO)-Tex standard 100 - Curtain and Bedding



Smart fabric UV - Curtain



Seal of Approval - Allergy UK – Bedding, air purifier, and washing machine



French VOC label



Thailand Textile Institute (THTI) Certified Smart fabric and UV Protection



CIT Label of products for elders and people with disabilities such as grab bars and sanitary ware



European Centre for Allergy Research Foundation (ECARF)



Forest Stewardship Council Label



Green label



Singapore Green Label Scheme: SGLS



RoHS Label



Green Industry Label



Label of Carbon Footprint of Products



Carbon Reduction Label



Carbon Neutral Label



Carbon Footprint Reduction Label



Carbon Footprint of Circular Economy Products (CE-CFP) Label

In case of damaged product, it can be returned within 14 days. In 2022, the Company received 136 complaints related to product satisfaction issues. The Company has already rectified the case of every complaint but in 2022, there was no Product Recall case.

2022 Operation on the Aspect of Quality Services

Omni Channel

The technology evolution has impacted the current consumers' lifestyle, particularly the rise in purchases through Online Shopping. Hence, the Company adapts and reshapes its strategies to correspond to the environmental changes by implementing Omni Channel, which is a seamless integration of online and offline shopping, to deliver exceptional customer experience. Furthermore, the system offers delivery to customer's house and Click and collect, in which such transactions can be made via store, online, website, mobile applications, social medias and Call center

In 2022; the Company expanded the online sales channel to capture the younger generations in the "Home and Living" segment by offering more than 7,000 products

through "Shopee," the leader in E-Commerce platform in South East Asia and Taiwan. The Company uses the name "HomePro Living Official Shop" to represent the brand in the platform under the concept of "Hub of Happiness," which mainly focuses on Generation Y and other younger generations that have newer lifestyles. The Company also introduced new and innovative online marketing campaigns in which received great feedbacks and suggestions from the online shoppers that the Company received the "Best Fulfillment awards" from "Shopee Brand Conference 2022." The award reflects the relentless efforts of the Company to provide the best experiences, conveniences and values for our customers under the idea of "Home Solutions by HomePro."



Mobile Application

In 2022, the COVID-19 pandemic began to turn into endemic. However, customers continued to purchase products not only from physical stores, but also through online channels as well as the on-going demands for delivery services. Additionally, the technological advancement has been a driven factor that encouraged more consumers toward online channels. The company

has developed 3 Mobile Applications which are HomePro Application, Home Service Application, and HomeCard Application as new shopping channels for products and services through smartphone application, on both iOS and Android. The Application offers convenience and speed in response to the more varied needs of customers in the digital era, in which the details are as follows:

HomePro Application

The company has developed and improved the HomePro Application to increase customer convenient through online channels anytime and anywhere, 24/7, responding to all customers' need by categorizing home-related products such as bedrooms, restrooms, kitchens and living rooms, etc., together with convenient and secure payments such as credit card payment, QR Code Payment, Internet Banking or monthly installments. The services come with a standard delivery service with installation from professional technicians. In addition, the Company also provide Same Day Delivery service that delivers products to customers within the same day or if the customer is convenient to collect the product at the stores, they can use the Click and Collect service to order and pick up products at the stores within the specified date and time.



Home Service Application

The company has developed and improved Home Service Application to for customers to receive great Home Service through 2,000 professional technician teams. The Application has the highest coverage for service areas in Thailand, both in Bangkok and upcountry, with over 100 types of one-stop services including designs, installations, maintenances, and renovations that customers can place their orders anywhere, anytime throughout 24 hours. Customers can rest assure that the technicians will not abandon the work. Service warranty of up to 365 days is also provided.



HomeCard Application

The company has developed and improved the Home Card Application as a channel for customers who are a member of HomePro Loyalty Card to access privileges and promotions easier than before. Customers can check their points and use points to redeem discounts as well as self-updated their personal information.



In addition to "3 Mobile Applications", the Company has also developed a smart application that help facilitates customers who would like to select and purchase tiles. The Company has developed and improved the **FIT TILE Application** compatible with AR (Augmented Reality) features that can simulate a virtual area that could set the tiles boundaries and tile pattern according to the demand of customers. This application could also calculate the number of tiles needed and reserve the tiles at the stores to save the time visiting the stores for customers.





SHOP4YOU Service

The Company debut SHOP4YOU service as a communication channel between associates and customers through LINE application. Customers simply add @Homepro as friend on LINE, send message or picture to inquire product details, and order products directly. Customers can also make contact via HomePro Thailand Facebook page and Call Center 1284. Variety choices of convenient payment channels are available for customer such as online payment by credit/debit card, bank transfer, or pay at store.

FIT4YOU Service

The Company has developed FIT4You service that professionally and conveniently takes care of every steps of home improvements that required specific areas measurements and cut into custom-sized products including partitions, curtains, wallpapers, artificial grasses, paint jobs or even customizable furniture. The FIT4You service also enable our customers to order construction materials to their specific specifications such as garages, doors and mosquito screens. The service allows customers to specified the areas, functions of use as well as the desire budgets so that the customers could conveniently proceed with their renovations. The service has been designed to be as simple as possible with only 4 steps.

1. Make an inquiry and select products.
2. Site survey and measurement of the desire areas.
3. Conclude on the specifications and pricing quotation.
4. Payment and appointment for the installation by professionally-trained Home Service technicians.

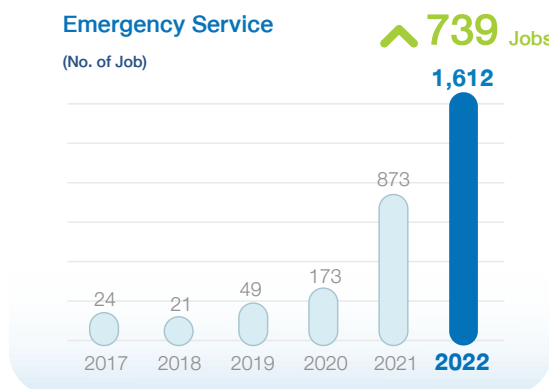
Same Day Delivery & Installation

The Company introduced Same-Day Delivery & express Installation to offer more convenience to customers when purchasing air conditioner, shower heater, water heater, water purifier, washing machine, dryer, water pump, water tank, or hob and hood product groups. Same-Day Delivery and Installation also includes Home Service such as cleaning, home inspection, home repair, electrical appliance installation and other services. When customers purchase products or services before 16:00, the Company will make the delivery and provide installation within 20:30 on the same day.



Emergency Service

The Company has developed a format of home service and home improvement to help customers solve their home problems at 24/7 customer service. Customers can contact technicians to provide service at any time, including cases of blackout, short circuit, malfunction water pump and broken water pipe, etc. The service is available within Bangkok Metropolitan Region. In 2022, total of 1,612 Emergency Service jobs were provided to customers.



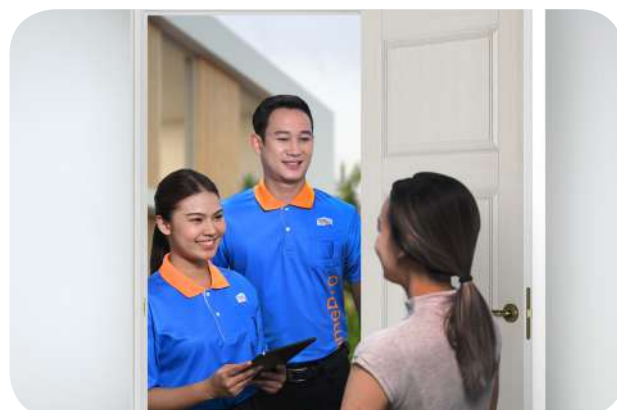
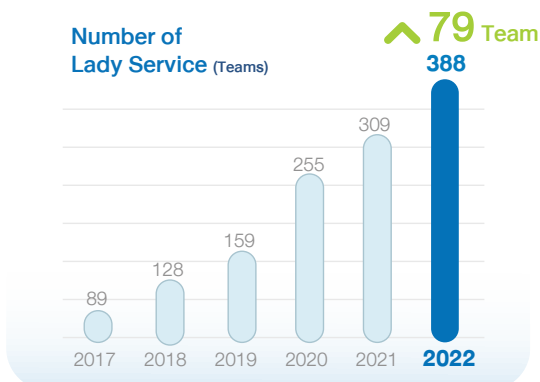
Room Consultant Team

The Company determined to offer solutions to customers, by which the Company provides well-trained consultant team as per the Company's standard to be the experts of bathrooms, kitchens, bedrooms and living rooms. Mere service from one consultant ensures that a customer receives complete services to fulfill all design and product purposes for one room. This is intended to maximize convenience that avoids multiple contact points across departments. In 2022, there were a total of 149 Room Consultants; in which 51 are responsible for bathrooms, 54 are responsible for bedroom and living room, and 44 are responsible for kitchen areas.



Lady Service

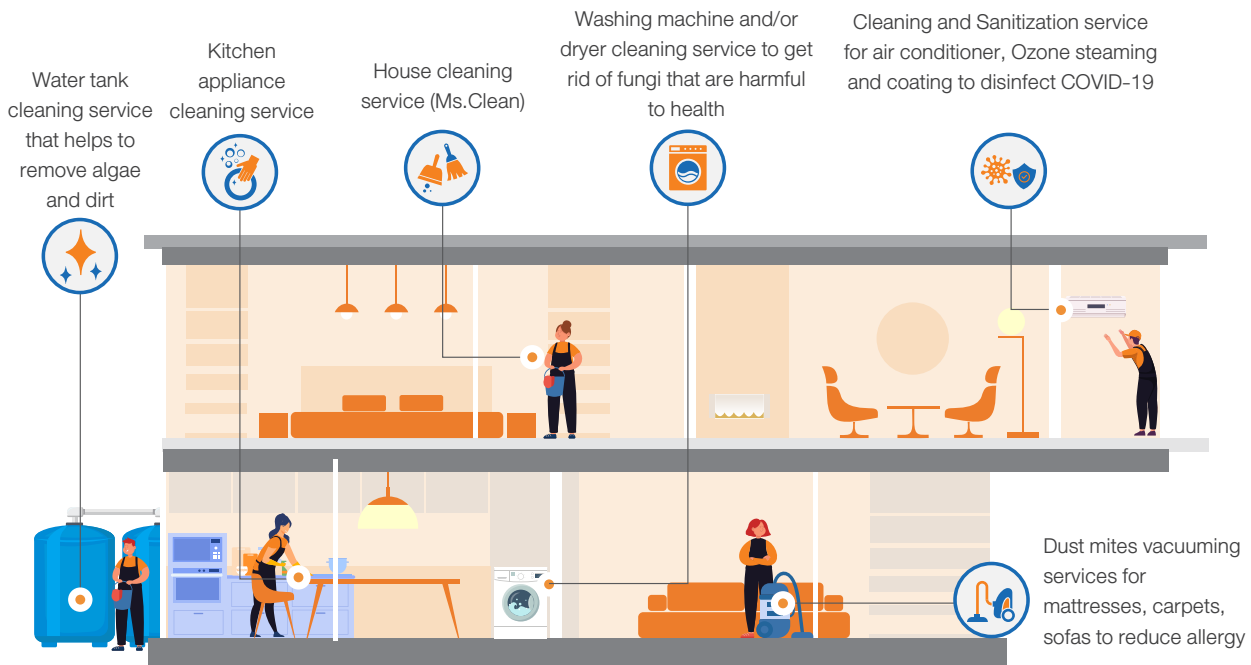
Currently, there were large numbers of elders and ladies staying alone, so the Company recognized the importance of security and safety and therefore developed Lady Service. The lady service was then adopted by providing female technicians who would be well-trained for services of installation and maintenance of electrical appliances in which in 2022, there were female technicians for the lady service of 388 teams.



Cleaning Solutions

Even though in 2022 the COVID-19 pandemic began to unravel, the concerns regarding health, safety and the overall cleanliness remain, to ensure the ability to be able to live safely and healthily at homes. Therefore, the Company developed the Cleaning Solutions service

that aims to promote the health and safety of customers through the Home Service Mobile Application to access to Home Service anywhere and anytime, as if having an in-house technician from HomePro. Details of services are as follows:



HomePro's COVID-free Technician Team

The Company is ready to serve customers by elevating preventive measures for the Home Service's technician team. The Company strictly complies with the measures of the Ministry of Public Health. Strict measures were put in place to ensure that every technician in every service team maintain their hygiene when visiting every customer, which is one of the principles of Home Service work in being responsible to the society. All technicians must be vaccinated and receive ATK test every week, as well

as measure their body temperature before setting out to provide service, wear a mask, and gloves while operating at the customer's house. In addition, every piece of equipment is required to be cleaned using disinfectant solution before the technician can provide service for the next customer. Customer can rest assure that they would be safe while the technicians provide service in the customers house.

Home Service: Speedy Service with Air Conditioner Cleaning Motorcycles

In 2022, The Company introduced a newly innovative way of air conditioner cleaning which is "Air conditioner cleaning by motorcycles" from Home Service by HomePro. The technicians travel to the customer's locations by motorcycles, along with the necessary equipment and tools to fulfill the tasks. The service still maintains the standard of 23 steps for the cleaning, with 30 days guarantee in case of any issue after services such as water leakage, the Company will resend technicians to ensure that the issue is resolved, along with the complementary O-Zone refreshment service. The air conditioner express cleaning service by motorcycle could reach the destinations with haste, saving our customer's time, even during rush hours with no problem even at hard to access areas. The service serves the demands of standard air conditioner cleaning, convenience, cleanliness and safety.





Home Makeover

The Company aims to continuously deliver best value for money for both products and services. The Company learns from customers' needs and develops a suitable service which can serve their needs. Currently, there are over 6 million existing homes in Bangkok and Greater Bangkok, and some of these residences are not matched with the homeowner's demand while continually change of lifestyle. Moreover, sometimes, Home improvements could create hard experience and problems for some homeowner. Therefore, the Company has developed a home renovation service called "Home Makeover, Renovates Home Renovates Life" by technicians from Home Service that are professionally-trained and are capable of small to major tasks from small paint jobs to major home renovations. The service is the answer to many demands from our customers as well as elevating the standards of living for Thai people.

In 2022, the Company produced "Home Makeover" program for the 7th consecutive year. In this program, technical experts from Home Service team provide consultation, designs, and improvement to selected homes. For the entire duration of the program between 2016 – 2022, there were 889 houses that have participated in home makeover.

Home Appliance Repair Center (Electronic Repair Center)

Nowadays, customers are having troubles searching for electronic repair centers that are up to standard. Moreover, the repair services are usually time-consuming. As a leader in "Home Solution and Living Experience," the Company strives to solve any home-related issues with haste, therefore established the very first electronic repair center by HomePro at Rangsit in 2022. The repair center acts as a hub for repairing air conditioners, washing machines, water pumps, water heaters and water

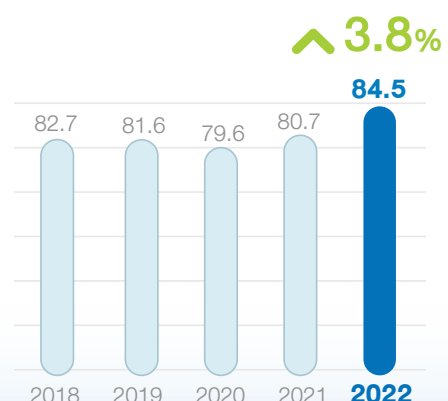
boilers. The repair center is operated by professionally-trained technicians that are certified by various electronic brands. The operating hours are from Monday to Sunday (Everyday) from 09.00 – 18.00. In 2022, there were a total of 5,527 jobs in which can be counted as life-extension for electronic appliances as well as the reduction of electronic wastes.

Customer Experience

The company evaluates customer's experience for the products and services, and quantitatively targeting to enhance customer's experience. The Company hired a 3rd party organization to conduct monthly customer satisfaction survey in every store. On average, there are 500 customers surveyed per store, which leads to the total of 45,000 customers surveyed. The Company then analyses and take the results to further to improve products and services as well as to develop the better business processes of the Company.

In 2022, the Company received customer satisfaction of 84.5%, exceeding the target set for 2022 of 81% with a target of 85% by the year 2025.

Customer Experience (%)





Associate Engagement
Survey Result

86.6%



Associate's Knowledge

91.6 %



Bilateral Scholarship
Program

283 Scholarships



Employment of
Elder Associates

50 Persons





Associates Care

Human Capital is at the essence of increasing the competitive advantages of the Company, and is one of the Company's key success factors. Presently, companies and organizations around the globe are facing obstacles of talent acquisitions as well as the rising turnover rates, especially for the younger generations with newer lifestyles and attitudes toward work-life due to the changing era and the dynamics of global situations. It is considered as one of the Company's main challenges to revise and implement various strategies related to employee retention to be able to compete with other organizations within the same industry, as well as to reduce the turnover rate. The Company prioritizes the processes of employee acquisition all the way through employee retention while taking in to considerations of human right, equal treatment, respect in every aspect of the associates, and the developments of people and capabilities by providing fair benefits and living wages that are enough to sustain the daily lives, elevate living standards in order to build long-lasting relationships between the associates and the Company.

Goals

1. To drive associate engagement to exceed 88% in 2025.
2. To maintain key indicator of associates' knowledge and skills to serve customer not to be less than 96%.
3. To achieve zero accident.
4. Maintain the share of women at the management level to be over 50% of the total management level.
5. Maintain the proportion of female associates in STEM units at 30% compared to the total number of associates in the STEM units by the year 2025.



Strategies

1. To take care of associates thoroughly and fairly with Human Right principles as the focus, in order to build associate engagement with the Company and attract skillful potential candidates to join the Company.
2. To provide Living Wage and benefits that are sufficient for the living of associates and their families.
3. To develop competency and augment the leadership of associates.
4. To promote the awareness of safety, risk reduction and disciplined work supervision.

Management

The Company has planned on initiating various strategic actions to attract and retain the talented associates in order to enhance the values of the Company to be an organization that everyone wants to be a part of by providing relatable welfare fringe benefits and compensations aligned with the economic and social changes. The Company intends to create good living conditions for our associates while also designed flexible working hours and locations to be able to cope with the changes in working habit of the associates of different generations. Moreover, the company cultivates organizational values to appeal to all prospective associates through internal associate's referral and by attracting and retaining potential or competent associates while ensuring thorough care and fairness. The Company continuously monitored the indicators of the survey result on associate engagement, which aim to develop the organizational management system. In addition, People Analytics System was implemented in to analyze associate in aspects that uses statistical information from various data. The system can measure and evaluate operational performance, assist in manpower planning, identify additional skills, support talent sourcing and recruitment, and job analysis in other aspects to develop associates' engagement with the organization.



Personnel Recruitment



Associate Trainings and Development



Career Path



Human Rights Management



Inclusion and Diversity (I&D)



Health and Safety

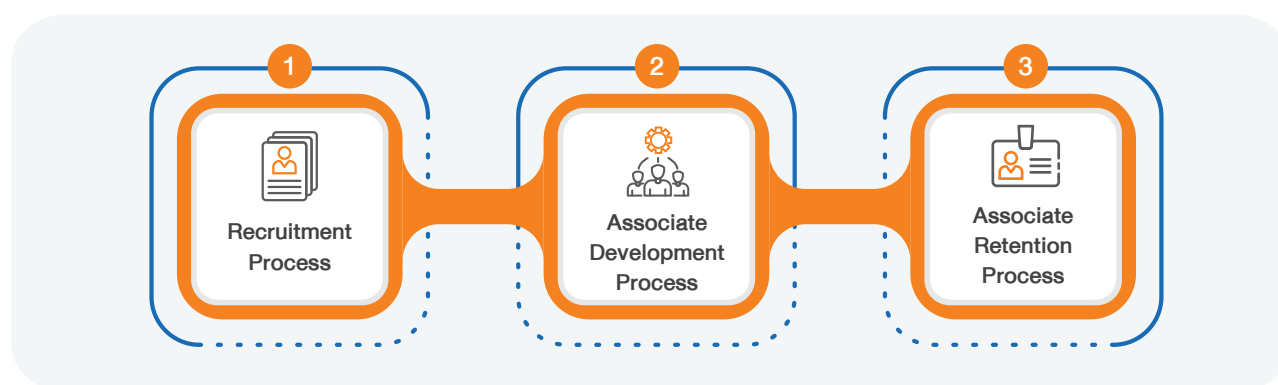


Associate Satisfaction Survey



Evolving into Innovative Organization

The Performance of Associate Care in 2022



Personnel Recruitment

Associates are crucial resources in driving the organizational success. The Company, therefore, stresses an emphasis on the recruitment and retention of high potential associates while raising the organizational values to attract competent candidates to the organization. Social media and online technology such as Facebook, LinkedIn and other recruitment channels are additional tools to widen the scope of recruitment process. The tools are used to publicize a vacancy and impart application information to candidates. Social media is used in conjunction with the Company's workforce recruitment process which features easy search and higher associate recruitment effectiveness. Furthermore, the Company places an importance on the recruitment of

knowledgeable newcomers who fit in with job position as well as the organizational culture. Various staff recruitment campaigns were implemented by the Company to find the candidates with potential, such as Bilateral Scholarship Program, PH(R)O-KHLA Program, the Happy Hometown (Suk-Jai-Klai-Baan) project, Homecoming project (Khuen-Sue-Yao) and the Associate Referral program. The Company has both face to face and VDO Conference via Skype, Microsoft Team, Zoom to interview the potential candidates. Moreover, the Company has also developed selection criteria that matches the potential candidates with the right positions and tasks and to identify the talents of each candidate for further development for suitable career advancement.

Bilateral Scholarship Program

The Company provides Scholarship included High Vocational Certificate Level and bachelor's degree under Bilateral Scholarship Program. Additionally, the Company signed the memorandum of agreement with the Office of the Vocational Education Commission (OVEC) to jointly develop and manage vocational education and training in commerce, majoring in retail business. In 2022, there were 283 Scholarships for Bachelor's Degree and High Vocational Certificate Level with an amount of 3,508,000 Baht and there were 103 students graduated from this program and were admit as HomePro associates. Details of the scholarship are as follows:

Retail Program (High Vocational Certificate Level)

Year	Batch No.	No. of Participating Institutions	No. of Scholarships	Scholarship Amount (Baht)
2012	1	6	64	1,843,200
2013	2	9	123	3,542,400
2014	3	20	183	5,472,000
2015	4	35	258	8,064,000
2016	5	41	169	4,867,200
2017	6	51	290	8,092,800
2018	7	55	338	9,734,400
2019	8	68	398	11,462,400
2020	9	32	412	8,899,200
2021	10	31	246	7,084,800
2022	11	45	275	3,300,000
Total			2,756	72,362,400

Bachelor's Degree

Year	Batch No.	No. of Participating Institutions	No. of Scholarships	Scholarship Amount (Baht)
2015	1	2	36	4,096,000
2016	-	-	-	-
2017	-	-	-	-
2018	2	4	22	3,312,000
2019	3	6	30	864,000
2020	4	4	16	345,600
2021	-	-	-	-
2022	5	1	8	208,000
Total			112	8,825,500

Happy Hometown (Suk-Jai-Klai-Baan)

The Company provides the opportunity for associates to go back to work in their domiciles under program “Suk Jai Klai Baan” to enhance their happiness. In 2022, there are 69 associates participating in this program.

Year	No. of Associates engaged (Person)	No. of Accumulated Associates engaged (Person)
2016	241	1,081
2017	76	1,157
2018	105	1,262
2019	85	1,347
2020	116	1,463
2021	60	1,523
2022	69	1,592

The Referral Program

The Company encourages associates to join the “Associate's Referral” program. The campaign is to seek associates with qualifications in line with the job role and organizational culture. This broadens channels and opportunities seeking a competitive vacancy. Incentives are awarded to associates who refers a successful, competent candidate.

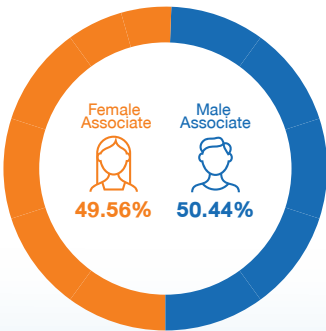
Homecoming Project

The Company opens an opportunity to the former associates that has voluntarily resigned to be able to rejoin the company again through Homecoming Project, in which in 2022, there were 162 associates rehired through the project.



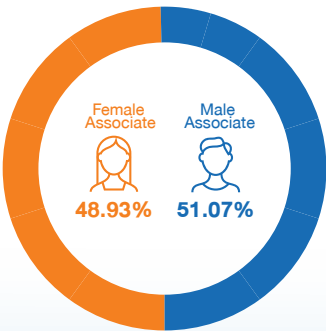
Associate Profile in 2022

Associate by Gender



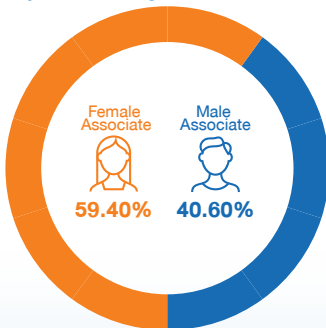
as % of total associates

Share of women in all management positions



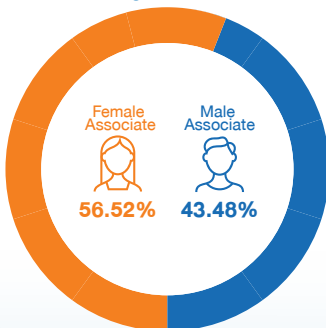
as % of total management position

Share of women in junior management positions



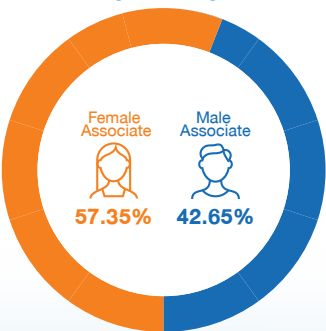
as % of total junior management position

Share of women in top management positions



as % of total top management positions

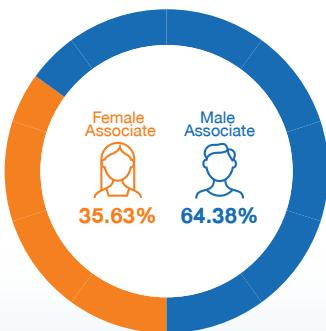
Share of women in management positions in revenue-generating functions



as % of all such managers

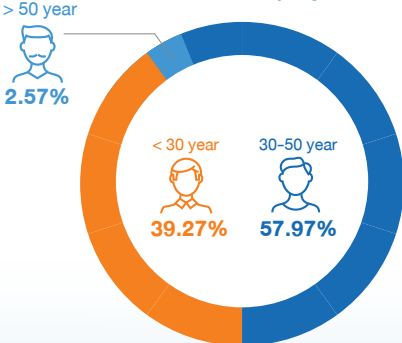
Share of women in STEM-related positions

Remark: STEM stands for Science, Technology, Engineering, and Mathematics

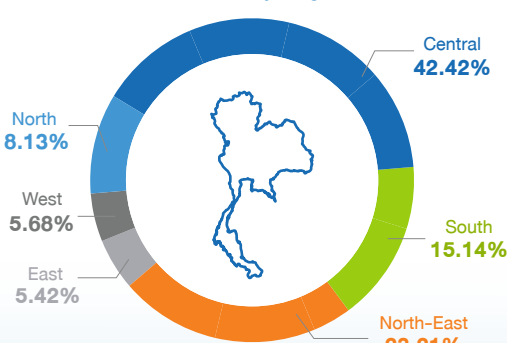


as % of total STEM positions

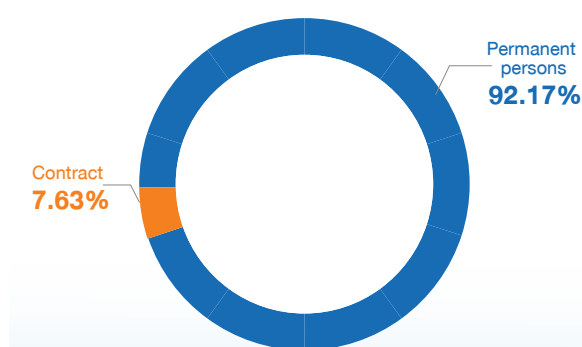
Associate by Age



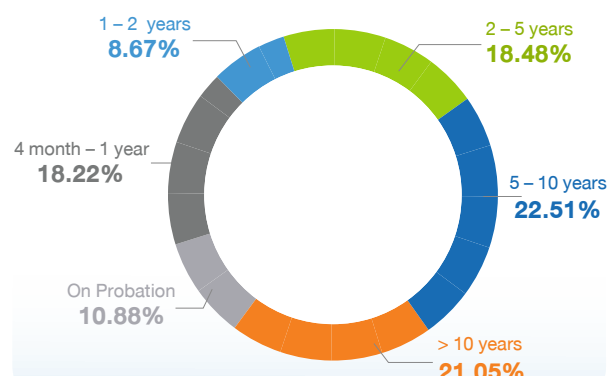
Associate by Region



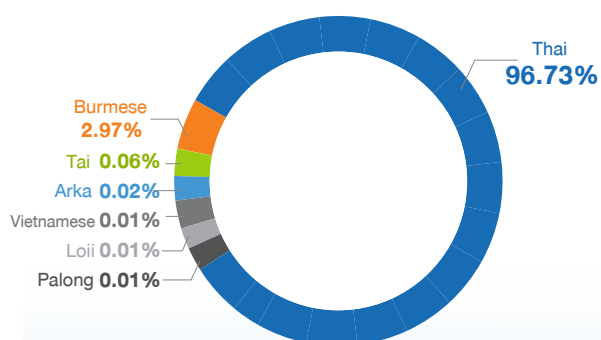
Associate by Type of Employment



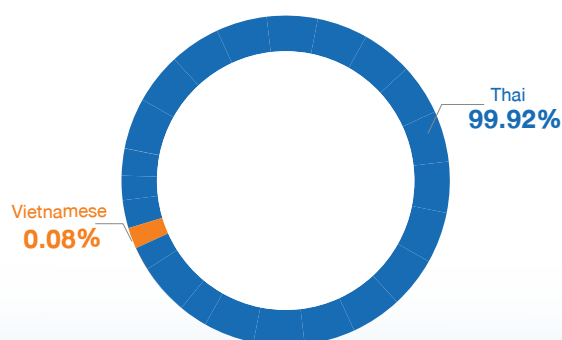
Associate by Years of Service



Total Associate by Ethnicity

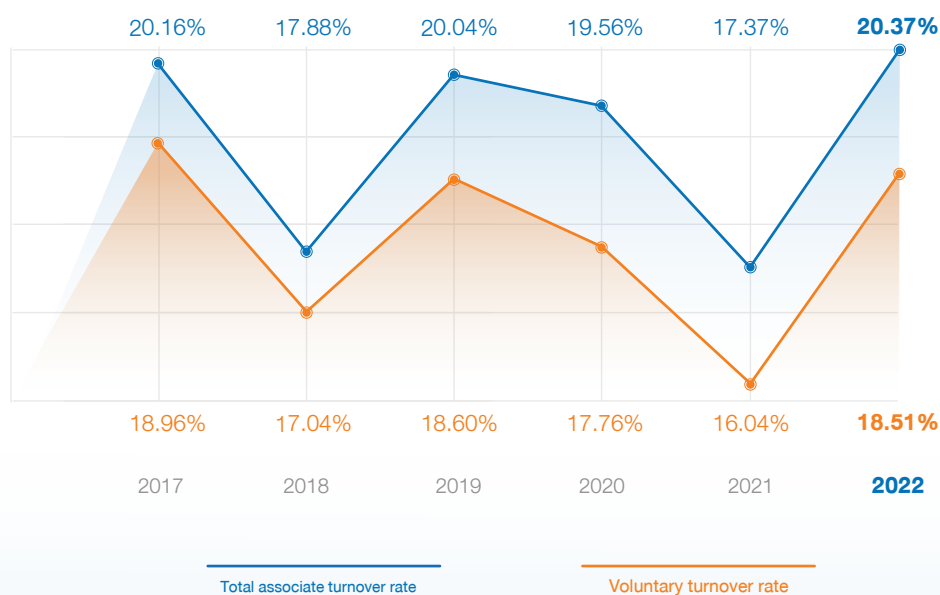


Associate in all management positions by Ethnicity



Remark: The percentage does not include subsidiaries from overseas in which there are 416 associates in Malaysia and 5 associates in Vietnam.

Total associate turnover rate (% of total associate)



Total Associate Turnover Rate (% of total associate)	2017	2018	2019	2020	2021	2022
Age group						
<30	9.82%	9.91%	11.77%	12.06%	9.09%	9.90%
30-50	10.23%	7.86%	8.04%	7.26%	8.13%	10.17%
>50	0.11%	0.11%	0.23%	0.24%	0.15%	0.31%
Gender						
Male	11.24%	10.52%	11.19%	10.86%	9.31%	10.09%
Female	8.92%	7.36%	8.85%	8.70%	8.06%	10.28%
Nationality						
Thai	20.16%	17.88%	20.04%	19.56%	17.36%	20.33%
Non-Thai	0.00%	0.00%	0.00%	0.00%	0.01%	0.04%
Management level						
Top Management	0.02%	0.01%	0.01%	0.00%	0.00%	0.02%
Middle Management	0.11%	0.08%	0.12%	0.12%	0.24%	0.29%
Junior Management	0.64%	0.47%	0.48%	0.70%	1.13%	1.29%
Non-Management (other than what stated above)	19.39%	17.33%	19.43%	18.74%	16.00%	18.78%

Voluntary Turnover Rate (% of total associate)	2017	2018	2019	2020	2021	2022
Age group						
<30	8.97%	9.46%	10.82%	10.96%	8.38%	8.93%
30-50	9.87%	7.48%	7.52%	6.53%	7.62%	9.37%
>50	0.12%	0.10%	0.25%	0.27%	0.03%	0.20%
Gender						
Male	10.09%	9.36%	9.69%	9.16%	8.41%	8.91%
Female	8.87%	7.68%	8.91%	8.60%	7.62%	9.60%
Nationality						
Thai	18.96%	17.04%	18.60%	17.76%	16.04%	18.49%
Non-Thai	0.00%	0.00%	0.00%	0.00%	0.00%	0.02%
Management level						
Top Management	0.02%	0.01%	0.01%	0.00%	0.00%	0.01%
Middle Management	0.14%	0.09%	0.15%	0.15%	0.20%	0.24%
Junior Management	0.72%	0.52%	0.55%	0.84%	1.00%	1.22%
Non-Management (other than what stated above)	18.09%	16.43%	17.89%	16.78%	14.83%	17.04%

Information of New Associates	2017	2018	2019	2020	2021	2022
Total number of new associates hires	3,029	2,993	3,571	2,280	2,943	3,046
Number of open positions filled by internal candidates (%)	1.89%	3.47%	6.54%	6.14%	4.23%	7.92%
Average hiring cost/FTE (Baht)*	3,762	3,505	3,505	3,580	3,474	3,035

*Examples: Recruiter salaries, advertising, traveling, and agency fees

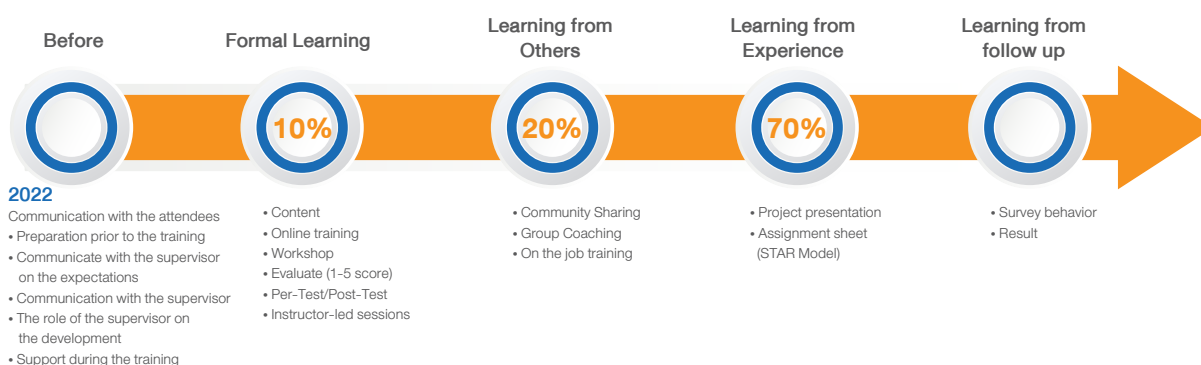
Total Number of New Associates Hiring (Person)	2017	2018	2019	2020	2021	2022
Total	3,029	2,993	3,571	2,280	2,943	3,046
Age group						
<30	1,917	2,066	2,490	1,743	2,040	2,014
30-50	1,097	903	1,014	524	889	1,020
>50	15	24	67	13	14	12
Gender						
Male	1,395	1,410	1,756	1,127	1,483	1,559
Female	1,634	1,583	1,815	1,153	1,460	1,487
Ethnicity						
Arka	0	1	1	1	0	0
Burmese	1	0	1	3	1	218
Chinese	0	0	0	1	0	0
Loii	0	2	1	1	0	0
Palong	0	0	1	0	0	0
Tai	5	3	7	6	0	1
Thai	3,023	2,987	3,560	2,268	2,942	2,827
Management level						
Top Management	0	0	0	2	3	0
Middle Management	20	11	16	7	23	29
Junior Management	69	58	79	78	113	95
Non-Management (other than what stated above)	2,940	2,924	3,476	2,193	2,804	2,922

Associate Trainings and Development

The Company places importance on people development to enhance the capabilities and efficiency of the associates. The Company believes that people are one of the key success factors that will drive the Company towards success. The main strategies used for the developments are capabilities development and leaderships development. At the same time, the Company encourages the associates to continue to seek and obtain knowledge so that the associates would have the necessary skills and knowledges to complete the tasks given.

Due to the emerging challenges such as the concept of VUCA World (Volatility, Uncertainty, Complexity, and Ambiguity) or the post-COVID-19 pandemic in which the world is moving into the BANI era (Brittle, Anxious, Nonlinear, and Incomprehensible). Therefore, the Company improved the strategies and the overall development process to prioritized Upskill and Reskill of the associates in the form of Hybrid Learning including E-Learning, Virtual Classroom and Class Room. Additionally, the Company has cooperated with several training institutes that specialized in Virtual Classroom. The integration of 10:20:70 model was also implemented to maximize the effectiveness of the learning process.

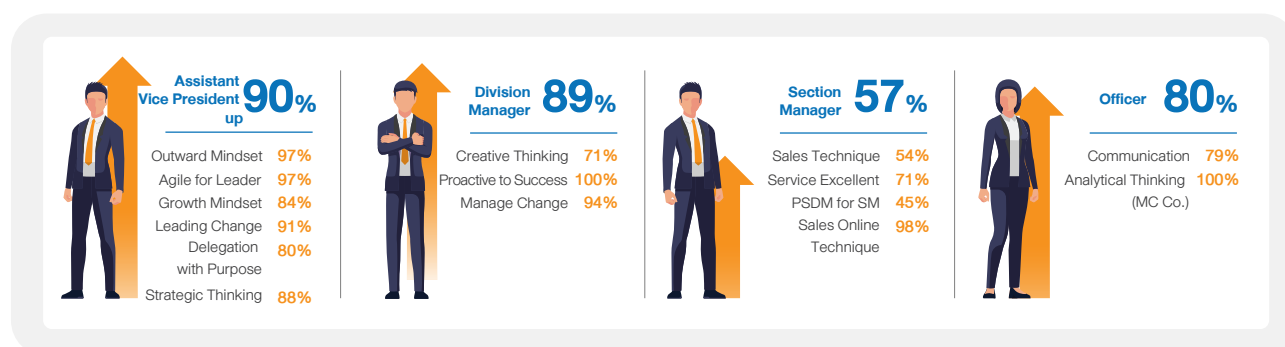
Learning Effective



Upskill-Reskill Program

In 2022, the Company had Upskill-Reskill programs for associates of different levels such as Senior Vice Presidents, Vice Presidents, Assistant Vice Presidents, and General Managers regarding the Outward Mindset which is an important type of mindset; necessary for Internal Collaborations, Agile Leadership, Growth Mindset as well as to create change agents within the departments and stores, Delegation with Purpose and Strategic Thinking.

For the Division Managers, the Upskill-Reskill courses are included of Creative Thinking, Proactive to Success, Manage Change. The Section Managers were trained on Sales Technique, Excellent Service Behavior, PSDM for SM, and Sales Online Technique. In addition, the Officers were also trained on effective Communication and Analytical Thinking. The proportion of associates that engaged in Upskill-Reskill programs are as follow:

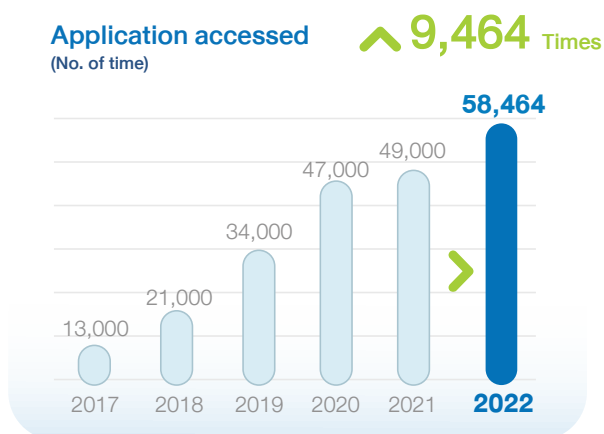


The number of associates that went through the Upskill-Reskill programs (Repetitive Counting) in 2022: 86 SVPs, 123 VPs, 481 AVPs, 768 DIVs and 1,814 SMs/Officers in which is accounted for 72.1% of the entitled participants.

Irobru (Digital Learning)

Irobru is a Digital Learning platform that could be accessed via mobile phones. The Company prioritized on the developments and customizations of the programs and curriculums so that the knowledges and skills obtained are up to date and could be used practically. It is unarguable that learning via mobile phones is considered as an important learning channel due to the fact that the associates could access the platform with ease, wherever, and whenever they want other than Class Room, OJT or Conference. The associates could also revisit the programs and curriculums unlimitedly.

In 2022, the Company expanded the target group of Irobru to cover both the associates of HomePro and the subsidiaries in an example of Mega Home. In 2022, there were more than 47 curriculums provided in the platform and the associates have accessed and studied on this platform of over 58,464 visits.



Highlight Courses of 2022 are as Follows:

1. Sales Knowledge Course for Room Consultant

The Company has a policy to encourage salesperson to be able to present products and services to customers by rooms including bathroom, kitchen, bedroom and living room. The course intends to elevate the sales techniques from selling by individual sections to consolidated rooms so that the customers could be provided with more complete range of products and services.

Therefore, the courses are designed for the sales associates to understand and familiarized themselves with the process of selling as “Home Solution” to introduce the related products along with the different styles of decorations as well as the basic calculations and techniques that sales associates are required to know.

2. Senior Coaching Project

Program that intends to encourage the changes of the

behaviors of sales associates that are not up to standards to be as impressive as possible, which divided into 3 steps as follows:

Step 1: Perfect personality before entering the sales area.

Step 2: Immediately greet customers upon their arrivals.

Step 3: Customers must receive what they came for with the 4 steps of product searching and stock balance checking.

The above 3 steps are transformed into a song that is easy for the sales associates to understand and memorized.

3. “Sales Enjoy Working” Podcast

A form of audio learning that pre-recorded the ideas of skillful District Managers during different interviews to share their point of views as well as different experiences under the topic of “Guidelines for service and complaint prevention.” The associates could listen to the podcast while traveling to and from work. The podcast is considered as an important tool that could potentially encourage associates to perform better with deeper understanding of service guidelines and would apply various techniques to mitigate and prevent possible complaints.

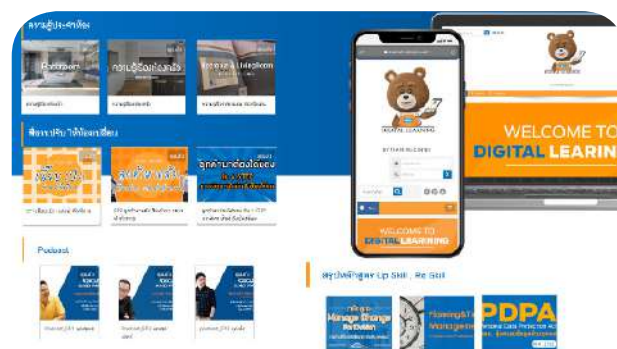
4. PDPA

The essence of PDPA act are disseminated to associates to create awareness and understanding of PDPA so that associates could correctly manage information without violating any laws or regulations.

5. Soft Skill Development Course

Prior to the online courses of Upskill-Reskill, the associates would have to watch a VDO to be aware of the objectives and the potential benefits of the courses. From the VDO the associates would study the brief knowledges prior to the real courses. In addition, the courses could be revisited for revision with no limitation. In 2022, there were a total of 3 courses which are:

1. Planning and Time Management (Vice President and above)
2. Manage Change (Division Manager)
3. Problem Solving and Decision Making (PSDM) for Section Manager



Talent Management Program

The Company emphasized for associate development as well as shaping associates' behavior to be in accordance with organizational culture along with building excellent leadership in accordance with personnel development strategy. The Company has clearly developed the plan of career path along with associate development plan for all associate levels. These would continuously enhance skills, knowledge, and capability for associates to adapt to the transformation and development of the Company.

The Company not only annually reviewed the Succession Development Plan and Personnel Development Plan to

prevent the impact of retirement and resignation for each level ascertaining business continuity, the Company also arranged Personnel Development Program for management team and associates at any level so that these personnel are ready for promotion. This includes: In collaboration with a consulting company, DDI Thailand, the Company arranged Talent Development Program for division managers under the name of **"Young Talent Program"**, and the Talent Development Program for Assistant Vice President and above under the name of **"Young Executive Talent"** in which in 2022, the Company revised the development plans for the two talent groups as follows:

1. Young Executive Talent

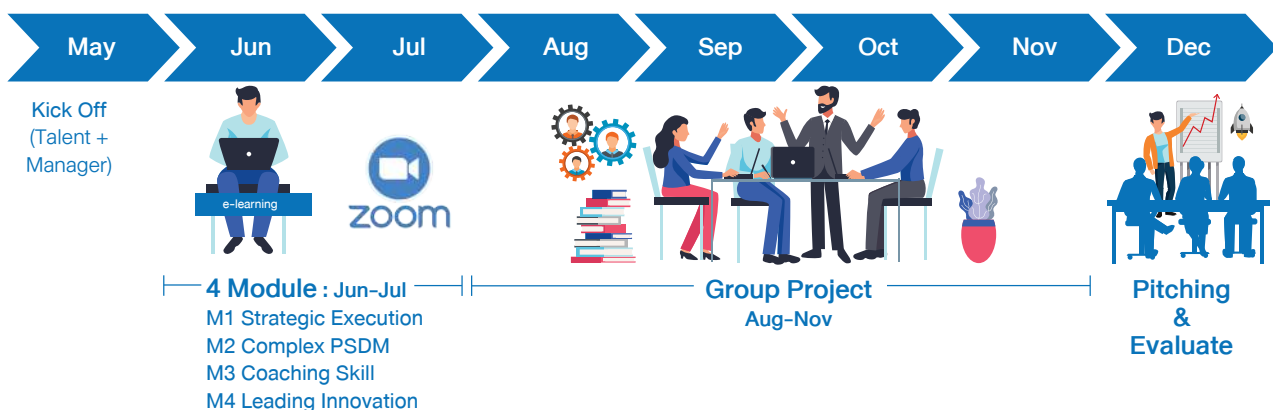


There are two indicators for the success of the Young Executive Talent which are Learning ability with the average score of 92.3% and Competency with the average score of 85.3%

2. Young Talent

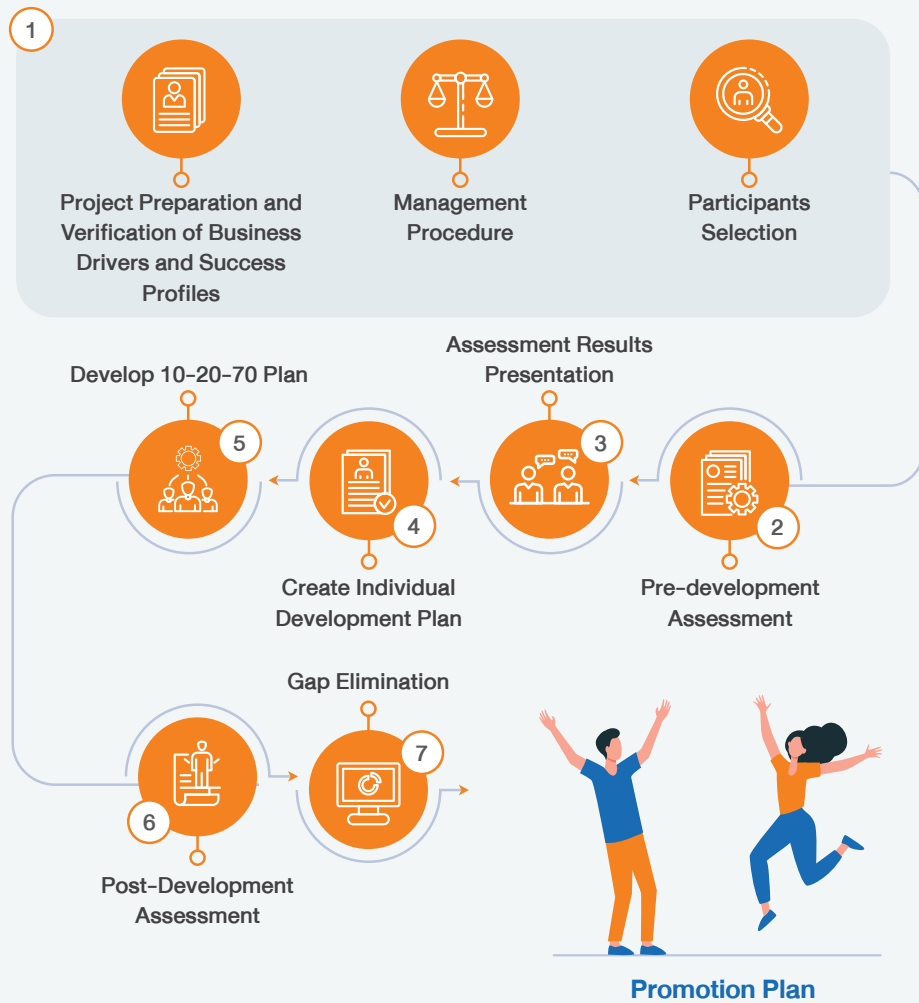
Development Program Structure 6 months

Tools: Group Project Base



There are two indicators for the success of the Young Talent which are Learning ability with the average score of 90.7% and Group Project with the average score of 76.2%

Talent Development Program



Talent Development Program

Year	Course	Number of Talent (Person)
2017	Talent Management for the 1st gen VP / AVPs	16
2018	Young Talent Management for the 1st gen Division Managers	19
2018 - 2020	Talent Management batch #2 for VP / AVPs	16
2020	HomePro for Store Managers	14
2020 - 2021	Young Talent Management batch #2 for Division Managers	17
2022	Young Executive Talent batch #3 for VP / AVPs	4
2022	Young Talent Management batch #3 for Division Managers	10
Total		96

High Performer Development Program

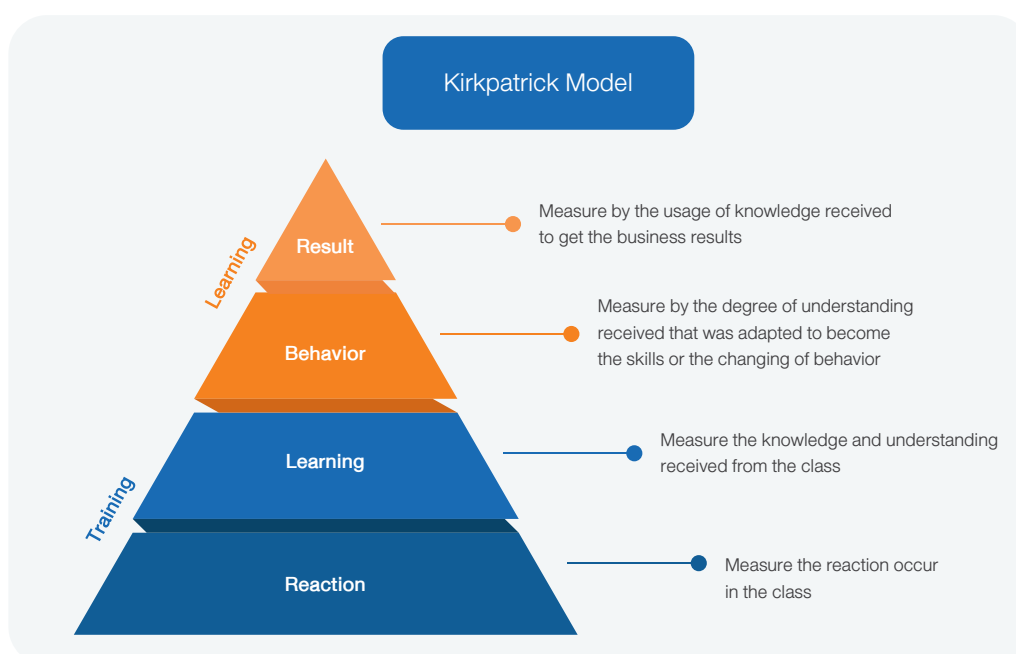
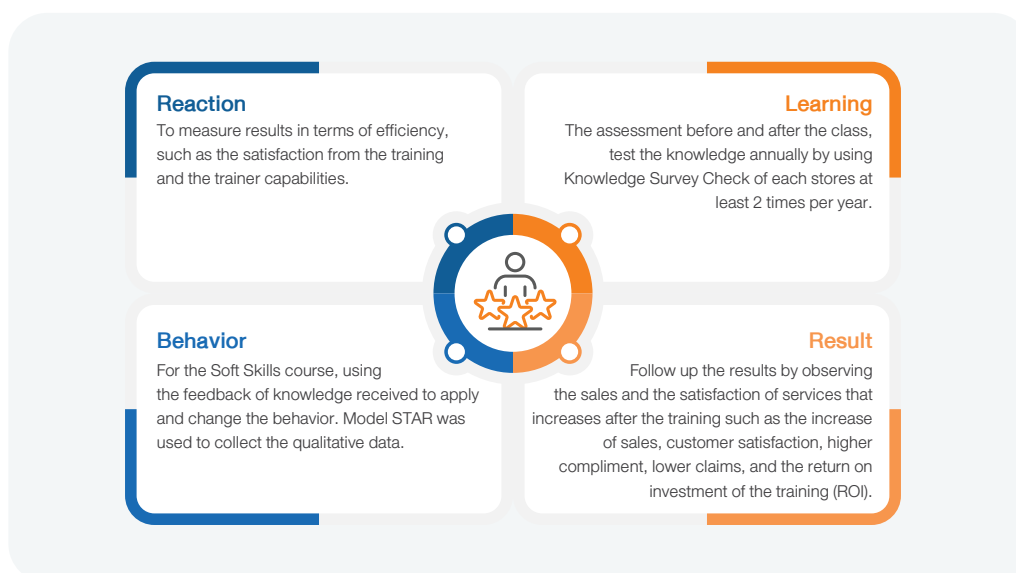
In 2022, the Company initiated programs to develop associates with high performances (High Performers) for internal as well as external associates under the name “Future Talent” for internal associates and “DNA Management Trainee” for external associates.

- Future Talent Program: There were total of 15 associates that were selected in which divided into 9 Assistant Vice Presidents (AVP) and 6 Division Managers (DIV). Under the IDP tools, the result shows the Competency Improvement of 22%.

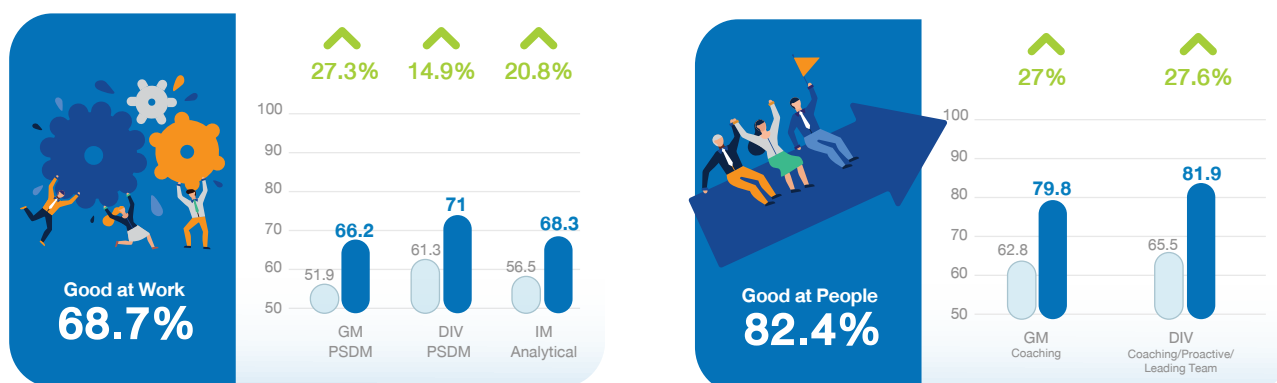
- DNA Management Trainee Program: There was a rigorous recruitment process via projects given to the potential candidates prior to the interviews from the interview committee who are senior managements of the Company. The development program was Project-based, supported by the Managing Director while senior managements acted as coaches and mentors for the candidates. In 2022, there were 6 candidates that presented various projects that could potentially increase the competitive advantages for the Company such as Zero Waste Management, Improvement of UXUI for HomePro application and EV Transportation.

Associates' Training Assessment

The Company has applied the Kirkpatrick Model Associate Training Assessment to analyze and assess the return on associate training. There were 4 training assessments as follows:



In 2022, the average knowledge assessment of Soft Skill courses from the Post-Test was at 91.5% in which divided into 92% for AVP/GM, 90.7% for DIV, 91.3% for SM and 92.4% for Officer. The measurement of the practical implementation of skills and knowledges obtained and transformed into behaviors which the Company has selected the work and people skills as follows:



Information on Training Performance

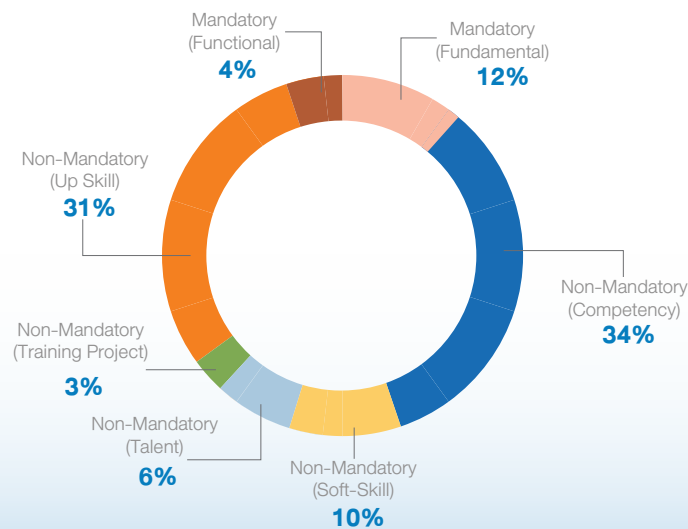
Details of Training	2018	2019	2020	2021	2022
Classroom (person)	8,591	10,448	6,826	7,395	11,333
OJT (person)	1,922	1,377	750	847	1,332
Digital Learning (person)	21,097	21,208	7,887	5,889	13,711
Classroom (hour)	83,934	88,042	48,417	42,496	59,490
OJT (hour)	347,379	401,820	135,000	152,460	239,760
Digital Learning (minute/person)	16.43	15.83	8.55	25.20	262.20
Mandatory (hour)	38,951	31,389	20,962	28,957	27,567
Non-mandatory (hour)	360,416	410,824	221,868	167,342	271,683
Average Training Hours per Participant per year	49.53	53.83	22.32	23.72	31.90
Associate's knowledge	87.91	91.52	94.20	92.90	91.60
Training and Development Investments (million baht)	14.83	14.00	11.93	7.60	14.70
- Mandatory (Baht)	1,169,906	1,951,861	1,069,307	1,236,883	2,354,612
- Non-mandatory (Baht)	13,660,094	12,048,139	10,870,527	6,365,025	12,435,827
Training investment per person per year (Baht)	1,703	1,538	1,589	925	1,576
Return on investment (%)*	379	441	433	608	452
Net profit per associate (million baht/associate)	0.52	0.57	0.49	0.51	0.55

* Return on investment came from the net profit per cost of training.

Training is categorized into 2 types as follow:

1. Mandatory Trainings: Trainings related to work function
2. Non-Mandatory Trainings: Trainings unrelated to the job

2021 Training and Development Investment



Training and Development Investment

Training and Development Investment per associate per year	Baht/Person/Year		
	2020	2021	2022
Age group			
<20	33.05	-	28.50
20-29	597	133	163
30-39	1,365	553	565
40-49	3,904	1,852	1,060
>50	11,159	3,186	1,831
Gender			
Male	1,457	428	420
Female	1,728	672	534
Nationality			
Thai	1,594	538	475
Non-Thai	197	707	754
Management level			
Executive Vice President	3,078	2,700	3,072
Senior Vice President	14,131	8,354	3,341
Vice President	26,541	2,429	1,450
Assistant Vice President	12,324	2,763	1,584
Division Manager	5,675	2,689	1,673
Non-Management	631	182	221
Mandatory (Baht/Person/Year)	324	116	101
Non-mandatory (Baht/Person/Year)	894	1,847	1,611

New HomePro's Core Values

With the vision of being the leader in Home Solution and Living Experience in Thailand and South East Asia, the Company drives the organization's culture through the new set of Core Values. The new set of Core Values are generated from the exchange of experiences and point of views between the senior managements and the representatives of the associates regarding the work environment, current obstacles to set the desired directions of Core Values and work-life in the future. The discussions are to reflect on the strengths, weaknesses and aspects that required improvements in efficiency as well as to increase workplace happiness.

The ideas and opinions from the senior managements and the representatives of the associates are then consolidated as the new HomePro's Core Values through the new set of key behaviors. The associates have shared their ideas and methods on the practical implementations of the new Core Values on real situations and other behaviors that aligned with the context of the organization through an activity called "Culture in Action." The Company conducted Culture Insight Survey on the associates of all level to understand their point of views regarding the Company's current status. The findings from the survey assisted the Company on closing the existing Gaps in order to specifically design the driving process of the new Core Values and Key Behaviors.

To ensure that the driving of organization culture is in motion, the Company has set Leading Culture as a Key Success Factor; in which Leading Culture is an exchange of ideas and opinions between the senior managements. The conversations focus on the 3 following topics:

- **Act:** The Senior Managements act as role models and encourage the desire behaviors. The Senior Managements used this space to identify High Impact Action that can change other behaviors. They also reflected the implementations of the High Impact Action in their own roles and ways.
- **Operate:** The integration of Core Values inside the systems, processes, and policies through the projects in accordance with the High Impact Actions to prepare to encourage the associates in each level to act on these behaviors.
- **Say:** The launch and communication of the new set of Core Values would happen when The Senior Managements are truly prepared to communicate the

new set of Core Values and Key Behaviors along with being the role models while also design new systems, processes and policies to accommodate with the Core Values and key Behaviors.



Additionally, Change Agent so called "Captain HomePro" are responsible for driving, encouraging, communicating and drawing the attention of the other associates to further implement the HomePro's Core Values in their teams. The project began in June of 2022 and planned to unveil the new set of Core Values in February of 2023 in which will continue to move forward with the project in order to eventually transform the Core Values into the true and sustainable organization's culture.



The Launching Ceremony of HomePro's Core Values
at the Head Office

Career Path

Career path management was a tool for systematic associate development. There was also the assessment on core competencies in core divisions that mainly drove the business such as operational, purchasing, and inventory management. The talent group was also developed by considering knowledge, skills, and other components such as performance, competency, working experience, years of services and personality. This was also one of the management systems that could lead to the clear development path and potential growth of the Company. Moreover, this would motivate associates for self-improvement and build good engagement with the organization.

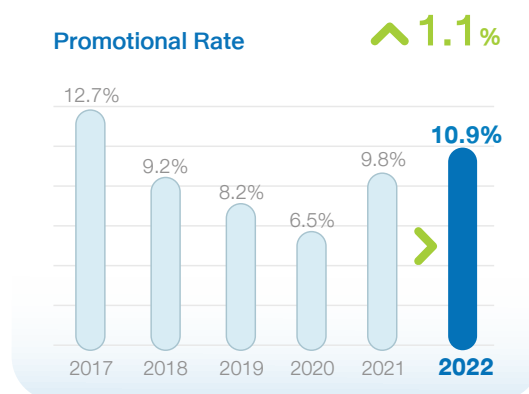
Apart from the associate development through training, the Company has developed the plan of career path for individual career growth along with the business expansion both locally and internationally. The Individual Career Development Plan of each associate would be directed by their supervisors including;

Individual Career Plan (ICP) the projection of short-term and long-term career growth of associates considered by current competencies comparing to the expectation for a higher position.

Individual Development Plan (IDP) the determination of associates' skills that should be developed with the procedures defined in the Individual Career Path Plan such as on-the-job training, coaching, and Project Assignment. Associates would be monitored on their IDP progress and receive feedbacks from their supervisors every 6 months. It would be in terms of development progress and discussion between associates and then supervisors to continuously develop capabilities for the future career growth. The capability assessment accumulated as foundation to be ready would be the same in all levels and positions for associates to freely rotate across to related positions in the future, and it was divided into 3 areas including performance indicator index, management capability, and core value of organization.

The result of capability assessment would be included in the consideration along with the annual performance assessment and presented to the management for the promotion and compensation of talent group, and creation of successor, which was one of development plans for the leaders along with the growth of organization.

Promotional Rate



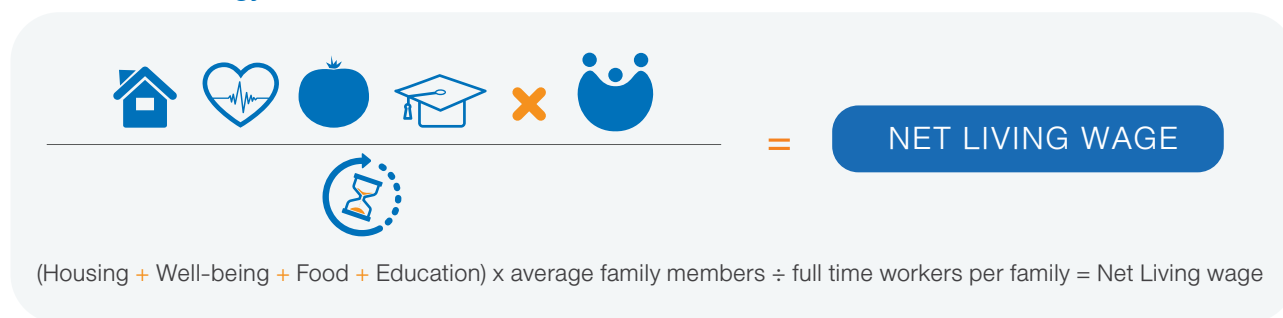
Associate Retention

Associates lay a foundation and serve as the essence part of advantageous competitiveness and sustainable organizational growth. The challenges of human resource management are attested by the importance of happy organization promotion for effective performance and workforce by providing beneficial environment and motivation to freely drive innovation, together with the management of individual difference as per generation and gender in workforce to achieve harmony and organizational engagement.

Living Wage

The Company prioritizes the good quality of living of associates and their families by providing sufficient and appropriate Living Wage and benefits to fulfill their basic needs, which include food, shelter, clothing, healthcare, savings, and leisure for associates and their families in alignment with their local cost of living. The Company hired human resource experts as consultants for the study and establishment of fair compensation and benefits policy, in order to provide wage and benefits that are higher than the general market. The average compensation and benefits data from Thai Retailers Association is used as a reference. The rate provided by the Company is higher than the requirement of the law. Anker Methodology is used as a reference in wage calculation to ensure that associates' compensation is sufficient for themselves as well as their family members. In addition, the Company provides additional allowances that align with the cost of living in the area where associates work, as well as positional compensation, travel allowance, language allowance, provident fund, phone allowance, health insurance (IPD & OPD), accident insurance, uniforms, maternity clothes, associates discounted price, emergency fund, interest-free emergency loan, presents for visit during hospital admission, wedding support allowance, funeral support allowance for associates and family members, academic scholarship for associates' children and more.

Anker Methodology



Housing
Housing-related expenses

Well-Being
Health-related expenses

Food
Food-related expenses

Education
Educational-related expenses

Average family members
The average number of family members

Full-time workers per family
The amount of full-timer worker(s) per family

Important Guidelines on Calculating Compensations for Associates	Factors
No Discrimination	<ul style="list-style-type: none"> The Company compensates all associate regardless of race, nationality, religion, gender, language, age, skin color, education, social status and disability
Competencies of The Associates	<ul style="list-style-type: none"> The Company compensates accordingly to their abilities, experiences and education The associates are able to obtain full compensation without having to work over-time. However, if there is a reasonable requirement that required over-time, the associates will then be compensated accordingly
The Company's Operating Result	<ul style="list-style-type: none"> The Company may give out extra compensations in a form of bonuses. However, the amount is dependent on the annual performance of the Company
Transparent Compensation	<ul style="list-style-type: none"> The compensations are paid with transparency and explainable

- The Company uses advanced analytics technology to manage human resource, through Human Resource Management System (HRMS), in which associates can conduct Employee Self Service (ESS) for checking their work record, leave process, as well as welfare disbursement and performance assessment. The system aims to reduce the approval procedures so that the associates can manage their time efficiently along with fast, accurate payroll and salary calculations, which is one of the results from the openness of associates' feedback for the system improvement. In 2019, the Company developed HRMS Application, a mobile application, for associates to access HRMS (Human Resource Management System) on their mobile phone anywhere, anytime at their convenience.
- The Company offers Flexible Working Hours by setting different work schedule such as 08:00 – 17:00 shift, 09:00 – 18:00 shift, and 09:30 – 18:30 shift. Flexible working hours allow each associate to manage their working time to be suitable to their lifestyle and necessity.

- As an impact from the globally-spread COVID-19 Pandemic, the associates had to change their way of work from physically gathering in offices to working from their homes using teleconferences to ensure that the businesses could continue to operate without any disruption. Companies around the world had to shift their working patterns to cope with the “Next Normal,” in which the associates could be working from anywhere. The Company has a hybrid workplace policy to allow associates to Work from Anywhere, whether from home, off-site or on-site. The Company provides work equipment and system along with various communication channels to support associates in managing their daily living appropriately. In addition, the Company initiated a new form of workspace called “Remote Office” at 5 different HomePro stores in Bangkok and the metropolitan areas so that the associates could work from stores that are closer to their homes, rather than traveling to the Head Office; which reduce travel time and the overall cost of commutation. Furthermore, Hybrid Workplace also reduces many costs surrounding the offices including the use of space, building maintenances as well as other utilities and utensils. As a result, the Company could also recruit more associates without having to expand the offices areas. In 2022, there were a total of 653 associates who participated in Hybrid Workplace, which is considered as 29% of the total amount of associates working at the Head Office.
 - The Company fully respects associates' rights without any prohibition of the establishment or the participation of/in the labor union. Moreover, the Company is open on giving consultation to associates in all aspect whether for work-related or personal issues. The consultation is open for both individual or group discussion formats by allowing associates to communicate directly with the human resource department, their supervisors, or through committee representatives to discuss on various topics and agreements. Complaints can be sent through the complaint channels for the human resource department to gather and rectify so that the associates could receive specific guidelines as well as to participate on suggestions so that the issues may be mutually resolved. Even though the Company does not prohibit the establishment or participation of/in the labor union, there has been no labor union within the organization. However, the Company has formed a welfare committee in which consisted of representatives from both the employers and the employees to control, manage and negotiate the benefits and compensations within the organization. In 2022, there were 1,100 representatives who negotiated terms on behalf of 11,670 associates; in which is calculated as 9.43%.
 - HomePro Nursery provides child care to associates' children during a school holidays. This aims to lessen the burden of parents who work during daytime and cannot find a babysitter. The program covers improving self-development ability, training children to socialize and live in harmony with the others in society. It also bolsters organizational loyalty and engagement among associates. The HomePro Nursery service runs during school holiday on weekday from 09:00 to 18:00 hrs. The Company also provides childcare out of school hour to associates' children on weekday between 16:00 to 18:00 hrs. However, in 2021 to 2022, the service has temporarily closed due to the COVID-19 outbreak.
 - Provide the Breast-feeding room for female associates that breast feed their children. The Company prioritized the well-being of the female associates with infants, therefore providing clean and appropriate space with proper equipment that facilitate breastfeeding or pumping in order for the female associates with infants to be able to breast pump and stored their milk, which is considered as the most nutritious food source for infants while able to maintain work efficiency.
 - Providing associates with knowledges of saving money and financial planning including solutions on solving debt problems for associates e.g. investing through provident fund system and personal income tax planning. The Company assists the associates with credit cards, cash cards problems and other loans with high interest rates by providing solutions to take care of their debts with fair and reasonable interest rates through the employee welfare loan program, announcements, infographics and news to encourage the associates to have good financial disciplines as well as to protect themselves against financial threats. The associates can access the resources and knowledges through the Company's Facebook page called “Stay Wealthy as HomePro” “Man-kang Mun-kong Bab HomePro” or to directly contact the Company's Welfare Department.
- In 2022, there were 2 financial institutions that cooperated with the Company in solving debts for the associates including Islamic Bank of Thailand and SG Capital Public Company Limited. Additionally, the Company disseminated various governmental campaigns to associates such as expo on “Collectively Solving Debts: Solving Debts for A New Sustainable Beginning,” expo on “Household Debt Mediation,” “Justice Department Public Meeting 2022” and “Debt Solving Clinic” by SAM.

Human Rights Management

The Company is committed to human rights policies stated in the Company's operational code of conduct guideline. Human Right Due Diligence Process was put in place while human rights risks are assessed through 2 key factors – risk's impact and risk's possibility. The risk level is classified into 3 types - low, moderate, and high. After risk issues have been identified, operational planning, solutions and preventive measures are implemented while audit and follow-process up are also employed. Also, among imposed actions include supplier's selection criteria based on equality and fairness, emphasis on associate human rights, professionalism, and social and environmental issues. The Company has conducted human rights risk assessment on every associate, and prepared plans and measures to reduce the risk of human rights violation. In addition, the Company has prepared knowledge manual to help suppliers and business partners to manage the risk of human rights violation in form of Supplier Code of Conduct. Human rights risk assessment is also conducted on suppliers by identifying the affected group or individual such as children, people with disabilities, forced labor and illegal labor. In 2022, the result of the assessment showed low risk level with no violation of human trafficking, forced labor, child labor discrimination and sexual harassment, fair compensation and other human rights aspects.

The Company supports the human rights principles and goals such as the Universal Declaration on Human Rights and the Declaration of Fundamental Principles and Rights at Work of the International Labor Organization (ILO) (More details on policies and practices regarding to respecting the Laws and Human Rights can be found on page 195.)

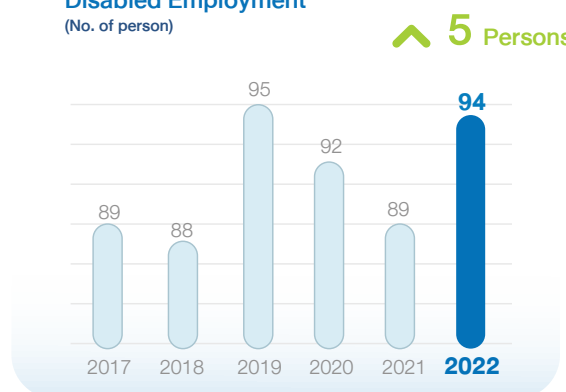
Inclusion and Diversity (I&D)

The Company place importance on the concept of management that promote diversity and inclusion of associates in the organization in terms of race, culture, economic and social status, physical disability, gender, and experiences, as well as perceives the value of diversity among associates in the organization. The Company has a strict policy that all associates must be treated equally, with absolutely no discrimination regardless of race, nationality, religion, age, gender, language, skin color, education, social status, disability or elderly.

Employment for the Disabled

The Company has non-discrimination and equality of employment policy, by employing disabled according to the employment law of the disabled. The Company also support and promote disabled to work in the same position as normal people such as sales, maintenance, call center, delivery service, administration, etc. In 2022, the Company has 94 disabled associates, which account as 1.05% of the total 8,942 person (as of 31 December, 2022), which the Company has employed disabled higher than the standard of the Empowerment of Persons With Disabilities Act, B.E. 2007 that has set 1%

Disabled Employment
(No. of person)



Employment of LGBTQI Individuals

The Company recognizes the important of human rights on the aspect of accepting individual differences and living together equally. The Company promotes the culture that does not discriminate but recognizes the value and accept the difference of each other. Employment opportunity is offered to LGBTQI individuals to join the Company, unleashed their full potential, be confident, and be proud of themselves.



Empowering Elderly Employment (Young Smart Project)

The Company joined the business network of Corporate Social Responsibility towards the Elderly group, to develop an Age-Friendly Business in collaboration with Thaipat Institute, Department of Elder Persons, Ministry of Social Development and Human Security. Under the Young Smart Project, the Company received an award for a private organization that supports the employment of the elderly from the National Committee on the Elderly, Ministry of Social Development and Human Security. The Company has initiated the Young Smart project and recruited elders as service personnel at the stores. The program allows the elder associates to work as Part-time. In 2022, there are 50 elders working at HomePro.



Employment of Elder Associates (No. of person) ✓ 5 Person



Health and Safety

Support Health of Associate

The Company emphasized on the health of associates as well as paying close attention to the environmental matter that affects the operations of associates. Therefore, the Company has regularly inspected the working environment in the workplace to ensure that light, sound, air quality, humidity, and temperature suit the working requirements as prescribed by law. The Company also enhance the working environment under the objective of 'Happy to Work' notion which promotes Happy Workplace, Teamwork, Think Good Do Great and Stay Healthy.

- The HR Clinic program offered consultation and some advice to solve their personal problems ranged from depression, stress, work or family problem etc. Experts with consultant experience from the Human Resource Department provided mental treatment via a telephone conversation or an appointment of a personal session. Activities for mental self-awareness i.e. meditation were held throughout the year.
- In addition, The Company also provides Telemedicine Service that is an online health consultation service as a channel for associates to schedule an appointment for a virtual doctor's visit via their mobile phone by scanning the QR CODE which will further access to the Line Application, then associates can consult with a doctor or a nurse via VDO Calls on a daily basis. This

service also provides medication delivery services to associates, which gives associates access to medical treatment anytime, anywhere. Moreover, the Company also provide medical doctors at the Head Office's infirmary room on Mondays and Wednesdays to treat and consult the associates while nurses are on duty every day from Monday to Friday.



- Ergonomics risk assessment ensured that working station settings were suitable and lowered ergonomic pains in workforce. The investigation suggested that the Ergonomics risk associated associates entailed improper gesture and working environment. As such, the Company organized ergonomic trainings to imbue associates with correct postures while amending working station to fit operational requirement.
- The Company prioritized and tracked the health condition of associates through the annual physical checkup and found that most of the associates has a health problem related to office syndrome, respiratory syndrome, and Dyslipidemia. Therefore, the Company arranged various activities both preventive measure and promoting healthy habits by changing the behavior that could lead to the risk of those syndrome such as:
 1. Promote HomePro Funwalk activity, encourage associate to exercise in their daily life by walking or running. Mobile application has been used to track steps of project participant. The person who records the targeted steps as the first one will get award. Participant under this program have average of 8,000 steps per day which higher than average of 4,764 steps of Thai, studied by Stanford University.
 2. Provide health trainings, held by professional medical experts through an online channel so the associates of the Company and subsidiaries could participate in the training. The purpose of the training is for the associates to have better understanding and can handle various diseases and symptoms effectively. In 2022, there was a total of 6 virtual health trainings including:
 - Provide knowledge about the COVID-19 strain on the topic “Clear all doubts about the Omicron strain of COVID-19” by an infectious disease physician from Samitivej Hospital.
 - Training to educate people about coping with various ache in the body including office syndrome as well as healthy food preparation to be ready for work during COVID in accordance with the ergonomic principles, the topic “How to Work from Home While Keeping Yourself Healthy” by professionals with special expertise from Thai Health Promotion Foundation.
 - Provide training to educate employees on how to take care of themselves after being infected with COVID on the topic of “How to cope with and take care of yourself after being infected with COVID-19 Long Covid, a threat to the quality of life” by a specialist in respiratory diseases and acute respiratory failure from Paolo Hospital Rangsit.



In 2022, the Company held a training on PCR at the Head Office by experts from Paolo Kaset Hospital as instructors on basic principles of CPR as well as instructions on providing first aid by using the AED machine. The training

provided both theoretical and practical knowledge in order for the Company's Loss Prevention personnel and associates to correctly assist their colleague as well as others during emergency situations.



Training on PCR and CPR at the Head Office

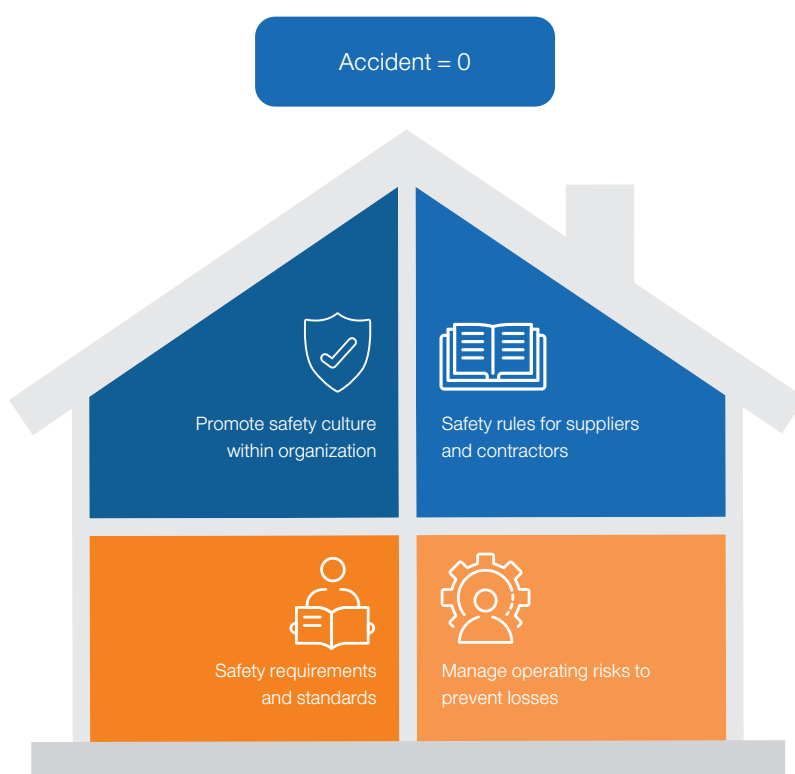
In addition, the company allow associates to gather and form sports and recreational activities clubs (Sport Club) as preferred and volunteered, such as sports club of football, badminton, table tennis, fitness, jogging, and yoga.

Track of Health Condition Recovery

The Company followed up on associates who participated in the Health Care Activity. From the annual health results of the associates in 2022, it was found that associates' health have improved from 2021, with the details as follows:

Summary of Associates' Health Results	2019	2020	2021	2022
Associates have normal cholesterol level, less than 200 mg/dL (%)	43%	40%	42%	49%
Number of treatments for associates who have Office Syndrome (Time)	1,939	1,488	599	1,479

Safety care



The health and workplace safety of the associates are the most essential factor. The Company prioritized and enforce the Occupational Health and Safety (OHS) policy that all the associates must be responsible for themselves as well as their coworkers with the common goal of having **Zero Accident**.

Safety and health of associates are key factors that the Company must focus and manage the proper environment in the workplace. The Company selected the toxic-free equipment to prevent pollution and chemicals residual during the operation process. Safety equipment that are harmless to health in both short and long terms are prepared such as Back Support belts for staff lifting tiles and heavy materials and ventilators for Back Stock areas

The Company constantly monitored the working environment such as measurement of the brightness of light. In addition, OHS policy was determined by assigning the loss prevention department that specifically responsible for health and safety within the workplace to provide relevant knowledge to associates, improve the performance of the OHS management system, inspect, recommend the working environment, risk assessment for equipment, and promote safety campaign as well as follow up the results. The Company maintain tight relationships with associates and the stakeholders via regular checkups, meetings and consultation regarding their overall wellbeing at work as well as health and safety.

The Company along with the assigned department are also responsible for close monitoring as well as OHS risks and hazard assessment to identify what could cause harm in the workplace to health and safety of associates to set priorities of the risks in order to accordingly create appropriate action plans to ensure that the OHS-related targets would be met by the target year 2025. Since many tasks in the store involve health and safety risks to associates, the Company provides knowledge and training on equipment usage on a regular basis such as ladder trolley and Car Hand Jack to ensure correct usage and safety.

Furthermore, the Company extended the policy of safety to cover major suppliers and business partners in the supply chain in which one of them was a contractor who played the main role in construction projects. Especially during the procurement processes, that the regulations upon safety would be specified in a contract that a contractor working with the Company must strictly follow the safety checklist and provide a security guard at a construction site as well as hire an external consultant certified by the standard of ISO 14001 for the additional investigation apart from the weekly investigation by the project manager of the Company. Moreover, safety would also be provided to contract workers of a subcontractor to be aware of human rights principle and follow International Labor Standards (ILO) such as no child labor hiring, legal foreign workers with work permits, and no compensation

exploitation. Additionally, contractor must provide proper facilities for workers such as toilet, bathroom, washing room, canteen, store, childcare room, accommodation, and safety training. All contractors must also provide life insurance to their workers in case of death while working, additional to what is defined by the law.

With numerous campaigns and emphasis on safety, the Company received awards relating to health, safety, and working environment from various organizations in 2022 as follows: “Zero Accident” Award from Thailand Institute of Occupational Safety and Health (Public Organization) with Gold Level prize in 2, Silver level prize in 10 stores, Bronze level prize in 34 stores, and Entry level prize in 44 stores, totally of 90 stores.



Awarding Ceremony for Zero Accident Reduction Campaign Project

“Safe Roads, Save Lives” Campaign

The Company focuses on promoting consciousness and safety activities to reduce road accidents, and to be a part of the task force to drive the Road Safety Master Plan No. 5 (2022-2027) by signing the MOU collaboration between the governmental and private sectors under the “MEMORANDUM OF UNDERSTANDING for Safe Roads, Save Lives,” managed by the Emergency Resuscitation and Road Safety Integration Committee, Office of the Senate, governmental and private organizations with the determination to become a society with no road accident. The target is set to be 12 accidents per 100,000 citizens by the year 2027. At the same time; continues to push forward the role of the community, demonstrates leadership power to reduce accidental risks on secondary roads to cultivate associates’ awareness and take part in promoting road safety nationwide.



Statistical of Accident Rate of HomePro Stores

Accident Rate	2017	2018	2019 ⁷	2020	2021	2022
Assessed Associates (Percent of total associates)	100	100	100	100	100	100
Accident Rate/store ¹	0.16	0.14	0.22	0.33	0.31	0.16
Lost time Injury Frequency Rate ² : LTIFR	0.28	0.25	0.41	0.64	0.67	0.31
• LTIFR - Employees	0.12	0.18	0.30	0.79	0.47	0.58
• LTIFR - Contractors	0.74	0.64	0.61	0.51	0.24	0.17
Lost Workday Rate (LWD)	0.06	0.05	23.61	1.90	26.25	0.67
• Employees (n/200,000 hours worked)	0.0604	0.0577	0.0553	0.0441	0.0487	0.0472
• Contractor (n/200,000 hours worked)	0.0081	0.0093	0.0270	0.0414	0.0139	0.0063
Lost time Injury Severity Rate ³ : LTISR	0.28	0.25	118.06	9.48	131.27	3.34
Lost time Injury Rate: LTIR ⁶	0.06	0.05	0.08	0.13	0.13	0.06
Occupational Illness Frequency Rate ⁵ : OIFR	0.0001066	0.0001278	0.0000738	0.0000583	0.0000233	0.0000567
Fatal Accident (time)	0	0	1 ⁴	0	1 ⁴	0
• Employees	0	0	1 ⁴	0	1 ⁴	0
• Contractors	0	0	0	0	0	0
Death (person)	0	0	1 ⁴	0	1 ⁴	0
• Employees	0	0	1 ⁴	0	1 ⁴	0
• Contractors	0	0	0	0	0	0

Remark: 1. Accidental Rate = Number of accident / Number of stores

2. Lost time Injury Frequency Rate = (Lost time Injury Frequency x 1,000,000 hour) / total working hours

3. Lost time Injury Severity Rate = (Lost time Injury Severity x 1,000,000 hour) / total working hour

4. Occurred due to Force Majeure

5. Number of cases / Total working hours

6. Lost time injury rate = (number of accident/total working hours x 200,000)

7. Since 2019, the Company has included accident rates of its subsidiaries in Thailand in the calculation

Measures taken to prevent accidents

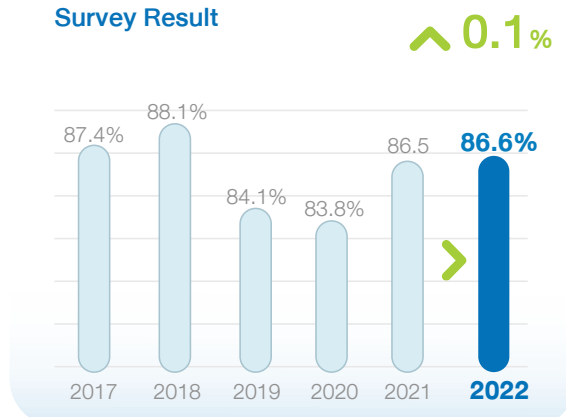
1. Monitor, take care and emphasize to ensure that operations are accordingly to the Occupational Health and Safety Standards (OHS). The Company also provide associates with appropriate tools and equipment to ensure their safety such as warning signs, clear instructions on any equipment or tools that have potential danger as well as reporting to The Board of Directors quarterly. The Board of Directors is responsible for overseeing the implementation and enforcement of the Occupational Health and Safety (OHS) policy.
2. Environmental Survey on the surrounding areas for potential dangers or accidents from the operations to set standards of prevention to ensure that there is no repetitive accident.
3. Evaluate the processes to prevent potential dangers or accidental risks from the operations and to provide Personal Protection Equipment (PPE) for the tasks that could be dangerous.
4. Revisions of laws and regulations related to safety as well as to update the safety manual to be as latest as possible in which can be accessed through the Company's portal so that the manual is accessible by all associates. For the newcomers of 350 people monthly, the Company will hand out the hard-copy of the safety manual starting from February of 2023.
5. The Company installed the Automated External Defibrillator units (AED) for each store to be able to immediately respond to emergencies of those experiencing sudden cardiac arrest in stores with the area of 10,000 Square meter or larger, stores that have more than 400 employees / month and stores that have the revenue of more than 80 Million Baht; which opened after the enforcement of the Ministerial Regulations in 2021. In which the guidelines are related to the 69th Ministerial Regulations (2021) issued under the Building Control Act B.E. 2522, Clause 29/2. Highrise or extra-large commercial buildings must install the Automated External Defibrillator units (AED). The number of units, locations and installation processes are done accordingly to the standard of emergency operations prescribed by the Emergency Medical Committee.
6. Create activities to provide knowledge, increase awareness and to promote the importance of safety while working as well as the safe usage of tools and equipment at all level of associates (Safety Talk). The participants consist of associates of all levels including Managers as well as Officers in each store with the frequency of 3 times a month that covers the associates of every shifts.
7. Holding drills on different emergency situations such as the annual fire evacuation that associates must participate according to their assigned roles and responsibilities so that they are ready to handle emergency situations. The participation rate is set to be 100% for every store.

Associate Satisfaction Survey

The Company conducts associate satisfaction survey annually as well as analyzing results to foster strong engagement toward within the organization, thus, the Company has lower associate turnover rate than peers within the industry.

Results

Associate Engagement Survey Result



Remark: Since 2018, there was revision in Satisfaction survey's criteria to Associate Engagement.

Associate Satisfaction survey result (%)	2017	2018	2019	2020	2021	2022
Gender						
Male	87.4%	87.8%	84.2%	84.2%	87.2%	87.0%
Female	87.3%	88.3%	83.9%	83.3%	85.8%	86.1%
Age group (Years old)						
18-22	87.5%	88.0%	83.5%	83.3%	84.9%	84.9%
23-40	87.4%	88.1%	84.3%	83.7%	86.5%	86.5%
41-55	87.7%	88.1%	84.0%	83.9%	86.9%	87.0%
>56	86.8%	88.2%	84.5%	84.8%	85.8%	85.4%
Management level						
Vice President and above	86.4%	87.2%	82.0%	85.7%	84.6%	84.6%
Assistant Vice President	86.8%	87.7%	83.9%	84.4%	86.3%	86.3%
Division Manager	86.9%	88.5%	84.3%	82.0%	84.6%	84.6%
Section Manager	88.5%	88.7%	85.4%	84.3%	87.5%	87.5%
Staff	88.3%	88.2%	85.1%	83.6%	86.1%	86.1%

Evolving into Innovative Organization

The Company encourages new innovations and ideas that can potentially benefit the organization as well as the stakeholders from the associates in order to improve the products and services to be better, the operation processes to be more efficient and to become an Innovative Organization. The Company continues to educate the associates on Creative and Design Thinking with the goal that everyone can use the knowledges and skills obtained to further generate value added for the Company in every aspect. The Company encourages

innovative culture within the organization to form habits and to express innovative behavior, to think outside the box and to share different opinions in which would lead to the organization of knowledges and innovations. The associates can share their innovation-related ideas and opinions via inno@homepro.co.th that act as a channel of encouragement for the associates to express their thoughts or to collectively develop and improve their work activities to be better, faster, leaner, safer and with better customer satisfaction.



Renewable Energy
from Solar Panels

52.38 GWh



Accumulated
carbon credit

64,144 tCO₂e



Reduce energy
consumption per area

39 %



Building Control
Monitoring System (BCMS)

47 Stores





Efficiency Development

Greenhouse gases is the main factor of climate change, a global crisis that affects both human and the environment. The effects of climate change including drought, flood, resource scarcity and the rapid increase of electricity cost; forcing countries worldwide to take extreme actions to reduce greenhouse gases emissions, in order to prevent the global temperature from rising to more than 1.5 Degree Celsius, according to the United Nations Climate Change Conference (COP26) and the Paris Agreement. The Ministry of Natural Resources and Environment of Thailand continues to move forward with climate change policies and at the same time considering the enforcement of laws and regulations by introducing the Climate Change Act to motivate every sector to act collectively to reach the greenhouse gas reduction goal of the country and to truly become the low-carbon society.

As a part of the global community, The Company is fully aware of the ongoing crisis and therefore, is committed to operating sustainably, mitigation of any environmental impacts and to be responsible for the overall society. The Company has become a member of Thailand Carbon Neutral Network (TCNN), and also the United Nations Global Compact (UNGC) along with setting up Net Zero Science Based Target (SBT). The Company wishes to be a part that help mitigate and solve climate change problem and therefore, acknowledged all the challenges of sustainable business growth, heading towards low-carbon economy.

Goal

1. To lower energy consumption per area from base year by 40% by 2025.
2. To maintain the amount of electricity production from Solar Renewable Energy project at the minimum of 40,000,000 kilowatt-hours (kWh/year).
3. Reduce 50% of carbon emission, from the base year, by 2030 (Scope 1 and Scope 2).
4. Use renewable energy 100% in store buildings owned by the Company by 2030.
5. Achieving Net Zero by the year 2050.



Strategies

1. To enhance operational process efficiency with 2 strategies which are the reduction of carbon dioxide and other greenhouse gases emissions (Decarbonization), and Carbon Removal processes.
2. To bolster workforce awareness on energy conservation.
3. Promote suppliers to participate in energy conservation.

Management

The Company sets operating framework to handle climate change, integrated into business strategies throughout the supply chain, in which focuses on two main subjects. 1. the reduction of carbon dioxide and other greenhouse gases emissions (Decarbonization) including the increase of renewable energy usage, environmentally-friendly transportation, effective and efficient waste management, encouragement of responsible consumption in line with the idea of Bio-Circular-Green Economy (BCG Model) and sustainable packaging. 2. Carbon Removal. The two objectives are the underlying strategies for the Company to achieved Net Zero by the year 2050. The Company evaluates the risks and opportunities related to climate, as well as conducts Scenario Analysis according to the guidelines of Task Force on Climate-Related Financial Disclosure (TCFD) and prepares workplan that covers physical risk and risks related to technology, market, policy, regulation, reputation of the Company as well as conducting Carbon Footprint for Organization (CFO). Moreover, the Company also communicates the result on the management of the impact and relief measure for climate change to stakeholders through various channels such as the Sustainability Report and Company's website at www.homepro.co.th

- Decarbonization
- Carbon Footprint for Organization: CFO
- Electricity Consumption
- Renewable Energy
- Building Control Monitoring System (BCMS)
- Environmentally-friendly Warehouse Management
- Garbage and Waste Disposal

- Water Resource Management
- Environmental Management of Subsidiaries
- Carbon Removal
- Ecological Management
- No Deforestation
- Reforestation
- Campaigns to associate for the Efficient Use of Resources

The Operation of Efficiency Development in 2022: Environmental Management System



Determined to be a role model organization with sustainable development and growth based on operational excellent, the Company's operate business in compliance with laws, regulations and standards on both domestic and international levels through our efficient integrated environmental policies and management as well as continuous monthly inspections. The Company conducts Carbon Footprint for Organization (CFO) to calculate and evaluate the amount and sources of greenhouse gases. At the same time, the Company sets strategic action plan to increase the efficiency of the environmental management. The strategies are separated into 2 sections which are the reduction of carbon dioxide and other greenhouse gases emissions (Decarbonization) and Carbon Removal. Moreover, the Company promotes campaigns to encourage responsible consumption of energy with the target of lower consumption than the standards set; which leads to sustainable environmental management in order to achieve Net Zero by the year 2050.

The Reduction of Carbon Dioxide and Other Greenhouse Gases Emissions (Decarbonization)

Greenhouse Gases (GHG) is the main cause of Global Warming Potential that affects human and environment. The Company is aware of the impact thus set up the guideline in energy consumption for all related parties as well as frequently monitoring the environmental impact by forming the team to formulate a plan, monitor, and evaluate the effectiveness of environment-related operational processes all areas.

Carbon Footprint for Organization (CFO)

The Company conducts Carbon Footprint for Organization (CFO) according to the methods suggested by Thailand Greenhouse Gas Management Organization (TGO) to evaluate the amount of greenhouse gases generates from the Company's operations in tons carbon dioxide equivalent (tCO₂e). The scopes of greenhouse gases emissions indicate that the main sources of emissions are

from electricity consumption in stores and the consumption of fossil fuels during transportation; in which lead to the plan to increase environmental-related efficiency throughout the Company's operations to achieve the target of zero emission (Net Zero) in the future. Other than the mitigation of environmental impacts, the processes would help the Company to reduce operational cost, especially the cost of energy, which would in turn increase in efficiency.

The Company began the Carbon Footprint for Organization (CFO) at HomePro Lamlukka in which the data was verified by V-Green, a 3rd party organization which specialized in environmentally-friendly business strategies. HomePro Lamlukka is the first home improvement retailer in Thailand to receive the Carbon Footprint registration and the Carbon Logo from Thailand Greenhouse Gas Management Organization (Public Organization), or TGO, as well as compensated for carbon emission to be Carbon Neutral.



Scope of Carbon Footprint

Scope 1

- Diesel fuel (company vehicles)
- Natural gas (company vehicles)
- Diesel fuel (associates' vehicles)
- Diesel fuel (Generator & Fire Pump)
- Chemical in Fire Extinguishers (CO₂)
- Methane gas from Septic tank
- R-407a Refrigerant (Chiller)
- R-134a Refrigerant (Air Conditioner)
- R-134a Refrigerant (Water Dispenser)

Scope 2

- Electricity

Scope 3

- Diesel fuel (Third party truck from DC to stores)
- Tap water
- LPG gas (Associates Canteen)

Year	No. of Calculated stores	Unit of Carbon Emission (tCO ₂ e/year)		
		Scope 1	Scope 2	Scope 3
2015	72	1,103	91,535	25,678
2016	76	1,095	89,343	25,165
2017	80	978	91,884	24,551
2018	80	659	83,903	26,715
2019	81	46	84,684	28,261
2020	83	18	62,997	26,746
2021	87	17	64,491	26,400
2022	87	198	71,263	25,747

Remark: Since 2019, the Company hired the delivery services of third parties' logistic suppliers. Therefore, part of scope 1 has been transferred to scope 3 so the amount in scope 1 has declined and the amount in scope 3 has increased instead.

Electricity Consumption

Electricity consumption is one of the activities that generate greenhouse gases. Therefore, the Company is integrating renewable energy; along with top of the line technologies that could reduce the consumption of energy from fossil fuels which is the main cause of greenhouse gases.

Renewable Energy

Renewable energy is the types of energy that will never run out which could be regenerated naturally in the environment, and is considered as clean energy without any pollution. Renewable energy has high potential that could reduce the emissions of greenhouse gases. The Company has set the target of using 100% renewable energy in stores that are fully owned by the Company by the year 2030. The Company chooses to use solar energy as the main source of renewable energy to replace fossil

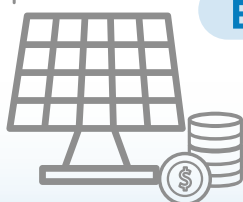
fuels. Solar panels have been installed on the rooftops of HomePros, Mega Homes and Market Villages from the year 2015 throughout 2022 with the total of 65 locations equipped with solar panels to generate electricity from the sun, rather than the traditional grid electricity. The solar panels generate direct current, which is a form of electricity that could immediately be used without any transformation.

Year	No. of Stores with Solar Roof	Accumulated No. of Stores with Solar Roof	No. of stores generated electricity	Electricity Production (kWh/year)	CO ₂ Reduction (tCO ₂ e/year)
2016	11	12	12	1,237,806	701
2017	19	30	12	13,675,324	7,760
2018	-	30	30	31,464,766	17,910
2019	-	30	30	32,376,668	18,429
2020	18	48	48	37,659,040	21,435
2021	-	48	48	42,359,424	23,166
2022	18	65	65	52,382,640	28,095

Remark: CO₂ commission from electric by production tCO₂/MWh = 0.5661/ 0.5692/ 0.4872 The difference is based on the year that the projects was registered with T-VER reference from Thailand Green House Gas Management Organization.

From the solar rooftops that are equipped at the 65 locations, generated 52,382,640 Kilowatt Hour per year of clean energy that is equivalent to the reduction of 28,095 Tons of carbon dioxide annually. Moreover, it can be calculated as 22.9% of the Environmental Return on Investment (EROI). Additionally, the Company has also been registered in the Thailand Voluntary Emission

Reduction Program (T-VER) from the Thailand Greenhouse Gas Management Organization (TGO). Under the project name of "Electricity generation on rooftops of HomePro, Mega Home and Market Village," as of 2022 there are a total of 48 projects that have been registered in T-VER with the accumulated carbon credit of 64,144 tCO₂e.



$$\text{EROI} = \frac{(\text{Environmental benefits} + \text{Economic Gains}) \times 100\%}{(\text{Capital Investment} + \text{Operating Expenses})}$$

$$= 22.9\%$$

Building Control Monitoring System (BCMS)

Year	No. of Stores with BCMS	Accumulated No. of Stores with BCMS	Amount of Electricity Decrease (kWh/year)	Amount of Ton CO ₂ Decrease/year
2019	4	4	229,590	134
2020	13	17	1,497,275	634
2021	15	32	6,322,104	3,016
2022	15	47	4,835,680	2,417

Remark: (Electricity Consumption Emission Factor: $EF_{EC} = 0.4999 \text{ CO}_2/\text{MWh}$ reference from Thailand Greenhouse Gas Management Organization

the Company adopted power-saving techniques by installing Building Control Monitoring System (BCMS) for Energy reduction into many stores, enabling automatic building control and management. The system connects every system within the building that can monitors and controls the main systems such as electricity, air

conditioning, and ventilation system. Consequently, this led to a decrease in the overall power consumption. The Company also simultaneously compared the index of Specific Energy Consumption (SEC). As a result, in 2022 the power consumption has decreased by 39% from the base year of 2014.

Measures taken to reduce electricity consumption in 2022	Number of stores	Amount of Electricity Decrease (kWh/y)	Amount of Ton CO ₂ Decrease/year
1. Replacement of 21W fluorescent lightbulbs with 9W LED lightbulbs	3	97,709	48.8
2. Replacement of 28W fluorescent lightbulbs with 20W LED lightbulbs	33	8,728,770	4,363.5
3. Replacement of 250W metal halide lightbulbs with 130W pole head lamp around the building	21	731,241	365.5
4. Replacement of 400W metal halide lightbulbs with 130W pole head lamp around the building	21	3,725,190	1,862.2
5. Replacement of 165W fluorescent ceiling lamps to 80W Hi Bay LED at the back stock	10	4,713,007	2,356.0
6. Replacement of 200W fluorescent lamps within the warehouses to 140W Hi Bay LED	45	26,461,660	13,228.2
7. Adjust the percentage of the work load of chiller plant according to the standard of the BCMS of 48 °F from 45 °F and maintain the area temperature of 25 °C from 24 °C	32	3,549,850	1,774.6
8. Adjust the speed of CHP water pump according to the BCMS from 1,500 RPM at 50 Hz to 1,050 RPM at 35-45 Hz	32	403,212	201.6
9. Adjustment of the off-time for lighting and Pylon Sign around the building according to the BCMS from 21:00 hrs. to 20:45 hrs.	32	475,649	237.8

Remark: (Electricity Consumption Emission Factor: $EF_{EC} = 0.4999 \text{ CO}_2/\text{MWh}$ reference from Thailand Greenhouse Gas Management Organization

Performance of electricity consumption from the grid

Year	No. of Stores used for Calculation	Electricity Consumption (GWh)	Electricity Consumption per Area (kWh/Sq.m.)
2014	63	155	370
2015	72	159	307
2016	76	158	293
2017	80	158	276
2018	80	144	252
2019	81	147	256
2020	83	112	227
2021	87	136	213
2022	87	146	227

Charge and Shop

The Company place importance and promotes eco-friendly energy usage contributing the Nation to become Carbon Neutrality. As the leader in Home Solution and Living Experience business, the Company enhance a new experience to the customers to support a new normal lifestyle. “Charge and Shop Service” was initiated to serve a need of new normal lifestyle of passenger and tourists who commute in electric cars. In 2021, the Company cooperated with Electricity Generating Authority of Thailand (EGAT) and BMW Group Thailand to open charging stations EleX by EGAT x BMW, a total of 7 stations in 4 HomePro stores area i.e. HomePro

Ekamai-Ramintra, HomePro Rama 3, HomePro Rama 9, HomePro Charansanitwong, and in 3 Market Village shopping centers i.e. Market Village Suvarnabhumi, Market Village Rangsit Klong 4, and Market Village Huahin. Each charging station provides 1 charger with 3 dispensers: Fast Charger and Normal Charger of 120 kW size and 22 kW size, which can support 2 cars charging at the same time. The service enhances customers’ convenience at HomePro, Market Village, as well as providing service for public. They can book a schedule, charge, and pay easily via “EleXA” application.



Environmentally-Friendly Warehouse Management

Gasoline consumptions during transportations is another activity of The Company that emits greenhouse gases. Therefore, the Company has introduced policies that would reduce the emissions of greenhouse gases from combustion engines during transportations. The Company has planned to increase the effectiveness as well as the efficiency of the overall transportation process; including the implementation of new technologies and the Green Transport and Supply Chain Model to reduce the trips required for transportations, which can reduce the fuel consumption and greenhouse gas emission at the same time. The policies also cover the pre-loading processes per trip, efficient route planning as well as increase the amount of loads per trip to reduce the number of trips needed. New technologies are also being implemented into the warehouse management. The Automated Storage and Retrieval System (ASRS) is entirely controlled by computer systems and powered by electricity. ASRS enables the Company to consume less fossil fuels from the traditional forklift machines. Moreover, the ASRS does not require any lighting in the storage areas which lowered the overall electricity consumption by 28,000 units per month. Moreover, the Company will also initiate the EV Truck experimental program within the year 2023.

Garbage and Waste Disposal

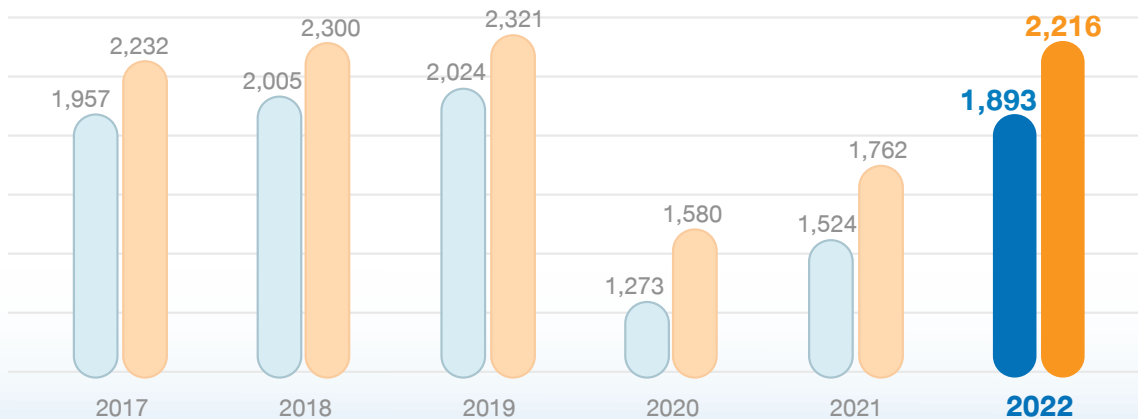
The Company applies the Circular Economy model to manage its waste by promoting maximum resource efficiency through manufacture, consumption, and waste management procedures including Reuse, Recycle, and Re-material that will lead to a sustainable system. Moreover, the Company provided training to associates and promoted waste sorting activities and campaign to ensure that associates understand and recognize the importance of efficient and effective waste management.

The Company's waste disposal sorting process in the headquarter and selling areas were divided into 3 categories including (1) recycled waste, (2) wet waste, and (3) chemical waste. To manage recycled wastes such as paper, plastic, and glasses, the Company will categorize recycled waste and offer an auction with waste recycle operators every 6 months according to the change of waste prices. For wet wastes, the Company separates before transferring it to the supplier for a proper disposal. For chemical wastes, such as light bulbs or chemical solutions, the Company separates and returns to contracted supplier for a proper disposal in which the wastes are not incinerated.



Amount of garbage and waste

- Recycled garbage (Tons)
- Garbage volume (Tons)



In 2022 the Company cooperated with a business partner, Siam Kraft Industry under SCG Packaging group to promote Circular Economy. The Company collected recyclable wastes throughout the operations with the total amount of 1,532 Tons, and handed over to the business partner that is specialized in recycling and development of packaging from recyclable materials. The recyclable wastes from the Company's operations then go through various recycling processes in order to be remanufactured as products or packaging before being resold in stores. Additionally, some wastes would go through Closed-loop Recycle process to help reduce the overall amount of wastes as well as to collectively develop new innovations between the Company and our business partner.

Additionally, the Company also participated in a campaign related to waste management called "Public-Private Assent, Hazardous Waste Disposal" and "Care the Bear: Change the Climate Change by Eco Event" Moreover, The Company also began initiatives that encourage the reuse of resources in order to generate the maximum potential, following the concept of Circular Economy; including "Do Good together with HomePro" , "Old TV Exchange for New", "Give it Forward" and "Get new one, Good promotion, Good merit" projects so that customers could turn in their old appliances and exchange for new ones.

Public-Private Assent, Hazardous Waste Disposal

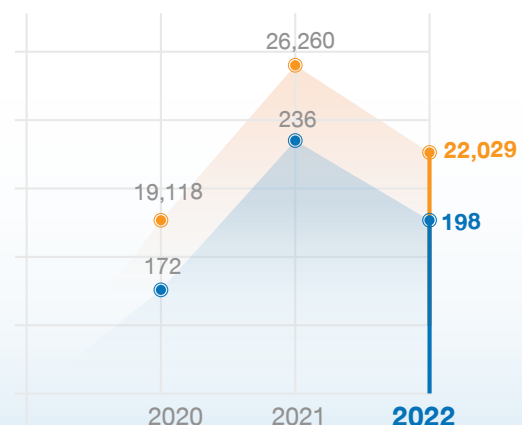
The company participated in the Public-Private Partnership Project since 2017 for promoting the separation of hazardous waste and electronic waste, under the guideline of "Public-Private Assent, Hazardous Waste Disposal", which is a collaboration between Pollution Control Department, Ministry of Natural Resources and Environment and private sector. This project was intended to promote awareness about safe disposal of hazardous waste. The company has set up 5 hazardous waste disposal points (or Drop off) for 5 types of waste including mobile phone battery, mobile phones, battery, fluorescent bulb, and contaminated container such as spray bottle. These disposal points are meant for proper waste collection of Bangkok Metropolitan Administration.

Care the Bear: Change the Climate Change by Eco Event'

In addition, the Company has teamed up with the Stock Exchange of Thailand in the project 'Care the Bear: Change the Climate Change by Eco Event' to counter the global warming through activities and eco events regarding carbon footprint reduction, in accordance with the 13th principle of the United Nations Sustainable Development Goals regarding Climate Change. The Company prioritizes on health and safety of all shareholders and stakeholders. Therefore, the Annual General Meeting had been held online (E-AGM) and was broadcasted on the Company's website. Those would reduce the energy consumption that contributed from transportation. In addition, the Company did not distribute printing materials to reduce the use of paper, contributes to the reduction of carbon footprint emission.

● Reduction of Carbon Footprint Emission (tCO₂e/year)

● Equivalent to Planting (Tree)



Old TV Exchange for New

Currently, the advanced in technology has led electronic products to be quickly outdated, especially televisions that changed from the analog system to digital system. As a result, customers' behavior changed upon the evolution in technology so that old television become an electric waste with negative impacts on quality of life and environment. The Company then focused on the protection of the environment by launching the campaign "Old TV exchange for New".

The objective of this campaign is to encourage customers and other people to donate their used televisions that are still in good condition for a discount when purchasing new televisions at HomePro. The Company donated the used televisions to local schools in need. This campaign not only reduced electronic waste but also helped people who were in need.

"Give it Forward and Get New One Project"

The Company rolled out 'Give it Forward Project, get new one, good promotion, good merit' for donation of major appliances: refrigerator, washing machine, cloth dryer, air conditioner. Customers who donate the old appliance will entitle to purchase those new major appliances at a discount and free delivery and installation. Moreover, the Company also deliver old major appliance with good condition to The Mirror Foundation and World Vision Foundation of Thailand. These could improve quality of life to those who have less opportunity. There were 474 major appliances received from the customers and delivered to the following foundations in 2022.



Cumulative amount of
donated electrical appliances

9,476 Machine

Water Resource Management

Sources of water used for the Company's operations were from tap water, groundwater, and recycle water in which it was mainly used in stores, offices, rental stores, cleaning parking areas, and watering plants. Additionally, the Company has been trying to reduce the water consumption by assigning the maintenance division to check water pipes, meters, and other equipment regularly.

The Company also installed water-saving sanitary wares, faucets, and bidet showers as well as changed faucets to be with the sensor system and set the proper time for water usage. Moreover, the Company chose water from natural sources such as artesian wells for watering plants (with the grant of the government).

Details of Water Consumption are as follows:

	2017	2018	2019	2020	2021	2022
Water consumption by source						
- Municipal water (m ³)	935,984	895,156	934,034	711,527	840,189	898,261
- Natural source of water (m ³) ¹	120,100	122,550	124,860	128,722	418,478	332,799
Gross water consumption (m³)	1,056,084	1,017,706	1,058,894	840,249	1,258,667	1,231,060
Water return to source of extraction (m ³) ²	120,100	122,550	124,860	128,722	418,478	332,799
Net water consumption (m³)³	935,984	895,156	934,034	711,527	840,189	898,261
Number of Stores ⁴	80	80	81	83	87	87
Net water consumption per store (m³)	11,700	11,189	11,531	8,573	9,657	10,325

Remarks:

1. Other source of water e.g. ground water that passed permission from the government to extract
2. Water return to source of extraction e.g. ground water at similar quality as raw water extracted
3. Net water consumption = Gross water consumption – Water return to source of extraction
4. Count only HomePro stores

Carbon Removal

Ecological Management and Biodiversity

The Company operates with Biodiversity in consideration and prioritized the redevelopment of the ecosystems. The Company aims to avoid any catastrophic lost to any lifeforms (No Net Loss: NNL) at the same time encourages all the business units to increase positive impacts to the environment (Net Positive Impact: NPI) by the year 2050 in line with the Net Zero target. The Company plans to continuously expand new stores which may affect the ecosystem. The Company recognizes the importance of biodiversity and values environmental restoration. Therefore, the Design Division of Business Development Department has been assigned to survey and study the ecosystem around the construction site of new store, and to maintain the ecological balance in a proportion that is appropriately integrated effectively in harmony with the design of the building. Moreover, the Company conducted Environmental Impact Assessment report (EIA) to evaluate environmental impact caused by store construction submitted and certified by Office of Natural Resources and Environmental of Policy and Planning. The major part of the ecosystem that the Company will maintain are big trees. The architect will collaborate with experts to move the trees to more appropriate locations around the building. In addition, urban planning and environmental assessment are conducted before designing the building, such as ventilation and drainage system, to provide effective drainage channel without causing flood or affecting the community.

No Deforestation

The Company prioritized on responsible resource consumption, especially natural forest resources; which is considered as essential in order to absorb carbon dioxide. The Company commits to No Deforestation while encourages our suppliers and business partners to halt or reduce any activities that lead to deforestation or natural forests as raw materials for productions, but rather use the alternatives from sustainable forests that have SFI standard or is certified by the Forest Stewardship Council (FSC). The Company supports ethical sourcing that are produced from sustainable sources.

Reforestation

Reforestation and sustainable forest management or the increase of green areas to absorb and remove carbon dioxide as well as other greenhouse gases (Carbon Removal) is one of the Company's strategies in environmental management to be able to achieved Net Zero by the year 2050. The Company partnered with Bangpu Natural Education Center to Commemorate the 72nd anniversary of Her Majesty Queen Sirikit launched a reforestation project by planting 40,000 of *Avicennia alba* and *Sonneratia caseolaris* in the area surrounding the Bangpu Recreation Center in Samut Prakarn province to mitigate the impacts caused by climate change.

Campaigns to associate for the Efficient Use of Resources

- Cultivate the environmental awareness by encouraging for associate not to bring plastic bag from outside into the workplace along with distributing cloth bags to each associate. This is to enhance the awareness of global conservation and encourage all associates to participate in plastic bag reduction together.
 - Provide knowledge and training to associates regarding environmental conservation awareness as well as internally promote energy saving procedures in office via PR boards, intranet, and "HomePro Go Green" project.
 - Encourage the reuse of material such as 2-side use of paper.
 - Turn-off air conditions and lights when no one uses a room for a while.
 - Change switches to be a non-off system, and associates would be responsible for their own desks.
 - Promote energy-saving activities such as "HomePro Fun Walk" for associates to walk upstairs rather than taking an elevator.
 - Set the temperature in the office not less than 25 degrees Celsius.
- Such project might not give the result in exact quantity of energy usage or cost saving but would cultivate the habit and awareness of associates in their daily life and future behavior which would further be carried on to their families and society.

Environmental Management of Subsidiaries

DC Service Center Company Limited

Distribution Center is in Lam Sai, Wang Noi District, Ayutthaya, was established in 2004 in the area over 205,177 sq.m. to manage warehouses and logistics for the Company. Currently, there are 846 associates in which most of them were local employment.

With the determination to achieve the highest operating standards, Distribution Center invested in warehouse construction and internal systems with both local and international standards including the improvement of internal operation procedure to be more effective for environmental concern and increase efficiency along with decrease waste e.g.

- Installations of the Automatic Storage and Retrieval System (ASRS) to increase the overall efficiency as well as to reduce the use of lighting within the storage areas.
- Installations of High-Volume Low Speed Fans (HVLS Fan) to replace the traditional industrial fans. The HVLS Fans cover more areas while consume less energy per square meter.
- Purchase of lithium battery fork lifts to increase the efficiency of energy consumption as well as to reduce the charging time for the batteries.
- Close-monitor and control of on and off period for lightings, air conditioners and ventilation fans with plans of adjustments to reduce energy consumption on annual basis.
- Replacing the traditional lightbulbs to LED while installing Motion Sensor to control on and off time for lighting to reduce the electricity consumption.
- Installation of 1 Megawatt solar rooftop on top of the automatic warehouse and other warehouses to generate electricity from a renewable source and to reduce the purchase of grid-supply electricity.
- Replacing 221 traditionally fossil fuel fork lifts with electric fork lifts.
- Project of replacing the traditional combustion engine trucks with EV trucks for transportation, with the trial program starting in 2023.
- Project of replacing fork lift traditional lead-acid batteries with lithium batteries which have less environmental impacts during the production processes and operations. Lithium batteries do not contain the hazardous elements including Lead, Mercury and Cadmium. Additionally, lithium batteries have longer life-span with 2 to 3 times more charging cycles than the lead acid batteries, in which will reduce the amount of hazardous wastes that could potentially affect the environment.

Measures taken to reduce electricity consumption in 2022	Amount of Electricity Decrease (kWh/y)	Amount of Ton CO ₂ Decrease/year
1. Replacing the T5 (54W * 4EA) lightbulbs with LED High bay 80W & Motion Sensor on the mezzanine of DC4	151,767	75.9
2. Replacing the AHU/CDU air conditioners with FCU/CDU in the 1 st office	39,749	19.9
3. Replacing the T5 (54W * 4EA) lightbulbs with LED High bay 80W under the mezzanine of DC4	47,654	23.8
4. Replacing the LED120 No. DIM lightbulbs with LED High bay 120W & Motion Sensor in DC4.3	51,299	25.6

Remark: (Electricity Consumption Emission Factor: $EF_{EC} = 0.4999 \text{ CO}_2/\text{MWh}$ reference from Thailand Greenhouse Gas Management Organization

Market Village Company Limited

The Company provide areas for rent and utilities to tenants were its business. There constantly was the environmental management including the building design to match with the surrounding environment, and planting tree to maintain shady surrounding. There were also the energy-saving control and environmental conservation as follows:

- Set turn-on and turn-off times for air conditioning system and avoid starting cooling system during the peak load time (at 9 AM and 10 PM) due to the higher electricity price.
- Set up the Chiller Plant Management System to automatically manage the chiller system for the efficient use and cost saving.
- Install films inside building areas where were sunny spots to decrease the work load on air conditions.
- Set up the water treatment system by treating and measuring quality of used water in accordance with the standard of Ministry of Natural Resources and Environment before releasing to public drainage.
- Install the intelligent car park to assist customer to find parking lots that could also help customers save energy.
- Manage preventive maintenance in accordance with the cycle of operation, conduct machinery efficiency assessment, checking the operation pattern of the building and adjusting temperature and air condition system to be in line with the weather conditions each day.
- Install solar panel on roof to generate electricity supplied for own use.
- Install electric car charging stations to encourage eco-friendly energy consumption.

Market Village Hua Hin

Measures taken to reduce electricity consumption in 2022	Amount of Electricity Decrease (kWh/y)	Amount of Ton CO ₂ Decrease/year
1. Adjustment of the switch off time for lighting of the 1 st , 2 nd and 3 rd floors (5 th circuit) of the parking structure from 21.30 to 19.30	3,629	1.8
2. Decrease the frequency of the chilled water pump from 45Hz to 38Hz	193,815	96.9
3. Adjustment of the off time of the surrounding water fountains from 20.00 to 19.00	3,996	2.0
4. Adjustment of the switch off time for lighting of the rooftop parking area from 21.00 to 19.00 from Monday to Friday	972	0.5

Remark: (Electricity Consumption Emission Factor: EF_{EC}) = 0.4999 CO₂ /MWh reference from Thailand Greenhouse Gas Management Organization

Market Village Rangsit

Measures taken to reduce electricity consumption in 2022	Amount of Electricity Decrease (kWh/y)	Amount of Ton CO ₂ Decrease/year
1. Decrease the on/off time for the 2 AHUs on the 1 st floor for 1 hour each	2,160	1.1
2. Decrease the on/off time for the 2 AHUs on the 2 nd floor for 1 hour each	2,880	1.4
3. Adjustment of the off time of the Makeup FAN in the STREET FOOD area from 21.00 to 20.00	5,400	2.7
4. Switch off 44 downlights (30W each) around the escalators	5,702	2.9
5. Adjustment of the off time of the Makeup FAN in the from 21.00 to 20.00	26,640	13.3
6. Installation of solar rooftops to generate 1.6 MW worth of electricity for interior use	1,350,907	675.3

Remark: (Electricity Consumption Emission Factor: EF_{EC}) = 0.4999 CO₂ /MWh reference from Thailand Greenhouse Gas Management Organization

Measures taken to reduce electricity consumption in 2022	Amount of Electricity Decrease (kWh/y)	Amount of Ton CO ₂ Decrease/year
1. Decrease the on/off time for 2 AHUs	110,869	55.4
2. Adjustment of the off time of the EXHAUST FAN in the STREET FOOD area from 21.30 to 20.30	14,237	7.1
3. Adjustment of the off time of the parking lots from 22.30 to 20.30	27,548	13.8
4. Decrease the frequency of the chilled water pump from 47Hz to 43Hz and from 45Hz to 40Hz	50,595	25.3
5. Adjustment of the off time of exterior lightings from 22.30 to 20.30	9,052	4.5
6. Replacement of 30 spotlights along the Market Street from Metal Halide 150W to LED 100W	2,190	1.1
7. Replacement of 30 spotlights at the water fountain in Market Town from Metal Halide 150W to LED 100W	2,190	1.1
8. Installations of 3 Solar-powered spotlights in front of the department store	292	0.1
9. Replacement of 20 Metal 70W light bulbs to LED 50W	1,606	0.8

Remark: (Electricity Consumption Emission Factor: EF_{EC}) = 0.4999 CO₂ /MWh reference from Thailand Greenhouse Gas Management Organization

Mega Home Center Co., Ltd.

Mega Home operated the integrated retail and wholesale of home related products. It expresses the environmental responsibility through installation of solar power-based alternative energy. Solar cells on the roof of Mega Home generate solar power to edge out electricity on transmission system. In 2022, 12 stores were installed with solar rooftop. Also, water management includes water-saving toilet bowls, faucets, bidet, and sensor faucets with proper timing water usage. Furthermore, groundwater was also used as well as recycled water from wash basin was

treated and reuse for cleaning at toilet bowl to maximize the efficiency use of water resources.



In 2022,
solar rooftops were installed

12 Stores



Respond rate of ESG
assessment for suppliers

78.1%



Suppliers that participated
in Anti-Corruption seminar

28 suppliers



Sustainable packaging

2,230 SKU





Supply Chain Management

Effective supply chain management to ensure the stable growth of the Company during the period of pressure from the ongoing domestic and global issues; including technological advancement, geo-political shift, climate change, resource scarcity and the skyrocketing cost of gasoline. Moreover, the mega trends of replacing traditional combustion engines with electric vehicles all presents challenges to the Company in many aspects of strategic supply chain management planning; including procurement, storage and distribution. The Company has been managing the entire supply chain to ensure sustainable growth by prioritizing suppliers, business partners and customers to prevent any disruption of the operation processes along with any risks to the Company's reputation. The Company encourages our suppliers and business partners to develop new skills and knowledges, maintain strong business ethics, compliance to laws and regulations, risk management, collaboration against corruption as well as product and packaging developments with the essence of all the sustainability aspects of economic, social and environment. Elevating the entire value chain along with our suppliers and business partners while collectively develop efficient transportation to serve the demand of low-carbon society through the efficient maximization of warehouse management with innovations and technologies.

Goals

1. To raise the response of survey on supplier's sustainability to be 100% in 2025
2. Suppliers would receive 100% acknowledgement of Supplier Sustainable Code of Conduct
3. To increase local procurement more than 90% of total procurement



Strategies

1. To select and inspect suppliers with sustainable operation potential.
2. To develop and leverage supplier's potential to reach mutual sustainability in the pillars of economic, society and environment.
3. To assess a risk of corruption while disseminating anti-corruption knowledge to suppliers.

Management

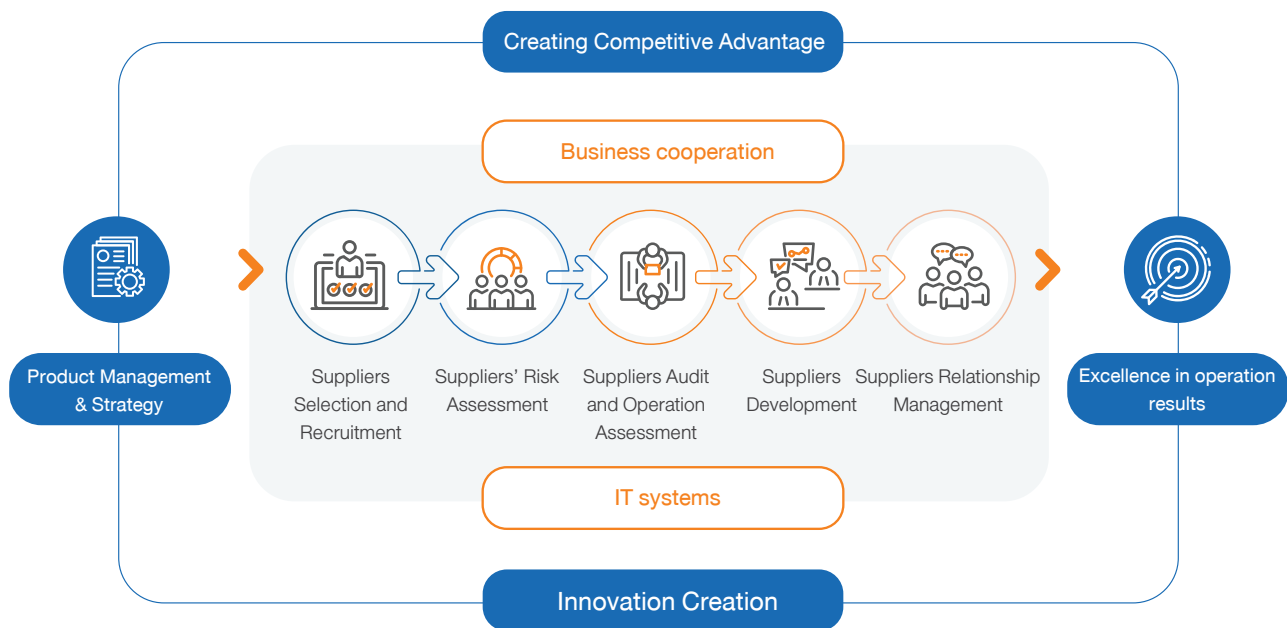
The Company manages supply chain effectively and efficiently to ensure the sustainable growth of the businesses by elevating the concept of sustainable growth to reach our suppliers and business partners. The Company manages our suppliers and business partners throughout the supply chain with various action plans and strategies as well as following up on the results with different indicators including risk analysis and supplier categorization as well as Spending Analysis which involves many aspects such as numbers of suppliers, types of suppliers, spending value by regions of assessment. In addition, the Company also develops the capabilities of our suppliers and business partners while at the same time manages the environmentally-friendly transportation systems by implementing the idea of "Green Transportation." The Company also integrates new technologies to increase the efficiency of the overall process, and at the same time reduce the emissions of greenhouse gases during transportations. The Company has an initiative to replace the traditional combustion engines with electric vehicles. Moreover, the Company has been improving the warehouse management system to be fully automated by expanding the area of coverage of the Automated Storage and Retrieval System (ASRS) to be ascertain that the operations throughout the supply chain are as sustainable as possible through the following managements:

-  Sustainable suppliers and business partners management
-  Automated Storage and Retrieval System (ASRS)
-  Green Transport and Supply Chain
-  Sustainable packaging management
-  Packaging management in the goods delivery process

Sustainable Supply Chain Management operation in 2022

The Company conducted business by adhering to good corporate governance, ethical principles and transparent practices. The Company placed importance on providing equitable treatment to all suppliers, which include supplier identification as well as ensuring non-discrimination. The Company attached importance to having suppliers with good reputation, ethical sourcing, professionalism, Including the risk management of suppliers and business

partners that must consider the social and environmental aspects, and care to associate's welfare that comply with the standards and do not violate environmental and labor laws as specified as conditions in procurement contracts. The Company also encouraged and supported suppliers to collaborate against corruption by acknowledge each other's strengths together to develop business to be progressive.



1. Supplier Identification

The Company devised policies to procure products and services to ensure that all units and subsidiaries comply with the practice guidelines for fair and transparent procurement of goods and services. The Company encourage prospective suppliers to present their products and services with a clear and transparent standard procedure. The Company also disseminated preventive anti-corruption guidelines and established complaint channels related to procurement.

With the commitment to maintain the product quality and safety to customer, the Company then had a clear evaluation process on suppliers. New suppliers must be assessed and pass criteria of quality and safety standards as well as an evaluation of the potential environmental impacts that may be caused by the activities of our suppliers in which existing suppliers must be regularly audited and assessed. If there was any problem, the Company together with suppliers would properly resolve such problem.

The criteria for evaluation are as follows:

1. Sustainable Procurement of Raw Materials
2. Ability to Produce
3. Ability to Control Quality
4. Risk Management
5. Product Quality Audit and Traceability
6. Warehouse Management
7. Quality of Delivery
8. After Sale Service
9. Sustainable practices according to the ESG (Environmental, Social and Governance) framework. Emphasized on reducing environmental impacts, maintaining social integrity and ensuring good corporate governance.

Supplier Selection Criteria

The Company complied with the 2560 B.E. Trade Competition Act by the Trade Competition Commission for the guidelines of trade practices between retailers and manufacturers/ distributors under the Trade Competition Act 2560 B.E. the Company and suppliers jointly amended contracts to be more detailed and transparent in which the Company viewed suppliers as business partners. The criteria are as follows:

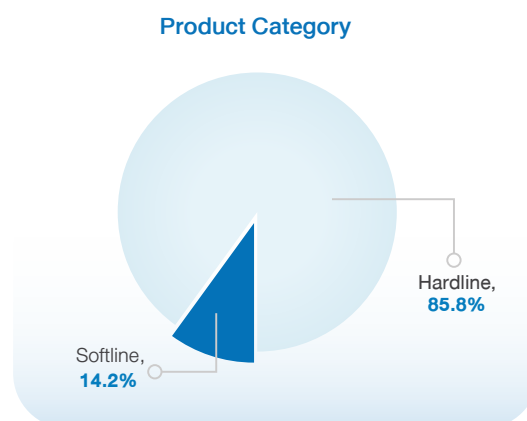
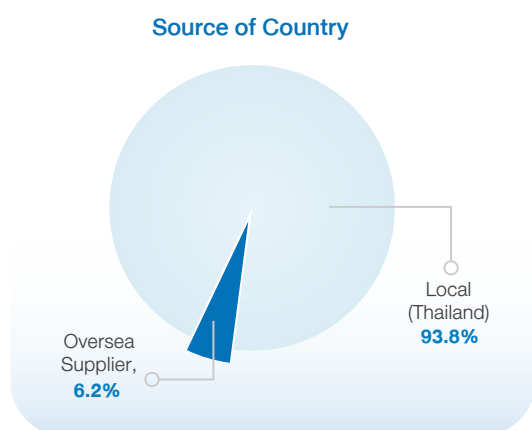
1. Reliable financial record and long-term growth potential with the Company.
2. Manufacturing process that complies with the laws regarding the community and environmental concerns such as respect human rights, no illegal employment, and no harm to the environment.

3. Manufacture or distribute products with required and verifiable quality.
4. Support in promotional campaigns and provide after-sales services

The Company also has the policy to comply for the Intellectual Property Law by not selling products that violated copyright, patent, trademark with prior checking such products. For private brand, the Company would legally registered.

2. Supplier's Risk Assessment

The Company conducts Spending Analysis by considering data such as number of suppliers, product categories, purchase volume and location of suppliers. The result of the analysis is incorporated into business process and risk management in the supply chain.

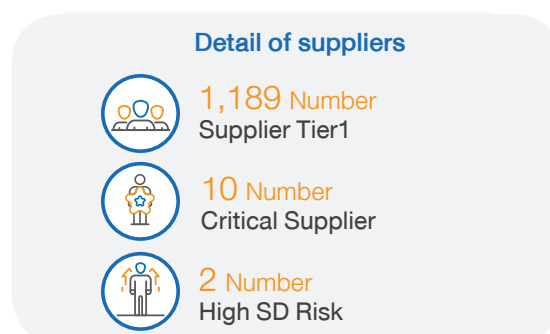


Sourcing by Procurement Category (Spending Analysis) in 2022

In addition, the Company has identified Critical Suppliers by considering the purchase volume (High-Volume Supplier) and Non-Substitutable suppliers. The information is used in managing risks that may be caused by suppliers. The Company's merchandizer teams conduct Pre-Assessment and Post Purchase Audit on critical suppliers. Especially for Private Brand suppliers, the Company conducts vendor visits at least twice a month in addition to Non-Private Brand suppliers visits. The Company also hires TNT INTERNATIONAL LIMITED as third-party inspector to check the quality of products from the manufacturers (On-site Audit).

Corrective actions in case a supplier does not comply with the agreement

- Discuss the issue by setting the scope of the problem and corrective timeline clearly.
- Verbal and letter warnings
- Terminate trade agreement
- Claim for damages



3. Suppliers Audit and Operation Assessment

The Company developed a guideline for business partners to carry out their business practices. The Company refers to both national and international Code of Conduct, rules and regulations such as Labor Protection Act (United Nations Global Compact), International Labor Standard (ILO), Corporate Governance, and conduct responsible business toward Economic, Social, and Environment to build sustainable business together throughout the supply chain. Suppliers can find more details on the VRM system (Supplier Relationship Management).

In addition, “supplier sustainable code of conduct” are provided and published on www.homepro.co.th as the guideline for business partners. The Company has prepared a self-assessment questionnaire for partners

covering the aspects of Environmental, Social and Corporate Governance (ESG) to provide sustainability assessment and to incorporate with sustainable practice to set as the guidance.

In addition, the Company assesses the sustainability of suppliers by covering the 3 pillars of Environment, Social, and Governance (ESG) every 3 years, and every year for Critical Suppliers. In case a supplier receives high ESG sustainability risk assessment, the Company will call a discussion with the supplier to inform the issue and find the solution together, such as to review the supplier's understanding of ESG sustainability, provide training, and elevate the sustainability level for the supplier.

Performance in 2021

Operation details	Results
Respond rate of sustainability self-assessment questionnaire for suppliers	79%
No of suppliers that have been assessed	941 suppliers out of 1,189 totals
Supplier received Sustainable Code of Conduct	100%
Critical suppliers were audited annually	100%
Suppliers with high sustainable risk were audited annually	100%
Suppliers with high sustainable risk were given with corrective action plans and measurements to mitigate sustainable risk	100%

4. . Suppliers Development

Due to the fast changing demands from the customers for the products that support the environmental and situational changes such as the upcoming aging society, the awareness of global warming, and constant moving of new consumer behavior as well as the product value for money. Thus, the Company collaborated with supplier to develop and differentiate products in order to maintain existing customer base and attract new customers by establishing the following measures:

Sharing Economy

The Company encourages SME partners to be part of sharing economy by sharing raw materials and collaborate in product development to create new product. Since SMEs have limited funding and different expertise in

different products, in order to jointly create new product, they can make the most out of joint-business collaboration in activities such as joint purchasing packaging, label, and joint purchase of raw material together to achieve lower price comparing to individual purchases. In addition, there are also co-product design between the Company and SME partners to build products that meet the design, quality, and new innovations that will occur in the future. The Company specializes in designing and understanding customer needs, while suppliers are good at sourcing raw materials and manufacturing. The finished products will reflect both good design and quality as well as potential for future innovation. Sharing Economy reduces costs and combines resources. Sharing of knowledge by both parties will result in lower costs and more new innovations.

Operation results

1. Parts or Raw Material for Manufacturing

The Company acts as an intermediary for multiple supplier groups to coordinate the procurement of parts and raw material import. Negotiation under collective suppliers ensures the success of lower product cost, and effective processing fee.

2. Packaging and Products' Label

Synergy with suppliers in designing packaging products that are environmentally friendly and safe for consumers. The primary goal is to reduce use of chemical, reduce packaging, reuse packaging and use recycled packaging. The Company and suppliers

collaborated to source packaging factory to achieve shared manufacturing quantity. The approach benefited both price and convenience in manufacturing process and allowed for an effective color control of packaging printing.

3. Manufacturing in coordination with Suppliers

Coordination and joint manufacturing planning amongst suppliers are shared production in case that some suppliers encounter manufacturing issues such as a malfunction of machinery. This ensures that products are delivered in time.

5. Suppliers Relationship Management

Uplift service quality standard of logistics suppliers

The Company place importance on the standard of the service quality offered by suppliers to ascertain customer satisfaction, particularly logistics that must be safe and efficiently managed, from preparation to delivery. The Company controls the logistics standard of suppliers that must replicate the standard set by the Company. In 2022, the Company awarded suppliers with 4 different types of awards including Compliments

Award, The Best Q Award, Best Vendor Award and Best Vendor Ecommerce Award with the total of 21 awards from 268 different companies that received complements from customers on best services such as best Vendor Relationship Management (VRM). The awards were given based on highest job successes and compliments with no complaint.



Awards Ceremony; Compliments Award, The Best Q Award, Best Vendor Award and Best Vendor Ecommerce Award

The definition “Fraud” in the Company’s context



Fraud

intentional action to seek unlawful
Fraud benefit for oneself and others



Nature of Fraud

Corruption

Abuse of authority and
action for one’s own
benefits and for the benefits
of the organization and others

Asset Embezzlement

Action that leads to unlawful
possession of the Company’s
assets or cause it to lose
assets, opportunities, or other
benefits, so as seek benefit
for oneself and others

False Reporting

Misrepresentation in reports,
both financial and non-financial,
to conceal asset embezzlement
or improper action or seek
benefit for oneself and others



Guideline for fraud prevention



Assessment of
fraud risks



Formulation of policy
on anti-fraud and
anti-corruption



Communication
and educate supplier ,
business partner and
stakeholder



Background verification
of personnel and
stakeholders



Internal control

The Company continues to develop the Anti-Corruption policies throughout the year, and was evaluated and accredited by the Thailand's Private Sector Collective Action Coalition Against Corruption (CAC) accordingly to the target set.

The Company also expands the scopes and coverage of the Anti-Corruption policies throughout the entire supply chain, at the same time encouraging our suppliers and business partners to act against corruption by joining the CAC. The Company held seminars to relate the knowledge and information regarding the Anti-Corruption policies to our suppliers and business partners. Moreover, the Company also has fair vendor assessment processes which include various aspects such as production capabilities, professionalism, compliance to laws and regulations and the ESG factors. In 2022, there were 28 suppliers that participated in the seminar.



In addition, the Company also has some other measures to reduce the risk of corruption as follows:

1. The management, associates, suppliers, and stakeholders must acknowledge the Anti-Corruption policy and the Company's guidelines of good corporate governance and business ethics. Such guidelines would be posted through mails, intranet, the Company's website, and through public campaigns to encourage the management and its personnel to acknowledge and comply. The Company also communicates with the suppliers via various channels including VRM (Vendor Relationship Management), billboards, newsletters to suppliers (Business Partnership) regarding anti-corruption and no gift policies.

2. The Internal Audit Department was assigned to inspect internal control, risk management, corporate governance, and to give advice on regular basis by auditing according to the annual audit plan as approved by audit committee and report on significant findings and recommendation on monthly basis.
3. The Risk Management and Internal Control Committee were assigned to constantly monitor and assess the risk of corruption as well as report the result to the Board of Director
4. If there was any significant impact on the financial position and the Company's performance as well as activities that were illegal and violating ethics, the Audit Committee would report to the Board of Directors to define the prevention measure and punish the wrongdoers as recommended by Audit Committee
5. Broaden the supply chain anti-corruption practices by encouraging suppliers to join the Collective Action Coalition Against Corruption or CAC as well as completing an anti-corruption training. In addition, the Company also promotes anti-corruption through Supplier assessment, in which anti-corruption topic was included in the questionnaire.
6. Provide channel to receive complaints or evidence of corruption through Website, email, and Hotline.

Website: www.homepro.co.th

Email: md@homepro.co.th

Hotline: 02 832 1155

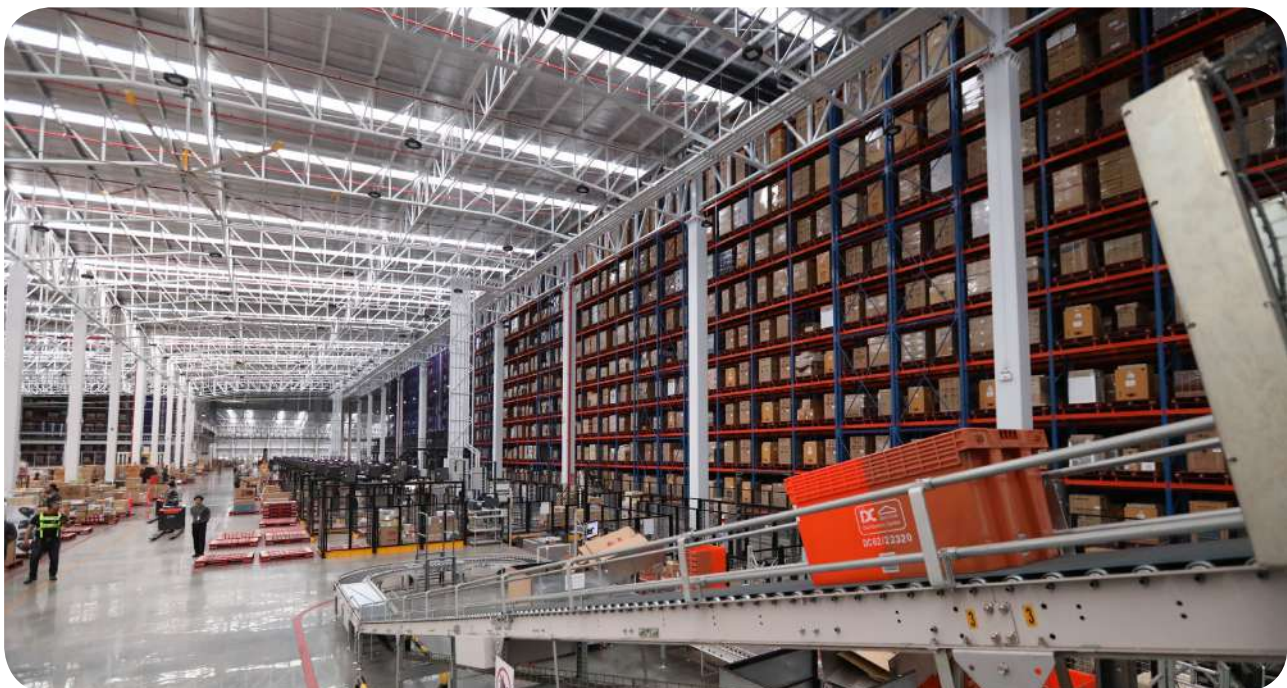
Operation result

- The Internal Audit reviewed and assessed internal control. Overall, the internal control was appropriate.
- Certified to be a Member of the Thailand's Private Sector Collective Action Coalition Against Corruption: CAC
- The No Gift policy has come into effect at the head office and stores. It is also applied to Vendor Relationship Management (VRM) system to notify such policies to supplier.
- Support suppliers to attend Anti-Corruption seminar organized by CAC. In 2022, there were 28 suppliers that participated in the seminar.

Automated Storage and Retrieval System (ASRS)

The Company implemented the Automated Storage and Retrieval System (ASRS) to manage its distribution center whereby uses Storage and Retrieval Machine (SRM) system for storage and retrieval and electronic run for the entire system. Computers enable fast and efficient management of distribution center that corresponds to consumers' demand ascertaining company's long-term growth. Furthermore, this also reduces the risk exposure of future labor shortage. The essences of ASRS are as follows:

- The automation enables fast pick up of products. The automatic vehicles and cranes are used for storage as well as distributing products to HomePro and Mega Home stores nationwide
- Reduce storage duration by 55% and withdrawal duration by 65%, as well as delivery duration for Bangkok Metropolis decreases from 2 days to 1 day or 1 day and a half, and delivery duration for Upcountry decreases from 3 days to 2 days.
- Minimize the damage ratio for storage to 0.001% or hardly any damage incurred.
- Reduce lighting energy usage in the storage area by replacing workers with machines, which do not require light and subsequently reduce the energy consumption by 28,000 units.
- The overall efficiency of management and use of space increases by 2.5 times compared to the conventional warehouse.
- Prevent damage incurring on products by inspecting the size of products and storage procedure prior to storing and distributing to stores using automation.
- Enables First in First out product withdrawal.
- Increase speed and accuracy, and decrease task duration and human error.
- Increase store delivery efficiency and make certain of on time delivery.
- Reduce dependency on labor.
- Reduce forklift usage and internal transfer, which reduces energy expenses through battery charges reduction.
- Secure safety of products, minimize losses and theft rate, and enable accurate stock count.



Green Transport and Supply Chain

The Company imposed a policy aiming to reduce greenhouse gases emission from transportation caused by the combustion of fossil fuels. The Company applied the “Green Transport and Supply Chain” concept to enhance logistic efficiency in order to reduce the number of delivery trips. As a result, the Company was able to

reduce the fuel consumption and the emission of Carbon Dioxide simultaneously. In 2022, the Company planned on replacing traditional combustion engines with electric vehicles in order to achieve the goal of Net Zero by the year 2050.

The elements of “Green Transport and Supply Chain” concept are as follows:



- Full Truck Load delivery concept: Set up the weighing platform and the control loading system to maximize product volume per delivery.
- Consolidation: Combine deliveries by planning the route and schedule to deliver more drops to customers and to multi-stores to drop in one trip.
- Back Haul: Using empty trucks to collect products from manufacturers to the warehouse or HomePro store instead of taking empty trucks back. Since 2019, the Company provide logistic system for Mega Home Co., Ltd. Thus, the Company can manage better Back Haul project more efficiency as there is no limit between Companies. Moreover, the Company set up working process in order to further increase efficiency.
- The size of the container was enlarged from 40 feet to 45 feet to increase the capacity of transportation per trip and could reduce the number of trips effectively.
- Using 9.4-meter truck to increase transportation capacity from 12 pallets to 18 pallets per trip. The change enhanced transportation capacity and reduced the number of trips, as well as fuel consumption. In 2022, there were 29 trucks providing service in Bangkok and its vicinity.

Sustainable packaging management

As an intermediary between customers and manufacturers, importers and contractors ("Suppliers"), the Company place importance on packaging management that may have adverse effects on environment and remain committed to implementing sustainable business practices and reducing negative consequences on environment. The Company laid out sustainable guidelines to ensure sustainable and efficient management of packaging, as well as benefits for customers, society, communities and all stakeholders. The Company also incorporated the Circular Economy Principles in its sustainable packaging management policy to support optimal use of resources. The Company devised strategies to manage the packaging of private brand products as well as from suppliers in all stages of product life cycles. In addition, the Company also promoted the use of durable packaging, reuse & recyclable packaging, recycled packaging, and packaging that reduce chemicals in manufacturing (Reduced Chemical Packaging). This process was implemented internally and express determination to stakeholders.

In 2022, the Company designed and developed Private Brand's packaging, which can be divided into 3 groups as follows:

> 1. Reduced Chemical Packaging (Packaging that reduces the use of chemicals or paper in the manufacturing process)



The Company has designed and develop packaging by considering the factor of Reduce Packaging, which has following features.

- Reduce Paper Packaging: Paper is used only in essential components and the size of product label is smaller.
- Reduce Chemical Packaging: Soy-based inks are used to print packaging designs to avoid heavy metals from the printing inks to ensure that products are environmentally friendly, safe for customers, and recyclable.
- Reduce single-use plastics packaging.

> 2. Reusable Packaging

The Company developed product packaging with the goal of reducing the single use plastic packaging, so they were designed for reuse. For example, replacing plastic materials with fabric for the making of packaging for curtain products.



Cumulative amount of product packaging that uses curtains to produce bags instead of plastics

> 3. Recycled Packaging



The Company meticulously selected materials for the manufacturing of packaging. A variety of recycled materials such as recycled paper are used in the packaging production.

Packaging management in the goods delivery process

After the declination of the spread of the COVID-19 pandemic, in-store sales are increasing while the online sales continue to grow; as it is convenience in which customers are already accustomed to as well as providing faster and easier access to products and services. This resulted in not only did the surge in online shopping drove up the use of packaging in the delivery process, but also increased the amount of waste from packaging. The Company was well aware of this issue and place a sustainable packaging commitment in place to manage and handle packages used in the delivery of small products, by virtue of stopped packing small-sized products in shipping boxes, which often involved the use of

multiple or redundant packaging. The Company convert this process to non-packaging delivery, by simply put products in plastic boxes, baskets or trays designed to facilitate easy delivery; and convenience for transporting the items in a vehicle. After the items are delivered, those plastic boxes, baskets or trays would be reused.

In 2022, the Company's small delivery trucks made 8,351 trips to deliver small-sized products with no shipping box (non-packaging) to customers, which were equivalent to reducing 369 tons of paper used in shipping box production.

Details of Private Brand's packaging statistic in 2022

Plastic Packaging Material	2017	2018	2019	2020	2021	2022
Total weight (tons) of all plastic packaging	155.5	149.3	146.4	127.8	102.0	101.9
Percentage of recyclable plastic packaging (as a % of the total weight of all plastic packaging)	5.9%	5.9%	6.3%	6.3%	7.5%	6.9%
Coverage (as a % of private brand cost of goods sold) *	100%	100%	100%	100%	100%	100%

Other Packaging Material	Coverage (% of cost of goods sold*)	Total weight (metric tons)	Recycled Material (% of total weight)
Wood/Paper fiber packaging	100%	8,320	95.2%
Metal (e.g. aluminum or steel) packaging	100%	15.3	-
Glass packaging	100%	29.6	-

Remark: Coverage as a % of private brand cost of goods sold.



Employment of The Young Entrepreneur "Tao Kae Noi"

2,159 Teams



Generated Income for Technicians

1,554 Million Baht



Restrooms Project for Community

2,613 Restrooms



Donation for Social and Community

7.8 Million Baht





Social and Community Development

In 2022, economic challenges such as inflation that caused the prices of consumer goods and services to skyrocket which contradicts with the household income that remains flat, resulting in the wide-spread of poverty upsurge in Thailand. The Company aims to create collective values for communities and the society by being Good Corporate Citizenship through social campaigns and programs in order to elevate the quality of life as well as generate quality living standards for the communities and the society. Most importantly, the Company's operation must not cause any negative affect to communities so as to gain trust and acceptance. The Company also supports local economic growth by hiring locals in the areas of store expansions to generate income for the communities and to professionally train local technicians with the "Young Entrepreneur" program so that the Company could serve the growing demands for Home Service that also act as home solutions for our customers as well as to emphasize on being the leader in "Home Solution and Living Experience" in Thailand and South East Asia.

Goals

1. To ensure 1,800 technician teams are available by 2025.
2. To create a better living for communities and society's through projects and activities.
3. Expand the "Restroom for Communities" project to cover every province that stores are opened.



Strategies

1. To maximize the potential and capabilities of the Young Entrepreneur technician team.
2. To provide facilities in communities and societies for better well-being.
3. To widen the participation of associates and stakeholders in all sections to instill sustainable values in society.
4. To encourage 100% of all graduates from bilateral scholarship program to be recruited as employees of the Company.

Management

The Company strives on creating quality living standards for communities and the society, to create jobs, as well as to promote and achieve participation with all parties by applying Business for Societal Impact (B4SI) principle to formulate strategies of holistic social activities for the sake of better quality of life among community members. The endeavor can be realized by sustainable development policies and activities to solve the social issues in practical manners and elevate community capability promotion to grow along with business and reach sustainable self-reliance through the following projects:

-  Tao Kae Noi (Young Entrepreneur)
-  Restrooms Project for Community
-  Charitable Donations for the Children's Hospital
-  Support for Flood Victims
-  Activities supporting local community's occupation
-  Religious Activities
-  Blood Donation Project

Operation of Social and Community Development in 2022

The Young Entrepreneur “Tao Kae Noi” Project

The Company strives to support and promote the good quality of living for the community and the society by offering sufficient Living Wage. The Company also promotes economic growth by providing training for technicians in Young Entrepreneur program. This is to ensure the sufficient supply of the standard technicians who provide services to customers, since a lot more customers are looking for technicians for home repair and maintenance nowadays. Unfortunately, the problem lies in the quality of the technicians that do not meet

the customer's requirements. The Company consistently enlarges services and is needed of more numbers of technicians. The current workforce is made of full-time staff and subcontractors. Surveys by the Company indicate that there are plenty of competent technicians who wish to own a business but lack financial support. As such, the Company offers support and assists to turn them into an entrepreneur so that they are ready to take more assignments provided by the Company and grow together with the Company.

Tao Kae Noi (Young Entrepreneur)

Focus on creating sustainability throughout the supply chain by elevating the skills of technicians to meet acceptable, any by increasing the number of technician teams to sufficiently support the new stores. The objective is to provide home solution and deliver service to customer effectively, as well as to create value for the business

- Knowledge support
- Multi-skill training
- Financial support
- Facilities providing
- Job creation
- Job guarantee
- Provide welfare and stability

- Provide home solution
- No work abandon
- Deliver quality and meet the standards
- Quick and punctual
- Convenience
- Provide consultation
- Control expense
- Inspiration

Social Impact: Technician

- Knowledge and acceptable skills
- Receive jobs consistently
- Consistent income
- Opportunity to become business owner
- Better quality of life for the family

Social Impact: Customer

- Better quality of life
- No worries about contractor abandoning work



Business Impact

- There are sufficient technicians to support new store opening
- Able to handle more services
- Drive sale growth
- One Stop Service



For more information

Business Impact

- Brand Awareness
- Brand loyalty
- Sales growth
- Customer satisfaction

Operating Process

The Company would provide support to small contractors that were lack of financial supports, technical knowledge, equipment, and fundamental facilities under the project of Young Entrepreneur “Tao Kae Noi”. The Company distributed home services to external contractors in which technicians would be trained to acknowledge working policies, instructions, and procedures to provide services to customers within the same standards. In addition, the Company emphasized the enhancement in Tao Kae Noi’s technical skill to be in accordance with international standard by offer technician to participate the “national skill’s standard test” by Department of Skill Development, Ministry of Labor.

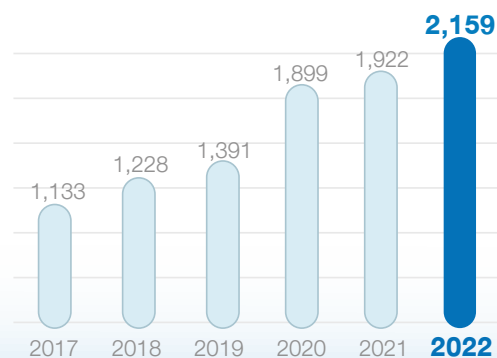
In collaboration with the Department of Skill Development, Ministry of Labor, the Company supported the WorldSkills Competition. Since 2018 till presence, the Company participates in the subcommittee of labor skill standard in the cooling system, supported awards, tools and equipment for the contestants in rehearsals and offered a trainer along with knowledge for contestants. The winner represented Thailand would then be the contestants in the WorldSkills Competition in both ASEAN and international levels.

Besides, the Company was awarded a trophy from the Ministry of Labor for contributions for contribution to promote technical skill to international standard by sending technical teams to be certified with the Department of Skill Development, Ministry of Labor.

In addition, the Company received “Skill Development Network” award from the Department of Skill Development, Ministry of Labor, for being the organization that strived to develop its personnel to align with Thailand 4.0 goal of the government. The goal is to develop labor to have



Number of Technical (Teams) ▲ 237 Teams



the necessary skills that match the demand of the labor market. The Department of Skill Development selected 21 Companies that consistently cooperate in providing job security for Thai labor and support Thai team in competing internationally.



Award ceremony of Skill Development Network

“Home Service Academy” Technician Training Center

The Company has expended programs to develop professional technicians in to the labor market, at the same time continues to elevate the living standards of Thai technicians. In 2022, the Company established a technician training center “Home Service Academy” at Rangsit that was permitted and certified by the Department of Skill Development under the Ministry of Labor of Thailand. The center provides technicians with 2 main curriculums including the 1st level of installation of air conditioner for residentials and small commercials, and 1st level of installations of interior electrical systems. The programs consist of theories as well as onsite practical knowledge along with the standardize testing. Presently, there are a total of 57 technicians that have graduated from the program and are employed by the Company under Home Service in which mitigate the problem of technician’s shortages.



Recruitment



Training Center



Multi Skill



Service Standard



Testing Center



Restrooms Project for Community

With the determination to improve the well-being of students in rural areas, people with disabilities and senior citizens, the Company donated hygienic restrooms to public schools under the Ministry of Education nation-wide. The campaign is called “Kids’ Restrooms project”. The Company also collaborated with the Bangkok Metropolitan Administration to renovate a number of selected restrooms in public parks throughout Bangkok to meet the standard of Universal Design. These restrooms were approved by Healthy Accessibility and Safety standard of the Department of Health, Ministry of Public Health according to the hygiene, affordability, and safety. Since 2017, the Company expanded its project from Public Restrooms for the Elderly to Restrooms for the Disabled. The Company surveyed the behavior of disabled people in Karunyawet Home in Chonburi, which takes care of more than 400 people with disabilities. The restrooms were designed and renovated to be hygienic, safe, and comfortable for better quality of life of people with disabilities.

In October of 2022, rapid floods appeared in many provinces in Thailand. Ayutthaya was highly affected province-wide. Therefore, The Company conducted an onsite survey of the damages around the area of Wat Jao Jed Nai School in Sena district, Ayutthaya and found out that the restrooms were severely damaged by the flood in which was no longer in a usable condition. The Company proceeded on the design and renovations of 10 restrooms by redesigning the entire structure to be elevated from the ground. Moreover, the irrigation and waste management systems were also correctly adjusted to the regular flooding during the monsoon seasons in order to ensure that the restrooms have longer lifespans which is considered as a long-term solution for the school.



Restrooms at Wat Jao Jed Nai School in Sena district, Ayutthaya

Statistic data of toilet for Community Project

	2014	2015	2016	2017	2018	2019	2021	2022	Accumulated since establishment
Number of Toilets									
- Kids' Toilet	181	54	-	25	26	10	21	10	2,463
- Public and Elders' Toilet	-	36	-	3	7	16	-	-	62
- The Disabled Toilet	-	-	24	24	1	-	39	-	88
Donated amount (Million Baht)	10.9	5.4	1.4	3.1	2.0	1.6	3.6	0.6	156.7
Number of associates participated in this project (Person)	100	100	50	75	60	20	36	20	1,506

Air Conditioner Cleaning at Children Orphanage Giving Clean Air, Giving Back to The Community

With the hot and humid weather of Thailand, air conditioners are considered as important appliances that help against the rising temperature. In closed-air public areas and gathering locations, especially the places where children gather must be taken care of. As an expert in the maintenance of air conditioners, the Company pays attention to the safety and well-being of the places where children gather including schools and orphanages. Therefore, proceeded with the give back to the communities and the society by providing free air conditioner cleaning services for orphanages in Bangkok and the metropolitan area. In 2022, the Company began the initiative at Rangsit orphanage in Pathum Thani province; handled by the professional technicians from Home Service. The total of 35 ceiling-suspended and wall-mounted air conditioners were cleaned with the basic standard of 23 steps while maintaining the overall cleanliness of every components. Additionally, the technicians also sprayed

disinfectants to ensure the maximum efficiency of the air conditioners to relieve against the heat, provide hygienic, cool refreshing air as well as mitigate the potential risks from germs and diseases. The program was set to encourage the overall sanitation and to ensure the healthy growth of the children.



Charitable Donations for the Children's Hospital

The Company along with our 6 business partners including Gunkul Engineering Public Limited Company, Muang Thai Life Assurance Public Company Limited, Lockton Wattana Insurance Broker (Thailand) Co., Ltd., Roys Services Co., Ltd., BT Midland Co., Ltd., and Neema Thai Co., Ltd. collectively donated 500,00 Baht to the Queen Sirikit's 80th Birthday Anniversary Building Fund for the Children's Hospital Foundation under the campaign "HomePro Fun Walk" and "Survive to Smile" to support the purchase of new medical equipment for the development of the overall medical care to help children of families that are in need.



Support for Flood Victims

The company always prioritize the effort to help the people during the events of natural disaster. In 2022, flooding occurred in many provinces around Thailand. The company took part in aiding flood victims by delivering mobile toilets to the Thai Industrial Standards Institute (TISI) under the Ministry of Industry to support the people affected by the flood in various provinces.

Activities supporting local community's occupation

Each new store, the Company focused on community where stores were located so that the construction and operation must not have negative impacts on occupations of local people. The Company contributes to community development and sustainably supports community by providing job opportunities to local workers, using local resources, and promoting local jobs by arranging space for selling local products (Community Enterprise). For example, free market for plants and agriculture products, house and garden fair, free market, OTOP (One Village One Product) products exhibition.

• Prachuap Khiri Khan People Sufficient and Sharing Fair



The Company along with 32 villages from 8 districts of Prachuap Khiri Khan province, Governmental Departments of Prachuap Khiri Khan, Prachuap Khiri Khan Community Development Office, Prachuap Khiri Khan Cultural Office, Prachuap Khiri Khan Tourism Business Association, and Hua Hin - Cha Am Tourism Business Association hosted the Prachuap Khiri Khan Sufficient Sharing Fair under the campaign of Sufficiency Economy Village Development Project for a Happy Society in front of Market Village Hua Hin to encourage the way of living according to

the philosophy of sufficiency economy. Additionally, the fair also created a learning process to further develop skills and solve problems to enhance the quality of life. The activities in the fair consisted of the presentation of accomplishments of the development of the sufficient economy village, the demonstration and sale of local products, exchange of skills and knowledge to further develop the village according to the philosophy of sufficient economy by community's leaders of 8 district and 32 villages.

• “Prachuap Coconut Festival”



The spread of the COVID-19 pandemic caused the majority of farmers to lose their income due to the economic recession. However, coconuts were one of a few plants that could still generate decent level of income for the farmers. Coconuts could either be consumed freshly or after being processed into many value-added products. However, there were periods when their prices fluctuated or declined and problems of marketing the products. To be able to encourage coconuts and their related products

to safely enter into the market directly from farmers to consumers, the Company cooperated with Governmental Departments of Prachuap Khiri Khan and Prachuap Khiri Khan Provincial Agricultural Office in hosting “Prachuap Coconut Festival” in front of Market Village Hua Hin to increase the sale channels as well as to promote quality of the products from coconuts that are up to standards to the public in which supported economic growth to the local economy.

Religious Activities

The Company continuously organized religious activities by encouraging the management and associates to participate in religious activities on Buddhist days. In 2022, the Company hosted Kathina ceremony as follows:



Temple (Province)	Activities	Donated amount (Baht)	No. of Associate participated (Person)
Dao Rueang Si Mongkhon Temple, Kanchanaburi	Kathina Ceremony	500,000	100
Lam Phakhi Temple, Bangkok	Kathina Ceremony	200,000	20
Tham Phung Chang Temple, Krabi	Kathina Ceremony	100,000	50
Ban Nga Wa Hua Dong, Chiang Rai	Kathina Ceremony	100,000	50
Gao Boran Temple, Chonburi	Kathina Ceremony	100,000	50
Pa Nanthawan Temple, Nakhon Phanom	Kathina Ceremony	100,000	50



Blood Donation Project

Currently, there is insufficient reserved blood at Thai Red Cross Society. Thus, the Company would like to support this social need by annually organizing the Blood Donation Project for associates who would like to donate their blood regularly 4 times per year to further help patients that are in need.

Year	Donated amount (Milliiter)	No. of Associate donated (Person)
2017	2,144,250	4,765
2018	2,790,450	6,201
2019	99,900	222
2021	36,450	81
2022	142,650	317

Detail of donation for Social and Community in 2022

Type of Investment and Donation for Society	Unit (Baht)
Cash	6,697,534
Non-cash	1,659,574
Time (Value of working hour)	518,400
Management overheads	50,000
Investment and Donation	%
Commercial Initiatives	0.6
Charitable Donations	17.0
Community Investment	82.4

The Company also paid the annual membership fee to the following association:

Association	Value (Baht)								
	2014	2015	2016	2017	2018	2019	2020	2021	2022
Lobbying, interest representation or similar	0	0	0	0	0	0	0	0	0
Local, regional or national political campaigns/organizations/ candidates	0	0	0	0	0	0	0	0	0
Other (e.g. spending related to ballot measures or referendums)	0	0	0	0	0	0	0	0	0
The Retailer Association	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000
Board of Trade of Thailand	23,000	23,000	23,000	23,000	23,000	23,000	23,000	23,000	23,000
Thai Institute of Directors Association*	5,300	5,300	5,300	5,300	5,300	5,300	5,300	5,300	5,300
Thai Listed Companies	-	-	-	-	-	25,000	25,000	25,000	25,000
UN Global Compact	-	-	-	-	-	-	-	-	288,750
TCFD Supporter	-	-	-	-	-	-	-	-	0
Thailand Carbon Neutral Network	-	-	-	-	-	-	-	-	0
Total (Baht)	58,300	58,300	58,300	58,300	58,300	83,300	83,300	83,300	372,050

Remark: *The rate is at yearly average rate due to membership payment is due every 3 years.



Feedback Form: 2022 Sustainability Development Report

Home Product Center Public Company Limited

1. Reader Profile

- Gender ☐ Female ☐ Male
Age ☐ Below 30 years old ☐ 30 – 50 years old ☐ More than 50 years old

2. Please specify your stakeholder type

- ☐ Shareholder ☐ Investor ☐ Supplier
☐ Community ☐ Employee ☐ Independent Organization
☐ Customer ☐ Mass Media ☐ Other (Please specify.....)

3. The reason to read this sustainability development report....

- ☐ For support investment decision on HMPRO's securities
☐ For understanding about HMPRO's business
☐ Research and education purposes
☐ Other (Please specify.....)

4. Satisfactory level towards the sustainable development report 2022

- Information adequacy ☐ High ☐ Medium ☐ Low
Readability ☐ High ☐ Medium ☐ Low
Overall satisfaction ☐ High ☐ Medium ☐ Low

5. In your opinion, which is the most significant aspect towards the company's sustainable growth?

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6. In your opinion, what should the report be improved?

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Participate in the online questionnaire

by scanning this QR Code for the Company
to further enhance the development of
products and services.





To Corporate Strategy and Sustainable Development
Home Product Center Public Company Limited
31 Prachachuen-Nonthaburi Rd., Bangkokhen,
Muang Nonthaburi, Nonthaburi 11000

Channels for returning Feedback Form



1. Email

Scan or take a photo of
the feedback form to
sd@homepro.co.th



2. Facsimile

+662 832 1066



3. Mail

Tear the feedback form, stamp
it and send it to the address
mentioned above

GRI Content Index

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General Disclosures			
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	2-26	Mechanisms for seeking advice and raising concerns	198-199
	2-27	Compliance with laws and regulations	199
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GRI Standard	Disclosure		Page number(s) and/or direct answer
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	201-2	Financial implications and other risks and opportunities due to climate change	44-45
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	201-4	Financial assistance received from government	No financial assistance
GRI 202: Market Presence 2016	103-1	Explanation of the material topic and its Boundary	Not applicable
	103-2	The management approach and its components	Not applicable
	103-3	Evaluation of the management approach	Not applicable
	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Not applicable
	202-2	Proportion of senior management hired from the local community	Not applicable
GRI 203: Indirect Economic Impacts 2016	103-1	Explanation of the material topic and its Boundary	150-151
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GRI 302: Energy 2016	103-1	Explanation of the material topic and its Boundary	123-128
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	303-2	Management of water discharge-related impacts	131
	303-3	Water withdrawal	131
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GRI 304: Biodiversity 2016	103-1	Explanation of the material topic and its Boundary	132
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GRI 410: Security Practices 2016	103-1	Explanation of the material topic and its Boundary	Not applicable
	103-2	The management approach and its components	Not applicable
	103-3	Evaluation of the management approach	Not applicable
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GRI 411: Rights of Indigenous Peoples 2016	103-1	Explanation of the material topic and its Boundary	115-116
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SASB Disclosure Matrix

The sustainability Accounting Standards Board (SASB) is an independent, standards-setting organization whose mission is to develop comparable sustainability metrics for public corporations to disclose material, decision-useful information to investors. We have considered the industry standards (as defined by SASB's Sustainable Industry Classification System) for Multiline and Specialty Retailers & Distributors, and we have provided below the relevant data and/or the location of the applicable information in our 2022 Sustainability Development Report.

Multiline and Specialty Retailers & Distributors











Accounting Metric	Category	Unit of Measure	Code	Data Response	Reference
Sustainability Disclosure Topics & Accounting Metrics					
Energy Management in Retail & Distribution					
(1) Total energy consumed, (2) Percentage grid electricity, (3) Percentage renewable	Quantitative	MWh, Percentage (%)	CG-MR-130a.1	(1) 198 Gwh (2) 74.4% (3) 25.6%	Form 56-1 One Report Page 81,126,128
Data Security					
Description of approach to identifying and addressing data security risks	Discussion and Analysis	n/a	CG-MR-230a.1	- Data Privacy Policy - Personal Data Protection Committee - Data Access Procedures	Form 56-1 One Report Page 192-193
(1) Number of data breaches, (2) Percentage involving personally identifiable information (PII), (3) Number of customers affected	Quantitative	Number, Percentage (%)	CG-MR-230a.2	No data breaches in year 2022	Form 56-1 One Report Page 192
Workforce Diversity & Inclusion					
Percentage of gender and racial/ethnic group representation for (1) management and (2) all other employees	Quantitative	Percentage (%)	CG-MR-330a.1	(1) Female Management 48.93%, Male Management 51.07% (2) Female Employee 49.56%, Male Employee 50.44%	Form 56-1 One Report Page 100
Product Sourcing, Packaging & Marketing					
Revenue from products third-party certified to environmental and/or social sustainability standards	Quantitative	Percentage of total revenue	CG-MR-410a.1	46.9% of total revenue	Form 56-1 One Report Page 84-85
Discussion of process to assess and manage risks and/or hazards associated with chemicals in products	Discussion and Analysis	n/a	CG-MR-410a.2	Having sorting process and transferring it to the supplier for a proper disposal.	Form 56-1 One Report Page 129-131
Discussion of strategies to reduce the environmental impact of packaging	Discussion and Analysis	n/a	CG-MR-410a.3	Incorporating the circular economy principles by - Reduce Packaging - Reuse Packaging - Recycle Packaging	Form 56-1 One Report Page 146-147
Activity Metrics					
Product Sourcing, Packaging & Marketing					
Number of: (1) retail locations and (2) distribution centers	Quantitative	Number	CG-MR-000.A	(1) 92 HomePro stores, 18 MegaHome stores, 7 HomePro Malaysia stores (2) 1 Distribution Center	Form 56-1 One Report Page 15
Total area of: (1) retail space and (2) distribution centers	Quantitative	Square meter (m ²)	CG-MR-000.B	(1) 880,000 sq.m. For retail space (2) 205,177 sq.m. for distribution center	Form 56-1 One Report Page 133

TCFD Framework

The Task Force on Climate-related Financial Disclosures (TCFD) develops voluntary, consistent climate-related financial risk disclosures for companies to provide information to stakeholders. We have considered the TCFD framework as a tool to make meaningful data accessible to our stakeholders and have provided below the location of the relevant information in our 2022 Sustainability Development Report.

Recommended Disclosure Topics		2022 Sustainability Report		Additional Sources
		Section	Page	
Governance	Describe the board's oversight of climate-related risks and opportunities.	Sustainability Development Report	72	Form 56-1 One Report
	Describe management's role in assessing and managing climate-related risks and opportunities.	Sustainability Development Report	72	Form 56-1 One Report
Strategy	Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	Climate Change Risk	66	Form 56-1 One Report
	Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy and financial planning.	Climate Change Risk	66	Form 56-1 One Report
	Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2 °C or lower scenario.	Climate Change Risk	66	Form 56-1 One Report
Risk Management	Describe the organization's process for identifying and assessing climate-related risks.	Climate Change Risk	66	Form 56-1 One Report
	Describe the organization's process for managing climate-related risks	Climate Change Risk	66	Form 56-1 One Report
	Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organization's overall risk management	Climate Change Risk	66	Form 56-1 One Report
Metrics & Target	Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk-management process	Materiality Assessment's Result under topic risk Management and environmental management	76-77	Form 56-1 One Report
	Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks	Scope of Carbon Footprint	125	Form 56-1 One Report
	Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	Goal 1) lower energy per area 2) maintain production of renewable energy 3) GHG reduction per store 4) use renewable energy	81,123	Form 56-1 One Report

Sustainable Development Goals (SDGs)

Sustainable Development Goals (SDGs)			
 SUSTAINABLE DEVELOPMENT GOALS		How HomePro is supporting	Page
1 NO POVERTY 	End poverty in all its forms everywhere	<ul style="list-style-type: none"> Happy Home Town Project Activities Supporting Local Occupations 	99 154-155
2 ZERO HUNGER 	End hunger, achieve food security and improved nutrition and promote sustainable agriculture	<ul style="list-style-type: none"> Support the salary and wage that is suitable and sufficient for living of associates and their families. (Living Wage) 	112-114
3 GOOD HEALTH AND WELL-BEING 	Ensure healthy lives and promote well-being for all at all ages	<ul style="list-style-type: none"> Quality Product and Service Home Service 	84-87 92-95
4 QUALITY EDUCATION 	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	<ul style="list-style-type: none"> Increase of Capabilities in Knowledge and Skills Bilateral Scholarship Program 	104-110 98-99
5 GENDER EQUALITY 	Achieve gender equality and empower all woman and girls	<ul style="list-style-type: none"> Responsible for associates in terms of Human Right and respect the diversity LGBTQI Employment Lady Service 	115-116 115 93
6 CLEAN WATER AND SANITATION 	Ensure availability and sustainable management of water and sanitation for all	<ul style="list-style-type: none"> Responsible water consumption Responsible wastewater management 	131 131
7 AFFORDABLE AND CLEAN ENERGY 	Ensure access to affordable, reliable, sustainable and modern energy for all	<ul style="list-style-type: none"> Efficiency Energy Consumption Charge and shop Renewable Energy 	122-135 128 126
8 DECENT WORK AND ECONOMIC GROWTH 	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	<ul style="list-style-type: none"> Young Entrepreneur Project 	150-151
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 	Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation	<ul style="list-style-type: none"> Product Innovation for Society Omni Channel Home Makeover – Service Innovation Emergency Service 	84-91 90-91 95 93

Sustainable Development Goals (SDGs)



How HomePro is supporting

Page

	<p>Reduce inequality within and among countries</p>	<ul style="list-style-type: none"> Elderly Employment Disabled Employment Diverse employment without gender discrimination such as religion, skin color, race, hometown including differences in mindset, including LGBTQI group 	<p>116</p> <p>115</p> <p>115-116</p>
	<p>Make cities and human settlements inclusive, safe, resilient and sustainable</p>	<ul style="list-style-type: none"> Restrooms Project for Community 	<p>152-153</p>
	<p>Ensure sustainable consumption and production patterns</p>	<ul style="list-style-type: none"> Renewable Energy Green Warehouse Management Traceability Investigation and Safety Standard of Product ECO Products, ECO CHOICE Responsible Plastic Consumption Packaging management in the Transport Sustainable Packaging Management 	<p>126</p> <p>144-145</p> <p>89</p> <p>84-87</p> <p>88</p> <p>147</p> <p>146</p>
	<p>Take urgent action to combat climate change and its impacts</p>	<ul style="list-style-type: none"> Operational Efficiency Efficient Transportation for loss reduction Decarbonization Carbon Removal 	<p>122-135</p> <p>145</p> <p>122-132</p> <p>132</p>
	<p>Conserve and sustainably use the ocean, seas and marine resources for sustainable development</p>	<ul style="list-style-type: none"> Waste Water Treatment 	<p>131</p>
	<p>Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss</p>	<ul style="list-style-type: none"> Garbage and Waste Disposal 	<p>129-130</p>
	<p>Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels</p>	<ul style="list-style-type: none"> Respect on Human Right Good Corporate Governance Religious Activities 	<p>195</p> <p>188-199</p> <p>155</p>
	<p>Strengthen the means of implementation and revitalize the global partnership for sustainable development</p>	<ul style="list-style-type: none"> Supplier Management 	<p>138-141</p>

Management's Discussion and Analysis



1. Overview

During 2022, the impact of the coronavirus (COVID-19) outbreak has declined thanks to a more comprehensive and effective vaccine distribution. COVID-19 restriction measures have been eased by the government, and the Thai economy has begun to show signs of ongoing expansion supported by the recovery of tourism and the consumption sector. These have benefited from several positive factors such as the re-opening of the country for foreign tourist arrivals and the rolling out of stimulus packages by the government to boost domestic spending; these packages include the 'Shopping and Payback (Shop Dee Mee Kuen)' program, 'We Travel Together' campaign, and the 'Half-Half Co-Payment' scheme.

However, there were also headwinds caused by the rising cost of consumer goods and energy prices due to the ongoing conflict between Russia and Ukraine, which caused a shortage of natural resources. As a result, the business sector inevitably had to bear higher product and service costs. Additionally, the pressure of rising inflation rates also affected the purchasing power of consumers and increased the risk of a global recession, as the FED hiked interest rates to cool an overheated economy. Similarly, the Bank of Thailand has gradually raised its policy interest rate, increasing the financial costs for business sectors.

Nevertheless, the government stimulus packages were able to partially alleviate the impact of inflation. In addition, the Company foresees further business growth opportunities arising from the recovery of the Thai economy by elevating products and services' offering level that meet customers' expectations, by accelerating the expansion of store numbers for top line and profitability enhancement, and by concise business and strategic planning to manage any pressures and risks that may occur.

In the fourth quarter The overall situation of the tourism sector in Thailand has continued to recover, thanks to the increasing number of foreign tourists traveling to Thailand following the easing of COVID-19 preventive measures, as well as the positive impact from entering the high season. This was reflected in better growth in various business sectors, including retail business. The Company's sale growth increased satisfactorily, particularly in tourist areas such as the southern region, which showed significant growth compared to the same period last year. In addition, the Company organized several promotional activities in the fourth quarter such as: the HomePro Expo at Impact Muang Thong Thani, during 16-25 December 2022; the HomePro

Living Expo at the Queen Sirikit National Convention Center, during 13-23 October 2022; the HomePro Super Expo, during 2-6 December 2022, at all HomePro stores nationwide and through online channels, including Double Day activities; and other promotional events both at HomePro stores and through the online platform.

Nevertheless, the gross profit weakened compared to the same period last year due to the increase in discounts of aforementioned promotional activities. Additionally, higher selling and administrative expenses (SG&A) resulted from rising energy costs such as electricity and fuel costs, including pre-operating expenses for new 3 stores expansion during the fourth quarter.

Improve the efficiency of revenue generation In order to facilitate the acquisition of new target customers, the Company has identified business opportunities arising from the continuous growth of online marketplaces and has consequently expanded its distribution channels to various external platforms such as Shopee and Lazada. This is in addition to offering products and services on existing proprietary channels such as the Company Website, HomePro Application, Home Service Application, and Homecard Application. Furthermore, during 2022 the Company took a 30% equity stake in Onestockhome Co., Ltd., which is an online platform for the sale of building materials. The objective is to increase product distribution and revenue generating opportunities for the Mega Home business.

Development of products and services supporting behavioral changes The Company places great importance on an in-depth understanding of customer behavioral changes in order to offer products and services that cover all lifestyles and better align with evolving customer needs. For example, the company has developed new product categories such as pet-related products, reflecting the increasing popularity of pet adoption. Furthermore, the Company has developed a new product category for solar panels, which save both energy and cost, in collaboration with suppliers of relevant products and services. This development focuses on the sustainability of both the environment and society, and responds to greater interest and awareness of this issue among our customers. Overall, the Company has focused on the use of customer analytics, using both internal and external data, to further develop the design of products and services across all usage purposes, both for existing customers, and to serve new target markets such as Generation Y and Business-to-Business (B2B).

Development of internal system efficiency The Company has merged the Mega Home business and HomePro business to operate under the single entity of 'Home Product Center Public Company Limited'; formerly the two companies had completely separate management. The objective is to increase management efficiency in areas such as inventory management, cost control and human resource management, as well as to facilitate customers in terms of enabling cross purchasing of products and service from both HomePro and Mega Home stores, thereby providing more product variety and faster service, and hence increasing business opportunities.

In terms of supply chain management, the Company has noted the supply chain disruption experienced during the outbreak of coronavirus (COVID-19). Consequently, the Company has improved its procurement processes to prevent future product shortages. This includes lengthening the lead time for planning advance orders to reserve manufacturing capacity and increasing the number of orders once purchased, along with developing a more effective demand forecasting system.

Furthermore, the Company also has placed importance on the consideration of the environmental impact of its various operational processes, with the objective of zero Green House Gases (GHGs) emission from business activities by 2050 (Net Zero 2050). The areas of for development and improvement include zero waste management, responsible plastic consumption, as well as greater use of renewable energy by installing solar rooftops to save energy and reduce utility costs. As of 31st December 2022, the Company had installed solar rooftops at 65 stores.

Store expansion in 2022 The Company has accelerated both HomePro and Mega Home store expansion in response to the positive outlook for business growth following the recovery in the Thai economy. The Company opened 2 new HomePro stores: at Future Park Rangsit to replace the former Rangsit store and at Ladkrabang to replace the former HomePro S in The Paseo Ladkrabang; both of these are relocations to open in nearby areas with larger floor spaces to better facilitate customers. On the other hand, the Company closed 1 HomePro store at The Mall Bangkae, owing to the expiry of its leasing term, and plan to open a new store nearby. Furthermore, the Company opened 4 Mega Home stores at Pattaya, Chachoengsao, Surat Thani, and Khon Kaen. At the end of 2022, there were 87 HomePro stores, 5 HomePro S stores, 18 Mega Home stores, 7 HomePro Malaysia stores, and HomePro Vietnam, which primarily distributes products via an e-marketplace.

Lastly, the Company would like to express its sincere gratitude for the dedication, determination and responsibility of associates at all levels, as well as for the continuous

support of all stakeholders. The Company firmly believes that business growth in parallel with mutual value creation for all stakeholders (which includes customers, associates, vendors, shareholders, as well as the wider community and society) will be the key to drive the Company towards sustainability, as well as contributing to sustainable national economic development.

2. New Financial Reporting Standards

2.1 Financial reporting standards that became effective in 2022

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.

2.2 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

3. Operating Results and Profitability

In 2022, the Company and its subsidiaries had total revenues of Baht 69,389.43 million and net profit of Baht 6,217.09 million, which increased from the previous year by 8.55% and 14.27% respectively.

In this year, the Company's growth contributed to the collaboration of all business units in terms of efficiency enhancement in several areas, such as increasing the ability to generate revenue and maintaining cost and expenses control amid the rising utility expense as well as the increasing financial cost from the policy interest rate adjustment by the Bank of Thailand to lessen inflation impacts. In addition, the Company has adapted itself as well as developed products and services to make it align with the change in consumer behavior and lifestyle,

including leveraged online system along with distribution channel expansion to increase convenience for customers and support higher sales volume for both online and offline channels compared to the previous year. Regarding business in Malaysia, the overall sales has improved which start making profit in 2022 compared to 2021 in which the spread of coronavirus (COVID-19) caused sales contraction.

As for store expansion in 2022, the Company opened 2 new HomePro stores in Future Park Rangsit and Ladkrabang, which are both relocated from the old store to open in the nearby area with larger floor spaces. However, the Company closed HomePro store in The Mall Bangkai due to the expiry of its leasing term and a plan to open a new store nearby. Besides, the Company opened 4 Mega Home stores; in Pattaya, Chachoengsao, Surat Thani, and Khon Kaen.

3.1 Revenue from Contracts with Customers

(Unit : Million Baht)

Item	2020		2021		2022	
	Amount	%	Amount	%	Amount	%
1. Revenue from Contracts with Customers of HomePro						
Hard Line ¹	40,325.9	69.1	41,864.2	69.1	44,269.3	68.0
Soft Line ²	9,062.0	15.5	9,450.0	15.6	9,960.7	15.3
Service Income (Home Service)	484.1	0.8	598.2	1.0	709.3	1.1
2. Revenue from subsidiaries	8,474.8	14.6	8,655.5	14.3	10,151.6	15.6
Revenue from Thailand	7,303.8	12.6	7,664.5	12.7	8,760.6	13.5
Revenue from CLMV countries	1,171.0	2.0	991.0	1.6	1,391.0	2.1
Total Revenue from Contracts with Customers	58,346.8	100.0	60,567.9	100.0	65,090.9	100.0

* Remarks: ¹ Hard Line categories include Construction materials, Paint, Home Improvement, Bathroom and Sanitary Ware, Kitchen Appliances, Equipment and Electrical Appliances.

² Soft Line categories include Bedding, Carpet, Curtains, Furniture, Lamp, Household Decorative Products, and Household Accessories.

In 2022, the revenue from contracts with customers which comprises product sales revenue and service income of Home Service was Baht 65,090.88 million, representing an increase of Baht 4,522.97 million or up 7.47%. Overall performance for 2021 was impacted by a temporary closure of stores to tighten control over the COVID-19 pandemic. Nevertheless, the outbreak has declined in 2022, resulting in higher revenue along with the Thai economy recovery and increasing consumer confidence. Furthermore, the Company has improved management efficiency in several aspects; adapted and enhanced products and services to align with the change in customer behavior, and focused on introducing new product categories, including developing online distribution channels capabilities with more convenience to purchase. Such efforts drove same store sales, online sales, and service income in 2022 higher when compared with the prior year. In addition, the same store sales in Malaysia has improved as compared to the previous year that the stores were closed due to control measures against the COVID-19 outbreak imposed on business for a longer period. The company's revenue can be categorized into 3 parts: 1) Revenue from retailing of HomePro, which can be divided into 2 groups, Hard Line and Soft Line, which in 2022 increased from the previous year by Baht 2,396.40 million and Baht 508.80 million respectively 2) Income from Home Service, increased by Baht 111.10 million 3) Revenue

from subsidiaries, including revenue generated by Mega Home and HomePro in Malaysia, and Vietnam increased by Baht 1,506.70 million.

3.2 Other Income

In 2022, the Company and its subsidiaries had detail of change in other income as follows:

- Rental and service income amounted to Baht 1,720.58 million, an increase of Baht 497.43 million or up 40.67% from previous year thanks to more rental income from leasable space of HomePro stores and Market Village shopping mall particularly in tourism areas, compared to the same period last year that the Company has lowered or waived rental fees for tenants to mitigate impact from COVID-19 outbreak. Moreover, there was rental income realization of rental space in new store of HomePro at Bangna Km.1, which has been operated since the fourth quarter of 2021.
- Other income was Baht 2,577.96 million, an increase of Baht 443.24 million or up 20.76%, as a result of the increase in promotional activities with vendors both at stores and through online channels.

3.3 Cost of Sales and service and Gross Profit Margin

In 2022, the Company and its subsidiaries had the cost of sales and services equal to Baht 48,077.70 million, an increase of Baht 3,152.32 million or up by 7.02% from the previous year, due to the increase in the sales volume of products and services. However, the cost of sales and services as a percentage of sales declined from 74.17% to 73.86% reflecting more efficient cost control of product and services.

Gross profit from product sales and service income of Home Service was Baht 17,013.19 million, an increase of Baht 1,370.65 million or up 8.76% as compared with the prior year. The percentage of gross profit increase was attributed to higher revenue from products and services as well as the better of product mix toward high-margin products despite higher logistic cost for distribution to stores resulting from oil price inflation, which drove the higher gross profit margin as a percentage of sales to 26.14% from 25.83% in the previous year.

3.4 Cost of Rental

Cost of rental and related services was Baht 704.95 million, an increase of Baht 96.15 million or up by 15.79%. The increase in cost was due to higher utilities cost from resumption to normal operation compared to temporary closure during the third quarter of 2021.

3.5 Selling and Administrative Expenses (SG&A)

Selling and administrative expenses (SG&A) amounted to Baht 12,519.17 million, an increase of Baht 1,170.30 million or up 10.31% compared to the previous year. The increase in SG&A as a percentage of sales from 18.74% to 19.23% was attributable to the increase of expenses related to new stores opening of HomePro and Mega Home, utilities expense that was charged at higher fuel tariff adjustment rate, property tax back to normal rate, as well as more marketing and promotional activities. The details of expenses in each group are as follows:

- Selling, distribution and service expenses was Baht 10,247.64 million, an increase of Baht 992.70 million or up 10.73%. The increase was driven largely by higher electricity cost, pre-operating expenses for new store expansion, including property tax back to normal rate.
- Administrative expenses was Baht 2,271.25 million, an increase of Baht 200.60 million or up 9.69%. The increase was primarily due to expenses related to employee salary and welfare, ICT system investment, as well as promotional and marketing expenses.
- Other expense amounted to Baht 0.27 million, a decrease of Baht 23.28 million or down 98.84%.

3.6 Finance Income

Finance income was Baht 16.95 million, an increase of Baht 9.60 million or up 130.42%, due to higher interest income.

3.7 Finance Cost

Finance cost was Baht 444.58 million, an increase of Baht 28.97 million or up 6.97% due to the issuance of corporate bonds with higher interest rates during 2022 for debt refinancing.

3.8 Net Profit

For the operating results in 2022, the Company and its subsidiaries recorded a net profit of Baht 6,217.09 million, an increase of Baht 776.57 million or up 14.27%. The net profit margin of the Company and its subsidiaries as percentage of sales was 9.55%, increasing from 8.98% in the previous year. The increase was mainly due to the efforts of efficiency enhancement in regard to the ability for revenue generation from the expansion of distribution channels, products and services development, inventory management along with efficient cost and expense control to the optimum level.

3.9 Return to Equity

The return on equity as of December 31, 2022 was 26.38%, increasing from 24.48% in the previous year due to higher profitabilities.

4. Asset Management

As of December 31, 2022, the Company and its subsidiaries had total assets of Baht 65,184.74 million, an increase of Baht 6,598.40 million or 11.26% compared to the prior year. The increase of asset was due to the change of significant transactions as follows:

- Cash and cash equivalents increased by Baht 874.33 million, which mainly increased from the business operations.
- Account receivable increased by Baht 207.64 million from higher credit sales given to business customers. Other receivables increased by Baht 183.33 million, which was from support fee of promotional activities, rental and service income. However, the Company analyzed an account receivable aging. As at December 31, 2022, the Company had trade and other receivables aging more than 12 months of Baht 9.58 million, and the allowance for doubtful debts sufficiently of Baht 10.85 million.
- Net inventory increased by Baht 1,057.88 million as a result of new store expansion.
- Investment properties, net property, plant and equipment, net computer software, Right-of-use assets and net leasehold rights totaling increased by Baht 4,226.06 million or 11.00%, due to the investment for new store opened in 2022 as well as partially for store expansion in 2023.

5. Liquidity and Capital Sufficiency

Summary of cash flow statement as of December 31, 2022 compared to the same period of 2021 is as follows:

(Unit : Million Baht)

Transactions	Consolidated Financial Statement		Separated Financial Statement	
	2021	2022	2021	2022
Cash flow from operating activities	7,825.41	9,951.98	6,975.77	8,520.38
Cash flow from investing activities	(1,673.08)	(5,509.17)	(1,018.24)	(3,911.25)
Cash flow from financing activities	(4,915.31)	(3,567.59)	(4,806.54)	(3,721.13)
Transaction adjustments	26.26	(0.90)	-	-
Net Increase (decrease) in cash	1,263.28	874.33	1,150.99	888.00

As of 31 December 2022, the Company and subsidiaries' cash and cash equivalents were Baht 5,420.30 million, net increased from December 31, 2021 by Baht 4,545.97 million which comprised from the following activities:

- Net cash from operating activities of Baht 9,951.98 million, which was derived from the profit from operating activities before changes in operating assets and liabilities of Baht 11,319.72 million, and working capital increased from changes in operating assets and liabilities e.g. trade and other receivables increased by Baht 389.81 million, inventories increased by Baht 1,098.65 million, other current asset increased by Baht 48.67 million, trade and other payables increased by Baht 1,197.06 million, other current liabilities increased by Baht 5.20 million, rental received in advance decreased by Baht 25.50 million, and corporate income tax payment of Baht 1,331.15 million.
- Net cash used for investing activities totaled Baht 5,509.17 million from investment in land, building and equipment, investment in associate company, and investment properties of Baht 4,501.48 million, Payment of right-of-use assets of Baht 1,109.66 million, and computer software of Baht 53.51 million.
- Net cash used for financing activities total Baht 3,567.59 million which such amount was paid to short term loans from financial institutions of Baht 149.32 million, repayment of debentures of Baht 3,170 million and dividend payment of Baht 4,865.80 million. In this regard, the Company funded those activities by issuing 2 debentures comprising 1/2022 of Baht 3,000 million and 2/2022 of Baht 2,000 million.

5.1 Liquidity Ratio

As of December 31, 2022, the Company and its subsidiaries' current assets was Baht 21,429.97 million and current liabilities was Baht 24,485.03 million. In this regard, such amount can be calculated into a liquidity ratio of 0.88 times which decreased from the previous year's ratio of 0.92 times. In addition, the Company has the source of short term financing for keeping adequate liquidity from Bank overdrafts and short term loans, and international trade finance facilities.

5.2 Capital Structure

The capital structure of the Company as of December 31, 2022 consisted mainly of the Company's unsecured long term credit facilities from financial institutions, and unsubordinated and unsecured debentures. The Company's total debt was Baht 40,938.86 million. In this regard, if such amount is calculated as the total amount of Debt to Equity ratio, it would be equivalent to 1.69 times, increasing from 1.56 times in the previous year as a result of more issuance of debentures.

According to the terms and conditions or requirements stipulated to the duties of bond issuers, the issuers shall maintain Debt to Equity Ratio of not over 2.50 times. The Company is able to maintain its strong balance sheet by keeping the financial debt to equity ratio lower than the requirement. In 2022, the Company has financial outstanding debt of Baht 21,333.62 million and financial debt to equity of 0.88 times. However, if the impact from adjustments of Lease liabilities in compliance with the Financial Reporting Standard No.16: Leases is excluded, financial debt to equity will be 0.63 times. The Company's financial debt to equity ratio during 2020 - 2022 are as follows:

	2020	2021	2022
Financial Debt to Equity ratio	0.62	0.58	0.63



5.3 Shareholders' equity

As of December 31, 2022, the shareholders' equity was Baht 24,245.88 million, an increase of Baht 1,355.45 million or 5.92% from the previous year. The increase came from higher retained earnings of Baht 1,351.15 million and higher other components of shareholders' equity of Baht 4.30 million.

5.4 Capital Expenditure

In 2022, the Company's Net Capital Expenditure was Baht 5,509.17 million which was used for building construction, land purchase, payment for land leasehold rights, for new stores opened in 2022 and stores opening in the future for all subsidiaries and modernize of existing stores of Baht 4,424.26 million in total. Also, Baht of 53.51 million was used to purchase software. Moreover, the Company has paid the right-of-use assets of Baht 1,109.66 million and has invested in associate of Baht 68.71 million. Sources of funds include cash flow from operation, loans from financial institutions, and debentures.

5.5 Ability to source funding and repayment ability

At present, the Company raises both short term and long term loans from financial institution and debentures issuance, which are rated by TRIS annually and at the time of issuance. The Company has the covenant to maintain the net debt to equity ratio not more than 2.5 times. In 2022, TRIS rating maintained the Company's credit rating at AA- with stable outlook, reflecting improvement in better cash flow generation resulting from improving operating results and operational efficiency in cost control.

6. Financial Obligations

As of December 31, 2022, total liabilities of the Company and its subsidiaries were Baht 40,938.86 million increased from the previous year by Baht 5,242.95 million or 14.69%, which caused by the change of the following crucial transactions:

- Short term loans from financial institutions decreased by Baht 157.63 million due to the principle repayment to reduce the interest burden of working capitals.
- Accounts Payable and other payable increased by Baht 1,839.26 million in accordance with new store expansion in 2022.
- Net long term loans decreased by Baht 15.58 million, in which such amount was the principal repayment to the financial institutions. However, the current portion which will be due at Baht 46.03 million, the Company plans to repay with funds from operation and external sources such as debenture issuance or bank loan.
- Lease liabilities increased by Baht 917.24 million due to the increase of rental areas to support the future store expansion.
- Net debenture increased by Baht 1,996.53 million resulted from the deferred interest of zero-coupon bonds issued in 2020 - 2022 and due to repayment of debenture due Baht 3,170 million in 2022 and issuing debenture: No 1/2022 of Baht 3,000 million and No 2/2022 of Baht 2,000 million.

7. Factors or events that may affect HomePro's financial status or performance in the future

The Company views the following factors that could affect its financial position or business operations in the future:

1. The rising cost of energy, such as oil and gas prices resulting from the ongoing conflict between Russia and Ukraine, has caused a shortage of natural resources and supply chain disruption, resulting in electricity cost increase as well as higher cost of products and services. However, the Company has prepared a tight business plan to alleviate the mentioned impacts by installing the solar roof to reduce electricity cost, including managing efficient cost control to further maintain competitiveness and operational effectiveness.
2. Changes in customer behavior and lifestyle, such as the preference for new trending product categories, and the growing demand for environmentally friendly products, could create either opportunities or risks for businesses. To compete in serving the ever-changing needs of consumers, the Company has adapted by adding products and services that corresponded to the change in customer behavior as well as has developed several online distribution channels for products and services offering with more convenience and efficiency. As for the development of products to be more environmentally friendly, the Company has continuously collaborated with suppliers to elevate products with "ECO CHOICE" symbols, which will support the business going forward.

3. Storage of customers' and stakeholders' data has become more vital presently and in the future. It is the Company's responsibility to prevent data leakage or misuse. Failing to do so will have a significant negative impact on the Company's reputation and trust. Therefore, the Company has installed a firewall and monitored intrusion attempts both at head office and stores. A monthly meeting will be held to provide updates on new cyber threats, report if any attack is detected, and propose a solution. The information at the meeting will be used for devising new preventive measures.

8. Management Discussion and Analysis (MD&A) and Outlook

We anticipated that the Thai economy in 2023 will continually recover from the last quarter of 2022 thanks to the recovery of tourism and consumption from higher number of foreign tourists traveling to Thailand as well as the government stimulus packages to boost domestic spending. Therefore, the Company foresees that the aforementioned factors will generate more revenue for entrepreneurs, decrease the unemployment rate, and improve purchasing power, all in all, supporting business growth. Besides, the Company identifies opportunities for further retail business, hence, the Company keeps developing products and services covering all using purposes to meet the change in customer behavior. Moreover, the Company has accelerated both HomePro and Mega Home expansion, developed an online ordering system along with introducing additional distribution channels through Marketplace in order to approach new target groups of customers, and adopted various technology as follows:





- Add online shopping channel via www.homepro.co.th and formulate Omni Channel strategies to provide a seamless shopping experience to customer by integrating Online-to-Offline, which the HomePro store will act as an integration to the online business.
- The development of HomePro Application on smartphone to offer convenience and fasten the process for the customer, which is another channel for customer to engage in the seamless shopping experience on mobile.
- The development of Home Service Application for customer in digital age. These would provide an alternate channel to use the service anywhere and anytime, 24 hours, covering 40 services via smartphone application.
- The development of HomeCard Application to enhance convenience for customers who are existing members of HomePro Loyalty Card to self-update their personal information and access to the Company's privileges.
- Expanding distribution channel through several Marketplaces with the objective to serve new target group of customers such as via Shopee and Lazada.
- Embedded new technology into business operation in order to increase operation efficiency and serve customer's need such as using the QR code to provide product information, the using of smart device for sales associates to promptly serve the customer's need.
- Delivering a tailored made product that suits the demand of consumers through personalized marketing through various customers data analysis.
- Automated Storage and Retrieval System (ASRS) was implemented to use in business operations. These could enhance operation efficiency, accuracy, and fasten the product distribution to assure that products will be sufficient for customer's demand.
- Add new Home services to serve all customer's need. Currently, the Company has offered more than 40 types of home services.
- Same day delivery has been implemented in Bangkok and Metropolitan region, providing convenience and fasten the last-mile delivery to customers.
- Product selection and development of both Private Brand and the other product in general to make the quality and price more acceptable.
- Establishing 'Repairment Service' and 'Trade-in Service'.
- Expanding to the new target group; Business-to-Business (B2B) customers.

9. Audit Fee

According to the minutes of the Annual General Shareholders' Meeting in 2022 which resolved to appoint the Auditors of EY Office Limited as the Company's and its subsidiaries' auditor of 2022, with the audit fee of Baht 3,715,000 and other fee, i.e. fee for being witness for destruction of damaged goods at approximately

Baht 150,000. Moreover, there may be additional audit fees from the expansion of new stores and registration of new company whose fee does not exceed Baht 1,500,000. The actual audit fees for the Company and its subsidiaries, and other services fee as follows:

(Unit : Baht)

Fees type	2020	2021	2022
Audit Fee	3,795,000	3,795,000	3,715,000
Other Service	60,000	40,000	60,000
Total	3,855,000	3,835,000	3,775,000

10. Tax Strategy and Effective Tax Rate

The Company's Tax Policy covered tax management practices such as tax planning, managing tax risks, transfer pricing, operation coordination, and guidelines on selecting the tax consultant, is set in compliance with tax laws and regulations of Thailand, Malaysia and Vietnam where the Company operates (https://hmpro.listedcompany.com/policy_document.html). All relevant accounting and finance associates have been informed and performed their roles strictly in accordance with the tax policy.

Tax Reporting by Geographic Regions

Item	Thailand	Oversea
Sales	63,646 Million Baht	1,391 Million Baht
Earning Before Tax	7,658 Million Baht	18 Million Baht
Income Tax Expenses	1,441 Million Baht	-
Cash paid for corporate income tax	1,331 Million Baht	-
Corporate Income Tax Rate	20%	20%, 24%
Effective Tax Rate	19%	-

In comparison with the Corporate Income Tax rate of Thailand, Malaysia, and Vietnam which are 20%, 24%, and 20% respectively, the Company's Effective Tax Rate from operations are lower due to several factors, for example:

1. The reversion of nonmonetary items such as reserve or expense accruals according to GAAP, which has effects on the tax calculation.
2. The government's capital investment promotion scheme which grants tax exemption and reduction incentives for the period of 3-20 years, varied by types of invested asset, for the investments occurred in Thailand from 2015-2017, during which the Company has invested in new stores expansion, equipment and machine, computer software, as well as installing solar rooftop power generation units.

3. The government's investment promotion scheme which grants tax exemption and tax reduction incentives, varied by types of invested asset, for the investments occurred in Thailand from 2019-2021, during which the Company has invested in machine and computer program related to automation and technology.

4. The Company's business in Malaysia has started making some small profits, but still got tax exemption, whereas, the Company's business in Vietnam has not yet been profitable. (Therefore, no tax expense incurred).

Remarks: Further information can be found on the note of financial statements No.27 'Income tax' on page 289.

11. Policy and Credit Term

The Company prioritized the liquidity and cash flow management. Moreover, the Company implemented the policy for setting the period for the credit term, which lasts between 7 and 180 days. However, the credit term depends on the Company's suppliers and the criteria was set based on certain factors such as the period during which the Company have been in business with the suppliers, type of the products, product sales, inventory turnover, and the quality standard of the product. The credit term has been determined in accordance with the principles of fair dealing between the Company and suppliers.

The information on the average credit term of HomePro according to the financial statements is as follows:

Transaction	2020	2021	2022
Accounts Payable Day	96 days	96 days	96 days



General Information and Other Important Information



Information of Home Product Center Public Company Limited

Location	31 Prachachuen-Nonthaburi Road, Bangkhen, Muang Nonthaburi, Nonthaburi 11000
Telephone	+662 832 1000
Facsimile	+662 832 1234
Website	www.homepro.co.th
Type of Business	Retailer of products and provider of services relating to construction, extension, refurbishment, and improvement of home and residence as One Stop Shopping
Registration No.	0107544000043
Registered Capital	Common stock 13,151,198,025 shares (1 Baht per share)
Paid-up Capital	Common stock 13,151,198,025 shares
Exchange Market	Stock Exchange of Thailand
Ticker Symbol	HMPRO

Information of company which Home Product Center Plc. holds more than 10 percent of shares

1. Market Village Co., Ltd.

Location	31 Prachachuen-Nonthaburi Road, Bangkhen, Muang Nonthaburi, Nonthaburi 11000
Telephone	+662 832 1000 / +663 261 8888
Facsimile	+662 832 1234 / +663 261 8800
Type of Business	Management of rental space and provider of utilities services
Registered Shares	50,000 ordinary shares at par value of Baht 100
Shareholding	49,993 shares (99.99%)

2. Home Product Center (Malaysia) SDN. BHD.

Location	Suite 17.01, 17.05-07, Level 17, Menara Summit, Persiaran Kewajipan, USJ 1, UEP Subang Jaya, 47600 Selangor.
Telephone	+603 8063 5179
Facsimile	+603 8063 5525
Type of Business	Retailer of home improvement products and comprehensive provider of related services
Registered Shares	59,000,000 ordinary shares at par value of 1 Malaysian Ringgit
Shareholding	59,000,000 shares (100%)

Information of company which Home Product Center Plc. holds more than 10 percent of shares

3. Mega Home Center Co., Ltd.

Location	49 Moo 5, Tambon Khlong Nueng, Amphoe Khlong Luang, Pathum Thani 12120
Telephone	+662 029 7900
Facsimile	+662 029 7901
Type of Business	Retailer and wholesaler of construction materials, structural materials, and home improvement products
Registered Shares	15,000,000 ordinary shares at par value of Baht 100
Shareholding	14,999,998 shares (99.99%)

4. DC Services Center Co., Ltd.

Location	100 Moo 2 Tambon Lamsai, Amphoe Wungnoy, Ayutthaya 13170
Telephone	+663 528 7555
Facsimile	+663 528 7757
Type of Business	Warehousing and Distribution
Registered Shares	500,000 ordinary shares at par value of Baht 10
Shareholding	499,998 shares (99.99%)

5. HOME PRODUCT CENTER VIETNAM COMPANY LIMITED

Location	No. 64 Nguyen Dinh Chieu Street, Da Kao Ward, District 1, Ho Chi Minh City, Vietnam
Telephone	04 28 3535 0735
Facsimile	-
Type of Business	Retailer and wholesaler of construction and home improvement products
Registered Shares	VND 23,100,000
Shareholding	100%

6. Onestockhome Co., Ltd.

Location	1-7 Zuellig House 4th Floor Unit 02, Silom Road, Silom, Bang Rak, Bangkok 10500
Telephone	+662 078 1222
Facsimile	-
Type of Business	Retail sale of construction materials and equipment
Registered Shares	125,940 ordinary shares at par value of Baht 10
Shareholding	37,792 shares (30%)

Information of HomePro Stores

1. Rattanaibet	6/1 Moo 6, Saothonghin, Bangyai, Nonthaburi, 11140
2. Fashion Island	589/10 Ramintra Rd., Khannayao, Bangkok, 10230
3. Paradise Park	61 Srinakarin Rd., Nongbon, Praves, Bangkok, 10250
4. Ratchadaphisek	125 Ratchadaphisek Rd., Dindang, Bangkok, 10400
5. Ploenchit	55 Wave Place Building, Wireless Rd., Pathumwan, Bangkok, 10330
6. Phuket	104 Moo 5, Rasada, Muang, Phuket, 83000
7. Chiangmai	94 Moo 4, Chiangmai-Lampang Rd., Nong Pa Kruang, Muang, Chiangmai, 50000
8. Ramkhamhaeng	647/19 Ramkhamhaeng (Sukhaphibal 3) Rd., Huamark, Bangkok, 10240
9. Rama II	45/581 Moo 6, Samaedam, Bangkhunthien, Bangkok, 10150
10. Prachachuen	31 Prachachuen-Nonthaburi Rd., Bangkhen, Muang Nonthaburi, Nonthaburi 11000
11. Ladprao	669 Lat Phrao Rd., Jompol, Chatuchak, Bangkok, 10900
12. Pattaya	333 Moo 9, Nongprue, Banglamung, Chonburi, 20150
13. Chaengwatthana	113 Moo 5, Pakkret, Pakkret, Nonthaburi, 11120
14. Had Yai	677 Petchkasem Rd., Had Yai, Had Yai, Songkhla, 90110
15. Ratchaphruek	82 Moo 2, Bang Khun Kong, Bang Kruai, Nonthaburi, 11130
16. Suvarnabhumi	99/28 Moo 1, Rachatawa, Bangplee, Samutprakarn, 10540
17. Hua Hin	234/1 Petchkasem Rd., Hua-Hin, Prachuabkhirikhan, 77110
18. Samui	1/7 Moo 6, Bophut, Kho Samui, Suratthani, 84320
19. Phitsanulok	959 Moo 10, Aranyik, Muang, Phitsanulok, 65000
20. Khonkaen	177/98 Moo 17, Naimuang, Muang, Khonkaen, 40000
21. Udon Thani	89/20 Moo 9, Soi Bannonglek, Tambon Markkang, Amphoe Muang, Udon Thani, 41000
22. Suratthani	86 Moo 3, Tambon Wat Pradu, Amphoe Muang, Suratthani, 84000
23. Petchkasem	224 Petchkasem Rd., Nongkhangplu, Nong Kham, Bangkok, 10160
24. Chonburi	15/16 Moo 3, Tambon Huykapi, Amphoe Muang, Chonburi, 20000
25. Ekamai-Ramindra	41 Pradit Manutham Road, Lat Phrao, Bangkok, 10230
26. Rayong	560 Sukhumvit Rd., Tambon Noenphra, Amphoe Muang, Rayong 21000
27. Ayutthaya	80 Moo 2 Ban Krot, Bang Pa-in, Ayutthaya, 13160
28. Chiangmai - Hangdong	433/4-5 Moo 7, Tambon Mae-Hiya, Amphoe Muang, Chiangmai, 50100
29. Krabi	349 Moo 11, Tambon Krabinoy, Amphoe Muang, Krabi, 81000
30. Phuket – Chalong	61/10 Moo 10, Tambon Chalong, Amphoe Muang, Phuket, 83130
31. Khao Yai	288 Moo 11, Tambon Nong Nam Daeng, Amphoe Pakchong, Nakhon Ratchasima, 30130
32. Nakhonpathom	752/3 Petchkasem Rd., Tambon Huai-Charakhe , Amphoe Muang, Nakhonpathom, 73000
33. Nakhon Ratchasima	384, Soi Mittraphap 8, Mittraphap Rd., Amphoe Muang, Nakhon Ratchasima, 30000
34. Lam Lukka	99 Moo 6, Tambon Buengkhamphroi, Amphoe Lam Lukka, Pathum Thani, 12150
35. Sukhaphiban 3	101 Ramkhamhaeng Rd., Minburi, Bangkok, 10510
36. Nakhonsithammarat	89 Nakhon-Pak Phanang Rd., Nai muang, Muang, Nakhonsithammarat, 80000
37. Chachoengsao	187/9 Chachoengsao - Bangpakong Rd. Tambon Namuang, Amphoe Muang, Chachoengsao, 24000
38. Roi-et	116 Moo 3, Tambon Dong Lan, Amphoe Muang, Roi-Et, 45000
39. Suphanburi	133 Malai Maen Rd., Tambon Ruayai, Amphoe Muang, Suphanburi, 72000
40. Lopburi	85 Moo 6, Tambon Thasala, Amphoe Muang, Lopburi, 15000
41. Sakon Nakhon	689/1 Nittayo Rd., Tambon That Choeng Chum, Amphoe Muang, Sakon Nakhon, 47000
42. Trang	96 Moo 4, Bankuan, Muang, Trang, 92000
43. Mega Bangna	39 Moo 6, Bangkaew, Bangplee, Samutprakarn, 10540
44. Buriram	499 Moo 9, Isan, Muang, Buriram, 31000

Information of HomePro Stores

45. Hat Yai (Kanchanavanich)	33/40 Moo 5, Khohong, Hat Yai, Songkla, 90110
46. Nakhonsawan	119/2 Moo 7, Bangmoung, Muang, Nakhonsawan, 60000
47. Mahachai	68/98 Moo 8, Thasai, Muang, Samutsakhon, 74000
48. Ubon Ratchathani	284 Moo 7, Chae Ramae, Muang Ubon Ratchathani, Ubon Ratchathani, 34000
49. Ratchaburi	208 Moo 13, Chedi Hak, Muang, Ratchaburi, 70000
50. Chanthaburi	21/18 Moo 11, Plubpla, Muang, Chanthaburi, 22000
51. Chumphon	63 Moo 11, Wang Phai, Muang, Chumphon, 86000
52. Prachinburi	44/1 Moo 4, Bang Boribun, Muang, Prachinburi, 25000
53. Kanchanaburi	15 Moo 1, Thalor, Tha Muang, Kanchanaburi, 71000
54. Phrae	171 Moo 7, Pa Maet, Muang, Phrae, 54000
55. Phutthamonthon Sai 5	198 Moo 1, Bang Toei, Sam Phran, Nakhon Pathom, 73210
56. Saraburi	24/3 Moo 2, Takut, Muang, Saraburi, 18000
57. Phetchabun	151 Moo 1, Chon Phrai, Muang, Phetchabun, 67000
58. Chaiyaphum	164 Moo 7, Nongnasang, Muang, Chaiyaphum, 36000
59. Chiangrai	157 Moo 2, Tasai, Muang, Chiangrai, 57000
60. Loei	117 Moo 9, Na An, Muang, Loei, 42000
61. Lampang	224 Highway-Lampang-Ngaw Rd., Prabart, Muang, Lampang, 52000
62. Prachuapkhirikhan	57 Petchkasem Rd., Prachuapkhirikhan, Muang, Prachuapkhirikhan, 77000
63. Surin	188 Moo 6, Nok Mueng, Muang, Surin, 32000
64. Chiangmai-Sansai	49 Moo 4, Sansai Noi, Sansai, Chiangmai, 50210
65. Hua-Talae	233 Moo 1, Nong Blua Sala, Muang, Nakhon Ratchasima, 30000
66. Sriracha	99/123 Moo 10, Nong Kham, Sriracha, Chonburi, 20230
67. Phuket-Thalang	18 Moo 1, Si Sunthon, Thalang, Phuket, 83110
68. North Pattaya	384/40 Moo 6, Na Kluea, Bang Lamung, Chonburi, 20150
69. Sukhothai	33 Moo 12, Ban-Kluay, Muang, Sukhothai, 64000
70. Samutsongkhram	2/25 Moo 1, Bangkaew, Muang, Samut Songkhram, 75000
71. Phetchaburi	73. Phetchaburi 526 Moo 6, Banmo, Muang, Phetchaburi, 76000
72. Phatthalung	219 Moo 1, Kaojiak, Muang, Phatthalung, 93000
73. Chonburi - Amata	108 Moo 12, Napa, Muang, Chonburi, 20000
74. Chaiyaphruek	54/8 Moo 2, Bang Phlap, Pak Kret, Nonthaburi, 11120
75. Rama 3	497/1 Rama 3 Road, Bang Khlo, Bang Kho Laem, Bangkok, 10120
76. Bang Sa-re	133 Moo 8, Na Chom Thian, Sattahip, Chon Buri, 20250
77. Rama 9	903 Rama 9 Road, Suan Luang, Suan Luang, Bangkok, 10250
78. Srinakarin	888/8 Moo 5, Bang Muang, Muang, Samut Prakan, 10270
79. Lotus Bangkhae	266 Phetkasem Road, Bang Khae Nuea, Bang Khae, Bangkok, 10160
80. Kanlapaphruek	604 Kanlapaphruek Road, Bang Wa, Phasi Charoen, Bangkok 10160
81. Charansanitwong	110/8 Charansanitwong Road, Ban Chang Lo, Bangkok Noi, Bangkok, 10700
82. Mukdahan	45/9 Chayangkun B Road, Mukdahan, Muang Mukdahan, Mukdahan, 49000
83. Rangsit Khlong 4	98 Moo 2 , Bueng Yitho, Thanyaburi, Pathum Thani 12130
84. Suksawat	226 Moo 18 , Bang Phueng, Phra Pradeeng, Samut Prakan 10130
85. Bangna KM.1	224 Debaratana Road, Bangna Tai, Bangna, Bangkok, 10260
86. Future Park Rangsit	126 Phahonyothin Road, Prachathipat, Thanyaburi, Pathum Thani 12130
87. Latkrabang	607 Latkrabang Road, Latkrabang, Latkrabang, Bangkok 10520

Information of HomePro S

1. Terminal 21 Korat	99 2 nd Floor, Mittraphap-Nong Khai Road, Nai Muang, Muang, Nakhonratchasima, 30000
2. Gateway Ekamai	982/22 Sukhumvit Road, Phra Khanong, Khlong Toei, Bangkok, 10110
3. Market Place Nanglinchee	27 Nanglinchee Road, Chong Nonsi, Yan Nawa, Bangkok 10120
4. Gateway Bangsue	162/1-2,168/10 2 nd Floor, Room 2014-2017, Pracharat 2 Road, Bang Sue, Bangkok 10800
5. Samyan Mitrtown	944 Rama 4 Road, Wang Mai, Pathum Wan, Bangkok, 10330

Information of Mega Home stores

1. Rangsit	49 Zone A Moo 5, Khlong Nueng, Khlong Luang, Pathum Thani, 12120
2. Mae Sot	1108 Moo 1, Tasailuad, Mae Sot, Tak, 63110
3. Nong Khai	999 Moo 5, Meechai, Muang, Nong Khai, 43000
4. Bo Win	333/143 Moo 3, Bowin, Sriracha, Chonburi, 20230
5. Kabinburi	61 Moo 8 Muang Kao, Kabinburi, Prachinburi, 25240
6. Minburi	81 Suwinthawong Rd., Minburi, Bangkok, 10510
7. Arunyapraphet	52 Moo 7, Bangmainongsai, Arunyapraphet, Srakaew, 27120
8. Rojana	522 Moo 2, Sam Ruean, Bang Pa-in, Ayutthaya, 13160
9. Had Yai	89 Moo 1, Liangmuang (saiaasia) Road, Khuan Lang, Had Yai, Songkhla, 90110
10. Nakhonratchasima	668 Moo 8, Muen Wai, Muang, Nakhonratchasima, 30000
11. Nakhonphanom	333/7 Nittayo Road, Nong Yat, Muang, Nakhonphanom, 48000
12. Chiangrai	515 Moo 9 Bandu, Muang, Chiangrai 57100
13. Ban Chang	76/1 Moo 1, Phla, Ban Chang, Rayong 21130
14. Bang Na Trad	230 Moo 4, Bang Bo, Bang Bo, Samut Prakan 10560
15. Pattaya	144 Moo 11, Nongprue, Bang Lamung, Chonburi 20150
16. Chachoengsao	9/29 Moo 2 Khlong Prawet, Ban Pho, Chachoengsao 24140
17. Suratthani	129/88 Moo 6 Liang Muang Road, Makhantia, Muang, Suratthani 84000
18. Khonkaen	177/98 Moo 17, Naimuang, Muang, Khonkaen, 40000

Information of HomePro Malaysia stores

1. IOI City Mall	AT-2, Lower Ground Floor, IOI City Mall, Lebuhr IRC, IOI Resort City, 62502 Putrajaya, Malaysia
2. The Summit Subang USJ	G65B Ground Floor, The Summit Subang USJ, Persiaran Kewajipan USJ 1, 47600 Subang Jaya, Selangor, Malaysia
3. Ipoh	G35, Ground Floor, Lotus Station 18 No.1, Medan Stesen 19/9, Station 18, 31650 Ipoh, Perak, Malaysia
4. Melaka	L1, Ground Floor, Lotus's Melaka, No.1, Jalan Tun Razak, 75400 Peringgit, Melaka, Malaysia
5. Penang	S61, Second Floor, Lotus's Penang, No.1, Lebuhr Tengku Kudin1, Bandar Jelutong, 11700 Gelugor, Pulau Pinang, Malaysia
6. Johor Bahru	BF-10, Basement Floor, Paradigm Mall Johor Bahru, Jalan Skudai, 81200 Johor Bahru, Malaysia
7. Mutiara Damansara	MA1, 8, Jalan PJU 7/4, Lotus's Mutiara Damansara, 47800 Petaling Jaya, Selangor, Malaysia

Information of Referrals

Auditor	EY Office Limited 33 rd Floor, Lake Rajada Office Complex, 193/136-137 Ratchadaphisek Rd., Klongtoei, Bangkok, 10110 Tel. +662 265 0777 Fax. +662 264 0789-90
Legal Counsel	Wissen & Co., Ltd. 17 th Floor Room 1701 253 Asoke Building, Sukhumvit 21 (Asoke) Rd., Klongtoei-Nua, Wattana, Bangkok, 10110 Tel. +662 259 2627 Fax. +662 259 2630
Credit Rating and Debenture Rating Company	TRIS Rating Co., Ltd 24 th Floor, Silom Complex Building, 191 Silom Road, Silom, Bangrak, Bangkok, 10500 Tel. +662 231 3011 Fax. +662 231 3012
Share Registrar	Thailand Securities Depository Co., Ltd. 14 th Floor, The Stock Exchange of Thailand Building, 93 Ratchadaphisek Rd., Dindaeng, Bangrak, 10500 Tel. +662 099 9999 Fax. +662 099 9001
Bond Registrar (As of 31 st December 2022)	CIMB Thai Bank Plc 44 Langsuan Rd., Lumpini, Patumwan, Bangkok, 10330 Tel. +662 626 7000 Fax. +662 657 3333 <ul style="list-style-type: none"> • The Unsubordinated and Unsecured Debentures of Home Product Center Plc. 1/2020 • The Unsubordinated and Unsecured Debentures of Home Product Center Plc. 2/2020 • The Unsubordinated and Unsecured Debentures of Home Product Center Plc. 3/2020 • The Unsubordinated and Unsecured Debentures of Home Product Center Plc. 1/2021 • The Unsubordinated and Unsecured Debentures of Home Product Center Plc. 2/2021 • The Unsubordinated and Unsecured Debentures of Home Product Center Plc. 3/2021 • The Unsubordinated and Unsecured Debentures of Home Product Center Plc. 1/2022 • The Unsubordinated and Unsecured Debentures of Home Product Center Plc. 2/2022

Shareholding Structure and Dividend

The Company's securities information

as of December 31, 2022

Registered capital	:	13,151,198,025 Baht (13,151,198,025 common shares at 1 baht per share)
Paid-up capital	:	13,151,198,025 Baht (13,151,198,025 common shares at 1 baht per share)
Exchange Market	:	The Stock Exchange of Thailand (SET)
Ticker Symbol	:	HMPRO

From the information of ordinary shareholders of the company as of September 14, 2022, there were a total of 994,625,687 shares or 7.56% of the issued shares held through Thai NVDR. The ordinary shares held by Thai NVDR will not be able to exercise voting rights in the shareholder's meeting except in the case of exercising voting rights to vote on the delisting of shares from the Stock Exchange of Thailand (Delist). Therefore, the number of shares with voting rights of the Company will decrease which will cause the voting rights of other shareholders to increase. Other shareholders and investors can check the number of shares held by Thai NVDR from the website of the SET for the benefit of further voting.

Shareholding Structure

On the closing date as of September 14, 2022, the Company had registered capital in the total of 13,151,198,025 shares and paid-up capital in the total of 13,151,198,025 shares. The top ten shareholders consist of:

Rank	Name of Person / Juristic Person	No. of Shares	% of Total Paid-Up Share
1	Land and Houses Public Company Limited	3,975,878,432	30.23%
2	Quality Houses Public Company Limited	2,613,023,098	19.87%
3	Thai NVDR Company Limited	994,625,687	7.56%
4	Mr. Niti Osathanuklor	665,764,862	5.06%
5	THE BANK OF NEW YORK MELLON	353,859,354	2.69%
6	Mr. Manit Udomkunnatum	268,989,197	2.05%
7	Social Security Office	267,010,812	2.03%
8	SOUTH EAST ASIA UK (TYPE C) NOMINEES LIMITED	218,635,629	1.66%
9	STATE STREET EUROPE LIMITED	193,149,743	1.47%
10	Sarasin Co., Ltd	167,557,971	1.27%

Remark: - As of September 14, 2022, free float rates of the Company were at 40.87% and holding by institutions was at 18.56%. The following are top 3 major shareholders:
 - Land and Houses Plc., in which Mr. Anant Asavabhokhin is the major shareholder holding 23.93% of paid up capital (as of 26 August 2022)
 - Quality Houses Plc., in which Land and Houses Plc. is the major shareholder holding 24.98% of paid up capital (as of 25 August 2022)
 - The Social Security Office, a division of the Ministry of Labour and Social Welfare, is classified as an institutional investor and is responsible for managing the social security fund and compensation fund.
 - The Company has no governmental institutions owning more than 5% of shares

Foreign Limit

Foreign shareholders are capable of holding shares and make their names appear on the Company's asset registration of totaling not exceeding 30% of the issued shares and paid up. As of December 31, 2022, the shares of the Company held by foreigners were approximately 14.91%.

Directors who are representative of the group of major shareholders

As of December 31, 2022

Name - Surname	Representative of Shareholder	Position in HomePro
1. Mr. Anant Asavabhokhin	Land and Houses Plc.	Chairman of the Board of Directors
2. Mr. Naporn Sunthornchitcharoen	Land and Houses Plc.	Director
3. Mr. Achawin Asavabhokin	Land and Houses Plc.	Director
4. Ms. Suwanna Buddhaprasart	Quality Houses Plc.	Director

Debentures

Unsubordinated and Unsecured Debentures							
No.	Tenor	Repayment	Maturity	Units	Amount (Thousand Baht)	Credit Rating	Covenant
1/2020	3 Years	At maturity	3 Mar 2023	3,150,000	3,150,000	AA- Stable Outlook	Maintain Financial D/E ratio to be not more than 2.5 times at the end of each quarter
2/2020	2 Years 11 Months 28 Days	At maturity	12 Oct 2023	1,000,000	1,000,000	AA- Stable Outlook	
3/2020	2 Years 11 Months 28 Days	At maturity	12 Oct 2023	1,000,000	1,000,000	AA- Stable Outlook	
1/2021	3 Years	At maturity	12 Jan 2024	1,000,000	1,000,000	AA- Stable Outlook	
2/2021	3 Years	At maturity	9 Feb 2024	1,000,000	1,000,000	AA- Stable Outlook	
3/2021	3 Years	At maturity	1 Oct 2024	2,000,000	2,000,000	AA- Stable Outlook	
1/2022	3 Years	At maturity	15 Jul 2025	3,000,000	3,000,000	AA- Stable Outlook	
2/2022	3 Years	At maturity	18 Nov 2025	2,000,000	2,000,000	AA- Stable Outlook	
Total				14,150,000	14,150,000		

Remark: The debentures: Batch no. 3/2020 have fixed interest rates at between 1.85%, Batch no. 1/2022 have fixed interest rates at between 2.68%, Batch no. 2/2022 have fixed interest rates at between 2.75%

The debentures: Batch no. 1/2020, 2/2020, 1/2021, 2/2021 and 3/2021 are Zero Coupon Bonds. Purpose is to acquire asset or investment related to current business operation and to refinance the debenture

Dividend Policy

Dividend Policy of Home Product Center Public Company Limited

The Company has the policy to pay dividend to shareholders not less than 40% of the net profit of each year. However, the consideration for dividend payment will take other factors into account such as the result of operation and financial status of the Company, liquidity, expansion of business and other factors relating to the management of the Company. Each dividend payment is required to obtain approval from shareholders and the Board of Directors.

Dividend payment during 2020 – 2022 is as follows:

	2020 ¹	2021 ²	2022 ³
Earnings Per Share (Baht)	0.39	0.41	0.47
Total Dividend Payment (unit: Baht/ Share)	0.30	0.32	0.38
Dividend Payout Ratio	82.40%	84.42%	82.99%

Remark: 1) Dividend for 2020 amounted to 0.30 Baht/share paying from the first 6-month operation of 0.10 Baht/share, according to the resolution of the Board of Directors' Meeting No. 10/2020, and the last 6-month operation of another 0.20 Baht/share, according to the Board of Directors' Meeting No.2/2020 approved to propose to the Annual General Meeting of Shareholders 2021.
2) Dividend for 2021 amounted to 0.32 Baht/share paying from the first 6-month operation of 0.12 Baht/share, according to the resolution of the Board of Directors' Meeting No. 8/2021, and the last 6-month operation of another 0.20 Baht/share, according to the Board of Directors' Meeting No.2/2022 approved to propose to the Annual General Meeting of Shareholders 2022
3) Dividend for 2022 amounted to 0.38 Baht/share paying from the first 6-month operation of 0.17 Baht/share, according to the resolution of the Board of Directors' Meeting No. 8/2022, and the last 6-month operation of another 0.21 Baht/share, according to the Board of Directors' Meeting No. 2/2023 approved to propose to the Annual General Meeting of Shareholders 2023

Dividend Policy of Subsidiaries

The subsidiary companies have not determined the dividend payment policy. However, it will consider paying dividends in case of having net profit from operation and sufficient cash flow after statutory reserve as stipulated by law.

Legal dispute

The Company has a lawsuit relating to the main business operation, which is in the middle of prosecution and can be divided into 2 types.

1. Lawsuit with supplier

- In the case of damaged claims for breach of the sales and purchase contract with suppliers, which is the case related to the compensation default for returning goods even though the Company has agreed with suppliers to be able to return the goods upon the contract is terminated or including when defective goods are found.

2. Lawsuit with tenant

- In the case of rent and services claiming from default payment in leasable space from tenants during validity of contract and after contract expired

As of December 31, 2022, total debt amount is less than 1% of shareholders' equity and neither directors nor management has issues with the company.

1. Overview of Corporate Governance Policy and Guidelines

The Board of Directors is aware of the importance of corporate governance and believes that good corporate governance is crucial for a business operation to efficiently, effectively, and sustainably manage the business to have stability, continuous growth, and fairness to all stakeholders. For such reasons, the Board of Directors stipulates the corporate governance policy to have the content that covers the vital principle on shareholders' rights, the equitable treatment of shareholders, roles of stakeholders, disclosure and transparency, and the Board's responsibility; this is a guideline for managing business to achieve the Company's objectives and goals set according to business policy adhering to rightness and transparency. The policy of corporate governance of the Company is disclosed at https://hmpo.listedcompany.com/policy_document.html

Board of Directors reviewed and updated the policies mentioned above through Strategy and Sustainable Development Committee for completeness, clarity and be in line with the new Corporate Governance Code (CG Code) from The Securities and Exchange Commission, the regulations of the Thai Institute of Directors (IOD), and the international criteria in region level of ASEAN CG Scorecard.

Throughout the entire year 2022, the Company has complied with good corporate governance except the following:

1. The Chairman is not an Independent Director due to the nature of the business that needs a knowledgeable and skillful expert, who possesses thorough long experience in Retail Business. However, the management of the Board of Directors rests upon the Good Governance Policy stipulated by the Stock Exchange of Thailand.
2. The Chairman of the Nomination and Remuneration Committee is not an Independent Director. However, the Nomination and Remuneration Committee consists of independent directors. Additionally, the board of director's management rests upon the Good Governance Policy stipulated by the Stock Exchange of Thailand.
3. The Company has two Independent Directors, Mr. Thaweewat Tatiyamaneeikul and Mr. Chanin Roonsamrarn, who have assumed this position for more than 9 years. These Independent Directors are well-skilled, knowledgeable, and have first-hand experience in the Retail Business. Throughout the past while, they have been providing valuable advice both in the capacity of Independent Directors and in the capacity of Audit Committee. Especially Mr. Chanin Roonsamrarn, he is knowledgeable and specializes in both Finance and Accounting.

The details of the assuming of the position of Independent Directors are as elaborated below:

Name - Surname	Date of Appointment	Number of Service Years (Date of Appointment - 31 Dec 2022)
1. Mr. Pornwut Sarasin	1 Oct 2015	7 years 3 months
2. Mr. Boonsom Lerdhirunwong	1 Oct 2014	8 years 3 months
3. Mr. Chanin Roonsamrarn	3 Oct 2005	17 years 3 months
4. Mr. Thaweewat Tatiyamaneeikul	29 May 2001	21 years 7 months

2. Rights of Shareholders

The Board of Directors is well aware of and has always emphasized sustaining the rights of all shareholders in exercising their fundamental rights, such as the right to participate in the shareholder meeting, the rights in casting votes to appoint or remove any particular director, the right in casting votes to appoint the external auditor and determine the remuneration for the auditor, the right to vote in various important matters, the right to express one's opinions in the shareholders' meeting freely, the right to acquire repurchased stocks, the right to be fairly approved of dividend payment, and the right to obtain good company's information in a timely and fair manner. In the previous year, the Company has ensured that shareholders' rights have been enhanced adequately as details below:

- Clearly reveal the shareholding structure to assure shareholders that the Company has a transparent and accountable operation, without any complicated shareholding patterns; no co-shareholders, cross-ownership or pyramid ownership within the group of companies.
- Disseminate the information and details on the exercising of rights in several aspects via the channels of the Stock Exchange of Thailand and the Company's website, with consideration to equality in access to information, the duration and convenience in exercising rights, without any particular actions to limit the access to the source of company information or obstruct communication among shareholders.
- To promote the rights of shareholders, the Company still continuously holds the annual shareholders' meetings. The Annual General Meeting of Shareholders Year 2022 was held on April 8, 2022, which was conducted via online meeting (e-AGM). The broadcast venue was at the meeting room, Q House Lumpini Building, Floor 4, No. 1, South Sathorn Road., Thungmahamek, Sathorn, Bangkok. In addition, the Company has facilitated the shareholders to appoint independent directors to attend the meeting instead of attending the meeting in person and prepared the manual of an electronic meeting system for the shareholders' meeting so that shareholders can vote and receive a timely information about the meeting amid the Coronavirus (COVID-19) outbreak, details are as follows:

Before the Meeting

- Before the meeting, shareholders were involved in proposing the meeting agendas and the names of individuals to get nominated to be the directors from October 1, 2021, to January 14, 2022, as well as submit questions to the Company Secretary ahead of the meeting day. Guidelines on meeting agenda

and director candidate proposals were posted on the Company's website, as well as on the Stock Exchange of Thailand website. Nevertheless, proposals for neither the meeting agenda nor director candidates were made for the Annual General Meeting of Shareholders 2022.

- Keep shareholders informed 45 days in advance of the meeting date of the Annual General Meeting of shareholder 2022 so that they can prepare before attending the meeting. Communication on the matter was made through the Stock Exchange of Thailand's channels and the Company's website on February 22, 2022, which was also the same day that the Board of Directors agreed upon the meeting date.
- Distribution of the invitation letter for the Annual General Meeting of Shareholders both Thai and English versions on the Company's website since March 8, 2022, which is 31 days prior to the meeting date, and the invitation letter will be delivered to shareholders since March 24, 2022 which is 15 days before the meeting date and pre-registration is open since March 25, 2022. The manual of the electronic meeting system (DAP e-Shareholder Meeting) will be attached with the invitation letter.
- Facilitated shareholders including individual shareholders, juristic and institutional investors, who could not attend the meeting by themselves, by sending the proxy Form A, B, and C together with the meeting notice. These forms can also be downloaded from the Company's website. Moreover, the Company has nominated a list of independent directors' names and backgrounds that shareholders could appoint to be the proxy. In the Annual General Meeting of Shareholders 2022, Mr. Chanin Roonsamrarn, an Independent Director, was appointed as a proxy in casting votes on behalf of the shareholders.

On the Meeting Day

- Before the meeting commenced, the Chairman of the meeting informed the participating shareholders of their rights according to the Company's rules and regulations, meeting proceedings, guidelines on casting votes as well as the opportunity for shareholders to ask questions and fairly express opinions in the meeting.
- The Company demonstrated how to use the electronic meeting system so that the shareholders know how to vote and how to submit questions before the meeting starts. The voting rights in the meeting are determined according to the number of shares held by the shareholders of which one share is equal to one vote.

- The company uses the vote counting system from DAP e-Shareholder Meeting and clearly displays the summary of the votes in every agenda.
- Arranged an independent, external inspector, who performed a legal counsel role to monitor the meeting and ensure that the meeting was transparent and complied with the laws and the Company's regulations.
- Encouraged the appointment of a particular shareholder as the representative and the witness in the vote-counting process in every agenda.
- The Chairman of the meeting allocated enough time for the meeting and appropriately conducted the meeting with absolute transparency according to the agenda specified in the meeting notice. Neither have there ever been any occasions where documents containing essential information were distributed to the shareholders right in the meeting without prior notice, nor the inclusion of other additional agendas that are not stated in the meeting notice, which can be unfair to shareholders who did not attend the meeting.
- Shareholders were allowed to join in the meeting even though the meeting had already commenced but they could only vote in the agendas that had not yet been voted.
- Shareholders were encouraged to express their opinions freely and ask questions. The Chairman of the meeting, the Chairman of the Audit Committee, the Chairman of the Nomination and Remuneration Committee, Managing Director, top executives, and the external auditor also presented in the meeting to answer shareholders' questions, which includes both the shareholders who submit the questions through the system and ask by themselves.

After the Meeting

- Submitted the meeting's resolutions and accompanying details, i.e. the number of votes in each agenda to the Stock Exchange of Thailand and posted on the Company's website on the date of the meeting so that absent shareholders can immediately reach the information.
- Shareholders can view the video recording of the meeting via the webcast posted on the Company's website.
- Prepared the meeting minutes, in Thai and English, and distributed via the Stock Exchange of Thailand's channels and the Company's website within 14 days after the meeting and submitted a copy to the Stock Exchange of Thailand and the Ministry of Commerce by the indicated due date.

3. Equitable Treatment of Shareholders

The Company places great emphasis on fair and equal treatment towards every single shareholder; either major shareholders, individual shareholders, institutional investors, or foreign shareholders. There are regulating guidelines as follows:

- 1) Regularly disseminate the information to shareholders via channels supported by the Stock Exchange of Thailand and the Company's website and prepare a channel that shareholders can directly request for any information or make inquiries via the Board of Directors', Independent Directors' and the Investor Relations' Email addresses.
- 2) Devise internal rules and regulations on the use of information within the organization in coherence with the securities-related laws. Constant reviews are encouraged to promote fairness and equality towards all relevant stakeholders, as follows:
 - Inform the rules, regulations, and policies related to the use of internal information to the Directors, executives, and associates regularly to ensure that those rules, regulations, and policies are well aware of and obliged by everyone.
 - The Company's trading transactions are forbidden one month in advance before the due time that the financial statements are disclosed to the public. The Company Secretary Office will inform the Directors and executives of the said silent period. During that period, there were no shares traded by the Directors and executives.
 - The Directors' and executives' shareholding information is disclosed in the annual report, as regulated by the Securities and Exchange Commission. Furthermore, the Board of Directors has placed the protocols in following up with business ethics compliance on the use of internal information. Directors and executives are advised to submit a copy of the report recording any changes in their shareholding information within 3 days after the change of shareholding to the Company Secretary Office in order to further report to the Board of Directors. The Company Secretary Office will consolidate the information and report to the Board of Directors' meeting on monthly basis.
 - The Company explicitly set regulations concerning related parties transaction and connected transaction to be in alignment with the regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission by explicitly specifying matters to be reported to the Board of Directors or shareholders, as well as become more cautious to ascertain prevention of related parties' transaction that violates the Stock Exchange of Thailand's regulations or Securities and Exchange Commission's regulations.

4. Recognition of the Role of Stakeholders Policies on Treatment towards Different

Groups of Stakeholders

The Company places high significance on all stakeholders, holding on to everyone's mutual and sustainable benefits as the principles. Policies and roles imposed upon stakeholders are clearly written down in "Business Ethics Manual", with details as follows:

Shareholders:	Perform one's duties with utmost honesty. Make any decisions to proceed with care and fairness for the sake of shareholders' interests as a whole. The Company shall provide regular, accurate and most updated reports, operating performance, financial information, and any other reports while fairly keeping shareholders well informed of the Company's situation and tendencies based on possibilities and sufficient reasons.
Associates:	Treat associates with fairness in terms of opportunities, remuneration, promotions, relocation, and potential development. Respect every person's individuality and human dignity. Disassociate from human rights violation. Maintain the working environment to be in excellent and safe conditions for associates' physical well-being and properties, as well as open the channels for filing complaints in case there is any unfair treatment as opposed to the system and processes being put in place.
Customers:	Deliver good-quality products and services that meet clients' expectations at reasonable prices. Provide adequate, accurate, and timely information to match with clients' organizational contexts. Strictly abide by any conditions towards clients and deal with clients with politeness and effectiveness. Arrange appropriate channels for clients to file complaints regarding quality, quantity and safety of products and services, as well as provide advice on how to use the Company's products and services.
Suppliers:	Treat suppliers with equality and always be aware of mutual interests. Develop and maintain healthy relationships with suppliers and nurture trust between both parties. The Company has laid out clear regulations on the procurement process and strictly forbidden the request for or payment of any interests deemed dishonest towards suppliers. Also, the support of Anti-Corruption and operating the business with responsibilities for community, society and environment, including ethical sourcing process and respect of human rights, have been implemented continually.
Creditor:	Strictly comply with any conditions required by creditors. Effectively utilize loans for the right purposes and avoid mismanaging the fund on activities that can cause damages to the Company. According to the agreement, monitor the payment of loans and interests to creditors by the due date and completely comply with the loan covenants. If failure to comply with such conditions, the Company will keep creditors informed ahead of time to find solutions mutually.
Competitors:	Operate the business under fair competition rules and avoid attempting to seek confidential information of competitors via any dishonest or inappropriate means, and never attempt to damage competitors' reputation by making untrue allegations.
Society, Communities, and Environment:	Operate the business that contributes to the benefits of the economy, society, and environment. Place focus on preserving customs and traditions of the locality where the Company's units operate. The Company is firmly determined to behave as a good citizen and comply with the rules of law and relevant regulations. In support of such policies, the Company will continuously hold activities that are beneficial to the public. At the same time, intensively and continually cultivate a sense of responsibility for associates in all levels towards the society, community, and environment to sustain it as the critical element of the corporate culture.

5. Data privacy policy

The Company is committed to managing personal data concerning privacy information of customers, suppliers, and associates as well as comply with the regulations as stipulated by laws, along with strict supervision of both documents and operating system to ascertain safety, steadiness, and transparency of customers', suppliers', and associates' privacy information. To accommodate the usage of the Personal Data Protection Act B.E. 2562 which was enforceable by law since 2022, the following actions have been taken:

1. The company appointed a Personal Data Protection Committee to manage and prepare the operational framework by analyzing and improving operating procedures and determining the policies and practices as stipulated by laws. The Personal Data Protection Committee consists of the following:

Name – Surname	Position
1. Mr. Weerapan Ungsumalee	Chairman of the Personal Data Protection Committee
2. Ms. Sudapa Chamod	Personal Data Protection Committee
3. Ms. Wannee Juntamongkol	Personal Data Protection Committee
4. Ms. Saowanee Sirariyakul	Personal Data Protection Committee
5. Mr. Nitat Aroontippaitoon	Personal Data Protection Committee
6. Mr. Aryuratas Chai-anan	Personal Data Protection Committee
7. Mrs. Apiradee Thavilap	Personal Data Protection Committee
8. Mrs. Kamonthip Amornariyakul	Personal Data Protection Committee and Data Protection Officer

To elaborate, Mr. Weerapun Ungsumalee, who has knowledge and experience in the field of information technology, is the Chairman of the Corporate Data Privacy Protection and the representative of the Board of Directors in managing data privacy.

2. The Personal Data Protection Committee has a duty to determine policies and operation plans for personal data protection to achieve standard operating procedures and abide by the law.

3. Determine the procedures concerning objectives, conditions, announcements, consent, agreements, gathering, usage, and personal data disclosure as stipulated by laws along with supervising, giving recommendations, supporting, promoting and reviewing policies for implementation.
4. The Personal Data Protection Committee has appointed a Data Protection Officer who has the authority to supervise and audit the collection, usage or disclosure of personal data to comply with the order of the Data Controller including risk assessment, handling of requests and complaints.
5. The Company employs high security systems in both technology and processes to prevent cybercrime of confidential information and develop personnel at all levels to ensure that the Company has standard personal data security with measures such as firewall and intrusion detection software, using Data Encryption technology, installing Scan Virus software for effective virus protection. Including determining the level of the authorization according to the level of associates. Further details can be found in the Personal Data Security Policy on the Company's website, Facebook, and Line Application.

In addition, the Company has organized training on personal data protection to enhance knowledge and understanding for associates, as well as setting data privacy protection as the performance evaluation index of related associates. Additional details of data privacy policy can be found on the Company website at: https://hmpro-th.listedcompany.com/policy_document.html

Data Privacy Safety Statistics

	2020	2021	2022
Number of complaints on personal data breach	0	0	0
Number of complaints on personal data breach from third party regulators	0	0	0

Procedure to manage after Personal Data Breach

The Company has clear procedures in place to respond to the personal data breach. When data breach occurs, the Internal Audit department along with security incident response team will investigate the root cause, prepare risk management plan to mitigate the risk in case the personal data breach may affect all stakeholders, and report to the Personal Data Protection Committee as well as report further to the Audit Committee and take precaution to prevent future breach.

6. Policies and Guidelines on Information Technology

The Company appoints the Risk Management Committee that coordinates with the Personal Data Protection Committee to supervise and prepare the business plans by analyzing and developing the business framework to support future technology. The Company continually allocates resources and develops information technology related to the Company's business. Besides, the Company emphasizes confidentiality of data as the Company is involved with multi-parties: customers, suppliers, etc., by determining authorization for different levels and responsibilities of associates and setting up the information technology security protocol such as back up site. Also, the Company determines Policies and Guidelines on information technology as follows:

1. The Company complies with relevant law, regulation, discipline, and standards related to information technology such as National Institute of Standards and Technology (NIST). Also, the Company received the security certification from Payment Card Industry Data Security Standard (PCI/DSS), as well as comply with NNT Security Control Guide which is aligned with the standard of Center of Internet Security.
2. The Company establishes an information technology security system to ensure the confidentiality, creditability, and data availability. Furthermore, the Company has a protocol to prevent the inappropriate usage of data or data editing without authorization by determining authorization for associates' different levels and responsibilities.

3. The Company has considered the risk of information and technology and determined measure to manage the risk such as providing Help Desk and Hotline as part of the problem notification system, training sessions on preliminary problems solving and reporting system according to the level of severity for the responsible and related persons to ensure business continuity.
4. The Company has Cybersecurity insurance policies, which intend to cover a variety of both liability and property losses that may occur when a business engages in various information technology activities, such as selling on the internet or collecting data within its internal electronic network.
5. The Company properly allocates and manages resources related to information technology by determining criteria to identify information technology priorities, consistent with business strategies, urgency, business model alignment, etc.

The Company focused on responsible marketing communication and respect the privacy of customers' information, particularly through PR activities or online communication through social media. The Company respected customers' privacy and gave them a choice to unsubscribe news (opt-in, opt-out) and data as well as maintained the information accuracy. Moreover, the Company continued to monitor the information to ensure the message is correct.

Cyber risk prevention and management can be detailed as follows:

- To conduct a screening and access authorization only for authorized persons to ensure proper access, implementation, provision, and information back-up.
- To set forth a cycle of system inspection, task relevant staff with operation system control and unforeseen problem-related solutions, and continually perform state-of-the-art hardware and software development to cope with a new type of cybercrime and prevent access to information responsible by an unauthorized person.

- To perform a Cyber Security Drill and devise an emergency plan in case of system breakdown as Disaster Recovery Plan (DRP). The drill is yearly executed to address an issue promptly, lessen the damage to the Company's information system and ensure the continuation of the Company's operation.
- To formulate the Business Continuity Plan (BCP) mainly related to information and Cyber Security Risk and test semi-annually. A clear escalation process is available for associates to follow if any suspicious event occurs according to the Level of Severity (Abnormalities to Crisis). Alerting systems and communication channels are also in place.
- To install a firewall system and equipment and monitor a threat surveillance system, both at the head office and stores. A monthly meeting ensures that a new threat is monitored and inspected. Simultaneously, an attack report and a solution's outcome are discussed as part of the information to devise a preventive measure.
- To perform a penetration testing and vulnerability assessment regularly to assure the current protection system's effectiveness.
- To roll out an information security management in accordance with international standard such as ISO/IEC 27001 (Information Security), which is a standard guideline of Information Security Management System (ISMS)
- To enhance a continual awareness of safety cyber pertaining to a threat, prevention and related IT laws amongst the workforce through all internal communication channels and training. Similarly, E-learning training allows associates to access the system regardless of location and time, and an assessment ensures that the online learning tool will be improved for better use. Associates at all levels can partake in this educational program.
- The Company also continuously provides knowledge on data protection and information technology management, as well as cultivating associates to recognize the importance of Cyber Security system. The knowledge and information are disseminated to every associate in the Company through ICT News Email 2 times per month.

Statistics of data leakage in Information Security

	2020	2021	2022
Customer data is used for secondary purposes (%)	0	0	0
Amount of leaked data	0	0	0
Amount of leaked customer data	0	0	0
Number of customers affected by data breach	0	0	0
Money amount fined from data breach	0 Baht	0 Baht	0 Baht

For further detail regarding Cyber Security Policy, please find on the Company's website at http://hmpro-th.listedcompany.com/policy_document.html

7. Policies and Guidelines on Intellectual Property

The Company has imposed regulations to all associates to perform duties under the rules regarding rights in intellectual property such as trademark or any other intellectual properties identified by law. For instance, the use of licensed computer programs, whereby all programs must pass the qualifications, be copyrighted, and be installed by the Information and Communication Technology (ICT) Department only. Also, associates are advised to thoroughly check before using any information to determine whether it violates rights of others including suppliers in intellectual properties. Moreover, associates are encouraged to have knowledge and understanding regarding legal regulations and potential damage caused by the violation of Intellectual Property rights.

Besides the prevention of intellectual property violations, the Company develops products under the Company's private brands. Thus, the Company has the policy to protect its intellectual property by registering those intellectual properties such as a trademark patent. In case of intellectual property violation, the Company will prosecute those who violated.

8. Policies and Guidelines on Legal Compliance and Human Rights Principle

Complying with the rules of law is the significant foundation of the Company's business operations. This includes domestic law, international law, customs, traditions, and cultures relevant to the operations. The focus is on the enhancement of the standard practice to be above what is regulated by law.

The Company respects the protection of human rights and supports international principles and goals such as the Universal Declaration on Human Rights and the International Labor Organization (ILO)'s Declaration of Fundamental Principles and Rights at Work and, thus, ensures that the Company's business is not involved in any infringements of human rights, e.g. forced labor, child labor and has standard working hour according to labor law. It emphasizes respect and fair treatment towards all groups of stakeholders based on human dignity, regardless of origins, race, gender, age, skin color, religion, physical condition, status, and nobility along with promoting the compliance of human right principle within the organization. The Company has also put an internal monitoring system regarding human rights protection that is up to the international standard to protect all stakeholders from possible damages from violation of human rights caused by the Company's business operations. In case compensation is considered, it will not be lower than the rate determined by law.

9. Disclosure and Transparency

The Board of Directors strongly emphasizes that disclosure of accurate, complete, transparent, and timely information is of utmost importance to investors and related parties for financial statements and other critical information that impacts the Company's stock price. Disclosure of information was done via the Stock Exchange of Thailand's channels and the Company's website for investors and all stakeholders both in Thailand and internationally to regularly obtain reliable and adequate information for their decision.

Analyst Meetings

The Company normally arranges a quarterly session for announcing the operating results to analysts, investors, and interested shareholders. Also, Investor Releases are published quarterly, and extra analyst meetings can be held in case significant matters arise.

Investors Meetings and Company Visits

In regards to the subsiding spread of Coronavirus (COVID-19), more activities have returned to a normal physical arrangement besides web conferences. The Company opens the opportunity for securities analysts, shareholders and institutional investors, both local and international, to meet with the management team. This allows investors to be informed of operational performance, strategic plans, growth direction and other important situations that may occur throughout the year, as well as having their questions answered. However, since the Company is still concerned about safety regarding the pandemic event, analysts, investors, and other attendants are required for ATK testing in every physical meeting session.

In the past year, the Company has organized the following activities:

1. Investor Meetings or Roadshow, a total of 2 events,
 - 1 International Roadshow in Singapore.
 - 1 Domestic Roadshow, as arranged by The Stock Exchange of Thailand (SET), for both retail and institutional investors from domestic and overseas.
2. A total of 31 Company visits with physical meetings for analysts, retail and institutional investors from domestic and overseas.
3. A total of 65 Virtual Meetings through Virtual Conference Call Event arranged by both domestic and international securities firms.
 - 34 International Virtual Conference (Virtual event)
 - 6 Local Virtual Conference
 - 25 One on One Virtual Meeting with international investors
4. Opportunity Days (for listed companies to meet with investors) organized by the Stock Exchange of Thailand on March 11th, May 6th, August 5th, and November 4th, 2022 with investors and the media in attendance.
5. A total of 4 Analyst Meetings with local analysts on Virtual Conference.

Press Conference and Media Relation

In 2022, the Company arranged one press announcement on the annual business results of 2021, business plan and outlook of 2022. There were 4 press releases provided to the media informing business progress on a quarterly basis as well as other marketing events throughout the year.

10. Training Programs for the Board of Directors

The Board of Directors facilitates and promotes directors to attend training courses and seminars in order to accumulate knowledge that will benefit the Company. The Board of Directors assigned the Company Secretary to collaborate and notify directors of upcoming training courses and seminars as the training schedule. DAP or DCP trainings are considered mandatory. In 2022, there was 1 director attending the Advanced Audit Committee Program (AACP) 45/2022 training course, namely Mr. Boonsom Lerthirunwong.

11. The Board of Directors' Meeting

The Board of Directors and Executive Committee have a regular meeting every month and may have an extra meeting as necessary. The executives could attend the Board of Director Meeting in appropriate agendas. In order to conduct a Board of Directors' meeting and vote in the meeting, the Company requires a quorum of two-third of the directors to participate. The schedule of the Board of Director meeting and the sub-committee's meeting for the whole year are defined in advance, and the calling notice for meeting with the agenda of the meeting will be sent at least 5 working days in advance for the directors to prepare prior to the meeting.

During the meetings, the Chairman sufficiently allocates time in explaining important issues, encourages every director to express opinion creatively and independently, and uses discretion carefully. Besides, the Company Secretary will record the minutes of the meetings. The directors, who have a conflict of interest in any issue, will be absent and have no right to vote on that issue. Meeting documents, meeting minutes as well as related information and documents shall be wholly kept in a safe place and recorded into the electronic files along with the original copies.

In addition, the Board of Directors has determined that non-executive directors can conduct meetings among themselves as appropriate. No executive directors participated in such meetings to discuss various issues related to management that have material impact to the Company. In 2022, there was a meeting of non-executive directors 1 time on December 27, 2022. The purpose of this meeting was to examine the overall organization management, material issues that could have impact on the business and required improvement, and self-evaluation of the Board of Directors, Sub-committee, and Managing Director.

The Board of Directors shall be updated regularly on any change in laws, rules, and regulations, and important guidelines, movement on industrial information and good corporate governance guidelines so that the performance as the Board is in accordance and keep abreast with the laws, regulations, and sound principles and guidelines.

The Board of Directors supervises the management to monitor and assess the company's financial position as the important agenda to report to the Board of Directors' meeting on a monthly basis. The Board of Directors and Management will jointly find the solution immediately when there is a weak sign of liquidity and repayment ability. Nonetheless, the guidance to solve this issue must be reasonable and fair to all concerned, including complying with the concerned rules and regulations such as the disclosure rule.

In 2022, there were 12 Board of Directors meetings, and Sub-Committee meetings: 12 Executive Committee meetings, 12 Audit Committee meetings, and 4 Nomination and Remuneration Committee's meetings, and 1 Non-Executive Directors meeting.

12. Criteria of performance evaluation and compensation for Associates

The Company has a policy of evaluating associates that are fair to all associates. The performance evaluation is separated according to the type of work performed twice a year to regularly reflect the performance results. For example, to appraise associates involves taking care of corporate image, which includes operation division, customer satisfaction division, and corporate communication. There will be the evaluation of customer satisfaction and engagement toward the Company brand and proportion of PR expense to total sales, which will be taken as the factors to calculate the welfare apart from salary base. Including appropriate treatment for

associates in terms of opportunities and compensation that are consistent with the Company's performance both in the short term, such as bonuses according to the Key Performance Indicators (KPI), Objective and Key Results (OKR) and operating results of the Company each year and in the long-term, such as the Employee Joint Investment Program (EJIP) which will ensure that the Company will be able to attract, develop potential, and retain associates with good performance to have the motivation to work. In a market situation with high competition, associates will be offered compensation at appropriate rates and in line with market guidelines for the main compensation component. In addition, the Company also uses 360 Degree Feedback to evaluate and rank the performance of associates.

The company provides remuneration at a rate not lower than the minimum wage stipulated by the law. One of the determinants for determining the remuneration structure is the principal connectivity between job levels and job value. In addition, range structure, the span between the minimum and maximum base salary an organization will pay for a specific job or group of jobs, has also been applied for the management of remuneration structure with the following rates: lowest, median, and highest.

In determining wage structure, the company conducts surveys and benchmarks compared to organizations in the labor market within the retail and outside retail industry. Furthermore, the company also considers salary proportion and other income so that it is appropriate, competitive to the market, and sufficing the well-being of the associates and their families (Living Wage) Principles.

The Company has a policy towards its associates as follows:

1. The Company treats the associates with politeness and respect to individual and human dignity.
2. The Company has fair remuneration to the associates.
3. Assign and transfer the position, including reward and punishment to the associates shall be made with honesty and based on the associates' knowledge, ability, and suitability.
4. The Company emphasizes the importance of knowledge development and associates' competency by providing opportunities regularly.
5. The Company regularly preserves the working environment to be safe for associates' life and properties.
6. The Company opens to associates' opinions and suggestions based on associates' professional knowledge.

7. The Company strictly complies with labor laws and any regulations related to the associates.
8. The associates are allowed to file complaints to the Company if the associates are mistreated through the given specified system and procedure.
9. The Company respects associates' rights in joining collective groups of their free choice and does not prevent associates from forming a union or joining other labor unions.

13. Compliance Unit

According to the notification of Capital Market Supervisory Board regarding Establishing Compliance Unit of Business Operator which applies to the person licensed to undertake the following businesses: (1) securities brokerage, (2) securities dealing, (3) securities underwriting, (4) mutual fund management, (5) private fund management, (6) being derivatives broker, (7) being derivatives dealer, and (8) being a derivatives fund manager. The notification stipulated that the business operator shall arrange to have the compliance unit responsible for monitoring the business operator's compliance with good governance.

The Company have a dedicated Compliance Unit by assigning the legal department for external affairs and Internal Audit for internal activities on top of assigning each department and division to manage on its own, for examples, compliance on business licenses, legal compliance, and compliance related to the Stock Exchange of Thailand and the Securities and Exchange Commission will be taken care by the Legal Department; compliance on the standard operations of the branches will be the responsibilities of the Branch Operations Division; and there is also the Internal Audit Department that will audit each department's operations to ensure standardized practices as a whole.

14. Internal Audit Department

To promote the procedures of good governance, the Company has an internal audit to review and follow up the result of work performing to the executives by performing its tasks independently and reporting the results to the Audit Committee directly and regularly. The chief of internal audit is Mr. Aryuratas Chai-anan, Vice President of the Internal Audit department appointed by the Audit Committee.

Moreover, there is an appointment to an auditor who passes a consideration from the Audit Committee to evaluate the effectiveness of the internal control in accounting.

The resolution of shareholders' meeting of 2022 approved to appoint Mrs. Gingkarn Atsawarangsalit, the auditor with certified license no.4496 of EY office company limited, to be the Company's and subsidiaries' auditor of 2022. In this regard, the auditor has no direct and indirect benefit or conflict of interest, including not being a debtor, creditor, executives, major shareholder, or does not be related to the aforementioned person. The auditor is independent and has acceptable qualifications as approved from the Securities and Exchange Commission.

15. Conflicts of Interest Management

The company's policy is to operate the business with honesty, openness, transparency, and fairness. Directors, executives, and all associates are not allowed to do any business that is considered to compete with the Company's business. They are advised to avoid making transactions related to oneself, individuals, or juristic persons that are prone to have conflicts of interest with the Company. The Board of Directors is responsible for ensuring strict compliance to the criteria, procedures, and disclosure of any inter-related transactions regulated by laws or the Corporate Governance Office.

In case the so-called inter-related transactions are necessary or unavoidable, such transactions must be in line with the condition of a general business transaction as approved by the Board of Directors on a transparent and fair basis. This is to be regarded as if a transaction was always made with the external party with the Company's utmost interest. Stakeholders must not get involved in considering to approve the transactions in which they have conflicts of interest. On the other hand, in case the inter-related transactions which are not in accordance with the general business transaction approved by the Board of Directors, and might possibly generate conflicts of interest, such cases must be investigated and opined by the Audit Committee, prior to the proposal to the Board of Directors or shareholders for approval.

- **Report of related-party transactions:** Directors and executives are required to report for the related-party transactions declaration form for the accounting period ending December 31 every year in order to demonstrate transparency and cautiousness in doing any transactions. The Company Secretary Office will hand out this declaration form and compile all the information.

- **Disclosure of directors, executives, and related parties' conflicts of interest:** The report is due to be prepared within 30 days after the date of assumption of duties and to be reported annually as of December 31. For cases taking place during the year, directors, executives or any related parties have to make transactions, either directly or indirectly, with the Company or its affiliates, such activities must be declared to the Company for the type of contract that being made, name of the partner of the contract and any interests eligible to the directors or executives, in order to ensure transparency in making such transactions. Throughout the year 2022, there were no board of directors, management or related parties who have transactions or conflict of interests with the Company.

- **Report of Conflicts of interest:** Directors and executives are required to report their own and related parties' transactions if the interests are related to the Company's management and administration according to the criteria, conditions, and procedures regulated by the Securities and Exchange Commission. The Company Secretary Office will compile the information and submit a copy of this conflict of interest report to the Chairman of the Board and the Chairman of the Audit Committee, which is to be acknowledged within 7 days after receiving.

- **Disclosure of strategic shareholder information:** The Company is responsible for preparing the share distribution report on a free-float basis by individual minor shareholders or shareholders who are not involved in directing or managing the Company (Strategic Shareholder). The proportion of the free float shares is considered a significant factor in determining the Company's liquidity of share trading transactions. This benefits all shareholders and investors so that they can conveniently purchase or sell their shares. Also, reasonable price is also another appealing factor for those who are interested in investing in the Company.

In 2022, the Company had not received any complaints regarding acts of violation of Conflicts of Interest conducted by directors or executives.

16. Code of Conduct

The Company places great emphasis on operating the business with morality, taking business ethics as a way of practice, and an excellent guiding principle for directors, executives, and all associates to follow to encourage effectiveness and transparency. This would create trust and acceptance in the Company's transparent operations, as well as sustainably and fairly create values to all stakeholders. The Board of Directors has initiated the "Code of Conduct" as part of the Company's "Good Corporate Governance" principles, which can be downloaded from the Company's website.

The Code of Conduct comprises policies and ways of practice in 6 different perspectives that reflect the Company's values in business operations. Directors, executives and associates are expected to adhere to and abide by the following topics:

1. Principles of operating business
2. Conflicts of interest and confidentiality
3. Responsibility towards the Company and its assets
4. Stakeholders management
5. Supervision on compliance to business ethics
6. Receipt of complaints regarding corporate governance and business ethics

This manual has been distributed to all directors, executives and associates to encourage the execution of a code of conduct and can be used as a reference. Assuming that everyone has accountability to acknowledge, understand and strictly comply with the policies and protocols stated in the codes of conduct. Everyone will be evaluated on the execution of the code of conduct via performance evaluation yearly. The Code of conduct was integrated

and communicated into the Company's culture (HomePro Culture). The Company has published this manual on the website under the good governance topic for shareholders, investors, and interested individuals' convenient access.

The Company has consistently been placing great significance on equipping knowledge and understanding of good governance and business ethics. The Board of Directors has been working to ensure that communication on such matters is sufficient to encourage adhering with such policies, as seen from incorporating the good governance topic and business ethics as one of the orientation agendas for directors and associates. In 2022, there were 24 orientation sessions for associates.

Disciplinary Action

In case of wrongdoing by associates, the Company has the following disciplinary action in place as following;

- Verbal warning or warning letter
- Punishment by:
 - Wage reduction or demotion
 - Job suspension
 - Withholding of annual bonus
 - Not providing pay raise
 - Requesting for resignation
 - Dismissal

The Company inspected and monitored associate behavior according to business ethics. In 2022, there was 0 serious violation or legal proceeding found. Nevertheless, the Company focuses on encouraging associates to comply with business ethics, along with inspecting those compliances continuously.



Report on Key Performance Results of Corporate Governance

1. Summary of the Board of Directors' responsibilities performance in the previous year

- **Determining policies and business directions:** The Board of Directors is involved in determining the Company's vision, policies, goals, business plan and budgets which are reviewed and approved annually. The policies and business directions emphasize on ethics and impact to stakeholders apart from financial results. The Board of Directors is also collectively accountable for monitoring the management team to operate the business according to strategies, plan and budget effectively and efficiently. Also, integrating innovation and technology are also applied to the business appropriately.
- **Internal control and audit:** The Board of Directors is well aware of the significance of internal control and audit systems. The Board of Directors determines the protocols to ensure that the Company has an effective internal control system in place and is coherent with the level of risk that the Company is able to accommodate. The Audit Committee has been assigned to review and monitor the internal control results and report to the Board of Directors regularly to create confidence for executives, investors and other stakeholders.
- **Risk management:** The Board of Directors is responsible for monitoring any potential risk that can possibly affect the business. The Risk Management Committee has been appointed to take charge of regulating and supporting effective risk management, as well as considering any potential risks and defining execution plan, following up, and constantly improving such plan to minimize risks to be in the acceptable level. The Risk Management Committee's meeting is held quarterly to assess risk level together with solving the issues to reduce the risk and then report to the Board of Directors.
- **Avoidance of conflict of interest of Board of directors, Management, and Shareholders:** The Board of Directors will determine the tool to ensure that the Company effectively and transparently operates the business, for the best interests of shareholders, by way of avoiding chances of conflict of interest in business operations. However, in case any Directors or executives are one of the conflicts of interest in any matters, they must be completely disclosed.
- **Nurture of innovation:** The Board of Directors emphasizes the nurture of innovation by supporting the integration of innovation and technology into the business. These would enhance competitiveness and value to the Company under the dynamic change of business environment. It could respond to stakeholder's concerns; the Company, customer, suppliers, social
- **Monitoring the Company's strategy execution:** The Board of Directors is involved in monitoring the execution of the Company's strategy via meetings which are reported on a monthly basis by management.
- **Good corporate governance:** The Board of Directors reviewed the good corporate governance policy and code of conduct on a regular basis which is integrated into the Company's culture. The Board of Directors will be a role model in creating and driving a corporate governance and code of conduct. Additionally, the aforementioned policies and code of conduct is communicated and enforced to all directors, executives, and associates as well as monitored the results on a regular basis. These would enhance the Company to be standardized, transparent, effective, and auditable. Furthermore, the Company determines policies and procedures to limit the number of positions in other companies for director, independent director, managing director, and executives. Directors and independent directors must not take more than 5 directors' positions in listed companies. Managing director and executives must not take more than 2 positions in listed companies that are not in the same group of the Company and must not compete with the Company's business and must not have conflict of interest with the Company.

and environment. The Board of Directors appoints executives to integrate innovation as a part of business strategies, operational development, and operation monitoring.

- **Sustainable Development:** The Board of Directors has the role of support in steering the company's business towards sustainable development; encourage the establishment, evaluation, and execution of policies, strategies, procedures, as well as the sustainable targets company-wide, in order to maintain the balance between operating business and the environmental responsibility with contribution to the better quality of life and well-being of community and society.

The Company has appointed the Audit Committee which is entirely Independent Directors in order to verify accuracy of disclosed information and ensure reliability of financial statements. The Committee is also responsible for regulating good governance and internal control, with its roles and responsibilities of the Audit Committee detailed under the topic "Governance Structure and Important Information of the Board of Directors and others". In case of unusual transactions, the Board of Directors is supposed to consider such transactions with Independent Directors in the meeting. The Company also assigned the Nomination and Remuneration Committee to determine the procedures and criteria in the recruitment of the Company's Directors and determine remuneration or any other benefits that are fair and reasonable, and propose to the shareholders' meeting for approval.

2. Selection of Directors, Independent Directors, and Managing Director

2.1 Selection of Directors and Independent Directors

The Company appointed the Nomination and Remuneration Committee, which consists of 1 Independent Director from totaling of 3 individuals, to determine selection criteria of an appropriate individual in accordance with the Company policy to be nominated as the Director or Sub-committees, by the following methods:

1. Open opportunity for the shareholder to participate in the nomination of candidates to be elected as directors in advance. In 2023, The nomination was available from 1 October 2022 to 13 January 2023 and announced through the SET portal system of the Stock Exchange of Thailand under the News section and the Company's website, for the nomination method

and procedure. In 2023, none of the shareholders nominated any candidate to be elected as director.

2. The consideration is coming from the Director Pool of Thai Institute of Directors or other department that provides such information.
3. Other channels that the Nomination and Remuneration Committee deems appropriate.

The Nomination and Remuneration Committee is responsible for the selection and screening of the qualified candidates in accordance with the Company's Articles of Association and Board of Directors' Charter and along with other guidelines that are relevant which can be summarized as follows:

1. Consider the qualified individual in accordance with the laws and must not possess characteristics prohibited by the rules of the Security and Exchange Commission along with other laws, regulations or other associated regulations.
2. The consideration of the appointment of the Independent Director is considered under the rules imposed by the Security and Exchange Commission. In this regard, the Company has set the qualifications for independence to be more stringent than the requirements of the Securities and Exchange Commission, such as holding not more than 0.5 percent of the paid-up capital of the Company. More details are available on the topic of independent directors.
3. Consider the Board Skills Matrix in terms of knowledge, experience, skills, expertise in industry so that it is in accordance with the business strategy of the company.
4. Consider the diversity of the board structure, including gender, age, qualifications, experience, race, nationality, ethnicity, and cultural background (Board Diversity).

HomePro Board Skills Matrix

Name-Surname	Skills & Experience									
	Energy	Materials	Industrials	Retail - Consumer Discretionary	Consumer Staples	Healthcare	Financial	Information Technology	Real Estate	Services
1. Mr. Anant Asavabhokhin				●			●		●	
2. Mr. Manit Udomkunnatum				●					●	●
3. Mr. Rutt Phanjiphand	●			●			●		●	
4. Mr. Boonsom Lerdhirunwong	●		●	●		●			●	
5. Mr. Thaveevat Tatiyamaneeikul				●					●	
6. Mr. Chanin Roonsamran				●			●			
7. Mr. Pornwut Sarasin		●	●	●	●		●		●	
8. Mr. Naporn Sunthornchitchareoon		●		●			●		●	
9. Mr. Khunawut Thumpomkul				●			●		●	●
10. Mr. Weerapun Ungsumalee				●				●		●
11. Ms. Suwanna Buddhprasert				●			●		●	●
12. Mr. Achawin Asavabhokin				●			●		●	

After that the Nomination and Remuneration Committee proposes the list of candidates to the Board of Directors for their opinions. The Nomination and Remuneration Committee then proposes this matter in the shareholder's meeting for approval in order to elect directors in accordance with the following rules and procedures:

1. Each Shareholder has the vote equivalent to one vote per one share held.
2. Each Shareholder should use all of his/her voting rights under item 1 to elect one or more persons as the Director, but is not able to share his/ her varied voting rights to any person.
3. Individual with the highest votes, follow by votes from other individuals in descending order would be elected as director subject to the number of Directors allowed to be elected in such meeting. In the event of individuals who have been elected that received equal votes but there will be over the number of allowed or elected Directors in such election, the Chairman of such Meeting shall have a casting vote.

In the event of an available position as a result other than the expiration of the term of the director. The Board of Directors shall appoint qualified candidates who do not possess any characteristic that indicates prohibition to be the director for the Board of Directors meeting. The replacement of a director that just has been appointed may only serve for the remaining term of the director whom he/she replaces.

In 2022, there were 4 following directors who retired by rotation from their positions as their term expired:

1. Mr. Pornwut Sarasin
2. Ms. Suwanna Buddhprasert
3. Mr. Thaveevat Tatiyamaneeikul
4. Mr. Chanin Roonsamran

However, the Nomination and Remuneration Committee considered this matter in accordance with the criteria of the selection. This shows that all 4 directors have the qualifications required according to the Public Limited Company Act B.E. 2535. Nonetheless, the qualifications of these directors, such as capability, experience and expertise (Board Skill Matrix) have been analyzed so that these are in line with the Company's operational strategies. In this regard, such matter has been proposed through the resolution of the Board of Directors of the Company in order to be presented as an agenda in the 2022 Annual General Meeting of Shareholders. As a result, the meeting approved this matter and to reappoint these directors for another term.

2.2 Selection of Managing Director

For the selection of the Managing Director, the Nomination and Remuneration Committee determines the selection of an appropriate candidate who has knowledge, capability and experience as required by the Company, including the ability to manage the business in order to achieve the company's objectives and goal as stipulated by the Board of Directors. The appropriate candidate would be nominated to be appointed by the Board of Directors.

Roles and Responsibilities of the Managing Director

As resolved in the Board of Directors Meeting no. 7/2544 on 21st June 2001 and the Board of Directors Meeting no. 9/2544 on 16th August 2001, the Managing Director who has the authority to manage the Company as assigned by the Board of Directors and shall strictly and carefully manage the Company according to the framework or budget approved by the Board of Directors, and maintain the best interest of the Company and shareholders. Authorization of the Directors also covers other matters as follows:

1. Daily Operation and management of the Company to be in accordance with the business plan proposed to the Board of Directors.
2. Approval of operating expenses, selling and administrative expenses and capital expenditure according to the budget approved by the Board of Directors. However, transactions related to loan and guarantee are excluded.
3. Filling the post, appointing, removing, relocating, promoting, reducing or cutting salary or wages, disciplinary punishment to the staff and associates, and ordering the staff and associates to leave from the position according to the regulations as stipulated by the Board of Directors.
4. Other operations as assigned by the Board of Directors, with the following authorities:
 - 4.1 Having the authority to administrate under the objectives, regulations, policy, rules, order, and resolution of the Board of Directors meeting and the resolution of the Shareholders Meeting.
 - 4.2 Having the authority to operate and enter into juristic act, agreement, order or any letter for contacting with the government authority, State Enterprise, and other individuals, including authority to act when necessary and appropriately so that the above-mentioned acts become successful.
 - 4.3 Having the authority to authorize an individual as a proxy to act on specific work, which must be under the rules, regulations, or order made by the Board of Directors or as imposed by the Company.

Nevertheless, the Managing Director is unable to approve any transaction that the Managing Director himself or individual who may have a conflict of interest in any other ways with the Company or its subsidiary.

Chairman of the Board and Managing Director's Roles

The Chairman of the Board and the Managing Director are not the same person, so that roles are clearly separated and to balance power in all aspects of operations. Even though the Chairman of the Board is the representative

of the shareholders who are not the Independent Directors, the Nomination and Remuneration Committee's resolution with further approval from the Board of Directors is that this particular structure is appropriate for the Company's business operations and has also served as the key strength that accelerates success and growth up until present. Since the Chairman of the Board is knowledgeable and full of experiences and expertise in many fields; housing, real estate and retail, he has consistently been capable of performing duties with consideration to the benefits of all groups of stakeholders.

The Chairman of the Board is supposed to assume duties and responsibilities as a director under the Board of Directors' charter, abide by the Code of Conduct and corporate governance policies to serve as a role model for Directors, executives and associates. In this regard, the Chairman of the Board also takes the role of the chairman of the Board of Directors' meeting and shareholders' meeting, monitors effective proceeding of the meeting, and allows opportunities for Directors and shareholders to express their constructive opinions independently.

The Managing Director is responsible for effectively managing and administering the Company as part of executing the strategic plans, purpose, vision and mission being formulated. The scope of the authority has been specified under the law, objectives and regulations of the Company, as well as resolutions from the Board of Directors' meeting and shareholders' meeting.

In 2022, the Company appointed Mr. Anant Asavabhokhin as the Chairman of the Board of Directors in regards to the resolution of the 2022 Annual General Meeting of Shareholders on 8 April 2022.

As for the Board of Directors' Meeting in 2022, Chairman of the Board of Directors or Chairman of Executive Committee has acted as Chairman in the meeting.

3. Board of Directors' Performance Evaluation

Procedures and Criteria for the Board of Directors' Performance Evaluation

Performance evaluation of the Board of Directors divided into the following:

- Evaluation of the entire Board
- Evaluation of sub-committees
- Individual Board Assessment

Process for Evaluation

The Corporate Secretary will submit the evaluation form for the entire Board, sub-Committees, and Individuals in the Board of Directors Meeting. After the evaluation has been completed, the Company Secretary will collect and summarize the results to the Nomination and Remuneration

Committee for consideration of the remuneration and the bonus by screening various appropriateness such as business expansion, profit growth, market capitalization of the Company's security, dividend payment, and the number of meeting attendance. In addition, the comparison is also based on the information of other companies in the same industry.

Performance Evaluation Criteria

The Company has set the criteria and evaluated the performance of the entire Board, sub-committee and individual at least once a year to consider the remuneration and the bonus. The Company has taken the example of the performance evaluation form of the Board of Directors, sub-committee, and the individuals of the Stock Exchange of Thailand to apply and to make it comply with the Company criteria.

4. Managing Directors' Performance Evaluation

Criteria of Performance Appraisals and Remuneration Policy for Managing Director

The Company has the Nomination and Remuneration Committee to propose opinion to the Board of Directors in consideration of setting the annual Key Performance

Indicators (KPI) to be used in evaluation of working performance of the Managing Directors, such KPI shall be in accordance with the goal of the Company for both short term and long term concerning the following elements: Same store sales growth (SSSG), Return on Asset (ROA), Return on Equity (ROE), Return on Invested Capital (ROIC), Total Shareholder Return, Tobin's Q, which has been compared with the data from the Stock Exchange of Thailand, along with performance concerning the environment, social, and corporate governance, such as the increase of ECO Products and the usage of renewable energy and the number of technician. The objective is to create motivation and a sense of participation in the ownership of the Company. The details of compensation and remuneration for Managing Directors are as follows:

Short term: Payment of rewards in the form of salary and bonus based on the performance.

Long term: Employee Joint Investment Program (EJIP) starting from July 1, 2013 to June 30, 2018. And Series 2, starting from July 1, 2018 to June 30, 2023.

Evaluation Criteria of Managing Director's compensation and remuneration

Proportion of Managing Director's compensation		Evaluation Topic and Details	Performance-Based	
			Short-Term	Long-Term
25%	Operation Index	Same Store Sales Growth Rate	/	
		Cash Conversion Cycle	/	
25%	Marketing Management	Market Share	/	/
		Brand Index	/	/
		Service Performance	/	
30%	Capital Efficiency Index	Return on Asset)	/	/
		Return on Invested Capital	/	/
		Total Shareholder Return	/	/
20%	Corporate Sustainability	Employee Engagement	/	/
		Customer Satisfaction	/	/
		Material Issue (Increase of Sales mix of Eco Product, Utilization of renewable energy, Increase in the number of technician team)	/	/

Remark: The Company sets the evaluation criteria of each topic in which the Managing Director must achieve scores above 80% in order to pass the minimum criteria.

In 2022, the Nomination and Remuneration Committee proposed opinion to the Board of Directors to consider Managing Director to have achieved against his overall strategic objectives.

5. Meeting and Remuneration of each Director

Remuneration for the Directors and Executives

The Nomination and Remuneration Committee is responsible for expressing their opinions to the Board of Directors in terms of the criteria for evaluating the performance of the Directors, Executives, and Managing Director.

Remuneration for the Directors

The remuneration of directors is considered with respect to fairness and appropriateness. The considerations are based on the responsibilities and the performance of the company as a whole, the duties and the responsibilities of each sub-committee, the connectivity between the success of the operation and the business's performance, other related factors including the comparison between our company remuneration and the remuneration of other companies within the same industry or in similar industry, such as the director's remuneration survey conducted by the Stock Exchange of Thailand and Thai Institute of Directors (IOD).

In 2022, the Nomination and Remuneration Committee reviewed the remuneration of directors and proposed to the Board of Directors for approval. After that, the matter was presented in the 2022 Annual General Meeting of Shareholders, which took place on 8 April 2022. The shareholders have a resolution to grant the remuneration of directors amounting to but not more than 12,000,000 baht and the bonus in 2021 for the directors amounting to but not more than 33,000,000 baht with the payment structure as follows:

1. Cash Remuneration

1.1 Monthly Remuneration

- Chairman Baht 80,000/person/month
- Director Baht 40,000/person/month

1.2 Meeting Attendance Allowance

- Chairman Baht 30,000/person/time of attendance
- Director Baht 20,000/person/time of attendance

Note: Director who is in the management position will not receive the meeting allowance under article 1.2 above

2. Other Remuneration

Directors will receive benefits from purchasing discounted items only. The discount rate will be as specified in the Articles of Association of the company that has been approved in the shareholder's meeting. The benefits mentioned above will not be greater than the benefits provided to the VIP customers which is fixed at no more than 10%. Besides, annual health checkup benefits will be provided once a year.

No. of Meeting Attend and Details of Monetary Remuneration for directors in 2022 are as follows:

No.of Meeting Attend (time)				Remuneration and Meeting Allowances							
Name-Surname	Board of Directors, 12 meeting	Executive Committee, 12 meeting	Audit Committee, 12 meeting	Nomination and Remuneration Committee, 4 meeting	Monthly Remuneration	Remuneration for Board of Directors Meeting	Remuneration for Executive Committee Meeting	Remuneration for Audit Committee Meeting	Remuneration for Nomination and Remuneration Committee Meeting	Bonus (Baht)	Total (Baht)
	1. Mr. Anant Asavabhokhin	8/9			720,000	240,000					960,000
	2. Mr. Manit Udomkunnatum	12/12	11/12		480,000	250,000	330,000			5,500,000	6,560,000
	3. Mr. Rutt Phaniiphand	12/12	12/12	4/4	480,000	240,000	240,000		120,000	2,750,000	3,830,000
	4. Mr. Boonsom Lerdhirunwong	12/12		12/12	480,000	240,000		360,000		2,750,000	3,830,000
	5. Mr. Thaveevat Tatiyamaneekul	12/12		11/12	480,000	240,000		220,000		2,750,000	3,690,000
	6. Mr. Chanin Roonsamrarn	12/12		12/12	480,000	240,000		240,000	80,000	2,750,000	3,790,000
	7. Mr. Pornwut Sarasin	11/12			480,000	220,000				2,750,000	3,450,000
	8. Mr. Naporn Sunthornchitthareon	12/12	12/12	4/4	480,000	240,000	240,000		80,000	2,750,000	3,790,000
	9. Mr. Khunawut Thumpomkul	12/12	11/12		480,000					2,750,000	3,230,000
	10. Mr. Weerapun Ungsumalee	12/12			480,000					2,750,000	3,230,000
	11. Ms.Suwanna Buddhaprasert	12/12			480,000	240,000				2,750,000	3,470,000
12. Mr. Achawin Asavabhokin	11/12			480,000	220,000				2,750,000	3,450,000	
Total				6,000,000	2,370,000	810,000	820,000	280,000	33,000,000	43,280,000	

Remarks: In order to conduct a Board of Directors' meeting and vote in the meeting, the Company requires a quorum of two-third of the directors to participate.
 Mr.Anant Asavabhokhin was appointed as the Chairman of the Board of Directors in April 2022. Also, Mr.Anant did not attend the Board of Directors meeting on 1/2022, 2/2022, 3/2022 and 8/2022 respectively.
 Mr. Pornwut Sarasin did not attend the Board of Directors meeting on 9/2022
 Mr. Achawin Asavabhokhin did not attend the Board of Directors meeting on 12/2022
 Mr. Manit Udomkunnatum did not attend the Executive Committee meeting on 4/2022
 Mr. Khunawut Thumpomkul did not attend the Executive Committee meeting on 6/2022
 Mr. Thaveevat Tatiyamaneekul did not attend the Audit Committee Meeting on 8/2022
 Mr. Manit Udomkunnatum acted as a Chairman of the Board of Directors meeting on 3/2022

6. Governance on subsidiaries

The Board of Directors appointed the Company's management to be directors of the subsidiaries. The directors' responsibilities are to ensure the maximum benefits of all subsidiaries, to supervise the subsidiaries to comply with the rules regarding relating to party transactions, asset acquisition and disposition, and other major transactions, to ensure that the subsidiaries apply the same disclosure policy and practices to the aforementioned transactions as the Company, and to supervise the subsidiaries to appropriately retain information and record accounting transactions in order to facilitate the Company in reviewing and gathering subsidiaries' financial statements to be consolidated with the financial statements of the group in an appropriate time frame.

7. Disclosure and Financial Integrity

The Board of Directors ensures that any associates involved in the preparation and disclosure of any information such as Executive Vice President of Accounting and Finance, accountant, Internal audit, Company secretary, Investor relation officer, and etc., have relevant knowledge, skills, experience, and sufficient resources.

The Company splits the account department and finance department to increase operating efficiency through optimal workforce management. Executive Vice President of Accounting and Finance, accountant and Company secretary must meet qualification and regulations of the Stock Exchange of Thailand as well as sufficient number of training hours set by Stock Exchange of Thailand's. The training would develop the understanding of accounting and new regulations. In addition, the investor relations department has been trained from the Stock Exchange of Thailand, Securities and Exchange Commission, and etc. The course would enhance the better understanding of law and regulation as well as business impact from both internal and external factors on a regular basis. Moreover, the disclosed information must be accurate, complete, transparent and timely to all stakeholders.

8. Supervision on the Use of Internal Information

The Board of Directors has regulated policies governing the use of internal information and the trading transaction of the Company's stocks to promote equality and fairness towards all shareholders and to prevent directors or executives from inappropriately purchasing or selling their shares and dishonestly seeking personal benefits or others.

- **Control of Internal Information:** Directors, executives and all staff members must never utilize the Company's critical internal information that has not been disclosed to the public for their own and other's benefits and must strictly abide by the confidentiality policy regulated by the Company.
- **Possession of the Company's Shares:** Directors, executives, and staff members are allowed to invest in

the Company's shares. However, in order to prevent possible conflicts of interest, directors, executives, and associates who can access insider information, as well as their spouses, cohabitation, or children not having yet become sui juris are prohibited from purchasing, selling, transferring, or getting transferred the Company's shares during the one-month period before the financial statement is disclosed to the public. In this regard, if any executives or associates violate such regulations on the use of internal information, it is considered as a disciplinary offense and the person can be subjected to legal punishment.

- **Possession of the Company's Shares Report:** The Company Secretary Office is responsible for compiling the information on the shares possessed by directors and executives, as well as their spouses, cohabitation, and children that not having yet become sui juris to the Board of Directors' meeting. This is to be dedicated as one of the agendas in the meeting on a monthly basis. Furthermore, at the end of the accounting period, the Board of Directors and management holding of securities would be reported in the annual report. Moreover, it has been internally regulated that the directors and top executives are required to report to the Company Secretary Office regarding their share transactions at least one day before making any transactions.

In the past year, the Company did not receive any complaints with regard to acts of violation of Conflicts of Interest conducted by directors or executives in using the internal information for inappropriate purposes.

9. Policies and Guidelines on Anti-Corruption

The Company commits its determination on anti-corruption practices by issuing an Anti-Corruption policy to ensure that the Company and associates can prevent and counter corruption which was set up according to internal control principles. The Policy will be annually reviewed and can be used as guidance. Related measures and guidelines are as follows:

1. The Company is neutral in political matters and has no political contribution policy and no action to show that the Company is interested in any particular political party or political group.
2. The Company has No-Gift Policy with a written notice to the stakeholders to prohibit receiving or giving any gift or any benefit from any stakeholders in any cases.
3. Donation for Charity or Subsidy must be performed correctly, directly and transparently and not in violation of good morals, laws and practical regulations.
4. The Company has policy and guidance in place for procurement audit and contract agreement.

The company has communicated Anti-corruption policy and measure to person concerned for their acknowledgment which comprise of directors, executives, employees, subsidiaries, affiliates, other companies over which the company has power to control, business agents, and trading partner through communication channels of the Company e.g. Company website, Intranet, Vendor Relationship Management System (VRM), sending official letter via post mail, in-house board announcement, associates orientation, etc. Also, disclosing such a policy to the public. In addition, as a good example, the Company also supports our directors and executives to provide their knowledge to the employees for the compliance of anti-corruption policy and measures. However, once related policy and measures are prepared or improved, such information should be disseminated and disclosed through appropriate communication channels at all times.

The Company determined that risk management is the responsibility of Company's associates including directors, executives, and associates. The corruption risk has been used to assess possibility of occurrence in the Company's activities such as procurement process, disbursement, government license, etc. The activities will be appropriately monitored and controlled via the following tools:

1. Determining the clear working schedule and time frame, planning enough lead time for handle unexpected events.
2. Documents and procedures must be checked and verified prior to applying for approval from the authority.
3. Budget control and working procedure are clearly specified.
4. The disbursement must be approved and verified according to authority level in all cases.

Furthermore, the Company emphasized ethics and integrity as one of the Company's cultures and cultivated all associates to adopt this practice. In this regard, the Company continued to be certified as a member

of Collective Action Coalition (CAC) which was jointly undertaken by the Thai Institute of Directors Association (IOD), Thai Chamber of Commerce, Foreign Chambers of Commerce, Thai Listed Companies Association, and Thai Bankers' Association. This is to ensure that the policy is consistent with anti-corruption measures of the CAC.

10. Policies and Guidelines on Anti-Corruption Notification (Whistle-Blowing)

The Company has assigned the Audit Committee and Internal Audit departments as a complaint handling center to receive complaints regarding suspicious or improper activity and monitor the complying of code of conduct. The Company's associates, suppliers, customers, shareholders and stakeholders are able to report any suspicious or improper activity to the Company so that appropriate investigation can be conducted.

Complaint Handling Procedure

1. Guideline to receive complaint: After the complaint is received through the Company's channel, the Audit Committee will appoint the Audit Department to engage and propose to the Audit Committee.
2. Information gathering and investigation: Audit Department gathers and examines the information. The information and solution will be presented to the chief of the relevant department under transparency and fairness to all stakeholders.
3. Reporting: The audit results will be reported to the Board of Directors, the Audit Committee and the Risk Management Committee and complainant.

In case of suspecting or seeing any action that may not in accordance with law, regulation, and business ethics including the petition for right violation, stakeholders can inquire, notify, or complain by sending the evidence details to the related person or department through the channels as follows:

Board of Directors :	In case of notifying or communicating about an operation of the Company, the information will be sent to the Managing Director at http://hmpro-th.listedcompany.com/contact_board.html
Audit Committee :	In case of requiring for filing a complaint about violation of laws or ethics, accounting issues, internal control etc, the information will be sent to the Internal Audit Department of the Company in order to be compiled and proposed to the Audit Committee for further consideration at https://hmpro-th.listedcompany.com/contact_audit.html
Complaints Notification Unit, Human Resources Department :	In case of complaining about associates' offense or associates desires to notify any wrong doing, please contact md@homepro.co.th The Company also provides "Hotline" for associates consultation (HR Clinic) through telephone consultation or in person consultation

The identity of the whistleblower and information will be kept confidential. Only the Managing Director, Executive Vice President, and Senior Vice President in charge of that business unit will be acknowledged with the information of complaints. The management will gather complaints and submit them to the Audit Committee and the Risk Management Committee for consideration and further report to the Board of Directors. In 2022, there were no whistle-blowing complaint cases.

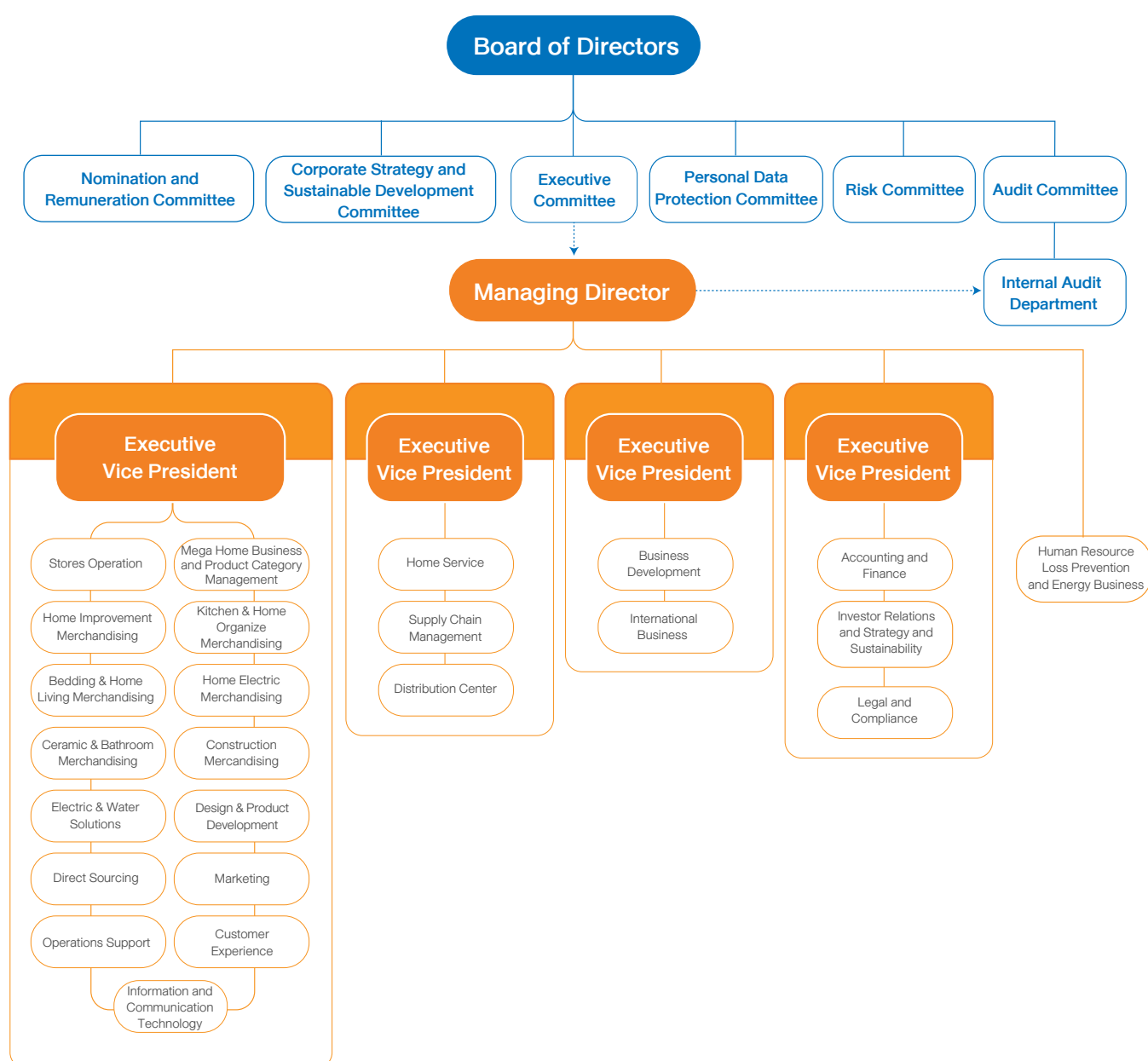
Corporate Governance Structure and Important Information of the Board of Directors and Others

Important Information of the Board of Directors, Sub Committees, Management, Associates, and others

1. Corporate Governance Structure

Organizational Chart

As of December 31, 2022





2. Information of the Board of Directors

The structure of the Company's Management consists of:

1. Board of Directors
2. There are 6 sets of the Sub-Committees:
 - 2.1 Executive Committee
 - 2.2 Audit Committee
 - 2.3 Nomination and Remuneration Committee
 - 2.4 Risk Management Committee
 - 2.5 Strategy and Sustainable Development Committee
 - 2.6 Personal Data Protection Committee

Having details as follows:

The Board of Directors

The Board of Directors consists of 12 individuals including:

- There are 4 Independent Directors accounting for more than one-third of the board members that are independent from the Executives and major shareholders.
- 10 Non-executive Directors and 2 directors who are executives.
- Over the past 2 years, all directors have neither been employed as associates nor become a shareholder or partner of EY Office Limited, an external audit firm of the Company and its subsidiaries.
- The average board tenure is 12.15 years.

List and Position of the Board of Directors

Name – Surname	Position
1. Mr. Anant Asavabhokhin	Chairman of the Board of Directors
2. Mr. Manit Udomkunnatum	Chairman of the Executive Committee and Director
3. Mr. Rutt Phanijphand	Chairman of the Nomination and Remuneration Committee, Executive Committee, and Director
4. Mr. Boonsom Lerthirunwong	Chairman of the Audit Committee and Independent Director
5. Mr. Thaveevat Tatiyamaneeekul	Audit Committee and Independent Director
6. Mr. Chanin Roonsamrarn	Audit Committee, Independent Director, and Nomination and Remuneration Committee
7. Mr. Naporn Sunthornchitcharoen	Director, Executive Committee and Nomination and Remuneration Committee
8. Mr. Weerapun Ungsumalee	Director and Executive Vice President
9. Mr. Khunawat Thumpomkul	Director, Executive Committee and Managing Director
10. Ms. Suwanna Buddhaprasart	Director
11. Mr. Pornwut Sarasin	Independent Director
12. Mr. Achawin Asavabhokhin	Director

Remarks: Ms. Wannee Juntamongkol – Executive Vice President of Accounting and Finance acts as the Company Secretary.

Authorized Signatory Directors on the Company

1. Mr. Anant Asavabhokhin
2. Mr. Naporn Sunthornchitcharoen
3. Ms. Suwanna Buddhaprasart
4. Mr. Manit Udomkunnatum
5. Mr. Khunawat Thumpomkul
6. Mr. Weerapun Ungsumalee

Where 2 out of 6 Authorized Signatory Directors mutually signed their names simultaneously with the company seal.

Roles and Responsibilities of the Board of Directors

The company board of directors determines the delegation of authority. The company's authorizations and operations and its subsidiaries are precisely and clearly stated according to the business transactions. The division of authority encourages the dispersal of authority for decision-making, guidelines for management, and a work manual for the Company's operations levels. The following illustrate the delegation of authority's annual framework, every department's annual budget, across all business units within the organization, and dividend payment policy. The details are as follows;

1. The Board of directors has the authority to deliberately administrate the company in accordance with the company's objectives and regulations, the shareholders' meeting resolution, and the law with duty of care of the company's interest.
2. The Board of directors determines its visions, missions, policies, and operating directions. The Board of directors also supervises management to ensure that the Company policy will be implemented effectively and

efficiently by the management in order to maximize the highest value for the company and its shareholders.

3. The Board of directors has the authority to appoint a certain number of directors to be a sub-committee, which comprises executive committee, nomination and remuneration committees, audit committees, and other sub-committees depending on the situation and the suitability. Having the optimal specific number of directors allows the Board of directors to perform their assigned tasks efficiently.
4. The Board of directors may appoint one or more individuals to perform their assigned tasks; any action can be done only under the Board of Directors' control. The Board of directors may assign authority to any individual who deems as appropriate. However, the Board of directors may revoke, withdraw, or amend the assigned authority at any reasonable time.
5. The Board of directors has the authority to acknowledge and approve any operational goals and evaluate the sub-committee's performance, chairman of sub-committee, specific-purpose committee, and managing director.
6. The Board of directors must hold a meeting at least once every 3 months.
7. The Board of directors must not run the similar business as the company nor attempt to compete against the company business. The board directors are not allowed to be in the universal partnership nor limited partnership. The Board of directors is restricted to being a director of any private company or any company with a similar business. These constraints must not be carried out either for one's benefit or others; unless such has been notified to the shareholder's meeting prior to the resolution of the appointment.

8. The decision-making on high-value investment that is not considered an ordinary business transaction must comply with the laws and regulations of the Securities and Exchange Commission (SEC) and the Stock exchange of Thailand (SET).
9. The Board of directors must manage and govern the company's operation with morality. The Board of directors must closely supervise the stakeholders in order to avoid any conflict of interests.
10. The Board of directors must immediately notify the company if the individual has any conflict of interest either from company contracts, directly or indirectly holding the company's share or debentures of the company or its subsidiaries.
11. Any director who has a conflict of interest on any mentioned factors will have no right to vote on such matters.
12. The Board of directors has the authority to arrange the appropriate assessment process for internal control and internal audit for its efficiency and effectiveness.
13. The Board of directors must inclusively set out the risk management guideline and systematically supervise the executives to have an efficient and effective system and process in risk management.
14. The Board of directors shall support the company to sustainably operate its business in alignment with the Environment, Social, and Governance (ESG) standards to comply with the Sustainable Development Goals (SDGs) set by the United Nations including being a membership of United Nations Global Compact (UNGC) with adopting ten Universal Sustainability Principles to implement with corporate sustainability in terms of human rights, labor, environment, including anti-corruption. Also, the Company aims to achieve the Net Zero goal by 2050.
15. If the votes are equal, the Chairman will have a casting vote.

Roles and Responsibilities of Chairman

1. Ensure the Board's effective operation and its committees in conformity with the highest corporate governance standards.
2. Ensure effective communication with shareholders, government agencies, and other relevant constituencies.
3. Set the agenda, style, and tone of Board discussions to promote constructive debate and effective decision-making.
4. Ensure that steps or recruitment process and appointment of director or sub committee are appropriate and able to support the Company's business.

5. Ensure comprehensive induction programs for new directors and updates for all directors as and when necessary.
6. Support and advise the Managing Director in the development of strategies.
7. Promote effective relationships and communications between non-executive directors and members of the Executive Directors.

Terms of the Director of the Company

In every Annual General Meeting of Shareholders, one third of the Directors shall retire from the position; the Director who served the longest shall retire. Nevertheless, a retiring director is eligible for re-election. Apart from the retirement, the Directors may leave from his/her position in the event of:

1. Resignation
2. Death
3. Lack of qualifications or possess prohibited character under Section 68 of the Public Company Act B.E. 2535 and Securities and Exchange Act B.E 2535
4. The Shareholders Meeting resolved to dismiss under Section 76 of the Public Company Act B.E. 2535
5. Dismissal ordered by the Court

Independent Director

"Independent Director" means the director, who is independent in expressing his opinion to the Company's operation, must be a person who has no involvement or interest in the result of operation either directly or indirectly.

There are 4 independent directors of the Company which consists of:

Name - Surname	Position
1. Mr. Boonsom Lerdirunwong	Independent Director
2. Mr. Thaveevat Tatiyamaneeekul	Independent Director
3. Mr. Chanin Roonsamrarn	Independent Director
4. Mr. Pornwut Sarasin	Independent Director

In this regard, the Company has set the qualifications for independence to be more stringent than the requirements of the Securities and Exchange Commission. The details are as follows:

1. Hold shares less than 0.5% of the company's paid up capital, associated company, joint company, and related company including the related individual's shares.

2. Being independent either directly or indirectly in both areas, financial and management of the Company or joint company, subsidiaries, management or major shareholders of the Company. Also, having no benefit or interest within 2 years before being appointed as the Independent Director, unless the Board of Director has carefully considered and sees that such participation in having benefit or interest will not affect the duty performing and the independence in giving an opinion.
3. Must not be a Director who has been appointed as the representative to maintain the benefits of the Director of the Company, major shareholders, or shareholders who are related to the major shareholders of the Company.
4. Must not participate in the management and must not be associates, staff, or consultant who receives a regular salary in the Company, associated company, joint company, or company's major shareholders.
5. Must not relate or be relatives of the executive or major shareholders of the Company.
6. Capable of performing duty and expressing opinions or reporting the result of performed duty as assigned by the Board of Directors, freely and not under control of the Company's Executives or major shareholders, including the related person or close relatives of such person.
7. No other characteristic that causes the inability to give opinions to the Company's operation independently.

Sub – Committees

Sub – Committees consist of 6 sets of directors: Executive Committee, Audit Committee, Nomination and Remuneration Committee, Risk Management Committee, Corporate Strategy and Sustainable Development Committee, and Personal Data Protection Committee. Details are as follows:

2.1 Executive Committee

List and position of the Executive Committee

Name – Surname	Position
1. Mr. Manit Udomkunnatum	Chairman of Executive Committee
2. Mr. Naporn Sunthornchitcharoen	Executive Committee
3. Mr. Rutt Phanijphand	Executive Committee
4. Mr. Khunawat Thumpomkul	Executive Committee and Managing Director

Remark: Mr. Supachai Boonyavichit, Vice President - Finance is a secretary of the Executive Committee

Roles and Responsibilities of the Executive Committee

1. Consider and screen the issue that requires primary decision-making before being proposed to the Board of Directors' for approval.
2. Consider investment, branch expansion, annual budget allocation, and propose the strategic plan to the Board of Directors.
3. Consider tasks as assigned by the Board of Directors and execute plans to meet company objectives under the company policy.
4. Monitor monthly performance in order to report results and obstacles as well as guiding appropriate solutions for improvement.
5. Consider and approve any advisor appointment within the necessity of business operation.
6. Perform any other tasks as assigned and deemed appropriate by the Chairman of the Board of Directors and/or the Chairman of Executive Committee.

Terms of the Executive Committee

1. Executive Committee shall retire when
 - 1.1 Completion of term
 - 1.2 Death
 - 1.3 Resignation
 - 1.4 Lack of qualifications or possess prohibited character under Section 68 of the Public Company Act B.E. 2535, and Securities and Exchange Act B.E. 2535
 - 1.5 The Shareholders Meeting resolved to dismiss under Section 76 of the Public Company Act B.E. 2535
 - 1.6 Dismissal ordered by the Court
 - 1.7 The Board of Director has resolution to remove from the position.
2. In the event of resignation, the resignation letter must be submitted to the Chairman of the Company not less than 30 days in advance, which should be approved by the Board of Director.
3. In the event of an available position as a result other than by the expiration of the term, the Board of Directors shall appoint an individual who is qualified to be Executive Committee, in order to fill up the number of directors as stipulated in the Article of Association determined by the Board of Directors.

2.2 Audit Committee

List and position of the Audit Committees

Name – Surname	Position
1. Mr. Boonsom Lerdhirunwong	Chairman of the Audit Committee and Independent Committee
2. Mr. Thaveevat Tatiyamaneeekul	Audit Committee and Independent Committee
3. Mr. Chanin Roonsamrarn	Audit Committee and Independent Committee

Remark: Mr. Aryuratas Chai-anan, Vice President - Internal Audit is a secretary of the Audit Committee.
Mr. Chanin Roonsamrarn, knowledgeable and specializes in Accounting and Finance.

Roles and Responsibilities of the Audit Committee

- Review the financial transactions of the Company so that it is accurate and complete according to the Generally Accepted Accounting Principle Standard with sufficient disclosure.
- Review the internal audit system, manage risks, and corporate governance throughout the operating activities of each business unit to ensure that the Company achieves the business goals. In addition, the Audit Committee also manages current and emerging risks to an acceptable level such as cyber security risk and emerging regulations by placing importance on having a sufficient and efficient internal audit system as well as complying to the corporate governance code.
- Review the Company operations so that it is in compliance with good corporate governance policy and have appropriate, effective and efficient business ethics.
- Review the Company operations so that it is in compliance with the laws regarding the securities and Stock Exchange of Thailand, regulations imposed by the Stock Exchange of Thailand, or laws applicable to the business of the Company.
- Consider the related-party transactions or transactions that may have any conflict of interest and make those transactions to be in compliance with the relevant laws and regulations.
- Review the Company's operations and ensure that it has an appropriate, effective and efficient risk management system as well as communicating with the Risk Management Committee in order to understand the risks that are important.
- Jointly review and consider with the auditors on the financial report, remarks and suggestions.
- Consider, select, nominate an individual, who is independent, to be in charge as an auditor of the Company, along with the consideration of the dismissal of the auditor and then propose the remuneration of the auditor to the Board of Directors of the Company.
- Consider the independence of the internal audit department, along with the consideration of the appointment, relocation and termination of employment, which includes the evaluation of the annual performance of the chief of internal audit.
- Monitor the internal audit department's operation in both areas, policy and working process, by considering the charter of the internal audit office for approval.
- Consider an annual internal audit plan for approval, as well as to consider the scope of audit, audit plan of internal audit department and the auditor of the Company, in order to have supportive relations.
- Coordinate and ensure that the Audit Committee, Executives, Internal Auditor Department and External Auditor are on the same page. In addition to this, a follow up is done to ensure that the Executives operate in accordance with the suggestion sufficiently, effectively and timely done.
- Jointly review and consider with the internal audit department regarding the audit results, remarks and recommendations.
- Review and amend the Audit Committee Charter once a year or when necessary in order to make it up-to-date and suitable with the organizational environment. Then propose this matter to the Board of Directors for approval.
- Conduct examination on matters notified by the external auditor. In the case that the auditor finds any suspicious behavior that the Managing Director, manager or individual who is responsible for the operation of the Company may have committed an offense as stipulated in the Securities and Stock Exchange Act (No. 5th) B.E. 2535, and report the preliminary results of the examination to the Office of the Securities Exchange Commission and auditor of the Company within 30 days from the date of receiving notification from the auditor.
- Investigate clues or complaints by assuring the whistleblowers that the investigation procedure is independent and properly monitored. In this regard, the information provided by the whistleblowers and the matter informed will be kept confidential in order to prevent the right being violated.
- Implement other matters as stipulated by law or as assigned by the Board of Directors as per the approval of the Audit Committee.
- Conduct the Audit Committee's report and reveal the report in the Company's annual report, which such report must be signed by the Chairman of the Audit Committee and must contain the following information:
 - Opinion on the accuracy, completeness, reliability of the financial report of the Company according to the Generally Accepted Accounting Principle and reveal important information sufficiently and on time.

- 18.2 Opinion on the sufficiency of the internal control system of the Company.
- 18.3 Opinion on practices complied with the laws of the securities and the Stock Exchange of Thailand and regulations of the Stock Exchange of Thailand or laws related to business of the Company.
- 18.4 Opinion on transactions that may have conflict of interest.
- 18.5 Opinion on the suitability of the external auditor.
- 18.6 Number of the Audit Committee's meeting, and the number of meeting participants of each Audit Committee.
- 18.7 Overall opinion or remarks that the Audit Committee have performed in accordance with the charter.
- 18.8 Other matters that the shareholders and general investors should be informed, under the scope of duty and responsibility assigned by the Board of Directors of the Company.

Terms of the Audit Committee

1. The term of the Audit Committee should be for a period of up to 3 years.
2. In the event of retiring from the position, such an individual may be re-appointed.
3. Audit Committee shall leave from the position when:
 - 3.1 Completion of term
 - 3.2 Death
 - 3.3 Resignation
 - 3.4 Lack of qualifications or possess prohibited character under Section 68 of the Public Company Act B.E. 2535, and Securities and Exchange Act B.E. 2535
 - 3.5 The Shareholders Meeting resolved to dismiss under Section 76 of the Public Company Act B.E. 2535
 - 3.6 Dismissal ordered by the Court
 - 3.7 The Board of Director has resolution to remove from the position
4. In the event of resignation, the resignation letter must be submitted to the Chairman of the Company not less than 30 days in advance, the approval should be made by the Board of Directors who shall then send a copy of the resignation letter to the Stock of Exchange of Thailand.
5. In the event of an available position as a result other than the term's expiration, the Board of Directors shall appoint an individual who is qualified to be an Audit Committee to fill up the number of the Audit Committee as stipulated in the Article of Association within 3 months from the date of vacancy. Individuals that will be appointed as an Audit Committee shall be in a position only for the remaining period of the former Audit Committee.

2.3. Nomination and Remuneration Committee

List, and position of Nomination and Remuneration Committee

Name - Surname	Position
1. Mr. Rutt Phanijphand	Chairman of the Nomination and Remuneration Committee
2. Mr. Chanin Roonsamrarn	Nomination and Remuneration Committee and Independent Committee
3. Mr. Naporn Sunthornchitcharoen	Nomination and Remuneration Committee

Remark: Mr. Nitat Aroontippaitoon, Senior Vice President - Human Resource, Loss Prevention, and Energy Business is a secretary of the Nomination and Remuneration Committee.

Roles and Responsibilities of the Nomination and Remuneration Committee

1. Select individuals who deserve to be nominated as the new Directors or search for a Managing Director.
2. Specify the procedures and regulations of selecting the directors or the managing director to ensure transparency.
3. Specify the remuneration and compensation procedures and criteria that are fair and reasonable to the Board of Directors and Sub-Committee appointed by the Board of Directors, and then propose to the Shareholders meeting for approval.
4. Consider and provide a recommendation on the determination of the remuneration and other benefits concerning duties and responsibilities of the Managing Director. Furthermore, the company considers the criteria for setting remuneration and the evaluation of the Managing Director's performance to determine the annual remuneration.
5. Evaluate the structure and regulations on remuneration, according to topics 3 and 4, as appropriate with personal responsibility, company's performances, and market trends.
6. Consider the salary increase budget and annual rewards, welfare, structure, and criteria related to the staff remuneration, including other benefits obtained by the Company and its subsidiary personnel.
7. Prepare the operational reporting and present it to the Board of Directors at least once a year.
8. Determine the overall policy of Employee Stock Option Plan and/or Employee Joint Investment plan as proposed by the Managing Director.
9. Perform other duties as assigned by the Board of Directors.

Terms of the Nomination and Remuneration Committee

1. The Nomination and Remuneration Committee appointment should be for a period of up to 3 years.
2. In the event of retiring from the position, such an individual may be re-appointed.
3. Nomination and Remuneration Committee shall leave from the position when:
 - 3.1 Completion of term
 - 3.2 Death
 - 3.3 Resignation
 - 3.4 Lack of qualifications or possess prohibited character under Section 68 of the Public Company Act B.E. 2535, and Securities and Exchange Act B.E. 2535
 - 3.5 The Shareholders Meeting resolved to dismiss under Section 76 of the Public Company Act B.E. 2535
 - 3.6 Dismissal ordered by the Court
 - 3.7 The Board of Director has a resolution to remove from the position.
4. In the event of resignation, the resignation letter must be submitted to the Chairman of the Company not less than 30 days in advance and must get approval from the Board of Directors as well as submitting the resignation form to the Stock Exchange of Thailand.
5. In the event of an available position as a result other than by the expiration of the term, the Board of Directors shall appoint an individual who is qualified to be the Nomination and Remuneration Committee to fill up the number as stipulated in the Article of Association by the Board of Directors.

2.4 Risk Management Committee

Comprises two representatives from the Board of Director who have been appointed as Risk Management Committee: Mr. Khunawut Thumpomkul and Mr. Weerapun Ungsumalee, as well as the representatives from the Company management or Risk Owner of the specific department. Apart from this, the director also coordinates with the internal audit department. The structure of the Risk Management Committee is independent of the management. The list of committee members are as follows:

Name - Surname	Position
1. Mr. Khunawut Thumpomkul	Chairman of the Risk Management Committee (Managing Director)
2. Mr. Weerapun Ungsumalee	Risk Management Committee (Executive Vice President)
3. Ms. Wannee Juntamongkol	Risk Management Committee (Executive Vice President Accounting and Finance Representative)
4. Ms. Jarusopha Thumkathikanon	Risk Management Committee (Merchandising Representative)
5. Mr. Nitat Aroonthipaitoon	Risk Management Committee (Human Resource, Loss Prevention, and Energy Business Representative)
6. Ms. Sudapa Chamod	Risk Management Committee (Information and Communication Technology Representative)

Remark: Mr. Aryuratas Chai-anan, Vice President - Internal Audit is the Risk Management Committee secretary.

Roles and Responsibilities of the Risk Management Committee

1. Formulate the policy and risk management framework of the company to seek endorsement from the Board of Directors. Besides, give advice to the Board of directors and management team in regard to enterprise risk management.
2. Determine the Company's acceptable risk level (Risk Appetite) as well as specify criteria and risk boundary, along with regular monitoring.
3. Consider significant risks that may impact the business's objectives, directions, and continuity of business, which are both existing and emerging risks. In addition, monitor and assess risk levels as well as improve operational plans and management measures or reduce the risk to an acceptable level of the organization.
4. Report risk assessment governance and risk mitigation actions to the Board of Directors at least once quarterly. In case of any important matters which may significantly impact the Company arise, a report must be made for urgent consideration.
5. Provide support to ensure that risk management procedures and plans will be effectively implemented. Furthermore, encourage continuous development of appropriate procedures and plans regarding the change of business conditions in order to achieve business objectives.
6. Review the risk management policy regularly to ensure that the risk management framework is up-to-date and appropriately covers the overall business operation.
7. Provide up-to-date knowledge and procedures regarding risk management to the Board of Directors on quarterly basis.
8. Disclose the report of the Risk Management Committee in the Company's annual report.

2.5. Strategy and Sustainable Development Committee

The Company prioritizes sustainability, therefore, the Company appointed Strategy and Sustainable Development Committee to set strategy and policy to drive operations of the Company towards sustainability goals that cover every aspect, including Environment, Social and Governance (ESG) and be aligned with Sustainable Development Goals (SDG). The company gives support to United Nations Global Compact (UNGC) and also participates as a member. In addition, the company has set an objective for net-zero emissions within 2050 by reducing greenhouse gas emission from company activities.

The list and the roles of the Sustainable Development Committee. Those consisted of Mr. Khunawut Thumpomkul

and Mr. Weerapan Ungsumalee, who are the representative of the Board of Directors.

Name - Surname	Position
1. Mr. Khunawut Thumpomkul	Chairman of the Strategy and Sustainable Development Committee
2. Mr. Weerapan Ungsumalee	Strategy and Sustainable Development Committee
3. Mr. Vathunyu Visuthikosol	Strategy and Sustainable Development Committee
4. Mr. Chaiyuth Karunyasopon	Strategy and Sustainable Development Committee
5. Mr. Nitat Aroontippaitoon	Strategy and Sustainable Development Committee
6. Ms. Wannee Juntamongkol	Strategy and Sustainable Development Committee
7. Ms. Ittaporn Srisukwattana	Strategy and Sustainable Development Committee
8. Ms. Jarusopha Thumkathikanon	Strategy and Sustainable Development Committee
9. Ms. Sudapa Chamod	Strategy and Sustainable Development Committee
10. Ms. Saowanee Sirariyakul	Strategy and Sustainable Development Committee

Remark: Mr. Rakpong Aroonwatdhana, Senior Vice President – Strategy and Sustainable Development is a Strategy and Sustainable Development Committee secretary

Roles and Responsibilities of the Strategy and Sustainable Development Committee

1. Set out and review the company policy, strategy, objective, and sustainable development goals.
2. Supervise, advise, support, promote and review the operation of sustainable development of the company for practical use.
3. Create a balance between business practices based on good governance, environmental care, and creating a good living for society and community.
4. Monitor the results from the operation conducted by the business that involves considering Sustainable Development and report the results to the stakeholders.

2.6 Personal Data Protection Committee

The Company is fully aware of the importance of personal data and respects customers' privacy. The Personal Data Protection Committee was set to supervise personal data and implemented the policy and measure. The committee also govern the operation to comply with the Personal Data Protection Act B.E. 2562

The list and the roles of the Personal Data Protection Committee. Those consisted of Mr. Weerapan Ungsumalee, which is the representative of the Board of Directors.

Name - Surname	Position
1. Mr. Weerapan Ungsumalee	Chairman of the Personal Data Protection Committee
2. Ms. Sudapa Chamod	Personal Data Protection Committee
3. Ms. Wannee Juntamongkol	Personal Data Protection Committee
4. Ms. Saowanee Sirariyakul	Personal Data Protection Committee
5. Mr. Nitat Aroontippaitoon	Personal Data Protection Committee
6. Mr. Aryuratas Chai-anan	Personal Data Protection Committee
7. Ms. Apirade Thavilap	Personal Data Protection Committee
8. Mrs. Kamonthip Amornariyakul	Personal Data Protection Committee and Data Protection Officer

Remark: Mr. Weerapan Ungsumalee, knowledgeable and specialize in Information and Technology, was appointed as the Chairman of the Personal Data Protection Committee, and the representative of the Board of Directors and the Personal Data Protection Committee to manage data protection.

Roles and Responsibilities of the Personal Data

Protection Committee

1. Determine the policy, operation plan, and objectives for personal data protection to comply with the Personal Data Protection Act B.E. 2562.
2. Oversee, advise, promote, and review personal data protection operations for practices.
3. Monitor the personal data protection performance and report it to the stakeholders.
4. The Committee has the authority to appoint a Sub Committee to consider or perform as assigned by the Committee.

3. Directors and executives with authority to control the Company, subsidiaries, and associate company

Name – Surname	Home Product Center Plc's Position (Parent Company)	Market Village Co., Ltd.	Mega Home Center Co., Ltd.	DC Services Center Co., Ltd.	Home Product Center (Malaysia)	Home Product Center (Vietnam)	Onestock-home Co.,Ltd.
1. Mr. Anant Asavabhokhin	Chairman	-	-	-	-	-	-
2. Mr. Manit Udomkunnatum	Director	-	-	-	-	-	-
3. Mr. Rutt Phanijsaphand	Director	-	-	-	-	-	-
4. Mr. Boonsom Lerthirunwong	Independent Director	-	-	-	-	-	-
5. Mr. Thaveevatt Tatiyamaneeekul	Independent Director	-	-	-	-	-	-
6. Mr. Chanin Roonsamrarn	Independent Director	-	-	-	-	-	-
7. Mr. Pornwut Sarasin	Independent Director	-	-	-	-	-	-
8. Mr. Naporn Sunthornchitcharoen	Director	-	-	-	-	-	-
9. Mr. Khunawut Thumpomkul	Director and Managing Director	Chairman	Chairman	Chairman	Chairman	-	-
10. Mr. Weerapun Ungsumalee	Director and Executive Vice President	-	Director and Managing Director	Director	Director	-	Director
11. Ms.Suwanna Buddhaprasert	Director	-	-	-	-	-	-
12. Mr. Achawin Asavabhokhin	Director	-	-	-	-	-	-

4. Details of changes in the Company's shareholding by the Directors in 2022

No.	Name - Surname	Position	No. of shares as at 1 Jan 2022	Changes in no. of shares	No. of shares as at 31 Dec 2022	Shareholding (%)	Value as at 31 Dec 2022 (Baht)
1	Mr. Anant Asavabhokhin	Chairman	-	-	-	-	-
	Spouse and minor children		-	-	-	-	-
2	Mr. Manit Udomkunatum	Director and Chairman of the Executive Committee	268,989,197	-11,000,000	257,989,197	1.96%	3,998,832,554
	Spouse and minor children		-	-	-	-	-
3	Mr. Rutt Phanijsaphand	Director, Executive Committee and Chairman of the Nomination and Remuneration Committee	-	-	-	-	-
	Spouse and minor children		-	-	-	-	-
4	Mr. Boonsom Lerdhirunwong	Independent Director and Chairman of the Audit Committee	-	-	-	-	-
	Spouse and minor children		-	-	-	-	-
5	Mr. Thaveevat Tatiyamaneeikul	Independent Director and Audit Committee	-	-	-	-	-
	Spouse and minor children		-	-	-	-	-
6	Mr. Chanin Roonsamrarn	Independent Director, Audit Committee and Nomination and Remuneration Committee	-	-	-	-	-
	Spouse and minor children		-	-	-	-	-
7	Mr. Naporn Sunthornchitcharoen	Director, Executive Committee and Nomination and Remuneration Committee	-	-	-	-	-
	Spouse and minor children		-	-	-	-	-
8	Mr. Weerapun Ungsumalee	Director and Executive Vice President	5,359,201	-	5,359,201	0.04%	83,067,616
	Spouse and minor children		-	-	-	-	-
9	Mr. Khunawut Thumpomkul	Director, Executive Committee and Managing Director	142,122,189	-	142,122,189	1.08%	2,202,893,930
	Spouse and minor children		-	-	-	-	-
10	Mrs. Suwanna Buddhaprasart	Director	-	-	-	-	-
	Spouse and minor children		-	-	-	-	-
11	Mr. Pornwut Sarasin	Independent Director	-	503,446	503,446	0.004%	7,803,413
	Spouse and minor children		-	-	-	-	-
12	Mr. Achawin Asavabhokhin	Director	-	-	-	-	-
	Spouse and minor children		-	-	-	-	-

Remark: The closing price of HMPRO stock as at 31 December 2022 was 15.50 Baht.

5. Management Information

As of 31 December 2022, the Company has 24 executives as defined by the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET) with the details as follows:

Name - Surname	Position
1. Mr. Khunawut Thumpomkul	Managing Director
2. Mr. Weerapun Ungsumalee	Executive Vice President
3. Mr. Chaiyuth Karunyason	Executive Vice President – Supply Chain Management
4. Mr. Vathunyu Visuthikosol	Executive Vice President – Business Development
5. Ms. Wannee Juntamongkol	Executive Vice President – Finance and Accounting (Managing Director Office and Company Secretary)
6. Mrs. Uraiwan Tantipiriyakij	Senior Vice President – Operations of HomePro Business
7. Ms. Sannipa Swangpuen	Senior Vice President - Inventory Management
8. Ms. Jarusopha Thumkathikanon	Senior Vice President – Bedding and Home Living Merchandising
9. Ms. Ittaporn Srisukwattana	Senior Vice President - Design and Product Development
10. Ms. Siriwan Paimsethasin	Senior Vice President - Water Solution & Electric Merchandising
11. Mr. Tanawat Klangsoontornrangsri	Senior Vice President - Ceramic & Bathroom Merchandising
12. Mrs. Apiradee Thavilap	Senior Vice President - Operational Support
13. Ms. Monaphat Phongpreedachit	Senior Vice President - Home Service
14. Mrs. Pornsook Damrongsiri	Senior Vice President - Digital Transformation
15. Mr. Nitat Aroontippaitoon	Senior Vice President - Human Resource, Loss Prevention, and Energy Business
16. Ms. Sudapa Chamod	Senior Vice President - Information and Communication Technology Chief Technology Officer (CTO) / Chief Security Officer (CSO)
17. Ms. Petchompoo Theppipidh	Senior Vice President - Distribution Center
18. Ms. Somjai Maturaporn	Senior Vice President - Home Electric Merchandising
19. Mr. Wichian Jiamwijitkul	Senior Vice President - Mega Home Business
20. Mr. Vorapot Techathadukul	Senior Vice President - Kitchen & Home Organize Merchandising
21. Ms. Saowanee Sirariyakul	Senior Vice President - Marketing
22. Mr. Wichan Worasittanon	Senior Vice President - Finance and Accounting
23. Mr. Rakpong Aroonwatdhana	Senior Vice President - Investor Relations, Strategy and Sustainability
24. Mr. Teerapong Sampan	Senior Vice President - Construction Merchandising

Executives with authority to control of the Company, subsidiaries, and associate company

Name – Surname	Home Product Center Plc.	Subsidiaries					Associate company
		Market Village Co., Ltd.	Mega Home Center Co., Ltd.	DC Services Center Co., Ltd.	Home Product Center (Malaysia)	Home Product Center (Vietnam)	Onestock home Co., Ltd.
1. Mr. Chaiyuth Karunyasopon	Executive Vice President	-	-	Director and Managing Director	-	-	-
2. Mr. Vathunyu Visuthikosol	Executive Vice President	Director and Managing Director	Director	-	Director and Managing Director	Director and Managing Director	-
3. Ms. Wannee Juntamongkol	Executive Vice President	Director	Director	Director	Director	-	-
4. Mrs.Uraiwan Tantipiriyakij	Senior Vice President	-	-	-	-	-	-
5. Ms. Sannipa Swangpuen	Senior Vice President	-	-	-	-	-	-
6. Ms. Jarusopha Thumkathikanon	Senior Vice President	-	-	-	-	-	-
7. Ms. Ittaporn Srisukwattana	Senior Vice President	-	-	-	-	-	-
8. Ms. Siriwan Paimsethasin	Senior Vice President	-	-	-	-	-	-
9. Mr. Tanawat Klangsoonthornrangsi	Senior Vice President	-	-	-	-	-	-
10. Ms. Apiradee Thavilap	Senior Vice President	-	-	-	-	-	-
11. Ms. Monaphat Phongpreedachit	Senior Vice President	-	-	-	-	-	-
12. Mrs.Pornsook Damrongsiri	Senior Vice President	-	-	-	-	-	-
13. Mr. Nitat Aroontippaitoon	Senior Vice President	Director	Director	Director	-	-	-
14. Ms. Sudapa Chamod	Senior Vice President	-	-	-	-	-	-
15. Ms. Petchompoo Theppipidh	Senior Vice President	-	-	-	-	-	-
16. Ms. Somjai Maturaporn	Senior Vice President	-	-	-	-	-	-
17. Mr. Wichian Jiamwijitkul	Senior Vice President	-	-	-	-	-	-
18. Mr. Vorapot Techathadakul	Senior Vice President	-	-	-	-	-	-
19. Ms. Saowanee Sirariyakul	Senior Vice President	-	-	-	-	-	-
20. Mr. Wichan Worasittanon	Senior Vice President	-	-	-	-	-	-
21. Mr. Rakpong Aroonwatdhana	Senior Vice President	-	-	-	-	-	-
22. Mr. Teerapong Sampan	Senior Vice President	-	-	-	-	-	-

Details of changes in the Company's shareholding by the Executives in 2022

No.	Name - Surname	Position	No. of shares as at 1 Jan 2022	Changes in no. of shares	No. of shares as at 31 Dec 2022	Shareholding (%)	Value as at 31 Dec 2022 (Baht)
1	Mr. Chaiyuth Karunyasopon	Executive	2,000,666	-	2,000,666	0.02%	31,010,323
	Spouse and minor children	Vice President	134,400	-	134,400	0.001%	2,083,200
2	Mr. Vathuny Visuthikosol	Executive	9,989,443	41,808	10,031,251	0.08%	155,484,391
	Spouse and minor children	Vice President	-	-	-	-	-
3	Ms. Wannee Juntamongkol	Executive	11,140,028	47,227	11,187,255	0.09%	173,402,453
	Spouse and minor children	Vice President	-	-	-	-	-
4	Ms. Uraiwan Tantipiriyakij	Senior Vice	480,325	25,352	505,677	0.004%	7,837,994
	Spouse and minor children	President	600,000	-600,000	0	-	-
5	Ms. Sannipa Swangpuen	Senior Vice	246,038	31,133	277,171	0.002%	4,296,151
	Spouse and minor children	President	-	-	-	-	-
6	Ms. Jarusopha Thumkathikanon	President	10,767,032	37,158	10,804,190	0.08%	167,464,945
	Spouse and minor children	President	-	-	-	-	-
7	Ms. Ittaporn Srisukwattana	Senior Vice	62,349	33,387	95,736	0.0007%	1,483,908
	Spouse and minor children	President	-	-	-	-	-
8	Ms. Siriwan Paimsethasin	Senior Vice	525,400	-	525,400	0.004%	8,143,700
	Spouse and minor children	President	-	-	-	-	-
9	Mr. Tanawat Klangsoontornrangsi	Senior Vice	635,851	20,731	656,582	0.005%	10,177,021
	Spouse and minor children	President	-	-	-	-	-
10	Mrs. Apiradee Thavilap	Senior Vice	211,733	29,937	241,670	0.002%	3,745,885
	Spouse and minor children	President	-	-	-	-	-
11	Ms. Monaphat Phongpreedachit	Senior Vice	199,346	21,826	221,172	0.002%	3,428,166
	Spouse and minor children	President	-	-	-	-	-
12	Ms. Pornsook Damrongsiri	Senior Vice	238,245	26,862	265,107	0.002%	4,109,159
	Spouse and minor children	President	-	-	-	-	-
13	Mr. Nitat Aroontippaitoon	Senior Vice	5,679,190	29,911	5,709,101	0.04%	88,491,066
	Spouse and minor children	President	-	-	-	-	-
14	Ms. Sudapa Chamod	Senior Vice	240,634	25,544	266,178	0.002%	4,125,759
	Spouse and minor children	President	-	-	-	-	-
15	Ms. Petchompoo Theppipidh	Senior Vice	87,987	24,281	112,268	0.0009%	1,740,154
	Spouse and minor children	President	-	-	-	-	-
16	Ms. Somjai Maturaporn	Senior Vice	265,430	20,252	285,682	0.002%	4,428,071
	Spouse and minor children	President	-	-	-	-	-
17	Mr. Wichian Jiamwijitkul	Senior Vice	21,615	25,084	46,699	0.0004%	723,835
	Spouse and minor children	President	-	-	-	-	-
18	Mr. Vorapot Techathadakul	Senior Vice	50,161	23,052	73,213	0.0006%	1,134,802
	Spouse and minor children	President	-	-	-	-	-
19	Ms. Saowanee Siririyakul	Senior Vice	36,917	40,118	77,035	0.0006%	1,194,043
	Spouse and minor children	President	-	-	-	-	-
20	Mr. Wichan Worasittanon	Senior Vice	1,260,466	25,765	1,286,231	0.01%	19,936,581
	Spouse and minor children	President	-	-	-	-	-
21	Mr. Rakpong Aroonwatdhana	Senior Vice	57,490	20,199	77,689	0.0006%	1,204,180
	Spouse and minor children	President	-	-	-	-	-
22	Mr. Teerapong Sampan	Senior Vice	70,000	-	70,000	0.0005%	1,085,000
	Spouse and minor children	President	-	12,000	12,000	0.0001%	186,000

Remarks: The closing price of HMPRO stock as at 31 December 2022 was 15.50 Baht.

The increase in the number of shares is driven mainly by the Employee Joint Investment Program (EJIP).

Remuneration for the Managing Director and Executives

The Company considered remuneration to the managing director and executives in consideration of fairness and appropriateness to the assigned responsibilities that are in line with the company's performance. Additionally, the company compares its remuneration to the other companies' remuneration within the same industry or similar industry, along with environmental, social, and governance operational performances such as increased Eco Product sales mix, renewable energy consumption, and the number of Tao Kae Noi technicians. Apart from this, each executive's performance is analyzed with respect to the objectives that align with its vision, mission, and annual strategic plan. The purpose is to drive the Executives to build stability and long-term sustainable growth for the organization. The details are as follows:

- Remuneration for the Managing Director

The determination of remuneration for the Managing Director is determined appropriately and indicates transparency. The Nomination and Remuneration Committee reviewed the remuneration of the managing director in order to propose this matter to the Board of Directors for approval by deciding whether the individual performance corresponds to the company's objectives both in short and long terms; as well as whether the individual's responsibilities conform to the assigned tasks. The objective of remuneration is to encourage motivation and the sense of entrepreneurship. The details are as follows:

Short term: Remuneration in the form of salary and bonus based on the performance.

Long term: The first series of Employee Joint Investment Program (EJIP) started from 1 July 2013 to 30 June 2018, and the second Employee Joint Investment Program (EJIP) started from 1 July 2018 to 30 June 2023.

- Remuneration for the Executives

The Managing Director evaluates each executive's performance and the department under each executive annually. The evaluation of these assessments is used to determine executives' remuneration in the form of salary and bonus. The details are as follows:

Short term: Remuneration in the form of salary, bonus, and other compensation based on the performance in the year 2022 and 2021 of the Managing Director and executives amounted to Baht 164.30 million and Baht 148.83 million respectively, representing 3.28% of the total compensation of the Company. In 2022, the difference between total compensation for male and female executives was lower than 10%.

Long term: The first Employee Joint Investment Program (EJIP) started from 1 July 2013 to 30 June 2018 and the second Employee Joint Investment Program (EJIP) started from 1 July 2018 to 30 June 2023

The details are as follows:

1. Employee Joint Investment Program (EJIP) Series 1
The Employee Joint Investment Program first began on 1 July 2013. The management and associates who joined the program will receive a contribution for buying the Company's stock starting from 1 July 2013 to 30 June 2018.
2. Employee Joint Investment Program (EJIP) Series 2
The Employee Joint Investment Program first began on 1 July 2018. The management and associates who joined the program will receive a contribution for buying the Company's stock starting from 1 July 2018 to 30 June 2023.

6. Human Resources

Details of the number of associates and their total compensation during the year 2020 – 2022 are as follows:

Number of Associates	31 Dec 2020	31 Dec 2021	31 Dec 2022
Associates of the Company			
- Head Office (persons) ¹	1,761	1,820	1,933
- Branches (persons)	6,244	6,305	6,454
Associates of subsidiaries (persons)	2,519	2,476	2,972
Total (persons)	10,524	10,601	11,359
Salaries, wages, and other associates benefits (million Baht)	4,524	4,639	4,925
Profit (million Baht)	5,155	5,441	6,217
Profit per associates (million Baht)	0.49	0.51	0.55

Remark: - The table contains information of the permanent associates only. Further details on the Associate Profile can be found in the Sustainable Development Report on page 100. Number of associates was counted by the Human Resources Management System (HRMS).
 - The number of workers who are not employees is 16,671 people and their main duties are Security Guards, Cleaners, Loss Preventions, Sales, Administrators and Customer Services.

The Employee Joint Investment Program (EJIP)

The Company's Board of Directors meeting was held on 30 January 2018, and the Employee Joint Investment Program Series 2 (EJIP) was approved. The details of the program are as follows:

The company eligible under EJIP	Home Product Center Public Company Limited
The Period of EJIP	July 1, 2018 to June 30, 2023, with a total duration of 5 years.
Eligible associates under EJIP	Associates at Division Manager or above, up to Managing Director level on the voluntary basis. Director and advisors of the company are excluded from this program.
EJIP arrangement	The company will make deduction from the payroll of eligible associates who voluntarily join the EJIP, at the rate 5% of the salary of each month. The Company will contribute 100% of the amount contributed by EJIP participants on a monthly basis.
EJIP buying schedule	Monthly basis.
Vesting period (Conditions for holding the securities)	- In the first 3 years is the silent period. - Complete 3 years but less than 4 years, can sell 25% of the existing shares - Complete 4 years but less than 5 years, can sell 50% of the existing shares - Completed the project for 5 years, associates can sell all shares
EJIP program manager	Phillip Securities (Thailand) Public Company Limited

Note: The Managing Director has to build up a share ownership of 10 times the annual base salary of the Managing Director, and 5 times of executives' annual base salary. Other members of the executive committee besides the Managing Director has to build up a share ownership of 5 times the annual base salary.

Provident Fund Program

The Company set up a provident fund, in which 9,676 associates have participated. Those account for 90% of total associates.

Clawback Provision

The Company's clawback provision is in compliance with the Securities and Exchange Act B.E 2535. Under section 89/7, it is stated that the board of directors, management, and associates should perform their duties with full responsibilities as well as cautiousness and integrity, and comply according to the law, the Company's objectives, the Company's Articles of Association, and resolutions of the board of directors and shareholder's meeting. In case that the Board of directors, management and associates has conducted any act against the section 89/7, the Company may reclaim the incentives back to the Company according to the section 89/18 and 89/19.

7. The Board Orientation

The Company has the policy to organize an orientation to every newly appointed Director to acknowledge the roles, duty, and responsibility, including providing knowledge, understanding the business, and operating in every part of the Company. The purpose is to prepare the readiness to perform the Directors' duties by presenting the documents and the information that will assist the newly appointed Directors in performing their roles such as the Directors' Handbook, Company's Good Corporate Governance and Business Code of Conduct Handbook, Company's Articles of Association, capital and shareholding structures, annual report, Form 56-1 (One Report), business performance, laws and best practices guidelines, training programs for directors as well as other information related to the business operation to create a better understanding about the Company and its operation to the newly appointed Directors. In 2022, the company arranged an orientation for Mr. Anant Asavabhokhin, who was newly appointed as a Chairman of the Board of Directors, on May 6, 2022.

8. Succession Development Plan

The Company is aware of the importance of running the business efficiently and continuously. Therefore, a succession development plan is made to find the right fit for the category to continue running the business. The position can immediately be filled or within 1-2 years according to the following procedures:

1. Identify Key Positions which are core to the company's business to uphold the purpose, corporate vision, mission, strategies, and goals by the following criterion:
 - The positions closely associated with the core business functions
 - The positions requiring candidates with fields of expertise that are scarce and take up a long time to recruit and develop
 - The positions requiring special skill or expertise to perform
2. Design a clear set of Core Competencies for each Key Position in order to ensure effective and on-point recruiting training procedures and competency development plan.
3. Set up guidelines and criteria for evaluating the potential successors, including the consideration in terms of knowledge, skills, career background, potential, as well as the managerial and strategic vision, in line with the Core Competency crafted for each particular position.
4. Select the successors in accordance with the set criteria, evaluate the readiness of selected candidates on both strong traits and areas for improvement.
5. Establish and execute Individual Development Plan to ensure that each of the selected successors is always ready to take on the designated role.

6. Monitor and reassess the Succession Development Plan annually and propose to the Board of Directors for approval and endorsement. Further details can be found in the Sustainable Development Report on page 106-109.

9. Company Secretary

On 20 March 2008, the Board of Directors had the resolution to appoint Ms. Wannee Juntamongkol as the Company Secretary to comply with the "Securities and Stock Exchange Act B.E. 2551" and subsequently revised in B.E. 2559 (5th issue). The Company has already informed the name and the location where the company kept the documents to the Securities and Exchange Commission on 26 August 2008.

Company Secretary Profile

Ms. Wannee Juntamongkol (58 years old)

- Executive Vice President of Accounting and Finance, and Investor Relations Strategy and Sustainability
- Company Secretary
- Director of Market Village
- Director of Home Product Center (Malaysia)
- Director of Mega Home Center
- Director of DC Service Center

Educations

- B.A., Accounting, Faculty of Commerce and Accountancy of Chulalongkorn University
- MBA, Sasin Graduate Institute of Business Administration of Chulalongkorn University

Trainings

- | | |
|------|--|
| 2022 | - CFO Refresher class 3/2022, Capital Market Knowledge Development of Promotion Center, Stock Exchange of Thailand (SET) |
| 2021 | - Company Secretary Program, Thai Listed Companies Association |
| | - CFO Refresher class 2/2021, Capital Market Knowledge Development of Promotion Center, Stock Exchange of Thailand (SET) |
| 2020 | - Top Executive Program in Commerce and Trade class 13, School of Business, UTCC |
| | - Advance for Corporate Secretary Program, Institute of Director Association (IOD) |
| 2019 | - Attended the following seminars by Thai Listed Companies Association: |
| | - The CFO's role in stakeholder communications |

- Automation & RPA (Robot Process Automation) for Accounting
- The Securities and Exchange Commission's policy of capital market development and operational support for listed companies
- 2017 - Director Accreditation Program class 140/2017
- 2016 - Capital Market Academy class 22
- 2015 - Strategic CFO class 1 by Stock Exchange of Thailand (SET)
- 2008 - Laws and regulations of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET) Program for the Company Secretary by Faculty of Law of Chulalongkorn University
- 2005 - Company Secretary Program, Institute of Directors Association (IOD)

Responsibilities of Secretary of the Company

1. Facilitate activities of the Board of Directors
2. Make a summary of the matters under the decision of the Board of Directors, follow up, and coordinate with related parties to ensure compliance with the resolutions of the Board of Directors and the resolution of the shareholders' meeting along with reporting the results of such operations closely.
3. Arrange schedules of the Board of Directors meeting and Sub-Committees meetings, including conducting the Board of Directors meeting and shareholder meeting.
4. Keep information according to the law, including prepare and maintain the following documents:
 - List of shareholders
 - Director registration
 - The Board of Directors meeting invitation, the Board of Directors Meeting Minutes, and the company's annual report
 - Shareholders Meeting invitation and the Shareholders Meeting minutes
5. Maintain the report concerning conflicts of interest reported by the directors or the executives and summaries those matters under the director's authority.
6. Coordinate with a relevant organization such as the Securities and Exchange Commission to ensure that all the company's relevant information is disclosed and reported accurately and transparently to the relevant department and the public.
7. Giving legal advice and related regulations that are relevant to the business as well as the principles of

Good Corporate Governance to the Board of Directors and the Sub-Committees in accordance with the laws and Good Corporate Governance.

8. Manage other matters as stipulated by the Capital Market Supervisory Board.
9. Conduct the Board Orientation Program and advise when there is an appointment of a new director.
10. Regularly monitor and ensure that the Board of Directors considers any opinion given by the shareholders.
11. Arrange to have the report on important Corporate Sustainable Development issues that the Board of Directors shall monitor.
12. Take care of Directors and officers' liability insurance.
13. Perform other duties as assigned by the Board of Directors.

10. Head of Internal Audit

On January 9, 2014, the Audit Committee Meeting No.1/2014 has appointed Mr. Aryuratas Chai-anan, Vice President - Internal Audit to be the Head of Internal Audit, since he has experience in internal audit for the Company for 18 years and experience in similar business, total of 22 years. He has passed the Certified Professional Internal Audit of Thailand (CPIAT) test. He has trained in related internal audit courses such as Audit Standard, Information Technology Auditing, Risk Management, etc. Besides, he has a good understanding of the Company's operation. As a result, it is appropriate to appoint him to perform such duties. The Audit Committee is responsible for approving the appointment, removal, and transfer of the Head of Internal Audit.

Head of Internal Audit's Profile

Mr. Aryuratas Chai-anan (55 years old)

- Vice President of Internal Audit

Relationship with the Management:

- None

Educations

- Bachelor of Accounting, University of the Thai Chamber of Commerce

Trainings

- 2019 - Economic Outlook
- Updated COSO Enterprise Risk Management: Integrating with Strategy and Performance
- Data Protection Law
- Communication and Coaching

- 2018 - Current Trend in Strategy
- 2017 - Understanding and Navigating Risks in Emerging Market
 - The role of the listed Company's Board of Director in reducing business risk in cyber, challenge, and solution
 - AC Hot Update: Ready for Next Gen CG
 - Bright Spots: Lighting the way to a corruption free society National Conference CAC
 - Practice for the Board to supervise the prevention and response to cyber threats
 - Communication Strategy for Modern IA
- 2016 - How to Develop a Risk Management Plan
 - Cyber Operation Contest and trend on information system
 - Seminar "Internal Auditor and value creation in currency economy situation"
 - CG Forum 3/2016 "The way to prevent corporate corruption"
 - Seminar "Internal control to prevent the inappropriate offers to a government official"
 - The training of upcoming New Financial Reporting Standards
- 2015 - COBIT 5 for enterprise framework and CG forum "Risk oversight: High priority roles of the Board"
- 2014 - Going from 'Good' to 'Great'
- 2013 - Certified Professional Internal Auditor of Thailand (CPIAT)
- 2012 - Mini Master of Business Administration NIDA
- 2011 - Internal Auditing for the certified internal auditor
- 2010 - Risk Management - Action
- 2006 - Skill for new Auditor-In-charge
- 2005 - Operation Audit
- 2003 - Internal Audit Standards vol. 2

Work Experience

- 2014 - Present - Vice President Internal Audit
- 2014 - Present - Vice President - Risk Management Committee's secretary
- 2010 - Present - Audit Committee's secretary
- 2003 - 2014 - Assistant Vice President - Internal Audit (Home Product Center Plc.)
- 2000 - 2003 - Inventory Management Consultant (Karat Sanitary Ware Plc.)
- 1997 - 2000 - Head of Internal Audit (Siam City Cement Plc.)

The Roles and Responsibilities of Chief of Internal Audit

1. Prepare the audit plan according to the Risk-Based Approach and internal audit guidelines. Then propose to the Audit Committee for approval. In case of revision, amendment or change of such plan, it should be proposed to the Audit Committee for approval as well.
2. Conduct internal audit according to the annual audit plan, which has been approved, and perform other duties as assigned by management and the Audit Committee.
3. Review the accuracy and accountability of accounting data, financial report, operational reports and other key business operations to be accurate and reliable.
4. Examine related transactions or any transaction that may lead to conflict of interest. Review if such items are disclosed accurately and thoroughly in compliance with the Thai Securities and Exchange Commission.
5. Review the internal audit system, manage risks, and corporate governance throughout the operating activities of each business unit to ensure that the Company achieves the business goals. In addition, the Audit Committee also manages current and emerging risks to an acceptable level such as cyber security risk and emerging regulations by placing importance on having a sufficient and efficient internal audit system as well as complying to the corporate governance code.
6. Review measures and set out guidelines for countering corruption and misconduct that may occur in the operating systems. Coordinate with management to investigate any concerns, presumptions, clues or complaints about possible corruption practice in the Company. Then report the results of the investigation to management and the Audit Committee. However,

the identification of the individual reporting the alleged corruption will be kept confidential to protect their rights.

7. Advice, counsel, and recommend guidelines to management and business units or measures to improve risk management, internal audit and corporate governance to ensure that the operation of each business unit is accurate and efficient.
8. Report the audited results to the management and the Audit Committee in a timely manner, and in the case the audit findings are prone to the fraud, the Head of Internal Audit would immediately report the findings to management and the Audit Committee.
9. Conduct other ad hoc audit operations provided that such assignment does not affect efficiency and effectiveness of the audit operational plan.
10. Communicate and coordinate with auditors to the audit of their operation.
11. Develop and ensure that audit officers possess adequate knowledge, competency, and experience to execute the audit operations.
12. Continuous self-improvement to increase knowledge, skills and professional competency levels to perform their duties. They shall participate in professional training courses and workshops continuously.
13. In case that the internal audit tasks or other related operations require more advanced, specialized knowledge of an expert on specific matters. Chief of internal audit can propose to the Audit Committee for further considerations.
14. Conduct internal audit quality assessment after the audit process ends by conducting the post-audit questionnaire to business units where the audit was performed.

11. Investor Relations Department

The Company has a dedicated Investor Relations Department to fully take charge of providing information and collecting opinions from shareholders, analysts, and investors regularly, as well as presenting operating performance and compiling comments from shareholders, analysts, and investors to the Board of Directors at least 4 times annually. The Company expects that the Investor Relations Department is an essential medium in providing

information, giving clarification, answering questions, and collecting and exchanging comments or concerns with shareholders, investors, securities analysts, and interested individuals. The Assistant Vice President of the Investor Relations Department is Ms. Rujirada Kongros. The Company information can be inquired via 3 channels as follows:

- 1) Telephone: 0 2832 1049
- 2) Fax: 0 2832 1066
- 3) Email: ir@homepro.co.th
- 4) Website: https://hmpro-th.listedcompany.com/ir_contact.html

Moreover, the Company has disseminated important information to reach out to target audiences in an accurate, complete, timely, and fair manner via 3 main channels:

1. The annual information disclosure report Form 56-1 (One Report), detailing key topics such as overall business operations, risk factors, shareholding structure, management, related transactions, corporate governance etc. This report will be distributed within 90 days after the closing date of the fiscal year, respectively, to investors to be timely informed of the operating results in the previous year.
2. The Management Discussion and Analysis (MD&A), quarterly and annually, and Investor Release, which details the operational and financial performance with analysis and explanation of causes for changes, considers factors that affect the change of operating results through the SET and electronic mail channels.
3. The Company's website under the Investor Relations section. This is to facilitate investors and interested individuals to study the Company's information, which is regularly updated. The information displayed on the website is available both in Thai and English, comprising of the nature of business operations, historical and updated financial statements, press releases, shareholding structure, organization chart, the structure of business groups, Directors' and executives' information, information on Investor Relations, Sustainability Report, the Company's Article of Association, annual reports and related policies which are all downloadable through <https://hmpro-th.listedcompany.com/home.html>



Risk Management

To support the Board of Director in managing the good corporate governance with optimal risk, in consistent with the situation that keeps changing over period of time, the Company continuously and systematically recognizes the importance of risks management that risk may occur and affect the business operation and operating results. A Risk Management Committee has been established to track and set guidelines on how to manage and maintain risks within the acceptable level. The Risk Management Committee consists of the Managing Director, who chairs the Committee, Executive Vice Presidents and Senior Vice Presidents from 5 departments as Committee members, who cover major risks within the Company. In 2022, the process is as follow:

1. Set risk management policy for the Company according to international standard by focusing risk management on 5 aspects: strategy, operation, finance and compliance to related regulations, and the new risk related to the change in business environment (Emerging Risk).
2. Review major risks at the corporate level. The process includes the analysis, assessment, and summary of Corporate Risk Profile by taking into account the dynamic of external factors with regards to economic, social, and climate change, and innovation technology that impact consumers' lifestyle and behavior amidst of competition with both the existing peers in the same industry and the new entrances. Set Key Risk Indicator as the precaution alarm for risks and monitor risk management plan effectively.
3. Track and review the mentioned level of risks quarterly in accordance with the ever-changing business environment. Monitor and manage risks to remain within the acceptable level
4. Report the risk assessment to the Board of Directors every quarter.

Internal Control

In the Board of Directors Meeting No.12/2022 on December 27, 2022, the Board of Directors has reviewed the sufficiency of the internal control system with the Audit Committee and Top Management according to the 5 aspects of 17 COSO principles. It is concluded that the internal control system of the Company is sufficient and appropriate for the operational objective and good corporate governance. Key summaries are as follows:

1. Control Environment

The Board of Directors and the management support organizational culture that upholds morality and ethical business values and ensure that the operation meets the visions and missions. The Company also fosters internal control that is proper and beneficial to internal control policy compliance as set out below:

- 1.1 The Company formulates good corporate governance, the code of ethics, regulations, internal control policies, and anti-corruption policies as practice guidelines for the Board of Directors, the Management and associates. All associates are expected to be honest in adhering this policy. Similarly, Organizational structure, the boundaries of authority and the responsibilities of a job position is appropriately outlined to ascertain sufficiency, effective and efficient performance and follow up processes and to avoid conflict of interest against the Company.
- 1.2 The Company's Board of Directors is the experts at the Company's retail business with the valuable competencies. Besides, they are independent from the Management and they oversee the overall operation and develop internal control activities. The Board of Directors also monitors the establishment of clear and measurable business goals as the practical guidelines for executives and associates. This is to ensure the achievement of the designated targets.
- 1.3 The Company establishes the business unit and department organizational structures so that the Company's administration achieves effectiveness and alignment. The formulated areas range from suitable reporting lines, authorization and responsibility. This is to ensure the Company's objective fulfillment and imbue associates with awareness of roles, authorization, duties and responsibilities.

- 1.4 Apart from key role succession, the Company determines the qualifications of a job position as recruitment and human development criteria. Standard and transparent appraisal ensures fair remuneration and effective staff motivation for outstanding performance. Competitive benefits help retain associates.
- 1.5 Concerning risks and internal control, a range of risk awareness and understanding campaigns are targeted at the Management and associates and, thus, became part of appraisal. That is, a penalty is imposed on those who violate the Company's regulations. On the contrary, the encouragement of moral support is fulfilled through the HomePro Role Model Award.

2. Risk Assessment

To boost the confidence in target accomplishment, both in short and long-term dimensions, the Board of Directors and the Management highlight the importance of risk management by appointing the Risk Management Committee. The duties are to monitor the Company's risk management to ascertain appropriateness and effectiveness. The following administration guidelines are as follow:

- 2.1 As guided by the COSO Enterprise Risk Management, the Company executes risk management companywide by communicating the risk management policies that are acknowledged by the Management and associates at all levels. As risk management is embedded as part of our organizational culture, the financial report meets the established accounting standards and is reviewed by external certified public accountants. This is a testimony of our risk-related activities.
- 2.2 The Company's scope of risk profiles is fully implemented at the organizational, business units and section levels. Risk management involves investment and processes by taking into account changes posed by both internal external factors. Risk management guidelines seek to ensure that risks are curbed at an acceptable degree. On top of this, a monthly risk review helps fulfill the attempt and risk management activities must be responsible by all business units.

- 2.3 Key Risk Indicators (KRI) tracks the progress of evolving changes in risk factors, assesses the possibility of corruption activities in various forms and assists in preventive actions. Communication is imparted amongst associates across rankings for acknowledgement and compliance.
- 2.4 The Company closely monitors the latest external news and situations in a bid to assess changes in operational models and emerging trends that could affect the Company's targets. Related suitable measures are on hand in advance to deal with a challenge.

3. Control Activities

Our effective and efficient control activities lessen a risk of unsuccessful objective achievement as set out by the Company and ensure that risks will not exceed an established threshold as detailed below:

- 3.1 Based on good internal control principles such as policy formulation and practice guidelines, the Company maps out control activities in written forms that fit the Company's business characteristic and job functions. Segregation of duties and approval authorization are systematically dispersed to groups of personnel, approvers, those who record, keepers etc. to ensure that there is a checking-balancing system.
- 3.2 The Company has devised safety measures of information system through automatic control tools for key priorities such as SAP GRC Access Control to ensure an effective conformity between job positions and SAP access performance rights. In addition, the system is well updated with prompt inspection and maintenance to be taken by relevant associates upon receiving an irregular notification.
- 3.3 A transaction executed by major shareholders, directors, executives, and related people is traced by the Company's cautious policy and undergoes a predefined approval process responsible by a third party with the Company's highest interest. In addition, the guideline for subsidiaries are in place aligning to the corporate strategies. Similarly, the Company has provided a monitoring and follow-up measure to subsidiaries on a regular and constant basis as well as policies and working processes are also regularly reviewed so that they operate as planned.

4. Information & Communication

The Company determines efficient and effective control activities to reduce the risk of inability to achieve purpose to be at acceptable level as follows:

- 4.1 Correct, detailed, sufficient, and timely information are key to our decision making and a critical discussion at a meeting where internal and external sources are taken into account. The Company insists that only proper and verified information is used. In addition, information security, confidential level, important documents and controlled documents are under supervision of softwares that gather and process input in all areas to lessen an overlap while expediting a report to the Management.
- 4.2 The Company appropriately communicates with the Board of Directors, the Management, associates and stakeholders. Important documents related to the Company's financial results and meeting agendas are prepared for the Board of Directors in advance of a meeting so that they are equipped with sufficient information analysis before making a decision. Our internal communication is disseminated through various channels ranged from the Town Hall activities whereby top management address all associates, the Intranet, an e-mail, mobile application, an orientation that hands over key messages to new associates, and Digital Learning that provides beneficial knowledge for carrying out tasks. In addition, HomePro ME application has been developed to offer a wider range of internal communications for our associates, which is accessible from anywhere at anytime.
- 4.3 A website, call center, an e-mail, or social media, including Line and Facebook, act as the Company's communication tools that address external stakeholders. The Company assigns task to a special working unit with particularly overseeing constant key message communication with stakeholders. Besides, our whistleblowing system fosters associates and stakeholders' confidence over transparency, morality, fairness and confidentiality within a reasonable timeframe. More information is available in the corporate governance section.

5. Monitoring Activities

The Company employs monitoring and assessment process of the adequateness of internal control and improvement process for the purpose of effectiveness and efficiency. The following are our practices:

- 5.1 The Company evaluates internal control both at the organizational and process levels. In this, associates in each business unit also perform a yearly self-appraisal. Furthermore, the Internal Control Department ensures adequateness and appropriateness, provides some advice on improvement and presents the Audit Committee with reviewing results. This aims to achieve the independency of audits' performance and result reporting. Trainings and professional development of audit-related knowledge are also provided to internal audit team.
- 5.2 In case of fraud, the Management must immediately report a case to the Board of Directors. A similar prompt action also concerns a suspected serious corruption, an unlawful practice and any other irregularity that can significantly affect the Company's reputation and financial position. Within a timely manner, an issue summary and a solution are required to be ready for the consideration of the Board of Directors or the Audit Committee.

In 2022, the Company found no major mistake related to internal control that could significantly derail the key organizational objective accomplishment, nor significant error with regards to a transaction that could lead to a conflict of business or violation of securities and exchange laws, regulations of the Stock Exchange of Thailand or laws involving the operation of the Company.

Miss Kingkarn Asawarangsarit, who is the certified public accountant no. 4496 of EY Office Limited, as the external auditor of the Company's for the year-end on December 31, 2022, as well as the auditor approved by the Office of the Securities and Exchange Commission, has given her comment on the assessment of the efficiency of the internal control of the Company's accounting by reporting that no significant weak point arose.

6. Chief Financial Officer and Chief Accountant

In accordance with the Office of the Securities and Exchange Commission's regulations on the qualification of Chief Financial Officer (CFO) and Chief Accountant, the profile of both persons who have fulfilled the financial and accounting trainings requirements as regulated by the Office of the Securities and Exchange Commission, is set out below:

6.1 Chief Financial Officer

Ms. Wannee Juntamongkol (58 Years Old)

- Executive Vice President of Accounting and Finance and Investor Relations Strategy and Sustainability
- Company Secretary
- Director of Market Village Co., Ltd.
- Director of Home Product Center (Malaysia)
- Director of Mega Home Center
- Director of DC Service Center
- She has been working with the Company since 2005

Educations

- B.A., Accounting, Faculty of Commerce and Accountancy of Chulalongkorn University
- MBA, Sasin Graduate Institute of Business Administration of Chulalongkorn University

Trainings

- 2022 - CFO Refresher class 3/2022, Capital Market Knowledge Development of Promotion Center, Stock Exchange of Thailand (SET)
- 2021 - Program for the Company Secretary by Thai Listed Companies Association
- CFO Refresher class 2/2021, Capital Market Knowledge Development of Promotion Center, Stock Exchange of Thailand (SET)
- 2020 - Top Executive Program in Commerce and Trade class 13, School of Business, UTCC
- Advance for Corporate Secretary Program, Institute of Director Association (IOD)
- 2019 - Attended the following seminars by Thai Listed Companies Association:

- The CFO's role in stakeholder communications
 - Automation & RPA (Robot Process Automation) for Accounting
 - The Securities and Exchange Commission's policy of capital market development and operational support for listed companies
- 2017 - Director Accreditation Program class 140/2017
- 2016 - Capital Market Academy class 22
- 2015 - Strategic CFO class 1 by the Stock Exchange of Thailand (SET)
- 2008 - Laws and regulations of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET) Program for the Company Secretary by Faculty of Law of Chulalongkorn University
- 2005 - Company Secretary Program, Institute of Directors Association (IOD)

6.2 Chief Accountant

Mr. Wichan Worasittanon (55 years old)

- Senior Vice President of Accounting and Finance
- He has been working with the Company since 2006

Educations

- Bachelor of Commerce and Accountancy, Thammasart University

The Registration as the Company Accountant

- Registered as the Company's Accountant since 3 October 2006 under the notification of Department of Business Development, Ministry of Commerce

Trainings

- 2022 - Accounting courses by Dharmniti Seminar and Training Co., Ltd. subject: 1) Issues on Receipt and Payment document, 2) Recording guidance for business impacted from 2022 economic situation.
- 2021 - Tax consideration for outbound investment to keep pace, understand, and adapt to the International Taxation Measures with BEPS 2.0 to set up an appropriate overseas investment structure by EY Thailand.

- Trends, direction of conducting M&A, and the strategies for making M&A successful by the Stock Exchange of Thailand
 - Summary of important issues related to TFRS for PAEs that must be applied and the transition in 2021 by the Stock Exchange of Thailand.
 - Analysis of the risk of investigation on transfer pricing seminar by EY Thailand
 - Financial Reporting Trends 2021 by EY Thailand
 - Robotic Process Automation Seminar to elevate accounting occupation to the Digital Accounting era by the Federation of Accounting Professions
 - Adaptive System Design EP:1 by the Federation of Accounting Professions
- 2020 - Keep track of the Disclosure Form with the transfer pricing criteria by Dharmniti Seminar and Training Co., Ltd.
- Delve into accounting records case study to be in accordance with the financial reporting standards by Dharmniti Seminar and Training Co., Ltd.
- 2019 - TFAC Conference 2019 : Future of Finance
- Digital Disruption by the Federation of Accounting Professions
 - Issues on accounting information items for financial statements closing prior to submitting 2019 financial statements by Dharmniti Seminar and Training Co., Ltd
- 2016 - Strategic CFO class 2 by the Stock Exchange of Thailand (SET)

Remarks: The Committee has verified that the following experiences would benefit directly to the Company's operation and the following duration is in accordance with the requirement.

Related Transaction

In 2022, the Company and its subsidiaries had significant business transactions with related parties (related by means of having common shareholding or co-directors), which have been concluded on commercial terms and bases agreed upon in the ordinary course of business between the Company and those companies. Furthermore, the Company has no related transaction neither by way of financial support nor guarantee other than in subsidiaries of the Company.

As of December 31, 2022 and 2021, the Company had outstanding balance with the related transaction, which can be summarized as follows:

Name of Company / Nature of Relationship	Transaction	Amount (Thousand Baht)		Audit Committee and Management's Opinion
		31 Dec 21	31 Dec 22	
1. Land and Houses Plc				
• Being a major shareholder of the Company by holding 30.23% of total paid-up capital, as of September 14, 2022	Sales income	39,798	34,477	Such value was the appropriate selling price as it was the same as the market price, which the Company sells to the other manufacturers or sellers.
	Trade and other receivables	4,719	2,601	
	• Having 2 co-directors 1. Mr. Naporn Sunthornchitcharoen 2. Mr. Achawin Asawabhokin			
2. Quality Houses Plc.				
• Being a major shareholder of the Company by holding 19.87% of total paid-up capital, as of September 14, 2022	Sales income	10,194	12,723	Such value was the appropriate selling price as it was the same as the market price, which the Company sells to the other manufacturers or sellers.
	Trade and other receivables	7	14	
• Having 4 co-director 1. Mr. Boonsom Lerdhirunwong 2. Ms. Suwanna Buddhaprasart 3. Mr. Naporn Sunthornchitcharoen 4. Mr. Achawin Asawabhokin				
3. Company that has common major shareholders, Company that has common shareholders, and Company that has individuals related to the Board of Directors	Sales income	5,390	6,513	• Market price • Contract price • Contract price • 0.15%-0.65% per annum (2021: 0.15%-0.40% per annum) (2020: 0.15%-1.00% per annum) • Percentage of revenue but not less than a minimum rate • As mutually agreed upon comparing market price • Contract price
	Rental and service expenses	13,108	8,614	
	Other income	60,039	49,543	
	Interest income	5,820	3,430	
	Rental and service expenses	38,629	39,214	
	Purchases of goods and assets	354,735	384,834	
	Purchases of leasehold rights	-	-	
	Deposits with financial institution	3,921,159	572,280	
	Trade and other receivables	18,054	11,799	
	Rental guarantee deposits	7,346	7,436	
Trade and other payables	87,027	51,036		

* Historical related transaction information can be on found in the website www.homepro.co.th

Necessity and Appropriate Reason of Transaction

The Related transaction made was necessary and reasonable to create the highest benefit to the Company. The Audit committee concluded that such was in accordance with business and the general ordinary course of received and paid consideration by and from the Company was fair.

Measure/Procedure of Approval of Related Transaction

The Related transaction being made at present and expectedly in the future, e.g. sales of goods to Land and Houses Plc. and Quality Houses Plc., renting space in the Wave Place building of Quality Houses Leasehold Property Fund, leasing space and deposit transaction with Land and Houses Bank Plc.

For the sale of goods transaction, the Company determined the price according to the market price which was the price that buyer could buy them from other manufacturers or sellers. Generally, the specification and price of goods would be determined earlier. For the purchase of goods transactions, the Company purchased them at the market price which it could purchase from other manufacturers or sellers. The Audit Committee considered the Related transactions and concluded that the Company received and paid remuneration in the fair price according to the general ordinary course of business.

Policy or Tendency of Related Transaction

The Company has policy to specify the trade conditions for entering into Related Transaction to be as normal business operation. Price of products to be sold shall be prescribed at the level that can be competed to other vendors.

As for Related Transaction that may be occurred in the future, the Board of Directors shall comply with the laws on Securities and Stock Exchange, and Regulations, Announcement, Order, or Regulations of Stock Exchange of Thailand, and including compliance with the regulations on disclosure of information of connected transaction and acquiring or disposing of material assets of the Company or the Subsidiary.

However, if there will be Related Transaction of the Company or its subsidiary occurred to person or stakeholder who may have conflict of benefit, or may have conflict of interest in the future, the Company shall have the Audit Committee give the opinion on necessity and appropriateness for such transactions. In case the Audit Committee is not skillful in considering the Related Transaction that may be occurred, the Company shall arrange for an Independent expert or auditor of the Company to give opinion on such Related Transaction in order to bring such information to support for the decision making of the Board of Directors or shareholders as the case may be. However, the Company shall disclose Related Transaction in the note of the financial statement audited by the Auditor of the Company.



Report of the Board of Directors'

Responsibilities in the Financial Statements

Dear Shareholders

The consolidated financial statements of Home Product Center Public Company Limited and its subsidiaries have been prepared in conformity with the requirements of the Public Company Act B.E. 2535 (1992), the Securities and Exchange Act B.E. 2535 (1992), the Announcement of the Department of Commercial Registration dated September 14, 2001, and the accounting standards prescribed by the Federation of Accounting Professions.

In compliance with the stated regulations, the Company has appointed the Audit Committee, which consists of independent directors, to take charge in reviewing the accounting policy. The Committee is also responsible for the quality of financial reports, review process, internal control, internal auditing and risk management systems, as well as for the consideration of sufficient and accurate financial information disclosure. Audit Committee Report can be found in the assigned section within the Annual Report.

The Board of Directors have the opinion that the Company's overall internal control system is at an acceptable and satisfactory level, sufficient to maintain its assets and protect against fraud. The Board of Directors take full responsibility of the financial report of the Company and its subsidiaries in order to ensure that it report the accurate result of the statement of comprehensive income, financial position, and Cash flow. There are proper recordings of accurate and complete accounting information. Appropriate accounting policy has been considered and selected in the preparation of the financial report. The selected policy is practiced regularly in compliance with the generally accepted accounting principles. Important information was also disclosed sufficiently in the notes to financial statements.

(Mr. Anant Asavabhokhin)

Chairman of the Board of Directors

(Mr. Khunawut Thumpomkul)

Managing Director

Independent Auditor's Report

To the Shareholders of Home Product Center Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of Home Product Center 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 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 Home Product Center 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 Home Product Center Public Company Limited and its subsidiaries and of Home Product Center 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 matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

I have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matters and how audit procedures respond to each matter are described below.

Recognition of revenue from sales

The amount of revenue from sales that the Group recognises in each period forms a significant portion of total revenue and the Group is engaged in retail business and has a large number of retail stores. I therefore determined as a key audit matter by focusing on the timing of the recognition of revenue from sales. The accounting policy for recognition of revenue from sales is disclosed in Note 4.1 to the consolidated financial statements.

I performed audit procedures on the recognition of revenue from sales of the Group including:

- Assessed and tested the Group's IT general controls and internal controls with respect to the revenue cycle.
- Applied a sampling method to select sales documents to examine whether the revenue recognition was in compliance with the Group's policy, and, on a sampling basis, examined supporting documents for actual sales transactions occurring during the year and near the end of the accounting period.
- Performed analytical procedures on disaggregated data of sales transactions throughout the period.

Allowance for diminution in value of inventories

Estimating the allowance for diminution in value of inventories, as disclosed in Note 5 and Note 9 to the consolidated financial statements, is an area of significant management judgement, particularly with regard to the estimation of allowance for lost, damaged or obsolete inventories.

I evaluated the determination of allowance for diminution in value of inventories. The procedures that I performed included:

- Gained an understanding of the methods and assumptions applied by the management in determining the allowance for diminution in value of inventories and reviewed the consistency of the application of that basis.
- Compared inventory holding periods with inventory movements to identify product groups with indicators of lower than normal inventory turnover.
- Compared details of sales transactions occurring after the date of the financial statements with the cost of inventory for each group of products, and, on a sampling basis, examined relevant supporting documents.

Other Information

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

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

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

When I read the annual report of the Group, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

I am responsible for the audit resulting in this independent auditor's report.



Gingkarn Atsawarangsalit

Certified Public Accountant (Thailand) No. 4496

EY Office Limited

Bangkok: 21 February 2023

Statement of financial position

Home Product Center Public Company Limited and its subsidiaries

As at 31 December 2022

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
Assets					
Current assets					
Cash and cash equivalents	6, 7	5,420,297,816	4,545,966,294	5,104,397,838	4,216,397,361
Trade and other receivables	6, 8	2,068,894,152	1,674,873,282	2,157,313,935	1,676,318,437
Short-term loans to related party	6	-	-	-	1,234,000,000
Inventories	9	13,630,078,729	12,572,201,544	13,158,045,981	10,249,852,858
Value added tax receivable		135,209,801	347,752	134,178,841	-
Other current assets	10	175,489,834	126,821,349	153,298,573	92,864,701
Total current assets		21,429,970,332	18,920,210,221	20,707,235,168	17,469,433,357
Non-current assets					
Investments in subsidiaries	11	-	-	2,028,088,649	2,028,088,649
Investment in associate	12	66,756,396	-	68,705,866	-
Investment properties	13	4,262,560,070	3,674,704,338	5,315,489,965	4,737,481,414
Property, building and equipment	14	29,468,563,882	27,584,172,289	25,646,298,443	23,402,331,176
Right-of-use assets	18	8,447,269,483	6,659,214,174	8,540,678,953	5,656,478,874
Computer software	15	470,915,908	505,159,156	469,157,469	494,713,619
Property foreclosed		3,229,639	3,229,639	3,229,639	3,229,639
Rental guarantee deposits	6	70,692,216	75,835,229	61,211,884	65,075,164
Value added tax receivable expect to be refunded					
more than one year	27	39,747,806	245,865,432	-	-
Deferred tax assets		662,641,754	608,627,489	636,282,372	563,203,193
Other non-current assets		262,396,790	309,328,989	140,583,694	171,406,810
Total non-current assets		43,754,773,944	39,666,136,735	42,909,726,934	37,122,008,538
Total assets		65,184,744,276	58,586,346,956	63,616,962,102	54,591,441,895

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

Statement of financial position (continued)

Home Product Center Public Company Limited and its subsidiaries

As at 31 December 2022

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institutions	16	1,074,199,750	1,231,828,900	1,000,000,000	1,000,000,000
Trade and other payables	6, 17	15,811,877,626	13,972,618,552	15,577,279,542	12,310,345,118
Current portion of lease liabilities	18	189,013,541	247,268,297	665,947,156	201,779,600
Current portion of long-term loan	19	46,029,791	61,607,795	-	-
Current portion of debentures	20	5,127,658,469	3,120,896,420	5,127,658,469	3,120,896,420
Income tax payable		612,129,292	448,313,947	580,572,441	407,850,596
Value added tax payable		86,829	22,242,685	-	22,153,883
Advances received from customers		1,205,041,160	1,011,117,551	1,186,938,341	950,547,503
Other current liabilities		418,994,564	394,789,396	403,512,285	351,231,175
Total current liabilities		24,485,031,022	20,510,683,543	24,541,908,234	18,364,804,295
Non-current liabilities					
Lease liabilities - net of current portion	18	5,840,958,219	4,865,462,232	5,976,839,313	4,452,652,884
Long-term loan - net of current portion	19	122,624,850	-	-	-
Debentures - net of current portion	20	8,933,139,921	8,943,368,384	8,933,139,921	8,943,368,384
Provision for long-term employee benefits	21	589,457,915	545,893,781	533,450,392	495,218,895
Rental received in advance - net of current portion		213,916,555	239,417,577	213,916,555	239,417,577
Other non-current liabilities		753,734,154	591,088,653	704,327,226	538,325,115
Total non-current liabilities		16,453,831,614	15,185,230,627	16,361,673,407	14,668,982,855
Total liabilities		40,938,862,636	35,695,914,170	40,903,581,641	33,033,787,150

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

Statement of financial position (continued)

Home Product Center Public Company Limited and its subsidiaries

As at 31 December 2022

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
Shareholders' equity					
Share capital					
Registered share capital					
13,151,198,025 ordinary shares of Baht 1 each		13,151,198,025	13,151,198,025	13,151,198,025	13,151,198,025
Issued and fully paid-up					
13,151,198,025 ordinary shares of Baht 1 each		13,151,198,025	13,151,198,025	13,151,198,025	13,151,198,025
Premium on ordinary shares		646,323,076	646,323,076	646,323,076	646,323,076
Retained earnings					
Appropriated - Statutory reserve	23	1,315,120,000	1,315,120,000	1,315,120,000	1,315,120,000
Unappropriated		9,158,041,977	7,806,891,854	7,600,739,360	6,445,013,644
Other components of shareholders' equity		(24,803,707)	(29,103,198)	-	-
Equity attributable to owners of the Company		24,245,879,371	22,890,429,757	22,713,380,461	21,557,654,745
Non-controlling interests of the subsidiaries		2,269	3,029	-	-
Total shareholders' equity		24,245,881,640	22,890,432,786	22,713,380,461	21,557,654,745
Total liabilities and shareholders' equity		65,184,744,276	58,586,346,956	63,616,962,102	54,591,441,895
		-	-	-	-

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

Statement of comprehensive income

Home Product Center Public Company Limited and its subsidiaries

For the year ended 31 December 2022

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2022	2021	2022	2021
Profit or loss:					
Revenues					
Revenue from contracts with customers	24	65,090,884,337	60,567,911,600	60,042,433,467	52,829,269,611
Rental income		1,720,584,615	1,223,155,045	1,740,341,968	1,243,228,528
Dividend income	6, 11	-	-	407,999,240	
Other income		2,577,961,968	2,134,722,436	2,539,586,381	2,106,752,063
Total revenues		69,389,430,920	63,925,789,081	64,730,361,056	56,179,250,202
Expenses					
Cost of sales and service		48,077,695,198	44,925,373,575	44,441,717,584	39,092,341,332
Cost of rental		704,951,949	608,799,558	696,362,888	608,799,558
Selling, distribution and service expenses		10,247,644,676	9,254,941,985	9,705,062,446	8,215,165,245
Administrative expenses		2,271,253,647	2,070,650,238	2,147,390,149	1,849,308,922
Other expenses		270,654	23,280,984	148,099	15,643,578
Total expenses		61,301,816,124	56,883,046,340	56,990,681,166	49,781,258,635
Operating profit		8,087,614,796	7,042,742,741	7,739,679,890	6,397,991,567
Share of loss from investment in associate		(1,949,470)	-	-	-
Finance income		16,952,978	7,357,456	33,379,094	53,209,729
Finance cost	26	(444,578,753)	(415,612,451)	(434,249,557)	(391,024,899)
Profit before income tax expenses		7,658,039,551	6,634,487,746	7,338,809,427	6,060,176,397
Income tax expenses	27	(1,440,950,286)	(1,193,968,474)	(1,317,144,569)	(1,075,176,166)
Profit for the year		6,217,089,265	5,440,519,272	6,021,664,858	4,985,000,231
Other comprehensive income:					
<i>Other comprehensive income to be reclassified</i>					
<i>to profit or loss in subsequent period:</i>					
Exchange differences on translation of financial					
statements in foreign currency		4,299,491	27,405,175	-	-
		4,299,491	27,405,175	-	-
<i>Other comprehensive income not to be reclassified</i>					
<i>to profit or loss in subsequent period:</i>					
Actuarial gains	21	-	81,622,550	-	74,072,713
Less: Income tax effect	27	-	(16,324,510)	-	(14,814,543)
		-	65,298,040	-	59,258,170
Other comprehensive income for the year		4,299,491	92,703,215	-	59,258,170
Total comprehensive income for the year		6,221,388,756	5,533,222,487	6,021,664,858	5,044,258,401

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

Statement of comprehensive income (continued)

Home Product Center Public Company Limited and its subsidiaries

For the year ended 31 December 2022

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2022	2021	2022	2021
Profit attributable to:					
Equity holders of the Company		6,217,089,265	5,440,519,272	6,021,664,858	4,985,000,231
Non-controlling interests of the subsidiaries		-	-		
		6,217,089,265	5,440,519,272		
Total comprehensive income attributable to:					
Equity holders of the Company		6,221,388,756	5,533,222,487	6,021,664,858	5,044,258,401
Non-controlling interests of the subsidiaries		-	-		
		6,221,388,756	5,533,222,487		
Earnings per share					
	28				
Basic earnings per share					
Profit attributable to equity holders of the Company		0.47	0.41	0.46	0.38

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

Cash flow statement

Home Product Center Public Company Limited and its subsidiaries

For the year ended 31 December 2022

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Cash flows from operating activities				
Profit before tax	7,658,039,551	6,634,487,746	7,338,809,427	6,060,176,397
Adjustments to reconcile profit before tax to net cash provided by (paid for) operating activities:				
Depreciation and amortisation	3,156,130,752	3,207,911,825	3,052,816,604	2,778,591,394
Rental reduction	-	(29,087,963)	-	(25,105,085)
Gain from reduction of rental period	(19,800)	(26,221,060)	(19,800)	(26,221,060)
Decrease of inventories to net realisable value	40,774,394	106,401,350	69,811,911	84,114,632
Loss (gain) from sales and written-off of assets	3,014,186	9,223,973	(652,467)	2,070,518
Reversal of allowance for expected credit losses	(4,303,219)	(6,641)	(2,045,719)	(6,641)
Reversal allowance for impairment of assets	(10,347,612)	(224,068)	(10,300,000)	(1,060,000)
Reversal of allowance for impairment of investment	-	-	-	(28,497,497)
Share of loss from investment in associate	1,949,470	-	-	-
Provision for long-term employee benefits	49,617,731	62,982,414	43,642,771	55,435,820
Transfer deferred interest expense to finance cost	166,533,586	156,381,914	166,533,586	156,381,914
Unrealised exchange loss (gain)	(11,223,187)	(2,205,783)	(4,795,275)	2,117,996
Loss (gain) on fair value of derivative instrument	18,867,227	(184,270)	18,867,227	(184,270)
Dividend income from subsidiaries	-	-	(407,999,240)	-
Interest income	(16,952,978)	(7,357,456)	(33,379,094)	(53,209,729)
Interest expenses	267,640,521	247,691,242	257,826,244	224,031,613
Profit from operating activities before changes in operating assets and liabilities	11,319,720,622	10,359,793,223	10,489,116,175	9,228,636,002
Decrease (increase) in operating assets				
Trade and other receivables	(389,810,525)	94,565,948	(479,042,653)	52,264,106
Inventories	(1,098,651,579)	(2,334,043,131)	(2,978,005,034)	(1,970,160,241)
Value added tax receivable	71,255,578	76,197,574	(134,178,841)	43,321,923
Other current assets	(48,668,485)	(17,547,872)	(60,433,872)	(14,975,510)
Rental guarantee deposits	5,143,014	(13,173,659)	3,863,280	(12,119,415)
Other non-current assets	46,932,197	59,676,905	30,823,116	60,312,416
Increase (decrease) in operating liabilities				
Trade and other payables	1,197,055,129	945,920,269	2,612,950,511	813,765,812
Value added tax payable	(22,155,856)	22,158,763	(22,153,883)	22,153,883
Advances received from customers	193,923,610	9,142,421	236,390,838	14,267,619
Other current liabilities	5,198,925	16,017,008	33,274,868	30,439,481
Rental received in advance	(25,501,022)	(37,551,662)	(25,501,022)	(37,551,662)
Other non-current liabilities	34,745,027	24,504,312	36,193,230	16,740,464
Cash flows from operating activities	11,289,186,635	9,205,660,099	9,743,296,713	8,247,094,878
Cash paid for provision for long-term employee benefits	(6,053,597)	(9,518,032)	(5,411,274)	(7,900,888)
Cash paid for corporate income tax	(1,331,149,206)	(1,370,735,933)	(1,217,501,903)	(1,263,428,499)
Net cash flows from operating activities	9,951,983,832	7,825,406,134	8,520,383,536	6,975,765,491

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

Cash flow statement (continued)

Home Product Center Public Company Limited and its subsidiaries

For the year ended 31 December 2022

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Cash flows from investing activities				
Short-term loans to related party	-	-	(2,190,000,000)	(4,510,000,000)
Cash received from short-term loans to related party	-	-	3,424,000,000	5,046,000,000
Increase in investment in subsidiary	-	-	-	(53,944,938)
Dividend income from subsidiaries	-	-	407,999,240	-
Investment in associate	(68,705,866)	-	(68,705,866)	-
Acquisitions of investment properties	(8,508,129)	(57,661,587)	(8,508,129)	(57,661,587)
Acquisitions of property, building and equipment	(4,424,262,501)	(1,244,655,262)	(4,479,701,318)	(1,113,579,174)
Payment of right-of-use assets	(1,109,662,088)	(206,446,360)	(1,109,662,088)	(206,446,360)
Acquisitions of computer software	(53,505,005)	(109,089,224)	(59,442,822)	(107,601,042)
Increase (decrease) in construction retention	127,900,475	(69,036,512)	129,808,881	(73,905,266)
Proceeds from sales of investment properties' equipment	11,215	5,421	11,215	5,421
Proceeds from sales of equipment	10,518,832	6,495,511	9,477,442	5,730,804
Cash received from interest income	17,045,852	7,308,280	33,471,968	53,160,553
Net cash flows used in investing activities	(5,509,167,215)	(1,673,079,733)	(3,911,251,477)	(1,018,241,589)
Cash flows from financing activities				
Cash received from short-term loans from financial institutions	1,720,562,000	11,000,000,000	1,700,000,000	11,000,000,000
Repayment of short-term loans from financial institutions	(1,869,880,500)	(11,030,703,600)	(1,700,000,000)	(11,000,000,000)
Payment of lease liabilities	(413,225,978)	(390,411,338)	(617,523,176)	(339,447,270)
Cash received from long-term loan	122,273,170	-	-	-
Repayment of long-term loan	(14,442,519)	(17,480,219)	-	-
Proceeds from the issuance of debentures	5,000,000,000	3,852,295,441	5,000,000,000	3,852,295,441
Cash paid for redemption of debentures	(3,170,000,000)	(4,000,000,000)	(3,170,000,000)	(4,000,000,000)
Cash paid for interest expenses	(77,075,054)	(121,126,021)	(67,808,280)	(111,503,171)
Dividend paid	(4,865,800,886)	(4,207,882,793)	(4,865,800,126)	(4,207,882,793)
Net cash flows used in financing activities	(3,567,589,767)	(4,915,308,530)	(3,721,131,582)	(4,806,537,793)
Translation adjustments	(895,328)	26,257,326	-	-
Net increase in cash and cash equivalents	874,331,522	1,263,275,197	888,000,477	1,150,986,109
Cash and cash equivalents at beginning of year	4,545,966,294	3,282,691,097	4,216,397,361	3,065,411,252
Cash and cash equivalents at end of year (Note 7)	5,420,297,816	4,545,966,294	5,104,397,838	4,216,397,361
	-	-	-	-
Supplemental cash flows information:				
Non-cash items consist of				
Purchases of equipment that have not yet been paid	896,110,078	242,452,969	895,984,460	237,205,272
Transfer land and land improvement to investment properties	824,685,997	-	824,685,997	-
Transfer right-of-use assets to equipment	4,095,116	3,332,287	4,095,116	3,332,287
Dividend payable	2,239,014	2,099,998	2,239,014	2,099,998
Actuarial gain	-	81,622,550	-	74,072,713

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

Statement of changes in shareholders' equity

Home Product Center Public Company Limited and its subsidiaries

For the year ended 31 December 2022

(Unit: Baht)

Consolidated financial statements									
	Equity attributable to owners of the Company								
	Retained earnings				Other components of equity				
	Issued and paid-up share capital	Premium on ordinary shares	Appropriated - statutory reserve	Unappropriated	Exchange differences on translation of financial statements in foreign currency	Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total	shareholders' equity
Balance as at 1 January 2021	13,151,198,025	646,323,076	1,315,120,000	6,509,107,203	(56,508,373)	21,565,239,931	3,029	21,565,242,960	
Profit for the year	-	-	-	5,440,519,272	-	5,440,519,272	-	5,440,519,272	
Other comprehensive income for the year	-	-	-	65,298,040	27,405,175	92,703,215	-	92,703,215	
Total comprehensive income for the year	-	-	-	5,505,817,312	27,405,175	5,533,222,487	-	5,533,222,487	
Dividend paid	-	-	-	(4,208,032,661)	-	(4,208,032,661)	-	(4,208,032,661)	
Balance as at 31 December 2021	13,151,198,025	646,323,076	1,315,120,000	7,806,891,854	(29,103,198)	22,890,429,757	3,029	22,890,432,786	
Balance as at 1 January 2022	13,151,198,025	646,323,076	1,315,120,000	7,806,891,854	(29,103,198)	22,890,429,757	3,029	22,890,432,786	
Profit for the year	-	-	-	6,217,089,265	-	6,217,089,265	-	6,217,089,265	
Other comprehensive income for the year	-	-	-	-	4,299,491	4,299,491	-	4,299,491	
Total comprehensive income for the year	-	-	-	6,217,089,265	4,299,491	6,221,388,756	-	6,221,388,756	
Dividend paid	-	-	-	(4,865,939,142)	-	(4,865,939,142)	-	(4,865,939,142)	
Subsidiary paid dividend to non-controlling interest of subsidiaries	-	-	-	-	-	-	(760)	(760)	
Balance as at 31 December 2022	13,151,198,025	646,323,076	1,315,120,000	9,158,041,977	(24,803,707)	24,245,879,371	2,269	24,245,881,640	
	-	-	-	-	-	-	-	-	
	-	-	-	-	-	-	-	-	

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

Statement of changes in shareholders' equity

Home Product Center Public Company Limited and its subsidiaries

For the year ended 31 December 2022

Separate financial statements							(Unit: Baht)
	Note	Issued and paid-up share capital	Premium on ordinary shares	Retained earnings		Total shareholders' equity	
				Appropriated - statutory reserve	Unappropriated		
Balance as at 1 January 2021		13,151,198,025	646,323,076	1,315,120,000	5,608,787,904	20,721,429,005	
Profit for the year		-	-	-	4,985,000,231	4,985,000,231	
Other comprehensive income for the year		-	-	-	59,258,170	59,258,170	
Total comprehensive income for the year		-	-	-	5,044,258,401	5,044,258,401	
Dividend paid	31	-	-	-	(4,208,032,661)	(4,208,032,661)	
Balance as at 31 December 2021		13,151,198,025	646,323,076	1,315,120,000	6,445,013,644	21,557,654,745	
Balance as at 1 January 2022		13,151,198,025	646,323,076	1,315,120,000	6,445,013,644	21,557,654,745	
Profit for the year		-	-	-	6,021,664,858	6,021,664,858	
Other comprehensive income for the year		-	-	-	-	-	
Total comprehensive income for the year		-	-	-	6,021,664,858	6,021,664,858	
Dividend paid	31	-	-	-	(4,865,939,142)	(4,865,939,142)	
Balance as at 31 December 2022		13,151,198,025	646,323,076	1,315,120,000	7,600,739,360	22,713,380,461	
		-	-	-	-	-	

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

Notes to consolidated financial statements

Home Product Center Public Company Limited and its subsidiaries

For the year ended 31 December 2022

1. General information

Home Product Center Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. Its major shareholders are Land and Houses Public Company Limited and Quality Houses Public Company Limited, which were incorporated in Thailand. The Company is principally engaged in the trading of a complete range of goods and materials for construction, addition, refurbishment, renovation, and improvement of buildings, houses, and residences place, and provision for related services to retail business, together with space rental and provide utilities service. Its registered address is at 31 Prachachuennonthaburi Rd., Bangkhen, Amphoe Muang, Nonthaburi.

As at 31 December 2022, the Group has a total of 116 branches (2021: 114 branches) (the Company only: 109 branches, 2021: 95 branches).

2. Basis of preparation

- 2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Profession 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 Home Product Center 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	
			2022	2021
			Percent	Percent
Market Village Company Limited	Management of leasing space together with provision of facilities services	Thailand	100.00	100.00
Home Product Center (Malaysia) Sdn. Bhd.	Retailing of home improvement products as One Stop Shopping	Malaysia	100.00	100.00
Mega Home Center Company Limited	Retailing and wholesaling of construction and home improvement products	Thailand	99.99	99.99
DC Service Center Company Limited	Warehousing management and distribution service	Thailand	99.99	99.99
Home Product Center Viet Nam Company Limited	Retailing and wholesaling of construction and home improvement products	Vietnam	100.00	100.00

- b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- c) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- e) The assets and liabilities in the financial statements of overseas subsidiary companies are translated to Baht using the exchange rate prevailing on the end of reporting period, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of "Exchange differences on translation of financial statements in foreign currency" in the statements of changes in shareholders' equity.
- f) Material balances and transactions between the Group has been eliminated from the consolidated financial statements.
- g) Non-controlling interests represents the portion of profit or loss and net assets of the subsidiaries that is 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 and associate 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

Sale of goods

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally upon delivery of the goods. Revenue is measured at the amount of the consideration received or receivable, excluding value added tax, of goods supplied after deducting discounts.

Sales of goods - Customer loyalty programmes

The Group operates a loyalty programmes which allows customers to accumulate points when they purchase products in the Group's retail stores. The points can then be redeemed for discount of goods purchase in the future. Certain sales consideration is allocated to the points issued, at their fair value. The fair value of the points issued is deferred and recognised as revenue when the points are redeemed and the Group fulfill their obligations.

Vendors income

The Group has agreements with vendors as normal business practice, for volume-related allowances, and sale promotion campaign and marketing allowances. Vendors income is recognised when all obligations are met and can be measured reliably based on the terms of the contract. Portion of vendors income is recognised as a reduction in cost of sales and inventory. Uncollected amount are presented in the statements of financial position as “Other receivables” or otherwise are offset with “Trade account payables” depending on the condition in the contracts.

Rendering of services

Service revenue is recognised when services have been rendered.

Service revenue is recognised in the amount to which the Group has a right to invoice as it corresponds directly with the value to the customer of the Group’s performance completed to date.

Dividends

Dividends are recognised when the right to receive the dividends is established.

Finance income

Finance income is interest income on debt instruments measured at amortised cost and recognised on an accrual basis using the effective interest method. 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.

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

Inventories are valued at the lower of cost (under the weighted average method) and net realisable value.

Volume incentives received from the supplier are accounted for as a reduction of the value of inventories and recognised in profit or loss when the related inventories are sold.

4.4 Investments in subsidiaries and associate

Investment in associate is accounted for in the consolidated financial statements using the equity method.

Investments in subsidiaries and associate are accounted for in the separated financial statements using the cost method, net of allowance for impairment loss (if any).

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 is calculated by reference to their costs on the straight-line basis over estimated economic useful lives of 3 - 48 years. No depreciation is provided on land and assets under installation and under construction. 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 year when the asset is derecognised.

4.6 Property, building and equipment/Depreciation

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

Depreciation of building and equipment is calculated by reference to their costs, on the straight-line basis over the following estimated useful lives:

Building	-	20 - 30 years
Building on lease land and building improvement	-	useful lives but not over lease periods
Equipment and machine	-	1 - 10 years
Furniture, fixtures and office equipment	-	3 - 10 years
Motor vehicles	-	5 years

Depreciation is included in determining income.

No depreciation is provided on land and assets under installation and under construction.

An item of property, building 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 the profit or loss when the asset is derecognised.

4.7 Borrowing costs

Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

4.8 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 (computer software) with finite lives are amortised on the straight-line basis over the economic useful life (10 years) 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.

4.9 Leases

At inception of contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group as a lessee

The Group applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. At the commencement date of the lease (i.e. the date the underlying asset is available for use), the Group recognises right-of-use assets representing the right to use underlying assets and lease liabilities based on lease payments.

Right-of-use assets

Right-of-use assets are 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 and land improvement	-	2 - 32	years
Building	-	2 - 30	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.

Right-of-use assets which are classified as investment properties are presented as part of investment properties in the statement of financial position.

Lease liabilities

Lease liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under residual value guarantees. Moreover, the lease payments include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

The Group discounted the present value of the lease payments by the interest rate implicit in the lease or the Group's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

A lease that has a lease term less than or equal to 12 months from commencement date or a lease of low-value assets is recognised as expenses on a straight-line basis over the lease term.

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.

4.10 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.

4.11 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Company's functional currency. Items of each entity included in the consolidated financial statements are measured using the functional currency of that entity.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rates ruling at the end of reporting period.

Gains and losses on exchange are included in determining income.

4.12 Impairment of non-financial assets

At the end of each reporting period, the Group performs impairment reviews in respect of the property, building 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 asset's fair value less costs to sell and its value in use, is less than the carrying amount. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Group could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in profit or loss.

In the assessment of asset impairment, if there is any indication that previously recognised impairment losses may no longer exist or may have decreased, the Group estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.

4.13 Employee benefits

Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

Employee Joint Investment Program (EJIP)

The Group has established an Employee Joint Investment Program (EJIP). The program is monthly contributed by eligible employees and by the Group to EJIP participant. The detail of the program are as described in Note 22. The Group's contributions are recognised as expenses when incurred.

Post-employment benefits

Defined contribution plans

The Group and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Group. The fund's assets are held in a separate trust fund and the Group's contributions are recognised as expenses when incurred.

Defined benefit plans

The Group has obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Group treats these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from defined benefit plans are recognised immediately in other comprehensive income.

Past service costs are recognised in profit or loss on the earlier of the date of the plan amendment or curtailment and the date that the Group recognises restructuring-related costs.

4.14 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.

4.15 Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Group recognises deferred tax liabilities for all taxable temporary differences while it recognises deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Group reviews and reduces the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Group records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

4.16 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, or fair value through profit or loss (“FVTPL”). The classification of financial assets at initial recognition is driven by the Group’s business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Financial assets at amortised cost

The Group measures financial assets at amortised cost if the financial asset is held in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate (“EIR”) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets at FVTPL

Financial assets measured at FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

These financial assets include derivatives and financial assets with cash flows that are not solely payments of principal and interest.

Classification and measurement of financial liabilities

Except for derivative liabilities, at initial recognition the Group’s financial liabilities are recognised at fair value net of transaction costs and classified as liabilities to be subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. In determining amortised cost, the Group takes into account any discounts or premiums on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in profit or loss.

Derecognition of financial instruments

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Group has transferred substantially all the risks and rewards of the asset, or the Group has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

Impairment of financial assets

The Group recognises an allowance for expected credit losses (“ECLs”) for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

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).

The Group considers a significant increase in credit risk to have occurred when contractual payments are more than 30 days past due and considers a financial asset as credit impaired or default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to have a significant increase in credit risk and to be in default using other internal or external information, such as credit rating of issuers.

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.

4.17 Derivative

The Group uses derivative, forward currency contracts, to reduce its foreign currency risks.

Derivative is 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. Derivative is carried as financial asset when the fair value is positive and as financial liability when the fair value is negative.

Derivative is presented as a non-current asset or a non-current liability 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.

4.18 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Group applies a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Group measures fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

Level 1 - Use of quoted market prices in an active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Group determines whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

5. Significant accounting judgements and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgements and estimates are as follows:

Allowance for diminution in value of inventories

The determination of allowance for diminution in the value of inventories with regard to lost, damaged or obsolete inventories, requires management to make judgements and estimates. This requires detailed analysis of the product life cycle, useful life of each type of inventory, the competitive environment, economic circumstances and the situation within the industry.

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.

Lease classification - The Group as lessor

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to exercise judgement as to whether significant risk and rewards of ownership of the leased asset has been transferred, taking into consideration terms and conditions of the arrangement.

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.

Investment properties, property, building and equipment and right-of-use assets/ Depreciation/Impairment

In determining depreciation of investment properties, building and equipment and right-of-use assets, the management is required to make estimates of the useful lives and salvage values of the Group's investment properties, building and equipment and right-of-use assets and to review estimate useful lives and salvage values when there are any changes.

In addition, the management is required to review investment properties, property, building and equipment and right-of-use assets for impairment on a periodical basis and record impairment losses in the period when it is determined that their recoverable amount is lower than the carrying cost. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

Allowance for impairment of investment in subsidiaries and associate

In determining allowance for impairment of the investment in subsidiaries and associate, the management is required to exercise judgements regarding determination of the recoverable amount of the asset, its value in use. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next 5 years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the performance of the assets of the cash-generating unit being tested. The recoverable amount is sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

Post-employment benefits under defined benefit plans

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

Litigation

The Group has contingent liabilities as a result of litigation. The Group's management has used judgement to assess of the results of the litigation and believes that no loss will result. Therefore, no contingent liabilities are recorded as at the end of reporting period.

6. Related party transactions

During the years, the Group had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Group and those related parties.

(Unit: Thousand Baht)					
	Consolidated financial statements		Separate financial statements		Pricing policy
	2022	2021	2022	2021	
<u>Transactions with subsidiary companies</u>					
(eliminated from the consolidated financial statements)					
Sales income	-	-	251,197	309,956	Cost plus margin
Rental and service income	-	-	46,211	45,149	Baht 3.8 million per month (2021: Baht 3.7 million per month)
Management service income	-	-	19,769	35,339	Actual cost and contract price
Service income	-	-	74,694	144,090	Actual cost and contract price
Dividend income	-	-	407,999	-	As declared
Interest income	-	-	18,079	46,558	3% per annum
Rental and service expenses	-	-	574,429	392,632	Actual cost and contract price
Other expenses	-	-	39,505	17,923	Actual cost
Purchases of assets	-	-	2,217,123	329	Net book value plus margin
<u>Transactions with related companies</u>					
Sales income	53,713	55,382	53,020	54,177	Market price
Rental and service income	8,614	13,108	8,762	11,616	Contract price
Other income	49,543	60,039	48,434	56,817	Contract price
Interest income	3,430	5,820	3,421	5,747	0.15% - 0.65% per annum (2021: 0.15% - 0.40% per annum)
Rental and service expenses	39,214	38,629	36,065	35,950	Percentage of revenue but not less than a minimum rate
Purchases of goods and assets	384,834	354,735	368,020	305,759	As mutually agreed upon comparing market price

Rental income, management service income, service income, rental expense and service expense with subsidiaries were described in Note 32.3.

As at 31 December 2022 and 2021, the Group had the outstanding balances with related parties which had been included in the following accounts:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
<u>Deposits with financial institution</u>				
(included in cash and cash equivalents)				
Related company ⁽²⁾	572,280	3,921,159	550,910	3,889,563
<u>Trade and other receivables</u>				
Subsidiaries	-	-	130,202	151,706
Related companies ⁽¹⁾	2,615	4,726	2,615	4,726
Related companies ⁽²⁾	3,230	3,643	3,230	3,720
Related companies ⁽³⁾	435	1,366	435	806
Related companies ⁽⁴⁾	8,134	13,045	8,134	12,686
Total	14,414	22,780	144,616	173,644
<u>Short-term loans to related party</u>				
Subsidiary	-	-	-	1,234,000
<u>Rental guarantee deposits</u>				
Related company ⁽²⁾	5,921	5,921	5,921	5,921
Related company ⁽³⁾	1,515	1,425	1,515	1,425
Total	7,436	7,346	7,436	7,346
<u>Trade and other payables</u>				
Subsidiaries	-	-	28,662	40,784
Related company ⁽²⁾	2,152	5,067	2,152	5,067
Related company ⁽³⁾	-	167	-	167
Related companies ⁽⁴⁾	48,884	81,793	48,884	77,699
Total	51,036	87,027	79,698	123,717
Relationship with the related companies				
(1) the major shareholders				
(2) has common major shareholders				
(3) has common shareholders				
(4) has shareholders who related to director				

Short-term loans to related party

As at 31 December 2021, the Company had granted unsecured loans to a subsidiary on which interest was payable on a monthly basis at a rate of 3.00% per annum. The loans were repayable at call. Movements in the balance of the loans during the year were as follow:

(Unit: Thousand Baht)

	Separate financial statements				
	Balance as at	During the year			Balance as at
	1 January 2022	Increase	Decrease		31 December 2022
Short-term loans to related party					
Mega Home Center Company Limited	1,234,000	2,190,000	(3,424,000)	-	

Directors and management's benefits

During the year 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	
	2022	2021	2022	2021
Short-term benefits	225,549	208,911	204,135	189,522
Post-employment benefits	5,512	4,893	4,887	4,213
Total	231,061	213,804	209,022	193,735

7. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Cash	96,992	114,264	92,188	86,918
Bank deposits	4,813,306	530,055	4,502,210	254,479
Fixed deposits	510,000	3,901,647	510,000	3,875,000
Total	5,420,298	4,545,966	5,104,398	4,216,397

As at 31 December 2022, bank deposits in saving accounts and fixed deposits carried interests between 0.15% - 0.65% per annum (2021: 0.05% - 0.40% per annum).

8. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Trade accounts receivable	374,493	166,849	489,401	268,249
Other receivables	1,685,748	1,502,422	1,659,514	1,402,477
Income receivables	8,653	5,602	8,399	5,592
Total trade and other receivables	<u>2,068,894</u>	<u>1,674,873</u>	<u>2,157,314</u>	<u>1,676,318</u>

Trade accounts receivable

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Trade accounts receivable	288,111	78,843	411,550	185,213
Credit card and coupon receivable	86,382	88,006	77,851	83,036
Total trade accounts receivable	<u>374,493</u>	<u>166,849</u>	<u>489,401</u>	<u>268,249</u>

The outstanding balances of trade accounts receivable as at 31 December 2022 and 2021 are aged as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Aged on the basis of due dates				
Not yet due	275,643	143,753	272,492	144,067
Past due				
Up to 3 months	82,922	21,402	118,654	55,059
3 - 6 months	14,653	924	49,158	5,984
6 - 12 months	554	39	47,338	50,702
Over 12 months	721	731	1,759	12,437
Total trade receivables	<u>374,493</u>	<u>166,849</u>	<u>489,401</u>	<u>268,249</u>

The normal credit term of trade accounts receivable is 30 to 90 days.

Other receivables

Other receivables mainly consist of receivables from sale support operation and area rental and related service receivables.

The outstanding balances of other receivables as at 31 December 2022 and 2021 are aged as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Aged on the basis of due dates				
Not yet due	930,400	789,212	919,042	740,911
Past due				
Up to 3 months	723,736	683,821	711,352	635,152
3 - 6 months	13,295	15,305	12,930	14,508
6 - 12 months	20,308	22,428	19,667	21,152
Over 12 months	8,856	6,806	7,262	3,539
Total	1,696,595	1,517,572	1,670,253	1,415,262
Less: Allowance for expected credit losses	(10,847)	(15,150)	(10,739)	(12,785)
Total other receivables - net	<u>1,685,748</u>	<u>1,502,422</u>	<u>1,659,514</u>	<u>1,402,477</u>

The normal credit term of other receivables is 30 to 60 days.

Set out below is the movements in the allowance for expected credit losses of other receivables.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Beginning balance	15,150	15,157	12,785	12,792
Amount written off	(3,734)	(7)	(2,046)	(7)
Reversal	(569)	-	-	-
Ending balance	<u>10,847</u>	<u>15,150</u>	<u>10,739</u>	<u>12,785</u>

9. Inventories

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Inventories	16,249,354	15,197,877	15,759,775	12,496,477
Less: Reduce cost to net realisable value	(594,390)	(654,216)	(576,906)	(601,761)
Net	15,654,964	14,543,661	15,182,869	11,894,716
Less: Inventories - repaid its cost				
when sold	(1,418,703)	(1,401,525)	(1,418,641)	(1,159,527)
Purchase discount	(606,182)	(569,934)	(606,182)	(485,336)
Inventories - net	13,630,079	12,572,202	13,158,046	10,249,853

During the current year, the Group reduced cost of inventories by Baht 41 million (2021: Baht 106 million) (the Company only: Baht 70 million, 2021: Baht 84 million), to reflect the net realisable value. This was included in administrative expenses. In addition, the Group reversed the write-down of cost of inventories by Baht 101 million (2021: Baht 46 million) (the Company only: Baht 95 million, 2021: Baht 35 million), and reduced the amount of inventories recognised as expenses during the year.

10. Other current assets

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Prepaid expenses	75,168	96,437	54,079	69,069
Suspend input value added tax	74,554	26,229	73,861	21,640
Others	25,768	4,155	25,359	2,156
Total other current assets	175,490	126,821	153,299	92,865

11. Investments in subsidiaries

Details of investments in subsidiaries as presented in separate financial statements are as follows:

Company's name	Paid-up capital		Shareholding percentage		Cost		Dividend received during the year	
	2022	2021	2022	2021	2022	2021	2022	2021
			(%)	(%)				
Market Village Company Limited	5,000	5,000	100.00	100.00	5,000	5,000	8,000	-
Home Product Center (Malaysia) Sdn. Bhd.	538,448	538,448	99.99	100.00	538,448	538,448	-	-
Mega Home Center Company Limited	1,500,000	1,500,000	99.99	99.99	1,500,000	1,500,000	300,000	-
DC Service Center Company Limited	2,500	2,500	100.00	99.99	2,500	2,500	99,999	-
Home Product Center Viet Nam Company Limited	32,340	32,340	100.00	100.00	32,340	32,340	-	-
Total					2,078,288	2,078,288	407,999	-
Less: Allowance for impairment of investment					(50,199)	(50,199)		
Investments in subsidiaries - net					2,028,089	2,028,089		

On 17 October 2022, the Board of Directors' Meeting of Mega Home Center Company Limited passed a resolution to approved an interim dividend amounting to Baht 300 million and a resolution to set aside to a statutory reserve amounting to Baht 150 million. The Subsidiary has fully set aside a statutory reserve.

12. Investments in associate

12.1 Details of associate

Company's name	Nature of business	Country of incorporation	(Unit: Thousand Baht)					
			Consolidated financial statements					
			Shareholding percentage		Cost		Carrying amounts based on equity method	
			2022	2021	2022	2021	2022	2021
			(%)	(%)				
OneStockHome Company Limited	Online sale and service	Thailand	30.00	-	68,706	-	66,756	-

Company's name	Nature of business	Country of incorporation	(Unit: Thousand Baht)					
			Separate financial statements					
			Shareholding percentage		Cost		Allowance for impairment of investments	Carrying amounts based on cost method - net
			2022	2021	2022	2021	2022	2021
			(%)	(%)				
OneStockHome Company Limited	Online sale and service	Thailand	30.00	-	68,706	-	-	68,706

In February 2022, the Company has entered into an agreement on share purchase and subscription with the current shareholders of OneStockHome Company Limited. The Company has paid Baht 68.7 million for 37,792 preferred shares at Baht 1,818 per share (par value of Baht 10 per share) on 8 March 2022 and 3 May 2022.

The preferred shares of this company have right to receive dividends equal to the ordinary shares. In addition, the preferred shareholders have right to receive any payments either from a key person as identified or from the capital or assets of this company first, in accordance with the Articles of Association of this company when the liquidation occurs.

13. Investment properties

The net book value of investment properties as at 31 December 2022 and 2021 is presented below.

(Unit: Thousand Baht)

Consolidated financial statement					
	Land and land improvement	Building and equipment	Right-of-use assets for rent	Assets under installation and under construction	Total
As at 31 December 2022					
Cost	974,686	5,107,549	886,991	1,470	6,970,696
Less: Accumulated depreciation	-	(2,518,998)	(189,138)	-	(2,708,136)
Net book value	<u>974,686</u>	<u>2,588,551</u>	<u>697,853</u>	<u>1,470</u>	<u>4,262,560</u>
As at 31 December 2021					
Cost	150,000	5,099,326	886,991	1,225	6,137,542
Less: Accumulated depreciation	-	(2,300,287)	(162,551)	-	(2,462,838)
Net book value	<u>150,000</u>	<u>2,799,039</u>	<u>724,440</u>	<u>1,225</u>	<u>3,674,704</u>

(Unit: Thousand Baht)

Separate financial statement					
	Land and land improvement	Building and equipment	Right-of-use assets for rent	Assets under installation and under construction	Total
As at 31 December 2022					
Cost	1,817,666	5,107,549	1,165,684	1,470	8,092,369
Less: Accumulated depreciation	-	(2,518,998)	(257,881)	-	(2,776,879)
Net book value	<u>1,817,666</u>	<u>2,588,551</u>	<u>907,803</u>	<u>1,470</u>	<u>5,315,490</u>
As at 31 December 2021					
Cost	992,980	5,099,326	1,165,684	1,225	7,259,215
Less: Accumulated depreciation	-	(2,300,287)	(221,447)	-	(2,521,734)
Net book value	<u>992,980</u>	<u>2,799,039</u>	<u>944,237</u>	<u>1,225</u>	<u>4,737,481</u>

A reconciliation of the net book value of investment properties for the years 2022 and 2021 is presented below.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Net book value at beginning of year	3,674,704	3,880,053	4,737,481	4,952,678
Additions	8,508	57,662	8,508	57,662
Transfer from property, building and equipment - net book value	824,686	-	824,686	-
Disposals and written-off				
- net book value	(17)	(230)	(17)	(230)
Depreciation (included in administrative expenses)	(245,321)	(262,781)	(255,168)	(272,629)
Net book value at end of year	<u>4,262,560</u>	<u>3,674,704</u>	<u>5,315,490</u>	<u>4,737,481</u>

During the year, the Company has transferred land and improvement, which is part of the property, building and equipment to investment properties according to the change of usage objective.

The fair value of the investment properties as at 31 December 2022 and 2021 stated below:

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Fair value	8,252	6,121	9,469	6,738

The fair value of most of the above investment properties has been determined based on valuation performed by an accredited independent valuer. The fair value of land has been determined using marketing approach. The fair value of the building and right-of-use assets held for rent has been determined using the income approach. Key assumptions used in the valuation include yield rate, inflation rate, occupancy rate and long-term growth in real rental rates.

14. Property, building and equipment

(Unit: Thousand Baht)

Consolidated financial statements							
	Land and land improvement	Building and building improvement	Equipment and machine	Furniture, fixtures and office equipment	Motor vehicles	Assets under installation and under construction	Total
Cost:							
As at 1 January 2021	9,055,646	31,869,318	1,594,976	8,538,048	6,663	49,924	51,114,575
Additions	-	110,743	76,731	237,075	-	828,649	1,253,198
Transfer from right-of-use assets	-	-	-	-	7,209	-	7,209
Disposals and written-off	-	(69,234)	(60,653)	(121,423)	(7,209)	(319)	(258,838)
Transfers in (out)	-	599,025	65,295	75,677	-	(739,997)	-
Translation adjustment	-	23,897	1,693	21,904	-	60	47,554
31 December 2021	9,055,646	32,533,749	1,678,042	8,751,281	6,663	138,317	52,163,698
Additions	589,568	151,819	85,888	349,134	785	3,900,724	5,077,918
Transfer to investment properties	(824,686)	-	-	-	-	-	(824,686)
Transfer from right-of-use assets	-	-	-	-	9,423	-	9,423
Disposals and written-off	-	(81,826)	(42,809)	(366,495)	(9,486)	-	(500,616)
Transfers in (out)	110,062	1,692,805	59,534	211,428	-	(2,073,829)	-
Translation adjustment	-	(6,639)	(481)	(6,171)	-	-	(13,291)
As at 31 December 2022	8,930,590	34,289,908	1,780,174	8,939,177	7,385	1,965,212	55,912,446
Accumulated depreciation:							
As at 1 January 2021	-	14,100,252	839,759	7,362,288	5,521	-	22,307,820
Depreciation for the year	-	1,735,705	192,341	488,284	462	-	2,416,792
Transfer from right-of-use assets	-	-	-	-	3,877	-	3,877
Depreciation on disposals and written-off	-	(45,553)	(60,580)	(106,134)	(3,877)	-	(216,144)
Translation adjustment	-	7,406	1,593	17,934	-	-	26,933
As at 31 December 2021	-	15,797,810	973,113	7,762,372	5,983	-	24,539,278
Depreciation for the year	-	1,731,779	184,502	449,061	331	-	2,365,673
Transfer from right-of-use assets	-	-	-	-	5,327	-	5,327
Depreciation on disposals and written-off	-	(75,460)	(42,723)	(362,424)	(5,365)	-	(485,972)
Translation adjustment	-	(2,549)	(445)	(5,577)	-	-	(8,571)
As at 31 December 2022	-	17,451,580	1,114,447	7,843,432	6,276	-	26,415,735
Allowance for impairment loss:							
As at 1 January 2021	9,400	37,198	-	19,000	-	-	65,598
Increase during the year	-	3,186	-	-	-	-	3,186
Decrease during the year	-	-	-	(3,410)	-	-	(3,410)
Written-off	-	(12,700)	-	(14,500)	-	-	(27,200)
Translation adjustment	-	2,074	-	-	-	-	2,074
As at 31 December 2021	9,400	29,758	-	1,090	-	-	40,248
Decrease during the year	(9,400)	(948)	-	-	-	-	(10,348)
Written-off	-	(800)	-	(400)	-	-	(1,200)
Translation adjustment	-	(553)	-	-	-	-	(553)
As at 31 December 2022	-	27,457	-	690	-	-	28,147
Net book value:							
As at 31 December 2021	9,046,246	16,706,181	704,929	987,819	680	138,317	27,584,172
As at 31 December 2022	8,930,590	16,810,871	665,727	1,095,055	1,109	1,965,212	29,468,564
Depreciation for the year							
2021 (Baht 2,325 million included in selling, distribution and service expenses, and the balance in administrative expenses)							2,416,792
2022 (Baht 2,258 million included in selling, distribution and service expenses, and the balance in administrative expenses)							2,365,673

(Unit: Thousand Baht)

Separate financial statements							
	Land and land improvement	Building and building improvement	Equipment and machine	Furniture, fixtures and office equipment	Motor vehicles	Assets under installation and under construction	Total
Cost:							
As at 1 January 2021	8,063,166	27,050,503	1,528,922	7,345,400	5,585	41,858	44,035,434
Additions	-	76,891	73,395	168,344	-	803,997	1,122,627
Transfer from right-of-use assets	-	-	-	-	7,209	-	7,209
Disposals and written-off	-	(40,257)	(54,169)	(119,817)	(7,209)	(320)	(221,772)
Transfers in (out)	-	579,584	65,295	70,123	-	(715,002)	-
As at 31 December 2021	8,063,166	27,666,721	1,613,443	7,464,050	5,585	130,533	44,943,498
Additions	589,568	172,575	86,892	397,716	984	3,890,745	5,138,480
Transfer to investment properties	(824,686)	-	-	-	-	-	(824,686)
Transfer from right-of-use assets	-	-	-	-	9,423	-	9,423
Disposals and written-off	-	(69,166)	(41,785)	(291,569)	(9,486)	-	(412,006)
Transfers in (out)	110,062	1,679,004	59,534	207,466	-	(2,056,066)	-
As at 31 December 2022	7,938,110	29,449,134	1,718,084	7,777,663	6,506	1,965,212	48,854,709
Accumulated depreciation:							
As at 1 January 2021	-	12,580,164	779,995	6,282,854	4,742	-	19,647,755
Depreciation for the year	-	1,471,193	186,947	401,848	402	-	2,060,390
Transfer from right-of-use assets	-	-	-	-	3,877	-	3,877
Depreciation on disposals and written-off	-	(24,461)	(54,096)	(104,561)	(3,877)	-	(186,995)
As at 31 December 2021	-	14,026,896	912,846	6,580,141	5,144	-	21,525,027
Depreciation for the year	-	1,479,804	182,719	412,672	291	-	2,075,486
Transfer from right-of-use assets	-	-	-	-	5,327	-	5,327
Depreciation on disposals and written-off	-	(67,231)	(41,699)	(287,774)	(5,365)	-	(402,069)
As at 31 December 2022	-	15,439,469	1,053,866	6,705,039	5,397	-	23,203,771
Allowance for impairment loss:							
As at 1 January 2021	9,400	16,000	-	19,000	-	-	44,400
Increase during the year	-	2,350	-	-	-	-	2,350
Decrease during the year	-	-	-	(3,410)	-	-	(3,410)
Written-off	-	(12,700)	-	(14,500)	-	-	(27,200)
As at 31 December 2021	9,400	5,650	-	1,090	-	-	16,140
Decrease during the year	(9,400)	(900)	-	-	-	-	(10,300)
Written-off	-	(800)	-	(400)	-	-	(1,200)
As at 31 December 2022	-	3,950	-	690	-	-	4,640
Net book value:							
As at 31 December 2021	8,053,766	13,634,175	700,597	882,819	441	130,533	23,402,331
As at 31 December 2022	7,938,110	14,005,715	664,218	1,071,934	1,109	1,965,212	25,646,298
Depreciation for the year							
2021 (Baht 1,970 million included in selling, distribution and service expenses, and the balance in administrative expenses)							2,060,390
2022 (Baht 1,969 million included in selling, distribution and service expenses, and the balance in administrative expenses)							2,075,486

As at 31 December 2022, certain building and equipment items have been fully depreciated but are still in use. The gross carrying amount (before deducting accumulated depreciation and allowance for impairment loss) of those assets amounted to approximately Baht 10,793 million (2021: Baht 10,807 million) (the Company only: Baht 10,536 million, 2021: Baht 9,682 million).

15. Computer software

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Cost		
As at 1 January 2021	1,020,618	968,863
Acquisitions during the year	109,089	107,601
Written-off	(35,618)	(35,618)
Translation adjustment	193	-
As at 31 December 2021	1,094,282	1,040,846
Acquisitions during the year	53,505	59,443
Written-off	(401)	(401)
Translation adjustment	(32)	-
As at 31 December 2022	1,147,354	1,099,888
Accumulated amortisation		
As at 1 January 2021	531,748	494,051
Amortisation for the year (included in administrative expenses)	92,922	87,699
Amortisation on written-off	(35,618)	(35,618)
Translation adjustment	71	-
As at 31 December 2021	589,123	546,132
Amortisation for the year (included in administrative expenses)	87,740	84,999
Amortisation on written-off	(401)	(401)
Translation adjustment	(24)	-
As at 31 December 2022	676,438	630,730
Net book value		
As at 31 December 2021	505,159	494,714
As at 31 December 2022	470,916	469,158

16. Short-term loans from financial institutions

(Unit: Thousand Baht)

	Interest rate		Consolidated		Separate	
	(% per annum)		financial statements		financial statements	
	2022	2021	2022	2021	2022	2021
Bill of exchange - Baht	0.76	0.58	1,000,000	1,000,000	1,000,000	1,000,000
Bill of exchange - Foreign						
currency	4.12	3.01 - 3.44	74,200	231,829	-	-
Total short-term loans from financial institutions			1,074,200	1,231,829	1,000,000	1,000,000

As at 31 December 2022, the Group had overdraft lines from banks totaling Baht 370 million and MYR 2.5 million (2021: Baht 340 million and MYR 2.5 million) (the Company only: Baht 340 million, 2021: Baht 310 million) and other credit facilities totaling Baht 11,201 million, USD 44 million and MYR 91 million (2021: Baht 11,437 million, USD 40 million and MYR 70 million) (the Company only: Baht 10,964 million and USD 44 million, 2021: Baht 11,204 million and USD 40 million).

17. Trade and other payables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Trade accounts payable	13,189,785	12,253,471	12,986,144	10,743,269
Other payables	558,268	603,917	534,372	533,278
Other payables for purchase of assets	896,110	242,453	895,985	237,205
Accrued expenses	1,167,715	872,778	1,160,779	796,593
Total trade and other payables	15,811,878	13,972,619	15,577,280	12,310,345

18. Leases

18.1 The Group as a lessee

The Group has lease contracts for various items of property, building, and equipment used in its operations. Leases generally have lease terms between 2 - 32 years.

a) Right-of-use assets

Movements of right-of-use assets for the years ended 31 December 2022 and 2021 are summarised below:

(Unit: Thousand Baht)

	Consolidated financial statements			
	Land and land improvement	Building	Motor vehicles	Total
As at 1 January 2021	4,243,603	1,855,614	12,769	6,111,986
Acquisitions	758,528	397,510	9,010	1,165,048
Transfer to property, building and equipment - net book value	-	-	(3,332)	(3,332)
Depreciation for the year	(206,696)	(224,906)	(3,815)	(435,417)
Difference from rental reduction	-	(181,976)	-	(181,976)
Translation adjustment	-	2,905	-	2,905
As at 31 December 2021	4,795,435	1,849,147	14,632	6,659,214
Acquisitions	1,917,895	339,942	3,407	2,261,244
Transfer to property, building and equipment - net book value	-	-	(4,095)	(4,095)
Depreciation for the year	(248,694)	(204,667)	(4,036)	(457,397)
Written-off - net book value	-	(83)	-	(83)
Decrease from rental period reduction	-	(10,864)	-	(10,864)
Translation adjustment	-	(750)	-	(750)
As at 31 December 2022	6,464,636	1,972,725	9,908	8,447,269

(Unit: Thousand Baht)

	Separate financial statements			
	Land and land improvement	Building	Motor vehicles	Total
As at 1 January 2021	3,270,777	1,845,625	12,769	5,129,171
Acquisitions	758,528	302,952	9,010	1,070,490
Transfer to property, building and equipment - net book value	-	-	(3,332)	(3,332)
Depreciation for the year	(169,320)	(184,739)	(3,815)	(357,874)
Difference from rental reduction	-	(181,976)	-	(181,976)
As at 31 December 2021	3,859,985	1,781,862	14,632	5,656,479
Acquisitions	1,937,033	1,595,966	3,407	3,536,406
Transfer to property, building and equipment - net book value	-	-	(4,095)	(4,095)
Depreciation for the year	(214,328)	(418,800)	(4,036)	(637,164)
Written-off - net book value	-	(83)	-	(83)
Decrease from rental period reduction	-	(10,864)	-	(10,864)
As at 31 December 2022	5,582,690	2,948,081	9,908	8,540,679

The movements of right-of-use assets exclude the right-of-use assets which are classified as investment property and presented in Note 13.

b) Lease liabilities

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Lease payments	9,775,289	7,464,558	10,192,147	6,770,450
Less: Deferred interest expenses	(3,745,317)	(2,351,828)	(3,549,361)	(2,116,017)
Total	6,029,972	5,112,730	6,642,786	4,654,433
Less: Portion due within one year	(189,014)	(247,268)	(665,947)	(201,780)
Lease liabilities - net of current portion	<u>5,840,958</u>	<u>4,865,462</u>	<u>5,976,839</u>	<u>4,452,653</u>

Movements of the lease liability account during the years ended 31 December 2022 and 2021 are summarised below:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Beginning balance	5,112,730	4,622,624	4,654,433	4,220,824
Additions	2,261,244	1,166,153	3,536,405	1,071,595
Increase from amortisation of deferred interest in				
the year	190,566	156,514	190,017	142,313
Payments	(1,522,887)	(597,962)	(1,727,185)	(546,998)
Decrease from rental period reduction	(10,884)	(208,196)	(10,884)	(208,196)
Rental reduction	-	(29,088)	-	(25,105)
Translation adjustment	(796)	2,685	-	-
Ending balance	<u>6,029,972</u>	<u>5,112,730</u>	<u>6,642,786</u>	<u>4,654,433</u>

A maturity analysis of lease payments is disclosed in Note 34.2 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	
	2022	2021	2022	2021
Depreciation expense of right-of-use assets	483,984	454,560	673,597	394,355
Interest expense on lease liabilities	190,566	156,514	190,017	142,313
Expense relating to short-term leases	30,206	41,816	28,237	40,975
Expense relating to leases of low-value assets	26,409	23,606	23,128	20,195
Expense relating to variable lease payments that do not depend on an index or a rate	160,249	67,392	139,772	67,392

The Group has lease contracts for building space that contains variable payments based on sales. The lease term is 1 - 30 years.

d) Others

The Group had total cash outflows for leases for the year ended 31 December 2022 of Baht 1,740 million (2021: Baht 731 million) (the Company only: Baht 1,918 million, 2021: Baht 676 million), including the cash outflow related to short-term lease, leases of low-value assets and variable lease payments that do not depend on an index or a rate. The future cash outflows relating to leases that have not yet commenced are disclosed in Note 32.2.

18.2 Group as a lessor

The Group has entered into operating leases for its investment properties portfolio consisting of property, building, and right-of-use assets of lease land (see Note 13) of the lease terms are between 3 to 30 years.

The Group has future minimum rentals receivable under non-cancellable operating leases of investment properties as at 31 December 2022 and 2021 as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Within 1 year	19,134	19,748	67,418	62,539
Over 1 and up to 5 years	76,537	78,992	118,898	103,696
Over 5 years	137,379	281,564	137,379	281,564
Total	233,050	380,304	323,695	447,799

During 2022 the Group has sub-lease income amounting to Baht 22 million (2021: Baht 34 million) (the Company only: Baht 64 million, 2021: Baht 76 million).

As at 31 December 2022 and 2021, the Company has entered into 5 agreements with 4 companies to lease and/or sub-lease parts of its premises in 5 branches for the periods between 18 to 30 years, with a total of rental received in advance amounting Baht 572 million. The terms of the agreements are ended in the year 2033 to the year 2039. The Company recognised this income systematically on a straight-line basis over the lease periods which are the useful lives of the leaseholds.

As at 31 December 2022, the outstanding balance of rental received in advance, net of recognised rental income was Baht 233 million (2021: Baht 259 million).

19. Long-term loans

			(Unit: Thousand Baht)	
Loans	Interest rate (percent per annum)	Repayment schedule	Consolidated financial statements	
			2022	2021
1	COF* + 1.10	Monthly repayment since April 2019 to February 2025	46,030	61,608
2	COF* + 0.80	Monthly repayment since April 2024 to March 2029	122,625	-
Total long-term loans			168,655	61,608
Less: Current portion			(46,030)	(61,608)
Long-term loans - net of current portion			122,625	-

* The Bank's cost of fund ("COF")

Movement of the long-term loans account during the year ended 31 December 2022 and 2021 are summarised below:

			(Unit: Thousand Baht)	
			Consolidated financial statements	
			2022	2021
Beginning balance			61,608	75,167
Additional borrowings			122,273	-
Repayments			(14,443)	(17,480)
Translation adjustment			(783)	3,921
Ending balance			168,655	61,608

Long-term loans denominated in MYR were loan facilities granted by two overseas financial institutions for Home Product Center (Malaysia) Sdn. Bhd., the Company's 100% owned subsidiary. The loans were secured by a 100% corporate guarantee provided by the Company. The loan agreements contained covenants as specified in the agreements that, among other things, require the subsidiary to maintain a certain debt to equity ratio and the Company to maintain its shareholding, directly or indirectly, in the subsidiary of no less than 51% for the loan no. 1, and require to maintain debt to equity ratio on the consolidated financial statement of the Company and its subsidiaries for the loan no. 2.

As at 31 December 2022, the loan no. 1 amounted to Baht 46 million (2021: Baht 62 million), of which on 22 April 2020, the subsidiary received a letter of consent allowing for a moratorium on principal repayment commencing from May 2020 to October 2020 and an extension of principal repayment for another 6 months. Subsequently, on 14 October 2021, the subsidiary received a letter of consent allowing for a moratorium on principal repayment commencing from November 2021 to April 2022 and an extension of principal repayment for another 6 months. The debt to equity ratio of the subsidiary was not in compliance with the conditions prescribed in the agreement. Therefore, the Group presented the balance of this long-term loan as current liabilities in the consolidated financial statements. However, the Group is currently in negotiation with the bank on modification and amendment of the contractual conditions.

20. Debentures

					Consolidated and separate financial statements			
	Interest/discount				Number of debenture (Units)		Amount (Thousand Baht)	
No.	rate per annum	Age	Repayment	Maturity	2022	2021	2022	2021
Unsubordinated and unsecured debentures								
No. 1/2019	1.85%	3 years	At maturity	14 November 2022	-	3,170,000	-	3,170,000*
No. 1/2020	1.65%	3 years	At maturity	3 March 2023	3,150,000	3,150,000	3,150,000	3,150,000*
No. 2/2020	1.85%	2 years 11 months 28 days	At maturity	12 October 2023	1,000,000	1,000,000	1,000,000	1,000,000*
No. 3/2020	Fixed rate 1.85%	2 years 11 months 28 days	At maturity	12 October 2023	1,000,000	1,000,000	1,000,000	1,000,000
No. 1/2021	1.50%	3 years	At maturity	12 January 2024	1,000,000	1,000,000	1,000,000	1,000,000*
No. 2/2021	1.40%	3 years	At maturity	9 February 2024	1,000,000	1,000,000	1,000,000	1,000,000*
No. 3/2021	1.07%	3 years	At maturity	1 October 2024	2,000,000	2,000,000	2,000,000	2,000,000*
No. 1/2022	Fixed rate 2.68%	3 years	At maturity	15 July 2025	3,000,000	-	3,000,000	-
No. 2/2022	Fixed rate 2.75%	3 years	At maturity	18 November 2025	2,000,000	-	2,000,000	-
Total					14,150,000	12,320,000	14,150,000	12,320,000
Less: Deferred interest							(89,202)	(255,735)
Debenture - net							14,060,798	12,064,265
Less: Current portion of debentures							(5,127,658)	(3,120,897)
Debentures - net of current portion							8,933,140	8,943,368

* Zero Coupon Bond

Movements in debentures account during the period ended 31 December 2022 and 2021 are summarised below.

(Unit: Thousand Baht)		
Consolidated and separate financial statements		
	2022	2021
Beginning balance	12,320,000	12,320,000
Add: Issuance of debentures during the year	5,000,000	4,000,000
Less: Redemption of debentures during the year	(3,170,000)	(4,000,000)
Ending balance	14,150,000	12,320,000

Such debentures contain certain covenants and restrictions regarding the maintenance of debt to equity ratio, restriction on dividend payment and disposal and transfer of assets.

21. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employees after they retire, was as follows:

(Unit: Thousand Baht)				
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Provision for long-term employee benefits				
at beginning of year	545,894	574,052	495,219	521,757
Included in profit or loss:				
Current service cost	41,286	54,562	36,133	47,779
Interest cost	8,332	8,421	7,509	7,657
Included in other comprehensive income:				
Actuarial gain arising from				
Demographic assumptions changes	-	(29,334)	-	(26,560)
Financial assumptions changes	-	(29,513)	-	(26,867)
Experience adjustments	-	(22,776)	-	(20,646)
Benefits paid during the year	(6,054)	(9,518)	(5,411)	(7,901)
Provision for long-term employee benefits				
at end of year	589,458	545,894	533,450	495,219

As at 31 December 2022, the Group expects to pay Baht 78 million (2021: Baht 56 million) (the Company only: Baht 72 million, 2021: Baht 54 million) of long-term employee benefits during the next year.

As at 31 December 2022, the weighted average duration of the liabilities for long-term employee benefit is 7 years (2021: 7 years) (the Company only: 7 years, 2021: 7 years).

Significant actuarial assumptions are summarised below:

	(Unit: percent per annum)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Discount rate	1.7%	1.7%	1.7%	1.7%
Salary increase rate	5.5% - 6.0%	5.5% - 6.0%	5.5% - 6.0%	5.5% - 6.0%
Turnover rate (depending on age)	0 - 40%	0 - 40%	0 - 35%	0 - 35%

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)			
	Consolidated		Separate	
	financial statements		financial statements	
	Increase 0.5%	Decrease 0.5%	Increase 0.5%	Decrease 0.5%
Discount rate				
31 December 2022	(18)	20	(14)	20
31 December 2021	(19)	20	(17)	18

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Salary increase rate				
31 December 2022	49	(44)	46	(37)
31 December 2021	44	(39)	39	(35)

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	Increase 10%	Decrease 10%	Increase 10%	Decrease 10%
Turnover rate				
(depending on age)				
31 December 2022	(37)	43	(30)	40
31 December 2021	(33)	38	(29)	33

22. The Employee Joint Investment Program (EJIP)

The significant details of the Employee Joint Investment Program (EJIP) are as follow:

The Company eligible under EJIP	Home Product Center Public Company Limited and DC Service Center Company Limited
The Period of EJIP	1 July 2018 to 30 June 2023, with a total duration of 5 years.
Eligible employees under EJIP	Employees at Division Manager or equivalent level on the voluntary basis. Directors and advisors of the Company are exclude from this program.
EJIP arrangement	<p>The Company will make deduction from the payroll of eligible employees who voluntarily join the EJIP, at the rate not over 5% of the salary of each month.</p> <p>The Company will contribute 100% of the amount contributed by EJIP participants on a monthly basis.</p>
EJIP buying schedule	Monthly basis.
Conditions for holding the securities	<p>During the 1st year - 3rd year, employee cannot sell any shares</p> <p>After the 3rd year, employee can sell 25% of shares accumulated</p> <p>After the 4th year, employee can sell 50% of shares accumulated</p> <p>After the 5th year, employee can sell all shares</p>
EJIP program manager	Phillip Securities (Thailand) Public Company Limited

On 5 June 2018, the Company received the approval of Employee Joint Investment Program (EJIP) from Securities and Exchange Commission (SEC).

During the year 2022, the Group contributed Baht 40 million to the program (2021: Baht 38 million) (the Company only: Baht 39 million, 2021: Baht 36 million).

23. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5% of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10% of the registered capital. The statutory reserve is not available for dividend distribution.

At present, the statutory reserve has been fully set aside.

24. Revenue from contracts with customers

24.1 Disaggregated revenue information

(Unit: Thousand Baht)				
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Type of goods or service:				
Sale of goods related to houses and residences	64,381,576	59,969,667	59,351,967	52,253,457
Renovation and improvement services	305,686	277,100	304,659	277,100
Installation maintenance and other service	403,622	321,145	385,807	298,713
Total revenue from contracts with customers	<u>65,090,884</u>	<u>60,567,912</u>	<u>60,042,433</u>	<u>52,829,270</u>
Timing of revenue recognition:				
Revenue recognised at a point in time	64,785,198	60,290,812	59,737,774	52,552,170
Revenue recognised over time	305,686	277,100	304,659	277,100
Total revenue from contracts with customers	<u>65,090,884</u>	<u>60,567,912</u>	<u>60,042,433</u>	<u>52,829,270</u>

Set out below, is a reconciliation of the revenue from contracts with customers with financial information classified by source of revenue.

(Unit: Thousand Baht)				
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Revenue from external customers	65,037,171	60,512,530	59,738,216	52,465,137
Revenue from related parties	194,890	383,243	304,217	364,133
	65,232,061	60,895,773	60,042,433	52,829,270
Eliminations	(141,177)	(327,861)	-	-
Total revenue from contracts with customers	<u>65,090,884</u>	<u>60,567,912</u>	<u>60,042,433</u>	<u>52,829,270</u>

24.2 Revenue recognised in relation to contract balances

During the current year, amounts of Baht 960 million (2021: Baht 963 million) (the Company only: Baht 903 million, 2021: Baht 902 million) that were included in advances received from customers at the beginning of the year were recognised as revenue.

25. Expenses by nature

Significant expenses classified by nature are as follows:

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Salaries and wages and other employee benefits	4,930	4,639	4,673	4,162
Premises expenses	1,469	1,142	1,324	1,002
Depreciation and amortisation	3,156	3,208	3,053	2,779
Sales promotion and operation support expenses	2,803	2,258	2,635	2,112
Tax expenses and fees	1,583	1,255	1,444	1,126
Changes in finished goods	(998)	(2,288)	(2,883)	(1,935)

26. Finance cost

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Interest expense of loans and debentures	254,013	259,098	244,232	248,712
Interest expense on lease liabilities	190,566	156,514	190,018	142,313
Total	444,579	415,612	434,250	391,025

27. Income tax

Income tax expenses for the years ended 31 December 2022 and 2021 are made up as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Current income tax:				
Current income tax charge	1,494,244	1,238,501	1,389,223	1,118,952
Adjustment in respect of income tax of previous year	720	(25,072)	1,001	(20,461)
Deferred tax:				
Relating to origination and reversal of temporary differences	(54,014)	(19,461)	(73,079)	(23,315)
Income tax expenses reported in profit or loss	1,440,950	1,193,968	1,317,145	1,075,176

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:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Deferred tax on actuarial gains	-	16,325	-	14,815

The reconciliation between accounting profit and income tax expense is shown below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Accounting profit before tax	7,658,040	6,634,488	7,338,809	6,060,176
Applicable tax rate	20% and 24%	20% and 24%	20%	20%
Accounting profit before tax multiplied by income tax rate	1,534,410	1,326,898	1,467,762	1,212,035
Adjustment in respect of income tax of previous year	720	(25,072)	1,001	(20,461)
Effects of:				
Revenues that are granted income tax exemption	-	-	(81,600)	-
Non-deductible expenses	7,706	14,693	14,655	11,102
Additional expense deductions allowed	(93,762)	(131,755)	(79,536)	(116,274)
Others	(8,124)	9,204	(5,137)	(11,226)
Total	(94,180)	(107,858)	(151,618)	(116,398)
Income tax expenses reported in profit or loss	1,440,950	1,193,968	1,317,145	1,075,176

The components of deferred tax assets are as follows:

	(Unit: Thousand Baht)			
	Statements of financial position			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Deferred tax assets				
Allowance for expected credit losses	2,169	3,030	2,148	2,557
Purchase discounts	121,236	113,987	121,236	97,067
Allowance for asset impairments	928	3,228	928	3,228
Leases	271,453	248,997	262,318	240,324
Provision for long-term employee benefits	117,892	109,179	106,690	99,044
Deferred purchase discounts	7,757	6,370	7,757	6,237
Provisions	141,207	123,836	135,205	114,746
Total	662,642	608,627	636,282	563,203

As at 31 December 2022, the Group has deductible temporary differences totaling Baht 594 million (2021: Baht 654 million) (the Company only: Baht 577 million, 2021: Baht 602 million). No deferred tax assets have been recognised on these amounts as the Group believes it is uncertain on the temporary differences may not be probable utilised in the future.

28. 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.

	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Profit for the year (Thousand Baht)	6,217,089	5,440,519	6,021,665	4,985,000
Weighted average number of ordinary shares				
(Thousand shares)	13,151,198	13,151,198	13,151,198	13,151,198
Earnings per share (Baht/share)	0.47	0.41	0.46	0.38

29. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance. The chief operating decision maker has been identified as the Company's Board of Directors.

The Group is principally engaged in the trading of a complete range of goods and materials for construction, addition, refurbishment, renovation, and improvement of buildings, houses, and residences, and the provision of services relevant to retail and wholesale business, space rental and services (as having revenue and/or operating profit and/or assets less than 10% of total revenue and/or total operating profit and/or total assets of all segments, which do not meet the quantitative thresholds as set out in the financial reporting standard).

Segment performance is measured based on operating profit or loss, on a basis consistent with that used to measure operating profit or loss in the financial statements. As a result, all of the revenues, operating profits and assets as reflected in these financial statements pertain exclusively to the aforementioned reportable operating segment.

Geographic information

Sales income from external customers is based on locations of the Group which are summarised as follow.

(Unit: Million Baht)

	2022	2021
Sales income from external customers		
Thailand	63,646	59,522
Malaysia	1,382	990
Vietnam	9	1
Total	65,037	60,513
Non-current assets (other than deferred tax assets)		
Thailand	42,882	38,764
Malaysia	209	292
Vietnam	3	2
Total	43,094	39,058

Major customers

For the years 2022 and 2021, the Group has no major customer with revenue of 10% or more of an entity's revenues.

30. Provident fund

The Group and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both the Group and their employees contributed to the fund monthly at the rate of 3% - 5% of basic salary. The fund, which is managed by Land and Houses Fund Management Co., Ltd. will be paid to employees upon termination in accordance with the fund rules.

During the year 2022, the Group contributed Baht 104 million (2021: Baht 103 million) to the fund (the Company only: Baht 91 million, 2021: Baht 91 million).

31. Dividend paid

Dividends	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)
Dividend from operating results from July 2020 to December 2020	The Annual General Meeting of the shareholders on 8 April 2021	2,630	0.20
Interim dividend from operating results from January 2021 to June 2021	Board of Directors' Meeting of the Company on 31 August 2021	1,578	0.12
Total		4,208	
Dividend from operating results from July 2021 to December 2021	The Annual General Meeting of the shareholders on 8 April 2022	2,630	0.20
Interim dividend from operating results from January 2022 to June 2022	Board of Directors' Meeting of the Company on 30 August 2022	2,236	0.17
Total		4,866	

32. Commitments and contingent liabilities

32.1 Capital commitment

As at 31 December 2022 and 2021, the Company had capital commitments with several companies relating to the construction of retail stores. The obligations of construction are subject to the retail stores expansion and construction plan of each period determined by the management.

32.2 Operating lease commitments - as a lessee

As at 31 December 2022 and 2021, the Company has future lease payments required under these non-cancellable leases contracts that have not yet commenced amounting to Baht 395 million (2021: Baht 701 million). In January 2023, the Company registered lease land with Department of Lands amounting to Baht 127 million.

32.3 Service commitments and land and building rental commitments

- a) The Company has entered into the inventory management services agreement with a subsidiary. Under the conditions of the agreement, the Company is to pay the monthly service fee at a percentage of the subsidiary's actual cost, as stipulated in the agreement.
- b) The Company has entered into an agreement on management assistance and inventories management with subsidiary. Under the conditions prescribed by agreement, the Company is received by monthly service fees based on percentage of sales and percentage of actual costs as stipulated in the agreement. However, the Company terminated the agreement on 30 June 2022.
- c) The Company has entered into land lease agreements with a subsidiary. The terms of the agreements are 3 years. Under the conditions of the agreements, the Company receives monthly rental fees at rates stipulated in the agreements. The agreements are non-cancelable, except with the consent of the counterparties.
- d) The Company has entered into building rental agreements and personnel management services agreement with a subsidiary. The terms of the agreements are 2 years 6 months. Under the conditions of the agreements, the Company is to pay the monthly rental fees and service fee as stipulated in the agreement. The agreements are non-cancelable, except with the consent of the counterparties.

32.4 Guarantees

- a) As at 31 December 2022, the Group has outstanding bank guarantees of Baht 190 million and MYR 1 million (2021: Baht 163 million and MYR 1 million) (the Company only: Baht 165 million, 2021: Baht 134 million) issued by banks on benefit of the Group in respect of guarantees provided for leasing, purchases of goods or hire of work, as bonds with State Enterprise. Bank guarantee of Baht 25 million and MYR 1 million (2021: Baht 29 million and MYR 1 million) issued in the name of subsidiaries were guaranteed by the Company.
- b) As at 31 December 2022, the Company had commitments under letters of credit opened with commercial bank, amounting to USD 0.3 million and CNY 9.6 million (2021: USD 0.8 million and CNY 4.7 million).
- c) As at 31 December 2022, the Company secured credit facilities of its subsidiaries of Baht 280 million and MYR 133 million (2021: Baht 280 million and MYR 103 million) to financial institutions.

32.5 Litigation

- a) As at 31 December 2022, the Company has legal cases for a total claimed amount of Baht 7.3 million (2021: Baht 5.0 million) (the Company only: Baht 7.1 million, 2021: Baht 2.6 million) which are currently being considered by the Court. The legal department of the Company believes that the outcome of these cases will not have significant effect to the Company. As such, the Company has not set aside any amount of provision in the financial statements.
- b) In July 2022, a financial institution, which accepted the transfer of claims under factoring contracts being entered with a supplier, filed a lawsuit demanding the Company to make payments under the contracts. The case is currently being considered by the Court. However, the Company had already completed the payments of outstanding debt to the supplier during November 2018 to March 2021. The Company's management took into account related transactions and noted that they were made correctly. As a result, the Company has not set aside any amount of provision for contingent liabilities from this case in the financial statements.

33. Fair value hierarchy

As at 31 December 2022 and 2021, the Group had the assets and liabilities that were measured at fair value or for which fair value was disclosed using different levels of inputs as follows:

(Unit: Million Baht)				
Consolidated Financial Statements				
As at 31 December 2022				
	Level 1	Level 2	Level 3	Total
Liability measured at fair value				
Derivatives				
Foreign currency forward contracts	-	20	-	20
Asset for which fair value are disclosed				
Investment properties	-	-	8,252	8,252
Liability for which fair value are disclosed				
Debentures	-	14,057	-	14,057

(Unit: Million Baht)

Consolidated Financial Statements				
As at 31 December 2021				
	Level 1	Level 2	Level 3	Total
Liability measured at fair value				
Derivatives				
Foreign currency forward contracts	-	1	-	1
Asset for which fair value are disclosed				
Investment properties	-	-	6,121	6,121
Liability for which fair value are disclosed				
Debentures	-	12,161	-	12,161

(Unit: Million Baht)

Separate Financial Statements				
As at 31 December 2022				
	Level 1	Level 2	Level 3	Total
Liability measured at fair value				
Derivatives				
Foreign currency forward contracts	-	20	-	20
Asset for which fair value are disclosed				
Investment properties	-	-	9,469	9,517
Liability for which fair value are disclosed				
Debentures	-	14,057	-	14,057

(Unit: Million Baht)

Separate Financial Statements				
As at 31 December 2021				
	Level 1	Level 2	Level 3	Total
Liability measured at fair value				
Derivatives				
Foreign currency forward contracts	-	1	-	1
Asset for which fair value are disclosed				
Investment properties	-	-	6,738	6,738
Liability for which fair value are disclosed				
Debentures	-	12,161	-	12,161

34. Financial instruments

34.1 Derivatives

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Derivative liability				
Derivative liability not designated as hedging instruments				
Foreign exchange forward contracts	20	1	20	1
Total derivative liability	<u>20</u>	<u>1</u>	<u>20</u>	<u>1</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 months.

34.2 Financial risk management objectives and policies

The Group's financial instruments principally comprise cash and cash equivalents, trade accounts receivable, trade accounts payable, short-term loans, long-term loans, lease liabilities and long-term debentures. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Group is exposed to credit risk primarily with respect to trade accounts receivable, 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 customer receivables are regularly monitored and any shipments to major customers are generally covered by other forms of credit insurance obtained from reputable banks and other financial institutions.

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 customer type and rating and other forms of credit insurance. Other forms of credit insurance are considered an integral part of trade receivables and taken into account in the calculation of impairment. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Financial instruments and cash deposits

The Group manages the credit risk from balances with banks and financial institutions by making investments only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Group's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Group's Executive Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.

The credit risk on debt instruments and derivatives is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Market risk

There is a type of market risk comprising currency risk. The Group enters into foreign exchange forward contracts derivative to reduce the foreign currency risk arising on the 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.

Consolidated and separate financial statements						
Foreign currency	Financial assets		Financial liabilities		Average exchange rate	
	as at 31 December		as at 31 December		as at 31 December	
	<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)	
USD	-	-	1	2	34.73	33.37
CNY	-	-	13	50	5.05	5.23

As at 31 December 2022 and 2021, foreign exchange contracts outstanding are summarised below.

Consolidated and separate financial statements					
As at 31 December 2022					
Foreign currency	Bought amount	Sold amount	Contractual exchange rate		Contractual maturity date
	(Million)	(Million)	Bought	Sold	
			(Baht per 1 foreign currency unit)		
USD	7	-	34.11 - 37.15	-	Within July 2023
CNY	42	-	5.13 - 5.21	-	Within July 2023

Consolidated and separate financial statements					
As at 31 December 2021					
Foreign currency	Bought amount	Sold amount	Contractual exchange rate		Contractual maturity date
	(Million)	(Million)	Bought	Sold	
			(Baht per 1 foreign currency unit)		
USD	3	-	32.73 - 33.57	-	Within July 2022
CNY	30	-	5.20 - 5.25	-	Within July 2022

Interest rate risk

The Group's exposure to interest rate risk relates primarily to its short-term loans, lease liabilities, debentures and long-term borrowings. Most of the Group's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate. The Group manages its interest rate risk by having a portfolio of fixed rate loans and borrowings more than variable rate. The Group's policy is to maintain borrowings at fixed rates of interest of not less than 50%.

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.

(Unit: Million Baht)

Consolidated financial statements						
As at 31 December 2022						
	Fixed interest rates			Floating interest rate	Non-interest bearing	Total
	Within 1 year	1 - 5 years	More than 5 years			
						Interest rate (% p.a.)
Financial assets						
Cash and cash equivalents	510	-	-	2,023	2,887	5,420
Trade and other receivables	-	-	-	-	2,069	2,069
	510	-	-	2,023	4,956	7,489
Financial liabilities						
Short-term loans from financial institutions	1,074	-	-	-	-	1,074
Trade and other payables	-	-	-	-	15,812	15,812
Lease liabilities	189	1,091	4,750	-	-	6,030
Long-term loans	46	123	-	-	-	169
Debentures	5,128	8,933	-	-	-	14,061
	6,437	10,147	4,750	-	15,812	37,146

(Unit: Million Baht)

Consolidated financial statements						
As at 31 December 2021						
	Fixed interest rates			Floating interest rate	Non-interest bearing	Total
	Within 1 year	1 - 5 years	More than 5 years			
						Interest rate (% p.a.)
Financial assets						
Cash and cash equivalents	3,992	-	-	160	394	4,546
Trade and other receivables	-	-	-	-	1,675	1,675
	3,992	-	-	160	2,069	6,221
Financial liabilities						
Short-term loans from financial institutions	1,232	-	-	-	-	1,232
Trade and other payables	-	-	-	-	13,973	13,973
Lease liabilities	247	764	4,102	-	-	5,113
Long-term loans	-	-	-	62	-	62
Debentures	3,121	8,943	-	-	-	12,064
	4,600	9,707	4,102	62	13,973	32,444

(Unit: Million Baht)

Separate financial statements						
As at 31 December 2022						
	Fixed interest rates			Floating interest rate	Non-interest bearing	Total
	Within 1 year	1 - 5 years	More than 5 years			
						Interest rate (% p.a.)
Financial assets						
Cash and cash equivalents	510	-	-	1,922	2,673	5,105
Trade and other receivables	-	-	-	-	2,157	2,157
	510	-	-	1,922	4,830	7,262
Financial liabilities						
Short-term loans from financial institutions	1,000	-	-	-	-	1,000
Trade and other payables	-	-	-	-	15,577	15,577
Lease liabilities	666	2,027	3,950	-	-	6,643
Debentures	5,128	8,933	-	-	-	14,061
	6,794	10,960	3,950	-	15,577	37,281

(Unit: Million Baht)

Separate financial statements							
As at 31 December 2021							
	Fixed interest rates			Floating interest rate	Non-interest bearing	Total	Interest rate (% p.a.)
	Within 1 year	1 - 5 years	More than 5 years				
Financial assets							
Cash and cash equivalents	3,875	-	-	17	324	4,216	0.05 - 0.40
Trade and other receivables	-	-	-	-	1,676	1,676	-
Short-term loans to related party	1,234	-	-	-	-	1,234	3.00
	5,109	-	-	17	2,000	7,126	
Financial liabilities							
Short-term loans from financial institutions	1,000	-	-	-	-	1,000	0.58
Trade and other payables	-	-	-	-	12,310	12,310	-
Lease liabilities	202	717	3,735	-	-	4,654	1.44 - 5.35
Debentures	3,121	8,943	-	-	-	12,064	1.07 - 1.85
	4,323	9,660	3,735	-	12,310	30,028	

Liquidity risk

The Group monitors the risk of a shortage of liquidity through the use of trade payable, bank loans, debentures and lease contracts. Approximately 60% of the Group's debt will mature in less than one year at 31 December 2022 (2021: 57%) (the Company only: 60%, 2021: 55%) based on the carrying value of borrowings reflected in the financial statements. The Group has assessed the concentration of risk with respect to refinancing its debt and concluded that the Group has access to a sufficient variety of sources of funding.

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: Million Baht)

Consolidated financial statements					
As at 31 December 2022					
	On demand	Less than 1 year	1 to 5 years	More than 5 years	Total
Non-derivatives					
Short-term loans from financial institutions		1,075	-	-	1,075
Trade and other payables	-	15,812	-	-	15,812
Lease liabilities	-	405	1,578	7,792	9,775
Long-term loans	48	-	96	32	176
Debentures	-	5,157	9,044	-	14,201
Total non-derivatives	1,123	21,374	10,718	7,824	41,039
Derivative					
Derivative liability: net settled	-	20	-	-	20
Total derivative	-	20	-	-	20

(Unit: Million Baht)

Consolidated financial statements				
As at 31 December 2021				
On demand	Less than 1 year	1 to 5 years	More than 5 years	Total
Non-derivatives				
Short-term loans from financial institutions	1,233	-	-	1,233
Trade and other payables	-	13,973	-	13,973
Lease liabilities	-	414	1,371	7,465
Long-term loans	-	67	-	67
Debentures	-	3,170	9,183	12,353
Total non-derivatives	1,233	17,624	10,554	35,091
Derivative				
Derivative liability: net settled	-	1	-	1
Total derivative	-	1	-	1

(Unit: Million Baht)

Separate financial statements				
As at 31 December 2022				
On demand	Less than 1 year	1 to 5 years	More than 5 years	Total
Non-derivatives				
Short-term loans from financial institutions	1,001	-	-	1,001
Trade and other payables	-	15,577	-	15,577
Lease liabilities	-	889	2,033	10,192
Debentures	-	5,157	9,044	14,201
Total non-derivatives	1,001	21,623	11,077	40,971
Derivative				
Derivative liability: net settled	-	20	-	20
Total derivative	-	20	-	20

(Unit: Million Baht)

Separate financial statements				
As at 31 December 2021				
On demand	Less than 1 year	1 to 5 years	More than 5 years	Total
Non-derivatives				
Short-term loans from financial institutions	1,001	-	-	1,001
Trade and other payables	-	12,310	-	12,310
Lease liabilities	-	355	1,277	6,770
Debentures	-	3,170	9,183	12,353
Total non-derivatives	1,001	15,835	10,460	32,434
Derivative				
Derivative liability: net settled	-	1	-	1
Total derivative	-	1	-	1

34.3 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 except debentures are not expected to be materially different from the amounts presented in the statements of financial position. The estimated fair value of debentures, in comparison with the related amount carried in the statement of financial position, is as follows:

(Unit: Million Baht)				
Consolidated and separate financial statements				
	2022		2021	
	Carrying value	Fair value	Carrying value	Fair value
Financial liability				
Debentures	14,061	14,057	12,064	12,161

The methods and assumptions used by the Group in estimating the fair value of financial instruments are as follows:

- For financial assets and liabilities which have short-term maturity, including cash and deposit at financial institutions, accounts receivables and accounts payables, their carrying amounts in the statements of financial position approximate their fair values.
- The carrying amounts at loans to and loans from carrying interest at rates approximating the market rate, in the statements of financial position approximates their fair value.
- The fair value of fixed rate debentures is estimated by discounting expected future cash flow by the current market interest rate of the loans with similar terms and conditions.
- The fair value of derivatives has been determined using a discounted future cash flow model and a valuation model technique. Most of the inputs used for the valuation are observable in the relevant market, such as spot rates of foreign currencies and yield curves of the respective currencies. The Group considers counterparty credit risk when determining the fair value of derivatives

During the current period, there was no transfer within the fair value hierarchy.

34.4 Offsetting of financial instruments

The following table presents the recognised financial instruments that are offset as at 31 December 2022 and 2021.

(Unit: Thousand Baht)

Consolidate financial statements					
	Effects of offsetting in the statement of financial position			Gross amounts not offset in the statement of financial position	Net amounts in the statement of financial position
	Gross amounts	Amounts offset	Net amounts recognised in the statement of financial position		
As at 31 December 2022					
Trade and other receivables	-	-	-	2,068,894	2,068,894
Trade and other payables	14,109,235	(919,450)	13,189,785	2,622,093	15,811,878
As at 31 December 2021					
Trade and other receivables	-	-	-	1,674,873	1,674,873
Trade and other payables	13,002,065	(748,594)	12,253,471	1,719,148	13,972,619

(Unit: Thousand Baht)

Separate financial statements					
	Effects of offsetting in the statement of financial position			Gross amounts not offset in the statement of financial position	Net amounts in the statement of financial position
	Gross amounts	Amounts offset	Net amounts recognised in the statement of financial position		
As at 31 December 2022					
Trade and other receivables	-	-	-	2,157,314	2,157,314
Trade and other payables	13,822,255	(896,111)	12,986,144	2,591,136	15,577,280
As at 31 December 2021					
Trade and other receivables	-	-	-	1,676,318	1,676,318
Trade and other payables	11,410,504	(667,235)	10,743,269	1,567,076	12,310,345

Gross amounts not offset in the statement of financial position reflect amounts subject to conditional offsetting arrangements.

As at 31 December 2022, The Group had other receivables from area rental and related services amounting to Baht 174 million, of which partial rent deposits were presented in other non-current liabilities, and other form of credit insurance with netting arrangements with trade receivables. The Group has pledged rental guarantee deposits of Baht 26 million (2021: Baht 76 million) (The Company only: Baht 26 million, 2021: Baht 65 million) and bank guarantees issued by banks which had netting arrangements with trade and other payables.

35. Capital management

The primary objective of the Company's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value.

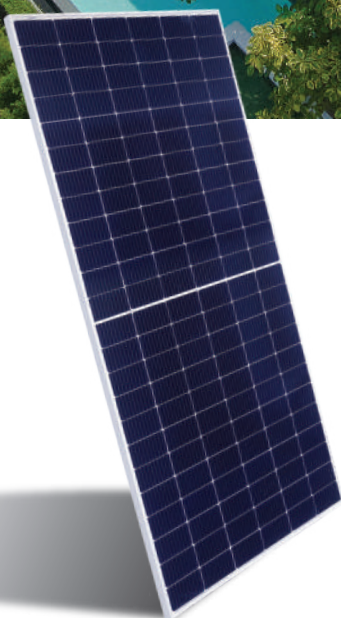
The Company manages its capital position with reference to its debt-to-equity ratio in order to comply with a condition in the stipulations of long-term loans and debentures, which requires the Company to maintain a debt-to-equity ratio of not more than 2.50:1.

36. Events after the reporting period

- a) On 21 February 2023, the meeting of the Company's Board of Directors passed the resolution to propose to Annual General Meeting of the Company's shareholders for approval of dividend payment from operating results of July 2022 to December 2022. The dividend will be paid by cash at the rate of Baht 0.21 per share or in the total amount not exceeding Baht 2,762 million. The payment of cash dividend shall be made within 3 May 2023. As the Company's Board of Directors Meeting held on 30 August 2022 has the resolution to approve interim dividend payment for the operating result for the period as from January 2022 to June 2022 to the shareholders as cash dividend of Baht 0.17 per share. The interim dividend was paid on 27 September 2022. As a result, total dividend per share for the year 2022 is Baht 0.38 per share.
- b) On 30 January 2023, the Company issued unsubordinated and unsecured debenture for a maturity period of 3 years. The number of units offered was 2 million units with a per value of Baht 1,000 each of a total of Baht 2,000 million with interest rate at of 2.39% per annum with interest payments every 6 months, issuing to institutional investor to repay debt from the issuance of debt instruments and/or to invest in the business and/or as working capital of the Company. The debenture is maturity on 30 January 2026.

37. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 21 February 2023.



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