



Annual Report 2022

56-1

One Report

As at 31 December 2022



Vision

To be the leading company in Indo-China region of information technology businesses by collaborating and coordinating to obtain mutually exclusive wealth

Mission

The company promises to be

- Good citizen of society and society's wealth contributor,
- Professional, determinant, honest and trusted company for our shareholders' maximized wealth,
- Provider of high quality and high valued goods and services for our customers,
- Strong and trusted collaborator for our suppliers and all supporters
- A warm and happy family, trusting and respecting human being's honor and endless potentials, supports and enhances our employee for our jointed success and maximized wealth.

Long term goal

To become Thailand's leading IT company with sustainable and continuous growth, transparent and socially responsible business operations and superior stakeholder value.

www.sisthai.com

Message from the Board

During 2020 - 2021 when Covid-19 pandemic has limited daily life resulting in enlarge of demand in technology products especially computer/ tablet which has been used for remote learning and work from home including mobile phone which has been subsidized by the government. This significantly increased the revenue from products in Consumer and Phone Business Units and improve overall performance. However, in 2022 when the pandemic is controllable, people can travel and back to normal life, the demand for Consumer and Phone product was starting to decrease until reach the pre-pandemic demand level. Even the sales in other Business Units have increased but still lower than the deceased amount from Consumer and Phone Business Units, consequently, 2022 revenue is 29,073 Million Baht which reduced for 10% compared to the previous year while net profit is at 600 Million Baht which reduced for 13% compared to the previous year.

Overall products and services sales was starting to decrease in the first quarter of 2022 and continue to decrease until reach the lowest point for year 2022 in the third quarter of 2022 prior to moving up in the fourth quarter of 2022. The Company believes that there will be no significant change onwards as Consumer and Phone products sales has decreased to the pre-pandemic level. In 2023, the Company believed that demand for Data Center and Cyber Security products which are in Value Added product, and Cyber Security Subscription and Cloud products which are in the other Business Units will continue to growth especially in Cloud product. In 2022, the Company has been appointed by the AWS who is the global top Cloud service provider to be a distributor. In 2023, the Company has been appointed by Microsoft to be a distributor for Cloud product which included Microsoft 365 which it the top program in terms of communication and data sharing which suitable for new working style that can work form everywhere. This will increase product strength point and drive the Company to be a leader in Cloud business.

About Sales and Distributing channels, the Company has policy to expand to cover in every year. In 2022, the Company has sold products to 9,693 operates. The wide base of customer is a significant factor to increase efficiency and ease for business expansion.

Other than business expansion, the Company also adhere to the good corporate governance principles from the Organization for Economic Cooperation and Development which made the Company gets the excellent result from Corporate Governance Report assessment continuously from the previous year.

On behalf of the Company, we would like to thank you our partners, financial institutes and customers who continuously support us. The Company will continue to adhere to sustainably development principles under the good corporate governance to encourage technology utilization in Thailand according to the vision.



A handwritten signature in black ink, appearing to be 'Somchai'.

Mr. Somchai Sittichaisrichart
Managing Director
March 15th, 2023



A handwritten signature in black ink, appearing to be 'Lim Kiah Meng'.

Mr. Lim Kiah Meng
Chairman
March 15th, 2023



SiS Distribution (Thailand) Public Company Limited

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SiS Distribution (Thailand) Public Company Limited

SiS Distribution (Thailand) Public Company Limited

Section 1 Business Operations and Performance

1. Structure and Business Operations of SiS

1.1 Business Policy and Overview

SiS Distribution (Thailand) Public Company Limited (The Company) is the distributor of technology of products more than 150 leading manufacturers in the world with the business goal of being the leader in introducing technology to increase the efficiency of consumers and various segments by providing sales and services to more than 9,000 dealers in Thailand.

1.1.1 Vision, Mission, Goal and Strategy of the Company

To comply with the principles of good corporate governance, the Company has revised mission and vision in 2015 and reviewed on annual basis. In 2022, the Company considered and was of the opinion that the corporate vision and mission was appropriate and could be remained as previous year as follows:

a) Vision

To be the leading company in Indo – China region of information technology businesses by collaborating and coordinating to obtain mutually exclusive wealth.

b) Mission

The company promises to be

- Good citizen of society and society's wealth contributor,
- Professional, determinant, honest and trusted company for our shareholders' maximized wealth,
- Provide of high quality and high valued goods and services for our customers,
- Strong and trusted collaborator for our suppliers and all supporters
- A warm and happy family, trusting and respecting human being's honor and endless potentials, supports and enhances our employee for our jointed success and maximized wealth.

c) Long Term Goal

To become Thailand's leading IT company with sustainable and continuous growth, transparent and socially responsible business operations, and superior stakeholder value.

d) Strategy

From the goal for being the leading IT company who encourages technology utilization in Thailand, the Company has determined the policies as follows:

I. Product Strategy

Sourcing high quality products for selling, monitor and introduce new useful technologies, and increase product type to ensure continuous coverage.

II. Distribution Channel Strategy

Looking after existing channel to increase satisfaction and expand both quantity and channel for more coverage according to the increased types of products,

III. Working Development Strategy

Continuously develop the system for work assistant to reduce working hours and increase efficiency.

To ensure that the strategy shall always be effective and developed as necessary, the Company follow up the strategy implementation on monthly basis. The Management shall report the strategy implementation and identify the obstacle, problem including recommend the improvement in the monthly meeting.

1.1.2 Key Milestone History

- In 2020** The Company was appointed to be Distributor for many products that are
- 1) AMAZFIT – Manufacturer of smart watch for athletes and people with health conscious from China
 - 2) 70mai – Manufacturer of smart car electronics and devices from China
 - 3) Avaya – Manufacturer of communication and remote meeting devices from America
 - 4) Dahua – Manufacturer of China's no. 2 CCTV camera
 - 5) Deerma – Manufacturer of electrical appliance from China
 - 6) Fanvil – Manufacturer of IP Phone from China
 - 7) IMOU – Manufacturer of IoT for home use from China and
 - 8) Radware – Manufacturer of cyber security solutions for data center from Israel.

In 2020, the Company generated the revenue of 24,019 Million Baht, which was increased by 17.3% if compared with that in 2019 due to 2 major business units that were Phone and Value-Added products

- In 2021** The Company was appointed to be Distributor for many products.
- 1) YEELIGHT – Manufacturer of LED lamps that saves energy and can be connected with mobile phones from China
 - 2) XPG – Manufacturer of peripheral products for Gamers from Taiwan
 - 3) Viomi – Manufacturer of robot vacuum cleaner from China
 - 4) Dareu – Large manufacturer of peripheral products from China
 - 5) Zoom – Solution provider of video conference software from America
 - 6) Elgato – Manufacturer of live streaming devices from Germany
 - 7) Seuic – Manufacturer of barcode readers from China
 - 8) Hillstone – Solution provider of cyber security from China
 - 9) Darktrace – World's leading company for British – German AI cyber security
 - 10) AWS – World's leading cloud solution provider
 - 11) Peston – Manufacturer of accessories used with mobile phones from China
 - 12) Fonvol – Manufacturer of accessories used with mobile phones from China

In 2021, the company had the revenue of 32,425 Million Baht, which increased by 35.0% if compared with that in 2020 from all business units.

During the year, as the Board of Director meeting, there was the resolution to approve SiS Venture Company Limited, which is the Company's subsidiary, for purchasing the shares of PT Automation (Thailand) Company Limited with total 79,998 shares at the par value of THB 100.00 resulting in total investment amount of 10.6 Million Baht. It accounts for 99.99% of the ownership in the given company. PT Automation (Thailand) Company Limited distributed the products that are related to industrial internet of things.

Also, as the Board of Director meeting, there was the resolution to approve SiS Venture Company Limited, which is our subsidiary, for disposal of investment in common stocks of Wiko Mobile (Thailand) Company Limited with total 450,000 shares, which is accounted for 45% of total stocks resulting in total amount of 54.7 Million Baht to Excel Prime Investment Limited.

In 2022

The Company has set up the Energy Business Unit to operate the energy business. Starting with solar energy products (Solar Power) and becoming a distributor of Solar Panel from JA Solar and Inverter from Hoymiles, which are essential equipment for solar power systems. This is a new Business Unit at its early stage, sales are still low and is reported in Others Business Unit

The company is a distributor of new products from many manufacturers, namely

- 1) Mercusys: A Chinese manufacturer of networking products for home use.
- 2) TP-Llink: Manufacturer of Cloud Controller Networking products for small-medium businesses from China.
- 3) Hoymiles: Manufacturer of DC to AC microinverters used with 1:1 solar panels from China
- 4) Moxa: Networking systems for industrial use and Media/Protocol conversion systems for connecting OT and IT systems from Taiwan
- 5) Adder: Remote device control system via IP Network (IP KVM) from England.
- 6) Security Scorecard: A system to assess the level of security and cyber security risks for organizations from the USA.
- 7) Orca Security: Cloud-based security system (AWS, Azure, Google) that uses both AI, ML and Deep Learning for inspection from USA.
- 8) Micron: A semiconductor manufacturer from USA that produces DRAM and SSDs, sold under the Micron and Crucial trademarks.

In 2022, the company had the revenue of 29,073 Million Baht, which was decreased by 10.3% if compared with that in 2021 due to 2 major business units that were phone and consumer products

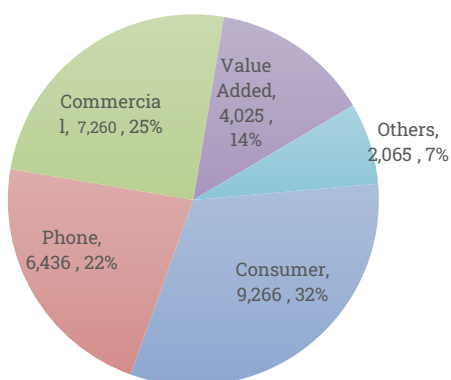
1.2 Nature of Business

1.2.1 Revenue Structure

The Company has divided its business by type of products/services into business units. Each business unit is managed like a subsidiary by having General Manager as a leader in the management. In 2022, Revenue and gross margin of 4 main business units and the remaining smaller business are as follows:

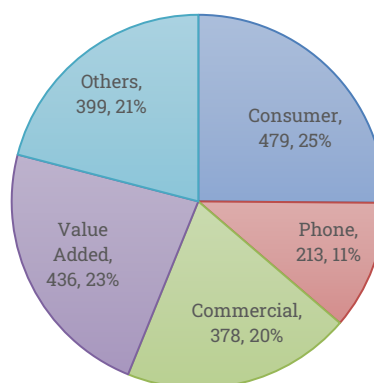
Business Unit	2022			2021			2022 vs 2021	
	Sales	Gross Profit	% GP	Sales	Gross Profit	% GP	Sales	Gross Profit
Consumer	9,266	479	5.2%	10,511	474	4.5%	-11.8%	1.0%
Phone	6,436	213	3.3%	9,927	318	3.2%	-35.2%	-33.0%
Commercial	7,260	378	5.2%	6,289	344	5.5%	15.4%	9.9%
Value Added	4,025	436	10.8%	3,853	443	11.5%	4.5%	-1.5%
Others	2,065	399	19.3%	1,714	345	20.1%	20.5%	15.8%
Total	29,042	1,905	6.6%	32,294	1,924	6.0%	-10.1%	-1.0%

Revenue by BU (Million Baht)



The Business Units which have decreased sales are Consumer and Phone Business Units which reduced 11.8% and 35.2% accordingly. This reduction caused by high demand in the previous year due to limitation on travelling for work or study while the demand in 2022 has resumed to its normal situation. The other Business Units have increased in sales compared with the previous year due to market expansion.

Gross Profit by BU (Million Baht)



Phone product is the unit that has the most reduction in gross profit at 33% according to its sales. Consumer and Value Added product have a slightly change in gross profit while the others mainly Subscription, CCTV and Cloud have increased gross profit at 15.8% consistent with their increased sales.

Other than product segregation by Business Unit, the Company's product can also be segregated into 2 groups according to its required management as follows:

1) Volume Product

High sales but low profit product is a completely developed product and easy to use, which consists of Consumer, Phone and Commercial products. This group of product focuses on sales coverage, operating efficiency increase and cost reduction for being well competitive.

2) Value Product

High gross profit but low sales products is a technology product under the initial development phase. The product may not be easy to use or not has certified standard yet. The selling of this group of products normally includes after sale services. This group of products consists of Value Added and other products, once these products has been fully developed, it will be moved to manage as the Volume Product group.

For sales and gross profit of these 2 product groups in the past 4 years, 5% of profit from Value Product slightly decrease when its sales increased but its profit in percentage is still higher than Volume Product for 2.9 times in 2022 as below table:

	2019		2020		2021		2022	
	Sales	% GP	Sales	% GP	Sales	% GP	Sales	% GP
Volume Product	17,123	4.5%	19,291	5.0%	26,727	4.3%	22,962	4.7%
Value Product	3,269	18.2%	4,588	14.4%	5,567	14.2%	6,091	13.7%
Total	20,392		23,851		32,294		29,042	

About sales ratio of Volume Product and Value Product, the Value Product portion has increased from 16% in 2019 to 21% in 2022. The Company wish to expand both parts but Value Product has the greater expansion tendency as below:

	2019		2020		2021		2022	
	Sales	% GP	Sales	% GP	Sales	% GP	Sales	% GP
Volume Product	17,123	84.0%	19,291	80.9%	26,727	82.8%	22,962	79.1%
Value Product	3,269	16.0%	4,588	19.2%	5,567	17.2%	6,091	21.0%
Total	20,392		23,851		32,294		29,042	

About gross profit ratio of Volume Product and Value Product, the Value Product gross profit ratio has decreased from 43.8% in 2019 during 2020 and 2021 because increasing in sales and gross profit of Volume Product during Covid-19 pandemic. Once the situation resumes to normal in 2022 and the Volume Product has return to its normal sales and gross profit, then the Value Product gross ratio has increased to 43.9%.

	2019		2020		2021		2022	
	Sales	% GP	Sales	% GP	Sales	% GP	Sales	% GP
Volume Product	762	56.2%	967	59.5%	1,136	59.0%	1,070	56.1%
Value Product	595	43.8%	660	40.6%	788	41.0%	836	43.9%
Total	1,357		1,626		1,924		1,905	

1.2.2 Product Information

a) Characteristics of products and services

Main business of the Company is to bring technology to Thailand. The Company works with about 150 technology companies to bring products/services and distribute through IT dealers. In 2022, the Company sells products/services to about 9,000 dealers which these dealers provide products/services to users, corporate and government.

Products/Services are Information Technology (IT) that covers many product groups as follows:

- 1) Product/Service for personal/household such as computers, printer, tablet, and software
- 2) Product/Service for corporate such as server computers, network, storage, and software
- 3) Product/Service for Data Center such as Private Cloud, Large Storage, Security and Backup
- 4) CCTV and Image Device
- 5) Audio-Visual System for meetings and Display
- 6) Smart Phone
- 7) Server/Storage/Platform services in forms of Cloud Service

The top 10 best-selling products in 2022 are (alphabetical order) Asus, Asus, Acer, Brother, Dell, Fortinet, HPI, HPE, Lenovo, Samsung, Xiaomi

The Company has segregated the products in the Business Unit which consists of product and distribution channels as follows:

I. Commercial: These are IT products/services used in business. The distribution channel will be the company that sells IT products to businesses. This product group will expand along with the business's growth. Main product groups are as follows:

- Server/Storage: HPE, Dell, Lenovo, Qnap, Synology
- Desktop PC: HPI, Lenovo, Dell, Acer
- Notebook PC: HPI, Lenovo, Dell, Acer, Panasonic
- Networking: D-Link, Zyxel
- Printer/Scanner: Fujitsu, Oki, Ricoh
- UPS: APC, CyberPower, Vertiv
- Software: Microsoft



Server/Storage (HPE, Dell, Lenovo, Qnap, Synology)



Desktop PC (HPI, Lenovo, Dell, Acer)



Notebook PC (HPI, Lenovo, Dell, Acer, Panasonic)



Networking (D-Link, Zyxel)



Printer/Scanner (Fujitsu, Oki, Ricoh)



UPS (APC, CyberPower, Vertiv)

II. Consumer: These are IT products for personal/household/small business use. The main channel is retail store. Main product groups are as follows:

- Home PC: Asus, Acer, HPI, Lenovo
- Printer/3D: HPI, Brother, Pantum, Fujifilm, Creality
- Monitor: Samsung, Acer, Philips
- Networking: Linksys, D-Link, Asus, Zyxel, Tenda, Mercusys, TP-Link
- IoT/New Lifestyle Product: Xiaomi, Amazfit, 70Mai, Jisulife, Deerma, Petoneer



Home PC (Asus, Acer, HPI, Lenovo)



Printer (HPI, Brother, Pantum, Fujifilm, Creality)



Monitor (Samsung, Acer, Philips)



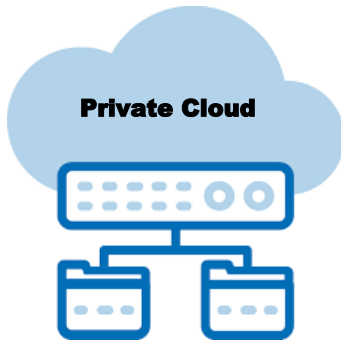
Networking (LinkSys, D-Link, Asus, Zyxel, Tenda, Mercusys, TP-Link)



IoT/Lifestyle Product (Xiaomi, Amazfit, 70Mai, Jisulife, Deerma, Petoneer)

III. Value Added: These are product groups that are related to a new technology system and required both pre-sales and after sales services. These systems are often used in Data Center to improve efficiency and can be used with new applications to be safe and stable system. Users are large organizations, both private sector and government. Main product groups are as follows:

- Private Cloud: Nutanix, Vmware
- Cyber Security: Fortinet, Trend Micro, RSA, Radware, Bitdefender, Sonicwall, Orca, Delinea
- Backup Solution: Veeam, Veritas, Nakivo, Dell
- Storage System: Dell/EMC
- Networking: Aruba, Arista, Dell, H3C, Ruijie, Velocloud



Private Cloud (Nutanix, HPE, Vmware)



Cyber Security (Fortinet, Trend Micro, RSA, Radware, Bitdefender, Sonicwall, Orca, Delinea)



Backup Solution (Veeam, Veritas, Nakivo, Dell)



Storage (Dell/EMC)



Networking (Aruba, Arista, Dell, H3C, Ruijie)

IV. Phone: These are Smartphone brand Samsung, Wiko, and Xiaomi



V. Others: This Business Unit handles new products which still low revenue so it has been included in the Others Business Unit such as CCTV, Cloud (SiS Cloud, AWS, e-Meeting system, subscription software/service, Solar Energy, etc.



b) Market and Competition

I. The significant marketing policy in 2022 and the target customers and distribution channels

Marketing policies of key products or services in 2022

The Company continuously sourcing for the high-quality technology product at the suitable price. This is an important mission of the Company to provide various options to serve customer demand which will increase total revenue of the Company and drive the Company to achieve our goal for being the leading IT Company in Indochina. In previous year, the Company has been additionally appointed to be a distributor for several products such as:

MERCUSYS®

Low cost Networking Product from China for household using



tp-link

Low cost Networking Cloud Controller from China for small-medium business



hoymiles

Electrical microinverter to convert Solar Cell DC to be AC.
Using with Solar Cell at 1:1 from China



MOXA®

Network system for industries and Media/
Protocol converter for link OT and IT system
from Taiwan



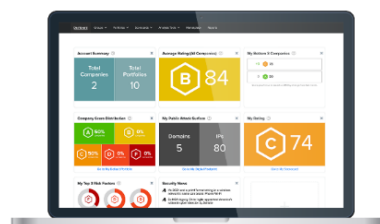
ADDER®

Remote controller system via IP network (IP
KVM) from United Kingdom



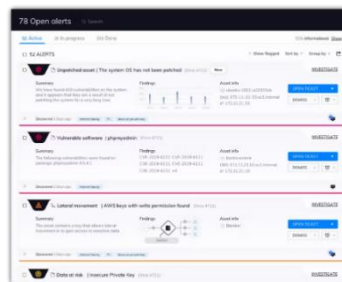
Security Scorecard

Assessment System for cyber security level
and its risk for business from USA





Cloud Security System (AWS, Azure, Google Cloud) using AI/ML and Deep Learning for scanning



Semi-conductor manufacruer (DRAM, SSD) from America



II. The Status of the Company and its Competition

II.II Competition among the industry

SiS Distribution (Thailand) PCL was established in 1998 and listed in the Stock Exchange of Thailand (SET) in 2004.

The Company has continuously developed and expanded the business in terms of enlarging product portfolio according to new technology, increasing coverage of the distribution channels and operational effectiveness that is believed to generate consistent sustainable total revenue and net profit.

a) Market Share

There are 5 large companies that are directly competed in the same business in Thailand. The other 4 companies, namely 1) Synnex Public Company Limited "Synnex" 2) VST ECS (Thailand) Company Limited "VST ECS" 3) Ingram Micro (Thailand) Company Limited "Ingram" 4) WellTech Group Company Limited "WellTech".

In 2021, the Company had the Second largest revenue and a market share of 28.4% in IT Distribution Business as follows:

Year	Synnex	VST ECS	Ingram	WellTech	SiS	Total	SiS Share
2017	32,624	18,824	10,584	5,263	20,191	87,486	23.1%
2018	38,253	23,315	11,258	4,624	21,223	98,673	21.5%
2019	34,888	25,139	9,996	4,258	20,445	94,726	21.6%
2020	32,244	27,125	7,844	4,251	24,019	95,484	25.2%
2021	37,160	31,018	9,123	4,531	32,425	114,258	28.4%
Growth	15.2%	14.4%	16.3%	6.6%	35.0%	19.7%	

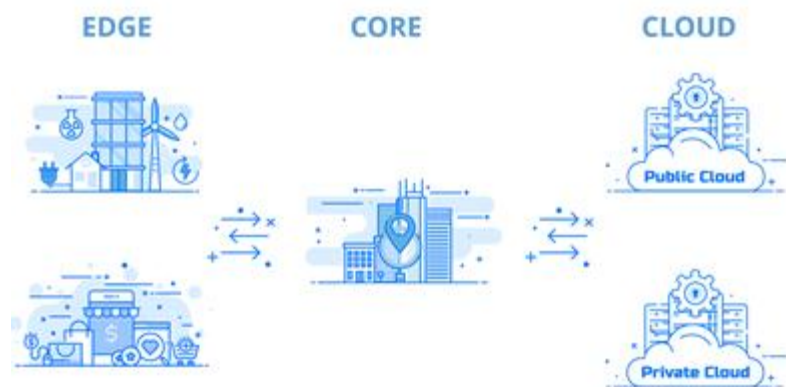
b) Industry Outlook and Future Market Competition

The products/services that the Company are operating can be divided into 3 groups based on the nature of products and services, which are Edge, Core and Cloud.

1. **Edge** means products that are data terminal equipment used for data accessibility such personnel computers, tablets and smartphones
2. **Core** means systems used for data center such as server, storage, software and security system.

3. **Cloud** can be divided into 2 subgroups, which are

- Public Cloud means the services provided to customers without any investment cost, but the customers pay based on the actual usage.
- Private Cloud means the service provided to the customers who have the strong need to use Cloud, so they decide to invest in own Cloud system. For technology, it is the same technology that Cloud service providers use so that the system will be easily managed.

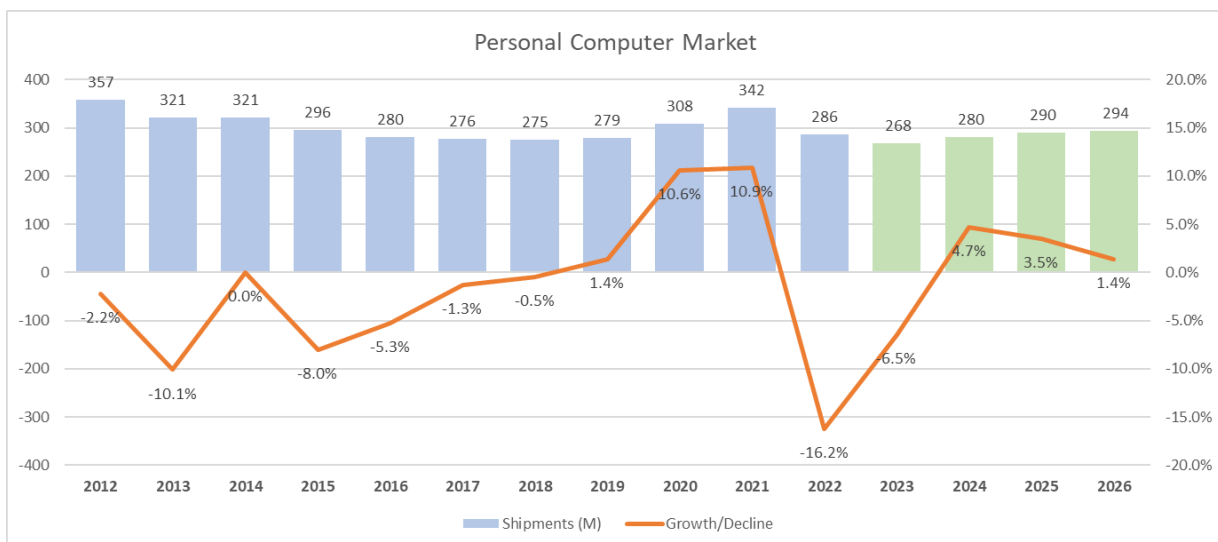


◆ **EDGE**

Products that are data terminal equipment used for data accessibility such personnel computers, tablets and smartphones.

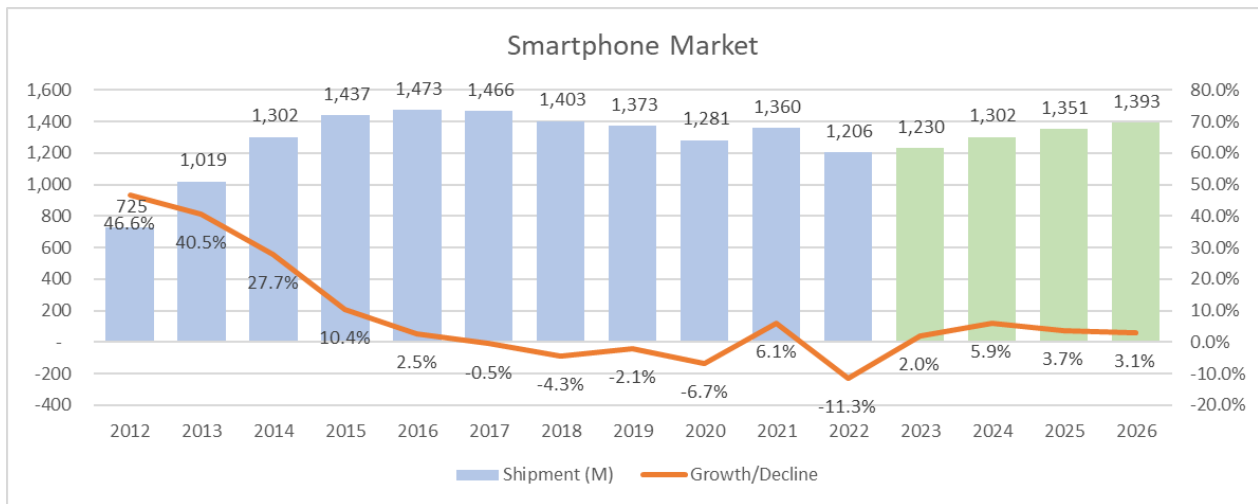
• **Personal Computer (PC) Market**

According to the information about global PC market during 2012 – 2026 from Gartner, it appears that the PC market has significantly growth during 2020 – 2021 when there was Covid-19 pandemic and descended for 16.2% in 2022 when the situation back to normal. It is predictable that the demand still descending in for 6.5% 2023 prior to slightly increase until reach the pre-pandemic level.



• **Smart Phone Market**

According to IDC survey, the global smartphone market was saturated in 2016 and slightly decrease continuously until re-grow again for 6.1% in 2021 which was Covid-10 pandemic period. Its demand decreased for 11.3% in 2022 when the situation is back to normal. Gartner forecasted that smartphone market will slightly grow for a bit from 2023 onwards.



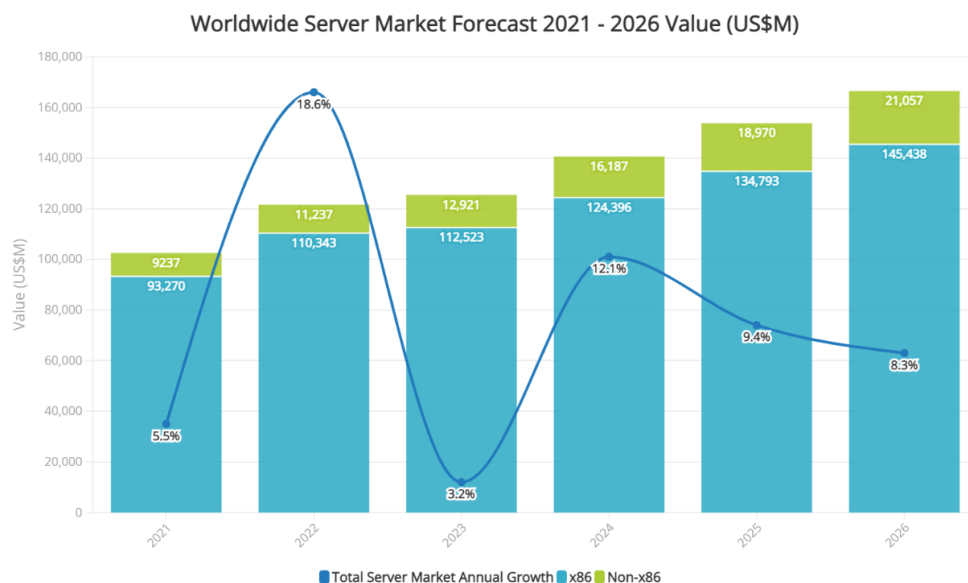
Global smartphone information from IDC (2012-2022) and forecast from Gartner (Green Color 2023-2026)

◆ Core

means systems used for data center which have server, storage, HCI, security and networking as main products.

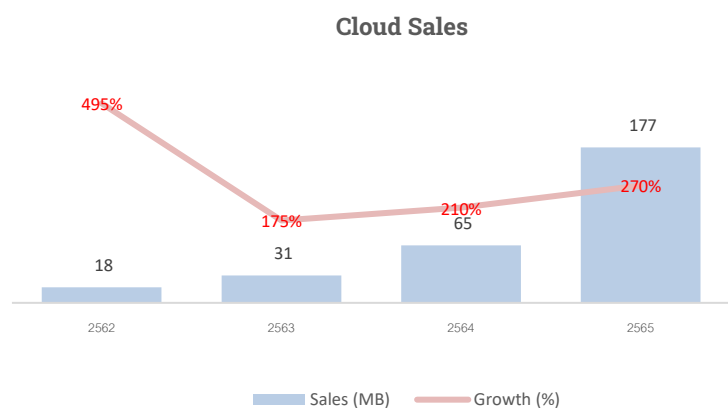
• Server Market

The IDC forecasts that the server market will continue to grow due to high demand in digital transformation in several organizations and will be grow for 18.6% in 2022 when materials shortage has unravel and continue to grow.



◆ Cloud

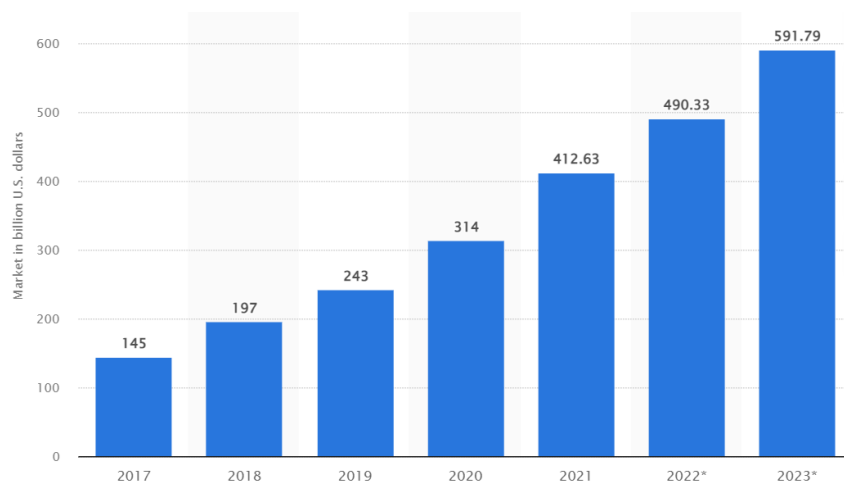
Cloud Service is a new business that the company started by providing SiS Cloud Service by investing in computer systems in the Data Center and allowing customers to use and pay according to the system size required since 2018. In 2022, becoming a distributor AWS, the world's largest cloud service provider, enabling the company to provide more complete services. The company is in the investment period of Cloud which is recurring revenue business and believe that this will become important business in near future.



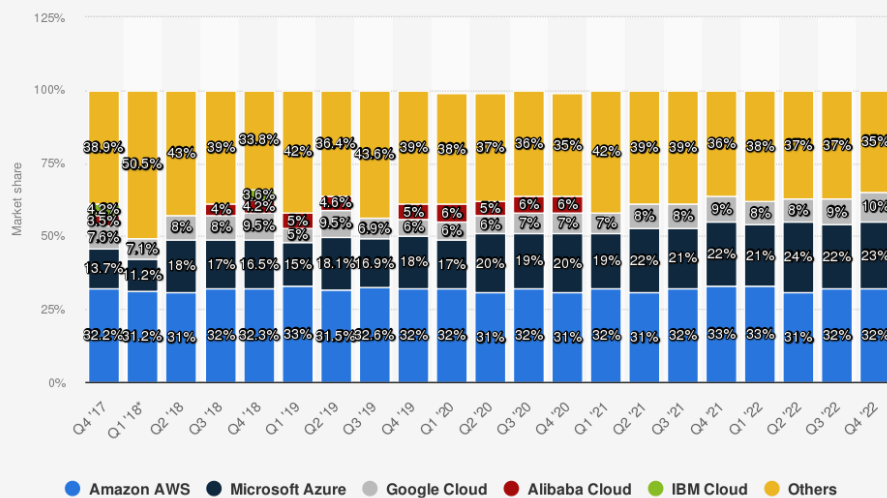
- **Public Cloud**

Gartner forecasts that the medium size market of Public Cloud Service will continue to grow with market share from Canals as appear below.

	2021	2022	2023
Cloud Business Process Services (BPaaS)	54,952	60,127	65,145
Cloud Application Infrastructure Services (PaaS)	89,910	110,677	136,408
Cloud Application Services (SaaS)	146,326	167,107	195,208
Cloud Management and Security Services	28,489	34,143	41,675
Cloud System Infrastructure Services (IaaS)	90,894	115,740	150,254
Desktop-as-a-Service (DaaS)	2,059	2,539	3,104
Total Market	412,632	490,333	591,794



Cloud infrastructure services vendor market share worldwide from 4th quarter 2017 to 4th quarter 2022

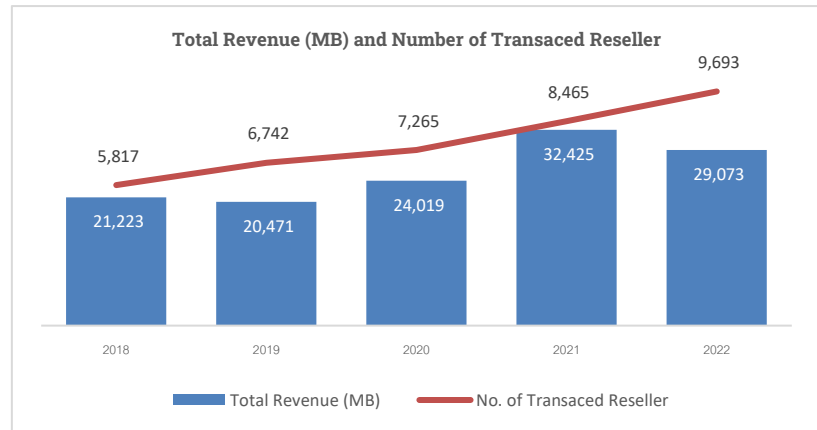


II.II Competitive strategy

From being in this business more than 20 years, The Company has developed the systems, expanding customer base, new business and enhancing competitive edge in the following dimensions:

a) Having a Comprehensive Customer Base

The Company has a comprehensive customer base, with over 9,000 customers served in 2022, including retail customers who sold to household and corporate resellers. There are new entrepreneurs who need to be customers on a continuous basis. Having a comprehensive customer base allows the Company to have stability in sales revenue and it is a key factor for the Company to expand business with ease by sourcing and distributing more products to the existing customer.



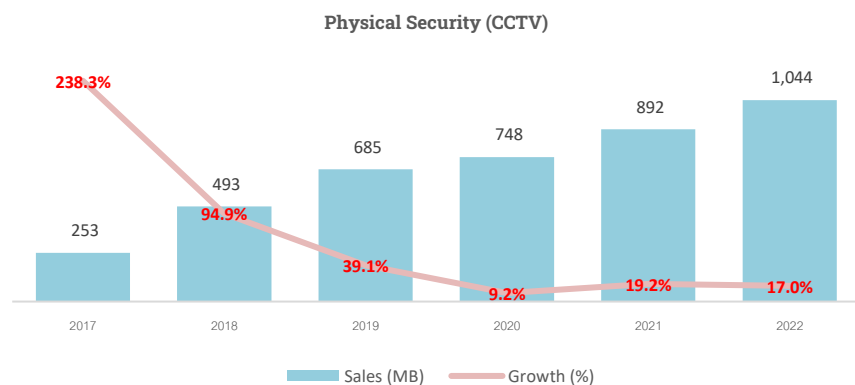
b) Having a Diverse Product Portfolio

The Company has been trusted by global manufacturers to be the distributor of over 150 brands and continues to increase. In 2022, the Company has expanded energy business and established Energy Business Unit starting from Solar Energy product which supposed to be popular and high growth in near future.

New products which have been invested and growth until have over 1,000 Million Baht sales such as Security (CCTV) and Cyber Security

• Security (CCTV)

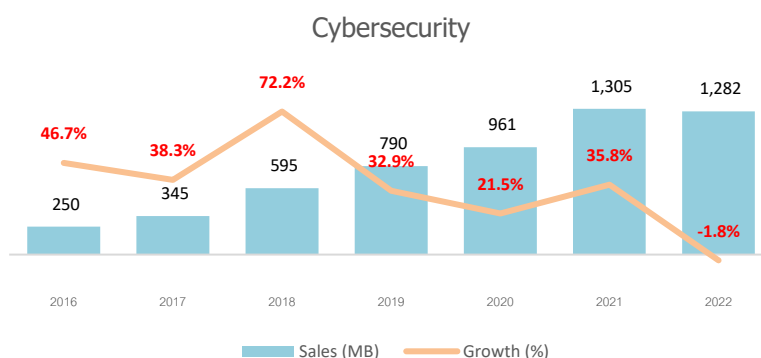
The physical security business mainly consists of CCTV products. The main products are Hikvision and Dahua, which are growing steadily and have sales of 1,044 Million Baht in 2022, which is believed to be a business that can continue to grow. The industry is also at the beginning of computer vision + AI technology that allows the camera to be more useful and continue to grow.



• Cyber Security

Security business for computer and information systems whose main products are Fortinet and Trend Micro. This business has grown steadily and reach sales of 1,282 Million Baht in 2022 which in addition to initial sales of the systems, it also generates a recurring subscription business.

Following is Cyber Security + Subscription business since 2016.



c) Operation System and Organizational Culture

The Company incorporated the high-quality Enterprise Resource Planning (ERP) program to manage the operations, with continuous improvement and system development, for instance, SAP ECC6, Lotus Notes' electronic workflow system, and Avaya's call center system that allows employees to work systematically and can follow up with the progress effectively. Meanwhile, the Company has fostered the organizational culture towards a being learning-oriented organization, with continuous improvement on effectiveness, encouraging employees to have an entrepreneurial mindset and allowing the Company to have competitive ability and to initiate organizational changes to align with external changes rapidly.







d) Emphasis on Corporate Governance

The Company emphasis on and abides by the corporate governance principle, based on 5 directions.

- 1) Shareholders' rights
- 2) Fair treatment towards all shareholders
- 3) Awareness of stakeholders' roles
- 4) Information disclosure and transparency and
- 5) The Board of Directors' responsibilities.

From the corporate governance assessment conducted on listed companies by the Thai Institute of Directors (IOD), the Company got assessment score as "Excellent" during 2009-2013 and 2017-2022, which is the highest score, reflecting the Company's accountability on corporate governance and its role in generating consistent growth. In 2013, the Company was one of the 10 companies that received SET Awards as a listed company with outstanding corporate governance report.

From the corporate governance evaluation conducted on listed companies by the IOD, whereby the criteria of the CGR have been added on to align with the ASEAN CG Scorecard project, the Company's rating in 2022 is "Excellent", scoring in the range of 90-100, from a total score of 100.

Year	Rating	Score	Awards
2017	Excellent	90 - 100	
2018	Excellent	90 - 100	
2019	Excellent	90 - 100	
2020	Excellent	90 - 100	
2021	Excellent	90 - 100	
2022	Excellent	90 - 100	

e) Having High Quality Staff Members

The Company has effective procedures for employee's selection and recruitment. When employing a group of people such as sales, store etc., the Company will provide training from experienced people. The Company also has a remuneration policy which align the Company's goal, provide well working tools, provide the working and growing opportunity, fair policy, disclose facts to all employees, wide internal communication etc. This drives the Company to have qualified employees which is an important resource that will develop the Company accordingly.

II.III Procurement of goods or services

All products of the Company are finished goods which are typically ordered directly from the manufacturer. Orders may be placed through branches of manufacturers in Thailand or manufactures from abroad, not through affiliated companies. The Company directly purchased through manufacturers more than 99% of the total. The rest are purchased from distributors of those products. The proportion of local and foreign purchases in 2022 was 57:43.

Distributor Agreement will be renewed year by year and Half of them will automatically renew.

II.IV Main assets used in the Business Operation

a) Equipment

List of Assets	Proprietary Nature (Ownership/Lease)	Net Book Value (Million Baht)
1. Leasehold Improvements	Ownership	69.81
2. Computer and Office Equipment	Ownership	392.13
3. Furniture and Fixtures	Ownership	15.92
4. Vehicle	Ownership	6.49
Total		484.35
<u>Less</u> Accumulated Depreciation		(339.27)
Net Equipments		145.08

Note: The above net assets are under ownership of the Company which are not used as a collateral for loans or liabilities under the guarantee facility. The Company has no non-operating assets.

b) Software License

List of Assets	Proprietary Nature (Ownership/Lease)	Net Book Value (Million Baht)
1. Software License	Ownership	88.98
Total		88.98
<u>Less</u> Accumulated Amortisation		(67.70)
Net Software License		21.28

Note: The Company has no patents, concession, and trademarks.

c) Right-of-use assets

List of Assets	Proprietary Nature (Ownership/Lease)	Net Book Value (Million Baht)
1. Right-of-use Assets	Lease to above agreement	151.38
Total		151.38
<u>Less</u> Depreciation		(46.30)
Net Right-of-use Assets		105.08

Note: The Company has entered into an agreement to lease such assets for use in its operations with the age between 3 – 5 years. (See Details in Attachment 5)

II.V Products have not yet been delivered

The company has no products that have not yet been delivered.

1.3 Shareholding Structure of SiS Group

1.3.1 Shareholding Structure of SiS Group

SiS Distribution (Thailand) PCL. is a leading IT distributor which operates as a wholesale in computer, software, computer components, peripheral, office automation equipment and smartphone. The Company was established in 1998 and has been listed on the SET since 2004.

During 2009, the Company invested in SiS Venture Co., Ltd. As a subsidiary for holding in companies that are continually connected to the Company's core business and holds 99.99% of total shares.

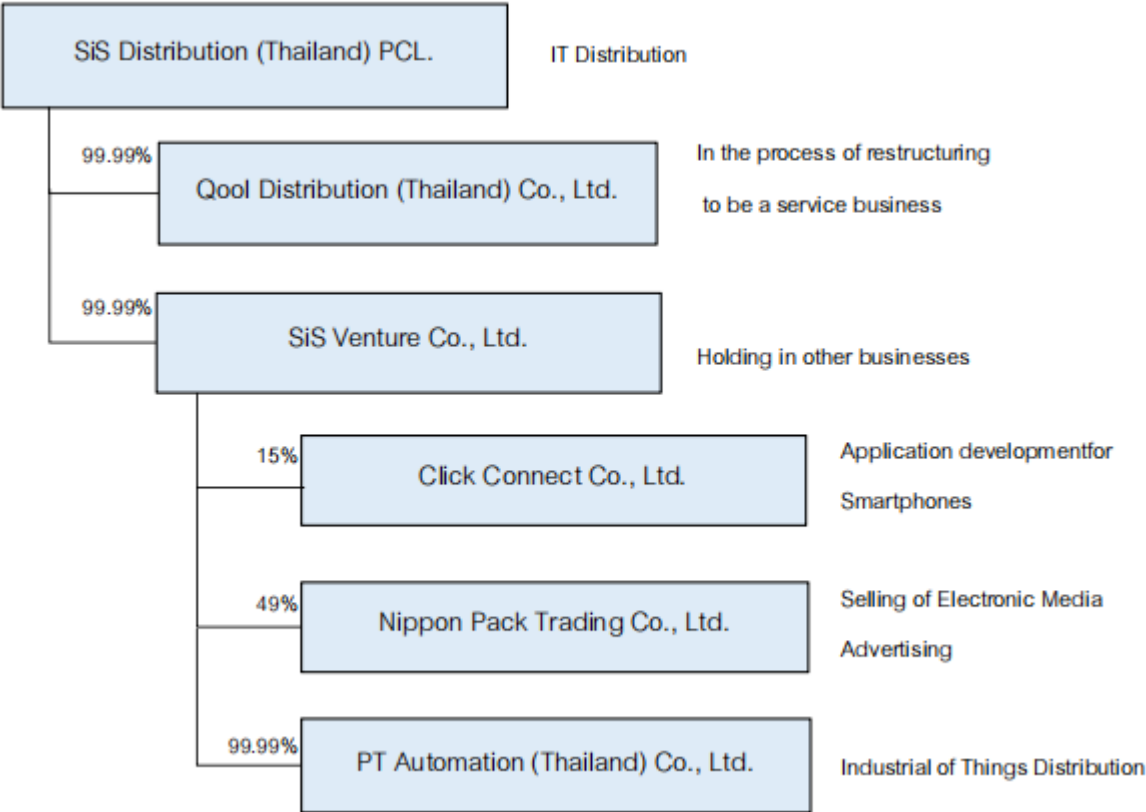
During 2010, the Company invested in Qool Distribution (Thailand) Co., Ltd. As a subsidiary for IT and Smartphone Distribution and holds 99.9% of total shares which is in the process of restructuring to be a service business

During 2014, SiS Venture Co., Ltd., a subsidiary, in which it was fully owned by the Company to invest in Nippon Pack Trading Co., Ltd. Which was the subsidiary company of Nippon Pack (Thailand) PCL. And was the listed company in SET for selling Electronic Media Advertising. The Company holds 49% of total shares.

During 2021, SiS Venture Co., Ltd., a subsidiary, in which it was fully owned by the Company to invest in PT Automation (Thailand) Co., Ltd. 99.99% of total shares for Selling of Industrial Internet of Things.

Company	Type of Business	Shareholding	Hold by
Qool Distribution (Thailand) Co., Ltd.	In the process of restructuring to be a service business	99.99%	SiS Distribution (Thailand) PCL.
SiS Venture Co., Ltd.	Holding in companies that are continually connected to the Company's core business	99.99%	SiS Distribution (Thailand) PCL.
Click Connect Co., Ltd.	Application development for Smartphones	15%	SiS Venture Co., Ltd.
Nippon Pack Trading Co., Ltd.	Selling of Electronic Media Advertising	49%	SiS Venture Co., Ltd.
PT Automation (Thailand) Co., Ltd.	Selling of Industrial Internet of Things	99.99%	SiS Venture Co., Ltd.

The illustration of the relationship of subsidiaries and affiliate



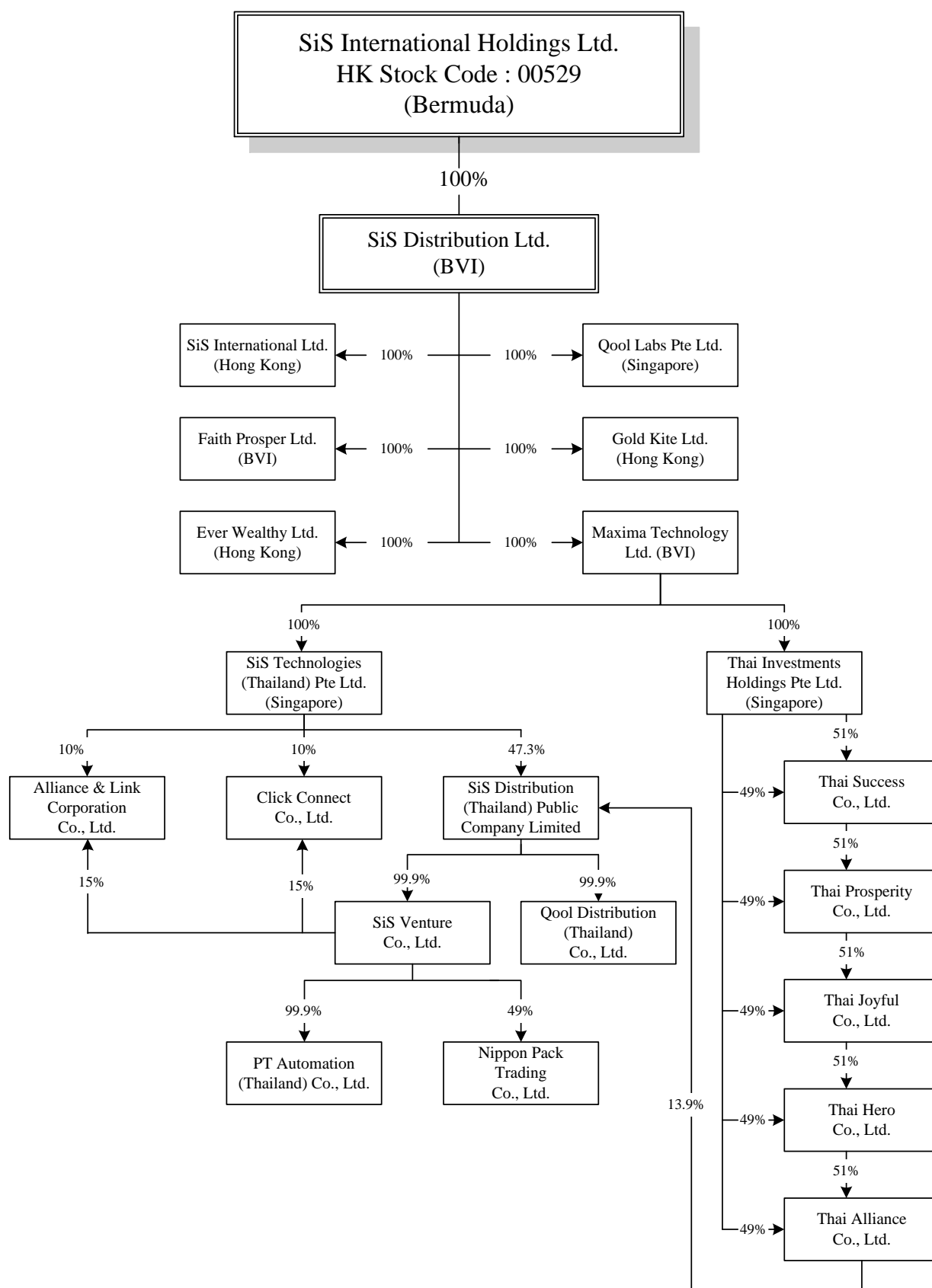
Subsidiaries

Company	: SiS Venture Co., Ltd.
Type of Business	: Holding in companies
Address	: 9 Pakin Building, 9 th Floor, Room No.901, Ratchadaphisek Road, Din Daeng, Bangkok 10400 (Next to Fortune Town) Tel. (02) 020-3000
Registered Capital	: 120,000,000 Baht, 12,000,000 ordinary shares of Baht 10 each. Fully paid up 120,000,000 Baht
Investment Proportion	: SiS Distribution (Thailand) PCL. holds 99.99% of total shares
Company	: Qool Distribution (Thailand) Co., Ltd.
Type of Business	: IT and Smartphone Distribution (Inactive)
Address	: 9 Pakin Building, 9 th Floor, Room No.901, Ratchadaphisek Road, Din Daeng, Bangkok 10400 (Next to Fortune Town) Tel. (02) 020-3000
Registered Capital	: 200,000,000 Baht, 20,000,000 ordinary shares of Baht 10 each Fully paid up 200,000,000 Baht
Investment Proportion	: SiS Distribution (Thailand) PCL. holds 99.99% of total shares
Company	: PT Automation (Thailand) Co., Ltd.
Type of Business	: Industrial of Things Distribution
Address	: 9 Pakin Building, 9 th Floor, Room No.901, Ratchadaphisek Road, Din Daeng, Bangkok 10400 (Next to Fortune Town) Tel. (02) 020-3000
Registered Capital	: 8,000,000 Baht, 80,000 ordinary shares of Baht 10 each Fully paid up 8,000,000 Baht
Investment Proportion	: SiS Venture Co., Ltd. holds 99.99% of total shares

Associate

Company	: Nippon Pack Trading Co., Ltd.
Type of Business	: Selling of Electronic Media Advertising
Address	: 283/99 Home Place Office Building, 20 th floor, Sukhumvit 55 Alley, Sukhumvit Road, Klong Tan Nuea Sub-Districts, Wattana District, Bangkok Tel. (02) 452-8326-29, Fax (02) 452-8325
Registered Capital	: 20,000,000 Baht, 2,000,000 ordinary shares of Baht 10 each Fully paid up 20,000,000 Baht
Investment Proportion	: SiS Venture Co., Ltd. holds 49% of total shares

1.3.2 Relationship with the business group of major shareholders



Details of business operation of SiS group

Company Name	Nature of Business	Operational Territory/ Country of Registration
SiS International Holdings Ltd.	Investment Holding	Bermuda
SiS Distribution Ltd.	Investment Holding	BVI
Maxima Technology Ltd.	Investment Holding	BVI
Faith Prosper Ltd.	Investment Holding	BVI
Ever Wealthy Ltd	Investment Holding	HongKong
SiS International Ltd.	Distribution of IT products and provision of services	HongKong
Qool Labs Pte Ltd.	Distribution of	Singapore
Gold Kite Ltd.	Holding Company	HongKong
SiS Technologies (Thailand) Pte Ltd.	Holding Company	Singapore
SiS Distribution (Thailand) Pcl.	IT and Smartphone Distribution	Thailand
SiS Venture Co.Ltd.	Holding Company	Thailand
Qool Distribution (Thailand) Co., Ltd.	Inactive	Thailand
Alliance & Link Corporation Co., Ltd.	Inactive	Thailand
Click Connect Co., Ltd.	Software Development	Thailand
Nippon Pack Trading Co., Ltd.	Electronic Advertising Media (Inactive)	Thailand
PT Automation (Thailand) Co., Ltd.	Industrial of Things Distribution	Thailand
Thai Investments Holdings Pte Ltd.	Investment Holding	Singapore
Thai Success Co., Ltd.	Investment Holding	Thailand
Thai Prosperity Co., Ltd.	Investment Holding	Thailand
Thai Joyful Co., Ltd.	Investment Holding	Thailand
Thai Hero Co., Ltd.	Investment Holding	Thailand
Thai Alliance Co., Ltd.	Investment Holding	Thailand

Being a company of SiS Group has got special offers from suppliers because SiS Group has operated in Hong Kong for a long time, and they have good relationships with many suppliers. As a result, the Company has been appointed to be a distributor of many manufacturers from the start.

Since SiS group companies have extensive experience in IT wholesale market, providing bargaining power and having effective management. In such management, there are some officers and divisions that provide services to the group and are expenses of SiS International Holdings Ltd. Therefore, the Company entered into an agreement to share cost burden, whereby the Company had to pay management fee to SiS International Holdings Ltd. The Company paid such fees at the rate of 0.25%, 0.125% and 0.0625% of sales in 2002, 2003 and 2004 onwards respectively. The Company could exchange management strategies and new technology knowledge, allowing it to effectively manage and adapt to the competitive conditions in the domestic market.

a) Major Shareholders

As of December 31st, 2022, the Company had a total of 4,839 shareholders. Top 20 shareholders held 82.2% of total as follows:

No.	Shareholders Name	Shareholding	% of Shares
1	SIS TECHNOLOGIES (THAILAND) PTE. LTD.	165,616,595	47.3%
2	Thai Alliance Co., Ltd.	48,893,875	14.0%
3	Mr. Chavalit Charaschotepinit	18,000,000	5.1%
4	Thai NVDR Company Limited	10,153,117	2.9%
5	KKP Long Term Equity Dividend Fund	5,693,700	1.6%
6	Mr. Vichien Srimuninnimit	4,522,000	1.6%
7	Mr. Pete Sittichaisrichart	4,334,500	1.2%
8	Synnex (Thailand) Public Company Limited	3,837,870	1.1%
9	Mr. Wichaya Mekarapiruk	3,280,100	0.9%
10	Miss Pornpin Chaiwikrai	3,230,000	0.9%
11	Mr. Viroj Gosontanawong	3,000,000	0.9%
12	USB AG LONDON BRANCH	2,465,510	0.7%
13	KKP Equity Retirement Mutual Fund	2,240,300	0.6%
14	Mr. Tiwa Shintadapong	2,075,000	0.6%
15	Miss Lamduan Suwannarat	2,065,400	0.6%
16	Mr. Chairat Tanchatchawal	2,000,000	0.6%
17	KKP Small and Mid Cap Equity Fund	1,657,800	0.5%
18	ABRDN Small-Mid Cap Fund	1,621,200	0.5%
19	Mr. Boonchai Tanchatchawal	1,600,000	0.5%
20	Mr. Montri Changthongsiri	1,600,000	0.5%
Number of Top 20 shares		287,886,967	82.2%
Number of Free floats		130,871,802	37.4%
Total Shares		350,198,655	

Remark: Number of Free Float was calculated by using total shares deducted 5 shareholders holding 219,444,941 shares as follows:

Shareholders Name	Shareholding	Relation
SIS TECHNOLOGIES (THAILAND) PTE. LTD.	165,616,595	Same director as the Company
Thai Alliance Co., Ltd.	48,893,875	Same director as the Company
Mr. Pete Sittichaisrichart	4,334,500	Managing Director's son
Ms. Suwathip Pornsuwannapha	358,096	Management
Mr. LIM KIA HONG	241,875	Director
Total	219,444,941	

1.4 Registered and Paid-up Share Capital

As of December 31st, 2022, the Company has a registered and paid-up capital of 350,198,655 Baht, divided into 350,198,655 ordinary shares with a par value of 1 Baht each.

1.5 Other securities issuance

In 2022, the Company did not issue any other securities.

1.6 Dividend Policy

The Company has a dividend policy at the rate of approximately 40 percent of net profit after tax and legal reserve. The Board of Directors has the authority to exempt or change such policy at any time under such conditions as having to maximize benefits to shareholders such as reserve for loan repayment, investment to expand our business or significant change in the market which may affect the Company's Future cash flows.

The Company has not determined the ratio of dividend payout of subsidiaries to the Company which its dividend payments are subject to our performance in each year.

Dividend Payment for the past 5 years

Year	2018	2019	2020	2021	2022
Earnings per Share	1.34	1.21	1.71	2.26	1.97
Dividend per Share	0.55	0.55	1.00	1.20	1.20
Dividend Yield (%)	41.2	45.5	58.6	53.0	61.0

2. Risk Management

2.1 Risk Management Policy and Plans

Currently, the environment has been changed rapidly which affected the Company face with risks, challenges also business opportunities. The Company believes that the enterprise risk management is the key to enable our business to cope the rapid change in environment and maintain the business to be sustainable growth under the changing.

The Company used the COSO Enterprise Risk Management Risk Management Framework COSO ERM2013 as guidelines for determining risk management scope and directions. The Company is under studying on COSO ERM 2017 and preparing to substitute the COSO ERM2013. The Company had:

- 1) Determine the governance structure comprising of Managing Director as the head of risk management working team support by the Management and department managers as team member and risk owner. The working team is responsible for managing, controlling, monitoring, and following up the enterprise risks to ensure the most effectiveness. The working team shall report directly to the Risk Management Committee who will further report to the Board of Directors. Furthermore, the Company encourages the directors and the Management to aware of sustainability developments including encourages the risk management cultures to all employees to ensure that they will understand about the determined risk management plan.
- 2) Determine the risk management strategy by identifying, assess, and prioritize the overall risks including risks relating to sustainability development.
- 3) Determine risk management policy to respond to all risks including risks relating to sustainability development.
- 4) Determine the risk management procedure starting from educating the context, strategy and process for enterprise risk management including review and improve overall risks including risks relating to sustainability development.
- 5) Communicate and disclose the risks relating to sustainability development.

2.2 Risk Factors Facing SiS's Business

In 2022, there is importance risks that have been assessed as follows:

2.2.1 Strategic Risk

a) Risk from changing in business model of vendors

Currently, there is a rapid change in technology that would affect the risk in business model transformation of vendors. They might sell directly to end users. Therefore, the Company aware of this risk and mitigates as follows.

- Increase value in technical consultancy solutions together with products.
- Expand business related to data center and network security. This is because this business tends to grow significantly due to the transformation of technology. Data center also needs professional services to fulfill the sale.
- Settle the new business unit related to operation technology which is industrial equipment. This technology needs the specialist to consult.
- Increase business diversity as investment in Cloud business and introduce to the market since 2021. There were more than 700 Cloud customers in 2022 and it has well growth trend.
- Increase the diversity of products and balance the sale portion from both major and minor vendors which made the sale portion of major vendors to 26% of total sales in 2022. The Company believes that this can be balanced appropriately from the diversity of products.

2.2.2 Operational Risk

a) Risk from Technology Changes which affect inventories.

Because the core products of the Company are computers and peripherals which their technologies developed rapidly, so inventory can be easily obsolete that affected the loss of the company. The Company manages inventory risk management in several ways as follows:

- **Minimum Level of Inventories Control** The Company has a policy to keep inventory level in a range of 30 – 60 days by product type. In the case of products that have sale records, the inventory level will be reduced to 30 days but for new coming products and unknown their demands, inventories level will be kept more but not over 60 days in order to be able to resolve in time when the market changes. The Company has inventory level in each year as shown in the table below:

	Year				
	2018	2019	2020	2021	2022
Inventories (Million Baht)	2,326	2,827	2,245	5,347	4,333
Average Day Sale Period (Days)	37.2	45.6	36.4	38.0	57.2

- **Assignment of the Specialize Product Manager.** The Company assigns Product Managers to manage its product from each vendor particularly in term of ordering, inventories management and marketing in order to having the expertise to their product. When a problem occurs, it can be resolved quickly. Also, the Company considers that the inventories management is a key performance indicator in evaluating Product Managers
- **Data System.** The Company has invested in the warehouse management system of SAP ECC6, which can be provided accuracy, timely inventory information with various reports to help the efficient inventory management such as inventories aging report by items, inventories turnover by items, etc. Besides, the system can alert long aging inventories into database and allow each product manager to record the action plan to solve problems. All this product manager and related person always receive the accurate inventory data.
- **Management** always focuses on inventory management. Top Management have regularly conducted meetings with Product Managers to review the balance of inventories and inventories aging to consider the trend, change and set up the procedures to solve any issues rapidly. This can reduce the inventory loss. Besides, these strategies could be built as one of the Company's cultures in terms of the inventory's prioritization.

b) Risk from Competition and Low Gross Profit Margin

IT Distribution is considered as a highly competitive business and low gross profit margin while it is a huge industry so there are some competitors using low prices as a key competitive strategy. If this happens, the Company may have to reduce our price to compete and may impact the Company's performance. The Company mitigates this risk as follows:

- Adding more product ranges so there are various types of sales. If a problem occurs, it will affect only some certain types of products. Moreover, the Company tries to focus on the developing.
- Promoting products that are not in the big market but having profitable and few players to increase profit.
- Expand number of customers. The Company has distributed products to over 8,000 dealers which the numbers has been increased every year.
- Structure the management into Business Units to manage different products effectively. Apart from the Business Units that focus on sales volume, the Company has set up Value Added Business Units to distribute high profit margin products by selling goods with services to reduce risk from price competition.

c) Risk from Reliance on Human Resources

The Company has to rely on a large number of specialized staffs to join with, but there is a shortage of IT people now due to the high demand in this field. To cope the disruption and rapid change in technology and the Company's business that have to rely on IT professionals then this risk is classify as the important. The risk action plan is as follows:

- Provides continuous training to employees and promotes knowledge management which is helping to rotate employees to other functions smoothly.
- Employees can work at a job that they are passionate about and skillful at. The Company will allow the existing staff to apply first before outsiders.
- Provided the appropriate compensation system to staff by varied to their abilities
- Separates Sale Department from Marketing Department which allows customers contact to two divisions, Sales Team and Marketing Team.
- Improve the working system by implementing more information systems to work such as ERP system of SAP ECC6 and the Electronic Workflow of Lotus Notes. This leads to the smooth, speedy, and accurate working structure with the warning system for the errors and reduce some reliance on the human resources.
- Set the management structure by diversifying the responsibility to many executives and substituting the work with the similar employees' performance in many levels to support the decrease of the reliance on human resources.

d) Risk from Reputation and Image Perception

The influence of social media as well as other online media can spread out the news and information widely. If there might be the negative talking among social media, this can affect the reputation and image of the Company. To eliminate this risk, the risk action plans are as follows:

- Define the unit for monitoring all social media consistently.
- There is a crisis response structure to ensure the effectiveness of the crisis response.
- There is the Public Relations unit to disclose news and information

2.2.3 Financial Risk

a) Risk of Foreign Currency Exchange

The Company orders some products in USD currency while those products are locally distributed in Thai Baht currency so there is a risk of foreign currency. The Company mitigates the risk by:

- Buying hedging contracts for at least 50% of purchase orders
- Regularly consult to the relevant authorities of the financial institutions on how much hedging contract should be taken which could be reached to 100% to cover this risk.

- Negotiate to the vendor to pay for the goods in other currencies according to the origin which there might be lesser fluctuation such as RMB or THB

b) Credit Risk

Credit Risk refers to the risk that the debtor will be unable to pay for goods purchased from the Company because most of the company's sales are on credit. Most debtors will be unable to provide collateral covering all their debts. Also, many debtors are small companies which have limited funds. If our dealers fail in management and unable to make a payment on schedule, this may affect the Company's earnings and liquidity in terms of working capital. However, the Company mitigates credit risk as follows:

- To have a clear policy for granting credit limits to customers.
- To have a verification process to conduct a concise and appropriate credit analysis
- To have a policy in place to expedite the collection of past-due trade receivables by using IT systems to control and collect debts to ensure the efficiency of debt collection.
- To segregate the departments of credit control, accounting, and sales to independently consider the credit limit, as well as, to have cross verification. Moreover, there is setting up a credit committee to assist in consideration, analysis and decision making in case each party has opposing or conflicting opinions.
- To purchase trade credit insurance covering some losses of debts.
- To request more collateral in accordance with the Company's credit approval policy to mitigate the financial impact of bad debt.

c) Risk from Epidemic of Disease

According to the rapid change of environment, technology and behaviors which leads to emerging diseases and become widespread pandemic for example, the pandemic of Covid-19 from the end of 2019 and continue to 2020. This very impacts to all sectors: government, private and public business, and households. However, the Company has identified and implemented the actions plan to mitigate this risk once it happens. The examples of actions plan are followings:

- Provide Business continuity Plan to operate even if there is obstacles to reach the office.
- Evaluate and analyze demand in IT consumption to better manage the supply chain.
- Assign BCP working team in order to monitor the Emergency decree.
- Provide Communication Channel for employees, customers, and partners.
- Prepare rapid equipment for working from home or remote area.
- Prepare medical supplies to protect the pandemic for employees and educate the good hygienic.
- Provide the vaccine and facilitate employees to be vaccinated

2.2.4 Compliance Risk

Currently, laws and regulations that relate to business are dynamic. Then, it is the risk from not compliance the laws and regulations which leads to be penalty and affected the negative image of the Company. This risk is reduced by:

- The setup of compliance unit which response for the monitoring of compliance and communicates the best practices as well as updated laws to employees.
- There is the internal audit department that response for the compliance monitoring to ensure consistency.

2.2.5 Fraud and Corruption Risk

The Company realized that the fraud and corruption are the obstacle of sustainability which affect both financial and non-financial loss such as profit, penalty, and reputation. The Company eliminates this risk by:

- Setting up the anti-corruption policy.
- Supplier selection policy and zero tolerance announcement.
- Provide appropriate internal control such as the functional cross check which is not the payment function, and the level of authorization is well settled. The review on internal control every quarter and promote whistleblowers. Besides, the internal audit brought this issue to be one of audit matters in the annual audit plan.
- Promote the whistleblower internally and externally with systematic complaint management procedure.

2.2.6 Sustainability Risk

Nowadays, there are several factors affect to the Company sustainability growth which included but not limited to economic, environment and social factors. Drastically changes of environmental and decreasing of resources are also a factor that affects sustainability. Consequently, in the risk from inadequate resources and human right violation which may affect the value chain in the future. The Company has plans to manage these risks to support the environment, society, community, and all stakeholders as follows:

- Establish policy, goal and strategy for sustainability management
- Establish direction to manage the impact for all stakeholders in the value chain
- Establish Human Right policy and direction.
- Encourage for sustainability projects in all aspects such as Green Procurement, Safe and Green Products, Green Logistic, Solar Cell installation, Sustainability Young Plant and Sustainability Opportunity projects.
- Appoint the Corporate Governance and Sustainability Committee for coordinating with Risk Management Committee for sustainability risk management.
- Provide the channel for whistleblowing and complaint both internal and external including establish direction for complaint management.
- Educate all employees to understand sustainability management in all aspects.

2.2.7 Emerging Risk

After the Covid-19 crisis which cause a huge impact to all industries in the world, the Company always aware and active that new risks can occur at any time. The Company has policy for the Risk Management working team to regularly discuss about the possible emerging risks including prepare risk management plan and propose to the Risk Management Committee effectively and a timely manner.

3. Sustainably Business Driving

According to the rapid and complex changing of the environment for many years, especially the wide spread of Covid-19 which affects the supply chain. This influence many adaptations of the Company, also the sustainability development is brought to ensure the continuity under the awareness to stakeholders.

3.1 Sustainability Policy and Goal

For sustainability business driving, the Company has brought sustainability development to be a key matter for driving business ranging from society, environment, and corporate governance. The Company believes that to adhere to sustainability development would maintain growth and continuity under the crisis and rapid change. Our sustainability is focused on the innovation and technology promoting to enhance the quality of life of people in society such as UVC disinfection for corporate and household use also internet of things equipment to reduce touching and communication technology as well as electronic conference. Moreover, the Company expand the business to the renewable power to reduce the consumption of the main power.

For the policy and procedure of the sustainability development, the sustainability development working team under the leading of managing director and management who response for the planning and report to the Corporate Governance and Sustainability Committee and the Board of Directors, covering 3 areas; environment, society and corporate governance and economic with the key indicators in accordance with SET Sustainability Reporting Guide issued by the SET.

3.3.1 Sustainability Development Strategy

The Sustainability Development working team has defined and reviewed the strategies for sustainability development every year to fit with the changing environment with the intention of generating the highest benefits to stakeholders. The strategies are covering from technology sourcing, up to dated innovation, responsibility to products and services, reducing the consumption power, reducing air pollution, employee safety, employee development, human right and promoting the high life quality to the society.

- Technology and innovation strategy: the Company has brought the new technology to the organizations to integrate the information system which would be enhance the convenience for employee and enable the timely and accuracy of information. Apart from this, the channels for customers are developed with technology to reduce work and time in order to make the operation flow with accountability. For the products sourcing, the Company aims to be the technology provider who brought the high-quality products and safety products to society.
- Transparency strategy: the management with the fairness, transparency and reliability are the core of business driving. The Company has aligned the organizational structure to be appropriate to the governance and reporting. Communication is also promoted. Furthermore, the code of conduct is brought to response for stakeholders, risk management is prepared to cope with the rapid change. The monitoring is activated to ensure the well practices of directors, management, and employees.
- Employee Strategy: The Company defined the practices for human right, especially for internally with the aim of right of employee to express their opinion under the fairness and respect. Besides, the Company concerns the important of employee development together with the growth of the business under the appropriate welfare, equipment and well working environment also the appropriate compensation.

3.2 The management of impact to stakeholders in the supply chain

There are many groups of stakeholders in the Company's supply chain. It can be classified as the internal stakeholders consisting of shareholders/investors and employees, and the external stakeholders consisting of vendor/partner, customers/dealers, consumer, financial institutions and government. All stakeholders are affected from the business of the Company.



The Company operates under the governance principles and has the purpose of contributing the most benefit and respond to the expectation from all stakeholders. The details are described as follows:

Stakeholder	Stakeholder's expectation	Example of activities to respond to the stakeholders' expectation
Shareholders/ Investors	<ol style="list-style-type: none"> 1. Yield on investment 2. Well operating results and sustainability growth 3. Good corporate governance 4. Clear, transparent, and timely manner information disclosure. 	<ol style="list-style-type: none"> 1. Operate the business with transparency and good governance for sustainability growth and continuously create value for the shareholders and the investors. 2. Disclose information via the SET's and the Company's website and 56-1 One Report 3. Regularly meet with the investors and join the SET Opportunity Day including publishing the operating result on a quarterly basis. 4. Communication via Investor Relations channel. 5. Arrange the Annual General Meeting of Shareholders (AGM).
Employees:	<ol style="list-style-type: none"> 1. Well remuneration and welfare benefit 2. Working safety 3. Security and growth in the organization 4. Fair treatment 5. Listening to the recommendations from the employee 	<ol style="list-style-type: none"> 1. Provide fair remuneration and other benefits such as medical fee, quarterly and yearly bonus 2. Encourage health, occupation health and safety such as providing annual health checkup benefit, sterilization equipment installation in the office 3. Create the career path and provide training to the employees regularly for competent development. 4. Provide various communication channels to obtain opinions, recommendations or discrepancies and complaints such as meetings, social media including encourage the organization culture to receive the recommendations from the related parties in the Company.
Vendors/ Partners(IT products manufacturer)	<ol style="list-style-type: none"> 1. Well cooperation 2. Achieve the market share target 3. Sustainability growth 	<ol style="list-style-type: none"> 1. Closely communication to maintain the good relationship and update information about technology and customer services. 2. Provide good products to satisfy the customers and consumers' demand.
Customers/ Dealers	<ol style="list-style-type: none"> 1. Quality products and services at a suitable price 2. Yield and liquidity for business operations 	<ol style="list-style-type: none"> 1. Supply the suitably profitable products and services. Facilitate the distribution and credit for the customers/ dealers. 2. Provide various communication channel
Consumers (Who utilizes the products and services which distribute through the dealers)	<ol style="list-style-type: none"> 1. Quality products and services at a suitable price 2. Convenience in daily life 	<ol style="list-style-type: none"> 1. Supply the quality products and services at the suitable price. 2. Explore how to supply the safety and convenient products.
Financial Institutions (Who enhance the business liquidity and expansion)	<ol style="list-style-type: none"> 1. Compliance with the agreement 	<ol style="list-style-type: none"> 1. Appropriately strictly follow the agreed condition 2. Regularly communication via meeting or executive meeting
Government (Such as Revenue Department, Custom Department, The National Broadcasting and Telecommunication Commission and Thai Industrial Standard Institution etc.)	<ol style="list-style-type: none"> 1. Compliance with the relevant regulations and requirements. 2. Responsible as a good citizen 	<ol style="list-style-type: none"> 1. Strictly operate the business according to the regulations and requirements of the government including accurate and consistently tax payment. 2. Always be aware and adapt for the new policies.

3.3 The sustainability in Environment Dimension

Currently, the world including Thailand have faced the deteriorating in environment such as the climate change, air pollution which affects the health of people, including the shortage of natural resource. The Company aware of this issue and intend to be the part that reduce the impact from the environmental issues and encourage for consumers' health safety. Then each process of the Company is brought to engage with the technologies and Green Procurement in order to sustain reduce these impacts.

3.3.1 Green Procurement

The Company has a Green Procurement policy starting from the upstream of the business which is products and services sourcing from the vendors/ partners. The Company focuses on sourcing for more environmentally friendly products and services. The Company is a distributor of more than 57 substitute energy and friendly products which consist of Solar Cell, Solar Light, LED light and EV chargers. These products can significantly decrease energy utilization. Furthermore, the Company also provides Green Services, which is Cloud business which using the system for data storage instead of consumable materials. In 2022, the customers for the Company's Cloud have been increase for 17% compared to 2021. Other than the sourcing process, the Company also focuses on the transit phase, so Sky Frog application has been introduced to support Green Logistic. These included the business downstream of the which is the invoicing process, the Company has replaced the paper invoice by the electronic system that will be explained more accordingly.

3.3.2 Safe and Green Products

The Company has the mission to hand on safe and environmentally friendly products to consumers then supplier's selection is the heart of the supply chain which would support this mission.

For supplier selection, the Company has conducted a clear policy with the team who have been assigned for follow, monitor and study for new technology as well as engineering of those manufacturing. This is to ensure the standard, safe and environmentally friendly. For the products which are under the safety standard, the Company adhere to the certification from the regulation. In 2022, there is no dispute, or any complaints about product safety from customers.

3.3.3 Green Logistics

The Company aims to be the part of society to reduce the air pollution and PM 2.5 from logistics activities. From our supply chain, good logistics management could reduce air pollution and global warming to society sustainably. The Company has implemented the green logistics management by using Sky Frog, Logistic Management Software.

Sky Frog is a Windows Mobile and cloud-based software service. It has special features that help to calculate fuel economy routes and timing and monitor vehicles with Global Positioning System (GPS). It connects to Sky Frog's Cloud Computing Service so that Headquarters can instantly detect the route in real time and users can monitor the speed of their vehicles through speed meters as well.

3.3.4 E- Billing for Environmentally Friendly

Apart from transportation, the billing process also affects the environment in many ways such as waste of paper and carbon emission from driving. The Company realized these effects then invest in E Billing System which the system that allow vendors and suppliers bill to the Company via website www.sisthai.com. Also, the Company promoted to stop the conservative billing and launch on E Billing in order to reduce the use of paper to conserve the water and forest, also reduce carbon dioxide from driving. The Company campaign for partner to stop using traditional billing. Which has received good cooperation from partners since 2017, continuing to the present.



3.3.5 Smart Meeting Room

Meeting is one of activities that the Company has been promoted to organizational culture. This is because the meeting would allow discussion and brainstorming even, the internal meeting or external meeting. With the organizational structure of the Company that there are some employees that work off site or work in the remote area, this leads the waste and consume the travelling expenses.

In order to reduce unnecessary consumption and reduce the air pollution, the Company has improved all meeting rooms to be Smart Meeting Room which is facilitates the Electronic Meeting (E-Meeting). This is helping to promote the online meeting through computers even smartphones effectively.

3.3.6 Energy Saving Light

The Company aims to be a part of reducing domestic energy consumption. Therefore, the Company has initiated a project of using LED bulbs instead of traditional bulbs at Head Office and Romklao warehouse. The principal advantage of switching to use an LED bulb is longer service life. From our tests, it can be used for up to 60,000 – 100,000 hours with no brightness reduction in comparison to fluorescent bulbs that having a lifetime of 10,000 hours only and provides a brightness rate of up to 80 – 120 lumens/watt, which can reduce electricity consumption by more than 2 times of fluorescent bulbs. The Company also chose to use the energy saving product, split area of controlling switch and assign responsible person to turn off the light during lunch or over work or when no employee in such area, adjust the suitable air-condition temperature and turn off when unnecessary and utilize the automatic light with motion sensor.

3.3.7 Environment Training for the Employee

To ensure that all employees shall aware and understand environmental sustainability management, the Company has introduced environmental training into E-learning system which can be accessed by all employees.

3.3.8 Substitute Energy Source installation (Sollar Cell)

The Company is an importer and distributor for the Sollar Cell which is the substitute energy source to be an alternative for the consumers. Other than long term cost saving for the consumers, the Sollar Cell is an important innovation for pollution reduction. The Company is preparing for Sollar Cell installation at our own facilities and aim to replace all electricity currently supplied by the Metropolitan Electricity Authority (MEA) by the substitute electricity source from Solar Cell. In 2022, the Company utilized the electricity from the MEA at 1,091,999 KWh which consists of 370,000 KWh using by the Romklao warehouse.


The Solar Cell installation will be started at the Romklao warehouse and expect to accomplish by 2025. The installation at Head of Office is more complex and take longer time as it has the rental building sharing with the others, so the Company expected to complete the installation by 2032.

3.3.9 Environment Management Target and Plan

The current global warming and climate change situation which is drastically severe are mainly caused by human behavior. The Company aware and willing to be a part of long-term problem solving. The Company has target for Net Zero within 2065 to support the declaration from the Prime Minister, Prayut Chan-o-cha who announced in the 26th United Nations Framework Convention on Climate Change or COP26 in Glasgow, United Kingdom on November 1st, 2021 that Thailand will achieve to get the Carbon Neutrality within 2050 and Net Zero Greenhouse Gas Emission within 2065.

The Company prioritizes on effective management of the natural resources to reduce the environmental problem which included but not limit to energy, water, waste, and greenhouse gas emission. The Company is continuing to increase working effectiveness and consumers' convenience by developing the technologies, the working process and sourcing for the innovated products and services under the sustainability environment and society. The details for planning and implementation in 2022 are listed below:

(a) Energy

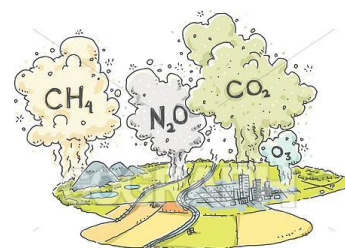
Short-term target	Produce the electricity from Solar Cell to replace the electricity currently supplied by the MEA at Romklao warehouse within 2025. The electricity supplied by the MEA for Romklao warehouse in 2022 is 370,000 KWh	
Strategy	Installation of Solar Cell as a substitute electricity source to replace the electricity supplied by the MEA and utilize energy saving light to reduce electricity utilization.	
Operating result	Under the plan implementation. For Romklao warehouse, under data collection to get utilization information in each period to ensure the appropriate and most effective design. This is expected to be accomplished within 2025.	
Long-term target	Reduce 50% of the electricity supplied by the MEA within 2026 (compared with 2022 as based year). In 2022, the Company utilized electricity from the MEA at 1,091,999 KWh (including the utilization at Head Quarter, branch office and warehouse). Another target is to produce electricity from Solar Cell to replace all electricity currently supplied by the MEA within 2032.	
Strategy	Utilization of the substitute energy from Solar Cell, energy saving light, automatic light with motion sensor, partially work from home for employees.	

Operating result	Under data collection to get utilization information in each period to for system design.
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(b) Greenhouse Gas

Target	Net Zero Greenhouse Gas Emission within 2065
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Strategy	<p>The nature of business of the Company which is not manufactured so there is no significant greenhouse gas emission, but the Company still has the policy to reduce the emission at any concern points to achieve the target for Net Zero. The Company started from internal process to compensate the direct emission according to scope 1 (Scope 1 Direct Emission) and indirect emission from energy utilization according to scope 2 (Scope 2 Energy Indirect Emission). The Scope 1 Direct Emission focuses on effective management of gas emission from the Company's vehicle transportation by using the Green Logistic system for fuel saving and greenhouse gas emission reduction. For reduction of indirect greenhouse gas emission per Scope 2 Energy Indirect Emission, the Company plans to install Solar Cell which using solar to produce substitute energy to replace electricity from the MEA. The 1st phase will be the installation at warehouse to replace 100% energy within 2025. In 2022, the warehouse utilized electricity at 370,000 KWh which is equivalent to 205,326 KgCO₂e of greenhouse gas emission. Furthermore, the Company also has plans to compensate the greenhouse gas emission from the Company's vehicle transportation. In 2022, the Company utilized diesel for transportation at 212,856 liters which equivalent to 638,567 KgCO₂e of greenhouse gas emission or electricity of 1,138,265 KWh.</p>
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Operating result	Under processing for Scope 1 Direct Emission and Scope 2 Energy Indirect Emission
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(c) Water



Target	Since the nature of business of the Company which is goods import and distribution that does not significantly utilize the water, and the current consumed level of water is suitable. Therefore, the Company has target to maintain this level of water consumption at not greater than 5,500 cubic meters per year.
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Strategy	Even the nature of business of the Company does not significantly utilize the water as the above mentioned, but the Company emphasize and support the water preservation. The Company encourage all employees for water saving, water valve closing during holidays and regularly inspecting the equipment to ensure that it will always be ready for use and prevent valve damage. Furthermore, the Company has partial work from home policy which also contribute the water saving and will keep continue these directions for sustainably preserve the resources.
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Operating result	In 2022, the Company's water consumption was at 5,240 cubic meters which is still in the determined level that not greater than 5,500 cubic meters per year.
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(d) Waste and pollution

Target

Even the Company does not have waste that Company needs to pay for eliminate, treat, stabilize, reuse and/or recycle due to its nature of business but the Company emphasized in reducing of waste and pollution for environmental saving and sustainability growth. The Company has target to continuous reducing in waste and pollution using strategy and technologies.

Strategy

The Company has developed the electronic workflow system to substitute the paper for more than 20 years and currently use more than 100 systems. In case that the paper format is needed, the Company encourages the employees to use 2 sides of papers or using QR Code for meeting documents download etc.

Additionally, the Company has segregated the waste, and unused but useable articles for donation to the organization or persons who need. Other than this, partially work from home policy also help to reduce pollution from decreasing resources during travelling.

Operating result

The operating result is well considering from significant reduction of paper usage.



3.4 The sustainability in Social Dimension

The Company participates in social and community development to achieve the goal for social sustainability development by creating the self-reliance community to ensure its sustainability growth. The details can be described as follows:

3.4.1 Employee



One of the vision and mission of the Company is to provide the work which is according to the potential and to be the family. The Company has the human right policy and emphasizes on the fairness and equitable treatment in hiring, compensation, career path and career development without differentiation in sex, age, education, race and religion. Also, the outsourcing and retired adult hiring to provide the opportunity and the life quality of the society. To engage the employee, the Company have done the followings:

(a) Hiring

The Company recognizes the importance of employees that have contributed to the prosperity of the Company and has a policy to stipulate the Security Policy for employees and increase their knowledge and develop their ability. The Company provides the opportunity for employees to work in jobs that they are passionate about, encourages them to increase their responsibility, provides the authority under the rules that can be audited, provides the opportunity to work at various jobs and pays all remuneration according to their ability.

Details	Number of employees (person)/ Remuneration (Baht)	
	Male	Female
Employee	368 persons	416 persons
Remuneration	295,045,010.14 Baht	332,390,003.02 Baht

The Company supports the equitable treatment without discrimination by given the occupation to the disenfranchised and disabilities. In 2022, the Company has hired 1 senior, 1 disability person and donate to the Empowerment of Person with Disabilities Fund completely and on time.

(b) Employee Training and Development

The Company has a policy to encourage employees to develop their knowledge, potential and ability in their career paths as well as good attitude, growing together with the Company through a self-learning system, training and seminar to improve employee efficiency.

In 2022, the Company provides training to increase employees' skill and potential both internal training and external training and seminar. The average hour of training was 34.38 hours a year per person.

(c) Safety, healthy and working environment

The Company encourages all employees in health and safety as follows:

I. Annual Checkup

The Company provides annual health checkups for all employees and opportunity for additional checkup program to ensure that they will have their own health information and get the better health. The Company also provides physicians to recommend and answer the inquiries at the office.

II. Subsidization for Vaccine

To prevent the high possibility contagious diseases, the Company subsidizes 50% of the Hepatitis Vaccine and Influenza Vaccine for the employees and arrange the vaccination at the office. The Company will also discuss with the Department of Health for preventive action of any other epidemics.

III. Work from Home

From the Covid-19 pandemic situation, the Company has work from home policy for some employees to reduce their travelling and emphasize their self-protection by wearing medical mask. The Company also provides IT equipment for the employees who work from home such as laptops, monitor, headphones.

(d) Maternity Leave

The maternity leave is followings:

- 98 days maternity leave with 45 days compensation.
- Employee who takes the maternity leave can return to their positions.

(e) Safety at work

The Company has implemented safety standards which including workplace safety design and high safety working tools to increase safety in their workplace. In 2021, the Company installed the UV-C light to disinfect the virus and bacteria in the air. The UVC light is set for automatically turning on and off during nighttime and when employee absent to ensure their safety and increase their confident.

Even the people can adapt themselves with Covid-19 presently, but the Company still strictly follow the guidelines to prevent Covid-19 according DMHT measure which is guidelines form Ministry of Health that recommend for slow down the Covid-19 pandemic as follows:

- **Distancing** by keep distancing between the others for at least 1-2 meters because droplet can widely spread in 1-2 meters during speak, cough or sneeze.
- **Mask Wearing** to prevent droplet spread. The Company still emphasizes always wearing masks in the office.
- **Hand Washing** often washing hand with soap and alcohol gel because there is a possibility of touching face without awareness. The Company has provided alcohol gel in many locations in the office to provide convenience.
- **Testing** which regularly measure body temperature. People who have experienced in risk area should get Covid-19 test. The Company has installed a temperature measure machine during entry-exit the office for quicker screen of risk persons.

f) Young Plant Project

The Company believes and intends to develop the employees' potential together with sustainability growth of the organization. The Company Young Plant project since 2016 to develop potential employees to be the Management as a strong young plant. This project consists of several skill development courses such as English for Business course which will be trained by the language institute in the United Kingdom, Personality Development to be the Management course by the leading institute etc.



In 2022 when international travelling has been limited by the Covid-19 pandemic, the Company focused on domestic training such as invite the Management for seminar with the Siam Commercial Bank to develop their business skill.

During the past 6 years, the Company has cultivated many young plants which will grow and make the benefit to themselves, the organization and Thai community accordingly.

3.4.2 Customers

The Company has the products selection procedure under the concerning in quality, economy, safety and environmentally friendly. These influences trustworthy from the customers. Also, the warranty and after sale service, which is well-structured to facilitate the customers. Apart from Bangkok service center which opens everyday, there are 5 service centers located in up countries 1) Chiangmai 2) Khonkaen 3) Ubon Ratchathani 4) Phuket 5) Songkla (Hatyai).



3.4.3 Supplier

The Company also hires the employees from outsourcing company then the Company has provided the welfare to these outsource employee as well. In 2022, the welfare for the outsource employee is as the below table:

	SiS	Outsource – Warehouse	Outsource – Sales	Logistics
Quarterly Bonus	✓	✓		
Annual Bonus	✓	✓	✓	✓
Annual Checkup	✓	✓	✓	✓
Commission			✓	
Personal Accident Insurance	✓	✓	✓	
Vehicle Accident Insurance				✓

3.4.4 Community

It cannot be denied that the community has direct and indirect important roles for the business, so the Company supports the community together with the business operations. The community development projects which have been done by the Company are listed below:

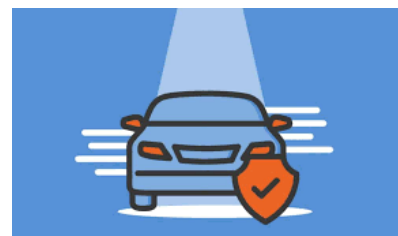
(a) Sustainable Occupation Project



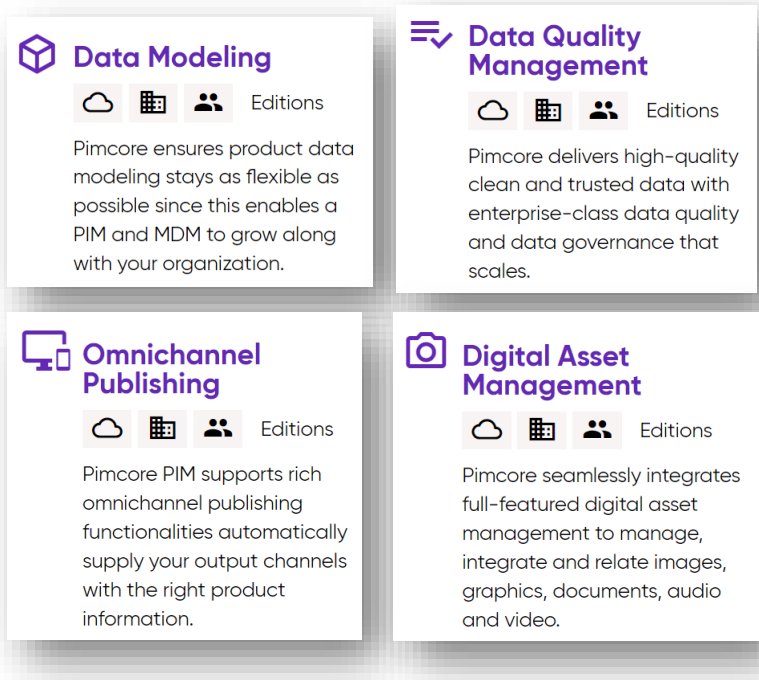
To encourage the community sustainable growth, the Company has the people development policy as they are a significant foundation for community development. The Company hires the fresh graduated students to give them the opportunity, occupation, revenue and good quality of life. This also drives the development in business and community point of view which will motivate the overall economic and community sustainably. The Company has hired 12 fresh graduated students in 2022 and have plan to continue for such hiring.

(b) Safety Driving Without Concern Project

As the nature of business of the Company which mainly focus on the product import and distribution, so the transportation is a major activity of the business. Other than Green Logistic for environmentally friendly which has been explained previously, the Company also provides car insurance for the car using to the outsource transporter to relief their concern and improve quality of life as the Company emphasize that they are our family and closely community. In 2022, there were 14 cars joined this project which has been continued for 8 years.



3.4.5 Environment Management Target and Plan



The current circumstances with non-stop technological development and the nature of business of the Company drive the Company to always be up to date and abreast of the times. The Company assigns team to follow up and study for innovation development. In part of innovation development together with the partners, the Company regularly has training/ seminars with them for sharing experience from manufacturers, distributors, and customers survey. These experiences sharing enhances the Company to always improve products and services. Other than using technology to improve effectiveness in the organization, our products and services also encourage to educate Thais for understanding in technologies.

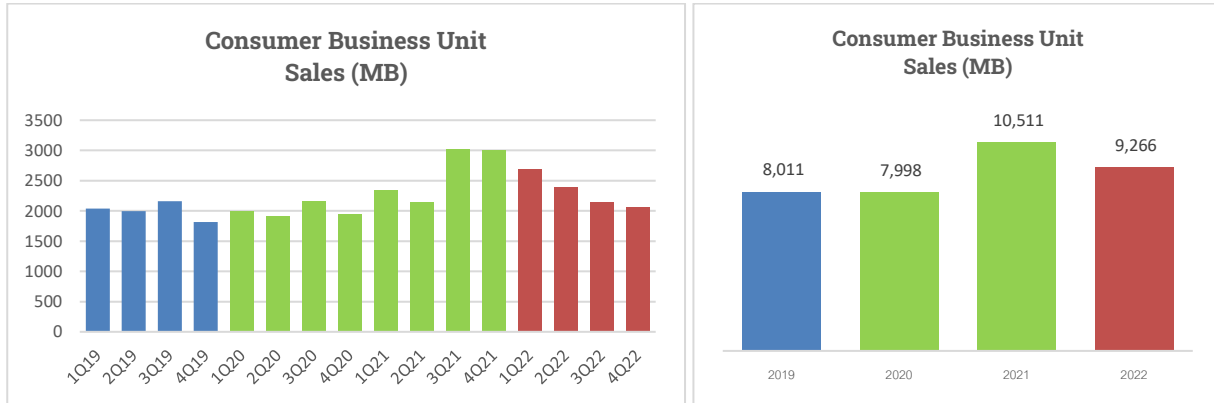
Due to product information management becoming more important both in terms of increasing in number of products and more product information for each product, also in many forms which is the result of the Digital Transformation era that there are more diverse distribution channel. In 2022, the company has invested in deploying the PIMCORE's product information management to handle product information which include text, video, file, brochure, etc. that allow staff and customer in accessing this information. This new Product Information Management will help improve the efficiency of staff and improve service level to customers, allow customer to easily sell products into broader channels. We expect the system to go live by the middle of 2023.

4. Management's Discussion and Analysis

4.1 Operating results and financial position analysis

Operation Result can be segregated by Business Unit as follows:

4.1.1 Consumer Business Unit



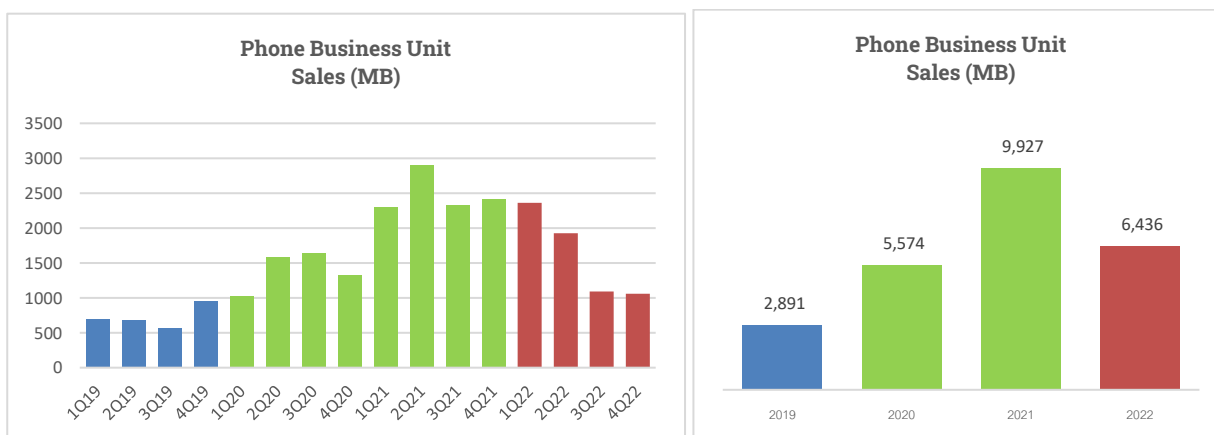
a) Quarterly Sales

Demand for computers/tables for work and learn from home increased during the pandemic (green) due to travel restrictions especially during the 3rd quarter of 2021 and 4th quarter of 2021 with enough products. In 2022 (red) where the pandemic began to be controlled. demand for products start to drop to a normal level in the 4th quarter of 2022. We believe the sales in the subsequent quarter will not change much.

b) Yearly Sales

2020, the first year of the epidemic (green), the demand for products increases, but there are insufficient products, resulting in a slight decrease in sales. The sales increased by 31.4% in 2021, when products are available, then returns to a decline of 11.8% in 2022 after the pandemic was under control. We believe sales bottomed out in the 4th quarter of 2022 and expects little change in sales in following quarters. As a result, it is expected that in 2023, sales of consumer goods will be lower than in 2022.

4.1.2 Phone Business Unit



a) Quarterly Sales

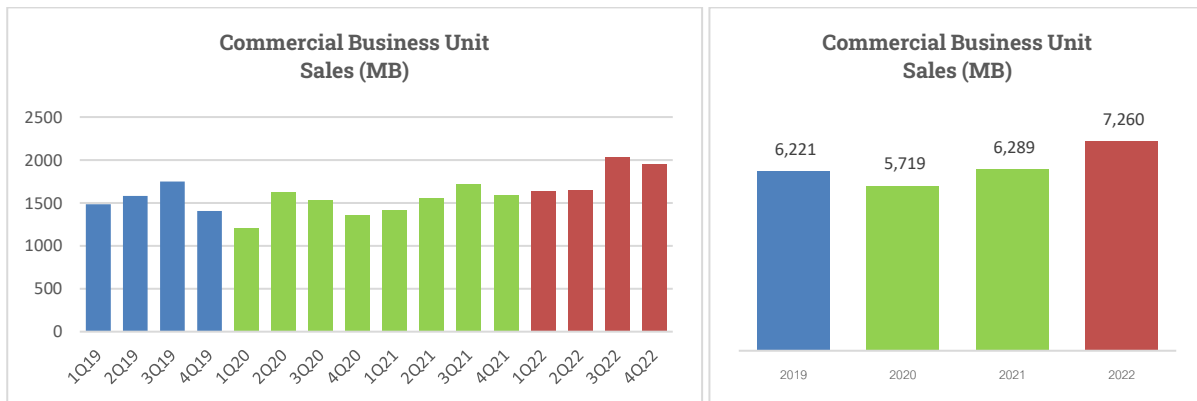
Various pandemic support from the government requires using the phone to access, as a result, demand for phones rose during the epidemic (green) and began to decline in the 2nd quarter of 2022. In the 4th quarter of 2022, the demand dropped to pre-pandemic levels (blue). We expected in the 1st quarter of 2023 and later, sales will not change much compared to the 3rd and 4th quarter of 2022.

b) Yearly Sales

Phone sales started to increase in 2020, the first year of the pandemic from the government pandemic's support program that requires to use smartphone to access the support. The sales continue to increase until 2021 until it starts to decrease in 2022 when the pandemic situation began to be controlled.

Although it is believed that sales will drop to the lowest point in the 4th quarter of 2022, sales in the later quarters are expected to be stable so in 2023, sales of telephone products will be less than in 2022.

4.1.3 Commercial Business Unit



a) Quarterly Sales

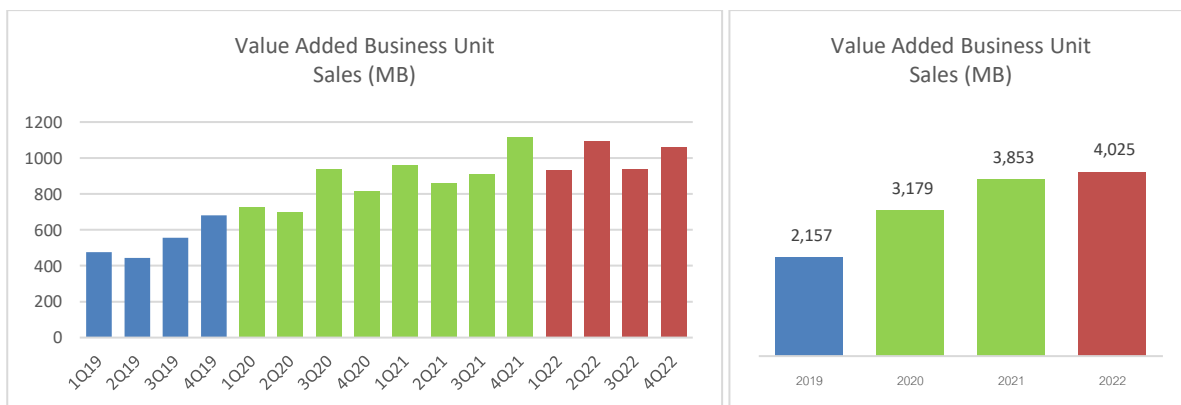
Demand for goods declined in the early stages of the pandemic (green) due to shortages and lockdown measures that forced employees to work from home. As a result, demand for equipment in Commercial BU declined, but gradually increased after the pandemic was under control as employees returned to work at the office (red).

b) Yearly Sales

Sales fell in the first year of the pandemic as product are shortage and decrease demand from lockdown measures. Sales returned to normal levels in the second year of the pandemic when some employees began returning to work and getting better in 2022 when the epidemic is under control and all restrictions are removed.

In 2023, we expect sales of Commercial BU due to better economic growth from the tourism industry starting to grow to pre-pandemic levels and from the use of more technology. in business.

4.1.4 Value Added Business Unit



a) Quarterly Sales

The main product categories in the Value-Added BU are 1) Cybersecurity 2) Hyperconverged Infrastructure 3) Data Backup, which have consistently increased sales even during the pandemic. The sales of these categories also help generate Subscription/Maintenance Agreement sales which are recurring business that are reported in Others BU.

b) Yearly Sales

Sales are growing steadily every year as more companies are using technology to transform their business. We believe that the increasing trend of digital transformation will continue to increase demand for this business unit.

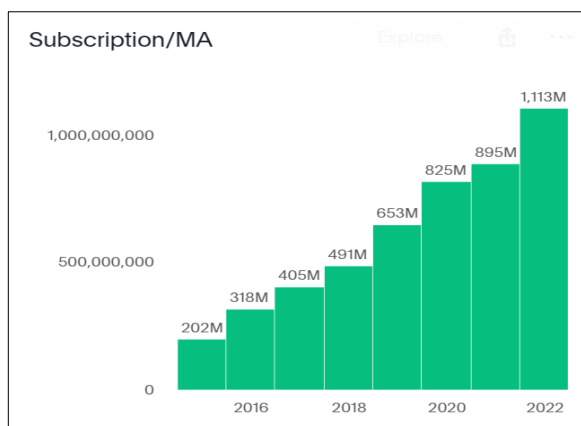
4.1.5 Others Business Unit



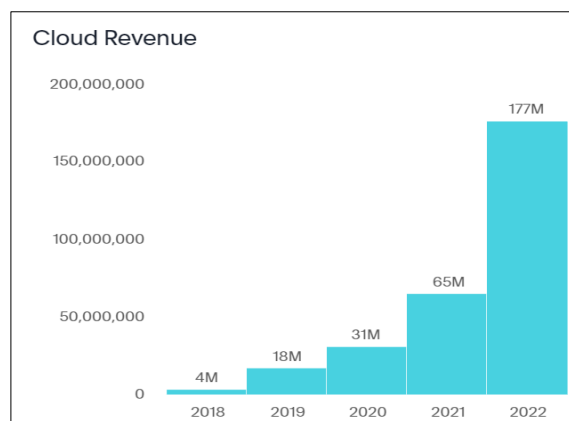
Business Units with low sales will be combined and report under this Others BU. The main products and sales proportions are shown in the table below:

Product Category	Revenue Share
Subscription/Maintenance Agreement	36.9%
Security (CCTV)	33.5%
Audio Visual	19.7%
Cloud	5.9%
Others	4.1%

Two Business Units that have the nature of recurring business and believe that it will grow steadily and become an important business of the company in the near future are Subscription/MA and Cloud



Subscription/MA Division is a recurring service by nature as customers want to have continuous services and get new upgrade of the software, result in growing sales as while existing customer continue to buy the services, there are new customers added every year. In the past 7 years, the average annual growth rate was 28.3%.

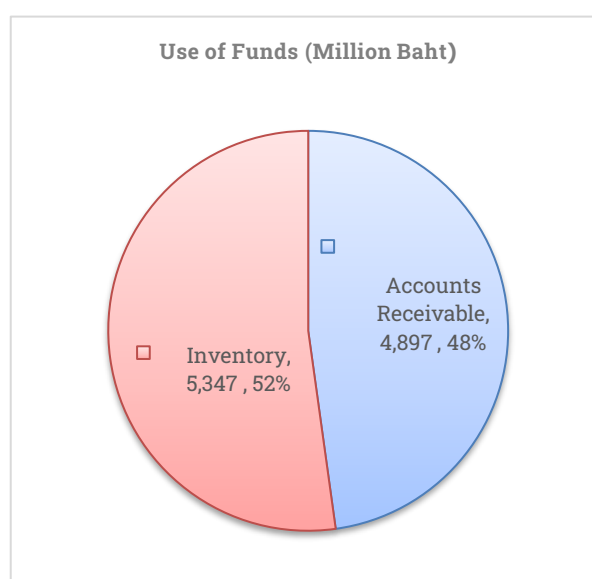
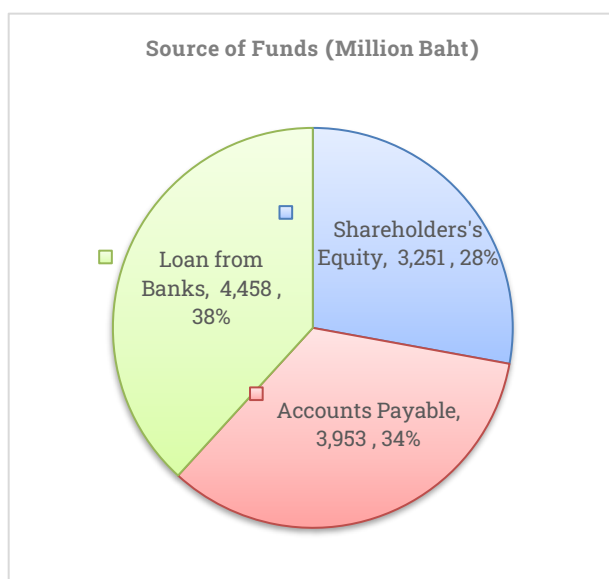


Cloud is a service that uses new technology that allows customers to use the system without initial investment but pay according to the usage. This consumption approach is well accepted and believed to grow rapidly. In terms of products, the company has both local SiS Cloud and AWS, which is world number 1 in Cloud service, allow the company to provide complete services. The average growth over the past 3 years is 1.18 times per year.

Remark: All products reported in this analysis use sales from the ERP system regardless of whether the product is sold as a "principal" or "agent". Products classified as "agents" report only profits in the financial statements. Some products such as software, subscription, AWS cloud are classified as agents that report only profits in the financial statements.

4.1.6 Working Capital and Financial Position at the beginning of 2022

The Company has started its business in 2022 from 3 main source of funds for working capital as follows: 1) Shareholder's Equity of 3,251 Million Baht 2) Credit given by Trade and Other accounts payable of 3,953 Million Baht and 3) Loans from financial institutions of 4,458 Million Baht. Most of the funds were mainly used in 2 areas as follows: 1) Credit granted to Trade and other accounts receivables of 4,987 Million Baht and 2) Inventories of 5,347 Million Baht.

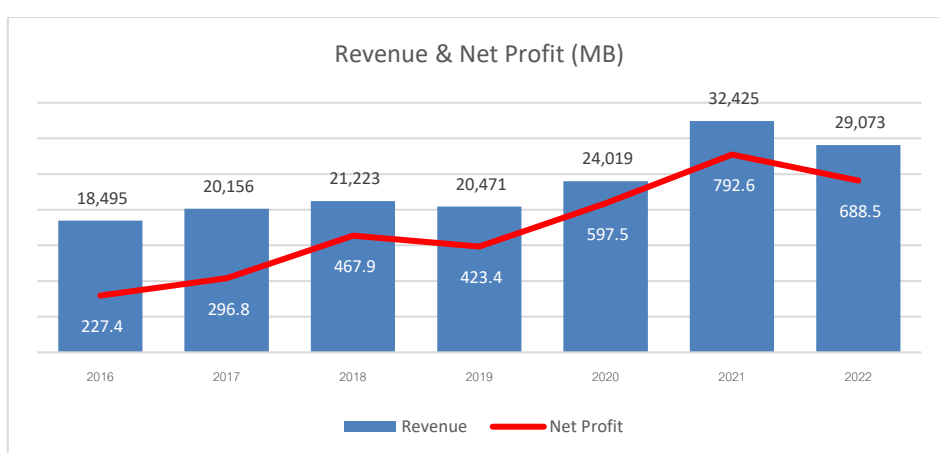


4.1.7 Operation of 2022

The company has income from sales of goods and services of 29,042 Baht divided by Business Unit as follows:

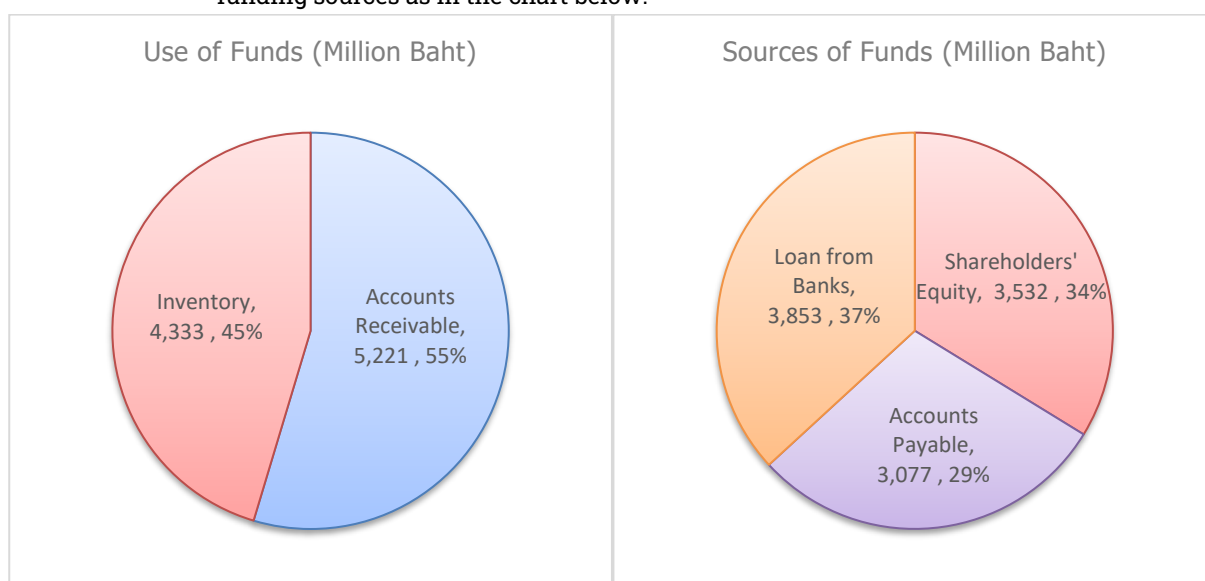
Business Unit	2018	2019	2020	2021	2022	22 vs 21
Commercial	5,838	6,221	5,719	6,289	7,260	15.4%
Consumer	7,729	8,011	7,998	10,511	9,266	-11.8%
Value Added	1,764	2,157	3,179	3,853	4,025	4.5%
Phone	5,224	2,891	5,574	9,927	6,436	-35.2%
Others	602	1,112	1,409	1,714	2,065	20.5%
Total	21,157	20,392	23,851	32,294	29,042	-10.1%

The two Business Unit where sales declined were Consumer and Phone as demand started to return to pre-covid levels while other Business Unit have increased sales. Because the decrease in two BU was higher than the increase in all other BU, total sales decreased by 10.1% and net profit decreased by 13.1% following the decline in sales.



4.1.8 Working Capital and Financial Position at the end of 2022

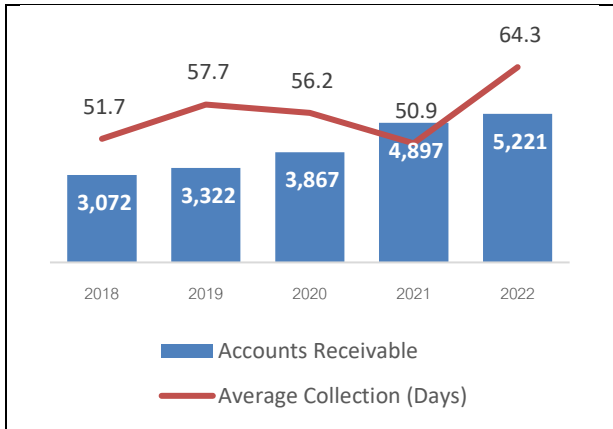
At the end of the year, most of the funds were mainly used in 2 areas and has 3 main funding sources as in the chart below.



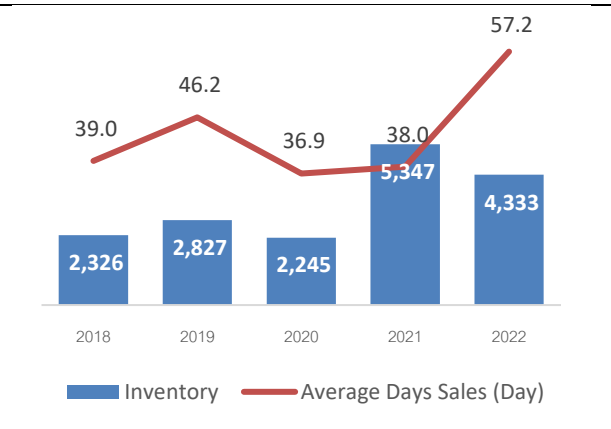
4.1.9 Use of Funds

The Company has 2 main sources of funds consisting of 1) Account Receivable and 2) Inventories. Changing of both sources as follows:

Account Receivables and Average Collection



Inventory and Average Days Sales



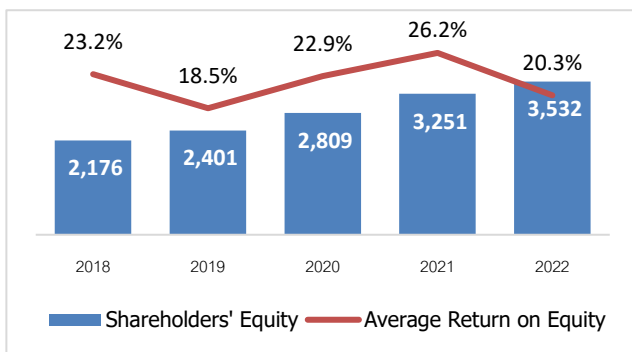
Receivables in 2022 increased due to two main factors:

- 1) Product shortages causing incomplete delivery, leading to longer collection. As the problem of shortage of goods has begun to be resolved, collection will be improved.
- 2) There are many more projects with a long payment period in 2022.

Inventories decrease in 2022, but the average inventory period increases because it is calculated using the average inventory. Part of the inventories that have not decreased as expected because company not able to deliver all product when some items are shortage. As the shortage of goods gradually improved, we expect the level of inventories to gradually decrease.

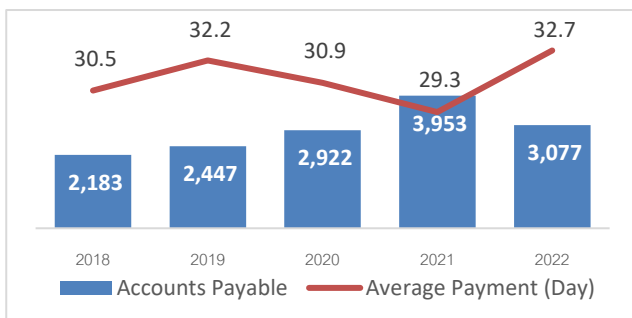
4.1.10 Source of funds

The Company has 3 main sources of funds consisting of 1) Shareholder's equity, 2) Trade and other Account Payable and 3) Loans from financial institutions. Changing of all sources are as follows:



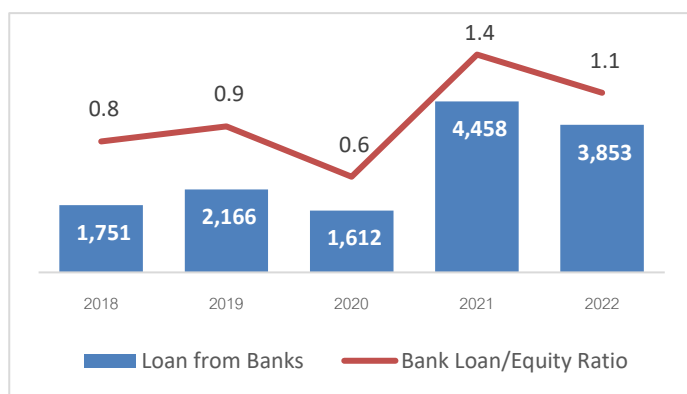
a) Shareholders' Equity

The Company operates profitably and always has paid dividends according to the policy. Residual profit from dividends will be in the shareholders' equity which continuously increasing, this helps create the financial stability for the company. In 2022, the return on equity (average) was 20.3%.



b) Trade and other Accounts Payable

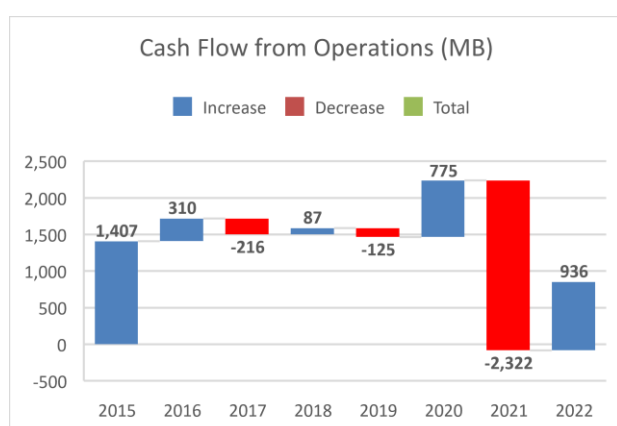
The company has a policy to make payments to creditors on time and according to the agreement, resulting in the company gaining the trust of creditors and receiving sufficient credit lines. By the end of 2022, total creditors have decreased to 3,077 Million Baht, equal to the average days payable outstanding of 32.7 days.



c) Loans from Financial Institutions

The Company realizes the importance of financial institutions in helping the company able to conduct business efficiently and has a policy to comply with agreements that have been well supported by financial institutions. In 2022, the company's loan decreased to 3,853 Million Baht, equal to the total debt to equity ratio of 1.1, in accordance with the agreement with financial institutions.

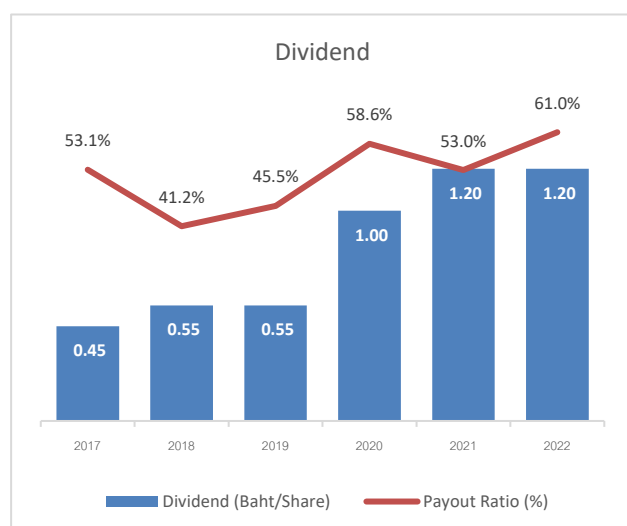
4.1.11 Cash Flow from Operating Activities



In 2022, the Company had a cash flow from profit of 1,106 Million Baht, resulting in net cash from operating activities of 936 Million Baht after including of changes in operating assets and income tax payments.

If using 2015 as a base, cash flow from operating activities to 2022 increased by 853 Million Baht.

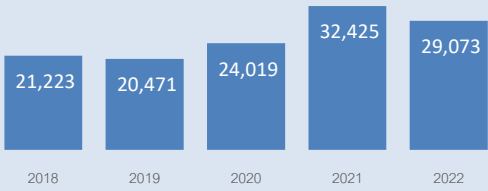
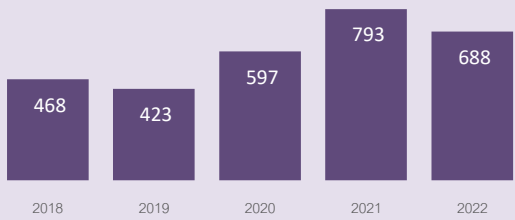
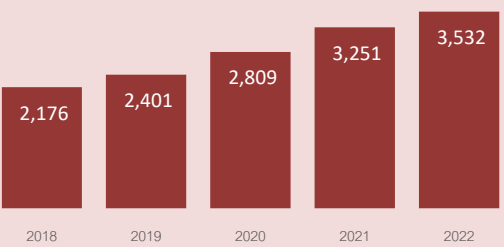
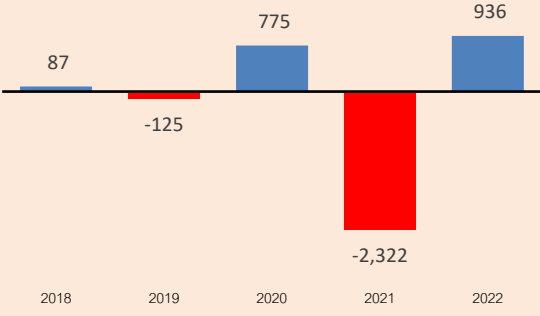
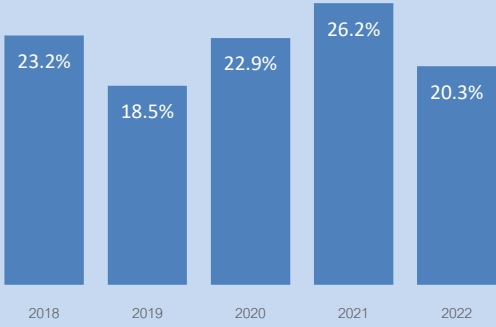
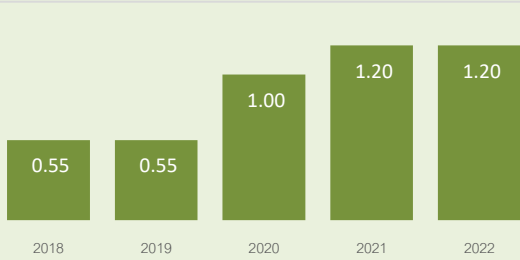
4.1.12 Dividend



The Company has profit per share at 1.97 Baht/share and the Board of Directors had resolution to propose to the AGM in 2023 for a 2023 dividend payment of 1.2 Baht/share, the same as the previous year.

If such dividend payment has been approved, total amounts of dividend payment will be 420.2 Million Baht which equivalent to dividend payout at a rate of 61% of net profit and equivalent to a dividend yield of 4.75% based on the closing share price on February 20th, 2023 (25.23 Baht), which is the date of the Board of Directors' meeting to consider dividends.

4.1.13 Summary of Important Financial Information

<p>Total Revenue (Million Baht)</p>  <p>Total revenues dropped 10.3% due to a decline in Phone BU (-35.2%) and a decline in the Consumer BU (-11.8%) as the pandemic came under control. Makes the demand for ever increasing devices back to normal.</p>	<p>Net Profit (Million Baht)</p>  <p>Net profit decreased by 104 Million Baht (-13.1%), in line with a decrease in total revenue, with telephones being the BU that had the most decreased of 104 Million Baht (-13.1%)</p>
<p>Shareholders' Equity (Million Baht)</p>  <p>Shareholders' equity increased by 281 Million Baht in accordance with the increased retained earnings. In 2022, the company had a net profit of 688 Million Baht and paid dividends of 420.2 Million Baht, which was the dividend of the profit of 2021 that was paid in 2022.</p>	<p>Cash Flow (Million Baht)</p>  <p>An increase in cash flow of 936 Million Baht came from 2 main items, profit made in the amount of 1,106 Million Baht and a decrease in inventory that decreased by 1,013 Million Baht</p>
<p>Return on Equity</p>  <p>The Company's return on equity was 20.3% in 2022, ranking 62nd among companies in the SET (information from SETSMART as of March 1st, 2023)</p>	<p>Dividend (Baht/Share)</p>  <p>The Board of Directors resolved to propose to the shareholders a dividend payment of 1.2 Baht/share, the same as the previous year, totaling 420.2 Million Baht, equal to dividends at a rate of 61% of net profit and equal to a dividend yield of 4.75% if using the closing price on February 20th, 2023 (25.25 Baht), which is the date of the meeting to consider dividends.</p>

4.1.14 Contingent liabilities with non-related parties

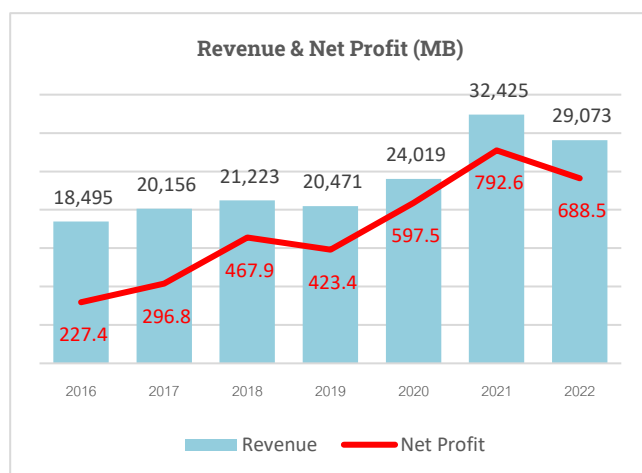
As of December 31st, 2022, the Company had obligations with non-related parties as follows:

1. Lease agreement in respect of the lease of office building, warehouse, service center and equipment in total of 112 Million Baht. The terms of these agreements are generally 3 to 6 years. Details as per disclosed in Section 1.2 and attachment 5 Office Building/Warehouse/Service Center/Equipment.
2. Swap contracts in the amount of 1.1 Million USD, equivalent to 39.4 Million Baht. The terms of these transactions were not more than 1 year for hedging foreign currency exposure. These contracts were related to the purchase and sale of goods in foreign currency for the next period.
3. Bank guarantees approximately 57.8 Million Baht and 0.14 Million USD, in respect of certain performance and bid bonds and others as required in the normal course of business of the Company.

4.2 Factors and Events that may significantly affect the financial position in the future

There are various factors and events that may significantly affect the financial position in the future as follows:

4.2.1 Post-Covid impact on Revenue and Profit



Before the pandemic, the company had an average total income of 20,086 Million Baht/year and an average net profit of 354 Million Baht/year (2016 - 2019), whose income increased to 24,019 Million Baht, profit increased to 597.5 Million Baht in the first year of operation. Second year during the pandemic, the revenue and net profit increased to 32,425 Million Baht and 792.6 Million Baht, indicating the changing environment during the pandemic that helps the company's business. When the pandemic subsides, revenue began to drop to 29,073 Million Baht in the first year after the pandemic. If the environment and consumer behavior return to the same as before the epidemic, revenue and profit may continue to decrease.

4.2.2 Investment in Cloud Service Business

The company has expanded its investment in the Cloud business by recruiting more employees that are expected to have more than 100 employees. For the Cloud business, it has recently been appointed as an additional distributor from Microsoft in the Cloud Service Provider product group, which consists of Microsoft 365. and Microsoft Azure. This allows the company to have a comprehensive range of cloud products ranging from SiS Cloud developed by the company itself, AWS being the number 1 Global Cloud and Microsoft being the number one Global Cloud. Software-as-a-Service.

However, this huge investment in the cloud business is costing the company more than the early profits of the cloud business and may take longer than the profit from the sale to exceed expenses. Because cloud service income will be recognized on monthly basis based on usage, even though it's a continuous income that increases it may take several years before it becomes profitable from this business.

4.2.3 Profit from Value Added

At present, the Company has good profit margin from Value Added Business Unit and the proportion of profit increased steadily when compared to total profit since its tasks are quite complicated and requires skilled engineers for installation and service. Therefore, the customer is willing to pay a high price for exchange of quality and time. However, when the product has developed to be more standardized, easier to install and use, there will be more competitors to compete on price and then profit from this business unit will be decreased. In this regard, the Company is always looking for new more business which its risk may arise if this new business cannot keep up with the declining profits.

4.2.4 New Business Investment

Since profit from the Value-Added Business Unit in the long run will be reduced, the Company has to invest in new businesses all times. The new businesses are mostly investment in new technologies. If they are failure in terms of technology may not be accepted by the market or businesses that the Company selected are wrong and unsuccessful, these failures may affect the Company's financial position. In this regard, the Company has to consult from specialist to reduce its errors.

4.2.5 Lack of Vendor Support

Currently, most business operations need cooperation with vendors to expand the market. Vendors will provide various assistance, especially financial support to compensate expenses. Technology is more uncertainty than others. If vendors face operational or financial problems industry until unable to continue doing business and has to pulling out from Thailand or quit their businesses, this assistance may be substantially reduced or none that caused financial impacts. The Company have to evaluate and limit their risks to acceptable levels at all times.

4.3 Financial Statements and Financial Ratios

4.3.1 Financial Statements

Summary of the Independent Auditor's Report for the past 3 years

a) Auditor

Auditor

- Miss Satida Ratananurak, Certified Public Accountant (Thailand) No. 4753, has audited the financial statements of the Company from 2018-2020.
- Miss Natteera Pongpinitpinyo, Certified Public Accountant (Thailand) No. 7362, has audited the financial statements of the Company from 2021 to 2022.

Opinion of the Certified Public Accountant for the annual financial statements ended December 31st, 2020 – 2022 can be summarized as follows:

In auditor's opinion, the consolidated statements of financial position as at December 31st, 2022, 2021 and 2020, the related consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including summary of significant accounting policies, and the separate financial statements of the Company present fairly, in all material respects, the financial position of the Company and its subsidiaries and the Company as at December 31st, 2022, 2021 and 2020, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Summary of Financial Statements

Statement of Financial Position

Unit: Thousand Baht

	December 31 st , 2022		December 31 st , 2021		December 31 st , 2020	
	Amount	Percent	Amount	Percent	Amount	Percent
Assets						
<u>Current Assets</u>						
Cash and cash equivalents	237,204	2.20	420,016	3.50	262,886	3.43
Trade and other accounts receivable	5,221,320	48.54	4,896,981	40.88	3,867,364	50.45
Current portion of long-term loans to other companies	1,650	0.02	4,371	0.04	13,820	0.18
Inventories	4,333,480	40.29	5,347,160	44.64	2,245,467	29.29
Other current assets	240,676	2.24	576,962	4.82	520,230	6.79
Total current assets	10,034,330	93.29	11,245,490	93.88	6,909,767	90.14
<u>Non-current assets</u>						
Investments in associates	-	-	-	-	52,299	0.68
Long-term loans to other companies – net of current portion	7,011	0.06	29,177	0.24	19,592	0.26
Investment properties	72,996	0.68	44,134	0.37	44,567	0.58
Equipment	145,075	1.35	153,853	1.28	152,668	1.99
Right-of-use assets	105,082	0.98	129,974	1.08	168,746	2.20
Intangible assets	22,997	0.21	17,397	0.15	14,011	0.18
Deferred tax assets	357,317	3.32	347,500	2.90	292,128	3.81
Other non-current assets	11,418	0.11	11,507	0.10	11,990	0.16
Total non-current assets	721,896	6.71	733,542	6.12	756,001	9.86
Total assets	10,756,226	100.00	11,979,032	100.00	7,665,768	100.00
Liabilities						
<u>Current Liabilities</u>						
Short-term loans from financial institutions	3,852,965	35.82	4,457,986	37.21	1,612,390	21.03
Trade and other accounts payable	3,077,322	28.61	3,953,160	33.00	2,921,856	38.12
Current portion of lease liabilities	40,356	0.37	43,797	0.37	41,879	0.55
Income tax payable	28,563	0.27	79,813	0.67	58,638	0.76
Other current liabilities	71,774	0.67	14,336	0.12	17,679	0.23
Total current liabilities	7,070,980	65.74	8,549,092	71.37	4,652,442	60.69
<u>Non-current liabilities</u>						
Lease liabilities – net of current portion	65,814	0.61	87,244	0.73	127,148	1.66
Provision for cost of assets dismantlement	3,960	0.04	3,960	0.03	3,960	0.05
Provision for long-term employee benefits	83,305	0.77	87,244	0.73	73,148	0.95
Total non-current liabilities	153,079	1.42	178,448	1.49	204,256	2.66
Total liabilities	7,224,059	67.16	8,727,540	72.86	4,856,698	63.35
Shareholders' equity						
Registered and fully paid-up ordinary shares	350,199	3.26	350,199	2.92	350,199	4.57
Share premium	435,415	4.05	435,415	3.64	435,415	5.68
Retained earnings - Appropriated (statutory reserve)	35,020	0.32	35,020	0.29	35,020	0.46
Retained earnings - Unappropriated	2,711,533	25.21	2,430,858	20.29	1,988,436	25.94
Total shareholders' equity	3,532,167	32.84	3,251,492	27.14	2,809,070	36.65
Total liabilities and shareholders' equity	10,756,226	100.00	11,979,032	100.00	7,665,768	100.00

Income Statement

Unit: Thousand Baht

	2022		2021		2020	
	Amount	Percent	Amount	Percent	Amount	Percent
Revenues						
Sales	28,891,360	99.37	32,179,205	99.24	23,770,571	98.97
Service income	150,709	0.52	115,137	0.36	80,315	0.33
Gain on exchange	-	-	97,130	0.30	51,124	0.21
Other income	31,258	0.11	33,882	0.10	117,023	0.49
Total revenues	29,073,327	100.00	32,425,354	100.00	24,019,033	100.00
Expenses						
Cost of sale	27,032,907	92.98	30,291,387	93.42	22,155,474	92.24
Cost of services	103,883	0.36	79,269	0.24	69,264	0.29
Selling and distribution expenses	637,189	2.19	676,974	2.09	567,231	2.36
Administrative expenses	369,419	1.27	397,376	1.23	369,488	1.54
Loss on exchange	57	0.00	-	-	-	-
Total expenses	28,143,455	96.80	31,445,006	96.98	23,161,457	96.43
Operating profit	929,872	3.20	980,348	3.02	857,576	3.57
Share of profit (loss) from investments in associated companies	-	-	2519	0.01	3,918	0.02
Loss from disposal of investment in associated company	-	-	(151)	(0.00)		
Finance income	4,222	0.01	7,952	0.02	7,812	0.03
Finance cost	(54,250)	(0.19)	(33,643)	(0.10)	(30,917)	(0.13)
Reversal of impairment loss (impairment loss) on financial assets	(21,763)	(0.07)	31,385	0.10	(97,494)	(0.41)
Profit before income tax expenses	858,081	2.95	988,410	3.05	740,895	3.08
Income tax expenses	(169,597)	(0.58)	(195,789)	(0.61)	(143,398)	(0.60)
Profit for the year	688,484	2.37	792,497	2.44	597,497	2.49
Basic earnings per share (Baht)⁽¹⁾	1.97		2.26		1.71	

Statement of comprehensive income

Unit: Thousand Baht

	2022		2021		2020	
	Amount	Percent	Amount	Amount	Percent	Amount
Profit for the year	688,484	2.37	792,497	2.44	597,497	2.49
Other comprehensive income						
Actuarial gain (loss)	15,536	0.05	-	-	4,702	0.02
Less: Income tax effect	(3,107)	(0.01)	-	-	(940)	(0.01)
Other comprehensive income (loss) for the year	12,429	0.04	-	-	3,762	0.01
Total comprehensive income for the year	700,913	2.41	792,497	2.44	601,259	2.50

Remark: (1) Basic earnings per share is calculated by dividing net income by weighted average number of ordinary shares for the year.

Cash flows

Unit: Thousand Baht

	2022	2021	2020
Cash flows from operating activities			
Profit before tax	858,081	988,410	740,895
Adjustments to reconcile profit before tax			
Depreciation and amortisation	108,450	101,094	97,871
Reduction in lease payments by lessors	(93)	(1,017)	(3,204)
Unrealised loss (gain) on exchange	(11,621)	(5,844)	1,127
Share of loss (profit) from investment in associated company	-	(2,519)	(3,918)
Loss from disposal of investment in associated company	-	151	-
Gain on acquisition of investment in a new subsidiary company	-	(311)	
Write-off bad debt	16,058	5,434	30,344
Impairment loss on financial assets (reversal)	3,104	(36,818)	67,151
Impairment loss on intangible assets	2,600	-	-
Allowance for diminution in inventory value (reversal)	65,617	59,582	(5,368)
Provisions for long-term employee benefits	20,410	15,932	13,388
Gain on disposals of equipment	(146)	(322)	(96)
Interest income	(4,222)	(7,952)	(7,812)
Interest expenses	47,389	27,154	25,836
Profit from operating activities before changes in operating assets and liabilities	1,105,627	1,142,974	956,214
Changes in Operating assets and liabilities			
Operating assets (increase) decrease			
Trade and other receivable	(349,836)	(997,080)	(653,385)
Inventories	895,368	(3,206,491)	510,561
Other current assets	336,286	(64,906)	(362,397)
Other non-current assets	(1,906)	(1,843)	(223)
Operating liabilities increase (decrease)			
Trade and other payable	(864,463)	1,032,411	477,545
Other current liabilities	57,438	(3,343)	5,195
Cash flows from (used in) operating activities			
Cash paid for long-term employee benefits	(8,813)	(2,016)	(20,090)
Cash paid for corporate income tax	(233,771)	(230,220)	(145,942)
Cash received from income tax return	-	8,191	7,727
Net cash flows from (used in) operating activities	935,930	(2,322,323)	775,205

	2022	2021	2020
<u>Cash flows from investing activities</u>			
Cash paid for acquisition of equipment	(4,229)	(8,101)	(7,610)
Proceeds from sale of equipment	329	3,113	356
Cash paid for acquisition of intangible assets	(70,115)	(4,703)	-
Cash received from sale of intangible assets	67,114	-	-
Cash received from interest income	4,222	7,952	7,813
Cash received from disposal of investment in an associated co.	-	54,667	-
Cash paid for acquisition of investment in a new subsidiary co.	-	(4,976)	-
Cash paid for long-term loans to other company	-	-	(9,500)
Cash received from repayment of long-term loans to other co.	1,882	3,100	959
Net cash flows from (used in) investing activities	(797)	51,052	(7,982)
<u>Cash flows from financing activities</u>			
Cash received from short-term loans from banks	-	200,000	-
Cash paid for short-term loans from banks	(200,000)	-	(100,000)
Payment of principal of lease liabilities	(46,184)	(40,967)	(39,485)
Increase (decrease) in trust receipts	(405,021)	2,645,596	(454,033)
Dividend paid	(420,238)	(350,199)	(192,609)
Cash paid for interest expenses	(46,502)	(26,029)	(26,928)
Net cash flows from (used in) financing activities	(1,117,945)	(2,428,401)	(813,055)
Net increase (decrease) in cash and cash equivalents	(182,812)	157,130	(45,832)
Cash and cash equivalents as of January 1	420,016	262,886	308,718
Cash and cash equivalents as of December 31	237,204	420,016	262,886

4.3.2 Financial Ratios

	2022	2021	2020
<u>Liquidity Ratios</u>			
Current Ratio (Time)	1.42	1.32	1.49
Quick Ratio (Time)	0.77	0.62	0.89
Cash Ratio (Time)	0.12	(0.35)	0.17
Receivables Turnover Ratio (Time)	5.68	7.17	6.49
Average Collection Period (Day)	64.28	50.91	56.23
Inventory Turnover Ratio (Time)	6.39	9.60	9.90
Average Inventory Period (Day)	57.16	38.00	36.88
Payables Turnover Ratio (Time)	11.15	12.46	11.80
Average Payment Period (Day)	32.75	29.30	30.93
Cash Cycle (Day)	88.70	59.61	62.18
<u>Profitability Ratios</u>			
EBITDA (%)	3.51	3.46	3.62
Gross Profit Margin (%)	6.56	5.96	6.82
Operating Profit Margin (%)	3.20	3.04	3.60
Net Profit Margin (%)	2.37	2.44	2.49
Return on Equity (%)	20.30	26.16	22.94
Fixed Asset Turnover (Time)	83.99	93.89	63.21
Other Income to Total income Ratio (%)	0.12	0.44	0.75
Cash to Income Ratio (%)	100.65	(236.89)	90.39
<u>Leverage Ratio</u>			
Interest Coverage Ratio (Time)	18.82	33.38	28.13
Debt Service Coverage Ratio (Time)	0.26	0.25	0.53
Debt to Equity Ratio (Time)	2.05	2.68	1.73
Interest bearing Debt to Equity (Time)	1.12	1.41	0.63
Dividend per Share (Baht per Share)	1.20	1.20	1.00
Dividend Payout Ratio (%)	61.04	53.02	58.61
Dividend Yield (%)	4.62	2.73	5.71
Loans from Financial Institutions to Total Liabilities Ratio (Time)	0.97	0.97	0.91
Short-Term Interest-bearing Debt to Total Interest-bearing Debt (Time)	0.98	0.98	0.93
Interest bearing Debt to EBITDA ratio (Time)	3.88	4.09	2.05
<u>Efficiency Ratios</u>			
Assets Turnover Ratio (Time)	2.56	3.30	3.24
Return on Assets Ratio (%)	6.06	8.07	8.07
Return on Fixed Assets Ratio (%)	230.49	246.42	256.97

5. General Information and Others

5.1 General Information

General Information

Company Name : SiS Distribution (Thailand) Public Company Limited
Type of Business : IT Distribution (the Company is a distributor for more than 150 manufacturers and sells to more than 9,000 dealers)
Location : **Head Office:** No. 9 Pakin Building Floor 9 Room No.901, Ratchadaphisek Road, Din Daeng Sub District, Din Daeng District, Bangkok 10400 (Next to Fortune Town)
Tel. (02) 020-3000

Provincial Sales Office and Service Centers

Chieng Mai: 244 Wualai Road, Hayya Sub District, Muang District, Chieng Mai 50100

Tel: (053) 201901-3

Phuket: 185/43 Phang Nga Road, Talat yi Sub District, Muang District, Phuket 83000

Tel: (076) 344106-8

Khon Kaen: 114/65-66 Mittraphap Road, Nai Muang Sub District, Muang District, Khon Kaen 40000

Tel: (043) 245511, (043) 245588, (043) 245524

Hat Yai: 62 Choti Wittayakul Road 3, Hat Yai Sub District, Hat Yai District, Songkhla 90110

Tel: (074) 559082-4

Ubonratchathani: 148 Promathep Road, Nai Muang Sub District, Muang District, Ubonratchathani 34000

Tel: 045-244-522

Service Center in Bangkok

Head Office

33/6-9 Pattanachonnabot 3 Road, Klongsongtonnoon, Lat Krabang District, Bangkok 10520

Tel: (02) 020-3001, 3012-4, 3017

IT Mall

Room No. 26, Floor 4, Fortune Town, Ratchadaphisek Road, Din Daeng Sub District, Din Daeng District, Bangkok 10400

Tel: (02) 020-3000 ext. 4004

Warehouse Location : 33/6-9 Pattanachonnabot 3 Road, Klongsongtonnoon, Lat Krabang District, Bangkok 10520

Tel: (02) 020-3007

Company Registration : Bor Mor Jor. 0107547000052

Website : Center www.sisthai.com
Investor Relation <https://sis.listedcompany.com/home.html>

Email : Center sis@sisthai.com
Company Secretary companysecretary@sisthai.com
Complain/Inform about product/service complain@sisthai.com
Complain/Inform about fraud and corruption independentdirector@sisthai.com

Investor Relation : Email : investorinfo@sisthai.com

Registered Capital : 350,198,655 Baht of 350,198,655 registered and paid-up ordinary shares of Baht 1 each

Subsidiaries

Company Name : **SiS Venture Co., Ltd.**
Type of Business : Holding Company
Location : No. 9 Pakin Building Floor 9 Room No.901, Ratchadaphisek Road, Din Daeng Sub District, Din Daeng District, Bangkok 10400 (Next to Fortune Town)
Tel: (02) 020-3000
Registered Capital : 120,000,000 Baht of 12,000,000 registered and paid-up ordinary shares of Baht 10 each
Investment Proportion : 99.99% holding by SiS Distribution (Thailand) Public Company Limited

Company Name : **Qool Distribution (Thailand) Co., Ltd.**
Type of Business : IT and Smartphone Distribution (Inactive)
Location : No. 9 Pakin Building Floor 9 Room No.901, Ratchadaphisek Road, Din Daeng Sub District, Din Daeng District, Bangkok 10400 (Next to Fortune Town)
Tel: (02) 020-3000
Registered Capital : 200,000,000 Baht of 20,000,000 registered and paid-up ordinary shares of Baht 10 each
Investment Proportion : 99.99% holding by SiS Distribution (Thailand) Public Company Limited

Company Name : **P T Automation (Thailand) Co., Ltd.**
Type of Business : Industrial Internet of Things Distribution
Location : No. 9 Pakin Building Floor 9 Room No.901, Ratchadaphisek Road, Din Daeng Sub District, Din Daeng District, Bangkok 10400 (Next to Fortune Town)
Tel: (02) 020-3000
Registered Capital : 8,000,000 Baht of 80,000 registered and paid-up ordinary shares of Baht 100 each
Investment Proportion : 99.99% holding by SiS Venture Company Limited

Associated Companies

Company Name : **Nippon Pack Trading Co., Ltd.**
Type of Business : Electronic Media Advertising Trading (Inactive)
Location : 283/99 Home Place Office Building Floor No.20, Soi Sukhumvit 55, Sukhumvit Road, Khlong Tan Nuea, Watthana, Bangkok
Tel: (02) 452-8326-29 Fax: (02) 452-8325
Registered Capital : 20,000,000 Baht of 2,000,000 registered and paid-up ordinary shares of Baht 10 each
Investment Proportion : 49% holding by SiS Venture Company Limited

Affiliate

Company Name : **Alliance & Link Corporation Co., Ltd.**
Type of Business : IT Retailer
Location : 383 Soi Soonvijai 4 (Rama 9 Soi 13) Rama 9 Road, Bangkok, Huaykwang, Bangkok 10310
Tel: (02) 685-8800 Fax: (02) 685-8897
Registered Capital : 226,800,000 Baht of 22,680,000 registered and paid-up ordinary shares of Baht 10 each
Investment Proportion : 15% holding by SiS Venture Company Limited

Company Name : **Click Connect Co., Ltd.**
Type of Business : Software Development
Location : 81/21-25 Arak Road, Prasing Sub District, Muang District, Chiang Mai 50200
Tel: (053) 279201 Fax: (053) 279908
Registered Capital : 6,666,670 Baht of 666,667 registered and paid-up ordinary shares of Baht 10 each
Investment Proportion : 15% holding by SiS Venture Company Limited

Other references

Securities Registrar : Thailand Securities Depository Co., Ltd.
93 The Stock Exchange of Thailand Building
Ratchadaphisek Road, Din Daeng Sub District, Din Daeng District, Bangkok 10400
Tel: (02) 009-9000 Fax: (02) 009-9991
SET Call Center: (02) 009-9999

Auditor : Ms.Natteera Pongpinitpinyo, Certified Public Accountant No. 7362
EY Office Limited
Lake Ratchada Office Complex Tower, 33 rd Floor, 193/136-137
Ratchaphisek Road, Klong Tan Nuea Sub-District, Klong Toey District, Bangkok 10110
Tel: (02) 264-9090 Fax: (02) 264-0789

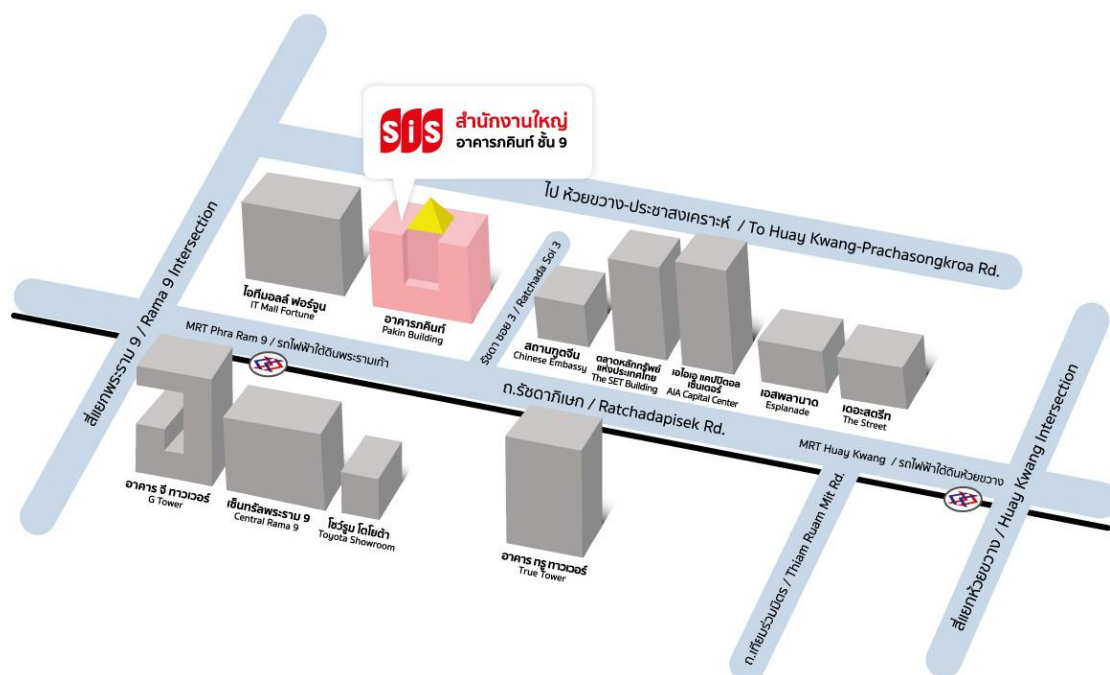
Independent Director responsible for free float : Email: independentdirector@sisthai.com

Head Office Location

Head Office has a total area of 3,300 square meters, located at No. 9, Pakin Building, 9th Floor, Ratchadaphisek Road, Din Deang Sub-District, Din Deang District, Bangkok 10400 (Next to Fortune Town). Tel. 0 2020-3000 Email: sis@sisthai.com.



Head Office at Pakin Building



ที่ตั้ง Address เลขที่ 9 อาคารกสินท์ ชั้นที่ 9 ห้องเลขที่ 901 ถนนรัชดาภิเษก แขวงดินแดง เขตดินแดง กรุงเทพมหานคร 10400
9 Pakin Building, 9 Floor, Room No.901, Ratchadaphisek Rd., Din Deang, Bangkok 10400

โทรศัพท์ Telephone (+66)2-020-3000

latitude, longitude +13.76108, +100.56614

[illegible]

Main Warehouse

The Company has main warehouse with a total area of 12,125 square meters which is managed by SAP ECC6 warehouse management program. To eliminate errors or mistakes in delivering, barcode and serial number of all products will be scanned to verify customer orders before delivery to ensure that customers will properly receive product as ordered. Also, the IP Cameras have been set up to maintain security and investigate back in case of any failure caused.



เส้นทางการเดินทาง

การเดินทางมาจากภาคกระบี่

ขับรถตามเส้นทางถนนสุขุมวิท-ภาคกระบี่ มาถึงสามแยกไฟแดง
สามแยก-สามแยก ให้ออกขวาเพื่อเลี้ยวขวาเข้าถนนสุขุมวิท
หลังจากเลี้ยวขวาแล้วให้ขับซ้ายสุดสุด ขับตรงข้ามสามแยก
เพื่อลงสามแยกไฟแดง ให้ออกซ้ายสุดสุดเพื่อเลี้ยวซ้าย
แล้วขับตรงไปเรื่อยๆ เลี้ยวทาง มอเตอร์เวย์ ประมาณ 3 กม.
จะพบสามแยกมีป้าย SIS และ The Plant แล้วให้ขับขวา
เข้าถนนพหลโยธินประมาณ 3 กิโลเมตร ไปประมาณ 1 กม.
จะเห็นคลังสินค้าอยู่ระหว่างร้านอาหารอันป่าทำร้าน
กับหมู่บ้าน The Plant โรงงาน

การเดินทางมาจากมโนบุรี

ขับรถตามเส้นทางถนนสุขุมวิท-ไปออกถนนสุขุมวิท
จนถึงสี่แยกไฟแดงเข้าถนนสุขุมวิท ให้ขับตรงไปมาทางถนนสุขุมวิท
ให้ขึ้นเลนกลางก่อนถึงทางแยกซ้ายเข้าถนนมอเตอร์เวย์ที่จะไปชลบุรี
จะเห็นสี่แยกไฟแดงให้ขับขวาสุดเพื่อเลี้ยวขวาสี่แยกไฟแดง
หลังจากเลี้ยวขวา แล้วให้ขับตรงไปเรื่อยๆ เลี้ยวทางมอเตอร์เวย์
ประมาณ 3 กม. จะพบสามแยกมีป้าย SIS และ The Plant
แล้วให้ขับขวา เพื่อเลี้ยวขวาเข้าถนนพหลโยธินประมาณ 3 กิโลเมตร ไป
ประมาณ 1 กม. จะเห็นคลังสินค้าอยู่ระหว่างร้านอาหารอันป่าทำร้าน
กับหมู่บ้าน The Plant โรงงาน

การเดินทางจากถนนพหลโยธิน

ขับรถตามถนนพหลโยธิน มาถึงสามแยกไฟแดงสามแยก
แล้วเข้าถนนมอเตอร์เวย์ ขับตรงไปทางชลบุรี ประมาณ 12 กม.
ให้ขึ้นเลนซ้าย จะพบทางแยกซ้ายออกถนนสุขุมวิท ก่อนถึง
ทางแยกเข้าถนนสุขุมวิท (แต่หากเลยให้เข้าไปในสามแยก
สุวรรณภูมิ แล้วออกทางถนนสุขุมวิท หรือถนนภาคกระบี่-ชลบุรี)
ให้แยกออกทางถนนสุขุมวิท จะพบสามแยก ให้ออกซ้ายสี่แยก
แล้วขับตรงไปเรื่อยๆ เลี้ยวทางมอเตอร์เวย์ ประมาณ 3 กม.
จะพบสามแยกมีป้าย SIS และ The Plant แล้วให้ขับขวา
เข้าถนนพหลโยธินประมาณ 3 กิโลเมตร ไปประมาณ 1 กม. จะเห็นคลังสินค้า
อยู่ระหว่างร้านอาหารอันป่าทำร้านกับหมู่บ้าน The Plant โรงงาน

☛ ศูนย์บริการ เอสไอเอส (สำนักงานใหญ่)

ที่ตั้ง : 88/6-7 ถนนพหลโยธิน กม. 3 แขวงคลองสองต้นนุ่น
เขตลาดกระบัง กรุงเทพฯ 10520

โทรศัพท์ : 02-020-3001, 3012, 3013, 3014, 3017

แฟกซ์ : 02-020-3299

☛ คลังสินค้า SIS ไทย

ที่ตั้ง : 88/6-7 ถนนพหลโยธิน กม. 3 แขวงคลองสองต้นนุ่น
เขตลาดกระบัง กรุงเทพฯ 10520

โทรศัพท์ : 02-020-3007

5.2 Other Information

5.2.1 Management Fee Agreement

Effective Date : January 1st, 2004, onwards
Counterparties : SiS International Holdings Ltd.

The essence of the agreement

- The Company has been granted the cooperation from SiS International Holdings Ltd. and related companies to receive advice, commercial assistance and marketing support, negotiations in relation with Supplies, Banks and financing, including with internal procedures from SiS International Holdings Ltd.
- The monthly fee that has to be paid to SiS International Holdings Ltd every month at the beginning of the following month is 0.0625% of the monthly turnover.
- Termination or alteration of the agreement can be made if the consent of both parties is obtained in writing. The Company will allow the Audit Committee to jointly consider if the current management fee agreement is terminated or changed.

5.3 Legal Dispute

Legal Disputes at the end of 2022 are as follows:

- 5.3.1 The Company and its subsidiary (Qool Distribution (Thailand) Co., Ltd.) have an agreement on consignment with a related party (Hardware House International Co., Ltd.) which the Company has notified the call for return all consignment from the related party in November 2012 because of the default of the terms of the agreement for consignment. The Company and its subsidiary are in the process of reclaiming those losses from the related party. As of December 31st, 2022, the receivable from the loss of consignment amounted to approximately 537.09 Million Baht in the consolidated financial statements and 521.54 Million Baht in the separated financial statements, respectively. The Company is undertaking litigation proceedings, therefore, pending the outcome of these proceedings, the Company and its subsidiary has estimated the allowance for expected credit losses, amounted to 537.09 Million Baht and 521.54 Million Baht, respectively. The Company and its subsidiary have fully reserved and expect that there will be no further loss in the future. For the loss above, the Company and its subsidiary have filed a claim under the rehabilitation plan because the debtor has requested to enter the rehabilitation plan and the Central Bankruptcy Court ordered the business rehabilitation on June 26th, 2012. Because the debtor is unable to comply with the rehabilitation plan, the creditor has filed a petition with the Central Bankruptcy Court that the plan administrator is unable to pay. The Central Bankruptcy Court therefore ordered absolute receivership against the debtor under Section 90/67 of the Bankruptcy Act B.E.2483 on August 27th, 2014. The Company has already submitted bankruptcy claim and it is in the process of proceeding by the Receiver to collect and manage any further debtor's assets.
- 5.3.2 In 2020, the Company received a summoning letter from the Office of Trade Competition Commission that is guilty of being a business operator, by acting in concert with other business operators, carry out any act amounting to a monopoly, reduction of competition or restriction of competition in any market by fixing conditions or practices with regard to the purchase or distribution of goods or the provision of services in order to secure performance as agreed under the Trade Competition Act B.E.2560, Section 55 (1) (4). In 2021, the Office of Trade Competition Commission has considered and resolved to impose a fine of approximately 6.3 Million Baht which the Company already paid for the fine in full in 2022.
- 5.3.3 In 2022, the Company has legal case regarding unfair dismissal in a total of approximately 2.7 Million Bath. The Company was sentenced to pay 0.1 Million Baht by Civil Court. Currently, the case is being heard by the Appeal Court. The Company believed that the Company will not significantly suffer material losses from the case because the damage will be partially covered by the insurance company.

**SiS Distribution (Thailand) Public Company Limited**[illegible]

Section 2

Corporate Governance

6. Corporate Governance Policy

The Corporate Governance and Sustainability Committee has emphasized on the operating our business with good corporate governance as well as code of conduct which defined to improve the effectiveness of the corporate governance of the Company in order to ensure the confident of shareholders and stakeholders. This can also improve businesses to comply the ethics together with social and environment responsibility without any illegal and corruption to maintain the sustainability.

6.1 Overview of CG Policy and Guidelines

The Company adopts good corporate governance to comply with the principles of good corporate governance for Listed Companies provided by SET and SEC in 5 pillars as follows:

- 1) Right of shareholders
- 2) Equitable treatment of shareholder
- 3) Role of stakeholders
- 4) Disclosure and Transparency
- 5) Responsibility of the Board

including the principles of ASEAN CG Scorecard. This policy and practices are defined by the Corporate Governance and Sustainability Committee prior to reviewed and approved by the Board of Directors on yearly basis. Details can be described as follows:

6.1.1 Rights of Shareholders

The Company recognizes the rights of the shareholders as the business owner. The shareholders can control the company through the appointed Board of Directors who act as their representatives for making decisions on any significant corporate changes and basic shareholder rights which included the right to buy, sell, or transfer shares, the right to receive the Company's profit sharing, the right to obtain information about the Company sufficiently, the right to participate and vote in the shareholders' meeting to elect or impeach the directors, appoint the external auditor, and make decisions on any transactions that affects to the Company, such as dividend payment, determination or amendments of the Company's Articles of Association and Memorandum of Association, capital increases or decreases. The shareholders shall be provided with the meeting criteria and procedures including sufficient information for each agenda prior to the meeting appropriately. The shareholders can query the directors during the meeting or sending questions in advance. The shareholders also be able to propose the agenda and appoint the proxy to attend the meeting. The Company respects the most benefits of all shareholders including institutional shareholders and treats them equally. Furthermore, the Company also facilitates convenience and encourages the shareholders to use their rights as follows:

- a) Operates efficiently and circumspectly to maintain sustainable growth, promote good corporate culture and provide appropriate return of short-term and long-term investment. These are stated as a main objective of the Company.
- b) Discloses information necessary for decision making transparently, clearly, and timely on the Company's and the SET's website.
- c) Supports and promotes all shareholders including institutional shareholders to attend the shareholders' meeting. The invitation letter has been distributed more than 21 days prior to the meeting date and published on the Company's website more than 30 days in advance. In case of physical meeting, the meeting venue will be suitable and convenience for access.
- d) To facilitate for shareholders convenience, the AGM in 2022 has been conducted via the electronic meeting to eliminate the concern about Covid-19.

- e) Provides the opportunity for the shareholders to appoint the independent director or the other persons as the proxy in case of unable to attend the meeting. The proxy form has been submitted together with the invitation letter and published on the Company's website for download. The shareholders will be able to indicate their votes. The Company also submitted information about the independent directors who assigned by the Company to be shareholders' proxy. For institutional investors or foreign shareholders, the Company has communicated for the documents required for the meeting and its registration.
- f) Promotes the equitable treatments to all shareholders to express their questions and suggestions which are the important information for the Company including clearly states about shareholders' voting rights.
- g) Provides the opportunity for the shareholders to query about the operating results of the Company. In 2022, the shareholders sent their queries about the operating results via e-mail and telephone several times and the Company replied all queries as well as the opportunity for the shareholders and the analysts to meet with the Management regularly.
- h) Provides the opportunity for the shareholders to submit questions relating the AGM agendas prior to the AGM via company's website (www.sisthai.com) under Investor Relations section, sub-section ***"Shareholder Information"*** and ***"Submission of Questions prior to the Annual General Meeting of Shareholders"***. The guideline for Submission of Questions is also available on the Company's website.
- i) In the AGM No.1/2022, all directors, the Finance Controller, the Company Secretary and the Auditors have attended the meeting.
- j) In the AGM No.1/2022, all inquiries from the shareholders have been completely answered.
- k) In the AGM No.1/2022, the Company also had the lawyer to be the witness for vote counting.
- l) Utilizes the electronic registration and voting system to ensure its accuracy, precision, transparency, and traceability. There is a voting summary report for each agenda. The Chairman of the meeting will ask the shareholders or their proxy about their voting whether agree, disagree, or abstain and keep the electronic data as evidence.
- m) Provides the opportunity for the shareholders to request for the confidential voting in the event that at least 5 shareholders requested and has been approved by majority vote from the meeting.
- n) During the 2022 AGM, the agendas have been considered consequently according to the invitation letter without any changes or other extra agendas additional from the invitation letter.
- o) Provides the opportunity for the shareholders to ask questions and express their opinions on various agendas independently before any resolution and set the last agenda for answering questions and fully opine.
- p) Publicly discloses the 2022 AGM resolutions for each agenda to the SET and on the Company's website on the same day of the meeting.
- q) The minutes of AGM has been recorded accurately, completely and consists of significant information such as lists of the directors and the Management attended the meeting, voting procedures, voting results in each agenda, questions and suggestions from the shareholders or proxy as well as the answer from the directors and the Management in the meeting.
- r) The shareholders can access information about the previous AGM in the Company's website.
- s) To facilitate the investors and others who are interested on the investment with the Company to get the accurate information timely, the Company has established the Investor Relations Department and "Investor Relations" page in the Company's website at www.sisthai.com to provide useful information. The Investors or the interested persons can also send the suggestions or inquiries via email at investorinfo@sisthai.com.
- t) The directors and the Management are required to inform the Board of Directors about the Company's shares selling and buying 1 business day prior to trading date. The Company also notifies all employees about the prohibition of the Company's shares selling or buying during the end of each quarter till the Company submitted its operating results to the SET to reduce the possibility of insider trading.

- u) There is no cross-shareholding and pyramidal-shareholding among the group of companies.

6.1.2 Dividend Policy

The Company has a policy to pay dividends at a rate of approximately 40% of net profit after tax and legal reservation. The Board of Directors has the authority to exempt or change such policy at any time under such conditions as having to maximize benefits to shareholders such as reserve for loan repayment, investment to expand our business or significant change in the market which may affect the Company's Future cash flows.

The Company has not determined the ratio of dividend payout of subsidiaries to the Company which its dividend payments are subject to our performance in each year.

6.1.3 Equitable Treatment to Shareholders

The Company emphasized on the responsibility in equitable treatment to all shareholders, including institutional, Thai and foreign shareholders. All shareholders shall be treated fairly and equitably as follows:

- a) Provides the opportunity for the shareholders to propose matter to be included as an agenda of the shareholders' meeting and propose the candidates to be elected to be the directors via the Company's website under Investor Relations section, sub-section ***"Shareholder Information"*** and ***"Proposal for AGM agenda and Qualified Candidates for Director Nomination and Election"***. The shareholders can find the guidelines, procedures and submit form at the Company's website or e-mail to investorinfo@sisthai.com.

For the 2023 AGM, the Company provides the opportunity for the shareholders and the institutional shareholders to propose the agenda of the meeting and the candidates to be elected to be directors between December 2nd, 2022, to January 31st, 2023. The communication channel has been disclosed on the Company's and the SET's website.

For the criteria for proposing the agenda of the meeting, the proposed shareholder shall be one or the combined several shareholders who hold shares for a period not less than 12 months from the date of holding till the date of proposing the agenda, and hold shares not less than 3 % of the votes in the Company. The shareholders can propose the agenda in the Company's website or sending to the Company secretary at the company registered address, 9, Pakin Building, 9th Floor, Room No.901, Ratchadaphisek Road, Din Daeng, Bangkok 10400. The Company Secretary shall propose such proposal to the independent director for preliminary consider prior to propose to the Board of Directors accordingly. If such agenda has been approved, it will be addressed in the invitation letter and identified as the agenda proposed by the shareholders. In case of unapproved, the Board of Directors shall elaborate its rationale in the AGM. For 2023 AGM, there was no agenda proposed by the shareholders .

For the criteria for nomination of persons to be elected as directors, the shareholder who desired to nominate shall be one or the combined several shareholders who hold shares for a period not less than 12 months from the date of holding till the date of nominating the person, and hold shares not less than 3 % of the votes in the Company. The shareholders can propose the nominated person in the Company's website or sending to the Company secretary at the Company registered address, 9 Pakin Building, 9th Floor, Room No.901, Ratchadaphisek Road, Din Daeng, Bangkok 10400. The Company Secretary shall propose such nomination to the Remuneration and Nomination Committee for preliminary consider prior to proposing to the Board of Directors accordingly.

- b) Provides the opportunity for the shareholders to submit questions relating the agenda for AGM prior to the AGM via the Company's website under section Investor Relations, sub-section ***"Investor Relations"*** and ***"Submission of Questions prior to the Annual General Meeting of Shareholders"***. The guideline of Submission of Questions is also available on the Company's website.

- c) Stipulates the directors and the Managements to inform the Board of Directors about the Company's shares selling and buying 1 business day prior to trading date. The Company also notifies all employees about prohibition of the Company's shares selling and buying during the end of quarter and while the operating results have not yet been published to reduce the possibility of insider trading. Moreover, the directors also require to report the Company's securities trading and holding to the Board of Directors' meeting at any time of changing.
- d) The Company has a policy to prohibit the directors, the Managements, and all employees to use the internal information about financial statement and operating information, which has not yet been publicly disclosed as information for their securities trading or for their other own benefits. The Company informed the directors, the Management as well as his/her spouses and children of immaturity including related person under Section 258 of the Securities and Exchange Act B.E.2535 to understand the obligation to report their own holding of the Company's securities including the changes of securities holding to the SEC within three days according to Section 59 and penalties under Section 275 of the Securities and Exchange Act B.E.2535. Additionally, this information are also published in the Annual Report of the Company.
- e) The Company prohibits all employees who are not the Management to do the same practice to stop their securities trading before the financial statement has been publicly disclosed. In case of such selling or buying is necessary, the employees shall inform and ask for approval from the Compliance Department prior to trading. To remind the employees, the Company notifies all employees by e-mail to aware of this guideline on quarterly basis.
- f) At the Board of Directors meetings, any of directors who has conflict of interest in any agenda shall leave the meeting during such agenda to ensure that the decision will be made independently for the benefit of all shareholders equally.
- g) The Company determines that all directors and the Management are required to report to the Board of Directors at any time of changing about their own and other related persons' interests which related to the management affairs of the Company or its subsidiaries. This to ensure that the Company shall have necessary information for compliance as required by the announcement of the Capital Market Commission No. Thor Jor 2/2009 about Related Party Transaction, which may lead to conflict of interests of the Company and its subsidiaries. The Company assigns the Company Secretary to responsible for filing a report in conflicts of interest at Head Office and submit a copy of the report to the Chairman of the Board of Directors and the Chairman of the Audit Committees within 7 days of receiving notice from reporter.
- h) The Company requires all directors and the Management to disclose and report to the Board of Directors Meeting at any time of the Company's security selling or buying. This report has been added into the Board of Directors' meeting agenda on quarterly. From 2014 onwards, the Company has required the directors and the Management to notify their Company's securities selling or buying to the Board of Director 1 business day in advance before trading date.
- i) The shareholders have equitable voting rights with one vote per one share.
- j) The Company determines that all Connected Transactions shall be at the marketing price and normal business practice.
- k) The Company has indicated the documents required for proxy appointment on the AGM invitation letter clearly. Such documents are the general eligibility verification document which does not obstruct the meeting intention.

6.1.4 Annual General Meeting of Shareholders

The Company held the shareholders' meeting according to the good corporate governance. According to the evaluation of AGM quality by the SEC together with the Thai Investors Association and the Thai Listed Companies Association, the Company has been scored as the below table. The Company organize the AGM according to the recommendations resulting in 100 % score which expressed that the Company has emphasized on the important of the shareholders and the equitable treatment.

Year	Full Score	Assessment result
2013	100	100.0
2014	100	98.5
2015	100	100.0
2016	100	100.0
2017	100	98.5
2018	100	100.0
2019	100	100.0
2020	100	97.0
2021	100	100.0
2022	100	100.0

For the performance from January 1st, 2022 to December 31st, 2022, the Company determined the AGM No.1/ 2023 on Friday, April 21st, 2023. All directors and some Managements will attend this meeting and facilitate as follows:

- a) Provides the opportunity for proposing the candidate for director election. The meeting invitation is available for download in the Company's website at www.sisthai.com.
- b) Provides the opportunity for the shareholders to propose matter to be included as an agenda of AGM and propose the candidates to be elect to be the directors via the Company's website under Investor Relations section and sub-section ***"Shareholder information"*** and ***"Proposal for AGM agenda and Qualified Candidates for Director Nomination and Election"***.
- c) Provides the opportunity for the shareholders to submit questions relating the agenda for AGM prior to the AGM via company's website under Investor Relations section and sub-section ***"Submission of Questions prior to the Annual General Meeting of Shareholders"*** and to allow the shareholders to access the guidelines of Submission of Questions items.
- d) Provides electronic system for registration and voting for the shareholders convenience. Prior to the meeting, the Chairman of the meeting or delegated person will instruct about the vote system which is electronic system. The vote result will be clearly shown during the meeting for its traceability and disclose within the next working day.
- e) In case that the shareholder cannot attend the meeting, the Company provide the opportunity for proxy appointment which may be delegated to the others, the independent directors, the Managing Director or the Company Secretary to attend the meeting on behalf of the shareholder.
- f) The Chairman of the meeting shall properly arrange the meeting to provide the opportunity for the shareholders to ask questions and express their opinions to the Board of Directors according to the agenda. The important issues, questions and recommendations shall be completely recorded on the minute of meeting.

6.1.5 Roles for Stakeholders

The Company recognizes the rights of all stakeholders and set the Company's Policy to treat each group equally and appropriately under the human right principle as follows:

1. ***Shareholder***

The Company realized that the shareholders are the owner of the Company. Therefore, the Company emphasized on the right of shareholders and the equitable treatment of shareholders. Besides, the Board of Directors, the Management, and employees are necessary to comply the code of conduct and the good corporate governance by having the Board of directors as a role model for the Company sustainable growth and maximize the benefits to the shareholders.

Respect for shareholders rights and equitable treatment for the shareholders has been disclosed in the section of Rights of Shareholders and Equitable Treatment to Shareholders.

2. Employee

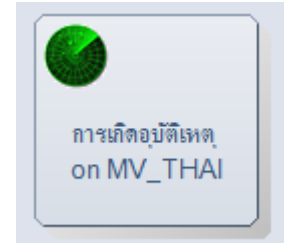
The Company recognizes the importance of employees that have contributed to the prosperity of the Company and has a policy to stipulate the Security Policy for employees and increase their knowledge and develop their ability. The Company provides the opportunity for employees to work in jobs that they are passionate about, encourages them to increase their responsibility, provides the authority under the rules that can be audited, provides the opportunity to work at various job and pays all remuneration according to their ability. The practices are as follows:

a) Employee Health Safety and Working Environment

I. Safety at Work

The Company provides safety systems in terms of a safe workplace for employees and a selection and purchasing of high-quality equipment to increase safety in their workplace.

The Company also provides database named "Accident" in Lotus Notes/Domino to keep a record of all accidents that occurred to track problems and find solutions to solve and prevent it from happening again systematically.



In 2022, there were 7 times accidents with no injury or death.

Year	Number of Accident	Description
2018	2	They were minor accidents, occurred during the picking in the warehouse but there was no damage on properties and no casualties.
2019	6	They were minor accidents, occurred during the picking in the warehouse but there was no damage on properties and no casualties.
2020	5	They were minor accidents, occurred during the picking in the warehouse but there was no damage on properties and no casualties.
2021	10	They were minor accidents, occurred during the picking in the warehouse but there was no damage on properties and no casualties.
2022	7	They were minor accidents, occurred during the picking in the warehouse but there was no damage on properties and no casualties.

II. Minimize fire risks

Change the working procedures to minimize fire risks such as checking all devices to prevent overloading electrical circuits, properly storing of hazardous materials, providing smoking area and no smoking in warehouse and office, etc.

III. Emergency Respond Plan

Participates the fire drill held by the landlord in preparation for disasters such as fire, training how to use fire extinguishers on a annual basis as well as assign the responsible persons in case of emergency and ensure that no obstruction at the emergency exits etc.



IV. Fundamental Hygiene

The Company has a policy to provide good basic hygiene by having a clean workplace, good ventilation, sufficient lighting, enough washing basins and toilets, and to encourage employee to keep the workplace clean regularly.

The Company provides annual health checkups for all employees to let them have their own health information and to promote good health. The Company also provides physicians to advise on how to stay healthy including arrange the vaccinations with 50% subsidy such as Hepatitis Vaccine, Influenza Vaccine etc.



V. First Aid Kits

The Company provides sufficient first aid kits, regular first aid training to relevant employees and first aid room.

VI. Safety Orientation

The Company provides employees safety training and sets as one part of the orientation of the human resources department when a new employee is employed.

b) Provide the opportunity for employees to work in skillful

The employees can work at a job that they are passionate about and skillful at. When the recruitment is required, the opportunity will be given the internal staffs for transfer prior to new recruitment.. However, such internal applicant shall also pass the same recruitment process as well as new staff. The employees also have opportunity to notify the Company about the intention for job rotation then the suitability will be considered in all cases.

c) Appropriate Remuneration and Staff benefits

The Company has the policy of setting good short term and long-term compensation schemes for employees with more benefits as follows:

I. Industry Comparison

The Company regularly reviews and compares the employee benefits to the industry average rate and has a policy to pay a total benefit on average not less than the industry average rate.

II. Value Based Compensation

The Company segregates jobs by its characteristic and defines the benefits according to the job value. The evaluation shall be done and adjusted on a yearly basis.

III. Performance Based Compensation

The employees shall be evaluated every 6 months and its result shall be used for income/ salary adjustment consideration.

IV. Quarterly Bonus

The Company sets quarterly targets and bonuses for all employees according to the performance of each business unit and the Company to create good co-operation in working together to achieve the quarterly target.

V. Yearly Bonus

The Company sets yearly bonus for all employees according to the performance of the Company and each employee.

VI. Annual Health Checkup Program

The Company provides annual health checkup for all employees to let them get their own health information and to promote good health including arrange the physicians to advise on good health practices.



VII. Provident Fund

The Company has continuously provided the provident funds for every employee who passed the probation, the Company and employees voluntarily contribute equally at 2% to 15% of basic salary to this fund.

The employees with over 2 years working with the Company can partially receive this contribution and will fully receive such contribution after they worked with the Company more than 5 years as follows:

Working Period	Rate of Refund in Contribution
Less than 2 years	Refund only the employee contributions and benefits from the fund
2 – 3 Years	Refund the employee contributions and 20% of the Company contributions together with benefits from the fund
3 – 4 Years	Refund the employee contributions and 40% of the Company contributions together with benefits from the fund
4 – 5 Years	Refund the employee contributions and 70% of the Company contributions together with benefits from the fund
5 Years up	Refund the employee contributions and 100% of The Company contributions together with benefits from the fund

VIII. Personal Accident Insurance

The Company provides personal accident insurance to all employees with total insured as follows:

Year	Amount
2019	451.5 Million Baht
2020	481.8 Million Baht
2021	592.0 Million Baht
2022	660.5 Million Baht

d) Employee Training and Development Programs

The Company has a policy to encourage employees to develop their knowledge, potential and ability in their career paths as well as good attitude, growing together with the Company through a self-learning system, training and seminar to improve employee efficiency.

In 2022, the Company has internal instructors and training coordinators as follows:

- 2 trainers focus on training to sales person for sales skills.
- 2 trainers focus on outsource training for selling at retail shop or modern trade to cover point of sales nationwide.
- 1 trainer focus on training to product person for basic skills.
- 2 staff taking care of in-house training and training courses from outside, and another one staff taking care of E-learning. The development of E-learning system allows employees to study and always relearn.

Moreover, the Company also invited external speakers to arrange courses for supervisors who have just started as supervisors to understand and be able to apply it effectively.

In addition, the Company has a knowledge sharing by inviting internal staff to be speakers to share their knowledge. Training will be organized in small classes to have more benefit and self-practice.

Moreover, the Company provides training courses according to Vendor's specifications. After passing the test, the Company provides the space to display its certificates in order to encourage employees to develop their knowledge.

The Company has large meeting rooms that can hold more than 300 staff and lots of small and medium-sized meeting rooms with the facilities that enhance the efficiency of meetings. The Company Orientation Course which consists of basic information of the Company, employee welfare, Company's rules and regulations, Code of Conduct, Anti-Corruption Policy, Handling the Confidential Information and Controlling the Use of Inside Information Policy and environment management shall be provided to all new employees via E-learning system. 100% of employee has attended this course. In addition, the Company provides an orientation, a "mentor" system for new employee and defines training budget every year. There is both internal training which directly related to their fields and other trainings from outside speakers to educate our staff. In 2022, the average hour of training was 34.38 hours a year per person. The training course can be segregated as follows:

Subject/ Project	Average number of employee training per person in 2022
1. In-House training	5.16
2. Product training	28.11
3. Public training	1.12



e) Provide High Quality Office Equipment

The Company realizes the important of employees to work efficiently by providing high quality office equipment, especially Information Technology, which is our core business of the Company. For example, the Company provides computers and internet access to all employees, laptop computers and wireless solution systems to employees who work outside to connect to the Company at any time, an electronic workflow system where all employees can work both inside and outside through the computer system and storage system that allows all employees to quickly access relevant data and utilize data for a more accurate decision making.

f) Appropriate Annual Leave

The Company sets annual and personal leave up to 12 days a year. The employee can take annual leave immediately after passing the probation without waiting for a full year working.

g) Disclosure to Employee

The Company has a policy and guidelines to disclose the Company's information to employees from the first day. Every employee can access the Company's data. The Company's operating results are readily available to all employees monthly to support good decisions making and move in the same direction. Therefore, the Company prohibits our employees from trading stocks at the end of each quarter until the results are publicly announced to the SET.

h) Encourage Employees to Express an Opinion

The Company has a process to encourage all employees to freely express their views on both suggestions and problem report. The Company provides a specialized database that encourages employees to share their opinions at least once a month. It also allows all employees to send their views to the relevant parties immediately and access the information on their own. They have the right to make their opinions public or private.

i) Equitable and Fair Employment and Dismissal

The Company has equitable and fair employment and dismissal policy and focuses on the equitable and human right principles without considering differences in physical or mental status, race, nationality, national or social origin, ethnicity, religion, gender, language, age, skin color, education, social status, culture, tradition, or any other status. As can be seen from the fair employee in view of number of employees and average remuneration of each gender, diversity in employee age including hiring of the disenfranchised and disabilities. Also, in terms of dismissal, the Company shall have the committee to consider the dismissal carefully, equitable and fair to ensure that all steps shall be equitable, transparent and fair.

j) Employee Bargaining Association

The Company respects the employees' association in any forms that is not illegal. The Company will not take any illegal action to obstruct or intervene in the employees' right to negotiate according to the laws. Other than this, the Company also encourages the rectification of employees' complaints effectively and is willing to listen and pay attention to the discrepancies and complaint raised by the employees.

k) Encourage Employees Relationships and Retain

The Company realized about the important of all employees as can be seen from the above policies for employee. Furthermore, the Company also has activities to uphold the relationships between the employees and the Company to retain the valued resources such as annual activities to increase good relationships among employees and Management, team party, annual birthday party and gift for employees. From the employees' survey in 2022, there were 153 employees which equivalent to 19.72% and more than 85% of them is resigned due to personal reason while the average working period with the Company was 5.8 years which approximately the same as 2021.

3. Customers

The Company recognized that customers are our patronage, and the Company is committed to ensuring utmost customer satisfaction and hopes all customers achieve and succeed in their business both short and long term through sincerity in doing business with our Company. The Company set up short-term and long-term guidelines to make satisfaction to customers with 5 guidelines as follows:

- Provide accurate information and treat customers with fairness
- Have adequate resources in working with customers.
- Treat customers as a trading partner.
- Provide good and helpful advice to customers.
- Annual customer satisfaction survey

The Company focuses on selecting products that are environmentally friendly, safe, and useful for both personal and corporate use. The Company aims to provide complete, accurate and sufficient information to consumers which includes important details and effect of the product or services via various channel such as website, product label, or supported documents. The Company frankly advertise the products and services according to its characteristic and qualification and good after sales service to ensure customer satisfaction.

Furthermore, the Company has plans to manage customer relations and customer evaluation continuously as follows:

1. Nowadays technology is very important in daily life, including new technology which always has been innovated. The Company has continuously educated the customers about new technology every year to ensure that the customers will always catch up with the changing technology. The Company also invited the instructors from external and internal to educate the customers about the application for their and their company's benefits. This also increases working effectiveness and helps in data safety management etc.

2. To enhance the service level and customer relations, the Company has indicated the channel for complaints about products and services of the Company. The Company assigned the responsible persons to coordinate and communicate with the customers to seeking for additional information, solving the problem, reporting the progress and bring that information to improve our services accordingly.

The Company has a target for customer satisfaction at 90%. From the existing customer satisfaction survey in 2022, there are the customers who rated the highest satisfaction at 83%.

4. *Partners*

The Company sets the Code of Conduct in purchase and procurement to do business with the partners properly, transparently, fairly, respects property rights or proprietary rights of partners, do not take advantage of partners, honors and treats all partner fair dealing on the basis of fair compensation for both parties. The payment for goods or services will be made to partners as agreed. The Company encourages partners to take social responsibility with the organization by recognizing the importance of partners as a part of the Company's success. The Company provides a good support to partners and needs them to progress with the Company. The Company allows partners to directly complain to the Management or Independent Directors via group mail at Company's web site or call directly to Internal Audit Department if it is not fair to do business with the Company. The Company has a policy and direction to develop the potential and ability together with the partners. Both parties regularly have training to exchange knowledge, information, and innovation. The Company also dedicated a unit to analyze information given by the partners and develop products and services to achieve the most benefit to all the Company and partner. There is post assessment upon training or seminar completion and its overall result is good, the attendant has more knowledge and understanding in all sessions.

Furthermore, the Company sets guidelines for partner selection by exclusion of well-performance with the competitive price, but also consider of the social responsibilities, transparency, anti-corruption, and bribes in any form of its partners.

5. *Supplier*

The Company recognized that working closely with suppliers to achieve together. The Company believes that all suppliers who selects the Company to be their distributor will succeed in Thailand market. This is because the Company is an efficient and continuously developing organization in terms of board base customer, understanding the market needs, having talented employees, investment in computer system connected to supplier computer system to access data faster which increases the operational efficiency of both parties, working with suppliers to introduce products and technology to users and operators in Thailand.

In term of payment, the Company has arranged electronic payment method to reduce operation work and cost to ensure that its payment is made as agreed. The Company truly commits to the goal of mutual benefit, to respect and non-infringement of intellectual property and copyright of supplier, transparency disclosure and strictly performs to any agreements or legal requirements.

6. *Creditor (Financial Institution)*

The Company strictly complies with the terms of agreement of creditors and provides the past operating results and future to creditors continuously. In case of guarantee, the Company will disclose and rank with pari passu and treat all creditors equally. Loans and interests are repaid to all creditors on schedule. The Company has good working capital management and do not spend in contrary way with loan purpose. The Company has not yet defaulted to any creditors.

7. Competitors

The Company believes in free and fair competition. It is believed that a free trade system will improve the efficiency of all parties. Competitors are treated as the best practice, do not abuse or destroy the reputation of others, do not seek out competitors' confidential information in the wrong way. On the other hand, if there is a chance, the Company will cooperate with suppliers and competitors, expanding IT market to grow with quality. There is no dispute between the Company or its subsidiaries with the Competitors in 2022.

8. Community and Environment

a) Anti-Corruption Policy

The Company realizes that fraud and corruption are significant obstacles to the development of the country. Therefore, the Company sets guidelines to not allow directors, Management, and employees of the Company to accept and participate in any forms of fraud and corruption. Moreover, the Company reviews the compliance on a regular basis and has declared the intention to join Thailand's Private Sector Collective Action Coalition Against Corruption. The Company is in the process of re-certification.

There is no corruption action reported in 2022.

b) Community and Society Contribution

The Company consistently supports the voluntary activities relating to the development of the surrounding communities in local areas, our head office and upcountry offices, maintains a good environment of the communities, supports to have adequate basic infrastructure and returns to communities according to our profitability by focusing on education and the environment. Specific budget is assigned each year to support CSR activities – more information is available in "Corporate Social Responsibility".

c) Respect of human rights and fair labor standard

The Company encourages and respects human rights and strongly refrains from any human rights violations, no enforcement of labor, child labor exploitation including utilize the resources which may affect to community's livelihoods and customers' data violation. These policies also extended to cover to all stakeholders in the value chain. Whistleblowing about human right violation can be reported on the same channel that report the violation of code of conduct and relevant policies. The progress in 2022 is satisfactory without any complaints or reports about human right violation.

d) Respect of Intellectual Property and copyright

The Company avoids the purchasing from vendors or suppliers who are piracy. In the supplier selection process, the intellectual property and copyright would be considered as an important factor.

e) Trade Competition

The Company strictly follow the Trade Competition Law or the Antitrust Law. The Company believes that free trade and fair competition would properly drive the market mechanism including sustainably drive the information technology industry. Then the Company has defined the antitrust policy which directors, the Management and employees must comply such as avoid the monopoly, the power beyond the market and collusion. Moreover, monitoring procedures have been set to ensure the compliance of this policy and the compliance unit is assigned to monitor this.

f) Personal Data Protection and Cyber Security

The Company emphasizes on the important of personal data of all stakeholders and strict to the compliance of Personal Data Protection ACT. B.E. 2562. Then the Personal Data Protection Policy and Cyber Security Policy have been conducted to make directors, the Management and all employees adhere to. The objective of using and record of personal data would be informed to the owner of data with the consent and there are the procedures for the security of those personal data.

g) Environment

The Company recognizes the importance of preserving the natural environment and set up to be one of our policies that we will conduct our business with environmental responsibility, prevention and minimize our impact on lives, society and environment. Our guidelines for reducing our impact on the environment are as follows:

I. Reducing pollution and environmental impact throughout the supply chain

The Company has analyzed factors that may cause both direct and indirect environmental impacts throughout the supply chain of the Company. Therefore, the Company has implemented an environmental project which is one part of social responsibility such as green logistic project, E-billing project and E-Trash project, etc.

II. The sourcing of environmentally friendly products:

The Company promotes the sourcing of environmentally friendly products.

III. Employee Training in the environment

The Company provides an environmental course that are included in the employee training. This is a part of the curriculum that employees must study more via e-learning system.

IV. Energy Saving

The Company encourages employees to save energy and carefully selects office equipment that is energy efficient and changed how to use devices to save energy. For example, each of our lighting switches can be turned on and off individually and set up responsible person to take care off during the lunch break and after work in order to minimize energy waste as well as air conditionings that will be adjusted to the proper temperature and disable if not required, and the Company began to implement auto switch on off to control light with movement detection by sensor in some area.

V. Using Resources Efficiently Program

The Company has many projects to use our resources efficiently as follows:

- **Electronic Workflow**

The Company has developed an electronic workflow for approval of documents automatically to replace various paper forms which has been in operation more than 20 years. Currently, the Company has more than 100 workflows to increase working efficiency by reminding the approver to authorize via email with the process verification on schedule which can be save a lot of paper usage.

- **Print and Pick**

The Company found that employees wasted a lot of paper, so the Company has decided to change the old printers to ones that can save data in hard disks without printing out. When the employees need to print, they have to enter their password first to reconfirm that it is proper data before printing out to which is reduce 100% of unused printing documents.

- **Scan to email**

The Company has installed scanner machines that are able to scan documents to electronic format for transmission immediately. This saves paper from printing and copying, reduces cost and is environmentally friendly.

- **Video Conference**

To save energy and reduce travelling costs, the Company uses video conferencing system to arrange a meeting between head office and branches which can communicate face-to-face simultaneously through computer screen in different locations.

- **Electronic Bill Payment**

To reduce fuel usage, the Company provides electronic payment via internet by cooperates with 4 Banks that all customers are able to check outstanding invoices and choose due invoice to pay. The Company encourages more customer to pay through this service. This service will reduce billing process, cheque collection and cheque deposit to banks, etc. Moreover, this is an environmentally friendly activity to reduce fuel and cheque usage.

6.1.6 Information Disclosure and Transparency

The Company realized in the responsibility of disclosure both in financial and non-financial to stakeholders which means the intention in transparency. Moreover, the information that is disclosed is accurate, reliable, and timely. The Company also concern about the related laws and regulation as well as the corporate governance which recommended by SET and SEC and publish on the Company's website and SET.

- a) Disclose the structure of the shareholders by breaking down the major shareholders and the ratio of minor shareholders on the Company's website and the Annual Report.
- b) Disclose the direct and indirect shareholding by directors and the Management in the Annual Report.
- c) Publish the Annual Report and the invitation letter for to AGM for Shareholders within 120 days after the end of accounting period.
- d) Disclose the long-term goal in Annual Report and the Company's website.
- e) Disclose directors' profiles which clearly define the type of director and the year of directorship.
- f) Disclose the duty and responsibility of the Board of Directors and sub-committees.
- g) Disclose the training and seminar records of each director.
- h) Disclose criteria and structure of director's remuneration and the remuneration amount with details of each director.
- i) Disclose the number of meetings and the attendant records of individual director.
- j) Disclose audit fee and other service fees in the Annual Report.
- k) Disclose the Company's Article of Association, Memorandum of Association, Corporate Governance Policy and Code of Conduct in the Company's website under the Corporate Governance Section.
- l) Disclose the corporate social responsibility on the Company's website under Sustainability Section.

6.1.7 Responsibilities of the Board of Directors

The Board of Directors consists of the directors who has experiences in various fields which can be applied in business. The Board of Directors has vision and independent decision making to maximize the benefit for the Company and all shareholders. The Board of Directors participates in the vision, strategies, goal, business plan and budget determination, including governance to ensure its compliance to the plan, budget, applicable regulations and requirements, and resolution from the shareholders' meeting.

a) Constitution

The Board of Directors shall constitute the following:

- I. The Board of Directors shall consist of at least 8 directors but not more than 10 directors which shall be appointed and impeached by the shareholders' meeting. More than half of directors shall be the origin in the territory.
- II. The Board of Directors shall consist of the independent directors as least one-thirds (1/3) of the total number of the directors and not less than 3 persons, the directors from the major shareholders and the directors from the Management.
- III. The Board of Directors shall elect the Chairman of the Board of Directors.
- IV. When anyone has been appointed to be a director, the Company shall prepare and provide necessary data to the newly appointed director to ensure that he/she shall fully understand in the roles and responsibilities of the director.

b) Qualification of the Board

- I. Being qualified in accordance with the Public Company ACT, the Securities and Exchange Act and the Company's Article of Associations without any prohibited characteristics as stated in the SEC's announcement about qualification of the Executive of Public Company.
- II. Fulfillment with leadership, vision and understand the business of the Company.
- III. Be able to perform and express the opinion independently and advocate the time to perform the duty.

IV. Being in the position in listed company not over 5 companies.

c) Term of Office of the Board of Directors

- I. In the AGM, the directors shall retire by the rotation rule at one-third (1/3) of total members. If the number cannot be divided by 3, the director shall retire as the number nearest to one-third (1/3). The director who has held the position longest shall retire. However, a retiring director is eligible for re-election.
- II. In addition to the above retirement according to the Company's Article of Associations, the directors will be retired when:
 - Dead.
 - Notify the Board of Directors for resignation, which shall be effective from the date on which the Company receives the resignation letter.
 - No longer qualify for being a director according to the Company's Article of Associations.
 - Shareholders' meeting has a resolution to impeach according to the Public Company ACT.
 - Impeachment by a court order.
 - Absent from 3 consecutive meetings of the Board of Directors without any notification and the Board of Directors has a resolution to impeach at least half of the number of directors.
- III. In case of all the Board of Directors' retirement, the retired Board of Directors may perform any act in the name of the Board of Directors only in matters necessary until a new Board of Directors takes over.
- IV. In case of a vacancy in the Board of Directors for any reason other than term completion, the Board of Directors shall elect a person who is fully qualified as the substitute director at the next meeting of the Board of Directors, unless the remaining term of office of the retired director is less than 2 months. The substitute director shall remain in the position only for the remaining period of the director being replaced.

d) Charter of the Board of Directors

The Board of Directors is the group of people who direct the Company who have roles and responsibilities to determine strategies and policies pertaining to business operations as well as governing the Company and its subsidiaries. The Board of Directors shall perform duties accountably, carefully, prudently, and loyally in order to maximize the benefits to the Company and its subsidiaries and fair with all stakeholders under good corporate governance and sustainability principles. Additionally, the Board of Directors shall oversee and assess the performance of the Management and Managing Director to ensure accomplishment of action plans. The Board of Director then determine the Charter of the Board of Directors to be the guidelines to ensure that all directors shall be aware of his/her duties and responsibilities and performs them correctly and completely.

e) Authorities and Responsibilities of the Board of Directors

The Board of Directors shall perform the role as follows:

- I. Direct the Company to maintain the vital benefit to the Company, its subsidiaries and shareholders (Fiduciary Duty) which adhere to the following main practices:
 - Perform duties with responsibility and all due circumspection and caution (Duty of Care)
 - Perform duties with faithfulness and honesty (Duty of Loyalty)
 - Perform duties in compliance with laws, objectives, the Company's Articles of Association, resolutions from the Board of Directors and resolutions from the shareholders' meeting (Duty of Obedience)
 - Disclose information to shareholders accurately, completely, and transparently with verification and timeliness (Duty of Disclosure)
- II. Determine the vision, mission, and strategies for business operation with annual review and approval.
- III. Consider the business plan, budget, goal, business policy and develop the competency of the Company.
- IV. Monitor the strategic alignment, evaluate the operational performance regularly, including conducting the policies related to the business development under safety, sanitation, and the social and environment responsibilities including employee development.

- V. Advocate the time without any individual benefit and shall not act against the benefit of the Company.
- VI. Accountably, carefully, prudently, and loyally govern the Company to be in accordance with the laws, objectives, the Company's Article of Associations, the resolution of the Board of Directors and the shareholders' meeting to maximize the benefits to the Company and its subsidiaries, and fair with all stakeholders.
- VII. Determine the Risk Management Policy and oversee to ensure its effectiveness. Review and assess the risk management plan regularly or when risk level has changed to ensure its effectiveness.
- VIII. Govern and develop the corporate governance of the Company including follow up its compliance to be the ethical guidelines of the business and operation.
- IX. Encourage all levels of employees in terms of ethics, morals, the compliance of the code of conduct and the Anti-Corruption Policy, including provide the effective internal control and monitoring to reduce the fraud and corruption.
- X. Determine the effective Sustainability Policy and govern its compliance according to stated directions.
- XI. Maintain the benefit of the shareholders equally and promote the right of shareholders. Moreover, encourage the shareholders to protect their benefits and obtain information accurately, completely, and transparently with verification and timeliness.
- XII. Emphasize the roles and responsibilities of the Board of Directors, respect the right of shareholders and stakeholders, equitable treatment to the shareholders. Provide the whistle blower and transparently manage the complaints, including providing a direct channel to contact the Board of Directors.
- XIII. Consider the executives' development and succession plan and govern the annual assessment of the executives effectively. Moreover, provide the appropriate remuneration to the Management and in line with operation performance to drive short term and long-term motivation.
- XIV. Assess the performance of the Board of Directors annually by performing three types of assessments: the overall Board of Directors' and its sub-committees' assessment, individual assessment and the Managing Director assessment including monitoring the assessment results of the Board of Directors and its sub-committees which will be jointly deliberated by the Board of Directors.
- XV. Govern the director nomination the transparently. Determine the remuneration of the Board of Directors and its sub-committees appropriately.
- XVI. Attend the Board of Directors' and shareholders' meeting, except in case of unable to attend the meeting then advance notification to the Chairman or the Company Secretary shall be provided.
- XVII. Develop the knowledge and ability continuously. Attend the seminar or related course to fulfill the competency.
- XVIII. The Board of Directors may consult the external independent consultant or the professional in necessary circumstances.

f) The Board of Directors' Quorum

- I. In the Board of Directors' Meeting, at least half of directors must be present to constitute a quorum. If the Chairman cannot attend the meeting or cannot perform the duties, the directors shall elect one of the directors to be the Chairman in that meeting.
- II. Resolution of the Board of Directors shall be made by majority vote. Each director has one vote except the director who has conflict of interest in any matter shall not be entitled to vote on such matter. In case of equality of the vote, the Chairman of the meeting would be entitled a vote as a casting vote.

- III. In case of a vacancy in the Board of Directors until the number of directors cannot constitute the quorum, the remaining directors may perform any act in the name of the Board of Directors only the shareholders' meeting arrangement to elect the substitute directors. The shareholders' meeting shall be arranged within 3 months after the incomplete of the quorum.

g) Diversity of the Board of Directors' Structure

The Remuneration and Nomination Committee assigned by the Board of Directors has determined that the Board of Directors shall consists of the directors who have various field of knowledge and competency, and have experiences and expertise related to the business to ensure effectiveness of the good corporate governance. This shall constitute the benefits to shareholders and all stakeholders.

In 2022, the Board of Directors consists of knowledge, competent, and experienced directors from various fields in accordance with policy and strategy for the Board of Director diversity as follows:

Director	Director Type	Position in Sub-Committee	Skill and Experiences
Mr. Lim Kiah Meng	Chairman/ Non-Executive Director	-	Technology/ Business Administration
Assoc. Prof. Dr. Rojanasak Chomvilailuk	Director/ Independent Director	Chairman of the Audit Committee/ Remuneration and Nomination Committee member/ Corporate Governance and Sustainability Committee member	Business Administration/ Marketing/ Accounting
Mr. Panuwat Chalongkuamdee	Director/ Independent Director	Chairman of the Corporate Governance and Sustainability Committee, Audit Committee member	Law
Ms. Sudaporn Tawapee	Director/ Independent Director	Chairman of the Remuneration and Nomination Committee/ Audit Committee member/ Corporate Governance and Sustainability Committee member	Accounting/Tax/Business Administration
Mr. Lim Hwee Hai	Non-Executive Director	Chairman of the Risk Management Committee/ Remuneration and Nomination Committee member/ Corporate Governance and Sustainability Committee member	Technology/Business Administration/Finance
Mr. Lim Kia Hong	Non-Executive Director	Risk Management Committee member	Technology/ Business Administration
Mrs. Lim Hwee Noi	Non-Executive Director	-	Accounting/ Finance
Mr. Somchai Sittichaisrichart	Managing Director/ Executive Director	Remuneration and Nomination Committee member/ Risk Management Committee member/ Corporate Governance and Sustainability Committee member	Technology/ Engineering/ Business Administration

h) Separations of Board of Director and the Management

The Company has determined and segregated the responsibility of the Board of Directors which lead by the Chairman and the Management which lead by the Managing Director. The Board of Directors responsible for the policy and strategic determination and governance while the Management responsible for the plan execution to ensure its compliance, operating results and other investments. Besides, the Management responsible for the strategy communication, goal, situations and operating results to all Management and employees in the monthly meeting. Direction for the next month shall also be discussed during monthly meeting.

Moreover, the Board of Directors also responsible for the development and succession plan for the Managing Director and the high level Management to ensure readiness in case that he/ she cannot perform his/her duties.

i) Separations of Chairman and Managing Director

The Company has segregated the Chairman of the Board of Directors and Managing Director to ensure the appropriate checks and balances and transparently management. The Chairman of the Board of Directors shall lead for the Policy and control of the meeting efficiently, encourage all directors to participate the meeting, encourage the policy implementation through the Managing Director who leads the Management. The policy, budget, and business plan shall be discussed closely between the Managing Director and the Management.

j) Authority of the Board for Approval

The Board of Director has the authority of approval in accordance with scope of duties stated in the Company's Article of Associations, the Charter of the Board of Directors and resolution of the shareholders' meeting. This includes the determining and reviewing of the vision, mission, the strategic plan, risk management policy, budget and yearly business operation plan, business plan and goal. Moreover, the Board of Directors has authority to oversee and assess the Company's performance, capital expenditure, related-party transactions, mergers, settlers, and joint venture including appointment of the director, the Management, or the important position in subsidiary and sub-power of attorney.

k) Leadership and the vision of the Board of Directors

The Board of Directors consists of the experienced directors from various fields that can be applied in the business. The Board of Directors has vision and independence in decision making to maximize the benefit to the Company and all shareholders.. The Board of Directors participates in establishing and approving the Company's vision, strategies, goals, business plans and budgets as well as governance the Management to proceed in accordance with its plans and budgets, monitoring the operating results on monthly basis, ensuring compliance with the regulations of supervising agencies and related government agencies, and the resolution of the shareholders' meeting.

The Board of Directors by the Managing Director will communicate about strategies, goals, situations and operating results with the Company's direction to all employee in the monthly meeting.

The Board of Directors has a development and succession plan of the Managing Director and the High Level Management to ensure readiness in case that he/ she cannot perform his/her duties.

l) Directorship in Other Companies by Directors, Managing Director, and Management

The Company has policy about the directorship of the directors which included the Managing Director according to the good governance practice determined or recommended by the regulators. The Company limited each director to hold the director positions in not more than 5 listed companies and limited the Managing Director to hold the position in more than 2 listed companies. In case the Managing Director or the tenure of directorship in the other companies by Managing Director and Senior Management shall be consent by the Board of Directors.

m) The nomination, election and appointment of a new director

The Company clearly defined the qualification of directors. When there is a vacancy, the Company Secretary would consider the qualified candidates from consultant and director pool of IOD. The diversity of the Board of Directors which emphasized on knowledge, various experience and gender shall be took into consideration prior to proposed to the Remuneration and Nomination Committee for consideration and further propose to the Board of Director for appointment. If case of the vacancy is more than 1 position, the Board of Director would consider and vote individually.

n) Directors Development

The Company realizes the importance of the knowledge development for the directors which is determined as a part of good corporate governance principles by promoting and facilitating to directors for a training in various course from the relevant regulatory agencies and other agencies consistently through the Company secretary.

o) Directors Training

The Board of Directors has a policy to encourage all directors to continue knowledge development. The Company has 8 directors composed of 4 foreign directors and 4 Thai directors. The 7 directors have completed Director Accreditation Program (DAP) and 4 directors have completed Director Certification Program (DCP) from the IOD. The 7 directors have more than 10 years of financial experience. In addition, 2 independent directors in the Audit Committees has completed the Audit Committee Program from the IOD while another one is a Certified Public Accountant (CPA), have accounting and tax experience more than 20 years.

Directors' training in 2022 are listed as follows:

Director Name	Training/Seminar	Held by
Mr. Lim Kiah Meng	<ul style="list-style-type: none"> Annual Regulatory Update 	Addleshaw Goddard LLP
Assoc. Assist. Prof. Dr. Rojanasak Chomvilailuk	<ul style="list-style-type: none"> Wisdom for Future: Harmonizing the Diverse Boards" Different Minds, Common Purpose and One Future Session 1: How Chairman harmonize a Diverse Board 	The IOD and the Securities and the Exchange Commission, Thailand (SEC)
	<ul style="list-style-type: none"> Wisdom for Future: Harmonizing the Diverse Boards" Different Minds, Common Purpose and One Future Session 2: Leveraging "Young Directors" as a Game-Changer 	The IOD and the SEC
	<ul style="list-style-type: none"> Wisdom for Future: Harmonizing the Diverse Boards" Different Minds, Common Purpose and One Future Session 3: Courageous Decisions Behind Closed Door 	The IOD and the SEC
	<ul style="list-style-type: none"> Wisdom for Future: Harmonizing the Diverse Boards" Different Minds, Common Purpose and One Future Session 4: How to Build Healthy Teamwork Without Crossing the line 	The IOD and the SEC
	<ul style="list-style-type: none"> Wisdom for Future: Harmonizing the Diverse Boards" Different Minds, Common Purpose and One Future Session 5: Reimagine Your Next S-Curve: Technology & Innovation, Business Transformation and Sustainability 	The IOD and the SEC
	<ul style="list-style-type: none"> During economic crisis from pandemic, war, energy and inflation, how does the business adjust their strategy to update, survive form the crisis and sustainably grow. 	EY Office Group
Mr. Panuwat Chalongkwamdee	<ul style="list-style-type: none"> Strategic Board Master Class (SBM On-Site) SBM 11/2022 	The IOD and the SEC
	<ul style="list-style-type: none"> Managing the Partners / Directors Masterclass Zoom 2022 	The IOD and the SEC
	<ul style="list-style-type: none"> R-CF – Chairman Forum (R-CF 1/2022) 	FMRC
Ms. Sudaporn Tawapee	<ul style="list-style-type: none"> Personal Data Protection Act 	Thai CPA Firms Association
	<ul style="list-style-type: none"> Technical auditing by Data Analytics 	The IOD and the SEC
	<ul style="list-style-type: none"> During economic crisis from pandemic, war, energy and inflation, how does the business adjust their strategy to update, survive form the crisis and sustainably grow. 	EY Office Group
Mr. Lim Hwee Hai	<ul style="list-style-type: none"> Annual Regulatory Update 	Addleshaw Goddard LLP
Mr. Lim Kia Hong	<ul style="list-style-type: none"> Annual Regulatory Update 	Addleshaw Goddard LLP
Mrs. Lim Hwee Noi	<ul style="list-style-type: none"> Annual Regulatory Update 	Addleshaw Goddard LLP
Mr. Somchai Sittichaisrichart	<ul style="list-style-type: none"> Board Nomination and Compensation Program (BNCP On-Site) BNCP 7/2022 	The IOD and the SEC

p) Orientation program for new Board Members

The Company by Managing Director arranges the orientation for the director at any time of new director appointment to encourage him/ her to understand in business and operations including describe about business characteristic and operation strategy. For 2022, there is no new directors appointment.

q) Separations of Chairman and Managing Director

The Company separates the position of Chairman of the Board of Directors and Managing Director from each other to ensure check and balance so that they can transparently review the management. The Chairman of the Board of Directors is the leader in the policy and ensure that the meeting effectiveness, encourage all directors to participate in the meeting, support the business operation according to the policy through the Managing Director who will lead the Management team. They are jointly in consideration of the policy, budget and business plan closely.

r) Role of the Chairman

The Chairman shall perform the role as follows:

- I. Determine the meeting agenda of the Board of Directors Meeting together with the Managing Director. Ensure that the directors obtain the information accurately, completely, transparently and timeliness before the meeting to make the appropriate decision making.
- II. Being the leader of Directors and the Chairman of the Board of Directors' Meeting.
 - Conduct the Board of Director Meeting to be in accordance with the agenda, the Company's Article of Association, and other regulations.
 - Arrange the sufficient time and encourage the directors for independently discussion with carefully consider about all stakeholders.
 - Conclude the resolution of each agenda clearly.
 - Stipulate to have the Board of Directors' meeting without executive director..
- III. Being leadership of the shareholders meeting to be in accordance with the agenda, the Company's Article of Association, and regulations. Arrange the appropriate time and chance for shareholders equally to question and express the opinion appropriately.
- IV. Support the good corporate governance and sustainability of the Company.
- V. Promote the good relationship between the Board of Directors and the Management. Support the Managing Director to perform duties in accordance with the Company's policies.
- VI. Govern the disclosure of information and management with transparency, in case of any conflict of interest.
- VII. Govern the appropriate infrastructure and constitute of the Board of Directors.
- VIII. Govern the performance of the Board of Directors, its sub-committees and each director of the Company effectively and efficiently.
- IX. Govern the performance assessment of the Board of Directors, individual director, the Managing Director, and sub-committees in order to develop and strengthen the Board of Directors and its sub-committees.

s) Board Self-Assessment

In order to let the Board of Directors consider and review the performance of the Board of Directors and sub-committees, the Company has set up an annual self-assessment of the past performance in order to solve and improve the operations using the SET's guidelines for assessment. The assessment consists of structure, qualification, roles, meeting, and performance of the Board of Directors, relationship between the Board of Directors and the Management including directors' self-development. The assessment shall be done for the whole Board of Directors, individual director and sub-committees. The Secretary to the Remuneration and Nomination Committee shall collect the assessment result and hand it to the Company Secretary for evaluate, record and further disclose.

The assessment results for the year 2022 performance are as follows:

Board of Directors / Sub-Committee	Results of Group Assessment (%)	Results of Individual Assessment (%)
1. Board of Directors	92.81	93.75
2. Audit Committee	84.13	85.61
3. Corporate Governance and Sustainability Committee	92.26	90.00
4. Remuneration and Nomination Committee	90.18	89.20
5. Risk Management	96.97	97.73

t) Internal Audit and Internal Control

The Board of Directors has organized the effective internal audit and internal control system in all function, including the compliance of the related law and regulation, finance, operations and property control to use in company's business appropriately. The Audit Committee, in cooperation with the Internal Audit Department, determined the internal auditing covering 8 areas: 1) Sales 2) Account Receivable and Crediting 3) Inventory 4) Procurement and Import 5) Trade Account Payable/Expense 6) Maintenance and Services 7) Fixed Asset 8) Finance and Accounting. The Audit Committee shall review with the Internal Audit Department during the Audit Committee's meeting to ensure that an operational process and audit guidelines are effective and efficient, auditing results are accurate by concerning the advantage of shareholders. In 2016, the Audit Committee has provided an internal audit quality assessment by an internal independent auditor from EY. The results of this assessment are reviewed to improve the quality of internal audit process to be more effective.

u) Corporate Governance Participation

The Company develops and improves a participation system for the shareholders and all stakeholders to take part in Corporate Governance with transparent of information disclosure, provides the opportunity for customer to send the suggestion and complaint through complain@sisthai.com and independentdirector@sisthai.com. For investors, it is available via email investorinfo@sisthai.com. The Company provides a working team to consider every complaint and suggestion with the effective recording system to follow up every suggestion.

v) Disclosure Stock Trading

To comply with the good corporate governance principles, the Company required that the directors and the Managements to disclose and report the Company's security holding to the Board of Directors at any time, this report has been addressed in the quarterly Board of Directors' meeting. From 2014 onwards, the Company has added the requirement that all directors and the Management shall notify the Board of Directors 1 business day prior to buying and selling the Company's securities.

w) Reports stating the interests of directors and the Management

The Company determines that all directors and the Management are required to report to the Board of Directors about all interests of their own or their related persons which its interest is related to its management affairs of the Company or its subsidiaries at any time of change. In order for the Company having the interests' information that may lead to the interests transferring from the Company and its subsidiaries. The requirement is in accordance with the announcement of the Capital Market Commission Thor. Jor.No. 2/2009. The Company determines that the Company Secretary is responsible for filing a report stating the interests at Head Office and submit a copy of the report to the Chairman of the Board of Directors and the Audit Committees within 7 days of receiving notice from reporter.

x) Relationship with Investors

The Board recognizes the importance of information disclosure for both financial statements and general information with accuracy, transparency and punctuality. The Company provides section of "Investor Relations" in the Company's website (www.sisthai.com) to disclosure information and communicate with the investors and interested persons. In addition, any suggestion or inquiries can be sent via email or by telephone, including joining the Opportunity Day that is organized by the SET.

The Company provides the opportunity to visit the Company and submit inquiries about the Company's operation from individual investors, institutional investors, analysts, and the press when they are requested. In 2022, there was direct and indirect communication via e-mail and telephone more than 50 times. Moreover, the Company also provided opportunity for institutional and general investors to visit the Management 15 times, arrange the Financial Analyst Meeting 1 time and the Opportunity Day 4 times.

6.2 Business Code of Conduct

The Company recognizes the importance of good corporate governance and believes that good corporate governance will benefit the Company in the long term and build trust with shareholders, investors, and other stakeholders. The Company strictly adheres to the commitment with stakeholders under wide vision, transparency and sincerity including respect for the rule of law. Thus, the Company has established business code of conduct as a guideline for directors, Managements and employees and disclosed in the Company's website and included in new employee orientation. Employees will be supervised by their supervisor to ensure the business code of conduct compliance.

The Code of conduct comprises of:

- Responsibility to the Company to ensure the honestly, responsiveness through the compliance to the policy and regulations.
- Responsibility to the shareholders to be guideline for driving the business with knowledge and competency and disclose complete, sufficient, punctual, and equally accessible information according to the SEC and the SET requirements..
- Responsibility to employee to adhere to be guideline for fair and appropriate treatment for employee.
- Responsibility to customers to be guideline for strictly compliance with the terms and conditions of customers.
- Responsibility to business partners to be guideline for business operation with partners under proper condition without intellectual property violation.
- Responsibility to competitors to adhere to be guideline for business operation under transparent and fair competition.
- Responsibility to account payable to be guideline for appropriate operations under the determined conditions
- Responsibility to the financial institution to be guideline for appropriate operations under the determined conditions.
- Responsibility of the regulators to drive the be guideline for operations according to relevant laws, regulations, and requirements.
- Responsibility to the society, community, and environment to be guidelines for promoting the quality of life to the community and environment saving.

The Code of Conduct has been disclosed in attachment no. 6.

6.3 Milestone Development of the CG Policy, Guidelines, and System

The Company reviews the compliance of Corporate Governance Code 2017 issued by the SEC which has been appropriately applied on annual basis. To ensure that the Company can develop the good corporate governance efficiently and effectively .

In 2022, there were some principles that have not yet complied but the Company has determined the appropriate directions to support as follows:

- **The Chairman of the Board of Directors is not the independent director.** Currently, the Chairman is non-executive director, who is the major shareholders of the Company. The Company realized about fairness and equivalence responsibility and duties of the Chairman has been defined clearly. Besides, the Company has appointed the Lead Independent Director to consider for agenda determination together with the Chairman.
- **The independent director has held the position for more than 9 years.** In 2022, there was 1 independent director who held the position more than 9 years because his knowledge, competency and experiences can enhance efficiency and diversity of the Board of Director structure. To ensure that he will be able to perform his duties independently, the Company has indicated the qualification clearly and has reviewed his qualification prior to re-elect him to the position.

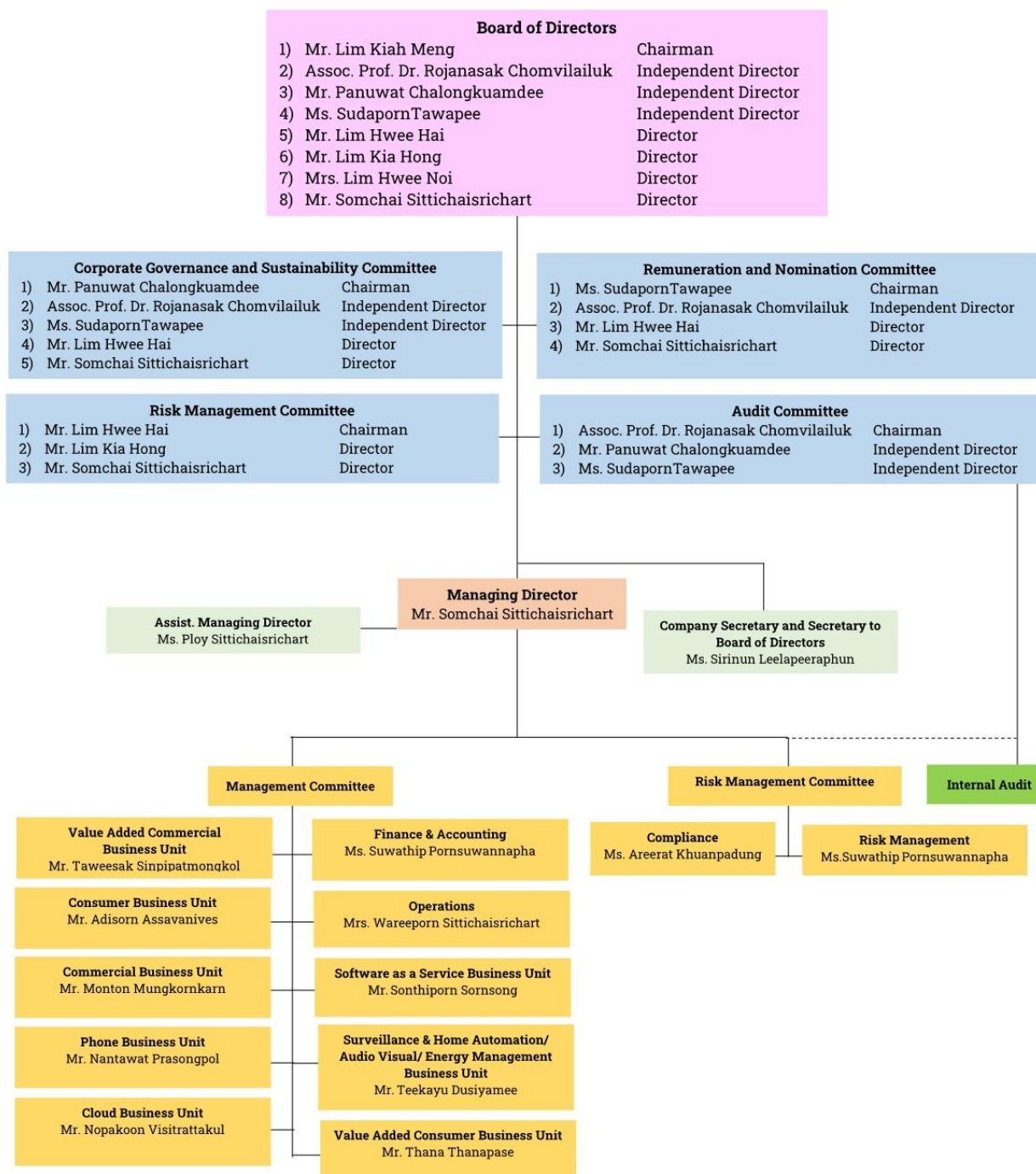
In 2022, the Corporate Governance and Sustainability Committee and the Board of Directors have reviewed the code of conduct, good corporate governance practices and related policies such as Anti-Corruption Policy, Personal Data Protection Policy, and Human Rights Policy.

Under this review, the Company has realized the development of the corporate governance as follows:

1. Review Anti-Corruption Policy and practices for recertification with the Thai Private Sector Collective Action against Corruption (Thai CAC).
2. Disclose clearer about the nomination of the new director's process.
3. Disclose clearer about the new director appointment process.
4. Disclose clearer about the criteria the assessment of directors both individual self-assessment and the whole board self-assessment.
5. Disclose the remuneration of the Managing Director, dividing into long term and short-term remuneration.

7. Governance Structure and Key Data on the Board of Directors, Management and Employees

7.1 Corporate Governance Structure



7.2 Board of Directors



From left to right

- | | |
|--|--|
| 1) Mrs. Lim Hwee Noi | Non-Executive Director |
| 2) Mr. Lim Hwee Hai | Non-Executive Director/
Chairman of the Risk Management Committee |
| 3) Ms. Sudaporn Tawapee | Independent Director/
Chairman of the Remuneration and Nomination Committee |
| 4) Mr. Lim Kiah Meng | Non-Executive Director/
Chairman of the Board of Directors |
| 5) Mr. Somchai Sittichaisrichart | Executive Director/
Managing Director |
| 6) Assoc. Prof. Dr. Rojanasak Chomvilailuk | Independent Director/
Chairman of Audit Committee |
| 7) Mr. Lim Kia Hong | Non-Executive Director |
| 8) Mr. Panuwat Chalongkwamdee | Independent Director/
Chairman of the Corporate Governance and Sustainability Committee |

Subsidiary Committees

- | | |
|---------------------------------|----------|
| 1) Mr. Taweesak Sinpipatmongkol | Director |
| 2) Ms. Varapa Intakorn-Udom | Director |

BOARD OF DIRECTORS

Mr. Lim Kiah Meng

Age 69 years

Nationality Singapore



Position

- Chairman of The Board of Directors

Type of Director

- Non – Executive Director

Date and Number of Year of Directorship

- April 26th, 2013 - 10 Year

Date of Appointment as a Director at SiS Distribution (Thailand) PCL.

- April 26th, 2013

Education

- Bachelor of Commerce, Nanyang University, Singapore
- Master of International Management, American Graduate School of International Management, USA

Shareholding (As at December 31st, 2022)

- Indirectly holding 214,510,470 shares, equal to 61.25% through SiS Technologies (Thailand) Pte.Ltd. of 165,616,595 shares or 47.29% of the voting rights and Thai Alliance Co., Ltd. of 48,893,875 shares or 13.96% of the voting rights respectively.

Working Experience/Directorship or Management in Other Businesses

Working Experience

- 2017 – Present Chairman
SiS Distribution (Thailand) PCL.
- 2013 – Present Director
SiS Distribution (Thailand) PCL.
- 2007 – Present Vice Chairman
SiS Group of Companies
- 1986 – Present Executive Director
SiS Group of Companies
- 1979 – 1986 Bank of America

Positions in Other Listed Companies

- None

Positions in Other Non-Listed Companies

- 2017 – Present Director
Qool Distribution (Thailand) Co., Ltd.
(Which SiS Distribution (Thailand) PCL. holds 99.99% of total shares)
- 2017 – Present Director
SiS Venture Co., Ltd.
(Which SiS Distribution (Thailand) PCL. holds 99.99% of total shares)

The Family Relationship with the Management

- None

Mr. Lim Hwee Hai

Age 73 Years **Nationality** Singapore

Position

- Chairman of the Risk Management Committee
- Remuneration and Nomination Committee
- Corporate Governance and Sustainability Committee

Type of Director

- Non – Executive Director

Date and Number of Year of Directorship

- June 12th, 2000 - 23 Years

Date of Appointment as a Director at SiS Distribution (Thailand) PCL.

- March 1st, 2005

Education

- Bachelor of Commerce (First Class Honors), Nanyang University, Singapore
- Master of Business Administration, The National University of Singapore, Singapore

Shareholding (As at December 31st, 2022)

- Indirectly holding 214,510,470 shares, equal to 61.25% through SiS Technologies (Thailand) Pte.Ltd. of 165,616,595 shares or 47.29% of the voting rights and Thai Alliance Co., Ltd. of 48,893,875 shares or 13.96% of the voting rights respectively.

Working Experience/Directorship or Management in Other Businesses

Working Experience

- | | |
|------------------|---|
| • 2013 – Present | Corporate Governance and Sustainability Committee
SiS Distribution (Thailand) PCL. |
| • 2008 – Present | Chairman of Risk Management Committee
SiS Distribution (Thailand) PCL. |
| • 2008 – Present | Remuneration and Nomination Committee
SiS Distribution (Thailand) PCL. |
| • 2004 – Present | Director
SiS Distribution (Thailand) PCL. |
| • 2000 – 2004 | Director
SiS Distribution (Thailand) Co., Ltd. |
| • 1983 – Present | Director and Managing Director
SiS Group of Companies |
| • 1979 – 1982 | Manager
Banque Nationale De Paris |
| • 1976 – 1978 | Senior Officer
Development Bank of Singapore |

Positions in Other Listed Companies

- None

Positions in Other Non-Listed Companies

- | | |
|------------------|---------------------------------------|
| • 2017 – Present | Director
Thai Alliance Co., Ltd. |
| • 2017 – Present | Director
Thai Success Co., Ltd. |
| • 2017 – Present | Director
Thai Prosperity Co., Ltd. |
| • 2017 – Present | Director
Thai Joyful Co., Ltd. |
| • 2017 – Present | Director
Thai Hero Co., Ltd. |



- 2010 – Present Director
Qool Distribution (Thailand) Co., Ltd.
(Which SiS Distribution (Thailand) PCL. holds 99.99% of total shares)
- 2009 – Present Director, SiS Venture Co., Ltd.
(Which SiS Distribution (Thailand) PCL. holds 99.99% of total shares)

The Family Relationship with the Management

- Spouse of Mrs.Lim Hwee Noi

Mr. Lim Kia Hong

Age 66 Years **Nationality** Singapore

Position

- Risk Management Committee

Type of Director

- Non – Executive Director

Date and Number of Year of Directorship

- June 12th, 2000 - 23 Years

Date of Appointment as a Director at SiS Distribution (Thailand) PCL.

- March 1st, 2005

Education

- Bachelor of Business Administration, University of Washington, USA

Shareholding (As at December 31st, 2022)

- 241,875 shares, equal to 0.07% of total shares with voting right
- Indirectly holding 214,510,470 shares, equal to 61.25% through SiS Technologies (Thailand) Pte.Ltd. of 165,616,595 shares or 47.29% of the voting rights and Thai Alliance Co., Ltd. of 48,893,875 shares or 13.96% of the voting rights respectively.

Working Experience/Directorship or Management in Other Businesses

Working Experience

- 2018 – Present Risk Management Committee, SiS Distribution (Thailand) PCL.
- 2004 – Present Director, SiS Distribution (Thailand) PCL.
- 2000 – 2004 Director, SiS Distribution (Thailand) Co., Ltd.
- 1983 – Present Chief Executive Officer, SiS Group of Companies

Positions in Other Listed Companies

- None

Positions in Other Non-Listed Companies

- 2017 – Present Director, Thai Alliance Co., Ltd.
- 2017 – Present Director, Thai Success Co., Ltd.
- 2017 – Present Director, Thai Prosperity Co., Ltd.
- 2017 – Present Director, Thai Joyful Co., Ltd.
- 2017 – Present Director, Thai Hero Co., Ltd.
- 2015 – 2021 Director, Wiko Mobile (Thailand) Co., Ltd.
- 2010 – Present Director, Qool Distribution (Thailand) Co., Ltd.
(Which SiS Distribution (Thailand) PCL. holds 99.99% of total shares)
- 2009 – Present Director, SiS Venture Co., Ltd.
(Which SiS Distribution (Thailand) PCL. holds 99.99% of total shares)

The Family Relationship with the Management

- None



Mrs. Lim Hwee Noi

Age 73 Years **Nationality** Singapore

Position

- Director

Type of Director

- Non – Executive Director

Date and Number of Year of Directorship

- December 15th, 2017 – 5 Years

Date of Appointment as a Director at SiS Distribution (Thailand) PCL.

- December 15th, 2017

Education

- Bachelor of Commerce, Nanyang University, Singapore
- Professional Qualification: CPA, Singapore

Shareholding (As at December 31st, 2022)

- Indirectly holding 214,510,470 shares, equal to 61.25% through SiS Technologies (Thailand) Pte.Ltd. of 165,616,595 shares or 47.29% of the voting rights and Thai Alliance Co., Ltd. of 48,893,875 shares or 13.96% of the voting rights respectively.

Working Experience/Directorship or Management in Other Businesses

Working Experience

- 2017 – Present Director, SiS Distribution (Thailand) PCL.
- 1983 – Present Executive Director, SiS Group of Companies

Positions in Other Listed Companies

- None

Positions in Other Non-Listed Companies

- 2017 – Present Director
Thai Alliance Co., Ltd.
- 2017 – Present Director
Thai Success Co., Ltd.
- 2017 – Present Director
Thai Prosperity Co., Ltd.
- 2017 – Present Director
Thai Joyful Co., Ltd.
- 2017 – Present Director
Thai Hero Co., Ltd.
- 2017 – Present Director
Qool Distribution (Thailand) Co., Ltd.
(Which SiS Distribution (Thailand) PCL. holds 99.99% of total shares)
- 2017 – Present Director
SiS Venture Co., Ltd.
(Which SiS Distribution (Thailand) PCL. holds 99.99% of total shares)

The Family Relationship with the Management

Spouse of Mr. Lim Hwee Hai



Associate Professor Dr. Rojanasak Chomvilailuk

Insignia Companion (Fourth Class) of the Most Admirable Order of the Direkgunabhorn

Age 60 Years **Nationality** Thai

Position

- Chairman of the Audit Committee
- Remuneration and Nomination Committee
- Corporate Governance and Sustainability Committee

Type of Director

- Independent Director

Date and Number of Year of Independent Directorship

- February 9th, 2004 – 19 Years

Date of Appointment as a Director at SiS Distribution (Thailand) PCL.

- March 1st, 2005

Education

- Doctor of Philosophy in Marketing & Management, Charles Sturt University

Shareholding (As at December 31st, 2022)

- None

Working Experience/Directorship or Management in Other Businesses

Working Experience

- 2013 – Present Corporate Governance and Sustainability Committee
SiS Distribution (Thailand) PCL.
- 2009 – Present Chairman of the Audit Committee
SiS Distribution (Thailand) PCL.
- 2009 – Present Remuneration and Nomination Committee
SiS Distribution (Thailand) PCL.
- 2009 – 2014 Risk Management Committee
SiS Distribution (Thailand) PCL.
- 2008 – 2009 Chairman of the Remuneration and Nomination Committee
SiS Distribution (Thailand) PCL.
- 2004 – Present Independent director and Audit Committee
SiS Distribution (Thailand) PCL.

Positions in Other Listed Companies

- None

Positions in Other Non-Listed Companies

- 2013 – 2015 Director, master's degree in Retail Management Curriculum, Faculty of Business Administration, The University of the Thai Chamber of Commerce
- 2004 – Present Lecturer, Faculty of Business Administration, The University of the Thai Chamber of Commerce

The Family Relationship with the Management

- None



Mr. Panuwat Chalongkuamdee

Age 41 Years **Nationality** Thai

Position

- Chairman of the Corporate Governance and Sustainability Committee
- Audit Committee

Type of Director

- Independent Director

Date and Number of Year of Directorship

- February 21st, 2018 – 5 Years

Date of Appointment as a Director at SiS Distribution (Thailand) PCL.

- February 21st, 2018

Education

- LL.B. (First Class Honors), Chulalongkorn University
- Barrister-at-Law, Thai Bar Association

Shareholding (December 31st, 2022)

- None

Working Experience/Directorship or Management in Other Businesses

Working Experience

- 2018 – Present Chairman of Corporate Governance Committee, SiS Distribution (Thailand) PCL.
- 2018 – Present Audit Committee, SiS Distribution (Thailand) PCL.

Positions in Other Listed Companies

- None

Positions in Other Non-Listed Companies

- 2021 – Present Partner at SRPP Law Co., Ltd.
- 2016 – 2020 Partner at Weerawong, Chinnavat & Partners
- 2012 – 2015 Associate at Weerawong, Chinnavat & Peangpanor
- 2004 – 2012 Associate at Clifford Chance (Thailand)

The Family Relationship with the Management

- None



Ms. Sudaporn Tawapee

Age 52 Years **Nationality** Thai

Position

- Chairman of the Remuneration and Nomination Committee
- Corporate Governance and Sustainability Committee
- Audit Committee

Type of Director

- Independent Director

Date and Number of Year of Directorship

- November 12th, 2018 – 5 years

Date of Appointment as a Director at SiS Distribution (Thailand) PCL.

- November 12th, 2018

Education

- Bachelor of Accounting, Major in Accounting, Ramkhamhaeng University
- Master of Accounting, Chulalongkorn University
- Diploma Program in Taxation, The University of The Thai Chamber of Commerce
- Diploma Program in Auditing, Chulalongkorn University
- Certified Public Accountant (CPA) – Thailand
- Auditors Approved by the office of the SEC

Shareholding (As at December 31st, 2022)

- None

Working Experience/Directorship or Management in Other Businesses

Working Experience

- 2018 – Present Chairman of Remuneration and Nomination Committee
SiS Distribution (Thailand) PCL.
- 2018 – Present Independent Director and Audit Committee
SiS Distribution (Thailand) PCL.
- 2018 – Present Corporate Governance Committee
SiS Distribution (Thailand) PCL.
- 2018 – Present Partner
Bunchikij Company Limited
- 1992 – 2018 Senior Manager Auditor
Bunchikij Company Limited

Positions in Other Listed Companies

- None

Positions in Other Non-Listed Companies

- 2018– Present Partner
Bunchikij Company Limited

The Family Relationship with the Management

- None



Mr. Somchai Sittichaisrichart

Age 63 Years **Nationality** Thai

Position

- Managing Director
- Remuneration and Nomination Committee
- Corporate Governance and Sustainability Committee
- Risk Management Committee

Type of Director

- Executive Director

Date and Number of Year of Directorship

- June 17th, 1998 - 25 Years

Date of Appointment as a Director at SiS Distribution (Thailand) PCL.

- March 1st, 2005

Education

- Bachelor of Engineering (Electrical Engineering), Prince of Songkhla University
- Master of Business Administration, Thammasat University

Shareholding (As at December 31st, 2022)

- Indirectly holding 48,893,875 shares or 13.96% of the voting rights through Thai Alliance Co., Ltd.

The Family Relationship with the Management

- Spouse of Mrs. Wareeporn Sittichaisrichart

Working Experience/Directorship or Management in Other Businesses

Working Experience

- | | |
|------------------|---|
| · 2015 – Present | Risk Management Committee, SiS Distribution (Thailand) PCL |
| · 2013 – Present | Corporate Governance Committee, SiS Distribution (Thailand) PCL. |
| · 2008 – Present | Remuneration and Nomination Committee, SiS Distribution (Thailand) PCL. |
| · 2004 – Present | Managing Director, SiS Distribution (Thailand) PCL. |

Positions in Other Listed Companies

- None

Positions in Other Non-Listed Companies

- | | |
|------------------|---|
| · 2017 – Present | Director
Thai Alliance Co., Ltd |
| · 2017 – Present | Director
Thai Success Co., Ltd |
| · 2017 – Present | Director
Thai Prosperity Co., Ltd |
| · 2017 – Present | Director
Thai Joyful Co., Ltd |
| · 2017 – Present | Director
Thai Hero Co., Ltd |
| · 2017 – 2021 | Director
Wiko Mobile (Thailand) Co., Ltd. |
| · 2010 – Present | Director
Qool Distribution (Thailand) Co., Ltd.
(Which SiS Distribution (Thailand) PCL. holds 99.99% of total shares) |
| · 2009 – Present | Director
SiS Venture Co., Ltd.
(Which SiS Distribution (Thailand) PCL. holds 99.99% of total shares) |

The Family Relationship with the Management

- Spouse of Mrs. Wareeporn Sittichaisrichart



SUBSIDIARY COMMITTEES

Mr. Taweesak Sinpipatmongkol

Age 46 Years

Nationality Thai



Position

- Director

Type of Director

- Executive Director

Date and Number of Year of Directorship

- November 1st, 2021 – 1 Year

Date of Appointment as a Director at PT Automation (Thailand) Co., Ltd.

- November 1st, 2021

Education

- Bachelor of Engineering, Assumption University

Shareholding (As at December 31st, 2022)

- None

Working Experience/Directorship or Management in Other Businesses

Working Experience

- 2021 – Present Director, PT Automation (Thailand) Co., Ltd.
- 2019 – Present General Manager Value Added Commercial, SiS Distribution (Thailand) PCL.
- 2000 – 2019 Senior Vice President, NetONE Network Solution Co., Ltd.

Positions in Other Listed Companies

- None

Positions in Other Non-Listed Companies

- 2021 – Present Director, P T Automation (Thailand) Co., Ltd.

The Family Relationship with the Management

- None

Ms. Varapa Intakorn-Udom

Age 47 Years **Nationality** Thai

Position

- Director

Type of Director

- Executive Director

Date and Number of Year of Directorship

- November 1st, 2021 – 1 Year

Date of Appointment as a Director at PT Automation (Thailand) Co., Ltd.

- November 1st, 2021

Education

- Bachelor of Science, Major of Mathematics, Thammasat University
- Master of Business Administration, Major of Human Resource and Organizational Management, Thammasat University

Shareholding (As at December 31st, 2022)

- None

Working Experience/Directorship or Management in Other Businesses

Working Experience

- 2021 – Present Director
PT Automation (Thailand) Co., Ltd.
- 2010 – Present Human Resources Manager
SiS Distribution (Thailand) PCL.
- 2008 – 2010 Human Resources Manager
Alcatel-Lucent (Thailand) Co., Ltd.
- 2001 – 2008 Human Resource Executive
Ciba Specialty Chemicals (Thailand) Limited

Positions in Other Listed Companies

- None

Positions in Other Non-Listed Companies

- 2021 – Present Director
P T Automation (Thailand) Co., Ltd.

The Family Relationship with the Management

- None



The Board of Directors consists of experienced directors from several fields which are useful for the business. The directors have vision and independent decision making for utmost benefit for the Company and all shareholders. The Board of Directors participates in the vision, strategies, goal, budget business plan and budget determination and consent, including governance the Management for implementation according to plan and budget. The Board of Directors shall also ensure compliance of regulations and requirements issued by relevant regulators and government agent, and the resolution of the shareholders' meeting.

The Board of Directors consists of 8 directors and are listed as follows:

Position	Name	Type of Director
Chairman:	Mr. Lim Kiah Meng	Non – Executive Director
Director:	Assoc. Prof. Dr. Rojanasak Chomvilailuk	Independent Director
	Mr. Panuwat Chalongkuamdee	Independent Director
	Ms. Sudaporn Tawapee	Independent Director
	Mr. Lim Hwee Hai	Non – Executive Director
	Mr. Lim Kia Hong	Non – Executive Director
	Mrs. Lim Hwee Noi	Non – Executive Director
	Mr. Somchai Sittichaisrichart	Executive Director

Since 2018, the Board of Directors had the unanimous resolution to appoint Mr. Panuwat Chalongkuamdee, the independent director, to be the lead independent director. The lead independent director shall determine the meeting agendas together with the Chairman. This is to promote good corporate governance.

The Company determines the number of the independent directors more than 1 out of 3 of the number of directors according to the SET. The type of director is categorized as follows:

Type of Director	Amount	Percentage
Independent Director	3	37.5%
Non – Executive Director	4	50.0%
Executive Director	1	12.5%

The Company has prohibited the directors from holding positions in more than 5 listed companies. Such a position being holding shall be consent by the Board of Directors.

7.2.1 Role of the Board of Directors

The Board of Directors shall perform the roles as follows:

1. Direct the Company to maintain the vital benefit to the Company, its subsidiaries and shareholders (Fiduciary Duty) which adhere to the following main practices:
 - 1.1 Perform duties with responsibility and all due circumspection and caution (Duty of Care).
 - 1.2 Perform duties with faithfulness and honesty (Duty of Loyalty).
 - 1.3 Perform duties in compliance with laws, objectives, the Company's Articles of Association, resolutions from the Board of Directors and resolutions from the shareholders' meeting (Duty of Obedience).
 - 1.4 Disclose information to shareholders accurately, completely, and transparently with verification and timeliness (Duty of Disclosure).
2. Determine the vision, mission and strategies for business operation with annual review and approval.
3. Consider the business plan, budget, goal, business policy and develop the competency of the Company.
4. Monitor the strategic alignment, evaluate the operational performance regularly, including conduct the policies related to the business development under safety, sanitation, and the social and environment responsibilities including employee development.
5. Advocate the time without any individual benefit and shall not act against the benefit of the Company.

6. Accountably, carefully, prudently and loyally govern the Company to be in accordance with the laws, objectives, the Company's Article of Associations, the resolution of the Board of Directors and the shareholders' meeting to maximize the benefits to the Company and its subsidiaries, and fair with all stakeholders.
7. Determine the Risk Management Policy and oversee it to ensure its effectiveness. Review and assess the risk management plan regularly or when risk level has changed to ensure its effectiveness.
8. Govern and develop the corporate governance of the Company including follow up its compliance to be the ethical guidelines of the business and operation.
9. Encourage all levels of employees about the ethics, moral, the compliance of the Code of Conduct and the Anti-Corruption Policy, including provide the effective internal control and monitoring to reduce the fraud and corruption.
10. Determine the effective Sustainability Policy and govern its compliance according to stated directions.
11. Maintain the benefit of the shareholders equally and promote the right of shareholders. Moreover, encourage the shareholders to protect their benefits and obtain information accurately, completely, and transparently with verification and timeliness.
12. Emphasize the roles and responsibilities of the Board of Directors, respect the rights of shareholders and stakeholders, equitable treatment to the shareholders. Provide the whistle blower and transparently manage the complaints including provide direct channel to contact the Board of Directors.
13. Consider the Management' development and succession plan and govern the annual assessment of the Management effectively. Moreover, provide the appropriate remuneration to the Management and in line with operation performance to drive short term and long-term motivation.
14. Assess the performance of the Board of Directors annually by performing three types of assessments: overall Board of Directors and its sub-committee's assessment, individual assessment and the Managing Director assessment including monitoring the assessment results of the Board of Directors and its sub-committees which will be jointly deliberated by the Board of Directors.
15. Govern the director's nomination transparently. Determine the remuneration of the Board of Directors and its sub-committees appropriately.
16. Attend the Board of Directors' and shareholders' meeting, except in case of unable to attend the meeting then advance notification to the Chairman or the Company Secretary shall be provided.
17. Develop the knowledge and ability continuously. Attend the seminar or related course to fulfill the competency.
18. The Board of Directors may consult the external independent consultant or the professional in necessary circumstances.

7.2.2 Role of the Chairman

The Board defines the duties of the Chairman as follows:

1. Determine the meeting agenda of the Board of Directors' Meeting together with the Managing Director. Ensure that the directors obtain the information accurately, completely, transparently and timeliness before the meeting to make the appropriate decision making.
2. Being the leader of the directors and the Chairman of the Board of Directors' Meeting.
 - 2.1 Conduct the Board of Directors' Meeting to be in accordance with the agenda, the Company's Article of Association, and other regulations.
 - 2.2 Arrange the sufficient time and encourage the directors for independent discussion with carefully considering all stakeholders.
 - 2.3 Conclude the resolution and required action of each agenda clearly.
 - 2.4 Stipulate having the Board of Directors' meeting without executive director.

3. Being leadership of the shareholders' meeting to be in accordance with the agenda, the Company's Article of Association, and regulations. Arrange the appropriate time and chance for the shareholders equally to question and express their opinion appropriately.
4. Support the good corporate governance and sustainability of the Company.
5. Promote the good relationship between the Board of Directors and the Management. Support the Managing Director to perform duties in accordance with the Company's policies.
6. Govern the information disclosure and management with transparency, in case of any conflict of interest.
7. Govern the appropriate infrastructure and constitution of the Board of Directors.
8. Govern the performance of the Board of Directors, its sub-committees, and each director of the Company effectively and efficiently.
9. Govern the performance assessment of the Board of Directors, individual director, the Managing Director, and sub-committees to develop and strengthen the Board of Directors and its sub-committees.

7.2.3 Authority of the Board for Approval

The Board of Director has the authority of approval in accordance with scope of duties stated in the Company's Article of Associations, the Charter of the Board of Directors and resolution of the shareholders' meeting. This includes determining and reviewing of the vision, mission, the strategic plan, risk management policy, budget and yearly business operation plan, business plan and goal. Moreover, the Board of Directors has authority to oversee and assess the Company's performance, capital expenditure, related-party transactions, mergers, settlers, and joint ventures including appointment of the director, the Management, or the important position in subsidiary and sub-power of attorney.

7.3 Sub-Committees

The Board of Directors has appointed the sub-committees to responsible for the specific duty and report to the Board of Directors for consideration or acknowledge. The Charter of each sub-committee has been defined to govern the scope of duties, responsibilities, qualification and its meeting. The sub-committees comprise of:

7.3.1 Audit Committee

The Audit Committee consists of 3 independent directors which 2 form 3 directors have adequate accounting experiences to review the financial statements. Nevertheless, the Audit Committee has main responsibility to review: the reliable of financial statements and financial and accounting reporting system, the effectiveness of internal control and risk management, regulations compliance and related transactions. The Audit Committee are listed as follows.

Position	Name	Type of Director	Experienced in review of financial statement
Chairman of the Audit Committee:	Assoc. Prof. Dr. Rojanasak Chomvilailuk	Independent Director	Yes
Audit Committee:	Mr. Panuwat Chalongkuamdee	Independent Director	No
	Ms. Sudaporn Tawapee	Independent Director	Yes

The Company has an Internal Audit Department leaded by Mrs. Nattamon Chotvichien as Head of Internal Audit Department. The Internal Audit Department shall report directly to the Audit Committee. Moreover, the Audit Committee shall conduct the meeting with Auditor once a year and the meeting with non-executive director once a year to share the opinion independently.

a) Authority and Responsibilities of the Audit Committee

1. Review the financial report and other financial information disclosures accurately, adequately, and reliably in accordance with the financial report standard and the applicable regulations.
2. Review the internal control system to ensure its appropriateness, sufficiency, and effectiveness, including reviewing the internal audit process to ensure its reliability, effectiveness, and general standard acceptability.
3. Review the compliance of regulations relating to Securities and Stock Exchange, regulations from the Stock Exchange of Thailand (SET), the Exchange Commission, Thailand (SEC) and any relevant requirements.
4. Consider, select, appoint, and impeach or terminate the auditor, including propose the audit fee. The Audit Committee shall arrange the meeting with the auditor without the Management at least once a year.
5. Consider the Related Party Transactions (RPT), Connected Transactions or conflict of interest transactions according to regulations and requirements from SET and SEC.
6. Prepare and disclose the report of the Audit Committee in the Annual Report of the Company according to requirements from SET or relevant authorities.
7. Report on the audit result from the Audit Committee to the Board of Directors on a quarterly basis.
8. Govern the annual performance assessment of the Audit Committee and self-assessment for all committee members.
9. Consider and approve the internal audit plan, budget and human resources of the Internal Audit Department.
10. Consider the independence of the Internal Audit Department based on their performance and line of command including considering the appointment, impeachment, rotation and termination of the Head of Internal Audit Department.
11. Evaluate performance of the Internal Audit Department according to the general accepted standard and good corporate governance principles.
12. Review and instruct the Internal Audit Department and coordinate with the auditor.
13. Review to ensure the appropriateness, effectiveness, and sufficiency of the Company's Risk Management system.
14. Review the anti-corruption self-assessment prepared by the Internal Audit Department including reviewing the internal control system relating to anti-corruption to ensure its compliance with the good corporate governance practice and self-assessment result submitted to the IOD.
15. Review the fraud and corruption, and whistle blowing process including identify preventive action.
16. Authorize to invite the Management, supervisors, and employees to attend the meeting, submit report and opine as necessary including consul to the independent consultant as necessary, the cost shall be absorbed by the Company.
17. Annual review of the Charter of the Audit Committee to ensure its currency and up to date according to relevant regulations and requirements.
18. Perform any other duties assigned by the Board of Directors as agreed by the Audit Committee or according to relevant regulations under the authority of the Audit Committee.
19. Report to the Board of Directors and rectify the circumstances within a timeline agreed by the Audit Committee in case of any occurrences that may significantly affect the financial position and operational performance of the Company as follows:
 - 19.1 Conflict of interest.
 - 19.2 Fraud, corruption, or weakness of internal control system.
 - 19.3 Breach of regulations relating to securities and stock exchange from the SET, the SEC or relevant regulations.

b) Terms of Office of the Audit Committee

The term of each member shall be not greater than 3 years or being the period of director. The retired committee member has the right to be re-elected upon approved by the Board of Directors or the shareholders' meeting.

c) Responsibility of the Audit Committee

The Audit Committee shall report to the Board of Directors and rectify the circumstances under the appropriateness in case of the occurring of events that can affect the financial position and operational performance of the Company as follows:

1. Conflict of interest.
2. Fraud and Corruption or the weakness of internal control.
3. Violation of the Securities and Exchange Act, the SET requirements and laws and regulations related to business.

7.3.2 Remuneration and Nomination Committee

The Remuneration and Nomination Committee consists of 3 directors which has 2 independent directors, an executive director and a non-executive director. The Remuneration and Nomination Committee mainly responsible for the structure of remuneration of the Board of Directors and sub-committees, including the recommendation on nomination and succession plan. Remuneration and Nomination Committee are listed as follows.

Position	Name	Type of Director
Chairman of the Remuneration and Nomination Committee:	Ms. Sudaporn Tawapee	Independent director
Directors:	Assoc.Prof.Dr. Rojanasak Chomvilailuk	Independent director
	Mr. Lim Hwee Hai	Non-executive director
	Mr. Somchai Sittichaisrichart	Managing director

The proportion of the Remuneration and Nomination Committee is as follows:

Type of Director	Number	Percentage
Independent director	2	50%
Non-executive director	1	25%
Managing director	1	25%

a) Authority and Responsibilities of the Remuneration and Nomination Committee

1. Determine the fair scheme and policy for the remuneration of the Board of Directors and sub-committee suitably with their responsibilities and comparable within the same industry.
2. Propose to the Board of Directors for approval of the remuneration of the Board of Directors and sub-committee prior to proposing for the shareholders' approval in the AGM.
3. Determine the policy, scheme, and guideline for the executive directors (Managing Director and Executive Director) assessment by comparing them with annual goals and objective in order to adjust the remuneration of the executive directors. The remuneration also depends on the duties, responsibilities and operation result.
4. Review and consider together with the executive director for the remuneration of the persons holding an position as General Manager or equivalent or higher level.
5. Consider the budget for annual salary adjustment, annual bonus, extra remuneration or other motivated remuneration for the employees.
6. Review suitability of the company's new stock allotment to the director, the General Manager and consent for stock allotment for the employees.
7. Annually review and revise the remuneration scheme appropriately and reasonably .
8. Determine the policy, scheme, and procedure for the nomination transparently and fairly, evaluation, and selection of the qualified persons to be the director to ensure completeness of each committee constitution. Nomination of the substitute or additional persons to hold an executive position as General Manager or equivalent or higher level as appropriate.

9. Propose the qualified candidates to be nominated and elected as the directors of the Company and sub-committees to the Board of Directors prior to propose for approval in the shareholders' meeting.
10. Review and adjust the number of directors and appropriate constitution of the Board of Directors and sub-committee to ensure its suitability with the organization, duties and environment.
11. Prepare the succession plan of the executive director and the persons holding an executive position as General Manager or equivalent or higher level to ensure business continuity.
12. Report on the performance and the progression of the Remuneration and Nomination Committee to the Board of Directors at least once a year
13. Prepare and disclose the Report of Remuneration and Nomination Committee in the Annual Report of the Company according to requirements from SET or relevant authorities.
14. Propose the remuneration of the directors and sub-committee, and propose the candidates to be nominated and elected as the directors of the Company and sub-committees in the shareholders' meeting.
15. Disclose the remuneration criteria of the directors and sub-committee in the Annual Report of the Company.
16. Govern the annual performance assessment of the Remuneration and Nomination Committee and self-assessment for all committee members.
17. Annual review of the Charter of the Remuneration and Nomination Committee to ensure its currency and up to date according to relevant regulations and requirements.
18. Perform any other duties assigned from the Board of Directors as agreed by the Remuneration and Nomination Committee or according to relevant regulations or according to relevant regulations under the authority of the Remuneration and Nomination Committee.
19. The Remuneration and Nomination Committee has the right to hire an external consultant or other external professionals to assist in necessary circumstances to support their effective duties according to the Charter and the cost shall be born to the Company.

b) Terms of Office of the Remuneration and Nomination Committee

The terms of each member shall not be greater than 3 years or being the period of director. The retired committee member has the right to be re-elected upon approved by the Board of Directors or the shareholders' meeting.

7.3.3 Risk Management Committee

The Risk Management Committee consists of 3 directors which has 2 non-executive director and a non-executive director. The non-executive director as the Chairman of the Risk Management Committee shall report to the Board of Directors regarding suitability of risk management plan to ensure business continuity. The Risk Management Committee are listed as follows.

Position	Name	Type of Director
Chairman of the Risk Management Committee:	Mr. Lim Hwee Hai	Non-Executive Director
Directors:	Mr. Somchai Sittichaisrichart	Managing Director
	Mr. Lim Kia Hong	Non-Executive Director

The proportion of the Risk Management Committee is as follows:

Type of Director	Amount	Percentage
Non-executive director	2	66.67%
Executive director	1	33.33%

a) Authority and Responsibilities of the Risk Management Committee

1. Appropriately and effectively determine the Risk Management Policy and scope which cover all important risks and risks that might affect the business such as strategic risk, financial risk, operational risk, compliance risk, social and environment risk and emerging risk.
2. Adequately and effectively determine the risk management plan and procedure for overall organization in accordance with the Risk Management Policy. Risk assessment, controlling, and monitoring are required to ensure its sufficiency and acceptability.
3. Encourage and promote to all employees to get corporation for risk management and review the sufficiency, appropriateness, and effectiveness of the risk management system and its compliance.
4. Govern the risk management compliance and review the disclosure of risk management information to the regulators and investors.
5. Report on the performance of the Risk Management Committee to the Board of Directors at least 2 times a year.
6. Prepare the report of the Risk Management Committee and disclose on the Annual Report of the Company according to requirement from SET or relevant authorities.
7. Govern the annual performance assessment of the Risk Management Committee and self-assessment for all committee members.
8. Annual review of the Charter of the Risk Management Committee to ensure its currency and up to date according to relevant regulations and requirements.
9. Perform any other duties assigned from the Board of Directors as agreed by the Risk Management Committee or according to relevant regulations under the authority of the Risk Management Committee.
10. The Risk Management Committee has the right to hire an external consultant or other external consultant or other professionals to assist in necessary circumstances and the cost shall be born to the Company.

b) Terms of Office of the of the Risk Management Committee

The term of each committee member shall not be greater than 3 years or being the period of director. The retired committee member has the right to be re-elected upon approved by the Board of Directors or the shareholders' meeting.

7.3.4 Corporate Governance and Sustainability Committee

The Corporate Governance Committee has been changed to be the Corporate Governance and Sustainability Committee after the Corporate Governance Committee's meeting no.2/2022 and the Bord of Directors' meeting no.6/2022. The Board of Directors and the Corporate Governance Committee have the unanimous resolution to assign the Corporate Governance Committee to responsible for sustainability management function extensively. The Corporate Governance and Sustainability Committee shall be responsible according to the Charter of the Corporate Governance and Sustainability Committee which has been approved at the same time. The Corporate Governance and Sustainability Committee consists of 5 directors which has3 independent directors, an executive director and a non-executive director. The Chairman of the Corporate Governance Committee is an independent director shall responsible for efficiently screen matters according to the policy and determined criteria to support the Bord of Directors for good corporate governance efficiently and sustainably. The Corporate Governance and Sustainability Committee are listed as follows:

Position	Name	Type of Director
Chairman of the Corporate Governance and Sustainability Committee:	Mr. Panuwat Chalongkuamdee	Independent director
Directors:	Assoc. Prof. Dr. Rojanasak Chomvilailuk	Independent director
	Ms. Sudaporn Tawapee	Independent director
	Mr. Lim Hwee Hai	Non-Executive director
	Mr. Somchai Sittichaisrichart	Managing director

The proportion of the Corporate Governance and Sustainability Committee is as follows:

Type of Director	Number	Percentage
Independent director	3	60%
Non-Executive director	1	20%
Managing director	1	20%

a) Authority and Responsibilities of the Corporate Governance and Sustainability Committee

1. Consider and review the Corporate Governance Policy, Code of Conduct, Anti-Corruption Policy, Sustainability Policy, the Corporate Social and Environment Responsibility Policy and the relevant policies to ensure its currency, suitability, adequacy for operations including compliance with the requirements from the SET and the SEC or the relevant regulators prior to propose to the Board of Directors for approval.
2. Develop the corporate governance and sustainability plan to cover all aspects in accordance with the requirements.
3. Review the Director Manual to ensure its continuity and appropriateness including review the Article of Associations of the Board of Directors and sub-committees.
4. Encourage the organizational culture with the good corporate governance and sustainability to the Management and all levels of employees both policies and practical way.
5. Follow up to ensure that the performance of the Board of Directors and the Management are complied with the good Corporate Governance and Sustainability Policy.
6. Report the performance of the Corporate Governance and Sustainability Committee to the Board of Directors at least once a year.
7. Consider and instruct for the guidelines for responsibilities to all stakeholders.
8. Prepare and disclose the Corporate Governance and Sustainability Policy and Report in the Annual Report of the Company according to requirements from SET or relevant authorities.
9. Govern the annual performance assessment of the Corporate Governance and Sustainability Committee and self-assessment for all committee members.
10. Annual review of the Charter of the Corporate Governance and Sustainability Committee to ensure its suitability according to relevant regulations and requirements.
11. Perform any other duties assigned by the Board of Directors as agreed by the Corporate Governance and Sustainability Committee or according to relevant regulations under the authority of the Corporate Governance and Sustainability Committee.
12. The Corporate Governance and Sustainability Committee has the right to hire an external consultant or other external professionals to assist in necessary circumstances to support their effective duties according to the Charter and the cost shall be born to the Company.

b) Terms of Office of the Corporate Governance and Sustainability Committee

The term of each committee member shall not be greater than 3 years or being the period of director. The retired committee member has the right to be re-elected upon approved by the Board of Directors or the shareholders' meeting.

7.3.5 Executive Director

Director: Mr. Somchai Sittichaisrichart **Managing Director**

a) Authority and Responsibility of the Executive Director

1. Has authority to proceed according to the policy from the Board of Directors under the laws, condition, regulations and Article of Associations of the Company.
2. Governs the business according to the policy as assigned by the Board of Directors.
3. Considers and proposes the amendment of requirements and discipline as appropriate to the Board of Directors for approval.
4. Approves the transactions under the level of authority as follows:

Transaction	Amount
Transaction related to selling and purchase for normal course of business	Not over 100 Million Baht
Expenditures related to investment or activities that binding the Company	Not over 50 Million Baht
Other cash expenditures	Not over 20 Million Baht

In case of over authorized limit, those transactions shall be proposed and approve by the non-executive directors and the board respectively.

5. Process other transactions which assigned by the Board of Directors.
The proxy to the Managing Director as well as other person which given proxy by the Managing Director, shall not include the authority and/ or the proxy for approval of transaction that may be conflict of interest to the Company and subsidiaries (if any) including related party transactions (except general, normal selling and purchase, or other financial support transactions which is normal course of business and under the general condition that the Company doing to gain the revenue for the Company under determination of the Board of Directors) and selling and purchase transactions of significant assets according to the SET's requirements. This also included other transactions that required approval from the Board of Directors or the shareholders' meeting which need to propose to the Board of Directors and the shareholder's meeting for consideration.

7.4 Remuneration of Directors

7.4.1 Monetary Remuneration

The Company has clearly and transparently defined the remuneration policy of directors and executives. There is an additional remuneration for increased workload. The remuneration of the Company is in the same level as the industry and suitable with the qualified directors. The directors' remuneration is classified as follows:

- **Monthly Retaining Fee of the Board of Directors**
The Chairman of the Board of Directors shall receive a monthly allowance of 36,000 Baht. Other directors (except Managing Director because both already receive salary from the Company) shall receive a monthly allowance of 18,000 Baht.
- **Monthly Retaining Fee of the Audit Committee**
The Chairman of the Audit Committee shall receive a monthly allowance of 32,500 Baht. The other Audit Committee shall receive a monthly allowance of 25,000 Baht.
- **Attendance Fee of the Board of directors**
Directors attending the Board of Directors that is held every quarter shall receive an attendance fee of 22,000 Baht. The Chairman of the Board shall receive an attendance fee of 33,000 Baht.
- **Attendance Fee of the Audit Committee**
The Audit Committee attending the Audit Committee meetings that are held 6 times a year shall receive an attendance fee of 15,000 Baht. The Chairman of the Audit Committee shall receive an attendance fee of 20,000 Baht.
- **Attendance Fee of the Remuneration and Nomination Committee**
The Remuneration and Nomination Committee attending the remuneration and nomination committee meetings that are held twice a year shall receive an attendance fee of 22,000 Baht. The Chairman of the Remuneration and Nomination Committee shall receive an attendance fee of 33,000 Baht.
- **Attendance Fee of the Risk Management Committee**
The Risk Management Committee attending the Risk Management committee meetings that are held twice a year shall receive an attendance fee of 22,000 Baht. The Chairman of the Risk management Committee shall receive an attendance fee of 33,000 Baht.
- **Attendance Fee of the Corporate Governance and Sustainability Committee**
The Corporate Governance and Sustainability Committee attending the Corporate Governance Committee meetings that are held twice a year shall receive an attendance fee of 22,000 Baht. The Chairman of the Corporate Governance Committee shall receive an attendance fee of 33,000 Baht.
- **Special Reward**
The special reward will be paid to non-executive directors once a year as per their performance. This will be considered by the Remuneration and Nomination Committee as stated in the criteria.

7.4.2 Other Remuneration

None

7.5 Management Information

7.5.1 Management Team Members

The Management, Chief Accounting and the Company Secretary according to the SEC are as follows:

Name	Position
1. Mr. Somchai Sittichaisrichart	Managing Director
2. Ms. Ploy Sittichaisrichart	Assistant Managing Director
3. Ms. Suwathip Pornsuwannapha	Financial Controller
4. Ms. Wareeporn Sittichaisrichart	Operation Director
5. Mr. Taweesak Sinpipatmongkol	General Manager of Value-Added Commercial Business Unit
6. Mr. Adisorn Assavanives	General Manager of Consumer Business Unit
7. Mr. Monton Mungkornkarn	General Manager of Commercial Business Unit
8. Mr. Nantawat Prasongpol	General Manager of Phone Business Unit
9. Mr. Nopakoon Visitrattakul	General Manager of Cloud Business Unit
10. Mr. Sonthiporn Sornsong	General Manager of Software as a Service Business Unit
11. Mr. Teekayu Dusiyamee	General Manager of Surveillance & Home Automation Business Unit/ Audio Visual/ Energy Management Business Unit
12. Mr. Thana Thanapase	General Manager of Value-Added Consumer Business Unit
13. Ms. Mayuree Prasong	Accounting Manager
14. Ms. Sirinun Leelapeeraphun	Company Secretary

7.5.2 Management Information

Ms. Ploy Sittichaisrichart

Age 36 Years Nationality Thai

Position

- Assistant Managing Director

Education

- Bachelor of Management, London School of Economics

Shareholding (As at December 31st, 2022)

- None

Working Experience

- 2016 – Present Assistant Managing Director
SiS Distribution (Thailand) PCL.
- 2014 – 2016 Project Manager
SiS Distribution (Thailand) PCL.
- 2013 – 2014 Regional VP Marketing
Lazada Co., Ltd.
- 2011 – 2013 Business Analyst Consulting
McKinsey & Company (Thailand) Co., Ltd.

The Family Relationship with the Management

- Daughter of Mr. Somchai Sittichaisrichart



Ms. Suwathip Pornsuwannapha

Age 53 Years Nationality Thai

Position

- Financial Controller

Education

- Master of Accounting, Chulalongkorn University

Shareholding (As at December 31st, 2022)

- 358,096 shares, equal to 0.10% of total shares with voting right

Working Experience

- 1999 – Present Financial Controller
SiS Distribution (Thailand) PCL.
- 1994 – 1999 Accounting Manager
M&V Technologies Co., Ltd.
- 1991 – 1993 Senior Auditor
Coopers and Lybrand Co., Ltd.

The Family Relationship with the Management

- None



Mrs. Wareeporn Sittichaisrichart

Age 63 Years **Nationality** Thai

Position

- Operation Director

Education

- Bachelor of Science, Prince of Songkhla University

Shareholding (As at December 31st, 2022)

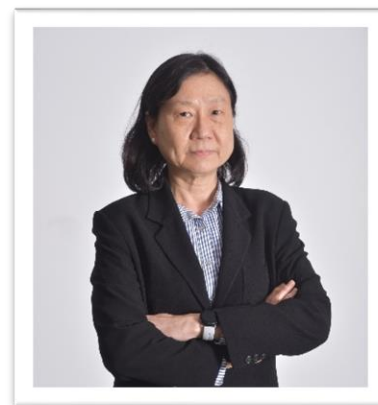
- None

Working Experience

- 1999 – Present Operation Manager
SiS Distribution (Thailand) PCL.
- 1994 – 1999 MIS Manager
M&V Technologies Co., Ltd

The Family Relationship with the Management

- Spouse of Mr. Somchai Sittichaisrichart

**Mr. Taweesak Sinpipatmongkol**

Age 46 Years **Nationality** Thai

Position

- General Manager of Value Added Commercial Business Unit

Education

- Bachelor of Engineering, Assumption University

Shareholding (As at December 31st, 2022)

- None

Working Experience

- 2019 – Present General Manager of Value Added
Commercial Business Unit
SiS Distribution (Thailand) PCL.
- 2000 – 2019 Senior Vice President
NetONE Network Solution Co., Ltd.

The Family Relationship with the Management

- None



Mr. Adisorn Assavanives

Age 47 Years **Nationality** Thai

Position

- General Manager of Consumer Business Unit

Education

- Bachelor of Business Administration, Assumption University

Shareholding (As at December 31st, 2022)

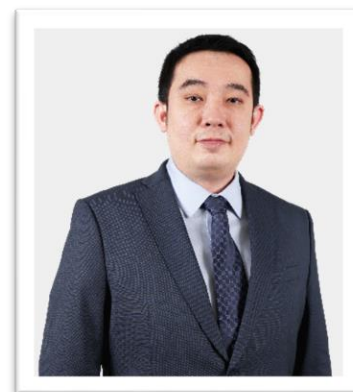
- None

Working Experience

- 2023 – Present General Manager of Consumer Business Unit
SiS Distribution (Thailand) PCL.
- 2021 – 2022 Assistant General Manager of Value Added Consumer Business Unit
SiS Distribution (Thailand) PCL.
- 2018 – 2020 Vice President Customers and Sales Development
Power Buy Co., Ltd.
- 2004 – 2018 Vice President Omnichannel Merchandising
Power Buy Co., Ltd.

The Family Relationship with the Management

- None

**Mr. Monton Mungkornkarn**

Age 59 Years **Nationality** Thai

Position

- General Manager of Commercial Business Unit

Education

- Bachelor of Statistics Computer, Chulalongkorn University
- Master of Business Administration, California State University, Dominguez Hills

Shareholding (As at December 31st, 2022)

- None

Working Experience

- 2017 – Present General Manager of Commercial Business Unit
SiS Distribution (Thailand) PCL.
- 2004 – 2016 Director B2B department
Thai Samsung Electronics
- 1997 – 2004 Sales Manager
Hewlett Packard (Thailand)
- 1994 – 1997 Sales Manager
TN Nixdorf (Thailand)

The Family Relationship with the Management

- None



Mr. NantawatPrasongpol

Age 48 Years **Nationality** Thai

Position

- General Manager of Phone Business Unit

Education

- Bachelor of Business Administration, Assumption University
- Master of Technology Management, University of Denver

Shareholding (As at December 31st, 2022)

- None

Working Experience

- September 2022 - Present General Manager of Phone Business Unit
SiS Distribution (Thailand) PCL.
- 2022 Assistant General Manager of Phone Business Unit
SiS Distribution (Thailand) PCL.
- 2020 - 2022 Sales Director
Wiko Mobile (Thailand) Co., Ltd.
- 2019 - 2020 Senior Client Leader
Samsung Electronic Co., Ltd.
- 2018 - 2019 Retail Director
Wiko Mobile (Thailand) Co., Ltd.

The Family Relationship with the Management

- None

**Mr. Nopakoon Visitrattakul**

Age 46 Years **Nationality** Thai

Position

- General Manager of Cloud Business Unit

Education

- Bachelor of Engineering, Chulalongkorn University
- Master of Science (Computer Information Systems), Assumption University
- Master of Business Administration, University of Maryland

Shareholding (As at December 31st, 2022)

- None

Working Experience

- 2022 - Present General Manager of Cloud Business Unit
SiS Distribution (Thailand) PCL.
- 2019 – 2022 General Manager – Advanced Solutions
Ingram Micro (Thailand) Ltd.
- 2018 Sr. Division Product Manager – Advanced Solutions
Ingram Micro (Thailand) Ltd.
- 2014 – 2018 Division Product Manager – Networking & Power
Ingram Micro (Thailand) Ltd.

The Family Relationship with the Management

- None



Mr. Sonthiporn Sornsong

Age 40 Years Nationality Thai

Position

- General Manager of Software as a Service Business Unit

Education

- Bachelor of International Business Management (1st Class Honors), University of Thai Chamber of Commerce
- Master of Business Administration, University of Thai Chamber of Commerce

Shareholding (As at December 31st, 2022)

- 37 shares, equal to 0.000011% of total shares with voting right

Working Experience

- 2023 - Present General Manager Software as a Service Business Unit
SiS Distribution (Thailand) PCL.
- 2020 - 2022 Assistant General Manager Valued Added Commercial Business Unit
SiS Distribution (Thailand) PCL.
- 2016 - 2019 Product Manager
SiS Distribution (Thailand) PCL.

The Family Relationship with the Management

- None

**Mr. Teekayu Dusiyamee**

Age 50 Years Nationality Thai

Position

- General Manager of Surveillance and Home Automation/ Surveillance and Home Automation/ Audio Visual/ Energy Management Business Unit

Education

- Bachelor of Engineering, King Mongkut's Institute of Technology Ladkrabang
- Master of Business Administration, Sasin Graduate Institute of Business Administration, University

Shareholding (As at December 31st, 2022)

- None

Working Experience

- 2021 - Present General Manager of Surveillance and Home Automation/ Surveillance and Home Automation/ Audio Visual/ Energy Management Business Unit
SiS Distribution (Thailand) PCL.
- 2016 - 2021 Managing Director
Forward System Co., Ltd. - Univentures PCL.

The Family Relationship with the Management

- None



Mr. Thana Thanapase

Age 61 Years **Nationality** Thai

Position

- General Manager of Value Added Consumer Business Unit

Education

- Bachelor of Business Administration, Assumption University
- Master of Commerce, Thammasat University

Shareholding (As at December 31st, 2022)

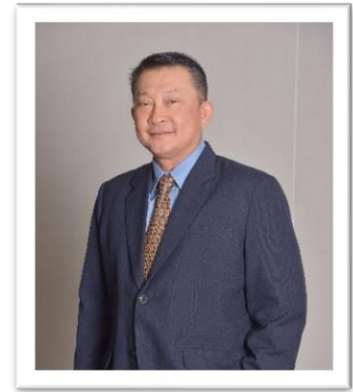
- None

Working Experience

- 2023 - Present General Manager of Value Added Consumer Business Unit
SiS Distribution (Thailand) PCL.
- 2008 – 2023 General Manager of Consumer Business Unit
SiS Distribution (Thailand) PCL
- 2005 – 2008 General Manager
Thai Samsung Electronics Co., Ltd.
- 1996 – 2005 Consumer Sales Manager
Hewlett Packard (Thailand) Co., Ltd.

The Family Relationship with the Management

- None

**Ms. Mayuree Prasong**

Age 47 Years **Nationality** Thai

Position

- Accounting Manager

Education

- Master of Science Program in Information Technology,
King Mongkut's Institute of Technology Ladkrabang

Shareholding (As at December 31st, 2022)

- 47,000 shares, equal to 0.01% of total shares with voting right

Working Experience

- 2014 - Present Accounting Manager
SiS Distribution (Thailand) PCL.

The Family Relationship with the Management

- None



Mrs.Nattamon Chotvichien

Age 38 Years **Nationality** Thai

Position

- Company Secretary

Education

- Bachelor of Accountancy, Kasetsart University
- Master of Sciences in Business System Integration (With SAP Technology), Brunel University, UK

Shareholding (As at December 31st, 2022)

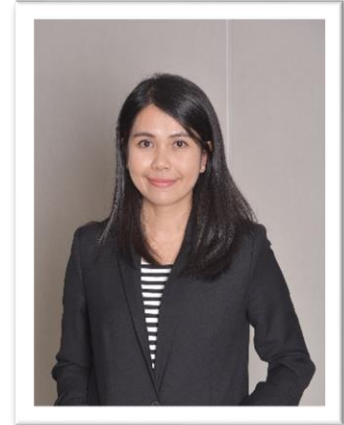
- None

Working Experience

- 2015 – Jan 2023 Company Secretary
SiS Distribution (Thailand) PCL.
- 2015 – Jan 2023 Head of Internal Audit Department
SiS Distribution (Thailand) PCL.
- 2008 - 2011 Senior Assistant Auditor
Bunchikij Co., Ltd.

The Family Relationship with the Management

- None

**Ms. Sirinun Leelapeeraphun**

Age 37 Years **Nationality** Thai

Position

- Company Secretary

Education

- Bachelor of Engineering, Chulalongkorn University
- Master of Arts in International Trade Law and Economics, Thammasat University

Shareholding (As at December 31st, 2022)

- None

Working Experience

- 2023 - Present Company Secretary
SiS Distribution (Thailand) PCL.
- 2020 – 2022 Head of Company Secretary and Investor Relations
Nok Airlines PCL.
- 2020 – 2022 Assistant to Deputy Chief Executive
Nok Airlines PCL.
- 2014 – 2020 Quality Assurance Inspector, Engineering Department
Thai AirAsia X Co., Ltd.
- 2008 – 2014 Quality Assurance Engineer, Technical Department
Nok Airlines PCL.

The Family Relationship with the Management

- None



7.5.3 Management Remuneration

a) Remuneration Policy of Managing Director and the Management

The Remuneration and Nomination Committee has defined the criteria for remuneration of Managing Director which comprised of salary and bonus without long term compensation. The salary and bonus will be assessed on an annual basis. The assessment is classified into 2 main categories as 1) Financial and Strategic Goals (at 65% proportion) and 2) Non-Financial Goals and Other Key Performance Indicators such as Corporate Governance, Operational Efficiency and Planning, Public Relation, and Others, etc. (at 35% proportion). This is comparable to the Company's target which will be reviewed on an annual basis and the industry. Apart from this, the Managing Director also received the attendance fee as a director when attended the meeting but will not receive the monthly retaining fee as the other types of directors.

The Secretary to the Remuneration and Nomination Committee shall collect the Managing Directors' assessment results and propose to the Remuneration and Nomination Committee for consideration of his remuneration prior to propose to the Board of Directors according. In 2022, the Management Director has got the assessment at 80.8%

The remuneration of the Management shall be determined by the Managing Director and inform the total amount to the Remuneration and Nomination Committee and disclose in the Remuneration of the Management Section the Annual Report.

b) Remuneration of Management

I. Cash Remuneration

In 2022, the Company has paid remuneration which comprised of salary, quarterly incentives and annual bonus as an amount of 93.45 Million Baht.

II. Other Remuneration

· Management Provident Fund

The Company has arranged the Provident fund for the Management who have passed the probation. The Company has contributed the fund at 2-5% of salary for the Management which is equivalent to 2.44 Million Bath in 2022. However, the Management shall have working period with the Company at least 2 years will receive partial contribution and will receive the full amount of the contribution once they have working period more than 5 years. Contribution details receipt are listed as follows:

Working Period	Refund Rate in Contribution
Less than 2 years	Refund only the employee contributions and benefits from the fund
2 – 3 years	Refund the employee contributions and 20% of company contributions together with benefits from the fund
3 – 4 years	Refund the employee contributions and 40% of company contributions together with benefits from the fund
4 – 5 years	Refund the employee contributions and 70% of company contributions together with benefits from the fund
5 years up	Refund the employee contributions and 100% of company contributions together with benefits from the fund

7.6 Employees

The Company employs totally of 774 employees (exclusion of the Management). In 2022, the company paid the benefits to employees as salary, quarterly incentives and annual bonus at 531.54 Million Baht. The number Company's employees are listed as table below:

Department	Employee (Person)
Sales	342
Products/Marketing	175
Accounting/Finance/Credit	27
Logistic	31
Technical Support	116
Services	35
Others	48
Total	774

In the last 3 years, there is no significant changing in number of employees which can affects the business continuity. However, the Company still recruits more employees which is in accordance with the growth of the business.

7.6.1 Provident Fund of Employee

The Company has established of the Provident fund for the employees who passed the probation. In 2022, the Company contributed 2-5% of salary to the 706 employee funds which equivalent to 13.48 Million Baht (excluding the Management). However, the employees shall have working period with the Company for more than 2 years to receive proportional contribution and will receive the full amount of the contribution after they have working with the Company more than 5 years. Details are listed as follows:

Working Period	Rate of Refund in Contribution
Less than 2 years	Refund only the employee contributions and benefits from the fund
2 – 3 years	Refund the employee contributions and 20% of company contributions together with benefits from the fund
3 – 4 years	Refund the employee contributions and 40% of company contributions together with benefits from the fund
4 – 5 years	Refund the employee contributions and 70% of company contributions together with benefits from the fund
5 years up	Refund the employee contributions and 100% of company contributions together with benefits from the fund

Besides, the Company encourages the Provident Fund Committee to choose the fund manager who managed the fund with responsible to the environment, society and governance. He/she shall have good investment governance to achieve the long term ultimate benefits for the member.

100% of employees who have the right to join the Provident Fund has joined this program.

7.7 Other Key Information

7.7.1 Company Secretary, Head of Internal Audit and Head of Compliance

Company Secretary and Head of Internal Auditor

In the Audit Committee meeting no. 1/2015 on January 29th, 2015, Mrs. Nattamon Chotvichien has been appointed to be the Head of Internal Auditor and the Secretary to the Audit Committee because she has the appropriate experiences in the auditing which can be applied for the benefit of the Company. She also has fluent knowledge and understand in ERP system which the Company is using so she is appropriate to perform this duty properly and effectively.

The consideration for appoint, remove or rotate the Head of Internal Auditor shall be approved or consent by the Audit Committee.

Besides, the Board of Directors had resolution on December 17th, 2015 to appoint Mrs. Nattamon Chotvichien to be the Company Secretary also.

Mrs. Nattamon Chotvichien has resigned from the Company with an effective date on January 16th, 2023. The Board of Directors' meeting no.1/2023 held on January 12th, 2023 had resolution to appoint Ms.Sirinun Leelapeeraphun to be the Company Secretary with effective from January 16th, 2023 onwards.

Roles and Duties of Company Secretary

Role of company secretary perform duties as determined by the SET and the SEC.

Role of Company Secretary coordinate to facilitate the Board of Directors' meeting and the AGM. Coordinate with the Managing Director for meeting agenda determination and prepare the meeting invitation letter, including coordinate with all directors for such meeting, prepare the meeting documentation, record the minute of meeting, coordinate with related parties to clarify or provide information to the meeting on each agenda.

Operate according to the meeting resolution concerning the change of Company registry in case of directors or shareholders have the resolution to change the Company registration; the Company Secretary shall responsible for such amendment according to the meeting's resolution.

Advice to the Board of Directors in terms of compliance of the regulations issued by the SEC and SET within specific timeline, including report information to the SEC and the SET according to requirements.

Coordinate to prepare the Annual Report coordinate with related departments in the Company to complete information for the Annual Report in accordance with the SEC and the SET's principles.

Serve as the share registrar for subsidiary company serve as the share registrar for subsidiary company (only non-listed company) including notification to the Department of Business Development, the Ministry of Commerce.

Coordinate with Investor Relation Department to oversee the information disclosure in accordance with the rules and regulations of SET.

Other duties to proceed according to the assignment from the Company and the capital market supervisory board.

Head of Compliance

The Company has assigned Ms. Areerat Kuanphadung, legal manager to be the head of compliance in order to govern the compliance of the Company. The qualification of the Head of Compliance is disclosed in attachment no. 4.

7.7.2 Head of Investor Relations

The Company has assigned Ms. Suwathip Pornsuwannapha, Financial Controller, to be Head of Investor Relations to provide the Company information and to coordinate with investors through the following channels:

Investor Relations	Phone	02-020-3000
	Email	investorinfo@sisthai.com

7.7.3 Audit Fee

(a) Audit Fee

The Company and its subsidiaries paid audit fees in the past fiscal year totally 2,535,000 Baht without any non-audit fee, which is divided into the audit fee of the Company in the amount of 2,220,000 Baht and the audit fee of 3 subsidiaries in the total amount of 315,000 Baht.

Type of Fee	SiS Distribution	Qool	SiS Venture	P T Automation	Total
Annual Audit Fee	1,370,000	120,000	120,000	15,000	1,625,000
Quarterly Audit Fee	600,000	30,000	30,000	-	660,000
Package Fee	250,000	-	-	-	250,000
Total Audit Fee	2,220,000	150,000	150,000		2,535,000
Non-Audit Fee	-	-	-	-	-
Total	2,220,000	150,000	150,000	15,000	2,535,000
Auditor	EY Company Limited			Alpha Audit Co., Ltd.	

(b) Non-Audit Fee

The Company does not pay any other fees in the year 2022.

8. Corporate Governance Milestones

8.1 Performance of the Board of Directors in 2022

8.1.1 Nomination, Development and Performance Assessment of the Board of Directors

Definition of Independent Director

Independent Director is the Director who has independent decision and not relate with major shareholders, the management and related person in the Company, subsidiaries and affiliates. An independent Director can conduct fair deals involving all shareholders' interest and has qualification more stringent than the regulations of the SEC and SET as follow:

- 1) Holding no more than 1% of total voting shares in the company, parent company, subsidiary, affiliate, major shareholder(s), or controlling parties of the company including the shareholding of persons related to the independent directors.
- 2) Not currently be or never been the company's executive director, worker, employee, salaried consultant, or controlling parties of the company, parent company, subsidiary, affiliate, major shareholder(s), or controlling parties of the company. Except it has been at least two years after the person has held the position.
- 3) Not by blood or legally registered with other directors, executives, major shareholders, controlling parties, or persons who will be nominated as directors, Management, or controlling parties of the company or subsidiary.
- 4) Not currently having or never had any relations with the company, parent company, subsidiary, affiliate, major shareholder(s), or controlling parties of the company in the way that such relation may impede the person from having independent views. Also, the person should not currently be or never be a significant shareholder or controlling person for persons having business relations with the company*. Exception: It has been at least two years after the person has held the position.
- 5) Not currently being or never been the Auditor for the company, parent company, subsidiary, affiliate, major shareholder(s), or controlling parties of the company. Also, the person should not currently be or never be a significant shareholder, controlling person, or partners of current auditor's auditing firm for the company, parent company, subsidiary, affiliate, major shareholder(s), or controlling parties of the company. Except it has been at least two years after the person has held the position.
- 6) Not currently be providing or never provided professional services, legal consulting, nor financial consulting services to the company, parent company, subsidiary, affiliate, major shareholder(s), or controlling parties of the company with a fee more than 2 Million Baht per year. Also, the person should not currently be or never be a significant shareholder, controlling person, or partners of current service providers. Except it has been at least two years after the person has held the position.
- 7) Not currently a director appointed to represent the company's directors, major shareholders, or the shareholder related to major shareholder.
- (8) Not currently be operating under similar business nature and significant competition to the company or subsidiary; or not a significant partner of the partnership, executive director, salaried worker, employee, or consultant, or holding more than 1% of voting shares of any other companies operating under similar business nature and significant competition to the company and subsidiary.
- 9) Not under any conditions that may impede the person from having independent views towards the company's operations.
- 10) Not Being the Director that the Board assign to decide in the operational performance of the Company, subsidiaries, associates, major shareholders or controlling parties.
- 11) Not being the Directors of subsidiaries, which are the listed company.
- 12) Expertise and has the strong knowledge to perform the duty of Audit Committee and advocate the time to perform the duty.

- (13) Not being the Director in the listed company for more than 5 companies because this can affect the performance of the Audit Committee.

(a) Director Nomination

For the nomination of director, the Remuneration and Nomination Committee which comprised of 2 independent directors from totally of 4 members shall responsible for the nomination and screen the candidates who has appropriate qualification according to the Company's Article of Association. The Remuneration and Nomination Committee also propose the appropriate qualified candidates to get the various professional directors consistent with size and constitution of the Board of Directors. The number of candidates would be equal to the number of vacancies. The Remuneration and Nomination Committee shall propose to the Board of Directors for consent prior to proposing to the shareholders' meeting for approval accordingly.

The Remuneration and Nomination Committee has considered about business characteristic and future plan of the Company, then the qualification of directors is defined as follows:

I. Director's Qualification

- 1) Being qualified in accordance with the Public Limited Companies Act, the Securities and Exchange Act and the Company's Article of Associations without any prohibited characteristics as stated in the Securities and Exchange Commission, Thailand (SEC)'s announcement about qualification of the Executive of Public Company.
- 2) Fulfillment with leadership, vision and understanding the business of the Company.
- 3) Be able to perform and express the opinion independently and advocate the time to perform the duty.
- 4) Being in the position in the listed company, not over 5 companies.

The Remuneration and Nomination Committee provide the opportunity to the shareholders to propose the qualified nomination according to the above requirements for election to be the director. Then the Remuneration and Nomination Committee will propose to the Board of Directors for consideration prior to proposing to the shareholders for approval.

II. The director's election from the shareholders meeting

The Company's Article of Association requires the Board of Directors to consist of not less than five directors. The Company appoints the directors through the shareholders' meeting using the majority vote according to the followings criteria and procedures:

- 1) Each shareholder shall have one vote for one share in voting for resolution in electing nominated person.
- 2) For the director's election, it can be individual election or the whole set of directors' election or other method upon the agreement in the meeting. However, the voting will be according to 1., the vote cannot be divided.
- 3) Majority voting shall be used for director election. In case of equity voting, the Chairman of the meeting would be entitled a vote as a casting vote.

In case of a vacancy in the Board of Directors for any reasons other than the term completion, the Board of Directors shall elect a person who is fully qualified as the substitute director at the next meeting of the Board of Directors, unless the remaining term of office of the retired director is less than 2 months. The substitute director shall remain in the position only for the remaining period of the director being replaced. Voting for this resolution requires the votes not less than three-fourth (3/4) of the total number of remaining directors.

(b) The nomination and new top management appointment

To nominate the Top Management and Managing Director, the Executive Committee shall preliminary consider the qualified, appropriate, competent, skilled and experienced candidates who will benefit to the Company. The candidate shall benefit the Company. The candidates shall fully understand the business and able to manage to achieve the purpose and goal as indicated by the Board of Directors. The Executive Committee shall propose to the Remuneration and Nomination Committee for approval consideration prior to propose to the Board of Directors for approval.

The Board of Directors has delegated the Remuneration and Nomination Committee to responsible for succession plan. The Remuneration and Nomination Committee assigned the Managing Director to prepare plan for substitution of main position which is being in the process of setting up criteria of knowledge and capability required for each job, and then consideration from the existing candidates with the knowledge and competency assessment in order to know what skills they are ineligible, and then, the Company will provide training or job rotation to fulfill their lacking experience. The progress of success plan shall be considered during every Remuneration and Nomination Committee meeting.

8.1.2 Meeting Attendance and Individual Directors' Compensation

a) Board of Director Meetings

The Company determined the Board of Directors' Meeting by setting the agenda for acknowledge and consideration clearly. The meeting schedule shall be notified to all directors in advance throughout the year on a yearly basis. The performance of the Company shall be reviewed on a regular basis and the meeting documentation shall be completely prepared and distributed to the Board of Directors at least 5 days prior to the meeting. On the agenda that any directors have conflicts of interest, such director shall leave the meeting prior its commence to provide the independent discussion. The Management may be invited to attend the meetings for elaboration and resolution discussion including provide clarification in any cases. Moreover, the Company shall have the Board of Directors' meeting without the Managing Director and executive director, and the meeting between the Audit Committee and the Auditors. The Company determined the minimum quorum not less than two-third (2/3) of total directors for any votes. Moreover, the Company determined that all directors shall attend the meeting at least 75% of total meetings over the year (Except for new directors that was appointed during the year). Details of meeting attendance in 2022 are as follows:

Name	Board of Directors Meeting			Audit Committee Meeting			Remuneration and Nomination Committee Meeting			Risk Management Committee Meeting			Corporate Governance and Sustainability Committee Meeting			AGM 2022			Non-Executive Meeting			Audit Committee and Auditor Meeting			Total		
Through type A meeting (Physical Meeting) or the type B meeting (Electronic-Meeting)																											
	A	B	Total	A	B	Total	A	B	Total	A	B	Total	A	B	Total	A	B	Total	A	B	Total	A	B	Total	A	B	Total
1. Mr. Lim Kiah Meng	-	6/6	6/6	-	-	-	-	-	-	-	-	-	-	-	-	-	1/1	1/1	-	1/1	1/1	-	-	-	-	8/8	8/8
2. Assoc. Prof. Dr. Rojanasak Chomvilailuk	-	6/6	6/6	-	6/6	6/6	-	3/3	3/3	-	-	-	-	2/2	2/2	-	1/1	1/1	-	1/1	1/1	-	1/1	1/1	-	20/20	20/20
3. Mr. Panuwat Chalongkuamdee	-	6/6	6/6	-	6/6	6/6	-	-	-	-	-	-	-	2/2	2/2	-	1/1	1/1	-	1/1	1/1	-	1/1	1/1	-	17/17	17/17
4. Ms. Sudaporn Tawapee	-	6/6	6/6	-	6/6	6/6	-	3/3	3/3	-	-	-	-	2/2	2/2	-	1/1	1/1	-	1/1	1/1	-	1/1	1/1	-	20/20	20/20
5. Mr. Lim Hwee Hai	-	6/6	6/6	-	-	-	-	3/3	3/3	-	2/2	2/2	-	2/2	2/2	-	1/1	1/1	-	1/1	1/1	-	-	-	-	15/15	15/15
6. Mr. Lim Kia Hong	-	6/6	6/6	-	-	-	-	-	-	-	2/2	2/2	-	-	-	-	1/1	1/1	-	1/1	1/1	-	-	-	-	10/10	10/10
7. Mrs.Lim Hwee Noi	-	6/6	6/6	-	-	-	-	-	-	-	-	-	-	-	-	-	1/1	1/1	-	1/1	1/1	-	-	-	-	8/8	8/8
8. Mr. Somchai Sittichaisrichart	-	6/6	6/6	-	-	-	-	3/3	3/3	-	2/2	2/2	-	2/2	2/2	-	1/1	1/1	-	-	-	-	-	-	-	14/14	14/14

Remarks: Information represents in format of X/Y, X is the numbers of attendance and Y shows the number of meetings

b) Remuneration of Directors

In 2022, the Company has asked for approval for the directors' remuneration with the total budget not exceed 8 Million Baht. The actual payment was 6,998,055 Baht. The remuneration of the year 2023 will be proposed to the shareholders for approval at the amount not exceed 8 Million Baht which is the same as last year to the AGM in 2023.

The remuneration of each director in 2022 are as follows:

Name/Position	Monthly Retaining Fee		Attendance Fee					Special Bonus	Total
	Board	Audit	Board	Audit	Remuneration and Nomination	Risk Management	Corporate Governance and Sustainability		
Mr. Lim Kiah Meng Chairman	432,000		198,000						630,000
Assoc. Prof.Dr. Rojanasak Chomvilailuk Independent Director Chairman of the Audit Committee Corporate Government and Sustainability Committee Remuneration and Nomination Committee	216,000	390,000	132,000	120,000	66,000		44,000	721,685	1,689,685
Mr. Panuwat Chalongkumdee Independent Director Audit Committee Chairman of the Corporate Government and Sustainability Committee	216,000	300,000	132,000	90,000			66,000	721,685	1,525,685
Ms. Sudaporn Tawapee Independent Director Audit Committee Corporate Government and Sustainability Committee Chairman of the Remuneration and Nomination Committee	216,000	300,000	132,000	90,000	99,000		44,000	721,685	1,602,685
Mr. Lim Hwee Hai Director Corporate Government and Sustainability Committee Remuneration and Nomination Committee Risk Management Committee	216,000		132,000		66,000	66,000	44,000		524,000
Mr. Lim Kia Hong Director Risk Management Committee	216,000		132,000			44,000			392,000
Mrs.Lim Hwee Noi Director	216,000		132,000						348,000
Mr. Somchai Sittichaisrichart Managing Director Corporate Government and Sustainability Committee Remuneration and Nomination Committee Risk Management Committee			132,000		66,000	44,000	44,000		286,000

8.1.3 Governance of Subsidiaries and Associates

The Board of Directors has appointed 4 directors to be the directors of subsidiaries as appropriate to maximize the benefits to those subsidiaries. They shall also responsible for governance of the internal control system, stipulate the requirements about related party transaction, Acquisition or disposition of assets and significant transactions of the subsidiaries completely, accurately and in accordance with the information disclosure regulations. These subsidiaries' transactions shall use the same criteria as the Company. Moreover, the accountability of the account and filing have been settled to be audited and prepared the financial statements in time.

There are no directors appointment for the associates as the business has been stopped and under the consideration to termination.

8.1.4 Corporate Governance Policy and Guideline Compliance Control

a) Conflict of Interest Prevention

The structure of the Company's directors is independent for the operation. The Board of Directors' structure consists of 3 independent directors from total of 8 directors (37.5%), 4 directors who are representative of major shareholders from total of 8 directors (50.0%) and 1 executive director from total of 8 directors (12.5%), it is independent in operation and carefully check any transactions that may be conflict of interest, including stipulate the policy and procedures to control and monitor the Management, employees and related persons for using internal information for their own benefits as follows:

- I. The Board of Directors has recognized and audited any transactions that may be conflict of interest and related party transaction, including compliance with the regulations of the SET, to ensure that it is treated at the same price and condition as the transaction with the third parties. The Company disclosed such information in the Annual Report.
- II. At the Board of Directors' meetings, if any of directors have conflicts of interest or related benefit with any agenda, such director shall leave the meeting prior to its commence to provide the independent discussion.
- III. The Company has governance and monitor in usage of inside information and stipulated the requirements for the Management to report the change of securities holding to the SEC according to the Securities and Exchange Act. All employees are prohibited from disclosing all inside information to an outside person or non-related person because the Company always operates the business with information disclosure to all employees. Thus, the Company prohibits all employees from stopping their share trading during the end of each quarter till the Company submits its operating results to the SET. Since 2014, the Company has requirement that all directors and Managements to inform the Board of Director 1 business day in advance for the buying and selling the Company's securities before trade date.
- IV. To ensure that employees have aware of these practices, the Company remind the directors, the Management and all employees about conflict of interest prevention via e-mail on quarterly basis. For new employees, these requirements are included in the Company's orientation course.

There is no report about conflict of interest in 2022.

b) Use of internal information for the own benefits

The Company governs the use of internal information for the own benefits according to the good corporate governance principal and establishes the written policy and guidelines as follows:

- I. The Company has a policy to prohibit the directors, the Managements, and all employees to use the internal information about financial statement and operating results, which has not yet been publicly disclosed for their securities trading including for their other own benefits. The Company has informed the directors, the Managements as well as their spouses, children of immaturity and related person under Section 258 of the Securities and Exchange Act B.E.2535 to understand the obligation to report their own securities holding of the Company. This includes the changes of the securities holding report to the SEC within 3 days according to Section 59 and penalties under Section 275 of the Securities and Exchange Act B.E.2535. Furthermore, such securities trading shall be reported to the Company Secretary for acknowledgement and record summary of securities held by each director and Management for further report to the Board of Directors in the next meeting. These activities are also reported in the Annual Report.
- II. The Company promoted to other employees do the same approach with the Management to stop their securities trading before the financial statement has been publicly disclosed to the public. During such period, if the employees need to buy or sell their securities, they have to inform and get approval from the Compliance Department prior to trading.

- III. To remind employees, the Company sends e-mail to all directors, Managements, and employees to aware of this non-trading requirements on quarterly basis. This guideline has been accepted by the Board of Directors. For new employees, these requirements have been included in the orientation course.

There is no report about using internal information for own benefits in 2022.

c) Anti-Corruption

The Company strongly realizes that fraud and corruption are significant obstacles for the country's development. It can significantly damage the Company both in operation and reliability. Therefore, the Company has declared intention and join with Thai CAC for anti-corruption which currently under the renewal process. The Company also defines the Anti-Corruption guidelines to prohibit the directors, the Managements and employees for perform or accept any corruptions with regularly review as follows:

- I. The workflow is designed to provide the cross-functional check between related departments.
- II. Instill the consciousness and priority for anti-corruption.
- III. Provide the whistleblower for fraud and corruption both in forms of public relations and contact directly to the Management at complain@sisthai.com which has been public on the Company's website. The Company has succeeded with this channel as the complaints about the general problems has been reported via this channel regularly. The Company has database for report keeping and provide channel for contact the Audit Committee directly at Email: independentdirector@sisthai.com.
- IV. Prohibit the Management and employees to receive any gifts, except during New Year festival which can accept the gift with the value less than 3,000 Baht. The acceptance of gift with value over 3,000 Baht shall be reported to supervisor and the Company for further action, In case of travelling package receipt, it has to be informed to the Company to further allocate this fairly.
- V. Prohibit for inappropriate power seeking such as promising to give any benefits in order to gain inappropriate advantage.
- VI. The Company defines the policy and procedure for reimbursement clearly and appropriately to protect fraud and corruption. There is a General Affair Department to responsible for control the expense and inform all employee that the Company has reimburse policy for reimburse the actual expense, which is not to be the revenue for employees.
- VII. The Company considers fraud and corruption as the critical offense. There will be the committee to consider about penalty which may be in forms of admonition, disbursement, dismiss from the position and legal action taken. The Company also has procedures for reviewing such problems to establish the corrective and preventive action of fraud and corruption.
- VIII. To emphasize all employees' awareness about these practices, the Company has included these practices in the Company's orientation course.

There is no report about fraud and corruption in 2022.

(d) Information Technology (IT) Security

Nowadays that the IT has been use worldwide both for working and in daily life especially for the Company who operate the business as importer and distributor for IT equipment. The Company has established the guidelines for IT Security as follows:

- I. All Managements and employees aware of and strictly follow the Company's IT Security Policy.
- II. All Management and employees shall strictly follow the Company's Service Agreement
- III. In case that IT utilization is consistent with the Company's policy, announcement, or regulations, illegal, may cause defect or damage to the Company's IT system the IT Support Department shall have the right to cancel such services immediately.

(e) Human Rights

The Company realized and emphasized human rights for all stakeholders both internal and external under ethics and good corporate governance. The Company has determined the human rights direction as follows:

- I. Respect to human rights and treat each other with respect and honor on equality basis to all stakeholders and the persons who lack of right and benefit own protection, without considering differences in physical or mental status, race, nationality, national or social origin, ethnicity, religion, gender, language, age, skin color, education, social status, culture, tradition, or any other status.
- II. Perform duty carefully to prevent any risks in human rights violation in business and committed to preventing all forms of harassment. The Company strictly adheres to the policy and guidelines for non-discrimination, anti-child labor, anti-harassment, and not accept all forms of harassment. All complaints submitted to the Company shall be considered and took confidently. If the allegations are confirmed, remedial action, disciplinary action, dismissal, or legal action will be taken.
- III. Communicate and disclose the policy to educate the knowledge and understanding, define direction, and support employees, suppliers, partners in the business value chain. Ensure participation in business operation with ethics, respect and treat everyone under human rights principles.
- IV. Monitor the human rights respect, do not ignore when finding any human rights violation action relating to the Company. Reports shall be made to the supervisor or responsible person. The reporter shall give cooperation to any inquiry or investigation of truth. In case of any doubt or question, such person shall consult his supervisor or responsible person via the assigned channels.
- V. Provide a channel for whistleblowing and complaint and protect any whistleblower who reports.
- VI. Regularly review human rights policy, considering the changes that are significant to the organization.

There is no report about human right violation in 2022.

(f) Whistleblowing

The Company has provided whistleblowing and complaint channels for internal and external parties including well management procedures.

• **Whistleblower for Stakeholders**

The Company encourages and promotes the stakeholders to suggest and opine. All suggestions and opinions shall be collected and screened prior to propose to the Management and the Board of Directors for consideration. The channel provided is as follows:

Company Secretary	Tel	02-020-3316
	Email	companysecretary@sisthai.com
Independent Director	Tel	02-020-3200
	Email	independentdirector@sisthai.com
Investor Relation	Tel	02-020-3040
	Email	investorinfo@sisthai.com

Besides, the Company provides the channel for all stakeholders both internal and external stakeholders for complain and whist about fraud and corruption including any behaviors that inconsistent with Business Code of Conduct or relevant laws via complain@sisthai.com. The complaints shall be verified by the Internal Audit Department. In the event that the compliant is true, the Company shall appoint the Investigation Committee to manage and consider for the penalty according to the policy and practice with fair and confidential. There is also a procedure for protecting the complaints or whistleblowers when any sign of damage to the reporter.

There is no complaint about products and services which have a significant effect on the quality of the products and services, and all complaints have been rectified. There is no whistleblowing about corruption and the violation of ethics, code of conduct or regulations in 2022.

8.2 Report of the Audit Committee for 2022

8.2.1 Audit Committee Meeting

The summary of the Audit Committee's Meeting for the year 2022 are as follows:

Name	Position	Audit Committee	
		Numbers of meeting	Numbers of attendance
Assoc. Prof. Dr. Rojanasak Chomvilailuk	Chairman of the Audit Committee	6	6
Mr. Panuwat Chalongkwamdee	Audit Committee	6	6
Ms. Sudaporn Tawapee	Audit Committee	6	6

8.2.2 Report of Audit Committee

In 2022, the Audit Committee has discussed and exchanged opinions with the Management, Internal Auditor Department, the Auditors, and the non-executive directors in relevant matters. Significant details can be summarized as follows:

- 1. The audit of the interim statement of financial position and the financial statement for 2022.** The Audit Committee has reviewed significant information on the reviewed and audited financial statement with unqualified opinion from the Auditor and acknowledged the statements and clarifications from the Management and the Auditor on important matters. The special transactions and information disclosure in notes for financial statements have also been reviewed. The Audit Committee had the meeting with the Auditor without the Management to ensure independently inquire and consult on different matters, for instance, the information for the statement of financial position and the disclosure of information based on the financial report standard, which is beneficial for users of the information as a whole, key audit matters, and doubtful conducts. Whereby the Auditor did not detect any of those doubtful conducts. The Audit Committee agreed on the auditor's unconditional opinions, and the statement of financial position is correctly in accordance with the financial reporting standard and the generally accepted accounting principles.
- 2. Review of the internal control system.** The Audit Committee has assessed the sufficiency of the internal control system according to directions regulated by the SEC and the SET. The Audit Committee has also reviewed the internal control evaluation results in terms of the operating system and IT system as reported by the Internal Audit Department. It was confirmed that the system is sufficient, appropriate, efficient, effective, and coheres with the Company's business operations. With this, the Management has focused on the preventive development of the internal control system to prevent potential risks and operational errors, as well as corruption and dishonesty. The Audit Committee reviewed and confirmed that the internal audit system is sufficient and efficient according to risk management directions, which will sustainably enhance the effectiveness of the business operations. In addition, the Audit Committee expresses the opinion which is consistent with the auditor that there are no shortcomings or weak points in the internal control system that may have a significant impact on the statement of financial position and the Company's long-term business operations.
- 3. Review and govern on the internal audit activities.** The Audit Committee has reviewed the mission, duties, responsibility, workforce, improvement of the audit quality and internal audit staffs, and the independence of the Internal Audit Department. The Audit Committee also considered and approved the audit plan for the year 2022, as well as reviewing the Charter of the Audit Committee and the Charter of the Internal Audit Department to ensure its suitability with the current situation and consistent with the Company's risk management protocols. The Audit Committee is of the view that the Company's internal audit system is appropriate, efficient and independent, focusing on being a value-added

internal audit function, under the COSO 2013 framework, which encourages the Company to achieve the business objectives and sustainable growth.

4. **Review the risk management.** The Audit Committee has inspected the sufficiency, efficiency, and effectiveness of the risk management system, with the Managing Director serving as the head of the working team. The team follows up on the risk management activities on a monthly and quarterly basis, or when the triggers are identified. In this regard, the risk management report is usually submitted to the Audit Committee twice a year. Furthermore, the Audit Committee also devised the policy for the Internal Audit Department to monitor and review critical risks and incorporate them as part of the annual internal audit plan, especially risks concerning trade debtors, technological changes that may impact on the remaining inventory, and exchange rate risks. In 2022, the Audit Committee opined that the Company's risk management system is effective and approach, which is in line with the strategy and current economic and industrial landscape.
5. **Review the operational governance and legal compliance,** including good practices required for listed companies according to the announcement of the SET and the SEC regarding compliance of business-related laws. Moreover, the Company has devised a policy that encourages business operations that observe the principle of good governance, for instance, commercial competition policy, etc. In 2022, no significant matters were identified, in terms of failure to comply with the policy, laws or relevant regulations as mentioned.
6. **Review related transactions, Acquisition and Divestment of the Asset or Conflict of Interest Transactions.** To ensure that they are reasonable transaction and comply with the laws and regulations of the SET and the SEC, with an awareness of all shareholders' benefits as the priority. The Audit Committee opined that such transactions in 2022 are normal business transactions, with the typical pricing structure as applied to products or services provided to the other buyers. The Company's has disclosed the information sufficiently and in accordance with the regulatory bodies' requirements.
7. **Consider and propose the Auditors, and audit fee for 2023.** The Audit Committee has considered the appropriateness in knowledge, competency, and independence as well as the audit fee comparison within industry of the Auditor for the previous fiscal year and satisfied with their performance. The Audit Committee agreed to propose to the Board of Directors for further propose to the AGM for the year 2023to appoint Ms. Sathida Rattananurak, Certified Public Auditor Registration Number 4753, or Ms. Siriwan Nitdumrong, Certified Public Auditor Registration Number 5906, or Ms. Natteera Pongpinitpinyo Auditor Registration Number 7362 from EY Office Co., Ltd. to be the Auditors in 2023, with the remuneration package of 2.27 Million Baht.
8. **Review the good corporate governance,** including the Business Code of Conduct policy to encourage its practices and transparently and sufficient information disclosure, cohering with the announcement of the SET and the SEC. The Board of Directors and the Audit Committee encourage the Management to abide by the good corporate governance policy and continuously in accordance with the Company's policy. In 2022, the Company received the "Excellent" score in corporate governance assessment, awarded by the IOD, the SET and the SEC.

In addition, the Company has announced to use the Anti-Corruption Policy since 2015 and incorporated it as a part of the Company's Code of Conduct. The Company also established the internal control and risk management protocols to accommodate the Anti-Corruption Policy, as well as efficient monitoring of the policy compliance.

The Audit Committee views that the Company has sufficient and effective corporate governance practices and compliance that can enable sustainable growth. The Audit Committee will support in the internal audit activities and corporate governance to ensure compliance with the corporate governance policy.

- 9. Review the Anti-Corruption and Fraud.** The Audit Committee supports the management and internal control of fraud and corruption. The Board of Directors and the Management have emphasized to all levels of employees that fraud and corruption are unacceptable and promote the anti-fraud and corruption culture continuously. Besides, the Company has arranged for the channels to receive complaints and the proper complaint management system. In 2022, the Audit Committee did not identify any complaints or whistleblowing cases from internal and external sources on corruption matters, nor failure to comply with the Company's Code of Conduct. For internal audit, the Audit Committee assigns the Internal Audit Department to report the fraud and corruption report on a quarterly basis. The Audit Committee has reviewed the fraud and corruption report together with internal control and preventive action of the anti-corruption and opines that the Company has proper, sufficient, and efficient administration on this matter.
- 10. Conduct self-assessment of the Audit Committee's performance.** The Audit Committee has self-assessed benchmarking against good practices. The Audit Committee also attended the training sessions to enhance their knowledge base to improve and develop the committee's performance. The Audit Committee opines that the overall performance in 2022 is well and in similar level like the previous year, the operations are fully complied with the Charter.

8.3 Report from the Other Sub Committees

8.3.1 Remuneration and Nomination Committee

a) Remuneration and Nomination Committee Meeting

Summary of the Remuneration and Nomination Committee Meeting for the year 2022 are as follows:

Name	Position	Remuneration and Nomination Committee Meeting	
		Numbers of meeting	Numbers of attendance
Ms. Sudaporn Tawapee	Chairman of the Remuneration and Nomination Committee	3	3
Assoc. Prof. Dr. Rojanasak Chomvilailuk	Remuneration and Nomination Committee	3	3
Mr. Lim Hwee Hai	Remuneration and Nomination Committee	3	3
Mr. Somchai Sittichaisrichart	Remuneration and Nomination Committee	3	3

b) Report of the Remuneration and Nomination Committee

In year 2022, the Remuneration and Nomination Committee performed the duties, covering as follows:

- 1. Consider and evaluate the performance and operating results of the Company** against the goal and business plan of the year 2022, for determine the remuneration for executive directors consistent with their evaluation results. These also included reviewing of the remuneration of directors and sub-committees for the year 2023 to ensure its consistency with their responsibilities as required by regulatory agencies and responsibilities to shareholders and stakeholders. Details of the actual remuneration for the directors and the Management in the year 2022 are set out in Annual Report 2022. The remuneration policy of the Board of Directors and sub-committees in 2023 shall be presented in the Notice of AGM for the year 2023.
- 2. Consider the succession plan** to ensure the continuity and sustainability of the Company. The Remuneration and Nomination Committee has prepared a list of qualified internal candidates to be a successor for the executive director with analysis of their potential, capabilities, strengths, and weaknesses. The Company will determine the knowledge, competency and skills development programs for each candidate as necessary. Furthermore, the Company has provided business skills development program to the listed candidates and has development plan for the initial and middle Management subsequently. The Company has indicated a qualification of successor in each required position for further development and nomination of the internal candidates. Last but not least, there is also the determination and review for the qualification and criteria of external nomination, this will be considered together with the internal candidates to support the organization restructuring and business adaptation which would be continuously.
- 3. Consider for nomination of the directors to replace the directors who will retire.** In the year 2023, there will be 3 directors who will retire by rotation consisting of Asst.Prof.Dr. Rojanasak Chomvilailuk (Independent Director), Mr. Lim Hwee Hai (Non-Executive Director) and Mrs.Lim Hwee Noi (Non-Executive Director). The Remuneration and Nomination Committee provided the opportunity for shareholders during December 2nd, 2022, to January 31st, 2023 to nominate the candidates to be elected as the directors according to the criteria and period that the Company reported in the SET news system. The proposed candidates shall be

considered by the Board of Directors prior to propose to the AGM. However, there is no candidate nominated by the shareholders. The Remuneration and Nomination Committee then decide to recommend directors who will retire by rotation for being re-elected to the position for another term, as they are eligible and not prohibited by the rules.

4. **Conduct self-assessment of the Remuneration and Nomination Committee's performance.** The Remuneration and Nomination Committee has self-assessed benchmarking against good practices and opines that the overall performance in 2022 is well and at a similar level like the previous year, the operations are fully complied with the Charter.

8.3.2 Corporate Governance and Sustainability Committee

a) Corporate Governance and Sustainability Committee Meeting

Summary of the Corporate Governance and Sustainability Committee Meeting for the year 2022 are as follows:

Name	Position	Corporate Governance Committee Meeting	
		Numbers of meeting	Numbers of attendance
Mr. Panuwat Chalongkwamdee	Chairman of Corporate Governance and Sustainability Committee	2	2
Assoc. Prof. Dr. Rojanasak Chomvilailuk	Corporate Governance and Sustainability Committee	2	2
Ms. Sudaporn Tawapee	Corporate Governance and Sustainability Committee	2	2
Mr. Lim Hwee Hai	Corporate Governance and Sustainability Committee	2	2
Mr. Somchai Sittichaisrichart	Corporate Governance and Sustainability Committee	2	2

b) Report from Corporate Governance and Sustainability Committee

To be complied with the sustainability principles, the Board of Directors has approved in the Board of Directors' meeting no. 6/2022 held on December 12th, 2022, to assign the Corporate Governance Committee to responsible for sustainability management function extensively. In conclusion, the Board of Directors had resolution to appoint the Corporate Governance and Sustainability Committee to manage sustainability according to the relevant regulations. In 2022, the Corporate Governance and Sustainability Committee performed the duty as follows:

1. **Review the policy and practices in corporate governance and sustainability** prior to propose to the Board of Directors for approval of the policy and principles to align with the corporate governance objective required of listed companies 2017 regulated by the SET and the SEC including suggestions of the IOD.
In 2022, the Corporate Governance Committee has been assigned by the Board of Directors to manage the sustainability and change the committee's name to be the Corporate Governance and Sustainability Committee. The Corporate Governance and Sustainability Committee has amended the Charter of the Corporate Governance and Sustainability Committee to include sustainability policy in accordance with direction and responsibility of the Corporate Governance and Sustainability Committee.

2. **Develop the compliance of good corporate governance and sustainability.** The development guidelines has been proposed by the Corporate Governance and Sustainability working team to ensure that the Company shall always update the policy, working procedures and sustainability management directions continuously and currently. In 2022, the committee considered to improve the relevant policies, criteria, and procedures according to the changing situation and regulations. Moreover, the committee has clearer indicated the target, plan and direction for sustainability management which included society, community and environment.
3. **Review the Charter, Code of Conduct, Anti-Corruption Policy, Vision, and related Policies,** including corporate governance practices and social, community and environmental responsibility to ensure that the Company's operations align with good practices and sustainability principles required of the regulatory bodies, meets the international standard, and suits the current situation.
4. **Follow up on corporate governance and sustainability compliance.** There is a Compliance Department who governs corporate governance practice. The Corporate Governance and Sustainability Committee promoted the communication about Corporate Governance Policy, Anti-Corruption Policy and other relevant policies in an organization-wide manner. These topics are incorporated into the Company's e-learning curriculum. The Corporate Governance and Sustainability Committee also support establishing the consulting unit to provide advice regarding corporate governance compliance. About the sustainability management, the target and direction to achieve such target has been set clearer. The related departments responsible to collect data, operate and report the progress including obstacles to the Managing Director and Corporate Governance and Sustainability Committee regularly.
5. **Encourage the directors' knowledge and competent development.** Provide all directors with the foundation training courses for the directors from IOD and training courses to develop the directors who are sub-committees.
6. **Encourage anti-corruption.** The Corporate Governance and Sustainability Committee has arranged the inspection of the Anti-Corruption Policy compliance on a consistent manner. The results must be reported to the Audit Committee and the Board of Directors twice a year. Furthermore, the Corporate Governance and Sustainability Committee has followed up about the submission for the renewed certification and membership of the Thai CAC.
7. **Conduct self-assessment on the Corporate Governance and Sustainability Committee's performance.** The Corporate Governance and Sustainability Committee has self-assessed benchmarking against good practices and opines that the overall performance in 2022 is well and at a similar level like the previous year, the operations are fully complied with the Charter.

8.3.3 Risk Management Committee

a) Risk Management Committee Meeting

Summary of the Risk Management Committee Meeting for the year 2022 are as follows:

Name	Position	Risk Management Committee Meeting	
		Numbers of meeting	Numbers of attendance
Mr. Lim Hwee Hai	Chairman of Risk Management Committee	2	2
Mr. Lim Kia Hong	Risk Management Committee	2	2
Mr. Somchai Sittichaisrichart	Risk Management Committee	2	2

b) Report on Risk Management Committee

In 2022, the Risk Management Committee performed the duty covering the area as follows:

1. **Review strategies and structure of risk management, Risk Management Policy and process** to ensure they are complied with the changing environment and circumstance including sustainability and emerging risks.
2. **Encourage the risk management culture.** Educate all departments and all level of employees about risk management and its plan through the risk management structure to motivate all employees about risk belonging and participation in the risk report and follow up.
3. **Review the critical risks which may affect the Company** covering in strategic risks, financial risks, operational risks, reputation risks, compliance risks, fraud and corruption risks, sustainability risk and emerging risk.
4. **Consider and improve the enterprise risks management plan** which emphasize on proactive actions plan to reduce impact and prevent.
5. **Monitor the enterprise risk management for overall organization** which consists of prevention, correction and management to reduce possibly risk impact to ensure effectiveness of risk management compliance in the Company. The Risk Management Committee opines that the Company has a sufficient and effective risk management system.
6. **Study in COSO ERM 2017 for enterprise risk management** in order to adopt and replace COSO ERM 2013.
7. **Report the enterprise risk management to the Audit Committee** every 2 quarters and propose to the Board of Directors in term of enterprise risk management and its policy.
8. **Conduct self-assessment on the Risk Management Committee's performance.** The Risk Management Committee has self-assessed benchmarking against good practices and opines that the overall performance in 2022 is well and at a similar level like the previous year, the operations are fully complied with the Charter.

9. Internal Control and Connected Transaction

9.1 Internal control

9.1.1 Internal Control Policy

To ensure the operations in all aspects of the Company shall be in accordance with the standard and guidelines accurately and transparently including reliable financial reporting which will benefit all stakeholders, the Company appointed the Internal Audit Department to be responsible for internal audit. The Internal Audit Department shall audit the operations and internal control system under supervision of the Audit Committee to ensure that the Company has an effective internal control system and appropriate compliance which will drive the company to achieve the goal and sustainably growth.

9.1.2 The opinion of the Board of Directors on the internal control system

In the Board of Director's meeting with the attendance of all 3 independent directors, the board has evaluated the internal control system of the Company from the discussion with the Management and the review of internal audit result. The Board of Directors assesses the Company's internal control system in 5 elements ranging from the internal control, the risk assessment, information system, communication and monitoring, The Board of Directors opines that the Company's internal control is sufficient, appropriate and has the adequate internal control system to govern the subsidiaries to protect its assets from illegal or unauthorized using by the directors or the Management including transaction with possibly conflict of interest persons and relate parties. For the internal control of the other subjects, the Board of Directors has opined that it is also sufficient.

In conclusion, the Board of Directors believes that the Company's internal control is sufficient and appropriate to maintain the business operations under the good corporate governance. Moreover, the Company also emphasize on the risk management sufficiently to achieve the goal in establishing and maintaining of benefits for all shareholders fairly, equitably and sustainably.

9.1.3 The opinion of the Audit Committee to the internal control system

The Board of Directors has organized an effective internal control system in all aspects including the compliance of the related law and regulation, finance, operations and property control to use in company's business appropriately. The Audit Committee, in cooperation with the Internal Audit Department, determined the internal auditing covering 8 areas: 1) Sales 2) Account Receivable and Crediting 3) Inventory 4) Procurement and Import 5) Trade Account Payable/Expense 6) Maintenance and Services 7) Fixed Asset 8) Finance and Accounting. The Audit Committee has 6 meetings a year with the Internal Audit Department to assess the sufficiency, appropriateness and effectiveness of the internal control system that established by the Management and ensure that the Company has well and effective monitoring system which will drive the business effectively and sustainably in accordance with the laws and regulations from the authorities.

The Audit Committee has assessed the sufficiency of internal control system based on the direction regulated by the SEC and has also reviewed the internal control evaluation results in terms of the operating system and information technology system as regularly reported by the Internal Audit Department. The Audit Committee opines that the system is sufficient, appropriate, efficient, effective, and coheres with the Company's business operations. Besides, the Audit Committee agreed with the Auditor that there is no defect or weakness from the internal control system that can affect the significant continuity of the Company.

To ensure that the procedures, practices and guidelines using by the Internal Audit Department for the audit is effective and efficient, and the audit results are accurate and appropriate for benefits to overall shareholders, the Audit Committee has provided an internal audit quality assessment by the independent internal auditor from EY Office Limited in 2016.

The results of this assessment are reviewed to improve the quality of internal audit process to be more effective.

The Audit Committee opines that the Company has the appropriate monitoring and governance. The Company has the risk management system that possibly to not significantly affect to the business according to current economics and industrial situation, the risk management system comprising of objective defining, risk identification and assessment, respond to risk , information system and communication.

9.2 Connected Transactions

The Company has set a policy for connected transactions that must be considered and approved by the Board of Directors before entering transactions. The following transactions with related parties that might have given rise to a conflict of interest in 2022 can be summarized as follows:

Name of Connected Parties/Relationship	Nature of Transaction	Amount ('000 Baht)		
		2022	2021	2020
SiS International Holdings Limited <u>Relationship</u> SiS International Holdings Limited is an ultimate parent of the Group and some common directors.	<ul style="list-style-type: none"> ● The Company has got the suggestions, consulting, introducing and sourcing new IT manufacturers, negotiating with financial institutions including with shared services of management from SiS International Holdings Limited. Its fee that has to be paid as the contractually agreed price. 	18,050	20,115	14,857
	<ul style="list-style-type: none"> ● Other Payables brought forward 	3,651	2,415	3,217
	<ul style="list-style-type: none"> ● Other Payables carried forward 	2,554	3,651	2,415
	<u>Pricing and Condition</u> From 2004 onwards, the fee that has to be paid is 0.0625% of the monthly turnover. <u>The Audit Committee's Opinion</u> The Audit Committee has an opinion that its fee was paid as the contractually agreed price. The Audit Committee has noted that the rate was same as the prior year which was lower than the rate requested from companies from other company networks. The Audit Committee thus deemed this rate to be appropriate.			

Remarks: In 2004 onwards, the Company paid a management fee at a rate of 0.0625% of total sales.

9.2.1 Measurements or Procedures for approval of connected party transactions

Normal sales and purchases transaction between connected party will be under managing director decision by stipulating the following guidelines.

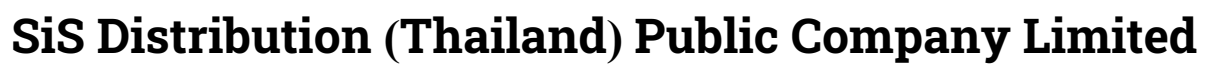
The Company may have transactions of purchase and/or sale of products with both local and foreign connected person or parties in the future. Therefore, the principal for approval was set for managing director to approve such transactions under the following conditions.

- Buying and/or selling transaction will be done at the market prices at that period. Terms and conditions are not different from other counterparties, within the amount of not more than of 5 percent of total sales.
- Management Fee is paid to SiS International Holdings Ltd to allocate management sharing expenses monthly at 0.0625% of sales.

Besides the normal trading transactions with connected parties, it has to be proposed to the Board of Director's meeting for consideration and Audit Committee has to attend in the meeting for consider and approve. Such connected transactions must be performed in accordance with the laws on the Securities and Exchange Commission of Thailand, regulations, and notifications of the Stock Exchange of Thailand. The person who has conflicts of interest or who have interests in connected transactions will have no right to vote on such connected transactions.

9.2.2 Policy and Trends of future connected party transactions

The Company expects that the connected transaction between the Company and connected parties will occur from normal trading, both in terms of goods and services, maintenance services and management fee that involves sharing of manpower and the utilization of SiS group. The Company still follows the measurement or procedures for approval of connected party transactions pursuant to Clause 9.2.1 in Measurements or Procedures for Approval of Connected Party Transactions.



Section 3

Financial Statement

SiS Distribution (Thailand) Public Company Limited
and its subsidiaries
Report and consolidated financial statements
31 December 2022

Independent Auditor's Report

To the Shareholders of SiS Distribution (Thailand) Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of SiS Distribution (Thailand) Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2022, and the related consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of SiS Distribution (Thailand) 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 SiS Distribution (Thailand) Public Company Limited and its subsidiaries and of SiS Distribution (Thailand) 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 Company 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 for each matter are described below.

Revenue recognition

Revenue is a material accounting entry which directly affects profit or loss of the Group. The Group has entered into agreements with a large number of customers and there are a variety of conditions in the agreements. As a result, conditions relevant to the recognition of revenue from sales differ. I therefore determined as a key audit matter by focusing on the occurrence and timing of revenue recognition.

I examined the revenue recognition of the Group by

- Assessing and testing the Group's internal controls with respect to the revenue cycle by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls.
- Applying a sampling method to select sales documents to assess whether revenue recognition was consistent with the conditions of the relevant agreement, and whether it was in compliance with the Group's policy.
- On a sampling basis, examining supporting documents for actual sales transactions occurring during the year and near the end of the accounting period.
- Reviewing credit notes issued after the period-end.
- Performing analytical procedures on disaggregated data of sales transactions throughout the period.

Allowance for diminution of inventories

The Group's products are related to computer equipment which is subject to rapid changes in consumer demand in response to changing technology trends. Estimating the net realisable value of inventories of the Group, as disclosed in Note 5 and Note 9 to the financial statements, is an area of significant management judgement, particularly with regard to the estimation of provision for diminution in the value of slow-moving and obsolete inventories. This requires detailed analysis of the product life cycle, the competitive environment, economic circumstances and the situation within the industry. There is a risk with respect to the amount of provision set aside for diminution in the value of inventory.

I assessed the determination of allowance for diminution in the value of inventories.

The procedures that I performed included:

- Gaining an understanding of the methods and assumptions applied by the management in determining the allowance for diminution in value of inventories, and reviewing the consistency of the application of that basis.
- Comparing the inventory holding periods and inventory movements to identify product lines with indicators of lower than normal inventory turnover.
- Comparing proceeds from sales transactions occurring after the date of the financial statements with the cost of inventory for each product line.

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.

Natteera Pongpinitpinyo
Certified Public Accountant (Thailand) No. 7362

EY Office Limited
Bangkok: 20 February 2023

SiS Distribution (Thailand) Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2022

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2022	2021	2022	2021
Assets					
Current assets					
Cash and cash equivalents	7	237,204	420,016	139,126	336,534
Trade and other accounts receivable	6, 8	5,221,320	4,896,981	5,221,400	4,892,445
Current portion of long-term loans to other companies	13	1,650	4,371	1,650	4,371
Inventories	9	4,333,480	5,347,160	4,333,352	5,343,084
Other current assets		240,676	576,962	227,439	563,677
Total current assets		10,034,330	11,245,490	9,922,967	11,140,111
Non-current assets					
Investments in subsidiaries	11	-	-	222,593	222,593
Long-term loans to other companies - net of current portion	13	7,011	29,177	7,011	29,177
Investment properties	14	72,996	44,134	72,996	44,134
Equipment	15	145,075	153,853	144,994	153,633
Right-of-use assets	19	105,082	129,974	105,082	129,974
Intangible assets	16	22,997	17,397	22,997	17,397
Deferred tax assets	25	357,317	347,500	354,026	344,237
Other non-current assets		11,418	11,507	11,418	11,506
Total non-current assets		721,896	733,542	941,117	952,651
Total assets		10,756,226	11,979,032	10,864,084	12,092,762

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

SiS Distribution (Thailand) Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2022

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
	<u>Note</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institutions	17	3,852,965	4,457,986	3,852,965	4,457,986
Trade and other accounts payable	6, 18	3,077,322	3,953,160	3,070,492	3,940,831
Short-term loans from related party	6	-	-	385,000	385,000
Current portion of lease liabilities	19	40,356	43,797	40,356	43,797
Income tax payable		28,563	79,813	27,366	77,626
Other current liabilities		71,774	14,336	70,944	13,358
Total current liabilities		<u>7,070,980</u>	<u>8,549,092</u>	<u>7,447,123</u>	<u>8,918,598</u>
Non-current liabilities					
Lease liabilities - net of current portion	19	65,814	87,244	65,814	87,244
Provision for cost of assets dismantlement		3,960	3,960	3,960	3,960
Provision for long-term employee benefits	20	83,305	87,244	83,305	87,244
Total non-current liabilities		<u>153,079</u>	<u>178,448</u>	<u>153,079</u>	<u>178,448</u>
Total liabilities		<u>7,224,059</u>	<u>8,727,540</u>	<u>7,600,202</u>	<u>9,097,046</u>
Shareholders' equity					
Share capital					
Registered					
350,198,655 ordinary shares of Baht 1 each		<u>350,199</u>	<u>350,199</u>	<u>350,199</u>	<u>350,199</u>
Issued and fully paid up					
350,198,655 ordinary shares of Baht 1 each		350,199	350,199	350,199	350,199
Share premium		435,415	435,415	435,415	435,415
Retained earnings					
Appropriated - statutory reserve	21	35,020	35,020	35,020	35,020
Unappropriated		<u>2,711,533</u>	<u>2,430,858</u>	<u>2,443,248</u>	<u>2,175,082</u>
Total shareholders' equity		<u>3,532,167</u>	<u>3,251,492</u>	<u>3,263,882</u>	<u>2,995,716</u>
Total liabilities and shareholders' equity		<u>10,756,226</u>	<u>11,979,032</u>	<u>10,864,084</u>	<u>12,092,762</u>

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

Directors

SIS Distribution (Thailand) Public Company Limited and its subsidiaries

Income statement

For the year ended 31 December 2022

(Unit: Thousand Baht except earnings per share expressed in Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2022	2021	2022	2021
Revenues					
Sales		28,891,360	32,179,205	28,873,923	32,172,374
Service income		150,709	115,137	150,709	115,128
Gain on exchange		-	97,130	-	97,080
Other income	22	31,258	33,882	28,257	31,291
Total revenues		29,073,327	32,425,354	29,052,889	32,415,873
Expenses					
Cost of sale	24	27,032,907	30,291,387	27,022,432	30,286,458
Cost of services		103,883	79,269	103,883	79,257
Selling and distribution expenses	24	637,189	676,974	637,002	676,863
Administrative expenses	24	369,419	397,376	368,483	393,376
Loss on exchange		57	-	136	-
Total expenses		28,143,455	31,445,006	28,131,936	31,435,954
Operating profit		929,872	980,348	920,953	979,919
Share of profit from investments in associated companies	10	-	2,519	-	-
Loss from disposal of investment in associated company	10	-	(151)	-	-
Finance income		4,222	7,952	4,150	8,194
Finance cost	23	(54,250)	(33,643)	(61,033)	(40,348)
Reversal of impairment loss (impairment loss) on financial assets		(21,763)	31,385	(21,763)	31,464
Profit before income tax expenses		858,081	988,410	842,307	979,229
Income tax expenses	25	(169,597)	(195,789)	(166,332)	(192,901)
Profit for the year		688,484	792,621	675,975	786,328
Basic earnings per share (Baht)	26				
Profit		1.97	2.26	1.93	2.25
Weighted average number of ordinary share (Thousand share)		350,199	350,199	350,199	350,199

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

SIS Distribution (Thailand) Public Company Limited and its subsidiaries

Statement of comprehensive income

For the year ended 31 December 2022

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Profit for the year	<u>688,484</u>	<u>792,621</u>	<u>675,975</u>	<u>786,328</u>
Other comprehensive income				
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>				
Actuarial gain	15,536	-	15,536	-
Less: Income tax effect	<u>(3,107)</u>	<u>-</u>	<u>(3,107)</u>	<u>-</u>
Other comprehensive income for the year	<u>12,429</u>	<u>-</u>	<u>12,429</u>	<u>-</u>
Total comprehensive income for the year	<u><u>700,913</u></u>	<u><u>792,621</u></u>	<u><u>688,404</u></u>	<u><u>786,328</u></u>

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

SIS Distribution (Thailand) Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the year ended 31 December 2022

(Unit: Thousand Baht)

	Consolidated financial statements				
	Issued and paid-up share capital	Share premium	Retained earnings Appropriated - statutory reserve	Unappropriated	Total shareholders' equity
Balance as at 1 January 2021	350,199	435,415	35,020	1,988,436	2,809,070
Profit for the year	-	-	-	792,621	792,621
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	-	792,621	792,621
Dividend paid (Note 29)	-	-	-	(350,199)	(350,199)
Balance as at 31 December 2021	<u>350,199</u>	<u>435,415</u>	<u>35,020</u>	<u>2,430,858</u>	<u>3,251,492</u>
Balance as at 1 January 2022	350,199	435,415	35,020	2,430,858	3,251,492
Profit for the year	-	-	-	688,484	688,484
Other comprehensive income for the year	-	-	-	12,429	12,429
Total comprehensive income for the year	-	-	-	700,913	700,913
Dividend paid (Note 29)	-	-	-	(420,238)	(420,238)
Balance as at 31 December 2022	<u>350,199</u>	<u>435,415</u>	<u>35,020</u>	<u>2,711,533</u>	<u>3,532,167</u>

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

SIS Distribution (Thailand) Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the year ended 31 December 2022

(Unit: Thousand Baht)

	Separate financial statements				
	Issued and paid-up share capital	Share premium	Retained earnings Appropriated - statutory reserve	Unappropriated	Total shareholders' equity
Balance as at 1 January 2021	350,199	435,415	35,020	1,738,953	2,559,587
Profit for the year	-	-	-	786,328	786,328
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	-	786,328	786,328
Dividend paid (Note 29)	-	-	-	(350,199)	(350,199)
Balance as at 31 December 2021	<u>350,199</u>	<u>435,415</u>	<u>35,020</u>	<u>2,175,082</u>	<u>2,995,716</u>
Balance as at 1 January 2022	350,199	435,415	35,020	2,175,082	2,995,716
Profit for the year	-	-	-	675,975	675,975
Other comprehensive income for the year	-	-	-	12,429	12,429
Total comprehensive income for the year	-	-	-	688,404	688,404
Dividend paid (Note 29)	-	-	-	(420,238)	(420,238)
Balance as at 31 December 2022	<u>350,199</u>	<u>435,415</u>	<u>35,020</u>	<u>2,443,248</u>	<u>3,263,882</u>

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

SiS Distribution (Thailand) Public Company Limited and its subsidiaries

Statement of cash flows

For the year ended 31 December 2022

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Cash flows from operating activities				
Profit before tax	858,081	988,410	842,307	979,229
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	108,450	101,094	108,311	100,969
Reduction in lease payments by lessors	(93)	(1,017)	(93)	(1,017)
Unrealised gain on exchange	(11,621)	(5,844)	(11,621)	(5,844)
Share of profit from investment in associated company	-	(2,519)	-	-
Loss from disposal of investment in associated company	-	151	-	-
Gain on acquisition of investment in a new subsidiary company	-	(311)	-	-
Write-off bad debt	16,058	5,434	16,058	5,085
Impairment loss on financial assets (reversal)	3,104	(36,818)	3,104	(36,549)
Impairment loss on intangible assets	2,600	-	2,600	-
Allowance for diminution in inventory value	65,617	59,582	65,474	59,145
Provisions for long-term employee benefits	20,410	15,932	20,410	16,112
Gain on disposals of equipment	(146)	(322)	(146)	(320)
Interest income	(4,222)	(7,952)	(4,150)	(8,194)
Interest expenses	47,389	27,154	54,208	33,891
Profit from operating activities before changes in operating assets and liabilities	1,105,627	1,142,974	1,096,462	1,142,507
Operating assets (increase) decrease				
Trade and other receivable	(349,836)	(997,080)	(354,454)	(996,851)
Inventories	895,368	(3,206,491)	891,563	(3,205,843)
Other current assets	336,286	(64,906)	336,238	(64,963)
Other non-current assets	(1,906)	(1,843)	(1,906)	(1,842)
Operating liabilities increase (decrease)				
Trade and other payable	(864,463)	1,032,411	(858,964)	1,033,839
Other current liabilities	57,438	(3,343)	57,586	(3,492)
Cash flows from (used in) operating activities	1,178,514	(2,098,278)	1,166,525	(2,096,645)
Cash paid for long-term employee benefits	(8,813)	(2,016)	(8,813)	(2,016)
Cash paid for corporate income tax	(233,771)	(230,220)	(229,487)	(226,976)
Cash received from income tax return	-	8,191	-	-
Net cash flows from (used in) operating activities	935,930	(2,322,323)	928,225	(2,325,637)

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

SiS Distribution (Thailand) Public Company Limited and its subsidiaries

Statement of cash flows (continued)

For the year ended 31 December 2022

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Cash flows from investing activities				
Cash paid for acquisition of equipment	(4,229)	(8,101)	(4,229)	(8,061)
Proceeds from sale of equipment	329	3,113	329	3,111
Cash paid for acquisition of intangible assets	(70,115)	(4,703)	(70,115)	(4,703)
Cash received from sale of intangible assets	67,114	-	67,114	-
Cash received from interest income	4,222	7,952	4,150	8,194
Cash received from disposal of investment in an associated company	-	54,667	-	-
Cash paid for acquisition of investment in a new subsidiary company	-	(4,976)	-	-
Cash received from repayment of short-term loans to related party	-	-	-	18,500
Cash paid for short-term loans to related party	-	-	-	(500)
Cash received from repayment of long-term loans to other companies	1,882	3,100	1,882	3,100
Net cash flows from (used in) investing activities	(797)	51,052	(869)	19,641
Cash flows from financing activities				
Cash received from short-term loans from banks	-	200,000	-	200,000
Cash paid for short-term loans from banks	(200,000)	-	(200,000)	-
Payment of principal of lease liabilities	(46,184)	(40,967)	(46,184)	(40,967)
Increase (decrease) in trust receipts	(405,021)	2,645,596	(405,021)	2,645,596
Dividend paid	(420,238)	(350,199)	(420,238)	(350,199)
Cash paid for interest expenses	(46,502)	(26,029)	(53,321)	(32,767)
Net cash flows from (used in) financing activities	(1,117,945)	2,428,401	(1,124,764)	2,421,663
Net increase (decrease) in cash and cash equivalents	(182,812)	157,130	(197,408)	115,667
Cash and cash equivalents at beginning of the year	420,016	262,886	336,534	220,867
Cash and cash equivalents at end of the year	237,204	420,016	139,126	336,534

Supplemental disclosures of cash flows information

Non-cash related items:

Transfer inventories to equipment	45,321	48,031	45,321	48,031
Transfer inventories to intangible assets	7,375	1,259	7,375	1,259
Increase (decrease) in accounts payable - purchase of equipment	(644)	692	(644)	692
Increase in accounts payable - purchase of intangible assets	3	-	3	-
Transferring of office unit for debt settlement from accounts receivable	29,341	-	29,341	-

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

SiS Distribution (Thailand) Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the year ended 31 December 2022

1. General information

SiS Distribution (Thailand) Public Company Limited ("the Company") is a public company incorporated and domiciled in Thailand. Its major shareholders are SiS Technologies (Thailand) Pte. Ltd., which was incorporated in Singapore and Thai Alliance Co., Ltd., which was incorporated in Thailand. The Company is principally engaged in the distribution of computer components, smartphone, office automation equipment, service and rental of computers and accessories. Its registered address is 9 Pakin Building, 9th Floor, Room No. 901, Ratchadaphisek Road, Din Daeng, Bangkok.

2. Basis of preparation

- 2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development, issued under the Accounting Act B.E. 2543.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

2.2 Basis of consolidation

- a) The consolidated financial statements include the financial statements of SiS Distribution (Thailand) Public Company Limited ("the Company") (collectively as "the Group") and the following subsidiary companies ("the subsidiaries"):

Subsidiaries directly held by the Company

Company's name	Nature of business	Percentage of shareholding	
		<u>2022</u>	<u>2021</u>
		Percent	Percent
SiS Venture Co., Ltd.	Holding investment	99.99	99.99
Qool Distribution (Thailand) Co., Ltd.	Trading	99.99	99.99

Indirect subsidiary held by the Company's subsidiaries

Company's name	Nature of business	Percentage of shareholding	
		<u>2022</u>	<u>2021</u>
		Percent	Percent
Subsidiary held by SIS Venture Co., Ltd.			
PT Automation (Thailand) Co., Ltd.	Trading	99.99	99.99

All subsidiaries were incorporate in Thailand.

- b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
 - c) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
 - d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
 - e) Material balances and transactions between the Group have been eliminated from the consolidated financial statements.
- 2.3 The separate financial statements present investments in subsidiaries and associates under the cost method.

3. New financial reporting standards

3.1 Financial reporting standards that became effective in the current year

During the year, the Group has adopted the revised financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2022. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements.

3.2 Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2023

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2023. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The management of the Group believes that adoption of these amendments will not have any significant impact on the Group's financial statements.

4. Significant accounting policies

4.1 Revenue and expense recognition

Sales of goods

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. Revenue is measured at the amount of the consideration received or receivable, excluding value added tax, of goods supplied after deducting returns, discounts, allowances and price promotions to customers.

The service-type warranties provided customers with a service in addition to the assurance that the product complies with agreed-upon specifications are recognised as revenue over the periods in which the service is provided.

Rendering of services

Service revenue is recognised at a point in time upon completion of the service or service revenue is recognised over time when services have been rendered taking into account the stage of completion, which the Group has a right to invoice as it corresponds directly with the value to the customer of the Company's and its subsidiaries' performance completed to date.

The obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer is presented under the caption of "advance received from customers or deferred revenue" in the statement of financial position. Advance received from customers or deferred revenue are recognised as revenue when the Group performs under the contract.

Interest income

Interest income is calculated using the effective interest method and recognised on an accrual basis. The effective interest rate is applied to the gross carrying amount of a financial asset, unless the financial assets subsequently become credit-impaired when it is applied to the net carrying amount of the financial asset (net of the expected credit loss allowance).

Financial Cost

Interest expense from financial liabilities at amortised cost is calculated using the effective interest method and recognised on an actual basis.

Dividends

Dividends are recognised when the right to receive the dividends is established.

4.2 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

4.3 Inventories

Inventories are valued at the lower of cost (average method) and net realisable value. Cost is comprised all costs of purchase or other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

Reduce cost of inventories to net realisable value will be set up for deteriorated, obsolete and slowing stock by management reviewing.

4.4 Investments in subsidiaries and associates

Investments in associates are accounted for in the consolidated financial statements using the equity method.

Investments in subsidiaries and associates are accounted for in the separate financial statements using the cost method.

4.5 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and allowance for loss on impairment (if any).

Depreciation of investment properties is calculated by reference to their costs on the straight-line basis over estimated useful lives 20 years. Depreciation is included in determining income. No depreciation is provided on land.

On disposal of investment properties, the difference between the net disposal proceeds and the carrying amount of the asset is recognised in the income statement in the period when the asset is derecognised.

4.6 Equipment and depreciation

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

Depreciation of equipment is calculated by reference to their costs on the straight-line basis over the following estimated useful lives:

Vehicles	-	5 - 7 years
Furniture and fixtures	-	5 - 12 years
Computer and office equipment	-	3 - 12 years
Leasehold improvements	-	5 - 12 years

Depreciation is included in determining income.

No depreciation is provided on assets under installation.

An item of 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 income statement when the asset is derecognised.

4.7 Intangible assets

Intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses (if any).

Intangible assets with finite lives are amortised on the straight-line basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to the income statement.

A summary of the intangible assets with finite useful lives is as follows:

Useful lives

Computer software	3 - 10 years
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Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually either individually or at the cash-generating unit level. The assessment of indefinite useful lives of the intangible assets is reviewed annually.

4.8 Leases

At inception of contract, the Company 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 Company as a lessee

The Company 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 Company 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, and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located less any lease incentives received.

Depreciation of right-of-use assets are calculated by reference to their costs, on the straight-line basis according to the lease term.

If ownership of the leased asset is transferred to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Lease liabilities

Lease liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under residual value guarantees. Moreover, the lease payments include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the 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 asset

A lease that has a lease term less than or equal to 12 months from commencement date or a lease of low-value assets is recognised as expenses on a straight-line basis over the lease term.

4.9 Related party transactions

Related parties comprise individuals or enterprises that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

They also include associates, and individuals or enterprises which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors, and officers with authority in the planning and direction of the Company's operations.

4.10 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Company's functional currency.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange are included in determining income.

4.11 Impairment of non-financial assets

At the end of each reporting period, the Group performs impairment reviews in respect of the equipment, right-of-use assets, investment properties, intangible assets and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.

An impairment loss is recognised in the income statement.

4.12 Employee benefits

Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

Post-employment benefits

Defined contribution plans

The Group and their 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 they 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 income statement on the earlier of the date of the plan amendment or curtailment and the date that the Group recognises restructuring-related costs.

4.13 Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

4.14 Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Group recognises deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Group reviews and reduces the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Group records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

4.15 Financial instruments

The Group initially measures financial assets at its fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs. However, trade receivables, that do not contain a significant financing component, are measured at the transaction price as disclosed in the accounting policy relating to revenue recognition.

Classification and measurement of financial assets

Financial assets are classified, at initial recognition, as to be subsequently measured at amortised cost 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 the income statement when the asset is derecognised, modified or impaired.

Financial assets at FVTPL

Financial assets measured at FVTPL are carried in the statement of financial position at fair value with net changes in fair value including interest income recognised in the income statement.

These financial assets include derivatives, security investments held for trading, equity investments which the Group has not irrevocably elected to classify at FVOCI and financial assets with cash flows that are not solely payments of principal and interest.

Dividends on listed equity investments are recognised as other income in the income statement.

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 the income statement when the liabilities are derecognised as well as through the EIR amortisation process. In determining amortised cost, the Group takes into account any fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the income statement.

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 the income statement.

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure (a lifetime ECL).

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.

4.16 Derivatives

The Group uses derivatives, such as forward currency contracts and swaps contracts to hedge its foreign currency risks.

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. The subsequent changes including interest income are recognised in the income statement. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Derivatives are presented as non-current assets or non-current liabilities if the remaining maturity of the instrument is more than 12 months and it is not due to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

4.17 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Group applies a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Group measures fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

Level 1 - Use of quoted market prices in an active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Group determines whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

5. Significant accounting judgements and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgements and estimates are as follows:

Leases

Estimating the incremental borrowing rate - The Group as a lessee

The Group cannot readily determine the interest rate implicit in the lease, therefore, the management is required to exercise judgement in estimating its incremental borrowing rate to discount lease liabilities. The incremental borrowing rate is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

Allowance for expected credit losses of trade receivables

In determining an allowance for expected credit losses of trade receivables, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the forecast economic condition for groupings of various customer segments with similar credit risks. The Group's historical credit loss experience and forecast economic conditions may also not be representative of whether a customer will actually default in the future.

Allowance for diminution in inventory value

In determining an allowance for diminution in inventory value, the management needs to make judgement and estimates based upon, among other things, market conditions and the condition of the inventory.

Fair value of financial instruments

In determining the fair value of financial instruments recognised in the statement of financial position that are not actively traded and for which quoted market prices are not readily available, the management exercise judgement, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of credit risk, liquidity, correlation and longer-term volatility of financial instruments. Change in assumptions about these factors could affect the fair value recognised in the statement of financial position and disclosures of fair value hierarchy.

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.

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.

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 Company and those related parties.

(Unit: Thousand Baht)					
	Consolidated		Separate		Transfer pricing policy
	financial statements		financial statements		
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	
Transactions with ultimate parent company					
Management fee expenses	18,050	20,115	18,050	20,115	Contractually agreed price
Transactions with subsidiary companies					
(eliminated from the consolidated financial statements)					
Sales	-	-	-	1,759	Market price plus actual related expenses
Purchase of goods	-	-	10,027	-	Actual cost plus actual related expenses
Interest income	-	-	-	276	Reference from interest rate of financial institution
Interest expense	-	-	6,819	6,738	Reference from interest rate of financial institution

As at 31 December 2022 and 2021, the balances of the accounts between the Company and those related parties were as follows:

(Unit: Thousand Baht)				
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Trade accounts receivable - related parties				
(Note 8)				
Related companies (related by common shareholder and/ or common director)	46,223	46,223	46,223	46,223
Total	46,223	46,223	46,223	46,223
Less: Allowance for expected credit losses	(46,223)	(46,223)	(46,223)	(46,223)
Trade accounts receivable - related parties - net	-	-	-	-
Other receivables - related parties (Note 8)				
Related companies (related by common shareholder and/ or common director)	537,087	537,087	521,542	521,542
Total	537,087	537,087	521,542	521,542
Less: Allowance for expected credit losses	(537,087)	(537,087)	(521,542)	(521,542)
Other receivables - related parties - net	-	-	-	-

(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements
	2022	2021	2022 2021
Trade accounts payable - related party (Note 18)			
Related companies (related by common shareholder and/ or common director)	86	86	86 86
Total trade accounts payable - related parties	86	86	86 86

Other payables - related parties (Note 18)

Ultimate parent company	2,554	3,651	2,554 3,651
Total other payables - related parties	2,554	3,651	2,554 3,651

The Company and its subsidiary (Qool Distribution (Thailand) Co., Ltd.) have an agreement on consignment with a related party (Hardware House International Co., Ltd.) which the Company has notified the call for return all consignment from the related party in November 2012 because of the default of the terms of the agreement for consignment. The Company and its subsidiary are in the process to reclaim those losses from the related party. As at 31 December 2022, the receivable from the loss of consignment amounted to approximately Baht 537.09 million in the consolidated financial statements (2021: Baht 537.09 million) and Baht 521.54 million in the separate financial statements (2021: Baht 521.54 million), respectively. The Company is undertaking litigation proceedings, therefore, pending the outcome of these proceedings, the Company and its subsidiary has estimated the allowance for expected credit losses, amounted to Baht 537.09 million and 521.54 million, respectively.

As at 31 December 2022 and 2021, the balances of short-term loans between the Company and those related parties and the movements were as follows:

(Unit: Thousand Baht)						
Short-term loans from related party	Interest rate (percent per annum)		Separate financial statements			
			Balance as at			Balance as at
	31 December	During the year		31 December		
	2022	2021	2021	Increase	Decrease	2022
<u>Subsidiary company</u>						
Qool Distribution (Thailand) Co., Ltd.	2.00	1.75	385,000	-	-	385,000
Total			385,000	-	-	385,000

The above short-term loans between the Company and those related parties are due for repayment at call.

Directors and management's benefits

During the years ended 31 December 2022 and 2021, the Group had employee benefit expenses payable to their directors and management as below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Short-term employee benefits	76,384	74,746	76,384	74,746
Post-employment benefits	2,444	2,244	2,444	2,244
Total	<u>78,828</u>	<u>76,990</u>	<u>78,828</u>	<u>76,990</u>

Guarantee obligations with related parties

The Company has outstanding guarantee obligations with its related parties, as described in Note 30.2 to the financial statements.

Significant agreements with related parties

Management fee

In 2004, the Company entered into an agreement with SiS International Holdings Ltd. to share cost of management staff. The term of the agreement is from 1 January 2004 onward, and the monthly rate of management fee is 0.0625% of each month's sales. The agreement is in force for an indefinite period of time and may be terminated by either party giving to the other notice in writing.

7. Cash and cash equivalents

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Cash	160	177	157	157
Cash at banks - current accounts	20,112	34,277	19,628	33,796
Cash at banks - savings accounts	216,932	385,562	119,341	302,581
Total	<u>237,204</u>	<u>420,016</u>	<u>139,126</u>	<u>336,534</u>

As at 31 December 2022, bank deposits in saving accounts carried interests between 0.10 and 0.45 percent per annum (2021: between 0.10 and 0.25 percent per annum).

8. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Trade accounts receivable - related parties (Note 6)				
<i>Aged on the basis of due dates</i>				
Past due				
Over 12 months	46,223	46,223	46,223	46,223
Total	46,223	46,223	46,223	46,223
Less: Allowance for expected credit losses	(46,223)	(46,223)	(46,223)	(46,223)
Trade accounts receivable - related parties - net	-	-	-	-
Trade accounts receivable - unrelated parties				
<i>Aged on the basis of due dates</i>				
Not yet due	4,119,075	4,115,601	4,119,075	4,113,700
Past due				
Up to 3 months	846,444	665,953	846,444	664,309
3 - 6 months	48,206	22,331	48,206	22,331
6 - 12 months	26,452	54,108	26,452	54,108
Over 12 months	132,151	106,430	132,086	106,363
Total	5,172,328	4,964,423	5,172,263	4,960,811
Less: Allowance for expected credit losses	(109,862)	(99,399)	(109,717)	(99,254)
Trade accounts receivable - unrelated parties - net	5,062,466	4,865,024	5,062,546	4,861,557
Trade accounts receivable - net	5,062,466	4,865,024	5,062,546	4,861,557
Other receivables - related parties (Note 6)				
Receivables from losses of consignment	537,087	537,087	521,542	521,542
Total other receivables - related parties	537,087	537,087	521,542	521,542
Less: Allowance for expected credit losses	(537,087)	(537,087)	(521,542)	(521,542)
Other receivables - related parties - net	-	-	-	-
Other receivables - unrelated parties				
Accrued income	151,815	25,450	151,815	25,450
Other receivables	6,994	1,670	6,994	623
Others	45	4,837	45	4,815
Total other receivables - unrelated parties	158,854	31,957	158,854	30,888
Other receivables - net	158,854	31,957	158,854	30,888
Trade and other receivables - net	5,221,320	4,896,981	5,221,400	4,892,445

The normal credit term is 30 to 90 days.

Set out below is the movements in the allowance for expected credit losses of trade receivables.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Beginning balance	682,709	722,176	667,019	705,276
Provision for expected credit losses (reversal)	10,463	(39,467)	10,463	(38,257)
Ending balance	<u>693,172</u>	<u>682,709</u>	<u>677,482</u>	<u>667,019</u>

Allowance for expected credit losses has not been set aside in full amount for the balances of the Company' trade accounts receivable - unrelated parties that have been outstanding more than 12 months. This is because these trade accounts receivable are private companies that obtain government projects or are large private companies. The Company considers risk arising from accounts uncollectible on an individual basis and requires collateral from receivables and takes out insurance policies to insure debt collections to mitigate the risks. Therefore, the management of the Company believes that the allowance for expected credit losses is appropriate and adequate.

9. Inventories

	(Unit: Thousand Baht)					
	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories-net	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Finished goods	4,071,794	4,426,162	(256,901)	(191,285)	3,814,893	4,234,877
Work in process	383	1,473	-	-	383	1,473
Goods in transit	518,204	1,110,810	-	-	518,204	1,110,810
Total	<u>4,590,381</u>	<u>5,538,445</u>	<u>(256,901)</u>	<u>(191,285)</u>	<u>4,333,480</u>	<u>5,347,160</u>

	(Unit: Thousand Baht)					
	Separate financial statements					
	Cost		Reduce cost to net realisable value		Inventories-net	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Finished goods	4,070,752	4,421,315	(255,987)	(190,514)	3,814,765	4,230,801
Work in process	383	1,473	-	-	383	1,473
Goods in transit	518,204	1,110,810	-	-	518,204	1,110,810
Total	<u>4,589,339</u>	<u>5,533,598</u>	<u>(255,987)</u>	<u>(190,514)</u>	<u>4,333,352</u>	<u>5,343,084</u>

During the current year, the Group reduced cost of inventories by Baht 66 million (The Company only: Baht 65 million), to reflect the net realisable value. This was included in cost of sales. (2021: the Group reduced cost of inventories by Baht 60 million (The Company only: Baht 59 million), to reflect the net realisable value. This was included in cost of sales).

10. Investments in associated companies

10.1 Details of associated companies

		(Unit: Thousand Baht)					
		Consolidated financial statements					
Associated companies	Nature of business	Shareholding percentage		Investment value under equity method		Investment value under cost method	
		2022	2021	2022	2021	2022	2021
		%	%				
Nippon Pack Trading Co., Ltd.	Providing advertising services especially electronic media	49	49	-	-	9,800	9,800
Total investments in associated companies				-	-	9,800	9,800

10.2 Share of profit

During the years ended 31 December 2022 and 2021, share of profit from investments in associates in the consolidated financial statements are as follows:

		(Unit: Thousand Baht)	
		Share of profit from investments in associates	
Company's name		2022	2021
Wiko Mobile (Thailand) Co., Ltd.		-	2,519
Total		-	2,519

10.3 Summarised financial information about material associates

Summarised information about financial position

	(Unit: Thousand Baht)	
	Nippon Pack Trading Co., Ltd.	
	<u>2022</u>	<u>2021</u>
Current assets	849	670
Non-current assets	-	-
Current liabilities	(59,180)	(60,226)
Net assets (liabilities)	(58,331)	(59,556)
Shareholding percentage (%)	49	49
Group's share of net assets (liabilities)	(28,582)	(29,182)
Differences between amount paid and carrying amount of interest in associate	7,089	7,089
Share of loss which not recognised	21,493	22,093
Carrying amount of investments in associates	-	-

Summarised information about comprehensive income

	(Unit: Thousand Baht)	
	For the years ended	
	31 December	
	Nippon Pack Trading Co., Ltd.	
	<u>2022</u>	<u>2021</u>
Revenue	1,381	-
Profit (loss) from continuing operations	1,225	(142)
Total comprehensive income	1,225	(142)

The financial information of Nippon Pack Trading Co., Ltd. was provided by that company's management which has not been audited by external auditor.

10.4 Disposal of investments in associated company

On 30 September 2021, SiS Venture Co., Ltd., a subsidiary company, entered into a Share Sale and Purchase Agreement with Excel Prime Investment Limited to dispose of the entire investment in share capital of Wiko Mobile (Thailand) Co., Ltd., an associated company, totaling 450,000 ordinary shares, representing 45% of total share capital of Wiko Mobile (Thailand) Co., Ltd. at a total price of Baht 54.7 million. The subsidiary company received the full amount and transferred the ownership of share capital to the purchaser on 10 November 2021.

(Unit: Thousand Baht)

	Consolidated financial statements
Proceeds from disposal of investment in associated company	54,667
Less: Investment value under equity method at disposal date	(54,818)
Loss from disposal of investment in associated company	(151)

11. Investments in subsidiary companies

Details of investments in subsidiaries as presented in separate financial statements are as follows:

Subsidiary companies	Paid up capital		Shareholding percentage		Investment value under cost method	
	2022	2021	2022	2021	2022	2021
	Million Baht	Million Baht	%	%	Thousand Baht	Thousand Baht
SiS Venture Co., Ltd.	120	120	100	100	120,000	120,000
Qool Distribution (Thailand) Co., Ltd.	200	200	100	100	199,994	199,994
Total investments in subsidiary companies					319,994	319,994
Less: Allowance for impairment of investment in SiS Venture Co., Ltd.					(97,401)	(97,401)
Investments in subsidiary companies - net					222,593	222,593

Purchase of investment in subsidiary

On 12 November 2021, a meeting of the Board of Directors of the Company passed a resolution approving the purchase by SiS Venture Co., Ltd., a subsidiary company, of 79,998 ordinary shares with a par value of Baht 100 each of PT Automation (Thailand) Co., Ltd. from the existing shareholders, representing a 99.99% interest in that company, for an amount not exceeding Baht 10.56 million. PT Automation (Thailand) Co., Ltd. is principally engaged in the distribution of Industrial Internet of Things.

Subsequently, on 25 November 2021, the subsidiary company purchased the shares of PT Automation (Thailand) Co., Ltd with mutually agreed price as stipulated in a share transfer document at Baht 132.04 per share, totaling approximately Baht 10.56 million.

The fair value of the assets and liabilities of PT Automation (Thailand) Co., Ltd. acquired as at the acquisition date was summarised as follows:

	(Unit: Thousand Baht)
Cash and cash equivalents	5,587
Trade and other receivables	4,387
Inventories	4,074
Other current assets	812
Equipment	142
Trade and other payables	(2,920)
Income tax payable	(1,028)
Other non-current liabilities	(180)
Net assets from acquisition of subsidiary company	10,874
The lower of investment in subsidiary company arising as a result of acquisition at a price lower than net book value at the acquisition date	(311)
Cash used in acquisition of investment in subsidiary company	10,563

Net cash outflow from acquisition of ordinary shares of PT Automation (Thailand) Co., Ltd. was presented below.

	(Unit: Thousand Baht)
	Consolidated financial statements
Cash used in acquisition of investment in subsidiary company	10,563
Less: Cash and cash equivalents of the subsidiary company	(5,587)
Net cash outflows from purchase of ordinary shares in subsidiary company	4,976

On 25 November 2021, the subsidiary company fully paid to the former shareholder (the seller).

12. Other long-term investments

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Other long-term investments:				
Other non-marketable equity security	59,601	59,601	-	-
Less: Allowance for impairment	(59,601)	(59,601)	-	-
Net	-	-	-	-

Other long-term investments were investments in ordinary shares of Alliance & Link Corporation Co., Ltd. at 15% and Click Connect Co., Ltd. at 15% of authorised share capital, by the Company's subsidiary (SiS Venture Co., Ltd.).

In 2011, SiS Venture Co., Ltd. set up allowance for impairment in the value of long-term investment in Alliance & Link Corporation Co., Ltd. Baht 51.0 million.

In 2015, SiS Venture Co., Ltd. set up allowance for impairment in the value of long-term investment in Click Connect Co., Ltd. Baht 8.6 million.

13. Long-term loans to other companies

As at 31 December 2021, the Company has long-term loans to 2 other companies in form of secured loan, on which interest is charged at 3.00 - 6.00 percent per annum (2021: 3.00 - 6.00 percent per annum) and repayments are to be made within August 2024 and August 2026. These loans are secured by the mortgage of office units and land with title deeds. During the first quarter of 2021, the Company reduced the interest rate charged to a company, from 6.60 percent to 3.00 percent per annum, effective in January 2021 onwards.

During the current year, a debtor transferred the mortgaged office units for repayment loan, with a total value of Baht 29 million to the Company.

As at 31 December 2022, the Company has a long-term loan to another company with an interest rate of 6.00 percent per annum maturing in August 2026. This loan is secured by the mortgage of land with title deed.

	(Unit: Thousand Baht)	
	Consolidated and separate financial statements	
	2022	2021
Long-term loans at beginning of year	42,751	45,851
Less: Received during the year	(34,090)	(3,100)
Long-term loans at end of year	8,661	42,751
Less: Allowance for expected credit losses	-	(9,203)
Long-term loans at end of year - net	8,661	33,548
Less: Current portion of long-term loans	(1,650)	(4,371)
Long-term loans, net of current portion	7,011	29,177

14. Investment properties

The net book value of investment properties as at 31 December 2022 and 2021 are presented below.

	(Unit: Thousand Baht)		
	Consolidated and separate financial statements		
	Building and warehouse		
	Land		Total
As at 31 December 2022:			
Cost	36,872	38,019	74,891
Less: Accumulated depreciation	-	(1,895)	(1,895)
Net book value	36,872	36,124	72,996
As at 31 December 2021:			
Cost	36,872	8,678	45,550
Less: Accumulated depreciation	-	(1,416)	(1,416)
Net book value	36,872	7,262	44,134

A reconciliation of the net book value of intangible assets for the years 2022 and 2021 is presented below.

	(Unit: Thousand Baht)	
	Consolidated and separate financial statements	
	2022	2021
Net book value at beginning of year	44,134	44,567
Transferred office units for repayment from long-term loans receivable	29,341	-
Depreciation during the year	(479)	(433)
Net book value at end of year	72,996	44,134

The fair value of land, building and office units was determined based and valuation performed by an independent professional valuer. As at 31 December 2022, the fair value of the land and office units was determined on the basis of market approach and the building was determined on cost approach. The fair value of the land was determined to be Baht 37.7 million (2021: Baht 37.3 million), while that of the building and office units was determined to be Baht 38.6 million (2021: Baht 9.2 million).

Key assumptions used in the valuation are summarised below.

	As at 31 December 2022	
	Consolidated and Separate financial statements	Result to fair value where as an increase in assumption value
Price per square wah (Baht)	975 - 300,000	Increase in fair value
	As at 31 December 2021	
	Consolidated and Separate financial statements	Result to fair value where as an increase in assumption value
Price per square wah (Baht)	975 - 33,000	Increase in fair value

15. Equipment

(Unit: Thousand Baht)

	Consolidated financial statements				
	Vehicles	Furniture & fixtures	Computer & office equipment	Leasehold improvements	Total
Cost					
1 January 2021	3,793	15,362	350,900	68,772	438,827
Additions	6,490	169	49,331	834	56,824
Increase from investment in a new subsidiary company	-	-	630	-	630
Disposals	(3,793)	-	(6,047)	-	(9,840)
31 December 2021	6,490	15,531	394,814	69,606	486,441
Additions	-	391	48,312	202	48,905
Disposals	-	-	(50,999)	-	(50,999)
31 December 2022	6,490	15,922	392,127	69,808	484,347
Depreciation					
1 January 2021	821	13,162	217,515	54,661	286,159
Depreciation charge for the year	722	846	46,616	4,805	52,989
Accumulated depreciation increase from investment in a new subsidiary company	-	-	488	-	488
Accumulated depreciation of disposals	(1,226)	-	(5,822)	-	(7,048)
31 December 2021	317	14,008	258,797	59,466	332,588
Depreciation charge for the year	1,298	508	51,407	4,288	57,501
Accumulated depreciation of disposals	-	-	(50,817)	-	(50,817)
31 December 2022	1,615	14,516	259,387	63,754	339,272
Net book value					
31 December 2021	6,173	1,523	136,017	10,140	153,853
31 December 2022	4,875	1,406	132,740	6,054	145,075
Depreciation for the year					
2021 (Baht 19.2 million included in cost of service, and the balance in administrative expenses)					52,989
2022 (Baht 23.9 million included in cost of service, and the balance in administrative expenses)					57,501

(Unit: Thousand Baht)

Separate financial statements					
	Vehicles	Furniture & fixtures	Computer & office equipment	Leasehold improvements	Total
Cost					
1 January 2021	3,793	15,362	350,204	68,772	438,131
Additions	6,490	169	49,291	834	56,784
Disposals	(3,793)	-	(5,717)	-	(9,510)
31 December 2021	6,490	15,531	393,778	69,606	485,405
Additions	-	391	48,312	202	48,905
Disposals	-	-	(50,999)	-	(50,999)
31 December 2022	6,490	15,922	391,091	69,808	483,311
Depreciation					
1 January 2021	821	13,162	216,983	54,661	285,627
Depreciation charge for the year	722	846	46,491	4,805	52,864
Accumulated depreciation of disposals	(1,226)	-	(5,493)	-	(6,719)
31 December 2021	317	14,008	257,981	59,466	331,772
Depreciation charge for the year	1,298	508	51,268	4,288	57,362
Accumulated depreciation of disposals	-	-	(50,817)	-	(50,817)
31 December 2022	1,615	14,516	258,432	63,754	338,317
Net book value					
31 December 2021	6,173	1,523	135,797	10,140	153,633
31 December 2022	4,875	1,406	132,659	6,054	144,994
Depreciation for the year					
2021 (Baht 19.2 million included in cost of service, and the balance in administrative expenses)					52,864
2022 (Baht 23.9 million included in cost of service, and the balance in administrative expenses)					57,362

As at 31 December 2022, certain items of equipment were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 172 million (2021: Baht 190 million) and separate financial statements: Baht 171 million (2021: Baht 190 million).

16. Intangible assets

The net book value of intangible assets as at 31 December 2022 and 2021 is presented below.

	(Unit: Thousand Baht)		
	Consolidated and separate financial statements		
	Computer software	Digital assets	Total
As at 31 December 2022:			
Cost	88,983	4,321	93,304
Less: Accumulated amortisation	(67,707)	-	(67,707)
Less: Impairment loss	-	(2,600)	(2,600)
Net book value	21,276	1,721	22,997
As at 31 December 2021:			
Cost	78,606	2,326	80,932
Less: Accumulated amortisation	(63,535)	-	(63,535)
Net book value	15,071	2,326	17,397

A reconciliation of the net book value of intangible assets for the years 2022 and 2021 is presented below.

	(Unit: Thousand Baht)		
	Consolidated and separate financial statements		
	Computer software	Digital assets	Total
As at 1 January 2022	15,071	2,326	17,397
Addition during the year	10,377	69,109	79,486
Disposal during the year	-	(67,114)	(67,114)
Amortisation	(4,172)	-	(4,172)
Impairment loss	-	(2,600)	(2,600)
Netbook value as at 31 December 2022	21,276	1,721	22,997
As at 1 January 2021	14,011	-	14,011
Addition during the year	5,962	2,326	8,288
Amortisation	(4,902)	-	(4,902)
Netbook value as at 31 December 2021	15,071	2,326	17,397

During the current year, the Company entered into a sale and purchase agreement with Bitkub Blockchain Technology Company Limited to invest of approximately Baht 67.1 million in digital asset in the form of cryptocurrency KUB coins, for the purpose of partnering as a Node Validator with a Proof of Staked Authority (PoSA) in Blockchain transaction verification on the Bitkub Chain Platform. The Company was required to make a payment in April 2022 as specified in the agreement.

Subsequently, on 9 June 2022, Bitkub Blockchain Technology Company Limited issued a written notice to the Company to guarantee a minimum buyback price at the end of the PoSA program contract of not lower than the purchase price at which the Company invested.

On 28 December 2022, Bitkub Blockchain Technology Company Limited paid for KUB coins buyback of Baht 67.1 million to the Company.

As at 31 December 2022, the Company presented this investment in digital asset under intangible assets in the statement of financial position, at an amount of Baht 1.7 million.

17. Short-term loans from financial institutions

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Trust receipts	3,852,965	4,257,986	3,852,965	4,257,986
Short-term loans from financial institutions	-	200,000	-	200,000
Total	<u>3,852,965</u>	<u>4,457,986</u>	<u>3,852,965</u>	<u>4,457,986</u>

Under the term of the loan agreements, the Company has to comply with all terms and conditions which were specified in the agreements such as maintaining the debt to equity ratio, etc.

The trust receipts bore interest at rates from 1.39% - 2.13% per annum (2021: 0.90% - 1.10% per annum) for the Group and rates from 1.39% - 2.13% per annum (2021: 0.90% - 1.10% per annum) for the Company.

Short-term loans from financial institutions bore interest at rates from 0.85% per annum for the Group and rate 0.85% per annum for the Company.

As at 31 December 2022, the Group has the open credit facilities approximately to Baht 4,966 million (2021: Baht 3,862 million), separate financial statements: Baht 4,830 million (2021: Baht 3,726 million).

18. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Trade accounts payable				
Trade accounts payable - related parties	86	86	86	86
Trade accounts payable - unrelated parties	2,049,955	2,819,043	2,043,501	2,809,599
Total trade accounts payable	<u>2,050,041</u>	<u>2,819,129</u>	<u>2,043,587</u>	<u>2,809,685</u>
Other payables				
Other payables - related parties	1,323	1,959	1,323	1,959
Other payables - unrelated parties	71,952	67,833	71,952	67,681
Accrued expenses - related parties	1,231	1,692	1,231	1,692
Accrued marketing expenses	675,895	755,732	675,895	755,732
Accrued employee benefit expenses	140,000	172,803	140,000	171,840
Deferred service income	62,233	50,818	62,233	50,818
Others	74,647	83,194	74,271	81,424
Total other payables	<u>1,027,281</u>	<u>1,134,031</u>	<u>1,026,905</u>	<u>1,131,146</u>
Total trade and other payables	<u>3,077,322</u>	<u>3,953,160</u>	<u>3,070,492</u>	<u>3,940,831</u>

19. Lease

The Group as a lessee

The Group has lease contracts for various items of property, plant, and equipment used in its operations. Leases generally have lease term between 3 - 6 years.

a) Right-of-use assets

Movement of right-of-use assets for the year ended 31 December 2022 and 2021 are summarised below:

	(Unit: Thousand Baht)
	Consolidated and separate financial statements
	<u>Buildings</u>
As at 1 January 2021	168,746
Additions	4,068
Write-off - Net book value at write-off date	(70)
Depreciation for the year	<u>(42,770)</u>
As at 31 December 2021	129,974
Additions	21,406
Depreciation for the year	<u>(46,298)</u>
As at 31 December 2022	<u>105,082</u>

b) Lease liabilities

	(Unit: Thousand Baht)	
	Consolidated and separate financial statements	
	<u>2022</u>	<u>2021</u>
Lease payments	111,805	136,567
Less: Deferred interest expenses	<u>(5,635)</u>	<u>(5,526)</u>
Total	106,170	131,041
Less: Portion due within one year	<u>(40,356)</u>	<u>(43,797)</u>
Lease: liabilities - net of current portion	<u>65,814</u>	<u>87,244</u>

Movements of the lease liability account during the years ended 31 December 2022 and 2021 are summarised below:

	(Unit: Thousand Baht)	
	Consolidated and separate financial statements	
	<u>2022</u>	<u>2021</u>
Balance at beginning of year	131,041	169,027
Additions	23,399	4,378
Accretion of interest	(1,993)	(310)
Write-off	-	(70)
Repayments	(46,184)	(40,993)
Reduction in lease payments by lessors	(93)	(991)
Balance at end of year	<u>106,170</u>	<u>131,041</u>

A maturity analysis of lease payments is disclosed in Note 32.2 under the liquidity risk.

c) Expenses relating to lease that are recognised in profit or loss

	(Unit: Thousand Baht)	
	Consolidated and separate financial statements	
	<u>2022</u>	<u>2021</u>
Depreciation expense of right-of-use assets (net of reduction in lease payments by lessors)	46,205	41,753
Interest expense on lease liabilities	1,880	2,110
Expense relating to lease of low-value assets	-	94

d) Other

The Group had total cash outflows for the leases for the year ended 31 December 2022 of Baht 48.1 million (2021: Baht 43.2 million) (the company only: Baht 48.1 million, 2021: Baht 43.2 million), including that cash outflow related to variable lease of low-value assets and discount lease payments.

Furthermore, the Group elected to adopt the practical expedient relating to COVID-19-related rent concessions. The practical expedient permits a lessee not to assess whether rent concessions are lease modifications. The Group applies the practical expedient to all rent concessions that meet all of the conditions, i.e., the change in lease payments results in a revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease preceding the change; any reduction in lease payments affects only payments originally due on or before 30 June 2022; and there is no substantive change to other terms and conditions of the lease. The effects of the application of this expedient, due to resulting changes in payments under leases are recognised in the income statement for the year ended 31 December 2022, amounting to Baht 0.10 million (2021: Baht 1.0 million) (the Company only: Baht 0.10 million (2021: Baht 1.0 million)), respectively.

20. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employees after they retire, was as follows:

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	2022	2021	2022	2021
Provision for long-term employee benefits				
at beginning of year	87,244	73,148	87,244	73,148
Included in profit or loss:				
Current service costs	17,028	14,942	17,028	14,942
Interest on obligation	1,408	1,170	1,408	1,170
Past service costs	1,974	-	1,974	-
Included in other comprehensive income				
Actuarial gain				
Financial assumptions changes	(15,536)	-	(15,536)	-
Benefits paid during the year	(8,813)	(2,016)	(8,813)	(2,016)
Provision for long-term employee benefits				
at end of year	<u>83,305</u>	<u>87,244</u>	<u>83,305</u>	<u>87,244</u>

The Group expect to pay long-term employee benefits of Baht 3.87 million during the next year (Separate financial statements: Baht 3.87 million) (2021: Baht 7.90 million (Separate financial statements: Baht 7.90 million)).

As at 31 December 2022, the weighted average duration of the liabilities for long-term employee benefit is 13.64 years (Separate financial statements: 13.64 years) (2021: 13.64 years, separate financial statements: 13.64 years).

Significant actuarial assumptions are summarised below:

	Consolidated and separate financial statements	
	<u>2022</u>	<u>2021</u>
	(Percent per annum)	(Percent per annum)
Discount rate	2.9	1.6
Salary increase rate	6.0	6.0
Turnover rate	0 - 20	0 - 20

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 and separate financial statements			
	Increase 1%		Decrease 1%	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Discount rate	(10.4)	(10.6)	12.4	12.7
Salary increase rate	13.5	12.9	(11.5)	(11.0)
Turnover rate	(11.1)	(11.3)	5.1	5.3

21. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5 percent of its net income after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution. At present, the statutory reserve has fully been set aside.

22. Other income

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Income from marketing refund	11,496	13,989	11,496	13,989
Income from administrative service	-	5,796	-	5,796
Others	19,762	14,097	16,761	11,506
Total other income	<u>31,258</u>	<u>33,882</u>	<u>28,257</u>	<u>31,291</u>

23. Finance Cost

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Interest expenses on borrowing	45,509	25,044	52,329	31,782
Interest expenses on lease liabilities	1,880	2,110	1,880	2,110
Banks fee	6,861	6,489	6,824	6,456
Total	<u>54,250</u>	<u>33,643</u>	<u>61,033</u>	<u>40,348</u>

24. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Included in cost of sales of goods				
Purchase of inventories	26,611,833	32,763,051	26,605,306	32,753,503
Changes in inventories	355,458	(2,531,246)	351,653	(2,526,190)
Allowance for diminution in value of inventory	65,616	59,582	65,473	59,145
Total	<u>27,032,907</u>	<u>30,291,387</u>	<u>27,022,432</u>	<u>30,286,458</u>
Included in selling and distribution expenses				
Employee benefit expenses	428,897	406,559	428,895	406,553
Advertising and marketing expenses	148,036	207,570	147,851	207,469
Transportation expenses	58,415	61,566	58,415	61,562
Others	1,841	1,279	1,841	1,279
Total	<u>637,189</u>	<u>676,974</u>	<u>637,002</u>	<u>676,863</u>

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Included in administrative expenses				
Employee benefit expenses	175,576	197,315	175,181	196,411
Depreciation and amortisation	81,540	77,924	81,401	77,798
Service charge	25,302	24,985	25,285	24,985
Management fee	18,050	20,115	18,050	20,115
Rental expense	970	1,229	970	1,229
Others	67,981	75,808	67,596	72,838
Total	369,419	397,376	368,483	393,376

25. Income tax

Income tax expenses for the years ended 31 December 2022 and 2021 were made up as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Current income tax:				
Corporate income tax charge	179,414	251,161	176,121	248,173
Deferred tax:				
Relating to origination and reversal of temporary differences	(9,817)	(55,372)	(9,789)	(55,272)
Income tax expenses reported in the income statement	169,597	195,789	166,332	192,901

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	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Deferred tax on actuarial gain	(3,107)	-	(3,107)	-
	(3,107)	-	(3,107)	-

The reconciliation between accounting profit and income tax expense is shown below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Accounting profit before tax	858,081	988,410	842,307	979,229
Applicable tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by income tax rate	171,616	197,682	168,461	195,846
Effects of:				
Share of profit from investment in associates	-	(504)	-	-
Loss from disposal of investment in associated company	-	30	-	-
Utilisation of tax loss carry forward	-	(274)	-	-
Non-deductible expenses	2,103	1,399	1,993	1,330
Additional expense deductions allowed	(4,122)	(4,275)	(4,122)	(4,275)
Others	-	1,731	-	-
Total	(2,019)	(1,893)	(2,129)	(2,945)
Income tax expense reported in the income statement	169,597	195,789	166,332	192,901

The components of deferred tax assets are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Deferred tax assets				
Allowance for expected credit losses	130,466	129,845	127,357	126,736
Allowance for diminution in value of inventories	51,379	38,257	51,197	38,103
Accrued marketing expenses	135,179	151,146	135,179	151,146
Provision for long-term employee benefits	16,661	17,449	16,661	17,449
Fair value change of forward exchange contracts	10,458	(337)	10,458	(337)
Lease	218	214	218	214
Others	12,956	10,926	12,956	10,926
Total	357,317	347,500	354,026	344,237

26. Basic earnings per share

Basic earnings per share is calculated by dividing profit for the year (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

27. Operating segments

The Group has four reportable segments, as described below, which are the Group's strategic divisions. The strategic divisions offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic divisions, the chief operating decision maker (CODM) reviews internal management reports on at least a quarterly basis. The following summary describes the operations in each of the Group's reportable segments.

- Segment 1 Commercial products
- Segment 2 Consumer products
- Segment 3 Value added products
- Segment 4 Phones

None of other operations meets the quantitative thresholds for determining reportable segments.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before tax, as included in the internal management reports that are reviewed by the Group's CODM. Segment profit before tax is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

(Unit: Million Baht)

40

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Timing of revenue recognition:				
Revenue recognised at a point in time	28,912	32,192	28,895	32,186
Revenue recognised over time	130	102	130	102
Total revenue from contracts with customers	<u>29,042</u>	<u>32,294</u>	<u>29,025</u>	<u>32,288</u>

Geographic information

The Group operates in Thailand only. As a result, all the revenues and assets as reflected in these financial statements pertain exclusively to this geographical reportable segment.

Major customers

For the years 2022 and 2021, the Group has no major customer with revenue of 10 percent or more of an entity's revenues.

28. Provident fund

The Company and its employees has established a contributory provident fund for its employees. Membership of the fund is on a voluntary basis. Contributions are made monthly by the employees at the rate of 2% to 15% of their basic salaries and by the Company at the rate of 2% to 5% of the employees' basic salaries. The provident fund is registered with the Ministry of Finance as juristic entity and is managed by a licensed Fund Manager. The contributions for the year 2022 amounting to approximately Baht 15 million (2021: Baht 13 million) were recognised as expenses.

29. Dividends

Dividends	Approved by	Dividends paid (Thousand Baht)	Dividend per share (Baht)
<u>Year 2022</u>			
Dividends on 2021 income	Annual General Meeting of the shareholders on 22 April 2022	420.24	1.20
<u>Year 2021</u>			
Dividends on 2020 income	Annual General Meeting of the shareholders on 23 April 2021	350.20	1.00

30. Commitments and contingent liabilities

30.1 Bank guarantees

As at 31 December 2022, the Group had outstanding bank guarantees approximately by Baht 57.8 million and USD 0.14 million (2021: Baht 36.9 million and USD 0.14 million) issued by banks on behalf of the Company and its subsidiaries, in respect of certain performance and bid bonds and others as required in the normal course of business of the Company and its subsidiaries.

30.2 Guarantees to related parties

The Company and its subsidiary have contingent liabilities in respect of the guarantees of its credit facilities provided to banks amounted to Baht 105 million and Baht 725 million, respectively (31 December 2021: Baht 105 million and Baht 725 million, respectively).

These guarantees are effective for as long as the underlying obligations have not been discharged by the Company and subsidiary.

30.3 Litigation

In 2021, the Company was sued by the Office of Trade Competition Commission over monopolising or reducing competition in the same business. The Commission imposed a fine of approximately Baht 6.3 million for which the provision for liabilities had been set aside in the book of account. Subsequently, in 2022, the Company paid for the fine of Baht 6.3 million in full.

As at 31 December 2022, the Company has legal case regarding unfair dismissal in a total of approximately Baht 2.7 million. The Company was sentenced to pay Baht 0.1 million by Civil court. Currently, the case is being heard by the Appeal Court. The Company's management believe that the Company will not suffer material losses (if any) from the sue because the insurance company will settle the total claimed amount to the plaintiff.

31. Fair value hierarchy

As at 31 December 2022 and 2021, the Group had the following assets (liabilities) that were measured at fair value or assets for which fair value are disclosed using different levels of inputs as follows:

	(Unit: Million Baht)			
	Consolidated/Separate financial statements			
	2022		2021	
	Level 2	Level 3	Level 2	Level 3
Financial assets (liabilities) measured at fair value				
Derivatives				
Forward exchange contracts	(50.8)	-	1.7	-
Swap contracts	(1.5)	-	-	-
Assets for which fair value are disclosed				
Investment properties	-	76.3	-	46.5

32. Financial instruments

32.1 Derivative

	(Unit: Thousand Baht)	
	Consolidated and separate financial statements	
	2022	2021
	<u>2022</u>	<u>2021</u>
Derivative assets(liabilities)		
Derivative assets(liabilities) not designated as hedging instruments		
Foreign exchange forward contracts	(50,788)	1,653
Cross currency swaps	(1,500)	32
Total derivative assets(liabilities)	<u>(52,288)</u>	<u>1,685</u>

Derivative not designated as hedging instruments

The Group use foreign exchange forward contracts and cross currency swaps 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 3 to 6 months.

32.2 Financial risk management objectives and policies

The Group's financial instruments principally comprise cash and cash equivalents, trade accounts receivable and short-term loans. 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 credit control procedures whereby customer credit is analysed individually and implementing appropriate and strict measures to accelerate the collection of outstanding debts. The Group therefore does not expect to incur material financial losses. In addition, the Group has purchased partial insurance coverage for all customers and required collateral from customers to mitigate the risk. In addition, the Group does not have high concentrations of credit risk since it has a large customer base in various industries.

An impairment analysis is performed at each reporting date to measure expected credit losses. The provision rates are based on days past due. The Group considers loss incurred from customers individually. Collateral and 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 economic conditions.

Generally, trade receivables are written-off if customers have no ability to repay debt and subject to legal enforcement activities.

Financial instruments and cash deposits

The Group manages the credit risk related to cash deposits and derivatives with banks and financial institutions by depositing cash to savings accounts and entering into derivative contracts with contracting banks with credit ratings assigned by international credit-rating agencies. The Group considers that the credit risk on cash deposits and derivatives is low.

Market risk

The Group had two types of market risk comprising currency risk and interest rate risk. The Group enters into a variety of derivatives to manage its risk exposure, including:

- foreign exchange forward contracts to hedge the foreign currency risk arising on the export or import of goods; and
- swap contracts to mitigate the risk of foreign currency rates.

Foreign currency risk

The Group's exposure to foreign currency risk arises mainly from trading transactions that are denominated in foreign currencies. The Group seeks to reduce this risk by entering into forward exchange contracts when their consider appropriate. Generally, the forward contracts mature within one year.

As at 31 December 2022 and 2021, the Company had the following outstanding forward exchange contracts:

Foreign currency	Consolidated		Separate		Exchange rate as at	
	financial statements		financial statements		31 December	
	2022	2021	2022	2021	2022	2021
	(Million)		(Million)		(Baht per 1 foreign currency unit)	
Financial liabilities						
US dollar	14.8	22.5	14.8	22.5	34.73	33.59
Chinese yuan	0.5	2.1	0.5	2.1	5.04	5.32

As at 31 December 2022 and 2021, the Group had outstanding forward exchange contracts, of which details are presented below.

Currency	Amount bought	Maturity date	Contractual exchange rate
	(Million)		(Baht per 1 foreign currency unit)
2022			
<u>Consolidated financial statements</u>			
US dollar	24.8	June 2023	34.00 - 37.81
<u>Separate financial statements</u>			
US dollar	24.8	June 2023	34.00- 37.81
2021			
<u>Consolidated financial statements</u>			
US dollar	14.3	July 2022	32.61 - 33.79
<u>Separate financial statements</u>			
US dollar	14.3	July 2022	32.61 - 33.79

Swap contracts

As at 31 December 2022, the Group had purchased swap contracts in the amount of USD 1.1 million, equivalent to Baht 39.4 million. The contracts are due in February 2023 (2021: USD 2.6 million, equivalent to Baht 84.9 million. The contracts are due in February 2022).

Interest rate risk

The Group's exposure to interest rate risk relates primarily to its 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 interest rate risk is expected to be minimal.

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)

As at 31 December 2022

Consolidated financial statements							
	Fixed interest rates			Floating interest rate	Non- interest bearing	Total	Effective interest rate (% p.a.)
	Within 1 year	Over 1-5 years	> 5 years				
Financial assets							
Cash and cash equivalents	-	-	-	217	20	237	0.10 - 0.45
Trade and other receivables	-	-	-	-	5,221	5,221	-
Long-term loans to other companies	2	7	-	-	-	9	6.00
Financial liabilities							
Short-term loans from financial institutions	3,853	-	-	-	-	3,853	1.39 - 2.13
Trade and other payables	-	-	-	-	3,077	3,077	-
Lease liabilities	40	66	-	-	-	106	3.60

(Unit: Million Baht)

As at 31 December 2021

Consolidated financial statements							
	Fixed interest rates			Floating interest rate	Non- interest bearing	Total	Effective interest rate (% p.a.)
	Within 1 year	Over 1-5 years	> 5 years				
Financial assets							
Cash and cash equivalents	-	-	-	386	34	420	0.10 - 0.25
Trade and other receivables	-	-	-	-	4,897	4,897	-
Long-term loans to other companies	4	29	-	-	-	33	3.00 - 6.00
Financial liabilities							
Short-term loans from financial institutions	4,458	-	-	-	-	4,458	0.85 - 1.10
Trade and other payables	-	-	-	-	3,953	3,953	-
Lease liabilities	44	87	-	-	-	131	3.60

(Unit: Million Baht)

As at 31 December 2022							
Separate financial statements							
	Fixed interest rates			Floating interest rate	Non- interest bearing	Total	Effective interest rate (% p.a.)
	Within 1 year	Over 1-5 years	> 5 years				
Financial assets							
Cash and cash equivalents	-	-	-	119	20	139	0.10 - 0.45
Trade and other receivables	-	-	-	-	5,221	5,221	-
Long-term loans to other companies	2	7	-	-	-	9	6.00
Financial liabilities							
Short-term loans from financial institutions	3,853	-	-	-	-	3,853	1.39 - 2.13
Trade and other payables	-	-	-	-	3,070	3,070	-
Short-term loans from related party	385	-	-	-	-	385	2.00
Lease liabilities	40	66	-	-	-	106	3.60

(Unit: Million Baht)

As at 31 December 2021							
Separate financial statements							
	Fixed interest rates			Floating interest rate	Non-interest bearing	Total	Effective interest rate (% p.a.)
	Within 1 year	Over 1-5 years	> 5 years				
Financial assets							
Cash and cash equivalents	-	-	-	303	34	337	0.10 - 0.25
Trade and other receivables	-	-	-	-	4,892	4,892	-
Long-term loans to other companies	4	29	-	-	-	33	3.00 - 6.00
Financial liabilities							
Short-term loans from financial institutions	4,458	-	-	-	-	4,458	0.85 - 1.10
Trade and other payables	-	-	-	-	3,941	3,941	-
Short-term loans from related party	385	-	-	-	-	385	1.75
Lease liabilities	44	87	-	-	-	131	3.60

Liquidity risk

The Group monitors the risk of a shortage of liquidity through bank loans and lease contracts. Approximately 98% of the Group's debt will mature in less than one year at 31 December 2022 (2021: 98%) (the Company only: 98%, 2021: 98%) 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 it to be low. 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			
	Less than 1 year	1 to 5 years	> 5 years	Total
Non-derivatives				
Short-term loans from banks	3,853	-	-	3,853
Trade and other payables	3,077	-	-	3,077
Lease liabilities	40	66	-	106
Total non-derivatives	6,970	66	-	7,036
Derivatives				
Derivative liabilities: net settled	52	-	-	52
Total derivatives	52	-	-	52

(Unit: Million Baht)

Separate financial statements					
As at 31 December 2022					
	On demand	Less than 1 year	1 to 5 years	> 5 years	Total
Non-derivatives					
Short-term loans from banks	-	3,853	-	-	3,853
Trade and other payables	-	3,070	-	-	3,070
Short-term loans from related companies	385	-	-	-	385
Lease liabilities	-	40	66	-	106
Total non-derivatives	385	6,963	66	-	7,414
Derivatives					
Derivative liabilities: net settled	-	52	-	-	52
Total derivatives	-	52	-	-	52

(Unit: Million Baht)

Consolidated financial statements				
As at 31 December 2021				
	1 year	Less than 1 to 5 years	> 5 years	Total
Non-derivatives				
Short-term loans from banks	4,458	-	-	4,458
Trade and other payables	3,953	-	-	3,953
Lease liabilities	44	87	-	131
Total non-derivatives	8,455	87	-	8,542
Derivatives				
Derivative assets: net settled	2	-	-	2
Total derivatives	2	-	-	2

(Unit: Million Baht)

Separate financial statements					
As at 31 December 2021					
	On demand	Less than 1 year	1 to 5 years	> 5 years	Total
Non-derivatives					
Short-term loans from					
banks	-	4,458	-	-	4,458
Trade and other					
payables	-	3,941	-	-	3,941
Short-term loans from					
related companies	385	-	-	-	385
Lease liabilities	-	44	87	-	131
Total non-derivatives	385	8,443	87	-	8,915
Derivatives					
Derivative assets: net					
settled	-	2	-	-	2
Total derivatives	-	2	-	-	2

32.3 Fair values of financial instruments

Since the majority of the Group's financial instruments are short-term in nature or carrying interest at rates close to the market interest rates, their fair value is not expected to be materially different from the amounts presented in the statements of financial position.

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 cash equivalents, accounts receivable and short-term loans, accounts payable and short-term borrowings, their carrying amounts in the statement of financial position approximate their fair value.
- For long-term loans carrying interest approximate to the market rate, their carrying amounts in the statement of financial position approximates their fair value.

- c) For derivatives, their fair value has been determined by 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, yield curves of the respective currencies and interest rate yield curves. The Group has considered the counterparty credit risk when determining the fair value of derivatives.

During the current year, there were no transfers within the fair value hierarchy.

33. 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. As at 31 December 2022, the Group's debt-to-equity ratio was 2.0:1 (2021: 2.7:1) and the Company's was 2.3:1 (2021: 3.0:1).

34. Event after the reporting period

On 20 February 2023, a meeting of the Company's Board of Directors passed a resolution to propose that the Annual General Meeting of shareholders of the Company adopt a resolution to pay the dividend for 2022 to the Company's shareholders at Baht 1.20 per share. These dividends will be paid in May 2023.

35. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 20 February 2023.



Section 4

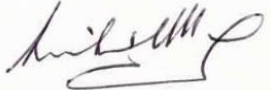

Certification of Information Accuracy

Certification of Information Accuracy


The Company has reviewed the information disclosed in annual report with caution and the Company confirms that the information is accurate, complete, not false, does not mislead others and does not lack of information that should be reported in essence. In addition, the Company would like to certify that:

- (1) Financial statements and financial information summarized in the annual report, are represent accurate and complete essential element on the financial status, performance, and cash flows of the Company and its subsidiaries.
- (2) The Company is responsible for providing the good information disclosure system and that essential element of the Company, and its subsidiaries is disclosed accurately and completely, also responsible for ensuring compliance with such system.
- (3) The Company is responsible to provide the good corporate governance system and that it complies with such system. In addition, the Company reported the result about the internal control assessment as of December 31st, 2022 to the Auditor and the Audit Committee of the company. This assessment included any default, change and misconduct which may affect the reporting of the Company and its subsidiary's Financial Statements.

Therefore, as evidence that these documents constitute the entire set that the Company has certified, the Company has authorized Mr. Somchai Sittichaisrichart to initial all pages. If any page is without Mr. Somchai Sittichaisrichart's initial, the Company does not certify that the information given is the true copy.

	Name	Position	Signature
1.	Mr. Lim Kiah Meng	Director	
2.	Mr. Somchai Sittichaisrichart	Director	

Authorized person

	Name	Position	Signature
1.	Mr. Somchai Sittichaisrichart	Director	

Attachment 1

Change in Units of Shareholding of Directors, Management, Chief Accountant and Company Secretary

During 2022, the directors, Management, Chief Accountant and Company Secretary bought and sold their securities as follows:

a) Director

Name	No. of shares as of January 1 st , 2022	No. of shares Acquisition during 2022	No. of shares Disposition during 2022	No. of shares as of December 31 st , 2022
Mr. Lim Kiah Meng	214,510,470	-	-	214,510,470
Assoc. Prof.Dr. Rojanasak Chomvilailuk	-	-	-	-
Mr. Panuwat Chalongkuamdee	-	-	-	-
Ms. Sudaporn Tawapi	-	-	-	-
Mr. Lim Hwee Hai	214,510,470	-	-	214,510,470
Mr. Lim Kia Hong	214,752,345	-	-	214,752,345
Mrs.Lim Hwee Noi	214,510,470	-	-	214,510,470
Mr. Somchai Sittichaisrichart	48,893,875	-	-	48,893,875

(b) Management, Chief Accounting and Company Secretary

Name	No. of shares as of January 1 st , 2022	No. of shares Acquisition during 2022	No. of shares Disposition during 2022	No. of shares as of December 31 st , 2022
Mr. Taweesak Sinpipatmongkol	-	-	-	-
Ms. Varapa Intakorn-Udom	-	-	-	-
Ms. Ploy Sittichaisrichart	-	-	-	-
Ms. Suwathip Pornsuwannapha	358,096	-	-	358,096
Mrs.Wareeporn Sittichaisrichart	-	-	-	-
Mr. Thana Thanapase	-	-	-	-
Mr. Kakkanan Karnunghead	-	-	-	-
Mr. Monton Mungkornkarn	-	-	-	-
Mr. Pantana Natakuathung	-	-	-	-
Mr. Saimonkhon Vailaisarn	-	-	-	-
Mr. Adisorn Assavanives	-	-	-	-
Mr. Nantawat Prasongpol	-	-	-	-
Mr. Nopakoon Visitrattakul	-	-	-	-
Mr. Sonthiporn Sornsong	37	-	-	37
Mr. Teekayu Dusiyamee	-	-	-	-
Ms. Mayuree Prasong	47,000	-	-	47,000
Mrs. Nattamon Chotvichien	-	-	-	-
Ms. Sirinun Leelapeeraphun	-	-	-	-

Attachment 2

Company Secretary and Role of Company Secretary

The Board of Directors has appointed Mrs.Nattamon Chotvichien to be the Company Secretary additional from the roles of Head of Internal Audit, which has already listed the qualification in the section of Management and Company Secretary. The roles and duties are as follows:

Company Secretary: Have duties to do the Company secretary task, treat all activities according to the Regulation of the Office of the Securities and Exchange Commission and the additional duties by the Office of the Securities and Exchange Commission.

Secretary to the Board of Director: The existing responsibility in coordinate to provide the Board meeting and the AGM preparation by coordinating with the Managing Director directly to determine the agenda and issue the invitation letter, including coordinate with all directors for such meeting, prepare the agenda documentation, record the minute of meeting, coordinate with related parties to clarify or provide information to the meeting on each agenda.

Operate according to the meeting resolution concerning the change of Company registration: In case of directors or shareholders have the resolution to change the Company registration; the Company Secretary will be responsible in operation to change the company registration according to the meeting's resolution.

Advice to the Board: To comply with the regulation of SEC and SET, including report information to the SEC and the SET within certain periods as stated in principles.

Coordinate to prepare the Annual Report: To coordinate with related departments in the Company to complete information for the Annual Report in accordance with the SEC and the SET's principles.

Serve as the share registrar for subsidiary company: Serve as the share registrar for subsidiary company (only non-listed company) including notification to the Department of Business Development, the Ministry of Commerce.

Coordinate with Investor Relation Department: to oversee the information disclosure in accordance with the rules and regulations of SET.

Others: To perform other duties as announced by the Capital Market Supervisory Board and assigned by the Company.

Mrs.Nattamon Chotvichien resigned from the Company with effective on January 16th, 2023. The Board of Directors' meeting no.1/2023 held on January 12th, 2023 had resolution to appoint Ms.Sirinun Leelapeeraphun to be a Company Secretary with effective from January 16th, 2023 onwards.

Attachment 3

Details of the directors and Management of the Company, Subsidiaries and Affiliates as of December 31st, 2022

	Related Company																			
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
Mr. Lim Kiah Meng													/	/	/					
Assoc. Prof.Dr. Rojanasak Chomvilailuk																				
Mr. Panuwat Chalongkumdee																				
Ms. Sudaporn Tawapi																				
Mr. Lim Hwee Hai	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/
Mr. Lim Kia Hong	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/
Mrs.Lim Hwee Noi	/		/																	
Mr. Somchai Sittichaisrichart																				
Mr. Taweesak Sinpipatmongkol																				
Ms. Varapa Intakorn-Udom																				
Ms. Ploy Sittichaisrichart																				
Ms. Suwathip Pornsuwannapha																				
Mrs.Wareeporn Sittichaisrichart																				
Mr. Thana Thanapase																				
Mr. Monton Mungkornkarn																				
Mr. Teekayu Dusiyamee																				

/ = Director X = Chairman // = Managing Director XX = Chief Executive Officer /// = Management XXX = Partner //// = Advisory Board

1 = SiS International Holdings Limited	2 = SiS Mobile Holdings Limited	3 = Information Technology Consultants Ltd	4 = Bright Choice Limited	5 = Charmax Enterprises Limited
6 = Cheer Lucky Limited	7 = Computer Zone Limited	8 = East Wealth Ltd.	9 = Elegant Vision Global Ltd.	10 = Ever Wealthy Ltd.
11 = Faith Prosper Ltd.	12 =JP20 Capital Limited	13 = Gain Best Ltd.	14 = Glorious Prime Limited	15 = Gold Kite Ltd.
16 = Happy Time Company Ltd.	17 = Honshu Ventures Pte Ltd.	18 = Intuition Consulting Pte Ltd.	19 = Maxima Technology Ltd.	20 = New Smart International Limited

Details of the directors and Management of the Company, Subsidiaries and Affiliates as of December 31st, 2022 (Continue)

	Related Company																			
	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40
Mr. Lim Kiah Meng	/	/	/	/	/	/	/	/	/		/	/	/	/	/	/	/		/	
Assoc. Prof.Dr. Rojanasak Chomvilailuk																				
Mr. Panuwat Chalongkumdee																				
Ms. Sudaporn Tawapi																				
Mr. Lim Hwee Hai	/	/	/	/	/	/	/		/	/	/	/	/	/	/	/	/	/	/	/
Mr. Lim Kia Hong	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/
Mrs.Lim Hwee Noi				/																
Mr. Somchai Sittichaisrichart				/,/,///																
Mr. Taweesak Sinpipatmongkol																				
Ms. Varapa Intakorn-Udom																				
Ms. Ploy Sittichaisrichart				///																
Ms. Suwathip Pornsuwannapha				///																
Mrs.Wareeporn Sittichaisrichart				///																
Mr. Thana Thanapase																				
Mr. Monton Mungkornkarn																				
Mr. Teekayu Dusiyamee																				

/ = Director

X = Chairman

// = Managing Director

XX = Chief Executive Officer

/// = Management

XXX = Partner

//// = Advisory Board

21 = New Yorkshire Ltd.	22 = Otaru Ventures Pte Ltd.	23 = Qool Bangladesh Ltd.	24 = Qool Distribution (Thailand) Co., Ltd.	25 = Qool Internation Ltd.
26 = Qool Labs Pte Ltd.	27 = QR Capital Ltd.	28 = Shenzhen IMQ Technologies Co., Ltd.	29 = SiS Asia Pte Ltd.	30 = SiS Assets Management Pte Ltd.
31 = SiS Assets Pte Ltd.	32 = SiS Capital (Bangladesh) Pte Ltd.	33 = SiS Capital Lanka (Pvt) Ltd.	34 = SiS Capital Ltd.	35 = SiS CF Ventures Pte Ltd.
36 = JP Hotel Management Limited	37 = SiS Concepts Hotel Pte Ltd.	38 = SiS SPAC Investment Fund Pte Ltd.	39 = SiS Distribution Limited	40 = SiS Global Fund VCC

Details of the directors and Management of the Company, Subsidiaries and Affiliates as of December 31st, 2022 (Continue)

	Related Company																			
	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60
Mr. Lim Kiah Meng													/		/	/	/	/		
Assoc. Prof.Dr. Rojanasak Chomvilailuk																				
Mr. Panuwat Chalongkumdee																				
Ms. Sudaporn Tawapi																				
Mr. Lim Hwee Hai	/	/	/	/	/		/	/	/	/	/	/	/		/	/	/	/	/	/
Mr. Lim Kia Hong	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/
Mrs.Lim Hwee Noi												/						/		
Mr. Somchai Sittichaisrichart																		/,/,///		
Mr. Taweesak Sinpipatmongkol																				
Ms. Varapa Intakorn-Udom																				
Ms. Ploy Sittichaisrichart																		///		
Ms. Suwathip Pornsuwannapha																		///		
Mrs.Wareeporn Sittichaisrichart																		///		
Mr. Thana Thanapase																				
Mr. Monton Mungkornkarn																				
Mr. Teekayu Dusiyamee																				

/ = Director

X = Chairman

// = Managing Director

XX = Chief Executive Officer

/// = Management

XXX = Partner

//// = Advisory Board

41 = SiS Global Fund VCC II	42 = SiS HK Ltd.	43 = SiS Hospitality Holdings Ltd.	44 = SiS Inn Pte Ltd.	45 = SiS International Limited
46 = SiS Interpid Venture Pte Ltd.	47 = SiS Investment Holdings Limited	48 = SiS JP21 Ventures Pte Ltd.	49 = SiS Lanka Pte Ltd.	50 = SiS Netrepreneur Ventures Corp.
51 = SiS Nippon Pte Ltd.	52 = SiS Prestige Holdings (Pvt) Ltd.	53 = SiS Property Consultants Ltd.	54 = SiS Real Estate Opportunity Fund	55 = SiS SK Ventures Pte Ltd.
56 = SiS Technologies (Thailand) Pte Ltd.	57 = SiS TechVentures Corp.	58 = SiS Venture Co., Ltd.	59 = SiSJP Realty Pte Ltd.	60 = SiSJP Ventures Pte Ltd.

Details of the directors and Management of the Company, Subsidiaries and Affiliates as of December 31st, 2022 (Continue)

	Related Company													
	61	62	63	64	65	66	67	68	69	70	71	72	73	74
Mr. Lim Kiah Meng	/	/							/	/				X
Assoc. Prof.Dr. Rojanasak Chomvilailuk														/
Mr. Panuwat Chalongkuamdee											XXX			/
Ms. Sudaporn Tawapi												XXX		/
Mr. Lim Hwee Hai	/	/	/	/	/	/	/	/	/	/				/
Mr. Lim Kia Hong	/	/	/	/	/	/	/	/	/	/				/
Mrs.Lim Hwee Noi			/	/	/	/	/	/						/
Mr. Somchai Sittichaisrichart			/	/	/	/	/							/,/,/,/
Mr. Taweesak Sinpipatmongkol													/,/,/	/,,/
Ms. Varapa Intakorn-Udom													/,/,/	
Ms. Ploy Sittichaisrichart														/,,/
Ms. Suwathip Pornsuwannapha														/,,/
Mrs.Wareeporn Sittichaisrichart														/,,/
Mr. Thana Thanapase														/,,/
Mr. Monton Mungkornkarn														/,,/
Mr. Teekayu Dusiyamee														/,,/

/ = Director X = Chairman // = Managing Director XX = Chief Executive Officer /// = Management XXX = Partner //// = Advisory Board

61 = Sun Well Limited	62 = Synergy Technologies (Asia) Ltd.	63 = Thai Investment Holdings Pte Ltd.	64 = Thai Success Co., Ltd.	65 = Thai Prosperity Co., Ltd.
66 = Thai Joyful Co., Ltd.	67 = Thai Hero Co., Ltd.	68 = Thai Alliance Co., Ltd.	69 = UC Capital Ltd.	70 = W-Data Technologies Ltd.
71 = SRPP Law Ltd.	72 = Bunchikij Co., Ltd.	73 = P T Automation (Thailand) Co., Ltd.	74 = SiS Distribution (Thailand) PCL.	

Attachment 4

Details of Head of Internal Audit and Head of Compliance

Head of Internal Audit

Name	Mrs.Nattamon Chotvichien	
Position	Head of Internal Audit	
Age	37 Years	
Nationality	Thai	
Education	Bachelor of Accountancy, Kasetsart University Master of Science in Business System Integration (with SAP Technology) Brunel University, UK	
Training	<ul style="list-style-type: none">• Anti-Corruption: The Practical Guide (ACPG 19/2015)• Company Reporting (CRP 12/2015)• Company Secretary Program (CSP 69/2016)• Enterprise Risk Management COSO – ERM, FAP• Foundation of Information System, LIBT• Update Thai Accounting Standard in 2011, Bunchikij Co., Ltd.• Update IFRS and TFRS for NPAs, Bunchikij Co., Ltd.• Hedge Accounting and Deferred Tax, Bunchikij Co., Ltd.	
Shareholding (As at December 31st, 2022)	None	
Working Experience	2015 – January 15 th , 2023	Company Secretary SiS Distribution (Thailand) PCL.
	2015 – January 15 th , 2023	Head of Internal Audit Department and Audit Committee Secretary SiS Distribution (Thailand) PCL.
	2008 - 2011	Senior Assistant Auditor Bunchikij Co., Ltd.

Head of Compliance

Name	Ms. Areerat Khuanpadung	
Position	Head of Compliance	
Age	52 Years	
Nationality	Thai	
Education	Bachelor of Accountancy, Bangkok University	
	Bachelor of Laws Program, Ramkhamhaeng University	
	Qualified to practice law in Thailand	
Training	Labor laws that employer-employees need to know, Department of Labor Protection and Welfare	
	Techniques for resolving disputation with Customs, Custom Department	
	None	
Shareholding (As at December 31st, 2022)		
Working Experience	2019 – Present	Head of Compliance SiS Distribution (Thailand) PCL.
	2004 - Present	Legal Manager SiS Distribution (Thailand) PCL.
	1998 - 2004	Senior Legal Officer Ricoh (Thailand) Co., Ltd.

Duties and Responsibilities of Head of Compliance

Head of Compliance is responsible for overseeing compliance within an organization, and ensuring a company's procedures comply with regulatory authorities as follows:

1. Provide advice and recommendations to the Management and employees to operate accurately and appropriately according to laws, rules, regulations, and policies of various regulatory authorities in accordance with good corporate governance as well as the Company's Code of Conduct.
2. Support the Company's policies in the areas of corporate governance and propose guidelines or procedures ensuring proper corporate governance.
3. Communicate and provide training related to laws, rules, regulations, corporate governance policies and business Code of Conduct to the Board of Directors, Managements and employees.
4. Propose a review and improvement of the corporate governance policy and business Code of Conduct, as well as rules, regulations of the Company to comply with the law, regulatory authorities and suitable for the Company business.
5. Assess legal risks and propose appropriate risk mitigation to support the Company for regulation compliance..
6. Liaise with relevant authorities.
7. Report the governance results to the Management within specified period and immediately report when significant issues are found.

Head of Compliance must perform its duties with honesty, fairness without bias and conflicts of interest, therefore, he/she must work in a professional ethics. The Board of Directors has approved the compliance policy by stipulating that Board of Directors, the Audit Committee, the Management and employees to comply with the laws, including to communicate with employees to realize that all employee has a duty and responsibility to study, understand the rules involved in their job. Employees must perform properly and completely and strictly comply with the rules set by the Company.

Attachment 5

Assets used in the business Operation and Details of Assets Valuation

5.1 Main assets used in the Business Operation

5.1.1 Equipments

List of Assets	Proprietary Nature (Ownership/Lease)	Net Book Value (Million Baht)
1. Leasehold Improvements	Ownership	69.81
2. Computer and Office Equipment	Ownership	392.13
3. Furniture and Fixtures	Ownership	15.92
4. Vehicle	Ownership	6.49
Total		484.35
<u>Less</u> Accumulated Depreciation		(339.27)
Net Equipments		145.08

Note: The above net assets are under ownership of the Company which are not used as a collateral for loans or liabilities under the guarantee facility. The Company has no non-operating assets.

5.1.2 Software License

List of Assets	Proprietary Nature (Ownership/Lease)	Net Book Value (Million Baht)
1. Software License	Ownership	88.98
Total		88.98
<u>Less</u> Accumulated Amortisation		(67.70)
Net Software License		21.28

Note: The Company has no patents, concessions, and trademarks.

5.1.3 Right-of-use Assets

List of Assets	Proprietary Nature (Ownership/Lease)	Net Book Value (Million Baht)
Right-of-use Assets	Lease to above agreement	151.38
Total		151.38
<u>Less</u> Depreciation		(46.30)
Net Right-of-use Assets		105.08

Note: The Company has entered into an agreement to lease such assets for use in its operations with the age between 3 – 6 years.

5.1.3.1 Office Building/Warehouses/Service Center Agreement under Right-of-use Assets

Lessor	Period	Space (sq.m.)	Rental Fee (Baht/ sq.m. /month)	Service Fee (Baht/ sq.m. /month)	Remarks
1. Pakin Building Co., Ltd. (9 Pakin Building Floor 9, Ratchadaphisek Road, Din Daeng, Din Daeng, Bangkok 10400	01/08/20 - 31/07/23	3,340.00	210.30	315.45	<ul style="list-style-type: none"> ■ Head Office ■ At the expiration date, the Company can continue to lease for a period of 3 years more with an increase of not more than 10%.
2. Baan Saeng Wiwat Co., Ltd. (88/6-7 Pattanachonnabot 3, Klongsongtonnun, Ladkrabang, Bangkok)	01/02/23 - 31/01/26	10,142.10	174.52	19.00	<ul style="list-style-type: none"> ■ Main Warehouse ■ At the expiration date, the Company can continue to lease for a period of 3 years more with an increase of not more than 10%.
3. C.P. Plaza Co., Ltd. (Room No. 30-31, Floor 4 Fortune Town, Ratchadaphisek Road, Din Daeng, Bangkok 10400)	16/10/20 - 15/10/23	68.00	383.53	575.29	<ul style="list-style-type: none"> ■ Service Center
4. Chiang Mai Golf Driving Range Limited Partnership	01/02/23 - 31/01/26	105.00	304.76	-	<ul style="list-style-type: none"> ■ Sales Office and Service Center ■ At the expiration date, the Company can continue to lease for a period of 3 years more with an increase of not more than 10%.
5. Ms. Siriporn Phinaikul (Hadyai Branch)	01/12/19 - 30/11/25	1 unit	23,900.00	-	<ul style="list-style-type: none"> ■ Sales Office and Service Center
6. Mr. Wittaya Wittayapiyanon (Phuket Branch)	01/06/19 - 31/05/25	1 unit	28,875.00	-	<ul style="list-style-type: none"> ■ Sales Office and Service Center
7. Mrs.Arisara Srisupadecha (KhonKaen Branch)	01/09/19 - 31/08/25	1 unit	30,000.00	-	<ul style="list-style-type: none"> ■ Sales Office and Service Center
8. Mrs.Thippawan Veerathes (Ubolratchathani Branch)	01/06/21 - 31/05/24	1 unit	13,000.00	-	<ul style="list-style-type: none"> ■ Sales Office and Service Center

Note: The above Right-of-use assets do not have any obligations. The Company has entered into an agreement to lease such assets for use in its operations with the age between 3 years.

5.1.3.2 Service Rental under Right-of-use Assets
Equipment service contract

Lessor	Period	Service Fee (Baht/month)	Remarks
Hewlett Packard (Thailand) Ltd.	01/09/21 - 21/09/27	2,900 – 180,000	There are 6 computer Hardware service rental contracts that are used in business operations.

Remark: the above contract does not bind the Company. The purpose of this property service contract is for business operation and is 5 years term contract.

5.1.4 Details of Property Valuation

As of December 31st, 2022, the Company has investment properties in plots of land, building and office unit as follows:

1. Land with buildings

Company	SiS Distribution (Thailand) Pcl.
Type of property	Land with buildings
Location	74 Soi Therdrachan 11, Therdrachan Road, Sikan, Don Muang, Bangkok
Land Title Deeds	Land area 1-0-01 rai or 401.00 sq.wah
Building	1 unit of Office and 2 storey Warehouse
Obligation	None
Purpose of Valuation	For Accounting
Net Book Value of property	19.66 Million Baht
Appraisal Value	22.85 Million Baht
Appraisal Date	October 31 st , 2022
Appraisal Company	KTAC Appraisal and Service Co., Ltd.

2. Empty Land

Company	SiS Distribution (Thailand) Pcl.
Type of property	Empty land
Location	Next to Baan Chalung-Baan Namtok Tonprieu Road, Hatyai- Thachamuang Road (ThorLor.4287) Chalung, Hatyai, Songkhla
Land Title Deeds	Land area of 61-2-56.6 rai or 24,656.6 sq.wah
Obligation	None
Purpose of Valuation	For Accounting
Net Book Value of property	24.04 Million Baht
Appraisal Value	24.04 Million Baht
Appraisal Date	June 8 th , 2020
Appraisal Company	KTAC Appraisal and Service Co., Ltd.

3. Office Unit

Company	SiS Distribution (Thailand) Pcl.
Type of property	Office Unit
Location	No.65/215-216 Floor 26, Chamnan Phenjati Business Center Building, Rama 9 Road, Kwang Huaykwang, Khet Huaykwang, Bangkok
Office Unit Title Deeds	Office Unit area of 391.21 sqm
Obligation	None
Purpose of Valuation	For Accounting
Net Book Value of property	29.30 Million Baht
Appraisal Value	29.34 Million Baht
Appraisal Date	November 15 th , 2022
Appraisal Company	Siam Appraisal and Service Co., Ltd.

5.2 Investment Policy in Subsidiaries and Associated Companies

The Company has a policy to invest in the company that consistent with goal, vision and growth strategy of the group. The Company focuses on investment in IT segment which is main business and/ or investment to support the coverage of main business. This will make the Company better performance and profit including increasing competitive capacity of the Company. For investment in subsidiaries or affiliates, the Company will consider an adequate proportion of investment to ensure that the Company can appoint the Company's qualified and experienced representative to be the director to manage and determine its business direction. The Company also properly consider investment possibility, potential and risk factors which may occur in such business. The investment shall be approved by the Board of Directors or the shareholders' meeting.

Other than existing subsidiaries and affiliates, the Company has no policy for any additional investment.

Attachment 6

Code of Conduct

Definition and Meaning

Ethics	means	Moral principles that govern a person's behavior or the conducting of an activity:
Code of Conduct	means	A set of rules outlining the social norms and rules and responsibilities of, or proper practices for, an individual, professional, party or organization. Related concepts include ethical, honor, moral codes and religious laws in order to build the common organizational culture in order to promote the value and reputation of the organization.
The Company	means	SiS Distribution (Thailand) Public Company Limited and Subsidiaries
Directors	means	Directors of SiS Distribution (Thailand) Public Company Limited and Subsidiaries
SIS Directors	means	Directors of SiS Distribution (Thailand) Public Company Limited
Executives/ Management	means	Management of SiS Distribution (Thailand) Public Company Limited and Subsidiaries
SIS Executives/ Management	means	Management which is according to the definition of Securities and Exchange Commission Thailand. This means the Managements on the four lines from Managing Director, including the position which is equivalent to these four lines as well as the Accounting and Financial Manager as below: <ol style="list-style-type: none"> 1. Executive Directors 2. General Manager 3. Operational Manager 4. Accounting and Finance Manager
Employees	means	Permanent Employees as well as temporary staffs of SiS Distribution (Thailand) Public Company Limited and Subsidiaries.
Related Transactions	means	Transactions between a listed company and subsidiaries or related person.
Related Person	means	Individual that can influence directors or Executives/Management of the Listed Company having conflict of interest in making decision over that individual. <ol style="list-style-type: none"> 1. Directors, Executives/ Management, major shareholders, the party that having control over the Company, candidates of directors or Executives/ Management or the Party that having control over the Company including their relatives and related person. 2. Juristic person which is majorly held by the individual according to (1). 3. Individual who can be indicated that they are representatives or being under the individual according to (1) and (2). 4. Director of the juristic person having control over the Company. 5. Spouse, minor son, minor daughter or adopted minor child of individual according to (4). 6. Juristic person of individual according to (4) or (5) or having control over the Company. 7. Individual that is understood that the people listed below would gain benefits along with the actions of that individual. <ol style="list-style-type: none"> 7.1 Directors 7.2 Executives/ Management 7.3 Controlling Party 7.4 Director of the juristic person having control over the Company 7.5 Spouse, minor son, minor daughter or adopted minor child of individual according to 7.1 - 7.4

Corruption	means	To bribe or receive bribe in any form such as gifts, things, entertainment, or other benefits both direct and indirect ways to person, juristic person, or government to influence that person to perform or avoid performing their duties in order to generate benefits to specific individuals, family, friends or business
Political Support	means	To support any forms of benefits to Political Parties, Politicians or People who relates to Politics such as giving financial funds or other assistances to encourage, support, and promote such as donations, giving the items, involving in activities, purchasing of goods or services to raise funds.

Section 1

Codes of Conduct

Parties which are related to the Code of Conduct:

1. Parties which are under the Code of Conduct:

- 1.1 Directors
- 1.2 Executives/ Management
- 1.3 Employees

2. Stakeholders of the Company:

- 2.1 The Company
- 2.2 Shareholders
- 2.3 Employees
- 2.4 Customers
- 2.5 Business Partners
- 2.6 Competitors
- 2.7 Trade Payables
- 2.8 Financial Institutions
- 2.9 Regulators
- 2.10 Society, Environment and Education

All directors, Executives/ Management, and employees are obliged to comply strictly with the Company's Code of Conduct i to show their responsibilities towards all stakeholders in which such Code of Conduct will cover all stakeholders and responsibilities towards all stakeholders as shown in the below table.

Classification of Codes of Conduct	Responsible Parties				
	Directors	Director Of SiS	Executives/ Management	Executives/ Management Of SiS	Employees
Company	✓	✓	✓	✓	✓
Stakeholders	✓	✓	✓	✓	✓
Employees	✓	✓	✓	✓	
Customer	✓	✓	✓	✓	✓
Partners	✓	✓	✓	✓	✓
Competitors	✓	✓	✓	✓	✓
Trade payables	✓	✓	✓	✓	✓
Creditors	✓	✓	✓	✓	✓
Corporate Governance	✓	✓	✓	✓	✓
Society, Environment and Education	✓	✓	✓	✓	✓

All details of the Code of Conduct to all stakeholders that all directors, Executives/ Management, and employees must follow strictly above table.

1. Responsibility to the Company

- 1.1 To perform their duties responsibly by considering the Company's interest first.
- 1.2 To do not perform any activities as a competition against the Company's operations.
- 1.3 To perform their duties with honesty.
- 1.4 To be responsible for implementing and maintaining the Company's assets for the best interest of the Company. Also, to do not apply for individual interest or others rather than the business of the Company.
- 1.5 To perform their duties with knowledge and experience at full capacity for the best benefit of the Company.
- 1.6 To strictly follow rules and regulations of the Company.
- 1.7 To do not use the power of their duties whether directly or indirectly to seek for their own benefits or others.
- 1.8 To do not accept any offers in a manner that exceeds the normal relation from others who have business relating to the business of the Company.
- 1.9 To be mindful about giving opinions to outsiders when it comes to matters that may affect the Company's reputation or business operations.
- 1.10 To do not use the essential data or information of the Company for their own benefits whether directly or indirectly, and to disclose the secrets of the Company by taking care of and being careful not to disclose the documents or news to others. Also, to strictly follow the Confidentiality of Information policy and Disclosure of Information policy included in Section 2 of this Code.
- 1.11 To report or complain about any misconduct or non-compliance of individuals in the Company consisting of employees or other stakeholders and including the incorrect financial report or internal control for the best benefit of the Company according to the whistleblower policy of the Company included in Section 2 of this Code.

2. Responsibility to Shareholders

- 2.1 To perform their duties with honesty under the rules and regulations of the Company. Apply this Code to any activities, decisions, and transactions with the determination to operate an honest and transparent business.
- 2.2 To perform their duties with skills and ability related to the common practice of the occupation and necessary to improve the business operation.
- 2.3 To endeavor to treat and protect data and information of shareholders as if it was the Company's own information.
- 2.4 To endeavor to disclose complete, sufficient, punctual, and equally accessible information according to the SEC and the SET requirements.

3. Responsibility to Employees

- 3.1 To be fair and provide adequate welfare to the employees according to the situation.
- 3.2 To always maintain and ensure workplace safety for life and assets of employees.
- 3.3 To nominate transfer employees including giving a reward and giving a punishment, the Company must act equally and on the basis of knowledge, skills and appropriation.
- 3.4 To pay attention on development, skills, and the ability of the employees by always giving all employees an opportunity.
- 3.5 To provide training regularly to develop knowledge and skills of the employees.
- 3.6 To listen to all comments and suggestions from all levels of employees by providing a channel for the employees to report or complain about misconduct, situations, or circumstances which will affect to their works or decisions of the employees according to the whistleblower policy of the Company including in Section 2 of this Code.

4. Responsibility to Customers

- 4.1 To treat customers fairly in matters related to products and service.
- 4.2 To disclose the information relating to products and services correctly and completely.
- 4.3 To keep and protect data and information of customers.
- 4.4 To educate customers to develop products and services.
- 4.5 To provide a channel for complaints and inquiries relating to products and services according to the whistleblower policy of the Company including in Section 2 of this Code.

5. Responsibility to Business Partners

- 5.1 To treat business partners fairly and equally on the basis that both parties able to receive reasonable returns.
- 5.2 To strictly follow contracts and agreements and promptly notify the partners if the agreements cannot be honored to find a reasonable remedy.

6. Responsibility to Competitors

- 6.1 To ensure fair play in trade competition.
- 6.2 To restrain from the attempt to seek competitors' secrets through improper or dishonest approaches.
- 6.3 To restrain from the attempt to discredit or make harmful accusations against competitors.

7. Responsibility to Trade Payables

- 7.1 To treat creditors fairly and equally on the basis that both parties able to receive reasonable returns.
- 7.2 To strictly follow contracts and agreements and promptly notify the creditors if the agreements cannot be honored to find a reasonable remedy.

8. Responsibility to Financial Institutions

- 8.1 To strictly follow contracts and agreements including objective of borrowing money, repayment, and other matters that are agreed to.
- 8.2 To treat all creditors equally.
- 8.3 To report on the status and financial information of the Company correctly

9. Responsibility to Regulators

- 9.1 To strictly follow rules and regulations issued by corporate governance.
- 9.2 To cooperate with the Corporate Governance and report the information relating to the violation or failure to comply with laws, rules, or regulations of those institutions.

10. Responsibility to Society, Community and Environment

- 10.1 To do not do anything that will affect the environment and society.
- 10.2 To raise awareness about responsibilities towards society and environment to all levels of employees.
- 10.3 To promote the use and conservation of energy efficiently.
- 10.4 To promote social development with an emphasis on education and environment.

Section 2

Related policies

To be clear and convenient for all directors, Management, and employees in strictly following the laws, rules and regulations and complying with the Code of Conduct, the Company has provided the policies for all directors, Executives/ Management, and employees to comply with, so the operations will be transparent, fair, clear, and verifiable as following details.

Related Policies as below:

1. Anti-Corruption Policy
2. Receiving or Giving of Gifts, Assets or Other Benefits Policy
3. Political Policy
4. Donation and Funding Policy
5. Conflicts of Interests Policy
6. Reports Stating the Interests and Security Holding Policy
7. Handling Confidential Information and Controlling the Use of Inside Information Policy
8. Disclosure Policy
9. Protecting and Using of the assets of the Company Policy
10. Human Rights Policy
11. Personal Data Protection Policy
12. IT Security Policy

The coverage of these policies is according to the table below:

Policy	Responsible Parties				
	Directors	Directors of SiS	Executives/ Management	Executives/ Management of SiS	Employee
Anti-Corruption	✓	✓	✓	✓	✓
Receiving or giving of Gifts, Assets or Other Benefits	✓	✓	✓	✓	✓
Political	✓	✓	✓	✓	✓
Donation and Funding	✓	✓	✓	✓	✓
Conflicts of Interests	✓	✓	✓	✓	✓
Reports Stating the Interests and Security Holding	✓	✓	✓	✓	
Handling Confidential Information and Controlling the Use of Inside Information	✓	✓	✓	✓	✓
Disclosure	✓	✓	✓	✓	✓
Protecting and Using of the assets of the Company policy	✓	✓	✓	✓	✓
Human Rights	✓	✓	✓	✓	✓
Personal Data Protection	✓	✓	✓	✓	✓
IT Security Policy					

Anti-Corruption Policy



SiS Distribution (Thailand) Public Company Limited intends to operate our business with transparency, and accountability for stakeholders to provide the sustainable growth of the company. To ensure this, SiS consistently adheres to good corporate governance and code of conduct. Moreover, the monitoring of compliance is fulfilled to ensure that the Anti-Corruption will be complied effectively.

SiS recognizes the vital of corruption in Thai society as well as internationally. This also generates risks to businesses and be the significant obstacle of the sustainable growth. Therefore, SiS has defined Anti-Corruption Policy which is implemented through the operational processes as well as activities of the company and promote all levels of management as well as employees to comply the policy. as the policy below:

1. Directors, Management and employees of SiS and subsidiaries are prohibited from both direct and indirect conducting, accepting and involving in any form of corruption including receiving, offering and giving monetary (including money from donation and other benefits which is able to change to money) gifts, assets, entertainment and any benefits to/from individuals, juristic, government sectors, government officers to influence others to proceed or omit their duties in order to achieve inappropriate benefits for individuals, family, friends and business transactions. Nevertheless, SiS intends to promote the organizational culture to be zero tolerant of corruption.
2. Corruption risk management and corruption auditing, which is a significant part of the audit plan, are conducted yearly. Furthermore, the Anti-Corruption practices will be reviewed consistently to be suitable with the dynamic internal and external organizational environment.
3. Directors, all levels of Management, employees of SiS and subsidiaries shall comply with the Anti-Corruption Policy, Code of Conduct and other instructions relating to the Anti-Corruption Policy that is defined by SiS.
4. Directors, all levels of Management, employees of SiS and subsidiaries have not to participate both direct and indirect in any case of corruption. Also, it is prohibited to ignore or neglect when notice the corruption and clues of corruption that relates to SiS and subsidiaries.
5. Anti-Corruption Policy concerns and emphasizes three root causes that could generate corruption as follows:
 - 5.1 Directors, Executives, Employees shall not receive monetary, gifts, or assets that can be exchanged to cash or other benefits from person or juristic person which is for gaining private and inappropriate benefits to themselves, their family, friends, businesses, except in the accepted traditional occasion, New Year. In this case the gifts or benefits would not exceed 3,000 Baht, including entertainment which shall be appropriated along the Code of Conduct and related policies.
 - 5.2 Directors, Executives and Employees offer any gifts, assets or benefits to others in order to lead or influence that person to behave or avoid behaving in order to gain private benefits.
 - 5.3 Donation and sponsorship have to be executed transparently and the purpose of them is not related to any bribes.
 - 5.4 Procurement or purchasing between SiS and both private and government sectors have to be executed transparently and comply with the Code of Conducts and laws and it is essential to follow the code of conduct and practices defining by SiS.

5.5 SiS is neutral in politics which would not take any action to support any politic parties. Nevertheless, SiS emphasizes democracy and respect in the right of liberty, especially the election.






6. In case of noticing any corruption or clues of corruption which are related to SiS and subsidiaries inform the responsible people immediately.
7. Directors, all levels of Management, employees of SiS and subsidiaries have to collaborate in corruption investigation according to the corruption investigation procedure.
8. People who report and complain about corruption as well as people who collaborate with the corruption investigation will be under the protection and compensation plan that defining.
9. Any people who both direct and indirect participate in corruption as well as any people who violate the code of conduct will be committed punishment that defining by SiS. In case of that violation of corruption is against the laws, those people will be committed the punishment under the laws.
10. All levels of Management, employees of SiS and subsidiaries have to get all the information, training which relates to the Anti-Corruption which was arranged by SiS.
11. Directors, all levels of Management, employees of SiS and subsidiaries have to concern and emphasize on the important of Anti-Corruption including the code of conduct to follow in order to enhance the sustainable growth of SiS as well as to be the good citizens of Thai society.
12. People who responsible for Anti-Corruption have the rights and the authorities in finding fact, investigation in all circumstances that related to both direct and indirect of corruption.

Principles

1. To conduct according to the Anti-Corruption Policy, it is essential to follow together with best practices of corporate governance, code of conduct other related operational instruction which define to promote the ethics and corporate governance of SiS and employees.
2. The Anti-Corruption Policy is established to cover all operations as well as the human resource management process, ranging from recruiting, training, evaluating, promoting and providing staff benefits. All employees must execute their operations under the Anti-Corruption Policy and Practices.

Guidelines for Anti-Corruption

1. The workflow is designed to provide the cross-functional check between related departments.
2. Instill the conscious and priority for anti-corruption.
3. Provide the whistleblower for fraud and corruption both in forms of public relations and contact directly to the Management at complain@sisthai.com which has been public on the Company's website. The Company has succeeded with this channel as the complaints about the general problems has been reported via this channel regularly. The Company has database for report keeping and provide channel for contact the Audit Committee directly at Email: independentdirector@sisthai.com.
4. Prohibit the Management and employees to receive any gifts, except during New Year festival which can accept the gift with the value less than 3,000 Baht. The acceptance of gift with value over 3,000 Baht shall be reported to supervisor and the Company for further action, In case of travelling package receipt, it has to be informed to the Company to further allocate this fairly.
5. Prohibit for inappropriate power seeking such as promising to give any benefits in order to gain inappropriate advantage.

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6. The Company defines the policy and procedure for reimbursement clearly and appropriately in order to protect fraud and corruption. There is a General Affair Department to responsible for control the expense and inform all employee that the Company has reimburse policy for reimburse the actual expense, which is not to be the revenue for employees.
 7. The Company considers fraud and corruption as the critical offense. There will be the committee to consider about penalty which may be in forms of admonition, disbursement, dismiss from the position and legal action taken. The Company also has procedures for review such problem to establish the corrective and preventive action of fraud and corruption.
 8. To emphasize all employees' awareness about these practices, the Company has included these practices into the Company's orientation course.

Receiving or Giving of Gifts, Assets, or Other Benefits Policy



SiS Distribution (Thailand) Public Company Limited ("the Company") recognizes that receiving or giving gifts, assets, or other benefits as well as various entertainment or other activities, which will be a channel that can cause corruption. Therefore, the Company has provided the receiving or giving gifts, assets, or other benefits policy to ensure that they adhere to the policy of the Company as follows:

1. It is prohibited to accept cash, gifts, and assets that can be converted into cash or other benefits in the interests of facilitating inappropriate to themselves, their families, friends, and private and public organizations, or other institutions that do business with the Company and its subsidiaries except such gifts are given in New Year festival or normal traditions, and the value of the gifts does not exceed 3,000 Baht, and the entertainment must be reasonable in order to comply with the Code of Conduct, related policies, and manual of the employees.
2. Employees are prohibited from receiving gifts given in normal traditions with the value exceeding 3,000 Baht from all stakeholders of the Company. The receivers of the gifts must promptly report to the supervisors or operation managers by following the procedures set by the Company.
3. Employees who have to contact with the Vendor and receive valuable products from the vendor that will be used for test, trial or for any other reasons, those employees must report to the relevant authorities and put those products into the Company's system before and request the desired products again in which the employees are obliged to return or trace the products back to the Company.
4. Giving money, gifts, or other benefits to third parties or people related to the business operations of the Company and its subsidiaries, the employees must strictly follow the procedures, rules, review, and approval of the Company.

Political Policy



SiS Distribution (Thailand) Public Company Limited ("the Company") is committed to political neutrality by do not taking any action to help or support any political parties. The Company pays attention to democracy and respect the right to freedom of exercise of political will especially the election of directors at all levels and employees. Therefore, the Company has set the political policy as following:

1. To avoid any political actions that can make people understand that the Company supports any political parties.
2. To avoid giving financial funds or other assistance to encourage, support, and promote such as donations, giving the items, purchasing of goods or services to raise funds to any political parties or organizations that are closer to any political parties which can make people understand that this is the action of the Company.
3. To avoid wearing any clothes that can express as a symbol of any political parties or to avoid wearing any clothes that can make others understand that the Company is not politically neutral.

Donation and Funding Policy



SiS Distribution (Thailand) Public Company Limited ("the Company") recognizes that donations and support may be used as an excuse of the corruption. Therefore, the Company gives priority to donation for education and environment by the Company will not donate to contribute the influence of the authorized persons or to cause unfair advantages as follows:

1. Donations and support must be contributed to education and environment and a donation to an organization that has been reviewed by the authorized persons and can prove to be a donation without any compensation contributing to their own benefits, families, friends, acquaintances or returns that will make others understand that it is conducive to the interests of the Company which can cause an unfair advantage.
2. Donations for Charity and any support of the Company must be complied with the Company's standard operating procedures of cost.
3. Donations for Charity and any supporting of the Company must be followed in accordance with this policy whether it is a money donation or assets of the Company.

Conflicts of Interests Policy



SiS Distribution (Thailand) Public Company Limited ("the Company") is a listed company in the Stock Exchange of Thailand (SET) who aware of the importance of conflicts of interest management so the Company has determined the Conflicts of Interests Policy as follows:

1. To avoid any actions that is contrary to the interests of the Company whether it is caused by the contact with commercial companies such as suppliers, customers, competitors, or from the opportunities or information obtained from directors, executives, or employees for their own benefits and in doing business that is competed with the Company or work outside of the Company which will affect the duties at work.
2. To avoid any transactions related to them, except it is necessary to do so for the benefit of the Company. The related person shall inform the Compliance Department or the Company Secretary in advance and treat these transactions as doing transactions with third parties by directors, executives, or employees who have the interests in these transactions must not participate in the decisions and disclose all the information according to procedures of laws and regulations that Committee has set.
3. These related transactions must have been reviewed or considered by the Committee, and if there are any committees who get the benefits, those committees must not take any part in considering of these transactions.

Guidelines for Conflicts of Interests Prevention

1. The Board of Directors has recognized and audited any transactions that may be conflict of interest and related party transaction, including compliance with the regulations of the SET, to ensure that it is treated at the same price and condition as the transaction with the third parties. The Company disclosed such information in the Annual Report.
2. At the Board of Directors' meetings, if any of directors have conflicts of interest or related benefit with any agenda, such director shall leave the meeting prior to its commence to provide the independent discussion.
3. The Company has governance and monitor in usage of inside information and stipulated the requirements for the Management to report the change of securities holding to the Securities and Exchange Commission, Thailand (SEC) according to the Securities and Exchange Act. All employees are prohibited from disclosing all inside information to an outside person or not related person because the Company always operates the business with information disclosure to all employees. Thus, the Company prohibits all employees from stopping their share trading during the end of each quarter till the Company submits its operating results to the SET. Since 2014, the Company has requirement that all directors and Managements to inform the Board of Director 1 business day in advance for the buying and selling the Company's securities before trade date.

Reports Stating the Interests and Security Holding Policy



SiS Distribution (Thailand) Public Company Limited ("the Company") is a listed company in the Stock Exchange of Thailand (SET) who aware of the importance of the reports stating the interests and security holding so the Company has determined the Reports stating the interests and Security Holding Policy as follows:

1. The Company's directors and Management are required to report their own shareholders and related persons to the Company's secretary to gather all the information to do a report of shareholders, and the secretary will report the changes in securities holdings of SIS to the Board of Directors on a quarterly basis in order to make shareholders as well as investors to be confident that the Company's directors and Management can manage and operate with honesty, clarity, transparency and accountability.
2. The Company's directors, executives, and employees are prohibited from trading the securities of the Company (SIS) before the financial statement is published to the public. During that time, if employees have to trade the securities of the Company, they have to notify and get approval from committees before trading.
3. In a case of the Company's directors and executives purchase, sell, transfer, or receive the securities (SIS), they must submit a report to the Securities and Exchange Commission, Thailand (SEC) within three working days since the date of purchase, sale, transfer, or receipt of securities based on Section 59 to distribute to all shareholders to be aware of the changes.

Handling Confidential Information and Controlling the Use of Inside Information Policy



SiS Distribution (Thailand) Public Company Limited ("the Company") is a listed company in the Stock Exchange of Thailand (SET) who aware of the importance of the handling confidential information and controlling the use of inside information so the Company has determined the Handling Confidential Information and Controlling the Use of Inside Information Policy as follows:

1. The directors, executives, and employees are prohibited from using information of the Company for their own benefits or others including the benefit from trading assets before the Company announce to the public.
2. To do not disclose the information of the Company including financial information, customers information, contracts, business plans, human resources information, marketing, products, performance of the Company or any other confidential information or the information that can affect to the business operations to the public if it has not been approved by senior executives or the committees.
3. Employees and executives must not use personal information including the information about the income and benefits to use for personal gain or disclose to others.

Guidelines for use of internal information for the own benefits

1. The Company has a policy to prohibit the directors, the Managements, and all employees to use the internal information about financial statement and operating results, which has not yet been publicly disclosed for their securities trading including for their other own benefits. The Company has informed the directors, the Managements as well as their spouses, children of immaturity and related person under Section 258 of the Securities and Exchange Act B.E.2535 to understand the obligation to report their own securities holding of the Company. This includes the changes of the securities holding report to the SEC within 3 days according to Section 59 and penalties under Section 275 of the Securities and Exchange Act B.E.2535. Furthermore, such securities trading shall be reported to the Company Secretary for acknowledge and record summary of securities holding by each director and Management for further report to the Board of Directors in the next meeting. These activities are also reported in the Annual Report.
2. The Company promoted to other employees do the same approach with the Management to stop their securities trading before the financial statement has been publicly disclosed to the public. During such a period, if the employees need to buy or sell their securities, they have to inform and get approval from the Compliance Department prior to trading.
3. To remind employees, the Company sends e-mail to all directors, Managements, and employees to aware of this non-trading requirements on quarterly basis. This guideline has been accepted by the Board of Directors. For new employees, these requirements have been included in the orientation course.

Disclosure Policy



SiS Distribution (Thailand) Public Company Limited ("the Company") is a listed company in the Stock Exchange of Thailand (SET) who aware of the importance of the information disclosure so the Company has determined the Disclosure Policy as follows:

1. The Company has a policy to avoid providing the special information which has not been publicly disclosed to the public, journalists, analysts, or others. Therefore, all the special information that has not been released to the public yet must be approved by the committees before by assigning an Investor Relations or relating persons as a contributor. For more information on the joint venture, it must be approved by the joint venture investors according to the contract terms defined under the scope of the Securities and Exchange Commission, Thailand (SEC) and the Srock Exchange of Thailand (SET).
2. In a case of shareholders or investors have inquiries to the Company, the investor relations, the secretary, or other institutions as designated by the committees to answer all the questions by such information must be already disclosed to the public under the scope of SEC and SET in which this special information must be approved by the committees before disclosing to shareholders or investors.



Protecting and Using of the assets of the Company Policy

1. The directors, executives, and employees are responsible to protect the assets of the Company to prevent deterioration, damage, loss and use the assets of the Company efficiently for the Company's best benefit, and do not use the assets of the Company to benefit themselves or others.
2. Such assets refer to property, both tangible and intangible assets such as Real estate, technology, academic knowledge, official papers, patent rights, copyright, and confidential information that are not disclosed to the public including the business plan, financial projections, and information about human resources.



Human Rights Policy

SiS Distribution (Thailand) Public Company Limited ("the Company") emphasized on human rights of all stakeholders so the Company has determined the Human Rights Policy to ensure that the Board of Directors, all Management and employees shall aware of the important and respect to human rights of all aspects of everyone including the society and community, in compliance with the laws of each country and the treaty each country is committed to, as well as adopting the following practices.

1. Treating others equally and indiscriminately based on human rights.
2. Refraining from acting in a way that may be considered violation of human rights.
3. Encouraging and supporting human rights.
4. Communicate, disseminate, educate, and understand human rights, determine guidelines, as well as oversee and provide other kinds of support to all stakeholders in the value chain. These are to ensure their engagement in the business conduct in a fair and moral manner, their respect for human rights, and their treatment toward others on a basis of human rights according to this policy.

Guidelines for Human Rights

The Company realized and emphasized human rights for all stakeholders both internal and external under ethics and good corporate governance. The Company has determined the human rights direction as follows:

1. Respect to human rights and treat each other with respect and honor on equality basis to all stakeholders and the persons who lack of right and benefit own protection, without considering differences in physical or mental status, race, nationality, national or social origin, ethnicity, religion, gender, language, age, skin color, education, social status, culture, tradition, or any other status.
2. Perform duty carefully to prevent any risks in human rights violation in business and committed to preventing all forms of harassment. The Company strictly adheres to the policy and guidelines for non-discrimination, anti-child labor, anti-harassment, and not accept all forms of harassment. All complaints submitted to the Company shall be considered and took confidently. If the allegations are confirmed, remedial action, disciplinary action, dismissal, or legal action will be taken.
3. Communicate and disclose the policy to educate the knowledge and understanding, define direction, and support employees, suppliers, partners in the business value chain. Ensure participation in business operation with ethics, respect and treat everyone under human rights principles.
4. Monitor the human rights respect, do not ignore when finding any human rights violation action relating to the Company. Reports shall be made to the supervisor or responsible person. The reporter shall give cooperation to any inquiry or investigation of truth. In case of any doubt or question, such person shall consult his supervisor or responsible person via the assigned channels.
5. Provide a channel for whistleblowing and complaint and protect any whistleblower who reports.
6. Regularly review human rights policy, considering the changes that are significant to the organization.

Personal Data Protection Policy



The policy clarifies the methods implemented by the Company to treat the customers' information, e.g., collection, storage, usage, and disclosure thereof, including your rights, etc., that currently exists or will exist, to enable you to acknowledge the Company's personal data protection policy. The Company thereby declares the privacy notice to keep your information safe, stable, and transparent, as follows:

1. **Personal Data**
"Personal Data" means any data that is or may be capable of, directly or indirectly, identifying you.
2. **Restricted Personal Data Collection**
The personal data collection shall be performed under lawful and fair purposes, scopes, and methods of data collection and storage and the same shall be restrictedly performed as necessary to product sales or provision of service or any other electronic services under the Company's purposes. The Company shall render the data owner to recognize and consent on an electronic basis or through the short message service or the Company's methods for the benefits of product or service sales. Prior to performing the aforementioned actions, the Company shall require your consent unless:
 - 2.1 the Company's actions are required by applicable laws, e.g., the Personal Data Protection Act, Electronic Transaction Act, Telecommunications Business Act, Anti-Money Laundering Act, Civil and Criminal Code, Civil and Criminal Procedure Code, etc.
 - 2.2 it must be performed for the investigation purpose to be conducted by any inquiry official or court's trial.
 - 2.3 it is for your benefit and such a request for consent is not possible at the time.
 - 2.4 it is necessitated for the Company's lawful benefits or the benefits of other individuals or legal entities other than the Company.
 - 2.5 it is necessary for the prevention or avoidance of any events harmful to an individual's life, body, or health.
 - 2.6 it is necessary to comply with any agreement to which the owner of personal data is a party or responding to any requests of the owner prior to entering into such agreement.
 - 2.7 it is for achieving the objectives concerning the preparation of historical documents or chronicles, public benefits, or studies, researches, statistic, under the due protective measures.
3. **Data Security and Quality Protective Measure**
 - 3.1 The Company realizes the importance of the protection of the security of your personal data. Therefore, the Company has issued the personal data protective measures appropriate to and consistent with the confidentiality of personal data in order to prevent any unauthorized or unlawful loss, access, destruction, usage, modification, amendment, or disclosure thereof, as well as to prevent unauthorized usage of personal data. These will be in accordance with the cybersecurity policy.
 - 3.2 Your personal data obtained by the Company, e.g., name, age, address, phone number, ID Card number, and financial information that are capable of identifying you, accurate, and updated shall only be used under the operating purposes of the Company and the Company shall implement the appropriate measures to protect the rights of the owners.



4. Objectives for Personal Data Collection, Storage, and Usage

The Company collects, stores, and uses your personal data for the purposes of your purchase of products and services including your interested services, e.g., sales promotion events or service of payment channels or any other services or digital services or market research, or for the purposes of creating databases and using the data to offer any benefits by your interest, or for the purposes of analysis or offers of any services or products of the service providers and/or vendors, distributors, or persons related to the service providers and/or of others, and for any other purposes not legally prohibited and/or to comply with any laws or rules applicable to service providers or to improve the efficiency of services rendered, in the present time or in the future, and provide consent to the service providers to transmit, transfer, and/or disclose any personal data to the companies, service provider's business group, business alliances, outsourced service providers, data processors, persons interesting to receive the right transfer, right transferees, any agencies/organizations/legal entities contracted or related to the service providers, and/or cloud computing service providers, where the service providers are authorized to transmit, transfer, and/or disclose such data, domestically or internationally, and the Company shall retain such data for the period necessary to fulfill such objectives only.

5. Restrictions on Usage and/or Disclosure of Personal Data

5.1 The Company shall use and disclose your personal data upon your consent where such usage shall be under the Company's purposes of data collection and storage only. The Company shall cause its employees, officers, or operators to not use and/or disclose your personal data for any purposes other than the collection of personal data and disclosure thereof to third parties unless:

- a) the Company's actions are required by the applicable laws, e.g., the Personal Data Protection Act, Electronic Transaction Act, Telecommunications Business Act, Anti-Money Laundering Act, Civil and Criminal Code, Civil and Criminal Procedure Code, etc.
- b) It must be performed for the investigation purpose to be conducted by any inquiry official or court's trail.
- c) It is for your benefit and such request for consent is not possible at the time.
- d) it is necessitated for the Company's lawful benefits or the benefits of other individuals or legal entities other than the Company.
- e) it is necessary for the prevention or avoidance of any events harmful to an individual's life, body, or health.
- f) it is necessary for complying with any agreement to which the owner of personal data is a party or responding to any requests of the owner prior to entering into such agreement.
- g) it is for achieving the objectives concerning the preparation of historical documents or chronicles, public benefits, or studies, research, statistics, under the due protective measures

5.2 The Company may engage any information service rendered by outsourced service providers to store any personal data where such service providers shall implement the security measure and be prohibited from collecting, using, or disclosing any personal data for any purposes not stipulated by the Company.

6. Rights Concerning Your Personal Data

6.1 You are entitled to request to access and receive the copy of your personal data according to the criteria and methods prescribed by the Company or request the Company to disclose how personal data is acquired. The Company may reject your request by excusing the applicable laws or court orders.

6.2 You are entitled to request to amend or alter your personal data that is not accurate or complete and to update the same.

6.3 You are entitled to request for deleting or destroying your personal data except for the case that the Company is required to comply with the law applicable to such data storage.



7. Respecting Your Privacy

The Company places great importance on paying respect to your privacy where you are entitled to refuse to receive any marketing information or public relations from the Company at all communication channels. Upon such refusal, the customer shall remain to receive the information concerning services.

8. Disclosures Concerning Actions, Practices, and Personal Data Policies

The Company implements the policy to comply with the laws and announcements on telecommunication service client right protection concerning personal data, privacy rights, and freedom to communicate with others by telecommunication, including the laws concerning personal data, and issuance of client data protective measures on the Company's website.

9. Personal Data Protection Officer

The Company has complied with the Personal Data Protection Act B.E. 2019 by appointing the Data Protection Officer (DPO) to supervise the Company's performances concerning personal data collection, usage, and disclosure to be consistent with the Personal Data Protection Act B.E. 2019 including any laws relevant to personal data protection. Additionally, the Company has issued the rules and orders the relevant persons to perform consistently to enable the operations under the personal data protection policy to be executed on an order basis and to fulfill the policy stipulated by the Company's Personal Data and Cybersecurity Administration Committee.

10. The Company's Contact Information

SiS Distribution (Thailand) Public Company Limited
9 Pakin Building, 9th Floor, Room No. 901, Ratchadaphisek Road, Din Daeng, Bangkok 10400
Tel: 02-020-3000
Data Protection Officer Email: dpo@sisthai.com

11. Enforcement

To comply with this policy, the Company appointed the Personal Data and Cybersecurity Administration Committee ("the Committee"). The Committee has authority to manage personal data protection, issue, revise and develop the guidelines for personal data management of the Company. The Committee has been authorized by the Managing Director to identify guidelines for managing personal data between the Company and all stakeholders.



Information Technology (IT) Security Policy

Nowadays that information technology (IT) has been widely used for working and in daily life especially for SiS Distribution (Thailand) Public Company Limited ("the Company") which operates the business as importer and distributor for IT equipment. The Company has determined that the IT Security Policy as follows:

1. Definitions in this policy
 - 1.1 Department means Information Support Department (IS)
 - 1.2 Property means hardware, software, and information technology of the Company.
 - 1.3 Network system means the computer network of the Company under governance of Information Technology Department.
 - 1.4 Employee means staff of the IS Department.
 - 1.5 Network system administrator means staff who responsible to provide services for computer network system.
 - 1.6 IT developer means staff of the IS Department who responsible for developing IT for the Department or other departments in the Company.
2. General
 - 2.1 This IT Security Policy has been prepared by the IT Security on Computer Network Committee. This policy will be reviewed and revised to ensure that it is always up to date on an annual basis (if any).
 - 2.2 This IT Security Policy shall be prepared in writing and approved by the Operations Director prior to disclosing to all employees for acknowledge.
3. Responsibilities of the Department Management
 - 3.1 The Operations Director shall endorse on the IT Security Policy
 - 3.2 The Operations Director shall review and revised to ensure that it is always up to date on an annual basis (if any).
 - 3.3 The Operations Director shall encourage all Employees to be aware of the importance of IT security for the Department.
 - 3.4 The Operations Director shall encourage all Employees to follow the IT Security Policy and relevant laws.
 - 3.5 The Operations Director shall support resources to ensure that computer network management and services shall be secured and complied with this policy.
4. Security infrastructure of the Department
 - 4.1 The Department shall appoint the IT Security on Computer Network Committee which endorsed by the Operations Director. The Committee responsible for drafting IT security requirements and ensure that all employees including external parties follow this IT Security Policy.
 - 4.2 The Human Resources Department shall arrange the written commitment between employees and departments to confirm that they will not disclose confidential information of the department and the Company to external parties without written approval from Operations Director.
 - 4.3 To expedite problem solving when there is IT security violation, the supervisor of the Computer Network System Services should have list of contact persons for coordinate about security such as internet service provider, IT security coordinator etc.
 - 4.4 The supervisor of the computer network system services shall assess risk from computer network access by the external persons and establish clearly measure to support or corrective action. The assessment shall be performed regularly, maybe every 6 months.
 - 4.5 The computer network system administrator shall notify the policy about computer network system access and procedures to access network system control room to the external parties prior to approval for usage.

5. Management of the Department's properties.
 - 5.1 The Department shall prepare a property list of the computer network system of the Department and clearly indicate the person responsible for the property in each step. Such person shall also group the properties according to its importance, confidentiality, and value to find out the appropriate management method.
 - 5.2 The computer network system administrator shall manage the properties which have been grouped to prevent damage or loss.
6. Security of departments concerning the Employee.
 - 6.1 The supervisor of the computer network system Services and Human Resources Department shall determine duties and responsibilities for IT security in writing for the employees and/ or the external service providers.
 - 6.2 The Human Resources Department and relevant internal departments shall examine in detail the qualifications of the new applicant such as biography, education background and acceptable risk for IT access etc.
 - 6.3 The Human Resources Department and relevant internal departments shall determine the hiring conditions including responsibility for IT security. The new employee shall consent and endorse the hiring conditions.
 - 6.4 The Department shall encourage awareness to employees and external service providers about the security of their own work.
 - 6.5 The employees and external service providers shall follow the Security Policy of the Department.
 - 6.6 The employees who disobey or violate the IT Security Policy shall receive disciplinary punishment.
 - 6.7 The resigned or terminated employees shall return the Department's property under their possession and their access to the properties and IT information shall be cancelled.
7. Security of physical and environment.
 - 7.1 The computer network system services, IT development and facilities unit shall prepare secured areas and control the enter-exit only for permitted persons. Limitation of external parties to access information without approval or damage or intervening the Department's properties are needed.
 - 7.2 The Department shall prepare crisis preventive plans such as fire, flood, earthquake or any other damage caused from human and environment to encounter the crisis and recovery the system as soon as possible.
 - 7.3 The employee shall place and protect the Department's properties from the environmental threat, dangerous and access without approval.
 - 7.4 To reduce risk from failure in service network supporting system, the Department shall perform preventive maintenance of the infrastructure such as electrical system, air-conditioning system etc., to ensure its continuity working and has back up system in case of unavailability failure infrastructure.
 - 7.5 The computer network system equipment for exterior use and cables shall be protected from unauthorized access to reduce risk to such cable or computer network systems equipment.
 - 7.6 The computer network system administrator shall inspect to ensure the important media and copyright software in the equipment have been deleted or overwritten prior to discarding such equipment to prevent its re-use.
 - 7.7 The Employee shall not bring the properties of the Department for external usage except otherwise approved and strictly follow the regulations for bring the equipment outside the building.

8. Computer network system management

- 8.1 The computer network system services section shall prepare the requirements in writing about computer network system service providing and disclose the Employee and concern persons for acknowledge.
 - 8.2 The computer network system administrator shall control services from the external service provider to ensure its compliance with the security agreement between the Department and external service provider.
 - 8.3 The Department shall forecast IT resources demand to determine the required IT resources in the future to ensure the appropriate and adequately effective of the system.
 - 8.4 The improved or newly installed IT system shall be inspected prior to launch to ensure that there is no impact on the overall computer network system.
 - 8.5 The computer network system administrator shall detect, prevent, and recover the IT properties from the malware or mobility program (the program which can move from memory of a computer to another computer by itself). The administrator shall also create awareness of the danger from these malwares and disclose procedures for using computer network system for all users.
 - 8.6 The computer network system administrator shall regularly back up data and test the recorded data according to data backup procedures.
 - 8.7 The supervisor of the computer network system shall manage the computer network system, manage service level, determine measures to prevent network system threats and look after security system for network and network application including all IT information sending in the network.
 - 8.8 The computer network system services section shall have a method to manage the recorded media to prevent its reveal, revise, delete or destroy without permission.
 - 8.9 All Employees in the Department shall follow the restrictions about documentation control.
 - 8.10 The Department shall determine procedures and measure for IT and software exchange within the Department or with the other departments.
 - 8.11 The person shall ensure correctness of the IT information prior to disclosing it to ensure its accuracy and prevent misunderstanding. The mechanism to prevent access to revise data without permission after the information has been disclosed is also required.
 - 8.12 The computer network system administrator shall follow the Computer-Related Crime Act. by store the following traffic data:
 - 8.12.1 Internet data from Network Access Systems. (Dial up services)
 - 8.12.2 Internet data from electronic mail (e-mail) servers.
 - 8.12.3 Internet data from File Transfer Protocol (FTP) servers
 - 8.12.4 Internet data from web servers
 - 8.12.5 Type of data in User Network (Usenet)
 - 8.12.6 Computer network system and IT network according to authorized scope.
- ## 9. Control of IT properties accessibility
- 9.1 The supervisor of the computer network system services and relevant departments shall control and limit the authorization as necessary.
 - 9.2 The computer network system administrator shall manage users' account and password to ensure that users shall be able to access the computer network and IT systems according to their authorization.
 - 9.3 The users shall have procedures to prevent unauthorized access to the IT properties under its own responsibility such as locking computer display when not in use or lock the door when left the operating room etc.
 - 9.4 IT properties included but not limited to documents or recorded media shall not be in unsafe places such as free physical accessibility or in public places, easy to detect etc.
 - 9.5 Verify the identity prior to any time of computer or equipment network usage to get information about users and their authorization.



- 9.6 The computer network system administrator shall protect physical access or access via network to the inspection and modification ports.
- 9.7 The computer network system administrator shall segregate group of users from group of IT host network and high important IT networks for easily to limit the access and management of computer network security.
- 9.8 The computer network system administrator shall indicate the network system connecting route to limit the access of IT information in network from users.
- 9.9 The computer network system administrator shall verify identity, control password, and limit a period for operating network access such as cutting off the system when users do not use for a while etc.
- 9.10 The computer network system administrator shall control mobile equipment such as Notebook, PDA etc. and has preventive action to reduce risk which may occur from this equipment when have been used in the Company's computer network.
10. Procurement, development, and preventive maintenance of IT systems
 - 10.1 The IT developer who developed or improved the existing system shall determine the security requirement of the new system prior to launch for the users to prevent network failure from users or overall computer network system interruption.
 - 10.2 The IT developer shall examine the data correctness prior to input them into evaluation process and shall have the inspection system during evaluation to detect its error (if any). This also included the inspection post-evaluate to ensure IT information correctness prior to release for usage.
 - 10.3 The IT developer shall control the installation of all software in the network to reduce risk from network damage, abnormal or failure such as in case of equipment installation or system development which will affect to the overall system, he/she shall cut himself/herself from the overall network prior to perform or test on the demonstration system prior to use in the real system etc.
 - 10.4 The IT developer shall avoid using real data in the system for system tests. In case of necessary, he/she shall delete personal data or confidential information prior to use etc.
 - 10.5 The supervisor of the IT system development shall have a system to limit the access to source codes for running network to prevent unauthorized or unintentional revise.
 - 10.6 The person responsible for computer network system shall have procedures to control or revise IT system. A technical review of the system is also needed to ensure that the system is workable or not after modification.
 - 10.7 Avoid the modification of software from manufacturers. In case of necessary, the modification shall be strictly controlled.
 - 10.8 The supervisor of IT system development shall protect IT data leakage or reduce the possibility of IT leakage to prevent improper data usage.
 - 10.9 The person responsible for computer network systems shall have system risk assessment, test and determine the measure to prevent system defects.
11. IT system risk management
 - 11.1 The person responsible for computer network system shall prepare risk assessment report with recommended risk mitigation for the Management considerations on bi-yearly basis. The risk factors shall at least cover the following issues:
 - 11.1.1 Using of IT system contradicts with the policy, announcement, and regulations.
 - 11.1.2 Threaten from computer virus, worm and malware.
 - 11.1.3 Threaten from malicious person which may affect to IT information and communications.
 - 11.1.4 Limitation of IT system services which may cause failure to the usage or cannot provide services.
 - 11.1.5 Physical or natural disaster.
 - 11.1.6 Other as may occur.



- 11.2 The person responsible for computer network system shall determine the procedure for encounter the event relating to security of the Department's computer network system including identify roles and responsible person clearly.
- 11.3 The person responsible for computer network system shall record the security violation event considering on type, quantity and expense from such damage for learning and prevent its reoccurrence.
- 11.4 The person responsible for computer network system shall collect the evidence in case of the event relating to legal action.
12. The Departments' operations continuity management
 - 12.1 The Department shall establish requirements for computer network system management to ensure continuous services and emergency respond plan to recover the system in case of damage
 - 12.2 The supervisor of the computer network system shall test and improve the emergency respond plan regularly to ensure that it is always up to date and can be used in the real situation.
13. Compliance with the IT Security Policy
 - 13.1 The Department shall determine laws and policy for computer network system using in writhing clearly and update on an annual basis.
 - 13.2 The Department shall control all users in computer network system according to the IT Security Policy, computer network system accessibility policy and follow the Computer-Related Crime Act.
 - 13.3 The Department shall have assessment plan for the Department's IT security, such assessment shall be performed by responsible person in the Department or external party. The tools or software using for assessment shall be controlled to prevent mispurpose using or assessment information disclose without authorization.
14. Service agreement for computer network systems using
 - 14.1 Services for user and personal password for using SiS network system.
 - 14.1.1 When the user is new employee, he/she shall pass the step for account request, acknowledge for using policy and acknowledge on disclosure agreement of the department.
 - 14.1.2 The users need to change their password immediately upon receive the password from responsible person. The length of the new password shall not be less than 8 characters.
 - 14.1.3 The system shall be locked in case of wrong password enter for 6 times and will immediately close the display. The users need to contact the IS Department to request for password reset.
 - 14.1.4 The users shall change their password at least every 90 days. The length of the new password shall not be less than 8 characters.
 - 14.1.5 The users responsible for keeping their own password confidentially and cannot deny the responsibility in case the other persons got this confidential information and mispurpose using it except in case that investigation done by the Company's representative can prove that it is not the user's fault.
 - 14.1.6 The system shall be logout automatically when no respond in 39000 seconds (65v minutes) and will immediately close the display.
 - 14.2 Connection for SiS network system via LAN line.
 - 14.2.1 The proxy setting as per the Company requirement is needed for the connection for SiS network system via LAN line.
 - 14.2.2 The users shall have the Company's account for identity verification prior to access to SiS network system.



14.3 Connection for SiS network system via wireless.

14.3.1 The users shall have the Company's account prior to using this wireless network system.

14.3.2 The Company's wireless network name is SIS which required identity verification prior to access.

14.3.3 The users shall strictly follow the policy for using the Company's computer network system.

14.4 Data searching via internet and intranet services.

14.4.1 The user's identity verification is needed at any time prior to accessing the system.

14.4.2 The users shall carefully use and avoid searching in unsafe places.

14.4.3 The users shall follow the instructions from the safety computer network system using guidance.

14.4.4 The users shall strictly follow the policy for computer network system use.

14.4.5 The users shall not violate the Computer-Related Crime Act.

14.5 Data searching via online database.

14.5.1 The user shall connect to the internet prior to searching data in the Company's online database.

14.5.2 In case that the Company's internet service provider cannot provide services, this may cause in failure of online database.

14.6 Communication via e-mail for the employees' services.

14.6.1 The Company is the creator and facilitate convenience in using Notes Mail to support the Company's operations.

14.6.2 The users shall follow the regulations and shall not use them to create damage to the others or the Company. The users responsible for all usage except can prove that he/she is not the actor.

14.6.3 Shall not jointly use the e-mail account with the other or give the e-mail account to the others.

14.6.4 The user will get 2 GB mailbox size and the attachment for each e-mail shall not exceed 10 MB.

14.6.5 In case of no log in longer than 180 days, mailbox will be closed and inactivated, the users shall contact the IS Department. The information in the mailbox may not be able to recover.

14.6.6 The IS Department may be able to access or disclose communication information of the users to comply with the laws and respond to the legal request, legal action or to protect the rights or property of the Company or the other users.

14.6.7 The users may temporarily terminate the services to increase security level or stop the system disturbance.

14.6.8 The Company does not guarantee damage or loss of data stored in the system.

14.6.9 The IS Department may change or reduce the services for any reason at any time or may cancel or terminate the services if found the violation from the agreement for using the Company's e-mail without prior notice.

14.6.10 The agreement for e-mail use is in electronic format so the service provider has right to send information about additional services to the users via e-mail or the Company's website.

14.7 Download services for copyright software, free software or opensource software which available in SiS network system

14.7.1 This service has been established to provide convenience to the community. The Company use the copyright software and the government has measure to prevent the copy right violation by seeking cooperations from government units for using the copy right software.



- 14.7.2 The copyright software can be installed for the computer using within the Company only.
- 14.7.3 In case that the users use copyright software for personal computer, the Company will not be responsible for any matters.
- 14.7.4 These software can be downloaded via SiS network system only, there is no duplicate services or copy on the other media for distribution.
- 14.8 Co-location of the department's host computer services
 - 14.8.1 The department who own the host computer shall accept and strictly follow the security policy.
 - 14.8.2 Such host computer shall be inspected by the network system responsible person to ensure that it will not disturb the other systems and will not leading for attack. If found the risk that may harm the other systems, it will not be allowed to use co-location with the networking control room until it has been resolved by the owner of the host computer.
 - 14.8.3 In case that the host computer in co-location causes abnormal operations in other systems or cannot provide the services, the networking system responsible person has the right to terminate such host computer from the system immediately without prior notice to ensure security.
- 14.9 Request for other special services which require the Company's Port Firewall opening for the Company's employees.
 - 14.9.1 The requester shall accept and strictly follow the security policy.
 - 14.9.2 The purpose of using shall not contradict with the Company's policy, announcement and requirements including illegal.
 - 14.9.3 The requester shall request in writing to the Operations Director for each request. The following technical details shall be identified:
 - 14.9.3.1 Number of port which required for opening.
 - 14.9.3.2 Number of destination IP address.
 - 14.9.3.3 Purpose or name of application which shall use such port.
 - 14.9.3.4 Start and end date of services.
 - 14.9.4 The Department will not grant the permit if considering found that the request is contradict with the Company's policy, announcement, requirements or illegal or may be the defect in the IT security.
 - 14.9.5 The Department has right to immediate cancel the services if found after the approval that there is action against the Company's policy, announcement, requirement, illegal or may be defect to IT security or may damage the Company's IT system.

Guidelines for IT Security

1. All Managements and employees aware of and strictly follow the Company's IT Security Policy.
2. All Management and employees shall strictly follow the Company's Service Agreement
3. In case that IT utilization is consistent with the Company's policy, announcement, or regulations, illegal, may cause defect or damage to the Company's IT system the IT Support Department shall have the right to cancel such services immediately.

Notification of Non-Compliance relating to the Code of Conduct and related policies

The Company provides an opportunity for all stakeholders of the Company to raise concerns and complaints of non-compliance relating to the Code of Conduct and Anti-Corruption policy including other policies by the stakeholders can identify clues and complaints directly to the Committees through a given channel to conduct investigation into the facts and diagnose complaints in which the details are below:

1. The Committees are responsible for collecting clues or complaints of non-compliance relating to the Code of Conduct and Anti-Corruption policy, and they also arrange for the investigation of those complaints and clues.
2. The channel for receiving a complaint of non-compliance relating to the Code of Conduct and Anti-Corruption for the external stakeholders as below.
The Committees
Address: 9 Pakin Building, 9th Floor, Room No. 901,
Ratchadaphisek Road, Din Daeng, Bangkok 10400
Tel: 02-020-3000 Ext. 3219
Email: independentdirector@sisthai.com
3. Channels for a complaint of non-compliance relating to the Code of Conduct and Anti-Corruption policy and to counsel or advice on how to act regarding the Code of Conduct and Anti-Corruption policy for employees are as follows:
 - 3.1 The Chief, Supervisor, or management who the whistleblowers or complainant's trust
 - 3.2 HR Manager
 - 3.3 The Head of Internal Audit
 - 3.4 The Secretary of the Company
 - 3.5 The committees or special committees

How to handle complaints

The Company appoints the committees to be responsible for handling complaints of noncompliance regarding the Code of Conduct, Anti-corruption policy and other policies by consider those complaints. The Company will also appoint special committees to manage complaints and clues to each case. The appointment of special committees will be considered from freedom and suitability to those complaints.

The procedures of the complaints of corruption are as follows:

1. The complainants report complaints, suggestions, and clues.
2. The committees appoint special committees to gather the facts, evidence, and investigation.
3. The special committees present the leads or complaints along with the facts and evidence to the committees to proceed and consider.
4. The committees diagnose clues and complaints and carry out the punishment of offenders according to the penalties imposed by the Company.
5. The committees review and consider the damage to those affected and complainants and proceed with the damage mitigation to those affected according to the whistleblower protection policy.
6. In a case of in which it is in the criterion that must be reported to the Board of Directors of the Company, the committees have to present the report of the investigation, the punishment of the offenders, and the procedures of each policy to the Board of Directors.
7. The special committees will inform the results of the complainants if the complainants reveal themselves.

Whistleblower Protection policy

1. The Company will not disclose the names or the information about whistleblowers or complainants.
2. The Company will keep all information related to the whereabouts and complaints confidentially or disclose only the information used in the investigation process by considering the safety of the whistleblowers, complainants, and persons who will be affected mainly.
3. In case of the Boards investigate the situation and finds that the investigation will affect the whistleblowers or complainants, the Boards will protect the whistleblowers or complainants fairly.
4. In case the complainants are in unsafe situations or may be damaged due to complaints and notices, the complainants can request the Company to set an appropriate protection policy to protect them.
5. The Company will not consider degrading, punishing, or acting negatively to those employees who refuse corruption although those actions will make the Company lose the business opportunities.

Penalty

The Company's Code of Conduct is considered as a discipline that must be strictly followed. Those who contravene or fail to comply with will be considered as a contrary to the policy and Code of Conduct of the Company. Therefore, any violations causing the Company to be damaged or lost business opportunities, those who contravene, will be punished according to the regulations regarding the disciplinary action and may also be connected offenses under the Securities Exchange Act (No. 4) 2008.

Approved by the Board of Directors in The Board of Directors' meeting of No. 6/2022 held on December 12th, 2022.

Attachment 7

Report from the Audit Committee

The Audit Committee of SiS Distribution (Thailand) Public Company Limited comprising of 3 independent directors which are Asst.Prof.Dr. Rojanasak Chomvilailuk as the Chairman of the Audit Committee, Mr. Panuwat Chalongkuamdee, and Ms. Sudaporn Tawapee as the Audit Committee members. In this regard, every committee member possesses qualifications required by the Audit Committee's charter, which cohere with the regulations and good practices of the Securities and Exchange Commission and the Stock Exchange of Thailand. Committee members have been appointed by the Board of Directors' meeting, with the tenure of 3 years.

The Audit Committee has independently been performing duties within the scope of responsibility and assignment from the Board of Directors in the audit and inspection activities, focusing on strategic audit, in order to ensure that the internal control system is sufficient and appropriate, and that the executives perform their duties with honesty, responsibility and the Company's business supervision is conducted effectively and sufficiently which is ultimately for maximum benefits of shareholders in a fair and equal manner.

In 2022, there were 6 Audit Committee meetings. The Audit Committee invited executive director, the Management, and related parties to attend the meeting on different agendas to inquire information on different issues to enhance the efficiency and effectiveness of the audit activities. Furthermore, one meeting was held together with the Auditor without the participation of the Management, and one meeting was held together with the directors without the executive director.

In this regard, the Audit Committee has discussed and exchanged opinions with the Management, Internal Auditor Department, the Auditors, and the non-executive directors in relevant matters. Significant details can be summarized as follows:

1. The audit of the interim statement of financial position and the financial statement for 2022.

The Audit Committee has reviewed significant information on the reviewed and audited financial statement with unqualified opinion from the Auditor and acknowledged the statements and clarifications from the Management and the Auditor on important matters. The special transactions and information disclosure in notes for financial statements have also been reviewed. The Audit Committee had the meeting with the Auditor without the Management to ensure independently inquire and consult on different matters, for instance, the information for the statement of financial position and the disclosure of information based on the financial report standard, which is beneficial for users of the information as a whole, key audit matters, and doubtful conducts. Whereby the Auditor did not detect any of those doubtful conducts. The Audit Committee agreed on the auditor's unconditional opinions, and the statement of financial position is correctly in accordance with the financial reporting standard and the generally accepted accounting principles.

2. Review of the internal control system. The Audit Committee has assessed the sufficiency of the internal control system according to directions regulated by the SEC and the SET. The Audit Committee has also reviewed the internal control evaluation results in terms of the operating system and IT system as reported by the Internal Audit Department. It was confirmed that the system is sufficient, appropriate, efficient, effective, and coheres with the Company's business operations. With this, the Management has focused on the preventive development of the internal control system to prevent potential risks and operational errors, as well as corruption and dishonesty. The Audit Committee reviewed and confirmed that the internal audit system is sufficient and efficient according to risk management directions, which will sustainably enhance the effectiveness of the business

operations. In addition, the Audit Committee expresses the opinion which is consistent with the auditor that there are no shortcomings or weak points in the internal control system that may have a significant impact on the statement of financial position and the Company's long-term business operations.

3. Review and govern on the internal audit activities. The Audit Committee has reviewed the mission, duties, responsibility, workforce, improvement of the audit quality and internal audit staffs, and the independence of the Internal Audit Department. The Audit Committee also considered and approved the audit plan for the year 2022, as well as reviewing the Charter of the Audit Committee and the Charter of the Internal Audit Department to ensure its suitability with the current situation and consistent with the Company's risk management protocols. The Audit Committee is of the view that the Company's internal audit system is appropriate, efficient and independent, focusing on being a value-added internal audit function, under the COSO 2013 framework, which encourages the Company to achieve the business objectives and sustainable growth.

4. Review the risk management. The Audit Committee has inspected the sufficiency, efficiency, and effectiveness of the risk management system, with the Managing Director serving as the head of the working team. The team follows up on the risk management activities on a monthly and quarterly basis, or when the triggers are identified. In this regard, the risk management report is usually submitted to the Audit Committee twice a year. Furthermore, the Audit Committee also devised the policy for the Internal Audit Department to monitor and review critical risks and incorporate them as part of the annual internal audit plan, especially risks concerning trade debtors, technological changes that may impact on the remaining inventory, and exchange rate risks. In 2022, the Audit Committee opined that the Company's risk management system is effective and approach, which is in line with the strategy and current economic and industrial landscape.

5. Review the operational governance and legal compliance, including good practices required for listed companies according to the announcement of the SET and the SEC regarding compliance of business-related laws. Moreover, the Company has devised a policy that encourages business operations that observe the principle of good governance, for instance, commercial competition policy, etc. In 2022, no significant matters were identified, in terms of failure to comply with the policy, laws or relevant regulations as mentioned.

6. Review related transactions, Acquisition and Divestment of the Asset or Conflict of Interest Transactions. To ensure that they are reasonable transaction and comply with the laws and regulations of the SET and the SEC, with an awareness of all shareholders' benefits as the priority. The Audit Committee opined that such transactions in 2022 are normal business transactions, with the typical pricing structure as applied to products or services provided to the other buyers. The Company's has disclosed the information sufficiently and in accordance with the regulatory bodies' requirements.

7. Consider and propose the Auditors, and audit fee for 2023. The Audit Committee has considered the appropriateness in knowledge, competency, and independence as well as the audit fee comparison within industry of the Auditor for the previous fiscal year and satisfied with their performance. The Audit Committee agreed to propose to the Board of Directors for further propose to the AGM for the year 2023to appoint Ms. Sathida Rattananurak, Certified Public Auditor Registration Number 4753, or Ms. Siriwan Nitdumrong, Certified Public Auditor Registration Number 5906, or Ms. Natteera Pongpinitpinyo Auditor Registration Number 7362 from EY Office Co., Ltd. to be the Auditors in 2023, with the remuneration package of 2.27 Million Baht.

8. Review the good corporate governance, including the Business Code of Conduct policy to encourage its practices and transparently and sufficient information disclosure, cohering with the announcement of the SET and the SEC. The Board of Directors and the Audit Committee encourage the Management to abide by the good corporate governance policy and continuously in accordance with the Company's policy. In 2022, the Company received the "Excellent" score in corporate governance assessment, awarded by the IOD, the SET and the SEC.

In addition, the Company has announced to use the Anti-Corruption Policy since 2015 and incorporated it as a part of the Company's Code of Conduct. The Company also established the internal control and risk management protocols to accommodate the Anti-Corruption Policy, as well as efficient monitoring of the policy compliance.

The Audit Committee views that the Company has sufficient and effective corporate governance practices and compliance that can enable sustainable growth. The Audit Committee will support in the internal audit activities and corporate governance to ensure compliance with the corporate governance policy.

9. Review the Anti-Corruption and Fraud. The Audit Committee supports the management and internal control of fraud and corruption. The Board of Directors and the Management have emphasized to all levels of employees that fraud and corruption are unacceptable and promote the anti-fraud and corruption culture continuously. Besides, the Company has arranged for the channels to receive complaints and the proper complaint management system. In 2022, the Audit Committee did not identify any complaints or whistleblowing cases from internal and external sources on corruption matters, nor failure to comply with the Company's Code of Conduct. For internal audit, the Audit Committee assigns the Internal Audit Department to report the fraud and corruption report on a quarterly basis. The Audit Committee has reviewed the fraud and corruption report together with internal control and preventive action of the anti-corruption and opines that the Company has proper, sufficient, and efficient administration on this matter.

10. Conduct self-assessment of the Audit Committee's performance. The Audit Committee has self-assessed benchmarking against good practices. The Audit Committee also attended the training sessions to enhance their knowledge base to improve and develop the committee's performance. The Audit Committee opines that the overall performance in 2022 is well and in similar level like the previous year, the operations are fully complied with the Charter.

In this regard, the Audit Committee has performed duties and taken responsibility under the Charter of the Audit Committee, capitalizing on their knowledge, independence without conflicts of interest, and in a way that aligns with the good governance principle for the Company's sustainable growth and the benefits for shareholders as well as stakeholders.



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