

BEAUTY

LIVE A BEAUTIFUL LIFE

ANNUAL

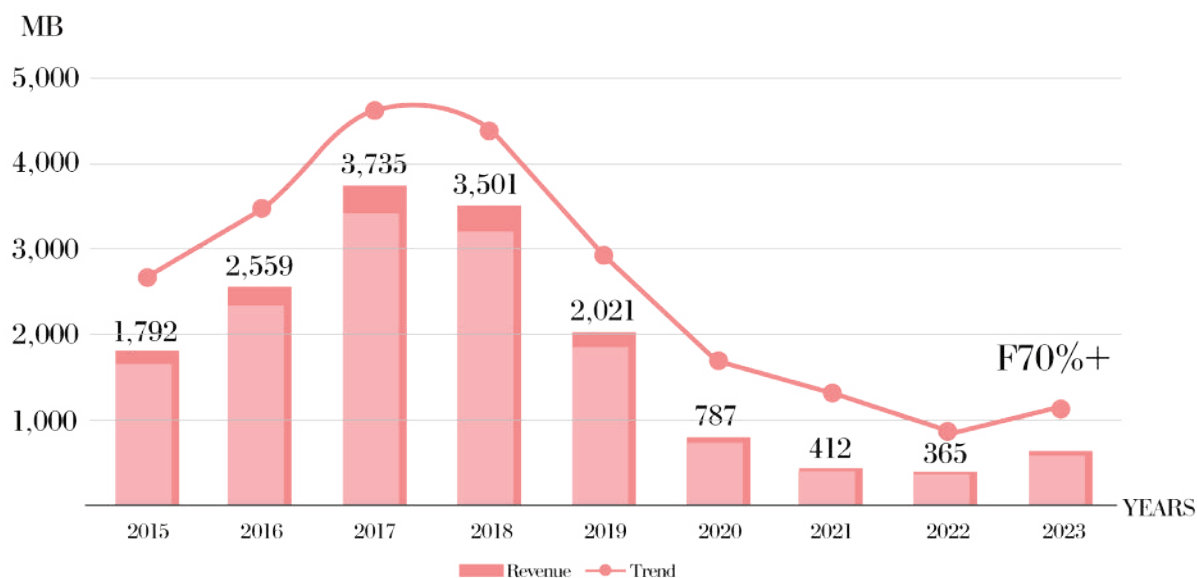
Report

2022

FORM 56-1
ONE REPORT 2022

Beauty Community Public Company Limited

Revenue & Trend



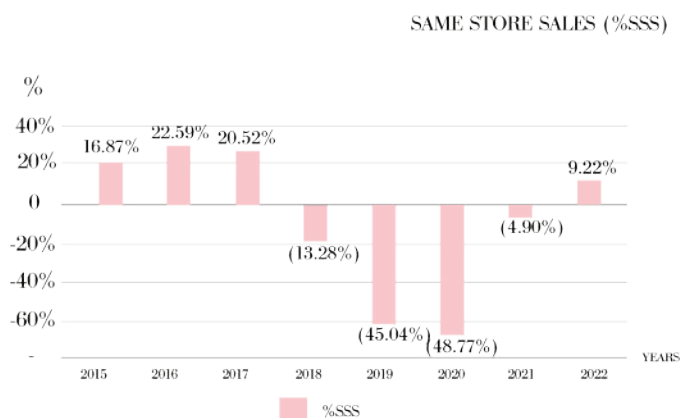
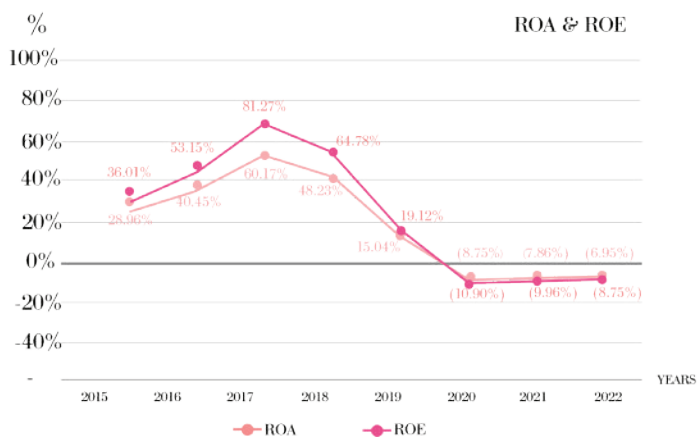
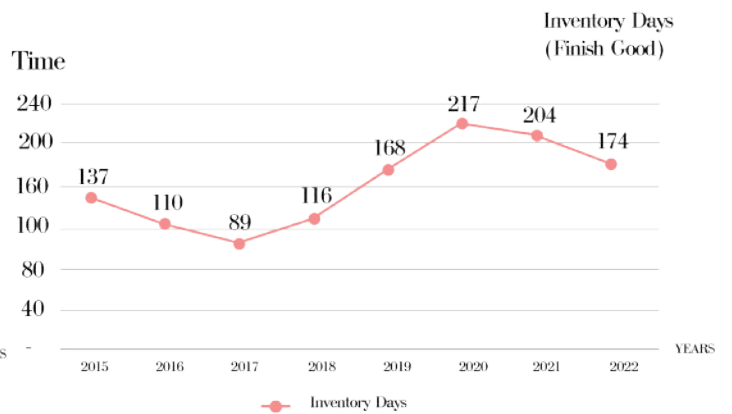
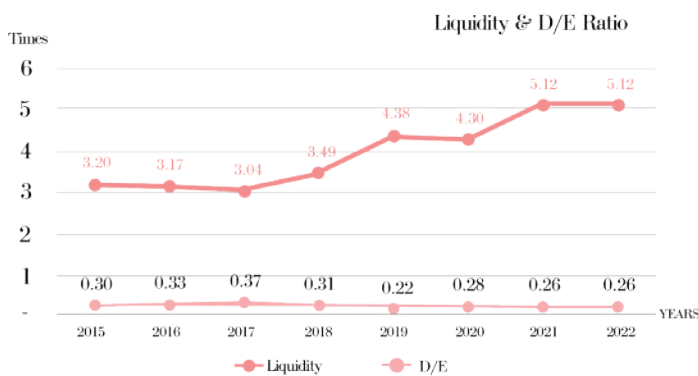
P&L 2022 HIGHLIGHT

Profit & Loss (MB.)	2021	2022	YoY (%)
Revenue	365.46	411.82	(11.26%)
NPAT	(67.68)	(80.77)	(16.21%)
%NPAT	(18.52%)	(19.61%)	1.09%
%GP	49.53%	43.89%	5.64%
%Total Expenses	74.40%	70.38%	4.02%
%EBITDA	(15.36%)	(16.96%)	1.59%

BALANCE SHEET

ASSETS	2022	2021	YoY (%)
Cash and Temporary investments	163.51	428.09	-61.81%
Inventories	115.58	138.25	16.39%
Total current assets	306.60	601.73	-49.05%
Other non-current financial assets	220.00	-	100.00%
Property, plant and equipment	142.25	145.39	-2.16%
Total assets	897.37	974.10	-7.88%

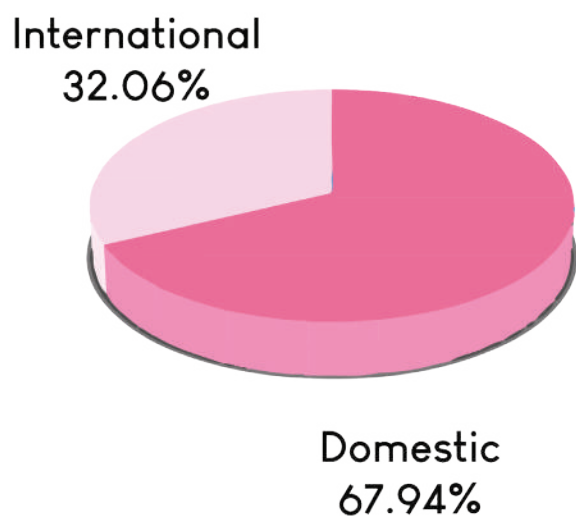
LIABILITIES & EQUITY	2022	2023	YoY (%)
Trade and other payables	60.06	72.15	-16.76%
Total Current liabilities	98.18	117.62	-16.53%
Total liabilities	191.44	200.49	-4.52%
Authorized share capital	299.42	201.00	48.97%
Retained earnings	104.08	36.40	185.93%
Total shareholder's equity	705.93	773.61	-8.75%



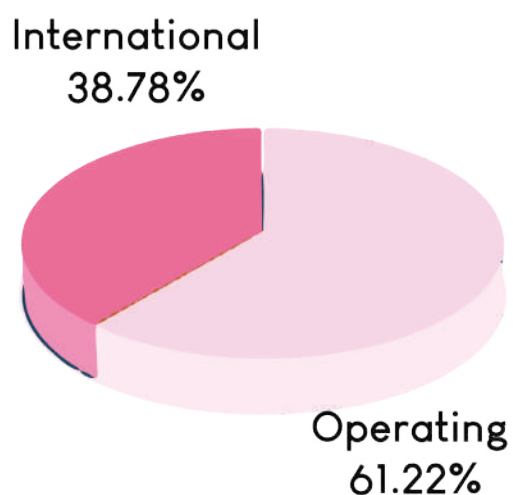
Sales by Channel Y2022



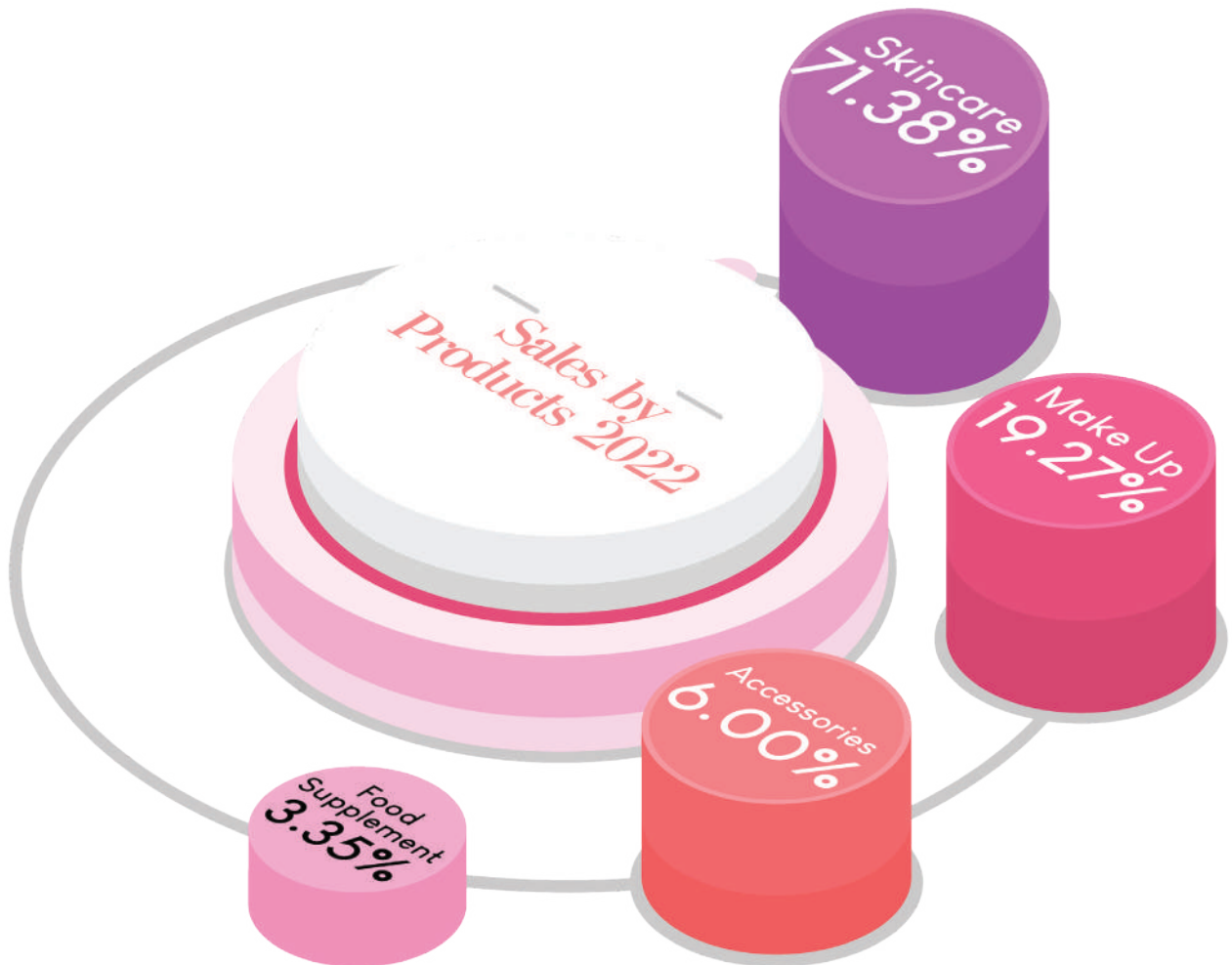
Operating Segments Y2022



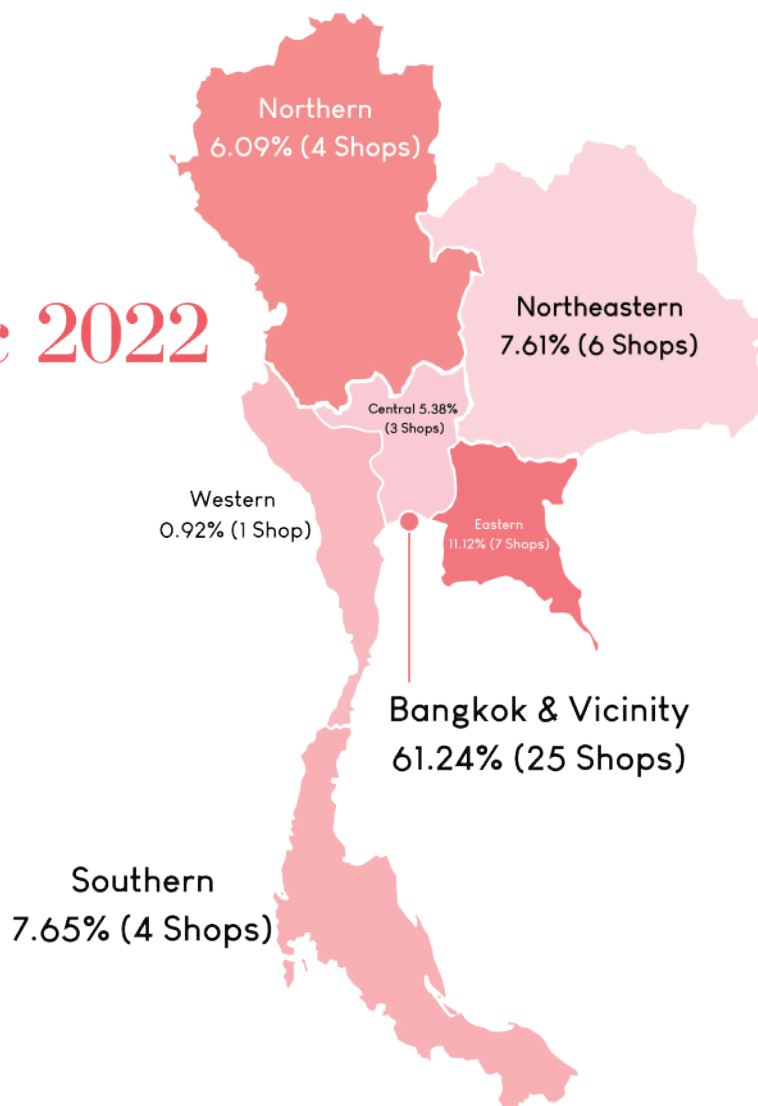
Operating Segments Y2021



Sales by Products 2022

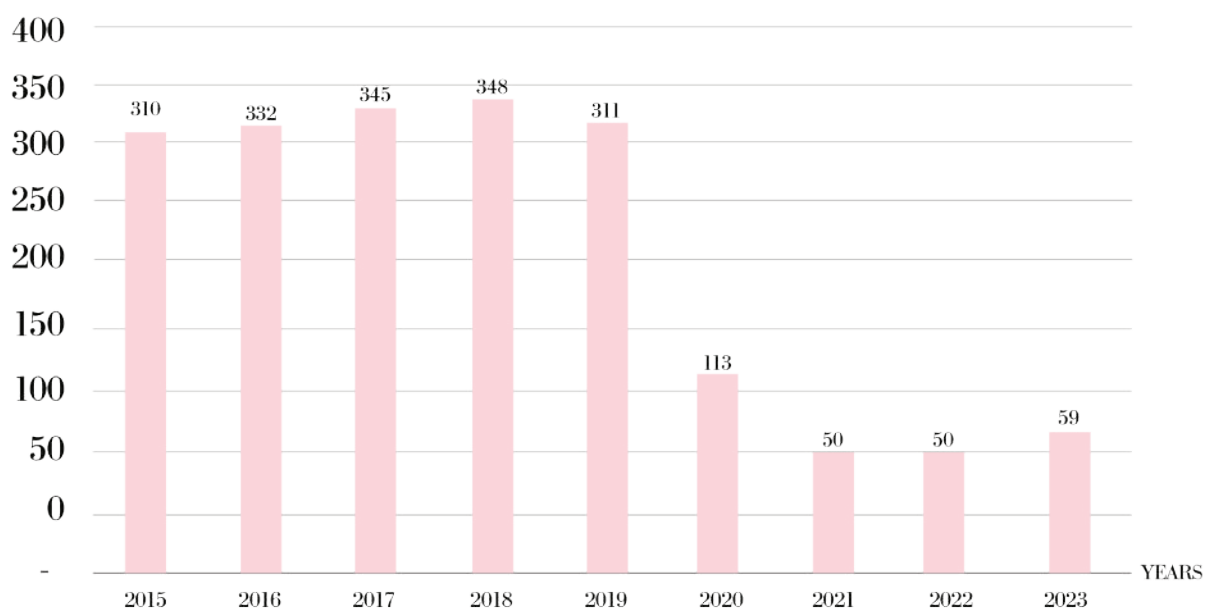


Retail Shop by Geographic 2022



Retail Shop by Geographic 2022

Number of Retail Shop



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BEAUTY COMMUNITY PUBLIC COMPANY LIMITED

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FORM 56-1
One Report
2022



Corporate's Philosophy

Corporate Philosophy

"Creative Dynamic Sustainable"

Vision

"International Beauty & Health Business"

Mission

1. Creating modern high quality beauty products for support the demands of modern lifestyle.
2. Presenting the products to the targeted customers by expanding distribution channels to be more famous and thoroughly the overall regions and country.
3. Developing competitive abilities of the organization to support the great change for the steadily growing.
4. Operating the business under good governance considering the benefits and the effects that will affect to the shareholders, staffs and the society.

Business Goals

The company believes in sustainable growth without relying on only one product brand or distribution channel. Therefore, regarding the operation of the company in the past, we focused on creating a concept or a new brand along with the launching of new products and increasing distribution channels continuously. This is to achieve the business goals as follows.

- Be a leader in cosmetics market by developing the business to cover all demand of consumers in the market of all cosmetic product types.
- Create beauty products in more categories not only in cosmetics and skincare to cover all demand of customers and maintain the quality standard as same as the international organization. We focus on the products made from natural extracts and good design of packaging. This is to enhance the competitiveness in domestic and international sales to cover the different demands of customers.
- Expanding distribution channels throughout the country as well as other countries, towards **"International Beauty & Health Business Company"**
This is to reach a more targeted customer group.

The business goals are created to ensure a smooth and efficient business expansion, and to gain a competitive advantage in the market, what leads to a highest interest for company shareholders.

VISION & Mission



Message from the Board of Director

In 2022, the overall Thai economy grew by 2.6% per year. Despite lower than expected, the expansion was a result of a recovery in the tourism sector and a steady improvement in domestic demand. Overall, the beauty industry grew by about 4% with a trend of continual expansion in cosmetics and beauty businesses. The main supporting factor came from the improvement of COVID-19 situation, leading people to turn back for normal lives, go out, take off their masks, and work in the office instead of work from home. This also included consumer behaviors in caring of beauty, health, and skin. The growth of online social media has made consumers more accessible to innovative products. Most importantly, the beauty business brings happiness to everyone for their personality enhancement towards a good looking and beautiful image as always.

For the operating results of the year 2022, there was a total income of 365.46 million baht, or a decrease of 11.3% from the same period last year of 411.82 million baht, with the net accounting loss of 67.68 million baht, or a loss of 16.21% when compared to the same period last year of 80.77 million baht. This was due to a strategic adjustment of management approaches to increase business efficiency, in line with a control on operating costs and lower administrative expenses, as well as the reduction of organizational size to suit a new model of business. However, it is expected that the operating results shall return to better profits following a better business environment in 2023. Particularly, Chinese tourists have begun to gradually return for travel in Thailand. Meanwhile, the Company has determined to develop a variety of products in coverage of consumer needs, with marketing planning for a new image and more profitability, as well as the continual decrease in administrative expenses up to a good and satisfactory level towards the achievement of target growth as specified in the goals.

Finally, on behalf of the Board of Directors, I would like to thank all shareholders, customers, business partners, and employees for their good support. The management is confident that the Company shall reach a sustainable and steady growth in the future with transparency and adherence to good governance principles and social responsibilities towards maximum benefits to the community as a whole.

Message from
**the Board of
Director**

The Board of Directors
Beauty Community Public Company Limited



Message from the Chief Executive Officer

During the past 3 years, starting from 2020-2022, the Company has been significantly affected by the COVID-19 pandemic situation, resulting in the operating income of the year 2022. The total income was 365.46 million baht, a decrease of 11.3% from the same period last year of 411.82 million baht, with net accounting loss of 67.68 million baht, or 16.21% lower than the same period last year of 80.77 million baht. This was due to the adjustment of management strategies to increase business efficiency with a control of operating costs and lower administrative expenses, including the reduction of organizational size its business model.

The Company's revenue decline was because all distribution channels remained continually affected by the COVID-19 epidemic situation for a long time. In domestic market, the retail channels and consumers slowed down in their spending due to the rising cost of living. Meanwhile, all foreign markets have also been affected, especially the Chinese market where the Chinese government still maintains its Zero COVID-19 policy, thus impacting product exports and causing the Company's dealers to adjust their market plans.

However, it is expected that the operating results in 2023 shall tend to improve gradually with the goals to return profits this year towards a growth of at least 68% or approximately 620 million baht, while maintaining a net profit margin of at least 4% from the net profit ratio of distribution channels including retail (41%), trading (18%), and e-Commerce (10%). In addition, the Company is moving forward to adjust its brand definitions and a new image under the BEAUTY BUFFET stores, such as SCENTIO, BEAUTY COTTAGE, LANSLEY, and MADE IN NATURE. It also focuses on 3 main strategies: 1. Development of a new business model (Re Model), 2. Adjustment of the brand image (Refresh Branding), 3. Change of the management structure and increase of business efficiency (Re Structuring) towards a return of business strength within 3 years. For domestic market, the release of new products shall be accelerated in the BEAUTY & WELLNESS group into the mass market, while expanding consumer product channels, including modern trade such as Big C, Lotus, Top, Watson, CJ Express, etc., and general trade of distributing products through distributors into retail outlets at the district levels. For retailing, the Company plans to expand distribution channels and improve BEAUTY BUFFET SHOP, along with marketing communications with a new image continuously.

In addition, the Company plans to expand new selling channels by granting the shop license in the form of a KIOSK License with branch distribution to cover all customer needs. This shall focus on locations in shopping malls and commercial areas close to the communities and various commercial sites in providing an opportunity for business partners who are individuals and small entrepreneurs with their interests in the cosmetic business to potentially enter into business. For e-Commerce, the Company shall emphasize to increase its ability in presenting products to more consumer groups, while developing the product management system for more efficiency. Moreover, there shall be more platforms to access a variety of products, including the Company's website, leading market places, and social media with potentiality to meet the needs of customers in all channels. For foreign market, the Company currently maintains its sales of products in 11 countries, including China, Saudi Arabia, Hong Kong, Taiwan, Indonesia, Vietnam, Myanmar, Laos, Malaysia, India, and Japan. The Company also plans to expand more distributors in other countries towards more channels of continual product distribution.

The year of 2022 is very challenging for the Company. The management team and I commit to leading the Company to get through all crises with confidence towards the achievement of our specified goals. Thanks to all shareholders, customers, business partners, and all employees who have worked together to support the Company very well all along.



Dr. Peerapong Kitivetpokawat
Chief Executive Officer
Beauty Community Public Company Limited

Business and performance

PART 1

Business Operation and Operating Results

01 Organizational structure and
operation of the group of companies

02 Risk management

03 Business sustainability
development

04 Management discussion
and analysis (MD&A)

05 General information and
other material facts

01

Organizational **Structure and Operation**



Executive SUMMARY

Summary

Beauty Community Public Company Limited (“Company” or “BEAUTY”), formerly known as Monapolitan Company Ltd. was established on October 19, 2000 with a paid-up capital of 1 million baht. The founder was Dr. Suwin Kraibhubes and Mrs. Thanyaporn Kraibhubes. The aim was to operate a retail business of cosmetics and skin care products, with the concept to present a variety of beauty products which carefully selected in terms of materials and appearance as another choice for consumers. At present, the Company distributes 6 groups of beauty products: 1) Make-up, 2) Facial care, 3) Body Care, 4) Hair Care, 5) Beauty Drink & Food Supplement, and 6) Beauty Accessories of more than 800 items with 1200 SKUs. Each is different in product design, distribution channel, and marketing position to meet the needs of various target customer groups and create a customer base covering all levels of use for beauty products.



For
Every
Beauty



1. Retail Shop “Beauty Buffet”

Retail Shop “Beauty Buffet” is a concept to present a form of beauty.

“There is never just one kind of beauty. Some are with a sweet beauty. Others are piercingly beautiful. Another is sexy, confident, elegant or glamorous. If every beauty can be defined, they may probably have millions of definitions for each style. BEAUTY BUFFET know that everyone has their own special beauty. We therefore provide the widest range of products to serve all beauty needs because beauty is no limit, regardless of race, language, skin color, shape, taste, belief, or anything else. We support every beauty identity. It is BEAUTY BUFFET for Every Beauty because beauty is you”

The layout of Beauty Buffet shop will have a variety of products to choose from. It focuses on outstanding colorful decorations and friendly services so that customers can fully try the products before their decisions to buy the most suitable products for themselves. In front of the “Beauty Buffet” shop, there is a “Chef” figure to attract customers.



BEAUTY BUFFET
For Every Beauty เพราะความสวยคือคุณ

For Every Beauty



The shop's slogan is: **BEAUTY BUFFET for Every Beauty because beauty is you.”**

Products distributed under Beauty Buffet will be represented by Multi Brands. Each brand is developed and registered the Company's trademarks, including the best selection, uniqueness, different prices, and various marketing positions to cover and meet the needs of diverse and distinct target customers, such as GINO McCRAY, SCENTIO, LANSLEY, BEAUTY IDOL, BEAUTY COTTAGE, MADE IN NATURE, etc.

As of the end of 2022, there are a total of 51 branches of Beauty Buffet retail shops located in shopping malls of transportation centers for convenient management, such as Central Plaza, The Mall, including large supermarkets, e.g. Lotus, Big C, etc.



2. E-Commerce

The e-commerce channels are trading products in a B2C (Business to Consumer) form. Retail buyers can purchase products from sellers through electronic media of the online world rapidly and easily. The use of internet is regarded as a main activity in daily life of most people. The e-Commerce business provides many advantages and benefits. For instance, there is no need for a storefront and no salespersons. It can display various information through a system of automatic trading with contact to stores via internet. The sales can be made to support customers for 24 hours a day and increase more opportunities of sales. The shops reach anyone with internet access, both domestic customers and those in foreign countries, with no need of travel, less administrative expenses, effective marketing, and accurate measurability.

Currently, the Company has a total of 580 Items with 1100 SKUs of products available for sales in the e-commerce channel, which can be divided as follows:

1. Distribution channel through website: www.beautybuffetshop.co.th with well accepted by customers
2. Distribution through Social commerce, e.g. Facebook, Instagram, Line, etc.
3. Distribution through Marketplace - The Company has made product sales on famous platforms. As of December 31, 2022, there are a total of 8 platforms, such as shopee, Lazada, Konvy, etc.



Dot.com

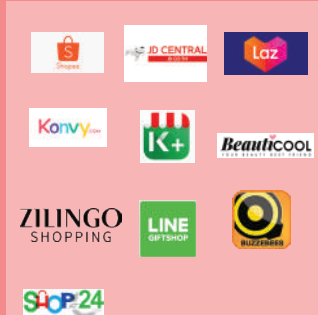


S-Commerce





Market Place



3. Modern Trade

The Company has introduced products for sales in modern trade channels. As of December 30, 2022, there are more than 40 products on sales in 19 department stores, 2400 points of sales, which divided into 4 types as follows:

1. Supermarket such as Foodland, Tops, MaxValu, The Mall, Golden Place, etc.
2. Convenience Store such as Seven Catalog, CJ Express, etc.
3. Hypermarket such as Big C, Lotus, etc.
4. Specialty Store such as Watson, Eveandboy, King Power, Boost, etc.

ACCOUNT TYPE OF MODERN TRADE



Hyper-Market



Supermarket



Specialty Store



Convenience Store

4. General Trade

The Company has developed products into the mass market by appointing major distributors nationwide, with a focus on expanding distribution points to retail stores nationwide. As of December 31, 2022, there are more than 3,300 distribution points.



5. Overseas

The Company has started expanding into markets overseas since 2011. As of December 31, 2022, the Company has products available in 12 countries in Asia, namely China, Taiwan, Hong Kong, Indonesia, Vietnam, Cambodia, Myanmar, Laos, Malaysia, Brunei, India, Japan. There are more than 100 SKUs available through distribution channels in the forms of Product Distributor, Shop License, Product License, and Wholesaler, with a good feedback from customers. Currently, the foreign sales account for 40% of the Company's total revenue. The Chinese market is considered a main market which generates the Company's revenue for 89% of foreign sales.



China market It is a main market that generates up to 89% of foreign sales. The business model in China can be divided into 4 types as follows:

1. Product Distributor - The Company appoints distributors of its products. Currently, there are a total of 7 distributors for selling products through the general trade market with a total of 34,000 sales points. The Product Hero in this distribution channel includes Milk Plus Series with a very good feedback from Chinese customers, especially the milk foam or Scentio Milk Plus Facial Foam Bright & White.



2. **Product License** - This business model started in the fourth quarter of 2020. The Company appointed distributors to cooperate for manufacturing and selling products in China. The Company is an authorized brand licensor to produce and sell products under its quality control and design according to the needs. This business model has great potential for a high growth because it can reduce the process of CFDA application which takes a long time, while reducing costs and import-export processes. In addition, the product launch is fast due to the joint development with Chinese distributors who understand the needs of Chinese consumers. The products include both skin care and makeup. In the future, there are plans to expand dealers and number of product items. At present, 32 items of product license are available.



3. CBEC (Cross border e-commerce) – The Company has appointed distributors for product sales through the CBEC channel (Cross border e-commerce). Currently, there are 3 distributors for this channel. A total of 9 platforms are available for sales: JD.COM, TMALL HK, Little Red Book, Pin Duo Duo, Kaola, Beidian, Jumei, VIP.COM, Aikucun.com. The Product Hero is Milk Plus series, with a very good response from Chinese customers, especially the milk foam or Scentio Milk Plus Facial Foam Bright & White.
4. Wholesaler – It is a wholesale of products through various channels in China.

Other countries (other than China) – These comprise Indonesia, Cambodia, Vietnam, Myanmar, Laos, Malaysia, Brunei, India, Japan. The Company has a policy to expand its distribution through the modern trade and the traditional trade channels by adjusting the market distribution through domestic agents and online for distribute products to a wide range of consumers. In addition, the Company plans to appoint more distributors in other countries. The product group that must be pushed is the skin care product group of small, pocket size, inexpensive cream sachets to serve consumer groups which shall expand into more traditional trading channel.



Business operations of each product line

The company operates a retail business of cosmetics and skin care products with a concept to present a variety of beauty products of careful selection in terms of materials and appearances to be another choice for consumers. Currently, the Company distributes beauty products of various brands. There are differences in product design, market position, and distribution channel to meet the needs of different target customer groups and create a customer base to cover all levels of product usage, with details of each brand as follows:



ตราสินค้าของบริษัท

GINO McCRAY
The Professional Make Up

SCENTIO
Inspired by nature

LANSLEY
BEAUTY AND WELL-BEING

BEAUTY COTTAGE
Natural Crafted Beauty

MADE IN NATURE
Live a natural life

Beauty Idol

M
Miracle Perfect

BEAUTY BUFFET
For Every Beauty เพราะความสวยคือคุณ

BEAUTY COTTAGE
Natural Crafted Beauty

MADE IN
nature
BOTANICAL ESSENTIALS

MADE IN NATURE
Botanical Essentials
Live a natural life



LIVE A
Beautiful life





“Gino McCray” is a brand of cosmetic products and makeup accessories. It has been placed with the unique form and color of packaging and suitable prices for customers from working age groups up to professional makeup artists. The products sold under the GINO McCray brand are subdivided into three series: Pro Make-Up, Heritage, and The Artist. Each series has a different color scheme as well as its identity and product position for customers to choose according to their needs

GINO McCRAY

The Professional Make Up



The “Scentio” is a brand for daily personal skin care products made from natural extracts for the body skin, such as shower cream, shampoo, hair conditioner, face and body cream, scrub cream, hand and foot cream, etc. of substances extracted from nature with deep nourishing properties.



“Lansley” is a brand of functional skin care products with specific features for highlights and removals, such as whitening skin care, slimming products, dark spots and wrinkles reduction, and supplements, etc.

“When it comes to beauty, there are many times that we as women need a specialized care, of which conventional products may not provide adequate care or can’t effectively solve our problems. LANSLEY therefore focuses on the product development to remove each beauty problem exactly to the point, with special and well-developed ingredients that efficiently fits each need. LANSLEY BEAUTY AND WELL-BEING is at the point of every beauty.”



“Beauty Idol” is a brand for facial skin care products, especially under the slogan “Donkey Milk Reborn”. It is inspired with a concept of beauty from the 2,000-year Empress Cleopatra in a legendary to high-quality products for brightening, smooth, soft, moisturized facial skin that looks younger. It is from Donkey Milk and Ginseng Berry extracts, with Anti-Oxidant substances of high family plants in Korea, containing 15 times more Saponin than Ginseng roots and 9 natural extracts for Skin Baby.





BC Beauty Cottage

Concept: A balance of beauty

- Art, music, and beauty are combined to create a value to keep skin balance. BC has developed a selection of raw materials that transmit natural power to maintain moisturization from many sources of international standards, with an emphasis on quality and more advanced beauty.
- From the concept of Victorian era in England, the source of world-class culture, art, and music has become the foundation of beauty treatment and high-class fashion. BC beauty cottage adds value to products and create a suitable balance for Asian skin with modern concepts and technologies for development from a strong foundation to a better daily life to maintain and create sustainable balance of BC (beauty cottage).
- "Beauty Cottage" focuses on the selection of various natural ingredients, such as extracts from flowers, fruits, vegetables, herbs, and plants with outstanding properties, e.g. nourishing the skin, retaining moisture, tightening the skin, reducing wrinkles, as well as enhancing radiance to the skin. Beauty Cottage's products are placed at a premium market position to serve target customers who need deep nourishment from nature.





BEAUTY BUFFET
For Every Beauty เพราะความสวยคือคุณ



“
**FOR EVERY
BEAUTY**
”

BEAUTY BUFFET is a brand for products that focus on value and inexpensive price. Products are designed to understand and reach a wider range of customers. They are placed in the mass market position, focusing on distribution in the traditional channel.



BEAUTY BUFFET
For Every Beauty เพราะความสวยคือคุณ



M
Miracle
Perfect
MIRACLE PERFECT
Ultimate Rejuvenate Complexion Skin

มหัศจรรย์ข้ามเวลา..
สู่ผิวอ่อนเยาว์



M
Miracle
Perfect

Miracle Perfect is a brand for high-quality skin care products in the premium market position with an elegant design, focusing on nourishing skin from 100% pure vitamin C derivative innovation, as well as Madonna Lily Flower Extract, Licorice Extract, Arbutin, Nano LPD's Multivitamin, Multivitamin substance, Moss Extract, Marine Plankton (GP4G SP), Black Complex, and Black Caviar.



Nature ... is something that always embraces us.

Embracing with gentleness and purity, nature is not pretentious ... not artificial.

Instead, it helps to soothe both our bodies and minds incredibly well.

But the current way of life gradually separates us from nature.

Today we would like to invite all women to return to the ways of nature again.

Let nature embrace gentle skin care ... a way of beauty that only nature can provide.

MADE IN NATURE.

Live a natural life. Beautiful...with nature

“MADE IN NATURE” is a concept of natural products under the slogan “Live a Natural Life” by using the form of packaging in natural colors, with high quality products to reach consumers in a premium mass through large retail stores or the modern trade channel. The raw materials used in production are from active ingredients which imported from Korea to meet the needs of customers thoroughly.



Product Champion 2022


SCENTIO
Inspired by nature

ผลิตภัณฑ์ใช้ได้ทุกที่...ด้วย

SCENTIO

MILK COLLECTION



BEAUTY BUFFET
For Every Beauty เพราะความสวยคือคุณ

LOOK
AT ME

GINO McCray Serie

GINO MCCRAY THE PROFESSIONAL
MAKE UP COLOR LIPSTICK

ลูกไหน ก็น่ารัก



GINO McCRAY
COLOR LIPSTICK



Professional
THE ARTIST EYE LASH
CURLER



GINO McCRAY POWDER
FOUNDER SPF PA+



TRIANGULAR BROWN PENCIL

Product Champion 2022

Product Champion 2022

SCENTIO
Inspired by nature

SCENTIO

VITAMIN C



VITAMIN C AFTER
BATH BODY ESSENCE

BODY WHITE
SHOWER SERUM

ครีมอาบน้ำ / ESSENCE

ครีมอาบน้ำ กระจ่างใส

ด้วย Nano Vitamin C ไม่มีพาราเบน
แอลกอฮอล์ และสาร SLS

MADE IN NATURE
nature
 BOTANICAL ESSENTIALS



Milk



Product Champion 2022

Product Champion 2022



HAIR PROFESSION ARGAN OIL
THERAPY CONDITION



HAIR PROFESSION ARGAN OIL
THERAPY SHAMPOO



HAIR PROFESSION ARGAN OIL
THERAPY SERUM



HAIR PROFESSION ARGAN OIL
THERAPY TREATMENT MASK

SCENTIO



Beauty Idol

4 STEP

กับคุณค่าน้ำมัน "ลา" สกัด ที่ให้คุณค่าทางโปรตีนมากกว่า
สร้างผิวใส เกิดใหม่ ให้สวยได้ไม่จำกัด
ผลิตภัณฑ์ BEAUTY IDOL ผิวใหม่ ได้ใส่ใจ

เพื่อผิวสวย



DONKEY MILK REBORN
DEEP CLEANSING
WHIP FOAM



DONKEY WHITE
DROP ESSENCE



DONKEY MILK
DEEP WHITE
DAY AND NIGHT
CREAM MASK



UV AQUA SUNSCREEN
SPF 50+

Product Champion 2022



BEAUTY BUFFET
For Every Beauty

New Products 2022

‘เซย์ Hi’
คุณคนใหม่
ด้วย B HI
COLLAGEN

บำรุง
ข้อต่อ

ช่วย
ชะลอวัย

ผิวดู
กระชับใส

พลังคอลลาเจนบริสุทธิ์
จากสับจมูกปลาแซลมอน





BEAUTY BUFFET
For Every Beauty

New Products 2022

ผิวดู
กระจ่างใส

บำรุง
เส้นผม
และเล็บ

‘เซย์ Hi’ คุณคนใหม่ด้วย
B HI-COLLAGEN

พลังคอลลาเจนบริสุทธิ์
จากสันจมูกปลาแซลมอน



New Products

2022



LANSLEY
BEAUTY AND WELL-BEING



SUPRT BOOSTER SERUM
8D HYALURONIC ACID



LANSLEY PERFECT VITAMIN C
SUPER BOOSTER
SERUM(30ML)



SUPER BOOSTER CREAM 8D
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New Products 2022

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 **BEAUTY BUFFET**
For Every Beauty เพราะความสวยคือคุณ

New Products 2022

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BEAUTY BUFFET
For Every Beauty เพราะความสวยคือคุณ

Nature of Business

Beauty Community Public Company Limited (“Company” or “BEAUTY”), or formerly Monopolitant Co., Ltd. established on 19th October 2000 with its paid-up registered capital of 1,000,000 Baht, by the founders Dr.Suwin Kraibhubes and Mrs.Tanyapon Kraibhubes, is formed with purpose of performing retail selling and distributing cosmetics and skincare products. The aim is to propose selective and diverse beauty products with quality materials and good image and provide more beauty choices for consumers.

Important changes and developments

1998 – 1999	We open the first imported cosmetics and skincare retail store under the name “NEO” in Siam Square Center and then expanded another retail store named “MONA” in MBK center
19 October 2000	We formed Monopolitant Co., Ltd. (Company’s former name) with registered capital of 1,000,000 baht to perform a retail selling of cosmetics and skincare products of Thailand and other countries under the name “MONA” in 7 branches located in several commercial centers
2004	We renovated the shop and changed the store name to “COSMEDA” with different strategy; importing goods according to customers’ demand, manufacturing products in Thailand and some products in Korea.
3 March 2005	We increased the registered capital to 5,000,000 Baht divided into 50,000 shares, the value per share was 100 baht, the capital was used for investment and cash flows. From the year 2004 to 2006, 20 branches (approx..) of “COSMEDA” have been open.
2006 – 2007	In December 2006, we developed the design of the store and changed its name to “BEAUTY BUFFET”. Under the concept of “Beauty Buffet”, we focused on making an easy access for customers, and invited the customer to test the product, sold the comprehensive range of products with reasonable price, just like when the customer enters into buffet restaurant. With the slogan “The most delicious beauty shop in town”. The first branch was open in Central department stores, Wongsawang branch.
2011	We open new style of retail stores under the name “Beauty Cottage” providing natural and organic products with the shop decoration in vintage style. The first branch was open in Central Plaza (Ladprao) under its slogan “Natural Crafted Beauty” which means the beauty created by the nature.
23 December 2011	The company increased the register capital to 55,000,000 baht divided into 550,000 shares, the value per share was 100 baht, to buy a land for building company headquarter and increased the resources of cash flow for business operation.
2012	In January 2012, the company made the distributorship contract of Beauty Buffet with a distributor who had the right to sell products of beauty buffet in Cambodia in accordance with company standard. The first beauty buffet was open in Cambodia in February 2012.
In April 2012,	the company launched new product “MADE IN NATURE” -- an organic skincare product brand under the slogan “Live a Natural Life” sold in large retail stores or modern trade.
31 July 2012	The company changed its juristic type to be public limited company and changed the name to be Beauty community Public Company Limited, lowered the value per the share from 100 baht to 1 baht and increased the registered capital to 300,000,000 baht. With regular shares, the company was listed in stock exchange of Thailand.
12 December 2012	First day trade in SET
July 2013	The company opened Beauty Market in Large Multi-brands with the mixed concept of buying many products in supermarket in convenient store and the excitement of buying cosmetics products. We are beauty specialty store aiming to provide beauty product exclusively under the slogan “The Super Market of Beauty”. The first branch was open in Seacon square Srinakarin branch.
November 2013	We launched the new products under the brand named Girly Girl which was the “fighting brand” in the market of skincare and cosmetics products for teenagers. With the concept “White & Baby”, the packaging design was more modern and the size of product was smaller, also the price was lower. The products were placed in convenient stores, catalogues and available in traditional trade.

May 2014	Groundbreaking ceremony of warehouse and training center at Soi Nuanchan 34 on the land size 3-0-15 rai to support the growth of the business in the future.
14 May 2015	The company changed the share value (stock split) from 1 baht to 0.10 baht per share. The total number of shares was 3,000,000,000.
Quarter 3/2558	We launched the website beautyplazaonline.com with our sophisticated development and intention to broaden the experience in cosmetics product shopping.
March 2016	The company has access to the company's new offices, warehouses and training centers. (Beauty 2)
May 2017	Won the award of the Best Brand Performance 2017 on Instagram, and the second runner-up award of the Best Brand Performance 2017 in the cosmetic business group in Thailand Zocial Awards 2017.
November 2017	SET Awards 2017 Won the Outstanding CEO Award and the Outstanding Company Performance Award in "SET Awards 2017" arranged by the Stock Exchange of Thailand with Money & Banking Magazine.
October 2018	Won the award of "Asia's 200 Best Under a Billion" or Top Asian Companies that earn less than 1,000 billion dollars organized by Forbes Asia Magazine, and was recruited for the second consecutive year.
August 2019	Beauty Buffet opened the first "flagship store" and the new business model " Multi-Brand cosmetics shop" at MBK department store. beautybuffet.co.th was also launched to introduce a new top-brands shopping experience
November 2020	Launched the first Beauty Factory Outlet at the head office of Beauty Community PCL.
14 February 2022	The company from 300,933,500.00 baht to be 299,419,353.50 baht by cancelling the registered shares not purchased which are the ordinary shares for the total amount of 15,741,465 shares with par value of 0.10 baht per share which the end of ESOP Warrant-1.
March 2022	BEAUTY BUFFET changed a new logo "BEAUTY BUFFET For Every Beauty because beauty are you"
9 May 2022	<u>New Head Office</u> Beauty Community Public Company Limited 50/1-3 Soi Nuanchan 34 nuanchan Road, Nuanchan Subdistrict, Buengkum District, Bangkok 10230 Telephone 02 – 9460700-6
August 2022	BEAUTY BUFFET opened the first Shop Stand Alone at Ari branch. Opened the first GINO McCRAY store at Eveandboy, Mega Bangna branch.



Marketing Strategy

The Company plans its marketing strategy that mainly emphasizes the customer's buying behavior. This is because, business trends in the future will not limited to offline channels or the online world only but must be a combination of the strengths of both styles. The current consumer's behavior tends to favor the consumption of online media and a more comfortable lifestyle (Lazy Economy). In addition, the competition in the cosmetics market both offline and online channels increases. There is a production of products, creating their own brand to sell products online directly to customers including many online merchants.

1. O2O Marketing Strategy

The Company hence focuses on the O2O Strategy to reach the target customers as much as possible by using public relation activities and promotion via the online channels, in order to draw the target customers from the online channel to its offline stores, as well as, to draw the customers from its offline stores to its online stores.

2. Branding Strategy

The company operates a cosmetic and skincare retail business. Shop Brand is Beauty Buffet and Product Brands - both entails different concepts in term of market position, price, design, customer group, and distribution channel, which makes each branding strategy different:

2.1 Creating a Unique Identity

The main components that the Company uses for making its brands recognizable to the consumers are creating a unique identity for each brand,

- Gino McCray" is a brand of cosmetic products and makeup accessories. Has been placed in the form, color, uniqueness of the packaging. And the price level is suitable for working age customers to professional makeup artists under the slogan "Look At Me, Spell All Looks".
- Scentio is a brand for daily personal care products made from natural extracts. Comprehensive skin care for the whole body.
- "Lanceley" is a brand for functional skin care products that enhance strengths and reduce imperfections under the slogan "Aesthetics of Balance".
- Beauty Idol dedicated to facial care under the slogan "Donkey Milk Reborn".
- "Beauty Cottage" is a brand for cosmetics, skincare and accessories. With an emphasis on quality to offer to your hand and preserve beauty that is beyond anyone else's, BC has created and selected raw materials that deliver natural power and maintain moisture from numerous sources with international standards. Beauty Cottage is a product under the slogan "Create a balance of beauty"
- "Made in Nature" is a natural product under the slogan "Live a Natural Life" using natural colored packaging, using high quality products to reach a top group of consumers (Premium Mass).
- "Miracle Perfect" a brand of high quality skincare product with a premium market position and elegant design.
- "Beauty Buffet" is a brand for essential products that are value for money, affordable, products designed to understand and reach more consumers. To determine the market position (Market Position) at the mass market level.

For those reasons, the Company has designed the products, the packaging, and the stores to represent the unique identities of each individual brand. Also, the Company has the policy to keep developing the new and novel concept or brand, in order to acquire new target customers that are not overlapping with the existing ones. This strategy will help to spread the risk of relying on one brand. The Company expects that the policy will sustain the grown of the Company's business in the future.

2.2 Service Differentiation

Beauty Buffet is not only focusing on selling the products, but also offering complete Beauty Solution to the customers. Customers who visit our stores will receive a friendly, warm-welcome and excellence service from our employees who have passed the standard training of the Company. Our employees can recommend the most appropriate style of makeup and cosmetics for each individual customer, and the products that are suitable for the customer's skin. The underlying objectives of this strategy are to make our customers feel more comfortable to choose and to buy our products, to make them more confidence in, and access more of our products. The services provided to our customers will be totally different from the services provided in other beauty stores at the same price range.

2.3 Branding Strategy for Capturing the Market via Other Distribution Channels

Building a new brand for creating the new market and the new distribution channel is one of the Company's marketing strategies. The Company started the development of products in the Made in Nature and Beauty Buffet line, that are being sold through the modern trade, convenient stores, and as well as, via the traditional trade, in order to expand the Company's customer base. In the future, the Company has the policy to create additional brands that distribute beauty products to continuously capture other distribution channels in the market.

3. Customer Base Retention Strategy

Besides the idea to develop the new concept or the new brand for penetrating various levels of the market and the targeted customers, retaining the existing customer base or inviting repeat customer is an important factor for a business's survivability and the revenue security. Therefore, the Company emphasizes the customer base retention strategy, as follow.

3.1 Increasing the Available Channels for Accessing our Products

The Company has the policy on continuously expanding distribution channels to reach as many consumers as possible and consistent with the behavior of the consumer. In addition to opening branches in Bangkok and vicinity area and then, expand the business to other regions. Today, there are Beauty Buffet stores in every region of the country, that facilitate our customers to conveniently access and buy our products and make our brands recognizable to the customers as well. While, the Made in Nature and Beauty Buffet line will be distributed via modern trade, convenient store and the traditional trade. Moreover, the Company also distributes its products via electronic commerce (E-commerce) and social media (S-Commerce), to make customers feel more convenient and increase channels for accessing the products to its customers.

3.2 Simultaneous Products' Quality Maintaining and New Product Development

Products' quality is an important factor for inviting repeat customers. If the products are of good quality with a good price, customers will be satisfied with and have a good attitude toward the Company's brands. Therefore, the Company emphasizes on developing and maintaining the quality of products that are suitable to the skin and skin tone of Thai people, whereas the Company tests every batch of products manufactured, in order to ensure the products' quality and suitability for the users. Moreover, the Company prioritizes continuously creating the new product, in order to answer the customers' trend and preference. This is because the cosmetics market is an ever-changing market, where foreign – new brands of cosmetics from other countries, especially from Korea and Japan, are flowing into the market and competing with the Company's as they have similar targeted customers and potential customers. Therefore, the Company has the policy to develop its new product by surveying the current preference of both domestic and foreign markets continuously, in order to develop its product to be a better match to the customers' preference. The Company also has an open-policy for seeking for manufacturers, high potential domestic manufacturer or foreign manufacturer, such as a Japanese business that setups its factory in Thailand. The Company also orders the manufacturing of its products from a foreign manufacturer, for example, Korean, etc., in order to improve the quality of its products to match up with the competition and the customers' demands quickly and completely.

3.3 Customer Relationship Management

The Company develops a specific information technology system for storing its customer database, which is used for the purpose of Customer Relationship Management (CRM). This allows the Company to answer the customer's demands more specific. The CRM System starts from encouraging the customer to apply for the membership with the Company, attracting theme by giving discount to members, and giving a promotion of free membership fee for applying via the newly opened branches and after the customer buys products for a specific – not to high – amount, to encourage the customers to use their right to apply for the membership. Once the customers become the members of the Company, the Company will collect their information, such as, the product purchase data of each individual customer, such as, type of purchase, frequency, most frequently bought products, the opinion toward the product, specific demand, etc.

Customer Relationship Management (CRM)



3.4 Creating “ Beauty Community ”

Nowadays, online media has played more and more roles in communicating between one another. The company has seen the marketing opportunities to reach the target group of the company through various kinds of the internet, which enable them to respond to the customers conveniently and quickly, as well as understand needs of each person and the problems of products and services. Moreover, the company has designed the Content Marketing to be attractive and appealing, including public relations of the online trendy platform. The company has created the online media as follows:



Creating the above media does not only conveying the message to advertise the products and making promotion, but also present various lifestyles in line with the brand concept to create attraction and let the customers participate in presenting new concepts, such as, methods of trendy make-up, wearing clothes suitable for modern personality, trendy information, popular restaurants and favorite travelling places among the target group, etc. Moreover, there are events, such as make-up photo contest, doing jigsaws of product photos, and contest of feeling description towards the product so that the customers follow the online beauty community, in which the company acts as a host and the customers as guests with the aim of creating two-way communications and good relationships with customer in the long-term.

The company has consistently attended the exhibitions and organized the workshop activities with external organizations to publicize every brand of the company and provide knowledge on skin nourishment and a variety of make-up to organization's staff to apply with their daily life and let the target group have experience in using the brand's products to increase the member base and brand's sales volume. It is considered another channel in creating “Beauty Community” which receives well responses.

Target Group:

The company's products are consumer products and with a business approach that focuses on distribution through retail stores. Therefore, the company's target customers are end-users, especially women, who have more tendency to purchase cosmetic and skincare products than men. Products sold through Beauty Buffet retail stores, E-Commerce, Modern Trade, and Traditional Trade has been positioned differently in the market. Therefore, target customers are different as follows:

1. Target customers of Beauty Buffet are a group of teenagers from junior high school to working age who modernize their appearance via the use of cosmetics.
2. Target customers in E-Commerce are individuals (men and women) who are interested in taking care of themselves and prefer searching information through online media before making a purchase decision. Therefore, producing direct and on-target online contents is utterly important.
3. Products in Modern Trade channel are commonly and frequently used in everyday lifem but with uncompromising quality and natural ingredients. The targets are male and female individuals who are regular customers of the supermarket, hypermarket, and convenient store.
4. Target customers of the General Trade is the Mass Market who uses products daily, easy to buy, and inexpensive



Beauty's news and activities in 2022

1. Annual General Meeting of Shareholders 2022 by Dr. Suwin Kraibhubes (Chairman of the Board of Directors), Dr. Vichit U-on (Chairman of the Audit Committee), Dr. Peerapong Kitivishpokawat (CEO) and Mrs. Tanyapon Kraibhubes (Director), along with the Board of Directors and Executives of Beauty Community PCL., organized the Annual General Meeting of Shareholders 2021 via electronic media (E-AGM) on April 27, 2022.



2. Launched “Laz-1” as a product presenter for Scentio Amino Acid Milk Facial Foam on March 11, 2022.

SCENTIO



3. Opened a new Beauty Buffet service at Central Pinklao branch on March 14, 2022.



4. Launched “Kru Toei Apiwat” as a presenter of bath set products consisting of 1. Scentio Vitamin C Body White Shower Serum 2. Scentio Vitamin C After Bath Body Essence 3. Beauty Buffet Vitamin C Aura Soap 4. Beauty Buffet Multivitamin Body Bright Shower Serum and 5. Beauty Buffet Multivitamin After Bath Body Essence on March 25, 2022.



5. Beauty Buffet AFFILIATE website was launched for online sellers interested in selling products with the company on April 8, 2022.



BEAUTY BUFFET
For Every Beauty เพราะความสวยคือคุณ

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ไปด้วยกัน**

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🌐 b1.beautycommunity.co.th
📱 Beautybuffetfanpage

6. Launched “Bua Nalinthip” Brand Ambassador GINO McCRAY on August 29, 2022




Brand AMBASSADOR

คนล่าสุดของ..
GINO McCRAY

พบกับ
“บัว นลินทิพย์”
วันที่ 26 ส.ค. 65 เวลา 17.00 น.

ที่ **EVEANDBOY**
@MEGA BANGNA

AM'BASSADOR

7. Beauty Buffet x Teacher Toey Apiwat LIVE on October 17, 2022

Multivitamin

เตรียมพบกับ •LIVE

BEAUTY BUFFET
For Every Beauty เพราะความสวยคือคุณ

X “เต๋ย อภิวัฒน์”

ห้ามพลาด!
โปรโมชั่น
1 แถม 1

วันที่ 17 ต.ค. 2565
ตั้งแต่เวลา 18.00 น. เป็นต้นไป

8. Beauty Buffet x LAZ1 Top Spender LIVE Day 28 July 2022

กติกาสและเงื่อนไขในการเข้าร่วม

Beauty Buffet x LAZ1
TOP SPENDER LIVE

Top Spender

9. Beauty Buffet x Bua Nalinthip LIVE on October 17, 2022



BEAUTY BUFFET x Shopee LIVE

เตรียมพบกับ
“บัว นลินทิพย์”

LIVE 11 พฤศจิกายน 65
เวลา 12.00 น. เป็นต้นไป

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10. BEAUTY signs a contract to appoint WSPD as a distributor in Cambodia. on September 2022



11. BEAUTY signs a contract to appoint 'AL MUSBAH TRADING GROUP' as a distributor in Saudi Arabia. on October 2022



12. BEAUTY signs a contract to appoint PChome Thai, the largest e-commerce platform in Taiwan.



E-COMMERCE

13. Launched “N’Beauty”, a new character is a representative symbol of Beauty Buffet girls on November 26, 2022



Lifestyle
Beauty





Beauty Community registered trademarks with the Department of Intellectual Property – Ministry of Commerce for trademarks of the company as well as all of the products to prevent any possible infringements with ten (10) year protection period. Trademarks are under the following eight (8) brands: Beauty Buffet, Beauty Cottage, Made in Nature, Gino Mccray, Scentio, Lansley and the Bakery. It has been registered all completed.

Aside from the trademarks that the company applied to the current brands, the company also owns additional registered trademarks equivalent to 75 trademarks. Among the 119 trademarks include both old and discontinued brands and future brands. More importantly, the company appointed representatives to register company and brands trademarks in foreign countries. Primary brands are Beauty Buffet, Beauty Cottage, Made in Nature, Gino Mccray, Scentio, Lansley and The Bakery in these following countries: Vietnam, Cambodia, Laos, Myanmar, People's Republic of China, Indonesia, Malaysia, Hong Kong, Singapore, Taiwan, Korea, Norway, United Arab Emirates, Oman, Bahrein, Kuwait, Philippines, India, Japan, Russia and Brunei. All 7 brands have been successfully registered.

The company is also aiming to register additional trademarks beyond the current selling brands in these countries. Aside from all of the above trademarks, the company owns additional, miscellaneous 180 trademarks – including obsolete and future brands.

The company has registered with the Department of Intellectual Property – to be the sole creator of our products upon utilizing original intellect, capabilities, and endeavor without intentionally imitating other existing products. However, the created products must align within legal protection, and creators are granted automatic coverage as soon as products are created without requisition of registration. Ten (10) pieces are protected domestically, and two (2) pieces internationally while 26 pieces are under the discretion.



Capital Structure

Company's Securities

As at December 31, 2022 the registered capital of the Company was 300,993,500.00 Baht, with 3,009,935,000 ordinary shares par value of 0.10 Baht per share. The issued and paid up ordinary shares are 299,419,353.50 Baht, with 2,994,193,535 ordinary shares par value of 0.10 Baht per share.

- **Shareholders**

List of 10 major shareholders, at March 11, 2022, are as follows:

List of Shareholders	At March 11, 2022	
	Number of Shares	Percentage
1. Mr. Suwin Kraibhubes Group consists of:		
Mrs. Tanyapon Kraibhubes	352,336,000	11.77
Mr. Suwin Kraibhubes	285,736,000	9.54
Miss Monsoothatip Malaukcaranun	10,000,000	0.33
Mrs. Thurian Sriyong	13,400	0.00
Total of Mr. Suwin Kraibhubes Group	648,085,400	21.64
2. Thai NVDR CO., LTD.	101,069,278	3.38
3. Mr. PORNPONG PHORNPRAPA	84,388,000	2.82
4. Mr. SOMSAK TANTHANAVIWAT	56,100,000	1.87
5. Mr. SONGKRAN CHUNHAWATTANA	50,454,200	1.69
6. Mr. NAKORN HARNKRIVILAI	33,950,000	1.13
7. Mr. NIPAT CHAROENKITKARN	26,500,000	0.89
8. SIAM AUTO PARTS CO.,LTD	25,800,000	0.86
9. Mr. SITHETHARITHE KHUMPHAI	20,653,800	0.69
10. Bualuang Basic Dividend LTF	18,081,700	0.60

Source : Thailand Securities Deposit Company Limited at March 11, 2022



Dividend Payment Policy

The Company's dividend payment is made to the shareholder with not less than 50 percent of the profit, after deducting the income tax payment. The dividend payment is based on Company's operational performance, Company's financial position, Company's liquidity, business expansion, and other factors that relate to the administration of the Company. However, the Company may pay the dividend less than the percentage mentioned above, if the profit is needed to be used for expanding the business.

2

Risk Factors



Risk
Factors



Risk Factors

1. Business Risks

- **Beauty Buffet Dependency Risk**

In the past, the company's main revenue came from distributing products under Beauty Buffet. In 2022 and 2021, the revenue from Beauty Buffet was 176.61 million baht and 166.80 million baht, or 48.33% and 40.50% of total revenue respectively. Almost all of the revenue from retail sales to consumers across the country are under Beauty Buffet. Furthermore, cosmetic and skincare products are sensitive especially for negative information, which can almost immediately affect sales and operating results of the company.

Beauty Buffet is the concept of developing a shop selling cosmetic products that has its own identity (Shop brand) by categorizing the products into a variety of brands. Each brand has a clear market position and target customers, which the company can develop new brands to replace at any time to response to the fluctuating nature of fashion products. Made In Nature brand in the skincare group that focuses on natural ingredients and can be used with all ages by designing the packaging is stylish and beautiful to attract attention and reach customers easily with distribution through convenient stores, Modern Trade, and various online channels.

In 2022, the Company closed one Beauty Buffet retail store from all branches at the beginning of the year 2022 at 50 stores and opened a total of 2 Beauty Buffet retail stores, resulting in the remaining branches at the end of 2022. 51 branches. However, the remaining branches, the company has increased sales efficiency. Online channels are established and collaborated with business partners, such as Grab Mart, Food Panda, and ordering and delivery. Call center system is also introduced. The company has expanded additional third-party and own E-Commerce channels - Facebook, Line@, (Beauty Buffet, Made In Nature, Beauty Idol), website: beautybuffet.co.th, Lazada, Shopee, Konvy, Shop@24 and many others. Sales channels have also been added to foreign countries, such as CLMV, AEC and other countries in the region. Asia includes China, Hong Kong, Taiwan, Vietnam, Philippines, Myanmar, Indonesia, Malaysia, Singapore, India, and Laos. The company has accelerated the opening of new channels by offering easy-to-use products or Fast Moving Consumer Goods in other markets by selling through distributors by distributing products into sub-stores to cover the whole country.

Therefore, the company is confident that the reliance on revenue from selling products under Beauty Buffet retail stores will decrease accordingly when products under the other distribution channels are growing more.

In addition, the company believes that the risk of negative image is less likely to occur. In the past, there has never been such a case because the company attaches great importance to product quality as the number one priority. The company also has a satisfaction guarantee policy to ensure customers' safety and satisfaction. The customers can return their purchase within 14 days (Customer Satisfaction Guarantee started in 2008). In addition, the company has frequent communication with consumers through online channels and advertising media in various formats. If there is an event that negatively affects the image of the company, the management expects only the impact to last shortly because the company can communicate to inform consumers the facts quickly via many channels

- **Counterfeited Product Risk**

The company has no policy to produce products by ourselves, but will order products from manufacturers specializing in the production of various products. The manufacturer will supply all raw materials and formula in production. Some manufacturers can produce from the beginning to the finished product (product body all the way to packaging), which creates a risk of counterfeiting products.

The company is well-aware of such risks, so the company has entered into contracts with all manufacturers that they will not disclose or publish the production formula or the ingredients of the product and the production process to public including produce such products for sale themselves. These conditions are in effect both while the manufacturer is still producing for the company and it will continue the next 1-3 years after the company cancels the order from the manufacturer.

The company's products are diverse with more than 400 items, 900 SKUs, and new products are released regularly to the market from more than 30 manufacturers producing different products causing no one manufacturer to know the production formula or copy all products. The company has also registered trademarks covering both domestic and international. In addition, the company believes in creating product concepts and service quality on par with cosmetics that attracts top-level customer, which is something that cannot be copied.

- **Manufacturers Dependence Risk**

In a new product development, the company designates the main raw material (Active Ingredient) and product characteristics initially and then cooperate with the manufacturer to determine the details and develop production formulas including some production steps but, overall, the manufacturer will supply all raw materials. However, if that manufacturer stops producing, the company cannot find a replacement, and such product is popular, all of which will surely affect operating results of the company as a whole.

In the event that one manufacturer cancels the production, which never happened, the company has a policy to manage such risks by distributing orders to different manufacturers to avoid a dependence on one manufacturer. The proportion of orders from the largest manufacturers for 2022 and 2021 are 9.02% and 13.77% of total purchase orders, respectively. If product is popular, the company will employ 2 manufacturers concurrently. The company will know the formula and raw materials initially, and if the manufacturer cancels production, the company can improve the formula and issue new products that are equivalent or better than the original products.

- **Obsolete Inventory Risk**

Due to the outbreak of the COVID-19, the revenue has decreased significantly. As a result, the period of selling finished products increased sequentially. Cosmetic and skincare products are considered fashion items that are constantly changing in popularity, but in doing business, the company has to order production in large quantities and store sufficient inventory for distribution. During the year 2022 and 2021, the company's inventory accounts for approximately 17% and 19% of total assets, respectively, and average sales periods of finished goods are 174 and 204 days (calculated from finished goods, sales period of all inventories, including packaging - average in the range of 347 and 346 days); therefore, the company is at risk of obsolete inventory from the COVID-19 and changes in consumer behavior.

The company expects the impact of this risk to be substantial. However, the company continues to conduct market surveys and consumer behavior as well as storing information on sales data, production date, and expiration date of every product. Thus, it is possible to analyze sales statistics such as the speed of selling each product, product life cycle, etc., resulting in planning production order in accordance with market demand. The company's average sales period is quite long because the need to reserve enough products to distribute to all distribution channels, for other various emergencies (floods or fires), for the release of new products, and for solving product shortage problems. The company has a policy to check the remaining life of the product regularly as well as managing appropriate age range. For example, the Sale Operations Department will monitor the products with a remaining life of 4 - 15 months and will communicate to the store salesperson to stimulate the sale.

- **Highly Competitive Industry Risk**

Cosmetics and skincare business is a highly competitive. Initial Investment does not require much, and the business model is not complicated. As a result, new entrepreneurs, both domestic and international, constantly open branches or franchises in Thailand. Korea and Japan have similar target customers to the company, which inevitably affects operating results. Moreover, the company is also exposed to risks from small entrepreneurs selling counterfeit and illegally imported products.

Although new competitors can easily enter the business, building a memorable brand, increasing sales, and maintaining long-term customer base are rather challenging. It requires a higher level of working capital for public relations and sufficient branch expansion to be successful. Newly-entered competitors usually lack bargaining power in renting spaces at good locations. Furthermore, the company regularly conducts market surveys to adapt and to remain competitive. The company also does not focus on selling products alone but also focus on presenting product ideas, benefits, and product usage while also emphasizing on product development, adjusting both size and price, increasing packaging attractiveness, decorating shop and, most importantly, retaining the current customer base (Brand Loyalty). Imitated or illegally imported product sellers cannot imitate these concepts, making their group of customers impotent to the sales of the company.

Additionally, some of the company's products are produced by manufacturers in Korea, such as Beauty Buffet products, GINO McCRAY brand, Heritage series, etc. Some products has been produced from Japanese manufacturer based in Thailand making the company believe in the product quality that is comparable and compete-able with imported products from the Korea and Japan. The company has expanded more diverse distribution channels to reach the extended needs of consumers, such as E-Commerce channels, Modern Trade channel, and foreign channels to ultimately reduce the reliance on retail stores.

- **Risk from Termination of Operating Lease**

Beauty Buffet and Beauty Cottage shops are located throughout the country. As of December 2022, there are 51 branches nationwide, which are mostly in 1-3 years short-term lease contract. If the lease is canceled, the company may not be able to distribute the products effectively.

However, the area owner mostly are the department stores and large supermarkets like Lotus, Big C, Central Plaza, The Mall, and Robinson. The company is classified as a key account of these owners. The lease agreement is usually renewed whenever requested, and new areas are offered before other retail customers. Therefore, the company believes that the effect of this risk is low.

- **Risk from Reliance on Computer System in Business**

The company relies on computer systems to manage the sales of all retail stores and is connected to the company's warehouse management system, containing database of inventories, customer information, etc., if the computer system is damaged, may affect the business

The Point of Sale management system (POS) of each store is processed mutually exclusive, connecting to the company's warehouse database. At the end of the day, if there is a problem at a particular store, others will not be affected. Also, in the event of an unexpected malfunction, employees are trained to sell products and issue bills without relying on the computer system. In the past, some problems occurred, but they were fixed relatively quickly and did not affect sales procedures in any way. The head office uses Microsoft Dynamic AX for warehouse management system. Data are backup data regularly every day along with a backup server so that data can be restored in case where the main system crashes. At present, the company has developed the newer and more efficient system - the Warehouse Management System (WMS).

- **Exchange Rate Risk**

At present, foreign exchange rates constantly fluctuate, Thai baht included. The company's sales value and order from abroad increased. Nonetheless, the company has set a policy for managing foreign exchange risk by preparing forward contract on a case-by-case basis

In terms of manufacturing products (Import), the company orders from manufacturers abroad such as Korea, China, Taiwan, Indonesia, and Austria - paid mostly U.S. dollars. The appreciation of Thai baht depreciation has affected resulting in higher production costs and to hedge against exchange rate risks that will occur in the future The company has entered into a forward contract.

In term of sales (Export), the company distributes products in Thai Baht at a greater proportion than US dollars. Therefore, the appreciation of Thai baht does not incur foreign exchange risk because of a forward contract.

- **Coronavirus Disease 2019 (COVID-19) Risk**

From the beginning of 2020 to 2022, the outbreak of COVID-19 has a wide impact both domestically and internationally around the world. An emergency decree and a lockdown were implemented - no entry & exit the country, mall, tourism and various entertainment venues are closed - affecting our customers' consumption significantly. More importantly, a change in the shopping behavior of consumers from offline to online. This situation is beyond the company control and directly disrupt the operating results.

Although the Coronavirus Disease 2022 (COVID-19) situation cannot be assessed when the situation will end, the company has closely monitored the situation in order to adjust its management strategies. At present, the company has used the following strategies:

1. Re-Structure: restructured management increases business efficiency within the organization while reducing production, selling, and administrative expenses, such as the closure of nonperforming retail store(s) to increase the competitiveness of the business in the long run.
 2. Re-New: adjusting marketing & sales strategies and focusing on expanding the business into highly expansive channels - not limited to branch stores, but also consumer product channels, E-Commerce channels, and international marketing channels.
 3. Re-Model: development and improvement of a new sales model - connecting online and offline sales channels - will strengthen and increase capabilities in the long-term business competition.
-

3

Driving for Business Sustainability

Sustainable Development Policy

Beauty Community Public Company Limited





Background and Rationale

There is a vision of “International Beauty and Health Business”, in line with the Company’s 4 missions as follows: 1) Create good quality and modern beauty product lines to meet the needs of modern lifestyles, 2) Launch products to reach target customers by expanding domestic and regional distribution channels, 3) Develop the organizational competitiveness to accommodate changes towards a sustainable growth, 4) Conduct business with good governance principles based on the returns and the impact on shareholders, employees, and the society, with integration to the concept of sustainability in economic, social, and environmental dimensions. The organizational sustainability is the ultimate goal.



For the Company’s business operations to consistently support “Sustainability Principles”, the Board of Directors therefore has established a sustainable development policy and approved that the management should take actions in accordance with such policy to create values and respond to all stakeholders with sustainable environmental and social responsibilities.



Corporate Sustainability Development Policy

The Company is committed to operating and creating business sustainable growth under good corporate governance with realization on the impacts to stakeholders, the society, and the environment. The Company believes that business operations on the basis of sustainability is an important foundation to help strengthen the organization towards a steady growth. In addition, the Company adheres to its operations on the basis of creating positive changes to the community, environment, and economy to operate in the right direction for benefits of all stakeholders with a sustainability policy on important issues as follows:

1. Commit to conducting business with fairness and respect for the rights of consumers. Realize the importance of health and safety in the workplace of employees. Raise awareness and encourage employees to take care of the environment along with the development of the community and the society towards a better quality of life.
2. Encourage all directors, executives, employees, and staffs at all levels for their duties to support, promote, and perform in accordance with the sustainable development policy as a working culture towards maximum and balance benefits to the economy, society, and environment.
3. Raise awareness and take responsibility for sustainable development. The Company commits to conducting business for maximum benefits to the society, environment, and stakeholders, in line with continual business operations that responsible for stakeholders.

Thus, all directors, executives, employees and staffs at all levels have their duties to support, promote, and perform in accordance with this corporate sustainability development policy and guidelines as a culture towards a balance of economic, social, and environmental aspects.



4

Analysis and Explanation of the Management

(Management Discussion and Analysis : MD&A)



Financial position and operating performance Summary of Audit Report

Financial statements for the year ended 31 December 2022 Audited by Ms. Kamolmet Krittayakien, certified public accountant no. 10435, from DIA International Auditing Company Limited, had opinions that the Company's financial statements for financial position as of December 31, 2021, operating performance, and cash flow for the year ended on the same day were correct as appropriate in accordance with financial reporting standards. Financial statements for the year ended 31 December 2021

Audited by Mrs. Suvimol Krittayakien, certified public accountant no. 2982, from DIA International Auditing Company Limited, had opinions that the Company's financial statements for financial position as of December 31, 2020, operating performance, and cash flow for the year ended on the same day were correct as appropriate in accordance with financial reporting standards.

Summary Table of Consolidated Financial Statements: Beauty Community Public Company Limited

Statements of financial position

For the years ended December 31, 2022, 2021, and 2020

(Unit: THB million)

STATEMENTS OF FINANCIAL POSITION	December 31, 2022	%	December 31, 2021	%	December 31, 2020	%
Current assets						
Cash and cash equivalents	63.51	7.08%	57.98	5.95%	175.94	16.26%
Trade and other current receivables	27.52	3.07%	35.39	3.63%	58.64	5.42%
Inventories	115.58	12.88%	138.25	14.19%	209.02	19.31%
Other current financial assets	100.00	11.14%	370.12	38.00%	250.43	23.14%
Total current assets	306.60	34.17%	601.73	61.77%	694.03	64.13%
Non-current assets						
Other non-current financial assets	220.00	24.52%	-	0.00%	-	0.00%
Property, plant and equipment	142.25	15.85%	145.39	14.93%	165.82	15.32%
Right-of-use assets	111.90	12.47%	104.93	10.77%	100.09	9.25%
Leasehold rights	-	0.00%	-	0.00%	-	0.00%
Other intangible assets	20.56	2.29%	23.26	2.39%	22.74	2.10%
Deferred tax assets	78.89	8.79%	62.28	6.39%	43.63	4.03%
Other non-current assets	17.17	1.91%	36.51	3.75%	55.94	5.17%
Total non-current assets	590.77	65.83%	372.37	38.23%	388.23	35.87%
Total assets	897.37	100.00%	974.10	100.00%	1,082.26	100.00%
Current liabilities						
Trade and other current payables	60.06	6.69%	72.15	7.41%	88.01	8.13%
Current portion of lease liabilities	38.12	4.25%	45.47	4.67%	73.45	6.79%
Accrued income tax	-	0.00%	-	0.00%	-	0.00%
Total current liabilities	98.18	10.94%	117.62	12.07%	161.46	14.92%
Non-current liabilities						
Lease liabilities	78.62	8.76%	69.94	7.18%	48.62	4.49%
Non-current provisions for employee benefit	8.23	0.92%	6.84	0.70%	16.41	1.52%
Other non-current provisions	5.91	0.66%	5.55	0.57%	5.82	0.54%
Other non-current liabilities	0.50	0.06%	0.54	0.06%	2.04	0.19%
Total non-current liabilities	93.26	10.39%	82.87	8.51%	72.89	6.73%
Total liabilities	191.44	21.33%	200.49	20.58%	234.35	21.65%
Shareholders' equity						
Share capital						
Authorized share capital						
3,009,935,000 common shares of Baht 0.10 each	300.99					
3,022,610,000 common shares of Baht 0.10 each			302.26		302.26	
Issued and paid-up share capital						
2,994,193,535 common shares of Baht 0.10 each	299.42					
3,006,868,535 common shares of Baht 0.10 each			300.69		300.69	
Share premium on ordinary shares	510.59	56.90%	609.01	62.52%	592.71	54.77%
Equity-settled share-based payment	-	0.00%	-	0.00%	16.30	1.51%
Treasury stocks	-	-	(99.69)	(10.23%)	(99.69)	(9.21%)
Retained earnings(deficit)						
Appropriated						
Legal reserve	30.23	3.37%	30.23	3.10%	30.23	2.79%
Reserve for treasury stocks	-	0.00%	99.69	10.23%	99.69	9.21%
Unappropriated	(134.31)	(14.97%)	(166.32)	(17.07%)	(92.02)	(8.50%)
Total shareholders' equity	705.93	78.67%	773.61	79.42%	847.90	78.35%
Total liabilities and shareholders' equity	897.37	100.00%	974.10	100.00%	1,082.26	100.00%

Statement of Comprehensive Income

For the year ended December 31, 2022, 2021 and 2020

(Unit: million)

STATEMENTS OF COMPREHENSIVE INCOME	2022	%	2021 (RESTATED)	%	2020	%
Revenues from sales	352.38	96.42%	397.49	96.52%	769.30	97.77%
Cost of sales	(177.85)	(48.66%)	(223.02)	(54.15%)	(353.28)	(44.90%)
Gross profit *	174.53	49.53%	174.47	43.89%	416.02	54.08%
Other income						
Interest income	2.60	0.71%	2.96	0.72%	4.59	0.58%
Other income	10.48	2.87%	11.38	2.76%	12.95	1.65%
Total other income	13.08	3.58%	14.33	3.48%	17.54	2.23%
Total revenue	365.46	100.00%	411.82	100.00%	786.83	100.00%
Distribution costs	(170.23)	(46.58%)	(175.50)	(42.62%)	(351.49)	(44.67%)
Administrative expenses	(95.58)	(26.15%)	(105.23)	(25.55%)	(160.23)	(20.36%)
Impairment loss of assets	-	-	(2.45)	(0.59%)	(41.78)	(5.31%)
Finance costs	(6.09)	(1.67%)	(6.66)	(1.62%)	(10.91)	(1.39%)
Profit (loss) before income tax	(84.29)	(23.06%)	(101.04)	(24.53%)	(130.84)	(16.63%)
Tax income (expense)	16.61	4.55%	20.27	4.92%	25.96	3.30%
Profit (loss) for the year	(67.68)	(18.52%)	(80.77)	(19.61%)	(104.88)	(13.33%)
Other comprehensive income :						
Component of other comprehensive income to profit or loss						
Gains on re-measurements of defined benefit plans	-	-	8.09	1.97%	4.33	0.55%
Less Taxable effects	-	-	(1.62)	(0.39%)	(0.87)	(0.11%)
Other comprehensive income for the year	-	-	6.47	1.57%	3.46	0.44%
Total comprehensive income (expense) for the year	(67.68)	(18.52%)	(74.29)	(18.04%)	(101.42)	(12.89%)

* Percentage of gross profit calculated from gross profit value divided by the main income from product sales (excluding other income), in line with the gross profit margin disclosed in key financial ratios

Cash flow statements

For the years ended December 31, 2022, 2021, and 2020

(Unit: THB million)

STATEMENTS OF CASH FLOWS	2022	2021	2020
Cash flows from operating activities			
Profit (loss) for the period	(67.68)	(80.77)	(104.88)
Adjustment profit before income tax to cash receipt (disbursement)			
from operating activities			
Depreciation and amortization	60.82	79.72	120.58
Expected credit loss			
(2019-2020 : doubtful accounts of trade and other receivables)	0.40	(0.04)	(0.64)
Loss (reversed) for devaluation of inventories	(12.82)	19.41	12.43
Loss on goods destruction	12.15	26.02	4.61
(Gain) loss on sales of assets	(0.02)	0.16	(0.11)
Loss on write off property, plant and equipment	0.04	2.36	23.63
Loss on write off Right-of-use assets	-	-	47.06
Impairment loss on deposits	-	-	9.74
Unrealized loss (gain) on exchange rate	-	(0.12)	(0.43)
Loss on impairment of property, plant and equipment	-	0.83	1.99
Impairment loss on deposits	-	-	6.42
(Reversed) Loss on impairment of property, plant and equipment	-	(2.82)	-
(Reversed) Impairment loss on deposits	(2.77)	(3.64)	-
Realized (income) expenditures for reward points	(4.05)	(5.63)	(4.48)
(Reversed) accrued income tax	-	-	-
Non-current provisions for employee benefit	2.11	3.74	4.23
Expenses from share-based payments	-	-	-
Finance income	(2.60)	(2.96)	(4.59)
Finance costs	6.09	6.66	10.91
Tax (income) expense	(16.61)	(20.27)	(25.96)
Profit from operation before changes in			
operating assets and liabilities	(24.94)	22.65	100.48
(Increase) Decrease in changes of operating assets			
Trade and other current receivables	7.63	23.92	32.68
Inventories	23.34	25.34	128.82
Other non-current assets	22.11	23.07	19.75
(Increase) Decrease in changes of operating assets	53.09	72.34	181.26

Cash flow statements (continued)

For the years ended December 31, 2022, 2021, and 2020

STATEMENTS OF CASH FLOWS	2022	2021	2020
Increase (Decrease) in changes of operating liabilities			
Trade and other current payables	(7.84)	(4.82)	(74.16)
Other non-current liabilities	(0.04)	(1.50)	(1.54)
Increase (Decrease) in changes of operating liabilities	(7.88)	(6.32)	(75.70)
Cash generated (paid) from operation	20.28	88.67	206.04
Employee benefit paid	(0.72)	(5.21)	(6.53)
Finance costs paid	(6.09)	(6.66)	(10.91)
Income tax paid	(0.09)	(0.13)	(28.97)
Net cash provided by (used in) operating activities	13.37	76.67	159.64
Cash flows from investing activities			
Proceeds from finance income	2.65	2.45	5.78
(Increase) Decrease in other current financial assets	270.00	(119.57)	50.00
(Increase) Decrease in other non-current financial assets	(220.00)	-	50.00
Building and equipment acquisition	(14.87)	(9.60)	(5.69)
Proceeds from sales of equipment	0.27	0.75	0.19
Other intangible assets acquisition	(1.47)	(4.05)	(4.80)
Net cash provided by (used in) investing activities	36.58	(130.02)	95.48
Cash flows from financing activities			
Dividend paid	-	(0.01)	(107.51)
Proceeds from exercise right of warrants to purchase of ordinary shares	-	-	-
Payment for lease liabilities	(44.42)	(64.60)	(126.32)
Net cash provided by (used in) financing activities	(44.42)	(64.61)	(233.83)
Net increase (decrease) in cash and cash equivalents	5.53	(117.97)	21.29
Cash and cash equivalents as at the beginning of the year	57.98	175.94	154.66
Cash and cash equivalents as at the end of the year	63.51	57.98	175.94

Significant Financial Ratio

For the year ended December 31, 2022, 2021 and 2020

FINANCIAL RATIO		2022	2021	2020
Liquidity ratio				
Current ratio / Liquidity ratio	(Time)	3.12	5.12	4.30
Quick ratio	(Time)	1.95	3.94	3.00
Cash ratio	(Time)	0.14	0.55	0.87
Account receivable turnover (A/R)	(Time)	15.86	11.85	13.19
Account Receivable (A/R) days	(Day)	23	30	27
Inventory turnover	(Time)	1.38	1.28	1.25
Inventory days	(Day)	262	280	287
Finished goods turnover	(Time)	2.07	1.77	1.66
Finished goods days	(Day)	174	204	217
Account payable turnover (A/P)	(Time)	4.77	6.60	6.39
Account Payable (A/P) days	(Day)	76	55	56
Cash cycle	(Day)	209	256	258
Profitability ratio				
Gross profit margin (GP)	(%)	49.53%	43.89%	54.08%
Operating profit margin	(%)	(25.90%)	(26.73%)	(12.44%)
Operating cash flow margin	(%)	(14.79%)	(71.19%)	(128.21%)
Net profit margin	(%)	(18.52%)	(19.61%)	(13.33%)
Return on equity (ROE)	(%)	(9.15%)	(9.96%)	(10.90%)
Efficiency ratio				
Return on assets (ROA)	(%)	(7.23%)	(7.86%)	(8.75%)
Return on fixed assets	(%)	(34.49%)	(38.44%)	(34.28%)
Total assets turnover	(Time)	0.39	0.40	0.66
Financial policy ratio				
Debt to equity ratio (D/E)	(Time)	0.27	0.26	0.28
Interest coverage ratio	(Time)	3.21	12.53	18.29
Coverage ratio	(Time)	1.70	0.39	0.48
Dividend payout ratio	(%)	-	-	-
Earning per share (EPS)*	(Baht)	(0.02)	(0.03)	(0.03)

Explanation and analysis of financial position and operating performance

● Overview of previous operations

Beauty Community Public Company Limited was established on October 19, 2000 (formerly known as Monapolitan Company Limited) for operating a retail business of beauty products including Make-up, Skin care, Food Supplement, and Accessories. Currently, the products are distributed under a retail store, “Beauty Buffet”, as well as through both domestic and international distribution channels, including consumer products and e-Commerce.

For retail outlets, “Beauty Buffet” has adjusted its product sales by introducing more multi-brand products into “Beauty Buffet” stores and increasing sales efficiency. The salespersons can sell products through their own online channels and also cooperate with business partners, such as Grab Mart, Food Panda, to order and deliver products to customers, including the development of Call Center system. Every branch has channels for ordering products through both Offline Store and Online system. For foreign markets, new channels have been added in the Chinese market, including more than 10 other international markets, such as Saudi Arabia, Malaysia, etc. to reduce the risk of dependence on a single market. The Company has already signed contracts to appoint distributors in all countries during the third quarter of 2019, while developing a model of international sales as “Product License” to facilitate the development of new products and market management in China. This makes it possible for quick delivery of products and lower import-export costs to meet the needs of various customer groups. Currently, there are both skin care and make-up products of 16 items for production and sales by distributors.

For modern trade channel, it has been the channel for distribution of “Made in Nature” products since the middle of 2022, focusing on large retail stores, shopping malls, supermarkets, including other channels such as convenience stores and catalogues, as well as duty free shops, e.g. King Power etc.

For general trade, it is the channel for distribution of “easy-to-use” products or Fast Moving Consumer Goods (FMCG) in other marketplaces by selling through distributors to manage sales and distribute products into sub-stores nationwide.

For e-Commerce channel, it is fully developed in social media, such as Facebook, Line@ (Beauty Buffet, Made in nature, Beauty Idol), Website: beautybuffet.co.th, Including the sales through famous online websites, e.g. Lazada, Shopee, Konvy, Shop@24, etc.

In 2022, the Company had a total income of 365.46 million baht from the year 2021 of 411.82 million baht, with a growth rate of 11.26 percent and net profit (loss) in 2022 and 2021 in the amount of 67.68 million baht and 80.77 million baht, with a net profit (loss) margin of 18.52% and 19.61%, respectively. The decrease in growth of operating performance during 2022 has been due to the spread of COVID-19 with significant impacts on both national and international sales. In addition, there is a decrease in the purchasing power of consumers due to economic slowdown and non-recovery in tourism.

● Performance analysis for 2022 and 2021

The analysis of operating performance for the year 2022 and 2021 were as follows.

Income

Revenue Structure by channel

(Unit: THB million)

Revenue Structure by channel	2022			2021			2020		
	Amount	% to total revenue	% to sales	Amount	% to total revenue	% to sales	Amount	% to total revenue	% to sales
Retail shops	176.61	48.33%	50.12%	166.80	40.50%	41.96%	407.37	51.77%	52.64%
Oversea	117.18	32.06%	33.25%	159.71	38.78%	40.18%	286.92	36.47%	37.08%
E-commerce	30.69	8.40%	8.71%	44.85	10.89%	11.28%	34.92	4.44%	4.51%
Modern Trade	23.42	6.41%	6.65%	16.53	4.01%	4.16%	37.45	4.76%	4.84%
General Trade	4.48	1.23%	1.27%	9.60	2.33%	2.41%	7.19	0.91%	0.93%
Total sales	352.38	96.42%	100.00%	397.49	96.52%	100.00%	773.86	98.35%	100.00%
Other revenue	13.08	3.58%		14.33	3.48%		12.98	1.65%	
Total revenue	365.46	100.00%		411.82	100.00%		786.83	100.00%	

The total revenue in 2022 was 365.46 million baht, with main revenue of sales coming from retail channel of 176.61 million baht (48.33%), foreign channel of 117.18 million baht (32.06%), e-commerce of 30.69 million baht (8.40%), modern trade channel of 23.42 million baht (6.41%), general trade channel of 4.48 million baht (1.23%), and others of 13.08 million baht (3.58%).

However, the decrease in operating performance in 2022 was mainly due to the adjustment of management strategies to increase business efficiency, control of operating costs, and lower administrative expenses, including smaller size of the organization to suit business model.

Revenue Structure by product group

(Unit: THB million)

Revenue Structure by product group	2022			2021			2020			Changed	
	Amount	% to total revenue	% to each product	Amount	% to total revenue	% to each product	Amount	% to total revenue	% to each product	Amount	%
Skin care	251.52	68.82%	71.38%	301.14	73.12%	75.76%	551.15	70.05%	71.22%	(49.62)	(16.48%)
Make up	67.91	18.58%	19.27%	66.43	16.13%	16.71%	168.93	21.47%	21.83%	1.48	2.23%
Accessories	21.13	5.78%	6.00%	16.14	3.92%	4.06%	29.01	3.69%	3.75%	4.99	30.94%
Food Supplement	11.82	3.23%	3.35%	13.78	3.35%	3.47%	24.77	3.15%	3.20%	(1.97)	(14.27%)
Total Retail shop	352.38	96.42%	100.00%	397.49	96.52%	100.00%	773.86	98.35%	100.00%	(45.11)	(11.35%)
Other income	13.08	3.58%	100.00%	14.33	3.48%	100.00%	12.98	1.65%	100.00%	(1.25)	(8.75%)
Total revenue	365.46	100.00%		411.82	100.00%		786.83	100.00%		(46.36)	(11.26%)

For the proportion of sales classified by product groups, there were skin care, cosmetics, beauty accessories, and dietary supplements, with an average of approximately 71.38%, 19.27%, 6.00%, and 3.35%, respectively.

Revenue Structure by channel and by brand

(Unit: THB million)

Channel	Brand	Y2022											
		Brand Beauty Buffet		Brand Beauty Cottage		3rd party brands		Brand Made in Nature		Other Brands		Other income	Total
Retail shop		128.88	45.42%	18.77	72.14%	5.08	88.36%	5.00	32.96%	18.88	87.08%	-	176.61
		72.97%		10.63%		2.88%		2.83%		10.69%		-	100.00%
Oversea		107.90	38.02%	3.61	13.86%	0.57	9.90%	3.76	24.80%	1.34	6.19%	-	117.18
		92.08%		3.08%		0.49%		3.21%		1.15%		-	100.00%
Consumer Product		18.91	6.67%	0.13	0.51%	-	0.00%	4.25	28.00%	0.12	0.57%	-	23.42
		80.76%		0.57%		0.00%		18.13%		0.53%		-	100.00%
E-commerce		23.87	8.41%	3.50	13.45%	0.06	1.08%	1.71	11.30%	1.54	7.12%	-	30.69
		77.78%		11.40%		0.20%		5.59%		5.03%		-	100.00%
Ecommerce		4.20	1.48%	0.01	0.03%	0.04	0.66%	0.44	2.93%	(0.21)	(0.96%)	-	4.48
		93.73%		0.16%		0.85%		9.92%		(4.65%)		-	100.00%
Total sales		283.76	100.00%	26.02	100.00%	5.75	100.00%	15.17	100.00%	21.68	100.00%	-	352.38
		80.53%		7.38%		1.63%		4.30%		6.15%		-	100.00%
Other income		-		-		-		-		-		13.08	13.08
Total revenue		283.76	100.00%	26.02	100.00%	5.75	100.00%	15.17	100.00%	21.68	100.00%	13.08	365.46
		77.65%		7.12%		1.57%		4.15%		5.93%		3.58%	100.00%

The main revenues were from retail stores, overseas, on e-Commerce, modern trade and general trade channels as follows:

(1) Revenue from retail stores

Revenues from product distribution through retail stores in 2022 and 2021 were 176.61 million baht and 166.80 million baht, respectively, accounting for 48.33% and 40.50% of total revenue, respectively, or a growth of 5.88%, totaling 50 domestic branches at the end of 2022.

In 2022 and 2021, total incomes were 117.18 million baht and 159.71 million baht, respectively, representing a decrease in growth of 36.29%. The Company had a policy of product distribution to foreign countries through wholesales and distributors in those countries for the sales of products under the Company's brands, as well as store and product brands.

Additionally, the Company developed another model of sales as "Product License" in China to facilitate new product development and market management in China to reduce steps and import-export costs in serving the needs of customers. Currently, there are both skin care and makeup products for sales distribution, totaling 12 items.

(2) E-Commerce

In 2022 and 2021, total incomes were 30.69 million baht and 44.85 million baht, respectively, accounting for a decrease of 46.14% in growth. The sales were distributed through various online social channels, such as Facebook, Line@, as well as various marketplaces, e.g. Lazada, Shopee, Konvy, Shop@24, etc.

(3) Modern trade channel

In 2022 and 2021, total incomes were 23.42 million baht and 16.53 million baht, respectively, representing a growth rate of 29.41%. The sales were distributed through large retail stores, shopping malls, supermarkets, and others such as convenience stores and catalogues, duty free shops, e.g. Power, etc.

(4) General trade channel

In 2022 and 2021, total incomes were 4.48 million baht and 9.60 million baht, respectively, accounting for a decrease in growth rate of 114.21%. The sales comprised easy-to-use products or Fast Moving Consumer Goods (FMCG) in other marketplaces through distributors to manage sales and distribute products into substores nationwide.

(5) Other revenues

Other revenues in 2022 and 2021 were 13.08 million baht and 14.33 million baht, respectively, mainly from the interest income.

Cost of sales and gross profit

The costs of sales in 2022 and 2021 were 177.85 million baht and 223.02 million baht, accounting for a gross profit margin of 49.53% and 43.89% respectively. In 2021, the impact of COVID-19 epidemic caused a slowdown in sales and expiration of some products. The Company had to set aside allowances for deteriorated products (Stock Provision) to maintain the quality of export products.

Since the Company does not have a policy to produce products by itself. Therefore, the main total costs of sales include: production order (98%) which is relatively stable each year due to the small fluctuation of production order prices. The Company plans for production order and introduction of new products annually. This gives the Company flexibility in adjusting the selling price in line with production order costs. Meanwhile, other costs of sales include freight charges, taxes, and other import expenses which represent about 2.09% of total costs of sales.

During 2021-2022, the Company has sold its products as consignment with many distributors, such as Eveandboy, CJ Express, King Power, 7-Catalog, Friday Catalog, Watsons, Konvy, etc. The selling product prices are set as discount levels close to the profit share in case of outright sales via the modern trade. This revenue is part of the modern trade and e-commerce distribution channels.

Selling and administrative expenses

Selling expenses in 2022 and 2021 were 170.27 million baht and 177.41 million baht, accounting for 46.59% and 43.08% of total revenue, respectively. The main selling expenses were related to employees and commissions of sales staffs, representing for 17.65% and 18.06% of total revenue in 2021 and 2022, respectively. Whereas, the advertising and sales promotion expenses during 2021 -2022 was 11.15% and 13.62% of total revenue, respectively. Moreover, the rental and service charges were 10.90% and 11.22% of of total income in 2021 and 2022, respectively.

Administrative expenses in 2022 and 2021 were 95.53 million baht and 105.77 million baht, accounting for 26.14% and 25.68% of total revenue, respectively. The main administrative expenses were to employees which in 2022 and 2021 represented about 12.04% and 13.88% of total revenue income. Whereas, other administrative expenses such as travel expenses, training fees, and others, e.g. office expenses in 2022 was increased due to a decrease of total revenue growth and administrative expenses when compared to the previous year.

In 2022, the Company has adjusted its management strategy to increase business efficiency, control operating costs, lower administrative expenses, and reduce the size of organization to suit its business model.

Net Profit (Loss)

The Company maintained its net profit (loss) in 2022 and 2021 of 67.68 million baht and 80.77 million baht, representing a net profit margin of 18.52% and (19.61%, respectively. The decrease of net profit (loss) was due to a decrease in revenue and gross profit. However, the Company was still able to well control its expenses.

Financial position analysis for 2022 and 2021**Assets**

The total assets at the end of 2022 and 2021 were 897.37 million baht and 974.10 million baht respectively, representing a decrease growth rate of 7.88%. The main cause of decrease were from inventories, trade accounts receivable, other current receivables, and fixed assets.

Current assets at the end of 2022 and the end of 2021 were 306.60 million baht and 601.73 million baht, accounting for 34.17% and 61.77% of total assets, respectively. Current assets consisted of important assets as follows:

(1) Cash and cash equivalents at the end of 2022 and 2021 were 63.51 million baht and 57.98 million baht, representing 7.08% and 5.95% of total assets, respectively.

(2) Trade accounts receivable and other current receivables at the end of 2022 and 2021 were 27.52 million baht and 35.39 million baht, accounting for 3.07% and 3.63% of total assets, respectively. The Company had less trade accounts receivable than total assets because almost all sales were made in cash with an average collection period of 45 days. Also, the Company provided trade credit to modern trade customers, general trade, foreign wholesale receivables, and employees, with efficient collection of debt collection on time of 45 days.

Trade accounts receivable	31/12/2022		31/12/2021	
	MB.	%	MB.	%
Trade accounts receivable not due	17.45	89.81%	21.31	85.19%
Overdue trade accounts receivable :				
- Less than 3 months	1.56	8.03%	2.74	10.96%
- Over 3 months but less than 1 year	0.35	1.80%	0.94	3.76%
- Over 1 year but less than 2 year	0.07	0.36%	0.02	0.10%
Total trade accountns receivable	19.43		25.01	

(3) Inventories at the end of 2022 and 2021 were equal to 115.58 million baht and 138.25 million baht, representing 12.88% and 14.19% of total assets, respectively. The company's inventories can be divided into finished goods, packaging, and consumables as shown in the Table.

Inventory	2022		< 1 Year 5 Month		1 Year 5 Month - 3 Year		> 3 Year	
	MB	%	MB	%	MB	%	MB	%
Finished goods	72.19	47.05%	55.97	77.53%	5.68	7.87%	10.54	14.60%
Packaging	75.11	48.95%	15.04	20.02%	8.03	10.70%	52.04	69.28%
Work in process	3.57	2.33%	3.57	100.00%	-	0.00%	-	0.00%
Supplies	2.57	1.67%	1.00	38.93%	0.03	1.28%	1.53	59.78%
Total	153.44	100.00%	75.58	49.25%	13.75	8.96%	64.12	41.79%
Allowance for devaluation of inventories	(37.86)	-	(3.32)	-	(2.94)	-	(31.60)	-
Net	115.58	-	72.26	-	10.81	-	32.52	-

The Company does not have a policy to produce products by itself, but it allows the manufacturers to supply all raw materials used for production. Therefore, almost all of the Company's inventories are in the form of finished goods and packaging with an average value of 98.33% of the total inventories. For finished goods, the Company has a policy to set an allowance for diminution in value and deterioration of products by considering the life of products. For instance, skin care products are set for an allowance at a faster rate than cosmetics and beauty accessories due to their shorter sales life. If any products are found to be damaged, expired, or cancel the sales, they will be set aside 100% allowance. For packaging, it is set for an allowance at a slower rate than finished products because most packaging can be used with many types of products. Meanwhile, some parts can be used to print new labels in case that the production is discontinued. For consumables, most of them include staff uniforms and other equipment. An allowance for depreciation and quality deterioration is also set up.

Inventories being set aside for an allowance to diminish in product value and deteriorated products comprise bottles, boxes, and stickers for discontinued and non-reusable products, including defective finished goods. The Company will separate them into defective-product warehouses. In 2022 and 2021, the Company reserved an allowance for diminution for defective-product warehouse amounted to 37.86 million baht and 50.69 million baht, respectively. The Company has stock management and plans to destroy defective products at the end of every year. The destroying of such products is in compliance with the criteria of the Revenue Department in all respects.

At the end of 2022 and 2021, the Company had an average sales period of 262 days and 280 days, respectively. This was calculated together with packaging inventories. However, if calculating only the average selling period of finished products at the end of 2022 and 2021, it was decrease from the previous year of 174 days and 204 days, respectively.

(4) Other current financial assets at the end of 2022 and 2021 were 100.00 million baht and 370.12 million baht, representing 11.14% and 38.00% of total assets respectively. These were short-term deposits with many financial institutions for a due period of more than 3 months but not more than 1 year and no limitation on withdrawal.

(5) Non-current assets at the end of 2022 and 2021 were 590.77 million baht and 372.37 million baht, accounting for 65.83% and 38.23% of total assets, respectively. The main non-current assets were non-current financial assets. Others at the end of 2022 were 220.00, representing 24.52% of total assets, which comprised a long-term deposit at domestic financial institutions at a due period of more than 1 year and no withdrawal limitation.

Land, Building, and equipment at the end of 2022 and 2021 were amounted to 142.25 million baht and 145.39 million baht, respectively. This represented a decrease in growth rate of 2.16%. The decrease was mostly due to not much purchase of assets currently. Meanwhile, some assets were fully depreciated to the full value of the assets, in line with the amortization of assets. Thus, these resulted in a decrease in net value of land, building, and equipment from the previous year.

Other important non-current assets are right-of-use assets (adjusted according to TFRS16 standards on lease agreement), deferred tax assets, and others. These assets are mainly for rental and service deposits, as well as intangible assets, namely computer programs used in the operations.

Liquidity

(1) Cash flow liquidity

Cash flows from operating activities in 2022 and 2021 were 13.37 million baht and 76.67 million baht, respectively. Cash flows from investing activities in 2022 and 2021 were a total of 36.58 million baht acquired and 130.02 million baht spent. The decline was mainly due to temporary investments and investments in fixed assets, such as building construction. purchase of office equipment and furnishings, as well as computer programs for use in administration. For cash flows from financing activities in 2022 and 2021, there were 44.42 million baht and 64.61 million baht spent, respectively, of lease liabilities payment.

(2) Liquidity ratio

In 2022 and 2021, the liquidity ratio was 3.12 times and 5.12 times, respectively. It was in a good range because the Company maintained quite a lot of cash from operations. The cash cycles in 2022 and 2021 was 209 days and 256 days, respectively. However, the Company still had sufficient liquidity for management of such cash cycle. As a result, the Company did not rely on short-term loans from financial institutions.

Source of funds

Total liabilities at the end of 2022 and 2021 were amounted to 191.44 million baht and 200.49 million baht, respectively, with significant current liabilities as follows:

(1) Trade accounts payable at the end of 2022 and 2021 were 35.71 million baht and 38.90 million baht, representing 3.98% and 3.99% of total assets, respectively. The payment periods was 76 days and 55 days, respectively. Trade payables decreased in 2022, which was partly due to the plans for placing production orders and orders from customers.

(2) Other payables consisted of accrued expenses, the Revenue Department payable assets, etc. At the end of 2022 and 2021, there were 24.35 million baht and 33.24 million baht, representing 2.71% and 3.41% of total assets, respectively.

In 2022, the Company cancelled its product purchase agreement with a local company. This caused the Company to buy back all products and damages from such contract termination by recognizing the costs of terminating agreement in the amount of approximately 3.06 million baht as shown in administrative expenses, statement of comprehensive income, and outstanding balance in payable from the termination of purchase agreement in full amount.

(3) Shareholders' equity at the end of 2022 and 2021 was amounted to 705.93 million baht and 773.61 million baht, respectively. In 2022, the shareholders' equity decreased from the year 2021 due to the reduction of registered capital from maturing treasury stocks and unissued ordinary shares. According to the Board of Directors' Meeting held on January 24, 2022, it was resolved to approve the reduction of registered capital from treasury stocks that matured and not issued ordinary shares in the amount of 12,675,000 shares with a par value of 0.10 baht per share, totaling 1,267,500.00 baht. The reduction of registered capital was done through the Ministry of Commerce on February 4, 2022. From the said capital reduction, the Company took such capital reduction amount of 1,267,500.00 baht to reduce the amount of treasury shares of 99,690,176.42 baht and reserve the remaining treasury shares in the same amount of 98,422,676.42 baht to be transferred for reduction of the premium on ordinary shares in full amount.

In 2022, the Company's Board of Directors meeting on February 24, 2022 resolved to approve no dividend payment for the operating results of the year 2021 due to the operating results ended December 31, 2021. The Company's net loss according to the financial statements was in the amount of 80.77 million baht. Therefore, the Company proposed the omission of dividend payments for the operating results of the year 2021. According to the law, the Company must allocate annual net profits as a reserve fund of not less than 5% of net profits until the reserve fund would reach an amount of not less than 10% of the registered capital as required by law.

(4) The debt to equity ratios at the end of 2022 and 2021 were 0.27 times and 0.26 times, respectively, which are still considered good. Since the company's source of funds for business operations is mainly from the shareholders' equity. This results in low financial risk and flexibility in business operations.

Remuneration of auditor

The financial statements were audited by Ms. Kamonmet Krittayakian, certified public accountant no. 10435, DIA International Auditing Co., Ltd. The expenses in 2022 and 2021 were amounted to 1.26 million baht and 1.26 million baht, respectively.

Factors affecting future operations or financial position

Impact of change in distribution channels

The Company has distributed new products under the concept of Made in Nature through large retail channels, shopping malls, supermarkets (Modern Trade), as well as retail and wholesale stores in Bangkok and provinces (General Trade). Those sales channels have higher cost of sales than retail channels which is the Company's main channel currently, if the Company has a large proportion of sales through such channels, it may affect the trend of gross profit margin. However, the distribution of products by outright sales and consignment can reduce the Company's selling and administrative expenses, such as sales staff expenses, rental and training fees, commissions, etc., which makes the net profit margin of distribution through such channels at a level similar to that of other products. The company expects that the distribution of products through this channel can reach a wider range of customers, in line with an increase in total revenue and net profit.

Management Discussion and Analysis



05

General information and
other material facts



General
**Information of
the Company**



General Information of the Company

Company Name:	BEAUTY COMMUNITY PUBLIC COMPANY LIMITED
Initial Name:	The Company has been listed for trading in Stock Exchange of Thailand (SET) under the name of “BEAUTY” in the Commerce group
Type of Business:	Cosmetics and Skin Care Products
Management Policy:	MULTI BRANDS, MULTI PRODUCT , MULTI CHANNELS
Headquarter Address:	50/1-3 Nuan Chan 34 Alley, Nuan Chan Sub-district, Buengkum District, Bangkok Metropolis 10230
Registration No.:	0107555000244
Home Page	Web Page for General information of the Company, including with the information related to Investor Relations (IR). www.beautycommunity.co.th , Email : contact@beautycommunity.co.th Web Page for Beauty Buffet www.beautybuffet.co.th www.facebook.com/beautybuffetfanpage
References:	The Certified Public Accountant Auditor from DIA International Auditing Company Limited Telephone: 02 2595300 – 2, 02 3325126 – 9 Thailand Securities Depository Company Limited (TSD) SET Center: 02 009 9999



Legal Disputes

To the present, December 31, 2022, the Company has no legal dispute and any other dispute that may cause the damage and impact to more than 5 percent of the shareholder’s equity and to business operations, significantly.

Part 2

Management and Corporate Governance

PART 2

Corporate Governance

- 06 Corporate governance policy
- 07 Corporate governance structure and material facts related to the board, subcommittees, executives, employees and others
- 08 Report on key operating results related to corporate governance
- 09 Internal control and related party transactions



06

Corporate
governance
policy



**CORPORATE
GOVERNANCE
POLICY**



Corporate Governance

The Company is aware of the importance to perform in accordance with Corporate Governance Principle. Thus the Board of Directors has developed the policy to comply with Code of Best Practices for Directors of Listed Company according to the Stock Exchange of Thailand (SET) guidelines, which are determined to be practical. Moreover, the Company follows Good Corporate Governance as a guideline in development of the policy to cover rights and equitable treatment of shareholders, stakeholders, structures, roles and responsibility and independency of directors, disclosure and transparency, risk control and management, including code of conduct; to make business management and business operation efficient and transparent. The Good Corporate Governance includes 5 sections as follows;

Section 1 The Rights of Shareholders

The Company realizes and respects to the rights of the shareholders by not proceeding in any action that violates the right of shareholders. Moreover, it will support the shareholders to exercise their fundamental rights, e.g. sale or transfer of shares, sharing of the Company's profits, receiving adequate information regarding the Company, attending shareholders' meetings to exercise the right to vote in the removal of directors, selecting auditors and making decisions on matters that affect the Company such as the allocation of the dividend, the provision or amendment of regulations and memorandum of association, the reduction or increase of capital, and the approval of special items.

In addition to the fundamental rights as stated above, the Company will support any matter that encourages and facilitates the exercise of rights of the shareholders as follows:

- The Company will encourage the Board of Directors, the management, and relevant organizations, including the auditor to participate shareholders' meetings simultaneously.
- The Company will assign the Board of Directors to provide a written appointment for a shareholders' meeting with adequate information for the shareholders to be notified about 7 days prior to the date of the Meeting or to follow the prescription of the Securities and Exchange Commission and the Stock Exchange of Thailand.
- In each shareholders' meeting, the chairman will clarify the rules for the meeting including voting procedures and allocate time sufficiently for the meeting.
- The shareholders will be given extreme opportunities to raise questions and give comments and suggestions in any meeting with the presence of the board members and directors. After the Meeting is adjourned, the Company will produce the meeting minutes by showing accurate and complete information for the scrutiny of the shareholders.
- The Company will arrange vote submission and record in the resolution of Shareholders' Meeting clearly in the Minute of Meeting. The number of votes received; agreed, not agreed, and no vote; will be recorded for each agenda of the Shareholders' Meeting which required voting.
- In the case that any shareholder cannot attend the meeting by him- or herself, the Company grants an opportunity to these shareholders the privilege of authorizing any independent director or person to attend the meeting in his or her name.

Section 2 The Equitable Treatment of Shareholders

The Company will treat all shareholders equally and fairly including shareholders who are director, non-director, foreign shareholders as well as minor shareholders with the following principles:

- The Board of Directors will not raise an additional agenda without informing the Shareholders in advance if it is not necessary, especially an important agenda that requires the Shareholders time to study before making any decision.
- The Company has set up a policy to prevent any unauthorized use of information by prohibiting agencies that were exposed to the information from revealing it to other agencies or non-related personals. In the event that any employee or director reveals the information or use it to benefit themselves or their accomplices, it will be considered a serious offense and will receive a disciplinary punishment.
- In a shareholders' meeting, the Board members and Chief Executive Officer will share information about their interests in each agenda in order for the Board of Directors to consider any transaction that may be in conflict with the interests. This will allow them to make decisions for the benefit of the Company as a whole. The Board members and the Board of Directors whose interests are in conflict with the Company's will be revoked the right to vote in that agenda.

Section 3 The Role of Stakeholders

The Company respects the rights of every group of stakeholders and has created a policy which is important in treating all stakeholders as follows.

- | | |
|-------------------------|---|
| Shareholders: | The Company is committed to dealing businesses with the knowledge and management skills as best as possible in all cases with the honesty and fairness to both major and minor shareholders for the best interest of shareholders as a whole. This includes disclosure of information on a regular basis with completeness and accuracy. |
| Employees: | The Company will provide fair compensation to employees, maintain the working environment that is safe for life and property and give an emphasis on the development of employees' potential thoroughly and consistently. It will also strictly comply with laws and regulations that are employee-related and avoid any action that is deemed unfair which may affect the career integrity of the employees as well as treat the employees with courtesy and listen to opinions and suggestions from all employee levels equally and fairly. |
| Clients: | The Company is committed to create customers' satisfaction and confidence, including take care and responsible for customers. Our customers will receive products and services with quality and standards at a reasonable price and comply with applicable standard. The Company will also comply with terms and condition of the agreement entered into by the Company and customer, along with developing higher standard of products and services continuously. |
| Partners and creditors: | The Company will not practice corruption in dealing businesses with its partners and creditors and is committed to comply with conditions strictly prescribed with creditors, e.g. the purposes of payment, reimbursement, the regulations of the quality of collateral and any other agreements with creditors to achieve mutual benefits. |
| Competitors: | The Company will conduct operations under the rules of good competition, will not seek competitors' confidential information by dishonest or improper means, and will not damage the reputation of its alleged competitors without unfounded grounds. |
| Society: | The Company will not take any action that may result in damage to society, natural resources, and environment. Instead, it seeks opportunities to support creative social activities and social responsibility among employees at all levels continuously and seriously as well as to control the practice strictly in accordance with the spirit of the law and regulations issued by regulatory agencies. |

Section 4 Disclosure and Transparency

The Company recognizes the importance of disclosure of accurate, complete and timely information and meets the standards of the Stock Exchange of Thailand in terms of financial reports and general information as well as other important information affecting stock prices and the decision-making process of investors and stakeholders of the Company. Moreover, to provide all the relevant information equally, the Company releases the public information through the Stock Exchange of Thailand and the website at www.beautycommunity.co.th.

The Board of Directors is responsibly aware of the significance of the accurate and reasonable financial report. The statement of the Company was prepared in accordance with the well-accepted accounting standard by the selection of appropriate accounting policies and accounting records which have enough accuracy to maintain the property. This is to identify the weaknesses in order to prevent fraud or irregularities of the material which is consistently implemented and to make sure that the key information is adequately disclosed in the notes to financial statements. Furthermore, the Board has appointed the Audit Committee to review financial reports, transactions and internal control system. The Audit Committee will report the audit results to the Board in every meeting. The Board of Directors, the Audit Committee and the Auditor' reports are detailed in the annual report. As for the investor relations, the company has assigned the corporate communication department acts of dealing with shareholders, analysts and related parties.

Section 5 Responsibilities of the Board of Directors

(1) The Board of Directors' structure

The Board of Directors consists of the directors who have knowledge, competency and experience in doing business which is beneficial for the Company. The Company's Board of Directors is appointed by the General Meeting of Shareholders. It consists of 7 Directors, including 3 Independent Directors: three Audit Committees. At least one Audit Committee must have enough accounting knowledge to be able to audit and ensure the reliability of financial statements. The Company also regulates that at least one-third of the Board, but not fewer than 3 persons, is to be Independent Directors representing the minority of shareholders. They have to check and balance the Company's administration of the affairs to provide the best, fairest and most accurate interests to the shareholders.

The Chairman of the Board must be the Independent Director and must not be the same person as the Chief Executive Officer to achieve the balance and the review of the management. To achieve this, the Company has clearly set the scopes of power, duties and responsibilities of the Board of Directors, Executive Committee and the Managing Director to prevent them from having unlimited managing and financial power.

(2) Sub-Committee

The Board of Directors has appointed the following sub-committee to assist in the Company's operations:

- 5 Executive Committees who help facilitate operations with the powers and duties assigned by the Board of Directors.
- The Audit Committee has at least 3 persons to monitor and assist in overseeing the operations of the Company's scope of duties as assigned by the Board of Directors. All members have qualifications stated in the Securities and Exchange Act or in the rules and regulations of the Securities and Exchange Commission or the Securities and Exchange Commission or the Stock Exchange of Thailand.
- 3 Nomination and Remuneration Committees who provide suggestion about remuneration of the Directors, appointment of the Board of Directors and sub-committee, nominate and propose the person whose qualification is suitable for being the Director; including follow up and operate human resource activities, e.g. evaluation for bonus and salary increment, etc.

However, the Company may recruit other sub-committees to perform their assigned tasks to alleviate the administrative burden of the Board of Directors in the future.

(3) Roles, Duties, and Responsibilities of the Board of Directors

The Board of Directors is responsible for determining the policy, vision, strategy, goal, business plan and budget as well as oversees the effective and efficient administration and management to ensure compliance with agreed policies and strategies within the framework of the law, the Company's objectives, regulations and resolutions of the shareholders' meeting. The Board will perform its duties with full competency to create value-added for long-term business, and manage the Company's business carefully and prudentially to avoid conflict of interests. The Board will manage operation according to the following guidelines.

3.1 Business Code of Conduct

The Company has written a procedure on the business code of conduct for the Board, the Audit Committee, and the working parties to use as a guideline. Its key issues are the discretion of the Company's confidentiality, honest and law-abiding operations, respect of the legitimate rights of each other and caution of the resources, both internal and external environment. This important focus of ethics in business will bring integrity in performances and the efficiency of an internal control, resulting in faith in capital markets and confidence to establish credibility with investors.

3.2 The Policy on Conflicts of Interest

The Company's policy on conflict of interest is based on a principle that all employees are required to act only in the best interest of the Company. Any actions or decisions must be free from influences of the needs of themselves, their family, relatives, siblings or other parties of their own acquaintances. The policy covers two following issues:

- **Transactions:**

The Company will consider the appropriateness before carefully making any transaction item or determining the price and condition of any transaction, as if the Company is making a transaction with a third party (Arm's Length Basis). Also, the Audit Committee will consider and verify the necessity and reasonability of the transaction. The Company will make any transaction by following regulations, conditions, and procedures prescribed in the announcement of the Stock Exchange of Thailand and the announcement of Securities and Exchange Commission Thailand. In addition, the Company will reveal the said item in its annual report and registration statement (Type 56-1). This is done for the transparency of any transaction and to eliminate the problems of conflict of interest and other related situations.

- Other situations that can lead to conflicts of interest can be categorized as follows:
 1. General investment: The Company will not allow its employees who are also shareholders, or those who benefit from its competitors, or vendors/suppliers who are in business contact with the Company to take part in any decision making regarding business relationship, unless approved by the Board of Directors.
 2. Receiving gifts: Personnel of all levels should not receive gifts, transportation tickets, sport tickets, travel offers, accommodation or personal offers, etc., if such action can lead the Company to any binding conditions or make the Company lose profit.
 3. Accepting work in academia or public service, a lecturer post, or any position: Personnel of all levels can ask the head of their department to approve the acceptance of work in academic institutions or public service, or a lecturer post or any position such as Company director or adviser that will help broaden their vision and offer them experience. However, all personnel are not allowed to involve the Company or their positions in the Company with any external activity, unless approved by the Board of Directors.

3.3 Internal Control

The Company has an internal control system to give the investors' confidence that the Company operates efficiently and increase the financial budget credibility. The Company has hired IA Signature Co. Ltd. who has its professional in internal control with experiences of internal audit for many listed companies., to be an internal auditor of the Company.

Moreover, Mr. Sutee Tanwanichkul, an internal inspector of IA Signature Co., Ltd, has been appointed to report the result of the internal inspection to the Audit Committee at least once every three months.

(4) The Board of Directors' Meeting

The Board of Directors has set to held at least one meeting every three months as well as other special meetings if necessary. A monthly report is also expected to be compiled and distributed among the Board of the Directors to help them direct, control and supervise the operation of the management section promptly and continuously. A meeting invitation has to be sent to the Board of Directors for consideration at least seven days before a meeting is held, except in urgent cases to protect the Company's rights or profits. The Board of Directors can ask for any extra information from the secretary if needed.

The Chairman and Chief Executive Officer will consider the agenda, and each member of the Board can also propose an agenda. The Chief Executive may join the Meeting in order to give extra information in certain occasions.

(5) Remuneration

The Company has its policy to provide the remuneration of the Board of Directors and Audit members at the level which can motivate them to maintain the desired qualities. The remuneration will be at the same level as that of other groups in the same industry, and is linked to the Company's performance. The remuneration of the Board of Directors must be approved in the Shareholders' Meeting.

The remuneration of the Managing Director and Chief Executive is set to match their responsibilities and authorities according to the rules and policies determined by the Board of Directors for the highest benefits of the Company. The level of remuneration, including salary, bonus and long-term incentive, is set in accordance with the performance of the Company and each Director.

(6) The Board of Directors and Executives' development

The Board of Directors supports and provides training and workshops to all employees who are involved in the Corporate Governance system, such as the Directors, Audit Committees, and Executives, in order to continuously help improve their performance. Training and workshops may be arranged in the office or at other external institutes.

If there is any change in the Board of Directors, the Company's secretary will provide useful documents to the new members, as well as arrange for advice on the business type and model to be given to the new Boards of Directors.

Insider Trading Policy

The Company has its policy and procedure which cover monitoring the Directors and senior management about their usage of inside information for their interests as follows;

1. To provide knowledge for the Directors and other managements about their responsibilities to report changes in securities holding of them, their spouse, and minor children to The Securities and Exchange Commission and Stock Exchange of Thailand. This complies with Section 59 and the announcement of The Securities and Exchange Commission No. SorChor. 12/2552 prescribed "Preparation and Disclosure of Report on Securities Holding of Director, Executive and Auditor", and the penalty stated in Section 275 of the Securities and Exchange Act B.E. 2535.
2. The Company assigns the Executives to report changes in securities holding of them, their spouse, and minor children to The Securities and Exchange Commission and Stock Exchange of Thailand. This complies with Section 59 and the announcement of The Securities and Exchange Commission No. SorChor. 12/2552 prescribed "Preparation and Disclosure of Report on Securities Holding of Director, Executive and Auditor". Thus, the Company is able to monitor shares selling/buying of all Executives.
3. The Executives who are informed any material inside information, which has some impact on securities' price change, must stop their securities buying/selling for 1 month before publishing such financial statement or inside information. They must not exploit such material information to others. If any person in the Board of Directors or Executive Committee uses the inside information to cause some damages to the Company or the Shareholders, The Board of Directors will consider the penalty appropriately. If the person in other level exploited the inside information, the penalty will be considered by the Executive Committee.

Auditor's Remuneration

(1) Audit Fee

In 2022 The company paid audit fees to DIA International Co.,Ltd in the amount of 1,260,000 Bath. And the member of auditor team consist of

1. Mrs. Suwimol Krittayakean	Permit no. 2928
2. Mr. Wirote Satjathamnukul	Permit no. 5128
3. Mr. Joompoth Priratanakorn	Permit no. 7645
4. Mr. Nopparoeek Pissanu Wong	Permit no. 7764
5. Ms. Supaporn Mangchit	Permit no. 8152

(2) Non-audit Service

In 2021 the company and affiliate company didn't get the services from DIA International Co., Ltd.

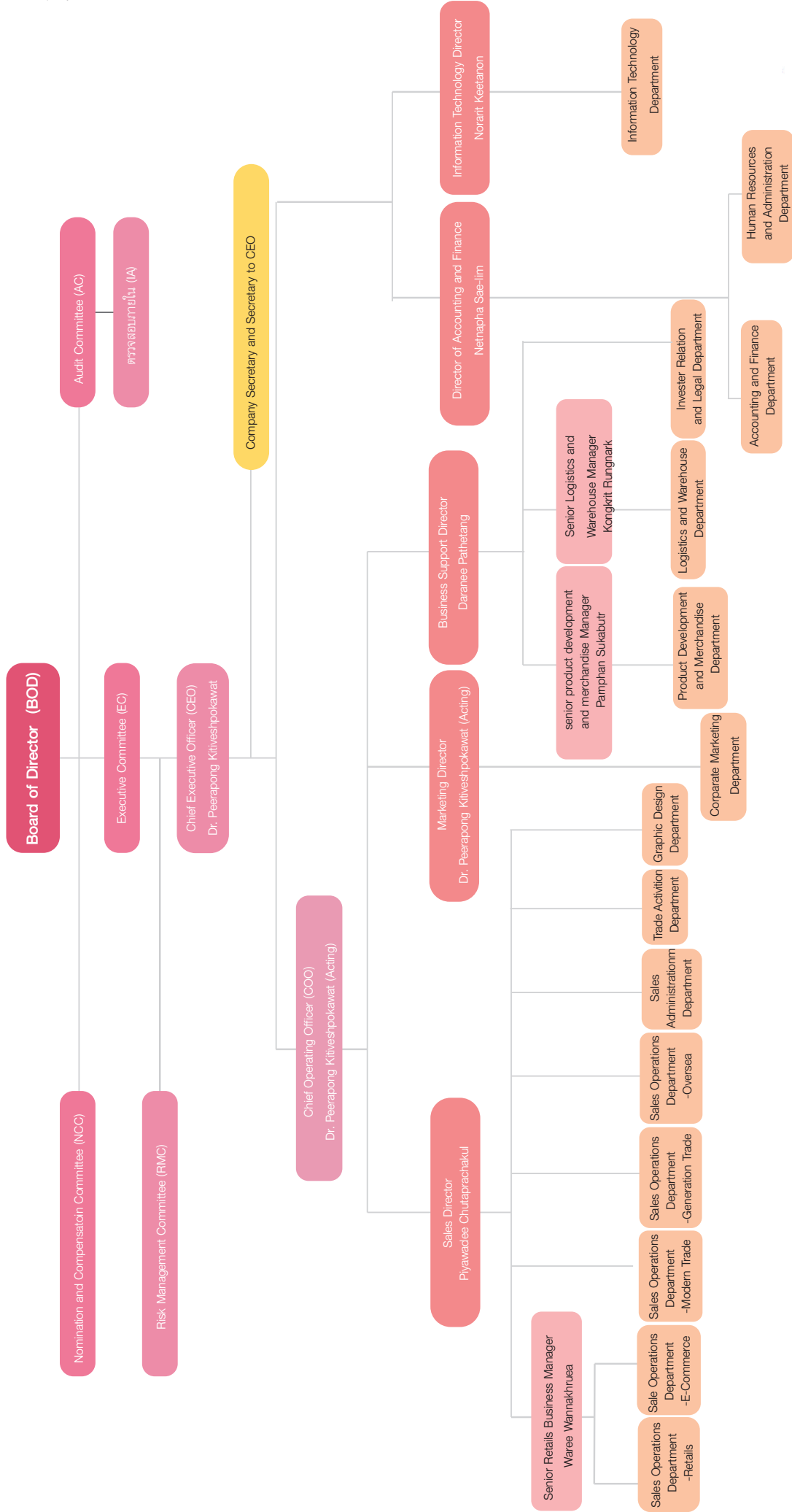
07

Corporate governance structure and material facts related to the board, subcommittees, executives, employees and others



BEAUTY COMMUNITY PUBLIC COMPANY LIMITED ORGANIZATION CHART

Effective 1 February 2023



Management Structure

As of 31 December 2022, The management structure has constituted 5 sets of boards/committees including Board of Directors, Executive Board, Audit Committee, Nomination and Remuneration Committee, and Risk Management Committee as per below details.

1. Board of Directors

The Board of Directors of the Company constitutes 7 directors as follows.

1.	Dr. Suwin	Kraibhubes	Director and Chairman of the Board
2.	Assoc. Prof. Dr. Vichit	U-on	Independent Director, Chairman of Audit Committee
3.	Col.Attapon	Srisangworn	Independent Director and Audit Committee
4.	Mr. Viboon	Pojanalai	Independent Director and Audit Committee
5.	Dr. Peerapong	Kitiveshpokawat	Director and Chief Executive Officer
6.	Mrs. Tanyapon	Kraibhubes	Director
7.	Ms. Monsoothatip	Malaukcaranun	Director

Mrs. Daranee Pathetang has acted as Company Secretary.

The authorized directors acting and binding on behalf of the Company are “Mrs.Tanyapon Kraibhubes and Mr. Suwin Kraibhubes co-sign with affixation of the Company’s seal; or Mrs. Tanyapon Kraibhubes or Mr. Suwin Kraibhubes mutually co-sign with Ms. Monsoothatip Malaukcaranun or Dr. Peerapong Kittiveshpokawat, two persons in total with affixation of the Company’s seal; or in any document submission to Revenue Department, Ministry of Labour and Social Welfare, Immigration Bureau, Customs Department, Department of Lands, and Office of Area Land, the submission of request for entry in the immovable property right register and legal act to Department of Land or Office of Area Land, and the request submission for registration, financial statements and list of shareholders to Department of Business Development, Ministry of Commerce, Mrs. Tanyapon Kraibhubes or Mr. Suwin Kraibhubes or Ms. Monsoothatip Malaukcaranun or Dr. Peerapong Kittiveshpokawat, two of four persons co-sign with affixation of the Company’s seal.”

• Term for Holding the Post of Director

In every Annual General Meeting, the directors must be retired for at least one-third by ratio. If the number of the directors left the post cannot be equally divided into exact three parts, that number of directors retired will be the nearest figure of one-third. The directors required for retirement in the first year and the second year after the Company registration, the casting shall be conducted for which directors will be retired. In next following year, the director holding the post for longest time shall be the retired director and that director left the post may be re-elected to assume the position again.

• Scope of Duties and Responsibilities of Board of Directors

The Board of Directors has authority and responsibility with honesty and care to protect Company’s interest in Company management according to law, objective, and articles of associations as well as legal resolution of the shareholders’ meeting. The scope of duties and responsibilities of Board of Directors shall be summarized as follows.

1. Legally supervise and manage the Company according to law, objective and articles of association as well as legal resolution of the Shareholders’ Meeting.
2. Hold the Shareholders’ Meeting to be Annual General Meeting of Shareholders within 4 months from the ending date of the Company’s accounting period.
3. Hold the Board of Directors’ Meeting at least once within 3 months.
4. Prepare Statement of Financial Position, Statement of Comprehensive Income as of the ending date of accounting period. They should be approved by the auditor and proposed to the Shareholders’ Meeting for consideration and approval.
5. The Board of Directors may authorize a director or several directors or other persons to perform whatsoever on behalf of the Board of Directors under the Board of Directors’ control; or may authorize power to such person as the Board of Directors deems appropriate within the period of time as the Board of Directors deems appropriate. The Board of Directors may cancel, annul, change or alter the authorized person or that power when viewing as proper.

In addition, the Board of Directors may authorize the Executive Board to have the authority in actions with details of authorization according to the scope of authority of the Executive Board for the purpose that such authorization should not be in the way that the Executive Board or the attorney can consider and approve the transaction that the Executive Board or the attorney is the person who is concerned or has interest or other conflict of interests with the Company or its subsidiary, unless it is the approval of the transaction according to policy and criteria already considered and approved by the Board and also as required by law.

6. Determine target, guideline, policy, program and budget of the Company; control and govern the administration and management of the Executive Board in accordance with the assigned policy unless in the following matters, the Board of Directors must gain the approval resolution from the Shareholders' Meeting before any actions including the matter required by law for approval resolution from the Shareholders' Meeting such as increase in stock capital, decrease in stock capital, debenture issuance, selling or transfer of the entire or some important parts of business to other persons or buying or accepting of business transfers of other Company to belong to the Company, and amendment of Memorandum of Association or Articles of Association, etc.
Moreover, the scope of duties of the Board also includes the governance of the Company according to the Securities and Exchange Law, the regulations of the Stock Exchange such as connected transaction execution, and buying or selling the important assets pursuant to the rule of the Stock Exchange of Thailand or laws relevant to the Company's business.
7. Consider management structure, appoint Executive Board, Chief Executive Officer and other Committees as appropriate.
8. Continuously follow the operating performance according to the program and budget.
9. The directors must not engage in the same nature of business being competitive with the Company's business or involved as the partner in ordinary partnership or the general partner in limited partnership or the director of private Company or other companies engaged in the same nature of business being competitive to the Company's businesses either for self interest or for other people's interests unless notified to the Shareholders' Meeting for acknowledgement before any appointment resolutions.
10. The director shall notify the Company for acknowledgement without delay if any direct or indirect interests are available in the contract made by the Company or on increase or decrease in holding of shares or other securities in the Company or associate Company.

2. Audit Committee

- | | | | |
|----|------------------------|-------------|--|
| 1. | Assoc. Prof. Dr.Vichit | U-on | Independent Director and Chairman of Audit Committee |
| 2. | Col. Attapon | Srisangwarn | Independent Director and Member of Audit Committee |
| 3. | Mr. Viboon | Pojanalai | Independent Director and Member of Audit Committee |

Who is adequately intellectual and experienced to perform the review of reliability of financial statements.

Ms. Aunchalee ChaunSri has acted as the Secretary of Audit Committee

• Term for Holding the Post of Audit Committee

The member of Audit Committee shall have the term for holding of the post for 3 years in each time unless the case of retirement by rotation according to the Article of Associations that the re-election for holding the post again can be done.

• Scope of Duties and Responsibilities of Audit Committee

The scope of duties and responsibilities of Audit Committee is summarized as follows.

1. Review the accuracy and adequacy of the Company's financial statements;
2. Review the appropriateness and efficiency of internal control and internal audit system; and consider the independence of internal audit unit as well as confirm the consideration on appointment, removal and dismissal of Chief of Internal Audit or other units responsible for internal audit.
3. Review the Company's compliance with Securities and Exchange Law, the Stock Exchange's regulation or any laws relevant to Company's business.
4. Consider, select and nominate for appointment of independent person to act as the Company's business auditor and propose the remuneration of such person as well as attend the meeting with auditor without the meeting attendance of the management for at least once a year.
5. Consider connected transaction or transaction that may have conflict of interest in accordance with law and regulation of the Stock Exchange so as to assure that such transaction is reasonable and extremely beneficial to the Company.
6. Prepare Audit Committee's report for disclosure in the Company's Annual Report. Such report must be signed by the Chairman of Audit Committee and must at least comprise of following data.
 - (a) Opinion on accuracy, completeness and reliability of the Company's financial reports
 - (b) Opinion on adequacy of the Company's internal control system
 - (c) Opinion on compliance with the Securities and Exchange Law
 - (d) Requirement of Stock Exchange of Thailand or laws relevant to the Company's business
 - (e) Opinion on appropriateness of the auditor
 - (f) Opinion on transaction that may have conflict of interest
 - (g) Number of meetings of Audit Committee and meeting attendance of each member of Audit Committee

- (h) Overall opinion or observation acquired from function according to the charter
- (i) Other transactions deemed to be recognized by shareholders and general investors under scope of duties and responsibilities gained from the Board of Directors
- (j) Perform any actions according to the assignment of the Board of Directors with consent from Audit Committee.

3. Nomination and Remuneration Committee

The Company's Nomination and Remuneration Committee has constituted 3 persons as follows.

1	Assoc. Prof. Dr.Vichit	U-on	Chairman of Nomination and Remuneration Committee
2.	Mr. Viboon	Pojanalai	Member of Nomination and Remuneration Committee
3.	Dr. Suwin	Kraibhubes	Member of Nomination and Remuneration Committee

● Scope of Duties and Responsibilities of Nomination and Remuneration Committee

1. Advise the Board of Directors relating to remuneration rates of the Chairman of the Board, the Company's director, the Chairman of Audit Committee, the member of Audit Committee and Subcommittees (if any) (by request for consent from the Shareholder's Meeting later).
2. Proceed the recruitment and nominate the list of proper and qualified person for induction as the director for the first time; and consider the achievement, qualification and aptitude of the director retired by rotation who should be re-elected and then nominate to the Board of Directors for consideration on approval, and propose to the Shareholders' Meeting for appointment as the Company's director henceforth.
3. Consider and advise the Board of Directors, and monitor and supervise the operation relating to the Company's human resource vision and strategy as well as Company's executive development program.
4. Evaluate the Company's operating performance in order to determine bonus granting and annual pay rise of the entire Company using proper industrial standard criteria to support the consideration.
5. Suggest the Company's salary structure including other benefits and rewards.

4. Risk Management Committee

The Risk Management Committee of the Company constitutes 5 persons as follows

1.	Col.Attapon	Srisangworn	Chairman of Risk Management Committee
2.	Mr. Viboon	Pojanalai	Risk Management Committee
3.	Dr. Suwin	Kraibhubes	Risk Management Committee
4.	Dr. Peerapong	Kitiveshpokawat	Risk Management Committee
5.	Mr. Norarit	Keetanon	Risk Management Committee

● Term for Holding the Post of the Risk Management Committee

1. The term of Risk Management Committee shall be 3 years per term.
2. The risk management committee member who retires by rotation may be appointed from the Board of Directors to resume the post of the risk management committee member again.
3. In case of the vacancy of the post of risk management committee member due to other reason apart from retirement by rotation, the Board of Directors shall appoint the complete qualified person to be risk management committee for complete number members of the Risk Management Committee as prescribed in this regulation. The person who is entered to be the risk management committee member shall be in the office for just remaining term of the risk management committee replaced by him/her.
4. The risk management committee member who intends to resign his/her post before expiration of term shall notify and submit resignation letter to the Chairman of the Board at least 30 days in advance.
5. The risk management committee member shall retire from the post upon:
 - Expiration of term
 - Death
 - Resignation
 - Resolution of the Board of Directors to retire from the post
 - Being punished for imprisonment according to final judgment or lawful order for imprisonment unless in the offence committed by negligence or minor offence
 - Being a incapacitated person or person under disability
 - Being a bankrupt

● Scope of Powers, Duties and Responsibilities of the Risk Management Committee

1. Determine, review, and give consent on risk management policy, master plan of risk management, as well as facilitate and manage to systemize risk management system of the Company, and consider and review risk management plan to be effectively in line, consistent and proper for situation.
2. Assess, monitor and control risk level of the Company to be in proper level.
3. Govern, supervise, as well as monitor all internal work units to continuously comply with the risk management policy.
4. Consider and approve operating budgets and expenses for risk management as well as supervise the adequacy of resources utilized in risk management.
5. Monitor and report risk status of the Company to the Board of Directors and the Audit Committee.
6. Appoint the working group as deemed appropriate.
7. Perform any other acts related to risk management as entrusted by the Board of Directors.

5. Executive Board

The Company's Executive Board constitutes 5 persons on February 28, 2022 as follows.

- | | | | |
|----|---------------|-----------------|--|
| 1. | Dr. Peerapong | Kitiveshpokawat | Chief Executive Officer |
| 2. | Mr. Norarit | Keetanon | Director of Information Technology |
| 3. | Ms. Netnapha | Sae-lim | Director of Accounting and Finance |
| 4. | Ms. Piyavadee | Chutaprachakul | Director of Operations (Retail Business) |
| 5. | Mrs. Daranee | Pathetang | Director of Business Support and Company Secretary |

● Scope, Duty and Responsibility of Executive Board

The Executive Board has authority, duty and responsibility for management in regards to the operation in Company's usual tasks and administrative works; determine policy, business plan, budget, organization chart and Company's administrative power and rule of business operation conforming to economic situations in order to propose to the Board of Directors' Meeting to consider and approve and/or consent as well as check and monitor the Company's operating performance according to the determined policy. The followings are the summary of the important authority, duties and responsibilities.

1. Run the business and manage the Company's affairs according to objective, regulation, policy, rule, requirement, instruction, and resolution of the Board of Director's Meeting and/or resolution of the Company Shareholders' Meeting in all aspects.
2. Consider to determine policy, direction and strategy for Company's business operation; determine financial plan and budget, human resource management, investment, work expansion, publication according to the framework considered for approval by the Board of Directors; and control and govern the operation of the appointed working group to attain on target.
3. Consider annual budget allocation as proposed by the management before proposing to the Board of Directors for consideration and approval, as well as consider and approve any change and addition in annual expenditure budget during no meeting held by the Board of Directors, and propose the Board of Directors for approval or ratification in next meeting.
4. Stipulate organizational structure, organizational administrative power including appointment, employment, removal, de termination of pay, remuneration and bonus of executive level officer, and dismissal.
5. Empower the authorization power to a director or several directors or other persons to perform any actions subject to the control of the Executive Board; or may authorize such person the power as the Executive Board deems appropriate and within the period of time the Executive Board deems proper. The Executive Board may cancel, annul, change or alter the attorney or that power as deemed proper. The authorization should not be granted to any persons who may have conflict of interests in operation.
6. Authorize for financial operation approval in accordance with the Delegation Of authority (DOA) approved by the Board of Directors..

The Executive Board shall not consider and approve the transaction with interest of the Executive Board or other conflict of interests with the Company or its subsidiary unless it is the approval of transaction according to the policy and criteria the Executive Board or the Shareholders' Meeting has ever considered and approved and as required by law. The Board of Directors may cancel, annul, change or alter the power of the Executive Board with the resolution of the Executive Board.

6. Executives

The Company's executives have constituted 5 persons as follows.

- | | | | |
|----|---------------|-----------------|--|
| 1. | Dr. Peerapong | Kitiveshpokawat | Chief Executive Officer |
| 2. | Mr. Norarit | Keetanon | Director of Information Technology |
| 3. | Ms. Netnapha | Sae-lim | Director of Accounting and Finance |
| 4. | Ms. Piyavadee | Chutaprachakul | Director of Operations (Retail Business) |
| 5. | Mrs. Daranee | Pathetang | Director of Business Support and Company Secretary |

• Scope of Duties and Responsibilities of Executives

1. Have operating power as the executive, and control and supervise the usual Company's business operation.
2. Have operating power as assigned by the Board of Directors and/or Executive Board as well as have power to assign other persons deemed proper by the Chief Executive Officer to representatively manage. Anyhow, the sub-authorization should not be granted to other persons who may have conflict of interests in operation.
3. Have power to issue the instruction, rule, announcement and memo for operation according to the Company's policy and benefit and for maintaining the working discipline within the organization.
4. Have power to act on behalf and represent thyself as the representative of the Company to outsider in the business relevant to the Company and beneficial to the Company.
5. Consider and scrutinize the investments for proposal to Board of Directors and/or Executive Board.
6. Consider to appoint the consultants who are necessary for Company's business operation for proposal to Board of Directors and/or Executive Board.
7. Have the power to approve financial operations in accordance with the Delegation Of authority (DOA) approved by the Board of Directors.
8. Perform other duties as occasionally assigned from the Board of Directors and/or Executive Board.

The Chief Executive Officer shall not consider and approve the transaction with interest of the Chief Executive Officer or other conflict of interests with the Company or its subsidiary unless it is the transaction according to policy and criteria which has ever been considered and approved by the Board of Directors or the Shareholders' Meeting and as required by law. The Board of Directors may cancel, annul, change or alter the power of the Chief Executive Officer with the resolution of the Executive Board.

7. Company Secretary

In Board of Directors' Meeting No. 4/2012 on 13th July, 2012, the Board of Directors resolved to appoint Mrs. Daranee Pathetang to take a position of Company Secretary according to Section 89/15 of the Securities and Exchange Act B.E. 2535 (A.D. 1992) amended by the Securities and Exchange Act (Issue No. 4) B.E. 2551 (A.D. 2008) with following duties and responsibilities of Company Secretary.

1. Supervise and advise the Company's directors and executives about the compliance with laws, regulations, rules and articles of associations as well as rules of the Stock of Exchange of Thailand and the Office of the Securities and Exchange Commission; and monitor and supervise correct and regular practices.
2. Supervise the disclosure of information and information report according to rule and regulation of the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission.
3. Prepare and keep the following documents.
 - a) Director Register
 - b) Appointment Notice of Board of Directors' Meeting and Meeting Minutes of Board of Directors' Meeting
 - c) Appointment Notice of Shareholders' Meeting and Meeting Minutes of Shareholders' Meeting
 - d) Company Annual Report
 - e) Report on Interests of Directors and Executives
 - f) Perform any other actions according to the rules statutory in Securities and Exchange Law.

Nomination of Directors and Executives

● Criteria for Selection and Appointment of Boards and Executives

The Nomination and Remuneration Committee will perform to select the persons appointed as Company's director or Company's executive and propose to the Board of Directors. The person with skill and experience essential for Company's business operation will be emphasized in consideration. The consideration criteria shall be summarized as follows.

1. Possess the qualification corresponding to Public Limited Company Act, Securities and Exchange Act, rule of Stock of Exchange of Thailand and Office of Securities and Exchange Commission including the principle of good corporate governance of the Company.
2. Possess knowledge, competence and experience in different professional fields proper for the lines that will be useful and create value addition to the Company.
3. Possess the characteristic supporting and promoting the corporate governance operation in order to build value to the Company; perform duty with accountability, care and loyalty; and enable to fully dedicate time.

The selection and appointment of the Company's director will follow the criteria specified above. In addition, the directors for not less than half of total number of directors must have the residences in the Kingdom. The Shareholder's Meeting will be the appointer of the directors using majority vote according to following criteria and method.

1. A shareholder has the vote equal to 1 share per 1 vote according to the number of his holding shares.
2. In election of Company's directors, the voting method may be used to vote the nominated person one by one or several persons in one time, depending on what will be viewed as proper by the Shareholders' Meeting. However, every shareholder shall exercise their rights according to total existing votes in Item 1 in voting or resolving but more or less votes must not be shared to other people anymore.
3. The voting for director election should be in accordance with the majority vote. If there are equal votes, the Chairman of the Meeting shall have one vote added as the casting vote.

In every Annual General Meeting, the directors must be retired for at least one-third by ratio. If the number of the directors left the post cannot be equally divided into exact three parts, that number of directors retired will be the nearest figure of one-third. The directors required for retirement in the first year and the second year after the Company registration, the casting shall be conducted for which directors will be retired. In next following year, the director holding the post for longest time shall be the retired director and that director left the post may be re-elected to assume the position again.

● Criteria for Selection and Appointment of Independent Director

The Nomination and Remuneration Committee will primarily consider the qualifications of the person who will hold the post of independent director and then propose to the Board of Directors by considering from the qualifications according to Public Limited Company Act, Securities and Exchange Law, Notification of the Securities and Exchange Commission, Notification of Capital Market Supervisory Board including other relevant notifications, regulations and/or other rules in accordance with the consideration on other qualifications such as working experience and wisdom, and then propose to the Shareholders' Meeting for consideration on appointment of such person to be the Company's director. At least one-third of total number of directors and not less than 3 persons shall be appointed according to the Company's independent committee appointment policy.

● Qualification of Independent Director

1. Hold the shares not exceeding 1% of total number of voting stocks of the Company, holding Company, its subsidiary, corporation, major shareholders, and Company's regulator by counting in the shareholdings of the people concerned as well.
2. Not be or ever be the director involved in the employee management; consultant officer who gained regular salary; the regulator of the Company, its subsidiary, holding Company, same level of subsidiary; the major shareholder or Company's regulator unless free from aforesaid characteristic for at least 2 years ago before holding the post. Such prohibited characteristic shall exclude the case that the independent director used to be the government officer or consultant of the government office and has been the major shareholders or the Company's regulator.
3. Not be the person with consanguinity or legal registration in type of parents, spouse, relatives, and children as well as spouse of the children of major shareholder, regulator or person who is going to be nominated as the executive or the regulator of the Company or its subsidiary.
4. Not be or ever have business relationship with the Company, holding Company, subsidiary, corporation, major shareholder or Company's regulator in type that may hinder the use of his own independent discretion; never be or ever be the tacit shareholder or the regulator of the person who has the relationship with the business of the Company, holding Company, subsidiary, corporation, major shareholders, or Company's regulator unless free from such characteristics for at least less than 2 years before holding the post.

Anyhow, the above business relationships include commercial transaction normally performed for business engagement, rent or letting of immovable property, service or asset-related item, or offering or obtaining the financial aid by receipt or lending, guarantee, giving asset for debt collateral including other similar actions, affecting the debt existent and obliged by the Company or the party and payable to the other party from 3 percent of net tangible assets of the Company or from 20 million Baht and over depending upon which amount will be lower. Such debt shall be calculated according to the calculation method for value of connected transaction according to the notification of Capital Market Supervisory Committee on the criteria of connected transaction execution with deference. However in considering such debts, total debts occurred during one year before the date of having business relationship with the same person should be counted in.

5. Not be or ever be the auditor of the Company, holding Company, its subsidiary and corporation; the major shareholders or Company's regulator; and never be the tacit shareholder, regulator or partner of auditing office that the auditors of the Company, holding Company, its subsidiary, corporation, major shareholders or Company's regulator are the members, unless free from such characteristics for not less than 2 years before assuming the position.
6. Not be or ever be any professional service provider including the service provision as legal consultant or financial consultant with receipt of service fee for over than 2 million Baht per year from the Company, holding Company, its subsidiary and corporation; the major shareholder or Company's regulator; and never be the tacit shareholder, regulator or partner of that professional service provider unless free from such characteristics for not less than 2 years before assuming the position.
7. Not be the director getting appointed as the representative of the director of the major shareholder's Company or the shareholder who is the person related to the major shareholder such as agreement made in Shareholders Agreement on director appointment to be the representative and oversee the benefit of any groups of shareholders.
8. Not engage in the business with the same nature and tacitly competitive with the business of the Company, its subsidiary; or not be the tacit partner in partnership or the director who is involved in management, customer, employee and consultant with regular salary receipt; or hold the shares exceeding 1 percent of total number of voting stocks of other Company which engages in the same nature of business and is tacitly competitive to the business of the Company or its subsidiary.
9. Does not possess any other characteristics incapable for independent opinion expression on Company operation. Generally, the independent opinion expression means opinion expression or reporting according to the assigned mission irrespective of any interests relating to properties or positions and not fall under the influence of the individual or any group of individuals as well as not be under any situations that may coerce for inability to straightforwardly express the opinion.

● **Criteria for Selection and Appointment of Audit Committee**

The Nomination and Remuneration Committee will consider appointing the Audit Committee that consists of at least 3 Auditors and then propose to the Board of Directors. The Auditors will be selected from the Company Independent Directors. The Independent Directors who are Auditors must have the additional qualifications as follows;

1. Is not the Director who is authorized by the Board of Directors to make decision in business operation of the Company, its parent Company, subsidiaries, associates, same-level subsidiaries, major shareholders, or controlling parties.
2. Is not the Director of the parent Company, subsidiaries, associates, same-level subsidiaries that is the listed Company.
3. Has enough knowledge and experience to responsible for assigned mission as an auditor. The Auditor must dedicate himself/herself sufficiently in working for the Audit Committee's responsibilities.
4. The Auditor should not be a director in more than 5 listed companies because it may cause him/her unable to make full effort in working for each Company, except in the case that such auditor is a key person in providing the Company's guidelines and can make suitable time allocation.
5. At least one of Auditors must have enough knowledge or experience in accounting or financial to responsible for reviewing financial statement's reliability.

● Criteria for Selection and Appointment of the Risk Management Committee

The Board of Directors shall appoint the Risk Management Committee to formulate risk management policy for companywide extension, and govern to have system or process of risk management for appropriate abatement of business impact of the Company. The elements and scope of powers, duties and responsibilities are determined so that the Risk Management Committee can efficiently function as entrusted by the Board of Directors under the summary of the consideration criteria as follows.

1. The Risk Management Committee consists of the committee member who is appointed from the Board of Directors and consists of at least 2 committee members.
2. The Board of Directors shall select the Chairman of the Risk Management Committee.
3. The Chairman of the Risk Management Committee shall be an independent director.
4. Have knowledge, expert and understanding related to business risk.
5. Able to devote sufficient time in function and comment in working on behalf of the Risk Management Committee.
6. Have knowledge, expert and understanding related to business risks.
7. Able to devote sufficient time in function and comments in working on behalf of the Risk Management Committee.

Directors and Management Remuneration

1. Total remuneration of Directors

The Board of Directors, Audit Committee, and Nomination and Remuneration Committee will receive remuneration in term of meeting fees. The Company shall start paying meeting fees when the Audit Committee is nominated pursuant to the resolution of 2022 Shareholders' Meeting dated April 27, 2022. The details of meeting fees payable for Directors and Audit Committee are as follows;

Position	Meeting fees (Baht/time)
Board of Directors' Meeting	
Chairman of the Board of Directors	19,325
Director	14,494
Audit Committee's Meeting	
Chairman of the Audit Committee	19,325
Auditor	14,494
Nomination and Remuneration Committee's Meeting	
Chairman of the Nomination and Remuneration Committee of the Nomination and Remuneration	19,325
	14,494
Risk Management Committee's Meeting	
Chairman of the Risk Management Committee	19,325
Committee of the Risk Management Committee	14,494

In addition, the Directors who are management will not receive meeting fees because they already receive the management remuneration. Currently, the Director who do not receive meeting fees is (1) Dr. Peerapong Kitiveshpokawat . Thus, there are only 6 Directors who receive meeting fees.

Summary of remuneration payment to the Board of Directors in 2022 (until December 31, 2022) are shown in the below table.

Name- Surname	Meeting Attendance (times)*	Total remunerations (Baht)
Dr. Suwin Kraibhubes	5/5	96,625
Assoc. Prof.Dr. Vichit U-on	5/5	74,745
Mr. Viboon Pojanalai	5/5	74,745
Col. Attapon Srisangworn	5/5	74,745
Mrs. Tanyapon Kraibhubes	5/5	74,745
Ms. Monsoothatip Malaukaranun	5/5	74,745

Summary of remuneration payment to the Audit Committee in 2021 and 2022 (until December 31, 2022) are shown in the below table.

Name- Surname	2021		2022	
	Meeting Attendance (times)	Total remunerations (Baht)	Meeting Attendance (times)	Total remunerations (Baht)
Assoc.Prof.Dr. Vichit U-on	4/4	77,300	4/4	77,300
Mr. Viboon Pojanalai	4/4	57,976	4/4	57,976
Col Attapon Srisangwam	4/4	57,976	4/4	57,976

Company paid remuneration for Nomination and Remuneration Committee and the remuneration for 2021 and 2022 (until 31 December 2022) can be summarized in below table.

Name- Surname	2021		2022	
	Meeting Attendance (times)	Total remunerations (Baht)	Meeting Attendance (times)	Total remunerations (Baht)
Assoc.Prof.Dr. Vichit U-on	2/2	38,650	1/1	19,325
Mr. Viboon Pojanalai	2/2	14,949	1/1	14,949
Dr. Suwin Kraibhues	-	-	1/1	14,949

2. Management Remuneration

The Company paid management remuneration in term of salary, bonus, contribution of provident fund and etc. for 2021 and 2022 (until December 31, 2022) as summarize below;

(1) Management Remuneration

Description	2022	2021
Number of management	5 persons	6 persons
Total Management Remuneration (Million Baht)	10.46	16.23

(2) Other Remuneration

The Company also provided other remuneration in term of Company car for the management in some positions.



Personnel

1. Number of employees and remuneration

No.	Key function	Number of Employees (persons)	
		As of December 31, 2022	As December 31, 2021
1	Retail Business	134	155
2	Trading Business	17	13
3	Logistics and Warehouse	33	30
4	Finance and Accounting	11	12
5	Information Technology	6	6
6	The Company's secretary	2	4
7	Human Resources and Administration	6	10
8	Product Development and Merchandise	10	8
	Total (persons)	219	238

Remarks: The company has modified the new structure of organization effective on November 1, 2022.

The company has paid monetary allowance to employees (executives excluded) in forms of salary, bonus and others such as OT, allowance, commission, Branch management fee, product maintenance fee etc. in the beginning of 2022 and 2021, there were 219 employees and 238 employees were paid in monetary form for 77.56 million Baht and 105.02 million Baht respectively.

2. Provident Fund

The Company has organized the provident fund named "Sinsathaporn Registered Provident Fund" which is managed by BBL Asset Management Co., Ltd. Both the Company and employees will make monthly deposit of their part at 3% - 5% of salary. Establishment of the provident fund has the objectives to create employees' moral and to attract them to work with the Company in long term. However, after the year 2021 has been waived for the whole year, in 2022 the company has sent the accumulated and contributed to the provident fund as usual. As the epidemic situation of Covid-19 has continued, many companies have begun to adjust. in order to run the business smoothly.

3. Employees Training and Development Policy

The Company has a policy to make continuous improvement for its employees. The key objective of the policy is to develop employees' knowledge and understanding in performing their duties efficiently. This is the way to develop career path of employees and to focus on increasing competitive advantage. In addition, the Company also has the policy to enhance good practice culture for employees so that they can work simultaneously in the same direction and focus on identity of organizational culture.

All shops' staff will be trained about all products' details and specification, including make-up method, personality development, service, sales technique, communication with customers, making suggestion to customer, sales promotion, products arrangement, including using of POS which is linked with the Company's program. But due to the Covid-19 epidemic situation, the training process has been improved to be online, by total training periods are 5 days to completely cover key contents. In addition, all staff will be tested before working to ensure that all shops are efficient in the same standard ut in this case, there is also on-site training. by training staff Traveling to train to the storefront.

However, the staff in other departments will receive both internal and external training according to their function to improve the skill on their responsible jobs, with an emphasis on online training to reduce the risk of getting infected with Covid-19.

4. Safety, Hygiene and Working Environment

The company has set the policy as follows: Will develop a management system for safety, occupational health and work environment in accordance with other laws and regulations, holding work safety is the duty and responsibility of every employees and allowing all employees to participate in the project, having the right to propose opinions to improve working conditions and work methods to be more secure, developing and encouraging employees to have knowledge, creating awareness for employees at all levels to realize the importance and will provide support for resources, budgets, time, personnel and relevant resources appropriately in the implementation of the safety, occupational health and work environment management system.





Internal control

The Company realizes the importance of a good and efficient internal control system to support business operations towards the achievement of goals and coverage of all activities with sufficiency and suitability for effective utilization of resources and asset management. This includes reliable accounting systems and accurate financial reports in compliance with the laws, regulations, and rules related to the Company's business operations. There is also an independent internal audit system to evaluate the efficiency and adequacy of internal control system in various aspects. The Board of Directors has assigned the Audit Committee to audit the assessment results of internal control, while providing consultation and suggestion on the development of internal control system regularly.

Auditor's notes on the Company's internal control system

-- None --

Internal audit policy

The Company adheres to a good and sufficient internal control system by controlling risks from business operations up to an acceptable level. The company has established policies, regulations, and operational manuals that cover all of the main work processes in writing with different duties and responsibilities according to the check and balance principles. However, in order to have more complete internal control system for the long-term and continuous improvement in 2022, the Company has appointed IA Signature Co., Ltd., which has knowledge and experience on internal auditor for many listed companies, to be its internal auditor and provide the internal audit results to the audit committee at least every 6 months.

Internal auditor's notes

In 2022, IA Signature Co., Ltd. performed an audit on the risks of operating system and presented to the Audit Committee, while planning the internal audit on the main processes which have the most significant effects to business operations first. Such internal audit plan was approved by the Audit Committee. The internal auditor evaluated the adequacy of the Company's internal control system and performed the audit of internal control system in 2 main processes, namely:

- (1) The procurement of cosmetics & non-cosmetics in August 2022
- (2) The warehouse management and product delivery in November 2022

The internal auditor had opinions that the Company has established internal control guidelines for its efficient and effective operations. However, the internal auditor evaluated on areas with no appropriate management and gave suggestions for improvement. The Company realized on its improvements according to those suggestions. The internal auditor continuously reported the results of internal audit, including the progress of the Company's improvements to the Audit Committee in the following details:

1. 1. The procurement of cosmetics & non-cosmetics

1.1. Claims of raw materials and finished products with sellers – Low Risk

- Assign responsible persons to track on claiming status and causes, including report on management and find ways to solve problems in a timely manner.

Results: The responsible persons followed on the claiming status and report on the causes with solutions for the problems to the executives' acknowledgement.

1.2. Seller quality assessment – Low Risk

- Assign responsible persons to collect the delivery information from suppliers every time as a reference to evaluate the sellers according to the cycle specified by the Company.

Results: The responsible persons collected such delivery information from suppliers.

2. The warehouse management and product delivery

2.1. Product control and product storage – Low Risk

- Responsible persons must strictly follow the Company's work processes by instructing their staffs to check the difference from counting and determining correct storage of products.

Results: The responsible persons took corrective actions.

2.2. Destruction of products – Low Risk

- There should be a verification and review of the stock records for defective products waiting for destruction and complete elimination from the system.

Results: The responsible persons took corrective actions.

2.3. Preparation and shipping – Low Risk

- The responsible persons should have work processes for the assessment of carrier service providers to cover all criteria or scores, as well as reference information for the assessment, including preparation of a report summarizing the results of annual assessment for the executives' acknowledgement in writing.

Results: The responsible persons set the complete assessment criteria or scores for carrier service providers.

Internal
Control



Related Party Transactions for 2022
Beauty Community Public Company Limited

Person/Juristic Person that may have conflict of interests	Relation	Nature of Transaction	Transaction Value (Baht)			Balance (Baht)		Necessity and Reasonability	The Audit Committee's Opinion
			2022	2021		31 Dec 22	31 Dec 21		
Mrs. Tanyapon Kraibhubes	The shareholder and director of the Company	Interest expenses	1,014,810.85	1,014,228.78		-	-	The Company has rented land and structures as the warehouse of the company. According to the contract dated June 11, 2013, the lease contract addendum in term of rent contract is 30 years from January 1, 2014. The rental price has been in line with the price appraised by an independent appraiser, the throughout the contract period value is 38.28 MB. The company has calculated the rental under Thai financial reporting standard no.16. (TFRS 16)	Such land rent is reasonable and necessary for business operation and rental price has been fair price appraised by the independent appraiser.
		Amortization – right-of-use assets	442,236.24	442,236.24		-	-		
		Right-of-use assets	-	-	9,286,960.76	9,729,197.00			
		Lease liabilities	-	-	15,926,088.35	16,260,040.00			



บริษัท บิวตี้ คอมมูนิตี้ จำกัด (มหาชน)
BEAUTY COMMUNITY PUBLIC COMPANY LIMITED

Measure or procedure of approval for related party transaction

The Company has the policy in performing the related party transaction with transparency under concern on fairness and maximum benefit of the Company. In entering to perform transaction with the party who may have conflict of interests, such issue shall proposed to the Audit Committee for consideration and approval on performing such related party transaction for maximum benefit of the Company and for protection of the investors and the related parties of the Company. Such related party transaction shall comply with rules, regulations, announcements, orders, or requirements of SEC, Stock Exchange of Thailand, or relevant laws. The party who may have conflict of interests or gain and loss in performing the related party transaction has no right to participate in approving such transaction.

In case of the related party transactions in ordinary trade such as purchase of product and sale of product, etc., the Company has the policy to define the conditions according to the nature of normal trade operation in market price, which is comparable with price sold to the third party. The Audit Committee of the Company shall consider and remark opinions to the Board of Directors every quarter. The reasonability of the transactions shall considered from market price including condition and necessity that affect the operation mainly for maximum benefit of the Company.

Tendency of related party transactions in the future

In the contingent related party transaction in the future, the conditions shall be in line with the nature of general trade by referring to the appropriate market price and conditions. The Company and/or Group of Companies shall allow the Audit Committee and/or independent director to remark their opinions about the commission rate as well as necessity and appropriateness of such transaction. If any transaction occurs with the party that may have conflict of interests in the future, the Company shall comply with rules, announcements and/or regulations of the Office of Securities and Exchange Commission and/or Stock Exchange of Thailand. The Company may assign the independent expert or the auditor of the Company to remark the opinions on such related party transaction for use as decision support of the Board of Directors or the shareholders as the case may be. The Company shall disclose the related party transaction in notes to financial statements audited by the auditor and in Annual Registration Statement of the Company.

Financial

PART 3

— Statement —

Part 3



INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT

To The Shareholders of BEAUTY COMMUNITY PUBLIC COMPANY LIMITED

Opinion

I have audited the accompanying financial statements of BEAUTY COMMUNITY PUBLIC COMPANY LIMITED (the Company), which comprise the statement of financial position as at December 31, 2022, and the statement of comprehensive income, statement of changes in shareholders' equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of BEAUTY COMMUNITY PUBLIC COMPANY LIMITED as at December 31, 2022, its 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 judgment, 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.

Presentation of valuation of inventories

As stated in notes 4.4 and 7 to financial statements, the Company has material amount of inventories in the financial statements as at December 31, 2022 for the amount of Baht 115.58 million presented at the lower of cost or net realizable value. The Company's products are classified as goods in fashion and popularity in products and packaging has been rapidly changed with high competition. As a result, the inventories presented at the lower of cost or net realizable value must be made the significant substantive judgment and estimation by the Management in measurement. The significant judgment of the Management comprise the consideration of inventories aging analysis report, determination of selling price, discount or sale promotion estimates in order to stimulate sales volume in the future. The assumption for such matter used by the Management may affect to the presentation of inventories and expenses arose from providing allowance for devaluation of inventories in statement of comprehensive income (if applicable).

I have obtained an assurance in respect of presentation of valuation of inventories, by included;

- Obtained an understanding of the sale plan and selling price determination policy of the Management and sale promotion policy in order to stimulate sale volume to meet a target as expected by the Management.
- Assessed the significant judgment of the Management related to the expected selling price in the future.
- Sample tested the preparation of inventories aging analysis report whether the preparation are conformed to the policy and corresponded with inventories aging, the calculation is corrected and allowance for devaluation is provided appropriately or not.
- Sample tested calculation of cost of goods to ensure that the cost is correctly recorded.
- Observed physical count of goods at branches and major warehouse in the defection of goods including checked such goods and report of goods for destruction and taken into appropriate consideration for providing allowance for devaluation.
- Compared cost of goods and net realizable value which calculated from selling goods after the end of year deducted by the necessary costs for sales of those assets that whether the cost of goods is lower than net realizable value or not.

Other Information

Management is responsible for the other information. The other information comprises the annual report but does not include the financial statements and my auditor's report thereon. The annual report is expected to be made available to me after that date of this auditor's report.

My opinion on the financial statements does not cover the other information and I do not and will 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 identified above 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 Company, 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 Company'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 Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company'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 judgment 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 Company'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 Company'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 Company 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.

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.

D I A International Audit Co., Ltd.

(Miss Kamolmett Chrityakierne)

C.P.A. (Thailand)

Registration No. 10435

February 27, 2023

BEAUTY COMMUNITY PUBLIC COMPANY LIMITED

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2022

(Unit: Baht)

Assets	Note	December 31, 2022	December 31, 2021
Current assets			
Cash and cash equivalents	5	63,505,300.91	57,977,128.43
Trade and other current receivables	6	27,516,066.94	35,392,647.26
Inventories	7	115,581,298.43	138,246,332.31
Other current financial assets	8	100,000,000.00	370,116,664.26
Total current assets		306,602,666.28	601,732,772.26
Non-current assets			
Other non-current financial assets	9	220,000,000.00	-
Property, plant and equipment	10	142,245,080.96	145,387,590.60
Right-of-use assets	11.1	111,902,189.56	104,930,046.61
Other intangible assets	12	20,558,383.01	23,263,832.15
Deferred tax assets	13	78,893,705.55	62,283,031.50
Other non-current assets	14	17,167,631.48	36,505,361.10
Total non-current assets		590,766,990.56	372,369,861.96
Total assets		897,369,656.84	974,102,634.22

Notes to financial statements are parts of these financial statements.

BEAUTY COMMUNITY PUBLIC COMPANY LIMITED
STATEMENTS OF FINANCIAL POSITION (CONTINUED)
AS AT DECEMBER 31, 2022

<i>(Unit: Baht)</i>			
Liabilities and shareholders' equity	Note	December 31, 2022	December 31, 2021
Current liabilities			
Trade and other current payables	15	60,056,170.69	72,147,202.64
Current portion of lease liabilities	11.2	38,123,269.68	45,472,493.31
Total current liabilities		<u>98,179,440.37</u>	<u>117,619,695.95</u>
Non-current liabilities			
Lease liabilities	11.2	78,619,972.34	69,943,900.75
Non-current provisions for employee benefit	16	8,234,282.62	6,844,546.00
Other non-current provisions		5,906,470.00	5,546,470.00
Other non-current liabilities		499,750.00	539,000.00
Total non-current liabilities		<u>93,260,474.96</u>	<u>82,873,916.75</u>
Total liabilities		<u>191,439,915.33</u>	<u>200,493,612.70</u>
Shareholders' equity			
Share capital			
Authorized share capital			
2,994,193,535 common shares of Baht 0.10 each		299,419,353.50	
3,022,610,000 common shares of Baht 0.10 each			<u>302,261,000.00</u>
Issued and paid-up share capital			
2,994,193,535 common shares of Baht 0.10 each	18	299,419,353.50	
3,006,868,535 common shares of Baht 0.10 each			300,686,853.50
Share premium on ordinary shares	18	510,590,610.52	609,013,286.94
Treasury stocks	18	-	(99,690,176.42)
Retained earnings(deficit)			
Appropriated			
Legal reserve		30,226,100.00	30,226,100.00
Reserve for treasury stocks	19	-	99,690,176.42
Unappropriated		(134,306,322.51)	(166,317,218.92)
Total shareholders' equity		<u>705,929,741.51</u>	<u>773,609,021.52</u>
Total liabilities and shareholders' equity		<u>897,369,656.84</u>	<u>974,102,634.22</u>

Notes to financial statements are parts of these financial statements.

BEAUTY COMMUNITY PUBLIC COMPANY LIMITED
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2022

			(Unit: Baht)
	<i>Note</i>	2022	2021
			(RESTATED)
Revenues from sales		352,379,425.56	397,485,302.69
Cost of sales		(177,847,328.84)	(223,015,258.51)
Gross profit		<u>174,532,096.72</u>	<u>174,470,044.18</u>
Other income		10,481,920.56	11,376,502.55
Distribution costs		(170,230,149.06)	(175,504,119.56)
Administrative expenses		(95,576,000.20)	(105,228,485.78)
Impairment loss of assets		-	(2,446,106.41)
Profit (loss) from operation activities		<u>(80,792,131.98)</u>	<u>(97,332,165.02)</u>
Finance income		2,597,097.36	2,957,350.28
Finance costs	11.2.3	(6,094,919.44)	(6,661,445.84)
Profit (loss) before income tax expense		<u>(84,289,954.06)</u>	<u>(101,036,260.58)</u>
Tax income (expense)	13	16,610,674.05	20,268,184.57
Profit (loss) for the year		<u>(67,679,280.01)</u>	<u>(80,768,076.01)</u>
Other comprehensive income :			
Component of other comprehensive income that will			
not be reclassified to profit or loss			
Gains on re-measurements of defined benefit plans	16	-	8,092,397.93
Less Taxable effects	13	-	(1,618,479.59)
Other comprehensive income for the year		<u>-</u>	<u>6,473,918.34</u>
Total comprehensive income (expense) for the year		<u><u>(67,679,280.01)</u></u>	<u><u>(74,294,157.67)</u></u>
Earnings per share			
Basic earnings(loss) per share	25	(0.02)	(0.03)

Notes to financial statements are parts of these financial statements.

BEAUTY COMMUNITY PUBLIC COMPANY LIMITED
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2022

(Unit: Baht)										
	Note	Retained earnings								
		Equity-settled			Appropriated		Total shareholders' equity			
		Issued and paid-up share capital	Share premium on ordinary shares	share-based payment	Treasury stocks	Legal reserve		Reserve for treasury stocks		
									Unappropriated	
Balance as at January 1, 2021		300,686,853.50	592,711,215.04	16,302,071.90	(99,690,176.42)	30,226,100.00	99,690,176.42	(92,023,061.25)		847,903,179.19
Total comprehensive income (expense) for the year		-	-	-	-	-	-	-	(74,294,157.67)	(74,294,157.67)
Transfer capital from share based payment to share premium on ordinary shares		-	16,302,071.90	(16,302,071.90)	-	-	-	-	-	-
Balance as at December 31, 2021		300,686,853.50	609,013,286.94	-	(99,690,176.42)	30,226,100.00	99,690,176.42	(166,317,218.92)	773,609,021.52	773,609,021.52
Balance as at January 1, 2022		300,686,853.50	609,013,286.94	-	(99,690,176.42)	30,226,100.00	99,690,176.42	(166,317,218.92)	773,609,021.52	773,609,021.52
Total comprehensive income (expense) for the period		-	-	-	-	-	-	(67,679,280.01)	(67,679,280.01)	(67,679,280.01)
Decrease share capital by cutting unissued treasury stocks	18	(1,267,500.00)	(98,422,676.42)		99,690,176.42	-	-	-	-	-
Decrease treasury stock reserve from decrease share capital by cutting treasury stocks	18	-	-	-	-	-	(99,690,176.42)	99,690,176.42	-	-
Balance as at December 31, 2022		299,419,353.50	510,590,610.52	-	-	30,226,100.00	-	(134,306,322.51)	705,929,741.51	705,929,741.51

Notes to financial statements are parts of these financial statements.

BEAUTY COMMUNITY PUBLIC COMPANY LIMITED

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2022

	(Unit: Baht)	
	2022	2021
Cash flows from operating activities		
Profit (loss) for the year	(67,679,280.01)	(80,768,076.01)
Adjustment profit before income tax to cash receipt (disbursement)		
from operating activities		
Depreciation and amortization	60,819,183.88	79,715,632.19
(Revered) expected credit losses	396,658.23	(36,288.00)
(Revered) loss on devaluation of inventories	(12,824,562.05)	19,410,044.72
Loss on goods destruction	12,145,155.87	26,017,353.06
(Gain) loss on sales of assets	(15,701.57)	157,265.49
Loss on write off property, plant and equipment	44,810.57	2,358,074.92
Unrealized loss (gain) on derivatives	-	(116,664.26)
Loss on impairment of property, plant and equipment	-	833,020.55
(Revered) impairment loss on deposits	(2,774,623.62)	-
(Reversed) loss on impairment of property, plant and equipment	-	(2,821,401.86)
(Reversed) impairment loss on deposits	-	(3,641,091.59)
Realized (income) expenditures for reward points	(4,047,786.28)	(5,630,354.75)
Non-current provisions for employee benefit	2,108,387.17	3,739,490.00
Finance income	(2,597,097.36)	(2,957,350.28)
Finance costs	6,094,919.44	6,661,445.84
Tax (income) expense	(16,610,674.05)	(20,268,184.57)
Profit from operation before changes in		
operating assets and liabilities	(24,940,609.78)	22,652,915.45
(Increase) decrease in changes of operating assets		
Trade and other current receivables	7,634,301.32	23,920,885.23
Inventories	23,344,440.06	25,342,327.15
Other non-current assets	22,112,353.24	23,073,292.30
(Increase) decrease in changes of operating assets	53,091,094.62	72,336,504.68

Notes to financial statements are parts of these financial statements.

BEAUTY COMMUNITY PUBLIC COMPANY LIMITED
STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2022

	<i>(Unit: Baht)</i>	
	2022	2021
Increase (decrease) in changes of operating liabilities		
Trade and other current payables	(7,836,027.84)	(4,821,351.62)
Other non-current liabilities	(39,250.00)	(1,497,750.00)
Increase (decrease) in changes of operating liabilities	(7,875,277.84)	(6,319,101.62)
Cash generated (paid) from operation	20,275,207.00	88,670,318.51
Employee benefit paid	(718,650.55)	(5,209,922.07)
Finance costs paid	(6,094,919.44)	(6,661,445.84)
Income tax paid	(90,283.13)	(129,800.39)
Net cash provided by (used in) operating activities	13,371,353.88	76,669,150.21
Cash flows from investing activities		
Proceeds from finance income	2,649,665.52	2,447,623.63
(Increase) decrease in other current financial assets	270,000,000.00	(119,567,785.42)
(Increase) decrease in other non-current financial assets	(220,000,000.00)	-
Building and equipment acquisition	(14,866,243.81)	(9,603,475.64)
Proceeds from sales of equipment	266,486.98	748,818.33
Other intangible assets acquisition	(1,471,510.00)	(4,049,322.50)
Net cash provided by (used in) investing activities	36,578,398.69	(130,024,141.60)
Cash flows from financing activities		
Dividend paid	-	(13,974.75)
Payment for lease liabilities	(44,421,580.09)	(64,596,745.25)
Net cash provided by (used in) financing activities	(44,421,580.09)	(64,610,720.00)
Net increase (decrease) in cash and cash equivalents	5,528,172.48	(117,965,711.39)
Cash and cash equivalents as at the beginning of the year	57,977,128.43	175,942,839.82
Cash and cash equivalents as at the end of the year	63,505,300.91	57,977,128.43

Notes to financial statements are parts of these financial statements.

Supplemental cash flow information:

Non cash transactions:

Increase in lease liabilities	46,347,143.16	98,506,020.88
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BEAUTY COMMUNITY PUBLIC COMPANY LIMITED
NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

1. GENERAL INFORMATION

Beauty Community Public Company Limited (“the Company”), the Company was registered as a listed company in the Stock Exchange of Thailand on December 12, 2012. The registered address is located at 10/915, Soi Nuanchan 34, Nuanchan, Bungkum, Bangkok.

The principle business of the Company is to retail of cosmetics.

Names of major shareholders as at March 11, 2022, the last closing date of share transferring suspension register are as follows:

	Percentage of shareholding (based on paid-up capital)
Mrs. Tanyapon Kraibhubes	11.77
Mr. Suwin Kraiphubes	9.54
Thai NVDR Company Limited	3.38
Mr. Pornpong Pornprapa	2.82

2. PREPARATION BASIS OF FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Profession Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development, dated October 11, 2016 regarding the condensed form which should be included in the financial statements (No.3) B.E. 2562 and applicable rules regulations of the Thai Securities and Exchange Commission.

The financial statements have been prepared under the historical cost convention, except as transaction disclosed in related accounting policy.

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.

3. NEW FINANCIAL REPORTING STANDARDS

3.1 Financial reporting standards adoption during the year

During the year, the Company has adopted a number of new and revised financial reporting standards, and interpretations which are effective for the financial statements for the period beginning on or after January 1, 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, for some standards, providing temporary reliefs or temporary exemptions for users.

The adoption of these financial reporting standards does not have any significant impact on the Company's financial statements.

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

The Federation of Accounting Professions issued a number of revised financial reporting standards and interpretations, which are effective for the financial statements for the fiscal year beginning on or after January 1, 2023. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards.

The management of the Company is currently evaluating the impact of these standards to the financial statements in the year when they are adopted.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 Revenues and expenses recognition

Revenues from sales

Revenues from sales, the Company considers that the most performance obligation is satisfied. Revenues from sales are recognized when the control of goods has been transferred to the customers, being at the point of goods are delivered. Revenues from sale are presented at realizable value or expected value of delivered goods after deducting by the products expected to be returned, special discount and other discount excluded value added tax.

Revenues from sale with consignment

Revenues from sale of goods to the distributor (consignee) with the condition of receipt the goods payment from the distributor when the goods have been sold to the third parties. The Company will recognize as income when the distributor transferred the control of goods to the third parties when the goods are delivered

Sales of goods - Customer Loyalty programmers

The Company operates a loyalty program which allows customers to accumulate points when they purchase products in the Company's retail stores. The points can then be redeemed for special discounted goods in the future. Certain sales consideration is allocated to the points issued, at their fair value. The fair value of the points issued is deferred and recognized as revenue when the points are redeemed and the Company fulfill their obligations to supply awards.

Other income and expenses

Other income and expenses are recognized on accrual basis.

4.2 Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, cash at banks, bills of exchange which the original maturity is less than three months and without on withdrawal restrictions.

4.3 Trade and other current receivables

Trade and other current receivables are stated at net amounts of allowance for expected credit losses arising from uncollectable. The allowance is generally based on collection experiences and analysis of debtor aging.

4.4 Inventories

Inventories are stated at the lower of cost or net realizable value. Cost is determined by the average basis.

4.5 Other current financial assets

Other current financial assets are short-term deposit with financial institution which an original maturity is over three months but not over 1 year and are not subject to withdrawal restrictions.

4.6 Property, plant and equipment

Land is stated at cost. Building and equipment are stated at cost less accumulated depreciation and provision for impairment of assets (if any).

Depreciation of building and equipment is calculated by reference to its cost on the straight-line basis over the following estimated useful lives: -

	Number of years
Building and improvement	30, 20, 5
Furniture	5
Office tools and equipment	5
Computer	3
Vehicles	5

Land and construction in progress were not depreciated.

The Company has to include the initial estimate of the cost of dismantling and removing the item and restoring the site on which it is located, the obligation for which the Company incurs as parts of cost of property, plant and equipment, the depreciation charge has to be determined separately for each significant parts of property, plant and equipment with the cost that is significant in relation to the total cost of the assets item. In addition, the Company will review the useful lives, residual value and depreciation method at least at each financial year-end.

The Company derecognised property, plant and equipment upon disposal or when no future economic benefit are expected from the use or disposal. Gains or losses on disposal of assets are recognized in profit or loss when the assets are derecognised.

4.7 Non-financial assets

At the end of each reporting period, the Company perform impairment reviews in respect of the property, plant and equipment and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognized when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Company could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in profit or loss.

In the assessment of asset impairment if there is any indication that previously recognised impairment losses may no longer exist or may have decreased, the Company estimates the asset's recoverable amount.

A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal will be recognised in profit or loss immediately.

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.

4.8.1 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.

a) *Right-of-use assets*

Right-of-use assets are measured at cost, less any accumulated depreciation, any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities initially recognised, initial direct costs incurred, and lease payments made at or before the commencement date of the lease less any lease incentives received.

The cost of right-of-use assets also includes an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Depreciation of right-of-use assets are calculated by reference to their costs, on the straight-line basis on over the period of the lease or the useful lives of each right-of-use asset whichever is shorter, as below:

Land	30 years
Space rental in department store and warehouse	3-10 years
Vehicles	2-5 years

b) 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 Company and payments of penalties for terminating the lease, if the lease term reflects the Company 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 Company discounted the present value of the lease payments by the interest rate implicit in the lease or the Company 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.

c) Short-term leases and leases of low-value assets

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

Lease in which substantially all the risk and rewards of ownership of assets remain with the lessor is accounted for as operating lease. Rentals applicable to such operating leases are charged to the statement of comprehensive income over the lease term.

Long-term leases which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in long-term liabilities, while the interest element is charged to the statements of comprehensive income over the lease period. The asset acquired under finance leases is depreciated at the lower of the useful life of the asset or the lease term.

Leasehold rights are stated at cost less accumulated amortization. Amortization is calculated by reference to cost of leasehold right on a straight-line basis over 10 years lease term.

4.8.2. The Company as a lessor

Financial lease

A lease that transfers substantially all the risks and rewards incidental to ownership of an underlying asset to a lessee is classified as finance leases. As at the commencement date, an asset held under a finance lease is recognised as a receivable at an amount equal to the net investment in the lease or the present value of the lease payments receivable and any unguaranteed residual value. Subsequently, finance income is recognised over the lease term to reflect a constant periodic rate of return on the net investment in the lease.

Operating lease

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset to a lessee. Lease receivables from operating leases is recognised as income in profit or loss on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying assets and recognised as an expense over the lease term on the same basis as the lease income.

4.9 Other intangible assets

Other intangible assets are computer software which is stated at cost less accumulated amortization and provision for impairment of assets (if any).

Amortization is determined by reference to the cost of assets on a straight-line basis over the estimated useful lives for approximate 10 years.

4.10 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 assets and liabilities

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

Deferred tax liabilities are recognised for all taxable temporary differences but recognised deferred tax assets for all deductible temporary differences and carry forward of unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and carry forward of unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is on longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Deferred tax items are recognized in correlation to the underlying transaction directly to shareholders' equity.

4.11 Deferred income for reward points

The deferred income arising from reward point program granted to the Company's customers. The deferred income is calculated based on the estimates of redemption rate of the reward points earned by the customers and average reward prices and is presented in other payable in the statements of financial position.

4.12 Provident fund and employee benefits

Short-term employee benefits

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

Provident fund

The Company established provident fund under the defined contribution plan. The fund's assets are separated entities which are administered by the external fund manager. The Company's employees made contribution into such provident fund. The Company's contribution payments to the provident fund were recorded as expenses in the statements of comprehensive income in the incurred period.

Employee benefits

The Company provide for post-employment benefits, payable to employees under the Thai Labor Law. The present value of employee benefit liabilities recognized in the statements of financial position is estimated on an actuarial basis using Projected Unit Credit Method. The calculation was made by utilizing various assumptions about future events. The Company is responsible for the selection of appropriate assumptions. The assumptions used in determining the net period cost for employee benefits include the discount rate, the rate of salary increment, and employee turnover. Any changes in these assumptions will impact the net periodic cost recorded for employee benefits. On an annual basis, the Company determines the appropriate discount rate, which represents the interest rate that should be used to determine the present value of future cash flows currently expected to be required to settle the employee benefits. In determining the appropriate discount rate, the Company and consider the market yield based on Thai government bonds with currency and term similar to the estimated term of benefit obligation.

The Company recognized total actuarial gains (losses) incurred in other comprehensive income and employee benefit expense in profit or loss.

4.13 Financial instruments

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

Classification and measurement of financial assets

Financial assets are classified, at initial recognition, as to be subsequently measured at amortised cost, fair value through other comprehensive income (FVTOCI), or fair value through profit or loss (FVTPL). The classification of financial assets at initial recognition is driven by the Company business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Financial assets at amortised cost

The Company 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 recognised in the income statement.

These financial assets include derivatives, security investments held for trading, equity investments which the Company has not irrevocably elected to classify at FVTOCI 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 Company financial liabilities are recognised at fair value net of transaction costs and classified as liabilities to be subsequently measured at amortised cost using the effective interest rate (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 Company 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.

The Company may elect to measure financial liabilities at FVTPL in order to eliminate or significantly reduce a recognition inconsistency (sometimes referred to as an accounting mismatch).

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 Company has transferred substantially all the risks and rewards of the asset, or the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the income statement.

Impairment of financial assets

For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. It is based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the 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.

4.14 Derivatives and hedge accounting

The Company uses derivatives in the form of foreign currency futures contracts to hedge against exchange rate fluctuations.

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 is recognised in the income statement unless the derivative is designated and effective as a hedging instrument under cash flow hedge. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

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

Hedge accounting

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment.
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment

At the inception of a hedging relationship, the Company formally designates and documents the hedging relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The documentation, at the inception of the hedge and on an ongoing basis, includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Company will assess whether the hedging relationship meets the hedge effectiveness requirements, including analysis of the sources of hedge ineffectiveness and how the hedge ratio is determined.

A hedging relationship qualifies for hedge accounting if it meets all of the following hedge effectiveness requirements:

- There is ‘an economic relationship’ between the hedged item and the hedging instrument.
- The effect of credit risk does not ‘dominate the value changes’ that result from that economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Company actually hedges and the quantity of the hedging instrument that the Company actually uses to hedge that quantity of hedged item.

Hedges that meet all the qualifying criteria for hedge accounting are accounted for, as described below.

Fair value hedges

The change in the fair value of a hedging instrument is recognised in the income statement. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognised in the income statement.

Any adjustment to the carrying value of fair value hedges relating to items carried at amortised cost, is amortised through the income statement over the remaining term of the hedge using the effective interest method. The amortisation may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged. If the hedged item is derecognised, the unamortised fair value is recognised immediately in the income statement.

4.15 Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including level 3 fair values, and reports directly to CFO.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of financial reporting standards, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of an asset or a liability, Company uses market observable data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as selling prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or liability might be categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognized transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

4.16 Transactions in foreign currencies

The Company records the transactions in foreign currencies converting into Thai Baht by using the exchange rates ruling on the transaction dates. The outstanding balances of accounts in foreign currencies as at the statements of financial position date are converted into Thai Baht by using the exchange rates ruling on the same day.

Gain or loss on exchange is taken into income or expense as incurred.

4.17 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 associated companies, 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.

4.18 Provisions

The Company recognizes a provision when an entity has a present legal or constructive obligation as a result of a past event. It is probable that an outflow of economic benefits resources will be required to settle the obligation and reliable estimate can be made of the amount of the obligation. If some or all the expenditure is required to settle a provision, it is expected to be reimbursed when it is virtually certain that reimbursement will be received if the Company settles the obligation. The amount recognized should not exceed the amount of the provision.

4.19 Share - Based Payments by equity instruments

The Company recognized share - based payments plan by issuing warrants converted into ordinary shares on exercise to the directors and employees of the Company which granted as remuneration for their services rendering by the fair value of such share options at the granted date and is expensed in accordance with the vesting period conditional as determined in the plan and recognized "Equity-Settled share - based payment" in equity.

Estimating fair value for share-based payment transactions requires management to exercise judgement, and to apply assumptions, including as to the expected life of the share options, share price volatility and dividend yield.

4.20 Earnings (Loss) per share

Earnings (Loss) per share as presented in the statements of comprehensive income is the basic earnings (loss) per share which is determined by dividing the profit for the year by the number of weighted average common shares issued and paid-up during the year.

Diluted earnings (Loss) per share is calculated by dividing profit (loss) for the year by the weighted average number of ordinary shares outstanding during the period plus the number of ordinary share issued in the conversion of potential ordinary shares to ordinary shares as assumption that the conversion is made at the beginning of year or at the issuance date of the potential ordinary shares.

4.21 Significant accounting judgements and estimates

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

Allowance for 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 value of inventory

The determination of allowance for diminution in the value of inventory, requires management to make judgements and estimates. The allowance for decline in net realizable value is estimated based on the selling price expected in the ordinary course of business; and provision for obsolete, slow-moving and deteriorated inventories, is estimated based on the approximate useful life of each type of inventory.

Leases**Determining the lease term with extension and termination options - The Company as a lessee**

In determining the lease term, the management is required to exercise judgement in assessing whether the Company is reasonably certain to exercise the option to extend or terminate the lease considering all relevant facts and circumstances that create an economic incentive for the Company to exercise either the extension or termination option.

Estimating the incremental borrowing rate - The Company as a lessee

The Company cannot readily determine the interest rate implicit in the lease, therefore, the management is required to exercise judgement in estimating its incremental borrowing rate (IBR) to discount lease liabilities. The IBR is the rate of interest that the Company 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.

Property, plant and equipment/Depreciation

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and residual values of the plant and equipment and to review estimate useful lives and residual values when there are any changes.

In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and record impairment losses when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

Intangible assets

The initial recognition and measurement of intangible assets, and subsequent impairment testing, require management to make estimates of cash flows to be generated by the asset or the cash generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows.

Deferred tax assets

Deferred tax assets are recognized 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 utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of estimate future taxable profits.

Non-current provisions for employees benefit

The obligations under the defined benefit plans are 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.

Deferred income for reward points

The deferred income is calculated on the estimates of redemption rate of the reward points earned by the customers and average reward prices.

5. CASH AND CASH EQUIVALENTS

	<i>(Unit: Baht)</i>	
	December 31, 2022	December 31, 2021
Cash	429,535.75	617,599.00
Current accounts	1,382,614.41	2,789,147.09
Savings deposit	61,419,788.43	54,059,357.04
Unbilled credit card slip	273,362.32	511,025.30
Total	<u>63,505,300.91</u>	<u>57,977,128.43</u>

As at December 31, 2022, savings deposit and current account had interest rate ranking from 0.15% to 0.35% per annum (December 31, 2021, at 0.05% to 0.25% per annum).

6. TRADE AND OTHER CURRENT RECEIVABLES

	<i>(Unit: Baht)</i>	
	December 31, 2022	December 31, 2021
Trade accounts receivable		
Other party receivables	15,017,227.94	22,147,717.24
Sale with consignment agreement receivables	4,409,208.75	2,865,219.49
Total trade accounts receivable	19,426,436.69	25,012,936.73
Less Allowance for expected credit losses	(306,390.41)	(26,396.44)
Trade accounts receivable - net	19,120,046.28	24,986,540.29
Other current receivables		
Prepaid expenses	2,905,749.82	3,500,801.39
Accrued interest	588,836.05	641,404.21
Advance payment	665,000.00	511,000.00
Non-refund input tax	1,399,841.73	4,621,452.92
Revenue Department receivable	996,691.31	-
Prepaid value added tax	1,389,678.16	877,513.69
Others	450,223.59	253,934.76
Total other current receivables	8,396,020.66	10,406,106.97
Total trade and other current receivables	27,516,066.94	35,392,647.26

The Company has outstanding trade accounts receivable classified by aging as follows:

	<i>(Unit: Baht)</i>	
	December 31, 2022	December 31, 2021
Trade accounts receivable due in term	17,454,135.48	21,307,950.16
Overdue trade accounts receivable		
- Less than 3 months	1,558,900.01	2,740,322.35
- Over 3 months but less than 1 year	346,118.68	940,753.70
- Over 1 year but less than 2 years	67,282.52	23,910.52
Total trade accounts receivable	19,426,436.69	25,012,936.73

7. INVENTORIES

(Unit: Baht)

	December 31, 2022	December 31, 2021
Finished goods	72,191,949.52	99,587,770.40
Packaging	75,114,956.47	80,680,032.48
Work in process	3,571,303.73	5,608,049.20
Supplies	2,565,210.39	3,057,163.96
Total	153,443,420.11	188,933,016.04
Less Allowance for devaluation of inventories	(37,862,121.68)	(50,686,683.73)
Net	115,581,298.43	138,246,332.31

8. OTHER CURRENT FINANCIAL ASSETS

(Unit: Baht)

	<u>At interest rate per annum</u>			
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Fixed deposits	0.75 - 1.15	0.58 - 0.75	100,000,000.00	370,000,000.00
Forward contracts			-	116,664.26
Total			100,000,000.00	370,116,664.26

In 2022, the Company has fixed deposits with two financial institutions for 12 months maturity (2021, two institutions for 12 months).

Forward contracts, derivatives assets held for trading are not defined in hedge accounting relationship, present at fair value through profit or loss.

9. OTHER NON-CURRENT FINANCIAL ASSETS

The Company has fixed deposits with twenty-four months maturity at a local financial institution.

(Unit: Baht)

	<u>At interest rate per annum</u>			
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Fixed deposits	1.60 – 1.65	-	220,000,000.00	-

10. Property, plant and equipment

	(Unit: Baht)						
	Land	Building and improvement	Furniture	Office tools and equipment	Computer	Vehicles	Construction work
							Total
Cost:							
As at January 1, 2021	19,240,000.00	135,139,651.80	71,478,139.25	90,075,075.25	33,855,521.71	17,460,273.09	- 367,248,661.10
Acquisition	-	-	1,571,937.59	2,265,088.69	42,869.16	-	- 3,879,895.44
Disposal	-	(576,530.57)	(13,504.68)	(4,459,982.37)	(6,334,476.26)	-	- (11,384,493.88)
Write off/adjustment	-	(601,052.24)	(33,416,292.59)	(5,280,320.93)	(4,312,585.53)	(9,600.00)	- (43,619,851.29)
As at December 31, 2021	19,240,000.00	133,962,068.99	39,620,279.57	82,599,860.64	23,251,329.08	17,450,673.09	- 316,124,211.37
Acquisition	-	552,932.65	9,991,970.13	2,829,529.82	1,870,389.72	-	62,500.00 15,307,322.32
Disposal	-	-	(80,688.14)	(1,913,605.93)	(2,841,493.58)	(465,700.00)	- (5,301,487.65)
Write off/adjustment	-	-	(7,874,148.06)	(2,376,191.31)	(1,366,899.91)	(90,260.00)	- (11,707,499.28)
As at December 31, 2022	19,240,000.00	134,515,001.64	41,657,413.50	81,139,593.22	20,913,325.31	16,894,713.09	62,500.00 314,422,546.76
Accumulated depreciation:							
As at January 1, 2021	-	(41,339,739.58)	(61,991,075.10)	(53,657,509.73)	(31,965,771.63)	(10,484,876.11)	- (199,438,972.15)
Depreciation for the year	-	(5,742,127.90)	(3,235,218.13)	(9,328,353.88)	(1,605,434.94)	(1,050,287.40)	- (20,961,422.25)
Depreciation for disposal	-	439,553.90	11,355.23	3,699,521.71	6,327,979.22	-	- 10,478,410.06
Write off/adjustment	-	90,517.25	30,537,202.06	4,240,008.05	4,309,498.44	8,137.77	- 39,185,363.57
As at December 31, 2021	-	(46,551,796.33)	(34,677,735.94)	(55,046,333.85)	(22,933,728.91)	(11,527,025.74)	- (170,736,620.77)
Depreciation for the year	-	(5,242,665.94)	(3,071,567.04)	(8,016,239.04)	(752,796.87)	(989,888.58)	- (18,073,157.47)
Depreciation for disposal	-	-	77,000.45	1,826,681.01	2,841,002.58	224,939.69	- 4,969,623.73
Write off/adjustment	-	-	7,930,210.10	2,289,189.00	1,366,689.91	76,599.70	- 11,662,688.71
As at December 31, 2022	-	(51,794,462.27)	(29,742,092.43)	(58,946,702.88)	(19,478,833.29)	(12,215,374.93)	- (172,177,465.80)
Net book value:							
As at December 31, 2022	19,240,000.00	82,720,539.37	11,915,321.07	22,192,890.34	1,434,492.02	4,679,338.16	62,500.00 142,245,080.96
As at December 31, 2021	19,240,000.00	87,410,272.66	4,942,543.63	27,553,526.79	317,600.17	5,923,647.35	- 145,387,590.60

As at December 31, 2022 and 2021, part of buildings at net book value amount of Baht 75.35 million and Baht 78.60 million respectively are constructed on land leased from director as stated in note 16.2

Depreciation for the year ended December 31, 2022 and 2021 amounted to Baht 18.07 million and Baht 20.96 million respectively.

As at December 31, 2022 and 2021, the Company has fixed assets at cost amount of Baht 85.28 million and Baht 79.95 million respectively which have been fully depreciated but are still in use.

11. RIGHT-OF-USE ASSETS/LEASE LIABILITIES

The Company entered into lease of land, space in department store and warehouse, and vehicles for using in its operation. The lease period is averaged from 3 - 30 years.

Movements of right-off-use assets incurred during the year ended December 31, 2022, consist of:

11.1 RIGHT-OF-USE ASSETS

	<i>(Unit: Baht)</i>		
	As at		As at
	January 1, 2021	Increase	December 31, 2021
Cost			
Land	13,267,086.83	-	13,267,086.83
Space rental in department store and warehouse	287,602,161.02	98,320,855.49	245,844,485.11
Vehicles	5,353,446.92	185,165.39	4,878,960.60
Total	306,222,694.77	98,506,020.88	263,990,532.54
Accumulated depreciation			
Land	(3,095,653.59)	(442,236.24)	(3,537,889.83)
Space rental in department store and warehouse	(199,661,891.23)	(53,591,203.64)	(151,666,796.63)
Vehicles	(3,373,588.84)	(1,141,862.34)	(3,855,799.47)
Total	(206,131,133.66)	(55,175,302.22)	(159,060,485.93)
Net book value	100,091,561.11		104,930,046.61
Depreciation for the year ended December 31, 2021			52,609,316.27

	(Unit: Baht)		
	As at January 1, 2022	Increase	Decrease
As at December 31, 2022			
Cost			
Land	13,267,086.83	-	-
Space rental in department store and warehouse	245,844,485.11	43,916,435.53	(81,657,005.53)
Vehicles	4,878,960.60	2,430,707.63	(370,330.78)
Total	263,990,532.54	46,347,143.16	(82,027,336.31)
Accumulated depreciation			
Land	(3,537,889.83)	(442,236.24)	-
Space rental in department store and warehouse	(151,666,796.63)	(37,243,783.60)	81,053,782.59
Vehicles	(3,855,799.47)	(1,085,757.43)	370,330.78
Total	(159,060,485.93)	(38,771,777.27)	81,292,626.28
Net book value	104,930,046.61		111,902,189.56
Depreciation for the year ended December 31, 2022			38,771,777.27

11.2 Lease liabilities

11.2.1 Lease liabilities as follows:

	(Unit: Baht)	
	December 31, 2023	December 31, 2022
Lease liabilities	141,749,854.66	138,726,697.46
Less: Deferred interest income	(25,006,612.64)	(23,310,303.40)
Total	116,743,242.02	115,416,394.06
Less: Current portion of long-term lease	(38,123,269.68)	(45,472,493.31)
Lease liabilities - net	78,619,972.34	69,943,900.75

11.2.2 The increase and decrease of lease liabilities for the year ended December 31, 2022 are as follow:

(Unit: Baht)

Present value of minimum payment for lease as at January 1, 2022	115,416,394.06
Add: Increase/changes in contract conditions- net	46,347,143.16
Less: Repayment during the year	<u>(45,020,295.20)</u>
Present value of minimum payment for lease as at December 31, 2022	116,743,242.02
Less: Current portion of long-term lease	<u>(38,123,269.68)</u>
Lease liabilities - net	<u>78,619,972.34</u>

The Company entered into the lease of land for a period of 30 years, space of department store and warehouse for a period of 3 -10 years and vehicles for a period of 5 years.

11.2.3 The Company has obligation to make minimum lease payment as at December 31, 2022 as follows:

(Unit: Baht)

	December31, 2022	December31, 2021
Less than 1 year	44,196,381.04	50,876,536.78
1 - 5 years	73,296,474.42	62,436,238.48
Over 5 years	<u>24,256,999.20</u>	<u>25,413,922.20</u>
Total	141,749,854.66	138,726,697.46
Less: Deferred interest income	<u>(25,006,612.64)</u>	<u>(23,310,303.40)</u>
Present value of the minimum lease payment to be paid	<u>116,743,242.02</u>	<u>115,416,394.06</u>

(Unit: Baht)

	Less than 1 year	1 - 5 years	Over 5 years	Total
Total minimum lease payment				
to be paid	44,196,381.04	73,296,474.42	24,256,999.20	141,749,854.66
Deferred lease interest	<u>(6,073,111.36)</u>	<u>(8,814,743.46)</u>	<u>(10,118,757.81)</u>	<u>(25,006,612.64)</u>
Present value of the minimum lease				
Payment to be paid	<u>38,123,269.68</u>	<u>64,481,730.95</u>	<u>14,138,241.39</u>	<u>116,743,242.02</u>

Deferred interest recognised in statements of comprehensive income as finance costs amount of Baht 6.09 million

Expenses related to lease for the year December 31, 2022 and 2021 recognised in the following items in part of profit or loss.

(Unit: Baht)

	December31, 2022	December31, 2021
Depreciation of right-of-use assets	38,771,777.27	52,609,316.27
Interest expense on leases liabilities	6,094,919.44	6,661,445.84
Expenses relating to short-term leases		
and leases low-values assets	<u>1,471,482.02</u>	<u>531,431.19</u>
Total	<u>46,338,178.73</u>	<u>59,802,193.30</u>

12. OTHER INTANGIBLE ASSETS

	<i>(Unit: Baht)</i>	
	December 31, 2022	December 31, 2021
Computer software		
Cost:		
Beginning balance as at January 1	40,434,133.10	35,494,133.10
Acquisition	1,128,800.00	-
Transfer in (out)	1,065,000.00	4,940,000.00
Balance at the end of the year	42,627,933.10	40,434,133.10
Accumulated amortization:		
Beginning balance as at January 1	18,391,300.95	14,812,393.23
Amortization	3,974,249.14	3,578,907.72
Balance at the end of the year	22,365,550.09	18,391,300.95
Net book value	20,262,383.01	22,042,832.15
Software under installation		
Beginning balance as at January 1	6,146,130.00	6,986,130.00
Acquisition	140,000.00	4,100,000.00
Transfer in (out)	(1,065,000.00)	(4,940,000.00)
Balance at the end of the year	5,221,130.00	6,146,130.00
Less Allowance for devaluation of assets	(4,925,130.00)	(4,925,130.00)
Net	296,000.00	1,221,000.00
Total	20,558,383.01	23,263,832.15

Amortization of other intangible assets for the year ended December 31, 2022 and 2021 amounted to Baht 3.97 million and Baht 3.58 million respectively.

13. DEFERRED TAX / TAX EXPENSE

	<i>(Unit: Baht)</i>	
	December 31, 2022	December 31, 2021
Deferred tax assets	78,893,705.55	62,283,031.50
Deferred tax liabilities	-	-
Net	78,893,705.55	62,283,031.50

Movements of deferred tax assets and liabilities incurred during the year as follows:

(Unit: Baht)

	As at January 1, 2021	Credit (charged) to		As at December 31, 2021
		Profit or loss	Other	
			Comprehensive income	
Deferred tax assets				
Allowance for devaluation of goods	6,255,327.80	3,882,008.95	-	10,137,336.75
Provision for impairment of assets	1,382,702.26	(397,676.26)	-	985,026.00
Employee benefit obligations	3,281,475.20	(294,086.41)	(1,618,479.59)	1,368,909.20
Deferred income for reward points	2,080,338.39	(1,126,070.95)	-	954,267.44
Dismantling provisions	219,683.10	54,360.65	-	274,043.75
Provision for impairment of deposit	1,283,143.04	(728,218.32)	-	554,924.72
Deficit carried forward	24,733,816.07	21,177,438.08	-	45,911,254.15
Lease	4,396,840.66	(2,299,571.17)	-	2,097,269.49
Total	43,633,326.52	20,268,184.57	(1,618,479.59)	62,283,031.50

(Unit: Baht)

	As at January 1, 2022	Credit (charged) to		As at December 31, 2022
		Profit or loss	Other	
			Comprehensive income	
Deferred tax assets				
Allowance for expected credit losses	-	61,278.08	-	61,278.08
Allowance for devaluation of goods	10,137,336.75	(2,564,912.41)	-	7,572,424.34
Provision for impairment of assets	985,026.00	-	-	985,026.00
Employee benefit obligations	1,368,909.20	277,947.32	-	1,646,856.52
Deferred income for reward points	954,267.44	(809,557.25)	-	144,710.19
Dismantling provisions	274,043.75	39,466.19	-	313,509.94
Provision for impairment of deposit	554,924.72	(554,924.72)	-	-
Deficit carried forward	45,911,254.15	21,290,435.84	-	67,201,689.99
Lease	2,097,269.49	(1,129,059.00)	-	968,210.49
Total	62,283,031.50	16,610,674.05	-	78,893,705.55

Tax (income) expenses for the year ended December 31, 2022 and 2021 can be summarized as follows:

	<i>(Unit: Baht)</i>	
	2022	2021
<i>Current tax:</i>		
Income tax for the year	-	-
<i>Deferred tax:</i>		
Deferred tax (income) derived from temporary differences and reversal of temporary differences presented in statement of comprehensive income	(16,610,674.05)	(20,268,184.57)
Tax (income) expense in statements of comprehensive income	<u>(16,610,674.05)</u>	<u>(20,268,184.57)</u>
Tax (income) expense related to actuarial gains directly recorded to other comprehensive income	-	1,618,479.59

Reconciliation amount between tax expense and multiplication of accounting profits and tax rates used for the year ended December 31, 2022 and 2021 can be presented as follows:

	<i>(Unit: Baht)</i>	
	2022	2021
Accounting profit(loss) before income tax	(84,289,954.06)	(101,036,260.58)
Income tax rates	20%	20%
Accounting profit before income tax multiply by tax rates	-	-
<i>Taxable effects for:</i>		
Accounting base differ from tax base		
different from expenses	(16,610,674.05)	(20,268,184.57)
Total	<u>(16,610,674.05)</u>	<u>(20,268,184.57)</u>
Tax (income) expense presented in statements of comprehensive income	<u>(16,610,674.05)</u>	<u>(20,268,184.57)</u>
Effective income tax rate	-	-

Deferred tax assets are recognised for unutilised tax loss and carry forwards only to the extent that realisation of the related tax benefit through the future taxable profits is probable. The Company has unutilised tax loss carried forward of Baht 123.67 million will be expired in 2025, Baht 105.89 million will be expired after 2026, and Baht 104.46 million will be expired after 2027 onward, according applicable tax regulations in relevant country.

14. OTHER NON-CURRENT ASSETS

	<i>(Unit: Baht)</i>	
	December 31, 2022	December 31, 2021
Rental and services deposit	15,632,653.37	37,619,003.27
Others	1,534,978.11	1,660,981.45
Total	17,167,631.48	39,279,984.72
Less Allowance for impairment of deposit	-	(2,774,623.62)
Net	17,167,631.48	36,505,361.10

15. TRADE AND OTHER CURRENT PAYABLES

	<i>(Unit: Baht)</i>	
	December 31, 2022	December 31, 2021
Trade accounts payable	35,705,035.51	38,902,237.58
Other current payables		
Accrued expenses	12,164,181.49	24,473,351.89
Revenue Department payable	1,001,253.13	1,263,780.38
Assets payables	50,512.33	423,813.63
Amount received advance for goods	1,316,519.75	1,065,083.43
Deferred income for reward points	723,550.93	4,771,337.21
Accrued dividend	773,867.93	778,375.76
Goods returned provisions	1,118,215.05	-
Payables from cancel of trading contracts	2,038,684.34	-
Others	5,164,350.23	469,222.76
Total other current payables	24,351,135.18	33,244,965.06
Total trade and other current payables	60,056,170.69	72,147,202.64

As at December 31, 2021, the Company has amounts received in advance for goods of Baht 1.32 million, and has performance obligation to distribute goods to customers amount of Baht 1.32 million.

In 2022, the Company terminated the contract for the sale of goods with a local company, as a result, the Company has to buy the goods back and damages from the termination of the contract by recognizing the cost of termination of the contract approximately Baht 3.06 million presented in administrative expenses in the comprehensive income statement and the outstanding in the creditors from the sale contracts termination.

16. NON-CURRENT PROVISIONS FOR EMPLOYEE BENEFIT

Non-current provisions for employee benefit are compensation paid to employees when they retired for the year ended December 31, 2022 and 2021, are as follows:

	<i>(Unit: Baht)</i>	
	2022	2021
Non-current provisions employee benefit obligations		
as at January 1	6,844,546.00	16,407,376.00
Current costs of services and interest	2,108,387.17	3,739,490.00
Actuarial loss recognized in statement of other		
comprehensive income during the year	-	(8,092,397.93)
Benefit paid during the year	<u>(718,650.55)</u>	<u>(5,209,922.07)</u>
Non-current provisions employee benefit obligations		
as at December 31	<u>8,234,282.62</u>	<u>6,844,546.00</u>

Long-term employee benefit expenses for the year ended December 31, 2022 and 2021 recognized in comprehensive income are summarized below:

	<i>(Unit: Baht)</i>	
	2022	2021
Distribution costs	435,763.56	584,254.44
Administrative expenses	<u>1,672,623.61</u>	<u>3,155,235.56</u>
Total	<u>2,108,387.17</u>	<u>3,739,490.00</u>

Actuarial (gains) and losses recognized in other comprehensive income arising from:

	(Unit: Baht)
	2021
Financial assumptions	(1,066,639.00)
Experience adjustment	(7,025,758.93)
Total	<u>(8,092,397.93)</u>

Significant actuarial assumptions are summarized below:

	2022	2021
Discount rate	% per annum	% per annum
For monthly and daily staff	1.94	1.94
Salary increase rate		
For monthly and daily staff	3.80	3.80
Turnover rate		
For monthly and daily staff	0 - 60	0 - 60
Mortality rate		
For monthly staff and daily staff	According to Thailand TMO 2017 table	According to Thailand TMO 2017 table

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligations as at December 31, 2022 are summarized below:

	(Unit: Baht)	
	Increase	Decrease
Discount rate (0.5% movement)	(317,045.00)	340,392.00
Future salary increase rate (0.5% movement)	303,303.00	(282,759.00)
Turnover rate (1% movement)	(707,012.00)	825,969.00

17. TRANSACTION WITH RELATED PERSONS AND PARTIES

The Company had transaction with related persons and parties. These transactions are related in the normal course of business and on the basis of the Company and related persons or parties concerned.

Relationship of the Company and related persons and parties can be summarized as follows:

<u>Related parties and persons name</u>	<u>Relationship</u>	<u>Related transactions</u>	<u>Pricing policy</u>
<i>Persons consist of: -</i>			
Mrs. Tanyapon Kraibhubes	Shareholder and director	The Company rent land and land with its construction (state as right of use assets and lease liabilities)	As indicated in agreement

17.1 Transactions between the Company with related persons and parties can be summarized as follow:

(Unit: Baht)

		For the year ended 31 December	
		2022	2021
Interest expenses			
Mrs. Tanyapon Kraibhubes		1,014,810.85	1,014,228.78
Amortisation – right-of-use assets			
Mrs. Tanyapon Kraibhubes		442,236.24	442,236.24

17.2 The balance with its related persons and parties as December 31, 2022 and 2021 are as follow:

	<i>(Unit: Baht)</i>	
	2022	2021
Right-of-use assets		
Mrs. Tanyapon Kraibhubes	9,286,960.76	9,729,197.00
Lease liabilities		
Mrs. Tanyapon Kraibhubes	15,926,088.35	16,260,040.00

Land lease agreement

The Company has a lease agreement dated July 23, 2014 with the relevant persons for a period of the lease is 30 years in the amount of Baht 38.28 million (both counterparties agreed to collect rental from the date of completion of construction of buildings and other structures, or from January 1, 2016, whichever is earlier until the lease is matured). The lease contract starts on January 1, 2014. However, the Company starts to record the rental from January 1, 2014 onwards, and the lease of the land that the building will not be transferred to the tenant, with the tenant have to demolish the building upon termination of the lease.

As at December 31, 2022, the Company has to pay the remaining rental under lease as follows:

	<i>(Unit: Baht)</i>
Amount to be paid	
Within 1 year	2,155,671.00
Over 1 year but less than 5 years	4,627,692.00
Over 5 years (to year 30 th)	24,256,999.20
Total	<u>31,040,362.20</u>

18. PAID-UP SHARE CAPITAL / SHARE PREMIUM ON ORDINARY SHARES

According to the minutes of the Board of directors' meeting No. 1/2022 held on January 24, 2022, the Company approved the decrease in registered share capital from 12,675,000 ordinary shares at a par value of Baht 0.10 to Baht 1,267,500.00 each, which has registered the decrease in share capital with the Ministry Commerce of on February 4, 2022.

As a result of the decrease in registered share capital, the Company has taken the decreasing amounts of Baht 1,267,500.00 to reduce with treasury shares and reserves for treasury shares in the same amount of Baht 99,690,176.42 and reserve the treasury stocks in the same amount. The remaining amount of Baht 98,422,676.42 was transferred to share premium on ordinary shares in full as stated in note 21.

Reconciliation of issued and paid-up and decrease in share capital

	Issued and paid-up share capital		Share premium on
	Number of share	Paid-up share	ordinary shares
	(Share)	(Baht)	(Baht)
As at January 1, 2022	3,006,868,535	300,686,853.50	609,013,286.94
Decrease in share capital by cutting unissued treasury shares to share premium on ordinary shares	(12,675,000)	(1,267,500.00)	(98,422,676.42)
As at December 31, 2022	2,994,193,535	299,419,353.50	510,590,610.52

During the year, there is no exercise of warrants to purchase ordinary shares (ESOP Warrant-1)

On July 17, 2021, (ESOP Warrant-1), the exercise is matured as stated in note 21.

19. LEGAL RESERVE

By virtue of the Public Companies Act B.E. 2535, the Company is required to set aside a legal reserve at least 5% of annual net profit after deduction with deficit brought forwards (if any) until the reserve reach an amount of 10% of the authorized share capital. Such legal reserve is not available for dividend distribution

20. WARRANTS TO PURCHASE ORDINARY SHARES

As at December 31, 2022, the remaining of ESOP Warrant-1 which matured on July 17, 2021.

Reconciliation of warrants is as follows:

	Warrants (Unit)
As at January 1, 2021	15,741,465
Decrease from maturity	(15,741,465)
As at December 31, 2021	-

ESOP Warrant-1

On April 25, 2016, the Annual General Meeting of shareholders for the year 2016 of the Company, passed a resolution to approve the issuance and offering 22,610,000 units of warrants to purchase ordinary shares the Company to the directors and management/employees of the Company.

Details are as follows:

Type	: Specific name of the holders and non-transferable
Offering price per unit	: Baht 0
Term of warrants	: not over 5 years from the date of issuance and offering of warrants
Exercise ratio	: 1 unit of warrant for 1 ordinary share
Exercise price	: Baht 5.00 per share

Qualification of persons who are entitled to warrants allocation as follows:

- : The directors and a member of the Executive Committee who directly manages the Company's activities on the allocation date of warrants
- : Employee who work for the Company not less than 1 year on the allocation date of warrants

Conditions and period of exercise :

- 1) Exercise date is on the 16th of January and July of each year. The first exercise date shall be on January 16, 2017 and the last exercise date shall be the expiration date of warrants, which is 5 years from the issue and offering date.
- 2) Warrant holders can exercise right to purchase new ordinary share in each year are detailed as follows:

Years	Exercise right not over than proportion of warrants (%)	Exercise date
1	15%	January 16, 2017 and July 17, 2017
2	35%	January 16, 2018 and July 17, 2018
3	55%	January 16, 2019 and July 17, 2019
4	75%	January 16, 2020 and July 17, 2020
5	100%	January 16, 2021 and July 17, 2021

- 3) For any unexercised warrants left in each exercise period, the remaining units can be accumulated and exercised during the following exercise period, until maturity of the warrants that any unexercised warrants shall be cancelled and terminated.

Restrictions on the right of warrants

If the warrant holders resign or are otherwise no longer directors or employees of the Company, the warrant holders have to return the holding warrants to the Company, and the Board of Directors of the Company can re-allot the warrants to other directors and/or employees whose a qualification met with the criteria.

The estimated fair value of each share option granted is Baht 1.54. This was calculated using the Black-Scholes-Merton Model. The model inputs were the share price at price determination date of Baht 5.40, exercise price of Baht 5.00, expected volatility of 33.94% , expected dividend yield of 2.11%, life of share options of 5 years, and a risk-free interest rate of 1.80%.

21. TREASURY STOCK

According to the minutes of Board of directors No. 4/2018 held on July 9, 2018, passed the resolution to approved the share repurchase plan for financial management purposes and the company's excess liquidity management as detailed following:

- a) The maximum amount for the share repurchasing is not exceeding Baht 950 million.
- b) The maximum number of share repurchasing not exceed 64 million shares at par value of Baht 0.10 each or equity to 2.13% of total paid-up share capital as at March 14, 2018.
- c) The Company shall repurchase such shares on the Stock Exchange of Thailand by determining the repurchase price taking into average market price during the last 30 days prior to the date on which the Company discloses the information of shares repurchase. The repurchase price will not exceed the average closing price of 5 working days, prior to each repurchasing date plus 15% of such average closing price.
- d) The repurchase period will be started from July 24, 2018 to January 23, 2019.
- e) Period for the resale of share after 6 months from the completion date of the share repurchase and not later than 3 years from this time. The Company shall repurchase such share on the Stock Exchange of Thailand. The Company's Board of directors will determine the period for the offering of the repurchased shares and then inform the investors accordingly.
- f) The repurchase shares are not eligible to receive dividend.

As at December 31, 2022	Treasury stock
Number of shares (shares)	12,675,000
Average price per share (Baht)	7.865
Amount (Million Baht)	99.69

g) Changes of treasury shares in the year as follows:

	Treasury stocks		Value
	Number of shares (Share)	Value per share (Baht)	(Baht)
As at December 31,2021	12,675,000	0.10	12,675,000.00
Increase (Decrease)	(12,675,000)	0.10	(12,675,000.00)
As at December 31,2022	-	-	-

In 2022, the Company has decreased the registered capital from matured treasury stocks and unissued ordinary shares, and reduced the reserve of the entire number of treasury stocks as stated in note 18.

22. DIRECTORS' REMUNERATION AND MANAGEMENT BENEFIT EXPENSES

22.1 Directors' remuneration

Directors' remuneration is benefit paid to the Company's directors in accordance with the Section 90 of the Public Company Limited Act, excluded salaries and related benefits to be paid to executive directors.

22.2 Management benefit expenses

Management benefit expenses focus salaries, remunerations and other benefits paid to their directors and management, in accordance with the definitions of the Office of the Securities and Exchange Commission. Management under definition includes a chief executive officer, the next four executive levels immediately below that chief executive officer and all persons in positions comparable to these fourth executive levels and includes the accounting and financial executive officer, the manager level above or persons in position comparable.

23. PROVIDENT FUND

The Company and employees have jointed to be a member of provident fund name "THE SIN SATA PORN REGISTERED PROVIDENT FUND" in accordance with the Provident Fund Act B.E. 2530. The Company and employees have to contribute to the fund at the same rate 3-5% of employees' salaries. The provident fund is managed by BBL Asset Management Co., Ltd. The employees will entitle the accumulation and benefit when they retired according to the provident fund regulation.

24. EXPENSES ANALYZED BY NATURE

The significant expenses analyzed by nature for the year ended December 31, 2022 and 2021 are as follows:

	<i>(Unit: Baht)</i>	
	2022	2021
Changes in finished goods and work in progress	29,432,566.35	51,661,015.18
Purchase of goods	157,181,692.12	157,101,595.96
Employee benefit expenses	99,766,879.24	110,084,440.43
Management benefit expenses	21,171,923.41	28,173,295.17
Directors' remuneration	959,443.10	806,828.00
Depreciation and amortization	22,047,406.61	24,540,329.97
Services	15,459,816.84	10,137,460.28
Advertising and sale promotion expenses	51,777,730.20	47,772,374.70
(Reversed) Loss on devaluation of inventories	(12,824,562.05)	19,410,044.72
Loss on goods destruction	12,145,155.87	26,017,353.06
Depreciation right-of-use assets	38,771,777.27	52,609,316.27

25. EARNINGS PER SHARE

Basic (loss) earnings per share (excluding treasury stock) and diluted earnings (loss) per share for the year ended December 31, 2022 and 2021 are as follows:

	<i>(Unit: Baht)</i>					
	For the year					
	December 31, 2022			December 31, 2021		
	Weighted		Earnings (loss)	Weighted		Earnings (loss)
	average number	of ordinary		average number	of ordinary	
	Profit (Loss)	shares	per share	Profit (Loss)	shares	per share
Basic earnings per share	(67,679,280.01)	2,994,193,535	(0.02)	(80,768,076.01)	2,994,193,535	(0.03)
Effects of dilutive potential						
ordinary shares	-	-	-	-	-	-
Diluted earnings per share	(67,679,280.01)	2,994,193,535	(0.02)	(80,768,076.01)	2,994,193,535	(0.03)

Diluted earnings (loss) per share for the year 2022 and 2021 were not calculated since the average market price is lower than the exercise price.

26. FINANCIAL INFORMATION BY SEGMENT

The core operating segment information is to distribute cosmetic by retail and non-retail channel. This operating segment information is reported corresponding with the internal reports of the Company that are regularly reviewed by the chief operating decision maker in order to make decision about the allocation of resources to the segment and assess its performance. The chief operating decision makes of the Company has been identified as the President of executive management.

Revenues from sales involved in geographical both in domestic and overseas are as follows:

(Unit: Baht)

	2022	2021
Domestic sales	285,077,159.30	300,739,789.09
Oversea sales	<u>67,302,266.26</u>	<u>96,745,513.60</u>
Total	<u><u>352,379,425.56</u></u>	<u><u>397,485,302.69</u></u>

Major customer's information

In 2022, the Company has no customers which has the value exceed than 10% of revenues of the Company (2021, the Company has revenues from a customer in the amount of Baht 47.13 million which the value exceed than 10% of revenues)

27. COMMITMENT AND CONTINGENT LIABILITIES

- 27.1 As at December 31, 2022, the Company has obligations under lease of space and services agreements of the Company's remain amount of Baht 3.26 million.
- 27.2 The Company is liable on payment under capital expenditures agreement as at December 31, 2022, amount of Baht 0.23 million.

28. FINANCIAL INSTRUMENTS

28.1 Financial risk management policies

Significant financial instruments comprise cash and cash equivalents, trade and other current receivables, other current financial assets, other non-current assets, trade and other current payables, lease liabilities and other non-current liabilities. The Company is exposed the risks associated with such financial instruments and has the risk management policies as follows:

Market risk

Credit Risk

The Company manages the disk by adopting appropriate credit control policies and therefor does not expect to incur material financial losses from commercial credit. The outstanding trade receivables are regularly monitored

An impairment analysis is performed at each reporting date to measure expected credit losses. The provision for expected credit losses rates are uased on days past due for groupings of various customer segments with similar credit risks, the groupings are considered from their nature of business. The calculation of expected credit losses reflects the reasonable and supportable, information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Exchange rate risk

The Company exposed to foreign currencies exchange rate risk due to the certain items denominated in foreign currencies which mostly has the period not exceed one year.

The Company has forward contract lines from two financial institutions for the amount of Baht 50 million and USD 3 million.

As at December 31, 2022, the Company does not have derivatives.

The Company has derivatives by entering into forward contract as at December 31, 2021 as follows:

Currency	Selling amount	Exchange rate	Due date
	(Million Baht)	(Baht: Unit of Foreign Currency)	
USD	0.87	33.16 - 33.84	31 January 2022 – 24 March 2022

As at December 31, 2022, the Company does not have the assets and liabilities denominated in foreign currencies in the financial statements

As at December 31, 2021, the Company has assets and liabilities denominated in foreign currencies in the financial statements are as follows:

	(Million)	Currency	Exchange rate (Baht: Unit of Foreign Currency)
Trade and other current receivables	0.37	USD	33.20-33.23

Interest Rate Risk

Interest rate risk derives from changes in market interest rate resulting to the Company's operation and cash flows. The Company has interest rate risk from deposit at bank and lease liabilities bear floating interest rates and fixed interest rates which are close to market rate.

As at December 2022 and 2021, significant financial assets and financial liabilities can be classified by type of interest rate with those financial assets and financial liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date (if this occurs before the maturity date). as follows:

(Unit: Million Baht)

	December 31, 2022					
	Fixed interest rate					Effective
	Within		Floating	Non-interest		interest
	1 year	1 - 5 year	Interest rate	rate	Total	rate
						(% p.a.)
<u>Financial assets</u>						
Cash and cash equivalents	-	-	61.60	1.90	63.50	0.15 - 0.35
Trade and other current receivables	-	-	-	20.60	20.60	-
Other current financial assets	100.00	-	-	-	100.00	0.75 - 1.15
Other non-current assets	-	-	-	17.17	17.17	-
Other non-current financial assets	-	220.00	-	-	220.00	1.65 - 1.65
	100.00	220.00	61.60	39.67	421.27	
<u>Financial liabilities</u>						
Trade and other current payables	-	-	-	57.56	57.56	-
Lease liabilities	116.74	-	-	-	116.74	5.85
Other non-current liabilities	-	-	-	0.50	0.50	-
	116.74	-	-	58.06	174.80	

(Unit: Million Baht)

	December 31, 2021					
	Fixed interest rate					Effective
	Within		Floating	Non-interest		interest
	1 year	1 - 5 year	Interest rate	rate	Total	rate
						(% p.a.)
<u>Financial assets</u>						
Cash and cash equivalents	-	-	54.57	3.41	57.98	0.05 - 0.25
Trade and other current receivables	-	-	-	26.26	26.26	-
Other current financial assets	370.12	-	-	-	370.12	0.58 - 0.75
Other non-current assets	-	-	-	36.51	36.51	-
	370.12	-	54.57	66.18	490.87	
<u>Financial liabilities</u>						
Trade and other current payables	-	-	-	66.13	66.13	-
Lease liabilities	115.42	-	-	-	115.42	5.85
Other non-current liabilities	-	-	-	0.54	0.54	-
	115.42	-	-	66.67	182.09	

From analysis the effects of changes in interest rates, the Company has no significant impacts since the Company had no liabilities bearing market interest rates

Liquidity risk

The Company needs liquidity to be able to meet its commercial obligations where the Company is responsible for maintaining adequate reserves of and credit limits raising both in the Company and other financial institutions to meet the required liquidity under the Company's framework.

The Company has assessed the lack of liquidity risk by continuously planning liquidity risk management and maintaining adequate reserves of cash, deposits at bank, undrawn credit facilities and unconditions credit facilities.

28.2 Fair value of financial instruments

Since the financial assets and financial liabilities are classified in short-term or bearing interest rate closely to market rate, and loans denominated in Thai Baht bearing the market interest rate. The Company management assessed fair value of financial assets and financial liabilities presented in statements in financial position closely to their carrying value.

The methodology and assumption used in estimate of fair value of financial instrument are as follow:

- a) Financial assets and financial liabilities with short-term maturity, such as cash and cash equivalents, receivable, payables are presented fair value by estimating in accordance with carrying value in statements in financial position.
- b) Long-term liabilities bearing interest at fixed rate are presented fair value by calculating present value of future cash outflows discounted by estimated make interest rate for financial instruments with similar term.

The Company hasn't the remaining forward contract as at December 31, 2022

The Company has the remaining forward contract as at December 31, 2021 as follows:

Currency	Purchase amount	Selling amount	Forward rate		Due date
			Purchase amount	Selling amount	
			(Baht: Unit of Foreign Currency)		
USD	-	865,272.41	-	33.16 - 33.84	31 January 2022 – 24 March 2022

Fair value of financial instruments

As at December 2022 and 2021, the Company presented book value of financial assets and financial liabilities which measured at fair value including presented the fair value hierarchy for financial instruments.

(Unit: Baht)

	As at December 31, 2022			
	Book value			Fair value
	Fair value through	Amortised		
	profit or loss	cost	Total	
Financial assets				
Cash and cash equivalents	-	63,505,300.91	63,505,300.91	63,505,300.91
Trade and other current receivables	-	20,601,277.40	20,601,277.40	20,601,277.40
Other current financial assets	-	100,000,000.00	100,000,000.00	100,000,000.00
Other non-current assets	-	17,167,631.48	17,167,631.48	17,167,631.48
Other non-current financial assets	-	220,000,000.00	220,000,000.00	220,000,000.00
Total financial assets	-	421,274,209.79	421,274,209.79	421,274,209.79
Financial liabilities				
Trade and other current payables	-	57,560,757.53	57,560,757.53	57,560,757.53
Lease liabilities	-	116,743,242.02	116,743,242.02	116,743,242.02
Other non-current liabilities	-	499,750.00	499,750.00	499,750.00
Total financial liabilities	-	174,803,749.55	174,803,749.55	174,803,749.55

(Unit: Baht)

	As at December 31, 2021			
		Book value		Fair value
	Fair value through	Amortised		
	profit or loss	cost	Total	
Financial assets				
Cash and cash equivalents	-	57,977,128.43	57,977,128.43	57,977,128.43
Trade and other current receivables	-	26,260,423.87	26,260,423.87	26,260,423.87
Other current financial assets	116,664.26	370,000,000.00	370,116,664.26	370,116,664.26
Other non-current assets	-	36,505,361.10	36,505,361.10	36,505,361.10
Total financial assets	116,664.26	490,742,913.40	490,859,577.66	490,859,577.66
Financial liabilities				
Trade and other current payables	-	66,130,230.82	66,130,230.82	66,130,230.82
Lease liabilities	-	115,416,394.06	115,416,394.06	115,416,394.06
Other non-current liabilities	-	539,000.00	539,000.00	539,000.00
Total financial liabilities	-	182,085,624.88	182,085,624.88	182,085,624.88

Book value of financial assets and financial liabilities presented in statements of financial position are approximately closed to their fair value.

29. FAIR VALUE HIERARCHY

As at 31 December 2021, the Company had the assets that were measured at fair value and liabilities for which fair value were disclosed using different levels of inputs as follows:

(Unit: Million Baht)

	Financial Statements as at 31 December 2021			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
- Forward contracts	-	0.12	-	0.12

30. CAPITAL MANAGEMENT

The objective of capital management of the Company is to appropriate properly financial structure and to preserve the ability to continue its operation as a going concern.

As at December 31, 2022, the Company has debt to equity ratio equal to 0.27 fold.

31. RECLASSIFICATION

The Company has reclassified the accounts for the year ended December 31, 2021 for corresponding with the presentation of the financial statements for the year ended December 31, 2022, as follows:

(Unit: Baht)

	For the year ended December 31, 2021		
	Before		
	reclassified	Reclassified	After reclassified
Statement of income			
Revenues from sales	387,631,977.03	9,853,325.66	397,485,302.69
Other income	21,229,828.21	(9,853,325.66)	11,376,502.55

32. FINANCIAL STATEMENTS APPROVAL

These financial statements were approved and authorized for issue by the Company's Board of directors on February 27, 2023.

PART 4

Certification of Information

Data

Part 4

Authentication



Information Certification

The Company has reviewed the information on this annual registration statement with care and hereby certifies that the information is accurate, complete, not false, or misleading, and does not lack material information that should be notified. In addition, the Company

certifies that:

- (1) The financial statements and financial information summarized in this annual registration statement show material information accurately and completely regarding the financial condition, the operating results and the cash flows of the Company and the subsidiaries;
- (2) The Company has provided an efficient disclosure system to ensure that the material information of the Company and the subsidiaries is disclosed accurately and completely, and has supervised compliance with such disclosure system;
- (3) The Company has provided an efficient internal control system, supervised compliance with the system, the Company has established a good internal control system and supervised to ensure compliance with such system. And the company has informed the results of the internal audit for the year 2022 to the auditor. and audit committee of the company

In this regard, as proof that all the documents are identical to those certified by the Company, the Company has authorized Ms. Daranee Pathetang to sign on every page of the documents, and the absence of the authorized signature of Ms. Daranee Pathetang on any document shall be deemed that such unsigned document has not been certified by the Company

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Mr. Suwin Kraibhubes (Board of Director)

Dr. Peerapong Kittiveshpokawat (Board of Director)

Ms. Daranee Pathetang (Company Secretary)

Attachment 1

Details of directors, executives, controlling persons, the person assigned to take the highest responsibility in Accounting and Finance, the person assigned to take direct responsibility for accounting supervision, the Company's secretary and the representative for contact and coordination in case of a foreign company.

Attachment 2

Details of the directors of subsidiaries

Attachment 3

Details of the Heads of the Internal Audit and Compliance Units

Attachment 4

Assets for business undertaking and details of asset appraisal

Attachment 5

Unabridged policy and guidelines on corporate governance and unabridged code of business conduct prepared by the Company.

Attachment 6

Report of the Subsidiaries Committee



Attachment 1: Details of directors, executives, controlling persons, the person assigned to take the highest responsibility in Accounting and Finance, the person assigned to take direct responsibility for accounting supervision, the Company's secretary and the representative for contact and coordination in case of a foreign

Suwin Kraibhubes

Director / Chairman of the Board



Name: Dr. Suwin Kraibhubes
Position: Director / Chairman of the Board
Age (year): 54 years old

Educational Qualifications

- Bachelor of Science, Faculty of Medicine, Chiang Mai University
- Certificate of Director Accreditation Program (DAP), Thai Institute of Directors
- Executives Capital Market Academy Program (CMA.18)
- Global Business Leaders Program (GBL) from LEAD Business and Cornell University
- Chief Transformation Officer (CTO) from The Stock Exchange of Thailand (SET)

Work Experiences

2021 – Present	Director / Chairman of the Board, Beauty Community PCL
2018 – 2021	CEO / Director, Beauty Community PCL
2017 – 2018	CEO / Director / Deputy Director of Product Development & Purchasing Division, Beauty Community PCL
2000 – 2016	CEO / Director / Deputy Director of Marketing Division and Deputy Director of Product Development & Purchasing Division, Beauty Community PCL

% of Shareholding

-9.5 % -

Vichit U-on

**Independent Director
and Chairman of Audit Committee.**



Name : Assoc. Prof. Dr. Vichit U-on

Position Independent Director and Chairman of Audit Committee.

Age (year) 55 years old

Educational Qualifications

- Bachelor of Science (Agribusiness), Kasetsart University
- Master of Arts Program in Agribusiness, Kasetsart University
- Doctor of DBA.(Marketing), The University of Sarasota, USA
- Doctor of D.I.B.A – Nova Southeastern University, Florida, USA
- Certificate of Director Accreditation Program (DAP), Thai Institute of Directors

Work Experiences

- | | |
|----------------|--|
| 2017 – Present | Chairman of Audit Committee and Independent Director of Beauty Community PCL |
| 2020 – 2021 | Acting Chairman of the Board |
| 2013 – Present | Dean of Graduate College of Management, Sripatum University |
| 2009 – 2012 | Board of Directors and the working group, WPORT |
| 2007 – 2012 | Former Director of Center Research Consumer Behavior, Sripatum University |
| 2012 – 2013 | Marketing Consultant of Chokdee International Franchise Co., Ltd. |
| 2010 – 2011 | Marketing Consultant of Bathroom Design Co., Ltd. |
| 2010 – 2011 | Marketing Consultant of A.S. ASSOCIATED ENGINEERING (1964) CO., LTD. |
| 2010 – 2011 | Marketing Consultant of Princessbra Co., Ltd. |
| 2009 – 2010 | Marketing Consultant of Triads Networks Co., Ltd. |
| 2009 – 2010 | Marketing Consultant of B. J. BROTHERS & SON Co., Ltd. |
| 2009 – 2010 | Marketing Consultant of T.G.B International Trading Co., Ltd. |

% of Shareholding

- None-

Viboon Pojanalai

Independent Director and Audit Committee



Name : Mr. Viboon Pojanalai
Position Independent Director and Audit Committee
Age (year) 46 years old

Educational Qualifications

- Bachelor of Accounting, Thammasart University
- Master of Science in Risk Management and Financial Derivatives, Georgia State University
- Certificate Public Accountant (CPA)
- Certificate of Director Accreditation Program (DAP), Thai Institute of Directors

Work Experiences

- 2022 - Present Audit Committee and Independent Director of The Klinique Medical Clinic PCL.
- 2018 – Present Audit Committee and Independent Director of Halcyon Technology PCL.
- 2016 – Present Director of Thai Enger Holding PCL.
- 2015 – Present Audit Committee and Independent Director of Dental Corporation PCL.
- 2011 – Present Audit Committee and Independent Director of Beauty Community PCL.
- 2008 – Present Director of Asia Mineral Processing Co., Ltd.

% of Shareholding

- None -

Attapon Srisangwarn

Independent Director and Audit Committee



Name: Col. Attapon Srisangwarn

Position **Independent Director and Audit Committee**

Age (year) 55 years old

Educational Qualifications

- Bachelor of Laws , Ramkhamhaeng University
- Student of Royal Thai Army War College, 58th class
- Lawyer Government of Office of the Council of State.
- Certificate of Director Accreditation Program (DAP), Thai Institute of Directors

Work Experiences

2017 – Present	Special Operations of staff officer, the Provost Marshal General
2017 – 2018	Head of legal department, Army United F.C.
2016 – 2019	Assistant Attached to the Member of the National Legislative Assembly
2015 – 2017	Executive Committee of the ruling army.
2011 – Present	Audit Committee and Independent Director of Beauty Community PCL
2011 – 2012	Chief of Staff Officer to the Royal Thai Army Commander Division, the Provost Marshal General
2006 – 2011	Chief of Investigation Department, the Provost Marshal General

% of Shareholding

-- None --

Tanyapon Kraibhubes

Director



Name : Mrs. Tanyapon Kraibhubes

Position Director

Age (year) 53 years old

Educational Qualifications

- Certificate in Nursing, Baromarajonani College of Nursing, Pha Yao
- Certificate of Director Accreditation Program (DAP), Thai Institute of Directors
- Academy of Business Creativity (ABC), Institutional development of creative business, Sripatum University

Work Experiences

2000 –Present Director of Beauty Community PCL

2000 – 2014 Deputy Chief Executive Officer and Director of Beauty Community PCL

% of Shareholding

-11.70 % –

Monsoothatip Malaukaranun

Director



Name: Ms. Monsoothatip Malaukaranun

Position Director

Age (year) 45 years old

Educational Qualifications

- Bachelor of Science, Associated Medical Sciences, Chiang Mai University
- Certificate of Director Accreditation Program (DAP), Thai Institute of Directors
- The Madanes Enneagram Coaching Methodology, NLP Life Mastery
- Certificate of practitioner at Fundamental Level, iSTRONG Mental Health
- Professional certified life coach, Thailand coaching academy
- Master certified life coach, Thailand coaching academy

Work Experiences

- | | |
|----------------|---|
| 2012 – Present | Director Beauty Community PCL |
| 2012 –2013 | Executive Director and Director of Business Development and Corporate Communications Division, Beauty Community PCL |
| 2010 – 2011 | Assistant Manager of Products Division, Beauty Community PCL |
| 2009 – 2010 | Assistant Manager of Sales Division, Beauty Community PCL |
| 2005 – 2009 | Sales Department Manager, Beauty Community PCL |

% of Shareholding

-0.33 % –

Peerapong Kitiveshpokawat

Director/Chief Executive Officer



Name: Dr. Peerapong Kitiveshpokawat

Position Director/Chief Executive Officer

Age (year) 60 years old

Educational Qualifications

- Bachelor, Chiangmai University
- Master of Business Administration Program in Marketing, Thammasat University
And Gothenberg University, Sweden
- Master of Business Administration Program in Retail Business, University of Sterling United Kingdom
- Doctor of Management, Sripatum University
- Mini MBA in Franchise Nova Southeastern University, USA.
- CFE (Certified Franchise Executive) International Franchise Association (IFA)
- Certificate of Director Accreditation Program (DAP), Thai Institute of Directors

Work Experiences

- | | |
|----------------|---|
| 2021 – Present | Director / Chief Executive Officer, Beauty Community PCL |
| 2018 – 2021 | Director / Deputy chief executive officer, Beauty Community PCL |
| 2011 – 2017 | Chairman of Audit Committee and Independent Director
of Beauty Community PCL |
| 2007 – 2017 | Director of Business Coach & Consulting Co., Ltd. |
| 1995 – 2017 | Director of B.T.C. Parts Center Co., Ltd. |

% of Shareholding

-0.035 % –

Norarit Keetanon

Executive Director



Name: Mr. Norarit Keetanon

Position Executive Director/ Director of Information Technology

Age (year) 51 years old

Educational Qualifications

- Bachelor of Engineering (B.E.), ASSUMPTION UNIVERSITY Major: Electronics
- Master of MBA, OKLAHOMA CITY UNIVERSITY Major: Management Information System
- Professional Certification Program NORTHWESTERN UNIVERSITY Major: E-Commerce

Work Experiences

- | | |
|----------------|---|
| 2017 – Present | Executive Director/ Director of Information Technology, Beauty Community PCL |
| 2011 – 2016 | Executive Director, Manager of Information Technology and Executive Director of Business Continuity Plan, Reed Tradex Co.,Ltd |
| 2002 – 2016 | Manager of Information Technology, U City CPL |

% of Shareholding

-0.002 % –

Netnapha Sae-Lim

Executive Director

Name: Ms. Netnapha Sae-Lim
Position Executive Director / Director of Accounting and Finance
Age (year) 50 years old

Educational Qualifications

- Bachelor of Accountancy Major: Accounting, BANGKOK UNIVERSITY
- Continuing Professional Development (CPD) Federation of Accounting Professions
- Business key performance indicators : Yves Rocher, HQ, Paris, France
- Manufacturing operation process: Yves Rocher, La Gacilly, Brittany, France
- Internal control system: Yves Rocher, Madrid, Spain
- B2S business model (Business to Social): Yves Rocher, Milan, Italy



Work Experiences

2020 – Present	Executive Director / Director of Accounting and Finance, Beauty Community PCL
2016 - 2020	Financial Controller, Yves Rocher (Thailand) Co., Ltd.
2012 – 2016	Accounting Manager, DKSH (Thailand) Co., Ltd.
2003 - 2012	Assistant to Accounting Manager, Trim International Co., Ltd.
2002 - 2003	Assistant to Accounting Manager, Thai Kawasaki Motor Co., Ltd.

Piyavadee Chutaprachakul

Executive Director



Name: Ms. Piyavadee Chutaprachakul
Position Executive Director /
Director of Operations (Retail Business)
Age (year) 43 years old

Educational Qualifications

- Bachelor of Science Major: Economics, KASETSART UNIVERSITY
- Master of Commerce Major: Marketing , MACQUARIE UNIVERSITY, Australia
- Management Certification Program, HEC Business School, Paris France

Work Experiences

2019 – Present	Executive Director / Director of Operations (Retail Business), Beauty Community PCL
2018 - 2019	Senior Manager of Operations (Retail Business), Beauty Community PCL
2014 – 2018	Sales and Marketing Manager, Yves Rocher (Thailand) Co., Ltd.
2012 - 2014	Manager of Billabong, DKSH (Thailand) Co., Ltd.

Daranee Pathetang

Executive Director

Name: Ms. Daranee Pathetang

Position Executive Director / Company Secretary

Age (year) 43 years old

Educational Qualifications

-- Bachelor of Science Major: Economics, KASETSART

- Company Secretary Program (CPS) : The Thai Institute of Directors Association (IOD)

Work Experiences

2021 – Present

Executive Director / Company Secretary, Beauty Community PCL

2012 – Present

Company Secretary / Secretary to CEO, Beauty Community PCL

2002 – Present

Secretary to CEO, Beauty Community PCL



Details of board, Executive, and Controlling person's tenure of the company in related companies

Date: December 31, 2022

A = Chairman, B = Director, C = Executive Board, D = Executive

E = Advisor/Board of Advisors

X = Chairman of the Audit Committee, Y = Audit Committee, Z = Independent Director

Name Related Companies	Assoc. Prof. Dr. Vichit U-on	Dr. SUWIN KRAIBHUBES	Ms. TANYAPON KRAIBHUBES	Ms. MONSOOTHATIP MALAUKARANUN	Dr. PEERAPONG KITIVESHPOKAWAT	Col. ATTAPON SRISANGWARN	Mr. VIBOON POJANALAI	Mr. NORARIT KEETANON	Ms. NETNAPHA SAEILIM	Ms. PIYAVADEE CHUTAPRACHAKUL	Mrs. DARANEE PATHETANG
BAUTY COMMUNITY PCL.	B,X,Z	A,B	B	B	B,C,D	B,Y,Z	B,Y,Z	C, D	C, D	C, D	C, D
ASIA MINIERAL PROCESSING CO., LTD.							B				
THAI ENGER PCL							B, C				
DENTAL CORPORATION PCL							B, Y, Z				
HALCYON TECHNOLOGY PCL.							B, Y, Z				
THE KLINIQUE MEDICAL CLINIC PCL.							B, Y, Z				

Attachment 2

Details of the directors of subsidiaries

--No--

Attachment 3

Details of the Heads of the Internal Audit and Compliance Units

IA Signature Co., Ltd. Is outsource who is responsible for the internal auditors of the Company. The head of the internal audit team has qualifications, educational background and work experience as follows:

Mr. Sutee Tanwanichkul

(The person assigned by IA Signature Co., Ltd. to be the Head of Internal Audit)

Age	40
Position	Head of Internal Audit
Shareholding	- Specify direct shareholding: none - Indirect shareholding: none
Relationship with Directors and Management	none
Education/ Training in Related with IA	- Master of Accounting, Kasetsart University - Master of Business Administration (Marketing), Dhurakij Pundit University - Bachelor's degree of Accounting, Dhurakij Pundit University - Certificate Professional Internal Auditor of Thailand (No.17) The Institute of Internal Auditor of Thailand (IIAT) - Independent Auditor for CAC SME Certification Thai CAC - Certification of PDPA: C-DPF, C-DPP, C-DPO, ACIS Professional Center - Forensic Accounting Certification, Federation of Accounting Professions of Thailand - IIA'S Endorsed Internal Auditing Program (EIAP), Chulalongkorn University - Director Certification Program (DCP-238), The Thai Institute of Directors Association (IOD) - Anti-Corruption the Practical Guide (ACPG-37), The Thai Institute of Directors Association (IOD)

Part 5 year of work experience in Related with IA

2021 – Present:	Chairman of Executive Committee, Signature Group Holding Co., Ltd.
2014 – Present:	Managing Director, IA Signature Co., Ltd.
And also, as Head of Internal Audit, Companies hiring internal control system audit services	
2020 – Present:	Director of Qualified Members, Faculty of Business Administration, Rajamangala University of Technology Rattanakosin
2019 – 2021:	Director of Qualified Members, The Institute of Internal Auditors of Thailand
2021:	Special Lecturer, Rajamangala University of Technology Rattanakosin
2020 – 2021:	Special Lecturer, King Mongkut's Institute of Technology Ladkrabang
2019 – 2020:	Special Lecturer, Mahidol University Kanchanaburi Campus
2018:	Lecturer of Course "IPO Roadmap CEO – Executive Program" Module 4: Business Systems & Internal Control, The Stock Exchange of Thailand

Record of penalties for violation of The Securities and Exchange Act B.E. 2535 or the Derivatives Act BE 2546 for the past 5 years only in the following cases:

- (1) Dishonest act or gross negligence; none
- (2) Disclosure or dissemination of false information or statements that may be misleading or conceal material facts that should be notified, which may affect decision making of shareholders, investors or other parties involved; none
- (3) Unfair acts or exploitation of investors in trading securities or derivatives, or participation in, or support to, such acts. none

Attachment 4

Assets for business undertaking and details of asset appraisal

Main Fixed Assets

The assets used by the Company in business as at December 31,2022 consist of the following.

- **Property**

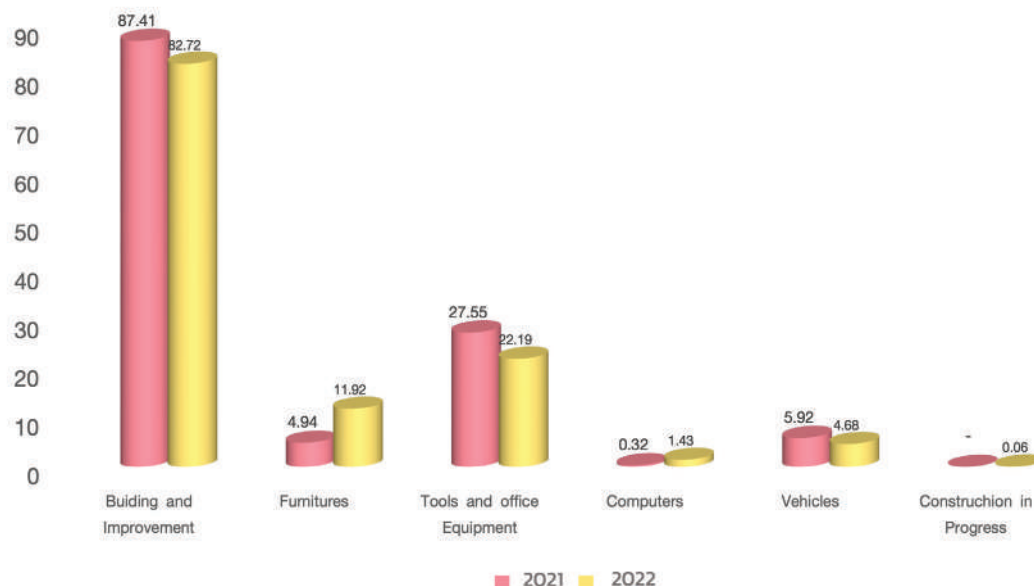
The company owns a plot of land, Title Deed No. 1699 in the area of 1 rai 1 ngan and 20 square wah, located at Nuanchan Sub-district, Bueng Kum District, Bangkok Metropolis. At present, such land is located at the head office of the Company at net book value as at December 31,2022 for 19.24 million and free from obligation.

- **Leasehold Rights**

The leasehold rights of other areas where are located nearby the head office have the objective of rent for parking area and general office equipment storage as per the following details.

Rent Area	Location	Lessor	Duration	Start-End
Property	50/1 ,50/2 ,50/3 Nuan Chan 34 Alley, Nuan Chan Road, Nuan Chan Sub-district, Bueng Kum District, Bangkok Metropolis	Mrs. Tanyapon Kraibhubes	30 Years	1 January 2014-31 December 2043

- **Other Fixed Assets**



Other fixed assets in graph are owned by the Company and free from any obligation.

- **Intangible Assets**

The Company has invested in Dynamic AX, Point of Sales (POS) and invested in development of new computer system such as Microsoft Dynamic AX 2012 for good internal management and they can be commenced for application within this 2018. Cost price of total intangible assets has been 42.63 million Baht and net book value as at December 31,2022 and 2021 were 20.55 and 23.26 million Baht, respectively

Attachment 5

Unabridged policy and guidelines on corporate governance and unabridged code of business conduct prepared by the Company.

Corporate Governance

The Company is aware of the importance of performing in accordance with the Corporate Governance Principle. Thus, the Board of Directors has developed the policy to comply with Code of Best Practices for Directors of Listed Company according to the Stock Exchange of Thailand (SET) guidelines, which are determined to be practical. Moreover, the Company follows Good Corporate Governance as a guideline in development of the policy to cover rights and equitable treatment of shareholders, stakeholders, structures, roles and responsibility and independency of directors, disclosure and transparency, risk control and management, including code of conduct; to make business management and business operation efficient and transparent. Good Corporate Governance includes 5 sections as follows.

- The Company will encourage the Board of Directors, the management, and relevant organizations, including the auditor to participate in shareholders' meetings simultaneously.

- The Company will assign the Board of Directors to provide a written appointment for a shareholders' meeting with adequate information for the shareholders to be notified about 7 days prior to the date of the Meeting or to follow the prescription of the Securities and Exchange Commission and the Stock Exchange of Thailand.

Section 1 The Rights of Shareholders

The Company realizes and respects the rights of the shareholders by not proceeding in any action that violates the rights of shareholders. Moreover, it will support the shareholders to exercise their fundamental rights, e.g. sale or transfer of shares, sharing of the Company's profits, receiving adequate information regarding the Company, attending shareholders' meetings to exercise the right to vote in the removal of directors, selecting auditors and making decisions on matters that affect the Company such as the allocation of the dividend, the provision or amendment of regulations and memorandum of association, the reduction or increase of capital, and the approval of special items.

In addition to the fundamental rights as stated above, the Company will support any matter that encourages and facilitates the exercise of rights of the shareholders as follows:

“Good Corporate Governance”

- In each shareholders' meeting, the chairman will clarify the rules for the meeting including voting procedures and allocate time sufficiently for the meeting.

- The shareholders will be given extreme opportunities to raise questions and give comments and suggestions in any meeting in the presence of the board members and directors. After the Meeting is adjourned, the Company will produce the meeting minutes by showing accurate and complete information for the scrutiny of the shareholders.

- The Company will arrange vote submission and record in the resolution of Shareholders' Meeting clearly in the Minute of Meeting. The number of votes received; agreed, not agreed, and no vote; will be recorded for each agenda of the Shareholders' Meeting which required voting.

- In the case that any shareholder cannot attend the meeting by him- or herself, the Company grants an opportunity to these shareholders the privilege of authorizing any independent director or person to attend the meeting in his or her name.

Section 2 The Equitable Treatment of Shareholders

The Company will treat all shareholders equally and fairly including shareholders who are director, non-director, foreign shareholders as well as minor shareholders with the following principles:

1

The Board of Directors will not raise an additional agenda without informing the Shareholders in advance if it is not necessary, especially an important agenda that requires the Shareholders time to study before making any decision.

2

- The Company has set up a policy to prevent any unauthorized use of information by prohibiting agencies that were exposed to the information from revealing it to other agencies or non-related persons. In the event that any employee or director reveals the information or uses it to benefit themselves or their accomplices, it will be considered a serious offense and will receive a disciplinary punishment

3

In a shareholders' meeting, the Board members and Chief Executive Officer will share information about their interests in each agenda for the Board of Directors to consider any transaction that may be in conflict with the interests. This will allow them to make decisions for the benefit of the Company as a whole. The Board members and the Board of Directors whose interests conflict with the Company's will be revoked the right to vote in that agenda.



Section 3 The Role of Stakeholders

The Company respects the rights of every group of stakeholders and has created a policy which is important in treating all stakeholders as follows.

Shareholders:

The Company is committed to dealing with businesses with the knowledge and management skills as best as possible in all cases with honesty and fairness to both major and minor shareholders for the best interest of shareholders as a whole. This includes disclosure of information on a regular basis with completeness and accuracy.

Employees:

The Company will provide fair compensation to employees, maintain the working environment that is safe for life and property and give an emphasis on the development of employees' potential thoroughly and consistently. It will also strictly comply with laws and regulations that are employee-related and avoid any action that is deemed unfair which may affect the career integrity of the employees as well as treat the employees with courtesy and listen to opinions and suggestions from all employee levels equally and fairly.

Clients:

The Company is committed to creating customers' satisfaction and confidence, including taking care of and responsible for customers. Our customers will receive products and services with quality and standards at a reasonable price and comply with applicable standards. The Company will also comply with the terms and conditions of the agreement entered into by the Company and customer, along with developing a higher standard of products and services continuously.

Partners and creditor

The Company will not practice corruption in dealing businesses with its partners and creditors and is committed to comply with conditions strictly prescribed with creditors, e.g., the purposes of payment, reimbursement, the regulations of the quality of collateral and any other agreements with creditors to achieve mutual benefits.

Competitors:

The Company will conduct operations under the rules of good competition, will not seek competitors' confidential information by dishonest or improper means, and will not damage the reputation of its alleged competitors without unfounded grounds.

Society:

The Company will not take any action that may result in damage to society, natural resources, and the environment. Instead, it seeks opportunities to support creative social activities and social responsibility among employees at all levels continuously and seriously as well as to control the practice strictly in accordance with the spirit of the law and regulations issued by regulatory agencies.

“The Company will not take any action that may result in damage to society, natural resources, and the environment.”



Section 4 Disclosure and Transparency

The Company recognizes the importance of disclosure of accurate, complete, and timely information and meets the standards of the Stock Exchange of Thailand in terms of financial reports and general information as well as other important information affecting stock prices and the decision-making process of investors and stakeholders of the Company. Moreover, to provide all the relevant information equally, the Company releases the public information through the Stock Exchange of Thailand and the website at www.beautycommunity.co.th.

The Board of Directors is responsible and aware of the significance of the accurate and reasonable financial report. The statement of the Company was prepared in accordance with the well-accepted accounting standard by the selection of appropriate accounting policies and accounting records which have enough accuracy to maintain the property. This is to identify the weaknesses in order to prevent fraud or irregularities of the material which is consistently implemented and to make sure that the key information is adequately disclosed in the notes to financial statements.

Furthermore, the Board has appointed the Audit Committee to review financial reports, transactions and the internal control system. The Audit Committee will report the audit results to the Board in every meeting. The Board of Directors, the Audit Committee, and the Auditor' reports are detailed in the annual report. As for the investor relations, the company has assigned the corporate communication department of dealing with shareholders, analysts and related parties.



Section 5 Responsibilities of the Board of Directors

(1) The Board of Directors' structure

The Board of Directors consists of directors who have knowledge, competency and experience in doing business which is beneficial for the Company. The Company's Board of Directors is appointed by the General Meeting of Shareholders. It consists of 7 Directors, including 3 Independent Directors: three Audit Committees. At least one Audit Committee must have enough accounting knowledge to be able to audit and ensure the reliability of financial statements. The Company also regulates that at least one-third of the Board, but not fewer than 3 persons, is to be Independent Directors representing the minority of shareholders. They have to check and balance the Company's administration of the affairs to provide the best, fairest and most accurate interests to the shareholders.

The Chairman of the Board must be the Independent Director and must not be the same person as the Chief Executive Officer to achieve the balance and the review of the management. To achieve this, the Company has clearly set the scopes of power, duties and responsibilities of the Board of Directors, Executive Committee and the Managing Director to prevent them from having unlimited managing and financial power.

(2) Sub-Committee

The Board of Directors has appointed the following sub-committee to assist in the Company's operations:

- 5 Executive Committees who help facilitate operations with the powers and duties assigned by the Board of Directors.
- The Audit Committee has at least 3 persons to monitor and assist in overseeing the operations of the Company's scope of duties as assigned by the Board of Directors. All members have qualifications stated in the Securities and Exchange Act or in the rules and regulations of the Securities and Exchange Commission or the Securities and Exchange Commission or the Stock Exchange of Thailand.
- 3 Nomination and Remuneration Committees who provide suggestion about remuneration of the Directors, appointment of the Board of Directors and sub-committee, nominate and propose the person whose qualification is suitable for being the Director; including follow up and operate human resource activities, e.g. evaluation for bonus and salary increment, etc.

However, the Company may recruit other sub-committees to perform their assigned tasks to alleviate the administrative burden of the Board of Directors in the future.

(3) Roles, Duties, and Responsibilities of the Board of Directors

The Board of Directors is responsible for determining the policy, vision, strategy, goal, business plan and budget as well as oversees the effective and efficient administration and management to ensure compliance with agreed policies and strategies within the framework of the law, the Company's objectives, regulations, and resolutions of the shareholders' meeting. The Board will perform its duties with full competency to create value-added for long-term business and manage the Company's business carefully and prudentially to avoid conflict of interests. The Board will manage operations according to the following guidelines.

3.1

The Company has written a procedure on the business code of conduct for the Board, the Audit Committee, and the working parties to use as a guideline. Its key issues are the discretion of the Company's confidentiality, honest and law-abiding operations, respect of the legitimate rights of each other and caution of the resources, both internal and external environment. This important focus of ethics in business will bring integrity in performances and the efficiency of an internal control, resulting in faith in capital markets and confidence to establish credibility with investors.

3.1 Business Code of Conduct

3.2

The Company's policy on conflict of interest is based on a principle that all employees are required to act only in the best interest of the Company. Any actions or decisions must be free from influences of the needs of themselves, their family, relatives, siblings, or other parties of their own acquaintances. The policy covers two following issues:

3.2 The Policy on Conflicts of Interest

- Transactions:

The Company will consider the appropriateness before carefully making any transaction item or determining the price and condition of any transaction, as if the Company is making a transaction with a third party (Arm's Length Basis). Also, the Audit Committee will consider and verify the necessity and reasonability of the transaction. The Company will make any transaction by following regulations, conditions, and procedures prescribed in the announcement of the Stock Exchange of Thailand and the announcement of Securities and Exchange Commission Thailand. In addition, the Company will reveal the said item in its annual report and registration statement (Type 56-1). This is done for the transparency of any transaction and to eliminate the problems of conflict of interest and other related situations.

- Other situations that can lead to conflicts of interest can be categorized as follows:

1. General investment: The Company will not allow its employees who are also shareholders, or those who benefit from its competitors, or vendors/suppliers who are in business contact with the Company to take part in any decision making regarding business relationship, unless approved by the Board of Directors.

2. Receiving gifts: Personnel of all levels should not receive gifts, transportation tickets, sport tickets, travel offers, accommodation or personal offers, etc., if such action can lead the Company to any binding conditions or make the Company lose profit.

3. Accepting work in academia or public service, a lecturer post, or any position: Personnel of all levels can ask the head of their department to approve the acceptance of work in academic institutions or public service, or a lecturer post or any position such as Company director or adviser that will help broaden their vision and offer them experience. However, all personnel are not allowed to involve the Company or their positions in the Company with any external activity, unless approved by the Board of Directors.

3.3

The Company has an internal control system to give the investors' confidence that the Company operates efficiently and increases the financial budget credibility. The Company has hired IA Signature Co. Ltd. who has its professional in internal control with experiences of internal audit for many listed companies, to be an internal auditor of the Company.

Moreover, Mr. Sutee Tanwanichkul, an internal inspector of IA Signature Co., Ltd, has been appointed to report the result of the internal inspection to the Audit Committee at least once every three months.

3.3 Internal Control

(4) The Board of Directors' Meeting

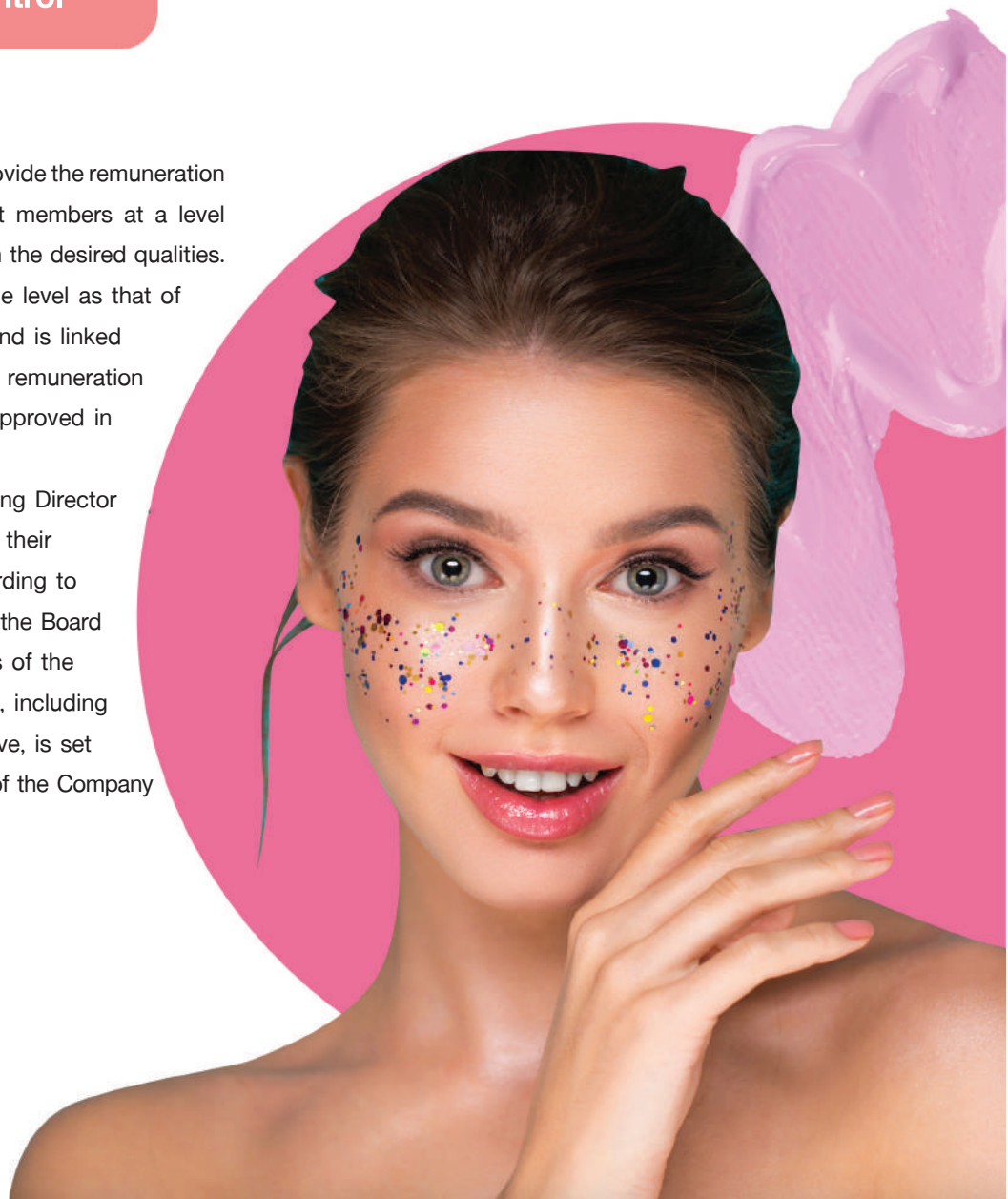
The Board of Directors has set to hold at least one meeting every three months as well as other special meetings if necessary. A monthly report is also expected to be compiled and distributed among the Board of Directors to help them direct, control and supervise the operation of the management section promptly and continuously. A meeting invitation must be sent to the Board of Directors for consideration at least seven days before a meeting is held, except in urgent cases to protect the Company's rights or profits. The Board of Directors can ask for any extra information from the secretary if needed.

The Chairman and Chief Executive Officer will consider the agenda, and each member of the Board can also propose an agenda. The Chief Executive may join the Meeting to give extra information in certain occasions.

(5) Remuneration

The Company has its policy to provide the remuneration of the Board of Directors and Audit members at a level which can motivate them to maintain the desired qualities. The remuneration will be at the same level as that of other groups in the same industry and is linked to the Company's performance. The remuneration of the Board of Directors must be approved in the Shareholders' Meeting.

The remuneration of the Managing Director and Chief Executive is set to match their responsibilities and authorities according to the rules and policies determined by the Board of Directors for the highest benefits of the Company. The level of remuneration, including salary, bonus, and long-term incentive, is set in accordance with the performance of the Company and each Director.



(6) The Board of Directors and Executives' development

The Board of Directors supports and provides training and workshops to all employees who are involved in the Corporate Governance system, such as the Directors, Audit Committees, and Executives, to continuously help improve their performance. Training and workshops may be arranged in the office or at other external institutes. If there is any change in the Board of Directors, the Company's secretary will provide useful documents to the new members, as well as arrange for advice on the business type and model to be given to the new Boards of Directors.

Insider Trading Policy

The Company has its policy and procedure which cover monitoring the Directors and senior management about their usage of inside information for their interests as follows.

1. To provide knowledge for the Directors and other managements about their responsibilities to report changes in securities holding of them, their spouse, and minor children to The Securities and Exchange Commission and Stock Exchange of Thailand. This complies with Section 59 and the announcement of The Securities and Exchange Commission No. SorChor. 12/2552 prescribed "Preparation and Disclosure of Report on Securities Holding of Director, Executive and Auditor", and the penalty stated in Section 275 of the Securities and Exchange Act B.E. 2535.

2. The Company assigns the Executives to report changes in securities holding of them, their spouse, and minor children to The Securities and Exchange Commission and Stock Exchange of Thailand. This complies with Section 59 and the announcement of The Securities and Exchange Commission No. SorChor. 12/2552 prescribed "Preparation and Disclosure of Report on Securities Holding of Director, Executive and Auditor". Thus, the Company can monitor share selling/buying of all Executives.

3. The Executives who are informed of any material inside information, which has some impact on securities' price change, must stop their securities buying/selling for 1 month before publishing such financial statement or inside information. They must not exploit such material information from others. If any person in the Board of Directors or Executive Committee uses the inside information to cause some damages to the Company or the Shareholders, The Board of Directors will consider the penalty appropriately. If the person at other level exploited the inside information, the penalty will be considered by the Executive Committee.

Attachment 6

Report of the Subsidiaries Committee

Report of Audit Committee

The Independent Audit Committee of Beauty Community Public Company Limited on February 27, 2022, are consisted of 3 persons as follows:

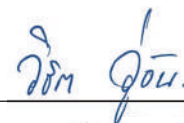
- | | |
|---------------------------------|-----------------------------|
| 1. Assoc. Prof. Dr. Vichit U-on | Chairman of Audit Committee |
| 2. Col. Attapon Srisangwarn | Audit Committee |
| 3. Mr. Viboon Pojanalai | Audit Committee |

The Audit Committee are qualified auditors according to the announcement of Stock Exchange of Thailand on Qualification and Scope of Audit Committee (Edition 2) B.E. 2552 (2009).

In 2022, the Audit Committee conducted 4 meetings. They had knowledge and abilities to independently performed their duties and missions with prudence according to the scope of responsibilities as co-managers, internal auditors, and auditors for the maximum benefits of all stakeholders, which can be summarized as follows:

1. Verify the accuracy and the adequacy of disclosure of the Company's quarterly reports and annual financial statements for the year 2021 to ensure the completeness and reliability of its accounting system in compliance with Thai Accounting Policy.
2. Monitor the Company's internal audit and internal control system with appropriateness and efficiency.
3. Supervise the Company's operations in compliance with guidelines and regulations set forth by the Securities and Exchange Commission, as well as other laws related to its business.
4. Maintain the adequacy and effectiveness of risk management.
5. Provide advice and suggestions for the Company to conduct its business operations with transparency according to the Good Corporate Governance Principles and the disclosure of related records or information that might contain conflicts of interests.
6. Manage the Company's nomination and remuneration of auditors with approval from the shareholders' meeting.

Following the internal control system, the Audit Committee had opinions that the Company's internal control system is overall in good conditions, with the adequacy and completeness of reliable and well-prepared accounting reports under the general accepted Thai Accounting Policy. Moreover, the Company has an adequate risk management system in accordance with the Good Corporate Governance Principles and the steady improvement of its operational quality.



(Assoc. Prof. Dr. Vichit U-on)
Chairman of Audit Committee

Report of the Nomination and Remuneration Committee

The Company's Nomination and Remuneration Committee consists of 3 independent and expertise directors as follows:

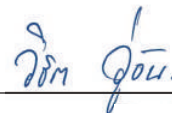
- | | |
|---------------------------------|---|
| 1. Assoc. Prof. Dr. Vichit U-on | Chairman of Nomination and Remuneration Committee |
| 2. Col. Attapon Srisangwarn | Nomination and Remuneration Committee |
| 3. Mr. Viboon Pojanalai | Nomination and Remuneration Committee |

The Nomination and Remuneration Committee is responsible for nominating qualified persons according to the established criteria and processes to be proposed for appointment as the Company's directors, top executives, and subcommittees, including the consideration of remuneration forms and criteria for the Board of Directors. The Nomination and Remuneration Committee has performed its duties as assigned by the Board of Directors with prudence, transparency, and fairness.

In 2022, the Nomination and Remuneration Committee held a total of 1 meeting. All 3 members of the Nomination and Remuneration Committee attended the meeting, which represented the attendance of 100% for considering important matters as follows:

- Nomination and appointment of qualified and appropriate persons for the director position in replacement of the retired ones
- Consideration and review of suitable forms and criteria of remuneration for the annual remuneration of directors
- Report on the operating performance to the Board of Directors regularly

The Nomination and Remuneration Committee had opinions that those matters were appropriate for the long-term benefits of the Company, shareholders, and stakeholders.



Assoc. Prof. Dr. Vichit U-on
Chairman of Nomination and Remuneration Committee

Report of the Risk Management Committee

The Company's Risk Management Committee consists of 3 knowledgeable and experienced directors with an understanding of business operations, namely:

- | | | |
|------------------|----------------|---------------------------------------|
| 1. Col. Attapon | Srisangwarn | Chairman of Risk Management Committee |
| 2. Mr. Viboon | Pojanalai | Risk Management Committee |
| 3. Dr. Suwin | Kraibhubes | Risk Management Committee |
| 4. Dr. Peerapong | Kitivetpokawat | Risk Management Committee |

In a bid to support the Board of Directors in overseeing the corporate risk management in achieving business goals, while building confidence and credibility among shareholders, investors, and stakeholders on the Company's business operations, the Risk Management Committee therefore has performed its duties with full capacity by establishing and reviewing the organizational risk management structure and policy according to the roles and responsibilities in the Risk Management Committee Charter, while providing guidelines for risk management to efficiently suit business operations in compliance with the Company's operational strategic directions and business plans.

In 2022, the Risk Management Committee held a total of 1 meeting. All 3 members of the Risk Management Committee attended the meeting, which represented the attendance of 100% for considering the following important matters:

- Consideration for the approval of risk management policy
- Review of the risk assessment and risk prevention measures for the year 2022
- Report on the operating performance to the Board of Directors regularly

The Risk Management Committee had opinions that in the past year of 2022, the Company established its risk management structure and policy to cover all aspects of risk factors. There was a continual management of key corporate risks with efficiency, appropriateness, and controllability at an acceptable level.



Col. Attapon Srisangwarn
Chairman of Risk Management Committee