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Annual registration statement

# Annual Report

(56-1 One Report)

# 2021

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# CONTENTS

02	The Board of Directors and Executives
	<b>Section 1 Business Operation and Operating Results</b>
05	1. Structure and Operation of the Group of the Companies
35	2. Risk Management
44	3. Driving Business for Sustainability
60	4. Management Discussion and Analysis (MD&A)
81	5. General Information and Other Information
	<b>Section 2 Corporate Governance</b>
84	6. Corporate Governance Policy
95	7. Management Structure and Information of the Board of Directors, Sub-Committees, Executives and Employees
112	8. Report on Key Performance in Corporate Governance
125	9. Internal Control and Related Party Transaction
	<b>Section 3 Financial Statements</b>
135	Report of the Board of Directors' Responsibility for the Financial Statements
136	Independent Auditor's Report
141	Financial Statements
	<b>Section 4 Data Authentication</b>
196	Data Authentication
	<b>Attachments</b>
198	Attachment 1 Profiles of Directors, Executives, Regulator and Company Secretary
211	Attachment 2 Information on Directors of Subsidiaries
212	Attachment 3 Profile on Head of Internal Audit
213	Attachment 4 Operating Assets
225	Attachment 5 Full Version of the Policies and Guidelines for Corporate Governance and Code of Conduct
226	Attachment 6 Report of Audit Committee

## The Board of Directors and Executives



**Mr. Prakarn Tawisuwan**

Chairman of the Board of Director /  
Independent Director /  
Chairman of the Audit Committee



**Mr. Jane Wongisariyakul**

Director / Chairman of Executive  
Committee / Chairman of Risk  
Management Committee / CEO

*(Authorized Director)*



**Mrs. Vannaporn Wongisariyakul**

Director /  
Member of Executive Committee /  
Member of Risk Management Committee

*(Authorized Director)*



**Miss Kanokpan Kreangkraikrissada**

Director /  
Member of Executive Committee /  
Member of Risk Management Committee

*(Authorized Director)*

## The Board of Directors and Executives



**Miss Kanollas Wongisariyakul**

Director / Member of Executive  
Committee / Member of Risk  
Management Committee /  
Managing Director / CFO

*(Authorized Director)*



**Miss Thipawan Uthaisang**

Independent Director /  
Member of the Audit Committee /  
Chairman of Nomination Remuneration  
and Corporate Governance Committee



**Dr. Warunee Varanyanond**

Independent Director /  
Member of the Audit Committee /  
Member of Nomination Remuneration  
and Corporate Governance Committee



**Mr. Surapat Rojchanavisart**

Director /  
Member of Nomination Remuneration  
and Corporate Governance Committee

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# Section 1

## Business Operation and Operating Results

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## 1. Structure and operation of the group of the companies

**Winner Group Enterprise Public Company Limited** operated core business is an importer, manufacturer and distributor of food ingredients and food additives used in food processing industry, including raw materials, ingredients and additives from sources around the world, as well as food ingredients and additives manufactured by the Company. The Company also imports and distributes consumer food products under the world's leading brands such as microwave popcorn, seasoned laver, pasta, olive oil, fruit jams, juices, etc.

### 1.1 Policy and Business Overview

Winner Group Company Enterprise Public Company Limited (“the Company” or “Winner”) operates as an importer, manufactures and distributes raw materials, ingredients and food chemicals used in food processing, such as raw materials, ingredients used in food processing (Food Ingredients) and food additives and additives (Food Additive) from leading sources around the world.

In addition, the company has expanded the range of products distributed to food products for consumption under world-class brands. by delivering products through modern trade and traditional trade as well as expanding the customer base to food service providers such as hotel, restaurant and catering (HoReCa) including other retailers and online customers under online selling websites [www.winnerandco.com](http://www.winnerandco.com)

In addition to quality products, the company also adheres to efficient and reliable service. by maintaining a base of experienced salespeople proficient and understand the customer's business very well to find the right products and meet the needs of customers as well as adapting and preparing to cope with the change of business model towards a cashless society. Consumer behavior that focuses on the perception of goods and services via social media in order to be able to respond to the needs of customers in a more comprehensive and comprehensive manner.



### 1.1.1 Vision, Mission and Business Objectives



**Core business:** Importing, manufacturing and distributing

- Raw material, ingredients and food additives for food industry (Industry Products)
- Consumer Food Products (Consumer Products)

#### Vision

To become the leading company with expertise in integrated food business in all distribution channels.

#### Mission

We are committed to deliver quality products and provide reliable service, to meet the customers' needs and satisfaction with the dedication to develop company's human resources capability to have expertise in food industry and maintain good relationship with suppliers.

#### The Company sets business objectives as follows:

1. The Company plans to develop and supply new products to meet a wide range of requirement of customers in food industry and food service operators (Food Service/HoReCa) and supply innovative products to meet consumer's needs to diversify product ranges distributed by the Company.
2. The Company will develop more customized products to meet customers' needs including OEM premix products and packaging filling services. Also, we aim to export our own products such as icing sugar, baking powder and wheat flour to neighboring countries. To increase the plant's production to reach maximum capacity and reduce operating costs per unit to be more competitive.
3. The Company plans to develop consumer food products under our own brand to enter new markets.
4. The Company will expand customer base to cover more customers in all segments of the food industry by expanding customer base from primarily food industry manufacturers to food service customers (Food Service/HoReCa), Quick Service Restaurant "QSR" and end consumers. The Company aims to expand customer groups from Bangkok and Greater Bangkok to major cities in each region especially touristic provinces.
5. The Company plans to develop corporate resources planning and increase work efficiency on service delivery.
6. The Company will develop a business development plan to create brand awareness of newly acquired OEM cosmetic business and expand broader opportunity into ASEAN countries.

**Business: OEM**

- Skincare & Cosmeceutical
- Makeup
- Food Supplement
- Pharmaceutical

**Vision**

To become the leading OEM company in ASEAN with creativity excellence and innovation in health and beauty.

**Mission**

To aim to be company that continues research and development of health and beauty products, product research and development processes, manufacturing process that meet international standards along with services that focus on customer satisfaction.

**The Subsidiary company sets business objectives as follows:**

1. A profitable organization which aims to legally and ethically earn profit.
2. A sustainable organization which aims to create better work life balance to employees and CSR commitment.
3. A leading OEM cosmetics business in country with excellence service.
4. Product customization that serves customers' requirements and consumers product safety.
5. Feature of swift quality products, effective response to customers and remains competitive in the same industry level.
6. Strong strategic marketing penetration to maximize market share in domestic and international appearance.
7. Guarantee of product quality, manufacturing process, logistics and transportation, environmental management system standards as well as leveraging business capabilities.
8. Committed to provide effective procurement both raw material, packaging, machine and various services to minimize trade monopoly.

**1.1.2 History and Development****History**

Winner Group Enterprise Public Company Limited ("the Company or Winner") was founded in 1983 by a group of experts in food science and technology led by Mr. Jane Wongisariyakul with fully-paid registered capital of 1 million baht. At present, Winner engages in the business of importing, manufacturing and distributing of raw materials, food ingredients and food chemical used in food processing from all over the world such as potato starch, modified starch, wheat starch, egg power, thickener and gelling agent, stabilizer, cocoa, preservative, artificial sweetening agent and other kinds of food chemical.



In 2004, the Company expanded its business by acquiring the factory for production lines of food additive and premix such as icing sugar, and sugar used in food industry, baking powder, thickening agent, seasoning etc. and on October 3, 2013, the Company registered IPO in the Stock Market Alternative Investment (MAI).

With the expertise and skills in supplying of raw materials, food chemical related in food industry and strong sales teams that understand our customers' business, the Company could supply suitable products met our customer needs. The Company expanded our product range, distribution channels and customer base to new groups of customers who are likely to grow continuously in various types of food industry.

Additionally, the Company expanded into consumer products under the world leading brand such as Pop Secret microwave popcorn, Streamline fruit jam, Harvey Fresh juice distributed in modern trade and traditional trade channel and expanded our customer base to food service business such as hotels restaurants, catering (HoReCa) and other retail traders including E-marketing tools (E-commerce) to expand new customers in online segment.

In 2018, The company acquired the business Aesthetic Zecret (AT-ZE) Company Limited which is an OEM business for skincare and cosmetic, makeup, supplementary food and pharmaceutical. The propose is to strengthen the business expansion from food distributors to the OEM business for skincare and cosmetic, makeup, supplementary food and pharmaceutical.

In 2021. The company has purchased ordinary share of Winner Agro Innovation Co., Ltd. 45% of Registered capital which operate business to production and distribution of raw materials, seedling varieties, hemp extract and the kind of agricultural products.

### Key Milestones in 2021

1. In 2021, the Company selected new products from various sources including to develop product for requirement of customer and expand customer base both industry food and food service provider which import and distribution new products as follows:

Industry Products
NUTRAVA® Citrus Fiber
Potato Flake
Defatted Soy Flour
Biscuit Flour
Pea Starch
Trisodium Phosphate
Pure Prime Pressed Cocoa Butter

## Consumer Products

## Brand

Maruki	Frozen roasted eel
Lilly	Almond 500g / 1 kg. Cashew Nuts 500g / 1 kg. Rolled oat 500g / 1 kg. Dried cranberry 500g / 1 kg. Raisin 500g / 1 kg.
Osterberg	Kyoho grape fruit compound
Farmerland	Pumpkin seed Sunflower Seed
Kimnori	Seasoned Seaweed
Samudra	Cream Sandwich Biscuit
Streamline	Fruit of the Forest jam
Baixiang	Instant noodle
Golden Chopsticks	Jasmine brown rice 100% Riceberry mixed with brown rice
Bel Normande	Sparkling Juice
EZTA	Collagen Pure powder Collagen UC-II capsule Collagen Ceramide capsule Collagen Ceramide powder shot Gluta Ceramide capsule Gluta Ceramide powder shot Soy protein Whey Protein



2. On June 4 2021, Thaipat Institute announced that “WINNER” is one of the 2020 ESG 100 listed companies with having outstanding in Environmental, Social and Governance (5-year continuance since 2017).
3. On July 6, 2021, Thai Investors Association announced Annual General Meeting of Shareholders in 2021 that resulted the AGM Level 100 scores (4-year continuance since 2017). The propose is to increase awareness of the AGM as essential leverage element of good corporate governance.
4. On October 26, 2021, the Stock Exchange of Thailand and Thai Institute of Directors announced “the examination result on Corporate Governance Report of Thai Listed in 2021”. The Company was classified into “excellent” or CG 5-star score range of 90-100 scores (4 consecutive years since 2017) which was higher than the average scores of all Thai Listed in 2021.
5. On December 20, 2021, Influential Brands Singapore and Neo Target Thailand organized the 9<sup>th</sup> Outstanding Brand continuously announcement of the year namely “2021 Asia's Outstanding Brands” which the company has been voted as one of the most outstanding brands continuously for 2021.



## 1.2 Nature of Business

### 1.2.1 Revenue Structure

The Company and its subsidiary's revenue structure were divided into product group in 2019 - 2021 as follows.

Type of Revenue	By	2019		2020		2021	
		MB	%	MB	%	MB	%
1. Sale Revenue							
1.1 Industry Products	The Company	646.4	39.2	697.0	41.0	729.4	40.3
1.2 Consumer Products	The Company	942.1	57.2	939.9	55.4	1,011.3	55.9
1.3 Manufacture of skincare, cosmetic, food supplement and pharmaceuticals	The Company and The Subsidiary	44.6	2.7	50.1	2.9	44.2	2.4
2. Other Income <sup>1/</sup>	The Company and The Subsidiary	15.2	0.9	11.3	0.7	24.3	1.4
Total		1,648.3	100.0	1,698.3	100.0	1,809.2	100.0

Remark: <sup>1/</sup> Other incomes consist of commission, interest income, marketing supports, gain on sales of unit trust, etc.

### 1.2.2 Information of Products

#### Importing, manufacturing and distributing business

#### 1) Product

The Winner Group Enterprise Public Company Limited's products are divided into two groups which are industry products and consumer food products. In 2021, The proportion of revenue from industry products was 40.3 percent of total revenues and the proportion of revenue from consumer food products was 55.9 percent of total revenues shown as follows:

#### 1.1) Industry Products (Raw Materials, Ingredients and Additives for Food Industry)

Industry products can be divided into Food ingredient and Food additive. These 2 groups are imported from worldwide manufacturers with high quality standard and from our own plant under a modernized production process and GMP standard to meet a wide range of requirement of the customers in food industry, which need their own specific formula. Our Company products are used as raw materials, ingredients and intermediate substances in food processing by various types of food manufacturers and bakeries.

- **Food Ingredient**

Raw materials and ingredients used in food processing. A mostly, used as the main ingredient in food production. Bakery or processed into products of entrepreneurs in the food and bakery industry divided into product groups as follows:

#### Flour Products

Starch products that the Company distributes are wheat flour, potato starch, modified starch from potatoes and corn starch. The company imports this group of products from origins around the world, namely the Netherlands, Germany, Australia, Singapore and China, which are products from the processing of agricultural products such as wheat, potatoes, and maize. The brand of each manufacturer that is import, namely Avebe, Prima, Prima Ceylon and Manildra which is a selection of quality products from the origin and has a brand that is recognized by operators in the food industry around the world.

The company's starch products They are mainly used as raw materials and ingredients in the food processing industry and bakery such as meat processing such as meatballs, sausages, processing of products made from rice and carbohydrates such as noodles, vermicelli, production of snacks and bakery products such as cakes, biscuits, cookies, seafood processing such as surimi, crab stick Frozen Seafood semi-finished food processing such as fried chicken Battered shrimp, etc. Customers in the aforementioned food industry are customers in the group that produce products for sale in the country. and produce products for export to foreign countries This requires a great deal of importance on the quality of raw materials and ingredients used in the production and processing of goods.

In addition, the company has developed and distributed products in the instant flour group, such as crispy fried dough and instant pancake batter. Under the brand "Lilly" to be sold to customers in hotels, restaurants and wholesale stores for resale to end-user customers.

#### Cocoa and Chocolate Products

Cocoa products that the company distribute that It is a product that comes from the processing of cocoa beans. both untreated and chemically processed by adding alkalinity additives to adjust the acidity - alkalinity, color and smell as needed. and extracted some of the fat and made into cocoa powder which there are various types of sales such as

- Cocoa products that do not use alkali in the production process such as Natural Cocoa Powder, Cocoa Mass and Cocoa Butter
- Cocoa products that use alkali in the production process such as Alkalized Cocoa Powder

for chocolate products It is a chocolate product with outstanding properties. Easy to use thanks to good shrinkage properties It is strong and gives luster. There are 2 types of chocolate products that the Company distributes, namely Chocolate Compound and Chocolate Couverture, in various forms

such as lump, button, chip, and paste. which can be used in a variety of applications in the food industry.

The Company distributes cocoa products under the brand “JB Cocoa” imported from Malaysia, one of the largest cocoa producers in Asia. For chocolate products, the company distributes them under the brand “Barry Callebaut” imported from Singapore. Cocoa and chocolate products are mainly used as raw materials and ingredients for processing products in the bakery industry such as biscuits, wafers, cookies, or mainly in the dairy and dairy-related industries.

#### Egg Powder Products

Egg powder products are divided into 3 types, namely egg white powder, egg yolk powder, and egg mix powder. The main egg powder product that is commonly used in the food industry is egg white powder, which is an egg protein that has the property of helping to increase adhesion and increase the texture of the product. food Egg white powder can therefore be used in a variety of food industries such as Batter Mix, seafood products, surimi, crab sticks, bakery products, etc.

The company distributes egg powder. Under the brand "IGRECA" imported from France. which is the largest source of chicken eggs in Europe and under the brand “EGGWAY” imported from India.

#### Sugar and sweetener products

Sugar and sweetener products that the Company distributes are divided into imported products. and products that the company produce for sale by sweetening the company There are various types of imports for sale, including:

- Maltodextrin is a product of starch digestion from plants such as cassava starch, corn starch, which looks like a white powder without taste or slightly sweet, can dissolve well in water.
- Dextrose
- Sweeteners instead of sugar include: Aspartame and Acesulfame K

The characteristics of the use of the sweetener mentioned above. It will be used in the production of healthy food products. Food products for those who want to control weight. Powdered food products such as powdered beverages and powdered seasonings Most of the company will import sweeteners from China.

For products produced by the company's factory The products for distribution include Icing Sugar, Ground Sugar, Glazing Sugar, Donut Sugar, and Sugar for the food industry. which can be used as raw materials for various types of food such as

- Bakery products such as bread, cakes, cookies, donuts
- Processed meat products such as shredded pork, pork cutlets
- Mixed flour products such as fried flour, various seasonings

which products in this group, the company It is distributed under the brand "Bamboo Tree", which is the company's own brand. In addition, the company also produces various grades of sugar for the food industry. with special characteristics or specifications according to the needs of each industrial customer in the form of products manufactured according to customer requirements (Customized)

#### Food flavoring agents and spices

Food additives that the Company distributes are monosodium glutamate. and various spices Which is used in the production of seasonings and instant food. The company imports spices from Spain, which is the world famous origin.

#### • Food Additive

Food Additives are components in food production. which is a product that requires chemical properties to create properties and specific use characteristics of products that food entrepreneurs will process into semi-finished food and instant food. Products in this group can be divided into 3 types as follows:

#### Stabilizers, Thickeners and Gelling Agent

This group of products is divided into two categories:

- Bio Gum such as Xanthan Gum, Gellan Gum
- Substances obtained by extracting from plants such as Carboxymethyl Cellulose (CMC), Carrageenan, Pectin

which this group of substances are Polysaccharides has stability properties provide thickeners and Gelling Agent Therefore, it is used in the food industry that requires specific properties such as oyster sauce, chili sauce, ketchup, chicken sauce, beverage products, fruit juices, dairy products, flour products for deep-frying. canned food products instant noodle products which most of the company Import and distribute this group of products under "CP Kelco" brand from the United States and "Nouryon" brand from Netherlands.

#### Leavening Agent

This group of products is divided into two categories:

- Yeast which the company imported from Turkey under the brand "PAKMAYA", yeast powder causes rise in bread products.
- Baking powder, which developed and produced by the company under the brand "Panda Kid", baking powder causes a rise in products such as cakes, egg snacks, cookies, biscuits and various deep-frying mixes, which the company has developed a variety of formulas in order to qualify for use. of each product This includes the development of specific formulas for specific customers with specific needs.



### Preservatives and other additives

The Company imports and distributes Sodium Benzoate and Potassium Sorbate preservatives from China for use in various food industries such as meat products, meatballs, sausages, seasoning products, fish sauces, sauces, soy sauce, beverage products and fruit juices.

In addition, the company also imports and distributes other additives such as phosphate compounds, which has the property to improve the texture of food products such as meatballs, sausages, frozen seafood products.

## 1.2) Consumer Products

Consumer food products consist of 4 main groups which are:

- (1) Snacks
- (2) Semi-processed raw materials and frozen products
- (3) Gourmet foods and bakeries
- (4) Beverages and drinks

The aforementioned products are imported from various countries such as the United States, Spain, Italy, Germany, France, Australia, Singapore, China, Japan, South Korea, etc. The details of the products are as follows.

- **Snacks**

Snacks which the company distributed are under the brand of famous manufacturers from various sources around the world, including:

- Products imported from the United States, such as microwave popcorn “Pop Secret” brand
- Products imported from South Korea such as seasoned seaweed “Sea Friend” brand and “Kimnori” brand
- Products imported from Japan such as cheese sandwiches “Ohgiya” brand
- Products imported from Indonesia such as flavored crispy noodles “Gemez Suki” brand
- Products imported from Malaysia such as cream biscuits, Samudra brand
- Products from Thailand such as cookies, wafers and corn snacks “VFoods” brand

- **Semi-finished raw materials and frozen products**

Products in the category of raw materials, semi-finished products and frozen food products that the Company Distributed under the brand of the manufacturer, including semi-finished baked corn, frozen potatoes, frozen fruits and vegetables, frozen seafood and frozen bakery imported from many countries such as New Zealand, China, Vietnam, Holland. Most of which are distributed to customers of food service operators (Food Service/HoReCa), such as hotels, restaurants and restaurants, to produce and process food for distribution to consumers.



- **Gourmet foods and bakeries**

The company distributes products used for cooking and baking under imported brands of famous manufacturers from various sources around the world, including:

- Products imported from the United States such as raisins “Mariani” brand, Maraschino cherry “Olivia” brand.
- Products imported from Italy such as pasta “Campagna” brand, lemon juice “Ital lemon” brand, whipping cream and chocolate couverture (Master Martini brand).
- Products imported from Spain such as olive oil “Romulo” brand, olives in brine “La Espanola” brand, spices “El Avion” brand, stuffed olives and pickles in brine “Serpis” brand.
- Products imported from Singapore such as sesame oil “Oh Aik Guan” brand.
- Products imported from Poland such as fruit jam “Streamline” brand.
- Products imported from Malaysia such as margarine and shortening “Mariana” brand.
- Products imported from Vietnam such as fruit filling, fruit crush and syrup “Orana” brand and “Osterberg” brand.
- Products imported from China such as seasoning sauces “PRB” brand, instant noodle “Baixiang” brand, Champignon mushroom in brine “Castella” brand.
- Products from Thailand such as riceberry rice and brown rice “Golden Chopsticks” brand

The company distributes gourmet foods and bakeries products through both supermarkets in department stores or modern retail stores (Modern Trade) and traditional retail stores (Traditional Trade) and sell directly to customers in the food service group (Food Service/HoReCa) such as hotels, restaurants, bakery shop and airline catering to be used to produce and process food for sale to final consumers.

- **Beverages and drinks**

The company distributes imported fruit juices and beverages under the brands of various manufacturers to consumers mostly through supermarkets in department stores or modern retail stores such as

- Berry juice “Langers” brand from the United States
- Sparkling juice “Bel Normande” from France
- Fruit juice “Harvey Fresh” from Australia
- Fruit tea “Teekanne” brand from Germany
- Coffee “J.J. Darboven” brand from Ireland
- Red wine, white wine and sparkling wine “Clos Pons” brand from Spain
- Red wine and white wine “Le Sang Des Seigneurs” from France
- Matcha green tea powder “Ryuku Cha” from Japan

All the time, the company having been in business for more than 35 years, the company has expertise in selecting products for distribution from manufacturers with their own production technology and quality production standards. In order to select the best that can meet the needs of customers as well, causing the company to grow continuously and has been entrusted to be appointed as a distributor of famous brands in the world.

As of December 31, 2021, the Company has been appointed as the exclusive distributor in Thailand for 6 brands as follows:

<b>AVEBE</b>	Avebe is a famous brand in potato starch products for more than a century and is one of the world's largest producer of potato starch and modified starch which has the main production base in Europe.
<b>IGRECA</b>	Egg powder which is used as raw material and ingredients for the food industry to increase protein and texture to a variety of food products. IGRECA is the 1 <sup>st</sup> powdered egg producer in France and is the market leader in Europe market.
<b>JB Cocoa</b>	Cocoa products from Malaysia which is one of the largest cocoa beans producers in Asia contains cocoa powder in various shades, cocoa mass and cocoa butter.
<b>Bugles®</b>	Bugles® is a leading snack brand in the United States.
<b>Orana &amp; Osterberg</b>	Fruit products used as ingredients for beverages, bakery, confectionery and dairy products such as bake stable jam, fruit filling, fruit crush, fruit compound, syrup, glazing.

And the company has been appointed as an authorized distributor for the brand “CP Kelco” which is a brand of Bio Gum and Food Gum products such as Xanthan Gum, Gellan Gum, Carrageenan, Pectin which is a substance stabilize sticky agent and gelling agents. It is in the category of food additives which is a well-known brand in the United States and distributed to more than 100 countries around the world.

In addition, the company has also developed the company's brand in the raw material product group Food Ingredients and Chemicals Used in food processing and premixes such as “Panda Kid”, “Bamboo Tree”, “BAKETEX”, “WINGUM”, “WINSOFT”, “WINPHOS”, “WINSWEET”, “Pae Yim”, “Green Fern”, “Red Fern” “WINNER” and “Lilly” which the aforementioned brands are manufactured by the Company itself and products that the company imported from abroad, but is allowed to use the company's own brand by products under the company's brand It was developed to meet the needs of customers who want products with specific specifications and production standards that are reliable and can be traced.

## 2) Marketing and Competition

### 2.1) Marketing Strategies and Distributing Products

As the executives of the Company have experiences and expertise in sourcing of raw materials, ingredients and additives to producers and manufacturers in food industry in Thailand for a long period of time, the Company

has been widely accepted by customers as one of the leading importers, manufacturer and distributor of food ingredients and food additives used in food industry, and also consumer products with quality and standard. We offer a wide and integrated range of products.

The Company has been certified ISO 9001:2015 quality management system, HACCP standard and the production system has been certified with Good Manufacturing Procedures (GMP). The Company has the policy of maintaining long and good relationship with customers and partners; developing competitive strategies to retain existing customers and increasing market share of the Company and success in operating business as follows:

**1) Selecting and offering products with world-class quality constantly**

The Company is an experienced specialist in supplying raw materials, food ingredients and additives used in food processing for over 30 years. So, the Company has the information of all manufacturers and sources of raw materials with quality and production standards worldwide. The Company will select a manufacturer that has their own technology, acceptable production standards, and specializes in research and development. Because the Company needs to get information from research and development department of manufacturers in order to be able to advise customers on product selection for production efficiently.

Meanwhile, from getting advantage of the expertise in food products, the Company has the policy to focus on customer services to meet and satisfy our customers by providing quality products that meet their price requirements or selecting other supplier to substitute raw materials or selecting other ingredients to create a product that meets customer specification. We also offer technical assistance to develop products of customers by offering technology and innovation used in food processing, including importing new products continuously to help improve quality, lower costs and increase the variety of goods.

**2) Meeting customer requirements of export industry**

The Company focuses on distributing quality standard products; we then meet the needs of customers who are in food production industry for export. They need to produce products with quality and standards of each destination country, such as exports to Europe, USA and Japan, etc. The industrial customers are required to have a certificate of quality for raw materials used in production as a reference for export their products, such as certificate of origin, certificate of analysis (COA), certificate of quality control system, and manufacturing standards e.g. ISO GMP HACCP HALAL KOSHER and Material Safety Data Sheet (MSDS), etc.

**3) Developing premix for customers**

Being a part of product and service development to customers, the Company produces raw materials of Customized Blend or Premix to serve customers' requirements, especially industrial customer group as reducing manufacturing process and product costing reason.

**4) Offering OEM (Original Equipment Manufacturer) and packaging services**

The Company has expanded its production capacity by purchasing additional machines and packaging tools to support the production of different types of premixes such as coffee powder coffee, tea powder, seasoning powder and flours, as well as repackaging products to retail sizes. The Company has plans to offer OEM services to customers and re-packaging products that we import or produce. The packaging services of such goods are to expand distribution channels and products to a broader group of customers.

**5) Building and maintain long-term relationships with customers**

The Company aims at building long-term relationships with customers by providing technical consulting services and taking care of customers closely. The Sales division of the Company has expertise in food science and technology and responsible for dealing with customers to find their needs and supply products that suit them. The Company also provides technical advices on product usage to the customers and collaborates with them to develop new products. In addition, the Company also finds alternative products for the customers in order to improve product quality and reduce costs.

**6) Expanding distribution channels to Food Services and consumers**

The Company plans to expand the Company's product distribution channels to directly reach our target customers such as Food Services by focusing on restaurants, bakery shops (for both stand-alone restaurants and chain restaurants) and catering. Moreover, the Company also focuses on expanding distribution channels to bakery sections in modern retail outlets including supermarkets and hypermarkets, etc. which enables the Company to increase distribution channels along with the expansion of modern retail outlets of which have branches across country. For consumer food products, the Company has plan to expand to new distribution channels in which the Company has never distributed any products such as convenience stores and mini-marts, etc. so the Company can access to consumers easily and extensively.

**7) Branding food products to be well-known to consumers**

The Company held marketing activities including publicity through various media, special events of consumer food products, etc. In addition, the Company also uses online media to create brand awareness, especially for snacks and beverages so that consumers know more about products and brands that the Company distributed.

**Our Customers**

Products that the Company distributes are in wide range such as raw materials, ingredients and additives for food processing and consumer products so we can fulfill the customer's needs from food industry, food services providers to retail customers as follows:

- 1) Industry** consists of food producers, food processing manufacturers and bakery, in private and government sectors. This group uses the Company's products for their production then sell their final

products to consumers e.g. instant noodles manufacturer, egg noodles manufacturers, rice noodles manufacturers, vermicelli manufacturers, juices and beverages manufacturers, canned food manufacturers, frozen food manufacturers, sauces and seasonings manufacturers, milk producers and dairy products manufacturers and large and medium bakery manufacturers.

- 2) **Food service** consists of customers who buy products of the Company to use for themselves and the products are used for consumer's food production. This group of customers comprises of hotels, catering companies, stand-alone restaurants, restaurants and chained bakery shops.
- 3) **Consumer** refers to customers that require buying products directly from the Company for their own consumption through retail channels such as modern trade and traditional trade, Company's online shopping website or directly gets any services from Délicé, a coffee and bakery shop owned by the Company.

#### Distribution Channels

The Company distributes the products through distribution channels that consistent with the characteristics of customers i.e. industry, food service / HoReCa such as hotels, restaurants, chained bakery and restaurants, and retail to consumers through modern trade and traditional trade and coffee shops owned by the Company.

##### **1) Food Industry Manufacturers**

The Company distributes directly to more than 500 bakeries and food processing manufacturers in Bangkok and across country. The Company also sells products to dealers that sell the Company's products to small-sized factories. The Company does not officially appoint any individuals to be the Company's distributor. When selling to bakeries and food processing manufacturers, they will use the products for their own production. Then the finished products will be sold to end-consumers and/or exported to foreign countries. For this distribution channels, the Company has sales teams with expertise in food science technology to provide technical advice on the products and together with our customers to select and develop products to meet the customers' needs.

##### **2) Food Service**

The Company is a direct supplier to food service providers e.g. hotels, restaurants, catering, chained bakeries and restaurants, stand-alone bakeries and restaurants nationwide, and bakery department in modern retail outlets. These food service providers will use the Company's products to make ready-to-eat food and bakery then sell to consumers afterwards.

##### **3) Modern Trade and Traditional Trade**

The Company sells the products in modern trade e.g. Tops Supermarket, Siam Paragon, Emporium, the Mall, Makro, Tesco Lotus, Foodland, Villa, Family Mart, etc. and traditional trade e.g. wholesalers, bakery specialized wholesalers, etc. for over 3,000 outlets. The modern trade and traditional trade channel is expanding in Thailand. As a result, the Company's products are accessible to consumers

more thoroughly; especially through modern trade which targeting at customers in Bangkok and Greater Bangkok, touristic provinces and other provinces with high purchasing power.

The ownership of products distributed through modern trade and traditional trade will be transferred to modern retailers and traditional retailers instantly after the Company delivers such products. If there are any damages after delivery, the Company has no obligation in the value of such products. However, the Company might consider product return for some cases, such as product ages less than 3 months, to ensure the confidence of customers in the quality of our products; to maintain brands' image; and the Company's reputation as an importer and distributor of such goods.

#### 4) Online Shopping

The Company foresees on the rapidly moving towards a cashless society by creating a business pathway into the online shopping platform under "Winner & CO" ([www.winnerandco.com](http://www.winnerandco.com)), which being online distribution channel for all those imported products from worldwide such as USA, Spain, Italy, Australia, Singapore, China, Japan and South Korea. The online distribution products group consist of Snack & Cereal, Beverage, Gourmet Foods, Bakery Ingredient, Gifts & Hampers, Frozen products and Health & Personal Care

Additionally, the Company granted Direct Marketing Certification from the Office of the Consumer Protection Board (OCPB), which comply with suitable OCPB's qualification and used as important registered document to certify the online business registration in the Company's online website that representing corporate good governance, transparent business, non-hype advertising, product and service quality and responsibility to consumers.

## 2.2) Market situation and competition

Thailand's economy in 2021 had continuously been impacted by the spread of COVID-19. Subsequently, the recovery of the Thai economy was delayed as a result of multiple and aggressive outbreaks. The resurgence of the COVID-19 epidemic, since late 2020 and the outbreak of Delta virus in Thailand in the third quarter of 2021, have resulted in many economic activities being restricted under strict epidemic control measures for several months. The outbreak has also spread to businesses and caused production stagnation in some industrial and construction sectors. However, in the last quarter of the year, vaccination progress increased significantly. The outbreak in the country has eased and there has been a gradual relaxation of strict control measures, allowing economic activities to be able resume. As for the outbreak of the new strain of Omicron virus at the end of the year, it again raised concerns about the direction of economic recovery. As for the tourism sector, it continued to stagnate from the previous year due to the severe COVID-19 outbreak around the world since the beginning of the year. Although Thailand began to accept foreign tourists through Phuket Sandbox project since mid-2021 and began to open the country by allowing foreign tourists from 63 countries to enter Thailand without quarantine requirements (test & go) in early November, restrictions from the countries of departure and the spread of Omicron virus around the world at the end of the year caused Thailand to cancel the test & go

measures. The government has issued measures to help both businesses and households, including measures to heal those affected by COVID-19, measures to support spending through various projects and measures to support domestic tourism at the end of the year. As a result, domestic spending began to recover at the end of 2021. As for the market competition situation in this changing time, technological changes have resulted the rise of new entrepreneurs. Together with changing consumer behaviors, businesses have become more competitive in the food and beverage industry and the cosmetic and beauty industry has been affected in the same direction. Therefore, entrepreneurs need to adapt to be able to operate in the face of economic volatility and current changes.

Separated into 2 parts, industry competition in food business are by products as follows.

### 1) Industry Product

Industrial factories are main customers of Industry Product i.e. instant noodle, noodle, vermicelli, fruit juice, canned food, frozen food, bakeries and vice versa. The Company imported various premium products to serve customers' needs in Industry Product widely. Presently, our competitors are able to source product substitution around 3-5 items per products but the Company can sustain its market share and customer expansion to the prospective customers consistently. Competitive strategy on product quality with international manufacturing standardization is tailored-made world acceptance, customers' deliverables and building long-term customer relationship.

### 2) Consumer Product

More than 3,000 nationwide places of our imported products represented world premium quality by 2 main distribution channels such as modern trade and original retails including directly distributed our products thru 1,200 food providers nationwide while other competitors focused on distribution in modern trade. The Company therefore has capability to compete over its competitors by increasing distribution channels and releasing its products through another food provider.

Competition in modern trade, the Company arranged marketing activities at the point of sales in form of marketing promotions such as price discounts, marketing events, product demonstration and complimentary premium products which the above-mentioned activities would be suitably selected depending on each brand, including PR in media channel to create brand awareness and motivate its sales consistently.

Competition in food provider, due to the volume of customers with various product requirements and type of minimum orders, our salespersons provides the consistency of monitoring and taking swift action to serve customers' requirements. As the strategy in sourcing product variance, immediate action and development of premix, the Company has ability to serve customers' needs and requirements and minimize customers' manufacturing cost. In Addition, the Company has established Technical Service Department which consisted of knowledgeable specialists and expertise in product

usage via in the form of product demonstration and product seminar to create customers' perception and assist customers for product decision.

### 3) Source of Supply

Winner Group Enterprise Public Company Limited operates as an importer and manufacturer of raw materials, ingredients, additives and consumer food products to distribute in Thailand. Most products are imported from abroad. The total imported value represented 88.1 percent of the total purchase value in 2021 and the local order represented 11.9 percent of the total purchase value in 2021.

The Company ordered finished goods and raw material from suppliers and distributors details as follows:

Purchase Value	2019		2020		2021	
	MB	%	MB	%	MB	%
Import	1,011.1	92.7	1,014.9	90.3	1,033.1	88.1
Local	79.3	7.3	108.6	9.7	140.1	11.9
<b>Total</b>	<b>1,090.4</b>	<b>100.0</b>	<b>1,123.5</b>	<b>100.0</b>	<b>1,173.2</b>	<b>100.0</b>

In 2021, the Company purchased from 10 major suppliers representing for approximately 57.9 percent of total purchase value. The Company ordered products from 2 major suppliers representing more than 10 percent of the total orders. We have been purchasing from these two suppliers for a long period of time and bond good business relationship throughout the years of business.

#### 3.1) Import of products for sale

The products that the Company sold approximately 89.3 percent of the total sales and service income in 2021 are imported products. The selection of raw materials, ingredients and additives from each supplier is determined by the customers' requirements both in quality and prices. Because each manufacturer has different sources of raw materials, the products from each of them have different features even though they are same kind of products. At all events for every purchase order, the Company will need to have a certificate from the manufacturer specifying product details and features clearly, as the customers who are food processing manufacturers, especially exporters need to know the country of origin, quality, standards and detailed specification of raw materials prior to manufacture. And the documents will also be used as a reference for export.

#### 3.2) Production under the Company's product line for sale

The production plant used for manufacturing located at Bangpa-In Industrial Estate, on land area of 5 Rai, 3 Ngan and 76 Square Wah with the approximate utilization area of 4,700 square meters. The products from own production lines are food ingredient, food additives and premixes, including icing sugar, coating sugar, industrial sugar, baking powder, stabilizer, etc. These products are for both standardized and made to order.



In addition, the Company also has production lines for repackaging products into different sizes to meet the customer's requirements. The products which are repackaged by the Company include raw materials, ingredients and additives used in food processing manufacturers and bakeries such as cocoa powder, chocolate, spices, raisin, almond, etc. The re-packaging is in various sizes for both directly distributing by the Company and OEM.

The main raw materials that the Company uses as ingredients in manufacturing of food additives and premixes include refined sugar, tapioca starch, corn starch, etc. The Company purchases raw materials for food additives and premixes from the domestic dealers and manufacturers.

### Production Capacity and Utilization Rate

In 2021, maximum capacity was 9,492 tons with equivalent to the previous year meanwhile, the actual utilization in year 2021 was 4,823 tons, which increased from year 2020 by 399 tons when comparing with the previous years as follows.

		2019	2020	2022
Maximum Capacity	Ton	9,492	9,492	9,492
Actual Utilization	Ton	4,286	4,424	4,823
Utilization Rate	Percent	45.2	46.6	50.8

### OEM for Skincare & Cosmeceutical, Make up, Food Supplement and Pharmaceutical Product

## 1) Product

The Aesthetic Zecret (AT-ZE) Company Limited's product are divided into 4 groups: Skincare and Cosmeceutical, Make up, Food Supplement and Pharmaceutical which certified of manufacturing license of skin medicine and new drug from the Food and Drug Administration (FDA) and with international quality management systems from ISO 9001:2015, GMP, HACCP and HALAL.

### 1.1) Skincare and Cosmeceutical

Subsidiaries' best-selling products such as

- Sunscreen products such as sunscreen cream with Vitamin C (VIT C Bio Face UV Protection) or sunscreen gel-cream with water-based foundation (Aqua Perfect Hokkaido Milk Foundation Physical Sunscreen) which has light texture and is not heavy on the face, etc.
- Whitening products such as balancing masks for healthy and clear skin which can unlock all facial problems.
- Moisturizing products such as Defensil Cream, a new skin care product that has hydro energizing booster quality.
- Skin care products such as Water Resistant Milky Body Lotion.
- Anti-aging products such as Alp Rose Anti-Perfect Serum.

- Cleansing products for face and body such as Detoxifying Charcoal Cleansing Foam.
- Bar soaps such as Red Rose Wine Facial Soap.
- Cosmetic products containing alcohol for hand sanitizing such as alcohol-based liquid and alcohol-based gel for hand sanitizing.

## 1.2) Make up

Subsidiaries contract manufacture and distribute makeup products such as

- Lip products such as lip liquids, lipsticks and lip glosses.
- Powder products such as fine foundation powders, fine foundation powders with sunscreen, cushion powders and translucent powders.
- Other makeup products such as tone-up creams, blushes, eyebrow gels, eyebrow powder, eyeliners, powder blushes, lip tints, etc.

## 1.3) Food Supplement Product

Subsidiaries contract manufacture and distribute dietary supplements from natural extracts both in the forms of tablets and packages which are

- Weight control and muscle strengthening supplements such as Whey Protein.
- Anti-aging supplements.
- Skin care supplements such as Gluta which helps reduce skin pigment to make the skin radiant from the inside.
- Bone and joint supplements which helps strengthen hair, nails and joints, such as Collagen.

## 1.4) Pharmaceutical Product

Subsidiaries contract manufacture and distribute products used to treat skin diseases such as acne treatment and melasma treatment products.

# 2) Marketing and Competition

## 2.1) Marketing Strategies and Distributing Products

“AT-ZE”, the subsidiary company, which has been certified for various management systems by SGS (Thailand) Co., Ltd. for a period of time, provides various administrative systems for the organization to maintain its up-to-date under constant improvement that is still suitable for current business operation. The company has reviewed and updated various management systems including work process under the guidance of expert consultants both from the Department of Industrial Promotion and the National Productivity Institute. The company had adjusted certifier of management system by employing TUV NORN (THAILAND) Co., Ltd. which is an expertise in certification in accordance with the standards, criteria, and methods of good manufacturing of cosmetics on the international level. This ensures product quality and services to corporate customers. Additionally, AT-ZE follows

environment infrastructure standard which is clean, safe and sterile bacteria in pharmaceutical to ensure industry confidence that cosmetic product and food supplement has been under control in a suitable environment and production quality control. The manufacturer is committed to develop and improve production standard to deliver high quality and benefits to customers.

Additionally, AT-ZE set CRM policy to maintain long-term relationship with stakeholders, especially customers and partners as well as competition strategy to retain current customers, increase market share and create business success as follows.

#### **1) Sourcing products quality**

AT-ZE with experts and specialists in sourcing products and raw materials, it sets policy to develop sourcing products and materials including paying important attention to distribution quality, materials as well as sourcing from the reliable global manufacturers such as Europe and USA and provide all-processes inspection on both quality standards to serve customers' needs into product formula and customization. All products are ready-to-deliver and passed irritation test prior to customers to ensure that customers will receive products with quality and safety.

#### **2) Research and Development**

AT-ZE with Research and Development team, who have extensive experience in product development and seek customers' requirement and create product differentiation to customers. Due to R&D conduct research continuously, we also provide formula development for customers and welcome to be brand advisor for brand owners and experts source of extracts for product development and conduct product stabilization for increase customers' confidences.

#### **3) Long-term customers' relationship**

AT-ZE recognizes customers as significant persons and creates long-term customers' relationship with their existing customers. We care about voice of customer by having special unit for customer's complaint which are responsible for customer satisfaction survey and development information system to secure customers information, increase service-minded and organize promotion activities for customers.

#### **4) Business continuity and branding of the company**

AT-ZE recognizes business continuity which impact from external factor thus, the company had researched and developed both the products design and manufacturing process including the development of various distribution channel to create branding of the company which respond to various the customer needs and external factor directly to reduce impact from external factor such as COVID-19 epidemic situation result to recognize the both cleanness and beauty. AT-ZE had developed make-up from ingredient alcohol for hand and food supplement under branding of the company to respond the customer needs promptly.

### Customers

AT-ZE is OEM health and beauty service provider, we customized from end-to-end process of cosmetics finished goods and provided brand advisory to customers so key customers are distributors and manufacturers of health and beauty including brand owners.

### Distribution Channels

AT-ZE is a OEM of skin care products, cosmetics and dietary supplements. through sales representatives who provide services to customers in all areas including, Bangkok and upcountry areas by dividing responsible areas according to each region for the convenience of meeting and providing services to customers conveniently and quickly It has also brought various online communication tools. to help in advertising and public relations to reach a wide audience of customers such as Facebook which is the main online media that reaches every group of customers and is widely known and Instagram which is a tool used to build awareness (Brand Awareness) as well. Including, modern media such as Tik Tok is a tool that is very popular these days. It also covers the LINE Official where interested parties can follow the news. Including interacting with the staff quickly as well.

In addition, AT-ZE has also expanded its customer base through Market Place channels such as LAZADA, SHOPEE and JD Central to serve as distribution channels to reach more customers. which has a system to support payment Standard Shipping and in order to fulfill all channels according to the concept of marketing 360 degrees, AT-ZE also attaches importance to offline marketing activities (Offline Marketing), with event booths going to various places. in order to reach all groups of customers and interested parties who want to experience or try real products for decision making, such as the sale of booths at the head office building in the heart of the city, Sathorn and Silom, as well as international booths to expand the customer base who wants to bring AT-ZE 's products to market to their own country as well.

## **2.2) Market situation and competition**

Beauty and Cosmetics industry also impacts on the same way of economic slowdown and face with wave of change in every aspect. However, the forecast on beauty and cosmetics industry may be positive increase due to working people in this generation era pay more attention to health and beauty skin care which may increase market demand as well as beauty centers are welcomed all genders to make unlimited beauty with interesting courses. As supporting factors, AT-ZE foresees the opportunity to do OEM business and tries the best to make the better growth of main income from all of products segments.

From the situation of the corona virus epidemic 2019 continuing from the year 2020, causing the economy both domestically and abroad to be disrupted. The duration and price of raw material purchase increases. In addition, purchasing power from various sectors has decreased, especially in the Personal Care and Make Up product markets, which are less affected by consumers who live outside of their residences. As a result, the consumption of such products has also decreased. Moreover, the impact is expected to continue until 2021.

From the situation, the overall market slowed down. because consumers are more cautious in their purchases. As a result, the cash flow in the circulating market is less than it should be, so AT- ZE has turned the crisis into an opportunity. For those who feel that their current job is unstable and want to find a backup plan to add stability to their lives. Let them be able to choose their own path.

Therefore, AT-ZE has expanded its advertising base in online channels. Including, choosing a famous influencer in order to reach out to customers and create understanding, trust in doing business with AT-ZE taking care of the product. and with the strengths of AT-ZE with more than 60 standard formulas covering all basic needs of cosmetic and beauty industry operators There is also a research and development team that is ready to develop formulas according to customer requirements. To support the full Market Coverage, whether it's the Mass Market group to the Niche Market group, which is hard.

All of the above, AT-ZE is not only aimed at Thailand. but also ready to expand its customer base to foreign countries such as CLMV in all neighboring countries Including, the Middle East that gives confidence in products and products from Thailand After the 2019 Coronavirus Pandemic has passed, AT-ZE is ready to go public and organize activities to find partners in both the OEM and the OWN Brand.

OEM cosmetics business is extremely competitive in the market, entrepreneurs required to adapt their business model into market trend and find out product innovation to increase production quality. As this result, OEM entrepreneurs can survive in the business as the following commitments.

- Conduct research and development continuously to be coverage in all product segments and keep pace on monitoring of beauty and cosmetics trend.
- Ensure SME entrepreneurs' confidence and keep quality and standard of products.
- Develop marketing activities to be in line with market situation, maintain current customers base and
- increase new customers as well as promote new online distribution channel (E-Commerce)
- Search for business partner to co-development Thai wisdom raw material and leverage to create more
- value-added on cosmetics products.
- Maximize domestics channel in international market, especially ASEN countries market.
- Review and develop production capacity to get more product by the same or decrease resources.
- Review and develop business resource management to manage the both ingredient and inventory right.

### 3) Source of Supply

#### 3.1) Our products in production line

Located in Chachoengsao province, AT-ZE's plant area is 8 rai 2 ngarn and 31 square yards, products under production for distribution consists of Skincare & Cosmeceutical, Make up, Food Supplement and Pharmaceutical.

#### Production Capacity and Utilization Rate

		2019	2020	2021
<b>Skincare and Cosmeceutical</b>				
Maximum Capacity	Ton	560.40	571.80	391.80
Actual Utilization	Ton	38.55	96.36	70.82
Utilization Rate	Percent	6.88	16.85	18.08
<b>Make up</b>				
Maximum Capacity	Ton	81.60	81.60	81.60
Actual Utilization	Ton	0.10	0.17	0.05
Utilization Rate	Percent	0.12	0.21	0.06
<b>Food Supplement and Pharmaceutical</b>				
Maximum Capacity	Ton	249.60	246.60	246.60
Actual Utilization	Ton	0.04	0.89	0.59
Utilization Rate	Percent	0.02	0.36	0.24

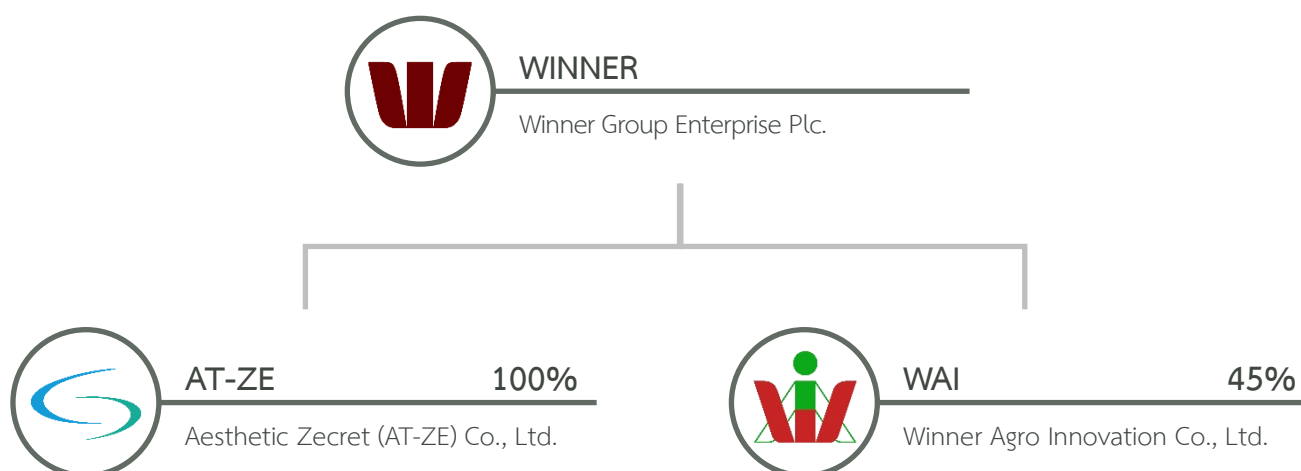
### 4) Operating Assets

Details of operating assets are presented in [Attachment 4](#)

## 1.3 Shareholding structure of the Group

### 1.3.1 Shareholding structure

Winner Group Enterprise Public Company Limited and its subsidiary structure as on December 31, 2021



**Remark:**

1. On April 2, 2018, the Company acquired Aesthetic Zecret (AT-ZE) Company Limited by holding 100% of the registered and paid-up capital.
2. The Board of Directors Meeting No. 2, 2021, held on May 13, 2021, resolved to approve the investment in Winner Agro Innovation Company Limited by purchasing ordinary shares in the proportion of 45 percent of the registered and paid-up capital.

### 1.3.2 Persons who may have conflicts of interest hold shares in its subsidiaries more than 10 percent of the total number of shares with the right to issue of the company

- None -

### 1.3.3 Relationship between the business groups of the major shareholders

The Company is a listed company on the Market for Alternative Investment (MAI) and engages in the business of importing, manufacturing and distributing. Raw materials, ingredients and chemicals for industrial food and food products for consumption. As of March 11, 2022, Wongisiriyakul Group is a major shareholder of the Company accounted for 51.5 percent and general investors accounted for 48.5 percent.

The Company has a policy for the group of companies which consists of its subsidiary to have their own policies and management. The Group's income comes from the main business of importing, manufacturing and distributing raw material, ingredients and food additives for food industry and various food products to consumers and OEM consist of skin care & cosmeceutical products, Makeup, food supplement and pharmaceutical.

### 1.3.4 Shareholders

#### Major shareholders

As at March 11, 2022, the company has the top 10 of the shareholders list and shareholding proportion as follows:

Shareholders	No. of share	%
<b>1. Wongisariyakul Family<sup>1/</sup></b>		
1.1 Mr. Jane Wongisariyakul	187,431,900	31.24%
1.2 Mrs. Vannaporn Wongisariyakul	52,650,000	8.78%
1.3 Miss Karatrat Wongisariyakul	34,500,000	5.75%
1.4 Miss Kanollas Wongisariyakul	34,500,000	5.75%
<b>Total</b>	<b>309,081,900</b>	<b>51.52%</b>
<b>2. Rojchanavisart Family<sup>1/</sup></b>		
2.1 Mr. Surapat Rojchanavisart	15,000,000	2.50%
2.2 Mr. Poonyawat Rojchanavisart	10,698,600	1.78%
2.3 Mr. Paveen Rojchanavisart	5,100,000	0.85%
2.4 Mr. Wanchai Rojchanavisart	1,170,000	0.20%
2.5 Mr. Weerachai Rojchanavisart	150,000	0.03%
2.6 Miss Unchalee Rojchanavisart	150,000	0.03%
2.7 Mr. Tawatchai Rojchanavisart	70,000	0.01%
<b>Total</b>	<b>32,338,600</b>	<b>5.39%</b>
<b>3. Manatsathit Family<sup>1/</sup></b>		
3.1 Mr. Anant Manatsathit	6,960,000	1.16%
3.2 Mr. Chakkaphant Manatsathit	6,936,600	1.16%
3.3 Miss Chuntip Manatsathit	6,479,850	1.08%
3.4 Mr. Sathaporn Manatsathit	6,000,000	1.00%
3.5 Miss Pattarawadee Manatsathit	52,500	0.01%
3.6 Mrs. Malipa Manatsathit	21,000	0.00%
<b>Total</b>	<b>26,449,950</b>	<b>4.41%</b>
<b>4. Dejamornthan Family<sup>1/</sup></b>		
4.1 Mr. Veerachai Dejamornthan	16,547,100	2.76%
4.2 Miss Vilasinee Dejamornthan	755,903	0.13%
<b>Total</b>	<b>17,303,003</b>	<b>2.88%</b>
<b>5. Kreangkraikrissada Family<sup>1/</sup></b>		
5.1 Miss Kanokpan Kreangkraikrissada	17,100,000	2.85%
5.2 Miss Wipada Kreangkraikrissada	3,000	0.00%
<b>Total</b>	<b>12,367,500</b>	<b>2.85%</b>



Shareholders	No. of share	%
<b>6. Pusayapaibul Family<sup>1/</sup></b>		
6.1 Mr. Pure Pusayapaibul	11,430,000	1.91%
6.2 Mrs. Paradee Pusayapaibul	750,000	0.13%
6.3 Mr. Prapan Pusayapaibul	187,500	0.03%
<b>Total</b>	<b>12,367,500</b>	<b>2.06%</b>
<b>7. Miss Pecharat Wareelerksap</b>	<b>12,000,000</b>	<b>2.00%</b>
<b>8. Tantanavivat Family<sup>1/</sup></b>		
8.1 Mrs. Wilaiporn Tantanavivat	7,200,000	1.20%
8.2 Miss Wiphawee Tantanavivat	1,800,000	0.30%
8.3 Miss Innapha Tantanavivat	1,800,000	0.30%
<b>Total</b>	<b>10,800,000</b>	<b>1.80%</b>
<b>9. Mr. Somsak Vichaithanaruks</b>	<b>7,630,000</b>	<b>1.27%</b>
<b>10. Limpikirati Family<sup>1/</sup></b>		
10.1 Mrs. Wipada Limpikirati	3,847,800	0.64%
10.2 Mr. Jakkrit Limpikirati	1,625,000	0.27%
<b>Total</b>	<b>5,472,800</b>	<b>0.91%</b>
<b>Total Major Shareholders</b>	<b>450,546,753</b>	<b>75.09%</b>
<b>11. Others</b>	<b>149,427,909</b>	<b>24.91%</b>
<b>Grand Total</b>	<b>599,974,662</b>	<b>100%</b>

Remark: <sup>1/</sup> Shareholders grouped according to the surname of shareholders above does not be counted as shares held by related persons under Section 258 of Securities and Exchange Act.

### Free Float

As at March 11, 2022 there are 3,696 Free float shareholders, or 40.17%

## 1.4 Registered and paid-up capital

### 1.4.1 Registered capital / Paid-up capital / Stock

As of December 31, 2021, the company has a registered capital of 150,000,000 baht and paid up capital 149,993,665.50 Baht divided into 599,974,662 ordinary shares, par value of 0.25 baht per share. The Extraordinary General Meeting of Shareholders No. 1/2021 resolved to approve the increase of the registered capital of the Company from 100,000,000 baht to 150,000,000 baht and the Company's ordinary shares from 400,000,000 shares to 600,000,000 shares. The company will proceed to seek approval at the shareholders' meeting to consider the capital reduction next and the Stock Exchange of Thailand Accepting the Company's newly issued shares from October 26, 2021 onwards.

### 1.4.2 Other types of the shares with rights or conditions different from ordinary shares

- None -

### 1.4.3 In the case of having shares or convertible securities of the company

- None -

## 1.5 Issuance of other securities and convertible securities

### 1.5.1 Convertible securities

- None -

### 1.5.2 Debt instrument

- None -

## 1.6 Dividend payment policy

The Company has established a Dividend Policy to its shareholders not less than 50 percent of its net profit after deduction of corporate income tax, all reserves subject to applicable laws and other relevant considerations. However, the dividend payout ratio may vary from the rate mentioned which is subject to the necessity to use fund in business operations, expansion plans and other relevant considerations.

The resolution of the Board of Directors to approve dividend payment is subject to the approval of shareholders for annual dividend, except interim dividend payment is subject to the approval of the Board of Directors and shall be reported and acknowledged by the shareholders in the next shareholders' meeting.

## Dividend Payment from the Company's operating results during past 5 years

Description	2017	2018	2019	2020	2021
Dividend payment (Baht per share)	0.23	0.22	0.19	0.20	-
• Interim dividend					
- Stock dividend	-	-	-	-	0.1250 <sup>1/</sup>
- Dividend	0.10	0.09	0.19	0.10	0.0139 <sup>1/</sup>
• Annual dividend					
- Dividend	0.13	0.13	-	0.10	0.1200 <sup>2/</sup>
Dividend Payout (DPS/EPS) <sup>3/</sup>	88.13%	85.43%	68.42%	85.70%	133.69%

Remark: <sup>1/</sup> The Extra- General Meeting No.1/2022 held on February 23, 2022 its resolutions to approve to pay in form of the Company's ordinary shares to the shareholders at the rate of 2 existing shares per 1 stock dividend not exceeding 199,974,662 shares with a par value of 0.25 baht per share or equivalent to a dividend payment rate of approximately 0.1250 baht per share and payment of cash dividend at the rate of 0.0139 Baht per share (to support withholding tax at the rate of 10 percent of income under Section 50 (2) of the Revenue Code to dividend recipients) Total dividend payment 0.1389 Baht per share (calculated from the Company's ordinary shares 400,000,000 shares before issuing stock dividend.)

<sup>2/</sup> The Board of Directors of Winner Group Enterprise Public Company Limited No.1/2022 held on February 23, 2022 its resolutions to present dividend payment year 2022 (Final dividend) to Annual General Meeting 2022 on April 27, 2022 at 0.12 baht per share. (calculated from the Company's ordinary shares 599,974,662 shares after issuing stock dividend.)

<sup>3/</sup> Percentage of dividend payment/share calculated from the Company only's net profit.

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## 2. Risk Management

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### 2.1 Risk Management Policy and Plan

The company acknowledges the importance and necessity of implementing a risk management system, in accordance with international standards, in its management system. With hope to maintain high customer satisfaction, excellent company's image and high performance throughout the organization, the company has set up a Risk Management Committee to serve in the formulation of policies, systems and assessments of various risks both caused by internal and external factors, including setting guidelines for risk management to manage risks to be in an acceptable level. The company has also communicated with employees to inform and educate them on the importance of risk management. The company's risk management policy is set as follows:

1. The Risk Management Committee is responsible for formulating risk management policy by considering internal and external factors, and ensuring they are in line with the strategies and directions set by the company. The policy must cover at least 4 risk categories as follows:
  - 1) Strategic Risk
  - 2) Operation Risk
  - 3) Financial Risk
  - 4) Compliance Risk
2. The company has determined risk management to be the responsibility of employees at all levels. They shall be aware of the risks involved in their work, department and organization. They are responsible for identifying, analyzing, evaluating, managing, controlling, monitoring, reporting and evaluating risks, as well as supporting effective risk management process in their responsible departments and participating in the development of corporate risk management.
3. The company is to have an organizational risk management process that complies with international standard practices in order to effectively manage risks that may affect the company's operation, to manage risks throughout the organization in the same direction by considering risk management system as part of decision making, to plan strategies and operations, and to focus on achieving objectives, goals, visions, missions, and strategies to create operational excellence and build trust among those involved.
4. There are measures to prevent and reduce risks from the company's operation to avoid any damages or losses that may occur. The measures include regularly monitoring and evaluating risk management results to maintain those risks at an acceptable level under appropriate internal control.
5. Promote and develop the use of modern information technology systems in the company's risk management process and encourage employees at all levels to have access to risk management information thoroughly, as well as setting up a risk management reporting system for the risk management personnel for effective operation.

## 2.2 Risk Factors

### 2.2.1 Business Risk

#### **Risk of having business in competitive industries**

As an importer and distributor of raw materials, ingredients, food chemicals and consumer food products, the Company has a large number of competitors, both imported products distributors and domestic manufacturers. Some products don't have differentiation in their features so they are easy to be replaced, including an increase of number of SME entrepreneurs (start-up) and change of consumer's behavior. As a result, the business is highly competitive in terms of price, especially raw materials, ingredients and food chemicals for manufacturers. The intensity of competitiveness may affect the Company's operational performance.

Although new competitors continually enter the business, the Company anticipates that the risk level is not high as the brands the Company distributes are renowned with high quality and acceptable among customers. The Company also meets various needs of food manufacturers, such as the Company has certificate for product quality, certificate of origin. Moreover, the Company also offers technical consulting on product applications. Our executives have more than 30 years of experiences and our sales team has specific expertise in food technology. So the Company understands the needs of food processing industry, also specialize in sourcing and providing supply alternatives to meet customer demands.

#### **Risk of price and quantity instability of processed agricultural products that the Company distributed**

Processed agricultural products may be subject to price fluctuations according to trading (of agricultural products) in the global market. The amount of product each year may depend on climates of the areas. When the volume of agricultural production is limited, it results in higher or changes in commodity prices or may result in the amount of products the Company gets allocated from manufacturers which may affect the Company's operations.

The Company sells products that processed from agricultural products such as starches and flours which processed from wheats, potatoes and corns, Cocoa products, margarine & shortening, sugar products, fruits and vegetables, frozen seafood, egg powder, raisin and almonds, represented 33.8 percent of total sales revenue in 2021. Cocoa powder was the best seller of processed agricultural products with 5.2 percent of total sales revenue in year 2021. The second-best seller of processed 2021 was sugar products representing 4.6 percent of total sales revenue in

However, the Company imports processed agricultural products from foreign manufacturers which have risk-protection measurement of commodity price fluctuations. By having agreements on agricultural products such as wheat futures contracts, the manufacturer will offer wheat flour to the Company a quarter in advance and offers fixed rates to the Company at least 3 months. For price adjustment, the manufacturer will notify the Company at least 1 purchase period in advance (Grace period), so that the Company will have grace period

to adjust the price and inform the customers. The Company may keep the same price for a grace period before adjusting the price to match real market price in order to maintain good relationships with the customers, while sourcing and purchasing processed agricultural products including wheat flour and potato starch, by matching customer's purchase order based on the proposal from manufacturers, typically made trading business distributor like the Company gets fluctuation impacts when the global commodity market price represents in lower change.

Moreover, the management has more than 30 years of experience in trading of processed agricultural products. And with the risk mitigation by Industrial Sales Division who constantly monitors global trends and market situation of commodity prices such as wheat, potatoes, beans, corn and cocoa beans from customers and manufacturers, the Company is well aware of both price and volume trends. When there are changes in prices, manufacturers will keep the Company informed of price changed, then the Sales Division will compare if the price is consistent with the price of domestic market before negotiate or jointly define strategy with the manufacturer in order to keep pace with the changing market. In case that the price is on an upward trend, the Company will implement a plan to order in accordance with demand of customers and adapt strategies to fit with the market situation in order to be able to compete with competitors and maintain target gross margin of the product group. If the Company has been allocated such goods in limited quantities, the Company may supply substitute products to replace/fulfill the needs of the clients, reducing the impact on the performance of the Company.

The Company is also well aware of the price and quantity uncertainty of processed agricultural products that the Company distributes. Thereupon, the Company has policy to spread the risks (of such uncertainty) by increasing sales of consumer food products to distribute through other sales channels. In 2021, the Company has 40.3 percent market share of raw materials, ingredients and industrial food chemicals, and has 55.9 percent share of consumer food products.

#### **Risk of imported product cost uncertainty**

In 2021, the Company imported products represented 88.1 percent of total purchase value. The Company mainly used shipping as transportation and the shipping fee was in the cost of the product. This has been determined that changes in freight rates will be rising as well. Meanwhile, if oil price declines, it may lower freight rates. Changes in freight rates can affect the Company's cost of sales and may affect profitability of the Company.

The Company has managed freight cost by comparing price of different freight forwarders so the Company can negotiate for the best rates. For freight rate of main product with high volume and high import frequency, the Company will negotiate with the carrier or agent to quote at least 3 months' valid rates to reduce the volatility of costs.

**Risk of not getting distributor agreement renewal or foreign manufacturers appoints other companies to be a distributor in Thailand.**

The Company has been appointed as a distributor of raw materials, ingredients, food chemicals such as potato starch, additives and consumer food products such as snacks, and gourmet food, etc. The contract types are either exclusive distributor in Thailand or authorized distributor of each product group for the period of 1-5 years. After the expiration of the contract, the agreement will be automatically renewed unless either party provides termination notice in written form. In case the contracts have not been extended or foreign manufacturers may appoint other distributors in Thailand to replace the Company, the Company may not be able to supply such products or the competitive levels could be higher, which may affect the Company's performance.

In 2021, the Company's revenue generated from sales of the products that the Company has been appointed as a distributor in Thailand represents 52.1 percent of all sales. The management believes in strong relationship the Company with partners who appointed the Company to be the sole distributor for over 10 years. Throughout the years of good relationship, the Company complied with terms and conditions and agreed in the contracts and generated sales growth of the products as being the sole distributor. Therefore, the Company has continuously gained the trust from the partners and received contract renewals as the exclusive distributor. The management is confident that the risk of the distributor agreement not being renewed is low.

The Company may have risk of the counterparties who are manufacturers take over distributing and marketing role in Thailand without appointing the Company as a distributor. However, the implementation processes require the investment for building a network of sales and distribution channels. Also, distributing raw materials, ingredients and food chemical products requires skill to approach customers in highly competitive industries because the food industrial and food service customers are located around the country. Even for the consumer food products, it requires expertise in marketing and distributing the products to consumer nationwide.

In case of contract termination, the party who grants the right shall send a written agreement to notify the Company 3-6 months in advance. The management believes that with experience and expertise in sourcing raw materials, food ingredients and industrial chemicals product, along with the ability to supply food products to consumers from worldwide manufacturers, the Company can find substitute products to replace the former manufacturers, if the Company cannot get a contract renewed. The Company believed that finding new products can be done before the time the Company has to deliver goods to customers.

In 2021, the Company purchased goods from 84 foreign manufacturers approximately. The order from one major foreign manufacturer was 20.8 percent of total purchased value. Of which, the Company has been granted the rights to be the sole distributor in Thailand for over 10 years. The statistical data in 2020 shows that is no order from any single manufacturer worth more than 30 percent of the overall orders. Therefore, the Company believes that the amount of the order is not significantly being confined to only one foreign manufacturer.

**Risks of customers directly purchase products from foreign manufacturers.**

The Company's nature of business is to distribute imported products. The main income of being distributor is from distribution fees and other related incomes such as commission. When customers with high volume orders would like to have more control over their cost and foreign exchange, the customers will buy products directly from foreign manufacturers. The Company will provide support, coordinate the documentation process, and follow up shipment including tracking ship transportation, tracking shipping routes to Thailand and fix problems caused by imported goods until the goods are delivered to the customer. However, the Company is entitled as an exclusive distributor from the foreign manufacturers of such goods. When customers purchase directly from the manufacturer overseas, the manufacturer will pay a commission to the Company as a distributor of the product. In the future, if most customers of the Company buy products directly from the manufacturer overseas it may affect the profitability of the Company, because the income from the commission is lower than the income from reselling.

If the customers directly import from foreign manufacturers, the customer will have more obligations as a food importer. They will need to follow the FDA registration processes with the Food and Drug Administration (FDA), and customs clearance process which are complicated and time consuming. Besides, the process of obtaining FDA registration and customs clearance services are specific and require personnel with experience and skills, which is different from the core business of the customers. The food manufacturer may not have designated division or they may have a division without sufficient expertise to perform such contacts with government agencies. Moreover, the duration of the registration to the Food and Drug Administration will take certain amount of time before importing products each time, which may result in longer lead time comparing with ordering from the Company.

In addition, direct importing from overseas producers is not a core business of food services customers and retailers as the procedures are complicated and may not worth when comparing to the profit they get from distributing imported products. So the Company is very confident that the majority of the Company's customers will keep ordering the import goods from the Company.

**Risk of expired products**

All of the Company's products are associated with food which has limited shelf life. Normally, all products are mainly aged between 1-3 years; the quality of the product is directly correlated with the age of the product. The Company has the risk that the product will expire before it can be sold. Therefore, the Company must carry provision for allowance of obsolete and outdated, which will affect the results of the Company's performance. Moreover, the distribution of expired product may affect the Company's reputation.

The Company is well aware of the risk of expired products which affects the business performance both the image and the losses incurred. Therefore, the Company focuses on systems and measures to control the product's shelf life before the distribution and delivery to individual customers starting from the origin to the



destination, which depend on the age of the product in each product group. For consumer food products that are sold in modern trade and traditional trade, the Company set the policy to control the inventory's shelf life to be not less than 3 months before the expiration date of the product. The Company regularly assigns product consultants (PC) to check the expiry date of the products in stores to control product quality to be in line with the Company's policy.

For raw materials, ingredients and food chemicals, the Company has policy to control product life cycle to be in accordance with purchasing lead time. In order to sell a product each time, Sales department will forecast import duration and the length of time expected to be sold and delivered to customers in order to maintain the age of products to be suitable for processing and consumption. The Company stores products according to the products' shelf life and use First-in First-out (FIFO) system to deliver products to customers. Stocks and quality checking are conducted every month to ensure only quality products are delivered to customers.

In case that the Company has products that have less than 25 percent shelf life, the following procedure will be taken:

1. For Industrial products, Sales Department will offer a special discount to customers to clear all stock before the product expires.
2. For Consumer Food products, the Company will do special promotions for short shelf life product at point of sale such as Buy 1 Get 1 Free, special discount, premium giveaway and bring products to sell directly to consumers in the special event and road show.

Throughout 30 years of the Company's operation, the Company has never been sued by consumers on the matter of expired products.

Along with the mentioned measurement to guarantee product's quality, the Company implements a 100 percent provision for obsolete product that has shelf life less than 3 months. In 2021, the Company recorded a loss on expired goods of Baht 2.5 million or 0.1 percent of revenue from sales, reflecting the effectiveness of product management thus the risk of such effect was low during these 3 years.

#### **Risk on investment in Subsidiary Company**

Risk on investment in subsidiary company may incur operational loss thus directly affect the Company's financial performance. The Company has Policy on Control of Subsidiary and Associated Company's business operation by appointing Company's representative to be the director or executive of subsidiary in order to monitor the operation of subsidiary and kept its in line most effectively with the Company's policy.

As at December 31, 2021, the Company's investment in subsidiary company was Baht 185.2 million on the separate financial statements accounted for under cost method less allowance for impairment loss (if any).

**Risk from government policy, regulations, mandate and legislation change**

Risk from government policy, regulation, mandate and legislation change such as beverage excise tax on the cost and amount of sugar (Sugar-sweetened beverage tax), trans-fat food measurements which indicated rules and regulation both positive and negative impact on Company's performance. As a result, the Company has set product distribution plans as well as analyzed possible product groups and strictly product quality to create consumers' confidence. These will help mitigate impacts of compliance risk to some extent, by way of a close-up information movement from government agency and participate in regulatory seminars.

**Risk of exchange rates fluctuations**

The main products of the Company are imported from overseas manufacturer. The total imported order was 88.1 percent of the total purchase value in 2021. The main currency for payment was in US Dollar which represented 91.0 percent of total imports in 2021, while the Company domestic sale was in Thai Baht. As a consequence, the Company could be at risk from fluctuations in foreign currency exchange rates. When Thai Baht is weaker than US Dollar, the Company needs to pay more for goods which may affect the Company's cost of goods sold to increase. Meanwhile, if Thai Baht appreciates, it will lower the cost of products that the Company needs to pay.

However, to reduce the risk of foreign exchange rate fluctuations, the Company's financial transactions have been protected by foreign currency forward contracts every time the Company imports foreign goods. This way the Company can determine the cost of goods sold and to protect against fluctuations in exchange rates which will affect the results of operations of the Company. The forward contracts will be in the discretion of the management of the Company and in accordance with the authority level approved by the Board of Directors.

Forward exchange contract will help the Company determine the exact cost of goods sold and lower the impact of fluctuations in foreign currency exchange. However, the Company has no policy to speculate on the exchange rate.

In the year of 2019, 2020 and 2021 the Company's profit from currency exchange rate was Baht 5.3 million Baht 4.0 million and Baht 2.2 million respectively.

**Risk of changes in interest rate**

The Company has credit facilities from financial institutions in trust receipts term loan. The Interest rates are Money market rate (MMR). The Company has the mentioned credit facilities as working capital for importing goods.

As of December 31, 2021, the total outstanding balance of trust receipts was Baht 230.2 million. Changes in interest rates could impact directly to the finance cost of the Company. An increase in the interest rate may lead to a higher financial cost and result in lower operating profit.

However, the Company had working capital management policy based on the capital structure of the Company. The source of funds was primarily from operating cash flow and equity. The Company has been able to generate positive cash flow from operations during the past 3 years. In 2021, the cash flow from operations was Baht 11.3 million.

### 2.2.2 Risk of Investment by Securities holders

#### Risk of reliance on the Company's management

The earning of the Company over the past 30 years was a result of the experience and expertise of the Company's key executives in food industry, including Mr. Jane Wongisariyakul, Mrs. Vannaporn Wongisariyakul and Ms. Kanokpan Kreangkraikrissada. The Company's management has good relationships with customers and other partners. At present the mentioned key management team plays an important role in determining the policies and strategies. If the Company losses such key executives, whether by any reason, the Company may face management crisis which will affect the business operations of the Company.

Presently, the Company's management structure is in the form of Executive Committee consist of executives with direct industry experiences responsible in managing and decision making on important matters of the Company's operation.

The Company also set out its' policy to bring professional executives with expertise in the industry to participate in the Company. The Board of Directors has delegated its' power to the Executive Committee and top management such as Deputy Managing Directors, and managers. Moreover, the Company place importance on personnel development in all departments and create senses of ownership among employees to grow together with the Company. The Company offers its employees opportunities to make suggestions or propose plans beneficial to the Company as well as empower middle-range managers to be more involved in the management and decision making, which would bring efficient management system to the Company.

#### Risk of Major Shareholders that owns more than 50 percent of issued shares

At March 11, 2022, Wongisariyakul group represented as a controlling interest had majority shareholding held 51.52 percent of the total paid-up shares of the Company. It was due to this group can take ownership over the resolution of the Annual General Meeting of Shareholders such as appointment of directors and any other resolution shall require majority votes. But in exceptional law or the Articles of Association, the resolution shall require at least three-fourth (3/4) of the votes of the shareholders attending the meeting. Thus, other shareholders are unable to request for casting votes such as actions as monitoring and balancing to veto any proposal from major shareholders.

However, the Company had 3 Independent Directors and Audit Committee members choosing from 8 members of the Board of Directors to audit the Company are operating procedure, to balance management power in the proper direction, to monitor transparent management and to be auditable.

The Company; moreover, hired Dharmniti Internal Audit Co., Ltd. by Miss Anutsaya Raksasorn, as an outsourced company which is an independent working under control of the Audit Committee and performing duty to monitor internal control system, propose annual internal audit plan and ensure internal audit/control in good enough and comply with business environment and risk change.

#### **Risk from Company's Free Float less than 40 percent**

As at March 11, 2022, the Company had free float of 40.17 percent, which results in relatively low liquidity transaction of the securities listed in the Stock Exchange of Thailand (SET). Shareholders may take some risks of not being able to sell the Company's shares immediately at the desired price.

Nevertheless, the Company will submit report on the progress of the free float adjustment via Set Link system as a part of SET's information disclosures and closely monitor free float liquidity for shareholders on regular basis.

#### **2.2.3 Risk of investment in foreign securities**

Currently, the company does not have any investment in foreign securities. Therefore, does not have this type of risk.

## 3. Driving Business for Sustainability

### 3.1 Sustainability Management Policy and Goals

Winner Group Enterprise Public Company Limited is committed to and acknowledges the importance of sustainability development and management. The company has defined practice guidelines that take into account economic, social and environmental issues, covering respect for human rights and good corporate governance. The goals are to become a leading one-stop food company in all distribution channels and to set out the company's policies to be in line with all 17 Sustainable Development Goals: SDGs of the United Nations by 2032. The company has set guidelines for sustainable development of the organization as follows:



## 3.2 Management of impact on stakeholder in value chain

### 3.2.1 Value chain

The company acknowledge and puts emphasis on the management of the business value chain to be consistent with and covers economic, social and environmental issues which include the respect for human rights and good corporate governance as follows:



#### Production Management

- Products / Product Sourcing
- Research and Development (R&D) of Products
- Develop products with customers / partners

#### Operation

- Production of quality products with standard that satisfies customers
- Import products / goods

#### Distribution and Service

- Distribute products correctly, quickly and timely

#### Sales and Marketing

- Communicate, train and transfer knowledge to personnel about the company's products/goods to facilitate and meet the needs of customers / partners continuously

#### Aftersales Service

- Follow up and solve problems with customers / partners
- Receive complaints from customers / partners

### 3.2.2 Stakeholder analysis in value chain

From the company's missions to commit to delivering quality products and reliable services, to meet the needs and satisfaction of customers, to develop the company's human resources to be strong and have expertise in the food industry, and to maintain a good relationship with the company's business partners, the stakeholders in the value chain were analyzed to learn the expectations and respond to the stakeholders as follows:

Stakeholder	Stakeholder's Expectation	Response to Stakeholder's Expectation
<b>Internal stakeholder</b>		
<b>Shareholder</b>	<ul style="list-style-type: none"> <li>Return on investment</li> <li>Financial and investment knowledge that is easily accessible and sufficient for investment decisions</li> </ul>	<ul style="list-style-type: none"> <li>Operate business with transparency, honesty, integrity, cautiousness, and taking into account the return of shareholders as a priority</li> </ul>
<b>Employee</b>	<ul style="list-style-type: none"> <li>Increased income</li> <li>Stability and career advancement</li> <li>Welfare benefits</li> </ul>	<ul style="list-style-type: none"> <li>Strictly comply with the laws and regulations on employee treatment</li> <li>Continuous human resource development</li> <li>Maintain a safe working environment</li> </ul>
<b>External stakeholder</b>		
<b>Partner</b>	<ul style="list-style-type: none"> <li>Source, purchase, procure with transparency and fairness</li> <li>Develop quality products and services together</li> </ul>	<ul style="list-style-type: none"> <li>Comply with contracts, agreements or conditions towards partners</li> <li>Treat business partners equally and fairly remunerate both parties</li> </ul>
<b>Creditor</b>	<ul style="list-style-type: none"> <li>Repay debt within the specified period</li> </ul>	<ul style="list-style-type: none"> <li>Strictly comply with contracts or agreements made with creditors</li> <li>Manage to make creditors confident in the company's financial status</li> <li>Disclose accurate and complete financial information</li> </ul>
<b>Competitor</b>	<ul style="list-style-type: none"> <li>Operate within the framework of fair competition</li> </ul>	<ul style="list-style-type: none"> <li>Do not seek competitors' confidential information by dishonest means</li> <li>Build good relationships, support and cooperate with partners for customers' benefits</li> </ul>
<b>Customer</b>	<ul style="list-style-type: none"> <li>Deliver quality and standardized products and services</li> <li>Deliver products on time and offer fair prices</li> </ul>	<ul style="list-style-type: none"> <li>Fairly comply with terms and conditions with customers</li> <li>Commit to create customer satisfaction</li> <li>Provide opportunities for customers to share complaints about products and services</li> </ul>
<b>Community, society and government</b>	<ul style="list-style-type: none"> <li>Participate in community and social development</li> <li>Take responsibility for the impacts on the community and society</li> </ul>	<ul style="list-style-type: none"> <li>Operate business in the way that is beneficial to the community and society</li> <li>Create awareness and responsibility for the environment and society and support social activities</li> <li>Do not take any action that will damage the reputation of the country, society, environment and public interest</li> </ul>

### 3.3 Sustainability management in environmental dimension

#### 3.3.1 Policy and practice complying with environmental laws and regulations related to the business operation of the company and its subsidiaries

The company has instilled in all employees to be aware of the impacts caused by the destruction of the environment so all employees can have the awareness of environmental conservation, take care, restore and protect the environment. The company has set a policy related to environment as follows:

- Promote and encourage all employees to realize the importance of environmental protection by organizing activities and trainings on the conservation of natural resources and environment to create awareness of environmental conservation and provide accurate information and understanding to the employees.
- Operate the business with consideration for environmental conservation and safety standards and comply with all related environmental laws and regulations. Even though laws and regulations related to the environment are not enforced or existed, the company will encourage standard practices regardless.
- Continuously support the development, research and learning of the management of pollution caused by the company.
- Acknowledge the use of energy, water, and other resources to their maximum benefits and study the efficiency of transportation or production to make the most valuable and efficient use of resources.
- Be open and encourage employees at all levels from top to bottom to collaborate and share their opinions for the sustainable use of various resources according to local wisdom.
- Encourage the transfer of knowledge on the environment among employees for them to understand, be instilled into a good corporate culture and bring it into practice to achieve sustainable goals.
- Determine and review the company's quality policy by holding a management review meeting at least 1 time/year/system or whenever is necessary to hold an urgent review meeting. This policy complies with the requirements of ISO 9001: 2015 and helps with the communication among all departments to get the same messages.
- Be aware of the reducing amount of greenhouse gas emission from the company's business processes and set goal to continually reduce it.

#### 3.3.2 Performance on environment

##### Performance and outcome related to environmental management in area critical to business operation

In 2021, the company and its subsidiaries have continuously campaigned to reduce the use of paper within the organization and improved operational system by utilizing online forms instead of using paper. For example, performance evaluation and various ISO standard forms, which were originally done in paper forms, were changed to be done online using online forms. These forms can be approved online with email notifications, allowing the company's employees to realize how to use paper for its maximum benefit.



In 2021, the company reduced the use of A4 paper by 20,063 baht or 24.52 percent compared to the previous year. In addition, the company focuses on promoting the efficient use of resources such as the use of water and electricity. There has been efficient energy management both in the electrical system and the air conditioning system by installing and maintaining equipment that controls the operation of the related electrical systems. This makes it possible to reduce electricity consumption by 0.80 kWh and save electricity costs by 87,839 baht or 8.06 percent compared to the previous year. Currently, the company is studying on the installation of solar rooftop system at Bang Pa-in plant, and it is expected that in 2023, there will be progress accordingly.

For the factories, there is policy in place to control and manage the wastewater treatment system. In the past 5 years, the results of the wastewater quality analysis were in accordance with the criteria prescribed by the Bang Pa-In Industrial Estate, with the Biochemical Oxygen Demand (BOD) value at 20 degrees Celsius for 5 days not more than 500 milligrams per liter.

The company has set a policy to promote and support the awareness of the importance of environmental protection by managing the wastewater treatment system, according to the guidelines of Bang Pa-In Industrial Estate. In the past 3 years, the results of the measurements were in accordance with the criteria of the Industrial Estate as follows:

Table of report on analysis result of wastewater quality in operating areas

No.	Date of Result	Sampling Location	Parameter	Analysis Method	Analyzer	Result	Unit	Standard <sup>1/</sup>	Equivalent Result
1	6 Feb 2019	Treatment reservoir in the factory	BOD	5 Day BOD Test	Analytical Laboratory Service Co., Ltd.	3	mg/l	500	Passed
2	6 Apr 2019	Treatment reservoir in the factory	BOD	5 Day BOD Test	Analytical Laboratory Service Co., Ltd.	Not Detected <sup>2/</sup>	mg/l	500	Passed
3	5 Jun 2019	Treatment reservoir in the factory	BOD	5 Day BOD Test	Analytical Laboratory Service Co., Ltd.	3	mg/l	500	Passed
4	7 Aug 2019	Treatment reservoir in the factory	BOD	5 Day BOD Test	Analytical Laboratory Service Co., Ltd.	3	mg/l	500	Passed
5	2 Oct 2019	Treatment reservoir in the factory	BOD	5 Day BOD Test	Analytical Laboratory Service Co., Ltd.	Not Detected <sup>2/</sup>	mg/l	500	Passed
6	4 Dec 2019	Treatment reservoir in the factory	BOD	5 Day BOD Test	Analytical Laboratory Service Co., Ltd.	3.2	mg/l	500	Passed
7	8 Jan 2020	Treatment reservoir in the factory	BOD	5 Day BOD Test	Analytical Laboratory Service Co., Ltd.	17	mg/l	500	Passed
8	1 Apr 2020	Treatment reservoir in the factory	BOD	5 Day BOD Test	Analytical Laboratory Service Co., Ltd.	4.3	mg/l	500	Passed
9	1 Jul 2020	Treatment reservoir in the factory	BOD	5 Day BOD Test	Analytical Laboratory Service Co., Ltd.	3.2	mg/l	500	Passed
10	7 Oct 2020	Treatment reservoir in the factory	BOD	5 Day BOD Test	Analytical Laboratory Service Co., Ltd.	7.8	mg/l	500	Passed
11	7 Apr 2021	Treatment reservoir in the factory	BOD	5 Day BOD Test	Analytical Laboratory Service Co., Ltd.	9.9	mg/l	500	Passed

<sup>1/</sup> Wastewater quality standards from factories in industrial estates. Industrial Estate Authority of Thailand Announcement No. 78/2554 Re: General Rules for Discharging Wastewater into Central Wastewater Treatment Systems in Industrial Estates.

<sup>2/</sup> Not detected (ND) means the parameter is either not detected in the wastewater quality or the amount of BOD is less than the amount analyzers are able to analyze.

## Environmental Quality System and Management

The company has strict measures to control and inspect the quality of raw materials used in production. The company has a quality assurance unit that inspects the quality of raw materials, starting from the process of inspecting raw materials stored in the warehouse to prepare for production, to inspecting raw materials before they are put into production, until inspecting products after production before being packaged for distribution. Intensive quality control and inspection are required for the company's production process to produce standardized, clean and safe product results.

The company continues to develop and improve continuously in order to align the production process of products and services with the requirements of various international standards. In 2021, the company has established a safety control system that monitors all food production processes and prevents hazards and contaminants in food (HACCP: Hazard Analysis Critical Control Point) to be used in production control. This production control system operates in the way that it analyses matters' importance and seriousness in order to manage risks that could affect customers. The system was certified by Intertek 14 January 2020.

This is another important step for the company as an importer, manufacture and distributor of ingredients and chemicals in food to continuously develop a quality management system, strengthen the delivery of quality products and reliable services, build personnel specializing in the food business, meet the demand to the company's stakeholders in a sustainable way and have a quality, safe and standardized system which has been accredited for the past 3 years. The company has been certified by various institutes as follows:

Description		2019	2020	2021
	Quality Management System ISO 9001:2015 according to International Organization for Standardization – ISO certified by BSI GROUP (THAILAND) CO., LTD (“BSI”)	✓	✓	✓
	Intertek Industry and Certification Services (Thailand) Limited - Food Safety Management Systems, GMP (Good Manufacturing Practice)	✓	✓	✓
	“Halal” standard from the Central Islamic Council of Thailand for icing sugar, crushed sugar, glazing sugar, donut sugar, baking powder, baketex, winsoft, wingum, instant pancake flour, crispy flour, corn flour, cocoa powder, bake plus, instant custard powder, stir flour, almonds, chocolate couverture, roll oat, dried cranberry, black raisin, yellow raisin, win sweet, soft serve, cashew nut and chocolate compound	✓	✓	✓
	Safety control standard in every food production process to prevent hazards and contaminants in food - HACCP (Hazard Analysis Critical Control Point) certified by Intertek Industry and Certification Services (Thailand) Limited	-	✓	✓

For the production processes of skin care products, cosmetics, dietary supplements and drugs used to treat skin diseases, Aesthetic Zecret (AT-ZE) Co., Ltd. plans the production processes, controls and inspects all details in every step by personnel who have expertise in production and modern tools to deliver quality and standardized products for customers' maximum satisfaction. Every part of the production in each product is operated under production building system, compliant production system and international system.

Description		2019	2020	2021
	<sup>1/</sup> Quality Management System ISO 9001:2015 according to International Organization for Standardization – ISO certified by TUV NORD (Thailand) Company Limited	✓	✓	✓
	<sup>2/</sup> ISO 22716:2007 Cosmetics-Guidelines on Good Manufacturing Practice (GMP) according to International Organization for Standardization - ISO	✓	-	-
	Food quality and safety certification system according to international food standards (Codex GMP and HACCP) certified by SGS (Thailand) Co., Ltd.	✓	✓	✓
	GMP from Food and Drug Administration, Ministry of Public Health	✓	✓	✓
	<sup>3/</sup> Pharmaceutical Inspection Co-operation Scheme (GMP PICS) from Food and Drug Administration, Ministry of Public Health	✓	-	-
	Halal production standard which will be individually certified by product	✓	✓	✓

Remarks: <sup>1/</sup> Improved the company's standard system and changed ISO 9001:2015 certification provider from SGS (Thailand) Co., Ltd. to TUV NORD (Thailand) Co., Ltd. in October 2020.

<sup>2/</sup> Improved the company's standard system and changed the ISO 22716:2007 certification provider from SGS (Thailand) Co., Ltd. to TUV NORD (Thailand) Co., Ltd. with an inspection schedule in April 2021.

<sup>3/</sup> In the process of improving various infrastructures to meet international standards and comply with GDP (Good Distribution Practice), in accordance with the revised legal requirements.

In addition, Aesthetic Zecret (At-ZE) Co., Ltd. has a policy to promote and support the awareness of the importance of environmental protection which includes the management of occupational health, safety and working environment through waste separating activities. Waste separating activities include the separation of chemical contaminated waste, wet or decomposable waste, general waste and recyclable waste. Each type of waste will be disposed properly to prevent chemical spills. Wastewater treatment reservoir has also been set up to treat wastewater generated from production activities before releasing into public water reservoirs. There are also adequate safety promoting activities such as safety officer assessment, risk and safety assessment and emergency drills to help the company keep the business in operation in emergency situations.

As for the approach to reducing greenhouse gases, the company is in the process of studying, communicating, understanding and reviewing data collecting, storing and saving standards to disclose it appropriately according to the Greenhouse Gas Emission Guidelines in 2023.

## 3.4 Sustainability management in social dimension

### 3.4.1 Social policy and practice

Winner Group Enterprise Public Company Limited acknowledges that the company is a part of Thai society. Therefore, it is the company's duty and responsibility to strengthen, create, drive and jointly improve the society, community, and environment for maximum benefits. The company has set up social responsibility policy for executives and employees to acknowledge and understand social responsibility by adhering to the principle that all employees are involved in the presentation and consideration of all projects. In addition, the company has set up volunteering activities for employees to participate in order to deeply understand and be instilled of social responsibility concept.

#### Overall Policy

The company has human rights policy and adheres to continually respect human rights in all aspects of every individual, society and community, in accordance with Universal Declaration of Human Rights (UDHR) and UN Guiding Principles on Business and Human Rights (UNGPs). These guidelines are used as the company's human rights management approach to treat people with fairness, equality and indiscriminate in terms of employment, compensation, promotion and training. All employees are to be given the same rights and opportunities without discrimination regardless of their gender, age, educational background, race or religion. The company also supports the employment for disadvantaged groups such as the disabled and the elderly to create opportunities and careers for them. The International Labor Organization's Declaration on Fundamental Principles Rights is used as a guideline for executives and employees at all levels throughout the organization. The company has formulated a policy in regard to social responsibility, focusing on business operations in accordance with the vision and mission of the company as follows:

#### Vision

To become a leading company expertized in integrated food business in all distribution channels.



#### Mission

Strive to deliver quality products and provide reliable service, to meet the needs and satisfaction of customers with the dedication to develop company's human resources capability to have expertise in food industry and maintain good relationship with suppliers.

The company is committed to producing and distributing quality products that are safe for consumers by taking into account social responsibility, community and environment. Along with this, the company is committed to conducting business with transparency, ethics and accountability, including fair treatment of stakeholders and prioritization of employees. The company believes employees are valuable resources of the organization and has determined the core competencies of personnel to be the basis for employees to acknowledge, understand and follow until they can lead the organization to achieve the company's visions as follows:

<b>Accountability</b>	Have high self-responsibility and commitment to work to achieve or exceed expectations, and set performance audit system within their respective units.
<b>Customer Focus</b>	Focus on building positive attitude towards internal and external customers. Demonstrate willingness to serve and impress customers and to proactively develop creative work for internal and external customers.
<b>Teamwork</b>	Working as a team demonstrates the ability to eliminate conflicts within the group while still being committed to the same goals. Encourage team members to exchange knowledge and experience to organize work in the team and solve problems effectively.

### 3.4.2 Performance on Society

#### Fair Business Operation

The company has a policy to operate business with honesty, ethics and commitment to operate with knowledge to its full ability for all stakeholders' maximum benefits. In addition, the company has a "Communication with the Board and Whistle-Blowing Policy" to allow stakeholders to ask questions, make suggestions, report clues or complaints, report financial report inaccuracy, report internal control system flaws or the company's business ethics violation through independent directors or audit committee of the company. Complaints and whistleblowing reports will be protected and kept confidential. Independent directors or audit committee will demand information verification, find solutions (if any) and report to the Board of Directors. In the event that the informant does not disclose himself or herself, the company will consider the issue for its usefulness to the organization.

#### Anti-Corruption

The company embraces the Sufficiency Economy Philosophy in order to lead the company to sustainable growth by adhering to the ideology of conducting business with honesty, fairness, transparency and responsibility to society and stakeholders, according to the principles of good corporate governance.

The company has established an anti-corruption policy in the company's Code of Business Conduct, prepared a manual on policies and measures against corruption, and communicated to employees at all levels to ensure all employees are aware of the impacts of corruption. The company acknowledges that corruption can undermine the business, society and country. Therefore, anti-corruption practices must become a commonality in all sectors. They must be driving forces to instill this concept and encourage Thai society to be free from such actions.

In 2015, the company received the result of the sustainability development assessment on anti-corruption of Thai listed companies for the year 2015 prepared by Thaipat Institute (Public benefit organization), which is supported by the Securities and Exchange Commission (SEC), with a rating of “3” (established). The result indicates the level of policy the company has set to implement (not paid to government officials and not involved and against those involved), assessment to identify the company' or its subsidiaries' corruption risks in operation, communication and training for employees about anti-corruption policy, and assurance that the policy is implemented and reviewed by the Board of Directors at least every year.

For the year 2016 – 2021, the company has communicated “Anti-Corruption Policy” to the Board of Directors, executives, employees and related stakeholders regularly to ensure they are aware of the roles, responsibilities, guidelines and measures of the mentioned policy on an ongoing basis. In June 2021, the company has been selected as an outstanding listed company on environment, society and governance (ESG 100) of the year 2021 by Thaipat Institute for the 5th consecutive year. One of the criteria that Thaipat Institute used in the selection process is criteria for disposition from wrongdoing, whereby the company, the Board of Directors or high-level executives of the company must not be subject to the SEC's penalties in the assessment year. Thus, it reflects that the Board of Directors and executives have realized and implemented the anti-corruption policy into practice to build confidence among employees and stakeholders involved in the company's sustainable business management.

In addition, the company has also established a “Whistle Blowing Policy” as a channel for whistle-blowing, reporting, and investigations in the event that acts and encouragement of corruption, and anti-corruption policy violation are found. In addition, measures have been set to protect and mitigate damages to the company's stakeholders, such as employees, shareholders, investors, customers, trading partners, creditors, government agencies, or other related parties. The measures facilitate the requests of details, reports on claims or clues, reports on financial report inaccuracy, reports on defective internal control system and reports on violation of the company's business ethics, which will be a channel that helps the company acquire information faster and resolve problems in a timely manner.

The Audit Committee of the company has appointed Dharmniti Internal Audit Company Limited to perform an internal auditing to inspect and examine the company's internal control system and operating procedures to ensure the company's compliance with the laws, and rules and regulations of other related segments, and to ensure there will be no place for any act of corruption. In 2021, there were no significant problems or deficiencies

related to corruption and the company's operations found or not in accordance with the laws or requirements, including violations of the code of business conduct.

### Personnel Care and Development

The company puts great emphasis on personnel, which is the heart of the operation to achieve the goals. The company has a policy to strengthen and develop personnel to be knowledgeable and specialized in their work, to have work experience, to have a code of conduct and ethics in working with honesty, and to have responsibility to oneself and all groups of stakeholders. The company aims to enable employees to use their skills and knowledge to develop further to achieve excellence in service, to meet the needs of customers, and to be expressive to their creative opinions for them to develop and expand the company's business stably and sustainably, generate returns and create added value for all groups of stakeholders in the long run.



### Respect to Human Rights

The company adheres to the integrity of business operation by giving importance to the respect for human rights and human dignity. This is a fundamental right to treat employees and all groups of stakeholders with equal rights and freedom. The company has no policy to violate fundamental rights in terms of race, religion, political opinion, gender, age or disability, as well as providing opportunities for employees and stakeholders to express their opinions through the company's recommendation channels without restrictions.

All employees of the company will be treated equally, which the company has set a policy including welfare regulations in various fields clearly. All employees are entitled to equal protection of their fundamental rights without bias on gender or physical or mental condition, such as receiving health insurance, annual health check, medical treatment, the right to attend trainings to enhance skills, knowledge and experience, assignments consistent with and appropriate to their knowledge and competence, and appropriate and equal benefits, etc.

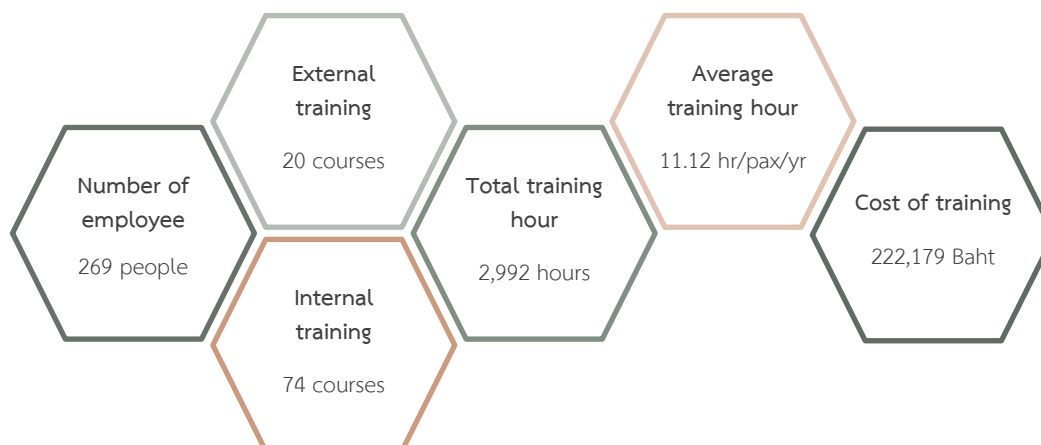
### Fair labor treatment

Personnel is an important driving force that makes the company progress and continue to grow. Therefore, the company puts great importance to the fair treatment of labor by setting a policy on compensation and welfare of employees, including wages, salaries, bonuses, social securities, provident funds, Outpatient Health Insurance (OPD), uniforms, vacations and work environment safety. The company also encourages employees to improve their knowledge by organizing seminars or trainings both internally and externally as follows:

- Develop employees to improve their skills and increase their potential by giving employees opportunities to learn and be promoted when the time is right for their career advancement. The company continuously organizes annual trainings for employees at all levels, both internally and externally. This is one of the main work schedules of the HR department.
- Encourage women to be promoted to higher positions in a balanced proportion with men. At present, the proportion of female executives in middle-level and higher positions is greater than that of male executives, at 60 to 40 percent.
- Set up a policy to take care of the safety and hygiene in the workplace in order to prevent any actions that may cause unsafe results or health risks. The company's factory, located at Bang Pa-In Industrial Estate Phra Nakhon Si Ayutthaya Province, has appointed an Occupational Safety, Health and Environment Committee to be responsible for formulating safety policies, including inspecting, analyzing and formulating preventive measures for safe working procedures in every process. Regular meetings have been organized with Occupational Safety, Health and Environment Committee's supervision.
- Promote a good work environment, equality in employment, anti-discrimination both direct or indirect on race, color, gender, sexual orientation, age, disability, religion, political view that is not illegal, or expression of any other opinions. The company recruits employees to work without racial discrimination, such as the employment of foreign workers who are certified by the Department of Employment, Ministry of Labor.
- There is no policy of laying off employees based solely on the decision of management representatives or discrimination that may be grounds for unfair dismissal.
- Respect employees' right to express their opinions. This includes the freedom to express opinions without interference, information acquisition or opinions from various media. The company has provided a communication channel to listen to the opinions of employees whether it is about improving the way of working, environment, comments or suggestions through the "Winner Box".
- Promote employment for vulnerable labor groups. For example, the company has provided the opportunities for employment for the disabled. In 2021, the company has employed in total of 3 people with hearing and physical disabilities.



### Employee Development Policy



The company places great importance on knowledge development, operational skills and expertise of staff, and service quality which will benefit the company's operations. The company has a policy to encourage employees to practice and develop themselves appropriately and regularly according to their line of work, both management level and all operational levels. In this regard, the company has provided internal and external trainings with experienced and specialized speakers. In 2021, the company has organized internal trainings and participated in external trainings for executives and employees for a total of 94 training courses. 74 courses of all courses were internally organized such as digital marketing, labor law for executives, good manufacturing practice in food production, hazard analysis and food safety control courses, etc. The other 20 courses were external training courses such as online marketing, 2022 deferred tax, the impact of TFRS 16 and COVID-19-related rent concession, CFO 2022, account overview, current and future taxes, and CFO courses, etc. In 2021, the cost of employee development trainings is 222,179 baht and the average number of training hours is 11.12 hours per person per year.

### Communication with employees

The company places importance on communication with its employees to ensure that employees are aware of the policies and operational guidelines, activities and information all in the same direction. The company's employees will receive information via emails, signboards, company's website under the name "Insight Winner", monthly published E-newsletters and social media channels such as Facebook.

In addition, the employees will have the opportunity to meet and talk with senior management at annual training seminars and annual gatherings to discuss and express opinions through various sub-committee meetings.

### **Responsibility to Customer**

As the company is an importer, manufacturer and distributor of products related to the food industry, the company has to have strict control measures to eliminate potential safety risks for consumers to get products that are high quality, safe and hygienic. The process starts from selecting and developing products to be

distributed, until delivering products to the customers' hands. To carry out the mentioned policy, the company will proceed as follows:

- Prioritize on safety and health of consumers.
- Disclose news and information of products and services accurately and completely.
- Do not take any action that causes ambiguity or distorts information about goods and services. Do not exaggerate or neglect to mention important information that leads to misunderstandings.
- Conduct research and development to create innovations of products and services continuously.
- Pay attention to processes and activities that benefit society, community and environment, in order to lead to sustainable consumption.
- Provide opportunities for customers to file complaints on the company's website.

In addition, the company has received a certificate of registration of direct marketing business on 29 August 2018 from the Office of the Consumer Protection Board (OCPB), together with entrepreneurs who meet the criteria of OCPB which are transparency in business operation (good corporate governance), realistic advertising, quality and standard product selling and being responsible to consumers.

#### **Contribution and Development to Community and Society**

The company not only operates its business to create sustainable growth, but also recognizes and puts great importance on operating its business with consideration for the environment, and community and society. The company encourages and organizes its employees to be involved in the presentation and consideration of projects, to create a foundation and instill in employees with a sense of social responsibility. Because the company has a production base in Bang Pa-In Industrial Estate Bang Pa-in District, Phra Nakhon Si Ayutthaya Province, the company, therefore, focuses on supporting the area by providing school supplies and scholarships for schools and students in the area, including continuously giving out budgets to help in disasters situated in the area to give back to the community and society located around the its production base and to grow together.

#### **Innovation and Spread of Innovation from Responsible Operation to Society, Environment and Stakeholders**

The company has developed the entire organization's information system under the "Enterprise Resource Planning (ERP) Project" by adopting the Enterprise Resource Planning or ERP system to help manage resources effectively and reduce redundant processes in operation. In addition, the company's employees also had the opportunity and participated in the exchange of knowledge, learning and passing on experience, sharing of ERP knowledge and defining of their roles, duties and responsibilities in the form of Project Leader, Functional Manager and Functional Team Leader through a work group session. This helps develop the company's information system to meet the needs of the users throughout the organization and maximize benefits to the organization.

### Activity for the Benefit of Society (After Process)

The company has continuously participated in roles and activities in social, community and environmental development and committed to a CSR-after-Process policy to participate in activities in the community. In addition to the business operation, the company is also responsible for the company's CSR-in-Process as mentioned above. In 2021, there are activities as follows:

## CSR AFTER PROCESS



Donated liquid and gel alcohol to the Mirror Foundation who will distribute to communities and areas that need alcohol to keep people in those communities away from COVID-19.

Donated liquid and gel alcohol to the Border Patrol Police Headquarters (Royal Patrol Police) which they will distribute to children and people living in remote areas with educational disadvantages.



## CSR AFTER PROCESS



Donated liquid and gel alcohol to Bandek Ramindra School  
(Home for the Blind with Multiple Disabilities).

Donated PPE suits, liquid and gel alcohol to  
Siriraj Hospital, Lerdsin Hospital,  
Erawan Field Hospital 1 (Bangbon) and  
Erawan Field Hospital 2 (Nong Chok)  
for medical personnel, visitors  
and COVID-19 patients  
for them to be safe from COVID-19



Donated liquid and gel alcohol to  
the Orphanage Association of Thailand and Baan  
Ratchawithi Children's Home.

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## 4. Management Discussion and Analysis (MD&A)

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### 4.1 Analysis of Operating Results and Financial Position for the Company and its subsidiary

#### 4.1.1 Significant events during the year

- On 13 May 2021, the Company's Board of Directors' Meeting passed a resolution approving the acquisition of ordinary shares of Winner Agro Innovation Company Limited from the existing shareholders approximately amount of Baht 14 million which representing 45% of the ordinary shares of such company. Such company engages in the production and distribution of raw materials, seedling varieties, and extracts of hemp. As at 31 December 2021, the carrying amount of investment based on equity method was Baht 17 million, so the Company recognised profit from the investment in 2021 amount of Baht 3 million.
- On 30 August 2021, the Extraordinary General Meeting of Aesthetic Zecret (AT-ZE) Company Limited (subsidiary) passed a resolution approving an increase of the Company's registered share capital amount of Baht 100 million from the existing registered share capital of Baht 80 million to the new one of Baht 180 million by issuing new ordinary shares amount of 1 million shares, with a par value of Baht 100 each. The subsidiary registered the increase in its registered share capital with the Ministry of Commerce on 6 September 2021 and the Company paid such increased share capital in full amount. As a result, the Company increased in investment in subsidiary amount of Baht 100 million from the existing share capital of Baht 164 million to the new one of Baht 264 million.
- On 28 September 2021, the Extraordinary General Meeting of the Company's shareholders passed a resolution approving an increase of the Company's registered share capital amount of Baht 50 million from the existing registered share capital of Baht 100 million to the new one of Baht 150 million by issuing new ordinary shares amount of 200 million shares, with a par value of Baht 0.25 each, to accommodate the stock dividend payment. The Company registered the increase in its registered share capital with the Ministry of Commerce on 8 October 2021 and registered the increase in its paid-up share capital with the Ministry of Commerce on 20 October 2021.

## 4.1.2 Analysis of Operating Results for the Company and its subsidiary for the year ended 31 December 2021

Table 1: Operating results for the year ended 31 December 2021

(Unit: Thousand Baht)

	Consolidated Financial Statements		Increase (Decrease)			Separate Financial Statements		Increase (Decrease)	
	2021	2020	Thousand Baht	%		2021	2020	Thousand Baht	%
Total revenues	1,809,191	1,698,267	110,924	6.5		1,775,173	1,656,696	118,477	7.2
Sales and service income	1,784,853	1,687,011	97,842	5.8		1,748,474	1,641,755	106,719	6.5
Cost of sales and service	1,388,466	1,290,129	98,337	7.6		1,365,167	1,260,993	104,174	8.3
<b>Gross profit</b>	<b>396,387</b>	<b>396,882</b>	<b>(495)</b>	<b>(0.1)</b>		<b>383,307</b>	<b>380,762</b>	<b>2,545</b>	<b>0.7</b>
Other income	24,338	11,256	13,082	116.2		26,699	14,941	11,758	78.7
<b>Profit before expenses</b>	<b>420,725</b>	<b>408,138</b>	<b>12,587</b>	<b>3.1</b>		<b>410,006</b>	<b>395,703</b>	<b>14,303</b>	<b>3.6</b>
Selling and distribution expenses	103,994	103,806	188	0.2		97,863	94,883	2,980	3.1
Administrative expenses	172,852	182,194	(9,342)	(5.1)		140,869	141,405	(536)	(0.4)
Loss from impairment of investment in subsidiary	-	-	-	-		37,120	27,700	9,420	34.0
<b>Total Expenses</b>	<b>276,846</b>	<b>286,000</b>	<b>(9,154)</b>	<b>(3.2)</b>		<b>275,852</b>	<b>263,988</b>	<b>11,864</b>	<b>4.5</b>
<b>Profit from operating activities</b>	<b>143,879</b>	<b>122,138</b>	<b>21,741</b>	<b>17.8</b>		<b>134,154</b>	<b>131,715</b>	<b>2,439</b>	<b>1.9</b>
Share of profits from investment in associate	3,169	-	3,169	100.0		-	-	-	-
Finance cost	(6,344)	(9,607)	3,263	(34.0)		(5,146)	(7,999)	2,853	(35.7)
<b>Profit before income tax expenses</b>	<b>140,704</b>	<b>112,531</b>	<b>28,173</b>	<b>25.0</b>		<b>129,008</b>	<b>123,716</b>	<b>5,292</b>	<b>4.3</b>
Income tax expenses	(32,028)	(28,006)	(4,022)	14.4		(33,592)	(30,363)	(3,229)	10.6
<b>Profit for the year</b>	<b>108,676</b>	<b>84,525</b>	<b>24,151</b>	<b>28.6</b>		<b>95,416</b>	<b>93,353</b>	<b>2,063</b>	<b>2.2</b>
<b>Other comprehensive income:</b>									
Actuarial gain - net of income tax	-	1,713	(1,713)	(100.0)		-	19	(19)	(100.0)
<b>Total comprehensive income for the year</b>	<b>108,676</b>	<b>86,238</b>	<b>22,438</b>	<b>26.0</b>		<b>95,416</b>	<b>93,372</b>	<b>2,044</b>	<b>2.2</b>
<b>Gross profit margin</b>	<b>22.2%</b>	<b>23.5%</b>	<b>(1.3%)</b>			<b>21.9%</b>	<b>23.2%</b>	<b>(1.3%)</b>	
<b>Selling and distribution expenses per net sales</b>	<b>5.8%</b>	<b>6.2%</b>	<b>(0.4%)</b>			<b>5.6%</b>	<b>5.8%</b>	<b>(0.2%)</b>	
<b>Administrative expense per net sales</b>	<b>9.7%</b>	<b>10.8%</b>	<b>(1.1%)</b>			<b>8.1%</b>	<b>8.6%</b>	<b>(0.5%)</b>	
<b>Net profit margin</b>	<b>6.0%</b>	<b>5.0%</b>	<b>1.0%</b>			<b>5.4%</b>	<b>5.6%</b>	<b>(0.2%)</b>	
<b>Earnings per share (Bath/Share)</b>	<b>0.18</b>	<b>0.14</b>	<b>0.04</b>	<b>28.6</b>		<b>0.16</b>	<b>0.16</b>	<b>-</b>	<b>-</b>
<i>Profit for the year (Normalize)</i>	<i>108,676</i>	<i>84,525</i>	<i>24,151</i>	<i>28.6</i>		<i>132,536</i>	<i>121,053</i>	<i>11,483</i>	<i>9.5</i>
<i>Total comprehensive income for the year (Normalize)</i>	<i>108,676</i>	<i>86,238</i>	<i>22,438</i>	<i>26.0</i>		<i>132,536</i>	<i>121,072</i>	<i>11,464</i>	<i>9.5</i>
<i>Net profit margin (Normalize)</i>	<i>6.0%</i>	<i>5.0%</i>	<i>1.0%</i>			<i>7.5%</i>	<i>7.3%</i>	<i>0.2%</i>	
<i>Earnings per share (Bath/Share) (Normalize)</i>	<i>0.18</i>	<i>0.14</i>	<i>0.04</i>	<i>28.6</i>		<i>0.22</i>	<i>0.20</i>	<i>0.02</i>	<i>9.5</i>

In 2021, the Company and its subsidiary had total comprehensive income for the year amount of Baht 109 million, increasing from the previous year amount of Baht 22 million or 26.0%. Profit for the year increased from the previous year amount of Baht 24 million or 28.6% while other comprehensive income - actuarial gain from

provision for long-term employee benefits - net of income tax decreased amount of Baht 2 million due to there was no new estimate for such provision in this year.

The Company and its subsidiary's profit for the year was Baht 109 million, increasing from the previous year amount of Baht 24 million due to administrative expenses decreased amount of Baht 9 million, other income increased amount of Baht 13 million, share of profits from investment in associate increased amount of Baht 3 million and finance cost decreased amount of Baht 3 million. Meanwhile, income tax expenses increased amount of Baht 4 million which was consistent with the increase of profit before income tax expenses. By the way, gross profit was Baht 396 million, insignificantly changed from the previous year, which sales and service income increased amount of Baht 98 million while costs of sales increased amount of Baht 98 million as well, and selling and distribution expenses was Baht 104 million, insignificantly changed from the previous year.

The Company's profit for the year was Baht 95 million, increasing from the previous year amount of Baht 2 million or 2.2% due to sales and service income increased amount of Baht 106 million while cost of sales increased amount of Baht 104 million which caused gross profit increased amount of Baht 2 million. Other income increased amount of Baht 12 million and finance cost decreased amount of Baht 3 million while selling and distribution expenses increased amount of Baht 3 million, loss from impairment of investment in subsidiary increased amount of Baht 9 million and income tax expenses increased amount of Baht 3 million.

By the way, excluding loss from impairment of investment in subsidiary, the company's profit for the year (Normalize) was Baht 133 million, increasing from the previous year amount of Baht 11 million or 9.5%.

## Revenues from sales and service

Table 2: Revenues from sales separated by operating segment for the year ended 31 December 2021

(Unit: Thousand Baht)

Operating segment	For the year ended 31 December				Increase (Decrease)	
	2021	%	2020	%	Thousand Baht	%
Industrial food products segment	729,355	40.9	696,996	41.3	32,359	4.6
Consumer food products segment	1,011,323	56.6	939,918	55.7	71,405	7.6
Manufacture of skincare products, cosmetics, food supplements and medicines used to treat skin diseases segment	44,175	2.5	50,097	3.0	(5,922)	(11.8)
<b>Total</b>	<b>1,784,853</b>	<b>100.0</b>	<b>1,687,011</b>	<b>100.0</b>	<b>97,842</b>	<b>5.8</b>

The Company and its subsidiary's revenues from sales and service were Baht 1,785 million, increasing from the previous year amount of Baht 98 million or 5.8%. Revenues from sales of industrial food products segment increased amount of Baht 32 million or 4.6% which was from product group of food ingredient such as cocoa powder, icing sugar, potato starch, etc. Revenues from sales of consumer food products segment increased amount of Baht 71 million or 7.6% which was from various product groups such as snack & confectionary group,



frozen & chilled food group, etc. However, revenues from manufacture of skincare products, cosmetics, food supplements and medicines used to treat skin diseases segment decreased amount of Baht 6 million or 11.8% which was mainly due to the current situation of the pandemic of Coronavirus-19 still effects most of business and industries, so the demand for products of consumers in this segment decreased.

### Gross profit

The Company and its subsidiary's gross profit was Baht 396 million, insignificantly changed from the previous year, while the Company's gross profit was amount of Baht 383 million, increasing from the previous year amount of Baht 2 million in accordance with sales increasing.

The Company and its subsidiary's gross profit margin was 22.2%, decreasing from the previous year 1.3% while the Company's gross profit margin was 21.9%, decreasing from the previous year 1.3%. The main reason was from cost of goods increased due to the depreciation of Thai Baht from previous year. This year, the value of Thai Baht against US dollar was between 30.03 - 34.09, while the previous year was between 29.96 - 33.26. Besides, the Company had discount promotion to activate more sales from the previous year.

### Other income

The Company and its subsidiary's other income was Baht 24 million, increasing amount of Baht 13 million. The main reason was from other income from the reversal of liabilities increased amount of Baht 12 million due to this year had an adjustment of accrued marketing expenses of the prior year which were over estimate than the amount charged by creditors reversing to other income amount of Baht 12 million, while there was no such transaction in the previous year. Moreover, there was compensation receiving from the relief measure for employers and employees under Section 33 of the Social Security Act, B.E. 2533 (1990) for the business which was affected by government measures in the most restrictive and restrictive areas amount of Baht 2 million, while there was no such transaction in the previous year.

### Expenses

- Selling and distribution expenses

The Company and its subsidiary's selling and distribution expenses were Baht 104 million, insignificantly changed from the previous year. The Company's selling and distribution expenses increased amount of Baht 3 million from the increasing of delivery expenses amount of Baht 4 million in accordance with the increasing of sales and oil price. Besides, employee expenses increased amount of Baht 2 million from the increasing of salaries while marketing expenses decreased amount of Baht 3 million. However, the subsidiary's selling and distribution expenses decreased amount of Baht 3 million which was mainly from employee expenses decreased amount of Baht 2 million from the decreasing of number of employees and marketing expenses decreased amount of Baht 1 million.



- Administrative expenses

The Company and its subsidiary's administrative expenses were Baht 173 million, decreasing from the previous year amount of Baht 9 million or 5.1%, mainly from the following reasons;

- Employee expenses slightly increased amount of Baht 1 million which were from the Company's employee expenses increased amount of Baht 4 million while the subsidiary's employee expenses decreased amount of Baht 3 million due to the decreasing of number of employees.
- Provisions decreased amount of Baht 10 million which were comprised of provision for doubtful accounts decreased amount of Baht 1 million and provision for loss from obsolete stock decreased amount of Baht 10 million. The Company decreased in provisions amount of Baht 7 million while the subsidiary decreased in provisions amount of Baht 3 million due to the Company and its subsidiary had more efficiency in inventories management. However, the Company increased in provision for impairment loss from intangible assets amount of Baht 1 million which was no such provision in this year while was the reversal of provision amount of Baht 1 million in the previous year.

- Loss from impairment of investment in subsidiary

The subsidiary had loss from its operation. In 2021, the Company performed impairment test on investment in a subsidiary by reviewing the recoverable value of the cash generating unit by using the value-in-use method and found that the recoverable value was lower than book value of investment in a subsidiary amount of Baht 79 million which the Company recognised provision for such loss from impairment of investment in a subsidiary in the previous year amount of Baht 42 million. As a result, the Company recognised the additional provision for such loss from impairment of investment in a subsidiary in 2021 amount of Baht 37 million.

At present, the Company is in process of financial and operational management to make a better performance of the subsidiary in the future.

### **Share of profits from investment in associate**

On 13 May 2021, the Company's Board of Directors' Meeting passed a resolution approving the acquisition of ordinary shares of Winner Agro Innovation Company Limited which engaged in the production and distribution of raw materials, seedling varieties, and extracts of hemp approximately amount Baht 14 million which representing 45% of ordinary shares of such company.

As at 31 December 2021, the carrying amounts of investment based on equity method was Baht 17 million, so the Company recognised the additional profit amount of Baht 3 million in 2021.

### Finance cost

Finance cost decreased from the previous year amount of Baht 3 million or 34.0%. The main reason was due to long-term loans' interest expenses decreased from principle repayment during the year.

### Profit for the period

In 2021, the Company and its subsidiary's profit was Baht 109 million, increasing from the previous year amount of Baht 24 million or 28.6% which was a result from sales and service income increased amount of Baht 98 million while cost of sales increased amount of Baht 98 million, as well. Administrative expenses decreased amount of Baht 9 million, other income increased amount of Baht 13 million, share of profits from investment in associate increased amount of Baht 3 million and finance cost decreased amount of Baht 3 million while income tax expenses increased amount of Baht 4 million.

The Company's profit for the year was Baht 95 million, increasing from the previous year amount of Baht 2 million or 2.2% due to sales and service income increased amount of Baht 106 million while cost of sales increased amount of Baht 104 million which caused gross profit increased amount of Baht 2 million. Other income increased amount of Baht 12 million and finance cost decreased amount of Baht 3 million while selling and distribution expenses increased amount of Baht 3 million, loss from impairment of investment in subsidiary increased amount of Baht 9 million and income tax expenses increased amount of Baht 3 million.

By the way, excluding loss from impairment of investment in subsidiary, the company's profit for the year (Normalize) was Baht 133 million, increasing from the previous year amount of Baht 11 million or 9.5%.

### Other comprehensive income

The Company and its subsidiary's other comprehensive income decreased amount of Baht 2 million which was due to in 2020, the Company and its subsidiary engaged with independent expert to assess defined benefits for post-employment in order to comply with the relevant financial reporting standards and recognised gain - net of income tax in other comprehensive income amount of Baht 2 million, while there was no such transaction in this year.

By the way, the Company and its subsidiary engage with independent expert to assess provision for employee benefits based on actuarial basis in order to comply with relevant financial reporting standards approximately every 3 years or when there is a change in event which has a significant effect to the obligation under such defined benefits for post-employment plan.

### Total comprehensive income for the year

The Company and its subsidiary's total comprehensive income for the year 2021 was Baht 109 million, increasing from the previous year amount of Baht 22 million or 26.0%, which was due to profit for the year increased amount of Baht 24 million while other comprehensive income decreased amount of Baht 2 million.

### 4.1.3 Financial Position Analysis

Table 3: Overall Financial Position of the Company and its subsidiary as at 31 December 2021

(Unit: Thousand Baht)

	Consolidated Financial Statements				Increase (Decrease)		Separate Financial Statements				Increase (Decrease)	
	31/12/21	%	31/12/20	%	Thousand Baht	%	31/12/21	%	31/12/20	%	Thousand Baht	%
Current Assets	790,358	61.7	681,707	57.7	108,651	15.9	777,648	61.4	665,520	56.7	112,128	16.8
Non-Current Assets	489,907	38.3	499,438	42.3	(9,531)	(1.9)	489,569	38.6	508,701	43.3	(19,132)	(3.8)
<b>Total Assets</b>	<b>1,280,265</b>	<b>100.0</b>	<b>1,181,145</b>	<b>100.0</b>	<b>99,120</b>	<b>8.4</b>	<b>1,267,217</b>	<b>100.0</b>	<b>1,174,221</b>	<b>100.0</b>	<b>92,996</b>	<b>7.9</b>
Current Liabilities	558,146	43.6	444,004	37.6	114,142	25.7	518,734	40.9	401,228	34.2	117,506	29.3
Non-Current Liabilities	39,749	3.1	117,892	10.0	(78,143)	(66.3)	32,049	2.6	106,419	9.0	(74,370)	(69.9)
<b>Total Liabilities</b>	<b>597,895</b>	<b>46.7</b>	<b>561,896</b>	<b>47.6</b>	<b>35,999</b>	<b>6.4</b>	<b>550,783</b>	<b>43.5</b>	<b>507,647</b>	<b>43.2</b>	<b>43,136</b>	<b>8.5</b>
Shareholders' equity	682,370	53.3	619,249	52.4	63,121	10.2	716,434	56.5	666,574	56.8	49,860	7.5
<b>Total liabilities and shareholders' equity</b>	<b>1,280,265</b>	<b>100.0</b>	<b>1,181,145</b>	<b>100.0</b>	<b>99,120</b>	<b>8.4</b>	<b>1,267,217</b>	<b>100.0</b>	<b>1,174,221</b>	<b>100.0</b>	<b>92,996</b>	<b>7.9</b>

#### Assets

As at 31 December 2021, the Company and its subsidiary had total assets amount of Baht 1,280 million which were comprised of current assets amount of Baht 790 million or 61.7% of total assets and non-current assets amount of Baht 490 million or 38.3% of total assets.

The main compositions of assets were inventories amount of Baht 389 million or 30.4%, trade and other receivables amount of Baht 340 million or 26.6%, property, plant and equipment amount of Baht 317 million or 24.8% and goodwill amount of Baht 94 million or 7.4%.

- **Current assets** were Baht 790 million, increasing from the previous year amount of Baht 109 million or 15.9%, which were mainly from inventories increased amount of Baht 93 million and advance payment for inventories increased amount of Baht 9 million to accommodate the increase of sales.
- **Non-current assets** were Baht 490 million, decreasing from the previous year amount of Baht 10 million or 1.9% which were mainly from the following reasons;
  - Property, plant and equipment decreased amount of Baht 21 million due to assets acquisition increased approximately amount of Baht 5 million while there were assets disposal amount of Baht 4 million and depreciation expenses for the year amount of Baht 22 million. Moreover, right-of-use assets decreased amount of Baht 4 million.
  - However, investment in associate increased amount of Baht 17 million due to during Q2/2021, the Company acquired ordinary shares of Winner Agro Innovation Company Limited which engages in the production and distribution of raw materials, seedling varieties, and extracts of hemp approximately amount of Baht 14 million which representing 45% of ordinary shares of such company and recognised share of profits from investment in such associate for the year 2021 amount of Baht 3 million, while there was no this transaction in the previous year.

## Liabilities

As at 31 December 2021, the Company and its subsidiary had total liabilities amount of Baht 598 million, which were comprised of current liabilities amount of Baht 558 million or 93.4% of total liabilities and non-current liabilities amount of Baht 40 million or 6.6% of total liabilities.

The main compositions of liabilities were bank overdrafts and short-term loans from financial institutions amount of Baht 257 million or 43.0%, trade and other payables amount of Baht 242 million or 40.5%, provision for long-term employee benefits amount of Baht 24 million or 4.0% and income tax payable amount of Baht 19 million or 3.2%.

- **Current liabilities** increased from the previous year amount of Baht 114 million or 25.7% which were mainly from the following reasons;
  - Bank overdrafts and short-term loans from financial institutions increased amount of Baht 167 million which were comprised of trust receipt payables which increased amount of Baht 168 million while short-term loans from financial institutions decreased amount of Baht 1 million.
  - However, trade and other payables decreased amount of Baht 28 million and current portion of long-term loans from financial institutions decreased amount of Baht 26 million from loans repayment during the year.
- **Non-current liabilities** decreased from the previous year amount of Baht 78 million or 66.3% which were mainly from the following reasons;
  - Long-term loans from financial institutions - net of current portion decreased amount of Baht 76 million from loans repayment during the year and lease liabilities - net of current portion decreased amount of Baht 7 million from liabilities payment during the year
  - However, provision for long-term employee benefits increased amount of Baht 5 million.

## Shareholders' equity

Shareholders' equity as at 31 December 2021 was Baht 682 million, increasing from the previous year amount of Baht 63 million due to;

- During the year, the Company increased its registered share capital amount of Baht 50 million from the existing registered share capital of Baht 100 million to Baht 150 million to accommodate the stock dividend payment. Moreover, the Company and its subsidiary had total comprehensive income for the year 2021 amount of Baht 109 million.
- Meanwhile, the Company paid dividend during the year amount of Baht 96 million which was comprised of stock dividend amount of Baht 50 million and dividend amount of Baht 46 million.

#### 4.1.4 Cash flows Analysis

Table 4: Overall cash flow of the Company and its subsidiary for the year ended 31 December 2021

(Unit: Thousand Baht)

	Consolidated Financial Statements		Separate Financial Statements	
	2021	2020	2021	2020
Cash flows from operating activities	5,198	155,486	11,259	175,407
Cash flows used in investing activities	(15,786)	(14,531)	(29,994)	(42,194)
Cash flows from (used in) financing activities	4,698	(134,469)	12,721	(128,118)
Net increase (decrease) in cash and cash equivalents	(5,890)	6,486	(6,014)	5,095
Cash and cash equivalents at beginning of the year	43,813	37,327	40,819	35,724
Cash and cash equivalents at end of the year	37,923	43,813	34,805	40,819

The Company and its subsidiary had net cash flows from operating activities for the year 2021 amount of Baht 5 million, decreasing from the previous year amount of Baht 150 million which was mainly from trade accounts receivable increased amount of Baht 12 million in accordance with sale increasing. Inventories and advance payment for inventories increased amount of Baht 93 million and Baht 9 million, respectively to accommodate the increase of sales. Moreover, trade and other payables decreased amount of Baht 32 million due to liabilities payment during the year.

##### Net cash flows used in investing activities

- The Company and its subsidiary

2021: The Company and its subsidiary's net cash flows used in investing activities were approximately amount of Baht 16 million which were mainly from the Company acquired investment in associate amount of Baht 14 million and acquired equipment and intangible assets amount of Baht 4 million and Baht 1 million, respectively. Meanwhile, there was cash received from sales of equipment amount of Baht 3 million.

2020: The Company and its subsidiary's net cash flows used in investing activities were amount of Baht 15 million which were mainly from acquisition of equipment amount of Baht 12 million such as building improvements and furniture and fixtures approximately amount of Baht 3 million (e.g. application Lab, inventory repacking room and warehouse's meeting room), office equipment approximately amount of Baht 2 million and machinery approximately amount of Baht 4 million, etc. to increase production efficiency. Moreover, intangible assets were acquired amount of Baht 3 million.

- The Company

2021: The Company's net cash flows used in investing activities were amount of Baht 30 million which were mainly from the Company acquired investment in associate amount of Baht 14 million and acquired additional investment in subsidiary amount of Baht 100 million (In Q3/2021, the subsidiary increased the existing registered ordinary share from Baht 80 million to the new one of Baht 180 million), provided short-term loans to subsidiary during the year amount of Baht 8 million, and acquired equipment amount of Baht 3 million such as computer equipment amount of Baht 2 million, etc. and intangible assets amount of Baht 1 million. Meanwhile, there was cash received from long-term loans repayment and interest income from subsidiary amount of Baht 89 million and 4 million, respectively Moreover, the Company received cash from sales of equipment amount of Baht 3 million.

2020: The Company's net cash flows used in investing activities were amount of Baht 42 million which were mainly from short-term loans to subsidiary during the year amount of Baht 40 million and acquisition of equipment amount of Baht 10 million such as building improvements and furniture and fixtures approximately amount of Baht 3 million (e.g. application Lab, inventory repacking room and warehouse's meeting room), office equipment approximately amount of Baht 2 million and machinery approximately amount of Baht 4 million, etc. to increase production efficiency. Moreover, intangible assets were acquired amount of Baht 2 million and interest income from loans to subsidiary was amount of Baht 10 million.

#### Net cash flows from (used in) financing activities

- The Company and its subsidiary

2021: The Company and its subsidiary's net cash flows from financing activities were amount of Baht 5 million which were mainly from dividend paid to shareholders amount of Baht 46 million, long-term loans repaid to financial institutions amount of Baht 102 million and lease liabilities paid amount of Baht 14 million. Meanwhile, short-term loans from financial institutions increased amount of Baht 167 million.

2020: The Company and its subsidiary's net cash flows used in financing activities were amount of Baht 134 million which were mainly from dividend paid to shareholders during the year amount of Baht 80 million, long-term loans repaid to financial institutions amount of Baht 84 million and lease liabilities paid amount of Baht 15 million. Meanwhile, short-term loans from financial institutions increased amount of Baht 45 million.

- The Company

2021: The Company's net cash flows from financing activities were amount of Baht 13 million which were mainly from dividend paid to shareholders amount of Baht 46 million, long-term loans repaid to financial institutions amount of Baht 98 million, and lease liabilities paid amount of Baht 11 million. Meanwhile, short-term loans from financial institutions in form of trust receipt payables increased amount of Baht 168 million.

2020: The Company's net cash flows used in financing activities were amount of Baht 128 million which were mainly from dividend paid to shareholders amount of Baht 80 million, long-term loans repaid to financial institutions amount of Baht 80 million and lease liabilities paid amount of Baht 12 million. Meanwhile, short-term loans from financial institutions in form of trust receipt payables increased amount of Baht 44 million.

Refer to the above information, the Company and its subsidiary decreased in net cash and cash equivalents in 2021 amount of Baht 6 million. When including with cash and cash equivalents as at 31 December 2020 amount of Baht 44 million, the Company and its subsidiary's cash and cash equivalents as at 31 December 2021 were amount of Baht 38 million.

## 4.2 Factors that might have impacts on financial status or future operating results

The company is an importer and distributor of both raw materials, ingredients and food chemicals for industry and consumer products. Over 80% of the Company's sales are imported products which cause most of product cost depended on foreign exchange rates. In 2021, the gross profit margin for only the Company was 21.9%, decreasing 1.3% from 2020, which was mainly due to US dollar that was the main currency of the Company for purchasing imported product appreciated when compared with Thai Baht. The exchange rate in 2021 was between 30.03 - 34.09 Baht per US dollar, while was between 29.97 - 33.26 Baht per US dollar in 2020. In addition, this year, the Company sold products to major customer group more than the previous year and most of sales to these groups have lower gross profit than retail customers. Moreover, there were more sale promotions compared with the previous year to activate sales due to the consumers had less purchasing power caused by the pandemic of Coronavirus 2019 (COVID-19).

Sales of raw materials, ingredients and food chemicals (Industry products) for distributing to food processing industries in 2021 grew up 4.6% from the previous year. Although, the economic condition was still in deceleration as the result of effect from the pandemic of Coronavirus 2019 (COVID-19), the Company was still able to maintain the market share and expand new customer base continuously, so sales in this segment grew up. Products such as raw materials, ingredients and food chemicals are products which are distributed by both domestic manufacturers and international importers, so the price competition is high and subjects to products which the company are allocated for sale in each period and some changes of customers in products purchasing in each time which is normal for distributor business. The company mainly considers to maintain the profit margin for each product and always implements a strategy by the means of offering quality products that meet the

customers' needs or searching for any other substitute products that meet the customers' needs and continuously builds good relationships and treats customers as the main part of corporate growth strategy.

Consumer products were distributed through service customers including hotels, restaurants, bakery shops, airline caterings (HoReCa), modern trade and traditional trade. The business in this segment of the Company in 2021 grew up from the previous year 7.6%. Although, the Company had been affected by the competition situation and the contraction of purchasing power from the economic deceleration including with government measures during pandemic of Coronavirus 2019 (COVID-19) which made hotels, restaurants, bakery shops and airlines had to limit their services to control such pandemic and retained social distancing, the company had a proactive marketing strategy both increasing the variety of products by selecting the new products to respond customers' needs and arranging the activities to promote sales in many ways including advertisements and public relations to build brand awareness and to expand distribution channel continuously.

For contract manufacturing and distributing of skincare products, cosmetics, food supplements and medicines which was the new segment deriving from the acquisition of a subsidiary in April 2018. In 2021, the business in this segment had revenues amount of Baht 44.2 million, decreasing from the previous year 11.8% which was mainly from current situation of the pandemic of Coronavirus 2019 (COVID-19) still affects most of business and industries, so the demand for products of consumers decreased. The main revenues were from contract manufacturing of skincare and cosmeceutical and food supplement which were the best seller distributed to group of customers who interested in building their own brands. Nevertheless, to maintain old customer base and expand new customer base, the Company has continuously researched and developed products to cover all product groups including followed beauty trends as well as adjusted marketing activities to be suitable with the situation and developed distribution channels through online channels and searched for business partners to continually develop and create value to the products.

## 4.3 Important Financial information

### 4.3.1 Consolidated Financial Statements

The Investors should consider the financial statements and notes to consolidated financial statements of Winner Group Plc. Enterprise to accompany the explanation and analysis of the financial position and operating results of Winner Group Plc. Enterprise which has a summary of accounting policies and key assumptions in the preparation of financial information which in some cases require the management to use judgment and judgment in estimating the assumptions of such business transactions. In order to prepare financial statements in accordance with generally accepted accounting standards. The aforementioned transaction may have a material impact on the financial position and operating results of Winner Group Plc. Enterprise Description and analysis of this management Forward-looking statements may contain statements that reflect management's current opinion about future events and results. Therefore, the actual performance of the company may different from the estimates stated due to various factors specified in the topic "Risk Factors" and elsewhere in this document.



Period	Name's auditor	CPA No.	Company's auditor
2019	Wattoo Kayankannavee	5423	EY Office Company Limited
2020	Wattoo Kayankannavee	5423	EY Office Company Limited
2021	Wattoo Kayankannavee	5423	EY Office Company Limited

### Audit Report Summary

The company's financial statements Winner Group Enterprise Public Company Limited and its Subsidiaries for the fiscal year 2019, it was audited by Miss Wattoo Kayankannavee, Certified Public Accountant No. 5423, EY Office Company Limited who commented that the financial statements show the company's balance sheet Winner Group Enterprise Public Company Limited and its subsidiaries as of December 31, 2019 operating results and cash flow for the year ended on the same day correctly as they should in material respects according to the financial reporting standards.

The company's financial statements Winner Group Enterprise Public Company Limited and its Subsidiaries for the fiscal year 2020, it was audited by Miss Wattoo Kayankannavee, Certified Public Accountant No. 5423, EY Office Company Limited who commented that the financial statements show the company's balance sheet Winner Group Enterprise Public Company Limited and its subsidiaries as of December 31, 2020 operating results and cash flow for the year ended on the same day correctly as they should in material respects according to the financial reporting standards.

The company's financial statements Winner Group Enterprise Public Company Limited and its Subsidiaries for the fiscal year 2021, it was audited by Miss Wattoo Kayankannavee, Certified Public Accountant No. 5423, EY Office Company Limited who commented that the financial statements show the company's balance sheet Winner Group Enterprise Public Company Limited and its subsidiaries as of December 31, 2021 operating results and cash flow for the year ended on the same day correctly as they should in material respects according to the financial reporting standards.

## Summary of financial statements of Winner Group Enterprise Public company Limited and its subsidiaries for the year 2019, 2020 and 2021

### Balance sheet of the Winner Group Enterprise Public Company Limited and its subsidiaries

	For the year ended 31 December											
	2021				2020				2019			
	Consolidated financial Statements		Separate financial statement		Consolidated financial Statements		Separate financial statement		Consolidated financial Statements		Separate financial statement	
	Thousand Baht	%	Thousand Baht	%	Thousand Baht	%	Thousand Baht	%	Thousand Baht	%	Thousand Baht	%
<b>Assets</b>												
<b>Current Assets</b>												
Cash and cash equivalents	37,923	3.0	34,805	2.8	43,814	3.7	40,819	3.5	37,327	3.3	35,724	3.2
Temporary investment	-	-	-	-	-	-	-	-	25,892	2.2	25,892	2.3
Trade and other receivables	340,083	26.5	338,965	26.7	327,792	27.8	325,856	27.8	307,422	26.9	307,377	27.1
Loans to subsidiary	-	-	-	-	-	-	-	-	-	-	14,300	1.2
Inventories	388,825	30.4	381,347	30.1	295,869	25.0	285,514	24.3	282,946	24.8	273,612	24.2
Derivative assets	204	0.0	204	0.0	-	-	-	-	-	-	-	-
Other current assets	23,323	1.8	22,327	1.8	14,232	1.2	13,331	1.1	13,851	1.2	12,588	1.1
<b>Total current assets</b>	<b>790,358</b>	<b>61.7</b>	<b>777,648</b>	<b>61.4</b>	<b>681,707</b>	<b>57.7</b>	<b>665,520</b>	<b>56.7</b>	<b>667,438</b>	<b>58.4</b>	<b>669,493</b>	<b>59.1</b>
<b>Non-current assets</b>												
Restricted bank deposits	953	0.1	-	-	951	0.1	-	-	945	0.1	-	-
Loans to subsidiary	-	-	62,600	4.9	-	-	54,300	4.6	-	-	-	-
Long-term loan to subsidiary	-	-	-	-	-	-	89,000	7.6	-	-	89,420	7.9
Investment in subsidiary	-	-	185,181	14.6	-	-	122,301	10.4	-	-	150,001	13.2
Investment in associate	17,371	1.3	14,202	1.1	-	-	-	-	-	-	-	-
Goodwill	94,446	7.4	-	-	94,446	8.0	-	-	94,446	8.3	-	-
Property, plant and equipment	317,079	24.8	189,794	15.0	338,069	28.6	201,661	17.2	354,116	31.0	208,991	18.5
Right-of-use assets	37,713	2.9	26,470	2.1	42,210	3.6	27,384	2.3	-	-	-	-
Intangible assets	7,284	0.6	6,014	0.5	9,942	0.8	8,407	0.7	11,163	1.0	9,550	0.8
Rent paid in advance	-	-	-	-	-	-	-	-	2,299	0.2	-	-
Deferred tax assets	11,031	0.9	2,244	0.2	10,257	0.9	3,035	0.3	8,209	0.7	2,920	0.3
Other non-current financial assets	3,829	0.3	2,863	0.2	3,563	0.3	2,613	0.2	-	-	-	-
Other non-current assets	201	0.0	201	0.0	-	-	-	-	3,539	0.3	2,589	0.2
<b>Total non-current assets</b>	<b>489,907</b>	<b>38.3</b>	<b>489,569</b>	<b>38.6</b>	<b>499,438</b>	<b>42.3</b>	<b>508,701</b>	<b>43.3</b>	<b>474,717</b>	<b>41.6</b>	<b>463,471</b>	<b>40.9</b>
<b>Total assets</b>	<b>1,280,265</b>	<b>100.0</b>	<b>1,267,217</b>	<b>100.0</b>	<b>1,181,145</b>	<b>100.0</b>	<b>1,174,221</b>	<b>100.0</b>	<b>1,142,155</b>	<b>100.0</b>	<b>1,132,964</b>	<b>100.0</b>

	For the year ended 31 December											
	2021				2021				2021			
	Consolidated financial Statements		Separate financial statement		Consolidated financial Statements		Separate financial statement		Consolidated financial Statements		Separate financial statement	
	Thousand Baht	%	Thousand Baht	%	Thousand Baht	%	Thousand Baht	%	Thousand Baht	%	Thousand Baht	ร้อยละ
<b>Liabilities and shareholders' equity</b>												
<b>Current liabilities</b>												
Bank overdrafts and short-term loans from financial institutions	257,151	20.1	230,151	18.2	89,803	7.6	61,803	5.3	45,236	4.0	17,236	1.5
Trade and other payables	241,920	18.9	237,524	18.7	269,461	22.8	265,303	22.6	227,890	19.9	220,765	19.5
Advances received from customers	4,326	0.3	-	-	3,552	0.3	-	-	4,068	0.3	-	-
Finance lease liabilities - net of portion due pay within one year	-	-	-	-	-	-	-	-	1,166	0.1	1,166	0.1
Current portion of lease liabilities	12,470	1.0	9,156	0.7	11,936	1.0	8,784	0.7	-	-	-	-
Current portion of long-term loans net of current portion	14,252	1.1	14,252	1.1	40,471	3.4	37,077	3.2	37,378	3.3	33,990	3.0
Income tax payable	19,050	1.5	19,050	1.5	14,676	1.3	14,676	1.3	15,064	1.3	15,064	1.3
Provision for goods return	4,057	0.3	4,057	0.3	5,095	0.4	5,095	0.4	5,417	0.5	5,417	0.5
Derivative liabilities	-	-	-	-	2,117	0.2	2,117	0.2	-	-	-	-
Other non-current liabilities	4,920	0.4	4,544	0.4	6,893	0.6	6,373	0.5	8,819	0.8	8,442	0.8
<b>Total current liabilities</b>	<b>558,146</b>	<b>43.6</b>	<b>518,734</b>	<b>40.9</b>	<b>444,004</b>	<b>37.6</b>	<b>401,228</b>	<b>34.2</b>	<b>345,038</b>	<b>30.2</b>	<b>302,080</b>	<b>26.7</b>
<b>Non-current liabilities</b>												
Finance lease liabilities - net of portion due pay within 1 year	-	-	-	-	-	-	-	-	1,461	0.1	1,461	0.1
Lease liabilities - net of current portion	15,464	1.2	8,819	0.7	22,006	1.9	12,047	1.0	-	-	-	-
Long-term loans from financial institution - net of current portion	-	-	-	-	76,172	6.5	75,522	6.4	162,411	14.2	158,376	14.0
Provision for long-term employee benefits	23,899	1.9	23,095	1.8	19,317	1.6	18,706	1.6	19,587	1.7	17,686	1.5
Other non-current liabilities	386	0.0	135	0.0	397	0.0	144	0.0	648	0.1	159	0.0
<b>Total non-current liabilities</b>	<b>39,749</b>	<b>3.1</b>	<b>32,049</b>	<b>2.5</b>	<b>117,892</b>	<b>10.0</b>	<b>106,419</b>	<b>9.0</b>	<b>184,107</b>	<b>16.1</b>	<b>177,682</b>	<b>15.6</b>
<b>Total liabilities</b>	<b>597,895</b>	<b>46.7</b>	<b>550,783</b>	<b>43.4</b>	<b>561,896</b>	<b>47.6</b>	<b>507,647</b>	<b>43.2</b>	<b>529,145</b>	<b>46.3</b>	<b>479,762</b>	<b>42.3</b>

	For the year ended 31 December											
	2021				2020				2019			
	Consolidated financial Statements		Separate financial statement		Consolidated financial Statements		Separate financial statement		Consolidated financial Statements		Separate financial statement	
	Thousand Baht	%	Thousand Baht	%	Thousand Baht	%	Thousand Baht	%	Thousand Baht	%	Thousand Baht	%
<b>Liabilities and shareholders' equity (Continued)</b>												
<b>Shareholders' equity</b>												
Share capital												
Registered												
600,000,000 ordinary shares of Baht 0.25 each (31 December 2020 and 31 December 2019: 400,000,000 ordinary shares of Baht 0.25 each)	150,000	11.7	150,000	11.8	100,000	8.5	100,000	8.5	100,000	8.8	100,000	8.8
Issued and fully paid-up												
599,974,662 ordinary shares of Baht 0.25 each (31 December 2020 and 31 December 2019: 400,000,000 ordinary shares of Baht 0.25 each)	149,994	11.7	149,994	11.8	100,000	8.5	100,000	8.5	100,000	8.8	100,000	8.8
Premium on ordinary shares	147,706	11.5	147,706	11.7	147,706	12.5	147,706	12.6	147,706	12.9	147,706	13.1
Retained earnings												
Appropriated - statutory reserve	15,000	1.2	15,000	1.2	10,000	0.8	10,000	0.9	10,000	0.9	10,000	0.9
Unappropriated	369,670	28.9	403,734	31.9	361,543	30.6	408,868	34.8	355,304	31.1	395,496	34.9
<b>Total shareholders' equity</b>	<b>682,370</b>	<b>53.3</b>	<b>716,434</b>	<b>56.6</b>	<b>619,249</b>	<b>52.4</b>	<b>666,574</b>	<b>56.8</b>	<b>613,010</b>	<b>53.7</b>	<b>653,202</b>	<b>57.7</b>
<b>Total liabilities and shareholders' equity</b>	<b>1,280,265</b>	<b>100.0</b>	<b>1,267,217</b>	<b>100.0</b>	<b>1,181,145</b>	<b>100.0</b>	<b>1,174,221</b>	<b>100.0</b>	<b>1,142,155</b>	<b>100.0</b>	<b>1,132,964</b>	<b>100.0</b>

	For the year ended 31 December											
	2021				2020				2019			
	Consolidated financial Statements		Separate financial statement		Consolidated financial Statements		Separate financial statement		Consolidated financial Statements		Separate financial statement	
	Thousand Baht	% <sup>1/</sup>	Thousand Baht	% <sup>1/</sup>	Thousand Baht	% <sup>1/</sup>	Thousand Baht	% <sup>1/</sup>	Thousand Baht	% <sup>1/</sup>	Thousand Baht	% <sup>1/</sup>
<b>Revenues</b>												
Sales and service income	1,784,853	98.7	1,748,474	98.5	1,687,011	99.3	1,641,755	99.1	1,633,055	99.1	1,588,543	98.9
Other income	24,338	1.3	26,699	1.5	11,256	0.7	14,941	0.9	15,237	0.9	18,106	1.1
<b>Total revenues</b>	<b>1,809,191</b>	<b>100.0</b>	<b>1,775,173</b>	<b>100.0</b>	<b>1,698,267</b>	<b>100.0</b>	<b>1,656,696</b>	<b>100.0</b>	<b>1,648,292</b>	<b>100.0</b>	<b>1,606,649</b>	<b>100.0</b>
<b>Expenses</b>												
Cost of sales and service	1,388,466	76.7	1,365,167	76.9	1,290,129	76.0	1,260,993	76.1	1,247,598	75.7	1,214,419	75.6
Selling and distribution expenses	103,994	5.7	97,863	5.5	103,806	6.1	94,883	5.7	104,588	6.3	95,785	6.0
Administrative expenses	172,852	9.6	140,869	7.9	182,194	10.7	141,405	8.5	180,753	11.0	131,619	8.2
Loss from impairment of investment in subsidiary	-	-	37,120	2.1	-	-	27,700	1.7	-	-	13,850	0.9
<b>Total expenses</b>	<b>1,665,312</b>	<b>92.0</b>	<b>1,641,019</b>	<b>92.4</b>	<b>1,576,129</b>	<b>92.8</b>	<b>1,524,981</b>	<b>92.0</b>	<b>1,532,939</b>	<b>93.0</b>	<b>1,455,673</b>	<b>90.6</b>
<b>Operating profit</b>	<b>143,879</b>	<b>8.0</b>	<b>134,154</b>	<b>7.6</b>	<b>122,138</b>	<b>7.2</b>	<b>131,715</b>	<b>8.0</b>	<b>115,353</b>	<b>7.0</b>	<b>150,976</b>	<b>9.4</b>
Share of profits from investment in associate	3,169	0.2	-	-	-	-	-	-	-	-	-	-
Finance cost	(6,344)	(0.4)	(5,146)	(0.3)	(9,607)	(0.6)	(7,999)	(0.5)	(9,725)	(0.6)	(8,792)	(0.5)
<b>Profit before income tax expenses</b>	<b>140,704</b>	<b>7.8</b>	<b>129,008</b>	<b>7.3</b>	<b>112,531</b>	<b>6.6</b>	<b>123,716</b>	<b>7.5</b>	<b>105,628</b>	<b>6.4</b>	<b>142,184</b>	<b>8.8</b>
Income tax expenses	(32,028)	(1.8)	(33,592)	(1.9)	(28,006)	(1.6)	(30,363)	(1.8)	(21,310)	(1.3)	(31,110)	(1.9)
<b>Profit for the year</b>	<b>108,676</b>	<b>6.0</b>	<b>95,416</b>	<b>5.4</b>	<b>84,525</b>	<b>5.0</b>	<b>93,353</b>	<b>5.6</b>	<b>84,318</b>	<b>5.1</b>	<b>111,074</b>	<b>6.9</b>
<b>Other comprehensive income:</b>												
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>												
Actuarial gain - net of income tax	-	-	-	-	1,713	0.1	19	0.0	-	-	-	-
<b>Other comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,713</b>	<b>0.1</b>	<b>19</b>	<b>0.0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>	<b>108,676</b>	<b>6.0</b>	<b>95,416</b>	<b>5.4</b>	<b>86,238</b>	<b>5.1</b>	<b>93,372</b>	<b>5.6</b>	<b>84,318</b>	<b>5.1</b>	<b>111,074</b>	<b>6.9</b>
<b>Earnings per share<sup>2/</sup></b>	<b>0.18</b>		<b>0.16</b>		<b>0.14</b>		<b>0.16</b>		<b>0.14</b>		<b>0.19</b>	

Remark: <sup>1/</sup> Percentage of Revenues consist of Sales and service income and Other income

<sup>2/</sup> Basic earnings per share calculated from weighted average number of shares for year 2021 and 2020, which both years are equal to 599,974,662 million shares.

(Unit : Thousand Baht)

	For the year ended 31 December					
	2021		2020		2019	
	Consolidated financial Statements	Separate financial statement	Consolidated financial Statements	Separate financial statement	Consolidated financial Statements	Separate financial statement
<b>Cash flows from (used in) operating activities</b>						
Profit before tax	140,704	129,008	112,532	123,716	105,628	140,704
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:						
Depreciation	34,888	22,031	34,563	20,937	27,795	34,888
Amortization	3,743	3,280	3,871	3,462	3,068	3,743
Allowance for expected credit losses (reversal)	(45)	18	974	680	(1,060)	(45)
Reduction of inventory cost to net realizable value (reversal)	(2,851)	(4,292)	6,201	2,896	354	(2,851)
Loss from written-off obsoleted inventories	2,765	2,459	3,994	2,832	4,507	2,765
Reversal of provision for goods return	(1,038)	(1,038)	(323)	(323)	(100)	(1,038)
Loss from impairment of investment in subsidiary	-	37,120	-	27,700	-	-
Loss (gain) on sales of equipment	381	380	(12)	(12)	11	381
Loss from written-off assets	240	-	407	-	2	240
Gain from revaluation of investment in bond	-	-	-	-	(239)	-
Gain on sales of investment in debt instrument and closed down the fund	-	-	(98)	(98)	(300)	-
Difference from rental reduction and contract termination	8	-	9	4	-	8
Provision for long-term employee benefits	4,688	4,388	2,973	2,146	5,924	4,688
Unrealised loss (gain) on exchanges	1,334	1,334	(1,087)	(1,087)	163	1,334
Share of profits from investment in associate	(3,169)	-	-	-	-	(3,169)
Interest income	(62)	(3,980)	(73)	(4,993)	(216)	(62)
Interest expenses	6,344	5,146	9,607	7,999	9,725	6,344
<b>Profit from operating activities before changes in operating assets and liabilities</b>	<b>187,930</b>	<b>195,854</b>	<b>173,538</b>	<b>185,859</b>	<b>155,262</b>	<b>187,930</b>
Operating assets (increase) decrease						
Investment in debt instrument	-	-	25,990	25,990	5,000	5,000
Trade and other receivables	(12,268)	(13,550)	(21,332)	(24,066)	(14,793)	(19,416)
Inventories	(92,870)	(94,000)	(23,118)	(17,629)	6,800	7,099
Other current assets	(9,071)	(8,995)	(368)	(744)	(1,669)	(2,425)
Other non-current financial assets	(267)	(250)	(24)	(24)	588	(150)
Other non-current assets	(201)	(201)	-	-	-	-
Operating liabilities increase (decrease)						
Trade and other payables	(32,252)	(32,489)	44,290	47,299	15,409	21,519
Other current liabilities	(1,199)	(1,829)	(2,101)	(1,728)	(3,482)	(1,501)
Cash paid for employee benefits	(106)	-	(1,102)	(1,102)	(333)	(333)
Other non-current liabilities	(11)	(8)	(251)	(16)	(363)	3
Cash flows from operating activities	39,685	44,532	195,522	213,839	162,419	194,385
Cash paid for interest expenses	(6,039)	(4,845)	(9,152)	(7,561)	(9,402)	(8,484)
Cash paid for corporate income tax	(28,448)	(28,428)	(30,884)	(30,871)	(30,280)	(30,267)
<b>Net cash flows from operating activities</b>	<b>5,198</b>	<b>11,259</b>	<b>155,486</b>	<b>175,407</b>	<b>122,737</b>	<b>155,634</b>

(Unit : Thousand Baht)

	For the year ended 31 December					
	2021		2020		2019	
	Consolidated financial Statements	Separate financial statement	Consolidated financial Statements	Separate financial statement	Consolidated financial Statements	Separate financial statement
<b>Cash flows from (used in) investing activities</b>						
Acquisition of investment in subsidiary	-	(100,000)	-	-	-	-
Acquisition of investment in associate	(14,202)	(14,202)	-	-	-	-
Increase in restricted bank deposits	(2)	-	(7)	-	(8)	-
Proceeds from sales of equipment	2,986	2,986	19	19	3	3
Acquisition of equipment	(3,793)	(3,220)	(11,967)	(10,227)	(9,285)	(4,908)
Acquisition of intangible assets	(837)	(639)	(2,650)	(2,318)	(4,133)	(3,161)
Increase in loans to subsidiary	-	(8,300)	-	(40,000)	-	(14,300)
Decrease in long-term loan to subsidiary	-	89,000	-	420	-	-
Interest income	62	4,381	74	9,912	215	1,322
<b>Net cash flows used in investing activities</b>	<b>(15,786)</b>	<b>(29,994)</b>	<b>(14,531)</b>	<b>(42,194)</b>	<b>(13,208)</b>	<b>(21,044)</b>
<b>Net cash flows from (used in) financing activities</b>						
Increase in bank overdrafts and short-term loans from financial institutions	167,348	168,348	44,567	44,567	824	(16,283)
Repayment of long-term loans from financial institution	-	-	-	-	10,000	-
Repayment of long-term loans from financial institutions	(102,624)	(98,574)	(83,638)	(80,238)	(35,438)	(32,888)
Paying prepaid loan fees	-	-	-	-	(37)	-
Dividend paid	(45,555)	(45,555)	(80,000)	(80,000)	(88,000)	(88,000)
Payment of liabilities under finance lease agreements	-	-	-	-	(1,347)	(1,347)
Cash paid for lease liabilities	(14,471)	(11,498)	(15,398)	(12,447)	-	-
<b>Net cash flows from (used in) financing activities</b>	<b>4,698</b>	<b>12,721</b>	<b>(134,469)</b>	<b>(128,118)</b>	<b>(113,998)</b>	<b>(138,518)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(5,890)</b>	<b>(6,014)</b>	<b>6,486</b>	<b>5,095</b>	<b>(4,469)</b>	<b>(3,928)</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>43,813</b>	<b>40,819</b>	<b>37,327</b>	<b>35,724</b>	<b>41,796</b>	<b>39,652</b>
<b>Cash and cash equivalents at end of year</b>	<b>37,923</b>	<b>34,805</b>	<b>43,813</b>	<b>40,819</b>	<b>37,327</b>	<b>35,724</b>

Table: Financial Ratio Highlight of the Winner Group Enterprise Public Company Limited and its Subsidiaries

		For the year ended 31 December					
		2021		2020		2019	
		Consolidated financial Statements	Separate financial statement	Consolidated financial Statements	Separate financial statement	Consolidated financial Statements	Separate financial statement
<b>Liquidity Ratio</b>							
Current Ratio	Times	1.4	1.5	1.5	1.7	1.9	2.2
Quick Ratio	Times	0.7	0.7	0.8	0.9	1.1	1.2
Cash flow liquidity ratio	Times	0.01	0.02	0.4	0.5	0.4	0.5
Receivable turnover	Times	5.4	5.3	5.4	5.3	5.5	5.5
Collection period	Days	68	69	68	69	66	66
Finished Goods Turnover Ratio	Times	6.3	6.3	7.1	7.1	6.4	6.3
Average selling time of finished goods	Days	58	58	52	52	57	58
Inventory turnover	Times	4.1	4.1	4.5	4.5	4.3	4.4
Holding period	Days	90	89	82	81	84	84
Payable turnover ratio	Times	7.2	7.1	6.9	6.9	7.7	7.7
Repayment period	Days	51	51	53	53	47	48
Cash Cycle	Days	107	107	98	97	103	103
<b>Profitability Ratio</b>							
Gross profit margin	%	22.2	21.9	23.5	23.2	23.6	23.6
Operating profit margin	%	8.1	7.7	7.2	8.0	7.1	9.5
Other income to total income ratio	%	1.3	1.5	0.7	0.9	0.9	1.1
Cash-to-profit ratio	%	3.6	8.4	127.3	133.2	106.4	103.1
Net profit margin	%	6.0	5.4	5.0	5.6	5.1	6.9
Return On Equity : ROE	%	16.7	13.8	13.7	14.1	13.7	17.3
<b>Efficiency Ratio</b>							
Return on Assets : ROA	%	8.8	7.8	7.3	8.1	7.3	9.8
Return on Fixed assets	%	43.8	60.0	34.4	55.7	30.9	58.7
Asset Turnover	Times	1.5	1.5	1.5	1.4	1.4	1.4
<b>Financial Policy Ratio</b>							
Debt to Equity Ratio	Times	0.9	0.8	0.9	0.8	0.9	0.7
Interest Coverage Ratio	Times	30.2	32.9	17.5	20.6	15.6	19.8
Debt to Equity Ratio	Times	0.6	0.6	1.1	1.4	1.7	3.2
Dividend Payout Ratio <sup>1/, 2/, 3/</sup>	%	117.4	133.7	94.6	85.7	90.1	68.4

Remark: <sup>1/</sup> The dividend payout in 2019 is calculated from the interim dividend payment according to the resolution of the Board of Directors Meeting No. 3/2018 on August 13, 2018 amounting to Baht 36 million and the resolution of the Board of Directors Meeting No. 2/2021 on February 9, 2020, to approve the interim dividend payment to amounting to Baht 40 million which the Board of the directors will no offer dividends from operating on the company for year 2019. Therefore, to propose the Annual General Meeting of Shareholders for the year 2020 on July 23, 2020 acknowledge.

<sup>2/</sup> The dividend payout in 2020 is calculated from the interim dividend payment according to the resolution of the Board of Directors Meeting No. 4/2020 on August 13, 2019 amounting to Baht 40 million and the resolution of the Board of Directors Meeting No. 1/2022 on February 25, 2021, to propose the dividend payment to the Annual General Meeting of Shareholders for the year 2021 on April 22, 2021 in the amount of 40 million baht.

<sup>3/</sup> The dividend payout in 2021 is calculated from the interim dividend payment according to the resolution of the Extraordinary General Meeting of Shareholders No. 1/2021 on September 28, 2021 amounting to Baht 55.6 million and the resolution of the Board of Directors Meeting No. 1/2022 on February 23, 2022, to propose the dividend payment to the Annual General Meeting of Shareholders for the year 2022 on April 27, 2022 in the amount of 72 million baht.



### 4.3.2 Financial Ratio Analysis

#### Financial Ratio

Financial Ratio		Consolidated Financial Statements			Separate Financial Statements		
		2021	2020	2019	2021	2020	2019
Gross Profit Margin	%	22.2	23.5	23.6	21.9	23.2	23.6
Net Profit Margin	%	6.0	5.0	5.1	5.4	5.6	6.9
ROE	%	16.7	13.7	13.7	13.8	14.1	17.3
ROA	%	8.8	7.3	7.3	7.8	8.1	9.8
D/E ratio	Times	0.9	0.9	0.9	0.8	0.8	0.7

In 2021, The Group's gross profit margin was 22.2 percent which decreased by 1.3 percent from the prior year. The company's gross profit margin in good level was 21.9 percent which decreased by 1.3 percent from the prior year. In 2021, the company and its subsidiary's gross profit margin equaled 6.0 percent which increased by 1.0 percent from the prior year while ROE represented 16.7 percent, ROA at 8.8 percent equal from the prior year due to increase of profit and D/E ratio equaled to 0.9 time which equal the prior year.

## 5. General Information and Other Information

### 5.1 General Information


**Company Name**

Winner Group Enterprise Public Company Limited


**Business**

Importing, manufacturing and distributing raw material, ingredients and food additives for food industry and various food products to consumers.


**Head Office**

43 Thai CC Tower, 21<sup>st</sup> Floor, Room 214-219, South Sathorn Rd., Yannawa, Sathorn, Bangkok 10120


**Registration Number**

0107556000256


**Contact us**

Tel: 0-2675-6525-31 / Fax: 0-2675-6544 / Website: [www.winnergroup.co.th](http://www.winnergroup.co.th)


**Registered Capital**

150,000,000 Baht comprising 600,000,000 common shares of 0.25 Baht per share


**Paid-up Capital**

149,993,665.50 Baht comprising 599,974,662 common shares of 0.25 Baht per share


**Securities Registrar:** Thailand Securities Depository Company Limited

The Stock Exchange of Thailand Building, 93 Ratchadaphisek Road, Dindaeng, Bangkok 10400

Tel: 0-2009-9999


**Auditor:** EY Office Limited as Certified Public Accountant (CPA)

193/136-137 Lake Rajada Office Complex, 33<sup>rd</sup> Floor, New Rajadaphisek Rd, Klongtoey, Bangkok 10110

Tel: 0-2264-0777


**Legal Advisor:** Well-versed Law Office Limited

184/49 Forum Tower, 14th Floor, Rajadaphisek Road, Huaykwang, Huaykwang, Bangkok 10310

Tel: 0-2645-3533


**Corporate Secretary / IR:** Miss Pannita Kanchanaharuthai

Tel: 0-2675-6525-31 ext. 106

Email: [executives@winnergroup.co.th](mailto:executives@winnergroup.co.th), [ir@winnergroup.co.th](mailto:ir@winnergroup.co.th)

## 5.2 Other Information

### 5.2.1 Information that materially affects the decision of investors

- None -

### 5.2.2 Restriction of foreign shareholder

- None -

## 5.3 Legal Dispute

As at 31 December 2021, the company and its subsidiary have no legal dispute that cause detriment with the amount impact more than 5% of shareholder's equity and no other significant dispute that may materially impact to business of the company and its subsidiary operation.

## 5.4 Secondary Market

- None -

## 5.5 Financial institution contact (For the company that issue debt instrument only)

- None -

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## Section 2

# Corporate Governance

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## 6. Corporate Governance Policy

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### 6.1 Overview Policy and Guideline of Good Corporate Governance

The Board of Directors has adopted the good corporate governance policy since 2012 and reviews the policy and practice annually. During 2014-2016, the Board of Directors revised the policy to comply with the “Principles of Good Corporate Governance for Listed Companies (2012)” by the Stock Exchange of Thailand and criteria of the Thai Institute of Directors Survey.

In 2015, “Chapter 2: Business ethics” is out from “Code of conduct” as the reason of creating more clear description into one book of Code of Conduct. In 2016, the Board of Directors reviewed the context of both Good corporate governance policy and Code of Conduct to be complied with Principles of Good Corporate Governance for Listed Companies by the Stock Exchange of Thailand, criteria of the Thai Institute of Directors and ASEAN CG Scorecard. Interest persons are able to view full version of Good Corporate Governance Policy at [www.winnergroup.co.th](http://www.winnergroup.co.th).

In March 2017, the Securities and Exchange Commission Thailand (SEC) released the importance of issuing Corporate Governance Code for Listed Companies 2017 or “CG Code”, which combined with rules, procedures and reinforces likewise CG Principles 2012 to be guideline for best practice for Board of Directors in listed companies to create key matter on good corporate governance. The Company recorded CG Code as agenda item in the Board of Directors’ Meeting no. 4/2017 on August 10, 2017 and it resolved that the Board of Directors is to acknowledge the role of governing body as sustainable value creation and apply into the context of organization as appropriated. Therefore, the Company was in between preliminary processing to apply CG Code into its organization context as appropriated.

In 2018, the resolution of the Board of Directors’ Meeting No. 4/2018 held on August 9, 2018 resolved the Company to deploy and apply CG Code based on the Company’s business context by Apply or Explain. However, the adjustment of Company’s related policies will disclose and comply with CG Code, propose to the Board of Directors to review with minimum once a year and record as part of Board’s resolutions.

For subsidiary in OEM business, the Company is in between setting communication panel and creating understanding of CG Code to all concerned then will apply as appropriate as its subsidiary business.

The Company refers to CG Code and interested persons can view full version CG Policy and Code of Conduct through our website at [www.winnergroup.co.th](http://www.winnergroup.co.th) (Investor Relations page >> Corporate Governance >> Corporate Good Governance Policy) or (Investor Relations page >> Corporate Governance >> Code of Conduct)

The policy has been communicated to directors, executives and employees to create awareness of good corporate governance principle and practice. The Board of Directors has also introduced report channels to

receive complaints in case of any violation of the laws, regulations, code of conduct and practices of the Company including protective measure for the whistle blower (Whistle Blower Policy).

### 6.1.1 Policy and Guideline of The Board of Directors

The company has defined guideline of the responsibility of the board of director as follow: -

1. The Board is composed of 8 directors with diversity of qualification in term of age, gender, experience education, professional skills and board diversity.
2. The Board of Director and all sub-committees performed their duties in compliance with laws, relevant regulations, charters, policies, good corporate governance policy and code of conduct.
3. In the year 2021, the Board of Directors totally held 4 meetings under advance meeting arrangement. The Board of Directors Meetings is reserved 100% of the meeting quorum while all directors were individually reserved more than 100% of Board of Directors meetings and sub-committee meetings.
4. There was a meeting held without participation from executive directors and management in October 21, 2021.
5. The Company has set the meeting schedule of the Board and sub-committee of entire year in advance. The meeting invitation together with agenda and supporting documents were sent to all members at least 7 days prior to the meeting date.
6. The Board rendered the internal control, internal audit, risk management systems and regularly review the efficiency at the Board of Directors' meeting.
7. The Audit Committee expressed an opinion on the sufficient of the Company's internal control in the report of audit committee.
8. The Board regularly reviews the operating results of the management at the Board of Directors' meeting.

### 6.1.2 Policy and Guideline related to the shareholders and stakeholders

In 2021, the company has complied with the good corporate governance as follow: -

#### Rights of shareholders

- ✓ There was no action taken that may deprive the rights of shareholders either majority and minority shareholders or both Thai and foreign shareholders.
- ✓ The Company complied with the policy on promoting and facilitating the exercise of shareholders' rights as follows.

#### Before the meeting date

- ▶ The Company allowed the shareholders to propose meeting agenda in advance before the annual general meeting specifying the clear rules and procedures disclosed on the website of the Company and notifying to the Stock Exchange of Thailand from December 14, 2020 to February 15, 2021. but none of the agenda was proposed by a shareholder.

- ▶ The Company disclosed notice of the Shareholders' Meeting and related documents onto the Company's website 30 days prior to the meeting date and delivered the notification to the shareholders 23 days prior to the meeting date.
- ▶ The invitation letter and meeting agenda contain sufficient details, including proxy forms.

#### On the meeting date

- ▶ For the convenience of the shareholders, the Annual General Meeting of Shareholders 2021 held on Thursday, April 22, 2021 at 10.00 hours at Victor Club @ Sathorn Square 8th Floor, Sathorn Square Office Tower, 98 North Sathorn Road, Silom, Bangrak, Bangkok 10500. The company also provided adequate staff and technology during barcode registration at 8.00 a.m.
- ▶ At the beginning of the meeting, the Company explained rules of procedure for the meeting as well as voting process. The registration and vote counting was made by barcode system using ballot tickets in all agenda items. For the appointment of directors, the shareholders can cast their votes for any particular director or for all directors proposed. There was representative from Well-Versed Law Office Limited attended as independent inspectors who observed vote counting, which were announced to the meeting and recorded in the minutes of the meeting.
- ▶ The Company conducted the meeting by each agenda in order as notified in the notice of the meeting without any additional agenda.
- ▶ The Company allowed shareholders to fully make inquiries, express opinions and give recommendations. In this respect, the chairman of the Board, the chairman of the subcommittee and top managements attended the meeting to answer any shareholders' questions.
- ▶ The Company allowed shareholders to appoint an independent director or a person as proxy for the meeting

#### After the meeting

- ▶ The Company disclosed the resolution of the shareholders with voting results in the evening on April 22, 2021 by informing news to the Stock Exchange of Thailand via Set Link system and disclosed onto the Company's website.
- ▶ The minutes of the meeting recorded complete information were prepared within 14 days from the meeting date and submitted to the relevant authorities within a time limited and published on the Company's website, to allow shareholder and persons involved to examine.

#### **Equitable treatment of shareholders**

- ✓ The Company complied with the policy to promote meeting agenda for shareholders and to protect minority shareholders' rights
  - ▶ Take opportunity to shareholders to propose meeting agenda in advance, clarify on relevant meeting regulation, disclose news to the Stock Exchange of Thailand and post on Company's website.

- ▶ Produce notification letters for an invitation to Annual General Meeting of Shareholders (AGM) in Thai and English versions to facilitate foreign shareholders by scheduling meeting date, meeting agenda, Board of Directors' opinions as well as disclosure news to the Stock Exchange of Thailand and post on Company's website at least 30 days prior to the AGM meeting date.
  - ▶ Inform shareholders for the meeting procedures and regulation including registration process, proxy and voting. By the agenda of nomination of directors, the Company opens shareholders to nominate each director.
  - ▶ Arrange AGM meeting by agenda as informed in the AGM notification letters and no additional agenda to propose in the meeting without informing shareholders in advance, the Company is aware of shareholders to study information prior to making vote decision in the meeting.
- ✓ The Company establishes policy to protect and take care of all shareholders on fundamental equitability rights strictly such as Policy on the Use of inside Information, policy on conflicts of interest, policy on related party transaction, internal control and internal audit. In 2021, there was no action taken that may violate or not comply with to law and the policies. For full version of Corporate Good Governance Policy, details can be viewed at *"Good Corporate Governance Policy, Principle 8: Ensure Engagement and Communication with Shareholders"*.

#### The role of stakeholders

- ✓ The Board of Directors gives importance to the rights of all stakeholders which are covered by law and under the provision of the agreement such as shareholders, customers, business partners, creditors, competitors, employees, communities, societies and government which can view details in "Code of Conduct". In 2021, the Company has no significant dispute with stakeholders.

#### Treatment of shareholders

- ▶ All staff shall have the duty to maintain the Company's intellectual property works and shall not use or allow any third parties to use the Company's intellectual property without permission.
- ▶ Prohibit from any act that may cause a conflict of interest.
- ▶ Prohibit from misuse of position, inside information for the personal benefit of oneself or one's related persons.

#### Treatment of customers

- ▶ Comply with the terms and conditions regarding customers fairly. In case the Company cannot compliance with the terms and conditions, it must immediately notify the customer to mutually search for solutions and prevent any damage.
- ▶ Satisfying our customers and providing quality service and standards, seeking ways to meet customer needs effectively and efficiently.
- ▶ Revealing news and information of products and services so they are correct and completed.



- ▶ Allowing customers to complain about the imperfections of goods and services and offer a prompt response to rectify the situation.
- ▶ Treating customers fairly for their products and services without any discrimination.
- ▶ Prohibiting the disclosure of customers' information that the Company has known in which under normal business circumstance The information shall usually be reserved, unless the disclosure as required by law.
- ▶ Not asking for, accepting or offering any benefits which are dishonest with customers.

#### Treatment of trade partners/suppliers

- ▶ Comply with the terms and conditions set out in supplier agreements. In the event that the Company is not able to comply with a condition, the Company must inform the supplier in advance in order to mutually search for solutions and prevent any damage.
- ▶ Procurement process must be conducted transparently to prevent disloyalty and corruption behavior at all ended stage of procurement process, especially selection of trade partners and suppliers.
- ▶ Treat partners equally and on the basis of obtaining a fair return to both parties.
- ▶ Prohibit from asking for, accepting or offering any benefits which are dishonest with trade partners.

#### Treatment of creditors

- ▶ Strictly comply with the terms and conditions set out in creditor agreements, such as condition of guarantee, quality of the mortgage securities, money management, default and financial ratios etc. Prohibit from misuse the loans for other purposes other than what have been stipulated in the loan agreements and notify the creditors in advance should the Company fail to comply with the loan terms in order to acquire solutions.
- ▶ Maintain financial status and debt repayment ability to build confidence among creditors.
- ▶ Regularly report the accurate Company's financial status to the creditors.

#### Treatment of competitors

- ▶ Practicing under the rules of fair competition.
- ▶ Prohibit from seeking confidential information of the competitors in dishonest or inappropriate ways.
- ▶ Prohibit from destroying the reputation of competitors by a false accusation
- ▶ Associate with trade competitors to create consumers' benefits but not create monopolistic market share, sales revenues, devalued products and services and setting price of products and services may result benefit loss of consumers.

#### Treatment of employees

- ▶ Strictly comply with employment-related laws, rules and regulations.
- ▶ Provide employees a suitable compensation, welfare and other benefits such as salary, overtime payment, social security fund etc. for their knowledge, capability, and responsibility together with

performance of individuals and operating results of the company both short term and long term which can be benchmarked with other relevant industries and aligned with corporate strategy and objectives.

- ▶ Treat all employees with kindness and fair both appointment and removal. Employees are given reward or imposed penalty equality and honestly.
- ▶ Maintain the working environment consistently in such conditions so as not to pose any danger to life and health or cause any bodily harm or damage the property of employees.
- ▶ Promote participation of employees in determining the direction of work and solving problems of the Company.
- ▶ Treat all employees with politeness and respect their human dignity.
- ▶ Facilitate enough equipment and utilities during employees' work hours in the Office /Warehouse/ Plant such as hot-cold water cooler in the above-mentioned areas.
- ▶ Maximize employees' knowledge as part of corporate mission and objectives by: I) prioritizing on employees' development constantly, II) enhancing their work performance and future career path, and III) disclosure on corporate trainings/curriculums which includes both in-house and out-house, seminar, workshop and activities to promote understanding of code of conduct. In 2021, there were 94 curriculums from in-out house staff training. Average staff training reached 11.12 hours per head per year.

#### Treatment of community, society and government

- ▶ Conduct the business which brings benefits to the economy and to society.
  - ▶ Promote employee awareness and responsibility to environment and society, as well as support the creative activities for society. In 2021, the Company recognized and tried to instill social consciousness as follows.
    - The Mirror Foundation
    - The Orphanage Foundation of Thailand
    - Thailand Association of the Blind
    - Rajvithi Home for Girls
    - Border Patrol Police Bureau (Phayathai) – Border Patrol School
    - Bandek Ramindra School (Home for the Blind with Multiple Disabilities)
    - Baan Mahamek Home for Boys
  - ▶ Reserve no any action that may result bad reputation in country, society and commonwealth
  - ▶ Responsible to preserving local culture and tradition in the area that the Company is located.
  - ▶ Strictly practice or comply with rules and regulations issued by regulatory authorities in accordance with the intent of the law.
- ✓ The Company operated business under environmental quality standards, anti-corruption, non-infringement of intellectual property and noninvolvement in human rights violation (view full version in Code of Conduct) which the company collected code of conducts and disclosed on website [www.winnergroup.co.th](http://www.winnergroup.co.th) >> Topic

“Investor Relations” >> Topic “Good Corporate Governance” >> Topic “Code of Conducts”>> Topic “Policy on Anti-Corruption” as well as communicated with staff to perform and acknowledge on such practice from verbal punishment to law enforcement.

#### Environmental quality standards

- ▶ Operate the business by taking into consideration of environmental conservation and security standard, and also comply with follow the law and regulations related to environmental.
- ▶ Promote natural resource using effectively such as reduce water, electricity and papers consumption etc., which was set as one of key performance indicators (KPIs).
- ▶ Promote environmental activities and training to raise awareness, knowledge and right understanding of environmental conservation among the Company the employees.
- ▶ In 2021, the Company sent its employees to attend training course regarding environment 6 curriculums as follows: -

No.	Course	Training Duration	No. of Participants
1	GHP & HACCP Standard System	9 Hours	28
2	Food Protection Plan	2 Hours	52
3	Food Counterfeit Prevention Plan	2 Hours	22
4	Factory Pest Control	3 Hours	52
5	Food/Chemical Safety	3 Hours	52
6	Fire Drill and Fire Evacuation for 2021	3 Hours	25

#### Anti-corruption

- ▶ The Company conducts risk management plan 2021 comprising compliance risk assessment regarding "operations that do not comply with the law on bribery or support corruption". The result has been reported to the Board of Directors at least once every quarter that none of the violation of laws has been founded in 2021.
- ▶ Staffs are prohibited from granting or offering any items or any other benefits to third parties, such as, government officials, agents, representatives, trading partner etc., with the intention of misleading such third parties to take or omit to take any acts in violation of laws or contrary to their positions or functions or in exchange for undue privileges.
- ▶ Staffs are prohibited from demanding or receiving any items or any other benefits for personal gains or others in a manner that persuades them to abuse their duties or neglect to perform their duties.
- ▶ Any business dealings in association with various agencies, such as, government agencies, state enterprises or private sector both local and international, must be transparent, fair and lawful in Thailand and foreign countries where such dealings take place.
- ▶ To support suitable internal audit for business operation which cover financial data, accounting and other process related to the company's operation.

- ▶ To support employees and shareholder report violation of anti-corruption policy and discrimination by accepting whistleblowing, suggestion or complaints through the channels anti-corruption and audit procedure rightly. Also, the company has measures protect individual right.
- ▶ To encourage communication of anti-corruption policy for both internal and external company to all practices that includes informing its subsidiary to practice together.

#### Non-infringement of intellectual property

- ▶ All staffs shall prohibit from using any information, documents, computer applications, software, books, articles, video tapes, audio records, and works of any other persons in a manner that infringes their intellectual property, regardless of whether such rights are reserved by the owners or rightful beneficiaries of such works.
- ▶ All staff shall have the duty to maintain the Company's intellectual property works and shall not use or allow any third parties to use the Company's intellectual property without permission.
- ▶ Any of work created by staff shall be reserved as corporate proprietary and intellectual property such as masterpiece, invention and so on. Staff shall be responsible for a return of proprietary information when no longer working with the Company.

#### Non-involvement in human rights violation

##### ▶ *Human rights*

Respect employees for their honor, privacy and rights of individuals to be treat on performing their jobs and that no action will be taken to violate or diminish the human rights. The Company adhered complied to The Labour Protection Act B.E. 2541 as amended by the Labour Protection Act (No.2) B.E. 2551 and Labour Relations Act B.E. 2518. In addition, the Company determined that maintain zero case of litigation or dispute is one of its key performance indicators (KPIs).

##### ▶ *Occupational health and safety*

Maintain health, safety and security of employees to promote occupational health and safety work environment. Diminish harmful and take steps to prevent accident and occupational disease. The Company has established a policy on occupational health and safety as published onto the website: [www.winnergroup.co.th](http://www.winnergroup.co.th). In 2021, were 2 minor staff injuries at work that the Company took action to prevent the incident recurrence.

#### **Disclosure and transparency**

- ✓ The Company established a disclosure policy, appointed an authorized spokesperson having authority to disclose or disseminate significant information of the Company. During the past year, there was not any action violation or not comply with laws or any established policies.

- ✓ The Company disclosed material information accurately, completely and timely through the website of the Stock Exchange of Thailand, annual registration statement, annual report, and the Company's website both in Thai and English version.
- ✓ The Company had assigned Company Secretary to be responsible for the data service and the disclosure of important information of the Company and its subsidiary and shall reports to Ms. Kanollas Wongisariyakul, Managing Director, IR Management function. In 2021, there had approximately 20 Shareholders / Investors / analysts requesting information through our website and email which all those questions were responded by an investor relation officer already. Therefore, the contact information is as per the following.

Telephone: (66) 2675 6525 extension 106

Facsimile: (66) 2675 6533

Email: [ir@winnergroup.co.th](mailto:ir@winnergroup.co.th)

Website: <http://www.winnergroup.co.th>

- ✓ In 2021, the Company participated in investor relations activities as follows:
  1. The company gave an interview with Business Model by Mr. Jane Wongisariyakul (CEO) was the interviewee this time.
  2. Made quarterly Company Snapshot to give information to shareholders, analysts and investors
  3. the analysts which participated in Investment analyst's association to follow up operating results quarterly in 3 year had Company visit
  4. Giving interview, giving information and answering question post by shareholders, new reporters, interested persons via email and telephone.

## 6.2 Code of Conducts

The company always gives priority to "Code of Conducts and Business Ethics" and believes that being under good code of conducts and business ethics is an important foundation that yields strong and sustainable growth that leads the Company to achieve vision, mission and goals set based on the principle of good corporate governance. This "Code of Conducts and Business Ethics" is a combination of policies and practices with explanation in principles and guidelines for each policy so that directors, executives and employees at all levels can understand and use as a guideline to drive the company in the same direction successfully. This can be divided into following policies: -

1. Policy on Treatment of stakeholders
2. Policy on Noninvolvement in human rights violation
3. Policy on Environmental quality standards
4. Policy on Non-infringement of intellectual property
5. Policy on Anti-Corruption
6. Policy on Gifts and Entertainment
7. Policy on Political impartiality

8. Policy on Conflicts of Interest
9. Policy on Inside information
10. Policy on Related party transaction
11. Policy on Internal control and internal audit
12. Policy on Whistle-blowing
13. Policy on Disclosure
14. Policy on IT Security
15. Policy on Control of Subsidiary and Associated Company's business operation
16. Policy on Holding board seats in other public listed companies
17. Policy on Remuneration and Welfare for Employees
18. Dividend Policy
19. Consumer Responsibility Policy
20. Code of Conduct for Director, Executives and Advisors

The company has prepared a full code of conducts which disclosed on the website [www.winnergroup.co.th](http://www.winnergroup.co.th) >> Topic "Investor Relations" >> Topic "Good Corporate Governance" >> Topic "Code of Conducts"

## 6.3 The significant changes and developments of the policy, guideline and corporate governance system in the year

### 6.3.1 The significant changes and developments related to review policy, guideline and corporate governance system or the board of director's charter in the year

According to the resolution of the Board of Directors Meeting No.1/2021 held on February 25, 2021 was resolved to approve the Policy on Whistle-blowing and review good corporate governance policy including, review code of conducts.

### 6.3.2 Other guideline in accordance with the principles of good corporate governance

The company has received assessment results from various organization as follow: -



#### Corporate Governance Assessment of Listed Companies Year 2021

From the assessment of corporate governance project namely “Results on Corporate Governance of Thai Listed Companies for the year 2020” organized by the Thai Institute of Directors Association supported by the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission, it was shown that the Company received an evaluation result of 92%, rated as "excellent" or 5 stars, which is higher than the average score from 716 listed companies surveyed in 2021 (overall average score was 84%).



#### Quality Assessment of the 2021 Annual General Meeting of Shareholders

From the assessment of the quality of the annual general meeting of shareholders (Annual General Meeting Checklist) assessed by the Thai Investors Association, the Company received 100 points while the average score from 668 listed companies surveyed in 2021 was 95.46 points.



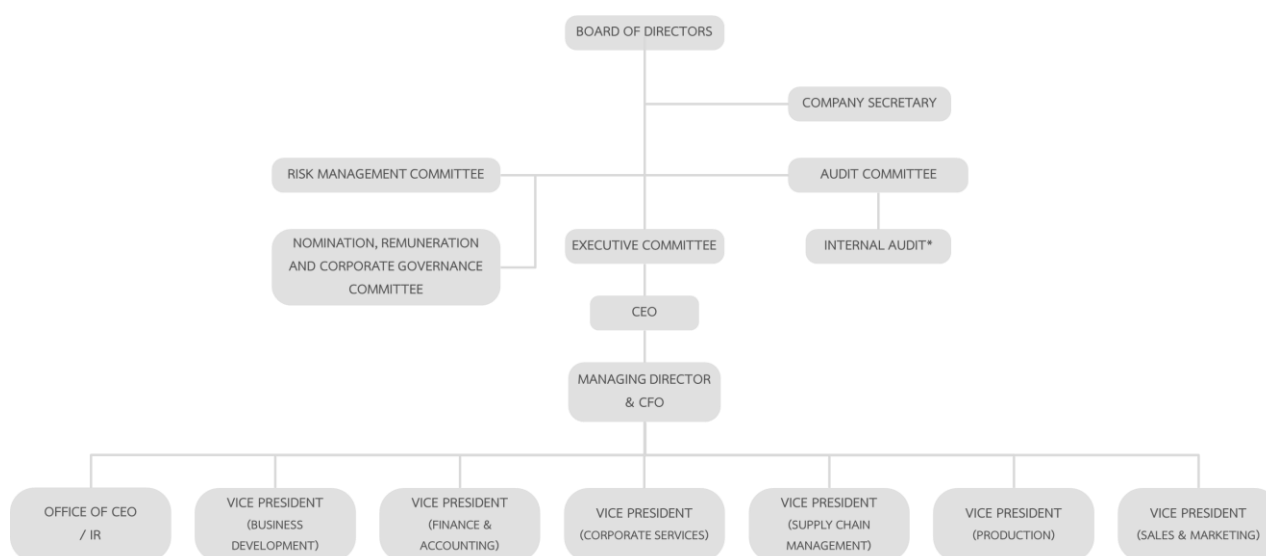
#### Assessment of the Year 2021 for Environmental, Social and Governance Information

from the data assessment of the Environmental, Social and Governance: ESG of the listed companies which was assessed by the Thaipat Institute from 824 listed companies, the Company securities has been ranked as an outstanding for sustainable business (ESG 100) for the 5<sup>th</sup> consecutive year since 2017.

## 7. Management Structure and Information of the Board of Directors, Sub-Committees, Executives and employees

### 7.1 Management Structure

Management Structure as of December 31, 2021



#### Board and Sub-Committees

The Company has Board of Directors and Sub-committees 4 committees comprises of Audit Committee, Executive Committee, Risk Management Committee and Nomination Remuneration and Corporate Governance Committee.

### 7.2 Board of Directors

#### 7.2.1 Composition of the Board of Directors

As of December 31, 2020, the Board of Directors comprised 8 directors consist of:

- Independent Directors 3 people or 37.5% of the total Directors
- Non-executive Director 1 person or 12.5% of the total Directors
- Executive Directors 4 person or 50% of the total Directors



In 2021, The Board of Directors' meeting have 4 meeting and Shareholder's meeting 2 meeting. The names and meeting attendance of each member in 2021 are noted as follows:

Name	Type of Directors	Position	Meeting attendance in 2021	
			Board of Directors	Shareholders
1. Mr. Prakarn Tawisuwan	Independent Director	Chairman	4/4	2/2
2. Mr. Jane Wongisariyakul	Authorized Director Executive Director	Director	4/4	2/2
3. Mrs. Vannaporn Wongisariyakul	Authorized Director Executive Director	Director	4/4	2/2
4. Ms. Kanokpan Kreangkraikrissada	Authorized Director Executive Director	Director	4/4	2/2
5. Ms. Kanollas Wongisariyakul	Authorized Director Executive Director	Director	4/4	2/2
6. Mr. Surapat Rojchanavisart	Non-Executive Director	Director	4/4	2/2
7. Dr. Warunee Varanyanond	Independent Director	Director	4/4	1/2
8. Ms. Thipawan Uthaisang	Independent Director	Director	4/4	2/2

## 7.2.2 Information of the Board of Directors and the Company's controllers individually

Details are as shown in [Attachment 1](#) and shown in the schedule of securities holdings of the Company's directors and executives as follows:

Table of securities holding of Directors and Management<sup>1/</sup>

Name	Position	Common shares (no. of shares)		
		28 Aug 2020	27 Aug 2021	Increase (Decrease)
1. Mr. Prakarn Tawisuwan Spouse and underage children	Chairman and Independent Director	-	-	-
2. Mr. Jane Wongisariyakul Spouse and underage children	Director	139,754,600	124,954,600	(14,800,000)
3. Mrs. Vannaporn Wongisariyakul Spouse and underage children	Director	35,100,000	35,100,000	-
4. Ms. Kanokpan Kreangkraikrissada Spouse and underage children	Director	11,300,000	11,300,000	-
5. Ms. Kanollas Wongisariyakul Spouse and underage children	Director	15,600,000	23,000,000	7,400,000
6. Mr. Surapat Rojchanavisart Spouse and underage children	Director	11,250,000	11,000,000	(250,000)

Name	Position	Common shares (no. of shares)		
		28 Aug 2020	27 Aug 2021	Increase (Decrease)
7. Dr. Warunee Varanyanond Spouse and underage children	Director and Independent Director	-	-	-
8. Ms. Thipawan Uthaisang Spouse and underage children	Director and Independent Director	-	-	-
9. Mrs. Suwannee Kongkitkul Spouse and underage children	VP-Sales & Marketing	-	-	-
10. Ms. Prapasiri Pisitsangkakan Spouse and underage children	VP-Finance & Accounting	-	-	-
11. Mr. Banjongsin Wong-Ngern Spouse and underage children	VP-Production	-	-	-
12. Mrs. Nuttamon Theppitak Spouse and underage children	VP-Corporate Services	-	-	-

<sup>1/</sup> Executives or Management is defined with SEC's definition and shown no. of shares-holding including spouse and underage children (if any) under the 258 Section of Securities and Exchange Act (B.E. 2535)

### 7.2.3 Roles and Duties of the Board

#### Directors with signing authority on behalf of the Company

Two of four from Mr. Jane Wongisariyakul or Mrs. Vannaporn Wongisariyakul or Ms. Kanokpan Kreangkraikrissada or Ms. Kanollas Wongisariyakul have to co-sign company document with a company's seal.

#### Term of directorship

At every Annual General Meeting, at least one-third (1/3) of the directors, or if their number is not a multiple of three, then the number nearest to one-third (1/3) must retire from office. The director to retire during the first and the second years following the registration of Company shall be drawn by lots. In every subsequent year, the directors who have been longest in office shall retire; however, a retiring director is eligible for re-election.

#### Authority and Responsibility of the Chairman of Board of Directors and Board of Directors

The resolution of the Board of Directors' meeting No. 4/2021 on November 11, 2021 determined the scope of authority of the Board of Directors as follows

##### Authority and Responsibility of the Chairman of Board of Directors

1. To act as the chief of the Board of Directors having duties and responsibilities to supervise, follow up and monitor the due performance of the Board of Directors and other sub-committees to achieve the business objective and plans.

2. To act as the chairman at the meeting of the Board of Directors and to cast the vote in case of equality of votes.
3. To act as the chairman at the shareholders' meetings and conduct the meeting according to the sequence of the agenda stipulated in the notice calling for the meeting.
4. To strengthen corporate governance of the Board of Directors.

Authority and Responsibility of Board of Directors

1. To have power and duties and responsibilities in the management of the Company in accordance with the law, the Company's objectives and Articles of Association, and the resolutions of the general meeting of shareholders by the philosophy of "Best Practices for Directors of Listed Companies" according to The Stock Exchange of Thailand (SET).
2. To arrange to have a balance sheet and income statement of the Company as at the end of the accounting period of the company and shall be audited by the auditor and present to the shareholders for approval.
3. To set vision, mission, goals, strategies, guidelines, policies, operations plan, budgets and policies for risk management, adequate system of internal control and succession plan of management position including review and amend as appropriate at least once every 5 years.
4. To consider, review and approve vision and mission or corporate strategy from the past accounting year and monitor on how to implement corporate strategy as necessary.
5. To monitor and supervise administration and management of the executive to comply with the set policies, plans and budget efficiently and effectively including fixing remuneration and reviewing the succession plan.
6. To oversee the Company to be in compliance with the law regarding securities and SET, the notification of the Capital Market, and the requirements of SET such as related transaction and the acquisition or disposition of significant assets or the laws relating to the business of the Company.
7. To determine the management structure and use power to appoint the Executive Committee, Managing Director and other committees as appropriate, including defining the scope of authority of the Executive Committee, managing director and various committees appointed. The scope of authority shall not authorize the manner of the Executive Committee, Managing Director and various committees to be able to approve transactions that may have conflict of interests between the Company and other companies or subsidiaries (if any), unless the approval is in accordance with the policies and guidelines and approved by the Board.
8. The Board is to consider and delegate authority and responsibility to make clear on daily work policy, indicating the Chairman of the Board is irrelevant with daily work management of the Company and the Chairman of the Board provides regularly support and recommendation on business operation to Managing Director. Managing Director is to perform responsibility of corporate management under delegated power control from the Board of Director.

9. To prepare an annual report of the board and responsible for the preparation and disclosure of financial statements to reflect the financial position and results of operations of the past year and presented to the shareholders for approval.
10. The Board may authorize one director or more or any other person(s) to act as the Board under the control of the Board of Directors or may delegate to such person to have authority as the Board deems appropriate within the time period under the Board's discretion. The Board may revoke, change or modify the authorization when see appropriate. However, the authorization shall not possess to make such individuals to be able to approve the transaction that the person or other may have conflict of interest and personal gain or may have a conflict of interest in any other way with the Company or its subsidiaries (if any) as defined in the Regulations of the Capital Market and/or SET and/or any announcement of the entities involved unless the approval is in accordance with the policies and guidelines and approved by the Board.
11. The Board is to support at least one director to be continuously participated in training courses or seminars that can be maximized knowledge on work procedures.
12. To appoint a company secretary to be responsible for various matters on behalf of the Company or the Directors, such as the register of directors, notice of the Board of Directors Meeting, notice of the Shareholders Meeting.

In addition, Directors are accounted for participation in the Meeting as regular basis. Average of Board of Directors' meeting attendance is at least 80 percent of total annual Board of Directors 'Meetings while board individuals shall participate in Board of Directors' Meeting at least 75 percent of total annual Board of Directors' Meetings

## 7.3 Sub-Committees

### 7.3.1 Sub-Committees Structure

As of December 31, 2021, the Company comprised 4 committees as follows:

- Audit Committee
- Nomination Remuneration and Corporate Governance Committee
- Executive Committee
- Risk Management Committee

### 7.3.2 List of Sub-Committees

The names and meeting attendance of each member in 2021 were noted as follows:

Name	Position	Meeting Attendance in 2021			
		Audit Committee	Executive Committee	RMC <sup>1/</sup>	NRCG <sup>2/</sup>
1. Mr. Prakarn Tawisuwan	Chairman of the Audit Committee	5/5	-	-	-
2. Mr. Jane Wongisariyakul	Chairman of Executive Committee Chairman of RMC	-	12/12	4/4	-

Name	Position	Meeting Attendance in 2021			
		Audit Committee	Executive Committee	RMC <sup>1/</sup>	NRCG <sup>2/</sup>
3. Mrs. Vannaporn Wongisariyakul	Member of Executive Committee Member of RMC	-	12/12	4/4	-
4. Ms. Kanokpan Kreangkraikrissada	Member of Executive Committee Member of RMC	-	12/12	4/4	-
5. Ms. Kanollas Wongisariyakul	Member of Executive Committee Member of RMC	-	11/12	4/4	-
6. Ms. Thipawan Uthaisang <sup>3/</sup>	Member of Audit Committee Chairman of NRCG	5/5	-	-	2/2
7. Dr. Warunee Varanyanond	Member of Audit Committee Member of NRCG	5/5	-	-	2/2
8. Mr. Surapat Rojchanavisart	Member of NRCG	-	-	-	2/2
9. Ms. Prapasiri Pisitsangkakan	Member of RMC	-	-	4/4	-

<sup>1/</sup> RMC refers to Risk Management Committee

<sup>2/</sup> NRCG refers to Nomination, Remuneration and Corporate Governance Committee

<sup>3/</sup> Ms. Thipawan Uthaisang is Member of Audit Committee with sufficient knowledge and experience to serve on the review of the reliability of the financial statements.

### Authorities and responsibilities of the Audit Committee

Approved by the Board of Directors Meeting No. 4/2021 on November 11, 2021 the authorities and responsibilities of the audit committee are as follows:

1. To review financial reports and ensure the accuracy, completeness and reliability including the disclosure of adequate information in accordance with International Accounting Standards by coordinating with the external auditors and the executives responsible for the preparation of financial reports quarterly and annual, and disclose information related to the Company sufficiently before submission to the Board of Directors.
2. To review internal control system and internal audit system of the Company to be appropriate and effective, and consider the independence of the internal audit department. As well as to approve the appointment, transfer or dismissal of the chief internal audit unit or any other agency responsible for internal audit, and may suggest the auditor to review or examine any items that are necessary and important during the audit of the Company, and may suggest about how to improve the system of internal control if see important and necessary to the Board of Directors by coordinating with external auditors and head of internal audit or the third party audit company.
3. To review and ensure Internal Audit system from Insource and Outsource are adequacy and effectiveness.
4. To ensure legal compliance with the regulations of SEC or SET includes policies, objectives, regulations and other laws relating to the Company's business.
5. To consider, select and nominate an independent person to act as auditor of the Company, including the remuneration of the auditors of the Company to propose to the shareholders' meeting for approval. As well as coordinate with the auditors about the purpose of performing audit scope, approach, plans and problems

found during the inspection and issue that an auditor may see as key audit matters. Participation in the meeting with external auditor and /or internal audit without management at least once year based on the necessity and urgent matters which will be held during Quarter 3 or Quarter 4 of every year.

6. To consider and review on the disclosure of Related Party Transaction or Conflict of Interest to be completeness, accuracy, in accordance with the laws and regulations of SET including the disclosure of the transaction correctly in order to ensure that they are reasonable and beneficial to the Company.
7. To organize Meetings without Management at least 3 times a year, consisting of 1 meeting with external auditor, 1 meeting with internal audit and 1 special meeting for audit committee.
8. To have the power or authority to hire independent consultants of the Company to make comments or give advice as necessary.
9. To perform duties, the Audit Committee has the authority to request related management or employees of the Company to comments or send documents as relevant or necessary.
10. To report the performance of the Audit Committee to the Board of Directors at least 4 times a year.
11. To self-evaluate the performance and report the assessment results and operational problems that could cause the operation not to achieve the purpose of the establishment of the Audit Committee to the Board of Directors every year.
12. Chairman of Audit Committee and Member of Audit Committee shall participate in Annual General Meeting of Shareholders.
13. To prepare a report on the Corporate Governance by the Audit Committee and disclose in the annual report of the Company. Such report must be signed by the Chairman of the Audit Committee and must contain at least the following:
  - Comments on the accuracy, completeness and reliability of the financial reports of the Company
  - Comments on the adequacy of internal controls of the Company
  - Comments on compliance with SEC, regulations of SET or any other laws relating to the business of the Company
  - Comments on the suitability of an auditor
  - Comment on the transactions that may have conflict of interests
  - Comments on number of meetings of the Audit Committee and attendance of each Audit Committee member
  - Comments or overall remarks overall that the Audit Committee has performed its duties under the Charter
  - Other items that Shareholders and investors should be notified under the scope of duties and responsibilities assigned by the Board of Directors.
14. When the Audit Committee performs their duties, if there are any questions of transactions or actions that may have significant impact on the financial position and results of operations of the Company, the Audit Committee shall report to the Board of Directors of the Company for rectification within the period the Audit Committee deems appropriate. The transactions or actions that may have significant impact are as follows:

- Items of a conflict of interest.
- Fraud or irregularity or significant deficiencies in internal control system.
- Violation of the regulations of SEC and SET or The laws relating to the business of the Company.

If the Board of Directors or management fails to make a rectification within the period above, any member of the Audit Committee may report such transaction or action to SEC or SET.

15. To perform other tasks as assigned within the scope of duties and responsibilities of the Audit Committee.  
In order to perform such duties, the Audit Committee is directly responsible to the Board of Directors. And the Board of Directors continues to have responsibility for the operations of the Company to outside parties.

### **Authorities and responsibilities of the Executive Committee**

Approved by the Board of Directors Meeting No. 4/2021 on November 11, 2021 the authorities and responsibilities of the executive committee are as follows:

1. To run the business and affairs of the Company according to the objectives, articles of association, policies, rules and regulations, orders and resolutions of the Board of Directors and/or resolutions of the shareholders of the Company.
2. To consider proposals of the management, set organizational structure, policy, direction, strategy of business operations of the Company, expansion plan, financial and budget plan, human resource management and Information Technology investment to present to the Board of Directors for consideration and approval.
3. To appoint a subcommittee and/or a working group to be responsible for the operation or management of the Company, and determine the scope of the authority and responsibilities of the subcommittee, and/or working group including supervising the operation of the subcommittee, and/or the appointed working group according to the Company's policies and targets.
4. To monitor the performance of the Company to be in accordance with the Board's policy and targets defined and supervise the implementation of quality and performance
5. To consider the allocation of the annual budget proposed by the administration prior to presentation to the Board for consideration and approval.
6. To have the power to approve the cost of normal business operations of the Company following by policy and company's guideline on authority level which newly set each item shall unlimited to be approved and aligned with organization re-structuring on February 1, 2018. Significant approvals shall propose to the Board of Directors for approval such as Procurement, Investment, Assets Impairment, Bank Limit, Financial Supports (with interest loan), Credit Limit for customers, Pricing Structures, Sales Order and Connected Transaction which shall include to: -
  - Significant investment expenditures that indicated in annual budget or as assigned by the Board of Directors or resolution of the Board of Directors approved in principles.
  - Loan, Loan limit, Loan credit of the Company as well as collateral , it shall be presented for approval by the Board of Directors.

- Consider contract processing and signing related to the normal business operations of the Company. Each item shall be approved by the Board.
- 7. To determine the organizational structure, the Corporate Management including appointment, hiring, assignment, transferring, employment termination, compensation and remuneration, bonuses for executive staff from the VP level or equivalent, except for the CEO.
- 8. To have power to authorize an attorney (s) for an operation under the control of the Executive Committee, or delegate to such persons to be authorized by the Board of Directors deems appropriate within the time period the Executive Committee deems appropriate. The Executive Committee may revoke or amend the attorney or the authorization as see appropriate.
- 9. To carry out any operations according to the assignment from the Board of Directors from time to time.

Nevertheless, the delegation of the authorization and responsibilities of the Executive Board shall not appear to be the authorization or the Sub-authorization to an attorney that may have conflict of interests or gain with the Company and/or its subsidiaries and/or related companies (As defined by the Notification of the Capital Market and/or related organization). The Executive Committee has no power to authorize such action on the matter and it has to be submitted to the Board of Directors and/or shareholders' Meeting (as applicable) for approval. Unless the approval is in accordance with normal business and normal commercial terms which is required by the Capital Market Supervisory Board and or SET and /or the relevant organizations.

#### **Authorities and responsibilities of the Risk Management Committee**

The resolution of the Meeting of the Board of Directors No. 4/2021 on November 11, 2021 determines the scope of authority of the Risk Management Committee as follows.

1. consider and approve risk management policies, objective and Enterprise Risk Management Framework for as framework for the organization's risk management processes. To be in the same direction and in accordance with the company's goal and strategies, with policies, objective and risk management framework being reviewed annually. Or when there are new risk that are signification to the determination of the company's goal and strategic for presentation to the Board of Directors.
2. To monitor risk identification which consider both external and internal factor which affect to the company about no able achieve objectives and risk assessment both impact and likelihood of the identified risk. In order to prioritize risks and select appropriate risk treatment methods including analysis, following and reporting systematic.
3. To have the power to appoint a risk management team as necessary.
4. To report risks and suggestions for risks managing to the Board of Directors.
5. To perform other duties assigned by the Board of Directors from time to time.



## Authorities and responsibilities of the Nomination Remuneration and corporate Governance Committee

The resolution of the Board of Directors' Meeting No. 4/2021 on November 11, 2021 review of authority of the Nomination Remuneration and Corporate Governance Committee.

### Nomination

1. Setting guidelines of nominating Board of Directors and other Committee members by considering what would be the appropriate structure, number and composition of members and outlining recruitment method from relevant business experience and industry knowledge and using Board Skill Matrix to help in director recruitment and conform to corporate strategy as appropriate.
2. Searching, selecting and proposing appropriate persons to assume the position of the Company's Directors, Executive Directors, Senior Executive of the Company and its subsidiaries using source of information from Director Pool or Professional Search firm to recruit new director or top management
3. Scrutinizing the name list of nominators and checking personal information and qualifications of the nominators according to the laws and the regulations of the organization the nominator is from and present to the Board for consideration.
4. Approaching and interviewing the nominators who are selected by the Board of Directors to ensure that such individuals are willing to accept the position.
5. Considering the performance, qualifications and suitability of directors who retired as the term has ended and deserves the re-election and present to the Board of Directors to consider the approval, and present at a meeting of shareholders to appoint for the re-election as Directors.
6. Considering the appropriateness to be directors of the company in case there are any changes associated with the qualifications of Directors.
7. Providing orientation for new directors and develop knowledge to current directors.
8. Planning for succession of senior management and preparing the readiness of next potential generation to be successor in case of retirement of Managing Director and Top Management or unable to perform their positions
9. Performing other duties assigned by the Board of Directors.

### Remuneration

1. Formulating and preparing of the remuneration policy in written format.
2. Proposing guidelines and procedures for the payment of remuneration to the Board of Directors and other sub-committees in which the Board of Directors appointed.
3. Approving compensation form, criteria and the value of compensation for both salary and other benefits paid to Directors, Executive Committee, senior management and consultants for Executive level of the Company and its subsidiaries individually.
4. Defining criteria for evaluation of the Managing Director and presenting to the Board for consideration and approval.

- To consider assessment of CEO's Performance yearly and propose to the board of directors' meeting for agreed. Also, the assessment result of CEO will bring to consider remuneration of CEO and propose to the board of directors' meeting for approval.

#### Corporate Governance

- Defining good corporate governance policy and code of conduct for Board of Directors and Executive to follow SEC's definition including the corporate social responsibility for present to the Board of Director agreed.
- To oversee the Board of Directors, sub committees and executives for good corporate governance and code of conduct.
- To review good corporate governance of the company to compare with international standards and The Stock Exchange of Thailand and present to the Board of Directors for consideration of improvement regularly.

## 7.4 Management

### 7.4.1 List of executives

As of December 31, 2021, the management comprises of 8 members as follows:

Name	Position
1. Mr. Jane Wongisariyakul	CEO
2. Mrs. Vannaporn Wongisariyakul	Executive Director
3. Ms. Kanokpan Kreangkraikrissada	Executive Director
4. Ms. Kanollas Wongisariyakul	Managing Director / CFO / VP-Acting Business Development
5. Mrs. Suwannee Kongkitkul	VP-Sales & Marketing
6. Ms. Prapasiri Pisitsangkakan	VP-Finance & Accounting
7. Mrs. Nuttamon Theppitak	VP-Corporate Services
8. Mr. Banjongsin Wong-Ngern	VP-Production

Remark: Mr. Esorn Suwantemee (VP-Supply Chain Management) has resigned effective from April 23, 2021.

#### Authorities and responsibilities of the CEO

The resolutions of the Board of Directors Meeting No. 1/2020 on February 27, 2020 determine the scope of authority of the CEO as follows.

- Caring, managing, and operating normal business operations for the benefit of the Company according to its objectives and articles of association including regulations, resolutions, policies, plans and budgets approved

by the Board of Directors and/or the general meeting of shareholders under related laws and the authority assigned by the Board of Directors.

2. Full authority in changing of organization and management in accordance with policy of the company and the competitive of the industry.
3. To give business advice to the management and employees about the benefits of the Company and its subsidiary companies.
4. To consider criteria and method for nominating persons to assume the position of the company's senior executives with the Nomination Remuneration and Corporate Government committee.
5. To seek new business and investment opportunities that relevant to core businesses of the Company and its subsidiary companies to generate more revenues for the Company.
6. To participate in consideration of business policy, business plans, goals, operational plans, business strategy, annual budget, and annual report and to set up the management authority to present to the Executive Committee and the Board of Directors of the Company.
7. Adopt the policies of the Board of Directors to determine the direction, methods, strategies and business goals to define the core mission for management to implement.
8. Full authority to approve the cost of the Company under normal day-to-day operations that follows policy and company's guidelines under unlimited authority such as Procurement, Investment, Assets Impairment, Bank Limit, Financial Supports (with interest loan), Credit Limit for customers, Pricing Structures, Sales Order and Connected Transaction as well as other trade investment for the Company's benefits which are entitled to normal business and followed by authority level from the organization regarding Duties and Responsibilities of the CEO which has been approved by the Board of Directors' meeting No. 1/2020 held on 27 Feb 2020 that are divided into 2 criteria; 1) unlimited authority and 2) no authority, in case it is considered as significant transaction shall be proposed to the Board of Directors for approval.
9. Performing other duties as assigned by the Executive Committee or the Board of Directors.

For any action that the Chief Executive Officer or appointee of the Chief Executive Officer or individuals who may have conflict (As defined by the Notification of the Capital Market and/or SET and/or associated entities) or have interest or conflict of interest with the Company and/or its subsidiaries and/or related company, the Chief Executive Officer has no authority to act in the matter. The matter shall be submitted to the meeting of the Board of Directors and/or shareholder (as applicable) for approval, unless the approval is in accordance with normal business and normal commercial terms which are required by the Capital Market Supervisory Board and/or SET and/or the relevant regulations.

### 7.4.2 Compensation Executive Director and Executive Policy

Nomination Remuneration and corporate Governance Committee is the person who determines the remuneration for Director and Subcommittee by considering in accordance with the duties responsibility and compare with reference to the size of business and industry of the same type. The remuneration of the directors and sub-committees must be approved by the Board of Directors' meeting and has been approved by the Annual General Meeting of Shareholders every year.

### 7.4.3 Executives and Management's remuneration

#### Monetary remuneration

In 2019 and 2020, the Company has paid remuneration to CEO and Executives with a total amount of Baht 18.2 million and Baht 23.5 million respectively. In 2021, the Company paid such remuneration to 9 persons with a total amount of Baht 23.6 million. The remuneration was paid by monthly salary, bonus and monthly fuel costs.

In 2019 and 2020, the subsidiary has paid remuneration to CEO and Executives with a total amount of Baht 6.9 million and Baht 2.9 million. In 2021, the subsidiary paid such remuneration to 2 persons with the amount of Baht 2.3 million. The remuneration was paid by monthly salary, bonus and monthly fuel costs.

#### Other Remuneration

Executives can attend provident fund that the Company established. The Company shall contribute 3-5 percent of salaries of executives into the fund, and the executive shall pay contributions into a fund at the rate of 3-15 percent of the salary of the individual executive. Additionally, the Company offers other benefits to management positions, such as Social Security Fund, vehicles, life insurance premium and phone fee, etc.

Executive from subsidiary company can attend provident fund and contribute 2-5 percent of salaries of executives into the fund, and the executive shall pay contribution into a fund at the rate of 2-15 percent of the salary of the individual executive. Additionally, the Company offers other benefits to management positions, such as Social Security Fund, vehicles, life insurance premium and phone fee, etc.

## 7.5 Employees

### Number of employees (excluding executives)

As of December 31, 2019, to 2021, the Company's staff are in the total of 258 persons, 267 persons and 261 persons respectively. The deployment can be defined as follows:

Division	No. of employees		
	As of December 31, 2019	As of December 31, 2020	As of December 31, 2021
Executive Management	3	7	16 <sup>1/</sup>
Finance and Accounting	24	24	25
Supply Chain Management	52	53	41
Corporate Service	14	15	14
Production	54	55	49
Sales	88	87	83
Marketing	11	12	13
Business Development	12	14	20 <sup>2/</sup>
<b>Total</b>	<b>258</b>	<b>267</b>	<b>261</b>

<sup>1/</sup> The Executive Committee Meeting 2/2021 resolved to approve the change in the line of Procurement Department, reporting directly to the management.

<sup>2/</sup> The Executive Committee Meeting 7/2021 resolved to approve the addition of the Food Solution Department and report directly to the Business Development Division.

As of December 31, 2019, to 2021, the its subsidiary's staff are in the total of 136 persons, 116 persons and 107 persons respectively. The deployment can be defined as follows:

Division	No. of employees		
	As of December 31, 2019	As of December 31, 2019	As of December 31, 2019
Executive Management	6	-	2
HR & General Administration	14	16	14
Finance and Accounting	6	6	5
Sales and Marketing	20	16	14
Business Development	27	23	21
Factory	63	55	51
<b>Total</b>	<b>136</b>	<b>116</b>	<b>107</b>

## Major labor dispute in the past 3 years

The past 3 Years, the company and its subsidiary had labor dispute 2 case which not ended.

## Remuneration of Employees (excluding executives)

### Monetary remuneration

In 2019, 2020 and 2021, the Company has paid remuneration of employees in the total amount of Baht 107.1 million, Baht 116.6 million and Baht 120.4 million respectively by salaries, bonuses, incentives, overtime payment, diligence allowance, field trip allowance and monthly fuel costs.

In 2019, 2020 and 2021, the subsidiary has paid remuneration of employees in the total amount of Baht 41.8 million, Baht 34.8 million and Baht 28.7 respectively by salaries, bonuses, incentives, overtime payment, diligence allowance, field trip allowance and monthly fuel costs.

### Other Remuneration

Employees can attend provident fund that the Company established. The Company shall contribute 3-5 percent of salaries of employees into the fund, and the employees shall pay contributions into a fund at the rate of 3-15 percent of the salary of the individual employee. Additionally, the Company offers other benefits to employees such as Social Security Fund and phone fee, etc.

Employees from subsidiary company can attend provident fund and contribute 2-5 percent of salaries of employees into the fund, and the executive shall pay contribution into a fund at the rate of 2-15 percent of the salary of the individual employee. Additionally, the Company offers other benefits to employees such as Social Security Fund and phone fee, etc.

## 7.6 Other important Information

### 7.6.1 Person to assignment of the company

#### Company Secretary

The Board of Directors has appointed Ms. Pannita Kanchanaharuthai as the Company Secretary since February 27, 2020. The qualification of the position of Company Secretary is in [Attachment 1](#) of Form 56-1.

#### Duties and responsibilities of company secretary

The company secretary shall perform his or her duties in accordance with section 89/15 and section 89/16 of Securities and Exchange Act (No.4) B.E. 2551, which come into force on August 31, 2008. The company secretary shall perform his or her duties with responsibilities, care, honesty and in compliance with laws, Article of Association and Objective of the Company, resolution of the Board of Director, and resolution of the shareholders' meeting. In performing this duty, the Company Secretary has the following duties and responsibilities:

1. Preparing and keeping the following documents of the Company:
  - A. Register of the Company's directors
  - B. Meeting notification letter and minutes of the Board of Directors meeting including annual report
  - C. Meeting notification letter and minutes of the shareholders meeting
2. Keep reports on stake holding submitted by directors or executives according to section 89/14 and submit to the chairman of the board and chairman of Audit Committee within 7 working days from the date receiving such report by the Company.
3. Perform other duties as specified by the Capital Markets Supervisory Board.

Additionally, the company secretary has duties assigned by the Company (or the board) as follows:

- Provide preliminary advice and recommendations pertaining to legal, regulatory, and governance issues and practices related to the Board and Board Committees.
- Organize the meetings of Shareholders, the Board of Directors.
- Liaise with regulatory agencies such as the Stock Exchange of Thailand and be responsible for the disclosure and report information to the public and regulatory agencies with accuracy, complete and in accordance with laws.
- Arrange new director orientation.
- Perform other duties as assigned by the Company.

#### Accounting Supervisor

In 2017, the company has assigned to Miss Prapasiri Pisitsangkakarn as position Accounting Supervisor (Details in [Attachment 1](#))

#### Head of internal audit

In 2021, the Company hired Dharmniti Internal Audit Company Limited, which is a third party, to act as the internal audit unit of the Company. An internal audit plan is presented annually. and presented to the Audit Committee to consider and approve the operation. and to ensure that the audit plans established are appropriate. consistent with the business environment and risk factors that may change constantly

Dharmniti Internal Audit Company Limited has assigned Ms. Anutsaya Raksasorn to be the primary responsible duty personnel to conduct internal audit to comply with the laws, rules, regulations, policies and requirements of the Company and its related involvement (Details in [Attachment 3](#))

#### Details regarding the Company's head of supervisory unit

The Corporate Secretary shall act as head of supervisory unit. (Details in [Attachment 1](#))

### 7.6.2 Investor Relations

The company has assigned to Miss Pannita Kanchanaharuthai as investor Relations on February 3, 2019 which can contact as follow: -

Tel (66) 2675 6525 ext. 106

Fax (66) 2675 6533

Email: [ir@winnergroup.co.th](mailto:ir@winnergroup.co.th)

Website: <http://www.winnergroup.co.th>

### 7.6.3 Remuneration of Auditor

Remuneration of Auditor in 2021 is as follows:

#### Audit Fee

For the Financial Statements year-ended December 31, 2021 audited by EY Office Limited as Company's Auditor, the Audit Fee was Baht 1,650,000.

#### Non-Audit Fee

- None -



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## 8. Report on key performance in corporate governance

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### 8.1 Summary of the performance of the Board of Directors in the last year

#### 8.1.1 Selection and appointment of directors and executives

##### (1) Independent director

The independent directors are individuals who are qualified in accordance with the Notification of the Capital Market Supervisory Board and related SET's announcements, as follows;

1. Holding less than 1.0 percent of the total shares with voting rights of the Company, parent company, subsidiaries, associates, major shareholders, or controlling persons of the Company, including the shares held by related persons of the independent director as well.
2. Not being or not having been a director, officer, employee, part-time employee, consultant that receives a salary or controlling person of the Company, parent company, subsidiaries, affiliate, subsidiaries in same tier, major shareholders or controlling person of the Company, unless the foregoing status has ended for more than 2 years prior to being appointed as Independent Director.
3. Not being a person who has a relation by blood or legal registration as father, mother, spouse, sibling, and child, including spouse of the children of directors, executives, major shareholders, Control authority or persons to be nominated as executive or controlling person of the Company or its subsidiaries.
4. Not having or not having had a business relationship with the Company, Parent company, subsidiaries or associated companies, major shareholders or controlling persons of the Company in a manner that might interfere with his/her independent judgment. Not being or having been a shareholder or authority having control of the business relationship with the Company, parent company, subsidiaries, affiliates, shareholders or controlling person of the Company, unless the foregoing status has ended for more than 2 years prior to being appointed as Independent Director.
5. Not being or not having been an auditor of the Company, parent company, subsidiaries, associates, major shareholders or controlling persons of the Company and not as a significant shareholder, control authority or partner of the audit company which is the auditor of the Company, parent company, subsidiaries, associates, major shareholders or authorized under the control of the Company, unless the foregoing status has ended for more than 2 years prior to being appointed as Independent Director.
6. Not being or not having been a provider of any professional includes serving as legal counsel or financial advisor which has been paid more than 2 million Baht per year from the Company, parent company, subsidiaries, associates, major shareholders or controlling person of the Company, and not as a significant shareholder, control authority or partner of such professional services, unless the foregoing status has ended for more than 2 years prior to being appointed as Independent Director.

7. Not being a director who has been appointed as a representative of the Board, Major shareholders or shareholders who are related to the major shareholders of the Company.
8. Not having or not having had a business with the same nature and in competition to the business of the Company, subsidiaries or not be a partner in a partnership company or director, employee, advisor who receives a regular salary or holds more than 1 percent of the total shares with voting rights of another company which has the same nature and in competition to the business of the Company or its subsidiaries.
9. Not having any other characteristic which make him/her incapable of expressing independent opinions, such as business partners, creditors and suppliers, etc. that may cause any conflict of interest.
10. Having knowledge and understanding of the nature of business of the Company as well as the knowledge that is beneficial to business operations of the Company.
11. Independent directors shall report to the Board of Directors immediately if see any incidents that might make them ineligible to independence as independent directors.
12. The Independent Directors shall serve for a term of not exceeding 9 years
13. The Independent directors should not hold directorship in other listed companies more than 5 listed companies.

After an independent director has been appointed in accordance with the characteristics mentioned above, the independent director may be assigned by the Board of Directors to determine on the operation of the Company, its subsidiaries, affiliates, subsidiaries in same tier, major shareholders or controlling person of the Company. The decision shall be made in the form of collective decision.

## **(2) Selection and appointment of directors and management**

In appointment of directors, the Nomination Remuneration and corporate Governance committee, which consists of three directors and two of whom must be independent directors, is taking into account the diversity in term of structure, size and composition when selecting and screening the candidates who are qualified under the Article of Association, considering with knowledge, experience, board diversity, business relevant experience and using Board Skill Matrix to assist in selection of directors to be aligned with corporate strategy by the following database from Director Pool or Professional Search Firm as necessary for new directors selection. These will be used to select potential candidates who are well-qualified, had disqualification by law. Then, prior to present a number of candidates, it must be equaled to a number of retiring directors and should be proposed to the Board of Directors for consideration and the Board of Director then nominated such candidates as directors in the Shareholders' meeting.

In recruiting senior executives of the Company, the Executive Committee preliminary seek and screen the qualified persons who have skills, useful experiences for the business operation, well understanding the nature of business, be able to achieve the objective and target set by the board using the same above-mentioned director database for recruiting Company's senior executives and new directors. Then, the committee will

propose the suitable candidates to the nomination and remuneration committee for consideration before present to the Board of Directors' meeting for approval.

### (3) Development of Directors and Executives

The Board of Directors to be support and facilitates training and knowledge for those involved in the Company's corporate governance system such as the Company's directors. Audit Committee members and executives, etc., in order to continually improve performance. The training and knowledge may be done within the company. or use the services of external institutions

Moreover, The Company realizes the importance of performing duties of new directors. The company secretary will provide information documents that are useful for the performance of the new director's duties. as well as provide an introduction to the nature of business and business practices for new directors such as the structure of work within the company Articles of Association, company objectives, code of conducts, Director's Manual of Listed Companies Good Corporate Governance Policy Related Laws Financial Statements Notes to Financial Statements including organizing a meeting with the Chairman of the Board of Directors Board of Directors Company Sub-Committees to receive information about the Company's business operations.

In 2021, Training and development for directors, executives and company secretary were provided to ensure that they can perform their duties efficiently. The details of training and development programs taken were as follows.

Mth / Year	Program	Facilitator
<b>Executive Director</b>		
Nov'21	HR Next Normal	Dharmniti Semina and Training Co.,Ltd.
	e-Tax Invoice & e-Receipt	Dharmniti Semina and Training Co.,Ltd.
<b>Company Secretary</b>		
Nov'21	Business and Human Rights and guidelines for filling out human rights information in the 56-1 One Report form under the Business and Human Rights Program for the business sector in the Thai capital market (Phase 1)	The Securities and Exchange Commission, Thailand (SEC)
	Criteria for CGR Project Survey 2023	The Thai Institute of Directors Association (IOD)
Dec'21	ESG Q&A One Report	The Securities Exchange of Thailand (SET)

## Evaluate the performance of the Board of Directors

The performance of the Board of Directors is assessed. According to the policy, the Board of Directors self-assessment at least once a year to assist the Board in reviewing its performance. Issues and obstacles during the past year and increase the effectiveness of the board's work



### Evaluation Process

The Company secretary will send evaluation form to directors every year and then collect evaluation results and present to the Board of Directors for improving performance.

### Scoring criteria

calculated from a total of sub scale scores from each assessment category in percentage by:

Above 85	=	Excellent
75-85	=	Good
65-75	=	Moderate
50-65	=	Average
Below 50	=	Need improvement



#### a. Results of the Board of Directors' self-assessment:

Assessment Category	Average Score (%)
1. Structure and qualifications of the Board of Directors	100
2. Roles and responsibilities of the Board of Directors	99.31
3. Board of Directors Meeting	100
4. Performance as a director	100
5. Relationship with the management team	100
6. Director's personal development and development of the management	99.48
<b>Total</b>	<b>99.80</b>

#### b. Results of individual directors' self-assessment:

Assessment Category	Average Score (%)
1. Qualifications	100
2. Performance as a director	99.11
3. Director's personal development	100
<b>Total</b>	<b>99.70</b>

## 8.1.2 Meeting attendance and remuneration of individual committees

### Board of Directors' Meeting

As of December 31, 2021, the Board of Directors consists of 8 directors. In 2021, 4 meetings of the Board of Directors and 2 shareholders' meetings were held as follows:

Name	Type of Directors	Position	Meeting in 2021	
			Board of Directors	Shareholders
1. Mr. Prakarn Tawisuwan	Independent Director	Chairman	4/4	2/2
2. Mr. Jane Wongisariyakul	Authorized Director Executive Director	Director	4/4	2/2
3. Mrs. Vannaporn Wongisariyakul	Authorized Director Executive Director	Director	4/4	2/2
4. Ms. Kanokpan Kreangkraikrissada	Authorized Director Executive Director	Director	4/4	2/2
5. Ms. Kanollas Wongisariyakul	Authorized Director Executive Director	Director	4/4	2/2
6. Mr. Surapat Rojchanavisart	Non-Executive Director	Director	4/4	2/2
7. Dr. Warunee Varanyanond	Independent Director	Director	4/4	1/2
8. Ms. Thipawan Uthaisang	Independent Director	Director	4/4	2/2

### Monetary remuneration

#### (1) Directors' remuneration

In 2019 and 2020, the Company paid remuneration to 4 directors as the meeting attendance allowance for the total amount of Baht 889,000 and Baht 900,000 respectively.

In 2021, the Company has paid remuneration to Directors and sub-committees with a total amount of Baht 853,000 to non-executive directors only (excluded remuneration of executive directors in the form of salary), which is not exceeding Baht 2,000,000 as per approval by the Annual General Meeting of Shareholders 2021 comprising annual remuneration and meeting allowance as per the following details:

## Structure of 2021 remuneration of directors

Director	Monetary Remuneration (Baht)	
	Annual Remuneration (Baht/person)	Annual Remuneration (Baht/person)
<b>Board of Director</b>		
- Chairman	-	17,000
- Executive Director	-	-
- Non-Executive Director	-	10,000
- Independent Director	-	10,000
<b>Audit Committee</b>		
- Chairman	150,000	17,000
- Member	120,000	12,000
<b>Nomination Remuneration and Corporate Governance Committee</b>		
- Chairman	-	15,000
- Member	-	10,000

## Details of 2021 remuneration of directors and sub-committees

Name	Position	Remuneration (Baht) <sup>1/</sup>			
		Board of Directors	Audit Committee	NRCG <sup>2/</sup>	Total
1. Mr. Prakarn Tawisuwan	Chairman of the Board	68,000	235,000	-	303,000
	Chairman of the Audit Committee				
2. Mr. Jane Wongisariyakul	Executive Director	-	-	-	-
3. Mrs. Vannaporn Wongisariyakul	Executive Director	-	-	-	-
4. Miss Kanokpan Kreangkraikrissada	Executive Director	-	-	-	-
5. Miss Kanollas Wongisariyakul	Executive Director	-	-	-	-
6. Mr. Surapat Rojchanavisart	Non-Executive Director	40,000	-	20,000	60,000
	Member of NRCG <sup>2/</sup>				
7. Dr. Warunee Varayanond	Independent Director	40,000	180,000	20,000	240,000
	Member of the Audit Committee				
	Member of NRCG <sup>2/</sup>				
8. Miss Thipawan Uthaisang	Independent Director	40,000	180,000	30,000	250,000
	Member of the Audit Committee				
	Chairman of NRCG <sup>2/</sup>				
<b>Total</b>		<b>188,000</b>	<b>595,000</b>	<b>70,000</b>	<b>853,000</b>

Remark: <sup>1/</sup> Sub-committees refer to Audit Committee and Nomination Remuneration and Corporate Governance Committee which are only applicable to have Remuneration

<sup>2/</sup> NRCG refers to Nomination Remuneration and Corporate Governance Committee

## (2) Other Remuneration for Directors

- None -

### 8.1.3 Administration of Subsidiaries and Associates

In order to meet the Corporate Governance, Winner Group Enterprise Public Company Limited, holding 100% shares, has appointed a representative of Winner Group Enterprise Public Company Limited to the authorized directors of its subsidiary companies that includes but not limited to establish policies, manage, supervise, and oversee the benefits of the companies. In addition, the Company assign to it subsidiary in a procedure of monthly performance report for submitted to the representative of Winner Group Enterprise Public Company Limited. In case the Company sets up the Shareholders' Meeting, the Board of directors of Winner Group Enterprise Public Company Limited shall consider the voting on each agenda as well as appointing proxy for meeting attendance.

The Company has assigned to representation 4 directors to be directors in 1 subsidiary, Aesthetic Zecret (AT-ZE) Company Limited and has sent 1 director to be a director in 1 associated company. is Winner Agro Innovation Company Limited, where the director has been approved by the Board of Directors' meeting. The Board of Directors will consider to send representing director of the company to take care of the benefits from time to time. Acquisition and disposal of assets and disclosure in the past year, the subsidiary and associated company had connected transactions that the Board of Directors and the Audit Committee had already considered doing such transactions.

### 8.1.4 Monitoring of the Compliance with Corporate Governance Policies and Practices

The Company realized to importance to good corporate governance. The relevant policies and guidelines have been set in the Company's corporate governance policy and code of conducts as well as to promote the real practice to build confidence in all of the stakeholders

In the past year, the company has followed up to ensure compliance with good corporate governance covering matters of employee and non-discrimination, Anti-Unfair Competition caring for the environment Organizational health and safety Information Security which the follow-up results found that the company has fully implemented the guidelines for each issue.

#### (1) Prevention of conflicts of interest

The Company has established a policy that the Board of Directors, executives and employees must perform their duties for the most benefit of the Company. In case of, that any person has a stake or is involved in the item under consideration such persons must notify the authorities in charge of such matters and not participate in the consideration of such transactions. The company A written conflict of interest policy has been compiled in the Code of Conduct and disclosed on the website [www.winnergroup.co.th](http://www.winnergroup.co.th) >> Corporate Governance >> Code of conducts

## (2) Policy on inside information

The Company has adopted the following policies and practices that prohibit its directors, executive officers and employees and subsidiaries who access to material inside information to use such undisclosed inside information for personal gain:

1. Inform directors and executives concerning their responsibilities to declare the securities holding of themselves, their spouse and minor children to SEC pursuant to Section 59 and penalty provisions under section 275 of the Securities and Exchange Act of 1992 (include the amendment) and to report the acquisition or disposition of the holding of their spouse and minor children to SEC under Section 246 and the penalty provisions under Section 298 of the Securities and Exchange Act 1992 (include the amendment).
2. Ensure the directors and executive officers of the Company including their spouse and minor children report the holding of securities and report the changes in the Company's securities holdings to SEC pursuant to Section 59 and penalty provisions under section 275 of the Securities and Exchange Act of 1992 (include the amendment), send copies of this report to the Company the same day that the reports are submitted to SEC and report to the Board every quarter.
3. The Directors, executives and employees of the Company and subsidiaries that received inside information which may affect the stock price are prohibited to trade securities of the Company in the last month before the financial statements or internal information is disclosed to the public. And during 24 hours after the information of the company has disclosed to the public those related to inside information must not disclose it to anyone unless they have indicated that data to the stock market. The penalties for the violation are regarded as a disciplinary offense under the regulations of the Company and the Company will consider sanctions as appropriate such as verbal warning, written warning, probation and expelling, dismissal or removal depending on the case of violation.
4. The Directors, executives and management in accordance with the definition of SEC, shall report the Board of Directors or responsible person on their Change of Management's Securities Holding (Form 59-2) at least one (1) day prior to the trading day.
5. Prohibit directors, executives and employees of the Company to use the information that hasn't been disclosed of the Company that have or may have an impact on the price of the securities of the Company, which they have learned by their positions or statuses to purchase, sell, offer to buy or sell, persuade others to buy or sell, offer to buy or sell shares or other securities of the Company (if any), whether directly or indirectly, in a manner that is likely to cause damage to the company whether directly or indirectly. And whether such action would benefit themselves or others or would not benefit themselves or others.
6. Preventing the use of inside information for exploitation or reduce the benefits of the company or causing conflicts of interest. The company has set it in its good corporate governance policy. code of conduct and code of conduct labor contract and work regulations.



7. Maintaining confidential information of the customers. The Company prohibits directors, executives, employees and related persons to use such information for the benefit of oneself or others. unless it is information that must be disclosed as required by law.
8. Information Security in information Systems. The Company controls and/or prevents access to the company's information from outsiders and assigning access rights to information to employees at different levels according to the authority and responsibility.
9. In case of, the third party is involved in task force on information that has not been released to the public and is in negotiations which is considered to be keeping inside information that may affect the movement of the company's securities prices They are required to enter into a confidentiality agreement until the information is disclosed to the SET and the SEC Office.

However, the guidelines have been approved by the Board of Directors and the company has disclosed details of the policy on Inside information on the company website: [www.winnergroup.co.th](http://www.winnergroup.co.th) >> Good Corporate Governance >> Code of Conducts

### **(3) Anti-corruption**

The Company has established policy and procedures to anti-corruption. The Board of Directors has assigned the Audit Committee to audit the internal control system and executives are responsible for raising awareness and communicating their duties in good faith to all employees which are briefly detailed as follows: -

1. The Company conducts risk management plan 2021 comprising compliance risk assessment regarding "operations that do not comply with the law on bribery or support corruption". The result has been reported to the Board of Directors at least once every quarter that none of the violation of laws has been founded in 2021.
2. Staffs are prohibited from granting or offering any items or any other benefits to third parties, such as, government officials, agents, representatives, trading partner etc., with the intention of misleading such third parties to take or omit to take any acts in violation of laws or contrary to their positions or functions or in exchange for undue privileges.
3. Staffs are prohibited from demanding or receiving any items or any other benefits for personal gains or others in a manner that persuades them to abuse their duties or neglect to perform their duties.
4. Any business dealings in association with various agencies, such as, government agencies, state enterprises or private sector both local and international, must be transparent, fair and lawful in Thailand and foreign countries where such dealings take place.
5. To support suitable internal audit for business operation which cover financial data, accounting and other process related to the company's operation.
6. To support employees and shareholder report violation of anti-corruption policy and discrimination by accepting whistleblowing, suggestion or complaints through the channels anti-corruption and audit procedure rightly. Also, the company has measures protect individual right.

7. To encourage communication of anti-corruption policy for both internal and external company to all practices that includes informing its subsidiary to practice together.

The company has disclosed Anti-corruption policy on the website: [www.winnergroup.co.th](http://www.winnergroup.co.th) >> Corporate Governance >> Anti-corruption policy

#### (4) Whistle Blowing Policy

The Company provides opportunities for stakeholders to ask questions, suggestions, whistle or complaints about laws, Financial Report Accuracy defective and internal control system or violation of code of conducts through independent directors or the audit committee to be another channel that helps the company get information faster and resolve problems in a timely manner. In case of, is found to be considered an action and behavior that may imply corruption offense Financial Report Accuracy defective internal control system or a violation of code of conducts able to submit whistleblowing or complaints to the Audit Committee with sufficiently reliable and detailed information by showing yourself (specify the whistleblower's name, address, telephone number, fax, E-mail, and relationship with the Company) or may not reveal one's identity through the following channels:

By post or sealed letter	Telephone
Sent to: "Audit Committee" Winner Group Enterprise Plc. 43 Thai CC Tower, 21 <sup>st</sup> Floor, 214-219 Room, South Sathorn Road, Yannawa, Sathorn, Bangkok 10120	Tel: 0-2675-6525 exy. 106 Fax: 0-2675-6533
	Email
	<a href="mailto:cg@winnergroup.co.th">cg@winnergroup.co.th</a>

The company has disclosed Whistle Blowing Policy on the website: [www.winnergroup.co.th](http://www.winnergroup.co.th) >> Corporate Governance >> Whistle Blowing Policy

The Board established communication channels for all stakeholders to submit questions, suggestions, complaints or inform about violations, the accuracy of financial reporting, and the deficiency of internal control or unethical business of the Company through the Independent Directors or the Audit Committee. The complaints and violation reports shall be protected and kept confidential. The Independent Directors or Audit Committee will conduct data verification and find solutions (if any) and further report to the Board of Directors of the Company. As for a letter by an anonymous sender, the company will consider only the ones that provide useful information or recommendations for our operations. In 2021, there was no report on violation of law.

The Company sets up an employee's suggestion box called "WINNER BOX" situated at comfortable location for an anonymous employee wishing to submit information or suggestion useful to the Company. In 2021, there was no staff conflict in the workplace.

## 8.2 Report on the performance of the Audit Committee

### 8.2.1 Number of meetings and attendance

Name	Position	Number of Meeting
1. Mr. Prakarn Tawisuwan	Chairman of Audit Committee	5/5
2. Ms. Thipawan Uthaisang <sup>1/</sup>	Audit Committee	5/5
3. Dr. Warunee Varanyanond	Audit Committee	5/5

Remark: <sup>1/</sup> Ms. Thipawan Uthaisang is Member of Audit Committee with sufficient knowledge and experience to serve on the review of the reliability of the financial statements.

### 8.2.2 Performance of the Audit Committee

Results of the Audit Committee:

Assessment Category	Average Score (%)
1. Structure, qualifications and term of office	100
2. Role, duty and responsibility	100
3. Meetings	100
4. Auditor and financial report	94.44
5. Internal Control	98.33
6. Compliance	100
<b>Total</b>	<b>98.80</b>

The results of the audit committee's performance are detailed in the report of the Audit Committee. (Details in [Attachment 6](#)) In addition, the Company has published the Audit Committee Charter on the website [www.winnergroup.co.th](http://www.winnergroup.co.th) >> Good Corporate Governance >> Audit Committee Charter

## 8.3 Summary of the performance of other sub-committees

### 8.3.1 Number of meetings and attendance

Nomination Remuneration and Corporate Governance Committee

Name	Position	Number of Meeting
1. Ms. Thipawan Uthaisang	Chairman of Nomination Remuneration and Corporate Governance Committee	2/2
2. Dr. Warunee Varanyanond	Member of Nomination Remuneration and Corporate Governance Committee	2/2
3. Mr. Surapat Rojchanavisart	Member of Nomination Remuneration and Corporate Governance Committee	2/2

## Executive Committee

Name	Position	Number of Meeting
1. Mr. Jane Wongisariyakul	Chairman of Executive Committee	12/12
2. Mrs. Vannaporn Wongisariyakul	Executive Director	12/12
3. Miss Kanokpan Kreangkraikrissada	Executive Director	12/12
4. Miss Kanollas Wongisariyakul	Executive Director	11/12

## Risk Management Committee

Name	Position	Number of Meeting
1. Mr. Jane Wongisariyakul	Chairman of Risk Management Committee	4/4
2. Mrs. Vannaporn Wongisariyakul	Member of Risk Management Committee	4/4
3. Miss Kanokpan Kreangkraikrissada	Member of Risk Management Committee	4/4
4. Miss Kanollas Wongisariyakul	Member of Risk Management Committee	4/4
5. Miss Prapasiri Pisitsangkakarn	Member of Risk Management Committee	4/4

## 8.3.2 Performance of duties of the sub-committees and the Chief Executive Officer

Results of the Nomination Remuneration and Corporate Governance Committee's self-assessment:

Assessment Category	Average Score (%)
1. Structure, qualifications and term of office	98.61
2. Role, duty and responsibility	96.67
3. Meetings	97.92
4. Nomination	91.67
5. Remuneration	94.44
6. Good Corporate Governance	100
<b>Total</b>	<b>96.55</b>

Results of the Executive Committee's self-assessment:

Assessment Category	Average Score (%)
1. Structure, qualifications and term of office	100
2. Role, duty and responsibility	100
3. Meetings	100
4. Management	99.36
<b>Total</b>	<b>99.83</b>

Results of the Risk Management Committee's self-assessment:

Assessment Category	Average Score (%)
1. Structure, qualifications and term of office	100
2. Role, duty and responsibility	100
3. Meetings	100
4. Risk Management	100
<b>Total</b>	<b>100</b>

The Company establishes a policy to conduct assessment of CEO's Performance at least once a year as monitoring framework to improve the CEO performance during the past year and report the results to the board meeting for acknowledgement.

Assessment Category	Average Score (%)
1. Leadership	94.64
2. Strategy setting	88.69
3. Strategy undertaking	93.45
4. Planning for financial operation	96.43
5. Relationship with the Board of Directors	96.43
6. External engagement	95.71
7. Management and Staff engagement	96.43
8. Succession	95.24
9. Products and Service knowledge	98.21
10. Individual Characteristics	97.02
<b>Total</b>	<b>95.23</b>

In addition, the company has published the Nomination Remuneration and Corporate Governance Committee Charter, the Executive Committee, Risk Management Committee and Chief Executive Officer on the website [www.winnergroup.co.th](http://www.winnergroup.co.th) >> Good Corporate Governance >> The Board of Directors Charter

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## 9. Internal Control and Related Party Transaction

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### 9.1 Internal Control

#### Comments from the Board of Directors towards the Company's Internal Control

Regarding to the Board of Directors' Meeting No. 1/2022 on February 23, 2022, which the Audit Committee also attended who are 3 independent directors, the Board assessed the internal control systems by asking information from managements and considering the internal control evaluation report for the year 2021 on the adequacy of internal control systems of the Company. In accordance with International Standards of COSO (The Committee of Sponsoring Organizations of the Tread way Commission) which consists of 5 components; internal organization control, risk assessment, operational control, Information and Communication Systems, and tracking system.

##### 9.1.1 The adequacy and appropriateness of the internal control system

The Board of Directors and Audit Committee have agreed with internal auditors concluded that the Company's internal control systems were adequate and appropriate to business. The Company and its subsidiaries provide sufficient personnel to operate the system efficiently. In addition, the Company has an internal control system to monitor and supervise the operations of the subsidiaries to be able to protect the assets of the Company and its subsidiaries from being misused by directors or executives without authority including sufficient transactions with persons who may have conflict of interest as well as connected persons for internal control. In other regards, the Company also has adequate internal control under the Board of Directors' opinion.

The Company and its subsidiaries evaluate their internal control systems in accordance with internal control structure framework and rules according to the guidelines of the Stock Exchange of Thailand in its entirety. The important issues are as follows

#### 1. Internal Environment

The Company set clear and measurable business targets and reviewed periodically. The Company's organization chart showed lines of duties; authority tables in written format; and key business processes manual, which were updated in line with the laws and regulations.

#### 2. Risk Assessment

The Audit Committee and the Risk Management Committee assessed both internal and external risk factors which would affect each business processes in order to analyze and prioritize the impacts and the probabilities of occurrence; and established the appropriate risk management measures.

### 3. Control Activities

The Company policies were used as guidelines systematically and effectively in order to achieve the business objectives and business targets. The authority tables clearly defined the authority level and the approval limit for each level of management. Besides, the Company policies were: segregation of duty; the duties of recording and custodian of fixed assets were also segregated; and laws and regulations compliance.

### 4. Information and Communication

The Company properly operated the information systems and channels of communication both internal and external to provide accurate, complete and timely information for business decisions.

### 5. Monitoring

The Company evaluated and communicated internal control deficiencies in a timely manner. Staff reported any issue of concern to their immediate supervisor or manager including the responsible person, including senior management or the Board of Directors as required for taking corrective action.

#### 9.1.2 Defects involving the internal control system

The Company and its subsidiaries did not find any significant deficiencies. The Board of Directors has established a system for continuous assessment and monitoring of the internal control system that covers all aspects such as accounting and finance, information system security, operation process, compliance with laws, rules and regulations, and corruption which significantly affects the financial position and reputation of the Company and its subsidiaries. If there is a defect in the internal control system, persons who are responsible for overseeing the operations of internal control system of the Company and its subsidiaries will immediately report such deficiencies to the Board of Directors, senior management, and the person responsible as appropriate.

#### 9.1.3 Audit Committee's Opinion

The Audit Committee' opinion is consistent with the Board of Directors. The detail show in Attachment 6 of Report of Audit Committee.

#### 9.1.4 Audit Committee's Opinion regarding Internal Audit

The Audit Committee oversees the internal audit function to provide fair and independent assurance, advice, add value, and process improvement that will help the organization to achieve its objectives and goals by evaluating management, operations, activities, or work systems as the case may be, and provide opinions, suggestions, supports, and encourage the Company and its subsidiaries to establish internal control systems, effective and efficient management. The Internal Audit Department shall report directly to the Audit Committee. The head of internal audit has valued experience in internal auditing in the business of the Company and its subsidiaries including attending training courses related to internal audits. Therefore, they are appropriately and sufficiently performing such duties.

### 9.1.5 Guidelines for the appointment and transfer of the Head of Internal Audit

In 2021, the company hires the company Dharmniti Internal Audit Company Limited, which is a third party to act as the internal audit unit of the Company and Dharmniti Internal Audit Company Limited has assigned Ms. Anutsaya Raksasorn to be the primary responsible for performing audit duties. inside the company which has proposed an internal audit plan annually and presented to the Audit Committee to consider and approve the operation to ensure that the audit plans established are appropriate. and in accordance with the business environment and risk factors that may always change

The Audit Committee has considered the qualification of the internal auditors; Dharmniti Co., Ltd. and Ms. Anutsaya Raksasorn, and has agreed that they had passed the qualification due to being independent with experience in providing independent professional services related to internal audit. The team from Dharmniti has an experience, knowledge and adhere to professional ethics. Also, Dharmniti can assign its Director of Finance and Accounting to coordinate with the outsource internal auditors.

In this regard, consideration and approval of the appointment, removal, and transfer of the Head of Internal Audit must be approved by the Audit Committee. The qualification of head of internal auditor appears in Attachment 3.

## 9.2. Related Party Transaction

### 9.2.1 Related transactions with persons who have relationship with the Management and may have conflicts of interest

The transaction of the Company and its subsidiary with persons who have conflicts for the year 2019 - 2021 as follow; -

Year	Persons who have conflicts	Relationship
2019	Aesthetic Zecret (AT-ZE) Co., Ltd. (AT-ZE)	<ul style="list-style-type: none"> <li>- AT-ZE, a subsidiary company, has the following directors same as the Company; Mr. Jane Wongisariyakul, Mrs. Vannaporn Wongisariyakul Miss Kanokpan Kreangkraikrissada, Miss Kanollas Wongisariyakul</li> <li>- The Company became a major shareholder of AT-ZE with 100% shareholding of registered and paid-up capital.</li> </ul>
2020	Aesthetic Zecret (AT-ZE) Co., Ltd. (AT-ZE)	<ul style="list-style-type: none"> <li>- AT-ZE, a subsidiary company, has the following directors same as the Company; Mr. Jane Wongisariyakul, Mrs. Vannaporn Wongisariyakul Miss Kanokpan Kreangkraikrissada, Miss Kanollas Wongisariyakul</li> <li>- The Company became a major shareholder of AT-ZE with 100% shareholding of registered and paid-up capital.</li> </ul>



Year	Persons who have conflicts	Relationship
2021	Aesthetic Zecret (AT-ZE) Co., Ltd. (AT-ZE)	<ul style="list-style-type: none"> <li>- AT-ZE, a subsidiary company, has the following directors same as the Company; Mr. Jane Wongisariyakul, Mrs. Vannaporn Wongisariyakul Miss Kanokpan Kreangkraikrissada, Miss Kanollas Wongisariyakul</li> <li>- The Company became a major shareholder of AT-ZE with 100% shareholding of registered and paid-up capital.</li> </ul>
	Winner Agro Innovation Co., Ltd. (WAI)	<ul style="list-style-type: none"> <li>- The company has sent 1 representative to serve in the position of director, namely Mr. Jane Wongisariyakul.</li> <li>- The company became a major shareholder of WAI by holds 45 percent of the total shares.</li> </ul>

### 9.2.2 Related party transaction of the Company and its subsidiary

The transaction of the Company and its subsidiary with persons who have relationship with the Management and may have conflicts for the year 2019 - 2021 can be summarized as follows.

The transaction of the Company and its subsidiary with persons who have relationship with the Management and may have conflicts for the year ended December 31, 2019 can be summarized as follows.

Persons who may have conflicts	Transaction Type	Description	Relationship	Transaction Value (Thousand Baht)	Necessity / Reason
<b>Transaction value in profit and loss statements year 2019</b>					
Aesthetic Zecret (AT-ZE) Co., Ltd.	Normal business	Purchase of goods and Services	Company's subsidiary	611	<u>Audit Committee's Opinion</u> The transaction was the normal business transaction
Aesthetic Zecret (AT-ZE) Co., Ltd.	Normal business	Sales of goods and service	Company's subsidiary	24	<u>Audit Committee's Opinion</u> The transaction was the normal business transaction.
Aesthetic Zecret (AT-ZE) Co., Ltd.	Normal business	Other income	Company's subsidiary	64	<u>Audit Committee's Opinion</u> The transaction was the normal business transaction.
Aesthetic Zecret (AT-ZE) Co., Ltd.	Financial support	Interest income	Company's subsidiary	4,316	<u>Audit Committee's Opinion</u> The transaction was necessity and provided on accuracy with careful consideration for the benefits to the Company's business operations.

Persons who may have conflicts	Transaction Type	Description	Relationship	Transaction Value (Thousand Baht)	Necessity / Reason
<b>As at 31 December 2019, the balances of the balances sheets</b>					
Aesthetic Zecret (AT-ZE) Co., Ltd.	Normal business	Trade	Company's subsidiary	9	<u>Audit Committee's Opinion</u> The transaction was the normal business transaction.
Aesthetic Zecret (AT-ZE) Co., Ltd.	Normal business	Trade payables	Company's subsidiary	582	<u>Audit Committee's Opinion</u> The transaction was the normal business transaction.
Aesthetic Zecret (AT-ZE) Co., Ltd.	Financial support	Short-term loan to subsidiary	Company's subsidiary	<u>Loan</u> 14,300  <u>Interest receivable</u> 17	<u>Audit Committee's Opinion</u> The transaction was necessity and provided on accuracy with careful consideration for the benefits to the Company's business operations due to loan interest rate calculated at the market price.
Aesthetic Zecret (AT-ZE) Co., Ltd.	Financial support	Long-term loan to subsidiary	Company's subsidiary	<u>Loan</u> 89,420  <u>Interest receivable</u> 5,318	<u>Audit Committee's Opinion</u> The transaction was necessity and provided on accuracy with careful consideration for the benefits to the Company's business operations due to loan interest rate calculated at the market price.

The transaction of the Company and its subsidiary with persons who have relationship with the Management and may have conflicts for the year ended December 31, 2020 can be summarized as follows.

Persons who may have conflicts	Transaction Type	Description	Relationship	Transaction Value (Thousand Baht)	Necessity / Reason
<b>Transaction value in profit and loss statements year 2020</b>					
Aesthetic Zecret (AT-ZE) Co., Ltd.	Normal business	Purchase of goods and Services	Company's subsidiary	4,272	<u>Audit Committee's Opinion</u> The transaction was the normal business transaction
Aesthetic Zecret (AT-ZE) Co., Ltd.	Normal business	Sales of goods and service	Company's subsidiary	823	<u>Audit Committee's Opinion</u> The transaction was the normal business transaction.
Aesthetic Zecret (AT-ZE) Co., Ltd.	Normal business	Other income	Company's subsidiary	160	<u>Audit Committee's Opinion</u> The transaction was the normal business transaction

Persons who may have conflicts	Transaction Type	Description	Relationship	Transaction Value (Thousand Baht)	Necessity / Reason
Aesthetic Zecret (AT-ZE) Co., Ltd.	Financial support	Interest income	Company's subsidiary	4,927	<u>Audit Committee's Opinion</u> The transaction was necessity and provided on accuracy with careful consideration for the benefits to the Company's business operations.
<b>As at 31 December 2020, the balances of the balances sheets</b>					
Aesthetic Zecret (AT-ZE) Co., Ltd.	Normal business	Trade	Company's subsidiary	204	<u>Audit Committee's Opinion</u> The transaction was the normal business transaction.
Aesthetic Zecret (AT-ZE) Co., Ltd.	Normal business	Other receivables	Company's subsidiary	76	<u>Audit Committee's Opinion</u> The transaction was the normal business transaction.
Aesthetic Zecret (AT-ZE) Co., Ltd.	Normal business	Trade payables	Company's subsidiary	696	<u>Audit Committee's Opinion</u> The transaction was the normal business transaction.
Aesthetic Zecret (AT-ZE) Co., Ltd.	Financial support	Short-term loan to subsidiary	Company's subsidiary	<u>Loan</u> 54,300	<u>Audit Committee's Opinion</u> The transaction was necessity and provided on accuracy with careful consideration for the benefits to the Company's business operations due to loan interest rate calculated at the market price.
				<u>Interest receivable</u> 57	
Aesthetic Zecret (AT-ZE) Co., Ltd.	Financial support	Long-term loan to subsidiary	Company's subsidiary	<u>Loan</u> 89,000	<u>Audit Committee's Opinion</u> The transaction was necessity and provided on accuracy with careful consideration for the benefits to the Company's business operations due to loan interest rate calculated at the market price.
				<u>Interest receivable</u> 359	

The transaction of the Company and its subsidiary with persons who have relationship with the Management and may have conflicts for the year ended December 31, 2021 can be summarized as follows.

Persons who may have conflicts	Transaction Type	Description	Relationship	Transaction Value (Thousand Baht)	Necessity / Reason
<b>Transaction value in profit and loss statements year 2021</b>					
Aesthetic Zecret (AT-ZE) Co., Ltd.	Normal business	Purchase of goods and Services	Company's subsidiary	9,160	<a href="#">Audit Committee's Opinion</a> The transaction was the normal business transaction.
Aesthetic Zecret (AT-ZE) Co., Ltd.	Normal business	Sales of goods and service	Company's subsidiary	17	<a href="#">Audit Committee's Opinion</a> The transaction was the normal business transaction.
Aesthetic Zecret (AT-ZE) Co., Ltd.	Normal business	Other income	Company's subsidiary	175	<a href="#">Audit Committee's Opinion</a> The transaction was the normal business transaction.
Aesthetic Zecret (AT-ZE) Co., Ltd.	Normal business	Administrative expenses	Company's subsidiary	41	<a href="#">Audit Committee's Opinion</a> The transaction was the normal business transaction.
Aesthetic Zecret (AT-ZE) Co., Ltd.	Financial support	Interest income	Company's subsidiary	3,921	<a href="#">Audit Committee's Opinion</a> The transaction was necessity and provided on accuracy with careful consideration for the benefits to the Company's business operations.
Winner Agro Innovation Co., Ltd. (WAI)	Normal business	Other income	Company's association	291	<a href="#">Audit Committee's Opinion</a> The transaction was the normal business transaction.
<b>As at 31 December 2021, the balances of the balances sheets</b>					
Aesthetic Zecret (AT-ZE) Co., Ltd.	Normal business	Trade receivables	Company's subsidiary	10	<a href="#">Audit Committee's Opinion</a> The transaction was the normal business transaction.
Aesthetic Zecret (AT-ZE) Co., Ltd.	Normal business	Other receivables	Company's subsidiary	30	<a href="#">Audit Committee's Opinion</a> The transaction was the normal business transaction.
Winner Agro Innovation Co., Ltd. (WAI)	Normal business	Other receivables	Company's association	45	<a href="#">Audit Committee's Opinion</a> The transaction was the normal business transaction.
Aesthetic Zecret (AT-ZE) Co., Ltd.	Normal business	Trade payables	Company's subsidiary	5	<a href="#">Audit Committee's Opinion</a> The transaction was the normal business transaction.

Persons who may have conflicts	Transaction Type	Description	Relationship	Transaction Value (Thousand Baht)	Necessity / Reason
Aesthetic Zecret (AT-ZE) Co., Ltd.	Normal business	Other Trade	Company's subsidiary	7	<u>Audit Committee's Opinion</u> The transaction was the normal business transaction.
Aesthetic Zecret (AT-ZE) Co., Ltd.	Financial support	Short-term loan to subsidiary	Company's subsidiary	<u>Loan</u> 62,600	<u>Audit Committee's Opinion</u> The transaction was necessity and provided on accuracy with careful consideration for the benefits to the Company's business operations due to loan interest rate calculated at the market price.
				<u>Interest receivable</u> 16	

### 9.2.3 Policy or trend of related party transaction in the future

#### Policy on future transactions

The resolution from the Board of Directors' Meeting has set a policy of making related party transaction that for any transactions that may occur in the future, the Company shall comply with the laws regarding the Securities and Exchange Commission and rules and regulations, notifications, orders or requirements of the Capital Market Supervisory Board and the Stock Exchange of Thailand, in compliance with requirements on the disclosure of related party transactions of the Company according to the accounting standards set by the Federation of accounting profession of Thailand. The Company has the policy on related party transactions as follows:

- In the case of commercial transactions with general trade conditions, the Company has set the framework for such transactions which was considered and agreed by the Audit Committee prior to submission to the Board of Directors to approve as principle. The management can approve the transaction if the transaction has commercial agreements in the same way that persons of ordinary prudence should be agreed with general contractors in the same situation and with the bargaining power of trade without the influence of their status as directors, management, related parties of the Company or individuals associated with the company. However, the Company shall prepare a report summarizing related party transactions to report at a meeting of the Audit Committee and the Board of Directors on a quarterly basis. In the case of the Audit Committee and the Board of Directors found that the conduct did not meet the defined policy, the Audit Committee and Board of Directors shall work jointly to find solutions.
- The commercial transactions with general trade conditions must be commercial transactions that the Company normally operates or commercial transactions that similar business to the Company does to support their regular business. The transactions shall have commercial terms and pricing conditions that are fair and do not cause any transfer of interests. The terms and conditions are as follows.

1. Prices and terms that the Company receives or offers to the public
  2. Prices and terms that related party receives or offers to the public
  3. Prices and terms that the Company can clarify as the price and terms that similar business offers to the public
- The Financial Support in the future will be personal guarantee by major shareholder and/or the Board of Directors in load of the company and its subsidiary with financial institution (No guarantee fee) including the company provided load to the its subsidiary.

If there is any other transaction disassociated with the mentioned terms and conditions, the Company shall present such transactions to the Audit Committee to consider and comment prior to submission to the meetings of the Board of Directors and/or the shareholders to approve. If the committee does not have the expertise to consider the potential transaction, the Company will arrange for an independent expert or auditor to comment on such transactions and the comments shall be proposed to the Audit Committee, the Board of Directors and/or shareholders' meeting, as the case may be, to ensure that the transaction will not migrate or transfer of interests between the Company and individuals who may have conflicts of interest, and the transaction has been done for the optimum benefits of all shareholders.

#### **Tendency of future transaction**

The Company, subsidiary company, joint-venture company and the associated company may have tendency on conflicts of interest in the near future, especially inter-transactions which are categorized by normal business operation and supporting business operation under the in-general trade terms with persons or entities from the Company and its subsidiary can account for buy-sell products and service, purchase of raw material, OEM production, rental warehouse, car leasing, employees discount on products, etc. These purchase prices are same as the market price of the Company and its subsidiary provided to third parties.

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## Section 3

# Financial Statements

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## Report of the Board of Directors' Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the financial statements of Winner Group Enterprise Public Company Limited as well as financial information presented in the Annual Reports. The said financial statements were prepared in accordance with the financial reporting standards, where an appropriate accounting policy has been selected and implemented on a regular basis and that important information is adequately disclosed in notes to the financial statements.

The Board of Directors appointed the Audit Committee consisting of independent directors to take responsibility for the quality of financial statements and assessment of the internal control system to ensure that the record of accounting is sufficiently accurate, complete and timely, and also to prevent the occurrence of corruption or irregular operations. The Audit Committee's opinion on these matters has been stated in the Audit Committee's report published in this Annual Report.

The Board of Directors is of the opinion that the Company's internal control system on the whole is satisfactory and able to ensure that the Company's financial statements as of December 31, 2021 present fairly, in all material aspects and in accordance with Thai Financial Reporting Standards, all applicable laws and regulations.



(Mr. Prakarn Tawisuwan)

Chairman of the Board of Directors



(Mr. Jane Wongisariyakul)

Chairman of Executive Committee & CEO



## Independent Auditor's Report

To the Shareholders of Winner Group Enterprise Public Company Limited

### Opinion

I have audited the accompanying consolidated financial statements of Winner Group Enterprise Public Company Limited and its subsidiary ("the Group"), which comprise the consolidated statement of financial position as at 31 December 2021, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Winner Group Enterprise Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Winner Group Enterprise Public Company Limited and its subsidiary and of Winner Group Enterprise Public Company Limited as at 31 December 2021, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

### Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Group in accordance with the Code of Ethics for Professional Accountants as issued by the Federation of Accounting Professions as relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### Key Audit Matters

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

I have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matters and how audit procedures respond for each matter are described below.

#### *Sales income*

Sales income is significant to the Group's financial statements and directly impacts the Group's annual operating results. I therefore focused on the recognition of sales income, especially the timing of revenue recognition.

I assessed the Group's internal controls related to the revenue cycle by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed key controls. On a sampling basis, I checked documents supporting sales transactions occurring during the year and near the period-end. I also reviewed credit notes issued by the Group to customers after the end of the reporting period and performed an analytical review on the sales account.

#### *Allowance for diminution in inventory value*

Estimating the net realisable value of inventory, as disclosed in Note 9 to the financial statements, is an area of significant management judgment, particularly with regard to the estimation of provision for diminution in the value of obsolete inventory. This requires analysis of the product life cycle, the competitive environment, economic circumstances and the situation within the industry. Moreover, the Group's inventory mainly consists of food products with a finite life cycle which may cause a risk with respect to the amount of provision set aside for diminution in the value of inventory.

I assessed the methods and the assumptions applied by the management in determining such provision by gaining an understanding of the basis applied in determining the provision for diminution in value of inventory and reviewing the consistency of the application of that basis. I also performed an analytical review on the inventory holding periods and inventory movements to identify product group with indicators of lower than normal inventory turnover and compared proceeds from sales transactions occurring after the date of the financial statements to the costs of inventory by product group.

#### *Impairment of goodwill in the consolidated financial statements, impairment of investment in a subsidiary and allowance for expected credit losses of loans to a subsidiary in the separate financial statements*

A subsidiary has operating loss which the Group's management is implementing financial and operational measures to improve the subsidiary's future performance. As at 31 December 2021, the Group's consolidated financial statements included goodwill from purchase of investment in subsidiary of Baht 94 million and the Company's separate financial statements included net investment in this subsidiary of Baht 185 million (net of allowance for impairment) and loans to a subsidiary of Baht 63 million. I have paid particular attention to the determination of impairment loss on goodwill and investment in a subsidiary and allowance for expected credit losses of loans to a subsidiary since these accounts required the exercise of significant management judgement with respect to projections of the future operating performance and cash flow of the subsidiary, and the

determination of an appropriate discount rate and key assumptions, there is thus a risk with respect to the amount of impairment loss and allowance for expected credit losses.

For the impairment of goodwill and investment in a subsidiary, I assessed the management's identification of cash-generating units. I also gained an understanding of and assessed the cash flow projections of the subsidiary, based on the understanding I gained of the process by which management arrived at the figures, comparison of the long-term growth rate with economic and industry forecasts and assessment of the discount rate based on comparison of the average cost of capital and other data with those used by comparable organisations in the same industry.

For the allowance for expected credit losses on loans to a subsidiary, I assessed the appropriateness of management's assumptions used in preparing plans and projections of future cash flows of the subsidiary and the expected credit losses calculation from expected losses to be incurred by individual accounts receivable.

### Other Information

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

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

When I read the annual report of the Group, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

### Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

I am responsible for the audit resulting in this independent auditor's report.



Watoo Kayankannavee

Certified Public Accountant (Thailand) No. 5423

EY Office Limited

Bangkok: 23 February 2022

## Statement of financial position

As at 31 December 2020

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	7	37,922,694	43,813,373	34,804,611	40,818,673
Trade and other receivables	8	340,082,673	327,792,165	338,965,345	325,856,048
Inventories	9	388,825,380	295,869,241	381,346,534	285,514,067
Derivative assets	33.1	204,541	-	204,541	-
Other current assets		23,322,969	14,232,223	22,327,062	13,331,687
<b>Total current assets</b>		<b>790,358,257</b>	<b>681,707,002</b>	<b>777,648,093</b>	<b>665,520,475</b>
<b>Non-current assets</b>					
Restricted bank deposits	10	953,226	951,342	-	-
Loans to subsidiary	6	-	-	62,600,000	54,300,000
Long-term loan to subsidiary	6	-	-	-	89,000,000
Investment in subsidiary	11	-	-	185,181,028	122,301,028
Investment in associate	12	17,370,747	-	14,202,000	-
Goodwill	13	94,446,319	94,446,319	-	-
Property, plant and equipment	14	317,078,517	338,069,076	189,794,408	201,661,293
Right-of-use assets	15.1	37,712,877	42,209,896	26,470,275	27,384,222
Intangible assets	16	7,284,237	9,941,555	6,013,896	8,406,537
Deferred tax assets	26	11,031,274	10,257,332	2,243,856	3,034,639
Other non-current financial assets		3,829,145	3,562,567	2,862,685	2,613,208
Other non-current assets		200,837	-	200,837	-
<b>Total non-current assets</b>		<b>489,907,179</b>	<b>499,438,087</b>	<b>489,568,985</b>	<b>508,700,927</b>
<b>Total assets</b>		<b>1,280,265,436</b>	<b>1,181,145,089</b>	<b>1,267,217,078</b>	<b>1,174,221,402</b>

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

## Statement of financial position (continued)

As at 31 December 2021

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Bank overdrafts and short-term loans from financial institutions	17	257,151,100	89,802,762	230,151,100	61,802,762
Trade and other payables	18	241,920,295	269,460,801	237,524,267	265,302,976
Advances received from customers		4,325,745	3,551,556	-	-
Current portion of lease liabilities	15.2	12,469,565	11,935,821	9,156,434	8,783,947
Current portion of long-term loans from financial institution	19	14,252,263	40,470,913	14,252,263	37,077,531
Income tax payable		19,049,576	14,676,195	19,049,576	14,676,195
Provision for goods return	20	4,057,022	5,095,108	4,057,022	5,095,108
Derivative liabilities	33.1	-	2,116,938	-	2,116,938
Other current liabilities		4,920,293	6,893,484	4,543,658	6,372,772
<b>Total current liabilities</b>		<b>558,145,859</b>	<b>444,003,578</b>	<b>518,734,320</b>	<b>401,228,229</b>
<b>Non-current liabilities</b>					
Lease liabilities - net of current portion	15.2	15,464,367	22,006,354	8,818,466	12,047,324
Long-term loans from financial institution - net of current portion	19	-	76,171,915	-	75,522,286
Provision for long-term employee benefits	21	23,898,900	19,317,039	23,094,560	18,706,394
Other non-current liabilities		386,287	397,558	135,288	143,555
<b>Total non-current liabilities</b>		<b>39,749,554</b>	<b>117,892,866</b>	<b>32,048,314</b>	<b>106,419,559</b>
<b>Total liabilities</b>		<b>597,895,413</b>	<b>561,896,444</b>	<b>550,782,634</b>	<b>507,647,788</b>

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

## Statement of financial position (continued)

As at 31 December 2021

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
<b>Shareholders' equity</b>					
Share capital	22				
Registered					
600,000,000 ordinary shares of Baht 0.25 each (31 December 2020: 400,000,000 ordinary shares of Baht 0.25 each)		150,000,000	100,000,000	150,000,000	100,000,000
Issued and fully paid-up					
599,974,662 ordinary shares of Baht 0.25 each (31 December 2020: 400,000,000 ordinary shares of Baht 0.25 each)		149,993,666	100,000,000	149,993,666	100,000,000
Premium on ordinary shares		147,706,160	147,706,160	147,706,160	147,706,160
Retained earnings					
Appropriated - statutory reserve	23	15,000,000	10,000,000	15,000,000	10,000,000
Unappropriated		369,670,197	361,542,485	403,734,618	408,867,454
<b>Total shareholders' equity</b>		<b>682,370,023</b>	<b>619,248,645</b>	<b>716,434,444</b>	<b>666,573,614</b>
<b>Total liabilities and shareholders' equity</b>		<b>1,280,265,436</b>	<b>1,181,145,089</b>	<b>1,267,217,078</b>	<b>1,174,221,402</b>

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



## Statement of comprehensive income

For the year ended 31 December 2021

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
<b>Profit or loss:</b>					
<b>Revenues</b>					
Sales and service income	28	1,784,853,072	1,687,011,452	1,748,474,266	1,641,754,967
Other income		24,337,944	11,255,882	26,699,492	14,941,362
<b>Total revenues</b>		<b>1,809,191,016</b>	<b>1,698,267,334</b>	<b>1,775,173,758</b>	<b>1,656,696,329</b>
<b>Expenses</b>					
Cost of sales and service		1,388,466,126	1,290,128,650	1,365,166,933	1,260,993,647
Selling and distribution expenses		103,994,423	103,805,586	97,863,713	94,882,695
Administrative expenses		172,851,603	182,194,301	140,868,961	141,404,977
Loss from impairment of investment in subsidiary	11	-	-	37,120,000	27,700,000
<b>Total expenses</b>		<b>1,665,312,152</b>	<b>1,576,128,537</b>	<b>1,641,019,607</b>	<b>1,524,981,319</b>
<b>Operating profit</b>		<b>143,878,864</b>	<b>122,138,797</b>	<b>134,154,151</b>	<b>131,715,010</b>
Share of profits from investment in associate	12	3,168,747	-	-	-
Finance cost	24	(6,343,571)	(9,607,022)	(5,145,934)	(7,998,540)
<b>Profit before income tax expenses</b>		<b>140,704,040</b>	<b>112,531,775</b>	<b>129,008,217</b>	<b>123,716,470</b>
Income tax expenses	26	(32,027,835)	(28,006,167)	(33,592,560)	(30,363,423)
<b>Profit for the year</b>		<b>108,676,205</b>	<b>84,525,608</b>	<b>95,415,657</b>	<b>93,353,047</b>
<b>Other comprehensive income:</b>					
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>					
Actuarial gain - net of income tax		-	1,712,727	-	18,778
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		-	1,712,727	-	18,778
<b>Other comprehensive income for the year</b>		<b>-</b>	<b>1,712,727</b>	<b>-</b>	<b>18,778</b>
<b>Total comprehensive income for the year</b>		<b>108,676,205</b>	<b>86,238,335</b>	<b>95,415,657</b>	<b>93,371,825</b>
Earnings per share	27				
<b>Basic earnings per share</b>		<b>0.18</b>	<b>0.14</b>	<b>0.16</b>	<b>0.16</b>

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

## Statement of changes in shareholders' equity

For the year ended 31 December 2021

(Unit: Baht)

	Note	Consolidated financial statements				
		Issued and fully paid-up share capital	Premium on ordinary shares	Retained earnings		Total
				Appropriated - statutory reserve	Unappropriated	
<b>Balance as at 1 January 2020</b>		100,000,000	147,706,160	10,000,000	355,304,150	613,010,310
Profit for the year		-	-	-	84,525,608	84,525,608
Other comprehensive income for the year		-	-	-	1,712,727	1,712,727
Total comprehensive income for the year		-	-	-	86,238,335	86,238,335
Dividend paid	30	-	-	-	(80,000,000)	(80,000,000)
<b>Balance as at 31 December 2020</b>		<b>100,000,000</b>	<b>147,706,160</b>	<b>10,000,000</b>	<b>361,542,485</b>	<b>619,248,645</b>
<b>Balance as at 1 January 2021</b>		100,000,000	147,706,160	10,000,000	361,542,485	619,248,645
Profit for the year		-	-	-	108,676,205	108,676,205
Other comprehensive income for the year		-	-	-	-	-
Total comprehensive income for the year		-	-	-	108,676,205	108,676,205
Issue ordinary shares for stock dividend payment	22, 30	49,993,666	-	-	(49,993,666)	-
Dividend paid	30	-	-	-	(45,554,827)	(45,554,827)
Transfer of unappropriated retained earnings to statutory reserve	23	-	-	5,000,000	(5,000,000)	-
<b>Balance as at 31 December 2021</b>		<b>149,993,666</b>	<b>147,706,160</b>	<b>15,000,000</b>	<b>369,670,197</b>	<b>682,370,023</b>

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

## Statement of changes in shareholders' equity (continued)

For the year ended 31 December 2021

(Unit: Baht)

	Note	Separate financial statements				
		Issued and fully paid-up share capital	Premium on ordinary shares	Retained earnings		Total
				Appropriated - statutory reserve	Unappropriated	
<b>Balance as at 1 January 2020</b>		100,000,000	147,706,160	10,000,000	395,495,629	653,201,789
Profit for the year		-	-	-	93,353,047	93,353,047
Other comprehensive income for the year		-	-	-	18,778	18,778
Total comprehensive income for the year		-	-	-	93,371,825	93,371,825
Dividend paid	30	-	-	-	(80,000,000)	(80,000,000)
<b>Balance as at 31 December 2020</b>		<b>100,000,000</b>	<b>147,706,160</b>	<b>10,000,000</b>	<b>408,867,454</b>	<b>666,573,614</b>
<b>Balance as at 1 January 2021</b>		100,000,000	147,706,160	10,000,000	408,867,454	666,573,614
Profit for the year		-	-	-	95,415,657	95,415,657
Other comprehensive income for the year		-	-	-	-	-
Total comprehensive income for the year		-	-	-	95,415,657	95,415,657
Issue ordinary shares for stock dividend payment	22, 30	49,993,666	-	-	(49,993,666)	-
Dividend paid	30	-	-	-	(45,554,827)	(45,554,827)
Transfer of unappropriated retained earnings to statutory reserve	23	-	-	5,000,000	(5,000,000)	-
<b>Balance as at 31 December 2021</b>		<b>149,993,666</b>	<b>147,706,160</b>	<b>15,000,000</b>	<b>403,734,618</b>	<b>716,434,444</b>

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

## Cash flow statement

For the year ended 31 December 2021

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
<b>Cash flows from (used in) operating activities</b>				
Profit before tax	140,704,040	112,531,775	129,008,217	123,716,470
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation	34,888,202	34,562,633	22,030,823	20,937,192
Amortization	3,743,168	3,871,521	3,280,091	3,461,601
Allowance for expected credit losses (reversal)	(45,486)	974,362	18,086	680,003
Reduction of inventory cost to net realisable value (reversal)	(2,850,784)	6,200,764	(4,292,111)	2,895,881
Loss from written-off obsoleted inventories	2,764,757	3,993,977	2,459,600	2,831,750
Reversal of provision for goods return	(1,038,086)	(322,520)	(1,038,086)	(322,520)
Loss from impairment of investment in subsidiary	-	-	37,120,000	27,700,000
Loss (gain) on sales of equipment	380,640	(11,527)	380,640	(11,527)
Loss from written-off assets	239,584	406,724	-	-
Gain on sales of investment in debt instrument and closed down the fund	-	(98,082)	-	(98,082)
Difference from rental reduction and contract termination	8,456	9,306	(443)	4,010
Provision for long-term employee benefits	4,688,301	2,972,707	4,388,166	2,145,452
Unrealised loss (gain) on exchanges	1,333,744	(1,086,739)	1,333,744	(1,086,739)
Share of profits from investment in associate	(3,168,747)	-	-	-
Interest income	(61,734)	(73,465)	(3,980,478)	(4,992,538)
Interest expenses	6,343,571	9,607,022	5,145,934	7,998,540
<b>Profit from operating activities before changes in operating assets and liabilities</b>	<b>187,929,626</b>	<b>173,538,458</b>	<b>195,854,183</b>	<b>185,859,493</b>
Operating assets (increase) decrease				
Investment in debt instrument	-	25,989,784	-	25,989,784
Trade and other receivables	(12,267,694)	(21,332,312)	(13,550,277)	(24,066,250)
Inventories	(92,870,112)	(23,118,111)	(93,999,956)	(17,629,237)
Other current assets	(9,071,297)	(368,335)	(8,995,375)	(743,946)
Other non-current financial assets	(266,578)	(24,091)	(249,477)	(24,092)
Other non-current assets	(200,837)	-	(200,837)	-
Operating liabilities increase (decrease)				
Trade and other payables	(32,251,962)	44,289,933	(32,488,836)	47,298,966
Other current liabilities	(1,199,002)	(2,100,508)	(1,829,114)	(1,728,191)
Cash paid for employee benefits	(106,440)	(1,102,000)	-	(1,102,000)
Other non-current liabilities	(11,271)	(250,770)	(8,267)	(15,532)
<b>Cash flows from operating activities</b>	<b>39,684,433</b>	<b>195,522,048</b>	<b>44,532,044</b>	<b>213,838,995</b>
Cash paid for interest expenses	(6,038,729)	(9,152,523)	(4,845,024)	(7,561,142)
Cash paid for corporate income tax	(28,448,164)	(30,883,794)	(28,428,396)	(30,870,590)
<b>Net cash flows from operating activities</b>	<b>5,197,540</b>	<b>155,485,731</b>	<b>11,258,624</b>	<b>175,407,263</b>

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

## Cash flow statement (continued)

For the year ended 31 December 2021

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
<b>Cash flows from (used in) investing activities</b>				
Acquisition of investment in subsidiary	-	-	(100,000,000)	-
Acquisition of investment in associate	(14,202,000)	-	(14,202,000)	-
Increase in restricted bank deposits	(1,884)	(6,565)	-	-
Proceeds from sales of equipment	2,986,075	18,972	2,986,075	18,972
Acquisition of equipment	(3,792,749)	(11,967,028)	(3,219,891)	(10,226,873)
Acquisition of intangible assets	(837,557)	(2,650,132)	(639,157)	(2,318,132)
Increase in loans to subsidiary	-	-	(8,300,000)	(40,000,000)
Decrease in long-term loan to subsidiary	-	-	89,000,000	420,000
Interest income	62,053	73,765	4,380,697	9,911,248
<b>Net cash flows used in investing activities</b>	<b>(15,786,062)</b>	<b>(14,530,988)</b>	<b>(29,994,276)</b>	<b>(42,194,785)</b>
<b>Cash flows from (used in) financing activities</b>				
Increase in bank overdrafts and short-term loans from financial institutions	167,348,338	44,566,965	168,348,338	44,566,965
Repayment of long-term loans from financial institution	(102,624,099)	(83,637,834)	(98,574,099)	(80,237,834)
Dividend paid	(45,554,827)	(80,000,000)	(45,554,827)	(80,000,000)
Cash paid for lease liabilities	(14,471,569)	(15,397,522)	(11,497,822)	(12,447,195)
<b>Net cash flows from (used in) financing activities</b>	<b>4,697,843</b>	<b>(134,468,391)</b>	<b>12,721,590</b>	<b>(128,118,064)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(5,890,679)</b>	<b>6,486,352</b>	<b>(6,014,062)</b>	<b>5,094,414</b>
Cash and cash equivalents at beginning of year	43,813,373	37,327,021	40,818,673	35,724,259
<b>Cash and cash equivalents at end of year</b>	<b>37,922,694</b>	<b>43,813,373</b>	<b>34,804,611</b>	<b>40,818,673</b>
<b>Supplemental disclosures of cash flows information:</b>				
Non-cash transactions				
Purchase of equipment for which no cash has been paid	759,305	168,876	754,918	123,679
Purchase of intangible assets for which no cash has been paid	248,293	-	248,293	-

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

## Winner Group Enterprise Public Company Limited and its subsidiary

### Notes to consolidated financial statements

For the year ended 31 December 2021

#### 1. General information

##### 1.1 General information of the Company

Winner Group Enterprise Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company is principally engaged in manufacture, import and distributor of raw material, ingredient, chemicals food and consumer product. The registered address of the Company’s head office and branches is as follows:

Head Office: 43 THAI CC TOWER, 21st floor, room no. 214 - 219, South Sathorn Road, Yannawa, Sathorn, Bangkok

Plant location: 259 Bang-Pa-In Industrial Estate, Moo 2, Klong-Jik, Bang-Pa-In, Ayutthaya

Warehouse: Warehouse 1 is at 60, Soi Bangna-Trad 26, Bangna, Bangkok.

Warehouse 2 is at 23, Soi Bangna-Trad 26, Bangna, Bangkok.

Delice: 43 THAI CC TOWER, G floor, unit 2, South Sathorn Road, Yannawa, Sathorn, Bangkok

##### 1.2 Coronavirus disease 2019 Pandemic

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

#### 2. Basis of preparation

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

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

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

## 2.2 Basis of consolidation

- a) The consolidated financial statements include the financial statements of Winner Group Enterprise Public Company Limited (“the Company”) and the following subsidiary company (“the subsidiary”) (collectively as “the Group”):

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2021	2020
			Percent	Percent
Aesthetic Zecret (AT-ZE) Company Limited	Manufacturing of skincare products, cosmetics, food supplements and medicines used to treat skin diseases	Thailand	100	100

- b) The Company is deemed to have control over investees or subsidiary if it has rights, or is exposed, to variable returns from its involvement with the investees, and it has the ability to direct the activities that affect the amount of its returns.
- c) Subsidiary is fully consolidated, being the date on which the Company obtains control, and continues to be consolidated until the date when such control ceases.
- d) The financial statements of the subsidiary are prepared using the same significant accounting policies as the Company.
- e) Material balances and transactions between the Group have been eliminated from the consolidated financial statements.

- 2.3 The separate financial statements present investments in the subsidiary and associate under the cost method.

## 3. New financial reporting standards

### 3.1 Financial reporting standards that became effective in the current year

During the year, the Group has adopted the revised financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2021. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

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

### 3.2 Financial reporting standards that became effective for fiscal years beginning on or after 1 January 2022

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 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 management of the Group believes that adoption of these amendments will not have any significant impact on the Group's financial statements.

## 4. Significant accounting policies

### 4.1 Revenue and expense recognition

#### Sales of goods

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

When a contract provided a customer with a right to return the goods, the Group recognises the amount ultimately expected they will have to return to customers as a refund liability and recognise the right to recover the goods expected to be returned by customers as a right of return asset in the statement of financial position. The asset is measured at the former carrying amount of the inventory, less any expected costs to recover the goods, including any potential decreases in the value of the returned goods.

#### Rendering of services

Service revenue is recognised at a point in time upon completion of the service.

#### Finance cost

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

### 4.2 Cash and cash equivalents

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



### 4.3 Inventories

Finished goods-purchase of merchandise are valued at the lower of cost (under the first-in, first-out method) and net realisable value.

Finished goods and work in process are valued at the lower of cost and net realisable value. The cost of inventories is measured using the standard cost method, which approximates actual cost and includes all production costs and attributable factory overheads.

Raw materials and packaging supplies are valued at the lower of cost (under the first-in, first-out method) and net realisable value and are charged to production costs whenever consumed.

### 4.4 Investments in subsidiary and associate

Investment in associate is accounted for in the consolidated financial statements using the equity method.

Investment in subsidiary and associate are accounted for in the separate financial statements using the cost method.

### 4.5 Property, plant and equipment/Depreciation

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

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

Land improvements, buildings, building improvements and leasehold improvements	5 - 30 years
Machinery and equipment	2 - 10 years
Tools and equipment	3 - 10 years
Furniture and fixtures	2 - 5 years
Vehicles and labor-saving equipment	5 - 7 years

Depreciation is included in determining income.

No depreciation is provided on land and assets under installation.

### 4.6 Leases

At inception of contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group as a lessee applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. At the commencement date of the lease (i.e. the date

the underlying asset is available for use), the Group recognises right-of-use assets representing the right to use underlying assets and lease liabilities based on lease payments.

### Right-of-use assets

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

Depreciation of right-of-use assets are calculated by reference to their costs, on the straight-line basis over the shorter of their estimated useful lives and the lease term.

Building spaces	3 - 6 years
Office equipment	4 - 5 years
Vehicles	4 - 5 years

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

### Lease liabilities

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

The Group discounted the present value of the lease payments by the interest rate implicit in the lease or the Group's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

### Short-term leases and leases of low-value assets

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

#### 4.7 Intangible assets

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

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

The estimated useful lives of computer software are 3 to 10 years.

No amortisation is provided on computer software under installation.

#### 4.8 Goodwill

Goodwill is initially recorded at cost, which equals to the excess of cost of business combination over the fair value of the net assets acquired. If the fair value of the net assets acquired exceeds the cost of business combination, the excess is immediately recognised as gain in profit or loss.

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Group's cash generating units (or group of cash-generating units) that are expected to benefit from the synergies of the combination. The Group estimates the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in profit or loss. Impairment losses relating to goodwill cannot be reversed in future periods.

#### 4.9 Related party transactions

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

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

#### 4.10 Foreign currencies

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

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

Gains and losses on exchange are included in determining income.

#### 4.11 Impairment of non-financial assets

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

An impairment loss is recognised in profit or loss.

In the assessment of asset impairment (except for goodwill), if there is any indication that previously recognised impairment losses may no longer exist or may have decreased, the Group estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.

#### 4.12 Employee benefits

##### *Short-term employee benefits*

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

##### *Post-employment benefits*

##### *Defined contribution plans*

The Group and their employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Group. The fund's assets are held in a separate trust fund and the Group's contributions are recognised as expenses when incurred.

*Defined benefit plans*

The Group has obligations in respect of the severance payments they must make to employees upon retirement under labor law. The Group treats these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from defined benefit plans are recognised immediately in other comprehensive income.

**4.13 Provisions**

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

**4.14 Income tax**

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

**Current tax**

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

**Deferred tax**

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

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

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

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

#### 4.15 Financial instruments

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

##### Classification and measurement of financial assets

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

##### Financial assets at amortised cost

The Group measures financial assets at amortised cost if the financial asset is held in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate (“EIR”) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

##### Financial assets at FVTPL

Financial assets measured at FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

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

##### Classification and measurement of financial liabilities

Except for derivative liabilities, at initial recognition the Group’s financial liabilities are recognised at fair value net of transaction costs and classified as liabilities to be subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. In determining amortised cost, the Group takes into account any discounts or premiums on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in profit or loss.

### **Derecognition of financial instruments**

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Group has transferred substantially all the risks and rewards of the asset, or the Group has transferred control of the asset.

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

### **Impairment of financial assets**

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

For trade receivables, the Group applies a simplified approach in calculating ECLs and recognises a loss allowance based on lifetime ECLs at each reporting date.

ECLs are calculated based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

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

## **4.16 Derivatives**

The Group uses derivatives, forward currency contracts, to hedge its foreign currency risks.

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

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

## **4.17 Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Group applies

a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Group measures fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

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

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

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

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

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

## 5. Significant accounting judgements and estimates

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

### **Allowance for expected credit losses of loans to subsidiary**

In determining an allowance for expected credit losses of loans to subsidiary, the management is required to exercise judgment in estimating the expected credit losses based on the analysis of debtor status, loan and accrued interest payment plan and the possibility of debt repayment under such plan.

### **Reduction of inventory cost to net realisable value**

In determining a reduction of inventory cost to net realizable value, the management makes judgement and estimates net realizable value of inventory based on the amount the inventories are expected to realise. These estimates take into consideration fluctuations of price directly relating to events occurring after the end of the reporting period. Also, the management makes judgement and estimates expected loss from stock obsolescence based upon aging profile of inventories and the prevailing economic condition.



### Property plant and equipment/Depreciation

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

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

### Leases - The Group as a lessee

#### *Determining the lease term with extension*

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

#### *Estimating the incremental borrowing rate*

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

### Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

### Allowance for impairment of non-financial assets

In determining allowance for impairment of a non-financial asset, the management is required to exercise judgements regarding determination of the recoverable amount of the asset, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the performance of the assets of the cash-generating unit being tested. The recoverable amount is sensitive to the discount rate used for the discounted cash flow model as well as

the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to investment in subsidiary and goodwill recognised by the Group. The key assumptions used to determine the recoverable amount are disclosed in Note 13 to the financial statements.

#### Provision for goods return

The Company recognised a provision for claims for expired goods on products sold during the year, based on past experience of the level of returns. The Company expects most of these costs to be incurred within next year of the reporting date.

#### Post-employment benefits under defined benefit plans

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

### 6. Related party transactions

During the years, the Company had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and those related parties.

(Unit: Million Baht)

	Consolidated		Separate		Pricing policy
	financial statements		financial statements		
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	
<b><u>Transactions with subsidiary</u></b>					
(eliminated from the consolidated financial statements)					
Purchase of goods	-	-	9.2	4.3	Cost plus margin
Sales of goods	-	-	-	0.8	Cost plus margin
Interest income	-	-	3.9	4.9	1.82% - 4.75% per annum
Other income	-	-	0.2	0.2	Agreed price
<b><u>Transactions with associate</u></b>					
Other income	0.3	-	0.3	-	Contract price

As at 31 December 2021 and 2020, the balances of the accounts between the Company and those related parties are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
<b><u>Trade and other receivables - related parties (Note 8)</u></b>				
Subsidiary				
Aesthetic Zecret (AT-ZE) Company Limited	-	-	56	696
Associate				
Winner Agro Innovation Company Limited	45	-	45	-
Total	<u>45</u>	<u>-</u>	<u>101</u>	<u>696</u>
<b><u>Trade and other payables - related party (Note 18)</u></b>				
Subsidiary				
Aesthetic Zecret (AT-ZE) Company Limited	-	-	12	696
Total	<u>-</u>	<u>-</u>	<u>12</u>	<u>696</u>

**Loans to related party**

As at 31 December 2021 and 2020, the balances of loans between the Company and its related party and the movement in loans are as follows:

	(Unit: Thousand Baht)			
	Separate financial statements			
	Balance as at	Increase	Decrease	Balance as at
	31 December	during the year	during the year	31 December
	2020			2021
<b><u>Loans to subsidiary</u></b>				
Aesthetic Zecret (AT-ZE)				
Company Limited	54,300	<u>26,400</u>	<u>(18,100)</u>	62,600
Less: Amount expected to be received within a year	<u>-</u>			<u>-</u>
Loans to subsidiary - net of amount expected to be received within a year	<u>54,300</u>			<u>62,600</u>
<b><u>Long-term loan to subsidiary</u></b>				
Aesthetic Zecret (AT-ZE)				
Company Limited	<u>89,000</u>	<u>-</u>	<u>(89,000)</u>	<u>-</u>

Loans to subsidiary are unsecured promissory notes, carrying interest at 2.2 percent per annum and is to be repaid within 3 months from the drawdown date.

Long-term loan to subsidiary is an unsecured loan, carrying interest at 4.75 percent per annum and is to be repaid within 7 years from the drawdown date.

#### Directors and management's benefits

During the years ended 31 December 2021 and 2020, the Group had employee benefit expenses payable to their directors and managements as below:

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Short-term employee benefits	27,720	29,179	25,437	26,200
Post-employment benefits	1,417	615	1,389	254
Total	29,137	29,794	26,826	26,454

(Unit: Thousand Baht)

#### Guarantee obligations with its related party

The Company has outstanding guarantee obligations with its related party, as described in Note 31.3 to the financial statements.

## 7. Cash and cash equivalents

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Cash	143	141	98	101
Bank deposits	37,780	43,672	34,707	40,718
Total	37,923	43,813	34,805	40,819

(Unit: Thousand Baht)

As at 31 December 2021, bank deposits in saving accounts carried interests between 0.05 and 0.13 percent per annum (2020: 0.05 percent per annum).

## 8. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
<u>Trade receivables - related party (Note 6)</u>				
Aged on the basis of due dates				
Not yet due	-	-	10	204
Total trade receivables - related party	-	-	10	204
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	262,419	227,226	261,362	225,210
Past due				
Up to 3 months	73,481	97,106	73,347	96,396
3 - 6 months	40	-	40	-
6 - 12 months	355	2,010	341	2,010
Over 12 months	1,730	200	1,530	-
Total	338,025	326,542	336,620	323,616
Less: Allowance for expected credit losses	(1,021)	(1,066)	(790)	(772)
Total trade receivables - unrelated parties - net	337,004	325,476	335,830	322,844
Total trade receivables - net	337,004	325,476	335,840	323,048
<u>Other receivables</u>				
Interest receivables - related party (Note 6)	-	-	16	416
Accrued income - related party (Note 6)	45	-	45	-
Accrued income	3,034	2,247	3,034	2,247
Other receivables - related party (Note 6)	-	-	30	76
Other receivables	-	69	-	69
Total other receivables	3,079	2,316	3,125	2,808
Total trade and other receivables - net	340,083	327,792	338,965	325,856

The normal credit term is no more than 4 months.

## 9. Inventories

(Unit: Thousand Baht)

### Consolidated financial statements

	Cost		Reduce cost to net realisable value		Inventories-net	
	2021	2020	2021	2020	2021	2020
Finished goods	261,580	176,623	(3,834)	(7,735)	257,746	168,888
Work in process	689	1,230	(193)	(308)	496	922
Raw materials	14,791	14,357	(4,277)	(3,409)	10,514	10,948
Packaging supplies	4,564	4,053	(640)	(343)	3,924	3,710
Goods in transit	116,145	111,401	-	-	116,145	111,401
Total	397,769	307,664	(8,944)	(11,795)	388,825	295,869

(Unit: Thousand Baht)

### Separate financial statements

	Cost		Reduce cost to net realisable value		Inventories-net	
	2021	2020	2021	2020	2021	2020
Finished goods	258,474	172,513	(2,007)	(6,235)	256,467	166,278
Work in process	27	33	(2)	-	25	33
Raw materials	6,353	6,402	(100)	(166)	6,253	6,236
Packaging supplies	2,457	1,566	-	-	2,457	1,566
Goods in transit	116,145	111,401	-	-	116,145	111,401
Total	383,456	291,915	(2,109)	(6,401)	381,347	285,514

During the current year, the Group reduced cost of inventories by Baht 3.6 million (2020: Baht 10.9 million) (The Company only: Baht 2.1 million (2020: Baht 6.4 million)), to reflect the net realisable value. This was included in cost of sales and administrative expenses. In addition, the Group reduced the write-down of cost of inventories by Baht 6.4 million (2020: Baht 4.7 million) (The Company only: Baht 6.4 million (2020: Baht 3.5 million)) and reduced the cost of sales during the year, since the Group destroyed obsolete inventories.

## 10. Restricted bank deposits

These represent subsidiary's fixed deposits pledged with the banks to secure bank guarantees.

## 11. Investment in subsidiary

Details of investment in subsidiary as presented in separate financial statements are as follows:

(Unit: Thousand Baht)										
Company's name	Paid-up capital		Shareholding		Cost		Allowance for		Carrying amounts	
			percentage				Impairment	based on		
	2021	2020	2021	2020	2021	2020	cost method - net			
			(%)	(%)					2021	2020
Aesthetic Zecret (AT-ZE) Company Limited	180,000	80,000	100	100	263,851	163,851	(78,670)	(41,550)	185,181	122,301

On 30 August 2021, the Extraordinary General Meeting of Shareholders of Aesthetic Zecret (AT-ZE) Company Limited (the subsidiary), passed a resolution to increase its registered share capital by Baht 100 million from Baht 80 million to Baht 180 million by issuing 1 million newly issued ordinary shares, with a par value of Baht 100 each. The subsidiary registered the increase in share capital with the Ministry of Commerce on 6 September 2021. The Company had already made payment for such share capital in full.

During the current year, the Company recorded losses from impairment of investment in subsidiary of approximately Baht 37 million (2020: Baht 28 million) based on its review of the carrying amount of the investment in the subsidiary through the comparison of the net book value and the recoverable value of the cash generating unit, determined using the value-in-use method. The key assumptions used in calculation are disclosed in Note 13 to the financial statements.

The Group's management is currently implementing financial and operational measures to improve the subsidiary's future performance.

## 12. Investment in associate

(Unit: Thousand Baht)						
As at 31 December 2021						
Company's name	Nature of business	Country of incorporation	Shareholding percentage	Consolidated financial statements		Separate financial statements
				Carrying amounts based on equity method		Carrying amounts based on cost method
				Cost		
Winner Agro Innovation Company Limited	Production and distribution of raw materials, seedling varieties, and hemp extract	Thailand	45	14,202	17,371	14,202

On 13 May 2021, the Company's Board of Directors' Meeting passed a resolution approving the acquisition of 1,350,000 ordinary shares of Winner Agro Innovation Company Limited from its existing shareholder at a price of Baht 10.52 per share, or a total of Baht 14.2 million. The investment represents 45% of the issued ordinary shares of such company. The Company made payment for the investment in June 2021.

During the current year, the Group has recognised its share of profit from investment in associate in the consolidated financial statements amounting to Baht 3.2 million.

### 13. Goodwill

The net book values of goodwill as at 31 December 2021 and 2020 represent goodwill from purchase of investment in Aesthetic Zecret (AT-ZE) Company Limited (the subsidiary).

The Company determines the recoverable amount of the cash generating unit from the value in use of assets by estimating future cash flow expected to receive based on the financial plan approved by the management which covers a five-year period.

Key assumptions used in value in use calculation are summarised below.

	(Unit: Percent per annum)
Long-term growth rate	1.5
Pre-tax discount rate	10.0

The management determined long-term growth rates based on expected market growth in the industry and economic growth. Pre-tax discount rate reflects the risk specific to each cash generating unit.

The management believes that there is no impairment loss for goodwill.



## 14. Property, plant and equipment

(Unit: Thousand Baht)

	Consolidated financial statements							
	Land	Land improvements, buildings, building improvement and leasehold improvement	Machinery and equipment	Tools and equipment	Furniture and fixtures	Vehicles and labor-saving equipment	Assets under installation	Total
<b>Cost:</b>								
1 January 2020	148,560	216,298	62,396	28,262	45,327	23,289	506	524,638
Additions	-	906	794	959	2,543	-	6,934	12,136
Disposals/written-off	-	-	(58)	(614)	(5,560)	(2)	-	(6,234)
Transfer from right-of-use assets	-	-	-	-	-	2,998	-	2,998
Transfers in (out)	-	662	3,934	560	2,026	-	(7,182)	-
31 December 2020	148,560	217,866	67,066	29,167	44,336	26,285	258	533,538
Additions	-	-	203	598	2,999	33	719	4,552
Disposals/written-off	-	-	(1,057)	(754)	(704)	(7,498)	-	(10,013)
Transfers in (out)	-	155	61	556	8	-	(780)	-
31 December 2021	148,560	218,021	66,273	29,567	46,639	18,820	197	528,077

(Unit: Thousand Baht)

## Consolidated financial statements

	Land	Land improvements, buildings, building improvement and leasehold improvement	Machinery and equipment	Tools and equipment	Furniture and fixtures	Vehicles and labor-saving equipment	Assets under installation	Total
<b>Accumulated depreciation:</b>								
1 January 2020	-	76,021	31,700	18,930	36,318	13,375	-	176,344
Depreciation for the year	-	9,970	5,248	2,948	4,677	419	-	23,262
Transfer from right-of-use assets	-	-	-	-	-	1,683	-	1,683
Depreciation on disposals/ written-off	-	-	(37)	(296)	(5,486)	(1)	-	(5,820)
31 December 2020	-	85,991	36,911	21,582	35,509	15,476	-	195,469
Depreciation for the year	-	10,024	5,356	2,476	3,923	157	-	21,936
Depreciation on disposals/written-off	-	-	(1,056)	(503)	(690)	(4,158)	-	(6,407)
31 December 2021	-	96,015	41,211	23,555	38,742	11,475	-	210,998
<b>Net book value:</b>								
31 December 2020	148,560	131,875	30,155	7,585	8,827	10,809	258	338,069
31 December 2021	148,560	122,006	25,062	6,012	7,897	7,345	197	317,079
<b>Depreciation for the year</b>								
2020 (Baht 11.0 million included in manufacturing cost, and the balance in selling, distribution and administrative expenses)								23,262
2021 (Baht 10.6 million included in manufacturing cost, and the balance in selling, distribution and administrative expenses)								21,936

(Unit: Thousand Baht)

## Separate financial statements

	Land	Land improvements, buildings, building improvement and leasehold improvement	Machinery and equipment	Tools and equipment	Furniture and fixtures	Vehicles and labor-saving equipment	Assets under installation	Total
<b>Cost:</b>								
1 January 2020	114,250	109,659	38,285	20,680	32,119	20,487	506	335,986
Additions	-	75	316	705	2,321	-	6,934	10,351
Disposals/written-off	-	-	-	(67)	(1,384)	-	-	(1,451)
Transfer from right-of-use assets	-	-	-	-	-	2,998	-	2,998
Transfers in (out)	-	662	3,934	560	2,026	-	(7,182)	-
31 December 2020	114,250	110,396	42,535	21,878	35,082	23,485	258	347,884
Additions	-	-	203	486	2,534	33	719	3,975
Disposals/written-off	-	-	(1,057)	(388)	(393)	(7,498)	-	(9,336)
Transfers in (out)	-	155	61	556	8	-	(780)	-
31 December 2021	114,250	110,551	41,742	22,532	37,231	16,020	197	342,523

(Unit: Thousand Baht)

## Separate financial statements

	Land	Land improvements, buildings, building improvement and leasehold improvement	Machinery and equipment	Tools and equipment	Furniture and fixtures	Vehicles and labor-saving equipment	Assets under installation	Total
<b>Accumulated depreciation:</b>								
1 January 2020	-	55,107	25,904	15,684	25,524	10,598	-	132,817
Depreciation for the year	-	4,156	3,146	2,062	3,408	394	-	13,166
Transfer from right-of-use assets	-	-	-	-	-	1,683	-	1,683
Depreciation on disposals/written-off	-	-	-	(61)	(1,382)	-	-	(1,443)
31 December 2020	-	59,263	29,050	17,685	27,550	12,675	-	146,223
Depreciation for the year	-	4,116	3,226	1,701	3,275	157	-	12,475
Depreciation on disposals/written-off	-	-	(1,056)	(366)	(389)	(4,158)	-	(5,969)
31 December 2021	-	63,379	31,220	19,020	30,436	8,674	-	152,729
<b>Net book value:</b>								
31 December 2020	114,250	51,133	13,485	4,193	7,532	10,810	258	201,661
31 December 2021	114,250	47,172	10,522	3,512	6,795	7,346	197	189,794
<b>Depreciation for the year</b>								
2020 (Baht 5.3 million included in manufacturing cost, and the balance in selling, distribution and administrative expenses)								13,166
2021 (Baht 5.1 million included in manufacturing cost, and the balance in selling, distribution and administrative expenses)								12,475

As at 31 December 2021, the Group had certain items of plant and equipment which were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 106 million (2020: Baht 106 million) (The Company only: Baht 81 million (2020: Baht 81 million)).

## 15. Leases

The Group entered into lease agreements of assets to be used in its operation. The leases terms are generally between 3 - 5 years.

### 15.1 Right-of-use assets

Movements of right-of-use assets for the years ended 31 December 2021 and 2020 are summarised below:

(Unit: Thousand Baht)

	Consolidated financial statements			
	Building spaces	Office equipment	Motor vehicles	Total
1 January 2020	36,277	856	5,822	42,955
Increase	692	-	11,344	12,036
Decrease	(165)	-	-	(165)
Depreciation for the year	(9,971)	(313)	(1,017)	(11,301)
Transfer to property, plant and equipment - net book value as at transfer date	-	-	(1,315)	(1,315)
31 December 2020	26,833	543	14,834	42,210
Increase	3,854	438	4,736	9,028
Decrease	(523)	(50)	-	(573)
Depreciation for the year	(9,675)	(306)	(2,971)	(12,952)
31 December 2021	20,489	625	16,599	37,713

(Unit: Thousand Baht)

	Separate financial statements			
	Building spaces	Office equipment	Motor vehicles	Total
1 January 2020	18,214	510	5,822	24,546
Increase	692	-	11,344	12,036
Decrease	(112)	-	-	(112)
Depreciation for the year	(6,545)	(209)	(1,017)	(7,771)
Transfer to property, plant and equipment - net book value as at transfer date	-	-	(1,315)	(1,315)
31 December 2020	12,249	301	14,834	27,384
Increase	3,854	438	4,736	9,028
Decrease	(336)	(50)	-	(386)
Depreciation for the year	(6,382)	(203)	(2,971)	(9,556)
31 December 2021	9,385	486	16,599	26,470

## 15.2 Lease liabilities

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Lease payments	29,699	36,514	18,980	22,060
Less: Deferred interest expenses	(1,765)	(2,572)	(1,006)	(1,229)
Total	27,934	33,942	17,974	20,831
Less: Portion due within one year	(12,470)	(11,936)	(9,156)	(8,784)
Lease liabilities - net of current portion	15,464	22,006	8,818	12,047

Movements of the lease liabilities account during the years ended 31 December 2021 and 2020 are summarised below:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Balance at beginning of year	33,942	37,459	20,831	21,350
Increase	9,028	12,036	9,028	12,036
Accretion of interest	1,177	1,467	626	741
Payments	(15,649)	(16,864)	(12,124)	(13,188)
Decrease	(564)	(156)	(387)	(108)
Balance at end of year	27,934	33,942	17,974	20,831

A maturity analysis of lease payments is disclosed in Note 33.2 to the financial statements under the liquidity risk.

## 15.3 Expenses relating to leases that are recognised in profit or loss

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Depreciation expense of right-of-use assets	12,952	11,301	9,556	7,771
Interest expense on lease liabilities	1,177	1,467	626	741
Expense relating to short-term leases	3,217	3,190	3,217	3,190

## 15.4 Others

The Group had total cash outflows for leases for the year ended 31 December 2021 of Baht 18.7 million (2020: Baht 19.9 million) (The Company only: Baht 15.2 million (2020: Baht 16.2 million)), including the cash outflow related to short-term lease.

## 16. Intangible assets

The net book value of intangible assets as at 31 December 2021 and 2020 are presented below.

(Unit: Thousand Baht)

	Consolidated financial statements		
	Computer software	Computer software under installation	Total
As at 31 December 2021:			
Cost	21,569	684	22,253
<u>Less</u> Accumulated amortisation	(14,969)	-	(14,969)
Net book value	6,600	684	7,284
As at 31 December 2020:			
Cost	20,001	1,167	21,168
<u>Less</u> Accumulated amortisation	(11,226)	-	(11,226)
Net book value	8,775	1,167	9,942

(Unit: Thousand Baht)

	Separate financial statements		
	Computer software	Computer software under installation	Total
As at 31 December 2021:			
Cost	18,671	684	19,355
<u>Less</u> Accumulated amortisation	(13,341)	-	(13,341)
Net book value	5,330	684	6,014
As at 31 December 2020:			
Cost	17,301	1,167	18,468
<u>Less</u> Accumulated amortisation	(10,061)	-	(10,061)
Net book value	7,240	1,167	8,407

A reconciliation of the net book value of intangible assets for the years 2021 and 2020 are presented below.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Net book value at beginning of year	9,942	11,163	8,407	9,550
Acquisition of computer software	1,085	2,650	887	2,318
Amortisation	(3,743)	(3,871)	(3,280)	(3,461)
Net book value at end of year	7,284	9,942	6,014	8,407

#### 17. Bank overdrafts and short-term loans from financial institutions

(Unit: Thousand Baht)

	Interest rate (percent per annum)	Consolidated		Separate	
		financial statements		financial statements	
		2021	2020	2021	2020
Short-term loans from financial institutions	1.82 - 2.20	27,000	28,000	-	-
Trust receipts	1.10 - 1.30	230,151	61,803	230,151	61,803
Total		257,151	89,803	230,151	61,803

The credit facilities of the subsidiary are guaranteed by the Company.

#### 18. Trade and other payables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Trade payables - related party (Note 6)	-	-	5	696
Trade payables - unrelated parties	183,564	204,586	181,209	202,907
Other payables - related party (Note 6)	-	-	7	-
Other payables - unrelated parties	20,604	15,221	19,882	14,127
Accrued expenses	37,752	49,654	36,421	47,573
Total	241,920	269,461	237,524	265,303



## 19. Long-term loans from financial institution

			(Unit: Thousand Baht)			
Loan	Interest rate (Percent per annum)	Repayment schedule	Consolidated financial statements		Separate financial statements	
			2021	2020	2021	2020
1	3.75 for the first 5 years and thereafter at MLR - 2.1	Repaid for every 3 months within 7 years from the drawdown date	14,252	112,600	14,252	112,600
2	4.75	Repaid for every 3 months within 3 years from the drawdown date	-	4,043	-	-
Total			14,252	116,643	14,252	112,600
Less: Current portion			(14,252)	(40,471)	(14,252)	(37,078)
Long-term loans from financial institution - net of current portion			-	76,172	-	75,522

Movements of the long-term loans from financial institution account during the years ended 31 December 2021 and 2020 are summarised below:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Beginning balance	116,643	199,789	112,600	192,366
Repayment during the year	(102,624)	(83,638)	(98,574)	(80,238)
Amortisations of prepaid loan fees	233	492	226	472
Ending balance	14,252	116,643	14,252	112,600

The loan credit facility of the subsidiary is guaranteed by the Company.

Under the loan agreement, the Company is required to comply with some financial conditions stated in the agreement including maintenance of debt to equity ratio and debt service coverage ratio at the rate prescribed in the agreement.

## 20. Provision for goods return

	(Unit: Thousand Baht)
	Consolidated financial statements/Separate financial statements
At 1 January 2020	5,418
Increase during the year	12,187
Utilised	(12,510)
At 31 December 2020	5,095
Increase during the year	8,337
Utilised	(9,375)
At 31 December 2021	4,057

## 21. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employees after they retire, was as follows:

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
	2021	2020
<b>Provision for long-term employee benefits at beginning of year</b>	19,317	19,587
Included in profit or loss:		
Current service cost	4,380	2,438
Interest cost	308	535
Included in other comprehensive income:		
Actuarial (gain) loss arising from		
Demographic assumptions changes	-	(901)
Financial assumptions changes	-	(349)
Experience adjustments	-	(891)
Benefits paid during the year	(106)	(1,102)
<b>Provision for long-term employee benefits at end of year</b>	23,899	19,317

As at 31 December 2021, the weighted average duration of the liabilities for long-term employee benefits is 19 years (2020: 19 years) (The Company only: 16 years, (2020: 16 years)).

Significant actuarial assumptions are summarised below:

(Unit: percent per annum)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Discount rate	1.60 - 1.90	1.60 - 1.90	1.60	1.60
Salary increase rate	3.00 - 6.30	3.00 - 6.30	3.60 - 6.30	3.60 - 6.30
Turnover rate	0.00 - 33.30	0.00 - 33.30	2.90 - 33.30	2.90 - 33.30

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2021 and 2020 are summarised below:

(Unit: Million Baht)

	31 December 2021			
	Consolidated financial statements		Separate financial statements	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(2.7)	3.2	(2.6)	3.0
Salary increase rate	3.2	(2.8)	3.1	(2.6)
Turnover rate	(1.4)	1.5	(1.3)	1.4

(Unit: Million Baht)

	31 December 2020			
	Consolidated financial statements		Separate financial statements	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(2.3)	2.7	(2.2)	2.6
Salary increase rate	2.5	(2.2)	2.4	(2.1)
Turnover rate	(1.2)	1.3	(1.1)	1.2

## 22. Share capital

On 28 September 2021, the Extraordinary General Meeting of the Company's shareholders passed a resolution to approve an increase of the Company's registered capital by Baht 50 million from the existing registered share capital of Baht 100 million to Baht 150 million by issuing 200 million newly issued ordinary shares, with a par value of Baht 0.25 each, to accommodate the stock dividend payment, as described in Note 30 to the financial statements. The Company registered the increase in its registered capital with the Ministry of Commerce on 8 October 2021.

Subsequently, the Company paid the stock dividends of 199,974,662 ordinary shares of the Company and registered the increase in its paid-up capital with the Ministry of Commerce on 20 October 2021.

## 23. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution. At present, the statutory reserve has fully been set aside.

## 24. Finance cost

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Interest expenses on borrowings	4,934	7,648	4,294	6,786
Interest expenses on lease liabilities	1,177	1,467	626	741
Amortisations of prepaid loan fees	233	492	226	472
Total	<u>6,344</u>	<u>9,607</u>	<u>5,146</u>	<u>7,999</u>

## 25. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Salaries and wages and other employee benefits	193,768	196,150	161,035	154,957
Depreciation	34,888	34,563	22,031	20,937
Amortisation	3,743	3,871	3,280	3,461
Marketing expenses	11,875	14,973	11,346	14,060
Purchases for finished goods	1,345,116	1,162,230	1,354,276	1,166,459
Raw materials and packaging supplies used	83,407	71,837	70,395	57,954
Changes in finished goods and work in process	(84,416)	11,697	(85,955)	12,730

## 26. Income tax

Income tax expenses for the years ended 31 December 2021 and 2020 are made up as follows:

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<b>Current income tax:</b>				
Current income tax charge	32,791	30,490	32,791	30,490
Adjustment in respect of income tax of previous year	11	(7)	11	(7)
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	(774)	(2,477)	791	(120)
<b>Income tax expense reported in profit or loss</b>	<b>32,028</b>	<b>28,006</b>	<b>33,593</b>	<b>30,363</b>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2021 and 2020 are as follows:

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Deferred tax relating to actuarial gain	-	428	-	5

The reconciliation between accounting profit and income tax expense is shown below.

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Accounting profit before tax	140,704	112,532	129,008	123,716
Applicable tax rate (percent)	20	20	20	20
Accounting profit before tax multiplied by income tax rate	28,141	22,506	25,802	24,743
Adjustment in respect of income tax of previous year	11	(7)	11	(7)
Tax loss and temporary difference which deferred tax assets have not been recognised and write-down of previous deferred tax assets	3,476	5,321	7,424	5,540
Temporary difference on leases which deferred tax liabilities have been recognised	288	1,952	288	1,952
Additional capital expenditure deductions allowed	-	(1,442)	-	(1,442)
Effects of:				
Non-deductible expenses	578	556	466	457
Additional expense deductions allowed	(158)	(880)	(158)	(880)
Tax-exempted revenue	(308)	-	(240)	-
Total	112	(324)	68	(423)
Income tax expense reported in profit or loss	32,028	28,006	33,593	30,363

The components of deferred tax assets and deferred tax liabilities are as follows:

(Unit: Thousand Baht)

	Statements of financial position			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<b>Deferred tax assets</b>				
Allowance for expected credit losses	198	194	158	154
Allowance for diminution in value of inventories	1,789	2,359	422	1,280
Provision for goods return	811	1,019	811	1,019
Accumulated depreciation - leasehold improvement	286	716	-	-
Unused capital expenditure	1,063	1,442	1,063	1,442
Unused tax loss	13,226	11,666	-	-
Provision for long-term employee benefits	4,780	3,863	4,619	3,741
Total	<u>22,153</u>	<u>21,259</u>	<u>7,073</u>	<u>7,636</u>
<b>Deferred tax liabilities</b>				
Accumulated depreciation - Building and equipment	2,298	2,001	2,298	2,001
Fair value of property, plant and equipment through business combination	6,293	6,401	-	-
Leases	2,531	2,600	2,531	2,600
Total	<u>11,122</u>	<u>11,002</u>	<u>4,829</u>	<u>4,601</u>

As at 31 December 2021, the Group has unused tax losses amounting to Baht 45 million (2020: Baht 26 million), on which deferred tax assets have not been recognised as the Group believes future taxable profits may not be sufficient to allow utilisation of the unused tax losses.

The unused tax losses amounting to Baht 112 million will expire within 2026.

## 27. Earnings per share

Basic earnings per share is calculated by dividing profit for the period (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year, after adjusting the number of ordinary shares to reflect a result of the distribution of the stock dividend as described in Note 30 to the financial statements. The prior period's basic earnings per share has been recalculated as if the stock dividend had been distributed at the beginning of the earliest period reported.

The following table sets forth the computation of basic earnings per share.

	Consolidated financial statements		Separate financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Profit for the year (Thousand Baht)	108,676	84,526	95,416	93,353
Weighted average number of ordinary shares (Thousand shares)	599,975	599,975	599,975	599,975
Earnings per share (Baht)	0.18	0.14	0.16	0.16

## 28. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance. The chief operating decision maker has been identified as executive committee.

For management purposes, the Group is organised into business units based on its products and services, the distribution channel and management factors and have three reportable segments as follows:

- (a) Industrial food product Segment
- (b) Consumer food product Segment
- (c) Manufacture of skincare products, cosmetics, food supplements and medicines used to treat skin diseases Segment

No operating segments have been aggregated to form the above reportable operating segments.

The chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and on a basis consistent with that used to measure operating profit or loss in the financial statements.

The basis of accounting for any transactions between reportable segments is consistent with that for third party transactions.



The following table presents revenue and profit (loss) information regarding the Group's operating segments for the years ended 31 December 2021 and 2020.

(Unit: Thousand Baht)

	Industrial food product segment		Consumer food product segment		Manufacture of skincare products, cosmetics, food supplements and medicines used to treat skin diseases segment		Adjustments and eliminations		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Revenues	729,356	697,112	1,011,339	940,625	53,335	54,334	(9,177)	(5,060)	1,784,853	1,687,011
Segment profit (loss)	148,756	152,896	146,218	126,411	(24,885)	(37,122)	(1,655)	(693)	268,434	241,492
Unallocated expenses									(130,899)	(128,960)
Share of profits from investment in associate									3,169	-
Income tax expenses									(32,028)	(28,006)
Profit for the year									108,676	84,526

### Geographic information

The Group operates in Thailand only. As a result, all the revenues and assets as reflected in these financial statements pertain exclusively to this geographical reportable segment.

### Major customers

For the year 2021, the Group has revenue from a major customer in amount of Baht 375 million, arising from consumer food product segment (2020: Baht 373 million derived from a major customer, arising from consumer food product segment).

## 29. Provident fund

The Group and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. The Group contributes to the fund monthly at the rate of 3 or 5 percent of basic salary. And employees contribute to the fund monthly at the rate of 3 to 15 percent of basic salary. The fund, which is managed by Bangkok Capital Asset Management Company Limited, will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2021 amounting to approximately Baht 4.0 million (2020: Baht 3.8 million) (the Company only: Baht 3.5 million (2020: Baht 3.3 million)) were recognised as expenses.

## 30. Dividends

Dividends	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)
Interim dividend from operating result of the year 2019	Board of Directors' Meeting of the Company on 9 April 2020	40	0.10
Interim dividends from operating result of the year 2020	Board of Directors' Meeting of the Company on 13 August 2020	40	0.10
Total		80	0.20
Final dividends for 2020	Annual General Meeting of the shareholder on 22 April 2021	40	0.10
Interim dividends from operating result of the year 2021	Extraordinary General Meeting of the shareholder on 28 September 2021		
Cash dividend		6	0.01
Stock dividend		50	0.13
Total		96	0.24

## 31. Commitments and contingent liabilities

## 31.1 Service commitments

The Group has outstanding commitments in respect of service agreements. Future minimum payment required under these service agreements are as follows.

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Payable:				
In up to 1 year	2.2	2.2	1.7	1.7
In over 1 and up to 3 years	0.1	0.1	0.1	0.1

### 31.2 Royalty agreements

On 4 May 1993, the Company entered into an agreement with a supplier in the US, under which the Company was granted the right to be an exclusive independent sales distributor in the Territory of Thailand. Under the agreement, the Company has to pay royalty fees to the supplier at the rates stipulated in the agreement, based on purchases of product, for a period of 5 years. After that initial term and in the absence of any notice of termination, the agreement will automatically extend on a year to year basis.

During the year 2021, the Company recorded royalty fees under the above agreement amounting to Baht 13.9 million (2020: Baht 14.5 million).

### 31.3 Guarantees

- a) There were outstanding bank guarantees issued by banks on behalf of the Group in respect of certain performance bonds as required in the normal course of business as follows.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Letters of guarantee for trade contractual performance	1.4	1.5	1.4	1.5
Letters of guarantee for electricity use	0.8	1.3	0.7	0.7
Total	<u>2.2</u>	<u>2.8</u>	<u>2.1</u>	<u>2.2</u>

- b) As at 31 December 2021, credit facilities of the subsidiary are guaranteed by the Company amounting to Baht 47.5 million (2020: Baht 47.5 million).

### 31.4 Litigation

As at 31 December 2021, the Company had the litigation relating to the alleged breach of agreement to claim a refund, with damages claimed amounting to Baht 5.1 million, together with interest thereon at the rate of 7.5 percent per annum. However, the Company is currently defending the lawsuit and believes that the litigation will not have a material impact, and therefore no provisions have been set aside in respect of this case in the financial statements for the current year.

### 32. Fair value hierarchy

As at 31 December 2021 and 2020, the Group had the financial assets and liabilities that were measured at fair value or disclosed fair value using different levels of inputs as follows:

(Unit: Thousand Baht)

	Consolidated financial statements / Separate financial statements	
	2021	2020
	<u>Level 2</u>	<u>Level 2</u>
<b>Assets measured at fair value</b>		
Derivatives		
Foreign currency forward contracts	205	-
<b>Liabilities measured at fair value</b>		
Derivatives		
Foreign currency forward contracts	-	2,117

The fair value of forward foreign exchange contracts have been determined using rates that are calculated by the commercial bank. The input data in its valuation is mostly extracted from observable market data such as spot rate, future rate and yield curves.

During the current year, there were no change in the method and assumptions used in estimating the fair value of financial instruments and there were no transfers within the fair value hierarchy.

### 33. Financial instruments

#### 33.1 Derivatives

(Unit: Thousand Baht)

	Consolidated financial statements/ Separate financial statements	
	<u>2021</u>	<u>2020</u>
<b>Derivative asset</b>		
<i>Derivative asset not designated as hedging instruments</i>		
Foreign exchange forward contracts	205	-
<b>Derivative liability</b>		
<i>Derivative liability not designated as hedging instruments</i>		
Foreign exchange forward contracts	-	2,117

The Group uses foreign exchange forward contracts to manage some of its transaction exposures. The contracts are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally within a year.

### 33.2 Financial risk management objectives and policies

The Group's financial instruments principally comprise cash and cash equivalents, trade and other receivables, loans to subsidiary, bank overdrafts and loans from financial institutions, trade and other payables and lease liabilities. The financial risks associated with these financial instruments and how they are managed is described below.

#### **Credit risk**

The Group is exposed to credit risk primarily with respect to deposits with banks, trade and other receivable and loans to. Except for derivatives, the maximum exposure to credit risk is limited to the carrying amounts as stated in the statement of financial position. The Group's maximum exposure relating to derivatives is noted in the liquidity risk topic.

#### ***Trade receivables and loans to***

The Group manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. Outstanding trade receivables are regularly monitored.

An impairment analysis is performed at each reporting date to measure expected credit losses. The provision rates for the trade receivable are based on days past due for groupings of various customer segments with similar credit risks. The calculation reflects the probability-weighted outcome, and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future. The provision rates for the expected credit losses on loans are based on the status of debtor, time value of money and loan repayment plans which are reasonable and have supportable information available as at the reporting date.

#### ***Financial instruments and cash deposits***

The Group manages the credit risk from balances with banks by making investments only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Group's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Executive Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.

The credit risk on derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

#### **Market risk**

There are two types of market risk comprising foreign currency risk and interest rate risk. The Group enters into foreign exchange forward contracts to hedge the foreign currency risk arising on the import of goods.

*Foreign currency risk*

The Group's exposure to foreign currency risk arises mainly from purchase of goods that are denominated in foreign currencies. The Group seeks to reduce this risk by entering into foreign exchange forward contracts when it considers appropriate. Generally, the forward contracts mature within one year.

As at 31 December 2021 and 2020, the balances of financial liabilities denominated in foreign currencies are summarised below.

Foreign currency	Consolidated financial statements/ Separate financial statements			
	Financial liabilities		Average exchange rate	
	2021 (Million)	2020 (Million)	2021 (Baht per 1 foreign currency unit)	2020
US dollar	4.6	5.9	33.54	30.62
Euro	0.1	0.1	38.53	36.75

*Foreign currency sensitivity*

The following tables demonstrate the sensitivity of the Group's profit before tax to a reasonably possible change in US dollar exchange rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary liabilities including non-designated foreign currency derivatives as at 31 December 2021 and 2020. The Group's exposure to foreign currency changes for all other currencies is not material.

Currency	Consolidated financial statements/ Separate financial statements			
	2021		2020	
	Increase/ Decrease	Effect on profit before tax	Increase/ Decrease	Effect on profit before tax
	(%)	(Thousand Baht)	(%)	(Thousand Baht)
US Dollar	+1	(3,668)	+1	(3,514)
	-1	3,668	-1	3,514

*Interest rate risk*

The Group's exposure to interest rate risk relates primarily to loans to subsidiary, bank overdrafts and loans from financial institutions and lease liabilities. Most of the Group's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

The Group manages its interest rate risk by having appropriate proportion of fixed and variable rate loans and borrowings.

As at 31 December 2021 and 2020, significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

	Consolidated financial statements					
	As at 31 December 2021					
	Fixed interest rates					
	Within 1 year	1-5 years	Floating interest rate	Non - interest bearing	Total	Interest rate (% per annum)
Financial assets						
Cash and cash equivalents	-	-	31	7	38	0.05 - 0.13
Trade and other receivables	-	-	-	340	340	-
Financial liabilities						
Bank overdrafts and short-term loans from financial institutions	257	-	-	-	257	1.10 - 2.20
Trade and other payables	-	-	-	242	242	-
Lease liabilities	12	16	-	-	28	0.94 - 5.00
Long-term loans from financial institution	14	-	-	-	14	3.75

(Unit: Million Baht)

	Consolidated financial statements					
	As at 31 December 2020					
	Fixed interest rates					
	Within 1 year	1-5 years	Floating interest rate	Non - interest bearing	Total	Interest rate (% per annum)
<b>Financial assets</b>						
Cash and cash equivalents	-	-	37	7	44	0.05
Trade and other receivables	-	-	-	328	328	-
<b>Financial liabilities</b>						
Bank overdrafts and short-term						
loans from financial institutions	90	-	-	-	90	1.12 - 1.82
Trade and other payables	-	-	-	269	269	-
Lease liabilities	12	22	-	-	34	1.55 - 5.00
Long-term loans from financial institution	40	49	28	-	117	3.75, 4.75 and MLR-2.10

(Unit: Million Baht)

## Separate financial statements

As at 31 December 2021

	Fixed interest rates		Floating interest rate	Non - interest bearing	Total	Interest rate (% per annum)
	Within	1-5				
	1 year	years				
<b>Financial assets</b>						
Cash and cash equivalents	-	-	29	6	35	0.05 - 0.13
Trade and other receivables	-	-	-	339	339	-
Loans to subsidiary	-	63	-	-	63	2.20
<b>Financial liabilities</b>						
Bank overdrafts and short-term loans from financial institutions	230	-	-	-	230	1.10 - 1.30
Trade and other payables	-	-	-	238	238	-
Lease liabilities	9	9	-	-	18	0.94 - 4.13
Long-term loan from financial institution	14	-	-	-	14	3.75

(Unit: Million Baht)

## Separate financial statements

As at 31 December 2020

	Fixed interest rates		Floating interest rate	Non - interest bearing	Total	Interest rate (% per annum)
	Within	1-5				
	1 year	years				
<b>Financial assets</b>						
Cash and cash equivalents	-	-	37	4	41	0.05
Trade and other receivables	-	-	-	326	326	-
Loans to subsidiary	-	54	-	-	54	1.82
Long-term loan to subsidiary	-	89	-	-	89	4.75
<b>Financial liabilities</b>						
Bank overdrafts and short-term loans from financial institutions	62	-	-	-	62	1.12 - 1.13
Trade and other payables	-	-	-	265	265	-
Lease liabilities	9	12	-	-	21	1.55 - 4.13
Long-term loan from financial institution	37	49	27	-	113	3.75 and MLR-2.10



## Liquidity risk

The Group monitors the risk of a shortage of liquidity through the use of bank overdrafts, loans from bank and lease contracts. The Group has assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Group has access to a sufficient variety of sources of funding.

The table below summarises the maturity profile of the Group's non-derivative financial liabilities and derivative financial instruments as at 31 December 2021 and 2020 based on contractual undiscounted cash flows:

(Unit: Thousand Baht)

Consolidated financial statements				
As at 31 December 2021				
On demand	Less than 1 year	1 to 5 years	> 5 years	Total
<b>Non-derivatives</b>				
Bank overdrafts and short-term loans				
from financial institutions	-	257,299	-	257,299
Trade and other payables	-	241,920	-	241,920
Lease liabilities	-	13,383	16,316	29,699
Long-term loans from financial institution	-	14,371	-	14,371
<b>Total non-derivatives</b>	-	526,973	16,316	543,289

(Unit: Thousand Baht)

Consolidated financial statements				
As at 31 December 2020				
On demand	Less than 1 year	1 to 5 years	> 5 years	Total
<b>Non-derivatives</b>				
Bank overdrafts and short-term loans				
from financial institutions	-	89,907	-	89,907
Trade and other payables	-	269,461	-	269,461
Lease liabilities	-	13,123	23,391	36,514
Long-term loans from financial institution	-	44,332	79,098	123,430
<b>Total non-derivatives</b>	-	416,823	102,489	519,312
<b>Derivative</b>				
Derivative liabilities	-	2,117	-	2,117

(Unit: Thousand Baht)

Separate financial statements				
As at 31 December 2021				
On demand	Less than 1 year	1 to 5 years	> 5 years	Total
<b>Non-derivatives</b>				
Bank overdrafts and short-term loans				
from financial institutions	-	230,299	-	230,299
Trade and other payables	-	237,524	-	237,524
Lease liabilities	-	9,647	9,333	18,980
Long-term loans from financial institution	-	14,371	-	14,371
<b>Total non-derivatives</b>	-	491,841	9,333	501,174

(Unit: Thousand Baht)

Separate financial statements				
As at 31 December 2020				
On demand	Less than 1 year	1 to 5 years	> 5 years	Total
<b>Non-derivatives</b>				
Bank overdrafts and short-term loans				
from financial institutions	-	61,832	-	61,832
Trade and other payables	-	265,303	-	265,303
Lease liabilities	-	9,387	12,673	22,060
Long-term loans from financial institution	-	40,800	78,441	119,241
<b>Total non-derivatives</b>	-	377,322	91,114	468,436
<b>Derivative</b>				
Derivative liabilities	-	2,117	-	2,117

### 33.3 Fair values of financial instruments

Since the majority of the Group's financial instruments are short-term in nature or carrying interest at rates which are close to the market interest rates, their fair value is not expected to be materially different from the amounts presented in statement of financial position.

### 34. Capital management

The primary objective of the Company's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value and to meet financial covenants attached to the loan agreements. The Group has complied with the covenants throughout the reporting periods.

As at 31 December 2021, the Group's debt-to-equity ratio was 0.9:1 (2020: 0.9:1) and the Company's debt-to-equity ratio was 0.8:1 (2020: 0.8:1).

### 35. Events after the reporting period

On 23 February 2022, the Board of Directors meeting of the Company passed the resolution to raise the agenda to Annual General Meeting for approval the following matters:

- a) To pay a dividend for the year 2021 amounting to Baht 128 million. The Company has already paid amounting to Baht 55.6 million an interim stock dividend and cash dividend as follows.
  - Stock dividend of 199,974,662 ordinary shares with a par value of Baht 0.25 each, in the total amount of Baht 50 million, or equivalent to a dividend payment of Baht 0.125 per share.
  - Cash dividend at the rate of Baht 0.0139 per share or in the total amount of Baht 5.6 million (for withholding tax deduction purposes).

The remaining dividend is Baht 0.12 per share, a total of Baht 72 million will be paid and recorded after it is approved by the Annual General Meeting of the Company's shareholder.

- b) To decrease the Company's registered share capital by cancelling of unissued 25,338 ordinary shares, at the par value of Baht 0.25 each from the existing registered capital of Baht 150,000,000 to be Baht 149,993,666.

### 36. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 23 February 2022.

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## Section 4

# Data Authentication




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## Data Authentication

The company has carefully reviewed the information in this annual statement. The company hereby certifies that such information is true, complete, no false and does not mislead by others, or lack of information that should be notified in material aspects. In addition, the Company hereby certifies that

- (1) Financial statements and financial information summarized in the annual statement are accurate and complete on essential matters relating to the financial position, performance, and the Company's cashflows and its subsidiaries.
- (2) The company has established a good information disclosure system to ensure that the significant information has been correctly and completely disclosed as for an important parts of the Company and its subsidiaries as well as to control and supervise the implementation of the above system.
- (3) The company has established a good internal control system and supervised the implementation of the system. Also, the Company has informed the assessment of the internal control system as of **February 23, 2022** to the auditor and the company's Audit Committee which covered the shortcomings and important changes in the internal control system including wrongful acts that may affect the financial reports of the company and its subsidiaries.

As an evidence that all documents are the same set of certified documents by the company, **Miss Kanollas Wongisariyakul** has been assigned to be the person who signs these documents on every page. If any document does not have **Miss Kanollas Wongisariyakul's** initial, the company will consider that the information is not what the company has certified the accuracy of the above information.

	Name	Title	Signature
<u>Authorized Directors bound by Certificates</u>			
1.	Mr. Jane Wongisariyakul	Director	
2.	Miss Kanollas Wongisariyakul	Director	
<u>Attorney</u>			
	Miss Kanollas Wongisariyakul	Director	

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## Attachments

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## Attachment 1

Detail of the Board of Directors, Executives, Regulator and Company Secretary of the Winner Group Enterprise Public Company Limited as of December 31, 2021

Name-Surname / Position	Age (Year)	Education / Training	No. of Share held	Relationship with Directors and Management	Work Experience (Last 5 Years)		
					Timeline	Position	Company / Business Type
<b>1. Mr. Prakarn Tawisuwan</b> - Chairman of the Board Director - Independent Director - Chairman of the Audit Committee	75	- Master of Business Administration Program (XMBA), Thammasat University - Bachelor of Economics, Thammasat University - Director Certification Program (DCP) 75/2006, Thai Institute of Directors - Advanced Audit Committee Program (AACP) 26/2017, Thai Institute of Directors	None	None	<b>Listed Companies</b>		
					2013 - Present	Chairman of Board of Directors / Independent Director / Chairman of the Audit Committee	Winner Group Enterprise Plc. (Service)
					<b>Non-Listed Companies</b>		
					2015 - Present	Director and Vice Chairman	M.R. Rosalins Gagananga Foundation Under the Royal Patronage of HRH Princess Maha Chakri Sirindhorn

Name-Surname / Position	Age (Year)	Education / Training	No. of Share held	Relationship with Directors and Management	Work Experience (Last 5 Years)		
					Timeline	Position	Company / Business Type
2. Mr. Jane Wongisariyakul  - Director  - Chairman of Executive Committee  - Chairman of Risk Management Committee  - CEO  <i>(Authorized Director)</i>	69	- Master of Business Administration Program (XMBA), Thammasat University  - Bachelor of Science in Food Technology, Chulalongkorn University  - Bachelor of Business Commerce, Beijing Language and Culture University, China  - Director Accreditation Program (DAP) 31/2005, Thai Institute of Directors  - Role of Nomination and Governance Committee (RNG) 5/2013, Thai Institute of Directors  - Certificate of Public Economics Management for Executives (Batch 8), The College of Politics and Governance, King Prajadhipok’s Institute  - Capital Market Academy Executive Program (Class 23), Capital Market Academy, the Stock Exchange of Thailand  - Thai - Chinese Leadership Studies#2, Huachiew Chalermprakiet University	31.24%  (as at March 11, 2022)	- Spouse of Mrs. Vannaporn Wongisariyakul  - Father of Ms.Kanollas Wongisariyakul	Listed Companies		
					2020 - Present	Director / Chairman of Executive Committee  / Chairman of Risk Management Committee / CEO	Winner Group Enterprise Plc.  (Service)
					2006 - Present	Independent Director  / Audit Committee Member / Nomination and Remuneration Committee Member	Eason Paint Plc.
					2013 - 2020	Director / Chairman of Executive Committee  / Chairman of Risk Management Committee / President & CEO	Winner Group Enterprise Plc.  (Service)
					Non-Listed Companies		
					2020 - Present	Director	Winner Agro Innovation Co., Ltd.
					2018 - Present	Director and Independent Director	CU Enterprise Co., Ltd.
2018 - Present	Director	Aesthetic Zecret (AT-ZE) Co., Ltd.					
2017 - Present	Director	Winner Fam Ltd.					
2012 - Present	Director	Jamjuree Innovations Ltd.					



Name-Surname / Position	Age (Year)	Education / Training	No. of Share held	Relationship with Directors and Management	Work Experience (Last 5 Years)		
					Timeline	Position	Company / Business Type
2. Mr. Jane Wongisariyakul (Continued)					Non-Listed Companies (Continued)		
					2010 - Present	Vice Chairman	Faculty of Science Foundation, Chulalongkorn University
					2008 - Present	Director	Jamjuree Innovations Products Ltd.
					2011 - 2017	Director	Jamchuri Testing Laboratory Ltd.
3. Mrs. Vannaporn Wongisariyakul - Director - Member of Executive Committee - Member of Risk Management Committee (Authorized Director)	66	- Master of Science in Food Technology, Chulalongkorn University - Bachelor of Science in Food Technology, Chulalongkorn University - Director Accreditation Program (DAP) 91/2011, Thai Institute of Directors - Lean Supply Chain by TMB (TMB Lean Six Sigma White and Blue Belt Course), Batch#10, Food and Beverage Industry in 2017	8.78% (as at March 11, 2022)	- Spouse of Mr. Jane Wongisariyakul - Mother of Miss Kanollas Wongisariyakul	Listed Companies		
					2018 - Present	Director / Executive Committee Member / Risk Management Committee Member	Winner Group Enterprise Plc. (Service)
					2013 - 2018	Director / Executive Committee Member / Risk Management Committee Member / Deputy Managing Director	Winner Group Enterprise Plc. (Service)
					Non-Listed Companies		
					2018 - Present 2017 - Present	Director Director	Aesthetic Zecret (AT-ZE) Co., Ltd. Winner Fam Ltd.

Name-Surname / Position	Age (Year)	Education / Training	No. of Share held	Relationship with Directors and Management	Work Experience (Last 5 Years)		
					Timeline	Position	Company / Business Type
<b>4. Miss Kanokpan Kreangkraikrissada</b> - Director - Member of Executive Committee - Member of Risk Management Committee <i>(Authorized Director)</i>	52	- Master of Business Administration (MBA), Chulalongkorn University - Bachelor of Science in Food Science & Technology, Kasetsart University - Directors Accreditation Program (DAP) 91/ 2011, Thai Institute of Directors - Certificate of Mini MBA, Thammasat University	2.85%  (as at March 11, 2022)	None	<b>Listed Companies</b>		
					2018 - Present	Director / Executive Committee Member / Risk Management Committee Member	Winner Group Enterprise Plc. (Service)
					2013 - 2018	Director / Executive Committee Member / Risk Management Committee Member / Deputy Managing Director	Winner Group Enterprise Plc. (Service)
					<b>Non-Listed Companies</b>		
					2018 - Present	Director	Aesthetic Zecret (AT-ZE) Co., Ltd.

Name-Surname / Position	Age (Year)	Education / Training	No. of Share held	Relationship with Directors and Management	Work Experience (Last 5 Years)		
					Timeline	Position	Company / Business Type
<b>5. Miss Kanollas Wongisariyakul</b> - Director - Member of Executive Committee - Member of Risk Management Committee - Managing Director - CFO <i>(Authorized Director)</i>	39	- Master of Executive Master of Business Administration, Sasin Graduate Institute of Business Administration of Chulalongkorn University - Bachelor of Business Administration (Finance), Thammasat University - Directors Accreditation Program (DAP) 91/ 2011, Thai Institute of Directors - How to Develop a Risk Management Plan (HRP) 8/2015, Thai Institute of Directors - Successful Formulation & Execution of Strategy (SFE) 27/2016, Thai Institute of Directors - Chief Financial Officer Certificate Program Batch #20, Federation of Accounting Professions under the Royal Patronage of his Majesty the King	5.75%  (as at March 11, 2022)	- Daughter of Mr. Jane and Mrs. Vannaporn Wongisariyakul	<b>Listed Companies</b>		
					2020 - Present	Director / Member of Executive Committee / Member of Risk Management Committee / Managing Director / CFO / VP-Business Development (Acting)	Winner Group Enterprise Plc. (Service)
					2015 - 2020	Director / Member of Executive Committee / Member of Risk Management Committee / EVP	Winner Group Enterprise Plc. (Service)
					<b>Non-Listed Companies</b>		
					2018 - Present	Director / Managing Director	Aesthetic Zecret (AT-ZE) Co., Ltd.
					2017 - Present	Director	Winner Fam Ltd.

Name-Surname / Position	Age (Year)	Education / Training	No. of Share held	Relationship with Directors and Management	Work Experience (Last 5 Years)		
					Timeline	Position	Company / Business Type
<b>6. Mr. Surapat Rojchanavisart</b> - Director - Member of Nomination Remuneration and Corporate Governance Committee	69	- Master of Business Administration, Tarleton State University, Texas, USA - Bachelor of Science in General Science, Chulalongkorn University - Directors Accreditation Program (DAP) 100/2013, Thai Institute of Directors - Role of the Compensation Committee (RCC) 21/2016, Thai Institute of Directors - Role of the Nomination & Governance Committee Program (RNG) 8/2016, Thai Institute of Directors	2.50%  (as at March 11, 2022)	None	<b>Listed Companies</b>		
					2016 - Present	Director / Member of Nomination Remuneration and Corporate Governance Committee	Winner Group Enterprise Plc. (Service)
					2013 - 2016	Director	Winner Group Enterprise Plc. (Service)
					<b>Non-Listed Companies</b>		
					2012 - Present	Executive Committee	Chai's Clansman Association of Thailand
					2010 - Present	Director	Pro Master Pack Co., Ltd.

Name-Surname / Position	Age (Year)	Education / Training	No. of Share held	Relationship with Directors and Management	Work Experience (Last 5 Years)		
					Timeline	Position	Company / Business Type
<b>7. Miss Thipawan Uthaisang</b> - Independent Director - Member of the Audit Committee - Chairman of Nomination Remuneration and Corporate Governance Committee	64	- Master of Business Administration, Thammasat University - Bachelor of Accounting, Thammasat University - Director Certification Program (DCP) 29/2003, Thai Institute of Directors - Audit Committee Program (ACP) 23/2008, Thai Institute of Directors - Role of the Compensation Committee (RCC) 17/2013, Thai Institute of Directors - Advanced Audit Committee Program (AACP) 26/2017, Thai Institute of Directors - Advanced Certificate in Politics and Governance in Democratic Systems for Executives (Batch 9), The College of Politics and Governance, King Prajadhipok's Institute - Capital Market Academy Executive Program (Class 8), Capital Market Academy, the Stock Exchange of Thailand - The Joint State - Private Sector Course Class 23/2010, Thailand National Defence College	None	None	<b>Listed Companies</b>		
					2013 - Present	Independent Director / Member of Audit Committee / Chairman of NRCG	Winner Group Enterprise Plc. (Service)
					2013 - Present	Independent Director / Chairman of Audit Committee	Prodigy PCL
					2009 - Present	Independent Director / Audit Committee Member	Ladprao General Hospital PCL
					2005 - Present	Independent Director / Audit Committee Member	Eason Paint PCL
					<b>Non-Listed Companies</b>		
					2015 - Present	Independent Director / Chairman of Audit Committee	AIRA & AIFUL PCL
					2007 - Present	Executive Director / Managing Director	Papermate (Thailand) Co., Ltd.

Name-Surname / Position	Age (Year)	Education / Training	No. of Share held	Relationship with Directors and Management	Work Experience (Last 5 Years)		
					Timeline	Position	Company / Business Type
<b>8. Dr. Warunee Varanyanond</b> - Independent Director - Member of the Audit Committee - Member of Nomination Remuneration and Corporate Governance	72	- Doctor of Science, PhD. (Food Technology), Kagawa University, Japan - Master of Science in Food Technology, Chulalongkorn University - Bachelor of Science in Food Technology, Chulalongkorn University - Directors Accreditation Program (DAP) 100/2013, Thai Institute of Directors - Advanced Audit Committee Program (AACP) 26/2017, Thai Institute of Directors	None	None	<b>Listed Companies</b>		
					2013 - Present	Independent Director / Member of the Audit Committee / Member of NRCG	Winner Group Enterprise Plc. (Service)
					<b>Non-Listed Companies</b>		
					2015 - Present	Advisor	Food Science and Technology Association of Thailand (FoSTAT)
					2014 - Present	Advisor & Qualified Person	Institute of Food Research and Product Development (IFRPD) Kasetsart University
					2009 - Present	Qualified Person	Thai Agricultural Research Development Agency (Public Organization)
					2007 - Present	Qualified Person of Agriculture and Biology	National Research Council of Thailand
					2017 - Present	Qualified Person	Institute of Food Research and Product Development (IFRPD) Kasetsart University
					2017 - 2021	Qualified Person	The National Innovation Agency (Public Organization)
					2014 - 2020	Executive Committee	Office of Certification Body of Thailand Institute of Scientific and Technological Research (TISTR)
					2014 - 2020	Qualified Person	Biodiversity-Based Economy Development Office (Public Organization)

Name-Surname / Position	Age (Year)	Education / Training	No. of Share held	Relationship with Directors and Management	Work Experience (Last 5 Years)		
					Timeline	Position	Company / Business Type
9. Mrs. Suwannee Kongkitkul - VP-Sales and Marketing	52	- Master of Business Administration Ramkhamhaeng University - Bachelor of Science in Food Science & Technology, Kasetsart University	None	None	Listed Companies		
					2018 - Present	VP-Sales and Marketing	Winner Group Enterprise Plc. (Service)
					2015 - 2018	Industrial Products Manger	Winner Group Enterprise Plc. (Service)
10. Ms. Prapasiri Pisitsangkakan - VP-Financial and Accounting - Member of Risk Management Committee	50	- Master of Business Administration, Thammasat University - Bachelor of accounting Chulalongkorn University - CFO in Practice (Certification Program) 7/2017 Federation of Accounting Professions Under the Royal Pat - How to Develop a Risk Management Plan (HRP) Program 8/2015 Thai Institute of Directors Association	None	None	Listed Companies		
					2018 - Present	VP-Financial and Accounting / Member of Risk Management Committee	Winner Group Enterprise Plc. (Service)
					2013 - 2018	Accounting Manager / Member of Risk Management Committee	Winner Group Enterprise Plc. (Service)

Name-Surname / Position	Age (Year)	Education / Training	No. of Share held	Relationship with Directors and Management	Work Experience (Last 5 Years)		
					Timeline	Position	Company / Business Type
11. Mr. Banjongsin Wong-Ngern - VP-Production	49	<ul style="list-style-type: none"> <li>- Master of Business Administration Ramkhamhaeng University</li> <li>- Bachelor of Engineering Chiang Mai University</li> <li>- Competency Principles in Management and Performance Program, Ministry of Labor</li> <li>- Safety officer in work at executive level Program, Safety and Health at work Promotion Association (Thailand) under Patronage</li> </ul>	None	None	Listed Companies		
					2019 - Present	VP-Production	Winner Group Enterprise Plc. (Service)
					Non-Listed Companies		
					2015 - 2018	VP-Production	Pandora Production Company Limited
12. Mrs. Nuttamon Theppitak - VP-Corporate Services	52	<ul style="list-style-type: none"> <li>- Master of Science, University of the Thai Chamber of Commerce</li> <li>- Bachelor of Administration, Rangsit University</li> <li>- Personal Data Protection Act Courses, B.E. 2019, Processes and Guidelines #6 Political Science Association of Kasetsart University</li> <li>- PDPA Laws For Human Resources Management, Political Science Association of Kasetsart University</li> </ul>	None	None	Listed Companies		
					2018 - Present	VP-Corporate Services	Winner Group Enterprise Plc. (Service)
					Non-Listed Companies		
					2013 - 2018	Human Resources Manager	Jardine Schindler (Thai) Ltd.



Name-Surname / Position	Age (Year)	Education / Training	No. of Share held	Relationship with Directors and Management	Work Experience (Last 5 Years)		
					Timeline	Position	Company / Business Type
<b>13. Miss Pannita Kanchanaharuthai</b> - Company Secretary - Investor Relations - Compliance	35	- Master of Business Administration (Finance), University of the Thai Chamber of Commerce - Bachelor of Engineering King Mongkul's Institute of Technology Ladkrabang - Advances for secretaries (4 days), Thai Limited Companies Association 2/2558 - Board Reporting Program (BRP) 22/2017 Thai Institute of Directors Association - Effective Minutes Taking (EMT) 40/2018 Thai Institute of Directors Association - S01-S06 Program, The Stock Exchange of Thailand (SET)	None	None	<b>Listed Companies</b>		
					2020 - Present	Company Secretary Investor Relations Compliance	Winner Group Enterprise Plc. (Service)
					2019 - 2020	Assistant Manager of Company Secretary section	Platinum Group PCL
					2016 - 2019	Secretary of CEO	Platinum Group PCL
					<b>Non-Listed Companies</b>		
					2010 - 2016	Secretary of Managing Director	Paradise Park Co., Ltd.

**Remark:**

- Detail of The Board of Directors, Executives and Regulator from 1-8 was appointed on April 10, 2013
- Director No.1-8 including regulator and executives no.9-12 in the past 5 years no criminal record under the Securities and Exchange Act B.E. 2535 or the Derivatives Act B.E. 2546.
- Director No.5 was CFO and executive No.10 was Accounting Supervisor.
- Listed Companies was companies listed on the Stock Exchange of Thailand or the Market for Alternative Investment (MAI).

## Duties and responsibilities of company secretary

The company secretary shall perform his or her duties in accordance with section 89/15 and section 89/16 of Securities and Exchange Act (No.4) B.E. 2551, which come into force on August 31, 2008. The company secretary shall perform his or her duties with responsibilities, care, honesty and in compliance with laws, Article of Association and Objective of the Company, resolution of the Board of Director, and resolution of the shareholders' meeting. In performing this duty, the Company Secretary has the following duties and responsibilities:

1. Preparing and keeping the following documents of the Company:
  - A. Register of the Company's directors
  - B. Meeting notification letter and minutes of the Board of Directors meeting including annual report
  - C. Meeting notification letter and minutes of the shareholders meeting
2. Keep reports on stake holding submitted by directors or executives according to section 89/14 and submit to the chairman of the board and chairman of Audit Committee within 7 working days from the date receiving such report by the Company.
3. Perform other duties as specified by the Capital Markets Supervisory Board.

Additionally, the company secretary has duties assigned by the Company (or the board) as follows:

- Provide preliminary advice and recommendations pertaining to legal, regulatory, and governance issues and practices related to the Board and Board Committees.
- Organize the meetings of Shareholders, the Board of Directors.
- Liaise with regulatory agencies such as the Stock Exchange of Thailand and be responsible for the disclosure and report information to the public and regulatory agencies with accuracy, complete and in accordance with laws.
- Arrange new director orientation.
- Perform other duties as assigned by the Company.

The company secretary appointed by the Board of Directors is the person that the board deems appropriate, knowledgeable and capable of managing the company secretary under the Office of Chief Executive Officer and Investor Relations which support the work of the company secretary to comply with the law regulations as well as being responsible for work of good corporate governance.

Detail of The Board of Directors, Executives and Regulator  
of the Winner Group Enterprise Public Company Limited as of December 31, 2021

List of Directors and Executives	Winner Group Enterprise Plc.	Aesthetic Zecret (AT-ZE) Co., Ltd. "Subsidiary"	Winner Agro Innovation Co., Ltd. "Associate"
Mr. Prakarn Tawisuwan	X, XX, /	-	-
Mr. Jane Wongisariyakul	/, //, ///	X, /	/
Mrs. Vannaporn Wongisariyakul	/, //	/	-
Ms. Kanokpan Kreangkraikrissada	/, //	/	-
Ms. Kanollas Wongisariyakul	/, //, ///, V	/	-
Mr. Surapat Rojchanavisart	XXXXX, /	-	-
Dr. Warunee Varanyanond	XXX, XXXX, /	-	-
Ms. Thipawan Uthaisang	XXX, XXXXX, /	-	-
Mrs. Suwannee Kongkitkul	///	-	-
Ms. Prapasiri Pisitsangkakan	///, V	-	-
Mr. Banjongsin Wong-Ngern	///	-	-
Mrs. Nuttamon Theppitak	///	-	-

Remark: x = Chairman of the Board of Director  
 xx = Chairman of the Audit Committee  
 xxx = Member of the Audit Committee  
 xxxx = Chairman of the Nomination Remuneration and Corporate Governance Committee  
 xxxxx = Member of the Nomination Remuneration and Corporate Governance Committee  
 / = Member of the Board of Director  
 // = Member of the Executive Committee  
 /// = Executive  
 V = CFO / Accounting Supervisor

## Attachment 2

### Detail of the Director of Subsidiary as of December 31, 2021

List of Directors	Aesthetic Zecret (At-Ze) Co., Ltd.
Mr. Jane Wongisariyakul	X, /
Mrs. Vannaporn Wongisariyakul	/
Miss Kanokpan Kreangkraikrissada	/
Miss Kanollas Wongisariyakul	/

### Detail of the Director of the Associated Company as of December 31, 2021

List of Directors	Winner Agro Innovation Co., Ltd.
Mr. Jane Wongisariyakul	X

Remark: x = Chairman of the Director

/ = Director

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## Attachment 3

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### Details regarding the Company's head of internal audit and the Company's head of supervisory unit

In 2021, the Company hired Dharmniti Internal Audit Company Limited to act as the Company's third party of internal auditor who has come up with annual internal audit plan and proposed to the Audit Committee for consideration and approval. This was to ensure that the audit plans have been established appropriately in consistent with environmental business risk factors that may be changing constantly.

Dharmniti Internal Audit Company Limited has assigned Ms. Anutsaya Raksasorn to be the primary responsible duty personnel to conduct internal audit to comply with the laws, rules, regulations, policies and requirements of the Company and its related involvement. Following is Ms. Anutsaya's Curriculum Vitae: -

Name: Ms. Anutsaya Raksasorn

Position: Executive Director - Dharmniti Internal Audit Co., Ltd.

Education:

- Master's Degree from the Faculty of Commerce and Accountancy in Insurance Statistics, Chulalongkorn University
- Bachelor's Degree from the Faculty of Management Sciences in Accountancy, Prince of Songkla University

Work Experiences:

- Executive Director - Dharmniti Internal Audit Co., Ltd.
- Director - Dharmniti Internal Audit Co., Ltd.
- Deputy Director - Dharmniti Internal Audit Co., Ltd.

Certification:

- Dharmniti Young Executive, Batch No. 1
- Certified Professional Internal Auditors of Thailand (CPIAT)
- Preparation Course for Certified Internal Auditor (Pre-CIA), Batch No. 26

### Details regarding the Company's head of supervisory unit

The Corporate Secretary shall act as head of supervisory unit. (Details in [Attachment 1](#))

## Attachment 4

### Asset Used in Business Operation

#### 1. Main Fixed Asset Used in Business Operation

As of 31 December 2021, Winner Group Enterprise Public Company Limited (“the Company”) has main fixed assets used in business operation with net book value of 189.80 million baht or 14.98 percent of the total assets. Details of fixed assets are as follows:

Property Type	Ownership	Net Book Value (Million baht) As of 31 Dec 2021	Obligation
1. Land Location: Bangna Warehouse 1, Bangna Warehouse 2 and Bang Pa-In Factory Total area of 11 Rai 3 Ngan 79 Square Wa	The Company	114.25	- None -
2. Building and building improvement 2.1 Warehouse 1 (Bangna) 2.2 Warehouse 2 (Bangna) 2.3 Factory (Bang Pa-In)	The Company The Company The Company	47.17	- None -
3. Machinery and equipment	The Company	10.52	- None -
4. Tool and equipment	The Company	3.51	- None -
5. Furniture and office supply	The Company	6.80	- None -
6. Vehicle and labor-saving machine	The Company	7.35	- None -
7. Asset under installation	The Company	0.20	- None -
<b>Total net book value</b>		<b>189.80</b>	

As of 31 December 2021, Aesthetic Zecret (AT-ZE) Co., Ltd. (“Subsidiary”) has main fixed assets used in its business operation with net book value of 95.82 million baht or 73.69 percent of the total assets. Details of fixed assets are as follows:

Property Type	Ownership	Net Book Value (Million baht) As of 31 Dec 2021	Obligation
1. Land Location: Chachoengsao Factory Total area of 11 Rai 3 Ngan 79 Square Wa	Subsidiary	30.00	- None -
2. Building and factory improvement (Chachoengsao)	Subsidiary	53.80	- None -
3. Machinery and equipment	Subsidiary	10.22	- None -
4. Tool and equipment	Subsidiary	0.94	- None -
5. Furniture and office supply	Subsidiary	0.86	- None -
6. Vehicle and labor-saving machine	Subsidiary	0.00	- None -
<b>Total net book value</b>		<b>95.82</b>	

## 2. Intangible Asset

As of 31 December 2021, Winner Group Enterprise Public Company Limited (“Company”) has intangible assets used in business operation with net book value of 6.01 million baht or 0.47 percent of the total assets. Details are as follows.

Type	Ownership	Net Book Value
Computer software	The Company	5.33
Computer software during installation	The Company	0.68
<b>Total net book value</b>		<b>6.01</b>

As of 31 December 2021, Aesthetic Zecret (AT-ZE) Co., Ltd. (“Subsidiary”) has intangible assets used in its business operation with net book value of 1.27 million baht or 0.98 percent of the total assets. Details are as follows.

Type	Ownership	Net Book Value
Computer software	Subsidiary	1.27
Computer software during installation	Subsidiary	-
<b>Total net book value</b>		<b>1.27</b>

### 3. Trademark, Service Mark and Petty Patent Used in Business Operation

As of 31 December 2021, the company has a total of 267 domestic trademarks and service marks. The trademarks that are important to the company's business operation are as follows:



#### 3.1 Trademark

Trademark Image	Product	Expiration Date	Ownership
	Baking powder, icing sugar	30 August 2029	The Company
	Tapioca Starch	5 October 2031	The Company
	Baking powder, icing sugar	30 August 2029	The Company
BAKETEX เบคเท็กซ์	Baking powder	15 July 2029	The Company
WINGUM วินกัม	Chemicals used in food industry	10 April 2026	The Company
WINSOFT วินซอฟท์	Chemicals used in food industry	30 March 2025	The Company
WINPHOS วินฟอส	Chemicals used in food industry	15 July 2029	The Company
WINSWEET วินสวีท	Flavoring additives other than essential oil	10 April 2026	The Company
	Wheat flour, baking powder	14 September 2025	The Company
	Wheat flour	14 September 2025	The Company
	Wheat flour	14 September 2025	The Company
WINNER วินเนอร์	cocoa powder	14 October 2024	The Company
WINNER วินเนอร์	Baking powder, Chemicals used in food industry	2 February 2025	The Company



Trademark Image	Product	Expiration Date	Ownership
	Cocoa powder	27 January 2024	The Company
	Wheat flour	27 January 2024	The Company
	Tomato puree, champignon in brine	28 February 2029	The Company
	Frozen eel	29 August 2029	The Company
	Green tea	2 July 2030	The Company
	Skin cream, supplements from plant extracts	30 January 2030	The Company
	Skin cream, supplements from plant extracts	6 February 2030	The Company

### 3.2 Service Mark

Trademark Image	Service	Expiration Date	Ownership
	Food and beverage services	21 July 2026	The Company
	Food, beverage and bakery services / multiple-product selling service on online media / services	21 July 2026	The Company

As of 31 December 2021, a subsidiary has a trademark that is important to the Company's business operation as follows:

Trademark Image	Product	Expiration Date	Ownership
	Supplements	30 January 2030	Subsidiary

## 4. Significant Contract in Business

### 4.1 Lease Agreement for Head Office Building

#### 4.1.1 Lease Agreement for the Company's Head Office Building

As of 31 December 2021, the company has a lease agreement for the building where the head office is located with a monthly rental fee of 294,130 baht and a monthly service fee of 294,130 baht. Details of the contract are as follows:

Contract	Summary of the contract
<b><u>Rental contract</u></b>  <u>Partners of contract</u> Sri Siam Properties Co., Ltd. ("Lessor") Winner Group Enterprise Plc. ("Tenant")	<ol style="list-style-type: none"> <li>The rental area is located at 43 Thai CC Tower, Room No. 214 - 219, 21<sup>st</sup> Floor, South Sathorn Road, Yannawa Sub-District, Sathorn District, Bangkok 10120, with a total usable area of 1,116 square meters and a lease term is 3 years. <ol style="list-style-type: none"> <li>Rental area of room no. 218 - 219: From 1 December 2019 - 30 November 2022</li> <li>Rental area of room no. 215 - 217: From 15 March 2020 - 14 March 2023</li> <li>Rental area of room number 214: From 1 November 2021 - 31 October 2024</li> </ol> </li> <li>In case Tenant does not stay within the expiration of the lease term, Tenant agrees that the paid deposit can be confiscated by Lessor.</li> </ol>
<b><u>Service contract</u></b>  <u>Partners of contract</u> Sri Siam Properties Co., Ltd. ("Lessor") Winner Group Enterprise Plc. ("Tenant")	<ol style="list-style-type: none"> <li>Tenant agrees to pay service fees to Lessor to maintain cleanliness, orderliness and security in the common area of Thai CC Tower, as well as other related expenses.</li> <li>The term of the contract is 3 years, with the beginning and ending period of the service contract of the office space equivalent to the beginning and ending period of the lease of the building space in each contract.</li> </ol>

#### 4.2.2 Lease Agreement for Subsidiary's Head Office Building

As of 31 December 2021, the company has a lease agreement for the building where the head office is located, with a monthly rental fee of 150,960 baht and a monthly service fee of 150,960 baht. Details of the contract are as follows:

Contract	Summary of the contract
<b><u>Rental contract</u></b>  <u>Partners of contract</u> Sri Siam Properties Co., Ltd. ("Lessor") Aesthetic Zecret (AT-ZE) Co., Ltd. ("Tenant")	<ol style="list-style-type: none"> <li>1. The rental area is located at 43 Thai CC Tower, Room No. 175-178, 17<sup>th</sup> Floor, South Sathorn Road, Yannawa Sub-District, Sathorn District, Bangkok 10120, with a total usable area of 592 square meters, with a lease term of 1 year from 1 December 2021 - 30 November 2022.</li> <li>2. In case Tenant does not stay within the expiration of the lease term, Tenant agrees that the paid deposit can be confiscated by Lessor.</li> </ol>
<b><u>Service contract</u></b>  <u>Partners of contract</u> Sri Siam Properties Co., Ltd. ("Lessor") Aesthetic Zecret (AT-ZE) Co., Ltd. ("Tenant")	<ol style="list-style-type: none"> <li>1. Tenant agrees to pay service fees to Lessor to maintain cleanliness, orderliness and security in the common area of Thai CC Tower, as well as other related expenses.</li> <li>2. The term of the contract is 1 years, with the beginning and ending period of the service contract of the office space equivalent to the beginning and ending period of the lease of the building space in each contract.</li> </ol>

#### 4.2 Lease Agreement for D  lic   Restaurant Area

As of 31 December 2021, the company has a lease agreement for the building where D  lic   restaurant is located. The monthly rent is set for a total of 45,000 baht and monthly service and utility bills for a total of 45,000 baht. Significant details of the contract are as follows:

Contract	Summary of the contract
<b><u>Rental contract</u></b>  <u>Partners of contract</u> Sri Siam Properties Co., Ltd. ("Lessor") Winner Group Enterprise Plc. ("Tenant")	<ol style="list-style-type: none"> <li>1. The rental area is located at 43 Thai CC Tower, Unit 2, Floor G, South Sathorn Road, Yannawa Subdistrict, Sathorn District, Bangkok 10120, with a total usable area of 42.07 square meters, with a lease term of 1 year starting from 1 July 2021 - 30 June 2022.</li> <li>2. The rental area is located at 43 Thai CC Tower, Unit 3, Floor G, South Sathorn Road, Yannawa Subdistrict, Sathorn District, Bangkok 10120, with a total usable area of 31.16 square meters, with a lease term of 1 year starting from 1 April 2021 - 31 March 2022.</li> <li>3. In case Tenant does not stay within the expiration of the lease term, Tenant agrees that the paid deposit can be confiscated by Lessor.</li> </ol>

Contract	Summary of the contract
<b><u>Service contract</u></b>  <u>Partners of contract</u> Sri Siam Properties Co., Ltd. (“Lessor”) Winner Group Enterprise Plc. (“Tenant”)	<ol style="list-style-type: none"> <li>1. Tenant agrees to pay service fees to Lessor to maintain cleanliness, orderliness and security in the common area of Thai CC Tower, as well as other related expenses.</li> <li>2. The term of the contract is 1 year, with the beginning and ending period of the service contract of the office space equivalent to the beginning and ending period of the lease of the building space in each contract.</li> </ol>

### 4.3 Lease Agreement for Warehouse

As of 31 December 2021, the company has a lease agreement for the building where the warehouse is located to store raw materials and chemicals. The monthly rental fee is set at 86,000 baht and the monthly service fee is 82,500 baht. Significant details of the contract are as follows:

#### 4.3.1 Lease Agreement for Warehouse 1

Contract	Summary of the contract
<b><u>Rental contract</u></b>  <u>Partners of contract</u> External lessor (“Lessor”) Winner Group Enterprise Plc. (“Tenant”)	<ol style="list-style-type: none"> <li>1. The rental space is located at 69/16, Moo. 2, Soi Nam Daeng - Bang Phli 17, Nam Daeng - Bang Phli Road, Bang Kaeo Subdistrict, Bang Phli District, Samut Prakan Province, with a total usable area of 700 square meters.</li> <li>2. The rental period is 1 year from 1 June 2021 - 31 May 2022.</li> <li>3. Tenant agrees to place a security deposit to Lessor as an insurance to guarantee that Tenant will abide by the duration of the lease.</li> <li>4. In case Tenant wishes to renew or terminate the lease, Tenant has to notify Lessee in the period of more than 3 months and not less than 1 month before the expiration of the lease agreement.</li> </ol>
<b><u>Service contract</u></b>  <u>Partners of contract</u> External service provider (“Service Provider”) Winner Group Enterprise Plc. (“Service Receiver”)	<ol style="list-style-type: none"> <li>1. Service Receiver agrees to pay service fees to the service provider and Service Provider agrees to provide services, including 24-hour security, road and other equipment maintenance, sanitary maintenance in the common areas and facility management.</li> <li>2. The term of contract is 1 year. In case of termination of the lease agreement, this service agreement shall also be terminated.</li> </ol>

## 4.3.2 Lease Agreement for Warehouse 2

Contract	Summary of the contract
<b><u>Rental contract</u></b>  <u>Partners of contract</u> External lessor (“Lessor”) Winner Group Enterprise Plc. (“Tenant”)	<ol style="list-style-type: none"> <li>The rental space is located at 69/14, Moo. 2, Soi Nam Daeng - Bang Phli 17, Nam Daeng - Bang Phli Road, Bang Kaeo Subdistrict, Bang Phli District, Samut Prakan Province, with a total usable area of 700 square meters.</li> <li>The rental period is 1 year, from 1 January 2022 - 31 December 2022.</li> <li>Tenant agrees to place a security deposit to Lessor as an insurance to guarantee that Tenant will abide by the duration of the lease.</li> <li>In case Tenant wishes to renew or terminate the lease, Tenant has to notify Lessee in the period of more than 3 months and not less than 1 month before the expiration of the lease agreement.</li> </ol>
<b><u>Service contract</u></b>  <u>Partners of contract</u> External service provider (“Service Provider”) Winner Group Enterprise Plc. (“Service Receiver”)	<ol style="list-style-type: none"> <li>Service Receiver agrees to pay service fees to the service provider and Service Provider agrees to provide services, including 24-hour security, road and other equipment maintenance, sanitary maintenance in the common areas and facility management.</li> <li>The term of contract is 1 year. In case of termination of the lease agreement, this service agreement shall also be terminated.</li> </ol>

## 4.3.3 Lease agreement for warehouse 3

สัญญา	สรุปสาระสำคัญของสัญญา
<b><u>Rental contract</u></b>  <u>Partners of contract</u> External lessor (“Lessor”) Winner Group Enterprise Plc. (“Tenant”)	<ol style="list-style-type: none"> <li>The rental space It is located at 69/11-1 and 69/11-2, Moo. 2, Soi Nam Daeng - Bang Phli 17, Nam Daeng - Bang Phli Road, Bang Kaeo Subdistrict, Bang Phli District, Samut Prakan Province, with a total usable area of 750 square meters and a rental period of 1 year. <ol style="list-style-type: none"> <li>Warehouse space no. 69/11-1: From 1 October 2021 - 31 December 2022.</li> <li>Warehouse space no. 69/11-2: From 1 March 2021 - 31 December 2022</li> </ol> </li> <li>Tenant agrees to place a security deposit to Lessor as an insurance to guarantee that Tenant will abide by the duration of the lease.</li> <li>In case Tenant wishes to renew or terminate the lease, Tenant has to notify Lessee in the period of more than 3 months and not less than 1 month before the expiration of the lease agreement.</li> </ol>
<b><u>Service contract</u></b>  <u>Partners of contract</u> External service provider (“Service Provider”) Winner Group Enterprise Plc. (“Service Receiver”)	<ol style="list-style-type: none"> <li>Service Receiver agrees to pay service fees to the service provider and Service Provider agrees to provide services, including 24-hour security, road and other equipment maintenance, sanitary maintenance in the common areas and facility management.</li> <li>The term of contract is 1 year. In case of termination of the lease agreement, this service agreement shall also be terminated.</li> </ol>

#### 4.4 Distribution Contract

The company has entered into the exclusive distributor agreement in Thailand with 6 foreign manufacturers, namely AVEBE UA, Inc, Igreca SA, JB Cocoa SDN. BHD and Osterberg International A/S. The company is also an authorized distributor agreement for foreign manufacturers such as CP Kelco Singapore Pte., Ltd. Details of the contract are as follows:

##### 4.4.1 Exclusive Distributor Agreement

###### 1. Distribution contract with AVEBE U.A.

- Contract partner : AVEBE U.A. (Netherlands)
- Contract start date : 1 October 2007 (updated on 27 July 2020)
- Contract period : 1 year
- Contract detail : The company is the exclusive distributor of potato starch products under the trade name "AVEBE" in Thailand.
- Renewal of contract : Upon expiration of the contract, it shall be automatically regarded as a renewal of the contract for a period of 12 months, unless any party provides a written notice for termination of the contract at least 6 months in advance.

###### 2. Distribution contract with General Mills, Inc.

- Contract partner : General Mills, Inc (USA)
- Contract start date : 4 May 1993 (updated on 15 July 2016)
- Contract period : 3 years
- Contract detail : The company is the exclusive distributor of food products for consumption under the trade name "Bugles®" of General Mills, Inc. in Thailand
- Renewal of contract : Upon expiration of the contract, the parties must review the conditions before contract renewing. To terminate the contract, a written notice must be provided at least 90 days in advance.

###### 3. Distribution contract with Igreca SA.

- Contract partner : Igreca SA (France)
- Contract start date : 1 February 2013
- Contract period : 1 year
- Contract detail : The company is the exclusive distributor of egg powder products under the trade name "IGRECA" of Igreca SA. in Thailand. However, the company has no right to sell to certain customers that the grantor has reserved right in the contract.

Renewal of contract : Upon expiration of the contract, it shall be automatically regarded as a renewal of the contract, unless any party provides a written notice for termination of the contract at least 4 months in advance.

4. Distribution contract with JB Cocoa SDN. BHD.

Contract partner : JB Cocoa SDN. BHD (Malaysia)

Contract start date : 25 March 2013

Contract period : 1 year

Contract detail : The company is the exclusive distributor of cocoa powder products under the trade name “JB Cocoa” of JB Cocoa SDN. BHD in Thailand. However, the company has no right to sell to certain customers that the grantor has reserved right in the contract.

Renewal of contract : Upon expiration of the contract, it shall be automatically regarded as a renewal of the contract, unless any party provides a written notice for termination of the contract at least 4 months in advance.

5. Distribution contract with Osterberg International A/S

Contract partner : Osterberg International A/S (Denmark)

Contract start date : 8 September 2014

Contract period : 3 years

Contract detail : The company is the exclusive distributor of processed fruit under the trade name “Orana” and “Osterberg” of Osterberg International A/S in Thailand.

Renewal of contract : Upon expiration of the contract, it shall be automatically regarded as a renewal of the contract for a period of 3 years, unless any party provides a written notice for termination of the contract at least 6 months in advance.

#### 4.4.2 Authorized Distributor Agreement

1. Distribution contract with CP Kelco Singapore Pte., Ltd.

Contract partner : CP Kelco Singapore Pte., Ltd. (Singapore)

Contract start date : 8 November 2012 (updated on 26 November 2020)

Contract period : 2 years

Contract detail : The company is a distributor of Bio Gum and Food Gum products under the trade name “CP Kelco” of CP Kelco Singapore Pte., Ltd. However, the company has no right to sell to certain customers that the grantor has reserved right in the contract.

Renewal of contract : Upon expiration of the contract, it shall be automatically regarded as a renewal of the contract without the period of expiration, unless any party provides a written notice for termination of the contract.

#### 4.6 Significant Commercial Contract

Winner Group Enterprise PLC. has year-to-year commercial agreements with many modern trade retailers to commercialize the company's food products. Winner Group Enterprise Plc. has continuously been able to renew the agreements and never received any contract termination requests from any partners.

Aesthetic Zecret (AT-ZE) Co., Ltd., a subsidiary of the company, has engaged in the original equipment manufacturing business for cosmetics and cosmeceuticals (“Contractor”). Naturally, when forming deals with clients, there will be a Confidentiality Agreement for production of the formula with contract partners and customers (“Customer”). The essence of the contract with all manufacturers who are involved in production is that Contractor will not disclose or disseminate formula or ingredients of the product, production techniques, production process, production license number, registration documents from Food and Drug Administration (FDA) or other documents regarding Contractor carrying out production of the products according to the law and sell by themselves to other parties. However, such conditions only remain effective while Customer is still hiring Contractor for production and will continue to be effective for a period of 1-5 years (conditions may vary depending on negotiation) unless each party requests for cancellation in writing.

#### 4.7 Investment Policy in Subsidiaries and Associated Companies

Winner Group Enterprise PLC. has set out a policy to expand the scope of business operation by potentially setting up subsidiaries, joint ventures or investments in a business that can support and synergize with the company in the future. The company will consider the return on investment, suitable investment ratio, and other benefits that the company expects to receive from the investment, mainly for the benefits of the company's shareholders.

To establishment of subsidiaries, joint ventures or other investments must be approved by the Board of Directors and/or the shareholders' meeting, depending on the case. The company has a policy to supervise subsidiaries and/or associates by sending directors and/or assigned persons of the company as representatives according to the proportion of shares the company is holding or to serve in such subsidiaries or associated companies as directors to jointly formulate important operational policies to ensure that operations are align.

The company has invested in a subsidiary on 2 April 2018, Aesthetic Zecret (AT-ZE) Company Limited (“AT-ZE”), in which the company holds 100 percent of the shares. AT-ZE is engaged in the Original Equipment Manufacturing (OEM) business for skin care products, cosmetics, supplements and drugs used to treat skin diseases. Currently, there is only 1 distribution channel, which is the OEM customer group. The company has sent 4 representatives, namely Mr. Jane Wongisariyakul, Mrs. Vannaporn Wongisariyakul, Miss Kanokpan Kreangkraikrissada and Miss Kanollas Wongisariyakul, to serve as directors for AT-ZE, from a total of 5 directors, to supervise the operation for AT-ZE to be in accordance with the policies and goals set by the company.

On May 13, 2021, the meeting of the Board of Directors No.2/2021 resolved to approve the investment in Winner Agro Innovation Company Limited by purchasing ordinary shares in the proportion of 45% of the paid-up capital,



which Winner Agro Innovation Company Limited is engaged in the manufacturing and distributing business of raw materials, seedling, hemp extract and all kinds of agricultural products. The company has sent 1 representative to serve in the position of director, namely Mr. Jane Wongisariyakul, to participate in considering the company's policies and goals.

#### 4.8 Details of asset evaluation items as of 31 December 2021

- No data -

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## Attachment 5

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### Full Version of the Policies and Guidelines for Corporate Governance and Code of Conduct

Please to be studying policy and Corporate Governance Guideline and Code of Conducts full version at [www.winnergroup.co.th](http://www.winnergroup.co.th) >> “Investor Relation” >> “Corporate Governance” link as follow: -

#### Corporate Governance Policy

<http://www.winnergroup.co.th/good-governance/17.html>

#### Code of Conducts

<http://www.winnergroup.co.th/good-governance/616.html>

#### The Board of Director Committee charter and Sub-Committees Charter

<http://www.winnergroup.co.th/good-governance/19.html>

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## Attachment 6

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### Report of Audit Committee

The Board of Directors of Winner Group Enterprise Public Company Limited consists of 3 independent directors. The qualifications of all the three members meet with the regulations of the Securities and Exchange Commission (SEC) and Stock Exchange of Thailand, one of which is competent and has experience in accounting.

The Audit Committee has performed duties as assigned by the Board of Directors, which is in accordance with the Charter and in accordance with the Notification of the Stock Exchange of Thailand. In 2021, the Audit Committee held a total 5 meetings, each committee member attended the meetings as shown in the following details.

1. Mr. Prakarn Tawisuwan	Chairman of Audit Committee	attended 5/5 meetings
2. Miss Thipawan Uthaisang	Member of Audit Committee	attended 5/5 meetings
3. Dr. Warunee Varanyanond	Member of Audit Committee	attended 5/5 meetings

The Audit Committee also has meetings with the Company's management and both external and internal auditors, which could be summarized as the followings.

1. Quarterly reviewed the financial statements and annual financial statements already examined and verified by the external auditor, by reviewing them together with the executives and external auditor regarding the accuracy and completeness of the documents as well as the sufficiency of disclosure. For 2021, the Audit Committee members gave their opinions in compliance with the external auditor that the Company's financial statements were appropriately accurate according to Thai Financial Reporting Standards. The Committee also met among themselves without the management team once this year.
2. Considered the connected transactions and transactions which may cause conflicts of interest, in compliance with the laws and regulations of the Stock Exchange of Thailand. The external auditor reviewed these items and found that they had all been sufficiently disclosed in the Company's financial statements. The Audit Committee was of the opinion with the external auditor, and agreed that the disclosures were reasonable and benefit to the Company.
3. Reviewed the Company's internal audit and internal control to ensure the independency and efficiency. joint-reviewed annual internal audit plan as well as joined meeting with Company's auditor and/or Company's internal audit without Management at least once a year which will be held on Quarter 4 of the year, advised and followed up corrective action on significant audit findings so as to improve good governance and adequate internal control. The Audit Committee's opinions were consistent with the internal audit; that the Company has adequate internal control and appropriate to the nature of the Company's business.

4. Reviewed and monitored the Company's corporate governance policy, charter of the Board of Director, charters of sub-committees and code of conduct as well as performing duties assigned by the Board regarding the policy on communication with the board of directors and whistle-blowing.
5. Reviewed the appropriateness and adequacy of risk management, by monitoring the risk management plans of 2021 and evaluating the risk management measures.
6. Considered, selected and recommended the nomination of external auditors and their remuneration by considering their past performance. Having evaluated their independence, quality of audit work, the remuneration, they are qualified with the requirements of the Stock Exchange of Thailand.
7. Considered, selected and recommended the nomination of internal auditors and their remuneration by considering their past performance. Having evaluated their independence, quality of audit work, the remuneration, they are qualified with the requirements.
8. Reported the committee's performance to the Board every quarter and made recommendations beneficial for the administration of the management.

The Audit Committee is of the opinion that the Company had proper risk management, internal control system under good corporate governance abiding to all related laws and regulations. The Company's financial reports and disclosure of information were complete and reliable according to Thai Financial Reporting Standards.



(Mr. Prakarn Tawisuwan)

Chairman of the Audit Committee

February 23, 2022

