



ANNUAL REPORT 2021

56-1 One Report

A Life of Sharing



Alpine drinkco safe



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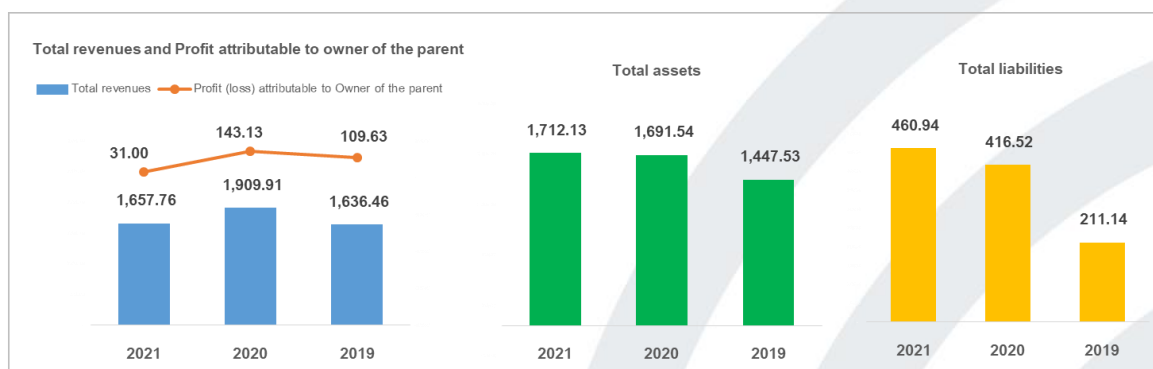
Financial Highlights

Thiensurat Public Company Limited and its subsidiaries

Consolidated financial statements (Unit: Million Baht)	2021	2020	2019
Revenue from sales	1,411.52	1,685.54	1,456.36
Total revenues	1,657.76	1,909.91	1,636.46
Gross profit	1,312.08	1,474.09	1,227.33
Cost of sales	(345.68)	(435.82)	(409.12)
Distribution costs	(640.00)	(675.86)	(593.67)
Administrative expenses	(424.12)	(434.31)	(401.86)
Profit (loss) attributable to owner of the parent	31.00	143.13	109.63
Total assets	1,712.13	1,691.54	1,447.53
Total liabilities	460.94	416.52	211.14
Total shareholders' equity	1,251.19	1,275.02	1,236.39

Financial ratio

Net profit margin (%)	2.10	7.56	6.69
Return on equity (%)	2.76	11.50	8.98
Return on assets (%)	2.05	9.20	7.65
Debt to equity (Time)	0.37	0.33	0.17
Earnings per share (Baht)	0.06	0.26	0.20
Dividend per share (Baht)	0.12	0.17	0.14
Book value per share (Baht)	2.24	2.27	2.18



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Message from the Board of Directors

Last year, the Company faced challenges in doing business amid the global economic crisis that continues to be impacted by the coronavirus (COVID-19) pandemic. It also affects the normal life of everyone. Caution measures against the spread of COVID-19 and social distancing are put in place. This has affected the Company because the business model is a direct sales method to physically demonstrate the water purifiers' qualifications in our customers' homes.

In 2021, the Company including the subsidiaries has revenue from sales including interest income through instalment contracts and income from loan receivables of subsidiaries (total revenue) equal to 1,657.76 million baht, a decrease of 252.15 million baht from the previous year or 13.20%. This consisted of sales revenue of products of 1,411.52 million baht, a decrease of 274.02 million baht or 16.26%, while interest from instalment contracts and interest from loan receivables amounted to 246.24 million baht, an increase of 21.87 million baht or 9.75%. The decrease in sales revenue was due to the decline in sales of water purifiers and electrical appliances due to the impact of the COVID-19 epidemic in many areas. This included not declaring income from sales of instalment contracts of trucks amounting to 110 million baht. This is in line with the accounting standards which income from sales of instalment contracts without product margin are required not to be declared. The income from the sale is deducted from the cost of goods sold in the same amount. However, interest income from instalment contracts and income from loan receivables increased from the expansion of the business of the Thiensurat Leasing Company Limited, which developed more secured loans including instalment contracts for cars and trucks, floor plan business and secured loans.

The Company's sales decline due to the economic situation and change of lifestyle patterns during the pandemic as mentioned. The Company has continuously adjusted its operational plans in terms of cost reduction, such as the reduction of fixed costs of sales teams, by increasing strict consideration on the cost-effectiveness for building each sales team. This led to closing some non-profitable branches to enable a lean organization for greater agility and efficiency of operations. As a result, the Company and its subsidiaries still have a net profit in 2021 of 31.01 million baht compared to last year's net profit of 143.13 million baht. The lower profit was mainly due to lower sales.

2021 is a year of great pride as the Company has been awarded the honour of achievement in the Thai capital market, namely Business Excellence Young Rising Star CEO Award, Outstanding CEO Awards, Outstanding Company Performance Awards and Outstanding Investor Relations Awards. In addition, the Company has received the "Excellent" level of recognition for its good corporate governance for Thai Listed Companies for 3 consecutive years from the Thai Institute of Directors Association (IOD). It has exhibited the Company's confidence in doing business with transparency and fairness in line with the good corporate governance principles. It is the result of the cooperation of everyone in the Company.

The guidelines of the Company focus on four core competencies as follows:

First, being a water solution expert, the Company focuses on expanding its business based on its expertise in clean water production with continuous research and development of new products.

Second, being a manufacturing expert, the Company has a manufacturing plant. There is a research and development team with expertise. Therefore, it can be expanded to be a production base for OEM customers or various distributors.

Thirdly, in addition to the direct sales and tele-marketing which are the main teams, the Company has built a sales network by expanding sales channels both online and offline to support each other. The TSR Network is then created with sales representatives whoever can help generate sales. The Company also seeks opportunities for business cooperation with other companies or organizations.

Fourth, the financing service of the TSR Leasing Company Limited, which is a subsidiary has experience and readiness to provide loans. In the past year, there has been continuous growth and can support various types of credit needs

The Board of Directors would like to thank the management team and all employees for their commitment and dedication to support the Company. The Board also appreciated the continued trust and would like to thank you the customers, partners, and all stakeholders. The Company will adhere to business operations in accordance with the principles of good corporate governance, honesty, and prudence, including taking social and environmental responsibilities to create business growth towards sustainability and stability.

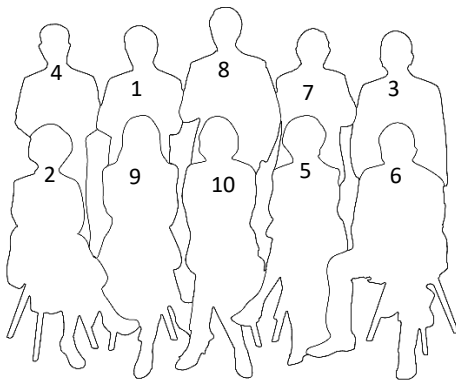
(Mr. Sahas Treetipbut)

Chairman of the Board of Directors

(Mr. Ekarat Changyoo)

Chairman of the Executive Committee

Board of Directors



1. Mr. Sahas Treetipbut
 - Chairman of the Board
 - Chairman of the Executive Committee
2. Assoc.Prof. Boonserm Vimuktanandana
 - Independent Director
 - Chairman of the Audit Committee
3. Prof.Porntep Siriwanarangsun, MD., MPH., Ph.D.
 - Independent Director
 - Member of Audit Committee
4. Dr. Supree Wongdeeprom Ph.D.
 - Independent Director
 - Member of Audit Committee
5. Ms. Sumana Vonggapan
 - Independent Director
6. Dr. Surat Wongrattanapassorn Ph.D.
 - Independent Director
7. Mr. Viruch Wongnirund
 - Director
8. Mr. Ekarat Changyoo
 - Director
9. Ms. Theinvanee Changyoo
 - Director
10. Ms. Savita Changyoo
 - Director

Part 1

Business Operation and Performance

1. Business Overview

1.1 Policy and Business Overview

Thiensurat Public Company Limited or TSR (The Company), or iginally Thiensurat Company Limited, was founded in 1992, with a registered capital of one million baht. The Company started out as a direct-selling producer and distributor of double-filter countertop water purifiers. The Company continuously develops its products and now has a larger variety of water purifying systems with multi-stage filtration process to offer water that meets quality and safety standards and is useful for consumers. In 2013, the Company was listed as a public company and has been known as Thiensurat Public Company Limited. The Company was listed on the Stock Exchange of Thailand on 19 June 2014.

Since 1976, or for 45 years thus far, the Company has been operating a water purifier sale and distribution business through single-level direct-sales channel. The Company's customer network consists of customers in Bangkok and its vicinity as well as those in big cities in the provinces. To further expand its business, the Company is opening provincial branches across the country to better serve its customers. Moreover, its distribution new channel were Online Channel

The Company's subsidiaries are Safe Trade International Co., Ltd. that sells water purifiers to Giffarine Skyline Unity Co., Ltd., a large-scale direct sale business operator. Thiensurat Leasing Co., Ltd. Distribution of electrical appliances through installment payment provides financial services, e.g., personal loan and auto title loan appliance. And Alpine Water Co., Ltd., the company that has business about trading, rental, and service the set of ice maker machine composed of ice maker machine and water purifier.

In 2021, the Company has rebranding including changing the corporate logo and various brand products and its subsidiaries. This is to improve the image of the Company for public relations and business operations along with having a major branch renovation to support the market expansion of water purifier products, filters, ice makers and water treatment equipment (WaterMate). This includes Phetchaburi and Chiang Mai branches. However, they have not yet been officially launched due to the Covid-19 pandemic.

The Company focuses on developing and upgrading the production quality. The production factory was certified by the Good Hygiene Practices (GHP) in the filter filling process of drinking water filters to ensure that all drinking water filters produced from the factory has undergone quality production processes and meets international standards.

In addition, the water purifier business has continued to expand. The strategy has been adjusted to expand the market to the B2B group as they have continuous purchasing power especially through cash. Therefore, the target of cash-based customers is also increased.

1.1.1 Vision and Mission statements

The Board of Directors' meeting No.10/2020, held on 15 December 2020 approved the change trademark, vision, mission and core values and the published on company's website. The Company's organizing a meeting in order or the business to have a goal in the same direction.

Vision

Be the best solution provider to empower life's quality for everyone

Mission

- Create innovation and develop fine technology continuously
- Fulfill customer's satisfaction and engagement with caring services
- Select the best products and services for life quality of customers
- Develop expertise and professional of human resources
- Enhance stability and good quality life for all employees
- Provide sustainable values to shareholders
- Take responsibility towards society and environment

TSR Core Value

I (Innovation)	Ready to create and modify for the better
S (Service Mind)	Service with heart and care
M (Moral)	Moral Honest Transparent
A (Achievement)	Strive for goals and achievement
R (Reliable)	Professional and reliable
T (Teamwork)	Work as the team

Important milestones

- | | |
|-------------|---|
| 2017 | <ul style="list-style-type: none"> - On 21 March, The opening ceremony of the TSR Lao Co., Ltd. was officially opened in Vientiane. - On 2 June, the company changed its paid-up capital from Baht 467.18 million to 516.73 million Baht, resulting from the 2nd exercise of securities of TSR-W1 on 31 May. - The company has a petty patent for Alkaline Mineral, which has been tested in accordance with AS/NZS 4020:2005 standard by the Eurofins AMS Laboratories Pty Ltd, a leading Australian Institution (AMS). In addition, the company is registered on the website of the NSF Product and Service Listings for the Spun Polypropylene Filter Cartridge under the NSF/ANSI42 standard. - The Company providing the full range of the service through continually expand new branches and services center across the nation. At the end of the year 2017, there were 22 branches and 2 customer service centers compared to 20 branches and 3 customer service centers in year 2016. |
| 2018 | <ul style="list-style-type: none"> - On 5 June, the Company changed its paid-up capital from Baht 516.73 million to Baht 521.84 million from the third warrants exercise of ordinary shares (TSR-W1) on 31 May - On 20 September, the Company signed a cooperation agreement to produce products for Successmore or Successmore Being Company Limited, which is a Thai company. The company conducts its business of selling consumption and supplements products both domestically and internationally. - On 27 December, the Company changed its paid-up capital from Baht 521.84 million to Baht 549.68 million from the fourth (the last) warrants exercise of ordinary shares (TSR-W1) on 20 December. |

2019

- The Company has developed a new model of water purifier products, namely, safe water purifier model lite using Fibredyne, which is a technology imported from America. With outstanding features, it can filter sediment and contaminants than regular carbon blocks. It has 0.5-micron filtration resolution, which can filter germ, cysts, and bacteria. It also can inhibit bacterial growth (bacteriostatic). The Fibredyne Standard filter is certified to NSF / ANSI42, including the Activated Carbon filter, which is certified to NSF / ANSI61 and the KDF-55 filter, which is certified to NSF / ANSI42,61.
- The company had expanded its business model in distributing products through online and TV shopping channels in order to be in line with the current consumer behavior. By launching the D-Lite model for a modern family target that is a smaller size with limited living space residence. This product can also be easily self-installed (DIY).
- The company launched a new service titled "SAFE MAN" with Mr. Methanee Buranasiri (Nino) as a presenter to develop the sales team and service to be of high quality, suitable and modern. Various services were offered such as free delivery and installation, repair and filter replacement, alternative choices to credit card for payment methods and installments, as well as water consultation services and demonstration of the products at customers' homes.
- The company has continuously expanded branches in order to reach more customers and provide services in all region of the country. As of 2019, there are 23 branches (end of 2018 there were 22 branches).
- The Company's Annual General Meeting approved a reduction of the Company's registered share capital from Baht 662,198,922 (662,198,922 ordinary shares of Baht 1.00 each) to Baht 549,682,133 (549,682,133 ordinary shares of Baht 1.00 each), by cancelling 112,516,789 unissued ordinary shares.
- On 22 July 2019, the Board of Directors approved the closing of Fadders Thai Company Limited, a subsidiary in which the company holds 59.99% shares. This was to reduce the company's expenses due to the said subsidiary company no longer produced the "Fedders" air conditioners brand. The dissolution of the company was registered on 30 September 2019.

2020

- The Company has developed the RO² SAFE Water Purifier (Reverse Osmosis Membrane system product) to meet consumer needs in solving brackish water problems. Due to the COVID-19 which has affected the economy and the buying power of consumers, the Company has designed and developed Bright Sure Water Purifier at an affordable price. This gives consumers with limited purchasing power access to clean and quality drinking water.
- On 30 March 2020 approved the Share Repurchase Program (Treasury Stock) for financial management purpose to be repurchased not exceeding 10 million shares or equal to the amount of not exceeding 1.82% of the total paid-up capital of the Company and the maximum amount not exceeding Baht 10 million, through the Stock Exchange of Thailand during on 14 April 2020 to 14 October 2020
- On May 26 2020 registered joint venture company is Alpine Water Co., Ltd. the company that has business about trading, rental, and service the set of ice maker machine composed of ice maker machine and water purifier. It has a registered capital of Baht 10 million, with the Company holding 54% of the shares in the amount of Baht 5.4 million. Alpine Water Co., Ltd. is a subsidiary of the Company.
- The Company develops water filtration systems focusing on creating products that can filter water at higher capacity for the restaurant business and chain stores to meet the increasing market demand such as water purifiers for UV Alpine water ice machines models RO150GPD, RO300GPD, RO600GPD etc.

2021

- On 14 October 2020 in which the Company has repurchased a total number of 2,697,900 share, equivalent to 0.49% of the total paid-up capital of the Company, and the total payment made was 5,611,816 Baht.
- The Company has rebranding including changing the corporate logo and various brand products and its subsidiaries. This is to improve the image of the Company for public relations and business operation
- The Company changes email and the Company's website using @tsrplc.com and <http://www.tsrplc.com>.
- The Company has developed the Reverse Osmosis Membrane (RO) water purifier system that combines many advantages together, consisting of
 1. As the result of the study and research in 2020, the RO High Flow system is chosen with RO Membrane 400 gallon per day (GPD) or approximately 1,512 litres per day.
 2. Smart display screen system is enabled to display the solution value in water before filtering (TDS in) and after filtering (TDS out), resulting in users are able to know the value of water quality throughout usage. Additionally, the screen also shows the function of the accumulated water consumption, the number of remaining days as well as the filter replacement notification when it is due.
 3. The Error Code Notification is alerted when an abnormality is detected.
 4. The Automatic flush system (Automatic Self-Cleaning Water Filter)
 5. Users can easily change filters by themselves with the Quick-Change system in line with the current pandemic situation.
 6. Duo Faucet can be used for both RO drinking water and pre-filtered water for washing fruits and vegetables. This meets the needs of more functional applications.
- On 12 May 2021, the Board of Directors resolved to approve the timing of the sale of repurchased shares according to the share repurchase programme for the Company's financial management from 1 June to 1 December. The Board of Directors also approved the reduction of the paid-up registered capital by writing off the repurchased shares that have not been sold after the expiration of the resale period.
- On 27 October 2021, the Board of Directors approved the closure of TSR Lao Company Limited, a joint venture company with the JB Group which the Company held 49% stake and the JB Group was appointed as the sole distributor of water purifiers and filters in the Lao People's Democratic Republic.
- On 24 December 2021, the Company registered the capital reduction by writing off 270,900 shares of unsold repurchased shares. The Company subsequently has a paid-up registered capital of 549,411,233 baht, divided into 549,411,233 ordinary shares with a par value of 1 baht per share.

1.2 Type of Business and Nature of Operation

1.2.1 Revenue Structure

Thiensurat Public Company Limited and its subsidiaries

Sales revenues are categorized into 3 major types as follows:

- **Revenues from direct sales (Door to Door):** These are primary revenues from sales of water purifier and water filter under “SAFE” brand. Until late 2014, the Group started selling air-conditioner by using the Company’s customer database and then has expanded use of product to other electric appliances, e.g., water heater, television, washing machine, Air conditioning, etc., in order to satisfy customers’ demand. A substantial increase in electric appliance sale caused the Company to launch a new subsidiary company named Thiensurat Leasing Company (TSRL) to operate sales of electric appliances under hire purchase scheme in the third quarter of 2017.
- **Revenues from distribution through the other company:** The Group distributes products through Giffarine Skyline Unity Co., Ltd., (Giffarine brand) Addwell Beauty (Thailand) Co., Ltd., (Addwell brand) and Successmore Being Public Co., Ltd., (Alkamag brand) which are direct selling companies (MLM).
- **Revenue from distribution through Online Marketing:** From the growth of technology development, the company started to run sales of electric appliances through Online Marketing in the end of 2017 under the name of “PONSABUY” (Easy to pay) and got more experience to develop it to **Online to Offline (O2O)** for sales of water purifier in 2018
- **Revenue from sales of ice maker machine:** On May 12th, 2020, The Group has made an investment in the ratio of 54.00% by incorporating a new subsidiary company named Alpine Water Company Limited that has been registered on May 26th, 2020 with total one million shares with par value Baht 10.00 per share and the Shareholders had been paid up capital of 70% of share registered. Alpine Water Company Ltd. has business about trading, rental, and service the set of ice maker machine composed of ice maker machine and water purifier to support and to build the revenue growth in the future

Revenues by cash & credit sales and hire purchase sales are tabulated below.

Sales	2021		2020		2019	
	Million Baht	%	Million Baht	%	Million Baht	%
Cash and credit	319.41	22.63	276.30	16.39	216.15	14.84
Hire purchase	1,092.11	77.37	1,409.25	83.61	1,240.21	85.16
Total sales	1,411.52	100.00	1,685.54	100.00	1,456.36	100.00

Note: Sales through Modern Trade and Dealers are included in Cash and credit.

1.2.2 Product

(1) Products of the Thiensurat Public Company Limited and its subsidiary

1. Safe Drinking water filter products under the 'Safe' brand

The Company is a manufacturer and distributor of water purifier products for more than 45 years. Through research and development, all models of products are of highest quality standards and designed to cover all filtration systems to support different water conditions in each area. To meet the needs of consumers, there are a wide range of product models, including UF, UV, RO systems as well as portable systems such as a water filter jug. It also has alkaline mineral stone technology to help adjust the water to be alkaline which ensuring acid-base balance in the body and good for health. With a warranty up to two years, the products can filter up to 20,000 litres of water. The direct sales system is the main channel for selling the Company's products because the salesperson can clearly present the product's features and can build a good relationship with the target customers. However, the Company has also expanded various online channels such as website, e-marketplace, including O2O to adapt to the behaviour of consumers who buy more products through online channels. The Company also offers installation and after-sales care service. To make these products more accessible and affordable, instalments purchase agreement is available to give customers more purchasing choices.

กลุ่มสินค้าเครื่องกรองน้ำดื่ม แบรนด์เซฟ



2. Safe Hot and cold-water dispenser products under the 'Safe' brand

As a specialist in the production and distribution of water purifier products, the Company has added a product group of hot-cold water dispensers under the model 'Duo One' to expand to the customer target groups including for offices or restaurants. The product uses a filtration technology imported from South Korea which has both UF and RO systems that can support all water conditions in all areas. Further, it also has environmental-friendly technology using the R134A refrigerant which does not destroy ozone in the atmosphere. The Company offers delivery and installation services as well as after-sales care services. There is also an instalment contract available to allow customers to have more accessible payment options.

กลุ่มสินค้าตู้กดน้ำร้อน-น้ำเย็น แบรนด์เซฟ

safe

DUO1



3. Water purifier products under the 'WaterMate' brand

Based on research and development on drinking water purifier products, the Company sees an opportunity to expand the product line of water purifiers. Because it is a related product that can be used in households to solve raw water problems that affect consumption, including sediment, limestone, iron rust and water hardness. The Company therefore invented a water purifier product under the brand name 'WaterMate' that can solve various raw water conditions. With a total of 7 models divided according to the size of the filter tank, customers can choose based on the appropriate amount of water used and the type of filter substances that are suitable to the condition of raw water in each area. In addition, the Big Blue, which is an auxiliary device to filter coarse sludge, can apply for both normal and automatic head. The Company offers water testing services to customers in order to recommend models that are suitable for their use. Delivery and installation services as well as after-sales care services are available. There is also instalment contracts available to allow customers to have more accessible payment options.

กลุ่มสินค้าเครื่องกรองน้ำใช้ แบรนด์วอเตอร์เมท



4. Safe Drinking water filter products under the 'Safe' brand

After selling drinking water filters, more than 1 million drinking water filter kits will expire after the usage, the Company therefore offers filter products to customers through various sales channels such as by phone, business continuity department and various online channels including websites, e-marketplaces, etc., to enable customers to access more products and services. The Company has selected drinking water filters and materials that meet international standards. The filtering materials are designed to be replaceable with the new whole set simultaneously without having to change one or two materials. This is the unique specification of the water filter 'Safe'. The filter replacement service is available for customers. Instalment contracts are also available to allow customers to have more accessible payment options. This year, the Company has released a new product called 'P-Tech' which is a cementitious material for filtering coarse sediment in water before entering other filtration stages. It is certified under the NSF standards, which is a global standard. The P Tech is available in sizes of 4 inches and 10 inches, which can be used with 'Safe' water filters and/or in conjunction with other brands.

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5. Water filtration products under the 'WaterMate by Safe' brand

From the start of selling water purifiers, the Company continues to take care of customers whose filters have expired. Therefore, the WaterMate filter products have been selected and presented with a standard quality. The filters are classified into different types such as carbon, resin, manganese, etc. They are packed in bags according to the size of the filter tank used to maintain the quality of the filter. The filter replacement service is available for customers.

กลุ่มสินค้าชุดสารกรอง เครื่องกรองน้ำใช้ แบรนด์วอเตอร์เมท



6. Water purifier products through a distributor under the 'Drinkco' brand

Based on the Company's expertise in the production and distribution of water purifier products, key strengths include direct sales system that can deliver products and services to customers' homes. The Company consequently expands its business by finding partners for the line of water filter products. Quality products are carefully selected from leading international brands to be distributed under the 'Drinkco' brand. This has been accepted by the leading brands such as Wells Cuckoo from South Korea, Mitsubishi Cleansui Japan, Midea from China, BWT and Stiebel Eltron from Germany, etc. The above-mentioned products cover all filtration systems and meet all consumer needs. The Company also provides services counselling, delivery and installation as well as providing instalment payment option to make it more accessible to customers.

กลุ่มสินค้าเครื่องกรองน้ำที่เป็นตัวแทนจำหน่ายภายใต้แบรนด์ดริงค์โค

drinkco



7. Drinking water purifier products that the Company is the original equipment manufacturer (OEM)

The Company manufactures and distributes products through Giffarine Skyline Unity Company Limited (Giffarine), Addwell Beauty Company Limited, and SUCCESSMORE BEING Public Company Limited (for Alkamag). The Company provides product counselling and trainings as well as after sales service to the partners.

กลุ่มสินค้าเครื่องกรองน้ำดื่มที่บริษัทรับเป็นผู้ผลิต OEM



GIFFARINE

SUCCESSMORE
Innovation for your being

AddWell

8. Ponsabuy Distributors of electrical appliances under the ‘Ponsabuy’ brand

The Company has experienced in lending water purifier business including a large customer base for its products. The Company therefore expands the opportunity by selling electrical appliances products for household consumption and business in Bangkok and surrounding areas. These include televisions, refrigerators, washing machines, air conditioners, freezers, etc. The products are from leading brands such as Daikin, Samsung, LG, Toshiba, Panasonic, etc.

The Company offers its products to its existing customers and new customer groups through online channels using the O2O strategy via telephone sales channels and through the direct sales system under the brand ‘Ponsabuy’. Product delivery and installation services are available. The instalment loans are also available as an alternative option for wider customers.

กลุ่มสินค้าเครื่องใช้ไฟฟ้า ที่เป็นตัวแทนจำหน่ายภายใต้แบรนด์พอนสบาย



SAMSUNG DAIKIN TOSHIBA LG
Hisense SHARP Panasonic Wells Alpine

9. Ice machine products under the ‘Alpine’ brand

The Company has expanded its line of product related to the drinking water filter product to include the ice machine products under the ‘Alpine’ brand. By combining innovations for drinking water filtration with ice production, this enables clean and quality ice in which maintaining quality and taste of the drink. Alpine offers a wide range of ice machines models with the production capacity from 18 kilogramme to 1,000 kilogramme per day. It can support both household and business use. From small cafes, restaurants, entertainment venues, hotels and industrial factories. Different various form of ice can be produced, including half-cube, full-cube, tube ice, flake ice, etc., which are suitable for different use and to ensure the quality of food and beverages as required. The Company distributes products through many channels such as sales staff, telephone sales staff and online channels. Product delivery, installation and after-sales care services are available with a specific period for maintenance and/or check-up.

กลุ่มสินค้าเครื่องทำน้ำแข็ง แบริดอัลไพน์

Alpine

THE ICES EXPERT
เครื่องน้ำแข็ง เราเชี่ยวชาญ



10. Products of Safe Trade International Company Limited

The main products of Safe Trade International Co., Ltd. are water purifiers and water filter jugs. At present, there are water purifiers that only manufactured for the Giffarine Skyline Unity Co., Ltd., who is the main contractor and major client of the subsidiary company over the past years. And currently, there are 6 types of water purifiers and water filter jugs products.



(2) Market and Competition

(2.1) Industry Conditions

Due to the continuation of the spread of coronavirus (COVID-19) during 2020-2021, it has resulted in disruptions in the industrial production chain. Operators are trying to simplify and reduce distances of their production sources closer to their own country by ensuring production bases are in closer countries within the same region. As a result, the global value chain tends to be shorter, more diversified and regionalised. Based on forecasts of the global value chain over the next 5 years (until 2025), the Krungsri Research estimates that Thai industry will play a part in the global value chain. Most of them are still in the downstream of the value chain. The main industries in Thailand that are able to participate in the value chain due to higher competitiveness are food and beverage industries, and computer and electronics. The industries that Thailand may have less participation in the value chain are mainly upstream of the value chain such as agriculture and mining etc.

The demand for electrical appliances in the country is expected to grow by an average of 2.0% -3.0% due to (1) The real estate and housing market which is anticipated to improve in 2022-2023 in line with the economic growth direction; (2) Marketing of new electrical appliances which focusing more on health and well-being, such as air purification systems to reduce PM 2.5 dust problems and eliminate bacteria and viruses to prevent epidemics such as air conditioners, washing machine and air purifier including new electrical appliances that can be controlled through internet connection; (3) Weather in 2022-2023, temperatures are expected to continue rising due to the climate crisis. The demand for air conditioners will be increased; and (4) Distribution channels through online product marketing are increased which enabling consumers to access information and make purchasing decisions more conveniently. For these reasons, the drinking water filter industry becomes more competitive due to marketing of leading international brands that offer products and services that respond to the needs of people during the COVID-19 pandemic as people spend a lot more time at home and care for their health.

In this regard, during the end of 2021, restaurant and cafe businesses can provide full service following the ease of the covid-19 restriction measures, including lifting curfews in tourism pilot areas; and allowing restaurant businesses to re-sell alcoholic beverages to dine-in customers from 1 November 2021 under specific conditions. This enabled consumers to go out to dine and spend time in restaurants

(Reference: <https://kasikornresearch.com/th/analysis/k-econ/business/Pages/reopen-restaurant-z3283.aspx>, <https://www.thansettakij.com/business/482146>, <https://www.krungsri.com/th/research/research-intelligence/ri-supply-chain>, <https://www.krungsri.com/th/research/industry/industry-outlook/Hi-tech-Industries/Electrical-Appliances/IO/io-Electrical-Appliances-21>)

(2.2) Overview of water purifier market for household use

The overall market for drinking water filters is more competitive, both directly for manufacturers and distributors as well as indirectly for bottled/gallon water producers through home and/or office delivery services. Adding nutrients in drinking water to be a functional drink such vitamin or mineral enhanced water can increase the product value. In 2021, the coronavirus pandemic is a driving force for most manufacturers in the drinking water filter market to expand their market. To reach more customers, online channels are strategized for both direct sale or through agents on social commerce and e-commerce. The key areas are Bangkok metropolitan area and/or large provinces where consumers focus on health or are concerned about safety and contaminants. The marketing goal was to reach a new group of customers who have never used a drinking water filter before by offering a free trial or taking a market share through the campaign of bringing the old water filter of any brand to change to

the new water filter with a special promotion price. The key marketing strategy is to add value by offering inclusive service packages i.e., installations services, cleaning and maintenance of drinking water filters and changing the filter package to the RO (Reverse Osmosis) system that can use for both hot-cold water. This new innovation in the market is popular for its functionality, design and ease of use in addition to the basic qualities of drinking water such as taste, cleanliness and safety.

The competition among Thai brands was observed in terms of price competitiveness but not much on the product innovation. The key focuses were various quality and standards of filtration systems, beautifully designed installations and after sales services. The market can still expand due to the limited awareness or demand for the product especially in homes outside the water supply area which have problems with hard contaminated water or hydroponics agriculture or skin allergy customer groups, etc.

(2.3) Analyze and compare competitive conditions

In 2021, impact of the Coronavirus (COVID-19) pandemic was evident with the 3rd - 4th wave, starting from the Songkran festival to the 4th quarter. This resulted one-third of the country became the highest controlled area with Red or Dark Red Zoning. Direct-to-home sales systems as well as modern trading channels were directly affected. There were only online channels that can drive products to the target customers. Therefore, the competition was quite high both in terms of price strategy, promotion campaigns, discounts, exchanges, giveaways, and longer instalment periods coupled with low interest rate loans or zero percent interest rate. Influencers were also hired to create brand awareness, interest, and decision to buy. Recruitment and selection of qualified distributors were also included. Those selected were required to have a basic knowledge of how to use social media as much as possible to create brand awareness in wider areas and ability to quickly distribute the products under a limited marketing budget.

Currently, there are approximately 20 brands of drinking water purifiers in the market. These include the Multilevel marketing (MLM) system under the Thai brands and international brands imported from Europe, America, South Korea and China. All brands focus more on online marketing by establishing a clear selling point and different brand position including organizing the Corporate Social Responsibility (CSR) activities. The marketing activities with other brands and cross sales with other essential products in conjunction with water purifier were organised. Foreign brands usually have continuous communication plans and marketing campaigns, such as coway, which use quite a high marketing budget. There was a comprehensive media communication campaign, both offline and online, including opening a showroom. There was a standalone store separating from the shopping centres as well as roadshows to major cities in the region to expand agent and customer base. The pilot launched with water purifiers and added other health-related products such as air purifiers, toilet lid, etc. The upper market group led by the 'Wells' brand that decided to go into its own operation and distribution of water purifiers in Thailand. Other western brands are trying to find additional sales channels besides modern trade, dealers and online through co-marketing with partners such as 3M water filters, selling in conjunction with coffee machines from the CP Retailing. Stiebel Eltron has partnered its water filter products with the NL Coffee to expand more business into the coffee market by launching the MAXSOFT, water softener that helps adjust water and enhance the taste of coffee. In addition, there were also other projects that were commercially sold through the Business to Business (B2B) channel.

Thiensurat Public Company Limited (TSR) is one of the market leaders who produces and distributes drinking water filters under the brand 'Safe' brand for households in Thailand over 45 years. The Company planned its marketing based on careful assessments of the economic conditions and the impact of consumer purchasing power from the COVID-19 pandemic. The direct sales is the main channel which the Company has the advantage of long established

expertise. The Company offers all kinds of filtration systems that are suitable for the quality of different raw water in each area in the country for both drinking water filters and water filters use. Instalment payment plans are available for the mass market. Further, new markets have been expanded to Horeca groups, hotels, restaurants and cafes by selling the line of products together with Alpine's ice machines.

The Company developed its competition strategies for its water purifier products in the past year through brand building plans in various channels and media, both online and offline. This made it easier for consumers to access information to help them make purchasing decisions. Various contents were created to attract the attention of consumers by building brand awareness, encouraging and building the confidence of consumers in their purchasing decisions based on increasing trends of health-conscious target market. Another factor was the expansion of both low-rise housing (detached houses and various housing estates) and high-rises condominiums and apartments etc. The Company had continuously stimulated sales with water heater products by selecting high standards products with after-sales services to build confidence of customers.

(2.4) Marketing Strategy

The marketing strategy were constantly adapted and changed resulting from the COVID-19 pandemic that lasts more than one year. The expansion strategy to different regions in the country were mostly on hold except the large new branches (more than 1,000 square meters) in 2 provinces, Phetchaburi and Chiang Mai. These two branches serve as a showroom presenting all line of products and providing comprehensive services. Although in 2021, no new product has been launched however, the Company had rebranded the product groups as well as products under the subsidiaries of TSR Company. This is to ensure consistency with the new corporate vision. The marketing position was also adjusted to be more up to date to reach wider customer groups by putting in place a public relations marketing strategies including interviews with the Company's management and executives. Marketing activities were conducted on various media platforms including TV programmes such as "Panya Pansuk" and "Hollywood Game Night Thailand". The Company's appearance was also changed including branch signs, uniforms, packing products, websites, brochures, etc.

The shift in marketing policy was due to the impact of COVID-19 across all industries that affecting the behaviour of consumers. These included searching for product information, additional reviews and open to new product trials, cost comparisons, features and promotional campaigns through online platforms and mobile applications. Therefore, the Company adapted and developed its website to meet the needs of customers. More marketing activities on e-marketplace channels were organised. The Company also trained its employees/sales representatives with additional digital skills related to social commerce in order to reach wider customers and able to sell the products through these online platforms themselves. This strategy helped addressing the higher advertising cost through the Online to Offline marketing (O2O) via Facebook, which has increased every year as well as finding solutions for the efficiency of distribution through direct sales channels which impacted under the COVID-19 pandemic. The impact during the 2-3rd quarters of 2021 were severe as most areas were in the red and orange-controlled areas. The Company had to ensure social distancing measures and reduce product presentation to avoid the risk of infection both for customers and employees/ sales representatives of the Company.

In addition to the online channels that being developed for future growth, telemarketing channels have also played a role in presenting other cross sales products, which can be promoted as part of the line products or to stimulate customers' demand. These products include water filters, ice machine, air purifiers and others, including filtration systems. A campaign to exchange old water filters for new ones were also launched with old and/or current

customers (database of more than 1 million customers). This helped reducing customer acquisition costs instead of only contacting and making an appointment for on-site services through a team of technicians in line with COVID-19 restriction measures. Flexible financial services through instalment payments are also available.

The importance of integrated and comprehensive services

One of the Company's important missions is to ensure customers' comfort by offering comprehensive services for customers from the start. This includes product demonstration through sale representatives at customers' home, followed by a quick and easy installation service. Additionally, financial services with non-bank instalment payments (no credit card required) are also available along with after-sales services including free of charge services up to two years warranty, and repair and changing the filter at home. Customers can make an appointment or contact the Company's hotline 1210 or through other online channels such as Website, Facebook and Line official.

Quality of products and services

Water purifiers are products that require guidance to understand their use, choose appropriate features and systems that suitable for raw water quality, installation site and customers' needs. The Company therefore emphasizes on product awareness and healthcare of customers and families by selecting and training quality employees with knowledge, and practice skills. The capacity building and development of its employees are ensured from the first day of work and throughout the employment to ensure a service mind and customer satisfaction including customer royalty and referral.

Customer satisfaction survey results

The Company has surveyed customer satisfaction annually. The Customer Relations and Service Department is assigned to inquire information from customers and summarize the information. The evaluation of the Company's performance revealed that the annual customer satisfaction survey in 2021 averaged 92.62%. The Company is determined to continuously improve its service to better serve customers.

Direct Sales Channel

Direct sales are the main sales channels of the Company. And in order to adapt to the current competitive situation, the Company therefore focuses continuously on building capacity of its personnel through training and development by The TSR Academy Training Institute focuses not only on understanding the information of products and services, but also develops its personnel to become experts who understand the quality of raw water, installation system and specific issues and problems that differ in each specific area in order to meet target customers in all forms. The trainings include accurate water filtration procedures and systems along with product demonstration and how to increase decision purchasing confidence and sales opportunities

Online Channel

The COVID-19 pandemic has affected and changed the behaviour of consumers. With this, the Company proactively adjusted its new service structure to be in line with changing consumer behaviour. Under the 'Online to Offline' strategy, the information technology systems were developed, and online administration and management were adjusted. This enhanced the Company's strength of having comprehensive branches covering wider areas with direct sales staff to take care of customers throughout the country. In addition, online sales and expansion of customer base were promoted through online channels such as E-Commerce Website and E-Marketplace or Electronic Marketplace, which are channels with high growth opportunities. This would also facilitate new customer acquisition and further promote the Company's continuous growth to create a competitive advantage in reaching various target consumers quickly and building a good relationship with customers.

Throughout the long establishment of its business operation, the Company is committed to creating good health for all Thai people. The business approach of the Company therefore focuses on customers-based approach by responding to the needs of customers and creating a good experience in using the products and services of the Company for all customer groups including general customers (Mass), specific customers (Niche), individual customer (Consumer), and corporate customers (Corporate). The strategies are listed below.

(1) Focusing on Product Quality

The Company gives importance to selecting high quality materials that will be used in producing water filter. The materials are such as filter substance certified by NFS, and filter substance and alkaline mineral imported from Europe and the US. "SAFE" water filters are therefore certified by the global leading institution Eurofins AMS Laboratories Pty Ltd which is a leading institution from Australia (A/NZS 4020:2005) Sales through social media channels such as Facebook, Line, etc. (Details of the tested models are reported under the section 1.2 Major changes and developments over the past 5 years)

The Company has Product Research and Development Department which conducts research and develops products for the Company continuously, including the water filter product and the filter element. It is to create differentiation and superiority over the product competitors, and to solve the problem of different water quality in different areas of the country e.g. brackish water, ground water and etc. It enhances capability in filtering the low quality or highly- impure water to become water that is suitable for consumption. It invents "SMART Control" system for the water purifier model ROMA with RO system (Reverse Osmosis) to make it well and continuously function, even under the condition of decreasing water pressure. It develops Flush Valve system for customers' convenience in fast maintenance of the water filter.

The Company has obtained the "patent" of alkaline water alteration system from Department of Intellectual Property. This emphasizes on its determination to bring quality products to customers and to create confidence in "SAFE" products

In 2017, the Company has a petty patent for Alkaline Mine, which has been tested in accordance with AS/NZS 4020:2005 standard by the Eurofins AMS Laboratories Pty Ltd, a leading Australian Institution (AMS) In addition, the Company is registered on the website of the NSF Product and Service Listings for the Spun Polypropylene Filter Cartridge under the NSF/ANSI42 standard

In 2018, the Company has certified to NSF/ANSI42 using Fibredyne Standard filters, including the use of Activated Carbon filters that are certified to NSF/ANSI61 and the KDF-55 filter layer certified to NSF/ANSI42,61

In 2019, to In 2020 the company aims to develop and expand the water filter, the RO (Reverse Osmosis) system, by researching the RO High Flowrate system, in order to respond to a higher demand of customers for drinking water. As a result, drinking water production rate had increased in accordance with the demand. To illustrate, water production rates previously were in the range of 50-75 GPD (gallons per day) or about 190-283 liters per day. This was increased to 400 GPD (gallons per day) or about 1,512 liters per day. This enabled to stop the use of the RO Tank and reduce the installation space (for placing the RO Tank) as well as lessen the installation process to be more convenient and faster. In addition, in the year 2020, there was a brackish water problem, so the company developed a SAFE water purifier, model RO2, to meet the needs of consumers in solving the brackish water problem that occurred.

Expenses for research and development of business innovations

(Unit : thousand baht)

Item	2021	2020	2019
Research and Development Expenses	2,215	1,472	1,083

(2) Developing new products continuously and expanding product lines as solutions to cover customers' wants

The Company has developed a variety of products that suit consumption, usage and preferences of consumers, including UV (killing germs by UV ray) RO (Reverse Osmosis) filtration systems by developing new products, this enabled to filter the salinity of the water supply, in order to maintain good health for customers during the time that the water supply was brackish and had the salinity above the standard that caused by a saline intrusion and UF (Ultrafiltration). It offers small-sized products to fit single families living in condominiums and apartments or families with few members. The Company has products of different price levels which customers can choose depending on their affordability. For example, in 2016, the Company has launched the product model UF Alkaline for customers who use tap water and want fine water filtration system at the medium price. The Company has also launched dual water dispenser for hot and cold water with high quality with a built-in filtering system, it has mineral supplementation and the filtered pH water that help our bodies metabolize nutrients. Applicable for both within the office and in the household. Moreover, the Company has offered "Water Mate" water filtration system for household usage which enhances safety quality of water for consumption.

From the market survey, consumer behaviors and needs of the Company customers, it is found that most customers have rapidly increased their wants in electrical appliance products. To meet such customers' wants, the Company therefore has offered quality products to customers. Apart from "Safe Electric" water heaters with high safety as well as Fedders and Daikin air conditioners, the Company has selected popular and good quality electrical appliances to offer to customers such as Samsung television, Toshiba refrigerator, LG washing machine Media Air filter and so on. The Company has added an option to customers under the "PONSABUY" program in which customers can choose to purchase products with installment payment with the Company. This better creates happiness and comfort for families

In 2019, the company had expanded its business model in distributing products through online and TV shopping channels in order to be in line with the current consumer behavior. By launching the D-Lite model for a modern family target that is a smaller size with limited living space residence. This product can also be easily self-installed (DIY).



In 2020, the Company aims to develop water filtration systems for the restaurant business and chain stores to respond to the large market by focusing on creating products that can filter water at a higher capacity, such as producing water purifiers for UV Alpine, RO150GPD, RO300GPD, RO600GPD, etc.

(3) Giving importance to worthiness and convenience of customers

Apart from helping taking care of customers' health, the water filter products help customers saving their expenses in drinking water consumption. The Company gives product warranty for 2 years at maximum. During the warranty period, the services are provided at customers' home and free of charge.

The Company sees that convenience of customers is an important mission for the Company by focusing on services at home which are staff going to introduce and to give knowledge to customers at home, quick installation, installment payment service for purchase and after-sale services including repair and change of substance at home. The services can be reached via phone call at 1210, and the call center staff are available every day. Convenience in reaching the Company is via online of Website, Facebook and Line Official.

The Company has developed the efficiency in servicing customers to cover all areas in the country. It seriously implements Customer Relation Management system as it develops "Safe Mobile Application" system in selling and collecting payment. Hundreds of knowledgeable technicians with expertise are on services nationwide, and the service management is conducted under the "I-Mind" system which can assure customers that they will get fast and convenient services. It also has a connection (CRM: Customer Relation Management) to the telephone system (Cisco-IP Telephony) with continuously increasing efficiency.

(4) Increasing efficiency in awareness and access of the products and services

The Company has expanded distribution channels, basing on the Company's strength in the channel of Single Level Direct Sales which has sales and service staff about 2,000 persons throughout the country.

The Company has 35 branches to cover major cities of the nation as a network. This raises convenience in presenting, selling and servicing customers. The Company has also number of telemarketers to become about 120. There were 20 additional telephone sales representatives from 1 outsourcing companies, a total of 140 seats.

Due to popularity in buying products through Online, the Company has increased number of staff teams in Digital Marketing and Online Telesales in order to match with the online channels of web site, Facebook, Line Official of the Company Or via Market Place such as Lazada, Shopee, Fixzy, and Shop@24 and so on. Customers then can order the products through online system; this leads to more convenience in fast access of the products and services.

(5) Creating good relationship with customers sustainably

Water filter is a product that needs suggestion. Therefore, the Company emphasizes on giving knowledge including products that are suitable for the water condition of customers' homes and creating understanding in products and health caring among customers and families. Staffs are hence the key success factor.

The Company has developed methods in recruiting and selecting quality staffs in order to meet the fast expansion of the Company's business. The Company gives importance to knowledge, skills and serious training, starting from the first day of their working. That includes knowledge of products, skills in selling and servicing, taking care of customers, creating good attitude and service mind for bringing better health of customers, having the training institution for continuously and systematically developing quality of staffs, and having fieldwork trainers for staffs. This makes training both in theory and in practice the most effective.

The Company cares for compensation, welfare, and well-being of staffs in order to make staffs feel happy and secure; that in turn leads to providing good quality services to customers at every touch point. For example, when the time to change the filter substance, staffs call to inform customers and staffs go to service them at home. Staffs who collect the payment also ask the customers about their problems, and regularly build good relationship with them. Therefore, that can bring satisfaction to customers, and can result in repeat purchase as well as good word-of-mouth to relatives and friends afterward.

(2.5) Distribution Channel

2.5.1 Single Level Direct Sales

Single Level Direct Sales is the main distribution channel of the Company. We believe that such channel will enable our salespersons to clearly present the product features and build a good relationship

with the target customers both existing and new customer base in order to create an opportunity for future sales of other company's products and service. The number of executive for sales, sales and service staff of the Company about 2,000 persons every region throughout the country. Most of them are based at the head office in Nonthaburi province with sales coverage Moreover, groups of salespersons work in other provinces in 35 main branches to promote and support the sales of water purifiers, water treatment kits ,replacement filter and ice machines as well as to provide after-sales service in the regions as follows:

Details of 35 Branches

Region	Branch	Address	Telephone
Northern	Phitsanulok	298 / 2-3 Mittraphap Road, Nai Mueang Sub-district, Mueang district, Phitsanulok 65000	055-005-000
	Kamphaeng Phet	57/12, 57/13 Municipal Road, Nai Mueang Sub-district, Mueang district, Kamphaeng Phet 62000	055-021-989
	Nakhonsawan	95 / 15-16 Moo 9, Wat Sai Sub-district , Mueang district, Nakhonsawan 60000	056-007-857
	Sukhothai	29/70, 29/71 Wichian Chamnong Road, Thani Sub-district, Mueang District Sukhothai 64000	055-011-400
	Chiang Rai	866/10-11 Tangluangpandin 1, Weing sub-district, Mueang district, Chiang Rai 57000	053-719-288
	Phrae	400/304-305 Moo 9, Na Chak Sub-district, Mueang Phrae District, Phrae 54000	054-061-004

Region	Branch	Address	Telephone
	Chiang Mai	221/7-8 Chang Klan Road, Chang Klan sub-district, Meung district, Chiang Mai 50100	053-271-378
Eastern	Chonburi	600/23-24 Sukhumvit Road, Sean Suk Sub-district, Chonburi district, Chonburi 20130	038-110-083
	Rayong	349/1 Sukhumvit Road, Noenphar Sub-district, Mueang district, Rayong 21000	038-621-277
	Chanthaburi	33/118 Moo 7, Chanthanimit Subdistrict, Mueang District, Chanthaburi Province 22000	065-950-7212
Central	Lopburi	81/13, 81/14 Moo 9, Khao Phra Ngam Sub-district, Mueang District, Lopburi 15160	036-683-122
	Samut Prakan	1/373 Moo 20, Bang Phli Yai Sub-district, Bang Phli District Samut Prakan 10540	02-002-2052
	Nakhon Nayok	150/2 Moo 8, Phon Manee Sub-district, Mueang District, Nakhon Nayok 26000	037-349-389
	Samut Songkhram	99/28 Moo 1, Bang Kaeo Sub-district, Mueang District, Samut Songkhram Province 75000	034-121-010
	Saraburi	20/38, Mittrapab Road, Pakpure Sub-district, Mueang Saraburi District, Saraburi 18000	036-200-579
	Suphanburi	191/1 Moo 3, Rueyai Sub-district, Mueang District, Suphanburi 72000	035-967-997
western	Phetchaburi	118,119 Moo 3, Raisom Sub-district, Mueang Phetchaburi District, Phetchaburi, 76000	032-401-629
	Prachuap Khiri Khan	829/3, 829/4 Moo 4, Ao Noi Subdistrict, Mueang Prachuap Khiri Khan District Prachuap Khiri Khan Province 77210	032-646-793
	Ratchaburi	9/5,9/6 Prachasaket 1, Road Na Muang Subdistrict, Mueang District, Ratchaburi Province 70000	032-912-272
Northeast	Nakhon Ratchasima	2966/80 Dech Udom Road, Nai Mueang Sub-district, Mueang District, Nakhon Ratchasima 30000	044-262-900
	Buriram	999/13 Moo 1 I-san Sub-district, Muang Burirum district, Buri Ram 31000	044-613-899
	Khon Kaen	688/94, 688/95, 688/96 Klang Muang Road., Nai Mueang Sub-district Mueang District, Khon Kaen 40000	043-043-500
	Mukdaharn	122/4-5 Wiwittha Surakan Road, Mukdahan Sub-district, Muang Mukdahan district, Mukdahan 49000	042-042-000
	Udon Thani	73/16,73/17 Moo 1 Soi Ban Nadi Mak Khaeng Sub-district, Muang district Udon Thani 41000	042-223-448
	Roi Et	426 Moo 23 Nuea Mueang Sub-district, Mueang district, Roi Et 45000	043-515-027
	Chaiyaphum	55/4, 55/5 Village No. 11, Nong Na Sang Sub-district, Mueang District, Chaiyaphum 35000	044-101-113
	Ubon Ratchathani	71/27 Bypass Road, Nai Mueang Sub-district, Mueang distric, Ubon Ratchathani 34000	045-243-495

Region	Branch	Address	Telephone
	Surin	428 Moo 16, Salak Dai Sub-district, Mueang District, Surin Province 32000	044-514-426
Southern	Chumphon	101/6, 101/7 Moo 6, Tha Yang Sub-district, Mueang Chumphon District Chumphon 86000	077-510345
	Surat Thani	20/1 Moo 10 Wat Pradu Sub-district, Mueang district, Surat Thani 84000	077-964-000
	Nakhon Si Thammarat	180/26-27 Moo 5 Pakpoo Sub-district, Mueang District, Nakhon Si Thammarat 80000	075-806-877
	Thung Song	112 / 36, 112 / 37 Thung Song - Nakhon Si Thammarat Road. Pak Phraek Sub-district, Thung Song District, Nakhon Si Thammarat 80110	075-805-079
	Songkhla	1502, 1504 Moo 3 Airport-Lopburiramate Road, Khun Lang sub-district, Hatyai district, Songkhla 90110	074-250-420
	Trang	236/23, Kantang Road, Thap Thiang Sub-district, Mueang district, Trang, 92000	075-290-539
	Phangnga	98/1 Moo 3, Khok Kloi Sub-district, Takua Thung District, Phang Nga 82140	076-238-518

Remark: In the Company's direct sales, commission which a salesperson will get varies with sales volume. In addition, the Company offers other types of incentives to salespersons in order to boost sales volume as appropriate.

2.5.2 Telesales & Telemarketing

The Company has developed its capacity for product distribution through telephone by linking the Customer Relation Management (CRM) software with the Cisco-IP Telephony, and the customer database. This system is used alongside with the regular salespersons channel to distribute filters. Subsequently, the telesales channel became the main channel for the sale of electrical appliances. The Company has expanded its sales channels by telephone to accommodate future sales. By the end of 2020, there are approximately 140 sales staff members. Customers can communicate with sales office for more information and services by contacting the Call Center 1210 and 02-819-8888, 150 lines. approximately 20. Sales staff members In order to facilitate and speed up the service, which more than 90% is a new customer database. The Company has recruited more staff to support customers from various online channels such as Facebook and Line to provide services through new channels with increased coverage and efficiency there are Which is a new customer database to respond to services through new channels that are more comprehensive and effective. We have added a category to customers. In addition to the main products are water purifiers and filter sets, the Company also sells Daikin air conditioners, Hisense air conditioners, Safe Electrics water heaters and other brands of electrical appliances such as Toshiba, LG, SHARP, Panasonic, Master Kool Media Hisense and Samsung, etc. The telesales management will enable the sales to target customers and able to manage expenditures. The cost structure is relatively low compared to other sales channels.

2.5.3 Sales of products through online channels

Resulting from the changing of behavior of consumers, the Company has made plans to support the expansion over the past 2-3 years by driving sales and expanding the customer base through all online channels such as Facebook, Line@, Website, Instagram, YouTube and Shopping Applications etc. These are identified channels with higher growth opportunities and can

acquire new customer base to ensure the Company's continuous growth. It can create a competitive advantage in reaching target consumers quickly and building good relationships with customers from the popularity of shopping and interaction through social media channels. With this, the Company has added a Digital Marketing and Chat Admin teams to maximise the benefits of online channels. To facilitate quick access to products and services via the website, Facebook, Line official of the Company or through Marketplace channels such as Lazada, Shopee, Fixzy, and Shop@24, etc, customers can instantly contact or directly order products through all online channels of the Company.

2.5.4 Sales of Products through Other Companies

The Company's distributes products through Addwell Beauty (Thailand) Co., Ltd., (Addwell brand) and Successmore Being Public Co., Ltd., (Alkamag brand) and subsidiary sell water purifiers and water filter jugs to Giffarine Skyline Unity Co., Ltd. Subsidiary have been trusted to make outright selling through these company as a result of various factors such as continuous research for new technologies, quality standard of products, on-time delivery, after-sales service, training for network members and good

(3) Product and Service Supply

(3.1) Materials for production

The key important materials for the production of the company's water purifier are the external structure of the water filter ('Housing') and the filter ('Filter Media'). As for the external structure made of plastic, the company designs and hires a partner company to produce. The company procures most materials for filter media through several domestic distributors. Some parts are also imported from overseas distributors, whom many of them have more than five-year business relationships. The company has a policy to reserve materials for production of not less than 15 - 20 days, depending on the production process for each type of material. And the company has tested quality of the materials delivered each time.

(3.2) Salespersons

The company has a selection procedure for salespersons by choosing from qualified applicants and passionate sellers. The company facilitates capacity building for new employees to ensure a better understanding of the products, Service, increase sales skills and understand sales psychology. The company's sales manuals were developed for all sales staff to use as guidelines for selling products. both online format and portable manual Furthermore, the company regularly holds workshops and seminar activities online and onsite to increase sales skills. For salespersons who exceed sales targets, the company has provided an incentive award to motivate salespersons. It also organizes public relations forums and promotes success through online media. To support quality salespeople to be proud and to work with the company in the long term.

(3.3) Workflow of the Company

1. **Below is a concise illustration of the Company's water purifier manufacturing processes. The Company's water purifiers manufacturing processes**
 - **Water Purifier Design:** Carried out by Production Control with direct expertise in designing water purifiers by taking into account the water filter efficiency, convenience and good design.
 - **Molding:** After the design process, the Company will send the plan to a molding Company. The Production Control Department will inspect molds of several parts at the factory and supervise various details according to the plan.
 - **Selection of Materials, Components and replacement filter:**
Materials and Components

Selected Food Grade materials are durable, appropriate to the product image and safe for drinking water. The Company sends the molds only to experienced contractors to create different parts of the purifiers, and who also comply with the standards of water purifier plastic injection molding.

- **Replacement Filter**

Water replacements of national and international standards are selected. Iodine number test is conducted in a laboratory on a regular basis. Additional, our water purifier has been certified by Eurofins AMS Laboratories Pty Ltd, Australia, by 6 aspects test condition as detailed: 1. Taste 2. Appearance 3. Growth of Aquatic Micro-Organisms 4. Cytotoxic Activity 5. Mutagenic Activity and 6. Extraction of Metals which is a leading international group of laboratories providing an engine range of analytical testing services and come product. Specimens are sent to external agencies annually to examine the quality. Materials are inspected upon delivery. The Company aims for suppliers who meet the standards in order to obtain the highest-quality materials for the Company's water purifiers.

In every manufacturing process, the Company has produced a standards manual. The manual demonstrates a clear procedure to standardize the manufacture of the Company's products in accordance with ISO 9001:2015 certifications. The Company has a clear production plan in line with sales volume and number of products in stock to prevent product scarcity or oversupply. Besides, the Company conducts a post-production examination of the product to comply with the Company's standards.

2. distribution and installment collections of water purifiers can be summarized as follows:

- 1) Salespersons present information of products to customers. By stating that both cash and installment are available. In the case of installed payment, according to the Company's policy, sales staff will conduct preliminary customers screening then the sales team leader will reevaluate the screening prior to the purchase agreement. In addition, the credit and expedite debt department, which is responsible to collect payment from the second installment onwards, will examine the creditability of the client as well.
- 2) The sales team makes a purchase contract through the TSR Sales System (TSSM) by using online channel via a tablet or smartphone. With an introduction of a modern system, this had facilitated sales operations to be more convenient, quick, and accurately record customer information. Sales teams submit purchasing and leasing contracts together with relevant documents as well as the first installment received from customers to the Related department for filing in the Company's client database.
- 3) Payment of product installments Customers can choose from 2 main methods:
 - 1) Direct payment by using QR code attached to the water purifier or payment card, pay via Bank application, bank or Counter Service
 - 2) Pay through cashiers.
 Field collection and debt collection department
- 4) If a customer fails to pay the installment, the Company will follow up by the In addition, in order to avoid bad debt and collection, customers have more options to pay. As for the collection processes, the field collection department initially follows up with customers. But if the customer does not pay installments in multiple installments according to the criteria set by the company, then the field debt collection department and the telephone debt collection unit will be the focal points in following up and collecting debt. And

in case the Company has already sent two collection letters for overdue payments to customers, the Company may consider to take further legal action.

3. Standard operating procedure for distribution and installment collections of electric appliances can be summarized as follows:

- 1) Telesales or salespersons present information of products to customers. By offering to sell both in cash and installment system For customers to consider
- 2) In the event that the customer wishes to pay on installments for the product There will be an inspector. To check customer information and keep supporting documents such as financial documents, etc., to assess customers' installment ability before entering into a contract of hire purchase. And sign a letter of consent to verify credit information to send to the credit approval for consideration.
- 3) Credit review officer Check customer information from the National Credit Bureau and consider in conjunction with other factors in accordance with the Company's credit criteria If the conditions are met will proceed with the contract
- 4) Contract staff proceed with installment contract and collect the down payment from the customer.
- 5) Product delivery with installation service. The status of the customer will be changed to hire purchase receivables. Installment payments for products to the company
- 6) In the event that customers unable to pay installments. The Company will follow up on customer debt obligations and debt collection by relevant departments according to the stipulated regulations. For the case that the Company has sent a collection letter to the customer twice and the customer has not paid. The Company will take the product back and may begin legal proceedings.

The company has three production plants for water purifiers and filter sets. In 2019, the company had invested in modern production machinery to support business growth in the future by installing at the Factory 4. At the end of 2019, the company had centralized production of the main products being water purifiers, filter kits, purified pitchers, and spare parts at the Factory 4 in order to increase the efficiency of management, easy to control the inventory and reduce transportation costs.

In 2020, after the Company consolidated and merged its production centres located at the Factory 4 in Pathum Thani province, it then began to produce all the main products and delivered according to the production plan from one factory completely. The factory has a total production capacity of 25,000 water purifiers and filter kits per month, which currently using 80% of the total production capacity per 8 hours of operation.

In 2021, the company continues to focus on developing and upgrading the production quality. by production factory Certified by GHP (Good Hygiene Practices) in the filter filling process of drinking water filters. to ensure that All drinking water filters produced from the factory has passed the quality production process that meets international standards

(4) Assets used in business undertaking**1. Non-current assets: Property, plant and equipment**

The Company and subsidiaries have assets of property, plant and equipment - net as at 31 December 2021, amounting to Million Baht 415.07 with some of the land, plant and equipment being used as collateral for credit facilities.

Details of the Assets	Net book value as of 31 December 2021 (Million Baht)	Net book value as of 31 December 2020 (Million Baht)	Net book value as of 31 December 2019 (Million Baht)
Land and land improvement	311.79	242.66	242.98
Building and building improvement	68.15	71.48	84.49
Tools and equipment Furniture, fixtures and office equipment and Computer hardware	29.51	29.33	28.74
Vehicles	5.62	9.57	35.94
Assets under construction and installation	0.00	0.12	1.41
Total	415.07	353.16	393.56

The details of the main assets Has net worth as of 31 December 2021 divided by utilization and location as follows:

Land and land improvement	Net book value (Million Baht)	Proprietary nature	Obligations
Head office Location: Bangtalad Subdistrict, Pakkret District, Nonthaburi Province - Land: Area 5-0-41.2 Rai Location: Bangtalad Subdistrict, Pakkret District, Nonthaburi Province - Land: Area 7 sq m.	52.58 0.50	Ownership Ownership	Free from mortgage Free from mortgage
Parking opposite the head office Location: Bangtalad Subdistrict, Pakkret District, Nonthaburi Province - Land: Area 2-2-73.9 Rai	31.39	Ownership	Free from mortgage
Parking opposite the head office Location: Bangtalad Subdistrict, Pakkret District, Nonthaburi Province - Land: Area 3-2-15.7 Rai and land improvement	59.28	Ownership	Free from mortgage
Factory 1 Location: Bangkraso Subdistrict, Mueang Nonthaburi District Nonthaburi Province - Land: Area 1-0-0 Rai Location: Bangkraso Subdistrict, Mueang Nonthaburi District Nonthaburi Province - Land: Area 0-0-87 Rai	4.80 2.06	Owned by a subsidiary Ownership	Free from mortgage Free from mortgage
Factory 2 Location: Bangkraso Subdistrict, Mueang Nonthaburi District Nonthaburi Province - Land: Area 0-2-0 Rai	5.22	Ownership	Free from mortgage

Land and land improvement	Net book value (Million Baht)	Proprietary nature	Obligations
Factory 3 Location: Thasai Subdistrict, Mueang Nonthaburi District, Nonthaburi Province - Land : Area 2-0-24.5 Rai, Title Deed No. 953	26.61	Ownership	Free from mortgage
Factory 4 Location: Bangkadi Subdistrict, Mueang Pathum Thani District, Pathum Thani Province - Land: Area 8-3-30.3 Rai Location: Bangkadi Subdistrict, Mueang Pathum Thani District, Pathum Thani Province - Land: 2-1-53.9 Rai area and land improvement	31.08 8.34	Ownership Ownership	Free from mortgage Free from mortgage
Residential building for employee Location: Thasai Subdistrict, Mueang Nonthaburi District, Nonthaburi Province - Land: Area 0-3-91 Rai	20.33	Ownership	Free from mortgage
New Land Location: Bang Talat Subdistrict, Pak Kret District, Nonthaburi Province - Title deed 89171,89173, land number 224,226, survey page 966,968	69.58	Ownership	Free from mortgage
Total	311.77		

Buildings and building improvements	Net book value (Million Baht)	Proprietary nature	Obligations
<i>Head office (building)</i>	35.68	Ownership	Free from mortgage
	0.07	Owned by a subsidiary	
<i>Parking opposite the head office (Parking lot and warehouse)</i>	0.56	Ownership	Free from mortgage
<i>Factory 1 (Buildings and building improvements)</i>	2.13	Owned by a subsidiary	Free from mortgage
	1.52	Ownership	
<i>Factory 2 (Buildings)</i>	0.01	Ownership	Free from mortgage
<i>Factory 3 (Buildings)</i>	4.02	Ownership	Free from mortgage
<i>Factory 4 (Buildings)</i>	12.82	Ownership	Free from mortgage
<i>Residential building for employee</i>	0.23	ownership	Free from mortgage
Renovation of the leased buildings, branch offices and service centers in the provinces, totaling 39 places	11.11	Ownership of the lessor	Ownership of the lessor
Total	68.15		

1.1 Investment properties

The Company leases land and buildings to outsiders for use as office buildings, warehouses and factories without using assets for direct business operations. therefore classified as investment properties. As of 31 December 2021, the Company and its subsidiaries There are investment properties of Million Baht 58.40 Details are as follows:

Investment properties	Net book value (Million Baht)	Proprietary nature	Obligations
Office for rent Location: Thasai Subdistrict, Mueang Nonthaburi District, Nonthaburi Province - Land: Area 0-0-50 Rai	0.69	Ownership	Free from mortgage
Office for rent Location: Tha sai Subdistrict, Mueang Nonthaburi District, Nonthaburi Province - Land: Area 0-3-1 Rai - Building: 4 floors, 7 booths, total usable area 1,680 sq m	5.02 0.40	Ownership Ownership	Free from mortgage
Land waiting for development Location: Tha Sai Subdistrict, Mueang Nonthaburi District, Nonthaburi Province - Land: Area 4-1-43 Rai	52.29	Ownership	Free from mortgage
Total	58.40		

1.2 Intangible assets

As of December 31, 2021, the Company and its subsidiaries has intangible assets of 27.80 million baht, consisting of computer program Assets under development (expenses for developing computer programs) and goodwill

1.3 Leases

As of 31 December 2021, the Company and its subsidiaries There are important lease agreements which can be summarized as follows:

- Lease agreement between the Company and subsidiary

Assets	counterparties	period
Factory Building 1	Lessor : Safe Trade International Co., Ltd. Lessee : Thiensurat Plc.	Start : 1 January 2021 End : 31 December 2021
Office buildings and warehouses	Lessor : Thiensurat Plc. Tenant : Safe Trade International Co., Ltd.	Start : 1 January 2021 End : 31 December 2021
Office building	Lessor : Thiensurat Plc. Lessee : Thiensurat Leasing Co., Ltd.	Start : 1 January 2021 End : 31 December 2021
Office building	Lessor : Thiensurat Plc. Tenant : Alpine Water Co., Ltd.	Start : 1 August 2021 End : 31 July 2022



- Lease agreement between the company or subsidiary and a third party.

Assets	counterparties	period
Office buildings and warehouses	Lessor: Thiensurat Plc. Tenant: Better Dreams Co., Ltd.	Start : 1 January 2021 End : 31 December 2021
Factory area	Lessor: Thiensurat Plc. Tenant: Better Dreams Co., Ltd.	Start : 1 January 2021 End : 31 December 2021
Factory area	Lessor: Thiensurat Plc. Tenant: Ideal Water Co., Ltd.	Start : 1 January 2021 End : 31 December 2021
Vacant land (parking)	Lessor: Mrs. Chantana Yuhun Lessee: Thiensurat Plc.	Start : 18 May 2021 End : 18 May 2022
Vacant land (parking)	Lessor: Mr. Prapas Rojnirand Lessee: Thiensurat Plc.	Start : 3 June 2021 End : 2 June 2022

In addition to renting office buildings and warehouses factory area and vacant land According to the above table, the Company has leased commercial buildings for branches and service centers, in total, 41 contracts, with a lease term of less than 1 year and between 1-3 years, and for some contracts, there is no set rental period. Able to terminate the rental contract

1.4 Trademark Petty Patents and Patents

Trademark that the company registered the logo with the Department of Intellectual Property, Ministry of Commerce Petty Patents and Patents which the company registered with the Department of Intellectual Property, Ministry of Commerce can be summarized as follows:

Mark Pattern	Registration number/ Request number	Issued on	expired
	895396	6 June 2013	5 June 2023
	Request number 200147086 Submitted an application on 24 December 2020.	1 March 2022	24 December 2030

Petty Patent	Registration number/ Request number	Issued on	expired
Process for producing silver coated carbon as a water purification agent.	1303001096	10 April 2015	17 September 2023
Carbon block brick and manufacturing process*	1303001370	4 September 2015	30 October 2021

Remark: *No renewal. because the company does not carry out

Water purifier product design patent picture	Registration number/ Request number	Issued on	expired
	1702002257	19 June 2019	15 June 2027
	1702002256	19 June 2019	15 June 2027

1.5 Business license

The direct selling business of the Company must comply with the Direct Selling and Direct Marketing Act B.E. 2545 and must register the direct selling business with the Office of the Consumer Protection Board (“OCPB”), which the company has registered for the said direct sale business. Refer to a letter from the Office of the Insurance Commission, No. 0307/2909, dated on 24 March 2003.

In this regard, the Company's 1 and 2 factory has received a license to operate a factory in the type of assembling and repairing water purifiers from the Nonthaburi Provincial Industrial Office. As for the third factory, the company received a license to operate a factory in the type of crushing plastic scraps from the Office of Industrial Works in Nonthaburi Province, and In 2017, the third factory received a license to operate a factory in the type of repairing, assembling water heaters and additional hot water heaters. Another 1 license. As for the 4 factory, the company has received a license to operate an assembly factory. Repair water filters and crush plastic scraps from the Industrial Office of Pathum Thani Province. And in 2019, the government has amended the Factory Act, resulting in the need to renew the factory license annually. From the aforementioned act, the factory has an expiration date until the termination of the factory business is notified.

2. Investment

The company has a policy to invest in businesses that support long-term growth. The investment in subsidiaries must be approved by the Board of Directors. taking into account business trends investment value Risk and expected return on investment The company has a policy to send representatives to join as directors and executives of subsidiaries according to their shareholding proportion to set policies in accordance with the company's policies including taking care of proper management.

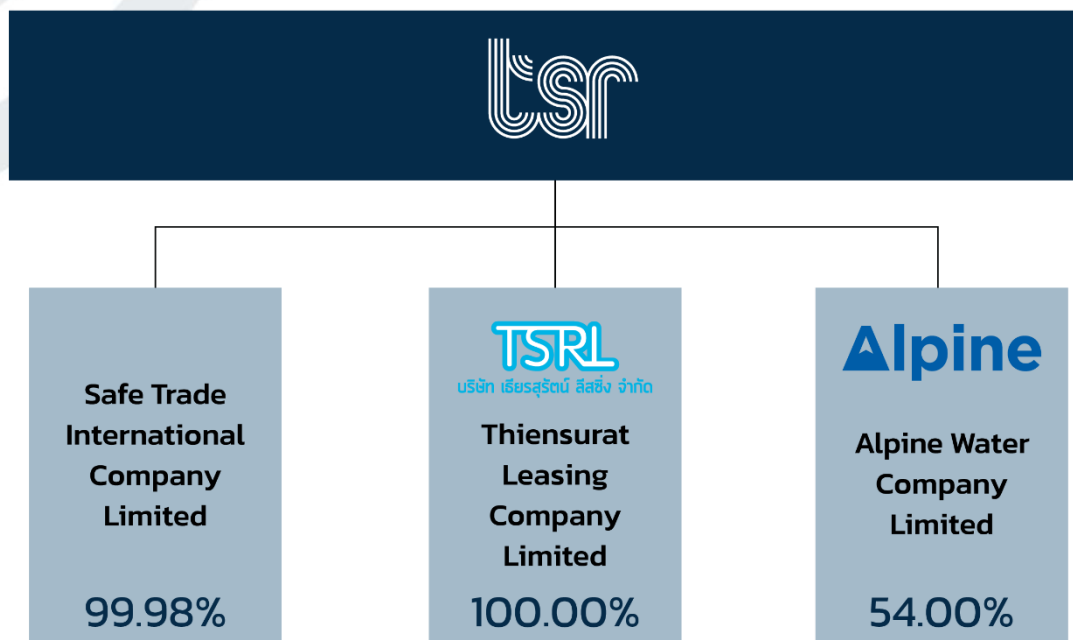
As of 31 December 2021, the Company has investments in 3 subsidiaries, Safe Trade International Company Limited, which operates the business of distributing water purifiers. water filter pitcher and mineral water to a large direct selling company in which the Company holds a 99.98% stake in such subsidiary. and has a total investment value of 4.00 million baht. Thiensurat Leasing Company Limited operates retail loans and sells electrical appliances in installments. The Company has a 100% stake in the said subsidiary. and has a total investment value of 100.00 million baht and Alpine Water Company Limited operates the business of distributing ice machines. The Company holds 54% stake in the said subsidiary. The total investment value is Baht 3.78 million.

(5) An unassigned work

- None-

1.3 Shareholding structure

1.3.1 The shareholding structure of the Thiensurat Public Company Limited As of 31 December 2021



1.3.2 Products

Company	Flagship products	Business area	% of Shareholding
Safe Trade International Company Limited	- Water purifier - Water filter jug	Selling water purifiers, water filter jug and mineralized drinking water through Giffarine Skyline Unity Co.,Ltd.	99.98%
Thiensurat Leasing Company Limited	- Electric Appliances - Personal Loan under supervision - Auto Title Loan	Selling electric appliances with installment program, Personal Loan (Obtained the Supervised Personal Loan Business License from Ministry of Finance) and Auto Title Loan	100.00%
Alpine Water Company Limited	- Ice maker machine	The company that has business about trading, rental, and service the set of ice maker machine composed of ice maker machine and water purifier	54.00%

1.3.3 An entity that owns 10 percent or more

Company name / Address And Detail	Business type	Share holding (%) of the company	Share holding (%) of the other shareholder (s)	Registered Capital (Million Baht)	Paid-up Capital (Million Baht)
Safe Trade International Company Limited Registration: 0125538005592 43/12, Moo 7, Soi Chuchat Arnuorn 4, Bang Talad Sub-district, Pakkred District, Nonthaburi 11120 Tel: 02-962-6651-2 Fax: 02-962-6659-60 Website: www.safetrade.co.th	Selling and distribution of water purifiers and water filter jug and mineralized drinking water	99.98		4.00	4.00
TSR Leasing Company Limited Registration: 0125559017522 43/9, Moo 7, Soi Chuchat Arnuorn 4, Bang Talad Sub-district, Pakkred District, Nonthaburi 11120 Tel: 02-032-8690	Selling of electrical appliances by installments, Personal loans under supervision and Auto title loan	100.00		100.00	100.00
Alpine Water Co., Ltd. Registration: 0125563014435 43/9, Moo 7, Soi Chuchat Arnuorn 4, Bang Talad Sub-district, Pakkred District, Nonthaburi 11120 Tel: 065-717-8426 02-819-8899 ext. 1313 Website: www.alpinewater.co.th Joint Venture: - Mr. Ekarat Changyoo - Mr. Patchara Parsitsomwang - Mr. Wachiravit Viteepanich	The company that has business about trading, rental, and service the set of ice maker machine composed of ice maker machine and water purifier	54.00	1.00 22.50 22.50	10.00	3.78 ^{1/}

Remark: ^{1/} Payment on 26 May 2020

1.3.4 Shareholders

(1) List of Top 10 major Shareholders As of 31 December 2021

No.	Name of Shareholders	Number of shares	% of shareholdings
1	Changyoo Group:	322,453,877	58.69
	1.1 Changyoo Family	320,717,977	58.37
	- Better Dreams Co., Ltd ^{1/}	144,107,715	26.23
	- Mr. Werawat Changyoo	69,145,848	12.59
	- Mrs. Kanittha Changyoo	5,133,332	0.93
	- Ms. Savita Changyoo	34,433,796	6.27
	- Mr. Ekarat Changyoo	34,101,613	6.21
	- Ms. Theinvanee Changyoo	33,795,673	6.15
	1.2 Watcharatum's Family	1,735,900	0.32
	- Mr. Watcharin Watcharatham	1,735,900	0.32
2	Mr. Monchai Leesirikun	12,000,000	2.18
3	Ms. Darunee Leesirikun	11,953,620	2.18
4	Mr. Asawin Changyoo	4,539,500	0.83
5	Mr. Paitoon Homchan	4,405,632	0.80
6	Mr. Wittoon Cheanwachrisiri	4,012,665	0.73
7	Mr. Jumphon Worawongpitak	3,900,000	0.71
8	Ms. Chonnipa Lomkont	3,700,000	0.67
9	Mr. Prachuap lamram	2,010,000	0.37
10	Mr. Nurak Mahattanaanon	2,000,000	0.36
Total the 10 shareholders		370,975,294	67.52
Other		178,435,939	32.48
Total		549,411,233	100.00

Remark: ^{1/} Better Dreams Co., Ltd. holding company. The shareholding structure of Better Dreams is as of 28 October 2021 as follows;

No.	Name of Shareholders	Number of shares	% of shareholdings
1	Mr. Werawat Changyoo	7,814,000	49.32
2	Mr. Ekarat Changyoo	3,292,000	20.78
3	Ms. Savita Changyoo	2,163,000	13.65
4	Ms. Theinvanee Changyoo	2,075,000	13.10
5	Mrs. Kanittha Changyoo	500,000	3.16
Total		15,844,000	100.00

- (2) Major shareholders by circumstances to influence policy. Management or operation of highly significant is that the Changyoo Family as well as Watcharatham's Family

No.	Name of Shareholders	Number of shares	% of shareholdings
1	Changyoo Family	320,717,977	58.37
1.1	Better Dreams Co., Ltd ^{1/}	144,107,715	26.23
1.2	Mr. Werawat Changyoo	69,145,848	12.59
1.3	Mrs. Kanittha Changyoo	5,133,332	0.93
1.4	Ms. Savita Changyoo	34,433,796	6.27
1.5	Mr. Ekarat Changyoo	34,101,613	6.21
1.6	Ms.Theinvanee Changyoo	33,795,673	6.15
2	Watcharatum Family	1,735,900	0.32
2.1	Mr. Watcharin Watcharatham	1,735,900	0.32
Total		322,453,877	58.69

1.4 Amount of registered and paid-up capital

Registered Capital	: Baht 549,411,233
Paid-up Capital	: Baht 549,411,233
Class of Share	: Ordinary shares 549,411,233 of Baht 1 each

1.5 Policy of Dividend Payment

The Board of Directors resolved to approve the change in dividend payment policy on 12 May, 2022 as follows: "Dividend payment at a rate of not less than 40 percent of net profit after deduction of corporate income tax and legal reserve. by considering from the consolidated financial statements of the Company, but may consider changing the dividend payment rate that is less than the rate specified above or refrain from paying dividends taking into account the economic situation performance, financial position, liquidity, and the need for working capital for business management and business expansion are taken into consideration." Must be approved by the shareholders' meeting except for the interim dividend payment which the Board of Directors has the authority to approve the interim dividend payment. and report to the shareholders' meeting in the next meeting.

In 2021, the company has paid an interim dividend. at the rate of 0.040 baht per share, which is a payment from the net profit from the operating results in six months (January-June) of 2021 (which is subject to corporate income tax at the rate of 20 percent) according to the resolution of the Board of Directors. The meeting was held on 16 August 2021 and was paid to shareholders on 13 September 2021 totaling the amount of 21,976,449.32 baht. The dividend payout ratio compared to the profit for the year according to the consolidated financial statements of the year 2021 is 74.60%, which is higher than the company's dividend payment policy. Details of dividend payment for the past 3 years of the Company are as follows:

Details of Dividend Payment	2021	2020	2019
1.Profit for the year			
1.1 Consolidated financial statements(Million Baht)	31.00	143.13	109.63
1.2 Separate financial statement (Million Baht)	-1.91	124.25	101.07
2.Number of Shares (Million shares)			
2.1 Amount of shares for the Interim Dividend Payment	549.41	546.98 ^{1/}	549.68
2.2 Amount of shares for the Final Dividend Payment	-	546.98 ^{1/}	549.68
3.Dividend per share (Baht)			
3.1 Interim Dividend Payment	0.04	0.085	0.06
3.2 Final Dividend Payment	-	0.08	0.08
Total Dividend per share	0.04	0.165	0.14
4.Total of Dividend Paid (Million Baht)			
4.1 Interim Dividend Payment	21.98	46.51	32.98
4.2 Final Dividend Payment	-	43.76	43.98
Total Dividend per share	21.98	90.27	76.96
5.Proportion of dividends to net profit for the year			
5.1 Consolidated financial statements (%)	70.89	-	-
5.2 Separate financial statements (%)	-	72.65	76.14
6.Proportion of dividends on net profit for the year after deduction of corporate income tax and legal reserves.			
6.1 Consolidated financial statements (%)	79.07	-	-
6.2 Separate financial statements (%)	-	76.48	80.15

Remark: ^{1/} Number of dividend-paying shares less 2.70 million shares repurchased for financial management purposes

2. Risk Management

2.1 Risk Management Policy and Plan

The Company realizes the importance of risk management and believes that risk management is the basis for helping the Company to achieve its business goals by identifying and managing risks, which will help the Company to make better decisions, see opportunities as well as to be able to reduce the severity of the impacts from various risk events that may prevent the Company from achieving the set goals. Accordingly, in order to obtain credibility from stakeholders that the Company will be able to operate business under continuous and rapidly changing environment at the present. The Company has applied the risk management framework to the organization with the introduction of the COSO ERM standard, which is an international standard in terms of risk management. It is considered that risk management is an essential component of every business process of an organization and must be linked at all levels. Therefore, the Company has established a risk management policy throughout the organization that all employees must abide by and set up a risk management committee to perform supervisory duties on overall risk management for maximum effectiveness.

Enterprise Risk Management-Integrated Framework

The Company has appointed the Risk Management Committee which consists of the Company directors and senior executives from various related departments with the main duties and responsibilities as follows:

1. Set policy and risk management framework, define an organization's risk management structure as well as communicate the policy and risk management framework to everyone in the organization.
2. Set criteria for measuring the level of risk, the level of risk that the organization accepts and guidelines for monitoring and reporting of risks.
3. Support executives in risk assessment, assess adequacy for the suitability of the risk management plan and follow up progress as well as provide advice on risk management actions.

Risk Management Team

It consists of executives of each department covering all important departments of the organization. It is responsible for identifying risks that may affect the goals of the organization and managing such risks to an acceptable level. It is also responsible for monitoring the progress of the implementation of the risk management plan as well as reviewing the risks that may arise and reporting to the Risk Management Committee every quarter.

Risk Management Process

The Company has prepared a risk management manual by referring to the risk management framework in accordance with international standards to serve as a risk management guideline for executives and employees throughout the organization. The manual has established a risk assessment framework covering all 4 main risks as follows:

1. **Strategic Risk** Risks arising from strategic planning, operational plans and implementation that seem to be improper or inconsistent with strategic / vision issues that affect the achievement of the visions or objectives of the organization.
2. **Operational Risk** Risks associated with efficiency, effectiveness or operations, which may relate to internal operating processes, personnel, work systems or external events that affect operations.
3. **Financial Risk** Risks related to financial management, which may arise from internal factors such as investment credit liquidity management or from external factors such as interest rates, exchange rate as well as risks associated with the reliability of financial reports.

4. **Compliance Risk** Risks associated with compliance with laws, rules and regulations established both from within and outside the organization.

The Company determine the risk management policies and frameworks, which adhere to the guidelines of risk management set by the Stock Exchange of Thailand as follows:

- 1) Put in place coherent strategies in line with the risk management policies to be able to evaluate, monitor and control each type of risk in order to manage the risk at the acceptable level. The risk management shall be in participatory manner involving relevant stakeholders and agencies.
- 2) Analyze and evaluate risk factors at the corporate level and determine risk management strategies to mitigate and reduce the risks to an acceptable level. The risk management shall be controlled and supervised by the Risk Management Committee in line with risk management protocols of the Company;
- 3) Review risk management policies and improve efficiency and effectiveness of the policies sufficiently to manage and mitigate risks
- 4) Authorized to call any person concerned to clarify information related to the risk factors of the Company including to appoint and assign duties or tasks are deemed to be part of the essential functions of risk management to all employees and management in order to achieve the risk management objectives. The assigned tasks shall be reported to the Risk Management Committee
- 5) Report risk management to the Audit Committee in order to present to the Board of Directors on a quarterly basis
- 6) Prepare the risk management handbook.
- 7) Identify all types of risk factors as well as analyze and evaluate the risk factors that may occur and impact the Company
- 8) Develop work plans to prevent or mitigate the risks
- 9) Evaluate and prepare report of risk management
- 10) Establish an integrated risk management system in connection with information system

The Board of Directors has appointed the Risk Management Committee, who shall hold office for a period of three years. The duties and responsibilities include determination of the overall risk management policy for the Board of Directors' consideration. Such risk management policy cover from the strategy level to operational level in order to monitor, review and propose to the Board of Directors to ensure that the risk management is undertaken effectively

2.2 Risk factors toward business operation

The Company analyzes the environment from both inside and outside including economic, social, political, technological, industrial, competitor and other trends to identify the major risk factors of the Company with details as follows:

Risk	Risk Description	Company Risk Management
1) Business Risks		
Strategic Risk		
The risk of the competition in the business	Water purifiers are highly competitive products from both domestic and foreign operators. which are different in terms of product features, styles, prices and sales presentations to customers	In order to maintain and increase the market share for SAFE brand the company has developed products and services to meet the needs of customers, including introducing the Hire Purchase system as the customer's choice of payment and after-service. Well-maintained sales

Risk	Risk Description	Company Risk Management
		Consistently and continuously to maintain and increase customer satisfaction, which is an important part of increasing the profitability of the company.
The risk of launching new products to the market	The company places the importance of launching in new products into the market. Each launch would require relatively high investments and designed after studying customer needs and changing factors such as technology, health, well-being, utility And the competition therefore causes not many new products released each year. Therefore, the company may be exposed to risks from new product launches that may not be well received by consumers, which could have a significant impact on the business.	Before launching new products to the market, the Company has set goals, strategies and action plans from design and production as well as has determined marketing and promotional activities. In addition, there are also various indicators used for tracking and measuring the success of new products launched, which progress results are reported to the Executive Committee on a regular basis to review the appropriateness of the strategic plan and consider modifying as appropriate so that the Company can achieve the target set.
The risk from the Company operations being halted	In the current situation, the Company's business operations are facing with many risks, even if the Company has a systematic risk management, there are certain risk factors that cannot be prevented, such as epidemic, cyber-attacks and unexpected events such as lockdown measures from the government, etc. which these factors May affect the marketing of direct sales staff	The Company realizes the importance of business continuity management including preparing a business continuity management plan to ensure that if any crisis occurs, the company will be able to operate continuously or resume business in a timely manner. Accordingly, the Company has prepared a business continuity management manual for each department in order to formulate a plan to respond and act in critical or emergency situations without letting such conditions affect business operations. Executives in all departments are responsible for analyzing and evaluating business impacts, identifying processes that need to be focused and need to resume or recover within a specified timeframe in order to prepare to deal with the crisis effectively.

Risk	Risk Description	Company Risk Management
Operational Risk		
The risk of a business being largely dependent on a direct sales team	Business operations rely on direct marketing of salespeople who may encounter problems in recruiting salespeople and turn over salespeople who are unable to recruit salespeople and maintain salespeople to market and increase sales for the company continued due to the impact of various factors such as the COVID epidemic, Changing behavior of people and technology, etc. That may affect the recruitment and retention of direct sales staff to work with the company continuously.	The Company has set up a separate direct sales staff recruiting and training unit from the Human Resources Department to support the direct sales department. At the same time, a sales committee has been set up to consider and manage sales results and compensation for sales staff to be appropriate and fair. To incentivize the direct sales staff to work with the company in a sustainable way As a consequence, the Company has expanded its business in the form of Diversified Risks to conduct online-to-offline direct sales and E-Commerce, as well as expanding to do credit lending business, which are; Floor Plan Loans, Truck Leasing and providing more secured loans in order to generate more new income. In 2022, the company has plans for online sales channels and the creation of sales agents in the form of TSR Network that uses more online media as the main. To be in line with the lifestyle of today's consumers who prefer to buy online. In addition, there are other forms of sales, such as the production and distribution of OEM products to other direct selling companies.
The risk of fluctuation in raw material prices and shortage of raw materials	Because in the production and assembly of water purifiers, it is necessary to order some raw materials, such as water filter housings, filters and electronic parts, etc. Sometimes these raw materials are in short supply or raise the price causing the cost of sales to rise	The company has a policy to procure raw materials from at least 2-3 suppliers to reduce dependence on one supplier. as well as to create bargaining power for the company The company plans to purchase raw materials in advance according to production and sales plans. and the plans are reviewed regularly In addition to sourcing strategies The company also prepares a plan to deal with in case of a shortage

Risk	Risk Description	Company Risk Management
		raw materials by having a certain level of safety stock.
The risk involving safety in consumption and trustworthiness of products from the Company	Because the company's products are water filters that customers use to provide clean and safe drinking water for consumption. If the customer consumes the water obtained from the company's water purifier, it affects their health. The company will be liable for such damage and the customer may lose trust in the use of the company's products and affect the sales and profits of the company.	The company is committed to producing products to meet the needs of customers in terms of consumption of clean, safe and beneficial drinking water for the body. under the terms Relevant regulations which the Company has established a quality management system for its production facilities. The company also has a product traceability system. Clear communication of product information as well as a system for receiving customer complaints about product and installation problems. Sales and Pay
The risk from relying on personnel, especially important, high rankings executive officers	The company's business conduct requires knowledge, ability, expertise, and experience of the personnel's especially the high-ranking executives. If the company cannot retain these important officers or cannot find suitable candidates that is equally qualified as a replacement, it might negatively affect business, performance, and financial position of the company significantly.	The Company has developed a succession plan that covers the positions of senior management including the progress of the succession plan that has been monitored to make sure that the Company has executives who have knowledge, abilities and experiences that can inherit important positions in the future
Financial Risk		
The risk of fluctuation interest rate	The fluctuation of interest rate is one of the risk that may cause to the impact to the financial position and operating result of the Group due to more acquisition of the loans to serve for the business expansion of hire purchasing accounts of water purifiers, filters, electrical home appliances, cars, trucks, ice maker machines freezers, financial lending of floor plan, and loans with asset security that may get the impact of higher	The Group have operated the hire purchase business for over 45 years to serve the customers to be the owners of water purifiers and expand to the hire purchase business of electrical home appliances with the water purifier customer bases under the subsidiary company to run the hire purchase business for 4-5 years and set up to more hire purchase business of other products like ice maker machine, freezer, car, truck, floor-plan, and

Risk	Risk Description	Company Risk Management
	funding cost with the fluctuation of interest rate.	loans with assets security with the investment and loans from the TSR Company and other many financial institutions in Thailand that currently provide the Credit Facilities totaling amount of over Baht 800 million. The interest rate charged in the hire purchase or loans contracts will be up to the interest rate market to compete with the competitors and to fit with the funding cost for lending. Now the Group take the consideration to look for the long term loans funding with fixed interest rate to match with hire purchase and loans contracts.
The risk of fluctuation exchange rates	The fluctuation of exchange rate is one of the risk that may impact to the financial position and operation result of the Group from the importation parts of raw material and finished goods from the aboard around 18% of all the Group's purchasing orders in the operation.	The Group plan to order the materials and finished goods in the country and aboard that almost in USD currency. In order to protect the currency risk, the Group will book the forward exchange rate with the banks in line with the estimated landed cost of the imported products.
The risk of fluctuation credit	Due to the main business of the Group be on hire purchase business, the quality of hire purchase accounts is a major factor of the Group to earn the interest income. As of 31 December 2021, the Group had the proportion of total over due 3 months hire purchase accounts (less deferred hire purchase interest and deferred output tax) was at 6.18%. The major portion of the existing hire purchase customers of the company is the individual customers between low to medium level customer group. The Company allow the credit to the customers for owing the company's products and service easily under the company's credit policy that have been	The credit risk of hire purchase accounts can be measured with the amount of hire purchase accounts receivable be written off. The preliminary measurement to prevent the default risk rely on reviewing the quality and creditability of target customers by sale men and sales supervisors before signing the hire purchase contracts. After that, checkers from the credit department will go to the customers; houses for reviewing the creditability and capable of customers to pay the installments and checking the installation of water purifiers by sale team whether it is completed because of their responsibilities to collect the money in each installment. For the hire purchase accounts of electrical home

Risk	Risk Description	Company Risk Management
	<p>reviewed and controlled for the accounts receivables with over due 90 days that will be classified to doubtful bad debt accounts that may impact to the company's operation result.</p>	<p>appliances through Thiensurat Leasing Co., Ltd. (TSRL), all hire purchase accounts have to verify with the National Credit Bureau (NCB) and TSRL's credit policies before approval to sell. In case of bad debts, salesman and their supervisors will take the responsibilities for the loss to the company as the company's regulations and the company keep to chase the overdue amounts back by the credit enforcement and legal department including with taking the products returned for the overdue accounts.</p>
Compliance Risk		
<p>The risk of changing policies, rules, and regulations involving the Company's business conducts</p>	<p>The present, the Company's business and distribution of water purifiers are not directly regulated by government agencies. However, there are many government agencies involved in the business of the company indirectly, namely, the Office of the Consumer Protection Board (OCPB), responsible for overseeing that companies that operate hire purchase businesses do not take advantage of consumers, and the Office of the Consumer Protection Board (OCPB) controls direct sales. by requiring direct sales operators to have a specific business license As for the Ministry of Industry, it will oversee the renewal of factory licenses, which the company considers as the main policy to strictly comply with the regulations of the relevant agencies. However, the Company is at risk in the event that government agencies may enforce more stringent rules regarding its business operations.</p>	<p>The company has set guidelines for working in accordance with the guidelines set by the government at present. Along with following up on information about the guidelines for the modification of the relevant regulations at all times. in order to develop and improve the Company's operations in accordance with government regulations. At present, the company has 4 factories to produce, assemble and repair, of which the main factory for the production, assembly and repair of water purifiers is located at Tambon Bang Kradi, Amphoe Mueang Pathum Thani, Pathum Thani Province The other 3 factories are located in Nonthaburi Province. All factories have been granted factory licenses and in 2019, the government amended the Factory Act, resulting in no need to renew the factory license annually. From the aforementioned act, the factory has an expiration date until the termination of the factory business is notified.</p>

Risk	Risk Description	Company Risk Management
Risk of Infringement of Personal Information (Data Privacy)	In the digital world, information has become a vital tool in building business advantages. Companies can analyze data and add value to their businesses. As a result, many businesses are trying to collect every information in order to be further developed and benefit the business in the future. Until sometimes it violates the privacy of consumers, this may be considered as an offense according to the Personal Data Protection Act 2019 that may affect the image and reputation of the Company.	The Company realizes the importance in protecting personal information with a focus on giving respect and importance of rights, personal information and personal data protection. These are fundamental rights to privacy that must be protected under the Personal Data Protection Act 2019. For this reason, the Company has set a policy to be the key in protecting personal information as a guideline for executives and employees at all levels in the use of personal information, which covers from the collection of personal information, the use or disclosure of personal information, the quality of personal information, the measures for the security of personal information and rights of the data subject for the purpose of the appropriate use of personal information and does not violate privacy according to Personal Data Protection Act A.D. 2019 has set.
2) New Emerging Risks		
Outbreak Risk of Coronavirus Disease 2019 (COVID-19)	From the situation of the COVID-19 outbreak, which has spread in many countries around the world since the end of 2019 including Thailand from January 2020 and has directly and indirectly affected health, economic and social conditions, many countries have taken measures to restrict economic activity and travel, which have widespread impact on supply chains in many countries. This may significantly have a negative impact on the business performance and financial status of the Company in a wide range of health, economy and society. In 2021, the epidemic of COVID-19 was so widespread and	Although the company realizes the importance of being prepared to cope with the outbreak situation. But this year's COVID-19 epidemic situation is so severe that companies have to conduct risk assessments to identify potential impacts on each side of their business. including preparing an appropriate response plan and covering all important aspects with the establishment of an executive committee to fight the war to act to drive different policies to proceed in the prescribed way, including monitoring the operations and recovering the incidents in their department so that continuity can

Risk	Risk Description	Company Risk Management
	<p>severe that the company's sales decreased by 13.20% and profits by 78.33% because of the outbreak situation, the company was unable to increase and maintain teams. Direct selling because employees and customers are infected with covid until the company is unable to visit customers at home to present products like normal events. as well as the income of the customers themselves have decreased until they have to reduce their spending and unable to pay for products to the company</p>	<p>be managed and returned to normal as soon as possible</p>
Risk from Digital Technology Changes	<p>The transformation of digital technology is evolving and changing rapidly, which affect changes in behaviors on perspectives and people's lives around the world including business operations and the competitiveness of the Company.</p>	<p>The Company pays attention to technology development to increase competitiveness, operational efficiency and to create diversity in products and services of the Company. For this reason, the Company has established a team to make a plan, follow digital technology trends and prepare for such changes as Development of sales channels through Online Platform. Development of Customer Data Management System to effectively respond to customer needs. Use of RPA (Robotic Process Automation) and new manufacturing technologies to increase work efficiency.</p>

2.3 Risk of Securities Holders' Investment

Risk	Risk Description	Company Risk Management
The risk of conducting business as a holding company	<p>The Changyoo family is the Company's major shareholder group (further details can be obtained from Part: Listing Securities and Shareholding Structure). As of 31 December 2021, Changyoo group held 322,453,877 shares or 58.69 % of issued shares. As a result, the Changyoo group is able to control almost all resolutions of shareholders' meeting, including the appointment of directors or any matters that require the majority votes of shareholders. The power of the major shareholder, however, does not include the issues related to laws or regulations, for which three-fourths of the shareholders are required. Given the control power of the major shareholder, other shareholders are unable to gain votes enough to balance the power of the major shareholder group for some particular issues proposed by the major shareholder.</p>	<p>The Company Being aware of this risk factor, arranges the management structure, consisting of the Company's Board of Directors and the Audit Committee. The members of these committees are those with high experiences. 5, out of 10, are independent directors from outside, of which 3 independent directors act as the members of the Audit Committee. These members provide comments in regard to connected transactions prior to proposing to the Company's Board of Directors and shareholders' meeting.</p>

3. Driving Business towards Sustainability

3.1 Sustainability Policy and Goal

Sustainable Development Policy and Social Responsibility

Thiensurat Public Company Limited operates its business with the awareness that sustainable growth of the Company must rely on vision, mission, and capability, along with morality and ethics in its business operations. This is in line with good corporate governance principles including taking social and environmental responsibilities in delivering a good quality of life through quality drinking water.

Therefore, the Company has formulated policies on sustainable development and social responsibility as a framework for working in various fields for the Board of Directors, the management and all employees to adhere to with confidence, faith and understanding of the principles of good corporate governance. This is to build awareness of social and environmental responsibility at all levels to support the community and society. Community-based development is promoted to enhance the quality of life and well-being of the community in the long run. Thiensurat Public Company Limited has prepared a sustainability report in accordance with the principles and guidelines of corporate social responsibility with reference to Principle 8 of the Securities and Exchange Commission including conducting business with fairness, against corruption, and respect for human rights and fair labour treatment. The Company also ensured the responsibility towards consumers, environmental care and its contributions to community or society development along with innovation and dissemination of innovation (For more information, visit: <http://www.tsrplc.com>)

Sustainable Development Guidelines

1. Conduct business with honesty and integrity by strictly complying with the law and ethics in accordance with the principles of good corporate governance for the greatest benefit to all stakeholders.
2. Create business value through the integration of economic, social and environmental responsibility to promote the sustainability of the Company.
3. Continuously develop and improve operations on safety, occupational health and environment.
4. Support the development of employees' abilities, ensure well-being at work and take into account the principles of human rights to drive the Company effectively.
5. Develop products and services to be able to deliver value to stakeholders throughout the value chain.
6. Support new research and innovation to further develop products and manufactures by taking into account the most efficient use of resources.
7. Encourage employees, customers and trading partners to realise their responsibility to communities, society and the environment.
8. Manage and mitigate risks to prevent and minimise negative impacts.
9. Regularly monitor and evaluate the performance by focusing on creating shared values in the economy, society and environment.

The company has a mission to deliver a good quality of life to all groups of stakeholders. through operation from the research and development process of the product to the production process and receiving goods or services to consumers by focusing on creating sustainability for the organization and stakeholders through various activities both inside and outside the organization

“ Mission to Sustainability : CREATE A GOOD QUALITY OF LIFE WITH QUALITY DRINKING WATER TO YOUR HOME”

Sustainable Development Framework

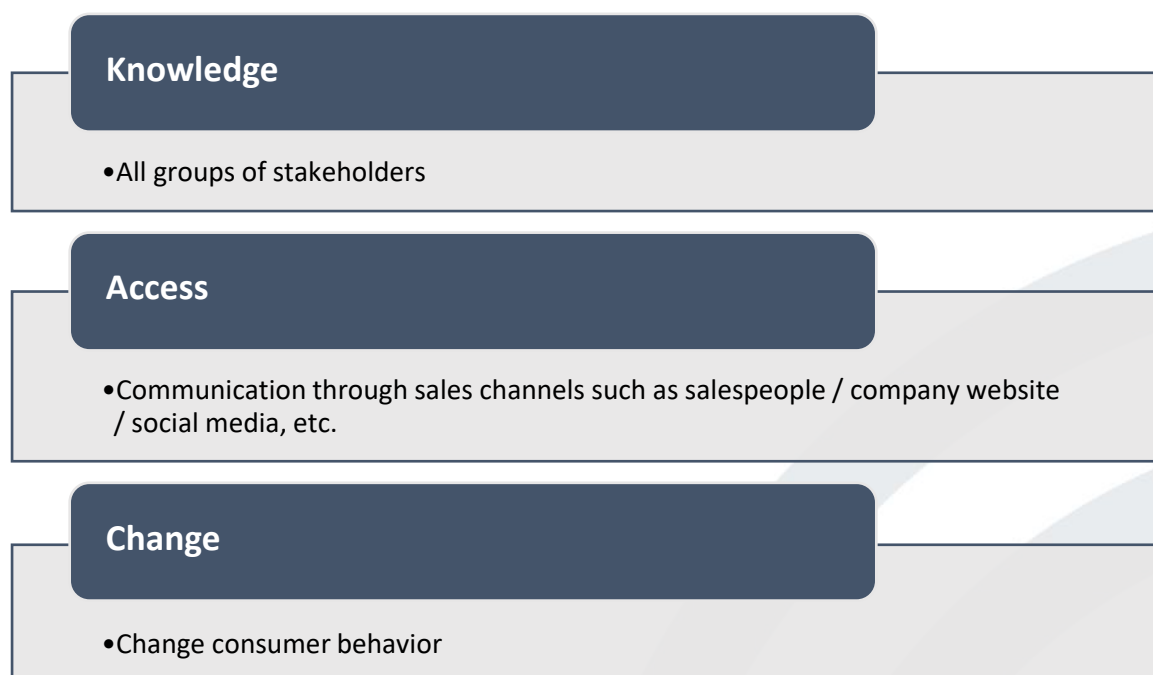
To make the implementation of sustainable development clear. And in the same direction, the concept of sustainable development has been established. (Sustainability Framework) for everyone in the company to adhere to the principles of practice. and applied as appropriate



Sustainable Development Goals and Plans



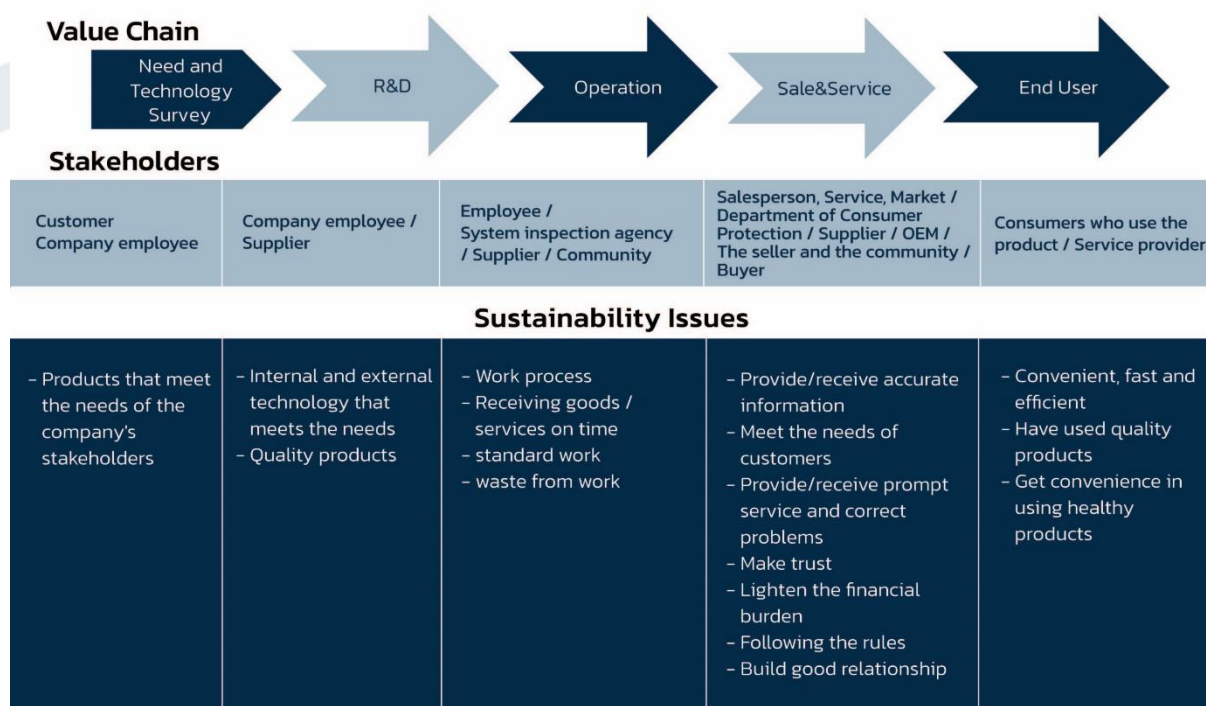
Mission to Sustainability CREATE A GOOD QUALITY OF LIFE WITH QUALITY DRINKING WATER TO YOUR HOME"



3.2 Management Of Stakeholders Impacts in The Business Value Chain

3.2.1 Business Value Chain Development

Value chain & stakeholder Analysis



3.2.2 Analysis Of Stakeholders In Business Value Chain

Stakeholders	Major Concerns	Strategy	Communication
1. Shareholders Investor Mass media	<ul style="list-style-type: none"> - The company has a good performance and the business continues to grow. - The company pays dividends to shareholders regularly. - Shareholders receive accurate, complete, timely and sufficient information for decision-making. - The Company operates its business with transparency and has a good internal control system. - No news to cause reputation impact 	<ul style="list-style-type: none"> - Strategic Planning and business goals in line with the trend of business growth and in accordance with good corporate governance - Shareholders' meeting to be a platform where shareholders can ask questions and express their opinions. - The company has an appropriate dividend payment policy. - Disclosure of information accurately, completely, and in a timely manner 	<ul style="list-style-type: none"> - Annual Report - Shareholder meeting - Analyst Meeting - Company visit - Meeting investors - Company website

Stakeholders	Major Concerns	Strategy	Communication
		shareholders' expectations - The company has a modern website. complete and up-to-date information easy to use	
2. Employees: Daily Monthly Temporary worker	- Reasonable rewards and benefits - Consideration of human rights and fair treatment of workers non-discriminatory - Have a safe and good working environment - Stability and opportunity for advancement in duty - Knowledge development	- Adhere to good governance and business ethics - Create an appropriate performance evaluation system and income policy. - Prepare a succession plan to give employees the opportunity to advance in their careers. - Complaint Policy - Employee training plans to enhance their potential Develop knowledge and abilities as well as mental development of employees through Buddhist projects - Training according to the annual plan and activities - Determination of measures for safety, occupational health and working environment in accordance with the standards - Developing systems and workflows to help them work - Listening to opinions and suggestions from operators to improve work practices	- internal training - Activities of executives meet employees - Announce Email - Training - Bringing the program to work together - preparation of work standards - creating events and the company's online communication public relations board and satisfaction surveys - Comment box - Channel for receiving complaints and suggestions - Occupational Safety, Health and Environment Committee
3. Consumer / Service recipient	- Standard quality - Products that meet the needs of customers - Deliver the convenience of using drinking water	- Development of production quality control - Encouraging consumers to participate in the	- Process Development and assess complaints arising from production quality - Customer complaints and satisfaction surveys

Stakeholders	Major Concerns	Strategy	Communication
	products that promote health and good quality of life.	design and development of products and services <ul style="list-style-type: none"> - Sales and Service Development - Educating about health care by drinking water 	- Sales and service processes
4. Third Party Partners	<ul style="list-style-type: none"> - Fair, transparent procurement - Strictly free and fair business competition - Complete payment on time - Comply with the terms and conditions of the contract 	<ul style="list-style-type: none"> - Conducting business with integrity adhere to the code of conduct and good corporate governance - Policy on procurement - Negotiation with partners to achieve a work agreement that is satisfactory to both parties 	<ul style="list-style-type: none"> - Business Ethics Guide - Summary of the annual supplier assessment - Good Corporate Governance - Regular communication with partners
5. Community and society around the company and nearby areas	<ul style="list-style-type: none"> - Manufacturing processes that are environmentally friendly and healthy - Not causing trouble to the community around the company - Creating jobs for people in the community 	<ul style="list-style-type: none"> - Strict compliance with pollution laws - Building a good relationship with people nearby the company - Creating careers for people in the community 	<ul style="list-style-type: none"> - Receive training Listen to the news and check the practice regularly. - There is a communication channel between the company and the community closely to listen to problems, opinions. - Recruitment announcements in the vicinity of the company and activities organized by departments in the province
6. Regulatory agencies for external companies, both public and private sectors.	<ul style="list-style-type: none"> - Comply with the laws and regulations the company is obliged to follow. - Comply with approved working standards - Cooperation and support in various fields requested by the agency 	<ul style="list-style-type: none"> - Conducting business with good governance principles - Cooperation and support in various fields for government related to the company 	<ul style="list-style-type: none"> - Report according to the rules and conditions in the license - Participate in external training and seminars on related knowledge - Meeting to acknowledge the rules - Comply with and check the work to be in accordance with working standards and rules correctly and consistently
7. The person being offered for sale and the surrounding area	<ul style="list-style-type: none"> - Trust in letting employees sell products and services - Getting the right information complete before making a decision 	<ul style="list-style-type: none"> - Development of employees in both sales and service - Developing the quality of life of the community together with the company 	<ul style="list-style-type: none"> - Training - Performance appraisal - Creation of complaints system and customer compliments

Stakeholders	Major Concerns	Strategy	Communication
	<ul style="list-style-type: none"> - Knowledge of drinking water and the use of water for good health - Building a good relationship with the community 		
8. Creditors Financial institution	<ul style="list-style-type: none"> - Able to comply with conditions and the terms of the contract 	<ul style="list-style-type: none"> - Comply with the conditions and the terms of the contract - Answer questions when available Financial doubts accurately and quickly 	<ul style="list-style-type: none"> - Meeting and talking - Phone E-mail - Website

3.3 Sustainability Management in the Environmental Dimension

3.3.1 Environmental Policy and Guidelines

The Company attaches importance to and is committed to doing its business that is environmentally friendly and focuses on the efficient use of resources. The Company continuously develops production processes to prevent and mitigate negative impacts. This includes raising environmental awareness and ensuring social responsibility for its personnel such as managing waste from employees' consumables or when building additions or annexes of office equipment. The Company had organised various activities and projects on energy conservation and global warming to raise awareness and safeguard sustainable benefits for the employees. The importance of resources, society and the environment have been taken into account in line with corporate social and environment responsibility which is published on the Company's website: <http://www.tsrplc.com>.

In addition, the Company encourages directors, the management, and employees at all levels to use resources in efficient, appropriate, and sufficient manner for the maximum benefit. The Company also communicates, educates, supports and raises awareness among employees including all related parties to manage the use of available resources for the maximum benefit of the Company.

3.3.2 Environmental Management

The company has started using filter dust removal technology in 2019 with filter dust sifter. By using the principle of sifting the filter substance through a fine dust screening sieve, this replaces the original process of using water to wash off the dust and filters. As a result, the production time and amount of water used for washing the filters are reduced.

The Company consolidated the production center in 2020, including the production center at the factory 4, Pathum Thani province for cost management, production and flexibility. The production process was also adjusted to be more systematic and efficient to support higher production volumes. In addition, with a spin welding system, the closure of the filter pipe by hand tightening was replaced. This helps reducing the amount of glue used for bonding plastics which lessen the use of chemicals and lower environmental impact.

In 2021, the Company has an environmental policy which underscores the reduction of energy consumption as follows:

- (1) Ensure packaging design of new products by using vegetable oil ink, which is a natural material instead of using chemicals that are harmful to the environment.
- (2) Discontinue the use of forming foam for cushioning by using shockproof paper instead.
- (3) Manage areas within the factory by switching to LED High Bay lamps

Item	2021	2020	2019
Information main raw material usage			
Raw material			
- Plastic (kg)	318,684	245,000	220,000
- Carbon Filter (kg)	48,442	29,727	25,850
Electricity consumption			
- Electricity consumption (million baht)	0.97	1.3	5.68
Amount of water energy consumption classified by water source			
- Water consumption (million baht)	0.34	0.33	0.60
Water reuse			
- Water reuse (%)	20	20	20
Waste			
- Hazardous waste (kg)	-	-	-
- Non-Hazardous waste (kg)	122,422	226,600	220,000
Costs and investments for environmental protection			
- Waste disposal and treatment expenses (million baht)	0.12	0.22	0.2
Expenses for research and development of business innovations			
- Product research and development fee (thousand baht)	2,215	1,472	1,083

Social and Environmental Responsibility Project

Waste sorting project to reduce city overflowing waste

The company has made a project Social and Environmental Responsibility According to the waste sorting project to reduce the city overflowing garbage with the following objectives:

1. To raise awareness and educate company employees on waste separation before discarding
2. To provide knowledge on proper waste disposal
3. To educate about waste recycling
4. To let the company employees know and aware of the problem of the impact of waste on the environment
5. To provide the Company's employees with knowledge of the guidelines for their practice in solving the waste problem.
6. To create a good relationship between the project makers and the target groups
7. To use waste sorted to create something good and beneficial to society
8. To make all project makers know how to work together in a systematic way and know how to solve problems that occur during work



Benefits received from the waste sorting project to reduce urban overflowing waste.

- Wet waste can be composted into fuel or biogas. help increase income due to recycling
- waste can be separated to be sold, such as plastic, paper, glass bottles, steel, metal
- Increase orderliness. make it look clean
- Help reduce toxic pollution. due to hazardous waste And infectious waste will affect the environment in the long run.
- Improves safety. Because separating hazardous waste such as broken straws or sharp objects from general waste can reduce injuries from being cut by sharp objects.

The company brings plastic bottles from the waste sorting project to the community learning center for reuse in order to get the most out of the project. at the community waste recycling center, Phop Suk Village, Bang Talat Subdistrict, Pak Kret District Nonthaburi Province 11140
E-Mail: pobsook2547@gmail.com Tel: 0-2582-0796, 08-9483-1800



Energy saving project

The company recognizes the importance of energy management. Therefore, there has been a project to save energy in various fields, namely electricity, in order to use energy in the most cost-effective and beneficial way. Reduce energy costs by focusing on the target group at the office group which is a source that uses a lot of energy and This project can also cultivate knowledge for employees to save resources and return to work at home through all communication channels of the company

3.4 Sustainability Management in the Social Dimension**3.4.1 Social Policy and Practice****Respect For Human Rights**

The Company places importance on labour practices and respect for human rights with fairness, equality and non-discrimination. This includes employment, compensation, career development and promotion, training and development, health including occupational health and safety as well as labour protection without discrimination of gender, age, educational institution, race and religion. The Company also supports employment for disadvantaged groups, such as people with disability, in order to create opportunity, career and stable income for them. The Company contributes to the realisation of the Sustainable Development Goals (SDGs), by having the Labour Relations Department responsible for the preparation of operational plans, supervision, monitoring and evaluation, and the organisation of labour relations activities in coordination with relevant departments. ([https://www.tsrplc.com/corporate-governance Corporate Governance > Code of Conduct](https://www.tsrplc.com/corporate-governance/Corporate-Governance/Code-of-Conduct))

3.4.2 Social Management**(1) Employees and workers**

The Company adheres to the principles of human rights from employment to the care of employees and personnel. In order for all employees and personnel to feel that they are connected to the same family as the organization, in 2021 the Company has the following employee operations:

Personnel data statistics**1. Employees**

Item	2021	2020	2019
1.1 Number of employees (person)			
- full time staff	1,479	1,767	1,584
- Daily staff	18	15	26
- Temporary staff (Independent salesperson)	901	1,215	1,009
Total	2,398	2,997	2,619
1.2 Number of employees classified by gender			
- male	59.17%	58.93%	60.40%
- female	40.83%	41.07%	39.60%
	100.00%	100.00%	100.00%
1.3 Number of employees classified by employee level (person)			
- The rate of employees joining the company	668	519	554
- Manager	17	6	18
- Director level and above	4	3	4

2. Employee retirement and turnover

Item	2021	2020	2019
2.1 Number of employees to retire (person)			
- aged 55-60 years	46	45	59
- aged 51-54 years	91	82	99
2.2 Turn Over Rate	15.34%	11.38%	9.68%

3. Rate of return to work after maternity

Item	2021	2020	2019
Return to work after maternity (person)	11	18	14

4. Compensation ratio of female and male employees

Item	2021	2020	2019
Female	34.04%	34.04%	29.00%
Male	65.96%	65.96%	71.00%

To promote human rights and equality in society, the Company takes into account the issues of human rights and equal access to opportunities. The Company supports the employment of persons with disabilities (PwDs) and contributes to the fund for promotion and development of the quality of life of persons with disabilities, aiming to promote self-reliance of PwDs employees and their sustainable development. This includes to ensure equal treatment for remuneration, wages, compensation and benefits for all. At present, the Company enables employment of PwDs as part of specific employees.

Item	2021	2020
1. Number of disabled employees		
1.1 Disabled employees (persons)		
- Full time staff	3	1
- Contract employee (Section 35)	16	14
Total	19	15
1.2 Number of employees classified by gender (person)		
- Female	9	6
- Male	10	9
1.3 Number of employees by gender		
- Female	47	40
- Male	53	60
2. Remuneration for disabled employees (Baht)	1,933,781	1,769,972

Staff Training and Capacity Development

The Company realises and attaches great importance to human resource development. Therefore, a training and capacity development policy has been developed. The Company has established “training institute” under the Human Resources Management Department which is directly responsible for training courses that offering both in-house trainings and public trainings. The internal and external courses cover the content of core competencies development for the Company as well as managerial competency and functional competency.

In 2021, the training institute had developed and selected training courses and human resource development programmes. These are in line with the Company's vision, mission, and goals to guarantee the development of personnel including knowledge, ability and good attitude towards the work assigned to achieve results according to the operating standards of the Company and its subsidiaries. It had been developed as follows:

1. Talent Development & Succession Plan:

High potential employee development plan and successors along the career path Developing high-potential employees to prepare them for future succession In addition to the development of Technical Competency in the work that requires expertise By developing an individual development plan (IDP) to ensure that potential employees who are important forces in the company's business. has been taken care of and developed The Company will consider performance along with growth potential, strategic planning ability and leadership.

2. Mandatory Program Model:

Courses to support business growth For employees at each level of the company Define compulsory courses (Mandatory) for employee development at each level based on the 3 Pro principles, details as follows

- | | |
|-----------|---|
| 1 Product | Product knowledge and installation |
| 2 Process | Knowledge of process processes |
| 3 Program | Knowledge of programs related to operations |

In 2021, the company has adjusted its corporate image (Rebranding), therefore has set up the TSR Branding course with the objective of details as follows

- (1) for employees to be aware of the organization's image adjustment
- (2) for employees to understand the structure and position of the Brand
- (3) In order for employees to recognize the roles and duties of being the correct brand representative

3. Online learning (E-Learning):

The Company recognizes the importance of employee learning as it facilitates access to learning from anywhere, at any time, and can choose to study each subject according to the employees' interests in order to respond to changes in methods. learning in modern times Therefore, an online learning system or E-Learning has been used in the organization.

4. Reskill & Upskill:

learning to develop new skills and enhancing existing skills. In 2021, the Company has a policy to encourage employees to collaborate, collaborate, think and act in order to change their working methods to be more efficient. To support the changes in today's world by having Reskill & Upskill employees to take responsibility for more diverse tasks. To have knowledge and skills in sales, business and finance that are in line with the company's policy direction to be able to adapt to the new normal and be the organizational culture of ISMART.

5. Performance evaluation:

In 2021, the company has implemented a performance management system consisting of Key Performance Indicators divided into 3 as follows:

- 5.1 Corporate KPIs, which are goals that measure the overall success of the organization, are divided into 4 as follows:
 - 1) Financial goals (Finance KPIs)
 - 2) Customer goals or service users (Customer and Consumer KPIs)

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- 3) internal business process KPIs and
 - 4) Learning and Growth KPIs
- 5.2 Department KPIs are the distribution of goals from Corporate KPIs.
By setting Department KPIs to be consistent and supporting Corporate KPIs
- 5.3 Individual KPIs are individual goals. which we can define in 3 ways:
- 1) Determined from the Function Matrix (FM) of each department of the organization.
 - 2) Determined from the CSF (Core Success Function) of the main work of each department.
 - 3) Determined from Modern Job Description with performance indicators for each job position and performance.(Competency) is divided into 2 types.
 - Core Competency The organization's core competencies (ISMART) at all levels.
 - Managerial Competency Management competencies only at the level of department heads and above.

To be used in the evaluation of employees To measure the performance of employees in the organization in terms of the success factors of work in accordance with the annual corporate policy and working behaviors that promote achievement of work by using the assessment results to be used in management in terms of compensation training and development and career advancement, etc.

Proportion of employees who passed performance appraisals (All full-time employees) in 2021 average 86.67%

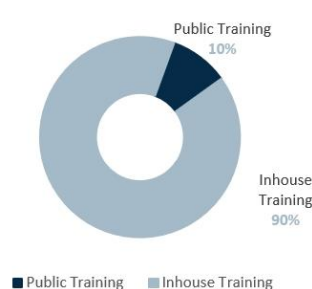
Disseminating knowledge to employees on code of conduct and anti-corruption policies

The Company had disseminated its Code of Conduct and Anti-Corruption Policy for employees at all levels. This is in line with the Corporate Governance (CG) with the focus on creating efficient, transparent, verifiable company by considering all stakeholders. The Company has published its code of conduct and anti-corruption policies to stakeholders via the Company's website, disseminated by e-mail and posted on the Company's internal boards. Anti-corruption policies and awareness were also integrated as part of the annual orientation package for new employees and management of the Company.

LEARNING HOURS OF CLASS CATEGORY



LEARNING HOURS OF TRAINING TYPE



LEARNING HOURS
TSR STAFF 2021

9.36

Hours / Staff / Year

Major labor disputes in the past 3 years

- None-

Safety, Occupational Health and Work Environment**Occupational Safety and Health Policy**

The Company provides safe and hygienic working conditions and working environments, as well as to promote and support the work of the employees to prevent the employee from being harmed to life, body, mind and health, so that the employee has the duty to cooperate with the employer in carrying out and promoting occupational safety, and working environment To ensure safety for employees and business establishments

Summary of accidents from operations

Statistics of accidents in 2021

(Unit: Person)

Item	Died	Disability	Stopped working for more than 3 days	Stopped working for no more than 3 days	Don't stop working
vehicle	0	0	9	3	7
tool	0	0	0	1	1
fall from a height	0	0	0	2	0
slip	0	0	0	0	0
Total	0	0	9	6	8

Remark: Fatal accident means Count the number of casualties in the event of death, disability, partial dismemberment, and absence from work for more than 3 days.

(Unit: Person)

Item	2021	2020	2019
work injuries	23	20	7
Occupational disease	0	-	-
Accidents to the point of stopping work	15	9	5
Number of deaths from work	0	1	-

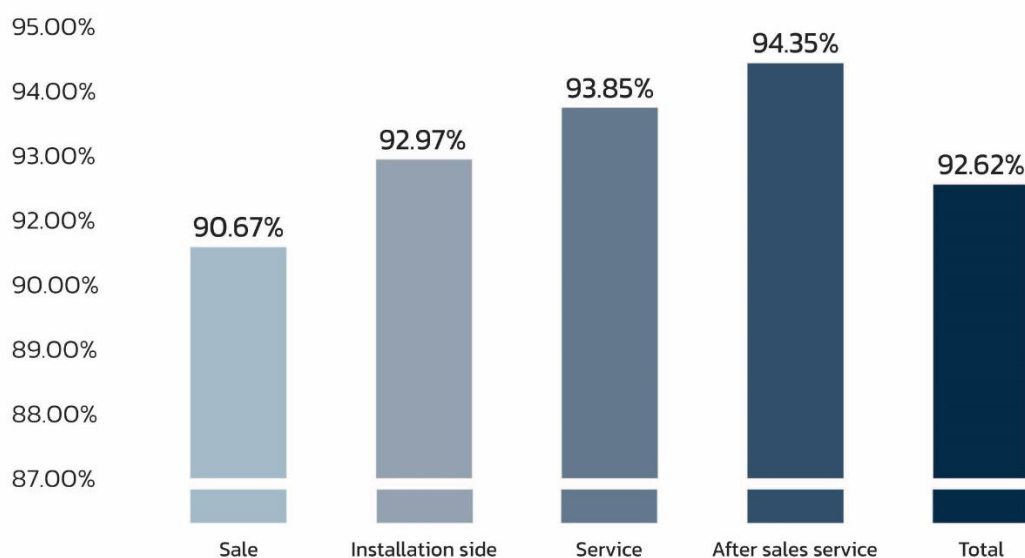
(1) Customer

The Company importance on responsibility and fair treatment of customers, by taking into account the best interests of customers as the main Emphasis on creating satisfaction for customers by satisfying their needs with good quality of products and services.

Customer Satisfaction Survey

The Company conducts a customer satisfaction survey annually by assigning the Customer Relations and Service Department to inquire with the customers and summarize the information. The evaluation of the company's performance revealed that the average customer satisfaction survey for the year 2021 is 92.62%. The company is committed to continually improving its services to better serve its customers.

Customer Satisfaction Survey



(2) Community and Society

The Company operates its business with care for stakeholders, economy, society and environment with morality, ethics and codes of conduct, as well as having good governance as a guide to conducting various activities with honesty. transparent and fair Aware of the impact on the economy, community, society and environment which will lead to sustainable business development

PROJECT PUN NAM SAI CHAK JAI TSR: Another good project to deliver good health to Thai people across the country. have access to clean drinking water From the SAFE water purifier In 2021, the scope of donation has been expanded to various agencies such as hospitals, schools, religious ceremonies, foundations and communities that have a need. The company has delivered and installed drinking water machines to more than 781 locations, totaling 2,126 machines.

In addition, the company also allows employees to participate in helping society in order to deliver happiness with clean and quality water from TSR, divided into details as follows:

1. Executives and employees voluntarily donate monthly money every month for the purchase of filters. For changing to various schools at the company and employees. went to donate water filters In 2021, there is a donation Total amount Bath 394,760
2. The Love Hometown Project To allow employees to participate in giving good things back to society by having employees apply to join the project, then attach the water filter to important places in the employees' hometowns such as hospitals, schools, religious ceremonies, foundations. and various communities in need. In 2021, employees have applied to join the project and donated more than 115 places.



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preservation of religion and Thai culture Buddhist Lent activities

Buddhist Lent Day is considered an important day in Buddhism. and the company has given great importance to in preserving Buddhism as well as to promote, conserve and carry on Thai culture. in terms of tradition and culture The aforementioned activities are held continuously every year. In 2021, it has been held strictly in accordance with the measures to prevent COVID-19. and allowing executives and employees to participate in making merit By bidding together through the Zoom system and then bringing the money to offer. The event was held at Talat Tai Temple, Bang Khayang Subdistrict, Mueang Pathum Thani District. Pathum Thani Province on 16 July 2021, with the contribution of factors Worshipping cloth for bathing in the rain and candles and donated factors from employees, total Baht 79,549 in offerings to renovate the chapel On the occasion of the Buddhist Lent and Asanha Bucha Day



Kathin unity activities

Kathin ceremony is considered to create unity between Buddhist companies and organizations. The company recognizes the importance of the Buddhist Lent tradition that is upheld and practiced every year. In 2021, it has been held strictly in accordance with the measures to prevent COVID-19. And it was held at Sao Thong Hin Temple, Bang Yai District, Nonthaburi Province on 7 November 2021, with a total of Baht 170,195 from employees for the purchase of fuel for cremation. and buy a coffin for the poor of the bodies of patients infected with COVID-19 or the corpses of the poor for free of charge for the funeral service and religious ceremonies in order to maintain good traditions



Vendor/Contractor Selection Policy

This policy is intended to guide the Company's procurement operations. with the seller and/or the contractor to go smoothly This covers the prevention of business risks arising from legal issues. Articles of Association and related requirements of the company and subsidiaries, partners (suppliers) with the belief that ethical business practices will result in sustainable business growth. and look forward to continually improving work and product development in the company's stakeholders The company therefore adheres to the principles of this business practice for the business of the seller and/or contractor of the company as well.

The company believes that having good partners will result in rapid business relationship and business growth. increasing opportunities for partners to offer the best to their customers and good results in both technology up-to-date and transparency It also helps increase channels to reduce costs as well. In 2021, the company has selected partners. Purchasing Procurement with local sellers and/or contractors (within the province) amounting to 59 people

Number of Supplier/Service/Outsource in local

(Unit: Person)

Item	2021	2020	2019
Supplier/Service/Outsource in local	59.00	57.00	20.15

4. Management Discussion and Analysis

Management Discussion and Analysis of Financial Position and Operating Results

Overview of Operating Results

The Group engages in manufacturing and distribution of water purifier business including water filters, distribution of home electric appliances, and distribution of ice maker machines through direct sale channel that is main distribution of the Group and through O2O platform (online to offline) by cooperating among Digital Marketing Team, Sales Team and Services Team to fully support the needs of all customer groups nationwide. The direct sales include cash sales and installment sales. In addition, in 2017 Thiensurat Leasing Co., Ltd., a subsidiary, has started to operate retail loan business, and generated interest income from loan receivables for home electric appliances under PONSaBUY Program to the Company's customer based. Therefore, revenues of the Group can be categorized into 3 main types: revenues from sales, hire purchase interest income, and income from loan receivables. In 2021, Thiensurat Leasing Co., Ltd., expanded to operate its existing financial loans to the installment of trucks and floor plan loans increased approximated by Baht 110 million and 50 million respectively. In 2021, total revenues of the Group was Baht 1,657.76 million or decreased by 13.20%, and total net profit of the Group was Baht 31.01 million or decreased by 78.33% from the last year.

In 2021, it was another year that global economy and society affected by the Corona Virus Disease (COVID-19) pandemic. Even, the Group has adjusted the operations strategies both reactive and proactive plans, collaborating with all department teams and enabled the Group to overcome the crisis, the Group could not afford to serve for the serious impact of the Corona Virus Disease (COVID-19) pandemic. The Group was fully aware of the safety and hygiene of the customers, employees and stakeholders, so the operating procedures were executed in accordance with the Government's Policy and Protocol to control the spread of disease. In order to build the customers' confidence, the Group committed to deliver good health and safety to every household with good quality products and services. Non-infected Sales teams was created with strict control by sanitizing all equipment related to sales and services and regular trainings all front-end staff to perform the duties with high protection for minimizing the risk of infection. In addition, employees were allowed to work from home or conducted pre-screening program prior entering the working area according to the Public Health measures. The company also supported the staff's families that ran into difficulties, also the communities nearby the company head office and subsidiaries by donating daily necessities, for example, drinking water, meal boxes, etc.

As for business operations, the company strategically adjusted sales on O2O platform (online to offline) by cooperating among Digital Marketing Team, Sales Team and Services Team to fully support the needs of all customer groups nationwide, amid the behaviors and lifestyles changing in the "New Normal" way of life with the development of new model of water purifier of RO (Reverse Osmosis Membrane) that composed of more useful and more convenient function in the modern style of RO High Flow, Error Code Notification, Auto Flush, Quick Change for changing filters, and Duo Faucet for drinking water and used water for cleaning vegetables and fruits that will be launched in 2022. The company also extended its strength and expertise in relevant products such as Watermate (Point of Entry Water Treatment) towards the area without tap water supply water treatment system for household and Hot-Cold water dispenser with a built-in water filtration system for corporate usage and kept to expand the business in the commercial market (B2B) through a joint venture with Alpine Water Co., Ltd. for distributing ice maker machines with technology from Europe under "Alpine" Brand, which has capacity to produce various models to fulfill the needs of small and large businesses including household use. It has enhanced the growth of company's core business (Cross Selling) focusing on the strength as drinking water expert and to meet requirements of any businesses in terms of cleanliness, safety, convenience and cost-saving in operation. Even in Y2021, sale of water purifiers

significantly dropped affected by the impact of the Corona Virus Disease (COVID-19) pandemic, sales of ice maker machine still increased by over Baht 100 million.

Analysis of Operating Results

Sales

The Group derives its sale revenues from 3 major types of revenues in terms of both cash sales and installment sales, which are revenues from direct sales, revenues from distributing products through a leading direct sale company, and revenues from distributing products through Online marketing. In Y2021, the Group expanded the business in the financial business of the installment of trucks, Floor Plan and the installment of the products for SME

For 2019, 2020 and 2021, the Group earned total revenues (revenues from sales of goods, hire purchase interest income and income from loan receivables) amounting to Baht 1,636.45 million, Baht 1,909.91 million, and Baht 1,657.76 million respectively. Comparing between 2020 and 2021, total revenues decreased by Baht 252.15 million from previous year or decreased by 13.20% year-on-year. Total revenues consisted of revenue from sales of goods amounting to Baht 1,411.52 million, a decrease of Baht 274.02 million or 16.26%; whereas, hire purchase interest income including income from loan receivables amounting to Baht 246.24 million, an increase of Baht 21.87 million, or 9.75%. A decrease of revenue came from sales of water purifiers and electrical home appliances decreased affected by so serious impact of the Corona Virus Disease (COVID-19) pandemic that the Group could not increase direct sale teams for water purifiers to visit the customers by door-to-door easily as usual including such a serious impact of Thailand's Economic down turn that the people income decreased so much that they stopped to buy any unnecessary products for their living like electrical home appliances. However sales of ice maker machines still had the growth with making cleaned ice for healthy through the Company's water purifier with after sale service to change the filters on time as the system that is different from the other competitors in the market of ice maker machine and hire purchase interest income including income from loan receivables was still increased by 9.75% that came from the growth of hire purchase accounts from trucks, loans from floor plan and loans from lending through Thiensurat Leasing Company, one of the Company's subsidiary.

Sales by distribution channels are presented below.

Revenues	For the Years Ended 31 December					
	2021		2020		2019	
	Million Baht	%	Million Baht	%	Million Baht	%
Sales:						
Cash and credit sales	319.41	19.3	276.30	14.5	216.15	13.2
Hire purchase sales	1,092.11	65.9	1,409.24	73.8	1,240.21	75.8
Total sales	1,411.52	85.2	1,685.54	88.3	1,456.36	89.0
Hire purchase interest income	234.19	14.1	221.75	11.6	179.89	11.0
Income from loan receivables	12.05	0.7	2.62	0.1	0.21	0.0
Total revenues	1,657.76	100.0	1,909.91	100.0	1,636.46	100.0

Details of revenues from major distribution channels are as follows:

(1) Revenues from direct sales

The revenue was mainly from direct sales (Door to door) for the water purifier and water filters under the company's brand of "SAFE"

(2) Revenues from distribution through a leading direct sale company

The Company manufactures and distributes the products through leading direct sale company like Giffarine Skyline Unity Co., Ltd., Addwell Beauty (Thailand) Co., Ltd., and Successmore Being Public Co., Ltd.

(3) Revenues from distribution through Online Marketing

Regarding to serve the customers' demand and the rapid change of technology, company started to operate sales of electric appliances through Online Marketing in the end of 2017 and got more experience to develop it to **Online to Offline (O2O)** for sales of water purifier in 2018 up to now.

(4) Revenue from sale of ice maker machine through Alpine Water Co.,Ltd.

The revenue was mainly from salesman of Alpine Co., Ltd., and the existing direct sale channel and Online-Marketing of Thiensurat Public Co.,Ltd.

(5) Revenue from interest income of lending

The revenue was mainly from Thiensurat Leasing Co., Ltd., that started to expand its financial business of installment of trucks, Floor Plan and loans from lending.

Comparing sales by product groups, revenues from sales of water purifier products in 2019, 2020 and 2021 were Baht 1,082.02 million, Baht 1,277.09 million and Baht 1,039.61 million respectively. For 2021, the revenue from sales of water purifier decreased Baht 237.48 million from previous year or by 18.60% year-on-year affected by so serious impact of the Corona Virus Disease (COVID-19) pandemic that the canvassing to visit the customers by door-to-door not easily as usual, the Government's law to lock down for travelling to the customer's houses, sale people got the COVIC, and difficulty to increase new sale team.

The revenues from sales of water filters in 2019, 2020 and 2021 were Baht 139.14 million, Baht 147.10 million, and Baht 142.53 million respectively. For 2021, the revenues from sales of the replacement filter decreased by Baht 4.57 million from previous year or decreased by 3.11% year-on-year, caused by the Economic down turn affected by impact of the Corona Virus Disease (COVID-19) pandemic.

In 2021, sale of home electrical appliances with brand name like television, washing machine, refrigerator, air conditioner, freezer, water heater, air cooler and air purifier under the campaign of easy payment named "PONSaBUY" through online marketing was decreased with the of Baht 124.26 million netting with an increase of sale of ice maker machine from salesman of Alpine Water Co.,Ltd. And Thiensurat Public Co., by Baht 105.12 million.

For 2021, revenues by products are shown below:

Revenues by Products	Amount (Million Baht)	%
Water purifier	1,039.61	73.65
Replacement filter	142.53	10.10
Ice making machine	105.12	7.45
Electric appliances and others	124.26	8.80
Total	1,411.52	100.00

Cost of sales

Costs of sales consist of raw material costs, labor costs of production staff, manufacturing overhead and other costs. The costs of sales for 2019, 2020 and 2021 were Baht 409.12 million, Baht 435.82 million, and Baht 345.68 million respectively, and cost of sales to total revenues (“Cost to sales revenue ratio”) were 25.00%, 22.82% and 20.85%, respectively. Cost of sales for 2021 decreased from previous year of Baht 90.14 million, or 20.68% due to a significant sale decrease. Cost to sales revenue ratio decreased from previous year due to higher sale proportion of water purifier with high product margin together with the result of production improvement under the situation of the outbreak of the 2019 coronavirus (COVID-19)

Other incomes

Other incomes were income derived from other sources than sales of main products. Majority of the other incomes was from sales of used assets like canvassing trucks, goods returned, plastic scrap, premium gift and bad debt recoveries. The Group has recorded other income for 2019, 2020 and 2021 at Baht 40.32 million, Baht 32.97 million and Baht 35.73 million, respectively. In 2021, other incomes of the Group were increase by Baht 2.76 Million from Y2020 mainly caused by higher income fee of Thiensurat Leasing Co., Ltd, for new leasing contacts.

Distribution costs

Distribution costs were fundamental expenses to the Group’s business, which was driven by direct sales. Key items of selling expenses comprised of advertising and promotion expenses, employees’ compensation such as namely commission, travelling expenses, allowances, etc. The distribution costs of 2019, 2020 and 2021 were Baht 593.67 million, Baht 675.86 million and Baht 640.00 million, respectively. In 2021, distribution costs decreased from 2020 mainly due to a decrease of revenue from sale of goods, interest income from hire-purchase contract and loans and income from loan receivables. The proportions of distribution costs to total revenues for 2021 was 38.61% (2019: 36.28%, 2020: 35.39%). A percentage increase was due to lower sales of water purifiers and electrical home appliances than lower distribution costs as the plan to open new branches and recruiting new direct sales teams that had been proceeded. This caused the Group to revise the plan not to open new unprofitable branches and not recruiting new direct sales teams in the red areas for the outbreak of COVID-19, but still keep to develop the strategy to have product portfolio management for multi-products, multi-sales channels, multi sell services and multi-financial services and to take the consideration to cancel the rental agreement of canvassing trucks and shops before the due of agreements with one time cost in a view of saving rental cost onward under the situation of the Corona Virus Disease (COVID-19) pandemic.

Administrative expenses

Administrative expenses included employees’ expenses, depreciation, utility expenses etc. Administrative expenses of the Group for 2019, 2020 and 2021 were Baht 401.86 million, Baht 434.31 million and Baht 424.12 million respectively. Compared with 2020, administrative expenses decreased by Baht 10.19 million or 2.35%. The proportions of administrative expenses to total revenues for 2021 increased 25.58 % compared to 2020 which was equal to 22.74% mainly due to lower total revenue than lower administrative expenses from the plan to expand the business and service including with higher employee expenses for the vaccines and material equipment to protect the outbreak of COVID-19. However the Group adjusted the plan to save the redundant and unprofitable administrative expenses with the utilization of new IT, RPA and outsourcing system

Part 1 Business Operation and Performance

Impairment losses (2019: Bad and doubtful debts expenses)

For Y2021, the impairment losses for Group were Baht 231.19 Million that were increased by Baht 15.19 Million or increased by 7.03% compared with Y2020. An increase was due to fast booking of impairment losses from seizing the products back from the customers with high potential risk that cannot afford the payment as hire purchase contracts under the situation of the outbreak of COVID-19 and Accounting Standard IFRS No.9

Finance costs

Finance costs were interest expenses on loans. The Group utilized a working capital loan, as part of its funding, to operate its hire purchase business, together with funds from collections from customers. Therefore, in addition to the cost of sales, the finance costs were considered another main cost of the Group's operations. Categorized by purposes of use, finance costs comprised costs of working capital loans for operating activities, and costs of long-term borrowings used for investing activities. Total finance costs of 2019, 2020 and 2021 were Baht 1.02 million, Baht 4.39 million, and Baht 5.36 million, respectively. Compared to 2020, the finance costs of 2021 was increased by Baht 0.97 million or increased by 22.10% because of an increase of short-term loan from financial institutions amounting Baht 188.80 million for supporting higher lending business of Thiensurat Leasing Co. Ltd., through more installment of trucks and more lending business of floor plan including with the investment in the acquisition of land for the Group business growth to reduce the existing rental of warehouse expenses.

Net profit

In 2019, 2020 and 2021, the Group generated net profits of Baht 109.63 million, Baht 143.13 million, and Baht 31.00 million respectively. Compared to 2020, the Group's net profit decreased by Baht 112.13 million, or decreased by 78.33%. A decrease in net profit of 2021 was due to a significant decrease of total revenue. and higher the proportions of distribution costs and administrative expenses to total revenues and higher impairment losses resulting from the above mentioned rationale. The net profit ratios, calculated from the net profits presented in the consolidated financial statements, were 6.70%, 7.49% and 1.87%, for 2019, 2020 and 2021 respectively.

Financial Position Analysis

Assets

Total assets of the Group as at 31 December 2019, 2020 and 2021 were Baht 1,447.53 million, Baht 1,691.54 million and Baht 1,712.13 million, respectively. Majority of assets were hire purchase receivables, property, plant and equipment ("PPE"), and inventories. The accounts receivable from hire purchase came from customers of direct sales by installment payment, and loans for floor plan which were the main revenue of the Group. The PPE was from investment of manufacturing factory, office building, and intangible assets for preparation of business expansion. Inventories were procured and produced to store at the optimum level to satisfy the customers' demand. All measures as mentioned, are prepared for business expansion.

Proportions of current assets to total assets are presented in the table below:

Assets (Million Baht)	2021	2020	2019
Total assets	1,712.13	1,691.54	1,447.53
Current assets	959.92	1,053.01	902.20
Proportions of current assets to total assets (%)	56.07	62.25	62.33

The proportion of current assets to total assets of 2021 decreased due to higher hire purchase account of trucks with the credit time over one year and lower hire purchase of water purifier and electrical home appliance not over one year, an increase in PPE of investment in land and the impact of use assets from the adoption of TFRS 16.

Hire purchase receivables

Hire purchase receivables (net) were receivables from installment sales (net of deferred interest, deferred output tax, allowance for doubtful accounts and allowance for goods returned) which had the highest proportion in current assets. As at 31 December 2019, 2020 and 2021, the Group had net hire purchase receivables of Baht 688.90 million, Baht 701.02 million and Baht 611.92 million, respectively.

Adequacy of allowance for doubtful accounts

Major portion of the Group's accounts receivable was hire purchase receivables of water purifiers, water filters, electric appliances and ice maker machines with the credit term around 12-13 months except hire purchase receivables of cars and trucks with the credit term around 3-5 years. The Group have initially applied TFRS 9 Financial Instruments to recognize expected credit loss over the contractual life of the financial instrument to compute allowance of bad debts is as follows:

Water Purifiers

Accounts receivable from hire purchase accounts (Receivables less deferred hire-purchase interest and deferred output tax)

Unit : '000 Baht	Balance of hire purchase				Allowance for doubtful account			
	31 Dec 21	%	31 Dec 20	%	31 Dec 21	% of AR	31 Dec 20	% of AR
Staging								
Stage 1 (not over 1 installment)	389,874	81.00%	539,482	87.43%	10,509	2.70%	13,459	2.49%
Stage 2 (not over 3 installment)	48,253	10.03%	47,717	7.73%	19,588	40.59%	18,534	38.84%
Stage 3 (Over 3 installment)	43,192	8.97%	29,849	4.84%	39,053	90.42%	25,988	87.06%
Total amount	481,319	100.00%	617,048	100.00%	69,150	14.37%	57,981	9.40%
% of Allowance for doubtful account per total hire purchase receivable					14.37%		9.40%	

Electrical appliances and others

Accounts receivable from hire purchase accounts (Receivables less deferred hire-purchase interest and deferred output tax)

Unit : '000 Baht	Balance of hire purchase				Allowance for doubtful account			
	31 Dec 21	%	31 Dec 20	%	31 Dec 21	% of AR	31 Dec 20	% of AR
Staging								
Stage 1 (not over 1 installment)	195,616	94.83%	132,870	88.10%	2,696	1.38%	2,394	1.80%
Stage 2 (not over 3 installment)	6,682	3.24%	8,721	5.78%	1,584	23.71%	1,577	18.08%
Stage 3 (Over 3 installment)	3,975	1.93%	9,223	6.12%	2,237	56.28%	4,886	52.98%
Total amount	206,273	100.00%	150,814	100.00%	6,517	3.16%	8,857	5.87%
% of Allowance for doubtful account per total hire purchase receivable					3.16%		5.87%	

From the comparison aging of hire purchase accounts receivable as of 31 December 2021 to those as of 31 December 2020, there were lower overdue hire purchase accounts of electrical home appliances, but higher overdue hire purchase accounts of water purifiers by considering the amount of hire purchase accounts overdue three months (NPL) of electrical home appliance reduced from 6.12% to 1.93%; whereas, NPL of water purifiers increased from 4.84% to 8.97% respectively. The lower overdue hire purchase accounts of electrical home appliances came from

Part 1 Business Operation and Performance

strictly credit approval and efficient collection. The higher overdue hire purchase accounts of water purifiers caused by customers asking for delay payment with the impact of the outbreak of the 2019 coronavirus (COVID-19). However, the Company still keep on the strict measurement for imprudent salesforce that have to take responsibilities with the loss by return the commission and send credit officers to collect and solve those overdue hire purchase accounts by seizing the products back and sell them as second hand products. The collection of electrical home appliance hire purchase accounts has been improved by hybrid of direct payment and sending credit officers to collect the overdue accounts for the customers who have less responsibilities to have direct payment on time, but if it cannot be collected, send credit officers to take the products back. For Y2021, the Group initially complied the direct payment method to the collection of water purifiers through QR Code in order to provide the convenience to the customers under the situation of the outbreak of the 2019 coronavirus (COVID-19)

Loan receivables

Loan receivables composed with loans from floor plan and loans given to the customers with the collateral assets as at 31 December 2020 and 2021 amounting to Baht 28.55 million and Baht 83.33 million respectively.

Inventories

Inventories as at 31 December 2019, 2020 and 2021 amounting to Baht 133.73 million, Baht 212.77 million and Baht 271.99 million, respectively. An increase of inventory came from more inventories to serve the backlog of ice making machines from the customers booking by their advance payment and more materials for producing new model of water purifier (RO) that will be launched in Y2022.

Property plant and equipment (PPE), and intangible assets

As at 31 December 2019, 2020 and 2021, the Group had PPE amounting to Baht 393.56 million, Baht 353.16 million and Baht 415.07 million, respectively, and intangible assets of Baht 33.63 million, Baht 31.39 million and Baht 27.80 million, respectively. Most of the assets were land and building of head office and factories. The Group has acquired the PPE and intangible assets or computer software as a result of business expansion. In 2021, PPE were increased by Baht 61.91 million from an investment in new Land. Right of use and intangible assets were reduced by sale-out of used canvassing trucks after completing operating term including with a cancellation of rental agreement of canvassing trucks and shops before the due in order to save the fixed cost of depreciation.

Deferred tax assets and liabilities

The deferred tax caused by the differences in revenue and expense recognition between accounting and tax bases. As at 31 December 2019, 2020 and 2021, the Group recorded the deferred tax assets of Baht 16.87 million, Baht 21.71 million and Baht 27.84 million, respectively. The deferred tax of the Group mainly derived from allowance for doubtful accounts and accrued other expenses of the Group to proper with the current situation.

Liabilities

The Group's liabilities comprised loans from financial institutions, trade and other payables, long-term loans, liabilities under finance lease agreements, employee benefit obligations, tax payable income, and other liabilities. Total liabilities as at 31 December 2019, 2020 and 2021 amounting to Baht 211.14 million, Baht 416.52 million and Baht 460.94 million, respectively. In 2021, the Group's liabilities increased from an increase of short-term loan from financial institutions amounting Baht 137.90 Million for supporting the lending business of Thiensurat

Leasing Co., Ltd., including with an investment in new land; whereas, trade account payable and other payable decreased by Baht 36.30 Million from less purchasing order as a decrease of sales. Details of major liabilities are as follows:

- **Short-term loans from financial institutions** as at 31 December 2021 was Baht 188.80 million for expanding the lending business of Thiensurat Leasing Co., Ltd., and acquisition of new land for the business expansion.
- **Trade and other payables** as at 31 December 2021, the outstanding balance trade and other payables of the Group was Baht 135.24 million. The balance decreased from 2020 by Baht 36.30 million or decreased by 21.16% mainly due to lower accrued promotion expenses and lower accounts payable caused by a sales dropped.
- **Liabilities under finance lease agreements** Most of the liabilities under finance lease agreements were for the acquisition of motor vehicles for sales teams. The outstanding balance of 2021 was Baht 78.69 million which decreased from 2020 of Baht 40.61 million or decreased by 34.04% affected by the cost saving plan to reduce the liabilities of rental canvassing trucks and shops.
- **Long-term loans** as of 31 December 2021 was nil.
- **Provision for long-term employee benefits** as at 31 December 2021, the Group recorded the provision for long-term employee benefits, based on the actuarial calculation, of Baht 21.39 million which slightly decreased from 2020.

Shareholders' equity

As at 31 December 2019, 2020 and 2021, the Group's shareholders' equity were Baht 1,231.24 million, Baht 1,270.57 million, and Baht 1,243.64 million, respectively. The shareholders' equity was slightly decreased caused by lower net profit for Y2021 as the above mention; however, the Company had already paid the interim dividend for the result of the first half year operation in accordance with the dividend payment policy.

Major activities in 2021 regarding shareholders' equity, apart from annual profits, are as follows:

- **Dividend payment** The Company paid interim dividend totaling Baht 21.98 million, pursuant to the resolution of the Board of Directors' Meeting on 16 August 2021. The dividend payment was made by cash.
- **Registered capital** The issued and paid up share capital as at 31 December 2021 was Baht 549.41 million and the share premium was Baht 295.29 million.
- **Treasury shares** As at 31 December 2020, the company has reduced the registered capital from Baht 549.68 million to Baht 549.41 million caused by the treasury shares remained and could not be sold within the period.

Financial structure

As at 31 December 2019, 2020 and 2021, the Group's Debt to Equity ratios were 0.17, 0.33 and 0.37, respectively. The ratios of interest bearing debt to equity were 0.01, 0.13 and 0.21 respectively. The debt to equity ratio and interest bearing debt to equity ratio of 2021 increased due to an increase of short-term loans from financial institutions amounting Baht 137.90 Million for the business expansion of Thiensurat Leasing Co.,Ltd., and acquisition of new land.

Liquidity Cash Flows

Sources and uses of cash flows can be summarized as follows:

Unit : Million Baht	As at 31 December		
	2021	2020	2019
Operating Activities	42.28	110.29	156.80
Investing Activities	(69.45)	(21.34)	(8.31)
Financing Activities	21.54	(86.30)	(136.64)
Net cash increase (decrease)	(5.63)	2.65	11.85
Cash and cash equivalent, beginning of the year	62.09	59.44	47.59
Cash and cash equivalent, ending of the year	56.46	62.09	59.44

As a result of the efficiency in liquidity management, the Group had sufficient working capital and could pay the dividend in cash totaling of Baht 66.09 million during the year 2021 (2020: Baht 90.36 million).

Analysis of Return on Shareholders' Equity

Return on Shareholders' Equity (ROE) decreased from 11.44% in 2020 to 2.47% in 2021. Major factors affecting ROE are as follows:

- (1) **Cost management:** Net Profit Margin decreased from 7.56% to 2.10% as a result of a significant increase in the proportions of distribution costs and administrative expenses to total revenues and an increase of impairment losses .
- (2) **Asset turnover:** Asset Turnover of 2021 was at 0.97 times which was lower than 2020 (2020: 1.22 times). In 2021, total assets of the Group's increased by Baht 20.59 million due to an increase of property, plant and equipment ("PPE") from an acquisition of new land for the business expansion and higher inventories to serve sales of ice making machines and for producing new model of water purifier (RO). This showed the Company have to improve the assets management to be more efficient under the situation of the Corona Virus Disease (COVID-19) pandemic.
- (3) **Financial structure:** Debt to Equity Ratio increased from 0.33 to 0.37 times as a result of an increase of short-term loans from financial institutions by Baht137.90 million to serve for the business expansion of Thiensurat Leasing Co.,Ltd., and investment in acquisition of new land; whereas, a decrease of trade and other payables by Baht 36.30 Million caused by a decrease of sales.

Factors that May Have Impacts on Operating Results or Financial Positions in the Future

The expansion of urban community and the proportions of sales

The Group focuses its distribution in the urban areas where there is a high population density to enable salespersons to perform their duties most effectively. As a result of the trend of domestic economic growth, urban communities have continually expanded. This development has positively contributed to the Group marketing plan. In addition, it has increased new potential areas, which is an opportunity for the Group business growth and expansion in the future.

The situation of Corona Virus Disease (COVID-19) pandemic

In 2021, it was still the time that global economy and society affected by the Corona Virus Disease (COVID-19) pandemic. Even, the company has adjusted the operations strategies both reactive and proactive plans, collaborating with all department teams and enabled us to overcome the crisis. The company could not afford to serve such a serious impact of the Corona Virus Disease (COVID-19) pandemic that covered to all the area without the light of the end of this pandemic that sale dramatically dropped caused by not able to increase direct sale teams and also not keep the sale team that got COVID and have to develop the structure of all expenses in a view of fully awareness of the safety and hygiene of the customers, employees and stakeholders, so the operating procedures were executed in accordance with the Government's Policy and Protocol to control the spread of disease. In order to build the customers' confidence, the company committed to deliver good health and safety to every household with good quality products and services. Non-infected Sales teams was created with strict control by sanitizing all equipment related to sales and services and regular trainings all front-end staff to perform the duties with high protection for minimizing the risk of infection. In addition, employees were allowed to work from home or conducted pre-screening program prior entering the working area according to the Public Health measures. The company allowed the employee to work from home and supported the staff's families that ran into difficulties, also the communities nearby the company head office and subsidiaries by donating daily necessities, for example, drinking water, meal boxes, etc.

Effect from new accounting standards

A number of new and revised TFRS which are relevant to the Group's operations are expected to have significant impact on the consolidated and separate financial statements on the date of initial application. There is no any significant TFRS which become effective for annual financial reporting periods beginning on or after 1 January 2021 to be adopted.

Effect from changing the information and technology

Due to changing in the information and technology rapidly and continuously so that the Group have to develop and change themselves without any delay not only product development but also excellent service improvement given to the customers including developing the strategies and process improvement all time to be safe for survival with on-going training the employee to have more knowledge and more capable, recruiting the right man and searching for right Strategic Partner to go together including with asking for the support from the government sector as the government policies.

5. General Information

5.1 General Information

5.1.1 Company

Name of the issuer	: Thiensurat Public Company Limited
Registration	: 0107556000213
Business type	: Production and distribution of household water purifier
Listing Securities	: Baht 549,411,233 (549,411,233 ordinary shares of Baht 1.00 per share)
Paid-up Capital	Baht 549,411,233 (549,411,233 ordinary shares of Baht 1.00 per share)
Head Office	: 43/9, Moo 7, Soi Chuchat Arnusorn 4, Bang Talad Sub-district, Pakkred District, Nonthaburi 11120
Telephone	02-819-8899
Call Center	: 1210 and 02-819-8888
Fax	: 02-962-6951-3
Website	: www.tsrplc.com
Investor Relations	: 02-819-8899 Ext. 1536 and 1591
E-mail	: ir@tsrplc.com

5.1.2 Other Reference

Registrar	: Thailand Securities Depository Company Limited 93 Ratchadaphisek Road, Din daeng, Bangkok 10400, Thailand	
Tel.	: 02-009-9999	
Fax.	: -	
Auditors	: KPMG Phoomchai Audit Ltd. Empire Tower 1, 48 th - 50 st Floor, South Sathorn Road Yannawa, Bangkok 10120	
	Ms. Thanyalux Keadkeaw	CPA No. 8179
	Ms. Dussanee Yimsuwan	CPA No. 10235
	Ms. Sophit Prompol	CPA No. 10042
Tel	: 02-677-2000 ext. 2055	
Fax	: 02-677-2222	

5.2 Other information

- None

5.3 Legal Disputes

Company and Subsidiaries There are no ongoing legal disputes that may affect the assets of the Company and its subsidiaries. More than 5 percent of the shareholders' equity as of December 31, 2021

5.4 secondary market

- None

5.5 Financial Institutions with Regular Contacts

- None

Part 2

Corporate Governance

6. Corporate Governance Policy

In 2021, the Company was given a “Excellent” ranking (five-star) by an assessment for the Corporate Governance Report of Thai Listed Companies 2020, from a total of 692 companies. The assessment by the Corporate Governance Report of Thai Listed Companies 2020 organized by the Stock Exchange of Thailand (SET), the Securities and Exchange Commission (SEC), and the Thai Institute of Directors.

The Company has established a written corporate governance policy. Which the Board of Directors' meeting acknowledged and understand the principles of good corporate governance revised version 2017, which the Securities and Exchange Commission Issued since March 2017. The Board of Directors therefore considered and reviewed Principles of corporate governance and has improved the corporate governance policy. And other related policies At the Board of Directors' Meeting No. 9/2018 on Monday 24 September 2018, the Company determined that directors, executives and employees comply with various rules and regulations as prescribed by the Securities and Exchange Commission. And the Stock Exchange of Thailand Set in all respects.

6.1 Compliance with the Principles of Good Corporate Governance

Transparency and effective management shall be enhanced in order to build up the confidence and the assurance of the shareholders, investors and all stakeholders. With this in mind, the Board of Directors has established a corporate governance policy, as prescribed in the principles of good corporate governance according to the SET. The Company's practices of the good corporate governance are set out in 5 categories as follows:

Category 1 the Rights of Shareholders

The Company realizes and places importance on the fundamental rights of the shareholders, as both the owners of the Company and the investors in the stock market, for instance, the rights trade and transfer shares, rights to and receive the Company's information promptly, completely, and sufficiently, rights to receive the Company's profit distribution, rights in the meetings of shareholders, rights to express opinion and rights to decide on the Company's important matters such as dividends payment, appointment or removal of directors, appointment of external auditor, approval of important transactions which may impact on the business operation etc.

Guidelines

The Company has set good practices for to facilitate the exercise of the rights of shareholders as follows:

1. The Company will hold an annual general meeting. The board will determine the date, time and location of the meeting. The meeting is held within 4 months from the date of the last day of the Company's fiscal year. The meeting notification, the agenda items and relevant documents must be prepared and circulated to the shareholders at least 7 days in advance of the meeting date. Including disseminating such information on the company website at <http://www.tsrplc.com> At least 30 days before the meeting date and the meeting date shall be announced in a newspaper for 3 consecutive days in advance of the meeting date. Each agenda item shall objectives and reasons contain opinions or recommendations of the Board of Directors. In 2021, The Company sent the documents before the meeting for a period of 15 days.

2. Company shall disseminate relevant materials and information through the Company's website in advance. The Company shall provide adequate information with regard to the rights of shareholders in the shareholders' meeting including the right to vote of the shareholders.
3. In the event that shareholders are unable to attend meetings in person, the Company shall provide the shareholder an opportunity to appoint an independent director of the Company or any other person to attend the meeting on their behalf. The Company shall enclose a proxy form together with the meeting invitation letter.
4. Prior to the meeting, the Company shall provide opportunities for the shareholders to submit opinions, recommendations and questions in advance.
5. During the shareholder meeting, the Company The meeting will be conducted with integrity, transparency and efficiency and conducive to allowing shareholders to exercise their rights by using the technology to facilitate the Shareholders' Meeting, for the registration of shareholders, counting and showing results for the meeting to be conducted quickly accurately. Before the meeting start, the number and proportion of shareholders attending the meeting in person and by proxy, meeting method, voting and vote counting will be announced. the Company shall provide opportunities for shareholders to independently and equally make inquiries, suggestions or expression of opinions. In the meeting, the directors and the executives shall attend to provide response and give detailed information for the shareholders.
6. The company selected the venue, which has a mass transit access and enough so shareholders can attend easily.
7. After the end of the Shareholders' Meeting, the Board of Directors will disclose the resolutions of the Shareholders' Meeting with voting results within the next business day through the news system of the Stock Exchange of Thailand and on the website of the Company and prepare accurate and complete Minutes of the Shareholders' Meeting. A copy of the Minutes of the Shareholders' Meeting will be sent to the Stock Exchange of Thailand within 14 days from the date of the Shareholders' Meeting.

Category 2 The Equitable Treatment of Shareholders

The company shall provide an opportunity for fair and equitable treatment to all shareholders and establish that all shareholders are entitled to vote based on the amount of shares held by each shareholder whereby one share was equal to one vote. The Company shall not take any action that limits or violates the rights of shareholders, regardless whether a shareholder is a major or minority shareholder, an institutional investor or a foreign shareholder. The Company assigns independent directors to safeguard the interests of the minority shareholders. The minority shareholders are able to make suggestions, express opinions or file complaints to the independent directors, who are responsible for handling each matter appropriately. For instance, in case of a complaint, the independent directors shall investigate and seek a proper solution. In the event that the minority shareholders make an important suggestion, which have an impact to all stakeholders or to the business of the Company, then the independent directors shall report such suggestion to the shareholders' meeting for consideration and include it in the agenda of the shareholders' meeting.

Guideline

1. The company will oversee the shareholders' meeting shall be convened and conducted in accordance with the Company's Articles of Association and agenda items. Each agenda items shall be considered with the supporting detailed information and relevant materials. There shall be no additional agenda item without notifying shareholders in advance, particularly, an important agenda item, which requires sufficient time to consider prior any decision-making. In the event that shareholders are unable to attend meetings in person, the Company shall provide the shareholders an opportunity to appoint an independent director of the Company or any other person to attend the meeting on their behalf. The Company shall enclose a proxy form together with the meeting invitation letter. The voting shall be casted in accordance with the sequence of

- agenda items in transparent manner. The Company shall provide the shareholders with an opportunity to exercise their rights to vote to appoint each director individually.
2. The company has a policy to facilitate the shareholders to nominate directors, and added to the agenda in advance, including proposing questions in advance in accordance with rules set by the Company, which publishes the details in website at <http://www.tsrplc.com>. Within for 1 months until the end of the fiscal year of the company.
 3. The Company formulates measures designed to prevent the improperly use of inside information (insider trading) of related parties including directors, executives and employees involved in internal information as well as their spouse and minor children. The Company imposes non-trading periods on related parties during 1-month period preceding the announcement of quarterly and annual financial statements and such related parties shall wait at least 24 hours after the said information is accessible to the public. Such information shall not be disclosed to the third party.
 4. The company requires informs the directors and management who trade their securities must report their securities holding in his/her company including their spouse and minor children pursuant to Section 59 of the Securities and Stock Exchange Act B.E. 2535, within 3 business days to The SEC in order to subsequently disseminate such information to the public.

Category 3 The Role of Stakeholders

The company places importance on the rights of every group of stakeholders, regardless of whether they are inside stakeholders such as executives and employees, or outside stakeholders such as competitors, business partners creditors of the company and customers etc. The Company realizes that the support and receipt of opinions from every group of stakeholders will be of benefit to the operations and development of the Company's business activities. Therefore, the Company complies with the law and applicable regulations to ensure that the rights of the aforementioned stakeholders are well protected and treated. In addition, the Company promotes co-operation between the Company and its stakeholders, which will create confidence and stability for the Company under the following guidelines:

Guidelines

- | | |
|------------------------------|--|
| (A) Shareholders | The Company focuses on the development and continued growth, which will result to greater revenues and profit for the Company. It adds value to the company and contributes to shareholders to receive the highest returns. |
| (B) Customers | The Company realizes the quality and standard of products as well as customer service and responsibility towards customers with honest and fairness. |
| (C) Business Partner | The Company's policy is to treat business partner fairly, in accordance with terms of trading and/or the terms of the agreed contracts, to ensure the good business relationship, which will benefit all parties. |
| (D) Creditors of the Company | The Company will comply strictly comply with conditions of business to creditors as well as monitor the payment of loans and interest to all types of creditors in accordance with the agreed schedule and strictly comply with conditions of the loan under the agreement without using the loan in a way that is contrary to the purpose of the loan. In addition, the Board of Directors will ensure that the company operates to safeguard confidence of creditors in their financial status and ability to pay debts as well as supervise the reporting of correct and complete information to creditors. |
| (E) Competitors | The Company promotes free and fair competition policy and shall comply with a good competition framework. |

(F)	Employees	The Company has a policy to treat all employees equally by complying with relevant laws and standards fairly and respecting human rights. The Company provides appropriate remuneration and welfare not less than the minimum wage rate set out by the relevant laws, including support to the staff for their skills and knowledge development.
(G)	Community and Society	The Company places importance and commitment to community and society. The Company operates its business ethically and provides creative and beneficial activity support to society as appropriate.
(H)	Environment	The Company strictly complies with applicable environmental laws and regulations. And it establishes the guidelines, which continuously minimize impact to environment.

The Company will comply with applicable laws and regulations to ensure the rights of stakeholders have been well protected and treated.

Category 4 Disclosure and Transparency

The Company establishes its policy to disclose important information relating to the Company. Both financial and non-financial information will be disclosed in an accurate, complete, timely and transparent manner according to relevant rules, standards and through accessible channels under the principles of equality and reliability.

Guidelines

1. Internal Control and Transactions with Potential Conflicts of Interest

The Company has a policy of preventing and wiping out the potential conflicts of interest by setting up a rule that any deal and/or transaction possibly causing the conflicts of interest shall be in accordance with the rules and procedure prescribed by the Company and other related applicable laws.

The Company shall not allow the Company's directors, executives, and/or major shareholders, whichever case may be, to operate the businesses that are similar or compete with or have the connected transactions in the manner that they engage other interests against the best interest of the Company or its subsidiaries. The Company's executives and/or major shareholders, whichever case may be, must submit the reports to the Company if any of executives or major shareholders acquires some shares in a company whose business operation is similar to that of the Company or its subsidiaries in order that the Company and the Audit Committee consider whether such shareholding is against the best interest of the Company and its subsidiaries or not.

The Company values a good internal control system. The Internal Audit Department is empowered to audit the working of every working unit to prevent defects, and to ensure the work transparency. The auditing shall be done periodically, and the auditing report shall be submitted for the Audit Committee's consideration.

2. Disclosure of Information

The Company has determined that the disclosure of any information and any communications be a core policy of the Company. The Company promptly established an investor relations unit to represent the Company and act as a focal point to communicate and disclose information. The Company also places importance on the disclosure of information, since it is an operational aspect, which has potential impact on any decision made by investors and stakeholders. Thus it needs to be well-controlled through specific measures relating to disclosing both financial and non-financial information, in full compliance with the relevant applicable laws and regulations. Such disclosures should be made in comprehensive details that are credible and timely and in an adequate manner, both in Thai and English, through the SET Community Portal as well as the Company's website, and in full compliance with the relevant applicable laws and regulations as specified by the SEC and SET or

Part 2 Corporate Governance

other involved Government agencies. Further, these applicable rules and regulations need to be constantly monitored for any current applicable amendments to ensure that the Company always complies with such applicable up-to-date regulations and to be a guarantee to shareholders that the Company operates its business in a fully transparent and straight forward manner.

In addition to the implementation of the corporate governance policy and the company's code of conduct, investor relations, directors, executives and all employees related to the job, investors must also strictly adhere to the investor relations ethics listed as follows:

- 1) Perform investor relations with full knowledge and capability, with responsibility and professionalism as well as ensure honesty in the profession and maintain on the basis of the principles of correctness and equality without discrimination.
- 2) Comply with the laws, notifications, rules and regulations of the relevant authorities, such as the Securities and Exchange Commission and the Stock Exchange of Thailand as well as the regulations and policies of the company.
- 3) Disclose important and necessary information for investment decisions that are accurate, clear, accurate, complete, timely and fairly by using extreme care to avoid misunderstandings or misinterpretations and refusing to disclose information which is a trade secret or confidential information that may cause the company to be disadvantaged or lose its competitiveness.
- 4) Providing equal opportunities for stakeholders to access information.
- 5) Keep confidentiality, do not reveal and not use any inside information of the company and its subsidiaries/group which has not been disclosed to the public in order to seek benefits for themselves and/or others wrongfully.
- 6) Answer questions and concerns to shareholders, investors, analysts and all stakeholders by organizing various company visits as well as provide response to analysts and investors directly via email and telephone.
- 7) Refrain from holding meetings or clarifying information to analysts and investors (Quiet Period) at least 14 days before disclosing financial statements.
- 8) Refrain from trading the company's securities during the Blackout Period according to the policy to prevent the use of inside information of the company.
- 9) Organize various activities for directors and executives to regularly meet with investors and analysts by presenting the performance, financial statements, financial status, management discussion and analysis as well as participating in the listed companies' meetings with investors (Opportunity Day) to present the company's operating results and its future business trends.

The company may assign the Chief Executive Officer or the Vice Chief Executive Officer to provide additional information to shareholders, investors and analysts. In a case that shareholders, investors and analysts need more information, they can directly contact to the Investor Relations Department.

Investor Relations

E-mail: ir@tsrplc.com

Telephone 02-819-8899 Ext. 1536 and 1591

Various activities were undertaken whereby the management regularly meet with various individual or institutional investors and analysts in order to make presentations regarding the financial status of the Company and the Management Discussion & Analysis as well as to participate in the Opportunity Day for Investors to present the Company's operating performance results and overview for the future operating trends of the Company as follows:

Investor relations activities are to allow administrators to meet retail investors to clarify communication and understanding on the correct approach to business. Also, investor relations provide general information of the Company by the Company Visit as well as answering questions from analysts, investors directly via email and phone regularly.

Information presentation activities	Number	location
Opportunity Day	3	VDO Conference Thiensurat Public Company Limited
Analyst Meeting	5	Thiensurat Public Company Limited

Category 5 Responsibilities of the Board of Directors

Structure of the Board

The Board consists of At least 5 directors, but not more than 12 people. The Board consists of persons who have diverse knowledge, skillsets, and expertise as well as executive leadership experience. The Board of Directors will review the board structure both in terms of size, composition, proportion of independent directors that are appropriate and necessary to lead the Company to set the objectives and goals.

The Board takes part in determining the vision, mission, strategy, policy and business direction. The Board oversees the management of the Company in accordance with applicable laws, purposes, regulations and resolutions adopted at the shareholders' meeting. In order to closely oversee the business operation, the Board has also appointed 5 series of sub-committee. Those are Audit Committee, Executive Committee, Risk Management Committee, Corporate Governance and Corporate Social Responsibility Committee and Nomination Remuneration Committee to perform specific duty and submitted to the Board of Directors for consideration or acknowledgment. Sub-committees have rights and duties as determined in the authority of each committee. The company has clarified the separated roles and responsibilities between the Board and the management. The Board of Directors is responsible for policy oversight and implementation of executive policies. The company executives operate activities in accordance with the executive policies.

The Board has appointed the Company Secretary who serves to provide suggestions with regard to the applicable rules and regulations that the Board must be aware of and to support the work of the Board including coordination support to ensure the implementation of the resolutions of the Board.

Roles and duties of the Board

The Company has established a written Corporate Governance Policy, which was approved by the Board of Directors. The Board of Directors regularly review and monitor the implementation of this Policy. The Board of Directors reviewed the policy. The company requiring directors, executives and employees comply with the rules and regulations as prescribed by the Securities and Exchange Commission. And the Stock Exchange of Thailand. In all respects

Part 2 Corporate Governance

6.2 Code of Conduct

The Company Limited has established the Code of Conduct to guide the Board of Directors, the management and employees to perform their respective duties and responsibilities under the principles of honesty, fairness and integrity. The Code of Conduct applies conducts towards the Company, all stakeholders, public and civil society. The Company also put in place a regular monitoring system. as follows.

1. Operate business with fair and honesty. Carry out business with responsibility for society as a whole, both legally and ethically. Commit to ensure good treatment of individuals, communities, societies and environment.
2. Treat customers fairly in terms of products and services under the principle of non-discrimination.
3. Operate a business with a standardized and well-monitored operating system by using full knowledge and capacity and exercising due diligence with adequate and reliable information and evidence. It also strictly adheres to the relevant laws and regulations.
4. Adhere to confidential and non-disclosure principles for customers. Unless, it is required as duties and responsibilities by law.
5. Enable a grievance mechanism for customers to complain about the incompleteness of products and services.
6. Disclose product information and service accurately.
7. Comply with all terms and conditions that agreed with customers fairly. If the terms and conditions cannot be fulfilled, customers must be notified, without delay, to find a solution together.

6.3 Major Changes and Developments in the past year

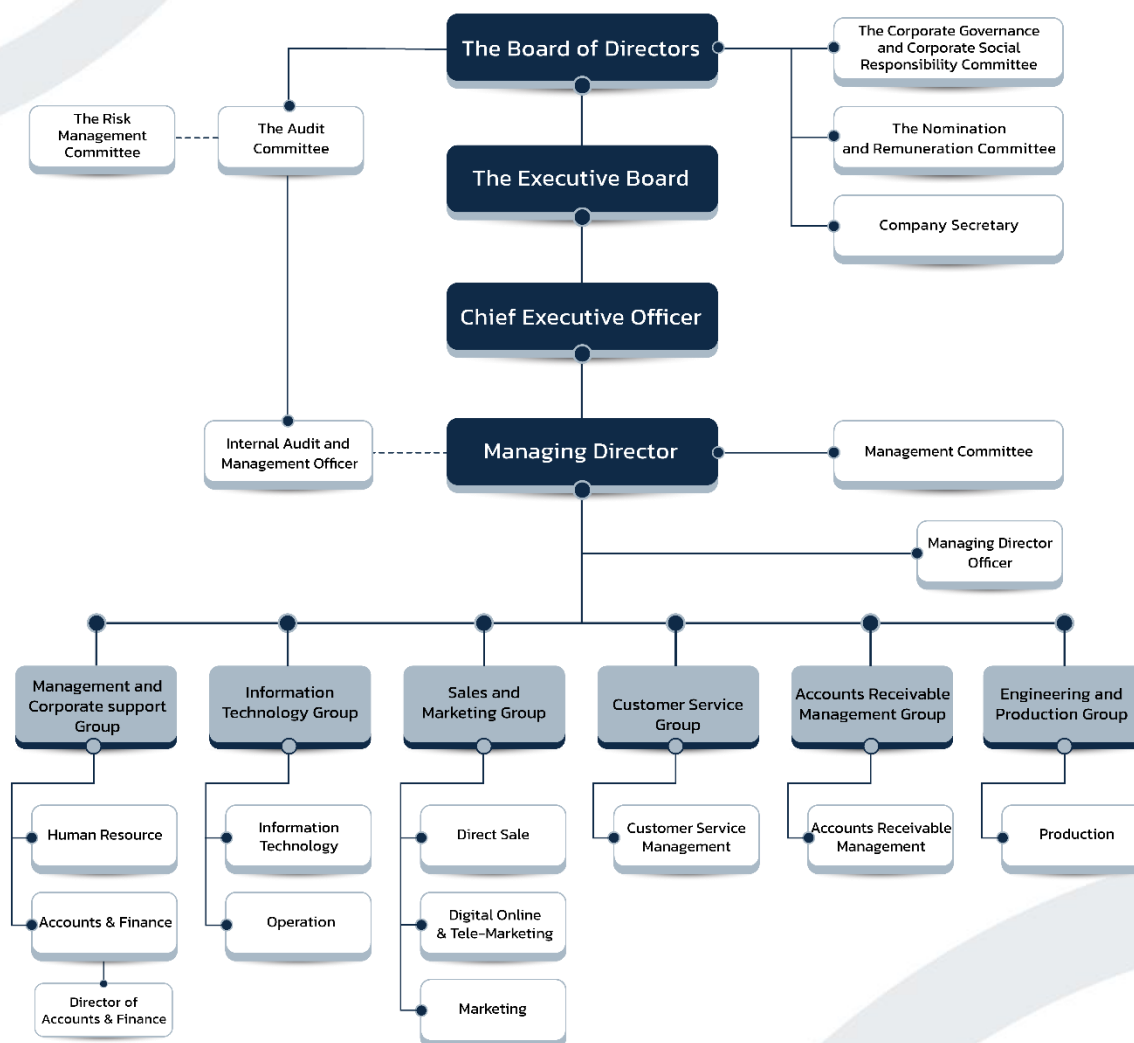
- 6.3.1 In 2021, the Board of Directors reviewed various policies, including the Corporate Governance Policy in accordance with the Good Corporate Governance Principles for Listed Companies (CG Code), Code of Conduct, Anti-Corruption, Whistle blowing. Consideration of the election of directors who must retire by rotation and consideration of the performance appraisal form of directors and the assessment results, etc.
- 6.3.2 In 2021, the company has complied with the principles of good corporate governance. The Board of Directors has reviewed the implementation of corporate governance policies and guidelines in accordance with the Good Corporate Governance Principles for Listed Companies 2017 or the Corporate Governance Code (CG Code) in order to create sustainable business values. Code of Conduct that has not yet been applied Reasons were recorded as part of the Board of Directors' report, for example, the Chairman of the Board is not an independent director. Determining the policy to limit the number of years in the position of independent directors to not more than 9 years

Not been acted item	Justification
The Chairman of the board should be an independent director.	Although the Chairman of the Board is not an independent director, the Chairman of the board has done the job of governing the Company fairly, transparently, taking into account the Company's interests as important and not for anyone's benefit. He also supports and encourages directors and independent directors to participate in discussions and express their opinions freely. There has never been a case where the Chairman of the board has exercised his voting rights to decide on any resolution.
The Board should clearly state the term of office of independent directors in the corporate governance policy, which should be no more than 9 years without exceptions.	The Company has not yet set a term of office of an independent director for no more than 9 years without exception. However, independent directors who have served more than 9 years can express their opinions independently and still meet the Company's independent directors' qualifications with a wide range of expertise, especially in accounting and finance jobs and legal knowledge. The independent directors also brought their knowledge, experience, and expertise to provide useful suggestions in formulating the Company's business strategy and policy following sustainable development practices. Therefore, the Board of Directors proposed the Annual General Meeting of Shareholders to elect independent directors to resume as independent directors of the Company.

7. Corporate Governance Structure and Key Information Related to Directors, Sub-Committees, Executives, Employees and Others

7.1 Corporate Governance Structure

Organization Chart as of 28 February 2022



Vice chief Executive officer / Chief Executive

Management in accordance with the notification of SEC

7.2 Board Information

7.2.1 Board Composition

The Company's Articles of Association states that the Board of Directors consists of not less than 5 members, of which not less than half of the total number of directors must reside in the Kingdom and must have qualifications as stipulated by the Public Limited Companies Act and other relevant laws.

As of 1 February 2022, the Board of Directors of the Company consists of 10 members, and not all directors are executives. which is a hundred percent The structure of the board of directors can be separated as follows:

- 5 independent directors, representing 50 percent of the Board of Directors.
- There is no executive director.

The Board of Directors consists of directors with a wide range of qualifications in the field of industry knowledge, accounting and finance management, marketing, business strategy, corporate governance and law including differences in gender, race, education, skin colour, age, marital status and political and religious opinions.

The Board of Directors must consist of not less than three independent directors and not less than one-third of the Board of Directors. The independent directors must have qualifications as specified by the Company and must have qualifications in accordance with the Notification of the Capital Market Supervisory Board and the regulations of the Stock Exchange of Thailand. The Company has required the qualifications of independent directors equal to those of the Securities and Exchange Commission and the Stock Exchange of Thailand.

7.2.2 Board Information and the Company's controllers

As of 1 February 2022, the company's Board of Directors consists of 10 members, comprising of 5 independent directors, representing 50% of the Board of Directors.

Name	Title	Date of First Appointment
1. Mr. Sahas Treetipbut Treetipbut	➤ Chairman of the Board	October 31, 2012
2. Assoc. Prof. Boonserm Vimuktanandana	➤ Independent Director ➤ Chairman of the Audit Committee	November 8, 2012
3. Dr. Supree Wongdeeprom, Ph.D.	➤ Independent Director ➤ Member of the Audit Committee ➤ Member of the Corporate Governance and Corporate Social Responsibility Committee ➤ Chairman of Risk Management Committee	April 18, 2013
4. Prof. Porntep Siriwanarangsun, MD., MPH., PhD	➤ Independent Director ➤ Member of the Audit Committee ➤ Member of the Nomination Remuneration Committee	February 27, 2018

Name	Title	Date of First Appointment
5. Ms. Sumana Vonggapan	➤ Independent Director Chairman of the Nomination Remuneration Committee	April 24, 2015
6. Surat Wongrattanapassorn Ph.D.	➤ Independent Director ➤ Member of the Risk Management Committee	April 27, 2018
7. Mr. Viruch Wongnirund	➤ Director ➤ Member of the Risk Management Committee	April 18, 2013
8. Mr. Ekarat Changyoo ^{3/}	➤ Director ➤ Member of the Corporate Governance and Corporate Social Responsibility Committee ➤ Member of the Risk Management Committee ➤ Chairman of the Executive Committee	February 12, 2013
9. Ms. Theinvanee Changyoo ^{4/}	➤ Director ➤ Member of the Risk Management Committee ➤ Member of the Executive Committee ➤	January 22, 2009
10. Ms. Savita Changyoo ^{5/}	➤ Director ➤ Member of the Nomination Remuneration Committee ➤ Member of the Risk Management Committee ➤ Member of the Executive Committee	February 12, 2013

Remark: Details of attendance of the Board of Directors and Executives Board can be found under “Major Implementations of Corporate Governance: Meetings of the Board of Directors”.

7.2.3 Roles and Duties of the Board

Authorized Director of the Company

On 31 December 2021. The authorized signatories of the Company are any two of the following four directors can sign jointly with the Company's seal affixed: (1) Ms. Theinvanee Changyoo, (2) Ms. Savita Changyoo and (3) Mr. Ekarat Changyoo.

Chairman of the Board

Duties and responsibilities of the Chairman of the Board

1. To be responsible for the leadership of the Board of Directors (the Board) in overseeing the administration of the Board and other Sub-committees to achieve the objectives set forth in the plan.
2. Set the meeting agenda by discussing with the Chief Executive Officer/Managing Director and to serve as a Chairman of the Board and the shareholders meeting of the company.
3. To give a casting vote, in the case of an equality of votes on any question at a meeting of the Board

Chief Executive Officer

Duties and responsibilities of the Chief Executive Officer

1. To lead, in conjunction with the objectives, business policy and goals, business and operation plans, business strategy, budget and budget plan, in accordance with the resolution of the Board of Directors (the Board) and/or the Executive Board. This includes oversee and monitor any changes in the budget and operational plan.
2. To make decisions on matters as determined by the company, in compliance with relevant laws, orders or resolutions of the Board. The Chief Executive Officer shall take reasonable steps to ensure that the company operates and develops its business in accordance with relevant laws, company regulations and resolutions of the shareholders' or the Board's meetings.
3. To set the organizational structure by making a proposal to the Nomination and Remuneration Committee for approval, and then to the Board for approval and to ensure management. This includes the details of selection, recruitment, appointment, relocation, dismissal and termination of contract, salary, compensation, remuneration, bonuses and welfare benefits for employees of the company.
4. To approve the entering into contracts and/or termination of any contracts relating to normal business operation of the company, new business investment or ceasing to operate a business. This includes the signing of contracts, in accordance with the Authorization Policy Manual.
5. To approve the payment and expenditures for normal operation of the company in each transaction, as specified in the Authorization Policy Manual.
6. To monitor and evaluate the performance of the company and report on progress and performance to the Executive Board, the Audit Committee, and the Board of Directors.
7. To direct, communicate, order, issue orders, regulations, announcements and internal memos, in order to ensure that the company's operations comply with the policy and for the benefits of the company. This includes internal rules and disciplines, signing of contracts, orders and notifications as specified in the Authorization Policy Manual.
8. To build and maintain a competent team of executives to enable it to achieve the strategy and goals of the company effectively.
9. To perform any other tasks as assigned by the Board and/or the Executive Board and to ensure any actions taken as required by applicable laws or regulations of the relevant authorities.

The authority of the Chief Executive Officer shall exclude an approval of any transaction in which the Chief Executive Officer or his/her related persons have conflicts of interest with the Company or subsidiary company as specified in the regulations of SET. An approval of the transactions mentioned must be submitted to the meeting of the Board of Directors and/or the shareholders for consideration and approval, in accordance with the Company's Articles of Association and relevant laws.

Managing Director

Duties and responsibilities of the Managing Director

1. To ensure the company's management and administration, in conjunction with the objectives, business policy and goals, business and operation plans, business strategy, budget and budget plan, in accordance with the resolution of the Board of Directors (the Board) and/or the Executive Board and/or the Chief Executive Officer.
2. To develop business policy and goals, business and operation plans, business strategy, budget and annual performance indicator and propose to the Chief Executive Officer, Executive Board, The Management Committee and the Board in accordance, according to the guidelines set by the company.
3. To ensure day-to-day operation and management of the company.
4. To determine the organizational structure by presenting to the Chief Executive Officer for approval before submitting to the Nomination and Remuneration Committee for approval and then proposing to the Board of Directors for approval. And to ensure management including the details of selection, recruitment, appointment, relocation, dismissal and termination of contract, salary, compensation, remuneration, bonuses and welfare benefits for employees of the company as assigned by the Chief Executive Officer.
5. To make decisions on various matters and shall take reasonable steps to enable the company to operate and develop its business in accordance with relevant laws, company regulations and resolutions of the shareholders' or the Board's meetings.
6. To approve the entering into contracts and/or termination of any contracts relating to normal business operation of the company, new business investment or ceasing to operate a business. This includes the signing of contracts, as assigned the Chief Executive Officer, in accordance with the Authorization Policy Manual.
7. To approve the payment and expenditures for normal operation of the company in each transaction, as specified in the Authorization Policy Manual.
8. To monitor and evaluate the performance of the company as well as oversee the progress in line with the budget and operation plan and report to the Chief Executive Officer, the Executive Board, the Audit Committee, and the Board of Directors.
9. To direct, communicate, order, issue orders, regulations, announcements and internal memos, in order to ensure that the company's operations comply with the policy and for the benefits of the company. This includes internal rules and disciplines, signing of contracts, orders and notifications as specified in the Authorization Policy Manual.
10. To perform any other tasks as assigned by the Board and/or the Executive Board and to ensure any actions taken as required by applicable laws or regulations of the relevant authorities.

The authority of the Managing Director shall exclude an approval of any transaction in which the Managing Director or his/her related persons have conflicts of interest with the Company or subsidiary company as specified in the regulations of SET. An approval of the transactions mentioned must be submitted to the meeting of the Board of Directors and/or the shareholders for consideration and approval, in accordance with the Company's Articles of Association and relevant laws.

Duties and responsibilities of the Board

1. Determine the vision, mission, strategies and policies of the company, including Oversee the Company in accordance with applicable laws, its objective and the Articles of Association and resolutions of meetings of shareholders' meetings;
2. Establish business direction; oversee the Company's operations to ensure compliance with rules and regulations as required by relevant authorities; provide sufficient information

disclosure to shareholders and all relevant parties; ensure the transparency of business administration; and act in the best interests of the shareholders;

3. Ensure that the management perform their duties in accordance with the Company's policies, except the following matters which, required by laws, that resolutions from shareholders' meeting are required prior to execution, for instance, the amendment of Memorandum of Association or the Articles of Association of the Company, increase or reduction of capital; issuance of new shares and/or debentures, selling or transferring of business; business acquisition or merger or joint venture for the objective of profit sharing; modifying or terminating any contract concerning the granting of a lease of the Company's business in whole or in substantial part, the entrusting of any other person to manage the business of the Company; amalgamation of companies, termination of the Company, and payment of remuneration of directors etc.

In addition, the Board is responsible for ensuring compliance of the Company's operations with the Securities and Exchange laws and regulations of SET, for instance, any act concerning connected transactions, acquisition or disposal of any significant assets as listed under SET regulations or applicable laws related to the Company's business,

4. Appoint the Executive Committee, in the discretion of the Board, to perform duties as assigned by the Board. The Board shall elect a member of the Executive Committee as Chairman of the Committee;
5. Appoint Chief Executive Officer/ Managing Director or delegate any authorities to any other person(s) to conduct the Company's business subject to the control of the Board, or delegate the authorities to any person within the specified timeframe, in the Board's discretion, whereby such appointment or delegation of authorities may, at any time, be cancelled, revoked, modified or amended. In the case where the Board has delegated the authorities Chief Executive Officer/ Managing Director or any appointed person(s), to operate the Company in normal course of business, such delegation shall be in accordance with resolutions of the Board's meeting, which requires the attendance of independent directors or members of the Audit Committee, and if, the delegation of authorities is opposed by the independent director(s) or member(s) of the Audit Committee, the objection must be explicitly stated in the minutes. The delegation of authorities shall be defined clearly duties and responsibilities delegated, and shall not be made in the manner that the delegate be able to approve any transaction that he/she may have conflicts of interest with the Company or the subsidiaries.
6. Put in place an effective internal control system and internal auditing. The internal auditor conducts internal audit as well as coordinate with the Audit Committee. The Board of Director will monitor and evaluate the effectiveness of risk management regularly through the Audit Committee.
7. The Board of Directors must provide a Corporate Governance Policy, Code of Conduct Handbook, Anti-Corruption Policy and the Company's policy to receive complaints and clues of misconduct and fraud (Whistle Blowing) for use as guidelines in the organization.
8. Board of Directors must not undertake any business of the same nature as and competing with that of the Company or become a partner in an ordinary partnership or a partner with unlimited liability in a limited partnership or become a director of a private company or any other company undertaking any business of the same nature as and competing with that of the Company, unless such fact has been notified to the meeting of shareholders prior to the resolution electing such director.
9. A director shall notify to the Company without delay if having any direct or indirect interest in any contract made by the Company or holding the increasing or decreasing number of shares or securities in the Company or an affiliated company.

10. The Committee must support and encourage the management to create innovations that bring value for the business while generating benefits for customers or those involved and at the same time, ensure the commitment towards society and environment.

Term of Office

In every Annual General Meeting, Directors must resign at least one-third. If the number is divided into three parts not, then the number nearest to one third to align with the good corporate governance policy, the company's Board of Directors shall not serve as a director on more than five listed companies.

The directors to retire in the first and second years following the registration of the Company, who is a lottery ticket. Next year, the members remain in office longest shall retire. Directors who retire by rotation may be elected to the position again.

7.3 Information on sub-committees

7.3.1 sub-committees

Audit Committee

The Board of Directors realized in the importance of good governance, therefore, set forth the Audit Committee as a tool to monitor and establish management standard, transparency, good internal control, and accredited reporting system to provide benefits for stakeholders. With the security of Thailand guidelines and regulations, the Audit Committee is fully independent and report directly to the Board of Directors. The authority and responsibility of the Audit Committee are specified by charters and standards from the Office of the Securities and Exchange Commission and the security of Thailand. In addition, to identify sufficiency in company's internal control procedures, internal auditor will supervise internal control systems and report directly to the Audit Committee.

Composition of the Audit Committee

The Audit Committee is made up of 3 independent directors. Associate Professor. Boonserm Vimuktanandana, Chairman of the Audit Committee, is knowledgeable and has acceptable experience in finance and accounting. She has sufficient employment experience which enables her to maintain the reliability and integrity of the Company's accounting policies, financial reporting practices and financial statements, in order to ensure compliance with applicable international auditing standards. She also oversees the design, implementation, adequacy and effectiveness of the Company's internal controls and risk management. The Audit Committee is free to perform its duties and express its opinions.

The Internal Audit Office reports directly to the Audit Committee. The independent auditors, advisers and legal and accounting experts are consulted on a regular basis. The Audit Committee will meet separately with the independent auditors, without management present, at least once a year to discuss the results of their examinations. As of 31 December 2021, the Audit Committee comprises 3 directors as follows:

The Nomination and Remuneration Committee

The Nomination and Remuneration Committee (NRC) was first established by the resolution of the Board of Directors' Meeting No. 2/2558 held on Friday, 27 February 2015 to promote the principles of good corporate governance. The duties and responsibilities include to determine the criteria and policy for the nomination and remuneration of directors and sub-committees as well as to recruit, select, and nominate appropriate persons to be the Company's directors, and to determine the remuneration for directors and to perform other tasks as assigned and submit to the Board of Directors, and/or the shareholders' meeting, as the case may be.

Corporate Governance and Corporate Social Responsibility Committee

The Corporate Governance and Corporate Social Responsibility Committee are set forth in accordance with the resolutions adopted at the Board of Directors' meeting no. 2/2015 dated 27 February 2015. The Corporate Governance and Corporate Social Responsibility Committee play an important role in determine, review, communicate and supervise good corporate governance policies. It is a guideline for operating its business as well as guiding practices of executives and employees to build confidence of shareholders, investors and stakeholders. It is also important to communicate to relevant people both inside and outside the organization to be aware of the Company's good corporate governance practices. The Corporate Governance Committee has responsibilities to manage the operation of the Company and the performance of the management and employees to be in accordance with the corporate governance principles. This include the duty to oversee the Company as required to be in line with international standards and good corporate governance principles as approved by the authorities.

7.3.2 List of sub-committees

Audit Committee

As of 1 February 2022, Audit Committee comprise 3 directors as follows:

Name	Titles
1. Assoc. Prof. Boonserm Vimuktanandana	Chairman of the Audit Committee
2. Prof.Porntep Siriwanarangsun, MD., MPH., PhD	Member of the Audit Committee
3. Dr. Supree Wongdeeprom Ph.D.	Member of the Audit Committee

Risk Management Committee

As of 1 February 2022, Risk Management Committee comprise 7 directors as follows:

Name	Titles
1. Dr. Supree Wongdeeprom Ph.D.	Chairman of the Risk Management Committee
2. Mr. Ekarat Changyoo ^{3/}	Member of the Risk Management Committee
3. Mr. Viruch Wongnirund	Member of the Risk Management Committee
4. Ms. Theinvanee Changyoo ^{4/}	Member of the Risk Management Committee
5. Ms. Savita Changyoo ^{5/}	Member of the Risk Management Committee
6. Surat Wongrattanapassorn Ph.D.	Member of the Risk Management Committee
7. Mr. Paitoon Sukhanaphorn	Member of the Risk Management Committee

Executive Committee

As of 1 February 2022, The Executive Committee comprise 3 directors as follows:

Name	Titles
1. Mr. Ekarat Changyoo ^{3/}	Chairman of the Executive Committee
2. Ms. Theinvanee Changyoo ^{4/}	Member of the Executive Committee
3. Ms. Savita Changyoo ^{5/}	Member of the Executive Committee

Part 2 Corporate Governance

Nomination and Remuneration Committee

As of 1 February 2022, The Nomination and Remuneration Committee comprise 3 directors as follows:

Name	Titles
1. Ms. Sumana Vonggapan	Chairman of The Nomination and Remuneration Committee
2. Prof.Porntep Siriwanarangsun, MD., MPH., PhD	Member of The Nomination and Remuneration Committee
3. Ms. Savita Changyoo	Member of The Nomination and Remuneration Committee

Corporate Governance and Corporate Social Responsibility Committee

As of 1 February 2022, The Corporate Governance and Corporate Social Responsibility Committee comprise 2 directors as follows:

Name	Titles
1. Dr. Supree Wongdeeprom Ph.D.	Member of the Corporate Governance and Corporate Social Responsibility Committee
2. Mr. Ekarat Changyoo ^{3/}	Member of the Corporate Governance and Corporate Social Responsibility Committee

Remark: Asst. Prof. Krit Umpote Resigned from the Board of Directors / Independent Director / Audit Committee Member / Chairman of the Corporate Governance and Social Responsibility Committee effective on 1 September 2021

Management Committee

As of 1 February 2022, The Management Committee comprise 6 individuals as follows:

Name	Titles
1. Mr. Siam Uralwong ^{6/}	Chairman of the Management Committee / Managing Director
2. Mr. Paitoon Sukhanaphorn	Member of the Management Committee / Chief Financial Officer
3. Mr. Watcharin Watcharatham	Member of the Management Committee / Vice Chief Executive
4. Mr. Naret Charoonwittayakul	Member of the Management Committee / Chief Executive Officer Assistant
5. Mr. Kiratat Jirachit	Member of the Management Committee / Chief Executive Officer Assistant
6. Mr. Nattapong Thaworn	Member of the Management Committee / Chief Executive Officer Assistant

Meeting of the Board of Directors

The Board of Directors is due to hold a meeting quarterly and can hold additional extraordinary meetings as necessary. In 2021, the Company held 9 Board of Directors meetings.

Record of Attendance of the Board of Directors and Subcommittees can be found under Section “Major Implementations of Corporate Governance: Meetings of the Board of Directors”

7.4 Information about the management

7.4.1 Management As of 1 February 2022, The Management comprise 7 individuals as follows:

Name	Titles
1. Mr. Siam Uralwong ^{6/}	Chairman of the Management Committee / Managing Director
2. Mr. Paitoon Sukhanaphorn	Member of the Management Committee / Chief Financial Officer
3. Mr. Watcharin Watcharatham	Member of the Management Committee / Vice Chief Executive
4. Mr. Naret Charoonwittayakul	Member of the Management Committee / Chief Executive Officer Assistant
5. Mr. Kiratat Jirachit	Member of the Management Committee / Chief Executive Officer Assistant
6. Mr. Nattapong Thaworn	Member of the Management Committee / Chief Executive Officer Assistant
7. Mr. Narin Suwanaphan	Finance and Accounting Director

Remark: Details of attendance of the Board of Directors and Executives Board can be found under “Major Implementations of Corporate Governance: Meetings of the Board of Directors”.

Management named above are in compliance with the definition of “Management” as prescribed in the Notification of the Capital Market Supervisory Board TorChor 23/2551. The senior managements are authorized to carry out operations under the policies, strategies and objectives laid out by the Board of Directors. The Board of Directors has agreed to publish a handbook that describes clearly the responsibilities, authority and duties of the managements in order to ensure transparency and smooth flows of operations. All 7 executives do not possess the following prohibited characteristics:

1. Having a record of criminal offences related to asset frauds.
2. Having a record of taking actions that may be regarded as a conflict of interest with the Company in the past year.

7.4.2 Remuneration for Directors and Management

Policy and Remuneration Criteria

The company has set a clear and transparent remuneration policy for directors. By doing so, the committee will consider in comparison with the same industry, company performance and responsibilities of directors as well as remuneration to be in a suitable level for the duties and responsibilities of each director competitively to maintain the knowledgeable and capable directors in the company. This then will be approved by the Annual General Meeting (AGM). The company requires the disclosure of remuneration paid to directors and executives as specified by the Office of the Securities and Exchange Commission.

The Company has instituted a system for awarding suitable remuneration to directors and senior executives by taking into account conformity with the rates or remuneration for directors of other listed companies in the same industry and the Company’s operating results. The remuneration for the Board of Directors is to be approved at the Meeting of Shareholders. The Executive Committee is in charge of deciding the remuneration for senior managements based on their responsibilities and the Company’s operating results. The management remuneration will be presented for approval to the Nomination and Remuneration Committee and informed the Board of Directors accordingly.

7.4.3 Monetary compensation

7.4.3.1 Remuneration

At the 2021 Annual General Meeting of Shareholders held on Friday, 23 April 2021, the resolution was adopted to approve the remuneration policy and determine the remuneration budget for the Board of Directors, the Audit Committee, the Executive Committee and other sub-committees appointed by the Board of Directors in 2021 for the amount of not more than 5.20 million baht. Further, the policy of remuneration which is the bonus of directors for the performance of each year was also approved at the rate of 1 to 5 percent of the dividend paid in that year. The Chairman of the Board of Directors shall proceed with the allocation of remuneration in further details. There is no remuneration and benefits other than those requested at the meeting.

(1) Remuneration of the directors for year 2021

(Unit : Baht)

Positions	2021		
	Allowances (Quarter)	Meeting allowances*	Remuneration (Monthly)
Board of Directors			
Chairman of the Board	35,000	15,000	12,000
Non-Executive Director	30,000	12,000	10,000
Executive Director	10,000	5,000	5,000
Audit Committee			
Chairman of the Audit Committee	30,000	15,000	
Audit Committee Member	25,000	12,000	
Executive Committee			
Chairman of the Board	30,000	15,000	
Non-Executive Director	25,000	12,000	
Executive Director	10,000	5,000	
Other committees appointed by the Board of Directors			
Chairman	-	15,000	
Non-Executive Director	-	12,000	
Executive Director	-	5,000	

Remark: *Additional to the quarterly meeting (Per person per meeting)

- (2) With regard to the remuneration which is a bonus for the Board of Directors At the rate of 1 to 5 percent of the dividends paid in that year. In 2021, the Board of Directors has a resolved to refrain from paying bonuses to directors.

7.4.3.2 Management Remuneration

The remuneration of the Management consists of salary, bonus and provident fund contribution. At present, the Company does not offer any kind of remuneration payable in the form of equity rewards to its Management. Remuneration of Management for the year 2019 2020 and 2021 were Baht 33.19 million Baht 38.52 million and Baht 43.52 million, respectively. The remuneration of the Management the company with the definition as prescribed in the Notification of the Capital Market Supervisory Board TorChor 23/2008 has 11 people.(As of 31 December 2021)

7.5 Information about employees

Number of personnel or employees

As of 31 December 2021, the Company has 1,481 employees. The number of employees in each key function is as follows:

(Unit: Person)

Employees	Number of Employees
Sales and Service staff	903
Operating staff	559
Management	19
Total	1,481

Employee Remuneration

In 2021, the Company paid remuneration to employees in form of salary, overtime, bonus, Social Security contributions and other payment (not including remuneration for the Board of Directors and managements) in the total amount of Baht 672.09 million.

Provident Fund

The Company established a provident fund on 1 January 2013. The provident fund was established with an aim to offer benefits for and boost the morale of employees in the long term. In year 2019, 2020, and 2021, Company contributions to the provident fund in the amount of Baht 2.60 million Baht 3.70 million and Baht 2.89 million, respectively.

Compare the proportion of employees participating in the provident fund.	number of employees (person)	number of employees participate PVD (person)	Proportion of employees attending PVD / total employees (%)
	1,481	302	20.39

7.6 Other

7.6.1 Company Secretary

The Board of Directors passed a resolution to appoint Ms. Jutamas Malai as Company Secretary to be in charge of giving organizing meetings of the Board of Directors, subcommittees, and shareholders, and in charge of producing minutes of the meetings of the Board of Directors and minutes of the meetings of shareholders. She is also responsible for collecting the documents as required by law. The Corporate Secretary is also in charge of adoption and application of the Company's good governance principles. Details of the Company Secretary appear in the details of Attachment 1.

7.6.2 Head of Investor Relations

The Company has appointed Ms. Jutamas Malai as the Manager of Investor Relations Department to oversee the operations in accordance with the regulations and rules of the Stock Exchange of Thailand. and the Securities and Exchange Commission (SEC), including providing information to investors and shareholders of the company, etc. Investor relations department can be contacted at ir@tsrplc.com. or phone number 02-8198899 ext. 1536 or 1591

7.6.3 Remuneration for Auditors

In 2021, KPMG Phoomchai Audit Co., Ltd. has been selected as an auditor according to the Company's assessment criteria. by considering the quality and standards of operation Independence is free from business relationships or professional service. And the auditor must have the correct qualifications according to the announcement of the Stock Exchange of Thailand by KPMG Phoomchai Audit Co., Ltd. as the auditor for the year 2021, of the company the auditors are as follows:

Ms. Thanyalux Keadkeaw	CPA No. 8179
Ms. Sophit Prompol	CPA No. 10042
Ms. Dussanee Yimsuwan	CPA No. 10235

In the year 2021, the Company paid audit fees of Baht 2.25 million, no remuneration for other services.

8. Major Implementations of Corporate Governance

8.1 Summary of the Board of Directors' Performance in the Past Year



Outstanding Company Performance Awards
Business Excellence
SET market capitalization up to THB3 bln.

Outstanding CEO Awards
Business Excellence
CEO of company listed on SET

Outstanding Investor Relations Awards
Business Excellence
SET market capitalization up to THB3 bln.

In 2021, the Company has complied with the principles of good corporate governance and practices in accordance with the relevant regulations. and focus on the directors, executives and employees to comply with the stipulated code of conduct.

- Assessment from the Corporate Governance Survey of Listed Companies Year 2021, the company was in the “Excellent” level, with an overall average score of 91%, higher than the average score of listed companies of 84 percent.
- Quality Assessment of the Annual General Meeting 2021 of Shareholders from the Thai Investors Association The company received a full score of 100 points.

8.1.1 Nomination, Development and Assessment of the Board's Performance

1) Nomination of Directors

The Company has set out the criteria and qualifications of directors pursuant to the Section 68 of the Public Companies Act B.E. 2535 and in accordance with the laws and relevant regulatory requirements of the SEC and the SET. The selection and nomination of directors of the Company is considered by taken into account the knowledge and expertise, work experience, particularly relevant to the business of the Company as well as the appropriate mix of skills in order to enable the directors to perform its duties effectively etc. Directors are elected to hold office for a period of three year. The criteria and procedures are established as follows:

1. The shareholders must appoint directors in the following manners:
 - Each shareholder shall have one vote for each share held by him/her;
 - Each shareholder shall exercise his/her voting right to elect one person or several persons as directors or any other means as deemed appropriate but each shareholder must submit all of his/her votes at the time and is not entitled to divide the votes proportionately for a particular candidate or group of candidates;
 - The persons shall be elected by a majority of the shareholders voting. If an equal number of votes, the Chairman shall cast a deciding vote;

- The persons receiving the highest votes in descending order shall be elected as directors equal to the permissible number of directors to be elected at the time. In the event that persons in subsequent order who have an equal number of votes exceed the number of vacancies available for election at the time, the Chairman shall cast a deciding vote
 - 2. At every annual general meeting of shareholders, one-third of the directors must vacate from their office. If the number of directors cannot be divided exactly into the number corresponding to one-third, directors to vacate office in the first year and the second year after registration of the company shall draw lots. In subsequent years, the directors who remained in office for the longest time shall vacate office.
 - 3. A retiring director is eligible for re-election.
 - 4. In the case of a vacancy of directorship for reason other than expiration of term of office, the Board of Directors shall elect a person possessed of qualifications and not possessed of disqualifications under the Limited Public Company Act and the Securities and Exchange Act as the replacement director in the next meeting of Board of Directors, unless the remaining term of office of the director is less than two months. The replacement director may hold only for the remainder of term of office of the director whom he replaced. And the resolution of the Board of Directors must be supported by votes not less than three-fourths of number of the remaining directors.
 - 5. In the case where the whole Board of Directors vacate office, such Board of Directors shall remain in office as long as necessary to operate business of the Company until the new Board of Directors assume office, unless otherwise ordered by the court in the case the court issuing an order to remove. The board of directors vacating office must make arrangements to hold a meeting of shareholders for election of a new board of directors within one month from the date on which it vacated office, by dispatching a notice of meeting to the shareholders not less than fourteen days in advance of the date of the meeting. The notice of meeting shall also be announced in a newspaper for not less than three consecutive days before the date of the meeting.
 - 6. The nomination committee should give consideration to diversity and establish a formal recruitment policy. The Board of Directors established a recruitment policy concerning the diversity of board members with reference to the competencies required for the board. Consideration will be given to required and complimentary competencies of directors. This includes professional expertise and specialization. There is no restriction on gender to serve as a director in order to strengthen the capacity of the board.
- The meeting of shareholders may pass a resolution to remove any director prior to the expiration of his or her term of office with votes not less than three-fourths of number of shareholder attending the meeting and having the right to vote and the total number of shares being of not less than one half of number of shares held by shareholders attending the meeting and having the right to vote.

2) Nomination of Independent Directors

The Company has set out the criteria and qualifications of an independent director. Upon the expiry of the term of an independent director or it deems necessary to appoint additional independent director(s). The Company led by the Board of Directors serving the current term of their office shall seek consultation and set out the criteria and qualifications of independent directors who have suitable experience, knowledge and expertise as well as the appropriate mix of skills in order to enable the directors to perform its duties effectively. The criteria shall include defined qualifications as follows in order to propose to the Board of Directors' meeting or the shareholders' meeting for their consideration in accordance with the Company's Articles of Association:

The Company requires that independent directors shall be made up no less than one-third of the Board of Directors. At least three directors require to be independent as of December 31, 2021. The Company has five independent directors. The criteria and qualifications of

independent directors are in accordance with the notifications of the Capital Market Supervisory Board and all independent directors of the Company have met the requirements as follows:

1. Holding shares not exceeding 1 per cent of the total voting shares of the Company, its parent company, subsidiary, affiliate or juristic person which may have conflicts of interest, including shares held by related persons of the independent director by definition, independent directors are equal to the minimum requirements of the SEC and the SET.
2. Not being or having been an executive director, employee, staff, advisor who receives regular salary, or controlling person of the Company, its parent company, subsidiary, affiliate, same-level subsidiary company or juristic person which may have conflicts of interest, unless such characteristic ceases at least two years prior to the date of application submitted to the Securities and Exchange Commission or prior to the date of the appointment;
3. Not being a person related by blood or legal registration, such as father, mother, spouse, sibling and children, including spouse of the children, executives, major shareholders, controlling persons, or persons to be nominated as executive or controlling person of the Company or its subsidiary (if any);
4. Having no business relationship with the Company, its parent company, subsidiary, affiliate or juristic person which may have conflicts of interest, in a manner which may interfere with his or her independent judgment, and not being or having been a major shareholder, non-independent director, executive of any person having business relationship with the Company, its parent company, subsidiary, or juristic person which may have conflicts of interest, unless such characteristic ceases at least two years prior to the date of application submitted to the Securities and Exchange Commission or prior to the date of the appointment; Thus such business relationship aforementioned shall include any normal business transaction, rental or lease of immovable property, transaction relating to assets or services or grant or receipt of financial assistance through receiving or extending loans, guarantee, providing assets as collateral, including any other similar actions, which result in the Company or the counterpart being subject to indebtedness payable to the other party in the amount of three percent or more of the net tangible assets of the Company or twenty million Baht or more, whichever is lower. The amount of such indebtedness shall be calculated according to the calculation method for value of connected transactions under the notifications of the Capital Market Supervisory Board with regard to the disclosure of Information and act of listed companies concerning the connected transactions mutatis mutandis. The combination of such indebtedness shall include indebtedness taking place during the course of one year prior to the date on which the business relationship with the person commences;
5. Not being or having been an auditor of the Company, its parent company, subsidiary, affiliate or juristic person which may have conflicts of interest, and not being a major shareholder, non-independent director, executive, or managing partner of the audit firm in which the auditor of the Company, its parent company, subsidiary, affiliate or juristic person which may have conflicts of interest is employed, unless such characteristic ceases at least two years prior to the date of application submitted to the Securities and Exchange Commission or prior to the date of the appointment;
6. Not being or having been any professional advisor, including legal advisor or financial advisor which receives service fee of more than Baht 2 million per year from the Company, its parent company, subsidiary, affiliate or juristic person which may have conflicts of interest, and not being a major shareholder, non-independent director, executive, or managing partner of the professional advisor which is a juristic person, unless such characteristic ceases at least two years prior to the date of application submitted to the Securities

7. Not being a director appointed as representative of a director of the Company, its major shareholder, or shareholder which is a related person of the major shareholder of the Company;
8. Not operate any business which has the same nature as and is in principle competition with the business of the Company or subsidiary, or not being a principle partner in any partnership, or not being an executive director, employee, staff, or advisor who receives salary, or holding shares not exceeding one percent of the total number of voting rights of any other company operating business which has the same nature as and is in significant competition with the business of the Company or subsidiary;
9. Not having any characteristics which render him or her incapable of expressing independent opinion regarding the Company's business operation;
10. Not being a director assigned by the Board of Directors to operate any business of the Company, its parent company, subsidiary, affiliate, same-level subsidiary company or juristic person which may have conflicts of interest with the Company;
11. Independent Director has a term of office of not more than 9 years from the date of being appointed as independent director in the first term. If the renewal appointment of independent director is to take place, the Board of Directors shall reasonably consider such necessity.

Independent directors shall review and verify their independence at least once a year. Detailed information of independent directors shall be disclosed at the end of the year in the Annual Information Disclosure Form (56-1 One Report) of the Company.

3) Nomination of the Audit Committee

The Audit Committee is appointed from the Board of Directors or shareholders. All such members of the Audit Committee must be independent directors and have qualification as prescribed in the notification of the SEC as well as the corporate governance principles of the Company. The Audit Committee comprises at least three independent directors and that at least one of the Audit Committee members shall have knowledge in accounting and/or finance, with the duties to audit and supervise the Company's operations, including to monitor the preparation of financial reports, internal control system, selection of the auditor, and consideration of conflicts of interest. The Audit Committee shall hold office for a term of three years

4) Nomination of Managing Director/ Chief Executive Officer

The Company has assigned the Nomination and Remuneration Committee to consider and nominate Managing Director/Chief Executive Officer who has knowledge, skills, competencies and experience that are beneficial to the operations of the Company. The selected Managing Director/Chief Executive Officer must possess good understanding of the business of the Company and have the characteristics necessary to drive the Company towards its goals in accordance to the scope of authority and to comply with good corporate governance guidelines. The Managing Director/Chief Executive Officer will hold the position no more than three companies.

5) Nomination of Senior Management

The Company has assigned the Nomination and Remuneration Committee together with Managing Director to consider and nominate Senior Management. The Committee and Managing Director select and nominate people with knowledge, skills, competencies and experience that are suitable and beneficial to the operations of the Company as Senior Management in accordance with the scope of authority of the Senior Management as specified.

6) Orientation for new directors

The Company requires the preparation of orientation documents for new directors to use as guidance in performing their duties. These include the introduction of business and the business operation guidelines of the Company. The Company also encourages its directors to attend training courses from the Thai Institute of Directors Association (IOD) to promote development and support the performance of duties of the Board of Directors.

When a new director is appointed, the Company provides an orientation for newly appointed directors by providing a briefing on vision, mission, values, strategies, goals, and business practices guidelines implemented by the Chairman, Chief Executive Officer Managing Director and/or Executive Committee. The Company also provides documents for newly appointed directors to perform their duties including memorandum of association, the Company regulations and annual reports. These documents contain important information namely the roles and responsibilities of the Board of Directors, the Corporate Governance Policy of the Company, the approval authority and the prohibition of the actions of the directors in accordance with the relevant laws, including the roles and duties of the various sub-committees. In 2021, the company does not have Nomination and appointment of new directors

7) Development of Directors and the Management

The Company established the policy to provide training support and to enhance the capacity of the directors and the management, which comprise Directors, Audit Committee, Executive Committee Nomination of Remuneration Committee and Corporate Governance and Corporate Social Responsibility Committee and the Executives to continually enhance their performance. If there is a change of Directors or any Committee, the Company will provide guidance with respect to business operation and information which would be useful for the new directors in effectively carrying out their duty as the directors of the Company under the good corporate governance framework.

Training of the Board of Directors and the Sub-Committees

The Board of Directors encourage and support the management whose work relating to corporate governance system of the Company, for example, Directors and Sub-Committee members, Executives, Company Secretary etc. to participate in seminars and training courses or activities organized by the Thai Institute of Directors (IOD), the SEC, the SET or any independent organizations. It is the policy of the Company to continuously develop the potential, knowledge, ability, and quality of its directors and management. The Board of Directors assigns the Company Secretary of the Company to act as a coordinator to inform directors and the management of relevant training courses.

Courses organized by the Thai Institute of Directors (IOD):

Name of Directors	Courses provided by the IOD
1. Mr. Sahas Treetipbut	- DAP 28/2004 - SFE 7/2013 - HMS 2/2013
2. Associate Professor. Boonserm Vimuktanandana	- DAP 100/2013 - ACP 42/2013
3. Dr. Supree Wongdeeprom Ph.D.	- DAP SET/2012 - RCL 14/2018
4. Prof.Porntep Siriwanarangsun, MD., MPH., Ph.D.	- DCP 212 - FSD 28/2015 - RCL 116/2018
5. Ms. Sumana Vonggapan	- DAP 47/2005
6. Asst. Prof. Krit Umpote ^{1/}	- DCP 0/2000 - AACP 3/2010

Name of Directors	Courses provided by the IOD
7. Surat Wongrattanapassorn Ph.D.	- DCP 233/2017
8. Mr. Viruch Wongnirund	- DCP 135/2010 - SFE 11/2010 - APC 37/2011
9. Mr. Ekarat Changyoo ^{3/}	- DAP SET/2012 - FBS 1/2014 - DCP 263/2018
10. Ms. Theinvanee Changyoo ^{4/}	- DAP 98/2012 - CSP 68/2016 - ACPG 31/2016
11. Ms. Savita Changyoo ^{5/}	- DAP 99/2012 - FBS 1/2014 - BNCP 6/2019 - DCP 292/2020

Board Committee Evaluation

Board committee performs this process annually with committee evaluation and self-assessment process. Evaluation criteria consist of 6 areas which are structure and qualification of the board directors, roles duties and responsibilities of board of directors, board of director's meeting, directors' prosecution, relation of board to executives, and self - development. The 5 performance levels are: 4 = Excellence; 3 = Good; 2 = Moderate; 1 = Small; 0 = No action. The summation of points in each question will be is calculated in percentage from total points. The score ranges are: above 85% = Excellence; 75% - 85% = Good; 65% - 75% = Fair; 50% - 65% = Moderate; under 50% = should be improved. The Board Committee Evaluation outcome from committee survey collected and reported by company secretary in 2021 is 99.17% or are in excellence.

The Board of Directors also allows each director to evaluate individual performance by using self-assessment methods in accordance with assessment criteria in various aspects, including the Company's performance, performance of each director, scope of duties and responsibilities, Board meetings and ethics compliance. The criteria for self-assessment evaluation is the same format as the evaluation of the entire board. In 2021, the Company Secretary summarized of the assessment results of each individual director and reported to the Board of Directors' meeting. The assessment results are at 99.17% or are in excellent.

Sub-Committee Evaluation

Each committee will be evaluated by self-assessment survey collected and summary by company secretary. The evaluation form topics consist of structure and qualifications of the board, roles duties and responsibilities of the board, the meetings of Board. The evaluation results of the sub-committee in 2021 are as follows:

The Audit Committee received an average score of 97.28% and the individual Audit Committee member received an average score of 97.46%.

The Nomination and Remuneration Committee received an average score of 100% and the individual Nomination and Remuneration Committee member received an average score of 99.31%.

The Good Corporate Governance and Social Responsibility Committee did not evaluated by self-assessment survey either by group or individually Because. The Chairman of the Corporate Governance and Social Responsibility Committee resigned on 1 September 2021, so no meeting was called. The company secretary has brought important agendas related to corporate governance and social responsibility. presented to the Board of Directors for consideration.

The Risk Management Committee received an average score of 93.38% and the individual Risk Management Committee member received an average score of 93.26%.

The Executive Committee did not evaluated by self-assessment survey either by group or individually Because there is no meeting.

Chief Executive Officer and Managing Director Evaluation

Nomination and remuneration committee is responsible for annual Chief Executive Officer and Managing Director evaluation by implementing the stock exchange of Thailand's criteria. Those are leadership in strategy formulation, strategy procurement, financial and performance planning, relationship to committees and stakeholders, human resource management, succession plan, knowledge in company's products and service, and personal expertise. In 2021, the Chief Executive Officer has been evaluated by the Nomination and Remuneration Committee and the Board of Directors, with an average score of 100%.

Succession Plan

Nomination and remuneration directors commit to select the candidates for managing directors and chief executives appropriately and comply with succession plan policy. The committee is responsible for nominating committee's members and high-level executives by considering qualified person from both internal and external.

8.1.2 Directors' Attendance and Remuneration

(1) Board of Directors' Meeting

In accordance with the Company's Articles of Association, the Board of Directors' meeting will be held at least every 3 months. The schedule of the Board of Directors' meetings and sub-committees is set in advance all the year. However, an extraordinary meeting can be convened if deemed necessary. The meeting notification must be prepared and circulated to the Board of Directors at least 7 days in advance of the meeting date, unless there is an overriding necessity or urgent matter. The agenda items must be clear and specific. All directors, including the management, can propose matters that are beneficial to the Company into the meeting agenda. Sufficient supporting documents must be prepared for the meeting and shared with the Board prior the meeting. The Board of Directors should study the information and review the details before attending the meeting. In the meeting, the Board must consist of not less than one-half of the total number of Directors to constitute a quorum. In 2021, the Company held 9 regular meetings of the Board of Directors, and one joint meeting with the management to review the budget and annual operation plan.

The company has arranged for Non-Executive Directors to have a meeting among themselves at least once a year to discuss various management issues with no presence from the management team. The results of the meeting were reported to the Chief Executive Officer/Managing Director. In 2021, the Company arranged one internal meeting for Non-Executive Directors as specified.

During the meeting, the Chairman of the Board and the Chief Executive Officer/ Managing Director jointly set and determine the agenda of the Board of Directors' Meeting. All directors are able to propose the agenda to be considered in the meeting, and express and discuss their opinions openly. The Chair of the meeting shall facilitate the discussion and summarize the resolutions When the Board of Directors cast their vote, it is required that at least two-thirds of the total number of Directors must be present and decided by a majority vote. Each director shall have one vote. Any director who has a conflict of interest will not be able to attend and/or does not exercise the right to vote. If an equal number of votes, the Chairman shall cast a deciding vote. In addition, the minutes of the meetings shall be recorded in writing after the meeting and the adoption by the Board of Directors. Such minutes shall be made available for further examination to the Board of Directors and relevant stakeholders.

Name	Number of attendance / Total number of the meetings in 2021 Directors as of 31 December 2021		
	Board of Directors		Annual General Meeting 2021
	per year (time)	%	
1. Mr. Sahas Treetipbut	9/9	100	1/1
2. Assoc. Prof Boonserm Vimuktanandana	9/9	100	1/1
3. Dr. Supree Wongdeeprom Ph.D.	9/9	100	1/1
4. Asst. Prof. Krit Umpote ^{1/}	5/5	100	1/1
5. Prof.Porntep Siriwanarangsun, MD., MPH., PhD	9/9	100	1/1
6. Ms. Sumana Vonggapap	9/9	100	1/1
7. Surat Wongrattanapassorn Ph.D.	9/9	100	1/1
8. Mr. Viruch Wongnirund	8/9	88	1/1
9. Mr. Ekarat Changyoo ^{3/}	9/9	100	1/1
10.Ms. Theinvanee Changyoo ^{4/}	9/9	100	1/1
11.Ms. Savita Changyoo ^{5/}	9/9	100	1/1

Remark: ^{1/} Asst. Prof. Krit Umpote Resigned from the Board of Directors / Independent Director / Audit Committee Member / Chairman of the Corporate Governance and Social Responsibility Committee effective on 1 September 2021

^{2/} Mr. Paitoon Homchan Resigned from the Member of Risk Management Committee / Member of Management Committee / Vice Chief Executive Officer effective on 1 April 2021

^{3/} Mr. Ekarat Changyoo to appointment of the Chairman of the Executive Committee on 14 January 2022 and Resigned from the Chief Executive Officer on 1 February 2022

^{4/} Ms. Theinvanee Changyoo Resigned from Vice Chief Executive Officer effective on 4 January 2022 and Appointment of the Member of Executive Committee on 14 January 2022

^{5/} Ms. Savita Changyoo Resigned from Vice Chief Executive Officer effective on 4 January 2022 and Appointment of the Member of Executive Committee on 14 January 2022

^{6/} Mr. Siam Uralwong to appointment of the Managing Director on 1 February 2022

^{7/} Ms. Piyaporn Somjindabordee Resigned from the Chief Executive Officer Assistant on 31 January 2022

(2) Payment of remuneration for individual committees

Remuneration of Directors in 2020, totaling Baht 5.20 million (including meeting allowance and pension). The payment was based on directors' participant.

(Unit: Baht)

Name of Directors	Meeting allowances						Remuneration (Monthly)	Pension	Total
	Board of Directors	Audit committee	Executive* Committee	Nomination and Remuneration Committee	Corporate Governance and Corporate Social Responsibility Committee	Risk Management Committee			
1. Mr. Sahas Treetipbut	210,500	-	-	-	-	-	133,200	250,000	593,700
2. Assoc. Prof Boonserm Vimuktanandana	176,400	180,000	-	-	-	-	111,000	140,000	607,400
3. Dr. Supree Wongdeeprom Ph.D.	176,400	148,000	-	-	12,000	60,000	111,000	140,000	647,400
4. Asst. Prof. Krit Umpote ^{1/}	114,000	111,000	-	-	15,000	-	80,000	90,000	410,000
5. Prof.Porntep Siriwanarangsun, MD., MPH., PhD	176,400	148,000	-	60,000	-	-	111,000	140,000	635,400
6. Ms. Sumana Vonggapan	176,400	-	-	75,000	-	-	111,000	140,000	502,400
7. Surat Wongrattana-Passorn Ph.D.	176,400	-	-	-	-	48,000	111,000	140,000	475,400
8. Mr. Viruch Wongnirund	168,000	-	-	-	-	48,000	111,000	140,000	467,000
9. Mr. Ekarat Changyoo ^{3/}	63,500	-	-	-	5,000	15,000	55,500	140,000	279,000
10. Ms. Theinvanee Changyoo ^{4/}	63,500	-	-	-	-	20,000	55,500	140,000	279,000
11.Ms. Savita Changyoo ^{5/}	63,500	-	-	25,000	-	15,000	55,500	140,000	299,000
Total	1,565,000	587,000	-	160,000	32,000	206,000	1,045,700	1,600,000	5,195,700

Remark: * In 2021, there is not Executive committee meeting.

Details of attendance of the Board of Directors and Executives Board can be found under "Major Implementations of Corporate Governance: Meetings of the Board of Directors".

8.1.3 Corporate Governance of subsidiaries and joint venture

The Company's subsidiaries and joint venture is as fallow:

Subsidiaries	Joint Venture
Safe Trade International Company Limited holds 99.98%	TSR Lao Company Limited** holds 49.00%
Thiensurat Leasing Company Limited holds 100.00%	
Alpine Water Company Limited holds 54.00%	

** The Board of Directors' meeting on 27 October 2021 resolved to approve the closure of TSR Lao Company Limited.

Part 2 Corporate Governance

In accordance with the corporate governance policy of the Company to control, supervise and be responsible for the business operation of its subsidiary and joint as well as to maintain the best interests of the Company, the Board of Directors delegates the Company's representative to be a director in the subsidiary company pursuant to the Company's rules and regulations. Such delegation and appointment shall be adopted at the Board of Directors' meeting.

Operating results of its subsidiary shall be examined by external auditor(s) then reported to the Audit Committee and the Board of Directors in every quarter for their consideration.

Significant transactions, for instance, connected transactions or acquisition or disposal of assets (if any), shall be conducted through the systematic corporate governance of the Company. The Board of Directors of the subsidiary and the Audit Committee of the Company shall consider such transactions respectively for the Board of Directors of the Company's approval. Such transactions shall then be disclosed through the SET's Information Disclosure System in a systematic manner.

The Company's representative appointed to be director of the subsidiary, shall take part in determination of significant policies of the business operation of the subsidiary, for example investments in other projects etc.

8.1.4 Monitoring Compliance with the Corporate Governance Policy and Practices

(1) Conflict of interest

The company ensures the best interests of the company when conducting its business activities. The company has set up preventive measures to prevent conflicts of interest arising from the connected transactions between the company and the persons who may have conflicts. The persons who are related or connected with the considered transactions must notify the company of such relationship or affiliation. Stakeholders who may have conflicts of interest cannot take part in approving those transactions. The Audit Committee will present the connected transactions and transactions with conflicts of interest to the Board of Directors, which will be appropriately and carefully reviewed, in compliance with the laws governing securities and exchange, rules and regulations, notifications, orders or requirements of the relevant Capital Market Supervisory Board and the Stock Exchange of Thailand (SET). The company also complies with the requirements on the disclosure of related transactions, acquisition or disposal of important assets of the company. Furthermore, the company applies generally accepted accounting principles as stipulated by the Federation of Accounting Professions and Certified Public Accountant of Thailand. In addition, the company assigns, depending on the case, the Audit Committee, auditors, or independent experts to review and provide guidance on price suitability and reasonableness of the transaction. The connected transactions will be disclosed in the annex to financial statements that have been audited or reviewed by the auditors of the company, report on the disclosure of additional information (Form 56-1 One Report)

Internal Control

The Company places importance on the internal control system both at the management and the operational levels in order to ensure efficient business operations. Furthermore, the Company has adopted a written charter that sets forth duties and powers for the operation and the management performance. There is a control over the use of the Company's assets to generate gain and division of the duties of operators and controllers with separate audits. The Company has appointed the Audit Committee to monitor internal control and internal audit to ensure appropriateness and efficiency. The internal auditor perform the audit of internal control and report to the Audit Committee to ensure important operations are efficiently conducted in accordance with the guidelines and regulations of the Company.

Risk management

The Board of Directors has appointed the Risk Management Committee, who shall hold office for a period of three years. The duties and responsibilities include determination of the overall risk management policy for the Board of Directors' consideration. Such risk management policy cover from the strategy level to operational level in order to monitor, review and propose to the Board of Directors to ensure that the risk management is undertaken effectively.

Report of the Board of Directors

The Audit Committee will be responsible for reviewing the financial report. The finance and accounting departments as well as auditors shall attend a meeting together and report to the Board of Directors on a quarterly basis. The Board of Directors is responsible for the financial statements of Company and the financial information (report of the board of directors' responsibility for the financial reports) as appeared in the annual report. Such financial statements are prepared in accordance with the accounting principles certified and audited with prudence by the Company's auditors. The disclosure of significant financial-related and non-financial related information is completely and regularly done on the factual basis.

(2) Use of Insider Information

The Company has developed the policy and the code of conduct for directors and the management in handling insider information of the Company in order to prevent unlawful use of information for personal benefits as well as buying and selling of securities as follows:

Require directors and the management who have duty to report the change of their securities pursuant to Section 59 of the Securities and Stock Exchange Act B.E. 2535, within three business days from the date of transaction and send a copy to the Company on the same day that the report is sent to the SEC. During the year 2021 the directors and management of companies reported their shareholdings by comparing the increase (decrease) during the period from 30 December 2020 and 30 December 2021 as follows.

No.	Name	Number of shares				Shares Increase (decrease) during the year (Shares)
		30 December 2021		30 December 2020		
		Own	Spouse or Underage Children	Own	Spouse or Underage Children	
1.	Mr. Sahas Treetipbut Treetipbut	0	0	0	0	0
2.	Assoc. Prof. Boonserm Vimuktanandana	0	0	0	0	0
3.	Dr. Supree Wongdeeprom Ph.D.	0	0	0	0	0
4.	Asst. Prof. Krit Umpote ^{1/}	0	0	0	0	0
5.	Prof.Porntep Siriwanarangsun, MD., MPH., PhD	0	0	0	0	0
6.	Ms. Sumana Vonggapan	300,000	0	0	0	300,000
7.	Surat Wongrattanapassorn Ph.D.	329,400	0	329,400	0	0
8.	Mr. Viruch Wongnirund	1,062,498	0	1,062,498	0	0
9.	Mr. Ekarat Changyoo ^{3/}	34,101,613	0	34,101,613	0	0
10.	Ms. Theinvanee Changyoo ^{4/}	33,795,673	0	33,795,673	0	0

No.	Name	Number of shares				Shares Increase (decrease) during the year (Shares)
		30 December 2021		30 December 2020		
		Own	Spouse or Underage Children	Own	Spouse or Underage Children	
11	Ms. Savita Changyoo ^{5/}	34,433,796	0	34,433,796	0	0
12.	Mr. Siam Uralwong ^{6/}	0	0	330,000	0	(330,000)
13.	Mr. Paitoon Sukhanaphorn	33,000	0	33,000	0	0
14.	Mr. Paitoon Homchan ^{2/}	4,405,632	00	4,495,532	0	(89,900)
15.	Mr. Watcharin Watcharatham	1,735,900	0	1,769,900	0	(34,000)
16.	Mr. Naret Charoonwittayakul	0	0	0	0	0
17.	Mr. Kiratat Jirachit	0	0	0	0	0
18.	Mr. Nattapong Thaworn	0	0	0	0	
19.	Ms. Piyaporn Somjindaborde ^{7/}	0	0	-	-	0

Remark: Details of attendance of the Board of Directors and Executives Board can be found under “Major Implementations of Corporate Governance: Meetings of the Board of Directors”.

Require directors, executives and employees of the Company, who have an access of any inside information that can affect price of stocks, shall suspend their stocks trading within one month before the financial statements or the inside information are accessible to the public and 24 hours after the said information is accessible to the public. Those accessed to such information shall not disclose the information to the third party.

The Company shall impose disciplinary actions on those who use information for personal benefits. Punishment includes written warning, wage deductions, temporary suspension without pay or termination of employment. These disciplinary actions will be considered in terms of the intentions behind the action and severity of the wrongdoing.

(3) Anti-Corruption Policy

The company is in the process of joining as a member of Thailand's Private Sector Collective Action Coalition Against Corruption (CAC) under the Thai Institute of Directors Association (Thai IOD). The company conducted risk assessment for fraud. It covers various types of fraud such as the preparation of false financial reports, loss of property, corruption, management overrides internal controls, changes of information in important reports, and the acquisition or misuse of property, etc.

1. Objectives

The company places its focus on the anti-corruption policy, as well as promotes and encourages all levels of its staff to be aware and fight against corruption in all forms. The Board of Directors sets policies to prevent and combat corruption and bribery (Anti-Corruption and Anti-Bribery Policy). The company expects that directors, executives and employees of the company shall not seek, operate or accept corruption in all forms, either directly or indirectly, to benefit the organization, themselves and their families, friends and acquaintances or for the benefit of the business. This covers all businesses in every country and all related agencies of the company and its subsidiaries. There is a regular review of the implementation of the anti-corruption policy, the guidelines, and compliance requirements to be in line with any changes of business, rules and regulations, and legal provisions. If there is any violation that aiding and abetting corruption whether directly or indirectly, such person will be punished in accordance to the regulations of the company.

The company announced the anti-corruption policy, which was approved by the Board of Directors on 14 August 2015.

2. Definition

- **Corruption** means any form of bribery including an offer, promise, commitment, request, or acceptance of inappropriate money, assets or other benefits that are in appropriate for government officials, government organizations, private organizations, or any relevant persons in charge either directly or indirectly, in order that they perform or refrain from performing their duties so as to acquire or preserve a business, or introduce a business to any particular organization, or to acquire or preserve inappropriate business benefits. However, the exemption can only apply in cases where the permission of law, order, notification, regulation, local tradition, or trade custom is granted.
- **Anti-Corruption** means to perform or refrain from performing duties. This includes use of authority in all positions, whether to give or receive a bribe, offer, promise, commitment, request, or acceptance of remuneration, assets, money, goods, entitlements or any other benefits to businesses that operate with the company or its subsidiaries in order to obtain benefits or preserve inappropriate entitlements and business benefits for organization, oneself, or involved people either directly or indirectly.
- **Taking bribes** means receiving/accepting money, goods, services or one or more of them. An employee is involved in soliciting of money, gifts or other benefits for themselves and/or relevant people.
- **State official** means a person holding a political position, Government official or local official assuming a position or having permanent salaries, official or person performing duties in a State enterprise or a State agency, local administrator and member of a local assembly who is not a person holding a political position, official under the law on local administration and shall include a member of a Board, Commission, Committee or of a sub-committee, employee of a Government agency, State enterprise or State agency and person or group of persons exercising or entrusted to exercise the State's administrative power in the performance of a particular act under the law, whether established under the governmental bureaucratic channel or by a State enterprise or other State undertaking.
- **Political contribution** means assistance on behalf of the company, whether financial, asset or any other forms to help, support, or any other purposes, to political activities, politicians or persons with political affiliations either directly or indirectly. Financial aid can also include loans. In-kind assistance, such as providing items or services, advertising or supporting political parties, fundraising, or donations to organizations with close ties to political parties, etc. Unless such support is for the democratic process that is required by law.
- **Charitable donation** refers to activities related to spending money without tangible rewards. Public donation is to spend money on projects and activities that benefit the community, society and the people. The company may not receive tangible returns.
- **Relevant person** refers to spouse, children, parents, siblings or close relatives as well as friends and acquaintances of the Board of Directors, management and staff at all levels of the company.

3. Scopes and guidelines

Directors, executives and staffs in every level of the Company must comply with the below guideline:

- (1) Comply with the policy of Anti-Corruption and Bribery, Business Code of Conduct, rules, regulations and obligations of the Company by not engaging in corruption in any forms directly or indirectly.
- (2) Not take any actions that reflect intention of corruptions, and giving or accepting bribery to stakeholders of the Company in relation with their roles and responsibilities directly or indirectly in order to get advantages for the organization, themselves or relevant persons.
- (3) Not neglect when finding actions in the scope of corruption related to the Company. It is regarded as their duties to report to their supervisors or responsible persons. They must cooperate in the investigations.
- (4) In any operations which have risks of corruptions occurring, directors, executives and staffs in every level of the Company must handle the following aspects with caution.
- (5) Giving or receiving gifts, hospitality and other relevant expenditures must comply with the guideline in the manual of Corporate Governance and Business Code of Conduct as well as the Anti-Corruption and Anti-Bribery Policy of the Company.
- (6) Donating money for charity must be done in the Company's name and to organizations which have purposes for social benefits. The organizations must be reliable and certified. They must operate with transparency, compliance with the procedures of the Company's regulations, and legitimacy. There are follow-up and check to ensure that the donated money is not used as subterfuge for bribery.
- (7) Monetary contributions including cash, objects and asset to any activities or projects must be specified with the Company's name. Those contributions must have objectives to promote businesses and good image of the Company, and must be operated with transparency, compliance with the procedures of the Company's regulations, and alignment with the relevant laws.
- (8) Business relationships and procurement with public or private sectors including contacting with public sector, public or private officials as well as persons related to the Company's business domestically or internationally must comply with transparency, integrity and the applicable laws.
- (9) The Company's policy is to be politically neutral. All directors, executives, and staffs have political rights and freedom under the laws. However, they must realize not to operate, to do any activities or to use the Company's resources for political activities which can cause the Company to lose neutrality or to be harmed by political engagement and contributions.

4. Duties and responsibilities

- (1) **Board of Directors** have duties and responsibilities to set policy and oversee an effective anti-corruption monitoring system to ensure that the management is aware of the importance of anti-corruption culture and implement measures against corruption.
- (2) **Audit Committee** have duties and responsibilities to review financial and accounting reporting systems, internal control and audit systems, risk management system, and the operation, in accordance with anti-corruption policy to ensure that it complies with the international standards in an appropriate, modern and effective manner.
- (3) **Chief Executive Officer, Managing Director and Executive Board** have duties and responsibilities to set up an anti-corruption system as well as to promote and support anti-corruption policies; to communicate to staff and all related parties; to review a suitability of the system and measures, to be consistent with changes in business, regulations, and legal provisions.

(4) Internal Audit Office has duties and responsibilities to monitor and review of the accuracy of the operation, in line with the policy, guidelines, authority, rules and regulations and laws and regulatory compliance as well as to ensure the adequacy and appropriateness and efficiency of internal control against corruption that may occur and report to the Audit Committee.

(5) Directors, Executives and Employees are obliged to comply with the anti-corruption policy and do not involve in corruption, either directly or indirectly.

(6) Subsidiaries or related companies or a business representative of the company that under authority of the company must adhere to the anti-corruption policy and do not involve corruption, either directly or indirectly.

5. Measures and operation guideline

- (1) The Company supports and promotes directors, executive and staffs of every level to realize importance and to be conscious of anti-corruption. The Company sets up the internal control to prevent corruptions and bribery in all forms and all countries which the Company enters to invest.
- (2) This guideline of the anti-corruption covers the process of personnel administration ranging from recruitment or selection, promotion, training, performance evaluation to remuneration to staffs. It is determined that supervisors in every level must communicate and make the subordinate staffs to understand and follow when doing business operations in their responsibilities. They must control and oversee the operations to be efficient and in compliance with this guideline.
- (3) The Company will give justice and protection to staffs or any whistle-blowers/reporters of the evidence of corruptions related to the Company, including the staffs that refuse to act. It will use the measures to protect persons who report or cooperate in reporting corruptions as stated in the Policy of whistle-blowing and protection for whistle-blower
- (4) Staff's corruptions are regarded as misconducts according to the work-related regulations of personnel administration. They will get disciplinary penalty as determined and may get legal penalty if applicable.
- (5) The Company will check the practice guideline and measures on regular basis to be in compliance with changes of laws and business-operating conditions.

6. Complaint handling and channels

The company provides communication channels for stakeholders to report evidences and suggestions or complaints about corruption. There are guidelines on how to give or receive gifts, assets or other benefits, information on receptions or expenditures that exceed the limit and do not meet the company's guidelines and procurement criteria. Monetary donation shall be done transparently, and fairly under rules, regulations and standard operating procedures of the company.

The company has distributed rules and regulations concerning operation of the company to all executives and employees of the company for their information, signatory acknowledgement, and strict and proper implementation.

If an employee sees any suspicious activity or evidence that a director, executive, employee or person acting on behalf of the company get involved in bribery or corruption, it must be reported immediately to the supervisor or report through the reporting channel "Whistle Blowing". Once the company received such report, it will take serious action and will not impose any punishment on employees who provide information in good faith.

7. Related policies and Handbook

- (1) Corporate Governance Policy
- (2) Code of Conduct Handbook
- (3) Regulations governing the operation of the company
- (4) Whistle Blowing

(4) WHISTLE BLOWING

Objectives

The Thiensurat Public Company Limited (“the Company”) is committed to operating the business with honesty, transparency and good corporate governance. This includes anti-corruption in any form. In addition, the company expects directors, executives, employees to adhere to their duties and responsibilities.

With these commitments, the company has set up a whistle blowing policy on complaints and cases of fraud and corruption to support and serve as a channel for directors, executives and employees and stakeholders of the company to be able to complain and report clues, misconduct and fraud concerning the company. The company has established a safe and confidential channel for complaints of misconduct and fraud to ensure confidentiality of any person who give information about corruption.

The company provides protection to whistle blowers or those who report corruption and fraud. This includes any cooperation or assistance provided to the company. The company will ensure that whistle blowers will not be threatened, reshuffled their positions or location, suspended, dismissed, or any other act of unfair conduct.

Clues Or complaint

The Company has designated the Company’s executives to be the persons who directly receive the reporting, and has set up a joint council to investigate the truths fairly. It has also implemented the policy to have the efficient internal control system as well as transparent and verifiable reporting, so the reporters can rely on and feel confident in the process of fair investigation process. Besides, it has set up the policy to protect the whistle-blowers of the corruptions. The whistle-blowers who are staffs, customers or contractors of the Company will receive the rights protection according to the laws, as stated in detail in the Corporate Compliance Policy.

In cases of any stakeholders having queries or finding suspicious actions related to the violations or non-compliance with laws, regulations, obligations and Business Code of Conduct or related to supervisory levels, they can report or complain together with submitting the evidences to according to the specified channel.

Whistleblower and complaint procedure listed as follows:

- 1.1 Tel: 02-819-8899 / Call Center 1210
- 1.2 Fax: 02-962-6675
- 1.3 The post office:
Audit Committee
Thiensurat Public Company Limited
43/9, Moo 7, Soi Chuchart Arnusorn 4, Bangtalad Sub-district, Pakkred district,
Nontaburi 11120
- 1.4 Social Network :
Facebook: <https://www.facebook.com/TSRPLC/>
Facebook: <https://www.facebook.com/ponsabuy/>
Facebook: <https://www.facebook.com/safewaterfilter/>
Line: @ponsabuy

Line: @ponsabuyeasy

Line: @safe1210

- 1.5 E-mail :
 info@tsrplc.com
 www.safealkaline.com/contacts
 Appeal.AC@tsrplc.com
- 1.6 The company's comments box

Complaint mechanism policy and procedure

1. A complain raised or notified by a complainant through the complaint channels as mentioned above.
2. The recipient of the complaint informs the matter to
 - 2.1 Audit Committee
 - 2.2 Company Secretary (In the case of matters related to the Directors, Executives or the Chief Executive Officer/Managing Director)
3. Investigate the complaint
4. Report the results to the complainant and the improvement

Punishment measures to offenders

The company will investigate complaint and fraud information with independence and justice in order to obtain evidence that confirm or dispute the information received. Suggestions and procedural guidelines of next steps will be provided to the Audit Committee and the Board of Directors to consider and determine corrective action and appropriate punishment for the offense committed such as:

1. Verbal warning
2. Written reprimand
3. Wage cut
4. Suspension
5. Dismissal without compensation
6. Legal proceedings

Protection measures for whistle blowers and informants

The company encourages management and staff at all levels to operate business in a proper, transparent, fair and accountable manners, in conjunction with good corporate governance and business code of conduct. To ensure confidentiality for whistle blowers and informants who have made a complaint in good faith, they will be protected by the company in accordance with the following measures:

- (1) The company shall cover full name, address and other identifiable of whistle blowers, informants, or cooperators in investigation. The company will further investigate and conduct fact-finding of the reported case.
- (2) The company will keep the information confidential and will reveal only as necessary. The company will uphold the principles of safety and confidentiality of whistle blowers, informants, or cooperators in investigation, sources of information, or relevant persons.
- (3) In case that whistle blowers, informants, or cooperators in investigation feel unsafe or may be damage, they can request the company to provide appropriate protection measures, or should there be tendency of damage or unsafety, the company may impose protection measures without request from them.
- (4) Those who have suffered damage will receive mitigation through appropriate and fair procedures.
- (5) The company will not commit any unfair treatment to whistle blowers or informants, whether by changing the job title, job description, place of work, suspending,

threatening, interrupting, dismissal, or any other unfair treatment to the whistle blowers or informants.

Policies and relevant manuals are listed as follows.

- (1) Corporate Governance Policy
- (2) Code of Conduct
- (3) Anti-corruption Policy
- (4) Regulations governing the operation of the company.

Definitions

“Wrongdoings” refer to an act or omission of any act of directors, executives, or employees. This is a violation of the company’s Code of Conduct, work rules, policies and regulations, as well as laws relating to the company’s business.

“Corruption” means the use of acquired power or the misuse of assets to benefit oneself, family members, friends, acquaintances, or any other inappropriate benefits. This causes damage to others. Corruption can occur in many forms, such as bribing a government official by giving or receiving bribes, both money and goods. There are conflicting interests, money laundering, embezzlement, concealment of truth and obstruction of justice, etc.

8.2 Performance of the Audit Committee during 2021

8.2.1 Meeting of the Audit Committee In 2021, there were 8 meetings

Name	Titles	Per year (time)
1. Assoc. Prof. Boonserm Vimuktanandana	Chairman of the Audit Committee	8/8
2. Asst. Prof. Krit Umpote ^{1/}	Member of the Audit Committee	6/6
3. Prof.Porntep Siriwanarangsun, MD., MPH., PhD	Member of the Audit Committee	8/8
4. Dr. Supree Wongdeeprom Ph.D.	Member of the Audit Committee	8/8

8.2.2 Audit Committee Activities during 2021

The Audit Committee of Thiensurat Public Company Limited comprises of 4 Independent Directors, All independent directors who are non-executive or employees of the company, with the Chairperson of the Audit Committee is qualified and has sufficient accounting and finance expertise to review the reliability of financial reports by Ms. Jarunee suesawad who is Manager of Internal Audit Office is on Secretary of the audit committee duty. Ms. Jarunee suesawad the head of Internal Audit Office.

The Audit Committee performs its duties in accordance with the Charter of the Audit Committee approved by the Board of Directors. This is in line with the requirements of the Stock Exchange of Thailand (SET) for the Audit Committee to meet at least 4 times per year. In 2020, the Audit Committee convened 9 meetings and reported the results of all meetings to the Board of Directors each fine of the meeting. There were the Internal Audit Office and the auditor attended in each meeting. The results can be summarized as follows.

Reviewing the company's internal control system and internal audit system including considering the independency of the Internal Audit Office. In 2020, the company appointed Ms. Jarunee suesawad as the Internal Auditor, to review the internal control system. The Audit Committee considered and approved the annual internal audit plan in accordance with the corporate environment to ensure that the company has an appropriate internal control system and to monitor and evaluate it as part of the

good corporate governance process. The Audit Committee found that the company has adequate internal controls and no significant defects were found.

Reviewing and auditing the company's financial statements to ensure that the company's financial statements are fairly reported in all material respects. And reliable manner in accordance with generally accepted accounting principles. The financial information is sufficiently disclosed before submitting to the Board of Directors for approval to disclose information to the Stock Exchange of Thailand and the Securities and Exchange Commission.

Reviewing connected transactions and transactions that may have conflicts of interest with the company, to ensure that the company has complied with the normal business conditions and has complied with the laws and regulations, prescribed by the Stock Exchange of Thailand.

Considering selection of qualified auditors including proposing the appointment and remuneration of auditors to the Board of Directors to propose to the 2021 Annual General Meeting of Shareholders for further approval of the appointment of auditors of the KPMG Phoomchai Audit Ltd. to be the company's auditors for the fiscal year of 2021. The Audit Committee is of the opinion that the auditors of the nominated company have satisfactory performance and audit standards, in accordance with generally accepted auditing standards. In addition, the KPMG Phoomchai Audit Ltd. is internationally accepted. They also have the ability to perform as professionals. The Audit Committee recommends the auditors of the KPMG Phoomchai Audit Ltd. to be the company's auditor for 2020.

Acknowledging risk and monitoring the progress of the risk management according to the criteria set by the company.

The Audit Committee recognizes the importance and acknowledges the report on the compliance with the Securities and Exchange Act, relevant laws governing the business operation including notifications and orders as required by laws and good corporate governance principles. The company has complied with those laws and legal provisions.

The Audit Committee has monitored the progress of the implementation of resolutions adopted by the Audit Committee, annual self-assessment evaluation.

8.3 Activities of Other Subcommittees during 2021

Details of Attachment 6 Report of Sub-Committees

Name	Number of attendance / Total number of the meetings in 2020 Directors as of 30 December 2020			
	Executive Committee	Nomination Of Remuneration Committee	Corporate Governance and Corporate Social Responsibility Committee	Risk Management Committee
1. Mr. Sahas Treetipbut	0/0	-	-	-
2. Assoc. Prof.Boonserm Vimuktanandana	-	-	-	-
3. Dr. Supree Wongdeeprom Ph.D.	-	-	1/1	4/4
4. Asst. Prof. Krit Umpote ^{1/}	-	-	1/1	-
5. Prof.Porntep Siriwanarangsun, MD., MPH., PhD	-	5/5	-	-
6. Ms. Sumana Vonggapan	0/0	5/5	-	-
7. Surat Wongrattanapassorn Ph.D.	-	-	-	4/4
8. Mr. Viruch Wongnirund	-	-	-	4/4
9. Mr. Ekarat Changyoo ^{3/}	0/0	-	1/4	3/4
10. Ms. Theinvanee Changyoo ^{4/}	-	-	-	4/4
11. Ms. Savita Changyoo ^{5/}	-	5/5	-	3/4

Remark: Details of attendance of the Board of Directors and Executives Board can be found under “Major Implementations of Corporate Governance: Meetings of the Board of Directors”.

9. Internal Control and Related party transactions

9.1 Internal Control

The Company's directors and management are directly responsible for arranging and maintaining the internal control system, which covers several areas including the financial control, the operation, the corporate governance and the risk management. Hence, the Company's Board of Directors authorize the Audit Committee to review and ensure that: i) the Company presents accurate and sufficient financial reports; ii) the Company sets up appropriate and effective internal system; iii) the Company assesses and manages risks appropriately; and iv) the Company operates business in compliance with the securities and stock exchange laws as well as the rules and regulation set by the Stock Exchange of Thailand and any laws that are relevant to the Company's business.

The Company completed a written handbook on credit limits and approval authority. The handbook shall be referred to as a guideline on scopes of responsibilities, decision making authorities and ordering authorities for different positions. The Company reviews the written handbook annually and fine-tunes it to suit the future business circumstances.

The Audit Committee supervises the independence of the Internal Audit Office to monitor and evaluate the internal control system and review the company's compliance with the government authorities' rules and regulations. Various recommendations have been made to continue to improve the internal control system. The Audit Committee meets at least four times a year and will prepare a report on the opinions of the Audit Committee for the Board of Directors to consider and disclose in the Company's annual report.

In the Board Committee's meeting No.2/2022 held on 24 February 2022, the Audit Committee assessed the adequacy of the internal control system in accordance with the assessment schemes of the Securities and Exchange Commission and the Stock Exchange of Thailand. The evaluation results showed that the Company's internal control was comprised of five key areas, which were significant to the efficiency and effectiveness of the internal control system:

- 1) Control Environment
- 2) Risk Assessment
- 3) Control Activities
- 4) Information & Communication
- 5) Monitoring Activities

In terms of the internal control, risk assessment, operational control, information and communication systems and the monitoring system, the Committee opined that the Company had appropriate and sufficient internal control system. The Company appointed adequate personnel who were able to effectively carry out operation under various systems. In addition, the Company had the internal control system to oversee the operation of both the Company and its subsidiary, preventing directors or management from using the Company and its subsidiary's assets in improper or unauthorized ways or involving in transactions with conflicts of interests. Regarding the internal control on other areas, the Committee also viewed that the internal control was adequate. Ask the company to develop an operating system for the information system. So that the company can perform its work with maximum efficiency and can be easily checked

The preliminary opinions of the Audit Committee based on the enquiries with the management

generally suggested that the Company's internal control system was adequate and in line with the evaluation form of the internal control system designed by the Office of Securities and Exchange Commission, especially for the part about the internal control on transactions related to major shareholders, directors, management and related parties (i.e., evaluation form assessing the adequacy of the internal control system). Moreover, the Company's authorized auditor, KPMG Phoomchai Audit Ltd. who audited the Company's 2021 the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group and the Company, respectively, as at 31 December 2021 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

The Company's internal control system

The Company has an internal audit office under the supervision of the Audit Committee in order to perform duties independently, fairly, with ethical conduct in accordance with the Institute of Internal Auditor: IIA, internationally recognized professional standards of internal auditing. The Company ensures annual internal audit planning according to the major risks affecting operations. Respective staff can access all the information of the Company without restrictions in order to be able to comprehensively check the performance of various departments within the Company and its subsidiaries. These include independent audits according to the annual audit plan and as assigned by the Audit Committee by using the criteria taking into account the risk of a business or work process. The audit results are reported directly to the Audit Committee. Where improvements are to be found, procedures are in place to ensure that audit findings are properly addressed. In this regard, the office of internal audit has recruited appropriate numbers of internal audit personnel with knowledge, competence and experience related to internal audit work. Ms. Jarunee Suesawad has been appointed as Internal Audit Manager and Auditor. In addition, the internal audit staff are continuously trained and supported.

9.2 Related party transactions

Related party transactions between the Company ("TSR") and its subsidiaries or among subsidiaries occurred in 2020 and 2021, are presented in the notes to the consolidated financial statements of the Company. Major related party transactions between TSR and its subsidiaries, with persons/companies who/that may have conflict of interest are summarized as follows:

9.2.1 Details of persons and companies who/that may have conflict of interest

Persons/companies who/that may have conflict of interest, conducted business transactions with TSR and/or its subsidiaries	Nature of Business	Relationship
1. Better Dreams Co., Ltd.	Holding company	<p><u>As at 31 December 2021</u></p> <ul style="list-style-type: none"> • Had a group of major shareholders in common, i.e., Changyoo Family* held 100% of registered and paid up share capital of Better Dreams Co., Ltd. • Better Dreams Co., Ltd. was a major shareholder of TSR, held 26.23% of registered and paid up share capital of TSR. • Had three directors in common, i.e., Ms. Theinvanee Changyoo, Ms. Savita Changyoo and Mr. Ekarat Changyoo.
2. Ideal Water Co., Ltd.	Manufacture and distribute drinking water	<p><u>As at 31 December 2021</u></p> <ul style="list-style-type: none"> • Had a group of major shareholders in common, i.e., Changyoo Family* held 100% of registered and paid up share capital of Ideal Water Co., Ltd. • Had two directors in common, i.e., Ms. Theinvanee Changyoo and Ms. Savita Changyoo.
3. Mr. Sahas Treetipbut	-	<ul style="list-style-type: none"> • Chairman of the Board of Directors of TSR**/Chairman of Executive Committee • Advisor of TSR (Information Technology)
4. Mr. Werawat Changyoo	-	<ul style="list-style-type: none"> • A major shareholder of TSR <p>As at 31 December 2021, Mr. Werawat Changyoo held 12.59%, and Changyoo Group* held 58.69% of registered and paid up share capital of TSR.</p> <ul style="list-style-type: none"> • Advisor of TSR (Innovation) appointed on 22 July 2019
5. Ms. Theinvanee Changyoo	-	<ul style="list-style-type: none"> • A shareholder of TSR <p>As at 31 December 2021, Ms. Theinvanee Changyoo held 6.15%, and Changyoo Group* held 58.69% of registered and paid up share capital of TSR.</p> <ul style="list-style-type: none"> • Director/Member of the Risk Management Committee / Member of the Executive Committee/ Vice Chief Executive Officer** (Resigned from Vice Chief Executive Officer effective on 4 January 2022)

Persons/companies who/that may have conflict of interest, conducted business transactions with TSR and/or its subsidiaries	Nature of Business	Relationship
6. Ms. Kanittha Changyoo	-	<ul style="list-style-type: none"> • A shareholder of TSR and spouse of Mr. Werawat Changyoo As at 31 December 2021, Ms. Kanittha Changyoo held 0.93%, and Changyoo Group* held 58.69% of registered and paid up share capital of TSR.
7. Ms. Savita Changyoo	-	<ul style="list-style-type: none"> • A shareholder of TSR As at 31 December 2021, Ms. Savita Changyoo held 6.27%, and Changyoo Group* held 58.69% of registered and paid up share capital of TSR. • Director/ Member of the Risk Management Committee / Member of the Nomination and Remuneration Committee / / Member of the Executive Committee/ Vice Chief Executive Officer** (Resigned from Vice Chief Executive Officer effective on 4 January 2022)
8. Mr. Ekarat Changyoo	-	<ul style="list-style-type: none"> • A shareholder of TSR As at 31 December 2021, Mr. Ekarat Changyoo held 6.21%, and Changyoo Group* held 58.69% of registered and paid up share capital of TSR. • Director/Member of the Corporate Governance and Corporate Social Responsibility Committee/ Member of the Risk Management Committee /Chairman of the Executive Committee /Chief Executive Officer** (Resigned from the Chief Executive Officer on 1 February 2022)
9. Ms. Sumana Vonggapan	-	<ul style="list-style-type: none"> • Independent Director /Chairman of the Nomination and Remuneration Committee / Member of the Executive Committee • Advisor of TSR (Human Capital, Performance Evaluation of Management, Administration and Management Techniques)
10. Dr. Supree Wongdeeprom Ph.D.	-	<ul style="list-style-type: none"> • Independent Director / Chairman of Risk Management Committee/Member of Audit Committee/ Member of the Corporate Governance and Corporate Social Responsibility Committee • Advisor of TSR (Marketing Strategy Development, Sales Strategies, Marketing

Persons/companies who/that may have conflict of interest, conducted business transactions with TSR and/or its subsidiaries	Nature of Business	Relationship
		and Sales Management Techniques, Market Growth and Maintaining Market Share Strategies)
11. Prof. Porntep Siriwanarangsun, MD., MPH., Ph.D.		<ul style="list-style-type: none"> • Independent Director /Member of Audit Committee/ Member of the Nomination and Remuneration Committee • Advisor of TSR (Cost, selling & administrative and bad debt saving, process improvement)
12. Mr. Paitoon Sukhanaphorn		<ul style="list-style-type: none"> • Vice Chief Executive Officer in Finance & Accounting
13. COL Public Company Limited	Stationery and office equipment retail store	<u>As at 31 December 2021</u> <ul style="list-style-type: none"> • Had a director in common, i.e., Mr. Sahas Treetipbut
14. Internet Thailand Public Company Limited	Provide internet and information technology service, distribute computer equipments and devices	<u>As at 31 December 2021</u> <ul style="list-style-type: none"> • Had a director in common, i.e., Mr. Sahas Treetipbut
15. TSR Lao Co., Ltd.	Distribute water purifier, equipments and electric appliances	<u>As at 31 December 2021</u> <ul style="list-style-type: none"> • A joint venture between TSR and J.B. Group, in which TSR held 49% shareholding. The Board of Directors' meeting on October 27, 2021 resolved to approve the closure of TSR Lao Company Limited.

* Additional information is available in “Listing Securities and Shareholding Structure” – Changyoo Group, Changyoo Family

** Additional information is available in “Management Structure”

9.2.2 Related party transactions between TSR and its subsidiaries with related persons/companies for the years ended 31 December 2019 2020 and 2021

9.2.2.1 Transactions that will be consistently occurred in the future: Details of the transactions that may be regularly occurred are presented below:

(1) Purchase/sales of goods and services

Related person / juristic person	Description of the related party transactions	Transaction Amount (Million Baht)			Pricing Policy
		2021	2020	2019	
1. Better Dreams Co., Ltd.	<u>Revenues from information system service</u> TSR provided information system service to Better Dreams Co., Ltd. <u>Outstanding Balances</u>	0.06	0.06	0.06	Proportionate price based on actual cost incurred The interest rate is applied according to the market price
		-0-	-0-	-0-	

Related person / juristic person	Description of the related party transactions	Transaction Amount (Million Baht)			Pricing Policy
		2021	2020	2019	
	<u>Loans with</u> TSR Leasing Company Limited <u>Outstanding Balances</u> <u>Loans with</u> Safe Trade International Company Limited <u>Outstanding Balances</u>	1.50	27.00	0	and there are general guarantees. The interest rate is applied according to the market price and there are general guarantees.
2. Ideal Water Co., Ltd.	<u>2.1 Expenses from</u> <u>purchase of water</u> Safe Trade International Co., Ltd. was appointed by Ideal Water Co., Ltd. as a distributor to sale water to TSR's customers. Safe Trade International Co., Ltd. purchased water from Ideal Water Co., Ltd. for selling to TSR's customers. <u>Outstanding Balances</u>	0.12	0.13	0.16	Cost plus margin
		0.01	0.01	0.02	
	<u>2.2 Expenses from</u> <u>purchase of water</u> TSR purchased water from Ideal Water Co., Ltd. for its internal use and selling to its employees. <u>Outstanding Balances</u>	0.02	0.30	0.40	Regular price as Ideal Water Co., Ltd. normally charged to Safe Trade International Co., Ltd.
		0.00	0.00	0.05	
3. Mr. Sahas Treetipbut	<u>Expenses on consulting</u> <u>services for information</u> <u>technology</u> TSR hired Mr. Sahas Treetipbut to provide advices on information technology management, human resources and marketing management. <u>Outstanding Balances</u>	2.25	2.40	2.40	Contract price which is regular price charged by a third party Advisor.
		-0-	-0-	-0-	

Related person / juristic person	Description of the related party transactions	Transaction Amount (Million Baht)			Pricing Policy
		2021	2020	2019	
4. Mr. Werawat Changyoo	<u>Expenses on Advisory for the Innovation</u> TSR hired Mr. Werawat Changyoo as an advisor of the Innovation. <u>Outstanding Balances</u>	1.84 -0-	2.76 -0-	1.25 -0-	Contract price which is regular price charged by a third party Advisor.
5. Ms. Sumana Vonggapan	<u>Expenses on Advisory for the Management Committee</u> Upon request, TSR hired Ms. Sumana Vonggapan to provide advice on: 1) Human Capital Development 2) Performance Evaluation of Management Administration and Management Techniques <u>Outstanding Balances</u>	0.39 -0-	0.60 -0-	0.60 -0-	Regular price charged by a third party Advisor.
6. Dr. Supree Wongdeeprom Ph.D.	<u>Expenses on Advisory for the Management Committee</u> Upon request, TSR hired Dr. Supree Wongdeeprom Ph.D. to provide advice on: 1) Marketing Strategy Development 2) Sales Strategy Development 3) Marketing and Sales Management Techniques 4) Market Growth and Maintaining Market Share Strategies <u>Outstanding Balances</u>	0.39 -0-	0.60 -0-	0.60 -0-	Regular price charged by a third party Advisor.
7. Prof. Porntep Siriwanarangsun,MD., MPH., Ph.D.	<u>Expenses on Advisory for the Management Committee</u> Upon request, TSR hired Prof. Porntep Siriwanarangsun,	0.39	0.60	0.60	Regular price charged by a third party Advisor.

Related person / juristic person	Description of the related party transactions	Transaction Amount (Million Baht)			Pricing Policy
		2021	2020	2019	
	MD.,MPH., Ph.D. to provide advice on cost , selling & administrative and bad debt saving including process development <u>Outstanding Balances</u>	-0-	-0-	-0-	
8. COL Public Company Limited	<u>Purchase of office equipment</u> TSR purchased office equipment and stationery used for its operation. <u>Outstanding Balances</u>	0.00	0.06	0.08	Regular price as normally charged to other clients
		-0-	-0-	-0-	
	<u>Advertising expenses</u> TSR used catalogue advertising to advertise products. <u>Outstanding Balances</u>	-0-	-0-	-0-	Regular price as normally charged to other clients
		-0-	-0-	-0-	
9. Internet Thailand Public Company Limited	<u>Revenues from sales of goods</u> TSR sold water purifiers to COL Public Company Limited. <u>Outstanding Balances</u>	-0-	-0-	-0-	Cost plus margin
		-0-	-0-	0.05	
	<u>Internet and device expenses</u> TSR leased the Internet and related devices from Internet Thailand Public Company Limited. <u>Outstanding Balances</u>	3.71	6.67	7.41	Regular price as normally charged to other clients
		0.33	0.01	0.40	
	<u>Revenues from sales of goods</u> TSR sold water purifiers to Internet Thailand Public Company Limited. <u>Outstanding Balances</u>	-0-	-0-	-0-	Cost plus margin
		-0-	-0-	-0-	
10.. TSR Lao Co., Ltd.	<u>Revenues from sales of goods</u>	1.31	2.90	9.72	Cost plus margin

Related person / juristic person	Description of the related party transactions	Transaction Amount (Million Baht)			Pricing Policy
		2021	2020	2019	
	TSR sold water purifiers to TSR Lao Co., Ltd. <u>Outstanding Balances</u>	0.00	0.88	2.68	

(2) Acquisition and disposal of fixed assets

-None-

(3) Land and building rental

Related person / juristic person	Description of the related party transactions	Transaction Amount (Million Baht)			Pricing Policy
		2021	2020	2019	
1. Better Dreams Co., Ltd.	<u>1.1 Revenues from office rental</u> TSR gave its head office for rent to Better Dreams Co., Ltd. <u>Outstanding Balances</u>	0.04	0.04	0.04	Comparable to market price in the vicinity
	<u>1.2 Revenues from factory rental</u> TSR gave its factory for rent to Better Dreams Co., Ltd. <u>Outstanding Balances</u>	-0-	-0-	-0-	Comparable to market price in the vicinity
	<u>Revenues from factory rental</u> TSR gave its factory for rent to Ideal Water Co., Ltd. <u>Outstanding Balances</u>	0.12	0.12	0.12	Comparable to market price in the vicinity
2. Ideal Water Co., Ltd.	<u>Revenue from utilities</u> TSR will charge all the utilities used as the actual payment. <u>Outstanding Balances</u>	0.06	0.09	0.09	Comparable to market price in the vicinity
		-0-	-0-	-0-	

9.2.2.2 Transactions that will no longer arise in the future

The Group has no plan to conduct the following transactions, which occurred prior to IPO, in the future. In case the Group is required to conduct such transactions, it is mandatory to obtain the Audit Committee's approval prior to execution. Details of the transactions are as follows:

(1) Guarantees for borrowings from financial institutions/loan creditors

Guarantees for the Group's credit facilities from various financial institutions/loan creditors are presented below:

Related person / juristic person	Description of the related party transactions	Transaction Amount (Million Baht)			Pricing Policy
		2021	2020	2019	
1. Ms. Theinvanee Changyoo	TSR's hire purchase agreements for vehicles were guaranteed by Ms. Theinvanee Changyoo. (Principal amount at the agreement date)	0.00	1.12	1.12	Under regular terms and conditions of borrowings from financial institutions. The director did not receive any compensation for such guarantees.

9.3 Necessity of and justification for connected transactions

In case the Company or a subsidiary enters into any contracts, or any connected transactions occur among the Company, the subsidiaries and/or third parties. The Company will consider whether the transactions are necessary. Procedures for consideration, review, approval and disclosure of the connected transactions have been established in accordance with the related laws, notifications, regulations and practice guidelines of the regulators. The transactions will be conducted transparently, reasonably, fairly, and as normal business transactions at Arm's Length Basis, in compliance with corporate governance practices, necessity of entering into any contracts, and are aimed at the Company's benefits.

Regarding normal business transactions and transactions to support the Company's business, with general business terms and conditions, the internal auditor has a duty to review and prepare a report to the Audit Committee, on a quarterly basis, for consideration in terms of appropriateness and reasonableness of the transactions.

Regarding non-normal business transactions and other related party transactions, i.e., office rental and financial support, the Company has a policy to propose such transactions to the Board of Directors for approval. The Audit Committee shall provide their opinions in regard to the justification and the necessity of such transactions before the Company can proceed with such transactions.

9.4 Measurement or procedure for approval of connected transactions

The Company sets procedure for approval of connected transactions in compliance with the securities and stock exchange laws, as well as the rules, regulations, notifications of the Securities and Exchange Commission and the Stock Exchange of Thailand. A director or an individual who has interest or may have potential conflict of interest in any connected transactions, shall have no right to vote on approval of the transaction.

9.5 Policies or potential to incur connected transactions in the future

For any potential connected transactions, directors shall comply with relevant rules. A director has no right to have a vote on approval of any transaction that he/she may have potential conflict of interest. In addition, the director is required to declare to the Board of Directors if there is any transaction that he/she may have conflict of interest.

In case the Audit Committee shall provide their opinions in regard to the appropriateness of the connected transactions that the members of the Audit Committee have no expertise in those particular transactions, the Company will seek opinions from independent experts, e.g., an auditor, an independent asset appraiser. The opinions from the independent experts shall be used as part of a decision making process of the Board of Directors and/or shareholders, whichever the case may be, in order to ensure that the connected transactions are not intended to transfer benefits to other company or individual, and that they are aimed at maximizing the benefits for all shareholders.

- Normal transactions or transactions aimed at supporting the Company's core business, with general trade terms and conditions, include services, sale and purchases of products. The Company has a policy to set terms and conditions of connected transactions based on the normal trading at the market prices. The prices are comparable to the prices offered to third parties and all parties seriously follow the terms and conditions in the agreement. The pricing and conditions are transparently and fairly set, not enabling anyone to exchange or transfer benefits. The internal auditor is in charge of reviewing the information and completing a report to be submitted to the Audit Committee. The report shall indicate the appropriateness of the prices and the justification of the transactions on a quarterly basis.
- Normal transactions and transactions aimed at supporting the Company's core business, without general trade terms, and other related transactions include leases of offices and financial support, e.g., borrowing, guaranteeing and etc. The Company has a policy to propose such transactions to the Board of Directors' meetings for approval. The Audit Committee shall present in the meeting and provide their opinions in regard to the justification and the necessity of such transactions before the Company can proceed with such transactions. In addition, the Company shall comply with relevant laws about securities and the stock market and the rules, notifications, orders or regulations of the Stock Exchange of Thailand. The Company also follows the rules relating to disclosure of connected transactions and the acquisitions and disposal of major assets of the Company or subsidiaries (if any). The Company also complies with the accounting standard in regard to the disclosure of information relating to individuals or connected transactions; the accounting standard is announced by Federation of Accounting Professions. The Company discloses the connected transactions in the note to financial statements of the Company as well as in the annual report.(From 56-1 One Report)

The future connected transactions will include those aimed at supporting the Company's core business transactions, e.g., selling and buying products. Also, in the future the Company may need to provide further assistance to its subsidiaries in terms of the deposit guaranteeing and/or lending. Any potential transactions shall be completed with transparency and strictly in compliance with the regulations of the Securities and Exchange Commission, the Stock Exchange of Thailand and other agencies.

Part 3

Financial Statements

Board of Directors' Responsibilities for the Financial Statements

Dear shareholders of Thiensurat Public Company Limited,

The Board of Directors of Thiensurat PCL. is responsible for and has provided the Consolidated Financial Statements and those for its Subsidiaries together with the associated information relating to their respective financial status as presented in this Annual Report. These Financial Statements and reports on the performance results for the financial year 2021 are prepared in accordance with generally accepted accounting principles and through the use of appropriate accounting policies that are consistently applied by the Company together with the use of careful consideration and best estimates. Further, all important and relevant information are adequately disclosed within the Notes to the Financial Statements.

Towards this end, the Board of Directors has appointed an Audit Committee consisting of Independent Directors, which is responsible reviewing the quality of these Financial Statements, the internal controls. The opinions and comments of the Audit Committee relating to these matters appear in the Audit Committee's Report that is included this Annual Report.

The Board of Directors is of the opinion that the overall internal controls system of the Company has functioned satisfactorily and, thus, has provided reliable, accurate and adequate information for the Consolidated and Financial Statements and those for its Subsidiaries for the financial year ending 31 December 2020.



(Mr. Sahas Treetipbut)
Chairman of the Board of Directors



(Mr. Ekarat Changyoo)
Chairman of the Executive Committee

**Thiensurat Public Company Limited
and its Subsidiaries**

Financial statements for the year ended
31 December 2021
and
Independent Auditor's Report



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Independent Auditor's Report

To the Shareholders of Thiensurat Public Company Limited

Opinion

I have audited the accompanying consolidated and separate financial statements of Thiensurat Public Company Limited and its subsidiaries (the “Group”), and of Thiensurat Public Company Limited (the “Company”), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2021, the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group and the Company, respectively, as at 31 December 2021 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

Basis for Opinion

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

Key Audit Matters

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

Valuation of hire-purchase contract receivables	
Refer to Note 6 and 24 b (1.2)	
The key audit matter	How the matter was addressed in the audit
<p>The core business of the Group is hire-purchase of water filters and electric appliances and others. The management is required to exercise considerable judgment in determining the assumptions to be used in estimating an allowance for expected credit losses (“ECL”) on hire-purchase contract receivables as at 31 December 2021 is amount to Baht 75.67 million, approximately 4.42 % of the Group’s total assets.</p> <p>Management’s estimation of the expected credit loss is based on complex credit model which are dependent on significant management judgements and estimates including the criteria for identifying significant increase in credit risk (SICR), the use of macroeconomic factors, forwarding looking factor and variables probability-weighted scenarios. In particular, the ongoing economic situation adds further complexity to management’s estimation process.</p> <p>Due to receivables balance is material and complex calculation is involved as well as the level of management judgment in estimating the valuation of hire purchase receivables, I considered this to be key audit matter.</p>	<p>My audit procedures included:</p> <ul style="list-style-type: none"> • Understanding policies and procedures to determine allowance for ECL including staging criteria applied by the Group for different types of hire-purchase contract receivables. • Considering the Group’s accounting policies to determine whether these have been set up in accordance with the requirements of TFRS 9 Financial Instruments. • Testing the design and operating effectiveness of selected controls surrounding valuation of hire-purchase contract receivables and allowance for ECL. • Assessing and testing the reasonableness of staging applied by the group for different types of credit exposures including sampling testing with relevant documents. • Involving KPMG specialists to assess key data, assumption, method models including mathematically theory performed by expert engaged by the Group’s management and perform the test for reasonableness of macroeconomic factors, forward looking factors and retrospective assessment of the measurement by comparing past experience of the measurement and actual results. • Testing the mathematical accuracy of the ECL calculation. • Considering the adequacy of the Group’s disclosures in accordance with Thai Financial Reporting Standards.

The recognition of commission expenses	
Refer to Note 19	
The key audit matter	How the matter was addressed in the audit
<p>The Group's main distribution channel is single level direct sales, which the calculation of commission expenses is complex because there are a variety of calculation schemes and several factors are involved, such as sales volume and product category, quality of sales, and awards given to sales-persons exceeding sales targets. Moreover, the Group continually changes the commission rates in order to promote sales. Commission expenses are significant amount and the calculation is complex. Consequently, I consider that this is a significant matter.</p>	<p>My audit procedures included:</p> <ul style="list-style-type: none"> • Testing the controls relevant to the calculation of commission expenses, the approval and recording of transactions by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls. • Testing whether the calculations were compliant with the Group's policies in effect in each period. • Performing analytical procedures comparing commission expenses to revenue from sales. • Considering the recognition of the commission expense and analysing historical information and information after the reporting date, including testing the subsequent payments of commission after the period-end to consider whether the Group's estimate was reasonable. • Considering the adequacy of the Group's disclosures in accordance with the related Thai Financial Reporting Standards.

Other Information

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

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

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

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the correction be made.

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

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



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

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

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

My objectives are to obtain reasonable assurance about whether the consolidated and separate 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 TSAs 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 consolidated and separate financial statements.

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated and separate 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 and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate 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 consolidated and separate 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.

A handwritten signature in blue ink, appearing to read 'Th. Keadkeaw'.

(Thanyalux Keadkeaw)
Certified Public Accountant
Registration No. 8179

KPMG Phoomchai Audit Ltd.
Bangkok
24 February 2022

Thiensurat Public Company Limited and its Subsidiaries
Statement of financial position

Assets	Note	Consolidated		Separate	
		financial statements		financial statements	
		31 December		31 December	
		2021	2020	2021	2020
		(in thousand Baht)			
<i>Current assets</i>					
Cash and cash equivalents	4	56,462	62,092	33,719	42,184
Trade accounts and other receivable	3, 5, 24	19,850	18,765	34,120	62,751
Current portion of hire-purchase contract receivables	6, 24	500,948	670,150	413,358	555,821
Current portion of loan receivables	24	78,078	23,052	-	-
Current portion of receivables under rights transfer agreements		-	701	-	701
Short-term loan to related parties	3	4,235	27,150	49,500	23,500
Inventories	7	271,993	212,761	231,740	195,564
Current tax assets		4,140	-	4,140	-
Other current assets		24,217	38,335	17,073	25,846
Total current assets		959,923	1,053,006	783,650	906,367
<i>Non-current assets</i>					
Hire purchase contract receivables	6, 24	110,977	30,874	5,237	4,426
Loan receivables	24	5,256	5,496	-	-
Investments in subsidiaries	8	-	-	107,779	107,779
Investments in joint venture	9	7,238	13,694	8,767	13,767
Investment properties	10	58,409	58,483	58,409	58,483
Property, plant and equipment	11	415,071	353,161	405,016	343,527
Right of use assets	12	92,659	117,830	92,659	117,607
Intangible assets	13	27,800	31,389	26,753	30,198
Deferred tax assets	20	27,842	21,706	24,187	18,940
Other non-current assets		6,961	5,898	6,923	5,861
Total non-current assets		752,213	638,531	735,730	700,588
Total assets		1,712,136	1,691,537	1,519,380	1,606,955

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

Thiensurat Public Company Limited and its Subsidiaries

Statement of financial position

		Consolidated		Separate	
		financial statements		financial statements	
		31 December		31 December	
Liabilities and equity	Note	2021	2020	2021	2020
<i>(in thousand Baht)</i>					
Current liabilities					
Bank overdrafts and short-term borrowing from financial institutions	14	188,801	50,899	78,000	19,949
Trade and other payables	15	135,244	171,542	125,181	169,177
Current portion of lease liabilities	3, 14	31,528	40,754	35,509	40,797
Current income tax payable		5,574	16,558	-	11,087
Other current liabilities		31,247	35,037	26,662	33,466
Total current liabilities		392,394	314,790	265,352	274,476
Non-current liabilities					
Lease liabilities	3, 14	47,159	78,550	61,563	79,236
Provision for employee benefits	16	21,390	23,177	16,426	18,625
Total non-current liabilities		68,549	101,727	77,989	97,861
Total liabilities		460,943	416,517	343,341	372,337
Equity					
Share capital:					
Authorised share capital	17	549,411	549,682	549,411	549,682
Issued and paid-up share capital		549,411	549,682	549,411	549,682
Share premium:					
Share premium	17	295,291	295,291	295,291	295,291
Surplus on share-based payments		10,249	10,249	10,249	10,249
Share premium on treasury shares	17	5,783	-	5,783	-
Changes in ownership interests in subsidiary		(2,212)	(2,212)	-	-
Retained earnings					
Appropriated					
Legal reserve	18	43,348	40,147	43,348	40,147
Treasury shares reserve	17	-	5,612	-	5,612
Unappropriated		342,870	377,416	271,957	339,249
Treasury shares	17	-	(5,612)	-	(5,612)
Equity attributable to owners of the parent		1,244,740	1,270,573	1,176,039	1,234,618
Non-controlling interests		6,453	4,447	-	-
Total equity		1,251,193	1,275,020	1,176,039	1,234,618
Total liabilities and equity		1,712,136	1,691,537	1,519,380	1,606,955

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

Thiensurat Public Company Limited and its Subsidiaries

Statement of comprehensive income

		Consolidated		Separate	
		financial statements		financial statements	
		Year ended 31 December		Year ended 31 December	
	Note	2021	2020	2021	2020
		(in thousand Baht)			
Revenue					
Revenue from sales	21	1,411,523	1,685,542	1,310,588	1,612,158
Interest income from hire-purchase contract		234,190	221,746	183,968	169,878
Income income from loan receivables		12,045	2,618	-	-
Other income	21	35,728	32,969	45,587	37,955
Total revenue		1,693,486	1,942,875	1,540,143	1,819,991
Expenses					
Cost of sales	19	345,678	435,820	334,611	415,787
Distribution costs	19	640,001	675,860	596,291	663,574
Aministrative expenses	19	424,118	434,308	391,414	394,272
Impairment losses		231,189	216,003	211,508	192,510
Finance cost		5,363	4,392	6,099	4,345
Total expenses		1,646,349	1,766,383	1,539,923	1,670,488
Share of loss of joint venture		(1,456)	(48)	-	-
Profit before income tax expense		45,681	176,444	220	149,503
Tax expense	20	10,795	32,097	2,133	25,251
Profit (loss) for the year		34,886	144,347	(1,913)	124,252
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss					
Loss on remeasurements of defined benefit plans		(2,713)	-	(2,569)	-
Income tax relating to items that will not be reclassified		543	-	514	-
Other comprehensive income (expense) for the year, net of tax		(2,170)	-	(2,055)	-
Total comprehensive income (expense) for the year		32,716	144,347	(3,968)	124,252
Profit (loss) attributable to:					
Owner of the parent		31,011	143,126	(1,913)	124,252
Non-controlling interests		3,875	1,221	-	-
		34,886	144,347	(1,913)	124,252
Comprehensive income (expense) attributable to:					
Owner of the parent		28,778	143,126	(3,968)	124,252
Non-controlling interests		3,938	1,221	-	-
		32,716	144,347	(3,968)	124,252
Basic earnings (loss) per share (in Baht)	22	0.057	0.261	(0.003)	0.227

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

Thiensurat Public Company Limited and its Subsidiaries

Statement of changes in equity

Note	Consolidated financial statements											
	Issued and paid-up share capital	Share premium	Surplus on share-based payments	Changes in ownership interests in a subsidiary	Retained earnings			Treasury shares	Equity attributable to owners of the parent	Non-controlling interests	Total equity	
					Legal reserve	Treasury shares reserve	Unappropriated					
(in thousand Baht)												
Year ended 31 December 2020												
Balance at 1 January 2020	549,682	295,291	10,249	(1,347)	35,849	-	334,689	-	1,224,413	5,155	1,229,568	
Transactions with owners, recorded directly in equity												
Contributions by and distributions to owners of the parent												
Treasury shares purchased	17	-	-	-	-	5,612	(5,612)	(5,612)	(5,612)	-	(5,612)	
Dividends	23	-	-	-	-	-	(90,489)	-	(90,489)	-	(90,489)	
Total contributions by and distributions to owners of the parent		-	-	-	-	5,612	(96,101)	(5,612)	(96,101)	-	(96,101)	
Changes in ownership interests in subsidiaries												
Changed that result in an acquisition or a loss of control		-	-	-	(865)	-	-	-	(865)	(1,929)	(2,794)	
Total changes in ownership interests in subsidiaries		-	-	-	(865)	-	-	-	(865)	(1,929)	(2,794)	
Total transactions with owners, recorded directly in equity		-	-	-	(865)	-	5,612	(96,101)	(5,612)	(96,966)	(98,895)	
Comprehensive income for the year												
Profit or loss		-	-	-	-	-	143,126	-	143,126	1,221	144,347	
Other comprehensive income		-	-	-	-	-	-	-	-	-	-	
Total comprehensive income (expense) for the year		-	-	-	-	-	143,126	-	143,126	1,221	144,347	
Transfer to legal reserve	18	-	-	-	-	4,298	(4,298)	-	-	-	-	
Balance at 31 December 2020		549,682	295,291	10,249	(2,212)	40,147	5,612	377,416	(5,612)	1,270,573	4,447	1,275,020

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

Thiensurat Public Company Limited and its Subsidiaries

Statement of changes in equity

						Consolidated financial statements							
Note	Issued and paid-up share capital	Share premium	Surplus on share-based payments	Share premium on treasury shares	Changes in ownership interests in a subsidiary	Retained earnings			Treasury shares	Equity attributable to		Total equity	
						Legal reserve	Treasury shares reserve	Unappropriated		owners of the parent	Non-controlling interests		
(in thousand Baht)													
Year ended 31 December 2021													
Balance at 1 January 2021	549,682	295,291	10,249	-	(2,212)	40,147	5,612	377,416	(5,612)	1,270,573	4,447	1,275,020	
Transactions with owners, recorded directly in equity													
Contributions by and distributions to owners of the parent													
Reduction of ordinary shares	17	(271)	-	-	(292)	-	-	(564)	563	564	-	-	-
Treasury shares sold	17	-	-	-	6,075	-	-	(5,048)	5,048	5,048	11,123	-	11,123
Dividends	23	-	-	-	-	-	-	-	(65,734)	-	(65,734)	(1,932)	(67,666)
Total contributions by and distributions to owners of the parent		(271)	-	-	5,783	-	-	(5,612)	(60,123)	5,612	(54,611)	(1,932)	(56,543)
Comprehensive income (expense) for the year													
Profit or loss		-	-	-	-	-	-	-	31,011	-	31,011	3,875	34,886
Other comprehensive income		-	-	-	-	-	-	-	(2,233)	-	(2,233)	63	(2,170)
Total comprehensive income (expense) for the year		-	-	-	-	-	-	-	28,778	-	28,778	3,938	32,716
Transfer to legal reserve	18	-	-	-	-	-	3,201	-	(3,201)	-	-	-	-
Balance at 31 December 2021		549,411	295,291	10,249	5,783	(2,212)	43,348	-	342,870	-	1,244,740	6,453	1,251,193

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

Thiensurat Public Company Limited and its Subsidiaries

Statement of changes in equity

				Separate financial statements					
				Retained earnings					
		Issued and paid-up share capital	Share premium	Surplus on share-based payments	Legal reserve	Treasury shares reserve	Unappropriated	Treasury shares	Total equity
	Note				(in thousand Baht)				
Year ended 31 December 2020									
Balance at 1 January 2020		549,682	295,291	10,249	35,849	-	315,396	-	1,206,467
Transactions with owners, recorded directly in equity									
Contributions by and distributions to owners of the parent									
Treasury shares purchased	17	-	-	-	-	5,612	(5,612)	(5,612)	(5,612)
Dividends	23	-	-	-	-	-	(90,489)	-	(90,489)
Total contributions by and distributions to owners of the parent		-	-	-	-	5,612	(96,101)	(5,612)	(96,101)
Comprehensive income for the year									
Profit or loss		-	-	-	-	-	124,252	-	124,252
Other comprehensive income		-	-	-	-	-	-	-	-
Total comprehensive income (expense) for the year		-	-	-	-	-	124,252	-	124,252
Transfer to legal reserve	18	-	-	-	4,298	-	(4,298)	-	-
Balance at 31 December 2020		549,682	295,291	10,249	40,147	5,612	339,249	(5,612)	1,234,618

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

Thiensurat Public Company Limited and its Subsidiaries
Statement of changes in equity

		Separate financial statements									
		Note	Issued and paid-up share capital	Share premium	Surplus on share-based payments	Share premium on treasury shares	Retained earnings			Treasury shares	Total equity
							Legal	Treasury			
							reserve	shares	Unappropriated		
							reserve	reserve			
							(in thousand Baht)				
Year ended 31 December 2021											
Balance at 1 January 2021			549,682	295,291	10,249	-	40,147	5,612	339,249	(5,612)	1,234,618
Transactions with owners, recorded directly in equity											
Contributions by and distributions to owners of the parent											
Reduction of ordinary shares	17		(271)	-	-	(292)	-	(564)	563	564	-
Treasury shares sold	17		-	-	-	6,075	-	(5,048)	5,048	5,048	11,123
Dividends	23		-	-	-	-	-	-	(65,734)	-	(65,734)
Total contributions by and distributions to owners of the parent			(271)	-	-	5,783	-	(5,612)	(60,123)	5,612	(54,611)
Comprehensive income (expense) for the year											
Profit or loss			-	-	-	-	-	-	(1,913)	-	(1,913)
Other comprehensive income			-	-	-	-	-	-	(2,055)	-	(2,055)
Total comprehensive income (expense) for the year			-	-	-	-	-	-	(3,968)	-	(3,968)
Transfer to legal reserve	18		-	-	-	-	3,201	-	(3,201)	-	-
Balance at 31 December 2021			549,411	295,291	10,249	5,783	43,348	-	271,957	-	1,176,039

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

Thiensurat Public Company Limited and its Subsidiaries

Statement of cash flows

	Consolidated		Separate	
	financial statements		financial statements	
	Year ended 31 December		Year ended 31 December	
	2021	2020	2021	2020
	(in thousand Baht)			
<i>Cash flows from operating activities</i>				
Profit (loss) for the year	34,886	144,347	(1,913)	124,252
<i>Adjustments to reconcile profit to cash receipts (payments)</i>				
Tax expense	10,795	32,097	2,133	25,251
Finance costs	5,363	4,392	6,099	4,345
Depreciation and amortisation	79,131	71,779	76,668	70,534
Provisions for employee benefits	2,207	4,390	1,939	3,977
Share of loss of investment in joint venture	1,456	48	-	-
Impairment losses	231,189	216,003	211,508	192,510
(Reversal of) losses on inventories devaluation	(22)	(3,895)	(222)	3,449
Allowance of goods warranty	4,570	2,058	4,570	2,058
(Reversal of) allowance of goods returned	(121)	8	(121)	8
(Reversal of) loss on impairment investment	5,000	-	5,000	(682)
Gain on disposal of assets	(2,020)	(5,175)	(1,820)	(5,175)
Loss on written-off of asset	2,644	-	2,501	-
Interest income	(2,140)	(693)	(1,255)	(783)
Dividend income	-	-	(2,268)	-
	372,938	465,359	302,819	419,744
<i>Changes in operating assets and liabilities</i>				
Trade accounts and other receivable	(247)	2,875	29,433	1,550
Hire-purchase contract receivables	(142,356)	(238,631)	(70,645)	(218,322)
Loan receivables	(55,309)	(27,753)	-	-
Receivables under rights transfer agreements	701	1,643	701	1,643
Inventories	(59,061)	(75,138)	(35,954)	(68,221)
Other current assets	13,706	(18,524)	8,361	(11,278)
Other non-current assets	(1,063)	(1,371)	(1,062)	(1,372)
Trade accounts and other payable	(33,030)	40,856	(42,920)	37,795
Other current liabilities	(8,239)	8,433	(11,253)	6,662
Employee benefit paid	(6,707)	(4,394)	(6,707)	(4,376)
Net cash generated from operating	81,333	153,355	172,773	163,825
Interest paid	(7,544)	(4,429)	(6,088)	(4,337)
Tax paid	(31,512)	(38,630)	(22,093)	(36,860)
Net cash from operating activities	42,277	110,296	144,592	122,628

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

Thiensurat Public Company Limited and its Subsidiaries

Statement of cash flows

	Consolidated		Separate	
	financial statements		financial statements	
	Year ended 31 December		Year ended 31 December	
	2021	2020	2021	2020
	(in thousand Baht)			
Cash flows from investing activities				
Proceeds from diposal of subsidiary	-	1,209	-	7,461
Proceeds from disposal of non-controlling interest	-	3,220	-	-
Acquisition of subsidiary equity securities	-	-	-	(3,780)
Payment from disposal of non-controlling interest	-	(4,979)	-	-
(Decrease) increase in short-term loans to related parties	22,915	(26,979)	(26,000)	(10,500)
Acquisition of property and equipment	(102,294)	(16,524)	(99,618)	(15,404)
Proceeds from sale of assets	9,539	24,836	9,483	24,836
Acquisition of intangible assets	(1,705)	(2,862)	(1,705)	(2,495)
Dividends received	-	-	2,268	-
Interest received	2,091	736	1,242	631
Net cash from (used in) investing activities	(69,454)	(21,343)	(114,330)	749
Cash flows from financing activities				
Dividends paid to owners of the Company	(66,087)	(90,360)	(66,087)	(90,360)
Dividends paid to non-controlling interests	(1,932)	-	-	-
Increase in short-term borrowings from financial institutions	137,902	50,899	58,051	19,949
Payment of lease liabilities	(59,459)	(41,223)	(41,814)	(40,139)
Proceeds from sale of treasury shares	11,123	-	11,123	-
Payment to owners to acquire entity's shares	-	(5,612)	-	(5,612)
Net cash from (used in) financing activities	21,547	(86,296)	(38,727)	(116,162)
Net increase (decrease) in cash and cash equivalents	(5,630)	2,657	(8,465)	7,215
Cash and cash equivalents at 1 January	62,092	59,435	42,184	34,969
Cash and cash equivalents at 31 December	56,462	62,092	33,719	42,184
Non-cash transaction				
Payables on purchase of equipment	62	796	62	796
Dividend payable	329	682	329	682

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

Thiensurat Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2021

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Thiensurat Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2021

These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Board of Directors on 24 February 2022.

1 General information

Thiensurat Public Company Limited, the “Company”, is incorporated in Thailand and listed on the Stock Exchange of Thailand in June 2014. The Company’s registered office at 43/9 Moo. 7, Soi Chuchart-anusorn 4, Bangtalad Sub-district, Pakkret District, Nonthaburi.

The Company’s major shareholders during the financial year were Changyoo and Watcharatam families who held 59.71% shareholding.

The principal business of group are the manufacturing and distribution of water purifier and filter, electronic appliances and others. Details of the Company’s subsidiaries as at 31 December 2021 and 2020 are given in note 8.

2 Basis of preparation of the financial statements

The financial statements are prepared in accordance with Thai Financial Reporting Standards (“TFRS”), guidelines promulgated by the Federation of Accounting Professions and applicable rules and regulations of the Thai Securities and Exchange Commission. The financial statements are presented in Thai Baht, which is the Company’s functional currency. The accounting policies described in each notes have been applied consistently to all periods presented in these financial statements

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the “Group”) and the Group’s interests in joint venture. The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of the Group’s and Company’s accounting policies. Actual results may differ from these estimates. Estimates and underlying assumptions that described in each note are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

3 Related parties

A related party is a person or entity that has direct or indirect control or joint control, or has significant influence over the financial and managerial decision-making of the Group; a person or entity that are under common control or under the same significant influence as the Group; or the Group has direct or indirect control or joint control or has significant influence over the financial and managerial decision-making of a person or entity.

Thiensurat Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2021

Relationships with subsidiaries and joint venture are described in notes 8 and 9. Other related parties that the Group had significant transactions with during the year were as follows:

Name of entities	Country of incorporation	Nature of relationships
Changyoo and Watcharatam families	Thailand	Major shareholders
Safe Trade International Company Limited	Thailand	Subsidiary of major shareholder
Thiensurat Leasing Company Limited	Thailand	Subsidiary of major shareholder
Alpine Water Company Limited	Thailand	Subsidiary of major shareholder
TSR Lao Company Limited *	Laos	Joint venture
Better Dreams Company Limited	Thailand	Common directors
Ideal Water Company Limited	Thailand	Common directors
Internet Thailand Public Company Limited	Thailand	Common director
COL Public Company Limited	Thailand	Common director
Key management personnel		Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Group.

* At the Board of Director's meeting held on 27 October 2021, the Board approve to dissolve TSR Lao Co., Ltd., Currently, the Company is in the process of pursuing legal and accounting process.

<i>Significant transactions with related parties</i> <i>Year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Subsidiaries				
Sales of goods	-	-	144,314	221,866
Management fee and other income	-	-	19,601	5,761
Interest income	-	-	1,189	559
Dividend income	-	-	2,268	-
Purchase of goods and service	-	-	4,274	3,277
Other expense	-	-	441	764
Joint venture				
Sales of goods	1,312	2,908	1,312	2,908
Other income	217	-	217	-
Other expense	192	188	192	188
Other related parties				
Rendering services	275	351	275	351
Interest income	2,053	21	-	-
Purchase of goods	144	431	19	303
Other expense	3,841	6,865	3,718	6,738

Thiensurat Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2021

<i>Significant transactions with related parties</i> <i>Year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Key management personnel				
Interest income from loan receivable	2,123	-	-	-
Consulting fees	5,260	6,960	5,260	6,960
Key management personnel compensation				
Short-term employee benefit	49,824	47,048	47,123	43,722
Post-employment benefits	287	449	280	274
Total	50,111	47,497	47,403	43,996

Balances as at 31 December with related parties were as follows:

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Trade accounts receivable				
Subsidiaries	-	-	16,094	48,646
Joint venture	-	882	-	882
Total	-	882	16,094	49,528
Other receivables				
Subsidiaries	-	-	5,885	2,670
Joint venture	89	89	89	89
Other related parties	3	6	2	6
Total	92	95	5,976	2,765

In February 2021, Thiensurat Leasing Company Limited which is a subsidiary of the Company has agreed to loan to management of related party for engaging in real estate business amounting to Baht 35 million. This loan bears interest at 7% per annum and has monthly repayment term from March 2021 through February 2028. This loan was entirely redeemed in December 2021.

<i>Movement of loans to</i>	Interest rate	Consolidated financial statements			
	At 31 December <i>(% per annum)</i>	At 1 January	Increase	Decrease	At 31 December
			<i>(in thousand Baht)</i>		
2021					
Other related parties	2.25 - 9.00	27,150	4,100	(27,015)	4,235
Total		27,150			4,235
2020					
Other related parties	2.90 - 9.00	171	33,050	(6,071)	27,150
Total		171			27,150

Thiensurat Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2021

<i>Movement of loans to</i>	Interest rate	Separate financial statements			
	At 31 December (% per annum)	At 1 January	Increase	Decrease	At 31 December
			<i>(in thousand Baht)</i>		
2021					
Subsidiaries	2.25 - 3.50	23,500	59,000	(33,000)	49,500
Total		23,500			49,500
2020					
Subsidiaries	2.50 - 3.99	13,000	61,500	(51,000)	23,500
Total		13,000			23,500

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Trade accounts payable				
Subsidiaries	-	-	52	822
Other related parties	7	7	-	-
Total	7	7	52	822
Other payables				
Subsidiaries	-	-	2,698	5,364
Joint venture	207	374	207	374
Other related parties	-	31	-	17
Total	207	405	2,905	5,755
Lease liabilities				
Subsidiary	-	-	18,249	1,141
Total	-	-	18,249	1,141

Contribution fee agreement

Thiensurat Public Company Limited (“TSR”) entered into a contribution fee agreement with Thiensurat Leasing Company Limited (“TSRL”), whereby TSR is committed to pay the contribution fees at the rate of 4 - 5% of cash collection from sales of electronic appliances in accordance with the conditions specified in the agreement. The term of this agreement is for the period of 1 year.

4 Cash and cash equivalents

Accounting policy

Cash and cash equivalents comprise cash balances, call deposits and highly liquid short-term investments which has a maturity of three months or less from the date of acquisition. Bank overdrafts that are repayable on demand are a component of cash and cash equivalents for the purpose of the statement of cash flows.

Thiensurat Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2021

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Cash on hand	487	849	412	795
Cash at banks - current accounts	8,359	10,339	7,477	9,213
Cash at banks - savings accounts	39,129	45,293	24,680	28,748
Others	8,487	5,611	1,150	3,428
Cash and cash equivalents	56,462	62,092	33,719	42,184

5 Trade and other receivables

Accounting policy

Trade and other receivable are recognised when the Group and the Company have an unconditional right to receive consideration. A receivable is measured at transaction price less allowance for expected credit loss which is determined based on an analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

The Group and the Company estimate lifetime expected credit losses (ECLs), using a provision matrix to find ECLs rate. This method groups the debtors based on shared credit risk characteristics and past due status, taking into account historical credit loss data, adjusted for factors that are specific to the debtors and an assessment of both current economic conditions and forward-looking general economic conditions at the reporting date.

		Consolidated		Separate	
		financial statements		financial statements	
	Note	2021	2020	2021	2020
		(in thousand Baht)			
Trade accounts receivable					
Related parties	3	-	882	16,094	49,528
Other parties		14,189	9,649	6,878	3,176
Total		14,189	10,531	22,972	52,704
Less allowance for expected credit loss		(111)	(901)	(111)	(901)
Net		14,078	9,630	22,861	51,803
Other receivables					
Related parties	3	92	95	5,976	2,765
Other parties		6,233	9,593	5,836	8,736
Total		6,325	9,688	11,812	11,501
Less allowance for expected credit loss		(553)	(553)	(553)	(553)
Net		5,772	9,135	11,259	10,948
Total		19,850	18,765	34,120	62,751

Information of credit risk is disclosed in note 24 (b.1.1).

Thiensurat Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2021

6 Hire-purchase contract receivables

Accounting policy

Hire purchase contract receivables are stated net of outstanding balance from contract, deferred interest income, deferred output VAT and allowance for expected credit loss.

The Group and the Company estimate expected credit loss on hire purchase contract receivables in Note 24.

Consolidated financial statements							
31 December 2021							
	Portion due over one year	Portion due over one year two years	Portion due over two years three years	Portion due over three years four years	Portion due over four years five years	Portion due over five years	Total
	<i>(in thousand Baht)</i>						
Hire purchase receivables	718,348	60,215	37,190	30,948	20,238	3,093	870,032
Less deferred interest income	(103,511)	(13,918)	(8,244)	(4,737)	(1,527)	(169)	(132,106)
deferred output VAT	(40,574)	(3,777)	(2,433)	(2,025)	(1,324)	(201)	(50,334)
	<u>574,263</u>	<u>42,520</u>	<u>26,513</u>	<u>24,186</u>	<u>17,387</u>	<u>2,723</u>	<u>687,592</u>
Less allowance for expected credit loss	(73,315)	(1,644)	(266)	(242)	(174)	(26)	(75,667)
Net	<u>500,948</u>	<u>40,876</u>	<u>26,247</u>	<u>23,944</u>	<u>17,213</u>	<u>2,697</u>	<u>611,925</u>

Consolidated financial statements							
31 December 2020							
	Portion due within one year	Portion due over one year two years	Portion due over two years three years	Portion due over three years four years	Portion due over four years five years		Total
	<i>(in thousand Baht)</i>						
Hire purchase receivables	903,939	23,083	7,959	6,743	701		942,425
Less deferred interest income	(114,892)	(3,064)	(1,101)	(381)	(17)		(119,455)
deferred output VAT	(52,613)	(1,487)	(521)	(441)	(46)		(55,108)
	<u>736,434</u>	<u>18,532</u>	<u>6,337</u>	<u>5,921</u>	<u>638</u>		<u>767,862</u>
Less allowance for expected credit loss	(66,284)	(358)	(96)	(90)	(10)		(66,838)
Net	<u>670,150</u>	<u>18,174</u>	<u>6,241</u>	<u>5,831</u>	<u>628</u>		<u>701,024</u>

Consolidated financial statements		
	2021	2020
	<i>(in thousand Baht)</i>	
For the year ended 31 December		
Impairment losses	<u>231,456</u>	<u>216,410</u>

Thiensurat Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2021

Separate financial statements						
31 December 2021						
	Portion due within one year	Portion due over one year but within two years	Portion due over two years but within three years	Portion due over three years but within four years	Portion due over four years but within five years	Total
<i>(in thousand Baht)</i>						
Hire purchase receivables	581,440	7,065	-	-	-	588,505
Less deferred interest income	(66,980)	(371)	-	-	-	(67,351)
deferred output VAT	(31,920)	(281)	-	-	-	(32,201)
	<u>482,540</u>	<u>6,413</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>488,953</u>
Less allowance for expected credit loss	(69,182)	(1,176)	-	-	-	(70,358)
Net	<u>413,358</u>	<u>5,237</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>418,595</u>

Separate financial statements						
31 December 2020						
	Portion due within one year	Portion due over one year but within two years	Portion due over two years but within three years	Portion due over three years but within four years	Portion due over four years but within five years	Total
<i>(in thousand Baht)</i>						
Hire purchase receivables	739,008	5,093	-	-	-	744,101
Less deferred interest income	(84,202)	(240)	-	-	-	(84,442)
deferred output VAT	(41,076)	(308)	-	-	-	(41,384)
	<u>613,730</u>	<u>4,545</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>618,275</u>
Less allowance for expected credit loss	(57,909)	(119)	-	-	-	(58,028)
Net	<u>555,821</u>	<u>4,426</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>560,247</u>

Separate financial statements		
	2021	2020
<i>(in thousand Baht)</i>		
For the year ended 31 December		
Impairment losses	<u>211,569</u>	<u>192,917</u>

Information of credit risk is disclosed in note 24 (b.1.2).

Thiensurat Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2021

7 Inventories

Accounting policy

Inventories are measured at the lower of cost and net realisable value. Cost is calculated using the weighted average cost principle. Cost includes direct costs incurred in acquiring the inventories. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of production overheads based on normal operating capacity. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

Reverted inventories are repossessed inventories from the default customer. A right to recover returned products is recognised when the products are expected to be returned by customers and measured by reference to the former carrying amount of the sold inventories less any expected costs to recover those products.

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Finished goods	167,551	115,183	126,965	97,778
Right to recover returned products	561	480	506	480
Work in progress	16,645	25,263	16,645	25,263
Raw materials	94,655	75,408	94,655	75,408
Goods in transit	274	4,605	274	4,605
Supplies	1,663	1,200	1,643	1,200
	<u>281,349</u>	<u>222,139</u>	<u>240,688</u>	<u>204,734</u>
Less Allowance for decline in value of goods	<u>(9,356)</u>	<u>(9,378)</u>	<u>(8,948)</u>	<u>(9,170)</u>
Net	<u>271,993</u>	<u>212,761</u>	<u>231,740</u>	<u>195,564</u>
Inventories recognised in ‘cost of sales of goods’:				
- Cost	460,592	390,619	318,590	370,880
- Write-down to net realisable value	899	3,449	899	3,449
- Reversal of write-down	<u>(921)</u>	<u>(7,344)</u>	<u>(1,121)</u>	<u>-</u>
Net	<u>460,570</u>	<u>386,724</u>	<u>318,368</u>	<u>374,329</u>

Thiensurat Public Company Limited and its Subsidiaries
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8 Investments in subsidiaries

Accounting policy

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated on consolidation. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

When there is a change in the Group's interest in a subsidiary that do not result in a loss of control, any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid from the disposal of the non-controlling interests with no change in control are accounted for as other deficits in shareholders' equity.

When the Group loses control over a subsidiary, it derecognises the assets and liabilities, any related non-controlling interests and other components of equity of the subsidiary. Any resulting gain or loss is recognised in profit or loss.

Investments in subsidiaries in the separate financial statements are measured at cost less allowance for impairment losses. Dividend income is recognised in profit or loss on the date on which the Company's right to receive payment is established. Gains and losses on disposal of the investments are recognised in profit or loss. The Group and the Company consider impairment of investments in subsidiaries as disclosed in note 11.

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		Separate financial statements								
	Type of business	Country of operation	Ownership interest		Cost		Impairment		At cost - net	
			2021	2020	2021	2020	2021	2020	2021	2020
			(%)				(in thousand Baht)			
Safe Trade International Company Limited	Distribution of water purifier	Thailand	99.98	99.98	3,999	3,999	-	-	3,999	3,999
Thiensurat Leasing Company Limited	Providing personal loans services and distribution of electric appliance and others	Thailand	100.00	100.00	100,000	100,000	-	-	100,000	100,000
Alpine Water Company Limited.*	Distribution of ice maker	Thailand	54.00	54.00	3,780	3,780	-	-	3,780	3,780
Total					107,779	107,779	-	-	107,779	107,779

* In May 2020, the Group registered Alpine Water Company Limited which is held 54.00% of total share capital. The Company paid-up share capital amounting to Baht 3.78 million which has already been registered with Ministry Commerce on 26 May 2020.

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9 Investment in joint venture

Accounting policy

A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

The Group recognised investments in joint venture using the equity method in the consolidated financial statements. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's dividend income and share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on joint control ceases.

Unrealised gains arising from transactions with joint venture is eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Investments in joint venture in the separate financial statements are measured at cost less allowance for impairment losses. Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established. Gains and losses on disposal of the investments are recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations are translated to Thai Baht at the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated to Thai Baht at rates approximating the exchange rates at the dates of the transactions.

The Group considers impairment on investments in joint venture as disclosed in note 11.

<i>Material movements for year ended 31 December 2021</i>	Consolidated financial statements (in thousand Baht)	Separate financial statements
Impairment losses	5,000	5,000

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* At the Board of Director's meeting held on 27 October 2021, the Board approve to dissolve TSR Lao Co., Ltd., Currently, the Company is in the process of pursuing legal and accounting process.

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10 Investment properties

Accounting policy

Investment properties are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed assets includes capitalised borrowing costs. The Group and the Company consider impairment of the investment properties as disclosed in note 11.

Depreciation is calculated on a straight-line basis over the estimated useful lives of building of 20 years and recognised in profit or loss. No depreciation is provided on freehold land or assets under construction.

Differences between the proceeds from disposal and the carrying amount of investment property are recognised in profit or loss.

Consolidated financial statements						
	Land		Buildings		Total	
	2021	2020	2021	2020	2021	2020
	<i>(in thousand Baht)</i>					
Cost						
At 1 January	58,006	58,006	15,630	15,630	73,636	73,636
At 31 December	58,006	58,006	15,630	15,630	73,636	73,636
Accumulated depreciation						
At 1 January	-	-	15,153	15,080	15,153	15,080
Depreciation charge for the year	-	-	74	73	74	73
At 31 December	-	-	15,227	15,153	15,227	15,153
Net book value	58,006	58,006	403	477	58,409	58,483
Separate financial statements						
	Land		Buildings		Total	
	2021	2020	2021	2020	2021	2020
	<i>(in thousand Baht)</i>					
Cost						
At 1 January	58,006	58,006	15,630	15,630	73,636	73,636
At 31 December	58,006	58,006	15,630	15,630	73,636	73,636
Accumulated depreciation						
At 1 January	-	-	15,153	15,080	15,153	15,080
Depreciation charge for the year	-	-	74	73	74	73
At 31 December	-	-	15,227	15,153	15,227	15,153
Net book value	58,006	58,006	403	477	58,409	58,483

The fair value of investment properties as at 31 December 2021 of Baht 59 million (2020: Baht 59 million) was determined by independent professional valuers, at open market values on an existing use basis. The fair value of investment property has been categorised as a Level 3 fair value.

Thiensurat Public Company Limited and its Subsidiaries
Notes to the financial statements
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11 Property, plant and equipment

Accounting policy

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the capitalised borrowing costs and the cost of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Differences between the proceeds from disposal and the carrying amount of property, plant and equipment are recognised in profit or loss.

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item when the future economic benefits embodied within the part will flow to the Group and the Company, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is calculated on a straight-line basis over the estimated useful lives of each component of an assets and recognised in profit and loss. No depreciation is provided on freehold land and assets under construction.

The estimated useful lives are as follows:

Land improvements	10	years
Buildings and building improvements	5,10 and 20	years
Tools and equipment	3 - 5	years
Furniture, fixtures and office equipment	5	years
Computer hardware	3 - 5	years
Vehicles	5	years

Impairment losses

The carrying amounts of the Group's and the Company's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. An impairment loss is recognised in profit or loss if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Impairment losses of assets recognised in prior periods is reversed if there has been a change in the estimates used to determine the recoverable amount, but only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognised.

The recoverable amount is assessed from the estimated future cash flows 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.

Thiensurat Public Company Limited and its Subsidiaries
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	Consolidated financial statements							
	Land and land improvement	Building and building improvement	Tools and equipment	Furniture, fixtures and office equipment (in thousand Baht)	Computer hardware	Vehicles	Assets under construction and installation	Total
<i>Cost</i>								
At 1 January 2020	244,775	238,511	51,938	36,292	36,159	21,616	1,408	630,699
Additions	130	438	5,557	3,655	5,717	2,290	4,972	22,759
Transfers	-	4,906	19	-	-	-	(4,925)	-
Disposals	-	-	(1,871)	(4,272)	(32)	(1,131)	(1,337)	(8,643)
At 31 December 2020 and 1 January 2021	244,905	243,855	55,643	35,675	41,844	22,775	118	644,815
Additions	69,584	11,167	5,255	4,559	3,982	7,013	-	101,560
Transfers	-	118	-	-	-	-	(118)	-
Disposals	-	(4,244)	(200)	(1,095)	(4,472)	(15,318)	-	(25,329)
At 31 December 2021	314,489	250,896	60,698	39,139	41,354	14,470	-	721,046
<i>Depreciation and impairment losses</i>								
At 1 January 2020	1,792	154,025	39,131	28,211	28,309	11,960	-	263,428
Depreciation charge for the year	456	18,355	4,687	4,208	5,383	1,899	-	34,988
Disposals	-	-	(1,838)	(4,239)	(29)	(656)	-	(6,762)
At 31 December 2020 and 1 January 2021	2,248	172,380	41,980	28,180	33,663	13,203	-	291,654
Depreciation charge for the year	459	12,981	4,800	3,578	5,015	2,505	-	29,338
Disposals	-	(2,617)	(47)	(1,021)	(4,469)	(6,863)	-	(15,017)
At 31 December 2021	2,707	182,744	46,733	30,737	34,209	8,845	-	305,975
<i>Net book value</i>								
At 31 December 2020	242,657	71,475	13,663	7,495	8,181	9,572	118	353,161
At 31 December 2021	311,782	68,152	13,965	8,402	7,145	5,625	-	415,071

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	Separate financial statements							
	Land and land improvement	Building and building improvement	Tools and equipment	Furniture, fixtures and office equipment (in thousand Baht)	Computer hardware	Vehicles	Assets under construction and installation	Total
Cost								
At 1 January 2020	239,975	228,921	51,950	34,446	35,359	17,966	1,408	610,025
Additions	130	438	4,776	3,481	5,553	2,290	4,972	21,640
Transfers	-	4,906	19	-	-	-	(4,925)	-
Disposals	-	-	(1,871)	(4,272)	(32)	(1,131)	(1,337)	(8,643)
At 31 December 2020 and 1 January 2021	240,105	234,265	54,874	33,655	40,880	19,125	118	623,022
Additions	69,583	11,167	4,125	4,536	3,519	5,954	-	98,884
Transfers	-	118	-	-	-	-	(118)	-
Disposals	-	(4,243)	(31)	(1,095)	(4,472)	(14,769)	-	(24,610)
At 31 December 2021	309,688	241,307	58,968	37,096	39,927	10,310	-	697,296
Depreciation and impairment losses								
At 1 January 2020	1,791	147,641	39,137	26,410	27,929	9,284	-	252,192
Depreciation charge for the year	457	17,854	4,640	4,141	5,247	1,726	-	34,065
Disposals	-	-	(1,838)	(4,239)	(29)	(656)	-	(6,762)
At 31 December 2020 and 1 January 2021	2,248	165,495	41,939	26,312	33,147	10,354	-	279,495
Depreciation charge for the year	459	12,482	4,534	3,514	4,785	1,457	-	27,231
Disposals	-	(2,616)	(26)	(1,021)	(4,469)	(6,314)	-	(14,446)
At 31 December 2021	2,707	175,361	46,447	28,805	33,463	5,497	-	292,280
Net book value								
At 31 December 2020	237,857	68,770	12,935	7,343	7,733	8,771	118	343,527
At 31 December 2021	306,981	65,946	12,521	8,291	6,464	4,813	-	405,016

The gross amount of the Group and the Company's fully depreciated property, plant and equipment that was still in use as at 31 December 2021 amounted to Baht 125.3 million and Baht 125.6 million, respectively. (2020: Baht 169 million and Baht 163.5 million).

Thiensurat Public Company Limited and its Subsidiaries
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12 Leases

Accounting policy

At inception of a contract, the Group and the Company assess that contract is, or contains, a lease it conveys the right to control the use of an identified asset for the period of time in exchange for consideration.

At commencement or on modification of a contract, the Group and the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices of each component.

The Group and the Company recognise a right-of-use asset and a lease liability at the lease commencement date except for leases of low-value assets and short-term leases which is recognised as an expense on a straight-line basis over the lease term.

Right-of-use asset is measured at cost, less any accumulated depreciation and impairment loss, and adjusted for any remeasurements of lease liability. The cost of right-of-use asset includes the initial amount of the lease liability adjusted for any prepaid lease payments, plus any initial direct costs incurred. Depreciation is charged to profit or loss on a straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group and the Company by the end of the lease term or the Group and the Company will exercise purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying assets, which is determined on the same basis as those of property and equipment. The Group and the Company consider impairment of the right-of-use asset as disclosed in note 11.

The lease liability is initially measured at the present value of the lease payments that shall be paid under the lease. The Group and the Company use Group's and the Company's incremental borrowing rates to discount the lease payment to present value. The Group and the Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a lease modification. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
<i>Amounts recognised in profit or loss</i>				
Buildings	13,986	19,490	13,986	19,490
Vehicles	78,673	98,340	78,673	98,117
Total	92,659	117,830	92,659	117,607

In 2021, additions to the right-of-use assets of the Group and the Company were Baht 39.90 million (2020: Baht 97.65 million).

The Group leases a number of buildings for 3 years, with extension options at the end of lease term. The rental is payable monthly as specified in the contracts.

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<i>For the year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
<i>Amounts recognised in profit or loss</i>				
Depreciation of right-of-use assets:				
- Buildings	12,540	9,353	12,540	9,353
- Vehicles	31,473	20,443	31,261	20,231
Interest on lease liabilities	5,102	2,918	5,102	2,908
Expenses relating to short-term leases	8,751	4,552	9,112	4,955
Expenses relating to leases of low value assets	616	640	541	608

In 2021, total cash outflow for leases of the Group and the Company were Baht 59.46 million and Baht 41.81 million, respectively (2020: Baht 41.22 million and Baht 40.14 million, respectively).

13 Intangible assets

Accounting policy

Intangible assets are measured at cost less accumulated amortisation and accumulated impairment losses. Subsequent expenditure is capitalised only when it will generate the future economic benefits. The Group and the Company consider impairment of the intangible assets as disclosed in note 11.

Amortisation is calculated on a straight-line basis over the estimated useful lives of intangible assets and recognized in profit or loss. The estimated useful lives of software licences of 3 to 10 years and recognised in profit or loss. No amortisation is provided on software under installation.

	Consolidated financial statements		
	Software	Software under installation	Total
	<i>(in thousand Baht)</i>		
<i>Cost</i>			
At 1 January 2020	51,533	93	51,626
Additions	1,638	1,224	2,862
Transfers	260	(260)	-
At 31 December 2020 and 1 January 2021	53,431	1,057	54,488
Additions	323	1,382	1,705
Transfers	2,429	(2,429)	-
At 31 December 2021	56,183	10	56,193
<i>Amortisation</i>			
At 1 January 2020	17,999	-	17,999
Amortisation for the year	5,100	-	5,100
At 31 December 2020 and 1 January 2021	23,099	-	23,099
Amortisation for the year	5,294	-	5,294
At 31 December 2021	28,393	-	28,393
<i>Net book value</i>			
At 31 December 2020	30,332	1,057	31,389
At 31 December 2021	27,790	10	27,800

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	Separate financial statements		
	Software	Software under installation	Total
	<i>(in thousand Baht)</i>		
Cost			
At 1 January 2020	50,549	-	50,549
Additions	1,447	1,047	2,494
At 31 December 2020 and 1 January 2021	51,996	1,047	53,043
Additions	323	1,382	1,705
Transfers	2,429	(2,429)	-
At 31 December 2021	54,748	-	54,748
Amortisation			
At 1 January 2020	17,855	-	17,855
Amortisation for the year	4,990	-	4,990
At 31 December 2020 and 1 January 2021	22,845	-	22,845
Amortisation for the year	5,150	-	5,150
At 31 December 2021	27,995	-	27,995
Net book value			
At 31 December 2020	29,151	1,047	30,198
At 31 December 2021	26,753	-	26,753

14 Interest-bearing liabilities

Accounting policy

The Group and the Company recognise and measures financial liabilities as disclosed in note 24.

	Interest rate (% per annum)	Consolidated Financial statements		Separate Financial statements	
		2021	2020	2021	2020
		<i>(in thousand Baht)</i>			
Current					
Short-term loan from financial institutions	1.95 - 2.18	188,801	50,899	78,000	19,949
Current portion of lease liabilities	3.60 - 10.85	31,528	40,754	35,509	40,797
Total current interest - Bearing liabilities		220,329	91,653	113,509	60,746
Non-current					
Lease liabilities	3.60 - 10.85	47,159	78,550	61,563	79,236
Total interest - bearing liabilities		267,488	170,203	175,072	139,982

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15 Trade and other payables

Accounting policy

Trade and other accounts payable are stated at amortised cost.

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Trade payables - related parties	7	7	52	822
Trade payables - non-related parties	13,225	20,432	13,213	19,948
Other payables - related parties	207	405	2,905	5,755
Other payables - non-related parties				
Accrued expenses	74,327	94,573	71,040	93,230
Retention	24,636	30,885	22,571	25,194
Others	22,842	25,240	15,400	24,228
Total	135,244	171,542	125,181	169,177

16 Provision for long-term employee benefits

Accounting policy

Defined contribution plan

Obligations for defined contribution plans contributions to the Group's and the Company's are expensed as the related service is provided.

Defined benefit plans

The Group's and the Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods. The defined benefit obligations is discounted to the present value, which performed by a qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, actuarial gain or loss are recognized immediately in OCI. The Group and the Company determine the interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Termination benefits are expensed at the earlier of when the [Group/Company] can no longer withdraw the offer of those benefits and when the [Group/Company] recognizes costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the end of the reporting period, then they are discounted.

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Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Defined benefit plans	21,390	23,177	16,426	18,625
Total	21,390	23,177	16,426	18,625

Defined benefit plan

The Group and the Company operate a defined benefit plan based on the requirement of Thai Labour Protection Act B.E 2541 (1998) to provide retirement benefits to employees based on pensionable remuneration and length of service. The defined benefit plans expose the Group to actuarial risks, such as longevity risk and interest rate risk.

<i>Present value of the defined benefit obligations</i>	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
At 1 January	23,177	23,181	18,625	19,024
Include in profit or loss:				
Current service cost	1,941	4,042	1,693	3,691
Interest on obligation	266	348	246	286
	2,207	4,390	1,939	3,977
Included in other comprehensive income				
Actuarial gain (loss)				
- Demographic assumptions	(1,394)	-	(1,562)	-
- Financial assumptions	1,148	-	1,182	-
- Experience adjustment	2,959	-	2,949	-
	2,713	-	2,569	-
Benefit paid	(6,707)	(4,394)	(6,707)	(4,376)
At 31 December	21,390	23,177	16,426	18,625

<i>Principal actuarial assumptions</i>	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(%)</i>			
Discount rate	0.15 - 3.04	1.37 - 1.49	0.66 - 1.67	1.37 - 1.44
Future salary growth	1.59 - 5.90	2.06 - 3.88	3.88 - 5.90	3.15 - 3.88

Assumptions regarding future mortality have been based on published statistics and mortality tables.

At 31 December 2021, the weighted-average duration of the defined benefit obligation of the Group was 3 - 9 years (2020: 3 - 9 years) and the Company was 3 - 7 years (2020: 3 - 7 years).

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Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

<i>Effect to the defined benefit obligation</i>	Consolidated financial statements			
	0.5% increase in assumption		0.5% decrease in assumption	
<i>At 31 December</i>	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Discount rate	561	(490)	(575)	524
Future salary growth	358	344	(330)	(330)
Employee turnover	(569)	(583)	571	601

<i>Effect to the defined benefit obligation</i>	Separate financial statements			
	0.5% increase in assumption		0.5% decrease in assumption	
<i>At 31 December</i>	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Discount rate	467	(438)	(473)	467
Future salary growth	271	305	(262)	(294)
Employee turnover	(494)	(534)	518	561

Provident fund

The Group and employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Group contributed to the fund monthly at the rate of 3 percent of basic salary. The fund, which is managed by K Master Pooled Fund, will be paid to employees upon termination in accordance with the fund rules. The contributions of the Group for the year 2021 amounting to approximately Baht 2.7 million (2020: Baht 3.4 million) were recognised as expenses for the Company Baht 2.3 million (2020: Baht 2.9 million).

17 Share capital

Accounting policy

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

Treasury shares

When share capital recognised as equity is repurchased, the amount of consideration paid, including directly attributable costs, is classified as treasury shares and recognised as a deduction from equity. An equal amount is appropriated from retained earnings and taken to a reserve for treasury shares within equity. When treasury shares are sold, the amount received is recognised as an increase in equity by crediting the cost of the treasury shares sold, calculated using the weighted average method, to the treasury shares account and transferring the equivalent amount back from reserve for treasury shares to retained earnings. Surpluses on the sale of treasury shares are taken directly to a separate category within equity, 'Share premium on treasury shares'. Net deficits on sale or cancellation of treasury shares are debited to retained earnings after setting off against any remaining balance of surplus on treasury shares.

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	Par value per share (in Baht)	2021		2020	
		Number	Baht	Number	Baht
		(thousand shares / in thousand Baht)			
Authorised shares at 31 December		<u>549,411</u>	<u>549,411</u>	<u>549,682</u>	<u>549,682</u>
<i>Issued and paid-up shares</i>					
At 1 January					
- ordinary shares	1	549,682	549,682	549,682	549,682
Reduction of shares	1	(271)	(271)	-	-
At 31 December					
- ordinary shares	1	<u>549,411</u>	<u>549,411</u>	<u>549,682</u>	<u>549,682</u>

At the Board of Directors' meeting of the Company held on 30 March 2020, the Board approved the Share Repurchase Program for financial management. The repurchase period was started from 14 April 2020 to 14 October 2020 with resale period is 1 June 2021 to 1 December 2021. The board approved to decrease its registered paid-up capital by writing of the unsold repurchase shares after ending of such resale period.

As of the expiration of share resale period on 1 December 2021, the Company has reduced its registered paid-up capital by writing of shares amount of 270,900 shares. The Company has completely registered reduction of shares with Ministry of Commerce on 24 December 2021.

Share premium

Section 51 of the Public Companies Act B.E. 2535 requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account ("share premium"). Share premium is not available for dividend distribution.

18 Legal 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 their 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.

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19 Expenses by nature

Accounting policy

The Group and the Company recognise expenses as disclosed in note 5-7, 10-13, 16, 21.

	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Salaries, wages and other employee benefits	474,767	531,107	445,999	441,766
Commission expenses	284,866	338,087	272,254	328,535
Depreciation and amortisation	79,131	71,331	76,688	70,534
Sales promotion expenses	61,250	56,178	46,186	53,571
Transportation expenses	55,536	43,648	52,662	42,505
Raw materials and consumables used	233,423	300,444	233,423	300,444
Changes in inventories of finished goods and work in progress	61,674	73,950	29,696	55,269
Others	159,150	131,243	165,408	181,009
Total cost of sales of goods, distribution costs and administrative expenses	<u>1,409,797</u>	<u>1,545,988</u>	<u>1,322,316</u>	<u>1,473,633</u>

20 Income tax

Accounting policy

Income tax expense for the year comprises current and deferred tax, which is recognised in profit or loss except to the extent that they relate to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is recognized in respect of the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous year.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries and joint venture to the extent that it is probable that they will not reverse in the foreseeable future.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. Current deferred tax assets and liabilities are offset in the separate financial statements.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

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For the year ended 31 December 2021

<i>Income tax recognised in profit or loss</i>	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Current tax expense				
Current year	15,418	35,870	6,924	29,132
Under (over) provided in prior years	970	(641)	970	988
	<u>16,388</u>	<u>35,229</u>	<u>7,894</u>	<u>30,120</u>
Deferred tax expense				
Movements in temporary differences	(5,593)	(3,132)	(5,761)	(4,869)
	<u>(5,593)</u>	<u>(3,132)</u>	<u>(5,761)</u>	<u>(4,869)</u>
Total income tax expense	<u>10,795</u>	<u>32,097</u>	<u>2,133</u>	<u>25,251</u>

Consolidated financial statements						
<i>Income tax</i>	Before tax	2021	Net of tax	Before tax	2020	Net of tax
		Tax (expense) benefit			Tax (expense) benefit	
<i>Recognised in other comprehensive income</i>						
Defined benefit plan actuarial losses	(2,713)	543	(2,170)	-	-	-
Total	<u>(2,713)</u>	<u>543</u>	<u>(2,170)</u>	<u>-</u>	<u>-</u>	<u>-</u>

Separate financial statements						
<i>Income tax</i>	Before tax	2021	Net of tax	Before tax	2020	Net of tax
		Tax (expense) benefit			Tax (expense) benefit	
<i>Recognised in other comprehensive income</i>						
Defined benefit plan actuarial losses	(2,569)	514	(2,055)	-	-	-
Total	<u>(2,569)</u>	<u>514</u>	<u>(2,055)</u>	<u>-</u>	<u>-</u>	<u>-</u>

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<i>Reconciliation of effective tax rate</i>	Consolidated financial statements				Separate financial statements			
	2021		2020		2021		2020	
	<i>Rate (%)</i>	<i>(in thousand Baht)</i>	<i>Rate (%)</i>	<i>(in thousand Baht)</i>	<i>Rate (%)</i>	<i>(in thousand Baht)</i>	<i>Rate (%)</i>	<i>(in thousand Baht)</i>
Profit before income tax expense		<u>45,861</u>		<u>176,444</u>		<u>220</u>		<u>149,503</u>
Income tax using the Thai corporation tax rate	20	9,136	20	35,289	20	44	20	29,900
Non-deductible expenses		2,421		112		2,415		102
Additional expense deductions allowed		(1,307)		(2,617)		(1,256)		(5,514)
Other		(425)		(46)		(40)		(225)
Under (over) provided in prior years		970		(641)		970		988
Total		<u>10,795</u>		<u>32,097</u>		<u>2,133</u>		<u>25,251</u>

<i>Deferred tax</i>	Consolidated financial statements			
	At 1 January	(Charged) / Credit to		At 31 December
		Profit or loss	Other comprehensive income	
		<i>(in thousand Baht)</i>		
2021				
<i>Deferred tax assets</i>				
Receivables	13,731	1,742	-	15,473
Inventories	1,922	(29)	-	1,893
Equipment	58	-	-	58
Investment in joint venture	-	1,000	-	1,000
Provision from guarantee	2,649	856	-	3,505
Provision for long-term employee benefits	3,821	2,026	543	6,390
Total	<u>22,181</u>	<u>5,595</u>	<u>543</u>	<u>28,319</u>
<i>Deferred tax liability</i>				
Right-of-use assets	(475)	(2)	-	(477)
Total	<u>(475)</u>	<u>(2)</u>	<u>-</u>	<u>(477)</u>
Net	<u>21,706</u>	<u>5,593</u>	<u>543</u>	<u>27,842</u>

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Consolidated financial statements				
		(Charged) / Credit to		
<i>Deferred tax</i>	At 1	Profit or	Other	At 31
	January	loss	comprehensive	December
		(in thousand Baht)		
<i>2020</i>				
<i>Deferred tax assets</i>				
Receivables	12,817	914	-	13,731
Inventories	2,698	(776)	-	1,922
Investment in subsidiary	2,364	(2,364)	-	-
Equipment	58	-	-	58
Provision from guarantee	2,128	521	-	2,649
Provision for long-term employee benefits	3,866	(45)	-	3,821
Total	23,931	(1,750)	-	22,181
<i>Deferred tax liability</i>				
Right-of-use assets	(5,357)	4,882	-	(475)
Total	(5,357)	4,882	-	(475)
Net	18,574	3,132	-	21,706
Separate financial statements				
		(Charged) / Credit to		
<i>Deferred tax</i>	At 1	Profit or	Other	At 31
	January	loss	comprehensive	December
		(in thousand Baht)		
<i>2021</i>				
<i>Deferred tax assets</i>				
Receivables	11,896	2,309	-	14,205
Inventories	1,880	(69)	-	1,811
Equipment	58	-	-	58
Investment in joint venture	-	1,000	-	1,000
Provision from guarantee	1,835	1,670	-	3,505
Provision for long-term employee benefits	3,725	74	(514)	3,285
Total	19,394	4,984	(514)	23,864
<i>Deferred tax liability</i>				
Right-of-use assets	(454)	777	-	323
Total	(454)	777	-	323
Net	18,940	5,761	(514)	24,187

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<i>Deferred tax</i>	At 1 January	Separate financial statements (Charged) / Credit to		At 31 December
		Profit or loss	Other comprehensive income	
		<i>(in thousand Baht)</i>		
2020				
Deferred tax assets				
Receivables	10,683	1,213	-	11,896
Inventories	1,188	692	-	1,880
Investment in subsidiary	2,364	(2,364)	-	-
Equipment	58	-	-	58
Provision from guarantee	2,991	(1,567)	-	1,835
Provision for long-term employee benefits	2,127	1,598	-	3,725
Total	19,411	(17)	-	19,394
Deferred tax liability				
Right-of-use assets	(5,340)	4,886	-	(454)
Total	(5,340)	4,886	-	(454)
Net	14,071	4,869	-	18,940

21 Segment information and disaggregation of revenue

Accounting policy

(1) Revenue recognition

Revenue is recognised when a customer obtains control of the goods or services in an amount that reflects the consideration to which the Group and the Company expect to be entitled, excluding those amounts collected on behalf of third parties, value added tax and is after deduction of any trade discounts.

Revenue from sales of goods is recognised on which the goods are delivered of to the customers. For the sales that permit the customers to return the goods the Group and the Company estimate the returns based on the historical return data, does not recognize revenue for this transaction and remains recognition of inventory for the estimated products to be returned.

(2) Segment reporting

Segment results that are reported to the Group's CEO (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

The group are organized into business unit based on its distribution channel and loan service. Operating segment reporting is presented by sale type. The loan service is not reported as separable segment due to the fact that its revenue and operation are immaterial to present.

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The Group and the Company mostly operate in Thailand. As a result, all the revenues and assets are reflected in these financial statements pertain exclusively to this geographical reportable segment. And the timing of revenue recognition from cash and credit which mainly recognise the revenue at point in time.

	Consolidated Financial statements				
	Hire- purchase sales	Cash and credit sales	Service and others <i>(in thousand Baht)</i>	Elimination	Total
<i>For the year ended 31 December 2021</i>					
Revenue from sales of goods					
External revenue	1,092,109	319,414	-	-	1,411,523
Inter-segment revenue	132,978	159,091	-	(292,069)	-
Other					
External revenue	234,190	-	47,773	-	281,963
Inter-segment revenue	2,218	-	30,598	(32,816)	-
Total segment revenue	1,461,495	478,505	78,371	(324,885)	1,693,486
Cost of sales	(449,349)	(195,265)	-	293,936	(345,678)
Segment gross profit	1,012,146	283,240	78,371	(25,949)	1,347,808
Distribution costs					(640,001)
Administrative expenses					(424,118)
Impairment losses					(231,189)
Finance costs					(5,303)
Share of loss of joint venture					(1,456)
Profit before income tax expense					45,681

	Consolidated Financial statements				
	Hire- purchase sales	Cash and credit sales	Service and others <i>(in thousand Baht)</i>	Elimination	Total
For the year ended 31 December 2020					
Revenue from sales of goods					
External revenue	1,409,248	276,294	-	-	1,685,542
Inter-segment revenue	2,594	204,341	-	(206,935)	-
Other					
External revenue	221,747	-	35,586	-	257,333
Inter-segment revenue	65	-	28,632	(28,697)	-
Total segment revenue	1,633,654	480,635	64,218	(235,632)	1,942,875
Cost of sales	(457,401)	(206,427)	-	228,008	(435,820)
Segment gross profit	1,176,253	274,208	64,218	(7,624)	1,507,055
Distribution costs					(675,860)
Administrative expenses					(434,308)
Impairment losses					(216,003)
Finance costs					(4,392)
Share of loss of joint venture					(48)
Profit before income tax expense					176,444

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22 Basic earnings (loss) per share

Accounting policy

Basic earnings per share is calculated by dividing profit or loss attributable to ordinary shareholders of the Company by the weighted average number to ordinary shares in issue during the period, adjusted for own shares held.

<i>For the year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht / thousand shares)</i>			
Profit (loss) attributable to ordinary shareholders of the Company	31,011	143,126	(1,913)	124,252
<i>Ordinary shares outstanding</i>				
Number of ordinary shares outstanding at 1 January	546,984	549,682	546,984	549,682
Effect of treasury shares	1,328	(1,455)	1,328	(1,455)
Weighted average number of ordinary shares outstanding at 31 December	548,312	548,227	548,312	548,227
Basic earnings (loss) per share (in Baht)	0.057	0.261	(0.003)	0.227

23 Dividends

The dividends paid by the Company to the shareholders are as follows:

	Approval date	Payment schedule	Dividend rate per share (Baht)	Amount (in thousand Baht)
2021 Interim dividend	27 August 2021	September 2021	0.04	21,976
2020 Annual dividend	30 April 2021	May 2021	0.17	90,273
2020 Interim dividend	13 August 2020	September 2020	(0.09)	(46,515)
Additional dividend in 2021			0.12	65,734
2020 Interim dividend	13 August 2020	September 2020	0.09	46,515
2019 Annual dividend	30 April 2020	May 2020	0.14	76,955
2019 Interim dividend	22 August 2019	September 2019	(0.06)	(32,981)
Additional dividend in 2020			0.17	90,489

24 Financial instruments

Accounting policy

(1) Classification and measurement

Financial asset and financial liability (except trade receivable (see note 5) and hire purchase contract receivables (see note 6)) are initially recognised when the Group and the Company become a party to the contractual provisions of the instrument, and measured at fair value, taking into account for transaction costs that are directly attributable to its acquisition, except for financial assets and financial liabilities measured at FVTPL, which are initially and subsequently measured at fair value, and any transaction costs that are directly attributable to its acquisition are recognised in profit or loss.

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On initial recognition, a financial asset is classified as measured at: amortised cost; fair value to other comprehensive income (FVOCI); or fair value to profit or loss (FVTPL). Financial assets are not reclassified subsequent to their initial recognition unless the Group and the Company change its business model for managing financial assets, in which case all affected financial assets are reclassified prospectively from the reclassification date.

On initial recognition, financial liabilities are classified as measured at amortised cost using the effective interest method. Interest expense, foreign exchange gains and losses and any gain or loss on derecognition are recognised in profit or loss.

Financial assets measured at amortised costs are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by expected credit losses. Interest income, foreign exchange gains and losses, expected credit loss and any gain or loss on derecognition are recognised in profit or loss.

Financial assets and financial liabilities in foreign currencies are translated to the respective functional currencies of each entity in the Group at exchange rates at the dates of the transactions, and the balances at the end of reporting period are translated at the exchange rate at the reporting date. Foreign currency differences are generally recognised in profit or loss.

(2) Derecognition and offset

The Group and the Company derecognise a financial asset when the contractual rights to receive the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group and the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group and the Company derecognise a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group and the Company also derecognise a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

The difference between the carrying amount extinguished and the consideration paid is recognised in profit or loss.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group and the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(3) Derivatives

Derivatives are recognised at fair value and remeasured at fair value at each reporting date. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss.

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(4) Impairment of hire purchase contract receivables and loan receivables.

The Group and the Company estimate expected credit loss calculations based on complex models with a series of underlying assumptions. The significant judgments and estimates in determining expected credit loss include criteria for assessing if there has been a significant increase in credit risk and development of expected credit loss models, including the choice of inputs relating to macroeconomic variables. The calculation of expected credit loss also involves expert credit judgment to be applied by management based upon counterparty information they receive from various internal and external.

The Group and the Company recognises ECLs equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition or credit-impaired financial assets, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

ECLs are a probability-weighted estimate of credit loss based on forward-looking and historical experience. Credit losses are measured as present value of cash shortfalls discounted by the effective interest rate of the financial asset.

Estimate of expected cash shortfalls is determined by multiplying the probability of default (“PD”) with the percentage of loss given default (“LGD”) with the expected exposure at the time of default (“EAD”).

Forward-looking macroeconomic assumptions are incorporated into the PD, LGD and EAD where relevant and where they have been identified to influence credit risk. These assumptions are determined using all reasonable and supportable information, which includes both internally developed forecasts and those available externally and are consistent with those used for financial and capital planning.

Multiple forward-looking scenarios are incorporated into the range of reasonably possible outcomes for all material portfolios both in terms of determining the PD, LGD and EAD, where relevant, and in determining the overall expected credit loss amounts.

The estimate of expected cash shortfalls on a collateralised financial instrument reflects the amount and timing of cash flows that are expected from foreclosure on the collateral less the costs of obtaining and selling the collateral, irrespective of whether foreclosure is probable.

Cash shortfalls are discounted using the original effective interest rate on financial instrument.

Staging

For ECL recognition, financial assets are classified in any of the below 3 stages at each reporting date by being assessed on individual basis. A financial asset can move between stages during its lifetime. The stages are based on changes in credit quality since initial recognition and defined as follows:

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Expected Loss Recognition - Staging

Stage 1 Financial asset without a significant increase in credit risk (Performing)

Expected credit losses are recognised at the time of initial recognition of a financial instrument and represent the lifetime cash shortfalls arising from possible default events up to 12 months into the future from the balance sheet date. Expected credit losses continue to be determined on this basis until there is either a significant increase in the credit risk of an instrument or the instrument becomes credit-impaired. If a financial assets is no longer considered to exhibit a significant increase in credit risk, expected credit losses will revert to being determined on a 12-month basis.

Stage 2 Financial asset with a significant increase in credit risk (Under-performing)

If a financial asset experiences a significant increase in credit risk (SICR) since initial recognition, an expected credit loss provision is recognised for default events that may occur over the lifetime of the asset. SICR is assessed by comparing the risk of default of an exposure at the reporting date to the risk of default at origination, the significance of which being determined by using a number of quantitative and qualitative factors. Financial assets that are 30 or more days past due and not credit-impaired will always be considered to have experienced a significant increase in credit risk.

Stage 3 Financial assets that are credit impaired (Non-performing)

Financial assets that are credit impaired or in default represent those that are at over 90 days past due in respect of principal or interest. Financial assets are also considered to be credit impaired where the customers are unlikely to pay on the occurrence of one or more observable events that have a negative impact on the estimated future cash flows of the financial asset.

(5) Write offs

The gross carrying amount of a financial asset is written off when the Group and the Company have no reasonable expectations of recovering. Subsequent recoveries of an asset that was previously written off, are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

(6) Interest

Interest income and expense is recognised in profit or loss using the effective interest method. In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

(7) 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 market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group and the Company has access at that date. The fair value of a liability reflects its non-performance risk.

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

- *Level 1*: quoted prices in active markets for identical assets or liabilities.
- *Level 2*: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- *Level 3*: inputs for the asset or liability that are based on unobservable input.

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

If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and positions at a bid price and liabilities and liability positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price - i.e. the fair value of the consideration given or received. If the Group determines that the fair value on initial recognition differs from the transaction price, the financial instrument is initially measured at fair value adjusted for the difference between the fair value on initial recognition and the transaction price and the difference is recognised in profit or loss immediately. However, for the fair value categorised as level 3, such difference is deferred and will be recognised in profit or loss on an appropriate basis over the life of the instrument or until the fair value level is transferred or the transaction is closed out.

(a) *Carrying amounts and fair values*

The fair values of financial assets and financial liabilities measured at amortised cost. The carrying amount is a reasonable approximation of fair value.

(b) *Financial risk management policies*

Risk management framework

The Group's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors has established the risk management committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the board of directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group audit committee oversees how management monitors compliance with the Group's Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

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(b.1) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers of the Group.

(b.1.1) Trade receivable

The following table provides information about the exposure to credit risk and ECLs for trade accounts receivable.

<i>At 31 December</i>	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
<i>Related parties</i>				
Within credit terms	-	882	16,094	26,549
Overdue:				
1 - 30 days	-	-	-	14,656
31 - 60 days	-	-	-	8,257
91 - 120days	-	-	-	66
	-	882	16,094	49,528
<i>Less allowance for expected credit loss</i>	-	-	-	-
Net	-	882	16,094	49,528
<i>Other</i>				
Within credit terms	7,510	5,966	3,506	1,553
Overdue:				
1 - 30 days	3,482	2,367	1,945	371
31 - 60 days	669	39	575	37
61 - 90 days	217	112	148	57
91 - 120 days	516	100	273	93
121 - 150 days	154	77	77	77
151 - 180 days	314	52	126	52
181 - 210 days	274	58	99	58
211 - 240 days	260	-	41	-
241 - 270 days	401	3	7	3
271 - 300 days	82	-	25	-
301 - 330 days	75	-	51	-
331 - 360 days	127	6	5	6
More than 360 days	108	869	-	869
	14,189	9,649	6,878	3,176
<i>Less allowance for expected credit loss</i>	(111)	(901)	(111)	(901)
Net	14,078	8,748	6,767	2,275
Total	14,078	9,630	22,861	51,803

The normal credit term granted by the Group ranges from 30 days to 60 days.

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For the year ended 31 December 2021

Loss rates are based on actual credit loss experience over the past 4 years. These rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

Movement of allowance for expected credit loss of trade accounts receivables.

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
At 1 January	901	1,307	901	1,307
Addition	368	401	368	401
Write-off	(1,158)	(807)	(1,158)	(807)
At 31 December	<u>111</u>	<u>901</u>	<u>111</u>	<u>901</u>

(b.1.2) Hire purchase contract receivable

The following table presents the exposure to credit risk for hire purchase contract receivable measured at amortised cost.

Thiensurat Public Company Limited and its Subsidiaries
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Consolidated financial statements							
Water purifier and filter		Electronic appliances and others		Total		Net book value	
Hire-purchase contract receivables net of unearned interest income	Allowance for expected credit loss	Hire-purchase contract receivables net of unearned interest income	Allowance for expected credit loss	Hire-purchase contract receivables net of unearned interest income	Allowance for expected credit loss		
(in thousand Baht)							
31 December 2021							
Staging							
Performing assets	389,874	10,509	195,616	2,696	585,490	13,205	572,285
Under-performing assets	48,253	19,588	6,682	1,584	54,935	21,172	33,763
Non-performing assets	43,192	39,053	3,975	2,237	47,167	41,290	5,877
Total	481,319	69,150	206,273	6,517	687,592	75,667	611,925
31 December 2020							
Staging							
Performing assets	539,482	13,459	132,870	2,394	672,352	15,853	656,499
Under-performing assets	47,717	18,534	8,721	1,577	56,438	20,111	36,327
Non-performing assets	29,849	25,988	9,223	4,886	39,072	30,874	8,198
Total	617,048	57,981	150,814	8,857	767,862	66,838	701,024

Thiensurat Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2021

	Water purifier and filter		Separate financial statements Electronic appliances		Total		
	Hire-purchase contract receivables net of unearned interest income	Allowance for expected credit loss	Hire-purchase contract receivables net of unearned interest income	Allowance for expected credit loss	Hire-purchase contract receivables net of unearned interest income	Allowance for expected credit loss	Net book value
				(in thousand Baht)			
31 December 2021							
Staging							
Performing assets	389,874	10,509	6,046	302	395,920	10,811	385,109
Under-performing assets	48,253	19,588	1,146	540	49,399	20,128	29,271
Non-performing assets	43,192	39,053	442	366	43,634	39,419	4,215
Total	481,319	69,150	7,634	1,208	488,953	70,358	418,595
31 December 2020							
Staging							
Performing assets	539,482	13,459	1,227	47	540,709	13,506	527,203
Under-performing assets	47,717	18,534	-	-	47,717	18,534	29,183
Non-performing assets	29,849	25,988	-	-	29,849	25,988	3,861
Total	617,048	57,981	1,227	47	618,275	58,028	560,247

Thiensurat Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2021

<i>Movement of allowance for expected credit loss of hire purchase contract receivable</i>	Consolidated financial statements			
	Financial assets that are not significant increase in credit risk	Financial assets that are significant increase in credit risk (in thousand Baht)	Financial assets that are credit impaired	Total
2021				
At 1 January	15,853	20,111	30,874	66,838
Net remeasurement of loss allowance	12,024	(8,484)	4,526	8,066
Transfer to lifetime ECL				
– not credit-impaired	(771)	771	-	-
Transfer to lifetime ECL				
– credit-impaired	(1,589)	(431)	2,020	-
Financial assets repaid / write-off	(27,511)	(10,252)	(16,267)	(54,030)
New financial assets acquired	15,199	19,457	20,137	54,793
At 31 December	13,205	21,172	41,290	75,667
2020				
At 1 January	20,056	19,413	22,755	62,224
Net remeasurement of loss allowance	7,069	(9,080)	5,526	3,515
Transfer to lifetime ECL				
– not credit-impaired	(943)	943	-	-
Transfer to lifetime ECL				
– credit-impaired	(1,542)	(466)	2,008	-
Financial assets repaid / write-off	(26,459)	(9,046)	(20,796)	(56,301)
New financial assets acquired	17,672	18,347	21,381	57,400
At 31 December	15,853	20,111	30,874	66,838

Thiensurat Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2021

<i>Movement of allowance for expected credit loss of hire purchase contract receivable</i>	Separate financial statements			Total
	Financial assets that are not significant increase in credit risk	Financial assets that are significant increase in credit risk (in thousand Baht)	Financial assets that are credit impaired	
2021				
At 1 January	13,506	18,534	25,988	58,028
Net remeasurement of loss allowance	8,533	(9,154)	4,773	4,152
Transfer to lifetime ECL				
– not credit-impaired	(420)	420	-	-
Transfer to lifetime ECL				
– credit-impaired	(1,424)	(328)	1,752	-
Financial assets repaid / write-off	(21,934)	(8,099)	(12,304)	(42,337)
New financial assets acquired	12,550	18,755	19,210	50,515
At 31 December	10,811	20,128	39,419	70,358
2020				
At 1 January	16,852	17,307	17,394	51,553
Net remeasurement of loss allowance	8,200	(9,094)	3,709	2,815
Transfer to lifetime ECL				
– not credit-impaired	(722)	722	-	-
Transfer to lifetime ECL				
– credit-impaired	(1,331)	(246)	1,577	-
Financial assets repaid / write-off	(24,911)	(7,369)	(16,112)	(48,392)
New financial assets acquired	15,418	17,214	19,420	52,052
At 31 December	13,506	18,534	25,988	58,028

Thiensurat Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2021

(b.1.3) Loan receivables

Consolidated financial statements			
	2021		
	Portion due within one year ⁽¹⁾	Portion due over one year (in thousand Baht)	Total
Loan receivables	82,294	6,110	88,404
<i>Less</i> accrued interest receivables and undue interest income	(3,415)	(854)	(4,269)
	78,879	5,256	84,135
<i>Less</i> allowance for expected credit loss	(801)	-	(801)
Net book value	78,078	5,256	83,334

Consolidated financial statements			
	2020		
	Portion due within one year ⁽¹⁾	Portion due over one year (in thousand Baht)	Total
Loan receivables	25,336	7,000	32,336
<i>Less</i> accrued interest receivables and undue interest income	(2,006)	(1,504)	(3,510)
	23,330	5,496	28,826
<i>Less</i> allowance for expected credit loss	(278)	-	(278)
Net book value	23,052	5,496	28,548

⁽¹⁾ The balance of loan receivables due within 1 year includes loan receivables that are credit-impaired.

Thiensurat Public Company Limited and its Subsidiaries
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The following tables set out information about the credit quality as at 31 December 2021 and 2020 of loan receivables without taking into account collateral or other credit enhancement.

Consolidated financial statements
2021

	Financial assets that are not significant increase in credit risk	Financial assets that are significant increase in credit risk (in thousand Baht)	Financial assets that are credit impaired	Total
<i>Loan receivables</i>				
Current	83,344	-	-	83,344
Overdue for over 3 installment periods	-	-	791	197
Less allowance for impairment	(10)	-	(791)	(801)
Net	83,334	-	-	83,334

Consolidated financial statements
2020

	Financial assets that are not significant increase in credit risk	Financial assets that are significant increase in credit risk (in thousand Baht)	Financial assets that are credit impaired	Total
<i>Loan receivables</i>				
Current	28,467	-	-	28,467
Overdue 2 installment periods	-	341	-	341
Overdue for over 3 installment periods	-	-	18	18
Less allowance for impairment	(88)	(172)	(18)	(278)
Net	28,379	169	-	28,548

Collateral held

In addition to determining counterparty credit quality through risk analysis, the Group also uses collateral as one type of credit risk mitigation to reduce potential credit losses to the Group. The Group considered the collateral value as at contractual effective date whether it is adequate to the Group's acceptable risk. Collateral is comprised of land, vehicles and others whose values are appraised on an initial recognition of loan receivables.

(b.1.4) Cash and cash equivalent

Credit risk arising from cash and cash equivalents is estimated based on 12-month expected credit losses. The Group considers cash and cash equivalents to have low credit risk based on Third Party Credit Ratings.

Thiensurat Public Company Limited and its Subsidiaries
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(b.2) Liquidity risk

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

The following table are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include contractual interest payments and exclude the impact of netting agreements.

Consolidated financial statements					
Contractual cash flows					
			More than 1 year but less than 2 years	More than 2 years but less than 5 years	
<i>At 31 December</i>	Carrying amount	1 year or less	<i>(in thousand Baht)</i>		Total
<i>2021</i>					
<i>Non-derivative financial liabilities</i>					
Trade payables	13,232	13,232	-	-	13,232
Loans from financial institutions	188,801	191,172	-	-	191,172
Lease liabilities	78,687	31,528	32,943	14,216	78,687
	<u>280,720</u>	<u>235,932</u>	<u>32,943</u>	<u>14,216</u>	<u>283,091</u>
<i>2020</i>					
<i>Non-derivative financial liabilities</i>					
Trade payables	20,439	20,439	-	-	20,439
Loans from financial institutions	50,899	51,156	-	-	51,156
Lease liabilities	119,304	45,191	36,818	43,346	125,355
	<u>190,642</u>	<u>116,786</u>	<u>36,818</u>	<u>43,346</u>	<u>196,950</u>
Separate financial statements					
Contractual cash flows					
			More than 1 year but less than 2 years	More than 2 years but less than 5 years	
<i>At 31 December</i>	Carrying amount	1 year or less	<i>(in thousand Baht)</i>		Total
<i>2021</i>					
<i>Non-derivative financial liabilities</i>					
Trade payables	13,265	13,265	-	-	13,265
Loans from financial institutions	78,000	78,393	-	-	78,393
Lease liabilities	97,072	35,509	32,943	28,620	97,072
	<u>188,337</u>	<u>127,167</u>	<u>32,943</u>	<u>28,620</u>	<u>188,730</u>

Thiensurat Public Company Limited and its Subsidiaries
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	Separate financial statements				
	Contractual cash flows				Total
	Carrying amount	1 year or less	More than 1 year but less than 2 years	More than 2 years but less than 5 years	
<i>At 31 December</i>					
<i>Non-derivative financial liabilities</i>					
2020					
Trade payables	20,770	20,770	-	-	20,770
Loans from financial institutions	19,949	20,042	-	-	20,042
Lease liabilities	120,033	45,326	37,081	43,961	126,368
	160,752	86,138	37,081	43,961	167,180

25 Capital management

The Board of Directors' policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board monitors the return on capital, which the Group defines as result from operating activities divided by total shareholders' equity, excluding non-controlling interests and also monitors the level of dividends to ordinary shareholders.

Thiensurat Public Company Limited and its Subsidiaries
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26 Commitments with non-related parties

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
<i>Capital commitments</i>				
Commitments not yet recognised				
Tools and equipment	59	598	59	598
Software	-	498	-	498
Building improvement	6	611	6	611
Total	65	1,707	65	1,707
<i>Other commitments</i>				
Short-term lease commitments	560	6,804	511	6,938
Bank guarantees	5,919	5,859	5,919	5,859
Other agreements	12,459	12,889	12,403	12,777
Total	18,938	25,552	18,883	25,574

Detail of the Directors, Management, Controlling Person and Company Secretary

1.	Name	Mr. Sahas Treetipbut
	Age	74
	Position	<ul style="list-style-type: none"> Chairman of the Board
	Shareholding (%)	None
	Education	<ul style="list-style-type: none"> Master of Science (Computer and Information Sciences), Syracuse University, New York, USA. Statistics Department Faculty of Commerce and Accountancy Chulalongkorn University. Director Accreditation Program (DAP) Class 28/2004 Thai Institute of Directors. Successful Formulation & Execution of Strategy (SFE) Class 7/2013 Thai Institute of Directors. How to Measure the Success of Corporate Strategy (HMS) Class 2/2013 Thai Institute of Directors. Academic seminar The Flagship Summit: Future Fast-Forward by the Faculty of Commerce and Accountancy Chulalongkorn University.
	Relations	None
	Work Experience 5 Years up	
	2013 - Present	Chairman of the Board Thiensurat Public Company Limited
	2014 - Present	Chairman of the audit Committee / Chairman of the Risk Management / Independent director / Member of Nomination and Remuneration Committee Origin Property Public Company Limited
	2013 - Present	Director / Member of Audit Committee MBK Resort Public Company Limited
	2001 - Present	Director / Member of Nomination and Member of Remuneration Committee/ Member of Executive Committee Internet Thailand Public Company Limited
	2008 - Feb 2021	Chairman of the Board / Member of Audit Committee / Independent director COL Public Company Limited
2.	Name	Assoc.Prof. Boonserm Vimuktanandana
	Age	73
	Position	<ul style="list-style-type: none"> Independent Director Chairman of the Audit Committee
	Shareholding (%)	None
	Education	<ul style="list-style-type: none"> M.B.A.(Accounting), Arizona State University, USA. Master of Accountancy (M.A.), Chulalongkorn University. Bachelor of Accountancy (B.A.), (2nd Honor) Faculty of Commerce and Accountancy, Chulalongkorn University. Finance & Accounting Seminar Wharton School, University of Pennsylvania, USA. Director Accreditation Program (DAP) Class 100/2013 Thai Institute of Directors. Audit committee Program (ACP) Class 42/013 Thai Institute of Directors. Risk Management (Basic) Class 1/2017 by the Federation of Accounting Professions under the Patronage of His Majesty the King. Inaugural Corporate Governance Conference 2018, Bangkok Building Trust in a Transforming Economy, The Securities and Exchange Commission, Thailand.
	Relations	None

Work Experience 5 Years up

2012 - Present	Independent Director / Chairman of Audit Committee Thiensurat Public Company Limited
2013 - 2018	Director / Chairman of Audit Committee / Independent Director Union Textile Industries Public Company Limited
2012 - Present	Tax Auditor Examination Committee The Revenue Department
2011 - Present	Subcommittee Test, Practices pertaining to the audit
2008 - Present	The special lecturer Faculty of Commerce and Accountancy and Faculty of Law Chulalongkorn University.
2007 - Present	Special instructor Public and private universities
2007 - Present	Chairman and Director of the Training Projects Chulalongkorn University

3. Name	Dr. Supree Wongdeeprom Ph.D.
Age	68
Position	<ul style="list-style-type: none"> • Independent Director • Member of Audit Committee • Member of Corporate Governance and Corporate Social Responsibility Committee • Chairman of the Risk Management
Shareholding (%)	None
Education	<ul style="list-style-type: none"> - Ph.D. Awards (2005) for Business Administration (General Management) granted by Professor Mom Luang Pin Malakul Foundation under the royal patronage of Her Royal Highness Princess MahaChakriSirindhorn. - Doctor of Organization Development and Transformation (DODT.), Cebu Doctors' University. - Master of Business Administration (M.B.A.), Ramkhamhaeng University. - Bachelor of Economics in Industria Economics, Ramkhamhaeng University. - Director Accreditation Program (DAP) Class SET/2012 Thai Institute of Directors. - Risk Management Program for Corporate Leaders (RCL) Class 14/2018 Thai Institute of Directors.
Relations	None
Work Experience 5 Years up	
2021 - Present	Subcommittee Consumer Complaint Mediation Subcommittee No. 7 (Products and services) Office of the consumer protection board
2020 - Present	Vice President The National Municipal League of Thailand. Under The Royal Patronage Of His Majesty The King
May 2018 - Present	Independent Director / Member of Audit Committee Thiensurat Public Company Limited
May 2017 - Present	Chairman of the Risk Management Thiensurat Public Company Limited
2020 - 2021	Director The Committee on Contracts of Office of the consumer protection board
Feb - May 2018	Member of Executive Committee Thiensurat Public Company Limited
2015 - Present	Member of Corporate Governance and Corporate Social Responsibility Committee Thiensurat Public Company Limited
2013 - Feb 2018	Independent Director / Member of Audit Committee Thiensurat Public Company Limited
2018 - Present	Association President National Father's Association

2015 - Present	Luminaries Audit Committee to solicit public
2015 - Present	The Prime Minister
2013 - Present	Vice President
2002 - Present	National Medical Emergency at first
	Director
	King Prajadhipok Institute's Society
	Special instructor
	Public and private universities

4.	Name	Prof.Porntep Siriwanarangsun, MD., MPH., PhD
	Age	66
	Position	<ul style="list-style-type: none"> • Independent Director • Member of Audit Committee • Member of Nomination Remuneration Committee
	Shareholding (%)	None
	Education	<ul style="list-style-type: none"> - M.D., Chiang Mai University, Chiang Mai, Thailand. - M.P.H., Mahidol University, Bangkok, Thailand. - Certificate of Epidemiology, Medical Council, Thailand. - Ph.D (Health Planning and Financing), University of London, U.K. - Certificate of the Community Mental Health Programs, The Medical Council - Diploma, National Defence. - Directors Certification Program (DCP) Class 212 Thai Institute of Directors. - Financial Statement for Directors (FSD) Class 28/2015 Thai Institute of Directors. - Risk Management for Corporate Leader (RCL) Class 116/2019, Thai Institute of Directors.
	Relations	None
	Work Experience 5 Years up	
	Feb 2018 - Present	Independent Director / Member of Audit Committee Thiensurat Public Company Limited
	May 2018 - Present	Member of Nomination Remuneration Committee Thiensurat Public Company Limited
	2018 - Present	Deans Faculty of Medicine, Western University
	2016 - Present	Independent Director / Member of Audit Committee Srivichaivejvivat Public Company Limited
	Present	Advisor to the Director The Dental Unit in the Royal Majesty
	Present	The Board of Directors Thai Health Promotion Foundation
	2013 - 2015	Director-General Department of Health
	2011 - 2013	Director-General Department of Disease Control

5.	Name	Ms. Sumana Vonggapan
	Age	71
	Position	<ul style="list-style-type: none"> • Independent Director • Chairman of the Nomination Remuneration Committee
	Shareholding (%)	None
	Education	<ul style="list-style-type: none"> - M.B.A, Southeastern Oklahoma State USA. (1975) - Bachelor of Communication Arts, (Honor) Chulalongkorn University. - Strategic Human Resource Management, Harvard Business School. - People System Management Program - Problem solving and decision making Program - Banking Management ADB. Japan.

- Director Accreditation Program (DAP) Class 47/2005 Thai Institute of Directors.
- The selected as 1 in 100 outstanding human resource executives from the Human Resources Institute, Thammasat University.
- The selected as the outstanding personnel executive of the year 2009 from Personnel Management Association of Thailand (PMAT).
- Received the outstanding resource conservation award from the Ministry of Science and Technology.

Relations

None

Work Experience 5 Years up

2015 - Present	Independent Director / Chairman of the Nomination Remuneration Committee Thiensurat Public Company Limited
2015 - Present	Chairman of the board Dwell Property Co., LTD
2014 - Present	Chairman of the board Dhipaya Training Center Co., Ltd
2010 - Present	Advisory Executive Management Dhipaya Insurance Public Company Limited
2010 - 2015	Chairman of the board KTB General Services Co., Ltd
2010 - 2015	Chairman of the Audit Committee / Independent Director KTB Leasing Co., Ltd
2010 - 2015	Chairman of the Audit Committee / Independent Director KTB Advisory Company Limited

6.	Name	Asst. Prof. Krit Umpote
	Age	81
	Position	<ul style="list-style-type: none"> • Independent Director • Member of Audit Committee • Chairman of the Corporate Governance and Corporate Social Responsibility Committee (Date of resign effective on 1 September 2021)
	Shareholding (%)	None
	Education	<ul style="list-style-type: none"> - Advanced Management Program, Harvard Business School. - Strategic Human Resource Management, Harvard Business School. - M.S.B.A Indiana University USA. - Master of Public Administration NIDA. - Bachelor of Accountancy, Thammasat University. Bachelor of Commerce, Thammasat University. - Director Certification Program (DCP) Class 0/2000 Thai Institute of Directors. - Advanced Audit Committee Program (AACP) Class 3/2010 Thai Institute of Directors.
	Relations	None
	Work Experience 5 Years up	
	2020 - Present	Independent Director / Chairman Micro Leasing Public Company Limited
	2015 - 1 Sep 2021	Independent Director / Member of Audit Committee / Chairman of the Corporate Governance and Corporate Social Responsibility Committee Thiensurat Public Company Limited
	2015 - Present	Frequent lecturer Thailand Institute of Directors
	2015 - Present	Independent Director / Chairman of the Audit Committee / Member of Nomination Remuneration Committee Thai British Security Printing Public Company Limited
	2007 - 2014	Independent Director / member of Audit Committee / Member of Nomination

Remuneration Committee
MFC Asset Management Public Company Limited

7.	Name	Dr. Surat Wongrattanapassorn Ph.D.
	Age	55
	Position	<ul style="list-style-type: none"> • Independent Director • Member of Risk Management Committee
	Shareholding (%)	0.06
	Education	<ul style="list-style-type: none"> - Ph.D. (Business Administration), Nova Southeastern University, U.S.A. - Master of Engineering (Computer), Assumption University. - Bachelor in Business Administration Major in Marketing, Assumption University. - Director Certification Program (DCP) Class 233/2017 Thai Institute of Directors. - IT Governance and Cyber Resilience Program (ITG) Class 3/2016 Thai Institute of Directors.
	Relations	None
	Work Experience 5 Years up	
	Feb 2020 - Present	Member of Risk Management Committee Thiensurat Public Company Limited
	April 2018 - Present	Independent Director Thiensurat Public Company Limited
	2017 - Present	Director / Vice President Information Technology Division ICC International Public Company Limited
	2016 - Present	Director Tiger Distribution & Logistics Co., Ltd.
	2015 - Present	Director Eastern ICC Co., Ltd.
	2014 - Present	Director Pan Asia Footwear Public Company Limited
	2011 - Present	Director Thai Itokin Co., Ltd.
8.	Name	Mr. Viruch Wongnirund
	Age	70
	Position	<ul style="list-style-type: none"> • Director • Member of Risk Management Committee
	Shareholding (%)	0.19
	Education	<ul style="list-style-type: none"> - Master of Business Administration (MBA) Florida International University, Miami, Florida, USA. - Certificate in Production and Manufacturing, Florida International University, Miami, Florida, USA. - Bachelor of Science in Industrial Technology (Honor) Florida International University, Miami, Florida, USA. - Associate Degree in Pre-Engineering, Miami- Dade Community College, Miami, Florida, USA. - Director Certification Program (DCP) Class 135/2010 Thai Institute of Directors. - Successful Formulation & Execution of Strategy (SFE) Class 11/2010 Thai Institute of Directors. - Audit Committee Program (ACP) Class 37/2011 Thai Institute of Directors.
	Relations	None
	Work Experience 5 Years up	
	2013 - Present	Director / Member of Risk Management Committee Thiensurat Public Company Limited
	2016 - Jan 2018	Director Thiensurat Leasing Company Limited

Feb - Dec 2018	Member of Executive Committee / Member of Management Committee Thiensurat Public Company Limited
2013 - 2018	Managing Director Thiensurat Public Company Limited
2014 - Feb 2017	Director / Member of Risk Management Committee Krungthai-AXA Company Limited
2012 - 2013	Organizational Development and Systems Thiensurat Company Limited
2011 - 2014	Director / Chairman of the Audit Committee / Member of Executive Committee Krungthai - AXA Company Limited
2010 - 2016	Director / Chairman of the Audit Committee KTB Computer Services Company Limited

9. Name	Mr. Ekarat Changyoo
Age	38
Position	<ul style="list-style-type: none"> • Director • Member of Corporate Governance and Corporate Social Responsibility Committee • Member of Risk Management Committee • Chairman of the Executive Committee (Date of appointment on 14 January 2022)
Shareholding (%)	6.21
Education	<ul style="list-style-type: none"> - Master of science, International Business& English, University of Portsmouth, Hampshire, UK. - Bachelor Degree Accounting, Kasetsart University. - Director Accreditation Program (DAP) Class SET/2012 Thai Institute of Directors. - Family Business Sustainability (FBS) Class 1/2014 Thai Institute of Directors. - Director Certification Program (DCP) Class 263/2018 Thai Institute of Directors.
Relations	Little brother of the person No.10 and No.11
Work Experience 5 Years up	
14 Jan 2022 - Present	Chairman of Executive Committee Thiensurat Public Company Limited
Nov 2020 - Present	Director DrinkCo Company Limited
May 2020 - Present	Director Alpine water Company Limited
2018 - 1 Feb 2022	Chairman of the Management Committee Thiensurat Public Company Limited
2016 - 1 Feb 2022	Chief Executive Officer Thiensurat Public Company Limited
2016 - Present	Director Thiensurat Leasing Company Limited
2013 - Present	Director / Member of Corporate Governance and Corporate Social Responsibility Committee / Member of Risk Management Committee Thiensurat Public Company Limited
2014 - July 2016	Deputy Managing Director - New Sale Channel and Customer Service Group Thiensurat Public Company Limited
2014 - Sep 2019	Director Fedders Thai Company Limited
2013 - 2014	Deputy Managing-Customer Relations Management Group Thiensurat Public Company Limited
2013	Deputy Managing-Customer Relations Management Group Thiensurat Company Limited
2012 - 2013	Assistant Managing Director

Thiensurat Company Limited

10. Name	Ms. Theinvanee Changyoo
Age	42
Position	<ul style="list-style-type: none"> • Director • Member of Risk Management Committee • Member of Executive Committee (Date of appointment on 14 January 2022)
Shareholding (%)	6.15
Education	<ul style="list-style-type: none"> - Master of Business Administration, University of Denver, USA. - Master of Science in Finance, University of Denver, USA. - Bachelor of Economics Chulalongkorn University. - Director Accreditation Program (DAP) Class 98/2012 Thai Institute of Directors. - Company Secretary Program (CSP) Class 68/2016 Thai Institute of Directors - Anti-Corruption: The practical Guide (ACPG) Class 31/2016.Thai Institute of Directors - Enhancing Good Corporate Governance based on CGR Scorecard on 11 September 2018, Thai Institute of Directors - Certificate in investor on 3 -11 October 2018, The Stock Exchange of Thailand
Relations	Older sister of the person in No.9 and No.11
Work Experience 5 Years up	
14 Jan 2022 - Present	Member of Executive Committee Thiensurat Public Company Limited
Nov 2020 - Present	Director DrinkCo Company Limited
May 2020 - Present	Director Alpine water Company Limited
2018 - 4 Jan 2022	Vice Chief Executive Officer / Member of Management Committee Thiensurat Public Company Limited
Nov 2017 - Feb 2018	Deputy Managing Director Thiensurat Public Company Limited
July 2017 - Mar 2019	Company Secretary Thiensurat Public Company Limited
2017 - Present	Director / Member of Risk Management Committee Thiensurat Public Company Limited
2015 - Sep 2019	Director Fedders Thai Company Limited
2015 - Jan 2017	Company Secretary Thiensurat Public Company Limited
Mar 2013 - May 2016	Director Thiensurat Public Company Limited
2009 - Mar 2013	Director / Managing Director Thiensurat Company Limited
2006 - Present	Director Safe Trade International Company Limited
2005 - Present	Director Better Dreams Company Limited
2005 - Present	Director ThienTham Property Company Limited
2003 - Present	Director Ideal Water Company Limited

11.	Name	Ms. Savita Changyoo
	Age	40
	Position	<ul style="list-style-type: none"> • Director • Member of Nomination Remuneration Committee • Member of Risk Management Committee • Member of Executive Committee (Date of appointment on 14 January 2022)
	Shareholding (%)	6.27
	Education	<ul style="list-style-type: none"> - Bachelor of Science Program in Home Economics, Kasetsart University. - Postgraduate Diploma in Marketing and Management, Loughborough university, the United Kingdom. - Director Accreditation Program (DAP) Class 99/2012 Thai Institute of Directors. - Family Business Sustainability (FBS) Class 1/2014 Thai Institute of Directors. - Development of executives and personnel. Innovation Management Program (Mini MBA 2) by Dhipaya Training Center Co., Ltd. - Board Nomination and Compensation Program (BNCP) Class 6/2019 Thai Institute of Directors. - Chief People Officer Program: CPO#14 by PIM HR Excellence Center. - Director Certification Program (DCP) Class 292/2020, Thai Institute of Directors
	Relations	<ul style="list-style-type: none"> - Older sister of the person in No.9 - Younger sister of the person in No.10
	Work Experience 5 Years up	
	14 Jan 2022 - Present	Member of Executive Committee Thiensurat Public Company Limited
	Nov 2020 - Present	Director DrinkCo Company Limited
	Oct 2019 - 4 Jan 2022	Vice Chief Executive Officer Thiensurat Public Company Limited
	Feb 2018 - 4 Jan 2022	Member of Management Committee Thiensurat Public Company Limited
	Nov 2018 - May 2019	Managing Director Thiensurat Leasing Company Limited
	Sep 2017 - 7 Oct 2019	Advisor Evaluation, Monitoring, and Organization Development. Thiensurat Public Company Limited
	2017 - March 2018	Acting Deputy Managing Director - Business Development Group Thiensurat Public Company Limited
	2016 - Present	Director Thiensurat Leasing Company Limited
	2013 - Present	Director / Member of Nomination Remuneration Committee / Member of Risk Management Committee / Member of Executive Committee Thiensurat Public Company Limited
	2014 - Sep 2019	Director Fedders Thai Company Limited
	2013 - 2017	Deputy Managing Director - Marketing Group Thiensurat Public Company Limited
	2005 - Present	Director Safe Trade International Company Limited
	2005 - Present	Director Better Dreams Company Limited
	2005 - Present	Director Ideal Water Company Limited

- CFO Refresher No. 1/2020, On 7 November 2020, The Stock Exchange of Thailand
- IR Sharing 2/2021 “Collaboration between CEO and IRO to plan communications with Key Stakeholders” by Thai Investor Relations Club, Thai Listed Companies Association
- Online discussion, guidelines for supporting and enhancing liquidity for trading partners of listed companies on 28 September 2021, Thai Listed Companies Association
- TLCA CFO Professional Development Program (TLCA CFO CPD) No. 4/2021 “How finance leaders are adapting within the new normal”, Thai Listed Companies Association
- TLCA CFO Professional Development Program (TLCA CFO CPD) No. 5/2021 “Fraud & Cyber Security Risk”, Thai Listed Companies Association
- TLCA CFO Professional Development Program (TLCA CFO CPD) No. 6/2021 “ESG Integration in Sustainable Investing”, Thai Listed Companies Association
- TLCA CFO Professional Development Program (TLCA CFO CPD) No. 7/2021 “Economic update for CFO”, Thai Listed Companies Association

Relations

None

Work Experience 5 Years up

May 2020 - Present

Director

Alpine water Company Limited

Feb 2020 - Present

Member of Risk Management Committee

Thiensurat Public Company Limited

July 2018 - Present

Chief Financial Officer

Thiensurat Public Company Limited

Mar 2018 - Present

Vice Chief Executive Officer

Thiensurat Public Company Limited

Feb 2018 - Present

Member of Management Committee

Thiensurat Public Company Limited

Nov 2017 - 28 Feb 2018

Member of Executive Committee / Deputy Managing Director - Business Support Group

Thiensurat Public Company Limited

Aug - Nov 2017

Independent Director

Thiensurat Public Company Limited

Nov 2016 - July 2017

Executive Vice President Accounting and Financial Department

Synnex (Thailand) Public Company Limited

2009 - Oct 2016

Director and Chief Financial Officer

Singer Thailand Public Company Limited

14.	Name	Mr. Paitoon Homchan
	Age	61
	Position	<ul style="list-style-type: none"> • Member of Risk Management Committee • Member of Management Committee • Vice Chief Executive Officer (Date of resign effective on 1 April 2021)
	Shareholding (%)	0.80
	Education	<ul style="list-style-type: none"> - Bachelor of General Management, Valaya Alongkorn Rajabhat University. - Director Accreditation Program (DAP) Class SET/2012 Thai Institute of Directors.
	Relations	None
	Work Experience 5 Years up	
	Mar 2018 - 1 April 2021	Vice Chief Executive Officer Thiensurat Public Company Limited
	Feb 2018 - 1 April 2021	Member of Management Committee

Sep 2017 - Feb 2018	Thiensurat Public Company Limited Acting Deputy Managing Director - Marketing Group
2013 - Feb 2018	Thiensurat Public Company Limited Executive Committee Member / Deputy Managing Director Administrative Management Group
2013 - 1 April 2021	Thiensurat Public Company Limited Member of Risk Management Committee
2013 - Present	Thiensurat Public Company Limited Director
2005 - Present	Safe Trade International Company Limited Director
2002 - Present	Better Dreams Company Limited Director
	Ideal Water Company Limited

15.	Name	Mr. Watcharin Watcharatham
	Age	45
	Position	<ul style="list-style-type: none"> Member of Management Committee Vice Chief Executive Officer
	Shareholding (%)	0.32
	Education	<ul style="list-style-type: none"> Bachelor of Public Health Faculty of Public Health Mahidol University. Director Accreditation Program (DAP) Class 98/2012 Thai Institute of Directors. Mini MBA Chula Unisearch, Chulalongkorn University.
	Relations	Relative of the person No.9, No.10 and No.11
	Work Experience 5 Years up	
	Mar 2018 - Present	Vice Chief Executive Officer Thiensurat Public Company Limited
	Feb 2018 - Present	Member of Management Committee Thiensurat Public Company Limited
	2013 - Feb 2018	Deputy Managing Director Production Group Thiensurat Public Company Limited
	2013	Director Production Thiensurat Public Company Limited
	2011 - 2013	Director Marketing Department Thiensurat Company Limited
	2005 - Present	Director Safe Trade International Company Limited.
	2002 - Present	Director Ideal Water Company Limited.
	2004 - Present	Director Better Dreams Company Limited.
16.	Name	Mr. Naret Charoonwittayakul
	Age	45
	Position	Chief Executive Officer Assistant
	Shareholding (%)	None
	Education	<ul style="list-style-type: none"> Bachelor of Electronic technology King Mongkut's University of Technology North Bangkok Cisco UCCX 8.0 Features Training 2011, TH Nice (Cybertech) Product Training 2011, SGP Cisco APJC Contact Center Partner 2012, SGP Cisco APJC Contact Center Partner 2013, TH Cisco Contact Center Workshop 2013, TH

- Development of executives and personnel. Innovation Management Program (Mini MBA) by Dhipaya Training Center Co., Ltd. Together with Chula Unisearch, Chulalongkorn University.

Relations

None

Work Experience 5 Years up

2 Jan 2019 - Present

Chief Executive Officer Assistant

Thiensurat Public Company Limited

Mar 2018 - Present

Digital Online & Tele-Marketing Director

Thiensurat Public Company Limited

July 2015 - Feb 2018

Customer management Director

Thiensurat Public Company Limited

17. Name	Mr. Kiratat Jirachit
Age	43
Position	Chief Executive Officer Assistant
Shareholding (%)	None
Education	<ul style="list-style-type: none"> - Master of Industrial Engineer, Kasetsart University. - Director Certification Program (DCP) Class 228/2016 Thai Institute of Directors. - IRDP LSP#5 Program by Thammasat University. - Business System Development Program (BSD#2) by Panyapiwat Institute of Management.
Relations	None
Work Experience 5 Years up	
June 2019 - Present	Chief Executive Officer Assistant Thiensurat Public Company Limited
2016 - 2018	Managing Director Precise Digital Economy Co., Ltd.
2014 - 2016	Managing Director Precise Green Products Co., Ltd.
2011 - 2014	Managing Director Precise Green Technology & Service Co., Ltd.

18. Name	Mr. Nattapong Thaworn
Age	43
Position	Chief Executive Officer Assistant
Shareholding (%)	None
Education	Bachelor of Engineer, Mahanakorn University of Technology
Relations	None
Work Experience 5 Years up	
April 2020 - Present	Chief Executive Officer Assistant Thiensurat Public Company Limited
Sep 2019 - Mar 2020	Senior Service Manager Toshiba Thailand Co., Ltd.
Apr 2018 - Aug 2019	Customer care Manager Beko Thai Co., Ltd.
July 2017 - Mar 2018	Service operation Manager Trumpf Thailand Co., Ltd.
Aug 2015 - July 2017	Operation Manager Allied Metal Thailand Co., Ltd.
July 2014 - July 2015	Operation Manager Takachiho Fire Security & service (Thailand) Ltd.

19.	Name	Ms. Piyaporn Somjindabordee
	Age	45
	Position	Chief Executive Officer Assistant
	Shareholding (%)	None
	Education	<ul style="list-style-type: none"> - Master of Business Administration MBA-Middle Tennessee State University, USA - Bachelor of Business Administration BBA-Majoring Marketing Assumption University - Media Training, Fleishman-Hillard Hong Kong 2012 - Consultative Engagement Skills, Mercuri International (Hong Kong) Ltd. 2012 - Think Like an Influencer, PacRim 2014
	Relations	None
	Work Experience 5 Years up	
	13 May 2021 -	Chief Executive Officer Assistant
	31 Jan 2022	Thiensurat Public Company Limited
	2020 - 2 May 2021	Group Marketing Director Thiensurat Public Company Limited
	2017 - 2019	Country Marketing Manager SUPERNAP (Thailand)
	2016 - 2017	Regional Segment Marketing Manager- SEA Ecolab (Thailand)
	2011 - 2015	Head of Marketing Communication- ASEAN and Project Manager- GIZ BASF (Thailand)
	2007 - 2011	Strategic- Brand and Marketing Communication Manager True Corporation (PLC)
20.	Name	Mr. Narin Suwanaphan
	Age	52
	Position	Finance and Accounting Director
	Shareholding (%)	None
	Education	<ul style="list-style-type: none"> - Master of Business Administration (Marketing), Chiang Mai University. - Bachelor of Business Administration (Accounting), Ramkhamhaeng University. - The preparation of consolidated financial statements in 2020 - TFRS 9 and TFRS 16 Program for 2020 - Trace the financial statements for the year 2020 - Fundamental principles of TFRS 9 (Fundamental of TFRS 9) for both financial institutions and non-financial institutions, Class 2/2019. - Financial projection to evaluation the company value, 2018 - Insights IFRS for non-current assets, 2017 - Insights VAT Withholding tax and specific business tax, 2017 - Insights personal income tax and corporate income tax, 2016
	Relations	None
	Work Experience 5 Years up	
	25 Mar 2019 - Present	Finance and Accounting Director Thiensurat Public Company Limited
	Jun 2013 - Mar 2019	Finance Manager Scan Inter Public Company Limited
	Fab 2007 - May 2013	Accounting Manager Schaffner EMC Co., Ltd.
	April 2002 - Jan 2007	Financial analysis and Budget Manager Singer Thailand Public Company Limited

21.	Name	Ms. Jutamas Malai
	Age	44
	Position	Company Secretary / Investor Relations Manager
	Shareholding (%)	None
	Education	<ul style="list-style-type: none"> - Bachelor of Accounting Rambhai Barni Rajabhat University. - Fundamental Practice for Corporate Secretary Thai Listed Companies association - IR Fundamental Course, The Stock Exchange of Thailand. - IOD Open House For Company Secretary 2020, Thai Institute of Directors Association - The Role of Company Secretary in Upgrading CG in Anti-Corruption. On 8 October 2021, Thai Institute of Directors Association The Thai Private Sector Collective Action Coalition Against Corruption and Thai Listed Companies Association - The process for selecting directors to be correct according to CG principles On 29 October 2021, Thai Listed Companies Association
	Relations	None
	Work Experience 5 Years up	
	April 2019 - Present	Company Secretary / Investor Relations Manager Thiensurat Public Company Limited
	Aug 2018 - 31 Mar 2019	Assistant Company Secretary / Assistant Investor Relations Manager Thiensurat Public Company Limited
	23 Dec 2015 - 31 July 2019	Assistant Company Secretary Thiensurat Public Company Limited
	Mar 2013 - July 2015	Company Secretary T S FLOUR MILL PUBLIC COMPANY LIMITED

Directors of Subsidiaries

Details of directors, executives positions in subsidiaries companies as on 1 February 2022 as follows:

List of Directors and Executive	TSR	Safe Trade	TSRL	Alpine
1. Mr. Sahas Treetipbut	X			
2. Assoc.Prof. Boonserm Vimuktanandana	/			
3. Dr. Supree Wongdeeprom Ph.D.	/			
4. Prof.Porntep Siriwanarangsun, MD., MPH., PhD	/			
5. Ms. Sumana Vonggapan	/			
6. Surat Wongrattanapassorn Ph.D.	/			
7. Mr. Viruch Wongnirund	/			
8. Mr. Ekarat Changyoo ^{3/}	/		/	/
9. Ms. Theinvanee Changyoo ^{4/}	/	/		/
10. Ms. Savita Changyoo ^{5/}	/	/	/	
11. Mr. Siam Uralwong ^{6/}	//		//	
12. Mr. Paitoon Sukhanaphorn	///			/
13. Mr. Watcharin Watcharatham	///	/		
14. Mr. Naret Charoonwittayakul	////			
15. Mr. Kiratat Jirachit	////			
16. Mr. Nattapong Thaworn	////			

Remark:

X = Chairman of the Board / = Director // = Managing Director
 /// = Vice Chief Executive Officer //// = Chief Executive Officer Assistant

Related company means the definition of legal entity of a person who may have a conflict of interest in this notice.

- TSR = Thiensurat Public Company Limited
- Safe Trade = Safe Trade International Company Limited and The Company holds 99.98%
- TSRL = Thiensurat Leasing Company Limited and The Company holds 100%
- Alpine = Alpine Water Company Limited and The Company holds 54%

Details of attendance of the Board of Directors and Executives Board can be found under "Major Implementations of Corporate Governance: Meetings of the Board of Directors".

Details of the chief of internal audit and chief of Compliance

According to the Audit Committee Meeting No. 4/2019, held on 4 April 2019, Ms. Jarunee Suesawad was appointed as the Company's internal auditor. and allowing internal auditors to be independent to conduct audits and assess the Company's internal control system. with the following objectives:

1. To review and assess the adequacy of internal control of key work systems in accordance with the guidelines of COSO (The Committee of Sponsoring Organization of the Treadway Commission).
2. To check items related to important systems that it complies with the rules and procedures specified by the Company and it is the correct item as it should be including having complied with the relevant laws
3. To review the corporate governance of the company that it complies with the good corporate governance guidelines set by the Stock Exchange of Thailand and related agencies
4. The report to the Company the facts that were detected and give suggestions for improvement

Ms. Jarunee Suesawad, Internal Auditor of the Company Has been assigned a responsibility to review the internal control system. and check items related to important systems including compliance with relevant laws by using standard criteria from the Company's operational manual Including good performance standards and using other audit methods that are deemed necessary in order to obtain a summary of the Company's internal control system according to the standard audit plan. and report to the Company the facts found from the audit of the said internal control system. The Company's management is responsible for determining whether such audit procedures are adequate. The work systems that will perform internal audits are as follows:

- 1) Environment of control and supervision
- 2) Review the sales process
- 3) Review the credit approval process and business development department
- 4) Review the process of field collection and debt collection.
- 5) Review the customer relationship process
- 6) Review the work process of the subsidiary (Alpine Water Company Limited)
- 7) Review the credit quality management process.

For the examination of information technology processes, KPMG Phoomchai Audit Ltd. has audited and assessed the internal control system. The Company's executives and the Internal Audit Office acknowledge the results of the audit. ready to follow up and develop a better internal control system

However, to check the items related to the important system. Not all items are checked, but only by means of testing. In addition, the review of internal control system is intended for the benefit of improving the efficiency of the work system. And just to ensure that the financial statements are reliable. Actions are carried out in compliance with the laws and requirements of the Company, therefore not all deficiencies that may exist in the Company's internal control system cannot be pointed out. The audit methods used by the Company are solely intended to help the Company determine its sufficiency. and appropriateness of the internal control system provided by the Company. Therefore, the internal audit report is not suitable to be used for any other purpose. and is a specification that is only used by the Company.

Name	Ms. Jarunee Suesawad
Age	43
Position	Internal Audit – Department Manager and Secretary to the Audit Committee
Education	<ul style="list-style-type: none"> - Master Degree of Business Administration Major Management From Ramkhamhaeng University - Bachelor Degree of Business Administration Major Finance and Banking From Sripatum University - In-depth techniques in modern risk management, National Institute of Development Administration - Comprehensive risk management, Federation of Accounting Professions Under The Royal Patronage of His Majesty The King - Comprehensive internal audit, Dharmniti Seminar and Training Co.,Ltd. - Internal Audit Procedures The Institute of Internal Auditors Thailand - Audit Working Paper and Audit Evidence The Institute of Internal Auditors Thailand

Work Experience 5 Years up

2019 - Present	Internal Audit – Department Manager and Secretary to the Audit Committee Thiensurat Public Company Limited
2014 - 2019	Risk Management and Internal Control - Expert Level Bangkok Glass Public Company Limited

Assets Used In Business Operations and Details On Asset Valuation

Assets used in business operations. Details of more information can be found at: Part 1 Business Operations and Performance > Topic 1. Business Overview > (4) Assets used in business operations, pages 30 to pages 36

Details On Asset Valuation : -None-

Corporate Governance Policy and Code of Conduct

Details of more information can be found at Website <https://www.tsrplc.com/corporate-governance>
Under the heading Investor Relations > Good Corporate Governance

Governance Policy :

<https://www.tsrplc.com/wp-content/uploads/2022/03/20220308-tsr-cg-cg-policy-th.pdf>

Code of Conduct :

<https://www.tsrplc.com/wp-content/uploads/2022/03/20220308-tsr-cg-code-of-conduct-th.pdf>

Report of the Audit Committee

Dear shareholders of Thiensurat Public Company Limited,

The Audit Committee of Thiensurat Public Company Limited comprises of 4 Independent Directors, All independent directors who are non-executive or employees of the company, with the Chairperson of the Audit Committee is qualified and has sufficient accounting and finance expertise to review the reliability of financial reports. the Audit Committee as follows:

- | | |
|--|---------------------------------|
| 1. Assoc. Prof. Boonserm Vimuktanandana | Chairman of the Audit Committee |
| 2. Dr. Supree Wongdeeprom Ph.D | Member of the Audit Committee |
| 3. Asst. Prof. Krit Umpote | Member of the Audit Committee |
| 4. Prof. Porntep Siriwanarangsun, MD.,MPH.,Ph.D. | Member of the Audit Committee |

Ms. Jarunee suesawad who is Manager of Internal Audit Office is on Secretary of the audit committee duty. Ms. Jarunee suesawad the head of Internal Audit Office

The Audit Committee performs its duties in accordance with the Charter of the Audit Committee approved by the Board of Directors. This is in line with the requirements of the Stock Exchange of Thailand (SET) for the Audit Committee to meet at least 4 times per year. In 2021, the Audit Committee convened 8 meetings and reported the results of all meetings to the Board of Directors each fine of the meeting. There were the Internal Audit Office and the auditor attended in each meeting. The results can be summarized as follows.

Reviewing and auditing the company's financial statements to ensure that the company's financial statements are fairly reported in all material respects. And reliable manner in accordance with generally accepted accounting principles. The financial information is sufficiently disclosed before submitting to the Board of Directors for approval to disclose information to the Stock Exchange of Thailand and the Securities and Exchange Commission.

Reviewing the company's internal control system and internal audit system including considering the independency of the Internal Audit Office. In 2020, the company appointed Ms. Jarunee suesawad as the Internal Auditor, to review the internal control system. The Audit Committee considered and approved the annual internal audit plan in accordance with the corporate environment to ensure that the company has an appropriate internal control system and to monitor and evaluate it as part of the good corporate governance process. The Audit Committee found that the company has adequate internal controls and no significant defects were found.

Reviewing connected transactions and transactions that may have conflicts of interest with the company, to ensure that the company has complied with the normal business conditions and has complied with the laws and regulations, prescribed by the Stock Exchange of Thailand.

Considering selection of qualified auditors including proposing the appointment and remuneration of auditors to the Board of Directors to propose to the 2021 Annual General Meeting of Shareholders for further approval of the appointment of auditors of the KPMG Phoomchai Audit Ltd. to be the company's auditors for the fiscal year of 2021. The Audit Committee is of the opinion that the auditors of the nominated company have satisfactory performance and audit standards, in accordance with generally accepted auditing standards. In addition, the KPMG Phoomchai Audit Ltd. is internationally accepted. They also have the ability to perform as professionals. The Audit Committee recommends the auditors of the KPMG Phoomchai Audit Ltd. to be the company's auditor for 2021.

Acknowledging risk and monitoring the progress of the risk management according to the criteria set by the company.

The Audit Committee recognizes the importance and acknowledges the report on the compliance with the Securities and Exchange Act, relevant laws governing the business operation including notifications and orders as required by laws and good corporate governance principles. The company has complied with those laws and legal provisions.

The Audit Committee has monitored the progress of the implementation of resolutions adopted by the Audit Committee, annual self-assessment evaluation.

On behalf of the Audit Committee
Thiensurat Public Company Limited



(Assoc. Prof. Boonserm Vimuktanandana)
Chairman of the Audit Committee

Report of the Nomination and Remuneration Committee

Dear shareholders of Thiensurat Public Company Limited,

The Nomination and Remuneration Committee of Thiensurat Public Company Limited comprises of 2 Independent Directors, and 1 Executive Director, which the Chairperson of the Nomination and Remuneration Committee is independent director list of the Nomination and Remuneration Committee as follows:

- | | |
|--|---|
| 1. Ms. Sumana Vonggapan | Chairman of the Nomination and Remuneration Committee |
| 2. Prof. Porntep Siriwanarangsun, MD.,MPH.,Ph.D. | Member of the Nomination and Remuneration Committee |
| 3. Ms. Savita Changyoo | Member of the Nomination and Remuneration Committee |

The Nomination and Remuneration Committee performs duties in accordance with the Charter of the Nomination and Remuneration Committee, which requires the committee to convene 6 meetings and report the results of each meeting to the Board of Directors. The key results can be summarized as follows.

1. Policy, Strategy and Strategic Plan

- 1.1 Specified policies, frameworks and guidelines for the nomination of the Board of Directors, Sub-Committee Directors and Managing Director in accordance with the Company's regulating agencies such as SEC and SET.
- 1.2 Proposed policies, frameworks and guidelines for setting remunerations for the Board of Directors, Sub-Committees, Chairman's advisors and Managing Director in line with industry's standards and appropriate with the duties and responsibilities assigned by the Board of Director.
- 1.3 Proposed policies and human resource management strategies in line with the management strategy of the Company.

2. Supervision and Nomination

- 2.1 Nominated and proposed qualified nominees as specified for the position of Directors and Sub-Committee Directors.

3. Supervision and Setting of Remuneration

- 3.1 Set the remuneration for Directors, Sub-Committee Directors and Chairman's advisors to be appropriate with their duties and responsibilities on the same level with industry's standards.
- 3.2 Set guidelines for performance evaluation of the Chief Executive Officer by setting the objective, duties and responsibilities.

4. Supervision of Human Resource Management

- 4.1 Set guidelines for the organization's re-structuring to be in line with the vision and goal of the organization.
- 4.2 Set indicators for Chief Executive Officer, Managing Director, Vice chief executive officer and chief executive officer assistant.

The Nomination and Remuneration Committee has evaluated the performance in the past year and is of the opinion that the Nomination and Remuneration Committee has performed its duties appropriately and efficiently.

On behalf of the Nomination and Remuneration Committee



(Ms. Sumana Vonggapan)

Chairman of the Nomination and Remuneration Committee

Report of the Corporate Governance and Corporate Social Responsibility Committee

Dear shareholders of Thiensurat Public Company Limited,

The Corporate Governance and Corporate Social Responsibility Committee of Thiensurat Public Company Limited comprises of two (2) Independent Directors, and One (1) Executive Director, which the Chairperson of the Corporate Governance and Corporate Social Responsibility Committee is independent director for the Corporate Governance and Social Responsibility Committee as follows:

- | | |
|---------------------------------|--|
| 1. Asst. Prof. Krit Umpote | Chairman of the Corporate Governance and Corporate Social Responsibility Committee |
| 2. Dr. Supree Wongdeeprom Ph.D. | Member of the Corporate Governance and Corporate Social Responsibility Committee |
| 3. Mr. Ekarat Changyoo | Member of the Corporate Governance and Corporate Social Responsibility Committee |

Corporate Governance and Corporate Social Responsibility Committee performs duties in accordance with the Charter of the Good Corporate Governance and Social Responsibility Committee. The Committee shall meet one per year and report the following key results to the Board of Directors which summary below.

1. Acknowledged the compliance with the Corporate Governance Report of Thai Listed Companies.
2. Reviewed the Sustainability Report for further revision and approval.
3. Reviewed the Good Governance and Good Corporate Responsibility Policies for further revision and approval.
4. Consider approval or revision of the Code of Conduct.

The Corporate Governance and Corporate Social Responsibility Committee Did not evaluated the performance in the past year, Because Asst. Prof. Krit Umpote Chairman of the Corporate Governance and Corporate Social Responsibility Committee resigned from the directorship of the Company effective on 1 September 2021. And at present, it is still in the process of selecting directors. However, the Board of Directors is still responsible for the work of the Corporate Governance and Social Responsibility Committee. by assigning relevant persons to present the agenda to the Board of Directors for acknowledgment and approval until the Chairman of the Corporate Governance and Social Responsibility Committee is appointed.

On behalf of the Board of Directors



(Mr. Sahas Treetipbut)
Chairman of the Board of Directors

Report of the Risk Management Committee

Dear shareholders of Thiensurat Public Company Limited,

The Risk Management Committee of Thiensurat Public Company Limited comprises of Two Independent Directors, One Directors, and Three Executive Director, which the Chairperson of the Risk Management Committee is independent director. List of the Risk Management Committee as follows:

- | | | |
|----|------------------------------|---|
| 1. | Dr. Supree Wongdeeprom Ph.D. | Chairman of the Risk Management Committee |
| 2. | Dr. Surat Wongrattanapassorn | Member of the Risk Management Committee |
| 3. | Mr. Viruch Wongnirund | Member of the Risk Management Committee |
| 4. | Mr. Ekarat Changyoo | Member of the Risk Management Committee |
| 5. | Ms. Theinvanee Changyoo | Member of the Risk Management Committee |
| 6. | Ms. Savita Changyoo | Member of the Risk Management Committee |
| 7. | Mr. Paitoon Sukhanaphorn | Member of the Risk Management Committee |

The Risk Management Committee performs duties in accordance with the Charter of the Risk Management Committee, which requires the committee to convene 4 meetings and report the results of each meeting to the Audit Committee. It is concluded that the Risk Management Committee has reviewed the risk management framework of the company to ensure that the company has appropriate risk management system and measures to mitigate the risk to acceptable levels.

On behalf of the Risk Management Committee



(Dr. Supree Wongdeeprom Ph.D.)
Chairman of the Risk Management Committee

Report of the Executive Committee

Dear shareholders of Thiensurat Public Company Limited,

The Executive Committee of Thiensurat Public Company Limited comprises of 3 Directors, and 1 Executive Director, Appointed by the Board of Directors meeting No.2/2018 held on Monday 26 February 2018 to perform the tasks as assigned by the Board of Directors as follows:

- | | |
|-------------------------|-------------------------------------|
| 1. Mr. Sahas Treetipbut | Chairman of the Executive Committee |
| 2. Ms. Sumana Vonggapan | Member of the Executive Committee |
| 3. Mr. Ekarat Changyoo | Member of the Executive Committee |

In 2021 The Executive Committee is not meeting. and The Management Committee has no urgent agenda to consider. And 14 January 2022 The Company has restructured the Executive Committee to monitor the management's work. The names are as follows:

- | | |
|----------------------------|-------------------------------------|
| 1. Mr. Ekarat Changyoo | Chairman of the Executive Committee |
| 2. Ms. Theinvanee Changyoo | Member of the Executive Committee |
| 3. Ms. Savita Changyoo | Member of the Executive Committee |

On behalf of the Executive Committee

(Mr. Sahas Treetipbut)
Chairman of the Executive Committee

Sub-committee charter

Details of more information can be found at Website <https://www.tsrplc.com/corporate-governance>

Under the heading Investor Relations > Good Corporate Governance

A Life of Sharing



Thiensurat Public Company Limited

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