



# ANNUAL REPORT



## Financial Highlights

### Thiensurat Public Company Limited and its subsidiaries

Consolidated financial statements (Unit: Million Baht)	2022	2021	2020
Revenue from sales	1,159.01	1,411.52	1,685.54
Total revenues	1,386.73	1,693.49	1,942.88
Gross profit	731.41	1,065.85	1,249.72
Cost of sales	(427.60)	(345.68)	(435.82)
Distribution costs	(419.42)	(640.00)	(675.86)
Administrative expenses	(269.39)	(424.12)	(434.31)
Profit (loss) attributable to owner of the parent	71.99	31.01	143.13
Total assets	1,727.13	1,712.14	1,691.54
Total liabilities	403.33	460.94	416.52
Total shareholders' equity	1,323.80	1,251.19	1,275.02

### Financial ratio

Net profit margin (%)	5.39	2.10	7.56
Return on equity (%)	5.69	2.76	11.50
Return on assets (%)	4.26	2.05	9.20
Debt to equity (Time)	0.30	0.37	0.33
Earnings per share (Baht)	0.13	0.06	0.26
Dividend per share (Baht)	-	0.12	0.17
Book value per share (Baht)	2.41	2.24	2.27



# Content

	<b>Page</b>
<b>Part 1 Business Operation and Performance</b>	
1. Business Overview	6
2. Risk Management	44
3. Driving Business towards Sustainability	52
4. Management Discussion and Analysis	74
5. General Information	83
<b>Part 2 Corporate Governance</b>	
6. Corporate Governance Policy	84
7. Corporate Governance Structure and Key Information Related to Directors, Sub-Committees, Executives, Employees and Others	92
8. Major Implementations of Corporate Governance	104
9. Internal Control System and Related Party Transactions	124
<b>Part 3 Financial Statements</b>	134
<b>Attachment</b>	
Attachment 1 Detail of the Directors, Management, Controlling Person and Company Secretary	135
Attachment 2 Directors of Subsidiaries	147
Attachment 3 Details of Head of Internal Audit and Head of Compliance	148
Attachment 4 Assets Used In Business Operations and Details On Asset Valuation	150
Attachment 5 Corporate Governance Policy and Code of Conduct	151
Attachment 6 Report of Sub-Committees	152
Attachment 7 Sub-committee charter	158

## Message from the Board of Directors

The year 2022 is a major change of Thiensurat Public Company Limited (“Company”), in May SABUY Technology Public Company Limited (“SABUY”) acquired shares of the Company as a strategic shareholder, which is considered an opportunity for the Company's significant business expansion. SABUY is a Company specializing in technology, creating a comprehensive business platform by connecting all dimensions of technology to enable consumers overcome the limits of their potential and different lifestyles.

Performance in 2022, the Group had total revenue of 1,387 million Baht, a decrease of 18% from the previous year, mainly due to a decrease in sales revenue from a decrease in the number of direct sale teams. However, due to effective cost management and business improvements according to SABUY's operational plan, the company's net profit was 72 million Baht, or an increase of 132%

In order for the business to grow exponentially, the Company has changed its strategy and operating plan under TSR Reinvention with significant changes in 4 aspects:

1. Water: Water treatment expertise is the core business of the Company as a market leader in drinking water purification.
2. Channel: Plans to expand customer groups through MLM, OEM, Modern trade and a variety of other channels.
3. Smart home: Smart home-related product expansion plan.
4. Financial services: Supports a variety of loan types for opportunities to reach more customers.

In addition, the Company has prepared for business expansion in 2023, which is considered a very challenging year, such as the restructuring of the sales team, adding products, sales channel expansion, and marketing to make consumers aware of the brand and the quality of the Company's products, etc. Another important supporting factor for expanding the Company's business is that SABUY has its own ecosystem, with diverse businesses and sales teams, enabling the Company to reach a wider range of target groups and customers.

In September, the Board of Directors and executives announced a new vision and mission to drive the organization toward new objectives and goals for shareholders, employees, partners, and customers. The vision is like a scripture that leads the organization to achieve its goals and success in the future with sustainable growth.

**The new vision is set out as follows:** Be empower life's quality for everyone with more accessible.

**The new mission is set out as follows:** Deliver more smart home life technology and electronic products, with the most cost-effective financial plan to enhance the quality of life.

The Company has been assessed on corporate governance of Thai Listed Companies Association for the year 2022 at an excellent level for 4 consecutive years from the Thai Institute of Directors Association (IOD), achieved a full score of 100 for 4 consecutive years from the AGM Checklist quality assessment conducted by the Thai Investors Association, ensuring that the Company conducts its business with transparency and good governance in accordance with good corporate governance principles.

Finally, the Board of Directors, executives, and employees appreciate your continued support. We are committed to conducting business with ethical principles, good governance, social and environmental responsibility to achieve development and maximize benefits for stakeholders and all related parties sustainably and consistently.



(Mr. Sahas Treetipbut)

Chairman of the Board of Directors



(Mr. Waranon Kongpatimakorn)

Chief Executive Officer

## Board of Directors

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Mr. Sahas Treetipbut  
Chairman of the Board



Mr. Chookiat Rujanapornpaje  
Chairman of the Executive  
Committee Director



Mr. Waranon Kongpatimakorn  
Chief Executive Officer  
Director



Mr. Ekarat Changyoo  
Director



Ms. Tachanun Kangwantrakool  
Director



Mr. Kittipol Thanasit  
Director



Assoc.Prof. Boonserm  
Vimuktanandana  
Independent Director  
Chairman of the Audit  
Committee



Ms. Sumana Vonggapan  
Independent Director  
Member of Audit Committee



Surat Wongrattanapassorn  
Ph.D.  
Independent Director  
Member of Audit Committee



## Part 1

# Business Operation and Performance

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### 1. Business Overview

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#### 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 46 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.

And on May 2022; Sabuy Technology Public Company Limited invested in the ordinary shares in the amount of not exceeding 136,900,000 shares, or 24.92% in Thiensurat Public Company Limited, causing the shareholding structure after the investment, has change. (Additional details in Topic 3 Shareholders and Group Information).

In 2022, the Company launched RO BEYOND, a High Flowrate RO (Reverse Osmosis Membrane) water purification system and has developed UV (ULTRAVIOLET) filtration technology to extend the water purification system with UV light disinfection by developing an automatic control system for UV operation, only turn on the water into the machine. As for the special features, it continues to extend the operation control system and display the SMART DISPLAY SCREEN by maintaining outstanding features such as the accumulated drinking water consumption, the number of days used, filter replacement alert, malfunction alert. etc.

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. and continues to expand its business in the water purifier business group In addition, the strategy has been adjusted to expand the market to the group. more online because it is a group that has continuous purchasing power.

### 1.1.1 Vision and Mission statements

The Board of Directors' meeting No.6/2022, held on 1 September 2022 approved the change vision, and mission 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 empower life's quality for everyone with more accessible

#### Mission

Deliver more smart home life technology and electronic products, with the most cost-effective financial plan to enhance the quality of life

#### 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

- |             |   |
|-------------|---|
| <b>2017</b> | <ul style="list-style-type: none"> <li>- On 21 March, The opening ceremony of the TSR Lao Co., Ltd. was officially opened in Vientiane.</li> <li>- On 2 June, the company changed its paid-up capital from Baht 467.18 million to 516.73 million Baht, resulting from the 2<sup>nd</sup> exercise of securities of TSR-W1 on 31 May.</li> <li>- 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.</li> <li>- 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.</li> </ul>   |
| <b>2018</b> | <ul style="list-style-type: none"> <li>- On 5 June, the Company changed its paid-up capital from Baht 516.73 million to Baht 521.85 million from the third warrants exercise of ordinary shares (TSR-W1) on 31 May</li> <li>- 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.</li> <li>- 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.</li> <li>- 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</li> </ul> |



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.

## 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).
- 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 RO<sup>2</sup> 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 26 May 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.
- 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.

## 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 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 programmed 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.

## 2022

- The company launched the RO BEYOND water purifier, a High Flowrate RO (Reverse Osmosis Membrane) water purifier.
- The Company has developed a UV (Ultraviolet) water purification product, combining the strengths of several outstanding features, consisting of:
  1. Water disinfection system with UV light (Ultraviolet) and automatic function by turning on the water into the machine.
  2. Intelligent display screen system showing the working status of the UV lamp, ensuring the user that the UV lamp is still working throughout use. In addition, the screen also displays the function of accumulated water consumption, the number of remaining days of use, as well as notification of filter replacement when due.
  3. Notification system when abnormality is found (Error Code Notification).
  4. The filter is easy to change with the Quick Change system; users can easily change the filter by themselves align with the new lifestyle.
- Sabuy Technology Public Company Limited invested in the ordinary shares in the amount of not exceeding 136,900,000 shares, or 24.92% in Thiensurat Public Company Limited,

causing the shareholding structure after the investment, has change. (Additional details in Topic 3: Shareholders and Group Information).

- The Board of Directors resolved to approve the issuance and offering of warrants of the Company No. 2 (TSR-W2) in the amount not exceeding 274,705,617 units to the existing shareholders of the Company at no cost in the ratio of 2 existing shares per 1 unit of warrant (Fractions of the warrants are rounded down) Determine the list of shareholders who are entitled to receive the warrants to purchase ordinary shares No. 2 (Record Date) on 17 October 2022.
- The Board of Directors resolved to approve the capital increase of the Company in the amount of 274,705,617 Baht from the existing registered capital of 549,411,233 Baht to a new registered capital of 824,116,850 Baht by issuing 274,705,617 ordinary shares at the par value of 1 Baht per share and consider the amendment of Article 4 of the Memorandum of Association to align with the capital increase to accommodate the exercise of the Company's warrants No. 2 (TSR-W2).

## 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 Limited (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 12 May 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 26 May 2022 with a registered capital of 10 million baht and has already called up 70 % of registered capital Subsequently, the Board of Directors resolved to buy shares from existing shareholders, resulting in the Company's shareholding increasing to 99%. The main business is about sales. Rental and service of ice machine units that include ice machines and water filters. That will help promote and generate stable income growth for the company in the future.

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

Sales	2022		2021		2020	
	Million Baht	%	Million Baht	%	Million Baht	%
Cash and credit	379.64	32.76	319.41	22.63	276.29	16.39
Hire purchase	779.37	67.24	1,092.11	77.37	1,409.25	83.61
<b>Total sales</b>	<b>1,159.01</b>	<b>100.00</b>	<b>1,411.52</b>	<b>100.00</b>	<b>1,685.54</b>	<b>100.00</b>

## 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 46 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 liters of water. The Company has launched new products under the Beyond series, namely RO Beyond and UV Beyond, which in addition to high-quality filtration technology can produce healthy alkaline water, also added display technology; the operation of the machine, the amount of water consumption both in liters and the number of days used, and filter replacement notification system. Especially the RO Beyond model can display the TDS value, the quality of water before and after filtering; serve today's urban society with the expansion of condominiums and smaller living spaces as well as convenience needs of consumers. The Company has developed and launched a new product called Flip, a small countertop water purifier with beautiful design, 4-step filtration system, supplementing minerals beneficial to the body, easily install and change the filter by yourself.

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 behavior 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

safe



#### 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 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 แบบรดเซฟ

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 แบรดวอเตอร์เมท

WaterMate  
Innovative Water Treatment System  
by safe





#### 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.

กลุ่มสินค้าชุดสารกรอง เครื่องกรองน้ำดื่ม แบรนด์ดีเซฟ



#### 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 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



## 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 ที่เป็นตัวแกนจำหน่ายภายใต้แบรนด์พ่อนสบาย



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 2022, the business value of restaurants will continue to expand. From the recovery of economic activities and the gradual return of foreign tourists. In addition, the economic activities of the country have been promoted normally because people have been vaccinated more comprehensively. And they can organize group activities. Therefore, consumers are more likely to eat out and spend more time in restaurants. (\*\*Reference <https://www.efinancethai.com/LastestNews/LatestNewsMain.aspx?ref=A&id=bGVtZEU3WGNyEkE9&security=KBANK>)

### **(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.

In terms of water purifier products in 2022, in addition to competing Thai brands, Korean brand Coway entered the water purifier market. By emphasizing the difference between service provision and payment in the form of subscription, the market profile of water purifier Medium and high-end market

### **(2.3) Analyze and compare competitive conditions**

The global water purifier market reached US\$ 36.3 billion. In 2019 and is expected to grow at an average annual growth rate of 8.5% during 2020-2025, similar to the market in Thailand. which is expected to grow due to population growth Increased awareness of the safe use of drinking water. and the increase of entrepreneurs in various regions in the country.

In 2022 is the year affected by the COVID-19. However, due to the vaccination that covers most of the country's population, the severity of the disease is on the decline. The household direct sales system, including modern trade channels, may be better than that in 2021. In addition, there are online channels with the potential to push products to target audiences. 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, 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 centers 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 46 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**

Due to the COVID-19 crisis and the Russian-Ukrainian war, the global and Thai economic systems have slowed down; therefore marketing strategies have been constantly adjusted. The marketing activities to expand to the region are therefore pending. Although in 2022, There are no new product launches, but the Company has strategic plans in the product portfolio, sub-brands in the Company group with more modern marketing position by expanding the customer base away from the original group and growing even more by planning a comprehensive marketing communication, focusing experiences creation through various brand touchpoints, such as websites, brochures, branch signs, packaging or social media, etc.

The impact of COVID-19 to all industry groups and the behavior of young consumers are often interested in searching for product information, reviewing, being open to trying new products, comparison of value, features and promotional campaigns on online channels that can be easily done via mobile phones, mobile applications. Therefore, the Company has adapted to improve the website serve the purchasing-selling and organizing marketing activities on e-marketplace channels.

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 2-3<sup>rd</sup> 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 2022 averaged 95.79%. 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 behavior of consumers. With this, the Company proactively adjusted its new service structure to be in line with changing consumer behavior. 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. In 2022, sales of E-Commerce Website และ E-Marketplace หรือ Electronic Marketplace will increase proportionally. 120% increase over 2021

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 1.1.1 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.

In 2021, the Company continues to strive the development of high flowrate RO water purification technology by pushing for the SAFE RO BEYOND series of water purifiers, focusing on an RO filtration system with a production capacity of 400 GPD (gallons per day), additional calcium and magnesium minerals that are beneficial to the body with adjusting the water to a weak alkaline (ALKALINE WATER). SMART DISPLAY SCREEN operation control and display system was also invented by showing water quality value (TSD) both before and after filter, so the

quality of every glass of drinking water can be recognized; increase confidence in the product, as well as other functions in a single device, making life SMART, such as cumulative consumption of drinking water, number of days used, reminder to change the filter, warning machine malfunction, including an automatic RO Membrane cleaning system (AUTO FLUSH) to extend the life of the filter as well.

In 2022, the Company has developed a UV system filtration technology (ULTRAVIOLET) to extend the water purification system with UV light disinfection by developing an automatic UV control system, only turn on the water into the machine. As for the special features, it continues to extend the operation control system and display the SMART DISPLAY SCREEN by maintaining outstanding features such as the accumulated drinking water consumption, the number of days used, filter replacement alert, malfunction alert, etc.

#### Expenses for research and development of business innovations

(Unit : thousand baht)

Item	2022	2021	2020
Research and Development Expenses	2,440	2,215	1,472

#### (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 (Ultrafiltratio). 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 and support the needs of customers such as TV products, washing machines, refrigerators, microwaves, vacuum cleaners, etc., by adding more options to customers. Under the "Easy Installment" program ("PONSABUY"), customers can choose to pay in installments with the company for a maximum of 24 months, creating happiness and convenience for their families better.

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) and 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



In 2022, the company designed, invented and developed alkaline vending machines to provide healthy alkaline drinking water. According to community sources, in addition to the reverse osmosis filtration system for filtering purified water, useful minerals and weak alkalinity are also added. The device adds a display screen to display the drinking water quality (TDS), so that consumers can understand the water quality throughout the use process. Be more confident every time you use it



### (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 3,000 persons throughout the country.

The Company has 30 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 110.

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 3,000 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 30 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 30 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
	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
Central	Lopburi	81/13, 81/14 Moo 9, Khao Phra Ngam Sub-district, Mueang District, Lopburi 15160	036-683-122
	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
western	Phetchaburi	118,119 Moo 3, Raisom Sub-district, Mueang Phetchaburi District, Phetchaburi, 76000	032-401-629
	Ratchaburi	9/5,9/6 Prachasaket 1, Road Na Muang Subdistrict, Mueang District, Ratchaburi Province 70000	032-912-272

Region	Branch	Address	Telephone
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
	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
	Ubon Ratchathani	71/27 Bypass Road, Nai Mueang Sub-district, Mueang district, Ubon Ratchathani 34000	045-243-495
	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
	Phuket	96/3, 96/4 Moo 1 Kathu Sub-district, Kathu District, Phuket 83120	076-619-111

**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 2022, there are approximately 110 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. To respond to services faster, more comprehensively and more efficiently. In addition, product categories have been added to meet customer needs. In addition to the main products of water purifiers and filter kits, the company also sells electrical appliances and air conditioning products. And many brands of small appliances such as Daikin, Hisense, Toshiba, LG, Sharp, Panasonic, Mastercool, 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 maximize the benefits of online channels. To facilitate quick access to products and services via the website, Facebook, Tiktok, Line official of the Company or through Marketplace channels such as Lazada, Shopee, Noc Noc, Office mate, 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 route 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:

In 2022, the company has increased the process of preliminary verification of customer qualifications (Call Verification) in order to screen customers in the case of installment sales. The steps 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, Initial verification of customer qualifications (Call Verification), upon the salesperson informed the customer's information through the system, the Call Verification team made a call to inquire about the customer's information to consider preliminary qualifications; in the event that the result of Call Verification does not pass, installments cannot be sold to that customer. In addition, In addition, the Company has a post-hire-purchase inspection process; the credit and expedite debt department, which is

responsible to collect payment from the second installment onwards, will examine the creditability of the client.

- 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. (Direct collection) 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 make an appointment 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

In 2022, The Company has focused on developing a Traceability program, a product traceability system that ensures the safety of both manufacturers and consumers. The traceability process is the traceability of raw materials through the production process to the customer's hands in order to recall that product in the event that there is a problem with the raw material or production process to find the cause of the damage and prevent recurring problems.



**(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 2022, amounting to Million Baht 398.16 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 2022 (Million Baht)	Net book value as of 31 December 2021 (Million Baht)	Net book value as of 31 December 2020 (Million Baht)
Land and land improvement	311.32	311.79	242.66
Building and building improvement	58.21	68.15	71.48
Tools and equipment Furniture, fixtures and office equipment and Computer hardware	20.89	29.51	29.33
Vehicles	5.93	5.62	9.57
Assets under construction and installation	1.81	0.00	0.12
<b>Total</b>	<b>398.16</b>	<b>415.07</b>	<b>353.16</b>

The details of the main assets Has net worth as of 31 December 2022 divided by utilization and location as follows:

Land and land improvement	Net book value (Million Baht)	Proprietary nature	Obligations
<b>Head office</b> 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	Ownership	Free from mortgage
<b>Parking opposite the head office</b> Location: Bangtalad Subdistrict, Pakkret District, Nonthaburi Province - Land: Area 2-2-73.9 Rai	31.39	Ownership	Free from mortgage
<b>Parking opposite the head office</b> Location: Bangtalad Subdistrict, Pakkret District, Nonthaburi Province - Land: Area 3-2-15.7 Rai and land improvement	59.07	Ownership	Free from mortgage
<b>Factory 1</b> 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	Owned by a subsidiary	Free from mortgage
	2.06	Ownership	Free from mortgage
<b>Factory 2</b> 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
<b>Factory 3</b> Location: Thasai Subdistrict, Mueang Nonthaburi District, Nonthaburi Province - Land : Area 2-0-24.5 Rai, Title Deed No. 953	26.45	Ownership	Free from mortgage
<b>Factory 4</b> 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	31.04  8.34	Ownership  Ownership	Free from mortgage  Free from mortgage
<b>Residential building for employee</b> Location: Thasai Subdistrict, Mueang Nonthaburi District, Nonthaburi Province - Land: Area 0-3-91 Rai	20.33	Ownership	Free from mortgage
<b>New Land</b> 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
<b>Total</b>	<b>311.31</b>		

<b>Buildings and building improvements</b>	<b>Net book value (Million Baht)</b>	<b>Proprietary nature</b>	<b>Obligations</b>
<b><i>Head office (building)</i></b>	31	Ownership	Free from mortgage
	0.01	Owned by a subsidiary	
<b><i>Parking opposite the head office (Parking lot and warehouse)</i></b>	0.49	Ownership	Free from mortgage
<b><i>Factory 1 (Buildings and building improvements )</i></b>	1.7	Owned by a subsidiary	Free from mortgage
	1.35	Ownership	
<b><i>Factory 2 (Buildings)</i></b>	0.00	Ownership	Free from mortgage
<b><i>Factory 3 (Buildings)</i></b>	3.29	Ownership	Free from mortgage
<b><i>Factory 4 (Buildings)</i></b>	11.02	Ownership	Free from mortgage
<b><i>Residential building for employee</i></b>	0.20	ownership	Free from mortgage
<b>Renovation of the leased buildings, branch offices and service centers in the provinces, totaling 30 places</b>	9.05	Ownership of the lessor	Ownership of the lessor
<b>Total</b>	<b>58.21</b>		

### 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 2022, the Company and its subsidiaries There are investment properties of Million Baht 58.33 Details are as follows:

Investment properties	Net book value (Million Baht)	Proprietary nature	Obligations
<b>Office for rent</b> Location: Thasai Subdistrict, Mueang Nonthaburi District, Nonthaburi Province - Land: Area 0-0-50 Rai	0.69	Ownership	Free from mortgage
<b>Office for rent</b> 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 0.33	Ownership Ownership	Free from mortgage
<b>Land waiting for development</b> Location: Tha Sai Subdistrict, Mueang Nonthaburi District, Nonthaburi Province - Land: Area 4-1-43 Rai	52.29	Ownership	Free from mortgage
<b>Total</b>	<b>58.33</b>		

### 1.2 Intangible assets

As of December 31, 2022, the Company and its subsidiaries has intangible assets of 58.80 million baht, consisting of computer program Assets under development (expenses for developing computer programs)

### 1.3 Leases

As of 31 December 2022, 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 2022 End : 31 December 2022
Office buildings and warehouses	Lessor : Thiensurat Plc. Tenant : Safe Trade International Co., Ltd.	Start : 1 January 2022 End : 31 December 2022
Office building	Lessor : Thiensurat Plc. Lessee : Thiensurat Leasing Co., Ltd.	Start : 1 January 2022 End : 31 December 2023
Office building	Lessor : Thiensurat Plc. Tenant : Alpine Water Co., Ltd.	Start : 1 August 2022 End : 31 July 2023





• **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 2022 End : 31 December 2022
Factory area	Lessor: Thiensurat Plc. Tenant: Better Dreams Co., Ltd.	Start : 1 January 2022 End : 31 December 2022
Factory area	Lessor: Thiensurat Plc. Tenant: Ideal Water Co., Ltd.	Start : 1 January 2022 End : 31 December 2022
Vacant land (parking)	Lessor: Mrs. Chantana Yuhun Lessee: Thiensurat Plc.	Start : 18 May 2022 End : 18 May 2023
Vacant land (parking)	Lessor: Mr. Prapas Rojnirand Lessee: Thiensurat Plc.	Start : 3 June 2022 End : 2 June 2023

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, 30 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

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 2022, 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 in January 2023, the Board of Directors resolved to increase the capital to 500.00 million baht. Alpine Water Company Limited operates the business of distributing ice machines. The Company holds 99% stake in the said subsidiary. The total investment value is Baht 8.78 million.

### (5) An unassigned work

- None-

## 1.3 Shareholding structure

**1.3.1** The shareholding structure of the Thiensurat Public Company Limited As of 28 February 2023



### 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	99.00%

### 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)
<b>Safe Trade International Company Limited</b> Registration: 0125538005592 43/12, Moo 7, Soi Chuchat Arnusorn 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

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)
<b>Thiensurat Leasing Company Limited</b> Registration: 0125559017522 43/9, Moo 7, Soi Chuchat Arnusorn 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		500.00	300.00
<b>Alpine Water Co., Ltd.</b> Registration: 0125563014435 43/9, Moo 7, Soi Chuchat Arnusorn 4, Bang Talad Sub-district, Pakkred District, Nonthaburi 11120 Tel: 065-717-8426 02-819-8899 086-717-8426 080-076-9230 Website: www.alpinewater.co.th  <b>Joint Venture:</b> - Mr. Ekarat Changyoo - Ms.Theinvanee Changyoo	The company that has business about trading, rental, and service the set of ice maker machine composed of ice maker machine and water purifier	99.00	1.00 0.001	10.00	7.00

### 1.3.4 Shareholders

(1) List of Top 10 major Shareholders As of 31 December 2022

No.	Name of Shareholders	Number of shares	% of shareholdings
1	Sabuy Technology Public Company Limited	136,900,000	24.92
2	Better Dreams Co., Ltd	107,274,915	19.53
3	Ms. Paranya Rudjanapornpajee	35,018,300	6.37
4	Mr. Werawat Changyoo	23,076,930	4.20
5	Mr. Ekarat Changyoo	12,754,000	2.32
6	Ms. Darunee Leesirikun	11,953,620	2.18
7	Mr. Ekarith Ekasmith	9,544,000	1.74
8	Mr. Kittinut Tikawan	9,288,400	1.69
9	Mr. Monchai Leesirikun	8,660,600	1.58
10	Thai NVDR Company Limited	7,268,504	1.32
Total the 10 shareholders		361,739,269	65.84
Other		187,671,964	34.16
<b>Total</b>		<b>549,411,233</b>	<b>100.00</b>



- (2) Major shareholders by circumstances to influence policy. Management or operation of highly significant is that the Sabuy Technology Public Company Limited

No.	Name of Shareholders	Number of shares	% of shareholdings
1	Sabuy Technology Public Company Limited	136,900,000	24.92
1.1	Ms. Paranya Rudjanapornpajee	35,018,300	6.37
<b>Total</b>		<b>171,918,300</b>	<b>31.29</b>

#### 1.4 Amount of registered and paid-up capital

Registered Capital	: Baht 824,116,850
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 2022, The company has a profit according to the consolidated financial statements in the amount Baht 71.99 million, which the Board of Directors resolved to propose to the general meeting of shareholders on 20 April 2023 to approve the dividend payment in ordinary shares of the company in the amount of not more than 54,941,713 shares at par value. 1 baht per share to the Company's shareholders at the rate of 10 existing shares per 1 stock dividend, totaling the value of shares not exceeding 54,941,713 baht or equivalent to a dividend payment rate of 0.10 baht per share. Fractions of existing shares after stock dividend allocation shall be paid in cash instead of stock dividend payment at the rate of 0.10 baht per share and cash dividend payment at the rate of 0.0111 baht per share or an amount not exceeding 6,104,635 by the ratio of payment The dividend compared to the profit for the year according to the consolidated financial statements for the year 2022 is equal to 84.80%, which is higher than the dividend payment policy of the company. Details of dividend payment for the past 3 years of the Company are as follows:

Details of Dividend Payment	2022	2021	2020
1.Profit for the year			
1.1 Consolidated financial statements(Million Baht)	71.99	31.01	143.13
1.2 Separate financial statement (Million Baht)	30.48	-1.91	124.25
2.Number of Shares (Million shares)			
2.1 Amount of shares for the Interim Dividend Payment		549.41	546.98 <sup>1/</sup>
2.2 Amount of shares for the Final Dividend Payment	549.41	-	546.98 <sup>1/</sup>
3.Dividend per share (Baht)			
3.1 Interim Dividend Payment		0.04	0.085
3.2 Final Dividend Payment	0.111	-	0.08
<b>Total Dividend per share</b>	<b>0.111</b>	<b>0.04</b>	<b>0.165</b>
4.Total of Dividend Paid (Million Baht)			
4.1 Interim Dividend Payment		21.98	46.51
4.2 Final Dividend Payment	61.05	-	43.76
<b>Total Dividend per share</b>	<b>61.05</b>	<b>21.98</b>	<b>90.27</b>
5.Proportion of dividends to net profit for the year			
5.1 Consolidated financial statements (%)	84.80	70.87	-
5.2 Separate financial statements (%)	-	-	72.65
6.Proportion of dividends on net profit for the year after deduction of corporate income tax and legal reserves.	-	-	-
6.1 Consolidated financial statements (%)	87.85	79.02	-
6.2 Separate financial statements (%)	*	-	76.48

Remark: <sup>1/</sup> 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 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
<b>1) Business Risks</b>		
<b>Strategic Risk</b>		
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 Consistently and continuously to maintain and increase customer satisfaction, which is an important part of increasing the profitability of the company.

Risk	Risk Description	Company Risk Management
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.
<b>Operational Risk</b>		
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 (O2O) 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 2023, the company plans to expand into other sales channels. In addition to direct sales, in order to manage the risk of relying mainly on direct sales. There are more sales channels such as O2O,



Risk	Risk Description	Company Risk Management
		E-Marketplace, corporate customers, Telemarketing, Modern Trade and dealers. 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 raw materials by having a certain level of safety stock.
<b>Financial Risk</b>		
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 funding cost with the fluctuation of interest rate.	The Group have operated the hire purchase business for over 46 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 to other products such as Ice makers, freezers, cars, trucks, floor plan loans and secured loans. By doing the water purifier loan business electrical appliances and trucks. The company's sources of funds are from operations, capital increase, and medium and long-term loans. As for short-term loans, such as Floor Plan, use short-term loan sources. This reduces interest rate volatility.

Risk	Risk Description	Company Risk Management
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	<p>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 2022, 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.</p> <p>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 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>The credit risk of hire purchase accounts can be measured with the amount of hire purchase accounts receivable be written off. The company has tightened up the contract of water purifier hire-purchase. By adding a Call verification process to check the qualifications of customers before signing a contract and installation In addition to the initial consideration from the salesperson. and team leader After that, there will be a field unit to inspect the debtor's quality. by assessing the credibility of each customer whether it is suitable for the product installment plan and checking whether it is fully installed or not And make an appointment to collect the installment payment for the next product (Customers can pay via counter service or pay via QR code as well.) For electrical appliances in installments, they will be sold through a subsidiary, Thiensurat Leasing Co., Ltd. (TSRL), with credit checks. Customers through the Credit Bureau and checker staff will check customer information according to the company's rules. TSRL to be used as supporting information for approval consideration or not. In case of bad debts from sales Salespersons and relevant sales executives will be responsible for paying</p>

Risk	Risk Description	Company Risk Management
		damages to the company. to replace the damage according to the company's criteria And the company will follow up and collect outstanding debts from overdue debtors by the debt collection department and the company's legal department. Including the removal of the device back from the debto
<b>Compliance Risk</b>		
The risk of changing policies, rules, and regulations involving the Company' s business conducts	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.	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.
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	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

Risk	Risk Description	Company Risk Management
	<p>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.</p>	<p>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.</p>
<b>2) New Emerging Risks</b>		
<p>Risk from Digital Technology Changes</p>	<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. Including creating a Customer Portal, adding information systems to support new sales channels such as sales through Dealer / Modern Trade with Mobile Application / Web Base Application technology that will support access to the same and new types of products and services of the group of companies in year 2023, as well as developing a system for repair</p>

Risk	Risk Description	Company Risk Management
		and maintenance services (Service Application) that will allow service appointments with service technicians to be made in a variety of channels.

### 2.3 Risk of Securities Holders' Investment

Risk	Risk Description	Company Risk Management
The risk of conducting business as a holding company	Originally, the company had a group of major shareholders Changyoo family and on May 10, 2022, it was changed to Sabuy Technology Public Company Limited "SABUY" to become a major shareholder. (further details can be obtained from Part: Listing Securities and Shareholding Structure) As of 31 December 2022, SABUY held 24.92 % . As a result, the SABUY 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.	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. 3, out of 9, 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.



### 3. Driving Business towards Sustainability

#### 3.1 Sustainability Policy and Goal

##### Sustainable Development Policy and Social Responsibility

Thiensurat Public Company Limited is committed to business operation and sustainable growth. Under the good corporate governance of the whole value chain, considering the impact on stakeholders, society and the environment, the company believes that: The business operation based on sustainability is the basis for the stable growth of the organization. In addition, the company is committed to work on the basis of creating positive changes for the community, environment and economy. In order to develop the operation in an appropriate direction and create benefits for stakeholders at all levels, the main contents are as follows:

1. Adhere to conducting business with fairness. Value and respect for human rights. Treatment of customers, partners, trade competitors and labor equally and fairly. Be responsible to consumers. Give importance to the health and safety in the workplace of employees. Create awareness and encourage employees to take care of the environment. Along with the development of communities and society for a better quality of life.
2. Focus on directors, executives, employees and employees at all levels. It is responsible for supporting, promoting and operating in accordance with the sustainable development policy until it becomes a culture. Operate with due regard for balanced benefits in terms of economy, society and environment.
3. Awareness and responsibility for sustainable development approaches. Ensure that the company develops its economy according to the interests of society, environment and stakeholders. Promote responsible operation in the enterprise value chain.

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. And give consideration to the balance between environment, society, economy and good corporate governance. (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 realize their responsibility to communities, society and the environment.
8. Manage and mitigate risks to prevent and minimize 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

The company has a guideline for conducting business with morality, ethics, adhering to responsibility to all stakeholders. for sustainable mutual benefits By analyzing the impact and creating value to create a balance in environment, society and economy under the principles of good corporate governance. integration to create links throughout the business chain From resource utilization, production, warehouse management and transportation. distribution and after sales service



### Sustainable Development Strategy

With our corporate vision, "Be empower life's quality for everyone with more accessible together with the sustainable development policy The company has laid out key strategies for business operations through comprehensive risk management and stakeholder impact assessments. along with specifying indicators that can monitor and evaluate operational efficiency in terms of economy and good governance, social and environmental aspects and pass on the goals for implementation to the executives and employees thoroughly.

1. Development and maintenance of human resources The company will treat employees equally and fairly. Give importance to occupational health and safety at work. along with continually improving the skills of employees
2. Environmental, Social and Governance Risk Management The company will conduct business with responsibility. respect human rights Comply with laws and regulations In addition, managing risks and impacts on the environment, society and governance Both directly related to the Company's operations and those of its partners in the Company's supply chain.
3. Service access support both commercial business and corporate customers, service businesses and online businesses thoroughly to build a strong foundation of the economy



### Sustainable Development Goals and Plans

The company has formulated sustainable development management objectives to ensure that the company's sustainable development management is efficient and effective. United Nations Sustainable Development Goals (SDGs), details are as follows.

Sustainability Strategy	Index	Target Year 2024	Performance Year 2022
<b>Environment</b>	Waste volume (non-hazardous)	10% discount compared to the base year (2022)	188,000 kg
	Power	6% discount compared to the base year (2022)	0.87 Million baht
	Water	6% discount compared to the base year (2022)	0.33 Million baht
	Water recycling and reuse	> 20%	20%
	Reduce the use of consumables.	> 10%	10%
	Recycled spare parts can be reused as second-hand products	> 5%	5%
<b>Social</b>	Employee training time (excluding online training time)	6 hours/person	4.57 hours/person
	Improvements to improve efficiency and reduce costs (Reduce paper through the system 1.e-Recruit, 2.Resign, 3.HR One on IOS)	5 jobs	3 job
	Overall satisfaction of employees with the organization	80 points	74.87 points
	Complaints from communities around the company	None	None
	Social and community activities (Donation of water purifiers in temples and schools Donate an old calendar to make a bell)	5 jobs	2 jobs
	Accidental death from work	None	None
	Accident (LTIFR)	None	10 cases
	Complaints about human rights violations by employees and partners	None	None
<b>Economic and Good Corporate Governance</b>	Income from product sales	> 4,000 Million baht	1,159 Million baht
	Customer satisfaction	> 95%	95%
	Selection of purchasing partners Outsourcing with local vendors and/or contractors (within the province)	> 90%	85%






Sustainability Strategy	Index	Target Year 2024	Performance Year 2022
	Complaints or disputes about unfair competition	None	None
	Complaints or disputes about the infringement of other people's property	None	None
	Corporate governance assessment	Excellent	Excellent

### 3.2 Management Of Stakeholders Impacts in The Business Value Chain

#### 3.2.1 Business Value Chain Development

The company attaches importance to all processes of the business chain, including supply chain and value chain. The value chain helps to improve the quality of life and the environment, including the fair operation of business, and is accountable to all stakeholders.

- Supply Chain : Focus on efficient resource management, cost reduction, and production efficiency improvement.
- Value Chain : Focus on creating higher value of products and services to meet customer needs.

Business Value Chain				
				
Inbound logistics	Production process	Warehouse management and logistics	Marketing and sales	After sales service
Primary activities				
Develop Product Supply	Production plan	Improve efficiency logistics	Reasonable fair and competitive price	After sales service to increase/maintain customer satisfaction
Improve management and transportation efficiency	waste reduction production	Effective inventory management	Manage the brand to be remembered by customers	
	Improve product value and quality		Communication of online marketing channels	
Support activities				
Purchase	Technology Development	Human Resource Management	Infrastructure	



Primary activities
<p>★ <b>Inbound logistics</b></p> <p>The company attaches importance to considering partners by using the supplier/contractor selection policy specified by the company. It also focuses on the procurement of standardized, consumer safe and environmentally friendly raw materials, including: Manage resources as production factors to realize the company's value and maximum benefits.</p>
<p>★ <b>Production</b></p> <p>The company gives importance to every process. from product design Standard selection of raw materials production process supply of packaging. We use almost all recyclable materials, including proper packaging size and quality inspection. According to the ISO 9001 quality management system, the production plan is consistent with the actual sales. The Focus on production reduce waste production.</p>
<p>★ <b>Warehouse management and logistics</b></p> <p>The company is committed to continually developing the management system within the warehouse. To respond to customers and distributors in the increasing sales channels.</p> <ul style="list-style-type: none"> <li>- Develop and increase the efficiency of the distribution system in online and offline channels to support sales during normal hours. and during special events such as 11.11 etc.</li> <li>- Develop delivery systems in online and offline channels in collaboration with transport companies. along with selecting a transportation company that has reasonable costs and fast service time in each channel</li> </ul>

**Primary activities**★ **Marketing and sales**

The company gives importance to learning and developing employees based on the core competencies of the organization (TSR Core Competency) or ISMART, allowing employees to create new ideas in order to be ready for change. Including analytical thinking, formulating and planning methods for marketing and sales promotion. To support the purchase decisions of customers, service users or consumers, such as pricing, advertising, public relations, etc., and communicating through online marketing channels.

**360° Marketing Communication**★ **Aftersales service**

Managing information related to products and services To distribute or deliver products and services to customers and create satisfaction after the sale. to show empathy and make customers come back to buy products such as installation services product inspection Including product warranty and maintenance, etc.

Support activities	
★	<p>Activities that support the Primary activities to achieve the objectives include Purchase. technology development Human Resource Management and other infrastructures such as organizational management Accounting and financial systems, buildings and utilities systems.</p> <ul style="list-style-type: none"> <li>- Partners : The Company recognizes and gives priority to fair and equal business operations by establishing a policy. and procurement regulations that focus on the selection and assessment of suppliers who are responsible for society, environment, and respect for human rights. obey the law Including a procurement system according to ISO 9001 standards.</li> <li>- Employees : Focus on treating labor with fairness. respect human rights not discriminate Take care of labor relations welfare Develop and promote employee potential Promote learning and participation Take into account occupational safety and health in the workplace.</li> <li>- Technology : Develop systems to cover business value chains such as order management systems, logistics and distribution systems. warehouse management system Information management system related to customers, products and services</li> </ul>

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

Stakeholders	Major Concerns	Strategy	Communication
2. Consumer / Service recipient	<ul style="list-style-type: none"> <li>- Standard quality</li> <li>- Products that meet the needs of customers</li> <li>- Deliver the convenience of using drinking water products that promote health and good quality of life.</li> </ul>	<ul style="list-style-type: none"> <li>- Development of production quality control</li> <li>- Encouraging consumers to participate in the design and development of products and services</li> <li>- Sales and Service Development</li> <li>- Educating about health care by drinking water</li> </ul>	<ul style="list-style-type: none"> <li>- Process Development and assess complaints arising from production quality</li> <li>- Customer complaints and satisfaction surveys</li> <li>- Sales and service processes</li> </ul>
3. Employees: Daily Monthly Temporary worker	<ul style="list-style-type: none"> <li>- Reasonable rewards and benefits</li> <li>- Consideration of human rights and fair treatment of workers non-discriminatory</li> <li>- Have a safe and good working environment</li> <li>- Stability and opportunity for advancement in duty</li> <li>- Knowledge development</li> </ul>	<ul style="list-style-type: none"> <li>- Adhere to good governance and business ethics</li> <li>- Create an appropriate performance evaluation system and income policy.</li> <li>- Prepare a succession plan to give employees the opportunity to advance in their careers.</li> <li>- Complaint Policy</li> <li>- Employee training plans to enhance their potential Develop knowledge and abilities as well as mental development of employees through Buddhist projects</li> <li>- Training according to the annual plan and activities</li> <li>- Determination of measures for safety, occupational health and working environment in accordance with the standards</li> <li>- Developing systems and workflows to help them work</li> <li>- Listening to opinions and suggestions from operators to improve work practices</li> </ul>	<ul style="list-style-type: none"> <li>- internal training</li> <li>- Activities of executives meet employees</li> <li>- Announce Email</li> <li>- Training</li> <li>- Bringing the program to work together</li> <li>- preparation of work standards</li> <li>- creating events and the company's online communication public relations board and satisfaction surveys</li> <li>- Comment box</li> <li>- Channel for receiving complaints and suggestions</li> <li>- Occupational Safety, Health and Environment Committee</li> </ul>

Stakeholders	Major Concerns	Strategy	Communication
4. Third Party Partners	<ul style="list-style-type: none"> <li>- Fair, transparent procurement</li> <li>- Strictly free and fair business competition</li> <li>- Complete payment on time</li> <li>- Comply with the terms and conditions of the contract</li> </ul>	<ul style="list-style-type: none"> <li>- Conducting business with integrity adhere to the code of conduct and good corporate governance</li> <li>- Policy on procurement</li> <li>- Negotiation with partners to achieve a work agreement that is satisfactory to both parties</li> </ul>	<ul style="list-style-type: none"> <li>- Business Ethics Guide</li> <li>- Summary of the annual supplier assessment</li> <li>- Good Corporate Governance</li> <li>- Regular communication with partners</li> </ul>
5. Community and society around the company and nearby areas	<ul style="list-style-type: none"> <li>- Manufacturing processes that are environmentally friendly and healthy</li> <li>- Not causing trouble to the community around the company</li> <li>- Creating jobs for people in the community</li> </ul>	<ul style="list-style-type: none"> <li>- Strict compliance with pollution laws</li> <li>- Building a good relationship with people nearby the company</li> <li>- Creating careers for people in the community</li> </ul>	<ul style="list-style-type: none"> <li>- Receive training Listen to the news and check the practice regularly.</li> <li>- There is a communication channel between the company and the community closely to listen to problems, opinions.</li> <li>- Recruitment announcements in the vicinity of the company and activities organized by departments in the province</li> </ul>
6. Regulatory agencies for external companies, both public and private sectors.	<ul style="list-style-type: none"> <li>- Comply with the laws and regulations the company is obliged to follow.</li> <li>- Comply with approved working standards</li> <li>- Cooperation and support in various fields requested by the agency</li> </ul>	<ul style="list-style-type: none"> <li>- Conducting business with good governance principles</li> <li>- Cooperation and support in various fields for government related to the company</li> </ul>	<ul style="list-style-type: none"> <li>- Report according to the rules and conditions in the license</li> <li>- Participate in external training and seminars on related knowledge</li> <li>- Meeting to acknowledge the rules</li> <li>- Comply with and check the work to be in accordance with working standards and rules correctly and consistently</li> </ul>
7. Environment	<ul style="list-style-type: none"> <li>- Maximize the use of natural resources</li> <li>- Reduce environmental impact</li> </ul>	<ul style="list-style-type: none"> <li>- Use of environmentally friendly raw materials</li> <li>- Production water circulation</li> <li>- Reduce production waste</li> <li>- Waste classification project</li> </ul>	<ul style="list-style-type: none"> <li>- Internal/external training</li> <li>- Create events and communication through social media</li> <li>- Performance evaluation</li> </ul>
8. Creditors Financial institution	<ul style="list-style-type: none"> <li>- Able to comply with conditions and the terms of the contract</li> </ul>	<ul style="list-style-type: none"> <li>- Comply with the conditions and the terms of the contract</li> <li>- Answer questions when available Financial doubts accurately and quickly</li> </ul>	<ul style="list-style-type: none"> <li>- Meeting and talking</li> <li>- Phone E-mail</li> <li>- Website</li> </ul>



### 3.3 Sustainability Management in the Environmental Dimension

#### 3.3.1 Environmental Policy and Guidelines

United Nations Framework Convention on Climate Change Conference of the Parties: UNFCCC COP) No. 27 (COP27) was held in Sharm el-Sheikh, Egypt From November 6 to 18, 2022, the annual meeting discussed the details of cooperation. And determine the action direction of global social climate change. Thailand continues to express its intention to achieve zero net greenhouse gas emissions in 2608, including national emission reduction. By 2030, the defined contribution (NDC) of all sectors will be 30-40%

(source: <https://www.thaigov.go.th/news/contents/details/60623> also. <https://www.sdgmovement.com/2020/11/29/cop27-climate-change-conference-2022/>)

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. The environmental management plan is as follows:

1. Effectively manage the generated waste without causing pollution or negative impact on the environment. Or minimize the negative impact through effective waste management (such as waste classification).
2. System data recording and regular evaluation, such as waste volume data collection Recycle the water in the production process to plan for improvement, reduce negative impact or pollution and improve efficiency.
3. Comply with environmental regulations and reduce environmental complaints from the company's operations.
4. Educate employees at all levels Including stakeholders to understand, awareness and consciousness in the use of natural resources and energy, including reducing the impact that will occur on the environment.
5. Expanding the responsibility network to cover partners, manufacturers, raw material suppliers, customers, society or all stakeholders with the business, namely, throughout the supply chain, to conduct business in an environmentally friendly manner as well.

#### 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, and 2022 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 the plant area and raw material warehouse. The company has established a water recovery system through the water purifier test in the process. Reuse the water through UF membrane filtration system to reduce the consumption of tap water.

Item	2022	2021	2020
<b>Information main raw material usage</b>			
Raw material			
- Plastic (kg)	220,000	318,684	245,000
- Carbon Filter (kg)	34,724	48,442	29,727
<b>Electricity consumption</b>			
- Electricity consumption (million baht)	0.87	0.97	1.3
<b>Amount of water energy consumption classified by water source</b>			
- Water consumption (million baht)	0.33	0.34	0.33
<b>Water reuse</b>			
- Water reuse (%)	20	20	20
<b>Waste</b>			
- Hazardous waste (kg)	-	-	-
- Non-Hazardous waste (kg)	188,000	122,422	226,600
<b>Costs and investments for environmental protection</b>			
- Waste disposal and treatment expenses (million baht)	0.03	0.12	0.22
<b>Expenses for research and development of business innovations</b>			
- Product research and development fee (thousand baht)	2,440	2,215	1,472

### 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



### TSR 5S project

Improve management efficiency and provide management system for units in the office; and Good management can improve work efficiency and productivity, which is a widely accepted activity to improve institutional efficiency. 5S activities include cleaning, convenience, cleaning,

hygiene and habit formation. 5S activities help to cultivate high-quality talents. Organize and create a good environment for the organization. Therefore, 5S training was conducted for the employees of the production team. and big Cleaning Day Office has formulated a step-by-step action plan, starting from cleaning, and established a 5S committee. Evaluation, scoring and improvement suggestions

#### 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>)

#### 3.4.2 Social Management

##### (I) 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	2022		2021		2020	
1.1 Number of employees (person)	male	female	male	female	male	female
- full time staff	794	394	967	512	1,161	606
- Daily staff	14	11	8	10	11	4
- Temporary staff (Independent salesperson)	249	262	444	457	581	634
<b>Total</b>	<b>1,057</b>	<b>667</b>	<b>1,419</b>	<b>979</b>	<b>1,753</b>	<b>1,244</b>
1.2 Number of employees classified by gender	male	female	male	female	male	female
- The rate of employees joining the company	1,778	1,445	3,283	3,130	3,910	3,346
- Manager	5	8	12	5	2	4
- Director level and above	12	1	4	0	3	0
<b>Total</b>	<b>1,795</b>	<b>1,454</b>	<b>3,299</b>	<b>3,135</b>	<b>3,915</b>	<b>3,350</b>



## 2. Employee retirement and turnover

รายการ	2022		2021		2020	
2.1 Number of employees to retire (person)	male	female	male	female	male	female
- aged 55-60 years	50	21	37	9	35	10
- aged 51-54 years	90	41	67	24	59	23
<b>Total</b>	140	62	104	33	94	33
2.2 Turn Over Rate (person)	male	female	male	female	male	female
	2,075	1,666	3,796	3,533	3,432	2,971

## 3. Rate of return to work after maternity

Item	2022	2021	2020
Return to work after maternity (person)	6	11	18

## 4. Compensation ratio of female and male employees

Item	2022	2021	2020
Female	34.30%	34.04%	34.04%
Male	65.70%	65.96%	65.96%

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	2022		2021		2020	
1. Number of disabled employees	male	female	male	female	male	female
1.1 Disabled employees (persons)	7	13	10	9	10	5
- Full time staff	1	0	1	2	1	0
- Contract employee (Section 35)	6	13	9	7	9	5
1.2 Number of employees classified by gender (person)	35	65	53	47	60	40
2. Remuneration for disabled employees (Baht)	2,360,165		1,933,781		1,769,972	

Staff Training and Capacity Development

The Company realizes 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 2022, the training institute had developed and selected training courses and human resource development programs. 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 |

**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 total of 130 courses.

**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 2022, 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)
  - 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.

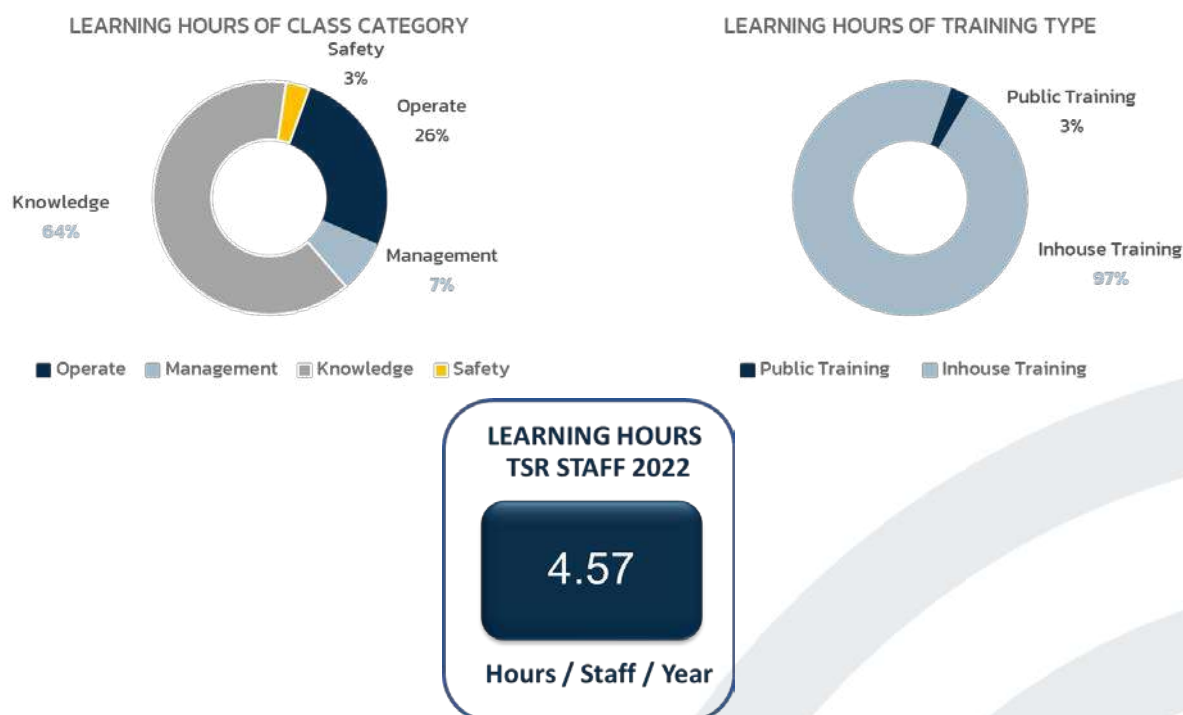
- Managerial Competency Management competencies only at the level of department heads and above.

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 2022 average 70.72%

### 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.



### Training and development expenses

Unit: Baht

Item	2022	2021	2020
In House Training	260,149.00	231,963.15	2,103,586.00
Public Training	82,090.00	52,429.75	158,221.00

### 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 2022

(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	7	1	2
tool	1	0	0	0	0
slip	0	0	0	0	1
Falling objects	0	0	0	2	0
Objects/cut/pierce	0	0	0	0	1
Electric shock	0	0	0	0	1
Chemical splash	0	0	0	0	1
<b>Total</b>	<b>1</b>	<b>0</b>	<b>7</b>	<b>3</b>	<b>6</b>

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.

**(2) 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 2022 is 95.79%. The company is committed to continually improving its services to better serve its customers.



### (3) 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 27 locations, totaling 189 machines.







## 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 Kaew Fah Temple, Bang Khayang Bang Khanun Street, Bang Kruai District, Nonthaburi Province on 8 July 2022, with the contribution of factors Worshipping cloth for bathing in the rain and candles and donated factors from employees, total Baht 76,500 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 2022, 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 15 October 2022, with a total of Baht 122,221 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 2022, the company has selected partners. Purchasing Procurement with local sellers and/or contractors (within the province) amounting to 85 people or 23.55%

### Number of Supplier/Service/Outsource in local

(Unit: Person)			
Item	2022	2021	2020
Supplier/Service/Outsource in local	85.00	59.00	57.00

## 4. Management Discussion and Analysis

### 4.1 Explanation and Analysis of Financial Position and Operating Results

#### 4.1.1 The Overview of past performance

The Companies operate business in manufacturer and sell water purifiers, filters, household electrical appliances, icemakers, and other SME products by direct market sell which is the main selling channel. In addition, O2O (online to offline) which connects Digital marketing team together with sale team, and service team in order to handle every requirement which cover customers in all region. With the cash sale, the credit sale, and the leasing contracts sale under the installment program of Thiensurat Leasing Co., Ltd., which is a subsidiary, has been providing retail lending and leasing quality household electrical appliances since 2017. Thus, the company's total revenue is divided into 4 categories: sales revenue, leasing income, loan receivables, and other income. In 2022, Thiensurat Leasing Co., Ltd., expanded its loan portfolio by 109.98 million baht or 130.71 percent with the growth of the Floor Plan and Factoring Loans, which enhance financial liquidity for entrepreneurs. In 2022, the Companies had total revenue of 1,386.73 million baht or 18.11% decrease, while the Companies net profit was 71.99 million baht. It is 132.16% increase compared to 2021.

2022 was another year that the economies and societies of all countries were depressed by the impact of the coronavirus (COVID-19) pandemic. Although the company has adjusted its operational strategy to deal with the expected situation, both reactive and proactive planning, it has not been able to cope with the significant impacts of the COVID-19 pandemic. The company was unable to have direct sales team to the market, and it was very difficult to reach customers due to the caution of the customer towards the outbreak combined with the consequences of the government lockdown measures. The Company is fully aware of the safety and hygiene of its customers, employees, and stakeholders. The Company has established various operational measures in accordance with government policies and measures to control the spread of the disease. This is to build customer confidence, deliver good health and safety to every household with quality products and good service. Creating sterile sales team staff through the process of cleaning and disinfecting equipment used in sales and services, and training employees who have to meet customers to be aware and perform their duties with an awareness on preventing and reducing the risk of transmission of germs. In addition, there are measures to allow employees to work from home, measures to screen employees before entering the workplace in accordance with public health measures, as well as assist to the families of employees, and communities nearby the Company, both head office and branches, by donating essential items such as drinking water, rice, etc.

O2O (online to offline) which connects Digital marketing team together with sale team, and service team in order to handle every requirement which cover customers in all region. In the middle of changing lifestyle and lifestyle in the New Normal era with the development of reverse osmosis membrane water purifier products that combine several advantages, including RO High Flow system, smart display system, error code notification system, auto flush system, automatic filter flushing, quick change filter, and duo faucet system can be used for drinking water via RO system. Water is used through preliminary filtration to be used for washing fruits and vegetables that will be released in 2022. This includes building on the company's strengths and expertise by marketing related products which are Point of Entry Water Treatment to use in regional areas, and hot and cold-water dispensers with built-in water filtration systems for enterprise business applications. Expansion in commercial markets (B2B) through joint ventures with companies to sell icemakers with European technology Under the brand name Alpine with a wide range of production capacity It is considered to be an extension of the growth of the core business (Cross Selling) by emphasizing the strengths of being an expert in drinking water filtration to meet the needs of business operators. In hygienic, safety, convenience and cost savings in business operations, which in the past year, despite being severely



affected by the COVID-19 pandemic, that has led to a decrease in the sales of water purifiers as already mentioned above.

#### 4.1.2 Performance Analysis

##### Income

The Companies have income from direct sales, online sales, O2O, B2B, and Network agency business group "TSR Network" cash sales and leasehold sales. The Companies has also expanded its business to other types of loans such as floor plan loans, factoring loans, truck loans and SMEs loans.

In 2020, 2021 and 2022, the Companies had total revenue of 1,942.88 million baht, 1,693.49 million baht and 1,386.73 million baht, respectively. Compared to 2021, the Companies' total revenue decreased by 306.75 million baht or 18.11%: revenue from sales amounted to 1,159.01 million baht decreased by 252.52 million baht or 17.89% from leasing and loan receivables of 200.61 million baht decreased by 45.63 million baht or 18.53% and other income of 27.12 million baht decreased by 8.61 million baht or 24.09%. The decrease in sales was due to the impact of seasonal rains and floods between July and October, management team adjustments in the first 9 months of the year, including the increase in manpower of the direct sales team that did not meet the target. The company has planned to adjust the sales team management strategy in accordance with the sales situation under the ongoing COVID-19 pandemic, we are supporting the sales of the filter business group, icemakers, the truck leasing and floor plan lending business continues to grow. However, by joining SABUY Group, the company will be able to increase sales by leaps and bounds based on ecosystem and cross-sell between each other.

Proportion of the Companies' total revenue is showed the table is as follows:

Income	For the year ended December 31					
	2022		2021		2020	
	Million Baht	%	Million Baht	%	Million Baht	%
Revenue from sales:						
- Cash sales and credit sale	379.64	27.4	319.41	19.3	276.29	14.5
- Sale under leasing agreement	779.37	56.2	1,092.11	65.9	1,409.25	73.8
Revenue from sales	1,159.01	83.6	1,411.52	83.4	1,685.54	86.8
Interest of leasing income	185.01	13.3	234.19	13.8	221.75	11.4
Interest income from loan receivables	15.59	1.1	12.05	0.7	2.62	0.1
Other income	27.12	2.0	35.73	2.1	32.97	1.7
<b>Total Revenue</b>	<b>1,386.73</b>	<b>100.0</b>	<b>1,693.49</b>	<b>100.0</b>	<b>1,942.88</b>	<b>100.0</b>

Revenue from sales by main distribution channels is as follows:

**(1) Revenue from direct sales channels** is the main income that comes from the door-to-door marketing of salespeople for Safe brand water purifiers and filters which is belonging to the company.

**(2) Revenue from distribution of products through other companies** is derived from the distribution of products through direct selling companies such as GIFFARINE Skyline Unity Co.,Ltd., Addwell Beauty (Thailand) Co., Ltd., and Successmore Being Public Company Limited.

**(3) Revenue from distribution of products through Online Marketing** the Company started selling through this channel at the end of 2017 and has always developed sales methods to meet the needs of customers and technology that is constantly changing until it became an online to offline sales in 2018.

**(4) Revenue from the sale of icemakers** through Alpine Water Co., Ltd. and existing entities nowadays, both direct sales channels and online-marketing sales.

**(5) Interest income from loan receivables** of Thiensurat Leasing Co., Ltd. that started the expansion process with truck leasing, floor plan loans, and loans.

When comparing sales revenue by product group, revenue from the sale of water purifiers in 2020, 2021, and 2022 amounted to 1,277.09 million baht, 1,039.61 million baht and 624.01 million baht, respectively. In 2022, sales of water purifiers decreased from the previous year by 415.61 million baht or 39.98 percent.

Revenue from the sale of filters in 2020, 2021, and 2022 amounted to 147.10 million baht. In 2022, sales of filters increased from the previous year 43.89 million baht or 30.79% increase

In 2022, sales of icemakers, electrical appliances, and other product groups include televisions, washing machines, refrigerator, air conditioner, freezer, water heater, evaporative fan, air purifier, etc. In 2020, 2021 and 2022, the amount was 261.35 million baht. In 2022, sales of the group increased from the previous year. 119.20 million baht or 51.97% increase

The proportion of sales revenue by products in 2022 is shown in the following table:

Revenue by product	Value (Million Baht)	Percent
Water purifier	624.01	53.84
Filter agent	186.41	16.08
Icemakers	85.73	7.40
Electrical appliances and more	262.86	22.68
<b>Total</b>	<b>1,159.01</b>	<b>100.00</b>

### Cost of sales

Cost of sales consists of the cost of purchasing goods, the cost of raw materials in production, the cost of production staff, production overheads, and other costs. In 2020, 2021 and 2022 cost of sales were 435.82 million baht, 345.68 million baht and 427.60 million baht, respectively. The ratio of cost of sales to total revenue was 22.43%, 20.41% and 30.83%, respectively. In 2022, cost of sales increased by 81.92 million baht or 23.70% due to increased sales of filter products and SMEs, which had lower gross profit from the sale of water purifiers with lower sales share of sales.

### Cost of distribution

Distribution costs are the key expenses for the Companies' business operations, including, advertising expenses, and employee-related expenses, such as commissions, travel expenses, and allowance. In 2020, 2021 and 2022, the amount was 675.86 million baht, 640.00 million baht and 419.42 million baht or the ratio of distribution costs to total revenue was 34.79%, 37.79% and 30.25% respectively. The proportion of distribution costs decreased as a result of expense management improving the structure of sales and payouts to be more efficient and appropriate.

### Management Costs

Management costs include employee expenses, depreciation, utility expenses, etc. In 2020, 2021 and 2022, The Companies have management costs of 434.31 million baht, 424.12 million baht, and 269.39 million baht, respectively. In 2022, management costs decreased from 154.73 million baht or 36.48% in 2021, with the ratio of management costs to total revenue decreasing from 25.04% in 2021 to 19.43% in 2022. The decrease was due to the tight and efficient management of management costs as SABUY Group entered into management and established management guidelines.

### Expected credit losses

For the year 2022, the Group had an impairment loss of 170.99 million baht, a decrease of 60.20 million baht or 26.04% from the previous year. Manage the reclaimed water filters so that they can be used by selling and renting them. Including the provision for doubtful debts decreased from the improvement of the proactive quality inspection process of debtors.

### Financing costs

Financial costs such as interest paid on loans, which part of the Companies leasing business uses, loans to provide working capital while waiting to receive installment payments from customers. Therefore, financial costs are classified as the main cost of doing business, as well as the cost of sales. There are two types of financing costs according to the purpose of using the loan: financing costs from short-term loans for working capital and financing costs from long-term loans to support investments. Total financial capital in 2020, 2021 and 2022 amounted to 4.39 million baht, 5.36 million baht, and 7.70 million baht, respectively. Financial costs in 2022 were higher compared to 2021 of 2.34 million baht or an increase of 43.53% due to borrowings from financial institutions and promissory notes of 203.00 million baht to be used for the expansion of the credit business of Thiensurat Leasing Company Limited.

### Net Profit

In 2020, 2021 and 2022, the Companies had a net profit of 143.13 million baht, 31.01 million baht, and 71.99 million baht, respectively. Compared to 2021, the Companies net profit in 2022 increased by 40.98 million baht or 132.16%. Net profit margin, which is calculated from the net profit shown in the consolidated financial statements for 2020, 2021 and 2022, was 7.37%, 1.83% and 5.19%, respectively.

#### 4.1.3 Financial Statement Analysis

##### 4.1.3.1 Assets

The Companies' assets as of December 31, 2020, 2021 and 2022 totaled 1,691.54 million baht, 1,712.14 million baht, and 1,712.13 million baht, respectively. The Companies' main assets include leasing receivables, loan receivables, lands, buildings and equipment, and inventories, etc. However, leasing receivables, installment sales, and floor plan loan receivables also remain the Companies' main income.

Ratio of current assets to total assets is shown in the table is as follows:

Assets (Million Baht)	Year 2022	Year 2021	Year 2020
Total Assets	1,727.13	1,712.14	1,691.54
Current assets	944.79	959.92	1,053.01
<b>Ratio of current assets to total assets (%)</b>	<b>54.70</b>	<b>56.07</b>	<b>62.25</b>



In 2022, the ratio of current assets to total assets decreased as a result of lower sales revenues. As a result, the portion of leasing receivables due within one year decreased by 27.60% compared to the previous year. Meanwhile, the non-current asset class is higher from the development of various software systems to support future business plans.

### Leasing Receivables

Leasing receivables are represented by the amount of contractual outstanding debt less accrued interest income, deferred sales tax, and allowance for expected credit losses. As of December 31, 2020, 2021, and 2022, the Companies had receivables under the hire-purchase agreement amounting to 701.02 million baht, 611.93 million baht, and 544.72 million baht, respectively, which has the highest proportion compared to total assets.

### Adequacy of estimates of expected credit losses

The Companies have receivables under the leasing agreement from the sale of installment payments of water purifiers, filters, electrical appliances, icemakers with an installment period of approximately 12-13 months. Meanwhile, the sale of cars and trucks under the leasing agreement has an installment period of about 3-5 years. The Companies have considered the estimated credit losses expected throughout the period of the contract in accordance with Financial Reporting Standard No. 9 (TFRS 9) by grouping receivables according to the credit risk of a common nature according to the overdue period as follows:

Water purifiers and filters Unit: Thousand Baht	Leasing receivables, net of interest income, are subject to recognition.				Allowance for expected credit losses			
	31 Dec 2022	%	31 Dec 2021	%	31 Dec 2022	% Compare receivables	31 Dec 2021	% Compare receivables
Financial assets without a significant increase in credit risk (Performing)	243,589	74.13%	389,874	81.00%	6,403	2.63%	10,509	2.70%
Financial assets with a significant increase in credit risk (Under-performing)	29,740	9.05%	48,253	10.03%	11,673	39.25%	19,588	40.59%
Financial assets with credit impairment (Non-performing)	55,252	16.82%	43,192	8.97%	48,106	87.07%	39,053	90.42%
Total	328,581	100.00%	481,319	100.00%	66,182	20.14%	69,150	14.37%

Water purifiers and filters Unit: Thousand Baht	Leasing receivables, net of interest income, are subject to recognition.				Allowance for expected credit losses			
	31 Dec 2022	%	31 Dec 2021	%	31 Dec 22	% Compare receivables	31 Dec 2021	% Compare receivables
Financial assets without a significant increase in credit risk (Performing)	244,639	84.29%	195,616	94.83%	2,163	0.88%	2,696	1.38%
Financial assets with a significant increase in credit risk (Under-performing)	26,792	9.23%	6,682	3.24%	1,876	7.00%	1,584	23.71%
Financial assets with credit impairment (Non-performing)	18,792	6.48%	3,975	1.93%	3,860	20.54%	2,237	56.28%
Total	290,223	100.00%	206,273	100.00%	7,899	2.72%	6,517	3.16%

Data on the quality of leasing receivables as of December 31, 2022 compared to December 31, 2021 showed that the quality of leasing debts by age of outstanding receivables, based on NPLs in the water purifier group, increased from 8.97% to 16.82%, electrical appliances and others increased from 1.93% to 6.48%. However, the Company still has strict measures in considering hire purchase loans and has a hybrid collection system between direct payment and debt collection department to track outstanding customers. The company plans to use collection and debt collection with SABUY Group to control debt collection expenses.

#### Loan receivables

Loan receivables, including floor plan receivables, factoring loans, and other loans of Thiensurat Leasing Co., Ltd., are growing steadily. Considering the proportion of outstanding receivables for more than 3 periods of 2022 equal to 0.10% of the total loans, the Companies have such assets as of December 31, 2020, 2021, and 2022 amounting to 28.55 million baht, 83.33 million baht, and 192.18 million baht, respectively.

#### Inventories

As of December 31, 2020, 2021, and 2022, the Companies had inventories of 212.76 million baht, 271.99 million baht, and 232.02 million baht, respectively. Inventories decreased from 2021 due to inventory management to be suitable for sales and slow moving stock.

#### Land, buildings and equipment and intangible assets

As of December 31, 2020, 2021 and 2022, the Companies had lands, plants and, equipment amounting to 353.16 million baht, 415.07 million baht, and 398.15 million baht, respectively. Also, intangible assets of 31.39 million baht, 27.80 million baht, and 58.80 million baht, respectively. Most of the assets include the lands and buildings where the head office is located, factories, and software systems

### Deferred income tax assets

Deferred income tax assets are due to different accounting and tax recognition criteria for income and expenses. As of December 31, 2020, 2021 and 2022, the Group had deferred tax assets of 21.71 million baht, 27.84 million baht, and 25.30 million baht, respectively.

#### 4.1.3.2 Liabilities

The Group's liabilities include overdrafts and short-term loans from financial institutions, trade creditors and other creditors, financial lease liabilities, employee benefit obligations, accrued corporate income taxes, and other liabilities. As of December 31, 2020, 2021, and 2022, the Group had total liabilities of 416.52 million baht, 460.94 million baht, and 403.33 million baht, respectively. In 2022, the Company's debt decreased from the list of trade creditors and other creditors equal to 39.56 million baht from product order management to suit the sales situation. The list of major liabilities is as follows:

- **Overdrafts and short-term loans from financial institutions** as of December 31, 2022 were 203.00 million baht to support the growth of leasing and loan receivables.
- **Trade creditors and other creditors**, As of December 31, 2022, the Companies had 95.69 million baht of trade and other creditors, a decrease of 39.56 million baht or 29.25% from 2021.
- **Financial lease liabilities** the liabilities from the provision of vehicles for use by the direct sales team and the leasing of the Company's branches amounted to 44.94 million baht. This was a decrease of 33.75 million baht from 2021, a decrease of 42.89% due to proper expense management.
- **Long-term loans** As of December 31, 2022, the Group had no long-term loans.
- **Reserve long-term employee benefits** As of December 31, 2022, the Companies had a long-term employee benefit reserve based on actuarial estimates of 20.97 million baht, decreased by 0.42 million baht from 2021.

#### 4.1.3.3 Shareholder's Equity

As of December 31, 2020, 2021, and 2022, the Group has shareholders' equity of 1,270.57 million baht, 1,244.74 million baht, and 1,323.80 million baht, respectively. In addition to the annual net profit, the company has increased its registered capital from 549.41 million baht to 824.12 million baht. As of December 31, 2022, the company has a capital Issued and paid up in the amount of 549.41 million baht.

#### 4.1.3.4 Financial structure

As of December 31, 2020, 2021, and 2022, the Group had debt-to-equity ratios of 0.33 times, 0.37 times, and 0.30 times, respectively. The ratio of interest-bearing debt to equity was 0.13 times, 0.21 times, and 0.19 times, respectively. In 2022, the debt-to-equity ratio and interest-bearing debt to equity decreased due to effective management of liquidity and expenses.

**4.1.3.5 Liquidity****Cash flow**

Details of the source and source of use of cash flow each year is summarized as table below:

Unit: Million Baht	Fiscal year ended December 31		
	2022	2022	2022
Operational activities	84.49	42.28	110.29
Investment Activities	(35.83)	(69.45)	(21.34)
Financing activities	(15.28)	21.54	(86.30)
<b>Cash increase (decrease)</b>	<b>33.38</b>	<b>(5.63)</b>	<b>2.65</b>
Cash and cash equivalents at the beginning of the year	56.46	62.09	59.44
<b>Cash and cash equivalents at the end of the year</b>	<b>89.85</b>	<b>56.46</b>	<b>62.09</b>

The Companies is able to manage liquidity effectively. The company was able to manage the cash flow received for working capital in the business and Paid dividends of 61.05 million baht in 2022.

**4.1.4 Return on equity analysis**

The return on equity increased from 2.47% in 2021 to 5.61% in 2022. The Company's return on equity is directly proportional to the following factors:

- (1) Cost and expense management, and net profit margin increased from 2.06% to 5.29% as a result of a decrease in the proportion of distribution costs and management costs to total revenue.
- (2) Asset utilization efficiency of asset turnover for 2022 was 0.81 times, decrease from the previous year (2021: 1.00 times). The Companies' total assets increased by 15.00 million baht from loan receivables, cash and cash equivalents, and an increase in intangible assets from software system development
- (3) Financial Structure the Debt-to-Equity Ratio decreased from 0.37 times to 0.30 times due to a decrease in trade creditors, other creditors and lease liabilities.

**4.2 Key factors and influences that may affect future operations or financial position****Urbanization and sales ratio**

The Companies focus on distribution in densely populated urban areas so that salespeople can perform their duties as efficiently as possible. The growth prospects of the domestic economy have resulted in the continuous expansion of urban communities, which is good for the company's sales planning and also adds new potential areas, thus providing opportunities for the company's growth in the future.

**Impact of changes in accounting standards**

The newly issued and revised financial reporting standards relating to the Companies operations are expected to have a material impact on the Companies' consolidated and separate financial statements when it is put into practice for the first time. The aforementioned financial reporting standards are required to be applied to financial statements for accounting periods commencing on or after January 1, 2021, there are no significant new financial reporting standards and the Companies accounting records have not been implemented.

### **Impact of changes in technology and information**

Due to the rapid change in technology and information in the world. As a result, the Companies must keep up with the development and change. Whether it is the development of products and services to be provided to customers, combined with the development of strategies, guidelines and processes to be implemented at all times to ensure safe survival. By providing training to employees to have a continuously increasing knowledge and ability. Recruitment of knowledgeable and modern personnel to join the work, and finding strategic partners who can work together to develop the business together, as well as requesting cooperation from government agencies to develop the company in accordance with 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 824,116,850
Paid-up Capital	Baht 549,417,133 (549,417,133 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
Website	: www.tsrplc.com
Investor Relations	: 02-819-8899 Ext. 1536 and 1591
E-mail	: ir@tsrplc.com

#### 5.1.2 Other Reference

<b>Registrar</b>	: <b>Thailand Securities Depository Company Limited</b> 93 Ratchadaphisek Road, Din daeng, Bangkok 10400, Thailand
Tel.	: 02-009-9999
<b>Auditors</b>	: <b>KPMG Phoomchai Audit Ltd.</b> Empire Tower 1, 48 <sup>th</sup> - 50 <sup>st</sup> Floor, South Sathorn Road Yannawa, Bangkok 10120
	Ms. Thanyalux Keadkeaw CPA No. 8179
	Ms. Sophit Prompol CPA No. 10042
	Ms. Dussanee Yimsuwan CPA No. 10235
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, 2022

### 5.4 secondary market

- None

### 5.5 Financial Institutions with Regular Contacts

- None



## Part 2

# Corporate Governance

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### 6. Corporate Governance Policy

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In 2022, the Company was given a “Excellent” ranking (five-star) by an assessment for the Corporate Governance Report of Thai Listed Companies 2022, from a total of 750 companies. The assessment by the Corporate Governance Report of Thai Listed Companies 2022 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, 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 2022, 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 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](mailto: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	1	VDO Conference 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

## 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

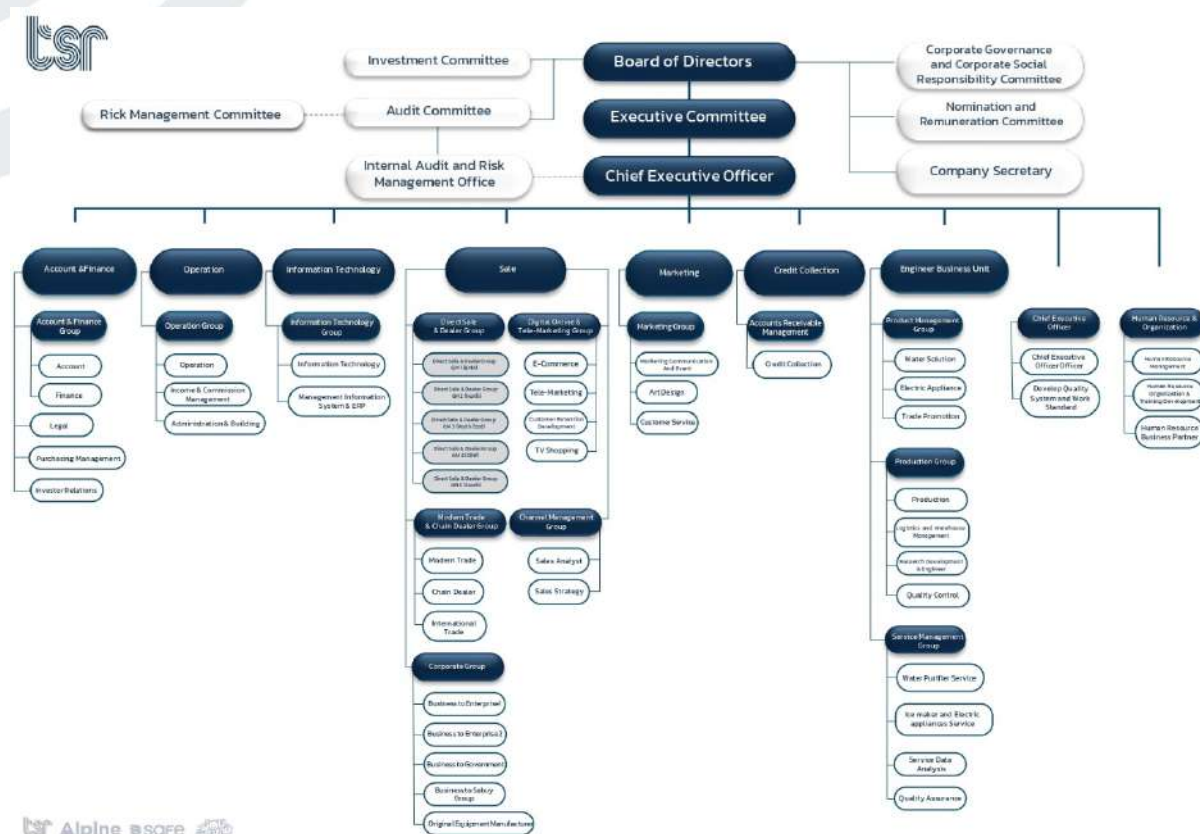
- 6.3.1 In 2022, the Board of Directors reviewed various policies, including the Corporate Governance Policy in accordance with the Good Corporate Governance Principles for Listed Companies (CG Code), Code of Conduct, Anti-Corruption, Whistle blowing. Consideration of the election of directors who must retire by rotation and consideration of the performance appraisal form of directors and the assessment results, etc.
- 6.3.2 In 2022, 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 24 February 2023



Chief Executive Officer / Vice President

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 28 February 2023, the Board of Directors of the Company consists of 9 members, and 2 directors are executives. The structure of the board of directors can be separated as follows:

- 3 independent directors, representing 33.33 percent of the Board of Directors.
- 2 executive director., representing 22.22 percent of the Board of Directors.

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 28 February 2023, the company's Board of Directors consists of 9 members, comprising of 3 independent directors, representing 33.33% of the Board of Directors.

Name	Title	Date of First Appointment
1. Mr. Sahas Treetipbut	➤ Chairman of the Board	31 October 2012
2. Mr. Chookiat Rujanapornpaje <sup>1/</sup>	➤ Director ➤ Chairman of the Executive Committee	12 January 2023
3. Mr. Waranon Kongpatimakorn <sup>2/</sup>	➤ Director ➤ Member of Risk Management Committee ➤ Member of Executive Committee ➤ Member of Investment Committee ➤ Chief Executive Officer	1 September 2022
4. Mr. Ekarat Changyoo	➤ Director ➤ Member of the Corporate Governance and Corporate Social Responsibility Committee ➤ Member of Risk Management Committee ➤ Member of Executive Committee	12 February 2013



Name	Title	Date of First Appointment
	➤ Member of Investment Committee	
5. Ms. Tachanun Kangwantrakool <sup>3/</sup>	➤ Director ➤ Member of Nomination and Remuneration Committee	1 September 2022
6. Mr. Kittipol Thanasit <sup>4/</sup>	➤ Director ➤ Member of Executive Committee ➤ Member of Risk Management Committee ➤ Member of Investment Committee ➤ Chief Financial Officer	1 September 2022
7. Assoc. Prof. Boonserm Vimuktanandana	➤ Independent Director ➤ Chairman of the Audit Committee	8 November 2012
8. Dr. Supree Wongdeeprom, Ph.D. <sup>5/</sup> (Resigned on 24 February 2023)	➤ Independent Director ➤ Member of Audit Committee ➤ Member of Corporate Governance and Corporate Social Responsibility Committee ➤ Chairman of Risk Management Committee	18 April 2013
9. Prof.Porntep Siriwanarangsun, MD., MPH., PhD. <sup>6/</sup> (Retired by rotation on 1 March 2023)	➤ Independent Director ➤ Member of the Audit Committee ➤ Member of the Nomination Remuneration Committee	27 February 2018
10. Ms. Sumana Vonggapap <sup>7/</sup>	➤ Independent Director ➤ Member of Audit Committee ➤ Chairman of the Nomination Remuneration Committee	24 April 2015
11. Surat Wongrattanapassorn Ph.D. <sup>8/</sup>	➤ Independent Director ➤ Member of Audit Committee ➤ Member of Risk Management Committee	27 April 2018

**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 2022, The authorized signatories of the Company are any two of the following four directors can sign jointly with the Company's seal affixed: Mr. Sahas Treetipbut, Mr. Ekarat Changyoo and Mr. Waranon Kongpatimakorn

#### 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 1 March 2023, 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 March 2023, Audit Committee comprise 3 directors as follows:

<b>Name</b>	<b>Titles</b>
1. Assoc. Prof. Boonserm Vimuktanandana	Chairman of the Audit Committee
2. Ms. Sumana Vonggapan <sup>7/</sup>	Member of the Audit Committee
3. Surat Wongrattanapassorn Ph.D. <sup>8/</sup>	Member of the Audit Committee

### **Risk Management Committee**

As of 31 December 2022, Risk Management Committee comprise 6 directors as follows:

<b>Name</b>	<b>Titles</b>
1. Dr. Supree Wongdeeprom Ph.D.	Chairman of the Risk Management Committee
2. Surat Wongrattanapassorn Ph.D. <sup>8/</sup>	Member of the Risk Management Committee
3. Mr. Ekarat Changyoo	Member of the Risk Management Committee
4. Mr. Waranon Kongpatimakorn <sup>2/</sup>	Member of the Risk Management Committee
5. Mr. Kittipol Thanasit <sup>4/</sup>	Member of the Risk Management Committee
6. Mr. Phornwit Laithuamtaweekun <sup>9/</sup>	Member of the Risk Management Committee

### **Executive Committee**

As of 12 January 2023, The Executive Committee comprise 3 directors as follows:

<b>Name</b>	<b>Titles</b>
1. Mr. Chookiat Rujanapornpaje <sup>1/</sup>	Chairman of the Executive Committee
2. Mr. Waranon Kongpatimakorn <sup>2/</sup>	Member of the Executive Committee
3. Mr. Ekarat Changyoo	Member of the Executive Committee
4. Mr. Kittipol Thanasit <sup>4/</sup>	Member of the Executive Committee
5. Mr. Phornwit Laithuamtaweekun <sup>9/</sup>	Member of the Executive Committee

### **Nomination and Remuneration Committee**

As of 31 January 2023, The Nomination and Remuneration Committee comprise 3 directors as follows:

<b>Name</b>	<b>Titles</b>
1. Ms. Sumana Vonggapan <sup>7/</sup>	Chairman of The Nomination and Remuneration Committee
2. Prof.Porntep Siriwanarangsun, MD., MPH., PhD <sup>6/</sup>	Member of The Nomination and Remuneration Committee
3. Ms. Tachanun Kangwantrakool <sup>3/</sup>	Member of The Nomination and Remuneration Committee

### **Corporate Governance and Corporate Social Responsibility Committee**

As of 1 March 2023, The Corporate Governance and Corporate Social Responsibility Committee comprise 1 directors as follows:

<b>Name</b>	<b>Titles</b>
1. Mr. Ekarat Changyoo <sup>3/</sup>	Member of the Corporate Governance and Corporate Social Responsibility Committee

### **Investment Committee**

As of 24 February 2023, The Investment Committee comprise 3 directors as follows:

<b>Name</b>	<b>Titles</b>
1. Mr. Waranon Kongpatimakorn <sup>2/</sup>	Member of The Investment Committee
2. Mr. Kittipol Thanasit <sup>4/</sup>	Member of The Investment Committee
3. Mr. Ekarat Changyoo	Member of The Investment Committee

### **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 2022, the Company held 11 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 Committee**

As of 28 February 2023, The Management Committee comprise 6 individuals as follows:

<b>Name</b>	<b>Titles</b>
1. Mr. Waranon Kongpatimakorn <sup>2/</sup>	Chief Executive Officer
2. Mr. Kittipol Thanasit <sup>4/</sup>	Chief Financial Officer
3. Mr. Krissana Tantecharat <sup>10/</sup>	Chief Executive Officer (Sales)
4. Mr. Panupan Visuttipitakul <sup>11/</sup>	Vice President
5. Mr. Kiratat Jirachit <sup>12/</sup>	Vice President
6. Mr.Kwanchai Anothainart <sup>13/</sup>	Vice President
7. Mr. Pornchai Sanchaichana <sup>14/</sup>	Vice President
8. Ms. Chanadda Ruangchai <sup>15/</sup>	Vice President
9. Mr. Pongsak Ravanghet <sup>16/</sup>	Vice President
10. Mr. Tongthai Puntian <sup>17/</sup>	Vice President
11. 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 2022 Annual General Meeting of Shareholders held on Wednesday 27 April 2022, 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 2022 for the amount of not more than 6.20 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 2022**

(Unit : Baht)

Positions	2022		
	Allowances (Quarter)	Meeting allowances*	Remuneration (Monthly)
<b>Board of Directors</b>			
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
<b>Audit Committee</b>			
Chairman of the Audit Committee	30,000	15,000	
Audit Committee Member	25,000	12,000	
<b>Executive Committee</b>			
Chairman of the Board	30,000	15,000	
Non-Executive Director	25,000	12,000	
Executive Director	10,000	5,000	
<b>Other committees appointed by the Board of Directors</b>			
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 2022, 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 2020 2021 and 2022 were Baht 38.52 million Baht 43.52 million and 33.19 million Baht 33.12, 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 2022)

**7.5 Information about employees****Number of personnel or employees**

As of 31 December 2022, the Company has 1,724 employees. The number of employees in each key function is as follows:

(Unit: Person)

Employees	Number of Employees
Sales and Service staff	1,291
Operating staff	410
Management	23
<b>Total</b>	<b>1,724</b>

## Employee Remuneration

In 2022, 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 467.45 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 2020, 2021, and 2022, Company contributions to the provident fund in the amount of Baht 3.70 million Baht 2.89 million and Baht 3.21 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 (%)
	1,724	242	14

## 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](mailto:ir@tsrplc.com). or phone number 02-8198899 ext. 1536 or 1591

### 7.6.3 Remuneration for Auditors

In 2022, 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 2022, 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 2022, 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

In 2022, 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 2022, the company was in the "Excellent" level, with an overall average score of 91%, higher than the average score of listed companies of 85 percent.
- Quality Assessment of the Annual General Meeting 2022 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 be 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 30, 2022 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 2022, Sabuy Technology Public Company Limited became a major shareholder. As a result, there was a change in the shareholder structure after the investment. and change directors by sending personnel to become directors in the company.

### **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. Mr. Chookiat Rujanapornpaje <sup>1/</sup>	- DCP 268/2018
3. Mr. Waranon Kongpatimakorn <sup>2/</sup>	- DAP 188/2021 - DCP 337/2023 (in progress.)
4. Mr. Ekarat Changyoo	- DAP SET/2012 - FBS 1/2014 - DCP 263/2018
5. Ms. Tachanun Kangwantrakool <sup>3/</sup>	- DCP 268/2018 - FSD 38/2019 - RCL 17/2019 - AACP 35/2019
6. Mr. Kittipol Thanasit <sup>4/</sup>	- DCP 339/2023 (in progress.)
7. Associate Professor. Boonserm Vimuktanandana	- DAP 100/2013 - ACP 42/2013
8. Dr. Supree Wongdeeprom Ph.D. <sup>5/</sup>	- DAP SET/2012 - RCL 14/2018
9. Prof.Porntep Siriwanarangsun, MD., MPH., Ph.D. <sup>6/</sup>	- DCP 212 - FSD 28/2015 - RCL 116/2018
10.Ms. Sumana Vonggapan <sup>7/</sup>	- DAP 47/2005
11.Surat Wongrattanapassorn Ph.D. <sup>8/</sup>	- DCP 233/2017

### 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 2022 is 93.67% 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 2022, 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 93.85% 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 2022 are as follows:

The Audit Committee received an average score of 100%

The Nomination and Remuneration Committee received an average score of 97.40%

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 94.18%

The Executive Committee did not prepare a performance appraisal because Sabuy Technology Public Company Limited became a major shareholder As a result, there was a change in the shareholder structure after the investment. and change directors by sending personnel to become directors in the company

### **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 2022, the Chief Executive Officer evaluation form was not prepared because Sabuy Technology Public Company Limited became a major shareholder. As a result, there was a change in the shareholder structure after the investment. and change directors by sending personnel to become directors in the company and change management The Board of Directors agrees that there should be an evaluation of the Chief Executive Officer in 2023.

### **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 2022, the Company held 11 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 2022, 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 2022 Directors as of 28 February 2022				
	Board of Directors		Annual General Meeting 2022	Extraordinary General Meeting 2022	Remark
	per year (time)	%			
1. Mr. Sahas Treetipbut	11/11	100	1/1	1/1	
2. Mr. Chookiat Rujanapornpaje <sup>1/</sup>	-	-	-	-	Appointed on 12 January 2023
3. Mr. Waranon Kongpatimakorn <sup>2/</sup>	5/5	100	-	1/1	Appointed on 1 September 2023
4. Mr. Ekarat Changyoo	11/11	100	1/1	1/1	
5. Ms. Tachanun Kangwantrakool <sup>3/</sup>	5/5	100	-	1/1	Appointed on 1 September 2023
6. Mr. Kittipol Thanasit <sup>4/</sup>	5/5	100	-	1/1	Appointed on 1 September 2023
7. Assoc.Prof. Boonserm Vimuktanandana	11/11	100	1/1	1/1	

Name	Number of attendance / Total number of the meetings in 2022				
	Directors as of 28 February 2022				
	Board of Directors		Annual General Meeting 2022	Extraordinary General Meeting 2022	Remark
	per year (time)	%			
8. Dr. Supree Wongdeeprom Ph.D. <sup>5/</sup>	11/11	100	1/1	1/1	
9. Prof.Porntep Siriwanarangsun, MD., MPH., PhD <sup>6/</sup>	11/11	100	1/1	1/1	
10. Ms. Sumana Vonggapan <sup>7/</sup>	11/11	100	1/1	1/1	
11. Surat Wongrattanapassorn Ph.D. <sup>8/</sup>	11/11	100	1/1	1/1	

- Remark:
- <sup>1/</sup> Mr. Chookiat Rujanapornpaje to appointment of the Board of Director / Chairman of Executive Committee on 12 January 2023
  - <sup>2/</sup> Mr. Waranon Kongpatimakorn to appointment of the Board of Director / Member of Executive Committee/ Member of Risk Management Committee / Chief Executive Officer on 1 September 2022 and Appointment of the Member of Investment Committee on 24 February 2023
  - <sup>3/</sup> Ms. Tachanun Kangwantrakool to appointment of the Board of Director / Member of Nomination and Remuneration Committee on 1 September 2022.
  - <sup>4/</sup> Mr. Kittipol Thanasit to appointment of the Board of Director / Member of Risk Management Committee / Chief Financial Officer on 1 September 2022 , to appointment of the Member of Executive Committee on 12 January 2023 and Appointment of the Member of Investment Committee on 24 February 2023.
  - <sup>5/</sup> Dr. Supree Wongdeeprom Ph.D. resigned of the Independent Director / Member of Audit Committee / Member of Corporate Governance and Corporate Social Responsibility Committee / Chairman of the Risk Management on 24 February 2023
  - <sup>6/</sup> Prof.Porntep Siriwanarangsun, MD., MPH., PhD Retired by rotation of the Independent Director / Member of Audit Committee / Member of Nomination Remuneration Committee on 24 February 2023.
  - <sup>7/</sup> Ms. Sumana Vonggapan to appointment of the Member of Audit Committee on 24 February 2023
  - <sup>8/</sup> Surat Wongrattanapassorn Ph.D. to appointment of the Member of Audit Committee on 24 February 2023
  - <sup>9/</sup> Mr. Phornwit Laithuamtaweekun to appointment of the Member of the Executive Committee / Member of Risk Management Committee on 1 September 2022
  - <sup>10/</sup> Mr. Krissana Tantecharat to appointment of the Chief Executive Officer (Sales) on 1 October 2022
  - <sup>11/</sup> Mr. Panupan Visuttiptakkul to appointment of the Chief Product & Production Officer on 1 October 2022
  - <sup>12/</sup> Mr. Kiratat Jirachit to appointment of the Vice President on 1 January 2023
  - <sup>13/</sup> Mr.Kwanchai Anothainart to appointment of the Vice President on 1 January 2023
  - <sup>14/</sup> Mr. Pornchai Sanchaichana to appointment of the Vice President on 1 November 2023
  - <sup>15/</sup> Ms. Chanadda Ruangchai to appointment of the Vice President on 1 December 2022
  - <sup>16/</sup> Mr. Pongsak Ravanghet to appointment of the Vice President on 1 January 2023
  - <sup>17/</sup> Mr. Tongthai Puntian to appointment of the Vice President on 16 December 2022
  - <sup>18/</sup> Mr. Viruch Wongnirund, Died on 6 July 2022
  - <sup>19/</sup> Ms. Theinvanee Changyoo resigned of the Board of Director on 31 August 2022
  - <sup>20/</sup> Ms. Savita Changyoo resigned of the Board of Director on 31 August 2022
  - <sup>21/</sup> Mr. Siam Uralwong resigned of the Board of Director on 31 August 2022

**(2) Payment of remuneration for individual committees**

Remuneration of Directors in 2022, totaling Baht 6,021,600 (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	245,000	-	-	-	-	-	133,200	275,000	653,200
2. Mr. Chookiat Rujanapornpaje <sup>1/</sup>	-	-	-	-	-	-	-	-	-
3. Mr. Waranon Kongpatimakorn <sup>2/</sup>	30,000	-	30,000	-	-	5,000	20,000	75,000	160,000
4. Mr. Ekarat Changyoo	197,000	-	219,000	-	-	48,000	107,500	150,000	721,500
5. Ms. Tachanun Kangwantrakool <sup>3/</sup>	78,000	-	-	24,000	-	-	40,000	75,000	217,000
6. Mr. Kittipol Thanasi <sup>4/</sup>	30,000	-	-	-	-	5,000	20,000	75,000	130,000
7. Assoc. Prof Boonserm Vimuktanandana	204,000	175,500	-	-	-	-	111,000	150,000	640,500
8. Dr. Supree Wongdeeprom Ph.D. <sup>5/</sup>	204,000	144,400	-	-	-	60,000	111,000	150,000	669,400
9. Prof. Porntep Siriwanarangsun, MD., MPH., PhD <sup>6/</sup>	204,000	144,400	-	88,800	-	-	111,000	150,000	698,200
10. Ms. Sumana Vonggapan <sup>7/</sup>	204,000	-	-	111,000	-	-	111,000	150,000	576,000
11. Surat Wongrattana-Passorn Ph.D. <sup>8/</sup>	204,000	-	-	-	-	48,000	111,000	150,000	513,000
12. Mr. Phornwit Laithuam taweekun <sup>9/</sup>	-	-	10,000	-	-	5,000	-	-	15,000
13. Mr. Viruch Wongnirund <sup>18/</sup>	-	-	-	-	-	-	51,000	-	51,000
14. Ms. Theinvanee Changyoo <sup>19/</sup>	84,000	-	156,000	-	-	36,000	71,000	100,000	447,000
15. Ms. Savita Changyoo <sup>20/</sup>	84,000	-	156,000	52,800	-	36,000	71,000	100,000	499,800
16. Mr. Siam Uralwong <sup>21/</sup>	10,000	-	-	-	-	-	20,000	-	30,000
<b>Total</b>	<b>1,778,000</b>	<b>464,300</b>	<b>571,000</b>	<b>276,600</b>	<b>-</b>	<b>243,000</b>	<b>1,088,700</b>	<b>1,600,000</b>	<b>6,021,600</b>

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".

### 8.1.3 Corporate Governance of subsidiaries and joint venture

As on 31 December 2022 The Company's subsidiaries is as fallow:

Subsidiaries	Holds
Safe Trade International Company Limited	99.98%
Thiensurat Leasing Company Limited	100.00%
Alpine Water Company Limited	99.00%

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 2022 the directors and management of companies reported their shareholdings by comparing the increase (decrease) during the period from 30 December 2021 and 30 December 2022 as follows.

No.	Name	Number of shares				Shares Increase (decrease) during the year (Shares)
		30 December 2021		30 December 2022		
		Own	Spouse or Underage Children	Own	Spouse or Underage Children	
1.	Mr. Sahas Treetipbut Treetipbut	0	0	19,000	0	19,000
2.	Mr. Chookiat Rujanapornpaje <sup>1/</sup>	-	-	-	-	-
3.	Mr. Waranon Kongpatimakorn <sup>2/</sup>	-	-	0	0	0
4..	Mr. Ekarat Changyoo	34,101,613	0	12,754,000	0	(21,347,613)
5.	Ms. Tachanun Kangwantrakool <sup>3/</sup>	-	-	0	0	0
6.	Mr. Kittipol Thanasit <sup>4/</sup>	-	-	0	0	0
7.	Assoc. Prof. Boonserm Vimuktanandana	0	0	0	0	0
8.	Dr. Supree Wongdeeprom Ph.D. <sup>5/</sup>	0	0	0	0	0
9.	Prof.Porntep Siriwanarangsun, MD., MPH., PhD <sup>6/</sup>	0	0	0	0	0
10.	Ms. Sumana Vonggapan <sup>7/</sup>	300,000	0	440,000	0	140,000
11.	Surat Wongrattanapassorn Ph.D. <sup>8/</sup>	329,400	0	308,900	0	(20,500)
12.	Mr. Phornwit Laithuamtaweekun <sup>9/</sup>	-	-	0	0	0
13.	Mr. Krissana Tantecharat <sup>10/</sup>	-	-	252,000	60,000	312,000
14.	Mr. Panupan Visuttipitakul <sup>11/</sup>	-	-	100,300	0	100,300
15.	Mr. Kiratat Jirachit <sup>12/</sup>	0	0	0	0	0
16.	Mr.Kwanchai Anothainart <sup>13/</sup>	0	0	0	0	0
17.	Mr. Pornchai Sanchaichana <sup>14/</sup>	-	-	41,000	0	41,000
18.	Ms. Chanadda Ruangchai <sup>15/</sup>	-	-	0	0	0
19.	Mr. Pongsak Ravanghet <sup>16/</sup>	-	-	0	0	0
20.	Mr. Tongthai Puntian <sup>17/</sup>	-	-	0	0	0
21.	Mr. Viruch Wongnirund <sup>18/</sup>	1,062,498	0	0	0	(1,062,498)
22.	Ms. Theinvanee Changyoo <sup>19/</sup>	33,795,673	0	583,800		(33,211,873)
23.	Ms. Savita Changyoo <sup>20/</sup>	34,433,796	0	0	0	(34,433,796)
24.	Mr. Siam Uralwong <sup>21/</sup>	0	0	600,000	0	600,000

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 The post office:  
Audit Committee  
Thiensurat Public Company Limited  
43/9, Moo 7, Soi Chuchart Arnusorn 4, Bangtalad Sub-district, Pakkred district,  
Nontaburi 11120
- 1.3 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
- 1.4 E-mail :  
[info@tsrplc.com](mailto:info@tsrplc.com)  
[www.safealkaline.com/contacts](http://www.safealkaline.com/contacts)  
[Appeal.AC@tsrplc.com](mailto:Appeal.AC@tsrplc.com)
- 1.5 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 2022**

**8.2.1 Meeting of the Audit Committee** In 2022, there were 8 meetings

Name	Titles	Per year (time)
1. Assoc. Prof. Boonserm Vimuktanandana	Chairman of the Audit Committee	8/8
2. Dr. Supree Wongdeeprom Ph.D. <sup>5/</sup>	Member of the Audit Committee	8/8
3. Prof.Porntep Siriwanarangsun, MD., MPH., PhD <sup>6/</sup>	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. Pichayaporn Kongsomnam who is Manager of Internal Audit

Office is on Secretary of the audit committee duty. Ms. Pichayaporn Kongsomnam 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 2022, 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 the company's internal control system and internal audit system including considering the independency of the Internal Audit Office. In 2022, the company appointed Ms. Pichayaporn Kongsomnam 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 2022 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 2022. 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 2022.

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 2022

Details of Attachment 6 Report of Sub-Committees

Name	Number of attendance / Total number of the meetings in 2022 Directors as of 30 December 2022			
	Executive Committee	Nomination Of Remuneration Committee	Corporate Governance and Corporate Social Responsibility Committee	Risk Management Committee
1. Mr. Sahas Treetipbut	-	-	-	-
2. Mr. Chookiat Rujanapornpaje <sup>1/</sup>	-	-	-	-
3. Mr. Waranon Kongpatimakorn <sup>2/</sup>	2/2	-	-	1/1
4. Mr. Ekarat Changyoo	15/15	-	-	4/4
5. Ms. Tachanun Kangwantrakool <sup>3/</sup>	-	2/2	-	-
6. Mr. Kittipol Thanasit <sup>4/</sup>	-	-	-	1/1
7. Assoc.Prof. Boonserm Vimuktanandana	-	-	-	-
8. Dr. Supree Wongdeeprom Ph.D. <sup>5/</sup>	-	-	-	4/4
9. Prof.Porntep Siriwanarangsun, MD., MPH., PhD <sup>6/</sup>	-	8/8	-	-
10. Ms. Sumana Vonggapan <sup>7/</sup>	-	8/8	-	-
11. Surat Wongrattanapassorn Ph.D. <sup>8/</sup>	-	-	-	4/4
12. Mr. Phornwit Laithuamtaweekun <sup>9/</sup>	2/2	-	-	1/1
13. Mr. Viruch Wongnirund <sup>18/</sup>	-	-	-	0/2
14. Ms. Theinvannee Changyoo <sup>19/</sup>	13/13	-	-	3/3
15. Ms. Savita Changyoo <sup>20/</sup>	13/13	5/5	-	3/3
16. Mr. Siam Uralwong <sup>21/</sup>	-	-	-	-

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”.



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## 9. Internal Control and Related party transactions

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### 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 21 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 2022 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 2022 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. Pichayaporn Kongsomnam has been appointed as Internal Audit and Risk Management 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 2021 and 2022, 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. Sabuy Technology Public Company Limited*	Holding company	<u>As at 31 December 2022</u> <ul style="list-style-type: none"> <li>Had a major shareholder of the company holding 24.92% of the Company's shares</li> </ul>
2. Better Dreams Co., Ltd.	Holding company	<u>As at 31 December 2022</u> <ul style="list-style-type: none"> <li>Group of major shareholders in common, i.e., Changyoo Family held 100% of registered and paid up share capital of Better Dreams Co., Ltd.</li> <li>Better Dreams Co., Ltd. was a major shareholder of TSR, held 19.525% of registered and paid up share capital of TSR.</li> <li>Had three directors in common, i.e., Mr. Ekarat Changyoo.</li> </ul>
3. Ideal Water Co., Ltd.	Manufacture and distribute drinking water	<u>As at 31 December 2022</u> <ul style="list-style-type: none"> <li>Group of major shareholders in common, i.e., Changyoo Family* held 100% of registered and paid up share capital of Ideal Water Co., Ltd.</li> </ul>
4. Mr. Sahas Treetipbut	-	<ul style="list-style-type: none"> <li>Chairman of the Board of Directors of TSR**</li> <li>Advisor of TSR (Information Technology)</li> </ul>
5. Mr. Ekarat Changyoo	-	<ul style="list-style-type: none"> <li>A shareholder of TSR</li> </ul> <p>As at 31 December 2022, Mr. Ekarat Changyoo held 2.32%, and Changyoo Group* held 58.69% of registered and paid up share capital of TSR.</p> <ul style="list-style-type: none"> <li>Director / Member of the Executive Committee /Member of the Corporate Governance and Corporate Social Responsibility Committee/ Member of the Risk Management Committee</li> </ul>
6. Ms. Sumana Vonggapan	-	<ul style="list-style-type: none"> <li>Independent Director /Chairman of the Nomination and Remuneration Committee</li> <li>Advisor of TSR (Human Capital, Performance Evaluation of Management, Administration and Management Techniques)</li> </ul>
7. Dr. Supree Wongdeeprom Ph.D.	-	<ul style="list-style-type: none"> <li>Independent Director / Chairman of Risk Management Committee/Member of Audit Committee/ Member of the Corporate Governance and Corporate Social Responsibility Committee</li> </ul>

Persons/companies who/that may have conflict of interest, conducted business transactions with TSR and/or its subsidiaries	Nature of Business	Relationship
		<ul style="list-style-type: none"> <li>• Advisor of TSR (Marketing Strategy Development, Sales Strategies, Marketing and Sales Management Techniques, Market Growth and Maintaining Market Share Strategies)</li> </ul>
8. Prof. Porntep Siriwanarangsun, MD., MPH., Ph.D.		<ul style="list-style-type: none"> <li>• Independent Director /Member of Audit Committee/ Member of the Nomination and Remuneration Committee</li> <li>• Advisor of TSR ( Cost, selling &amp; administrative and bad debt saving, process improvement)</li> </ul>
9. Mr. Kittipol Thanasit		<ul style="list-style-type: none"> <li>• Director / Memb er of Audit Committee / Member of the Risk Management Committee and Chief Financial Officer</li> </ul>
10. Internet Thailand Public Company Limited	Provide internet and information technology service, distribute computer equipments and devices	<u>As at 31 December 2022</u> <ul style="list-style-type: none"> <li>• Had a director in common, i.e., Mr. Sahas Treetipbut</li> </ul>
11. DrinkCo Co., Ltd.	Distribute water purifier, equipments and electric appliances	<u>As at 31 December 2022</u> <ul style="list-style-type: none"> <li>• Had a director in common, i.e., Mr. Ekarat Changyoo</li> </ul>

\* Additional information is available in "Listing Securities and Shareholding Structure"

\*\* 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 2020 2021 and 2022

**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.	0.06	0.06	0.06	Proportionate price based on actual cost incurred The interest rate is applied according to the market price and there are
	<u>Outstanding Balances</u>	-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>	-0-	1.50	27	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	0.12	0.16	Cost plus margin
		0.01	0.01	0.01	
	<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	0.02	0.30	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>	2.40	2.25	2.40	Contract price which is regular price charged by a third party Advisor.
		-0-	-0-	-0-	
4. Ms. Sumana Vonggapan	<u>Expenses on Advisory for</u> <u>the Management</u>	0.36	0.39	0.60	Regular price charged by a



ANNUAL REPORT 2022 (56-1 One Report) | 129

Related person / juristic person	Description of the related party transactions	Transaction Amount (Million Baht)			Pricing Policy
		2021	2020	2019	
7. Internet Thailand Public Company Limited	<u>Internet and device expenses</u> TSR leased the Internet and related devices from Internet Thailand Public Company Limited.	2.26	3.71	6.67	Regular price as normally charged to other clients
	<u>Outstanding Balances</u>	0.21	0.33	0.01	
	<u>Revenues from sales of goods</u> TSR sold water purifiers to Internet Thailand Public Company Limited.	-0-	-0-	-0-	Cost plus margin
	<u>Outstanding Balances</u>	-0-	-0-	-0-	
8. Vending plus Co., Ltd.	<u>Revenues from sales of goods</u> TSR sold water purifiers to Vending plus Company Limited	0.60	-0-	-0-	Cost plus margin
	<u>Outstanding Balances</u>	0.06	-0-	-0-	
9. DrinkCo Co., Ltd.	<u>Revenues from sales of goods</u> TSR has been a consultant in the field of e-commerce websites.	4.00	-0-	-0-	Regular price charged by a third party Advisor.
	<u>Outstanding Balances</u>	4.00	-0-	-0-	
10. Softel Communications (Thailand) Co., Ltd.	<u>service expenses through the Call Center system</u>	0.45	-0-	-0-	Regular price as normally charged to other clients.
	<u>Outstanding Balances</u>	0.45	-0-	-0-	

**(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
		2022	2021	2020	
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
		-0-	-0-	-0-	
	<u>1.2 Revenues from factory rental</u> TSR gave its factory for rent to Better Dreams Co., Ltd. <u>Outstanding Balances</u>	-0-	0.08	0.08	Comparable to market price in the vicinity
		-0-	-0-	-0-	
2. Ideal Water Co., Ltd.	<u>2.1 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
		-0-	-0-	-0-	
	<u>2.2 Revenue from utilities</u> TSR will charge all the utilities used as the actual payment. <u>Outstanding Balances</u>	0.04	0.06	0.06	Comparable to market price in the vicinity
		-0-	-0-	-0-	
3 Softel Communications (Thailand) Co., Ltd.	<u>3.1 Revenues from Building rental</u> At Khon Kaen branch: The company gave Softel Communications (Thailand) Co., Ltd. <u>Outstanding Balances</u>	0.02	-0-	-0-	Comparable to market price in the vicinity
		-0-	-0-	-0-	
	<u>3.2 Revenue from utilities</u> TSR will charge all the utilities used as the actual payment. <u>Outstanding Balances</u>	0.03	-0-	-0-	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
		2022	2021	2020	
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	0.00	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.



## Board of Directors' Responsibilities for the Financial Statements

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**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 2022 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 2022.



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



(Mr. Waranon Kongpatimakorn)  
Chief Executive Officer

**Thiensurat Public Company Limited  
and its Subsidiaries**

Financial statements for the year ended  
31 December 2022  
and  
Independent Auditor's Report

## **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 2022, 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 2022 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 including Independence Standards* issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that is relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### *Key Audit Matters*

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the 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 25 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 2022 is amount to Baht 74.08 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"> <li>• Understanding policies and procedures to determine allowance for ECL including staging criteria applied by the Group for different types of hire-purchase contract receivables.</li> <li>• Considering the Group’s accounting policies to determine whether these have been set up in accordance with the requirements of TFRS 9 Financial Instruments.</li> <li>• Testing the design and operating effectiveness of selected controls surrounding valuation of hire-purchase contract receivables and allowance for ECL.</li> <li>• Assessing and testing the reasonableness of staging applied by the group for different types of credit exposures including sampling testing with relevant documents.</li> <li>• 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.</li> <li>• Testing the mathematical accuracy of the ECL calculation.</li> <li>• Considering the adequacy of the Group’s disclosures in accordance with Thai Financial Reporting Standards.</li> </ul>

The recognition of commission expenses	
Refer to Note 20	
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"> <li>• 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.</li> <li>• Testing whether the calculations were compliant with the Group's policies in effect in each period.</li> <li>• Performing analytical procedures comparing commission expenses to revenue from sales.</li> <li>• 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.</li> <li>• Considering the adequacy of the Group's disclosures in accordance with the related Thai Financial Reporting Standards.</li> </ul>

### *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, actions taken to eliminate threats or safeguards applied.

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.

(Thanyalux Keadkeaw)  
Certified Public Accountant  
Registration No. 8179

KPMG Phoomchai Audit Ltd.  
Bangkok  
24 February 2023

# Thiensurat Public Company Limited and its Subsidiaries

## Statement of financial position

Assets	Note	Consolidated		Separate	
		financial statements		financial statements	
		31 December		31 December	
		2022	2021	2022	2021
<i>(in thousand Baht)</i>					
<b>Current assets</b>					
Cash and cash equivalents	4	89,845	56,462	50,959	33,719
Trade accounts and other receivable	3, 5, 25	29,975	19,850	56,823	34,120
Current portion of hire-purchase contract receivables	6, 25	362,708	500,948	257,558	413,358
Current portion of loan receivables	7, 25	189,595	78,078	-	-
Short-term loan to related parties	3	1,150	4,235	199,369	49,500
Inventories	8	232,016	271,993	187,765	231,740
Current tax assets		961	4,140	961	4,140
Other current assets		38,543	24,217	29,127	17,073
<b>Total current assets</b>		<b>944,793</b>	<b>959,923</b>	<b>782,562</b>	<b>783,650</b>
<b>Non-current assets</b>					
Hire purchase contract receivables	6, 25	182,015	110,977	10,728	5,237
Loan receivables	7, 25	2,582	5,256	-	-
Investments in subsidiaries	9	-	-	112,779	107,779
Investments in joint venture	10	-	7,238	-	8,767
Investment properties	11	58,336	58,409	58,336	58,409
Property, plant and equipment	12	398,151	415,071	389,549	405,016
Right of use assets	13	50,130	92,659	50,130	92,659
Intangible assets	14	58,804	27,800	56,952	26,753
Deferred tax assets	21	25,296	27,842	21,397	24,187
Other non-current assets		7,026	6,961	6,988	6,923
<b>Total non-current assets</b>		<b>782,340</b>	<b>752,213</b>	<b>706,859</b>	<b>735,730</b>
<b>Total assets</b>		<b>1,727,133</b>	<b>1,712,136</b>	<b>1,489,421</b>	<b>1,519,380</b>

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

# Thiensurat Public Company Limited and its Subsidiaries

## Statement of financial position

	<i>Note</i>	<b>Consolidated</b>		<b>Separate</b>	
		<b>financial statements</b>		<b>financial statements</b>	
		31 December		31 December	
<b>Liabilities and equity</b>		2022	2021	2022	2021
<i>(in thousand Baht)</i>					
<b>Current liabilities</b>					
Bank overdrafts and short-term borrowing from financial institutions	15	203,000	188,801	115,000	78,000
Trade and other payables	16	95,688	135,244	68,395	125,181
Current portion of lease liabilities	3, 15	25,458	31,528	27,896	35,509
Current income tax payable		6,355	5,574	-	-
Other current liabilities		32,385	31,247	24,891	26,662
<b>Total current liabilities</b>		<b>362,886</b>	<b>392,394</b>	<b>236,182</b>	<b>265,352</b>
<b>Non-current liabilities</b>					
Lease liabilities	3, 15	19,477	47,159	26,352	61,563
Provision for employee benefits	17	20,966	21,390	19,410	16,426
<b>Total non-current liabilities</b>		<b>40,443</b>	<b>68,549</b>	<b>45,762</b>	<b>77,989</b>
<b>Total liabilities</b>		<b>403,329</b>	<b>460,943</b>	<b>281,944</b>	<b>343,341</b>
<b>Equity</b>					
Share capital:					
Authorised share capital	18	824,117	549,411	824,117	549,411
Issued and paid-up share capital		549,411	549,411	549,411	549,411
Share premium:					
Share premium		295,291	295,291	295,291	295,291
Surplus on share-based payments	18	10,249	10,249	10,249	10,249
Other surplus	9	2,773	-	-	-
Share premium on treasury shares	18	5,783	5,783	5,783	5,783
Retained earnings		(2,212)	(2,212)	-	-
Appropriated					
Legal reserve	19	43,348	43,348	43,348	43,348
Unappropriated		419,161	342,870	303,395	271,957
<b>Equity attributable to owners of the parent</b>		<b>1,323,804</b>	<b>1,244,740</b>	<b>1,207,477</b>	<b>1,176,039</b>
Non-controlling interests		-	6,453	-	-
<b>Total equity</b>		<b>1,323,804</b>	<b>1,251,193</b>	<b>1,207,477</b>	<b>1,176,039</b>
<b>Total liabilities and equity</b>		<b>1,727,133</b>	<b>1,712,136</b>	<b>1,489,421</b>	<b>1,519,380</b>

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

**Thiensurat Public Company Limited and its Subsidiaries**  
**Statement of comprehensive income**

	<i>Note</i>	<b>Consolidated</b>		<b>Separate</b>	
		<b>financial statements</b>		<b>financial statements</b>	
		Year ended 31 December		Year ended 31 December	
		2022	2021	2022	2021
<i>(in thousand Baht)</i>					
<b>Revenue</b>					
Revenue from sales	22	1,159,006	1,411,523	1,014,534	1,310,588
Interest income from hire-purchase contract		185,013	234,190	133,231	183,968
Income from loan receivables		15,593	12,045	-	-
Other income	22	27,120	35,728	39,332	45,587
<b>Total revenue</b>		<b>1,386,732</b>	<b>1,693,486</b>	<b>1,187,097</b>	<b>1,540,143</b>
<b>Expenses</b>					
Cost of sales	20	427,597	345,678	353,281	334,611
Distribution costs	20	419,418	640,001	390,941	596,291
Aministrative expenses	20	269,386	424,118	243,541	391,414
<b>Total expenses</b>		<b>1,116,401</b>	<b>1,409,797</b>	<b>987,763</b>	<b>1,322,316</b>
<b>Profit from operating activities</b>		<b>270,331</b>	<b>283,689</b>	<b>199,334</b>	<b>217,827</b>
Finance cost		7,698	5,363	5,629	6,099
Expected credit loss		170,992	231,189	154,959	211,508
Share of loss of joint venture		-	1,456	-	-
<b>Profit before income tax expense</b>		<b>91,641</b>	<b>45,681</b>	<b>38,746</b>	<b>220</b>
Tax expense	21	18,328	10,795	8,266	2,133
<b>Profit (loss) for the year</b>		<b>73,313</b>	<b>34,886</b>	<b>30,480</b>	<b>(1,913)</b>
<b>Other comprehensive income</b>					
<b>Items that will not be reclassified subsequently to profit or loss</b>					
Gain (loss) on remeasurements of defined benefit plans	17	5,372	(2,713)	1,198	(2,569)
Income tax relating to items that will not be reclassified	21	(1,074)	543	(240)	514
<b>Other comprehensive income (expense) for the year, net of tax</b>		<b>4,298</b>	<b>(2,170)</b>	<b>958</b>	<b>(2,055)</b>
<b>Total comprehensive income (expense) for the year</b>		<b>77,611</b>	<b>32,716</b>	<b>31,438</b>	<b>(3,968)</b>
<b>Profit (loss) attributable to:</b>					
Owner of the parent		71,993	31,011	30,480	(1,913)
Non-controlling interests		1,320	3,875	-	-
		<b>73,313</b>	<b>34,886</b>	<b>30,480</b>	<b>(1,913)</b>
<b>Comprehensive income (expense) attributable to:</b>					
Owner of the parent		76,291	28,778	31,438	(3,968)
Non-controlling interests		1,320	3,938	-	-
		<b>77,611</b>	<b>32,716</b>	<b>31,438</b>	<b>(3,968)</b>
<b>Basic earnings (loss) per share (in Baht)</b>	23	<b>0.131</b>	<b>0.057</b>	<b>0.055</b>	<b>(0.003)</b>

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												
		Retained earnings								Equity		
		Issued and	Share	Surplus on	Share	Changes in	Treasury		Treasury	owners of	Non-controlling	Total
Note	share capital	premium	share-based	premium on	ownership	Legal	shares	Unappropriated	shares	the parent	interests	equity
			payments	treasury shares	interests	reserve	reserve					
					in a subsidiary							

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											
							Retained earnings				
	Issued and	Share	Surplus on	Other surplus	Share	Changes in			Equity		
	paid-up		share-based		premium on	ownership	Legal		attributable to	Non-controlling	Total
Note	share capital	premium	payments		treasury shares	in a subsidiary	reserve	Unappropriated	owners of	interests	equity
					</						

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 reserve	Treasury shares reserve	Unappropriated			
					(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	18	(271)	-	-	(292)	-	(564)	563	564	-
Treasury shares sold	18	-	-	-	6,075	-	(5,048)	5,048	5,048	11,123
Dividends	24	-	-	-	-	-	-	(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	19	-	-	-	-	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 changes in equity

	Separate financial statements						Total equity
	Note	Issued and paid-up share capital	Share premium	Surplus on share-based payments	Share premium on treasury shares (in thousand Baht)	Retained earnings	
						Legal reserve      Unappropriated	
<b>Year ended 31 December 2022</b>							
<b>Balance at 1 January 2022</b>		<b>549,411</b>	<b>295,291</b>	<b>10,249</b>	<b>5,783</b>	<b>43,348      271,957</b>	<b>1,176,039</b>
<b>Transactions with owners, recorded directly in equity</b>							
<b>Comprehensive income (expense) for the year</b>							
Profit or loss		-	-	-	-	-      30,480	30,480
Other comprehensive income		-	-	-	-	-      958	958
<b>Total comprehensive income (expense) for the year</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-      31,438</b>	<b>31,438</b>
<b>Balance at 31 December 2022</b>		<b>549,411</b>	<b>295,291</b>	<b>10,249</b>	<b>5,783</b>	<b>43,348      303,395</b>	<b>1,207,477</b>

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	
	2022	2021	2022	2021
	(in thousand Baht)			
<b><i>Cash flows from operating activities</i></b>				
Profit (loss) for the year	73,313	34,886	30,480	(1,913)
<i>Adjustments to reconcile profit to cash receipts (payments)</i>				
Tax expense	18,328	10,795	8,266	2,133
Finance costs	7,698	5,363	5,629	6,099
Depreciation and amortisation	58,453	79,131	57,067	76,668
Provisions for employee benefits	5,590	2,207	4,596	1,939
Share of loss of investment in joint venture	-	1,456	-	-
Expected credit loss	170,992	231,189	154,959	211,508
(Reversal of) losses on inventories devaluation	2,347	(22)	151	(222)
Allowance of goods warranty	(1,635)	4,570	(1,635)	4,570
(Reversal of) allowance of goods returned	24	(121)	24	(121)
(Gain) loss on reversal of investment in joint venture	(766)	-	764	-
(Reversal of) loss on impairment investment	-	5,000	-	5,000
Gain on disposal of assets	(662)	(2,020)	(528)	(1,820)
Loss on written-off of asset	1,303	2,644	1,307	2,501
Interest income	(311)	(2,140)	(3,888)	(1,255)
Dividend income	-	-	-	(2,268)
	<b>334,674</b>	<b>372,938</b>	<b>257,192</b>	<b>302,819</b>
<b><i>Changes in operating assets and liabilities</i></b>				
Trade accounts and other receivable	(9,954)	(247)	(20,306)	29,433
Hire-purchase contract receivables	(115,062)	(142,356)	(5,922)	(70,645)
Loan receivables	(108,842)	(55,309)	-	-
Receivables under rights transfer agreements	-	701	-	701
Inventories	55,048	(59,061)	43,824	(35,954)
Other current assets	(10,186)	13,706	(7,914)	8,361
Other non-current assets	(65)	(1,063)	(64)	(1,062)
Trade accounts and other payable	(39,475)	(33,030)	(56,727)	(42,920)
Other current liabilities	3,749	(8,239)	840	(11,253)
Employee benefit paid	(642)	(6,707)	(414)	(6,707)
Net cash generated from operating	109,245	81,333	210,509	172,773
Interest paid	(7,723)	(7,544)	(5,631)	(6,088)
Tax paid	(17,035)	(31,512)	(6,677)	(22,093)
<b>Net cash from operating activities</b>	<b>84,487</b>	<b>42,277</b>	<b>198,201</b>	<b>144,592</b>

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	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
<b><i>Cash flows from investing activities</i></b>				
Acquisition of subsidiary equity securities	(5,000)	-	(5,000)	-
Proceeds from capital return of joint venture	8,093	-	8,093	-
(Decrease) increase in short-term loans to related parties	3,085	22,915	(149,869)	(26,000)
Acquisition of property and equipment	(10,353)	(102,294)	(9,765)	(99,618)
Proceeds from sale of assets	4,442	9,539	3,505	9,483
Acquisition of intangible assets	(36,418)	(1,705)	(35,468)	(1,705)
Dividends received	-	-	-	2,268
Interest received	323	2,091	1,673	1,242
<b>Net cash used in investing activities</b>	<b>(35,828)</b>	<b>(69,454)</b>	<b>(186,831)</b>	<b>(114,330)</b>
<b><i>Cash flows from financing activities</i></b>				
Dividends paid to owners of the Company	(3)	(66,087)	(3)	(66,087)
Dividends paid to non-controlling interests	-	(1,932)	-	-
Increase in short-term borrowings from financial institutions	14,199	137,902	37,000	58,051
Payment of lease liabilities	(29,472)	(59,459)	(31,127)	(41,814)
Proceeds from sale of treasury shares	-	11,123	-	11,123
<b>Net cash from (used in) financing activities</b>	<b>(15,276)</b>	<b>21,547</b>	<b>5,870</b>	<b>(38,727)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>33,383</b>	<b>(5,630)</b>	<b>17,240</b>	<b>(8,465)</b>
Cash and cash equivalents at 1 January	56,462	62,092	33,719	42,184
<b>Cash and cash equivalents at 31 December</b>	<b>89,845</b>	<b>56,462</b>	<b>50,959</b>	<b>33,719</b>
<b><i>Non-cash transaction</i></b>				
Payables on purchase of equipment	5	62	5	62
Dividend payable	326	329	326	329

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 2022**

<b>Note</b>	<b>Contents</b>
1	General information
2	Basis of preparation of the financial statements
3	Related parties
4	Cash and cash equivalents
5	Trade and other receivables
6	Hire-purchase contract receivables
7	Loan receivables
8	Inventories
9	Investments in subsidiaries
10	Investment in joint venture
11	Investment properties
12	Property, plant and equipment
13	Leases
14	Intangible assets
15	Interest-bearing liabilities
16	Trade and other payables
17	Provision for long-term employee benefits
18	Share capital
19	Legal reserve
20	Expenses by nature
21	Income tax
22	Segment information and disaggregation of revenue
23	Basic earnings (loss) per share
24	Dividends
25	Financial instruments
26	Capital management
27	Commitments with non-related parties
28	Events after the reporting period

**Thiensurat Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2022**

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 2023

**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.

In the second quarter of 2022, Sabuy Technology Public Company Limited acquired 136,900,000 ordinary shares of the Company from former major shareholders. As a result, the current major shareholder of the Company is Sabuy Technology Public Company Limited.

The principal business of group are the manufacturing and distribution of water purifier, electronic appliances and others. Leasing of water purifier, electronic appliances, car and others. Details of the Company’s subsidiaries as at 31 December 2022 and 2021 are given in note 9.

**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 2022

Relationships with subsidiaries and joint venture are described in notes 9 and 10. Other related parties that the Group had significant transactions with during the year were as follows:

Name of entities	Country of incorporation / nationality	Nature of Relationship
Sabuy Technology Public Company Limited	Thailand	Major shareholders, 10% or more shareholders, and having a representative as a director of the Company
Vending Plus Company Limited	Thailand	A subsidiary of Sabuy Technology Public Company Limited
Softel Communications (Thailand) Company Limited	Thailand	A subsidiary of Sabuy Technology Public Company Limited
Sabuy Infrastructure Co., Ltd.	Thailand	A subsidiary of Sabuy Technology Public Company Limited
Sabuy Capital Plus Co., Ltd.	Thailand	A subsidiary of Sabuy Technology Public Company Limited
Better Dreams Company Limited	Thailand	Common directors
Ideal Water Company Limited	Thailand	Common directors
Internet Thailand Public Company Limited	Thailand	Common directors
COL Public Company Limited	Thailand	Common directors
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.

The Group had significant transactions with during the period were as follows:

<i>Significant transactions with related parties</i> <i>Year ended 31 December</i>	<b>Consolidated</b> <b>financial statements</b>		<b>Separate</b> <b>financial statements</b>	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
<b>Major shareholder</b>				
Interest income	122	-	122	-
Other expense	41	-	41	-
<b>Subsidiaries</b>				
Sales of goods	-	-	97,516	144,314
Management fee and other income	-	-	15,544	19,601
Interest income	-	-	3,723	1,189
Dividend income	-	-	-	2,268
Purchase of goods and service	-	-	799	4,274
Other expense	-	-	441	441
<b>Joint venture</b>				
Sales of goods	-	1,312	-	1,312
Other income	-	217	-	217
Other expense	-	192	-	192

**Thiensurat Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2022**

<i>Significant transactions with related parties</i> <i>Year ended 31 December</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
<b>Other related parties</b>				
Sales of goods	656	-	656	-
Service income	4,525	275	4,525	275
Interest income	111	2,053	-	-
Purchase of goods	324	144	199	19
Other expense	2,893	3,841	2,721	3,718

**Key management personnel**

Interest income from loan receivable	-	2,123	-	-
Consulting fees	3,480	5,260	3,480	5,260
Key management personnel compensation				
Short-term employee benefit	39,191	49,824	37,543	47,123
Post-employment benefits	261	287	217	280
<b>Total</b>	<b>39,452</b>	<b>50,111</b>	<b>37,760</b>	<b>47,403</b>

<i>Balance as at 31 December</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
<b>Trade accounts receivable</b>				
Subsidiaries	-	-	30,006	16,094
Joint venture	56	-	56	-
<b>Total</b>	<b>56</b>	<b>-</b>	<b>30,062</b>	<b>16,094</b>

**Other receivables**

Subsidiaries	-	-	5,439	5,885
Joint venture	-	89	-	89
Other related parties	4,479	3	4,479	2
<b>Total</b>	<b>4,479</b>	<b>92</b>	<b>9,918</b>	<b>5,976</b>

<i>Movement of loans to</i>	<b>Interest rate</b>	<b>Consolidated financial statements</b>			
	At 31 December (% per annum)	At 1 January	Increase	Decrease	At 31 December
			<i>(in thousand Baht)</i>		
<b>2022</b>					
Major shareholder	5.94	-	30,000	(30,000)	-
Other related parties	2.25 - 4.09	4,235	4,400	(7,485)	1,150
<b>Total</b>		<b>4,235</b>			<b>1,150</b>
<b>2021</b>					
Other related parties	2.25 - 9.00	27,150	4,100	(27,015)	4,235
<b>Total</b>		<b>27,150</b>			<b>4,235</b>

**Loan agreement**

In September 2022, Thiensurat Public Company Limited entered into loan agreements with Sabuy Technology Public Company Limited, major shareholder, for the amount of Baht 30 million with an interest rate of 5.94% per annum. These loans were entirely redeemed in October 2022.

**Thiensurat Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2022**

<i>Movement of loans to</i>	Interest rate	Separate financial statements			
	At 31 December (% per annum)	At 1 January	Increase (in thousand Baht)	Decrease (in thousand Baht)	At 31 December
<b>2022</b>					
Major shareholder	5.94	-	30,000	(30,000)	-
Subsidiaries	2.25 - 3.80	49,500	188,869	(39,000)	199,369
<b>Total</b>		<b>49,500</b>			<b>199,369</b>
<b>2021</b>					
Subsidiaries	2.25 - 3.50	23,500	59,000	(33,000)	49,500
<b>Total</b>		<b>23,500</b>			<b>49,500</b>

<i>Balance as at 31 December</i>	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	(in thousand Baht)			
<b>Trade accounts payable</b>				
Subsidiaries	-	-	289	52
Other related parties	5	7	-	-
<b>Total</b>	<b>5</b>	<b>7</b>	<b>289</b>	<b>52</b>
<b>Other payables</b>				
Major shareholder	-	-	3,269	-
Subsidiaries	-	-	2,810	2,698
Joint venture	-	207	-	207
Other related parties	718	-	684	-
<b>Total</b>	<b>718</b>	<b>207</b>	<b>6,763</b>	<b>2,905</b>
<b>Lease liabilities</b>				
Subsidiary	-	-	10,895	18,249
<b>Total</b>	<b>-</b>	<b>-</b>	<b>10,895</b>	<b>18,249</b>
<b>Commitments with related parties</b>				
<b>Future minimum payments</b>				
<b>under non-cancellable agreements</b>				
1 year or less	9,167	-	9,167	-

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 2022**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
Cash on hand	487	487	420	412
Cash at banks - current accounts	7,189	8,359	6,222	7,477
Cash at banks - savings accounts	70,266	39,129	43,361	24,680
Others	11,903	8,487	956	1,150
<b>Cash and cash equivalents</b>	<b>89,845</b>	<b>56,462</b>	<b>50,959</b>	<b>33,719</b>

## 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.

		<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	Note	2022	2021	2022	2021
		<i>(in thousand Baht)</i>			
<b>Trade accounts receivable</b>					
Related parties	3	56	-	30,062	16,094
Other parties		12,346	14,189	5,532	6,878
<b>Total</b>		<b>12,402</b>	<b>14,189</b>	<b>35,594</b>	<b>22,972</b>
Less allowance for expected credit loss		(175)	(111)	(175)	(111)
<b>Net</b>		<b>12,227</b>	<b>14,078</b>	<b>35,419</b>	<b>22,861</b>
<b>Other receivables</b>					
Related parties	3	4,479	92	9,918	5,976
Other parties		13,486	6,233	11,703	5,836
<b>Total</b>		<b>17,965</b>	<b>6,325</b>	<b>21,621</b>	<b>11,812</b>
Less allowance for expected credit loss		(217)	(553)	(217)	(553)
<b>Net</b>		<b>17,748</b>	<b>5,772</b>	<b>21,404</b>	<b>11,259</b>
<b>Total</b>		<b>29,975</b>	<b>19,850</b>	<b>56,823</b>	<b>34,120</b>

Information of credit risk is disclosed in note 25.



**Thiensurat Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2022**

**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 25.

<b>Consolidated financial statements</b>							
31 December 2022							
	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	561,455	103,375	61,946	49,516	24,272	4,108	804,672
Less deferred interest income	(96,357)	(22,952)	(12,128)	(6,090)	(1,662)	(167)	(139,356)
deferred output VAT	(30,636)	(6,639)	(4,051)	(3,324)	(1,593)	(269)	(46,512)
	<u>434,462</u>	<u>73,784</u>	<u>45,767</u>	<u>40,102</u>	<u>21,017</u>	<u>3,672</u>	<u>618,804</u>
Less allowance for expected credit loss	(71,754)	(1,958)	(193)	(104)	(72)	-	(74,081)
<b>Net</b>	<b><u>362,708</u></b>	<b><u>71,826</u></b>	<b><u>45,574</u></b>	<b><u>39,998</u></b>	<b><u>20,945</u></b>	<b><u>3,672</u></b>	<b><u>544,723</u></b>

<b>Consolidated financial statements</b>							
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)
<b>Net</b>	<b><u>500,948</u></b>	<b><u>40,876</u></b>	<b><u>26,247</u></b>	<b><u>23,944</u></b>	<b><u>17,213</u></b>	<b><u>2,697</u></b>	<b><u>611,925</u></b>

**Thiensurat Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2022**

**Separate financial statements**

31 December 2022						
	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	393,994	14,049	215	28	1	408,287
Less deferred interest income	(50,149)	(1,190)	(14)	(2)	-	(51,355)
deferred output VAT	(20,253)	(780)	(13)	(1)	-	(21,047)
	<u>323,592</u>	<u>12,079</u>	<u>188</u>	<u>25</u>	<u>1</u>	<u>335,885</u>
Less allowance for expected credit loss	(66,034)	(1,478)	(77)	(10)	-	(67,599)
<b>Net</b>	<b><u>257,558</u></b>	<b><u>10,601</u></b>	<b><u>111</u></b>	<b><u>15</u></b>	<b><u>1</u></b>	<b><u>268,286</u></b>

**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)
<b>Net</b>	<b><u>413,358</u></b>	<b><u>5,237</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>418,595</u></b>

Information of credit risk is disclosed in note 25

**Thiensurat Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2022**

**7 Loan receivables**

*Accounting policy*

Loans 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 Loans receivables in Note 25.

<b>Consolidated financial statements</b>			
31 December 2022			
	Portion due within one year <sup>(1)</sup>	Portion due over one year (in thousand Baht)	Total
Loan receivables	196,425	3,614	200,039
Less undue interest income	(5,095)	(831)	(5,926)
	<b>191,330</b>	<b>2,783</b>	<b>194,113</b>
Less allowance for expected credit loss	(1,735)	(201)	(1,936)
<b>Net book value</b>	<b>189,595</b>	<b>2,582</b>	<b>192,177</b>

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

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

**8 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.

**Thiensurat Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2022**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
Finished goods	157,114	167,551	110,399	126,965
Right to recover returned products	505	561	364	506
Work in progress	14,237	16,645	14,237	16,645
Raw materials	70,715	94,655	70,715	94,655
Goods in transit	-	274	-	274
Supplies	1,149	1,663	1,149	1,643
	<u>243,720</u>	<u>281,349</u>	<u>196,864</u>	<u>240,688</u>
<i>Less</i> Allowance for decline in value of goods	<u>(11,704)</u>	<u>(9,356)</u>	<u>(9,099)</u>	<u>(8,948)</u>
<b>Net</b>	<b><u>232,016</u></b>	<b><u>271,993</u></b>	<b><u>187,765</u></b>	<b><u>231,740</u></b>
Inventories recognised in 'cost of sales of goods':				
- Cost	425,249	460,592	353,130	318,590
- Write-down to net realisable value	4,305	899	2,108	899
- Reversal of write-down	<u>(1,957)</u>	<u>(921)</u>	<u>(1,957)</u>	<u>(1,121)</u>
<b>Net</b>	<b><u>427,597</u></b>	<b><u>460,570</u></b>	<b><u>353,281</u></b>	<b><u>318,368</u></b>

## **9 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 12.

**Thiensurat Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2022**

		Separate financial statements								
	Type of business	Country of operation	Ownership interest		Cost		Impairment		At cost - net	
			2022	2021	2022	2021	2022	2021	2022	2021
			(%)				(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	99.00	54.00	8,780	3,780	-	-	8,780	3,780
<b>Total</b>					<b>112,779</b>	<b>107,779</b>	<b>-</b>	<b>-</b>	<b>112,779</b>	<b>107,779</b>

In September 2022, the Company acquired an additional 45% interest in Alpine Water Co., Ltd., a subsidiary for Baht 5 million in cash, increasing its ownership interest from 54% to 99%.

The following summarizes the effect of the change in the Group's ownership interests:

	(in thousand Baht)
Carrying amount of non-controlling interests acquired	7,773
Less Consideration paid to non-controlling interests	(5,000)
<b>Increase in other surplus</b>	<b>2,773</b>

**Thiensurat Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2022**

**10 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 12.



**Thiensurat Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2022**

				Consolidated financial statements	Separate Financial statements		
Type of business	Country of incorporation	Ownership interest (%)		At equity method	Cost <i>(in thousand Baht)</i>	Impairment	At cost - net
<b><i>Joint venture</i></b>							
TSR Lao Co., Ltd.	Distribution of water purifier and electric appliance	Laos	49.00	7,238	13,767	5,000	8,767
<b>Total</b>				<b>7,238</b>	<b>13,767</b>	<b>5,000</b>	<b>8,767</b>
				Consolidated financial statements <i>(in thousand Baht)</i>	Separate financial statements		
<b><i>Material movements for year ended 31 December 2021</i></b>							
Impairment losses				5,000	5,000		

At the Board of Directors Meeting of the Company held on 27 October 2022, the Board of Directors approved to close down TSR Lao Co., Ltd. which is a joint venture of the Company. In May 2022, the Company received return of capital from termination of TSR Lao Co., Ltd. amounting to Baht 8.09 million.

**Thiensurat Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2022**

**11 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 12.

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.

	<b>Consolidated and Separate financial statements</b>					
	Land		Buildings		Total	
	2022	2021	2022	2021	2022	2021
	<i>(in thousand Baht)</i>					
<b>Cost</b>						
At 1 January	58,006	58,006	15,630	15,630	73,636	73,636
<b>At 31 December</b>	<b>58,006</b>	<b>58,006</b>	<b>15,630</b>	<b>15,630</b>	<b>73,636</b>	<b>73,636</b>
<b>Accumulated depreciation</b>						
At 1 January	-	-	15,227	15,153	15,227	15,153
Depreciation charge for the year	-	-	73	74	73	74
<b>At 31 December</b>	<b>-</b>	<b>-</b>	<b>15,300</b>	<b>15,227</b>	<b>15,300</b>	<b>15,227</b>
<b>Net book value</b>	<b>58,006</b>	<b>58,006</b>	<b>330</b>	<b>403</b>	<b>58,336</b>	<b>58,409</b>

The fair value of investment properties as at 31 December 2022 of Baht 59 million (*2021: 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**  
**For the year ended 31 December 2022**

## **12 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**  
**Notes to the financial statements**  
**For the year ended 31 December 2022**

	<b>Consolidated financial statements</b>							
	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
<b><i>Cost</i></b>								
At 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)
<b>At 31 December 2021 and 1 January 2022</b>	<b>314,489</b>	<b>250,896</b>	<b>60,698</b>	<b>39,139</b>	<b>41,354</b>	<b>14,470</b>	<b>-</b>	<b>721,046</b>
Additions	-	40	1,847	201	543	4,600	3,064	10,295
Transfers	-	817	440	-	-	-	(1,257)	-
Disposals	-	(3,630)	(68)	(1,204)	(90)	(8,758)	-	(13,750)
<b>At 31 December 2022</b>	<b>314,489</b>	<b>248,123</b>	<b>62,917</b>	<b>38,136</b>	<b>41,807</b>	<b>10,312</b>	<b>1,807</b>	<b>717,591</b>
<b><i>Depreciation and impairment losses</i></b>								
At 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)
<b>At 31 December 2021 and 1 January 2022</b>	<b>2,707</b>	<b>182,744</b>	<b>46,733</b>	<b>30,737</b>	<b>34,209</b>	<b>8,845</b>	<b>-</b>	<b>305,975</b>
Depreciation charge for the year	459	9,502	4,776	2,796	4,072	528	-	22,133
Disposals	-	(2,332)	(63)	(1,196)	(90)	(4,987)	-	(8,668)
<b>At 31 December 2022</b>	<b>3,166</b>	<b>189,914</b>	<b>51,446</b>	<b>32,337</b>	<b>38,191</b>	<b>4,386</b>	<b>-</b>	<b>319,440</b>
<b><i>Net book value</i></b>								
At 31 December 2021	311,782	68,152	13,965	8,402	7,145	5,625	-	415,071
At 31 December 2022	311,323	58,209	11,471	5,799	3,616	5,926	1,807	398,151

**Thiensurat Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2022**

	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
<b>Cost</b>								
At 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)
<b>At 31 December 2021 and 1 January 2022</b>	<b>309,688</b>	<b>241,307</b>	<b>58,968</b>	<b>37,096</b>	<b>39,927</b>	<b>10,310</b>	<b>-</b>	<b>697,296</b>
Additions	-	40	1,369	147	488	4,600	3,064	9,708
Transfers	-	817	440	-	-	-	(1,257)	-
Disposals	-	(3,630)	(68)	(993)	(28)	(5,657)	-	(10,376)
<b>At 31 December 2022</b>	<b>309,688</b>	<b>238,534</b>	<b>60,709</b>	<b>36,250</b>	<b>40,387</b>	<b>9,253</b>	<b>1,807</b>	<b>696,628</b>
<b>Depreciation and impairment losses</b>								
At 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)
<b>At 31 December 2021 and 1 January 2022</b>	<b>2,707</b>	<b>175,361</b>	<b>46,447</b>	<b>28,805</b>	<b>33,463</b>	<b>5,497</b>	<b>-</b>	<b>292,280</b>
Depreciation charge for the year	459	9,002	4,365	2,738	3,812	517	-	20,893
Disposals	-	(2,332)	(64)	(985)	(27)	(2,686)	-	(6,094)
<b>At 31 December 2022</b>	<b>3,166</b>	<b>182,031</b>	<b>50,748</b>	<b>30,558</b>	<b>37,248</b>	<b>3,328</b>	<b>-</b>	<b>307,079</b>
<b>Net book value</b>								
At 31 December 2021	306,981	65,946	12,521	8,291	6,464	4,813	-	405,016
At 31 December 2022	306,522	56,503	9,961	5,692	3,139	5,925	1,807	389,549

**Thiensurat Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2022**

**13 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 12.

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.

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
<b><i>Right-of-use assets</i></b>				
<b><i>At 31 December</i></b>				
Buildings	9,246	13,986	9,246	13,986
Vehicles	40,884	78,673	40,884	78,673
<b>Total</b>	<b>50,130</b>	<b>92,659</b>	<b>50,130</b>	<b>92,659</b>

In 2022, additions to the right-of-use assets of the Group and the Company were Baht 10.92 million (2021: Baht 39.90 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.



**Thiensurat Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2022**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
<i>For the year ended 31 December</i>	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
<b><i>Amounts recognised in profit or loss</i></b>				
Depreciation of right-of-use assets:				
- Buildings	6,680	12,540	6,680	12,540
- Vehicles	24,152	31,473	24,152	31,261
Interest on lease liabilities	3,494	5,102	3,494	5,102
Expenses relating to short-term leases	5,591	8,751	5,591	9,112
Expenses relating to leases of low value assets	638	616	572	541

In 2022, total cash outflow for leases of the Group and the Company were Baht 29.47 million and Baht 31.13 million, respectively (2021: Baht 59.46 million and Baht 41.81 million, respectively).

## **14 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 12.

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.

	<b>Consolidated financial statements</b>		
	Software	Software under installation	Total
	<i>(in thousand Baht)</i>		
<b><i>Cost</i></b>			
At 1 January 2021	53,431	1,057	54,488
Additions	323	1,382	1,705
Transfers	2,429	(2,429)	-
<b>At 31 December 2021 and 1 January 2022</b>	<b>56,183</b>	<b>10</b>	<b>56,193</b>
Additions	24,103	12,317	36,420
Transfers	146	(146)	-
<b>At 31 December 2022</b>	<b>80,432</b>	<b>12,181</b>	<b>92,613</b>
<b><i>Amortisation</i></b>			
At 1 January 2021	23,099	-	23,099
Amortisation for the year	5,294	-	5,294
<b>At 31 December 2021 and 1 January 2022</b>	<b>28,393</b>	<b>-</b>	<b>28,393</b>
Amortisation for the year	5,416	-	5,416
<b>At 31 December 2022</b>	<b>33,809</b>	<b>-</b>	<b>33,809</b>
<b><i>Net book value</i></b>			
<b>At 31 December 2021</b>	<b>27,790</b>	<b>10</b>	<b>27,800</b>
<b>At 31 December 2022</b>	<b>46,623</b>	<b>12,181</b>	<b>58,804</b>

**Thiensurat Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2022**

	<b>Separate financial statements</b>		
	Software	Software under installation	Total
	<i>(in thousand Baht)</i>		
<b>Cost</b>			
At 1 January 2021	51,996	1,047	53,043
Additions	323	1,382	1,705
Transfers	2,429	(2,429)	-
<b>At 31 December 2021 and 1 January 2022</b>	<b>54,748</b>	<b>-</b>	<b>54,748</b>
Additions	23,603	11,866	35,469
Transfers	146	(146)	-
<b>At 31 December 2022</b>	<b>78,497</b>	<b>11,720</b>	<b>90,217</b>
<b>Amortisation</b>			
At 1 January 2021	22,845	-	22,845
Amortisation for the year	5,150	-	5,150
<b>At 31 December 2021 and 1 January 2022</b>	<b>27,995</b>	<b>-</b>	<b>27,995</b>
Amortisation for the year	5,270	-	5,270
<b>At 31 December 2022</b>	<b>33,265</b>	<b>-</b>	<b>33,265</b>
<b>Net book value</b>			
<b>At 31 December 2021</b>	<b>26,753</b>	<b>-</b>	<b>26,753</b>
<b>At 31 December 2022</b>	<b>45,232</b>	<b>11,720</b>	<b>56,952</b>

**15 Interest-bearing liabilities**

**Accounting policy**

The Group and the Company recognise and measures financial liabilities as disclosed in note 25.

	Interest rate (% per annum)	<b>Consolidated Financial statements</b>		<b>Separate Financial statements</b>	
		2022	2021	2022	2021
		<i>(in thousand Baht)</i>			
<b>Current</b>					
Short-term loan from financial institutions	2.80	203,000	188,801	115,000	78,000
Current portion of lease liabilities	3.60 - 10.85	44,935	78,687	54,248	97,072
<b>Total interest - bearing liabilities</b>		<b>247,935</b>	<b>267,488</b>	<b>169,248</b>	<b>175,072</b>

**Thiensurat Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2022**

**16 Trade and other payables**

*Accounting policy*

Trade and other accounts payable are stated at amortised cost.

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
Trade payables - related parties	5	7	289	52
Trade payables - non-related parties	21,505	13,225	14,293	13,213
Other payables - related parties	718	207	6,763	2,905
Other payables - non-related parties				
Accrued expenses	13,675	74,327	11,803	71,040
Retention	19,423	24,636	17,905	22,571
Others	40,362	22,842	17,342	15,400
<b>Total</b>	<b>95,688</b>	<b>135,244</b>	<b>68,395</b>	<b>125,181</b>

**17 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.

**Thiensurat Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2022**

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.

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
Defined benefit plans	20,966	21,390	19,410	16,426
<b>Total</b>	<b>20,966</b>	<b>21,390</b>	<b>19,410</b>	<b>16,426</b>

***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.

***Present value of the defined benefit obligations***

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
At 1 January	21,390	23,177	16,426	18,625
<b>Include in profit or loss:</b>				
Current service cost	5,230	1,941	4,307	1,693
Interest on obligation	360	266	289	246
	<b>5,590</b>	<b>2,207</b>	<b>4,596</b>	<b>1,939</b>
<b>Included in other comprehensive income</b>				
Actuarial gain (loss)				
- Demographic assumptions	3,271	(1,394)	3,110	(1,562)
- Financial assumptions	(470)	1,148	(374)	1,182
- Experience adjustment	(8,173)	2,959	(3,934)	2,949
	<b>(5,372)</b>	<b>2,713</b>	<b>(1,198)</b>	<b>2,569</b>
Benefit paid	(642)	(6,707)	(414)	(6,707)
<b>At 31 December</b>	<b>20,966</b>	<b>21,390</b>	<b>19,410</b>	<b>16,426</b>

***Principal actuarial assumptions***

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2022	2021	2022	2021
	<i>(%)</i>			
Discount rate	2.12 - 4.01	0.15 - 3.04	2.12	0.66 - 1.67
Future salary growth	3.00 - 5.00	1.59 - 5.90	5.00	3.88 - 5.90

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

At 31 December 2022, the weighted-average duration of the defined benefit obligation of the Group was 6 - 27 years (2021: 3 - 9 years) and the Company was 6 years (2020: 3 - 7 years).

**Thiensurat Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2022**

***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.

<b><i>Effect to the defined benefit obligation</i></b>	<b>Consolidated financial statements</b>			
	1% increase in assumption		1% decrease in assumption	
	2022	2021	2022	2021
<b><i>At 31 December</i></b>				
		(in thousand Baht)		
Discount rate	(943)	(1,122)	1,047	1,150
Future salary growth	788	716	(723)	(660)

<b><i>Effect to the defined benefit obligation</i></b>	<b>Separate financial statements</b>			
	1% increase in assumption		1% decrease in assumption	
	2022	2021	2022	2021
<b><i>At 31 December</i></b>				
		(in thousand Baht)		
Discount rate	(759)	(934)	828	946
Future salary growth	613	542	575	(524)

***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 2022 amounting to approximately Baht 2.2 million (2021: Baht 2.7 million) were recognised as expenses for the Company Baht 2.1 million (2021: Baht 2.3 million).

**18 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.

**Thiensurat Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2022**

	Par value per share (in Baht)	2022 Number (thousand shares)	2022 Baht (in thousand Baht)	2021 Number (in thousand Baht)	2021 Baht (in thousand Baht)
Authorised shares at 31 December		<u>824,117</u>	<u>824,117</u>	<u>549,411</u>	<u>549,411</u>
<b><i>Issued and paid-up shares</i></b>					
At 1 January					
- ordinary shares	1	549,411	549,411	549,682	549,682
Reduction of shares	1	-	-	(271)	(271)
<b>At 31 December</b>					
- ordinary shares	1	<u>549,411</u>	<u>549,411</u>	<u>549,411</u>	<u>549,411</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.

At the Extraordinary General meeting of shareholder of the Company held on 28 September 2022, the shareholders approved the increase of the Company's registered capital from the current registered capital of 549,411,233 shares to 824,116,850 shares with a par value of Baht 1 per share at an issue price of Baht per share to support the exercise of the Company's warrants. The Company registered the capital increase with the Ministry of Commerce on 11 October 2022.

*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.

## **19 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.



**Thiensurat Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2022**

**20 Expenses by nature**

*Accounting policy*

The Group and the Company recognise expenses as disclosed in note 5-8, 11-14, 17, 22.

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
Salaries, wages and other employee benefits	364,754	474,767	333,628	445,999
Commission expenses	177,530	284,866	171,404	272,254
Depreciation and amortisation	58,452	79,131	57,067	76,688
Sales promotion expenses	27,254	61,250	20,085	46,186
Transportation expenses	36,773	55,536	40,223	52,662
<b>Total</b>	<b>664,763</b>	<b>955,550</b>	<b>622,407</b>	<b>893,789</b>

**21 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.

# Thiensurat Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2022

<i>Income tax recognised in profit or loss</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
<b>Current tax expense</b>				
Current year	17,121	15,418	5,826	6,924
Under (over) provided in prior years	(265)	970	-	970
	<u><b>16,856</b></u>	<u><b>16,388</b></u>	<u><b>5,826</b></u>	<u><b>7,894</b></u>
<b>Deferred tax expense</b>				
Movements in temporary differences	1,472	(5,593)	2,550	(5,761)
	<u><b>1,472</b></u>	<u><b>(5,593)</b></u>	<u><b>2,550</b></u>	<u><b>(5,761)</b></u>
<b>Total income tax expense</b>	<u><b>18,328</b></u>	<u><b>10,795</b></u>	<u><b>8,266</b></u>	<u><b>2,133</b></u>

<b>Consolidated financial statements</b>						
<i>Income tax</i>	2022			2021		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
	<i>(in thousand Baht)</i>					
<b>Recognised in other comprehensive income</b>						
Defined benefit plan actuarial losses	5,372	(1,074)	4,298	(2,713)	543	(2,170)
<b>Total</b>	<u><b>5,372</b></u>	<u><b>(1,074)</b></u>	<u><b>4,298</b></u>	<u><b>(2,713)</b></u>	<u><b>543</b></u>	<u><b>(2,170)</b></u>

<b>Separate financial statements</b>						
<i>Income tax</i>	2022			2021		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
	<i>(in thousand Baht)</i>					
<b>Recognised in other comprehensive income</b>						
Defined benefit plan actuarial losses	1,198	(240)	958	(2,569)	514	(2,055)
<b>Total</b>	<u><b>1,198</b></u>	<u><b>(240)</b></u>	<u><b>958</b></u>	<u><b>(2,569)</b></u>	<u><b>514</b></u>	<u><b>(2,055)</b></u>

**Thiensurat Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2022**

<i>Reconciliation of effective tax rate</i>	<b>Consolidated financial statements</b>				<b>Separate financial statements</b>			
	2022		2021		2022		2021	
	<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		91,641		45,861		38,746		220
Income tax using the Thai corporation tax rate	20	18,328	20	9,136	20	7,749	20	44
Non-deductible expenses		1,392		2,421		1,327		2,415
Additional expense deductions allowed		(765)		(1,307)		(765)		(1,256)
Other		(362)		(425)		(45)		(40)
Under (over) provided in prior years		(265)		970		-		970
<b>Total</b>		<b>18,328</b>		<b>10,795</b>		<b>8,266</b>		<b>2,133</b>

	Consolidated financial statements			
		(Charged) / Credit to		
<i>Deferred tax</i>	At 1	Profit or	Other	At 31
	January	loss	comprehensive	December
		(in thousand Baht)		
<b>2022</b>				
<i>Deferred tax assets</i>				
Receivables	15,473	(177)	-	15,296
Inventories	1,893	1,817	-	3,710
Right-of-use assets	(477)	1,136	-	659
Equipment	58	-	-	58
Investment in joint venture	1,000	(1,000)	-	-
Provision from guarantee	3,505	(1,036)	-	2,469
Provision for long-term employee benefits	6,390	(1,123)	(1,074)	4,193
<b>Total</b>	<b>27,842</b>	<b>(383)</b>	<b>(1,074)</b>	<b>26,385</b>
<i>Deferred tax liability</i>				
Derivatives and others	-	(1,089)	-	(1,089)
<b>Total</b>	<b>-</b>	<b>(1,089)</b>	<b>-</b>	<b>(1,089)</b>
<b>Net</b>	<b>27,842</b>	<b>(1,472)</b>	<b>(1,074)</b>	<b>25,296</b>

**Thiensurat Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2022**

	Consolidated financial statements (Charged) / Credit to			
<i>Deferred tax</i>	At 1 January	Profit or loss <i>(in thousand Baht)</i>	Other comprehensive income	At 31 December
<i>2021</i>				
<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
<b>Total</b>	<b>22,181</b>	<b>5,595</b>	<b>543</b>	<b>28,319</b>
<i>Deferred tax liability</i>				
Right-of-use assets	(475)	(2)	-	(477)
<b>Total</b>	<b>(475)</b>	<b>(2)</b>	<b>-</b>	<b>(477)</b>
<b>Net</b>	<b>21,706</b>	<b>5,593</b>	<b>543</b>	<b>27,842</b>
	Separate financial statements (Charged) / Credit to			
<i>Deferred tax</i>	At 1 January	Profit or loss <i>(in thousand Baht)</i>	Other comprehensive income	At 31 December
<i>2022</i>				
<i>Deferred tax assets</i>				
Receivables	14,205	(607)	-	13,598
Inventories	1,811	9	-	1,820
Right-of-use assets	323	336	-	659
Equipment	58	-	-	58
Investment in joint venture	1,000	(1,000)	-	-
Provision from guarantee	3,505	(1,036)	-	2,469
Provision for long-term employee benefits	3,285	837	(240)	3,882
<b>Total</b>	<b>24,187</b>	<b>(1,461)</b>	<b>(240)</b>	<b>22,486</b>
<i>Deferred tax liability</i>				
Derivatives and others	-	(1,089)	-	(1,089)
<b>Total</b>	<b>-</b>	<b>(1,089)</b>	<b>-</b>	<b>(1,089)</b>
<b>Net</b>	<b>24,187</b>	<b>(2,550)</b>	<b>(240)</b>	<b>21,397</b>

**Thiensurat Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2022**

<i>Deferred tax</i>	<b>At 1 January</b>	<b>Separate financial statements</b> (Charged) / Credit to		<b>At 31 December</b>
		Profit or loss (in thousand Baht)	Other comprehensive income	
<b>2021</b>				
<b>Deferred tax assets</b>				
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
<b>Total</b>	<b>19,394</b>	<b>4,984</b>	<b>(514)</b>	<b>23,864</b>
<b>Deferred tax liability</b>				
Right-of-use assets	(454)	777	-	323
<b>Total</b>	<b>(454)</b>	<b>777</b>	<b>-</b>	<b>323</b>
<b>Net</b>	<b>18,940</b>	<b>5,761</b>	<b>(514)</b>	<b>24,187</b>

## **22 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.

# Thiensurat Public Company Limited and its Subsidiaries

## Notes to the financial statements

### For the year ended 31 December 2022

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 (in thousand Baht)	Elimination	Total
<b>For the year ended 31 December 2022</b>					
Revenue from sales of goods					
External revenue	779,368	379,638	-	-	1,159,006
Inter-segment revenue	137,525	107,122	-	(244,647)	-
Other					
External revenue	185,013	-	42,713	-	227,726
Inter-segment revenue	416	-	33,267	(33,683)	-
<b>Total segment revenue</b>	<b>1,102,322</b>	<b>486,760</b>	<b>75,980</b>	<b>(278,330)</b>	<b>1,386,732</b>
Cost of sales	(424,142)	(252,300)	(1,013)	249,858	(427,597)
<b>Segment gross profit</b>	<b>678,180</b>	<b>234,460</b>	<b>74,967</b>	<b>(28,472)</b>	<b>959,135</b>
Distribution costs					(419,418)
Administrative expenses					(269,386)
Expected credit losses					(170,992)
Finance costs					(7,698)
<b>Profit before income tax expense</b>					<b>91,641</b>

Consolidated Financial statements					
	Hire- purchase sales	Cash and credit sales	Service and others (in thousand Baht)	Elimination	Total
<b>For the year ended 31 December 2021</b>					
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)	-
<b>Total segment revenue</b>	<b>1,461,495</b>	<b>478,505</b>	<b>78,371</b>	<b>(324,885)</b>	<b>1,693,486</b>
Cost of sales	(449,349)	(195,265)	-	298,936	(345,678)
<b>Segment gross profit</b>	<b>1,012,146</b>	<b>283,240</b>	<b>78,371</b>	<b>(25,949)</b>	<b>1,347,808</b>
Distribution costs					(640,001)
Administrative expenses					(424,118)
Impairment losses					(231,189)
Finance costs					(5,363)
Share of loss of joint venture					(1,456)
<b>Profit before income tax expense</b>					<b>45,681</b>



**Thiensurat Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2022**

**23 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>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2022	2021	2022	2021
	<i>(in thousand Baht / thousand shares)</i>			
<b>Profit (loss) attributable to ordinary shareholders of the Company</b>	<b><u>71,993</u></b>	<b><u>31,011</u></b>	<b><u>30,480</u></b>	<b><u>(1,913)</u></b>
<b>Ordinary shares outstanding</b>				
Number of ordinary shares outstanding at 1 January	549,411	546,984	549,411	546,984
Effect of treasury shares	-	1,328	-	1,328
<b>Weighted average number of ordinary shares outstanding at 31 December</b>	<b><u>549,411</u></b>	<b><u>548,312</u></b>	<b><u>549,411</u></b>	<b><u>548,312</u></b>
<b>Basic earnings (loss) per share (in Baht)</b>	<b><u>0.131</u></b>	<b><u>0.057</u></b>	<b><u>0.055</u></b>	<b><u>(0.003)</u></b>

**24 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)
<b>Additional dividend in 2021</b>			<b><u>0.12</u></b>	<b><u>65,734</u></b>

**25 Financial instruments**

*Accounting policy*

*(1) Classification and measurement*

Financial asset and financial liability (except trade receivable (see note 5) hire purchase contract receivables (see note 6) and loan receivables (see note 7)) 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.

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

**Thiensurat Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2022**

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.

*(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.

**Thiensurat Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2022**

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:

*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

**Thiensurat Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2022**

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.

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

**Thiensurat Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2022**

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.

**(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.

**Thiensurat Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2022**

<i>At 31 December</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
<b><i>Related parties</i></b>				
Within credit terms	45	-	30,051	16,094
Overdue:				
1 - 30 days	11	-	11	-
	56	-	30,062	16,094
<i>Less allowance for expected credit loss</i>	-	-	-	-
<b>Net</b>	<b>56</b>	<b>-</b>	<b>30,062</b>	<b>16,094</b>
<b><i>Other</i></b>				
Within credit terms	7,637	7,510	4,078	3,506
Overdue:				
1 - 30 days	1,947	3,482	236	1,945
31 - 60 days	268	669	268	575
61 - 90 days	316	217	108	148
91 - 120 days	207	516	161	273
121 - 150 days	205	154	65	77
151 - 180 days	162	314	103	126
181 - 210 days	341	274	120	99
211 - 240 days	150	260	112	41
241 - 270 days	133	401	109	7
271 - 300 days	65	82	62	25
301 - 330 days	92	75	84	51
331 - 360 days	93	127	-	5
More than 360 days	730	108	26	-
	12,346	14,189	5,532	6,878
<i>Less allowance for expected credit loss</i>	(175)	(111)	(175)	(111)
<b>Net</b>	<b>12,171</b>	<b>14,078</b>	<b>5,357</b>	<b>6,767</b>
<b>Total</b>	<b>12,227</b>	<b>14,078</b>	<b>35,419</b>	<b>22,861</b>

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

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.

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
At 1 January	111	901	111	901
Addition	942	368	942	368
Write-off	(878)	(1,158)	(878)	(1,158)
<b>At 31 December</b>	<b>175</b>	<b>111</b>	<b>175</b>	<b>111</b>

**Thiensurat Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2022**

(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.

	Consolidated financial statements						
	Water purifier and filter		Electronic appliances and others		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
	<i>(in thousand Baht)</i>						
<b>31 December 2022</b>							
<b>Staging</b>							
Performing assets	243,589	6,403	244,639	2,163	488,228	8,566	479,662
Under-performing assets	29,740	11,673	26,792	1,876	56,532	13,549	42,983
Non-performing assets	55,252	48,106	18,792	3,860	74,044	51,966	22,078
<b>Total</b>	<b>328,581</b>	<b>66,182</b>	<b>290,223</b>	<b>7,899</b>	<b>618,804</b>	<b>74,081</b>	<b>544,723</b>
<b>31 December 2021</b>							
<b>Staging</b>							
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
<b>Total</b>	<b>481,319</b>	<b>69,150</b>	<b>206,273</b>	<b>6,517</b>	<b>687,592</b>	<b>75,667</b>	<b>611,925</b>



**Thiensurat Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2022**

	<b>Water purifier and filter</b>		<b>Separate financial statements Electronic appliances</b>		<b>Total</b>		
	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 <i>(in thousand Baht)</i>	Hire-purchase contract receivables net of unearned interest income	Allowance for expected credit loss	Net book value
<b>31 December 2022</b>							
<b>Staging</b>							
Performing assets	243,590	6,403	5,486	200	249,076	6,603	242,473
Under-performing assets	29,740	11,673	723	310	30,463	11,983	18,480
Non-performing assets	55,251	48,106	1,095	907	56,346	49,013	7,333
<b>Total</b>	<b>328,581</b>	<b>66,182</b>	<b>7,304</b>	<b>1,417</b>	<b>335,885</b>	<b>67,599</b>	<b>268,286</b>
<b>31 December 2021</b>							
<b>Staging</b>							
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
<b>Total</b>	<b>481,319</b>	<b>69,150</b>	<b>7,634</b>	<b>1,208</b>	<b>488,953</b>	<b>70,358</b>	<b>418,595</b>

**Thiensurat Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2022**

	<b>Consolidated financial statements</b>			
	Financial assets that are not significant increase in credit risk	Financial assets that are significant increase in credit risk <i>(in thousand Baht)</i>	Financial assets that are credit impaired	Total
<b><i>Movement of allowance for expected credit loss of hire purchase contract receivable</i></b>				
<b>2022</b>				
At 1 January	13,205	21,172	41,290	75,667
Transfer to lifetime ECL	(1,981)	(725)	2,706	-
Net remeasurement of loss allowance	1,432	(175)	14,267	15,524
New financial assets acquired	9,913	13,159	30,443	53,515
Financial assets repaid / write-off	(14,003)	(19,882)	(36,740)	(70,625)
<b>At 31 December</b>	<b>8,566</b>	<b>13,549</b>	<b>51,966</b>	<b>74,081</b>
<b>2021</b>				
At 1 January	15,853	20,111	30,874	66,838
Transfer to lifetime ECL	(2,360)	340	2,020	-
Net remeasurement of loss allowance	12,024	(8,484)	4,526	8,066
New financial assets acquired	15,199	19,457	20,137	54,793
Financial assets repaid / write-off	(27,511)	(10,252)	(16,267)	(54,030)
<b>At 31 December</b>	<b>13,205</b>	<b>21,172</b>	<b>41,290</b>	<b>75,667</b>

# Thiensurat Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2022

<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	
<b>2022</b>				
At 1 January	10,811	20,128	39,419	70,358
Transfer to lifetime ECL	(1,528)	(982)	2,510	-
Net remeasurement of loss allowance	283	92	14,178	14,553
New financial assets acquired	7,683	11,264	30,181	49,128
Financial assets repaid / write-off	(10,646)	(18,519)	(37,275)	(66,440)
<b>At 31 December</b>	<b>6,603</b>	<b>11,983</b>	<b>49,013</b>	<b>67,599</b>
<b>2021</b>				
At 1 January	13,506	18,534	25,988	58,028
Transfer to lifetime ECL	(1,844)	92	1,752	-
Net remeasurement of loss allowance	8,533	(9,154)	4,773	4,152
New financial assets acquired	12,550	18,755	19,210	50,515
Financial assets repaid / write-off	(21,934)	(8,099)	(12,304)	(42,337)
<b>At 31 December</b>	<b>10,811</b>	<b>20,128</b>	<b>39,419</b>	<b>70,358</b>

### (b.1.3) Loan receivables

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				
2022				
	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
Current	193,460	-	-	193,460
Overdue for over 2 installment periods	-	452	-	452
Overdue for over 6 installment periods	-	-	201	201
Less allowance for expected credit losses	(1,515)	(220)	(201)	(1,936)
<b>Net book value</b>	<b>191,945</b>	<b>232</b>	<b>-</b>	<b>192,177</b>

**Thiensurat Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2022**

**Consolidated financial statements**  
**2021**

	Financial assets that are not significant increase in credit risk	Financial assets that are significant increase in credit risk <i>(in thousand Baht)</i>	Financial assets that are credit impaired	Total
Current	83,344	-	-	83,344
Overdue for over 6 installment periods	-	-	791	791
<i>Less</i> allowance for expected credit losses	(10)	-	(791)	(801)
<b>Net book value</b>	<b>83,334</b>	<b>-</b>	<b>-</b>	<b>83,334</b>

**Consolidated financial statements**

	Financial assets that are not significant increase in credit risk	Financial assets that are significant increase in credit risk <i>(in thousand Baht)</i>	Financial assets that are credit impaired	Total
<b><i>Movement of allowance for expected credit loss of Loan receivables</i></b>				
<b>2022</b>				
At 1 January	10	-	791	801
Transfer to lifetime ECL	-	-	-	-
Net remeasurement of loss allowance	-	-	-	-
New financial assets acquired	5,468	220	661	6,349
Financial assets repaid / write-off	(3,963)	-	(1,251)	(5,214)
<b>At 31 December</b>	<b>1,515</b>	<b>220</b>	<b>201</b>	<b>1,936</b>
<b>2021</b>				
At 1 January	88	172	18	278
Transfer to lifetime ECL	-	-	-	-
Net remeasurement of loss allowance	-	-	-	-
New financial assets acquired	1,642	-	(1,022)	2,664
Financial assets repaid / write-off	(1,720)	(172)	(249)	(2,141)
<b>At 31 December</b>	<b>10</b>	<b>-</b>	<b>791</b>	<b>801</b>

**Thiensurat Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2022**

***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><i>Expected Credit Loss (Reverse) (Reverse) at 31 December</i></b>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2022	2021	2022	2021
		(in thousand Baht)		
Trade receivable	64	(790)	64	(790)
Other receivable	(336)	-	(336)	-
Hire purchase contract receivable	170,130	231,456	155,231	212,298
Loan receivable	1,134	523	-	-
<b>Total</b>	<b>170,992</b>	<b>231,189</b>	<b>154,959</b>	<b>211,508</b>

**(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.

***(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.

<b>Consolidated financial statements</b>					
<b><i>At 31 December</i></b>	<b>Carrying amount</b>	<b>Contractual cash flows</b>			<b>Total</b>
		<b>1 year or less</b>	<b>More than 1 year but less than 2 years</b>	<b>More than 2 years but less than 5 years</b>	
			(in thousand Baht)		
<b>2022</b>					
<b><i>Non-derivative financial liabilities</i></b>					
Trade payables	21,510	21,510	-	-	21,510
Loans from financial institutions	203,000	204,402	-	-	204,402
Lease liabilities	44,395	25,458	17,801	1,676	44,935
	<b>268,905</b>	<b>251,370</b>	<b>17,801</b>	<b>1,676</b>	<b>270,847</b>

**Thiensurat Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2022**

<b>Consolidated financial statements</b>					
<i>At 31 December</i>	Carrying amount	Contractual cash flows			Total
		1 year or less	More than 1 year but less than 2 years	More than 2 years but less than 5 years	
<b>2021</b>					
<b>Non-derivative financial liabilities</b>					
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
	<b>280,720</b>	<b>235,932</b>	<b>32,943</b>	<b>14,216</b>	<b>283,091</b>
<b>Separate financial statements</b>					
<i>At 31 December</i>	Carrying amount	Contractual cash flows			Total
		1 year or less	More than 1 year but less than 2 years	More than 2 years but less than 5 years	
			<i>(in thousand Baht)</i>		
<b>2022</b>					
<b>Non-derivative financial liabilities</b>					
Trade payables	14,582	14,582	-	-	14,582
Loans from financial institutions	115,000	115,794	-	-	115,794
Lease liabilities	54,248	27,896	19,816	6,536	54,248
	<b>183,830</b>	<b>158,272</b>	<b>19,816</b>	<b>6,536</b>	<b>184,624</b>
<b>2021</b>					
<b>Non-derivative financial liabilities</b>					
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
	<b>188,337</b>	<b>127,167</b>	<b>32,943</b>	<b>28,620</b>	<b>188,730</b>

## 26 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**  
**Notes to the financial statements**  
**For the year ended 31 December 2022**

**27 Commitments with non-related parties**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
<b>Capital commitments</b>				
Commitments not yet recognised				
Tools and equipment	5	59	5	59
Software	1,357	-	57	-
Building improvement	6	6	6	6
<b>Total</b>	<b>1,368</b>	<b>65</b>	<b>68</b>	<b>65</b>
<b>Other commitments</b>				
Short-term lease commitments	9,182	560	8,955	511
Bank guarantees	5,832	5,919	5,832	5,919
Other agreements	5,526	12,459	5,500	12,403
<b>Total</b>	<b>20,540</b>	<b>18,938</b>	<b>20,287</b>	<b>18,883</b>

**28 Events after the reporting period**

- (a) On 28 September 2022, the Extraordinary general meeting of shareholders approved the issue and sale offer of the No. 2 warrant (TSR-W2) 274,705,617 ordinary shares of the Company at an par value of 1 Baht per share to the shareholders of the Company with exercise ratio of 2 shares of ordinary share to 1 TSR-W2 warrant on 30 January 2023. TSR-W2 warrant have 3 years since the date of issue warrant and the exercise ratio is 1 TSR-W2 warrant to acquired 1 ordinary shares of the Company
- (b) At the Board of Directors Meeting of the Company held on 11 January 2023, the Board of Directors approved on the following matters:
  1. The joint investment in Connextech Co.,Ltd. in the amount of 51% of registered shares total of Baht 5 million or value of the investment Baht 2.55 million. For develop a platform to support management burglar alarms system, access control system, CCTV system, security products and equipment.
  2. Acquisition right offering of Thiensurat Leasing Co.,Ltd. which is subsidiary of the Company. By increasing the new shares amount of 80 million shares value of Baht 5 per shares. The Board of Directors approved acquisition of right offering amount of Baht 400 million.
- (c) At the Board of Directors Meeting of the Company held on 24 February 2023, the Board of Directors approval on the following matters:
  1. To approve the change of the Company's name from Thiensurat Public Company Limited to Sabuy Connex Tech Public Company.
  2. To increase the Company's registered share capital from 824,116,850 shares to 923,028,535 shares by issuing 98,911,685 new ordinary shares with a par value of Baht 1 per share.
    - 2.1 Stock dividend payment not exceeding 59,941,713 shares, at a par value of Baht 1 per share
    - 2.2 The exercise of SBNEXT-WA not exceeding 16,500,000 shares, at a par value of Baht 1 per share.
    - 2.3 The right adjustment of TSR-W2 not exceeding 27,469,972 shares, at a par value of the Baht 1 per share.



**Thiensurat Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2022**

3. Dividend payment for the Company's operating results for the fiscal year 2022 by
  - 3.1 Dividend payment in the form of ordinary shares of the Company in the amount not exceeding 54,941,713 shares, at a par value of Baht 1 per to the shareholders of the Company at the ratio 10 existing shares to 1 stock dividend, total value not exceeding Baht 54,941,713 or representing dividend payment at Baht 0.10 per share.
  - 3.2 Dividend payment in the form of cash at the rate of Baht 0.0111 per share or the total amount not exceeding Baht 6,104,635.

## Detail of the Directors, Management, Controlling Person and Company Secretary

<b>1.</b>	<b>Name</b>	Mr. Sahas Treetipbut
	<b>Age</b>	75
	<b>Position</b>	<ul style="list-style-type: none"> <li>Chairman of the Board</li> </ul>
	<b>Shareholding (%)</b>	19,000 Share
	<b>Education</b>	<ul style="list-style-type: none"> <li>Master of Science (Computer and Information Sciences), Syracuse University, New York, USA.</li> <li>Statistics Department Faculty of Commerce and Accountancy Chulalongkorn University.</li> <li>Director Accreditation Program (DAP) Class 28/2004 Thai Institute of Directors.</li> <li>Successful Formulation &amp; Execution of Strategy (SFE) Class 7/2013 Thai Institute of Directors.</li> <li>How to Measure the Success of Corporate Strategy (HMS) Class 2/2013 Thai Institute of Directors.</li> <li>Academic seminar The Flagship Summit: Future Fast-Forward by the Faculty of Commerce and Accountancy Chulalongkorn University.</li> </ul>
	<b>Relations</b>	None
	<b>Work Experience 5 Years up</b>	
	Mar 2013 - Present	Chairman of the Board Thiensurat Leasing Company Limited
	2013 - Present	Chairman of the Board Thiensurat Public Company Limited
	2014 - Present	Chairman of the audit Committee / Member of Risk Management Committee / 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
<b>2.</b>	<b>Name</b>	Assoc.Prof. Boonserm Vimuktanandana
	<b>Age</b>	74
	<b>Position</b>	<ul style="list-style-type: none"> <li>Independent Director</li> <li>Chairman of the Audit Committee</li> </ul>
	<b>Shareholding (%)</b>	None
	<b>Education</b>	<ul style="list-style-type: none"> <li>M.B.A.(Accounting), Arizona State University, USA.</li> <li>Master of Accountancy (M.A.), Chulalongkorn University.</li> <li>Bachelor of Accountancy (B.A.), (2<sup>nd</sup> Honor) Faculty of Commerce and Accountancy, Chulalongkorn University.</li> <li>Finance &amp; Accounting Seminar Wharton School, University of Pennsylvania, USA.</li> <li>Director Accreditation Program (DAP) Class 100/2013 Thai Institute of Directors.</li> <li>Audit committee Program (ACP) Class 42/013 Thai Institute of Directors.</li> <li>Risk Management (Basic) Class 1/2017 by the Federation of Accounting Professions under the Patronage of His Majesty the King.</li> <li>Inaugural Corporate Governance Conference 2018, Bangkok Building Trust in a Transforming Economy, The Securities and Exchange Commission, Thailand.</li> </ul>

<b>Relations</b>	None
<b>Work Experience 5 Years up</b>	
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 - 2020	Tax Auditor Examination Committee The Revenue Department
2011 - 2020	Subcommittee Test, Practices pertaining to the audit
2008 - 2020	The special lecturer Faculty of Commerce and Accountancy and Faculty of Law Chulalongkorn University.
2007 - 2020	Special instructor Public and private universities
2007 - Present	Chairman and Director of the Training Projects Chulalongkorn University

<b>3. Name</b>	Dr. Supree Wongdeeprom Ph.D.
<b>Age</b>	69
<b>Position</b>	<ul style="list-style-type: none"> <li>• Independent Director</li> <li>• Member of Audit Committee</li> <li>• Member of Corporate Governance and Corporate Social Responsibility Committee</li> <li>• Chairman of the Risk Management</li> </ul>
<b>Shareholding (%)</b>	None
<b>Education</b>	<ul style="list-style-type: none"> <li>- 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.</li> <li>- Doctor of Organization Development and Transformation (DODT.), Cebu Doctors' University.</li> <li>- Master of Business Administration (M.B.A.), Ramkhamhaeng University.</li> <li>- Bachelor of Economics in Industria Economics, Ramkhamhaeng University.</li> <li>- Director Accreditation Program (DAP) Class SET/2012 Thai Institute of Directors.</li> <li>- Risk Management Program for Corporate Leaders (RCL) Class 14/2018 Thai Institute of Directors.</li> </ul>
<b>Relations</b>	None
<b>Work Experience 5 Years up</b>	
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 - 24 Feb 2023	Independent Director / Member of Audit Committee Thiensurat Public Company Limited
May 2017 - 24 Feb 2023	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 - 24 Feb 2023	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 The Prime Minister
2015 - Present	Vice President National Medical Emergency at first
2013 - Present	Director King Prajadhipok Institute's Society
2002 - Present	Special instructor Public and private universities

<b>4.</b>	<b>Name</b>	Prof. Porntep Siriwanarangsun, MD., MPH., PhD
	<b>Age</b>	67
	<b>Position</b>	<ul style="list-style-type: none"> <li>• Independent Director</li> <li>• Member of Audit Committee</li> <li>• Member of Nomination Remuneration Committee</li> </ul>
	<b>Shareholding (%)</b>	None
	<b>Education</b>	<ul style="list-style-type: none"> <li>- M.D., Chiang Mai University, Chiang Mai, Thailand.</li> <li>- M.P.H., Mahidol University, Bangkok, Thailand.</li> <li>- Certificate of Epidemiology, Medical Council, Thailand.</li> <li>- Ph.D (Health Planning and Financing), University of London, U.K.</li> <li>- Certificate of the Community Mental Health Programs, The Medical Council</li> <li>- Diploma, National Defence.</li> <li>- Directors Certification Program (DCP) Class 212 Thai Institute of Directors.</li> <li>- Financial Statement for Directors (FSD) Class 28/2015 Thai Institute of Directors.</li> <li>- Risk Management for Corporate Leader (RCL) Class 116/2019, Thai Institute of Directors.</li> </ul>
	<b>Relations</b>	None
	<b>Work Experience 5 Years up</b>	
	Feb 2018 - 24 Feb 2023	Independent Director / Member of Audit Committee Thiensurat Public Company Limited
	May 2018 - 24 Feb 2023	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

<b>5.</b>	<b>Name</b>	Ms. Sumana Vonggapan
	<b>Age</b>	72
	<b>Position</b>	<ul style="list-style-type: none"> <li>• Independent Director</li> <li>• Member of Audit Committee</li> <li>• Chairman of the Nomination Remuneration Committee</li> </ul>
	<b>Shareholding (%)</b>	0.08 (440,000 share)
	<b>Education</b>	<ul style="list-style-type: none"> <li>- M.B.A, Southeastern Oklahoma State USA. (1975)</li> <li>- Bachelor of Communication Arts, (Honor) Chulalongkorn University.</li> <li>- Strategic Human Resource Management, Harvard Business School.</li> </ul>

- 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**

24 Feb 2023 - Present

Member of the audit committee  
Thiensurat Public Company Limited.

2022 - Present

Member of the Nomination Remuneration Committee  
Dhipaya Group Holdings Public Company Limited

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

2011 - Present

Member of the Remuneration and Resource Nomination Committee  
Dhipaya Insurance Public Company Limited

2010 - Present

Advisory Executive Management  
Dhipaya Insurance Public Company Limited

<b>6. Name</b>	Dr. Surat Wongrattanapassorn Ph.D.
<b>Age</b>	56
<b>Position</b>	<ul style="list-style-type: none"> <li>• Independent Director</li> <li>• Member of Audit Committee</li> <li>• Member of Risk Management Committee</li> </ul>
<b>Shareholding (%)</b>	0.06 (308,900 share)
<b>Education</b>	<ul style="list-style-type: none"> <li>- Ph.D. (Business Administration), Nova Southeastern University, U.S.A.</li> <li>- Master of Engineering (Computer), Assumption University.</li> <li>- Bachelor in Business Administration Major in Marketing, Assumption University.</li> <li>- Director Certification Program (DCP) Class 233/2017 Thai Institute of Directors.</li> <li>- IT Governance and Cyber Resilience Program (ITG) Class 3/2016 Thai Institute of Directors.</li> </ul>
<b>Relations</b>	None
<b>Work Experience 5 Years up</b>	
24 Feb 2023 - Present	Member of the audit committee Thiensurat Public Company Limited.
June 2021 - Present	Director CAN Company Limited
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

2015 - Present	Tiger Distribution & Logistics Co., Ltd. Director
2014 - Present	Eastern ICC Co., Ltd. Director
2011 - Present	Pan Asia Footwear Public Company Limited Director
	Thai Itokin Co., Ltd.

<b>7.</b>	<b>Name</b>	Mr. Chookiat Rujanapornpaje
	<b>Age</b>	49
	<b>Position</b>	<ul style="list-style-type: none"> <li>• Director</li> <li>• Chairman of the Executive Committee</li> </ul>
	<b>Shareholding (%)</b>	None
	<b>Education</b>	<ul style="list-style-type: none"> <li>- Bachelor's Degree in Finance Banking and Management, Assumption University</li> <li>- Director Certification Program (DCP) Class 268/2018, Thai Institute of Directors...</li> <li>- None</li> </ul>
	<b>Relations</b>	
	<b>Work Experience 5 Years up</b>	
	12 Jan 2023 - Present	Director / Chairman of the Executive Committee Thiensurat Public Company Limited.
	2017 - Present	Director Vending Plus Company Limited.
	2017 - Present	Director SABUY Solutions Company Limited.
	2017 - Present	Director SABUY Money Company Limited.
	2016 - Present	Director / Chairman of the Executive Committee / Chief Executive Officer SABUY Technology Public Company Limited.
	Present	Director Smart Toll Collection Company Limited
	2003 - 2009	Managing Director Head of Sales Singapore, Thailand, Vietnam. Standard Chartered Bank Singapore.
<b>8.</b>	<b>Name</b>	Mr. Waranon Kongpatimakorn
	<b>Age</b>	50
	<b>Position</b>	<ul style="list-style-type: none"> <li>• Director</li> <li>• Member of Executive Committee</li> <li>• Member of Risk Management Committee</li> <li>• Member of Investment Committee</li> <li>• Chief Executive Officer</li> </ul>
	<b>Shareholding (%)</b>	None
	<b>Education</b>	<ul style="list-style-type: none"> <li>- Bachelor of Business (Transport &amp; Logistics Management) R.M.I.T (Australia) Royal Melbourne Institute of Technology.</li> <li>- Associate Diploma of Business (International-Trade) R.M.I.T (Australia) Royal Melbourne Institute of Technology.</li> <li>- Certified Neuro Linguistic Programing Coaching (NLP) Practitioner level by American Board of NLP.</li> <li>- Completed 60 Hours ACSTH "Coach the Coach" Certification Training by International Coach Federation (ICF).</li> <li>- Selected to be one of High Potential of ZP regional HR development program 2 years program (ZPMI Zuellig Pharma Management Institute).</li> <li>- Director Accreditation Program Class 188/2021 Thai Institute of Directors</li> <li>- None</li> </ul>
	<b>Relations</b>	
	<b>Work Experience 5 Years up</b>	
	24 Feb 2023 - Present	Member of Investment Committee Thiensurat Public Company Limited
	12 Jan 2023 - Present	Chief Executive Officer Thiensurat Public Company Limited
	12 Jan 2023 - Present	Director Thiensurat Leasing Company Limited

1 Sep 2022 - Present	Director / Member of Executive Committee / Member of Risk Management Committee
1 Sep 2022 - 11 Jan 2023	Thiensurat Public Company Limited. President
May 2022 - Present	Thiensurat Public Company Limited Group Chief Operating Officer
Sep 2018 - Apr 2022	SABUY Technology Public Company Limited. VP- Head of Operations & Distribution
May - July 2018	Zuellig Pharma Co.,LTD. Chief Marketing Officer (CMO)
Sep 2016 - Mar 2018	Singer Thailand PCL. Head of Marketing and Sales
April 2015 - Aug 2016	Thai Agro Exchange Co.,Ltd. (Talaad Thai). Regional Sales & Marketing Director IndoChina
March 2013 - March 2015	Unicity Marketing (Thailand) Co.,LTD. Business Relations (Sales) Director
	Amway Thailand.

<b>9. Name</b>	Mr. Kittipol Thanasit
<b>Age</b>	55
<b>Position</b>	<ul style="list-style-type: none"> <li>• Director</li> <li>• Member of Executive Committee</li> <li>• Member of Risk Management Committee</li> <li>• Member of Investment Committee</li> <li>• Chief Financial Officer</li> </ul>
<b>Shareholding (%)</b>	None
<b>Education</b>	<ul style="list-style-type: none"> <li>- Master of Business and Administration (MBA), Finance and Accounting, Thammasat University</li> <li>- Bachelor in Accounting, Thammasat University</li> <li>- Certified Public Accountant (Thailand)</li> <li>- Advance Certificate Course in Public Administration and Law for Executives, King Prajadhipok's Institute</li> <li>- Insight in SET (Class of 1st), "Gateway to Growth and Sustainability in Capital Market, The Stock Exchange of Thailand</li> <li>- CFO's Orientation Course for New IPOs (Year 2022), The Stock Exchange of Thailand</li> <li>- CFO Refresher Course (Class 3/2022), ESG Integration: Policy, Strategy, Implementation, and Disclosure, The Stock Exchange of Thailand</li> <li>- TLCA CFO Professional Development Program (TLCA CFO CPD) No. 6/2022 "Role of CFO for Corporate Sustainability" Thai Listed Companies Association</li> <li>- TLCA CFO Professional Development Program (TLCA CFO CPD) No.5/2022 "Restructuring Business for Growth", Thai Listed Companies Association</li> <li>- None</li> </ul>
<b>Relations</b>	
<b>Work Experience 5 Years up</b>	
24 Feb 2023 - Present	Member of Investment Committee Thiensurat Public Company Limited
12 Jan 2023 - Present	Member of Executive Committee Thiensurat Public Company Limited
3 October 2022 - Present	Director Alpine water Company Limited
1 Sep 2022 - Present	Director / Member of Risk Management Committee / Chief Financial Officer Thiensurat Public Company Limited
May 2022 - Present	Director SKV Unity Supply Company Limited



May 2022 - Present	Director SABUY Alliance Company Limited
April 2022 - Present	Deputy Group Chief Financial Officer - DGCFO SABUY Technology Public Company Limited
May 2021 - April 2022	Chief Financial Officer CISSA Group Company Limited
July 2020 - April 2021	Chief Financial Officer PANA 888 Company Limited
November 2018 - June 2020	Chief Financial Officer Platt Nera International Limited
May 2006 - November 2018	Director and Certified Public Accountant ThaiCon Auditing Limited

<b>10. Name</b>	Ms. Tachanun Kangwantrakool
<b>Age</b>	54
<b>Position</b>	<ul style="list-style-type: none"> <li>• Director</li> <li>• Member of Nomination and Remuneration Committee</li> </ul>
<b>Shareholding (%)</b>	None
<b>Education</b>	<ul style="list-style-type: none"> <li>- Ph.D. of Software Engineering/ICT Carnegie Mellon University.</li> <li>- Master degree of Computer Engineering and Management, Assumption University.</li> <li>- Bachelor degree of Statistics, Payap University</li> <li>- Director Certificate Program (DCP) 268/2018, Thai Institute of Directors.</li> <li>- Financial Statement for Directors (FSD) 38/2019, Thai Institute of Directors.</li> <li>- Risk for Corporate Leader (RCL) 17/2019, Thai Institute of Directors.</li> <li>- Advanced Audit Certification Program (AACP) 35/2019, Thai Institute of Directors.</li> </ul>
<b>Relations</b>	None
<b>Work Experience 5 Years up</b>	
1 Sep 2022 - Present	Director / Member of Nomination and Remuneration Committee Thiensurat Public Company Limited.
2023 - Present	Director / Chairman of the Risk Management Indigy company limited
2023 - Present	Vice President Artificial Intelligence Entrepreneur Association of Thailand (AIEAT)
2022 - Present	Vice President Personal Data Protection Officers Association (DPOA)
2021 - Present	Director / Member of Risk Management Committee Glory Forever Public Company Limited.
2021 - Present	Independent Director / Chairman of the Audit Committee. Itthirit Nice Corporation Co., Ltd.
2020 - 2022	Director ACIS Professional Center Co., Ltd.
2019 - Present	Chairman of the Board / Member of Audit Committee / Independent Director / Member of Risk Management Committee / Member of Nomination and Remuneration Committee Well Graded Engineering Co., Ltd.
2019 - Present	Member of Executive Committee SABUY Technology Public Company Limited.
2017 - Present	Facilitator, Thai Institute of Directors.
2016 - Present	Subcommittee The Engineering Institute of Thailand under H.M.The King's Patronage (EIT)
2016 - Present	Digital Subcommittee Institute of Professional Qualifications (Public Organization)
1995 - Present	Director (Accredited Certification Body) / Chairman of the Board ISEM Co., Ltd.

<b>11.</b>	<b>Name</b>	Mr. Ekarat Changyoo
	<b>Age</b>	38
	<b>Position</b>	<ul style="list-style-type: none"> <li>• Director</li> <li>• Member of Corporate Governance and Corporate Social Responsibility Committee</li> <li>• Member of Risk Management Committee</li> <li>• Member of Executive Committee</li> <li>• Member of Investment Committee</li> </ul>
	<b>Shareholding (%)</b>	2.32 (12,754,000 Share)
	<b>Education</b>	<ul style="list-style-type: none"> <li>- Master of science, International Business&amp; English, University of Portsmouth, Hampshire, UK.</li> <li>- Bachelor Degree Accounting, Kasetsart University.</li> <li>- Director Accreditation Program (DAP) Class SET/2012 Thai Institute of Directors.</li> <li>- Family Business Sustainability (FBS) Class 1/2014 Thai Institute of Directors.</li> <li>- Director Certification Program (DCP) Class 263/2018 Thai Institute of Directors.</li> <li>- None</li> </ul>
	<b>Relations</b>	- None
	<b>Work Experience 5 Years up</b>	
	24 Feb 2023 - Present	Member of Investment Committee Thiensurat Public Company Limited
	14 Jan 2022 - Present	Member of of Executive Committee Thiensurat Public Company Limited
	Nov 2020 - Present	Director DrinkCo Company Limited
	May 2020 - Present	Director Alpine water 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
	2018 - 1 Feb 2022	Chairman of the Management Committee Thiensurat Public Company Limited
	2016 - 1 Feb 2022	Chief Executive Officer Thiensurat Public Company Limited
	2014 - Sep 2019	Director Fedders Thai Company Limited
<b>12.</b>	<b>Name</b>	Mr. Phornwit Laithuamtaweekun
	<b>Age</b>	44
	<b>Position</b>	<ul style="list-style-type: none"> <li>• Member of the Executive Committee</li> <li>• Member of Risk Management Committee</li> </ul>
	<b>Shareholding (%)</b>	None
	<b>Education</b>	<ul style="list-style-type: none"> <li>- Master degree of Business Administration, General Management, Assumption University.</li> <li>- Bachelor degree of Business Administration, International Business Management, Assumption University.</li> <li>- Senior Executive Program 2018 (SEP) by Sasin Graduate Institute of Business Administration of Chulalongkorn University</li> <li>- None</li> </ul>
	<b>Relations</b>	- None
	<b>Work Experience 5 Years up</b>	
	1 Sep 2022 - Present	Member of the Executive Committee / Member of Risk Management Committee Thiensurat Public Company Limited.

Feb 2022 - Present	Chief Sales Officer SABUY Technology Public Company Limited.
Sep 2018 – Jan 2022	Deputy Director True Corporation Co., Ltd.
Mar 2012 - Aug 2018	Assistant Director TrueMove Co., Ltd.
Feb 2010 - Feb 2012	Channel Planning and Development Manager TrueMove Co., Ltd.

<b>13. Name</b>	Mr. Krissana Tantecharat
<b>Age</b>	44
<b>Position</b>	Chief Executive Officer (Sales)
<b>Shareholding (%)</b>	0.05 (252,000 Share)
<b>Education</b>	- Bachelor of Marketing, Bangkok University.
<b>Relations</b>	- None
<b>Work Experience 5 Years up</b>	
1 Oct 2022 - Present	Chief Executive Officer (Sales) Thiensurat Public Company Limited.
2011 - Sep 2022	Deputy Director True Corporation Public Company Limited.
2009 - 2011	Client Leader Thai Samsung Electronics Co., Ltd.
2007 - 2009	Supplier Manager Cetelem (Thailand) Co., Ltd.
2005 - 2007	Key Account Executive L.G. Mitr Electronics Co., Ltd.

<b>14. Name</b>	Mr. Panupan Visuttiwitakul
<b>Age</b>	44
<b>Position</b>	Chief Product & Production Officer
<b>Shareholding (%)</b>	0.02 (100,300 Share)
<b>Education</b>	- Master of Marketing Griffith University, Brisbane Australia. - Bachelor of Marketing, Assumption University.
<b>Relations</b>	- None
<b>Work Experience 5 Years up</b>	
1 Oct 2022 - Present	Chief Product & Production Officer Thiensurat Public Company Limited.
2015 - 2020	Assistant Director True Corporation Public Company Limited.

<b>15. Name</b>	Mr. Kiratat Jirachit
<b>Age</b>	44
<b>Position</b>	Vice President
<b>Shareholding (%)</b>	None
<b>Education</b>	- 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.
<b>Relations</b>	- None
<b>Work Experience 5 Years up</b>	
Jan 2023 - Present	Vice President

## Thiensurat Public Company Limited

June 2019 - Dec 2022	Assistant Chief Executive Officer Thiensurat Public Company Limited
2016 - 2018	Managing Director Precise Digital Economy Co., Ltd.
2014 - 2016	Managing Director Precise Green Products Co., Ltd.

<b>16. Name</b>	Mr.Kwanchai Anothainart
<b>Age</b>	47
<b>Position</b>	Vice President
<b>Shareholding (%)</b>	None
<b>Education</b>	<ul style="list-style-type: none"> <li>- Master Electrical Engineering, Chulalongkorn University</li> <li>- Bachelor of Electrical Engineering, Chulalongkorn University</li> <li>- Lean Master Certification class11 Technology Promotion Association (Thailand-Japan) (TPA) , 2014</li> <li>- German language course (6 months) Goethe-Institute (Germany).</li> <li>- Director Accreditation Program Class 133/2017 Thai Institute of Directors</li> <li>- None</li> </ul>
<b>Relations</b>	
<b>Work Experience 5 Years up</b>	
Jan 2023 - Present	Vice President Thiensurat Public Company Limited
Mar 2022 - Dec 2022	Assistant Chief Executive Officer Thiensurat Public Company Limited
Jan 2020 - Feb 2022	Director of Manufacturing Group Thiensurat Public Company Limited
Jun 2018 - Dec 2019	Instructor & Consultant of Lean Manufacturing Freelance
Mar 2017 - May 2018	Logistics and Supply Chain Manager Centaco Group of Companies.
Feb 2016 - Feb 2017	Chief Executive Officer DOD Biotech Co.,Ltd.
6 Jan 2006 - Jan 2016	Engineering Manager Western Digital (Thailand) Co.,Ltd.

<b>17. Name</b>	Mr. Pornchai Sanchaichana
<b>Age</b>	52
<b>Position</b>	Vice President
<b>Shareholding (%)</b>	None
<b>Education</b>	<ul style="list-style-type: none"> <li>- Bachelor of Communication Arts, Advertising, Chulalongkorn University.</li> </ul>
<b>Relations</b>	<ul style="list-style-type: none"> <li>- None</li> </ul>
<b>Work Experience 5 Years up</b>	
1 Nov 2022 - Present	Vice Chief Executive Officer Thiensurat Public Company Limited
15.Dec 2021 - Present	Brand Director SABUY Technology Public Company Limited.
1.Jan. 2021 - Present	Creative Director Founder SUPER SON'S DAY CO.,LTD.
1.Oct 2017 - 30 Dec 2020	MD, Co-Founder Homeprise Co., Ltd.

<b>18. Name</b>	Ms. Chanadda Ruangchai
<b>Age</b>	48
<b>Position</b>	Vice President
<b>Shareholding (%)</b>	None
<b>Education</b>	<ul style="list-style-type: none"> <li>- Bachelor of Business Administration, Thammasat University.</li> </ul>

- Master of Business Administration, Chulalongkorn University.
- How to develop a risk management plan (HRP) 2020, Thai Institute of Directors.
- None

**Relations****Work Experience 5 Years up**

1 Dec 2022 - Present

Vice President

Thiensurat Public Company Limited

Mar 2019 - Nov 2022

Director, Chief Executive Officer office

Thiensurat Public Company Limited

Sep 2014 - Feb 2019

Manager, Managing Director Office

Thiensurat Public Company Limited

<b>19.</b>	<b>Name</b>	Mr. Tongthai Puntian
	<b>Age</b>	39
	<b>Position</b>	Vice President
	<b>Shareholding (%)</b>	None
	<b>Education</b>	- Bachelor of Sociology Srinakharinwirot University
	<b>Relations</b>	- None
	<b>Work Experience 5 Years up</b>	
	16 Dec 2022 - Present	Vice President Thiensurat Public Company Limited.
<b>20.</b>	<b>Name</b>	Mr. Pongsak Ravanghet
	<b>Age</b>	41
	<b>Position</b>	Vice President
	<b>Shareholding (%)</b>	None
	<b>Education</b>	- Bachelor of Business Administration, Marketing, Rangsit University - Training courses 6*9 Sales Professional Field Coaching Channel Distributor. - Basic Negotiation Channel Strategy Matrix Chanel Modern Trade and Distributor. - Promotion Matrix Chanel Modern Trade and Distributor. - DCA Customer Development Essentials Advanced Negotiation.
	<b>Relations</b>	- None
	<b>Work Experience 5 Years up</b>	
	4 Jan 2023 - Present	Vice President Thiensurat Public Company Limited.
	Nov - Dec 2018	True Distribution & Sales
		True Corporation Public Company Limited
	Feb - Aug 2018	Owner BODY & PAINT WATCHARAPOL AUTO BOY
<b>21.</b>	<b>Name</b>	Mr. Narin Suwanaphan
	<b>Age</b>	53
	<b>Position</b>	Finance and Accounting Director
	<b>Shareholding (%)</b>	None
	<b>Education</b>	- 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
	<b>Relations</b>	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

<b>22.</b>	<b>Name</b>	Ms. Jutamas Malai
	<b>Age</b>	45
	<b>Position</b>	Company Secretary / Investor Relations Manager
	<b>Shareholding (%)</b>	None
	<b>Education</b>	<ul style="list-style-type: none"> <li>- Bachelor of Accounting Rambhai Barni Rajabhat University.</li> <li>- Fundamental Practice for Corporate Secretary Thai Listed Companies association</li> <li>- IR Fundamental Course, The Stock Exchange of Thailand.</li> <li>- IOD Open House For Company Secretary 2020, Thai Institute of Directors Association</li> <li>- 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</li> <li>- The process for selecting directors to be correct according to CG principles On 29 October 2021, Thai Listed Companies Association</li> </ul>
	<b>Relations</b>	None
	<b>Work Experience 5 Years up</b>	
	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 28 February 2023 as follows:

List of Directors and Executive	TSR	Safe Trade	TSRL	Alpine
1. Mr. Sahas Treetipbut	X		X	
2. Mr. Chookiat Rujanapornpaje <sup>1/</sup>	/			
3. Mr. Waranon Kongpatimakorn <sup>2/</sup>	/		/	
4. Mr. Ekarat Changyoo	/	/	/	/
5. Ms. Tachanun Kangwantrakool <sup>3/</sup>	/			
6. Mr. Kittipol Thanasit <sup>4/</sup>	/			/
7. Assoc.Prof. Boonserm Vimuktanandana	/			
8. Dr. Supree Wongdeeprom Ph.D. <sup>5/</sup>	/			
9. Prof.Porntep Siriwanarangsun, MD., MPH., PhD <sup>6/</sup>	/			
10. Ms. Sumana Vonggapan <sup>7/</sup>	/			
11. Surat Wongrattanapassorn Ph.D. <sup>8/</sup>	/			
12. Mr. Krissana Tantecharat <sup>10/</sup>	///			
13. Mr. Panupan Visuttiwitakul <sup>11/</sup>	///			
14. Mr. Kiratat Jirachit <sup>12/</sup>	////			
15. Mr.Kwanchai Anothainart <sup>13/</sup>	////			
16. Mr. Pornchai Sanchaichana <sup>14/</sup>	////			
17. Ms. Chanadda Ruangchai <sup>15/</sup>	////			
18. Mr. Pongsak Ravanghet <sup>16/</sup>	////			
19. Mr. Tongthai Puntian <sup>17/</sup>	////			

### Remark :

X = Chairman of the Board    /    = Director    //    = Chief Executive Officer  
 ///    = Chief Executive Officer (line)    ////    = Vice President

Related company means the definition of legal entity of a person who may have a conflict of interest in this notice.

- TSR                = Tiensurat Public Company Limited
- Safe Trade      = Safe Trade International Company Limited and The Company holds 99.98%
- TSRL             = Tiensurat Leasing Company Limited and The Company holds 100%
- Alpine            = Alpine Water Company Limited and The Company holds 99%

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. 7/2022, held on 22 October 2022, Ms. Pichayaporn Kongsomnam 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. Pichayaporn Kongsomnam, 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 Service process
- 3) Review the credit approval process and business development department
- 4) Review the information systems related to the credit information system.
- 5) Review the Revenue and benefit process
- 6) Review the Accounting and Financial 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.

<b>Name</b>	<b>Ms. Pichayaporn Kongsomnam</b>
<b>Age</b>	36
<b>Position</b>	Internal Audit and Risk Management Manager Secretary of The Audit Committee
<b>Education</b>	<ul style="list-style-type: none"> <li>- Bachelor's degree in ACCOUNTING from Ratchaphruek University</li> <li>- Update TFRS 9, TFRS 15 and TFRS 16</li> <li>- Finance for Non-Finance</li> <li>- Fraud Deterrence System With Forensic Accounting</li> <li>- Systematic Audit</li> </ul>

**Work Experience 5 Years up**

Present	Internal Audit and Risk Management Manager Thiensurat Public Company Limited
2018 - 2021	Supervisor Thiensurat Public Company Limited
2017 - 2018	Officer Thiensurat 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 33 to pages 37

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/2023/03/20230316-tsr-cg-cg-policy-th.pdf>

Code of Conduct :

<https://www.tsrplc.com/wp-content/uploads/2023/03/20230316-tsr-cg-code-of-conduct-th.pdf>

## Report of the Audit Committee

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**Dear shareholders of Thiensurat Public Company Limited,**

The Audit Committee of Thiensurat Public Company Limited comprises of 3 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. Prof. Porntep Siriwanarangsun, MD.,MPH.,Ph.D. | Member of the Audit Committee   |

Ms. Pichayaporn Kongsomnam who is Internal Audit and Risk Management Manager is on Secretary of the audit committee duty.

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 2022, 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 the company's internal control system and internal audit system including considering the independency of the Internal Audit Office. In 2022, the company appointed Ms. Pichayaporn Kongsomnam 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 2022 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 2022. 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 2022.

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 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. Tachanun Kangwantrakool 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 8 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

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Dear shareholders of Thiensurat Public Company Limited,

The Company has a Corporate Governance and Corporate Social Responsibility Committee. But because in 2022, Sabuy Technology Public Company Limited became a major shareholder. As a result, there was a change in the shareholder structure after the investment. and change directors by sending personnel to become directors in the company which is in the process of recruiting directors to serve as members of the Corporate Governance and Corporate Social Responsibility Committee.

On behalf of the Board of Directors  
Thiensurat Public Company Limited



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

## Report of the Risk Management Committee

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**Dear shareholders of Thiensurat Public Company Limited,**

Thiensurat Public Company Limited realises the importance of the Enterprise Risk Management which covers Strategic risk, Financial risk, Customer risk, Operational risk and Learning and Growth risk. The Company has established the Risk Management Committee which comprises independent directors 2 persons and Chairman of the Risk Management Committee is independent director. The Risk Management Committee are listed as follows;

- |                                       |   |
|---------------------------------------|---|
| 1. Dr. Supree Wongdeeprom Ph.D.       | Chairman of the Risk Management Committee |
| 2. Dr. Surat Wongrattanapassorn Ph.D. | Member of the Risk Management Committee   |
| 3. Mr. Ekarat Changyoo                | Member of the Risk Management Committee   |
| 4. Mr. Waranon Kongpatimakorn         | Member of the Risk Management Committee   |
| 5. Mr. Kittipol Thanasit              | Member of the Risk Management Committee   |
| 6. Mr. Phornwit Laithuamtaweekun      | 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

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**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.1/2022 held on 13 January 2022 to perform the tasks as assigned by the Board of Directors 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   |

In May 2022, Sabuy Technology Public Company Limited became a major shareholder. As a result, there was a change in the shareholder structure after the investment. and change the director in September and on 11 January 2023, the company has appointed a new Executive Committee to manage and follow up on the work of the management department. There are 5 directors namely as follows:

- |                                  |                                     |
|----------------------------------|-------------------------------------|
| 1. Mr. Chookiat Rujanapornpaje   | Chairman of the Executive Committee |
| 2. Mr. Waranon Kongpatimakorn    | Member of the Executive Committee   |
| 3. Mr. Ekarat Changyoo           | Member of the Executive Committee   |
| 4. Mr. Phornwit Laithuamtaweekun | Member of the Executive Committee   |
| 5. Mr. Kittipol Thanasit         | Member of the Executive Committee   |

On behalf of the Executive Committee



(Mr. Chookiat Rujanapornpaje)  
Chairman of the Executive Committee

## **Sub-committee charter**

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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

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