

**Annual Report Year 2021**

**Form 56-1One Report**

**Ended December 31<sup>st</sup>, 2021**



**ICHITAN**

**ICHITAN GROUP PUBLIC COMPANY LIMITED**

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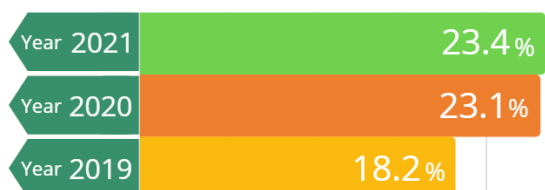
## Financial Highlight

### Ichitan Group Public Company Limited and its Subsidiary

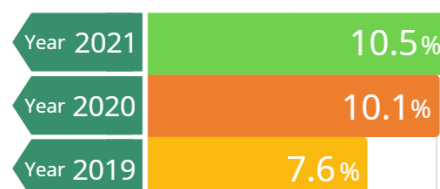
Detail (Unit : million Baht)	Consolidated Financial Statement		
	Year 2021	Year 2020	Year 2019
<b>Statements of Comprehensive Income</b>			
Total Revenues	5,250.8	5,108.0	5,347.7
Total Expenses	4,668.9	4,565.7	4,956.4
Net Profit (Loss)	546.8	515.5	407.5
<b>Statements of Financial Position</b>			
Total Asset	7,106.3	7,404.6	7,686.9
Total Liabilities	915.3	1,125.9	1,466.6
Shareholder's equity	6,191.0	6,278.7	6,220.3
Paid-up shares at the end of the year (million shares)	1,300.0	1,300.0	1,300.0
<b>Shares Information</b>			
Earnings per Share (Baht)	0.42	0.40	0.31
Book Value per Share (Baht)	4.8	4.8	4.8
Dividend per share whole year (Baht)	650.0	650.0	455.0
Dividend Payout (%)	118.9	126.1	111.7

## Financial Ratios

Earnings before finance costs, income taxes, depreciation and amortization including non-operating incomes and expenses (EBITDA)



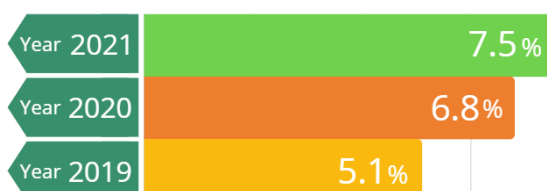
Net Profit Margin



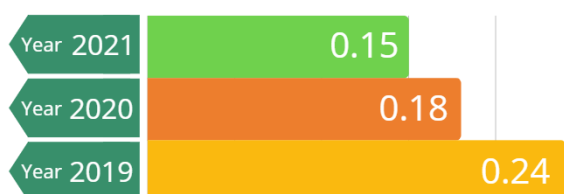
Return on Shareholders' Equity (ROE)



Return on Total Assets (ROA)



Ratio of Liability to Capital (Times)



# Chairman's Statement

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## Dear Shareholders

The Covid 19 epidemic situation in recent 2 years is more severe and faster than the economic changes in 20 years past. The fastest adapted business is the only survived.

*"COVID has changed people's behaviors all over the world in a short period of time. Its change like a river changed the directions...by not returning to the same spot ever again. However, the whole world business are confronting a huge change according to various factors such as Economic Environmental International Competition Technological Cryptocurrency Social and Others"*

Ichitan Group Ltd. "the Company" has been affected by the aforementioned situation due to the break of business in both domestic and international sectors. The Board of Directors and Management team have been working hard over the last year with quick adjusted in order to stand firm in the midst of the volatility, by adjusting the suitable and flexible strategic plans in accordance with every. The Company readjusts our product portfolio by pushing on the presentation of "Ichitan alkaline water" as health-care alternatives, as well as a ready-to-drink finger root drink to serve the need for health-care products based on Thai herbal wisdom. Also shifted our weighted distribution channels to traditional trade, focusing on neighborhood local retailers to reach our consumers quickly and provide products at an affordable price. In 2021, the Company's Performance is 2.5% growth from the previous year with the sales revenue of 5,228.3 million baht and net profit of 546.8 million baht. Ready-to-drink Teas (Ichitan and Yen Yen) are the main products to drive the growth of sales revenue, which increased by 16.2%, accounting for 75.3% of the total product portfolio. Export and OEM service were temporarily affected by the halt of both domestic and international business sectors.

However, after the recovery of the Covid 19 epidemic situation, "Ichitan Group" will work hard to drive sales revenue through the mentioned channels to be more concentrated again with a commitment of business operation based on sustainable growth, transparent and along with the good governance principles, in line with the ongoing social and environmental development plans. In present, the Company received "Excellent" from the CGR assessment of Thai listed companies for five consecutive years, which was the highest rank group from Thai Institute of Directors Association (IOD) and received the AGM project evaluation "100%" full score for four consecutive years from the 2020 AGM assessment project. The Company had certified as a member of Thailand's Private Sector Collective Action Coalition Against Corruption (CAC) since year 2019.

I, on behalf of the Board of Directors and the Management of the Company, would like to thank our customers, business partners, shareholders, employees and all relevant parties which were an important moral support to success. I sincerely hope that everyone is safe with healthy and would step forward throughout the crisis together. Thank you to everyone who has always believed in "Ichitan Group". The company is still determined to develop and grow sustainably in the future.



Mr. Tan Passakornnatee

Chairman of the Board of Directors

December 31<sup>st</sup>, 2021

## Section 1 Business Operations and Performance

### 1. Structure and Business Operations of the Company

#### 1.1 Business Policy and Overview

Ichitan Group Public Company Limited (“the Company”) and the abbreviation of stock was “ICHI” which listed in the Stock Exchange of Thailand. The Company had been established as a limited company on September 3<sup>rd</sup>, 2010 and was registered as a public company limited on July 11<sup>th</sup>, 2013 and first trading day on April 21<sup>st</sup>, 2014. In year 2021, sales revenue earned 5,228.3 million baht, divided into domestic 87.1% and international 12.9%. The Company's main customers and partners account for more than 30% was DKSH, with proportion of 74.7% of total revenue. The Board of Directors of Ichitan Group Public Company Limited had approved to define the Company's vision, mission, strategic planning, corporate goal, business plan and budgets which presented by the Executive Committee. The Board of Directors regularly to arrange the meeting to follow up performance and acknowledge important actions of the management team, and supervise, monitor and evaluate the performance of the executives to meet the goal and strategy of the organizations both short and long term.

#### **Business Goals**

Ichitan Group Public Company Limited (the Company) aims to be a leader in the quality and innovative beverage business that grows together with a good society, so the Company will focus on improving product quality and new products continuously to increase variety and consumer demand. This includes developing business opportunities to enhance competitiveness within domestic and abroad. The Company expects to develop new products on average 2-3 product groups per year by bringing modern technology to support the production process to save time and increase efficiency, along with sustainable social and environmental responsibility.

#### **1.1.1 The Company's overall operating policy**

**Goals:** within 3 years (Year 2021 – Year 2023)

Ichitan Group strives to be a leader in the development, innovation, production and distribution of quality beverages and high value food through innovation and production technology and research ,to support the production for consumers and partners to receive product and service that meet current and future need through distribution channels - Offline, Online, E-Commerce and new sale channel, as well as export distribution to oversee markets for the organization's sustainability.

#### **Objectives:**

Business for mission with the goal of being the leader in quality beverage business and the leader of innovation which grows together with a good society by Mr.Tan Passakornnatee has a strong determination to build a stable quality business and sustainably, which starts from selecting quality raw material, as well as investing in a factory system that uses renewable energy by itself, together with least impact on the environment.

**Vision:** To be a leader in beverage business with both quality and innovation that grows along with good society

**Mission:**

Consumer: To produce and develop quality beverage which is good for customer health and maximum customer satisfaction.

Shareholders: To apply innovative to its business for improving management efficiency as well as always looking for opportunity of new channel distribution and improve the channel for highest turnover

Society: To be a role model organization that has social responsibility and give social return, thereby contributing to sustainable development of Thai society

Employee: To support employee to develop his/her potential until they become professional and have better quality of life and pride in being part of the organization

**Core Values:****Core Strategies:**

There are 5 main strategies for corporate marketing, which are:

- **To grow with with all group of stakeholders**

The Company gives an importance to product research and development, focus on delivering high quality and healthy beverages including environmentally friendly production processes to existing customers and new generations in domestic and international market. The Company also emphasizes on employee development and operates with good governance, when the product is known and the brand is recognized, it will result in the operating results stable growth, especially in Asian countries.

- **To promote the values of the brand**

The Company is ready to deliver the clear value of the brand to consumer such as "Ichitan Green Tea", delivering a new experience in drinking tea or "Hot, Hot, Spicy, Fighting With Yen Yen from Ichitan, deliver cool off the heat drinking with 12 types of cool herbs, which will allow consumers to recognize the brand's value in every dimension, whether it is Product, Packaging Design, various marketing activities.

- **To emphasize on product development for better quality of life**

All of our products are focused on promoting good health both physically and mentally, by selecting quality raw material as well as meticulous production and safety packaging. Mostly, all products have developed to reduce amount of sweetness level

until reaching the standard of "Logo healthtier choices" from Ministry of Public Health but also remain unique natural flavors and innovative of ICHITAN together with display component and nutritional value label on the packaging

- **Targeting new products that build a steady flow of healthy**

The Company aims to develop a product group that is good for health, starting with the vitamin water group such as Ph Plus 8.5 mixed with vitamin B complex and Vitamin C plus E (C200: C + E) to meet the new consumer group who cares about health and situation that make everyone need to be more aware of the consumption of health-conscious products by aiming to be the market leader in vitamin water group

- **To create mutual experience with consumer**

The Company has planned to record and develop database of consumer individually to deep understand through the needs and behavior of consumer, in order to allocate the right marketing programs to each customer group. And ,it will create mutual good experience and brand recognition among target consumer that will create sustainable linkage between the brand and consumer

As of December 31<sup>st</sup>, 2021, the Company had total production capacity were as follows:

- Bottle production line included 7 production lines, representing 1,500 million bottles / year  
(or equivalent to 630 million liters / year)
- UHT production line included 2 production lines, representing the 200 million boxes / year  
(or equivalent to 60 million liters / year)

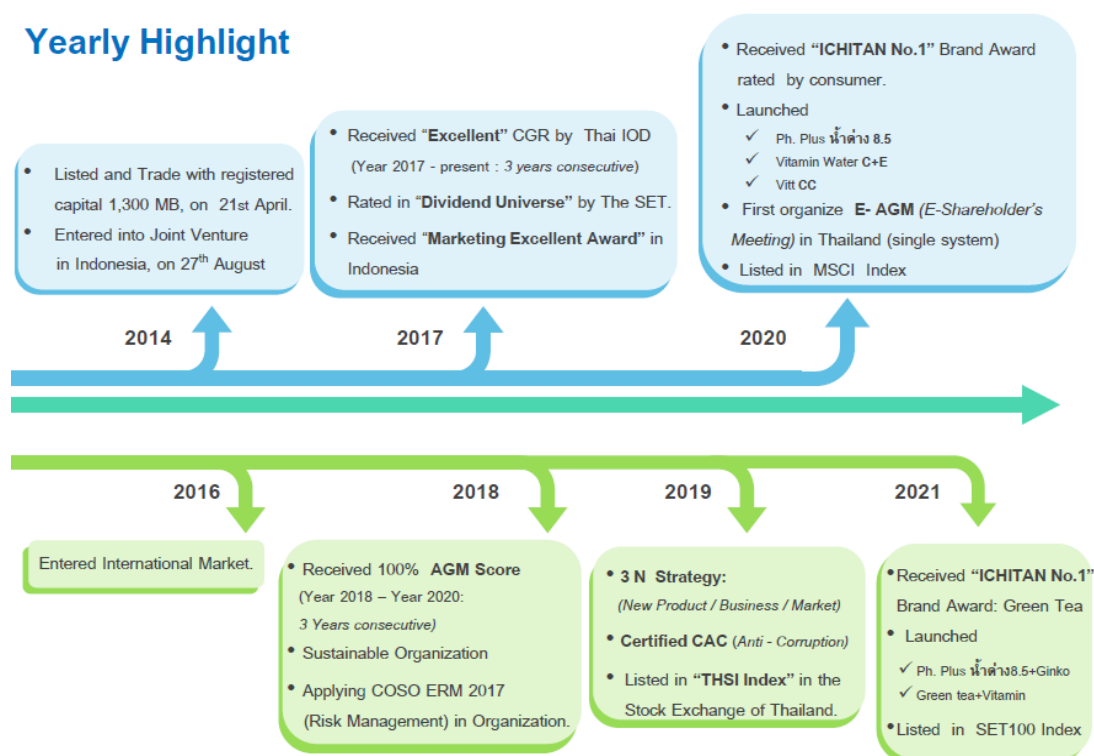
### 1.1.2 Major Changes and Developments

Month / Year	Major Changes and Developments
<b>Year 2010</b>	
September	<ul style="list-style-type: none"> <li>Established Mai Tan Co., Ltd. on September 3<sup>rd</sup>, 2010 with the registered capital of 500 million Baht and issued 5,000,000 ordinary shares at the par value of Baht 100 per share.</li> </ul>
<b>Year 2011</b>	
March	<ul style="list-style-type: none"> <li>The Extraordinary General Meeting of Shareholders No. 2/2011 to pass a resolution to increase its registered capital to 600.0 million Baht divided into 6 million shares of ordinary share with par value of 100 Baht / share which increased capital to existing shareholders.</li> </ul>
September	<ul style="list-style-type: none"> <li>Started the test-run of the production lines which comprise 1 production line for bottle type and 1 production line for box type.</li> </ul>
October	<ul style="list-style-type: none"> <li>Faced the 2011 flood crisis which inflicted the financial damage worth Baht 1,180.6 million on the Company, partially offset by the initial insurance indemnity of Baht 600 million which reduced the net loss from flood recognized in 2011 to Baht 580.6 million. In the following year, the Company was paid the remaining indemnity of Baht 518.8 million from the insurer which was additionally recognized as income in 2012. (net of the loss from building and equipment amortization worth Baht 50.5 million in 2012).</li> </ul>
November	<ul style="list-style-type: none"> <li>Renamed to Ichitan Group Company Limited.</li> </ul>
<b>Year 2012</b>	
March - April	<ul style="list-style-type: none"> <li>Started 1 production line for bottle type in March and 1 production line for UHT type in April.</li> </ul>
September	<ul style="list-style-type: none"> <li>Started a new production line for bottle type, increasing production line for bottle type to 2 lines.</li> <li>EGM No. 4/2012 of the Company approved the registered capital increase to Baht 1,000 million through the right issue by offering 10,000,000 ordinary shares at the par value of Baht 100 per share to existing shareholders.</li> </ul>



Month / Year	Major Changes and Developments
<b>Year 2013</b>	
July	<ul style="list-style-type: none"> <li>The Extraordinary General Meeting of Shareholders No. 2/2013 , approved the conversion of the Company into a public limited company, the decrease of the par value from Baht 100 per share to Baht 1 per share, and the registered capital increase to Baht 1,300 million, divided into 1,300 million shares at the par value of Baht 1 per share.</li> </ul>
September	<ul style="list-style-type: none"> <li>Received an investment promotion certificate from the Board of Investment No. 5175 (2) / 2013 in accordance with the investment promotion measure to restore investment from the flood crisis. According to the promotion certificate (old) No. 1496 (2) / 2554.</li> </ul>
<b>Year 2014</b>	
April	<ul style="list-style-type: none"> <li>The Company was listed and traded on the Stock Exchange of Thailand.</li> </ul>
May	<ul style="list-style-type: none"> <li>Acquired the Bireley's trademark and beverage formula from Sunny Herb International Beverage Company.</li> </ul>
August	<ul style="list-style-type: none"> <li>Entered into a joint venture in Indonesia.</li> </ul>
<b>Year 2015</b>	
October	<ul style="list-style-type: none"> <li>Launch of ready-to-drink tea drinks in Indonesia under named PT Ichitan Indonesia by selling ready-to-drink green tea.</li> </ul>
<b>Year 2017</b>	
February	<ul style="list-style-type: none"> <li>On February 8<sup>th</sup> , 2017, incorporated a subsidiary company named "Ichitan Power Company Limited" with registered capital of 1.0 million baht (fully paid), with Ichitan Group Public Company Limited holding 99.9% of the shares. The objective is to operate a business of selling all kinds of beverage products both domestically and internationally.</li> </ul>

## Yearly Highlight



## 1.2 Nature of Business

### 1.2.1 Revenue Structure of the Company

Revenue Structure	Year 2021		Year 2020		Year 2019	
	Million Baht	%	Million Baht	%	Million Baht	%
Net Sales	5,228.3	99.6	5,099.3	99.8	5,334.2	99.7
Other income	22.5	0.4	8.7	0.2	13.5	0.3
<b>Total Revenue</b>	<b>5,250.8</b>	<b>100.0</b>	<b>5,108.0</b>	<b>100.0</b>	<b>5,347.7</b>	<b>100.0</b>
Market share*	30.5%		30.5%		31.4%	
Number of flavors	30 flavors		27 flavors		21 flavors	

\* Source: Nielsen Retail Index, December, 2021 data.

### Revenue structure brake down by core business lines

Revenue Structure	Year 2021		Year 2020		Year 2019	
	Million Baht	%	Million Baht	%	Million Baht	%
Ready-To-Drink Tea Beverage Group	4,974.3	94.7	4,827.3	94.7	5,264.5	98.7
Non Tea and so on.	276.5	5.3	272.0	5.3	69.7	1.3
<b>Total</b>	<b>5,250.8</b>	<b>100.0</b>	<b>5,099.3</b>	<b>100.0</b>	<b>5,334.2</b>	<b>100.0</b>

In year 2021, the Company had sales revenue of 5,228.3 million baht, increasing by 2.5% from the previous year which was 5,099.3 million baht. The export sales revenue decreased by 37.4% from the previous year and the domestic sales revenue increased by 13.2%. Whereas, the EBITDA was equal to 1,225.3 million baht by 4.2% increased from the previous year which was 1,176.3 million baht. The company finally had net profit of 546.8 million baht by 6.1% increased from the previous year which was 515.5 million baht. The results were mainly due to the adjustment of the strategy of marketing activities in domestic market, but export sales declined due to the impact of the economic slowdown of trading partners and the global COVID-19 epidemic situation.

### 1.2.2 Characteristics of products and services

Ichitan Group Public Company Limited (“Company” or “Ichitan”), formerly known as “Mai Tan Company Limited”, was established on September 3<sup>rd</sup>, 2010 with a registered capital of 500 million baht to operate a Japanese fusion restaurant business. Steak Course and a Japanese style fresh chocolate shop production and distribution of beverages, however, in order to the Company's team focus on the beverage business to achieve the goal of being the leading quality green tea beverage business in Thailand. The Company sold out the food business in January, 2013. The beverage business is a continuous operation segment that the Company started as a manufacturer of 2 flavors functional drinks under the trade name “Ichitan Double Drink” since January, 2011 and the first 3 flavors of ready-to-drink green tea under the trade name “Ichitan Green Tea” since May, 2011. And, the Company invested in the construction of a beverage factory with a capacity of 1 bottle production line and 1 UHT box production line at Rojana Industrial Park, Ayutthaya Province and the factory began running production for the first time in September, 2011, but it occurred great flood in October, 2011 in Thailand, which resulted production line of the Company had been damaged and had been affected by the great flood. The factory was able to start production in

early year 2012, with a capacity of 1 bottle production line and 1 UHT box production line, and added another production capacity for 1 bottle production line and 1 UHT box production line.

In year 2015, the Company invests in two more bottle production lines, totaling 6 bottles production lines and 2 UHT box production lines, so total production capacity of 1,200 million bottles and 200 million boxes per year. The Company produces and sell total of 17 flavors, which can be divided into four product groups:

- ready-to-drink Green tea drink under the product name "Ichitan Green Tea"
- Black tea drink ready - to – drink under the product name "Ichitan Dragon Black Tea"
- Herbal drink under the product name "Yen Yen by Ichitan" and
- Non-Carbonated juice drink under the product name “Bireley’s”

In year 2016, the Company has a capacity of 6 bottles production lines and 2 UHT box production lines, so total production capacity of 1,200 million bottles and 200 million boxes per year. The Company produces and sells a total of 24 flavors, 5 product lines, and has pouch packaging machines with a production capacity of approximately 70 million packs per year.

In year 2017, the Company has 7 bottles production lines and 2 UHT box production lines, so total production capacity of 1,500 million bottles and 200 million boxes per year. It can produces and sells a total of 21 flavors, 6 product lines and pouch packaging machines with a production capacity of approximately 70 million packs per year.

In 2018 - present, the Company has a production capacity of 7 bottle production lines and 2 boxes production lines, so a total production capacity of 1,500 million bottles and 200 million boxes per year. The Company can produce and sells a total of 21 flavors and 7 product lines

## 1.) Product Categories

For year 2021, the Company’s products consist of 9 product lines categories in the form of bottles, a UHT box packaging:

1.1) Ichitan Green Tea is a RTD green tea drink that focuses on quality of raw materials, there are 10 flavors, including:

- |                            |                      |                               |
|----------------------------|----------------------|-------------------------------|
| - Original flavor          | - Berry Lemon flavor | - Pineapple-chile salt flavor |
| - Honey Lemon mixed flavor | - Watermelon flavor  | - Tamarind-chile salt flavor  |
| - Rice Japan flavor        | - Dekapon flavor     |                               |
| - Kyoho Grape flavor       | - Lychee flavor      |                               |

1.2) Herbal drinks under the trade name Yen Yen by Ichitan, there are 4 flavors, including:

- |              |                             |                  |                       |
|--------------|-----------------------------|------------------|-----------------------|
| - Jab Lueang | - Honey mixed Chrysanthemum | - Cool Jab Liang | - Roselle with Jujube |
|--------------|-----------------------------|------------------|-----------------------|

1.3) Ready-to-drink Oolong drinks come in 2 flavors, including Lemon flavor and Strawberry flavor

1.4) Shizuoka Green Tea Ready to Drink Green Tea, the first product in Thailand to be sponsored by the Shizuoka Prefectural Tea Exporters Association, Japan Officially, there are 5 flavors, including:

- |              |                            |                                   |
|--------------|----------------------------|-----------------------------------|
| - No sugar   | - Roasted tea (Less sweet) | - Tencha with matcha honey flavor |
| - Less sweet | - Gyokuro (No sugar)       |                                   |

1.5) Vitamin water drink “Ichitan Vitamin Water” in 3 products, including:

- |                                       |  |                       |
|---------------------------------------|--|-----------------------|
| - Ph Plus 8.5 mixed vitamin B complex | - Ph Plus 8.5 mixed vitamin D and Ginkgo | - VitaminC + E (C200) |
|---------------------------------------|--|-----------------------|

1.6) Vitamin C 200% drinks, under trade name “Ichitan Vitt CC” in 2 flavors, including: Lemon flavor and Orange flavor

1.7) RTD Ice black coffee, under trade name “Ichitan Oliang” in 1 flavor

1.8) Kaempferia Herbal drink in 1 flavor, including: Lemon flavor.

1.9) Terpene flavored green tea drink in 2 flavors, including: Chamomile flavor and Lemon flavor

The Company distribute its products through three main distributors 1) DKSH (Thailand) Co.,Ltd. 2) Boonrawd Asia Co.,Ltd. and (3) I Am Green Tea Co., Ltd. (IGT) which has related person to maintain customer base in existing traditional trade channels, that is focusing on target group that does not overlap with DKSH and Boonrawd Asia, as a result I Am Green Tea Co., Ltd. (IGT) which hold major share by Khun Tanita Passakornnatee (Khun. Tan’s elder sister) in the proportion of 80% (remaining 20% owned by the Tri Pruek Family and Charoensopha which does not any related neither the Company nor executive.) The purpose of establishing IGT is to distribute Ichitan products through traditional trade channels.

## 2.) Business overview

As of December 31<sup>st</sup>, 2021, the Company has registered capital of 1,300 million Baht, fully paid up registered capital 1,300 million and ordinary share 1,300 million shares, at the par value of 1.00 Baht each. The Company has operated main business as manufactures and seller of ready-to-drink green tea beverage “Ichitan Green Tea” ,”Shizuoka Green Tea”, herbal drink “Yen Yen by Ichitan”, and Vitamin water drink.

## 3.) Characteristics and Product Packaging

The Group has a total of 30 flavors in 12 types of package sizes, details are shown in the table.

Pakaging	Box 300 ml.	Bottle 215 ml.	Bottle 275-280 ml.	Bottle 280 ml.	Bottle 315 ml.	Bottle 350 ml.	Bottle 350 ml.	Bottle 400 ml.	Bottle 420 ml.	Bottle 440 ml.	Bottle 550 ml.	Bottle 500-600 ml.
Prices (Unit : Baht)	10	18	10	15	10	10	15	15	20	30	20	25
RTD Green Tea Drink	✓		✓				✓		✓	✓		✓
Herbal Drink		✓			✓			✓				
Ready-to-drink Oolong drinks									✓			
Vitamin water drink						✓					✓	
Vitamin C200 (C + E) drink				✓								
Iced Coffee black drink			✓									

## 4.) Main distribution channel

- 4.1) DKSH (Thailand) Co., Ltd., is a main distributor of the Company, representing 73.8% of total sale of year 2021 will focus on Modern Trade, Wholesaler and Traditional Trade. The Company has been made long-term contracts with the distributor and follows up track record of retailers that distributor can reach to manage distribution and trade discounts.
- 4.2) I Am Green Tea Co., Ltd., representing 8.9% of total sale of year 2021 by focusing on selling through dealer networks, restaurants, traditional trade , cash vans and other channels which cannot reach by other distributors.
- 4.3) Boonrawd Asia Co.,Ltd., representing 4.4% of total sale of year 2021 by focusing on the distributor network, traditional trade and shop under the network of Boonrawd Asia Co.,Ltd.
- 4.4) Export to foreign countries, accounted for 12.9% of sales in year 2021, etc.

Distribution (Unit: Percentage)	Year 2021	Year 2020	Year 2019
	Consolidated	Consolidated	Consolidated
Domestic	87.1	78.9	72.3
International	12.9	21.1	27.7
Total	100	100	100

However, each distributor has different distribution territories and outlets in the core network, there is no overlapping. The Company operates most of the business for more than 87.1% in Thailand, showing details of business transactions with related parties in “Notes to Financial Statements”.

### 1.2.3 Investment promotion certificate

As of September 3<sup>rd</sup>, 2013, the Company received an investment promotion certificate from the Board of Investment under the investment promotion certificate number 5175 (2) / 2013 (amended in accordance with the measures of investment promotion to restore investment from the flood crisis. According to the original promotion certificate No. 1496 (2) / 2554 dated April 27, 2011) for the production of water, vegetables, fruits in a sealed container, category 1.11, production or preservation of food or food additives using modern technology. Drinks containing the main raw material from tea leaves are therefore classified as a business under the promotional certificate. For the exemption of corporate income tax on net profit derived from the promoted business operation, the period is 8 years starting from March 16<sup>th</sup>, 2012 and ended in March 15<sup>th</sup>, 2020.

### 1.2.4 Marketing and Competition

#### 1.) Competitive Strategies / Targeting / Distribution and distribution channels

In year 2021 the ready-to-drink beverage market has been impacted by the COVID-19 outbreak and the lock down situation by the government but Ichitan adapt effective marketing campaigns under a reasonable budget, including stepping out of the ready-to-drink tea market by entering the vitamin water market to clearly answer the demand of consumers. The Company anticipates that the ready-to-drink beverage market in Thailand and Southeast Asia will also continue to have growth potential.

- **A strong brand strategy management**

At present, there is less differentiation in flavor of RTD Green Tea in Thailand as a result the outstanding design of packaging and powerful branding that is make differentiate and identity of product of the Company, together with build and maintain customer base. The Company aims to positioning “ICHITAN” brand as a quality and expertise brand in RTD Tea industry so it has communication plan to communicate branding to the market through 360-degree marketing strategy.

- **Product strategy**

In order to reinforce positioning of the brand as product quality, so the Company has strictly controls quality at every step of production chain from research and development product , quality raw materials selection, meticulous production process and using modern technology to reserve good quality in beverage. In addition, Research and Development team of the

Company is comprised of professional experts in the beverage field which truly understand customers' needs and expectation, which enable them to develop new products that match the taste among consumers in Thailand and some Asian countries, especially consumer who is focused in their health. To meet the need of consumer so the Company has produced product such as herbal drink "Yen Yen Gold by Ichitan" and 0% sugar RTD Green Tea. For packaging, the Company has emphasized on the detail of its design and sizing that have to be made of safe material, recognition and convenience including modern label design. Since year 2019, the Company has policy on to provide ingredient information to consumers in a transparent manner by attaching label of nutrition and calories clearly on the packaging that may make a decision to purchase easier.

- **Effective Inventory and Cost Management**

The fixed costs such as depreciation of machinery and equipment which made the production cost per unit, will be reduced as production volume increased. Also, the Company has applied the cold aseptic filling system, which is advanced technology in our production process for reducing our production cost. The technology offers the benefits of (1) lighter materials used (2) longer, continuous production up to 120 hours before each cleaning session which makes production (3) automation features which offers labor-cost saving advantage. Also, the Company has implemented the automated storage and retrievable system for inventory management, which leads to higher efficiency and reduce labor costs. These factors contribute to enhance cost management with efficiency together with able to meet customer needs in a timely manner.

- **Distribution and Channel Management Strategy**

In order to distribute product of the Company to reach the customer in a timely manner and avoid product shortage, the Company has controlled the finished goods distribution process from the manufacturing site to distributors and retailers. Moreover, the Company also set professional team to keep track of sale volume result, analyze sales performance and inventory turnover in each area to forecast the suitable sales volumes and inventory in the future

- **Marketing and Sales Strategy**

Forecasting consumer demand: The Company has forecasted beverage demands that based on historical and statistical data and seasonal factors such as weather conditions, special and festive occasions, competition environment and the economic situations. The Company has strived to ensure the forecast accuracy and limit the deviation to maximum at 10%. Realistic forecasts will contribute to the efficiency of production and promotional activities.

Marketing and promotion planning: As , beverage business is a business with fluctuations in the demand for seasonal consumption especially in summer higher than other month of the year ,due to meet customer in a timely manner the Company has strategy to promote the market both Above the line: ATL (marketing medium to reach a wider audience) and Below the line: BTL (marketing targeted specifically audience) in the summer and offers trade discounts to distributors in the month that low consumption rates. Furthermore, the Company has implemented the proactive marketing plan to increase its market share including with focus on PR communications to enhance ICHITAN brand as a quality manufacturing product brand. To emphasize the Company's product position, it has four different types of sales promotions: specific sales promotion

to retailers, specific sales promotions to distributors, nationwide campaigns, and online sales promotions. Our annual budget allocations to these activities are based on the sales forecast.

**Fixed pricing and discount** : As, RTD beverage is the product that has seasonal fluctuations, the Company has to review and adapt the policy on trade discounts in accordance with the demand of the market regularly and continuously. Whileas, the selling price will not change much because competitive environment of the beverage industry is also intensely.

- **Sustainability strategy by conducting business with good corporate governance**

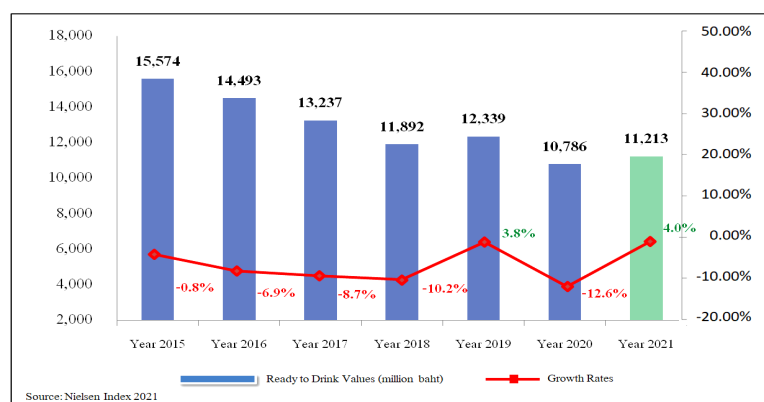
The Company gives importance on being a quality organization to build confidence for the society, community and all stakeholders in regard to conduct business with focusing on sustainable development in all business process of supply chain system, up to the value chain process to cover economic, social and environmental aspects, including with under corporate governance code principles and promote anti-corruption together with raise consciousness for directors, executive and employees to work with honesty, morality and ethics.

- **Creating mutual experience in consumer**

The Company has the policy and guideline to keep and develop consumer database individually, to deep study the need, behavior in order to launch consumer marketing campaign that will allocate appropriately marketing program to consumers and each customer group, which may build mutual experience and recognize all brand of the Company sustainably.

## 2.) Industry situation and competition

The Company had main income from the sale of ready-to-drink tea, accounting for an average of 94.7% of total revenue. In year 2021, there was vitamin water proportion of 3.9% therefore, industry data will focus on the ready-to-drink tea beverage market. Also in ready-to-drink tea beverage market, there was a total value of 11,213 million baht increased by 3.96%. as a result of the lockdown measure in Thailand, to prevent the spread of COVID-19, the market share of the domestic beverage business in year 2021, especially in the modern trade market, were Ichitan 24.4%, Yen Yen 6.9%, Main competitor 48.5% and others 20.2%.



The Consumer trends in beverage consumption; nowadays, there are more products for consumers to choose from. Especially in healthy drinks which focuses on no sugar, less sugar or natural sweetening because today's consumers focus on taking care of their health. Thus making healthy drink products that focus on it began to get attention healthy drink consumption trends which focuses on low sugar, no sugar or providing natural sweetness, that will be the market opportunity of the company. This makes the Ichitan Group's product research and development department with expertise and hands-on experience in

the beverage industry with a good understanding of customer needs and has invented and developed new products to meet the needs of the health conscious consumers, ready-to-drink tea market will continue to grow in the future and a new group of products that have been well received by consumers.

In year 2021 the Company has given importance to the development of domestic sales channels, both Modern Trade and Traditional Trade channels, through the 3 main distributor partners, have set up common growth goals, set guidelines and develop specific promotional programs in each channel, each department store to meet different customer groups. For international market the Company has worked with strong partners in the countries that enter the market by participating in developing products and marketing activities, meets the needs of consumers and potential trade partners by proportion of exports sale in year 2021 was 12.9%, the Company has planned to cooperate with partners in many countries in order to grow sales continuously and sustainably.

Moreover, the company importantly focuses on effectiveness of production capacity; Original Equipment Manufacturer (OEM) project is another strategy of business expansion. The project was well received by customers with accounted for 0.8% of the 2021 companys sales revenue.

#### 1.2.5. Product procurement and Services

##### 1.) Procurement

Ichitan Group's products are sourced from the Ichitan plant in the area of sourcing key raw materials - tea leaves, fructose, sugar and water to feed into the plant. The Company has quality control measures in every step before bringing it into the production process since cultivation selection of raw materials and storage of raw materials to provide raw materials used in the production process to meet high standards of quality to produce the product. The Company will deliver the premix to the contractor to protect the production formula and have measures for the inspection and quality control of the raw materials used by the third party by clearly specifying a list of suppliers that meet Ichitan's own criteria for a partner (Approved Vendor List) and type of raw materials. In addition, the Ichitan Group employees are sent for monthly inspection to review the production quality control of the third party as well.

**- Organic Tea Leaves:** To mitigate the risk of raw material shortage, the Company has developed an annual production and sourcing plan as well as entered into sale and purchase agreements, usually with the validity period of one year, with suppliers who gather tea leave supplies from farmers. Moreover, controlling the quality of tea leaves, our research and development team jointly supervises the entire process, from organic farming, tea leave fermentation, harvesting, steaming to pre-delivery storage. The team also checks the quality of tea leave supplies in terms of odor, flavor, weight and color, prior to the manufacturing process. Then, tea leaves are stored in the temperature chamber to prevent quality deterioration. Tea leaves supplies are from the Northern region of Thailand where the weather conditions are ideal for tea leave growing and thus the Company has never experienced tea leave supply shortage.

The Company has entered into sale and purchase agreement with 2 to 3 suppliers and tea leaves from these supplies are of equivalent substitutes of each other, given that fact that all products, despite varying flavor additives, use the same kind of fresh tea leaves and difference between green tea and black tea line in the way tea leaves are processed through a fermentation process and fill out different kind of flavor.

**- Fructose and Sugar:** These materials can be easily procured in Thailand and sugar products from different manufacturers; it does not have differentiated in the quality significantly. Also, sugar price will fluctuate sometime due to the



quantity supply in each year in line with sugar global price. For 2021 health product trends that may affect the reduction of the use of sugar as an ingredient.

- **Water:** Water used in our production process is supplied by Rojana Industrial Park Pcl. The water has been purified by the reverse osmosis system and treated in accordance with WHO's 1993 guidelines

- **Package:** The Company sources PET bottles, UHT boxes, lids, cartons and labels from reliable suppliers who successfully meet our selection criteria which also factor in the reliability of the suppliers' work system. This provides us with the assurance that the suppliers will be able to punctually deliver quality materials as agreed upon. The Company also regularly monitors and checks performance and quality of goods provided by the suppliers.

- **Natural gas:** The Company has entered into a natural gas sale and purchase agreement with a domestic supplier. The agreement is valid until August 31<sup>st</sup>, 2022 and can be renewed with a 90-day prior written notice.

In addition, to reduce the risk from overdependence on suppliers and to receive the reasonable prices, the Company has the policy to purchase raw materials from various major manufacturers. Also, the Company has positive business relationship with suppliers and do not has any purchase transaction from suppliers more than 30% of total purchasing volume.

## 2.) Production Process

The main production processes are tea extraction, flavoring, bottling and quality control every step of the production process is chemical-free and has a modern control system. The tea leaves are transported to a temperature-controlled extraction pot, then cooled and left to precipitate; tea water is then transported through a fine filter to the flavor pot that mixes ingredients. And the flavored tea will be transported for bottling further, Cold Aseptic Filling System which is the latest in beverage production technology from Japan, resulting in valuable products that is always new and fresh and highest safety for consumers by a beverage product that mixes various ingredients ,then it is sterilized by high heat at 137 ° C for a short time of 4 seconds, after which it will cool quickly at 25 ° C. ,the product is then placed into a plastic bottle (PET) and sealed with a plastic cap that has been sterilized, including sterile paper box containers as well. Every such production process has a system to automatically control and record information in each production process at all times, when something goes wrong during the production the production system will stop production automatically. Along with reports of malfunctions that occur in order for the operator to control the production at that time, the problem can be solved in a timely manner and minimize damage to the production line.

## 3.) Quality Assurance

The Company controls the quality of products at every stage, from the selection of suppliers of raw materials and packaging, checking the system of the vendor seller rating and inspection of products before acceptance into the production process. As for the production process, quality is checked by using the Quality plan, a reference tool for sampling standards according to MIL-STD\_105E, and finished product quality checks; Physical, chemical, biological, sensory product standards. Before the product is released from the factory, the Company also focuses on maintaining the quality and developing continuously by establishing an integrated management system for quality, hygiene Food safety is the establishment of GMP, HACCP, ISO9001: 2008, HALAL, ISO14001, ISO17025, ISO50001, FSFC22000 and other international standards that related international standard and etc's, that disclose in "SD Report" and the Company's website at [http://www.ichitangroup.com/about\\_reward.html](http://www.ichitangroup.com/about_reward.html)

#### 4.) Cost of Sales

During year 2019 – 2021, the company's cost of sales raw materials and consumables estimate for 50% - 60% of total cost of sales. The details of cost of sales are shown in the table below.

Coat of sales	Year 2021		Year 2020		Year2019	
	Million baht	%	Million baht	%	Million baht	%
Materials, Consumables and changes in finished goods.	2,393.9	56.7	2,275.4	55.6	2,596.7	59.8
Depreciation and Amortization	562.5	13.3	564.2	13.8	561.1	12.9
Utility bill (Gas, electricity, water)	226.2	5.4	206.2	5.0	254.9	5.9
Transportation costs	19.9	0.5	18.9	0.5	21.4	0.5
Employee expenses	150.0	3.6	152.5	3.7	150.7	3.5
Other	868.4	20.5	876.4	21.4	758.1	17.4
<b>Total</b>	<b>4,220.9</b>	<b>100.0</b>	<b>4,093.6</b>	<b>100.0</b>	<b>4,342.9</b>	<b>100.0</b>
<b>Sales revenue</b>	<b>5,228.3</b>		<b>5,099.3</b>		<b>5,334.2</b>	
<b>Gross profit margin (%)</b>	<b>19.3</b>		<b>19.7</b>		<b>18.6</b>	

#### 5.) Production Capacity

Production: Ichitan Group Plant, Phra Nakhon Si Ayutthaya Province

In year 2021, the total production capacity is 1,500 million bottles / year (or equivalent to 630 million liters / year).

And 200 million boxes / year (or equivalent to 60 million liters / year)

#### 1.2.6 Research and Development

The Company has control the quality of product at every stage, from the selection of raw material until packaging. The monitoring system of the vendor and evaluating vendor, as well as inspecting the product before bring to the process. In the production process the quality inspection by the Quality plan, this is a standard random sample in regard to MIL-STD\_105E and inspect the quality of finished products by physical, chemical, biological along with product standard. Before releasing the product from the plant, the Company has focused on quality and improvement continuously by set up integrated quality management system on - health - food safety system, including set GMP, HACCP, ISO9001: 2008, HALAL, ISO14001, ISO17025, ISO50001 and FSFC 22000 and other related international standard which are disclosed in more detail in " The 2021 Sustainable Development Report "

Ichitan Group Public Company Limited (the Company) has developed the knowledge of operating experience and releasing to any company or agencies which interested in the Company. The Company is highly interested for visiting at the Learning Center, "Tan Land" with the idea to raise awareness for people to learn how to use resources sufficiently and respect to nature under the concept of Green innovation, innovation from social responsibility of the Company which are the result of operations with responsibility for achieving production idea ,process whether the changes are caused by changes in a whole new revolution or further development that create positive innovation. In addition to, create efficient and effective in both the short term and at the same time add value to the Company and the related party in the long term. .Innovation that is focusing on exploitation of new ideas on the basis of social responsibility that will contribute to the growth, advancement ,competitiveness rising steadily and sustainability of the business, economic, social and quality of life, including reconstruction and development of the environment, such as improved productivity that create value added in terms of social responsibility.

The Company's innovations which operate with social responsibility can make progression to economic wellbeing to society. In regard to, value creation and balancing together with consider the requirement of the Company along with society that become a process of business innovation on the basis of social responsibility such as innovative to produce beverage which is good to consumer health by reduce sweet but still original flavor and quality to consumers such as flavors of herbal tea "Yen Yen", Vitamin water Ph Plus 8.5 and Vitamin C200, etc.

### 1.2.7 Assets used in business operations

#### 1.) Fixed Assets

As of December 31<sup>st</sup>, 2021, the Company has fixed assets used in its business operations with total net book value 4,692.5 million baht with details as follows:

Locations and Details	Type of ownership	Net book value (Million Baht)	Obligation
1. Land and land development			
- The total area of 75-3-80 rai under title deed No. 13425 and 33355, which is the location of the Company's production plant. Location in the garden project Rojana Industry Zone 8, Uthai Subdistrict, Uthai District, Phra Nakhon Si Ayutthaya Province	Owner	240.9	Mortgage with bank
- Land with a total area of 72-0-14 rai, according to title deed number 3172, located in the Rojana Industrial Park Project, Uthai Subdistrict, Uthai District, Phra Nakhon Si Ayutthaya Province.	Owner	231.2	-
2. Buildings and building improvements (Including interior parts and systems)			
- Factory building, office and supporting building located in the Rojana Industrial Park Project under Title Deed No. 13425 and 33355, Zone 8, Uthai Subdistrict, Uthai District, Phra Nakhon Si Ayutthaya Province.	Owner	1,533.4	Mortgage with bank
3. Machinery and factory equipment			
- Machinery in the production line of the Company's factory located in the garden project Rojana Industry	Owner	2,624.1	Mortgage with bank
4. Furnishings, fixtures and office equipment	Owner	17.1	N/A
5. Tools and utensils	Owner	40.1	N/A
6. Vehicles	Owner	2.6	N/A
7. Assets during construction and installation	Owner	3.1	N/A
<b>Total</b>		<b>4,692.5</b>	

*Note: As of December 31<sup>st</sup>, 2021 some assets item 1-3, the Company has applied for mortgage / pledge as collateral for loans from 3 financial institutions with net book value of approximately 2,054.1 million baht.*

## 2.) Intangible Assets

As of December 31<sup>st</sup>, 2021, the Company has intangible assets used in business operations which are computer software amounting 11.9 million baht and the right to use the trademark amounting -0- million baht, totaling 11.9 million baht.

## 3.) Service Trademarks

As of December 31<sup>st</sup>, 2021, the Company and its subsidiaries own 2 service trademarks as follows:

Registration no.	Registration date	Protection period
B54348	12 Apr, 2011	10 years from the date of registration and can be renewed every 10 years.
B54349	12 Apr, 2011	10 years from the date of registration and can be renewed every 10 years.

## 4.) Trademarks

4.1) Domestic - As of December 31<sup>st</sup>, 2021 the Company owns a total of 45 trademarks as follows:

Registration no.	Registration date	Protection period
C422248	11 June, 2015	10 years from the date of registration and can be renewed every 10 years.
C422247	11 June 2015	10 years from the date of registration and can be renewed every 10 years.
C372021	30 Nov, 2011	10 years from the date of registration and can be renewed every 10 years.
C372022	30 Nov, 2011	10 years from the date of registration and can be renewed every 10 years.
C346374	5 Oct, 2010	10 years from the date of registration and can be renewed every 10 years.
C408953	4 Mar, 2014	10 years from the date of registration and can be renewed every 10 years.
C408946	4 Mar, 2014	10 years from the date of registration and can be renewed every 10 years.
C408882	4 Mar, 2014	10 years from the date of registration and can be renewed every 10 years.
C409104	4 Mar, 2014	10 years from the date of registration and can be renewed every 10 years.
C409105	4 Mar, 2014	10 years from the date of registration and can be renewed every 10 years.
C409106	4 Mar, 2014	10 years from the date of registration and can be renewed every 10 years.
C408877	4 Mar, 2014	10 years from the date of registration and can be renewed every 10 years.
C408878	4 Mar, 2014	10 years from the date of registration and can be renewed every 10 years.
C408936	4 Mar, 2014	10 years from the date of registration and can be renewed every 10 years.
181115008	26 Nov, 2014	10 years from the date of registration and can be renewed every 10 years.
181115007	26 Nov, 2014	10 years from the date of registration and can be renewed every 10 years.
181114981	26 Nov, 2014	10 years from the date of registration and can be renewed every 10 years.
181114997	26 Nov, 2014	10 years from the date of registration and can be renewed every 10 years.
181114989	26 Nov, 2014	10 years from the date of registration and can be renewed every 10 years.
181114985	26 Nov, 2014	10 years from the date of registration and can be renewed every 10 years.
171122359	3 Apr, 2015	10 years from the date of registration and can be renewed every 10 years.

Registration no.	Registration date	Protection period
171121803	3 Apr, 2015	10 years from the date of registration and can be renewed every 10 years.
171121800	21 Sep, 2015	10 years from the date of registration and can be renewed every 10 years.
171121777	21 Sep, 2015	10 years from the date of registration and can be renewed every 10 years.
171121801	21 Sep, 2015	10 years from the date of registration and can be renewed every 10 years.
171122361	28 Aug, 2015	10 years from the date of registration and can be renewed every 10 years.
171122362	28 Aug, 2015	10 years from the date of registration and can be renewed every 10 years.
191109584	9 Feb, 2017	10 years from the date of registration and can be renewed every 10 years.
191109195	9 Feb, 2017	10 years from the date of registration and can be renewed every 10 years.
191109550	9 Feb, 2017	10 years from the date of registration and can be renewed every 10 years.
191109585	9 Feb, 2017	10 years from the date of registration and can be renewed every 10 years.
C85377	12 Sep, 1958	10 years from the date of registration and can be renewed every 10 years.
C85922	17 Sep, 1958	10 years from the date of registration and can be renewed every 10 years.
191121652	5 Apr, 2017	10 years from the date of registration and can be renewed every 10 years.
201127359	5 Apr, 2017	10 years from the date of registration and can be renewed every 10 years.
201110082	26 Sep, 2018	10 years from the date of registration and can be renewed every 10 years.
201110100	30 Sep, 2018	10 years from the date of registration and can be renewed every 10 years.
201110021	24 Mar, 2011	10 years from the date of registration and can be renewed every 10 years.
161111592	16 Feb, 2016	10 years from the date of registration and can be renewed every 10 years.
161111591	16 Feb, 2016	10 years from the date of registration and can be renewed every 10 years.
C145447	19 Jul, 2000	10 years from the date of registration and can be renewed every 10 years.
C152281	19 Jul, 2000	10 years from the date of registration and can be renewed every 10 years.
C127420	10 Oct, 1950	10 years from the date of registration and can be renewed every 10 years.
C126962	10 Oct, 1950	10 years from the date of registration and can be renewed every 10 years.
211111516	20 Mar, 2011	10 years from the date of registration and can be renewed every 10 years.

4.2) International - As of December 31<sup>st</sup>, 2021 the Company and its subsidiaries own a total of 53 trademarks as follows:

Registration no.	Registration date	Protection period
T1213049I (Singapore)	5 Sep, 2012	10 years from the date of registration and can be renewed every 10 years.
T1213048J (Singapore)	5 Sep, 2012	10 years from the date of registration and can be renewed every 10 years.
T7460498B (Singapore)	3 Apr 1974	10 years from the date of registration and can be renewed every 10 years.
11159068 (27 Euro Economic Association countries)	14 Jan, 2013	10 years from the date of registration and can be renewed every 10 years.

Registration no.	Registration date	Protection period
11159068 (27 Euro Economic Association countries)	14 Jan, 2013	10 years from the date of registration and can be renewed every 10 years.
971686 (New Zealand)	22 Jan, 2013	10 years from the date of registration and can be renewed every 10 years.
27068 (Laos)	10 May, 2013	10 years from the date of registration and can be renewed every 10 years.
27069 (Laos)	10 May, 2013	10 years from the date of registration and can be renewed every 10 years.
302787788 (Hong Kong)	1 Nov 2013	10 years from the date of registration and can be renewed every 10 years.
302787779 (Hong Kong)	1 Nov 2013	10 years from the date of registration and can be renewed every 10 years.
19741340 (Hong Kong)	11 Apr, 1974	10 years from the date of registration and can be renewed every 10 years.
19520606AA (Hong Kong)	14 Mar, 1952	10 years from the date of registration and can be renewed every 10 years.
19520606AA (Hong Kong)	14 Mar, 1952	10 years from the date of registration and can be renewed every 10 years.
19500327AB (Hong Kong)	3 May, 1949	10 years from the date of registration and can be renewed every 10 years.
KH/49533/14 (Cambodia)	1 Jan, 2013	10 years from the date of registration and can be renewed every 10 years.
KH/49534/14 (Cambodia)	1 Jan, 2013	10 years from the date of registration and can be renewed every 10 years.
2012056944 (Malaysia)	5 Sep, 2012	10 years from the date of registration and can be renewed every 10 years.
2012056945 (Malaysia)	5 Sep, 2012	10 years from the date of registration and can be renewed every 10 years.
S/007869 (Malaysia)	18 Oct, 1960	10 years from the date of registration and can be renewed every 10 years.
M/064981 (Malaysia)	31 Mar, 1976	10 years from the date of registration and can be renewed every 10 years.
01650792 (Taiwan)	16 Jun, 2014	10 years from the date of registration and can be renewed every 10 years.
01650792 (Taiwan)	16 Jun, 2014	10 years from the date of registration and can be renewed every 10 years.
43,220 (Brunei)	10 Sep, 2012	10 years from the date of registration and can be renewed every 10 years.
43,220 (Brunei)	10 Sep, 2012	10 years from the date of registration and can be renewed every 10 years.
1512052 (Australia)	3 Sep, 2012	10 years from the date of registration and can be renewed every 10 years.
1512052 (Australia)	3 Sep, 2012	10 years from the date of registration and can be renewed every 10 years.
IDM000405922 (Indonesia)	23 Jan, 2014	10 years from the date of registration and can be renewed every 10 years.
IDM000405923 (Indonesia)	23 Jan, 2014	10 years from the date of registration and can be renewed every 10 years.
IDM000516219 (Indonesia)	25 Jan, 2016	10 years from the date of registration and can be renewed every 10 years.
IDM000516213 (Indonesia)	25 Jan, 2016	10 years from the date of registration and can be renewed every 10 years.
IDM000091381 (Indonesia)	5 Dec, 2006	10 years from the date of registration and can be renewed every 10 years.
IDM000091382 (Indonesia)	18 Aug, 2006	10 years from the date of registration and can be renewed every 10 years.
KH/71781/19 (Indonesia)	27 May, 2019	10 years from the date of registration and can be renewed every 10 years.
IDM000824117 (Indonesia)	26 Jan, 2021	10 years from the date of registration and can be renewed every 10 years.
TMA908,903 (Canada)	20 Jul, 2015	15 years from the date of registration
TMA908,903 (Canada)	20 Jul, 2015	15 years from the date of registration

Registration no.	Registration date	Protection period
16170488 (China)	21 Mar, 2016	10 years from the date of registration and can be renewed every 10 years.
16170487 (China)	21 Mar, 2016	10 years from the date of registration and can be renewed every 10 years.
13029307 (China)	21 May, 2016	10 years from the date of registration and can be renewed every 10 years.
15781824 (China)	21 Sep, 2016	10 years from the date of registration and can be renewed every 10 years.
244029 (Vietnam)	22 Apr, 2015	10 years from the date of registration and can be renewed every 10 years.
244030 (Vietnam)	22 Apr, 2015	10 years from the date of registration and can be renewed every 10 years.
17134 (Vietnam)	21 Feb, 1995	10 years from the date of registration and can be renewed every 10 years.
4/11432/2015, 4/11906/2015, 4/10777/2018 (Myanmar)	N/A	Submitted an application for Re-filling under the trademark law of Burma. Waiting for the announcement of the Grand Opening
4/11433/2015, 4/11907/2015, 4/10778/2018 (Myanmar)	N/A	Submitted an application for Re-filling under the trademark law of Burma. Waiting for the announcement of the Grand Opening
4/2020/00507707 Philippines)	23 Apr, 2021	10 years from the date of registration and can be renewed every 10 years.
4/2020/00507709 (Philippines)	23 Apr, 2021	10 years from the date of registration and can be renewed every 10 years.
UK00911159068 (Great Britain)	14 Jan, 2021	10 years from the date of registration and can be renewed every 10 years.
UK00911159068 (Great Britain)	14 Jan, 2021	10 years from the date of registration and can be renewed every 10 years.
40-0319639 (South of Korea)	10 Aug, 1995	10 years from the date of registration and can be renewed every 10 years.
40-0043998 (South of Korea)	26 Dec, 1975	10 years from the date of registration and can be renewed every 10 years.
77888 (India)	19 Nov, 1997	10 years from the date of registration and can be renewed every 10 years.
4094645 (India)	20 Feb, 2019	10 years from the date of registration and can be renewed every 10 years.

### 1.2.8 Agreement and Insurance Policy

#### 1.) Raw material purchase agreement for packaging production

The Company has raw material purchase agreements for packaging production with several local companies under the terms of the agreement, the Company agrees to purchase raw materials for packaging production in the quantity specified by the Company each time and at the price stipulated in the agreement. This contract is effective until 31 December, 2021 and can be renewed at the end of the contract.

#### 2.) Product distributor appointment agreement

The Company has five distribution agreements with three local companies and two overseas companies under the terms of the contract; the Company agrees to pay for the distribution of products at the rates stipulated in the agreement. The first contract is effective from 1 February, 2019 to 31 January, 2022 and can be automatically renewed for 3 years at a time until either party terminates the contract at least 6 months prior to the contract expiration date. The second contract is effective from 1 November, 2020 to 31 October, 2023. The third contract is effective from 1 July, 2020 to 30 June, 2023. The fourth contract is effective from 30 April, 2017 to 29 April, 2022 and the contract can be automatically renewed for 5 years at a time until either party terminates the contract at least 1 year before the contract expiration date. The fifth contract is effective from 1 June, 2017 to 30 June, 2022.

Counterparty	Conditions	Time Periods
Product distributor appointment agreement Manufacturer: Ichitan Group Public Company Limited Distributor: DKSH (Thailand) Company Limited Contract Date: 1 Mar,2019	<ul style="list-style-type: none"> <li>Appoint exclusive distributor for ready-to-drink products as specified in the contract. Including revised and expanded products with agreed pricing conditions.</li> <li>All trade channels in Thailand both Modern Trade and Traditional Trade channels.</li> </ul>	<p>February 1, 2019 - January 31, 2022</p> <ul style="list-style-type: none"> <li>The contract renewal is automatic for a period of 3 years unless either party has given the other party a intention not to renew the contract at least 6 months before the due date.</li> <li>The party that does not breach the contract has the right to terminate this contract. If the other party breaches the terms of the contract</li> </ul>
Product distributor appointment agreement Manufacturer: Ichitan Group Public Company Limited Distributor: Boon Rawd Asia Company Limited Contract date: 9 Oct,2014	<ul style="list-style-type: none"> <li>Appoint an exclusive distributor for the ready-to-drink products as specified in the contract, including modified and extended products with agreed pricing terms.</li> <li>All trade channels in Thailand Except for Modern Trade channel</li> </ul>	<p>November 1,2020 – October 31,2023</p> <ul style="list-style-type: none"> <li>The parties consider to renew the agreement from time to time at the end of the contract.</li> <li>The party that does not breach the contract has the right to terminate this contract. If the other party breaches the terms of the contract</li> </ul>
Product distributor appointment agreement Manufacturer: Ichitan Group Public Company Limited Distributor: I Am Green Tea Company Limited Contract Date: 1 Jul,2017	<ul style="list-style-type: none"> <li>Appoint exclusive distributor for ready-to-drink products as specified in the contract. Including revised and expanded products with agreed pricing conditions.</li> <li>All trade channels in Thailand Except for Modern Trade channel</li> </ul>	<p>July 1, 2020 - June 30, 2023</p> <ul style="list-style-type: none"> <li>The parties consider to renew the agreement from time to time at the end of the contract.</li> <li>The party that does not breach the contract has the right to terminate this agreement in the event that the other party breaches the terms of the agreement.</li> </ul>
Product distributor appointment agreement Manufacturer: Ichitan Group Public Company Limited Distributor: DKSH (Thailand) Company Limited Contract Date: 1 Mar,2019	<ul style="list-style-type: none"> <li>Appoint exclusive distributor for ready-to-drink products as specified in the contract. Including revised and expanded products with agreed pricing conditions.</li> <li>All trade channels in the US</li> </ul>	<p>April 30,2017 - April 29, 2022</p> <ul style="list-style-type: none"> <li>The parties consider to renew the agreement from time to time at the end of the contract.</li> <li>The party that does not breach the contract has the right to terminate this agreement in the event that the other party breaches the terms of the agreement.</li> </ul>
Product distributor appointment agreement Manufacturer: Ichitan Group Public Company Limited Distributor: Boon Rawd Asia Company Limited Contract date: 9 Oct,2014	<ul style="list-style-type: none"> <li>Appoint exclusive distributor for ready-to-drink products as specified in the contract. Including revised and expanded products with agreed pricing conditions.</li> <li>All trade channels in Cambodia</li> </ul>	<p>June 1, 2017 - June 30,2022</p> <ul style="list-style-type: none"> <li>The parties consider to renew the agreement from time to time at the end of the contract.</li> <li>The party that does not breach the contract has the right to terminate this agreement in the event that the other party breaches the terms of the agreement.</li> </ul>

The Subsidiary company (Ichitan Power Co.,Ltd.) has a distributor appointment agreement with a local company under the terms of the agreement, the subsidiary agrees to pay for the distribution of goods at the rates stipulated in the agreement from February 1<sup>st</sup>, 2017 to January 31<sup>st</sup>, 2020 and the contract can be renewed automatically in 3 years each time until either party terminates the contract at least 6 months in advance.



### 3.) Natural gas purchase agreement

The Company has a natural gas purchase agreement with a local company under the terms of the contract the Company agrees to pay expenses and comply with the conditions specified in the contract this agreement is effective from September 1, 2018 to August 31, 2022 and can be renewed with written notice not less than 90 days before the contract expiration date.

### 4.) Contract of carriage within the country

The Company has a domestic transportation agreement with a local company under the terms of the contract ,the Company agrees to pay expenses and comply with the conditions specified in the contract this agreement is effective from April 1, 2019 to March 31, 2024 and can be automatically renewed for 5 years at a time until either party terminates the contract at least 6 months before the contract expiration date.

### 5.) Office building lease agreement

Counterparty	Rental Area	Conditions / rental rates	Time Periods
<b>Building space lease agreement for use as a office</b> - Lessee: Ichitan Group Public Company Limited - Lessor: T-One Building Company Limited Contract Date: 10 Jun,2019	Floor 42 <sup>nd</sup> – 44 <sup>th</sup> (Whole Floor) T-One Building, total area approximately 1,403.50 sq.m.	- Rental rate 658,838 baht/month - Service rate 437,892 baht/month	August 1,2019 - July 31, 2022

### 6.) Loan Aggrement

As of December 31, 2021, the Company has loan agreements with major collaterals with financial institutions as follows:

Loan Aggrement	Credit limit approved	Residual value As of 31 December, 2021	Interest Rate % per annual	Term of Payment
No. 1 Dated 20 <sup>th</sup> December, 2016	750.0 million baht	229.8 million baht	Interest rate BIBOR + 1.25% per annual (6 years)	Quarterly (period of 6 years) 1 <sup>st</sup> payment is on June, 2018

As collateral for such borrowing, the Company has to mortgage / pledge the land and buildings. The Company has mortgaged the Company's assets under the conditions stipulated in the agreement to secure the Company's liabilities and obligations under the aforementioned long-term loan agreements. The Company has to comply with certain conditions for maintaining financial ratios and other conditions stipulated in the agreement such as Mr. Tan Passakornnatee and his family must maintain their shareholding proportion in the Company not less than 30 percent of the registered capital and the borrower agrees not to sell, dispose, transfer the assets of the borrower more than 5 percent of the net assets, etc

As of December 31, 2021, the Company has interest rates of 1.99% per annum. In January 2021, the Company has repaid long-term loans from financial institutions before repayment is due. As for the loan agreement dated December 20, 2016, amounting to Baht 229.8 million, the Company has undrawn credit line amounting to Baht 1,770 million.

### 7.) Insurance Policy

The company has done the agreement with Bangkok Insurance Public Company Limited to cover all assets of the manufacturing plant at Phra Nakhon Si Ayutthaya Province as the following details:

Factory location	Phrase 1	Phrase 2
Contract date	31 December 2021	
Policy type	Property All Risks Insurance	
Protection period	31 December, 2021 - 31 December, 2022	
Sum insured amount	8,000 million baht	
Assured	Ichitan Group Public Company Limited	
Insured Location	111/1 Moo 4, Rojana Industrial Estate Project 3, Uthai Subdistrict, Uthai District, Phra Nakhon Si Ayutthaya Province	

## 8.) Office building

The company has done the agreement with ThaiSri Insurance Public Company Limited to cover parts of the building's assets; Head office at T- One building is shown in the following details:

Contract date	January 1, 2020
Policy type	All Property Risks Insurance
Protection period	1 January, 2020 - 1 January, 2021
Sum insured amount	30 million baht
Assured	Ichitan Group Public Company Limited
Insured Location	No. 8 Building T One Floor 42-43 Soi Sukhumvit 40, Phrakhanong Subdistrict, Klongtoey District, Bangkok -10110

## 9.) Work not yet delivered (as of December 31, 2021)

-None-

## 1.3 Shareholding Structure of the Company Group

### 1.3.1 Investment Policy in Subsidiaries, Associated Companies and Joint Ventures including other companies

The Company has a policy to focus on investing only in all types of beverage business except alcoholic beverages by investing in a large enough proportion for the Company to participate in the management and formulation of such businesses in the term that the Company will invest in various projects, the Company may consider such investments by itself or establish a subsidiary. The Associated company or Joint ventures are limited to businesses that are related or in continuation with the Company's business. for joint ventures, the Company will consider establishing with other partners on a case by case basis and shall consider by the committee as of December 31, 2020.

### 1.) The Subsidiary Company

On February 8<sup>th</sup>, 2017, the Company had established its subsidiary named "Ichitan Power Company Limited" with a registered capital of Baht 1,000,000 (one million Baht), that had intended to conduct of distribution of all beverage business both domestic and foreign countries, including hold share of 99.9%.

Subsidiary Company	Investment proportion (%)	Registered capital (Baht)	Paid-up capital (Baht)	Investment Value (Baht)
Ichitan Power Co.,Ltd.	99.9	1,000,000	1,000,000	1,000,000

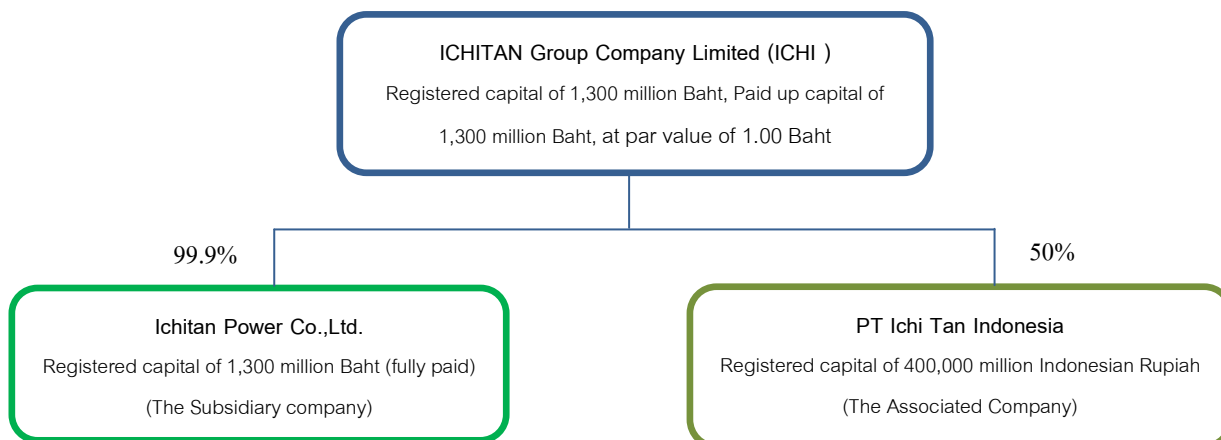
## 2.) The Associated Company

On the August 27<sup>th</sup>, 2014 the Company had entered into a joint venture agreement with PT Atri Pasifik (“AP”), a company incorporated in Indonesia, in order to invest in PT Ichi Tan Indonesia (“PTI”), a new joint venture established in Indonesia. The purposes of the joint venture are to produce and sell ready-to-drink beverage branded “Ichitan” in Indonesia. The Company and AP equally invested in the joint venture (50% of the issued and paid-up share capital of the joint venture) totaling Indonesian Rupiah 200,000 million for the portion of the Company (or approximately 575 million Baht). The Company paid an initial authorized share capital in 50% of the paid-up share capital of Rupiah 50,000 million or equivalent to 135.6 million Baht and the incorporation of the joint venture was completed on November 25<sup>th</sup>, 2014. On June 21<sup>st</sup>, 2016, the Company received a funding call notice from the joint venture to call for an additional paid-up of totaling Indonesian Rupiah 40,000 million (or equivalent to 115.6 million Baht), with the objective of purchasing land and working capital. The Company paid the said capital on June 30<sup>th</sup>, 2016 and the joint venture had registered the capital increase with Indonesia Investment Coordinating Board on August 8<sup>th</sup>, 2016. On July 31<sup>st</sup>, 2017, the Company received a funding call notice from the joint venture to call for an additional paid-up of totaling Indonesian Rupiah 45,000 million (or equivalent to 121.1 million Baht) with the purpose of working capital. The Company paid the said capital on August 11<sup>th</sup>, 2017 and the joint venture had registered the capital increase with Indonesia Investment Coordinating Board on August 22<sup>nd</sup>, 2017.

On January 5<sup>th</sup>, 2018, the Company received a funding call notice from the joint venture to call for an additional paid-up of totaling Indonesian Rupiah 60,000 million (or equivalent 158.7 million Baht) for purpose of working capital, and the Company had paid the said fund on January 17<sup>th</sup>, 2018 and the joint venture had registered to increase capital with the Indonesia Investment Coordinating Board on January 24<sup>th</sup>, 2018.

On January 10<sup>th</sup>, 2019, the Company received a funding call notice from the joint venture to call for an additional paid-up of totaling Indonesian Rupiah 45,000 million (or equivalent 104.4 million Baht) for purpose of working capital, and the Company had paid the said fund on January 23<sup>rd</sup>, 2018 and the joint venture had registered to increase capital with the Indonesia Investment Coordinating Board on January 23<sup>rd</sup>, 2019.

Associated Company	Investment proportion (%)	Registered capital (Baht)	Paid-up capital (Baht)	Investment Value (Baht)
PT Ichitan Indonesia	50	682,500	480,000	635.4 (50%)



### 1.3.2 Supervision of Subsidiaries, Associated Companies and Joint Ventures including other companies

The Company considered appoints 5 directors and 5 executives to be directors of the subsidiary company, those director and executive have been approved by the Board of Directors' meeting. The Board of Directors will consider appoint people to look after the benefits from time to time. The Company has established a policy for important transactions such as connected transactions, acquisition and disposition of assets and disclosure of information the aforementioned matters are also specified in the business ethics of the subsidiaries. In the past year the subsidiary does not have a connected transaction.

### 1.3.3 Parties with Conflict of Interest

- Please see details in “Topic 9, Internal Control and Related Transactions”, “Sub-clause 9.1.2, Persons who may have conflicts and Relationship with the Chairman of the Board of Directors”. -

### 1.3.4 Relations with Major Shareholders' Business Group

- None -

### 1.3.5 Shareholders

As of March 11<sup>th</sup>, 2022 (latest record date) the Company has a total of 24,768 shareholders (calculated from the paid-up capital 1,300,000,000 shares), the proportion of minority shareholders (Free Float) is 52.51% The ten (10) major shareholders of the Company are as following;

No.	Major Shareholders	Relationship with Chairman of the Boards	Shares	% of total shares
1.	Mr. Tan Passakornnatee	-	360,639,600	27.74%
2.	Miss Klainatee Passakornnatee	Daughter	60,000,000	4.62%
3.	Mr. Passakorn Passakornnatee	Son	60,000,000	4.62%
4.	Mrs. Eng Passakornnatee	Spouse	60,000,000	4.62%
5.	Mr. Jaruworn Sukpanthaworn	Brother-in-law	58,707,700	4.52%
6.	Mr.Thiti Jiranonkan	None	35,000,000	2.69%
7.	Thai NVDR Company Limited	None	27,369,192	2.11%
8.	DBS BANK LTD. FOR CLIENT AC SG0900121752	None	25,580,000	1.97%
9.	Mrs.CHEN,MEI-FANG	None	24,842,000	1.91%
10.	Miss Supanee Sukpanthaworn	Sister-in-law	16,127,900	1.24%
<b>Total</b>			<b>728,266,392</b>	<b>56.02%</b>

### Limitation of Foreign Shareholders

Foreign shareholders are not allowed to hold more than 49 % of the total paid- up capitals. As of March 11<sup>th</sup>, 2022 (latest record date) there were 6.07% of the total shares of the Company which held by foreign shareholders.

## 1.4 Registered and Paid-up Capital

### 1.4.1. Common Shares

Registered capital and paid-up capital as of December 31, 2021

**Registered capital:** amount 1,300,000,000 baht (one thousand three hundred million baht) divided into 1,300,000,000 ordinary shares (one thousand three hundred million shares) Par value 1.00 baht per share.

**Paid capital:** amount 1,300,000,000 baht (one thousand three hundred million baht) divided into 1,300,000,000 ordinary shares (one thousand three hundred million shares) Par value 1.00 baht per share.

### 1.4.2. Other Shares with Different Terms or Rights from Common Shares

- None -

### 1.4.3. Ichitan's Shares or Convertible Securities as Underlying Securities for Issuing Mutual Funds for Foreign Investors

- None -

## 1.5 Issuance of Other Securities

- None -

## 1.6 Dividend Policy

Ichitan Group Public Company Limited (the Company) has defined dividend payment policy, which states that “The Company will allocate the payment of dividend not less than 40% of net profits after taxes and legal reserve”. The Board of Directors may consider the annual dividend payment of the Company, which has to be approved in the shareholders' meeting (AGM), however, the Boards may deem it appropriate to pay interim dividend, should the Company have sufficient profit and working capital for the business operation after such interim dividend payment and report in the next shareholders' meeting. All dividend payment shall depend on cash flow, investment plan, economic conditions, operating results, financial status, liquidity, including with other necessity and appropriateness of the Company in the future, as well as comply with terms and conditions of the Company are applicable to financial institutions. Dividend Payment Policy of the subsidiary company, the Board of Directors of the subsidiary has the policy to pay dividend in accordance with its operating performance. Also, dividend payment policy will be based on financial position, and future investment plan of the subsidiary company

Details of dividends paid (Baht: shares)	Year 2021	Year 2020	Year 2019
Interim dividend payment ( 1 January - 30 June)	-	-	-
Final dividend payment ( 1 July- 31 December)	-	-	-
Annual Dividend Payment ( 1 January - 31 December)*	0.50	0.50	0.35
Total annual Dividend Payment (Baht : share)	0.50	0.50	0.35
Total Dividend Payment (million Baht)	650.0	650.0	455.0
Net Profit (million Baht)	546.8	515.5	407.5
Dividend Payout ratio (%)	118.9	126.1	111.7

Note: The dividend of January – December 2021 was according to the resolution of the Board of Directors' meeting no. 2/2022 held on February 23<sup>rd</sup>, 2022 proposing to the 2022 Annual General Meeting of Shareholders for approval.

## 2. Risks Management

### 2.1 Policy and Risk Management Plans

The Board of Directors, the management and all employees of Ichitan Group Public Company Limited (the Company) realize the importance and benefits of implementing a standardized risk management system in business management with the strategy and operation of all processes, the Company's supply chain system may be affected by changing factors (environment), both internal and external the organization, including adaptation to cope with the crisis situation of the world is full of Volatility, Uncertainty, Complexity and Ambiguity that change rapidly, are unpredictable and difficult to make decisions, known as the VUCA world\*.

The Company has established a risk management policy framework and applies it as a guideline for business operations and promotes the creation of a risk culture to enable the organization to achieve its goals effectively and effectiveness, as well as increasing competitiveness, preventing and reducing the potential impact of significant risk factors that may affect performance of the Company. According to the principle of risk appetite framework to be the opportunity for the development and sustainable growth of the Company on the basis of Corporate Governance Code and apply 5 elements of 20 principles of the COSO - ERM 2017: Enterprise Risk Management (Integrating with Strategy and Performance) framework to be implemented throughout the organization by providing a risk management structure, there are 3 levels as follows

- **Committee Level:** The Risk Management Committee assigned by the Board of directors performed its duties to recommends, monitor and implement risk management plan continuously in order to related with present and future business. The committee is responding to give suggestion that consist with organization objective and strategy (Top Down).
- **Executive level:** To consider and determine the Risk Appetite that is acceptable in accordance with the operational goals and formulate strategy under the Risk Appetite framework, monitor and continuously monitor and review the risk management process and report the results to the Risk Management Committee quarterly.
- **Functional level:** Represent person who is responsible for identifying risks, evaluating, making plans, reporting, and proposing to top management monthly. (Bottom up).

The Risk Management Committee is responsible for considering, supervising, and following up the risk management policy in accordance with the goals and strategies of the organization by assigning the management to implement the approved organizational risk management processes to prepare a risk management manual. The formulation of a risk management plan shall link to the strategy and goals for implementing of the annual risk management monitoring, to guide the operations. The monitoring, evaluation, review of critical risk issues and appropriate support plans are carried out in accordance with every situation by risk factors that may has a significant effect on achieving the goal, divided into 5 aspects, which can be summarized as follows.

*Note: \* "VUCA World" economic environment is changing rapidly, and business organizations must adapt to keep pace with the changes*

## 2.2 Risk factors for business operation

### 2.2.1 Strategic Risk

#### 1.) Risks that may affect the rights or investments of securities holders

As of December 31, 2021, the Passakornnatee family holds 540.64 million shares or 42% Thus, the Passakornnatee family can control almost all the resolutions of the shareholders' meeting, whether it is the appointment of directors or requesting for resolutions on other matters requiring a majority vote of the shareholders' meeting, except for legal matters or the Company's Articles of Association stipulated that three-fourths of the votes of the shareholders' meeting must be received. Therefore, other shareholders may not be able to collect votes to examine and balance the matters proposed by the major shareholders.

#### 2.) Management risk that relies on management or major shareholders

The Company's products have the image attached to the key management of the Company, which holds 27.74% of the Company's shares-Mr.Tan Passakornnatee who is a famous person in beverage industry in Thailand, which is one of strategically branding recognition and build awareness among consumers, which make the Company has continued good performance. In year 2021, the Company has revenues of 5,250.8 million baht. However, the Company has restructured the management of the Company to have a decentralized management power, scope of duties and responsibilities to executives in various departments according to their knowledge, abilities and experience. In order to, reduce the risk of relying on the said management and having appointment of the Executive Committee in order to be able to manage the Company's operations in a sustainable manner.

#### 3.) Intense Competition Risks

In Thailand, there are many beverage manufacturers and distributors in the industry, which may make the competition is quite intense and affect to revenue and sales. However, the Company has a policy to set prices that is reasonable and do not focus on cutting the price by focusing on being a leader in innovation, product quality and new forms of marketing that focus on building a strong branding ,including marketing activities, advertising and public relations activities under effective budget management. For green tea group products, in ready to drink the Company attaches great importance to building the differences in products in taste, quality and packaging are essential. The Company also has a strategic plan for sourcing quality raw materials and a fully closed production system to deliver quality beverages at reasonable prices to consumers and compete in the beverage business

#### 4.) Risk of new product development

New product development has to be done continuously to meet the changing needs of consumers, and the Company may face the risk of developing new products that are time-sensitive and cost management in order to meet the needs of the consumers, and it is able to compete in the market ,by having appointed a working group (Stage Gate) to consider and screen revisit new products and give opinions to the new product development team (New Product Development) from the conceptual stage until development test and launch to the market, including setting a guideline that every time before launching or inventing a new product ,the Company will survey consumer behavior and needs by marketing research institutes, including testing of production quality, packaging design, taste testing and analysis of yields from the production and commercialization of new products in controllable level. The Company has established a Research and Development department, the products are developed regularly under effective and efficient budget management so that consumers and customers can be confident that the new product release will be a success in the target consumer market. In year 2021, the Company has

launch vitamin water products and grows well such as Ichitan "Ph Plus 8.5" Ichitan "C200 C + E" and Ichitan "Vitt CC" which meet market demand, that consumers tend to pay more attention to health.

#### **5.) Risk of dependence on main product distributors since 30% of total sales**

The Company has distributed through products to Modern Trade (MT) channel through three major distributors, namely DKSH (Thailand) Co., Ltd., I AM Green Tea Co., Ltd., and Boon Rawd Asia Co., Ltd., under distribution agreements term 3–5 years. The distribution volumes of with the said distributors were 73.8% (DKSH), 8.9% (IGT), 4.4% (Boon Rawd), and the remaining of 12.9% were for exporting (of the sales for ended December 31<sup>st</sup>, 2021) Therefore, the Company may be at risk of relying on the main distributor of such main products. The said 3 main distributors is considered as a way to diversify risk management of the Company in accordance with the agreements stipulated in the distribution agreement with the main distributors, namely DKSH (Thailand). Co., Ltd. that allows the Company to add 2 more distributors as mentioned above for risk management. However, from the good relationship last year with the said 3 main distributors and strictly adhering to the terms of the contract, the Company can be confident that the aforementioned main distributors will renew the contract distribute products to the Company further.

### **2.2.2 Operational Risk**

#### **1.) Production and Labor Risks**

As of December 31, 2021, the Company's employees has 379 person, in order to prevent risks arising in the production system and product quality, the Company has invested in automatic machinery "Auto Warehouse "at "Ichitan Group Factory", is the first factory in Thailand to automate the production process from the beginning of the production line to the stock of products, can run for up to 120 hours in a row, reducing the problem of errors in production and reduces labor shortage and enhances the efficiency of the product in all aspects. At present, the Company has a capacity of 1,500 million bottles and 200 million UHT boxes per year with innovative Cold Aseptic Filling Technology, which is an international standard in the beverage industry. As well as, implementing an enhanced maintenance system (TPM) so that can increase overall efficiency and effectiveness of the machine to a higher level and build capacity to ensure that it can run continuously to support the demand for the production of the product. The above information enables the Company to control and manage risks, in terms of labor and the availability of automated machinery "Auto Warehouse" was at an insignificant level.

#### **2.) Fluctuation of raw material prices**

The main raw material is organic tea leaves, accounting for about 30% of the production cost, climate uncertainty that may affect tea yield and may cause shortages, which may result in raw material prices fluctuate. The Company has planned to manage in advance by purchasing department has made a contract to order products with suppliers of raw materials in advance for a period of 1 year or more in order to obtain raw materials that meet the requirements, as quantity sufficient to meet the production plan in reasonable price and planning to procure raw materials from many sources for reduce the risk of dependence on any trading partner, whereby the Company has always entered into contracts with 2-3 vendors where tea leaves supplied by each trade partner are raw materials that can be substituted for each other, any supplier who cannot deliver tea leaves can be purchased from other partners because in the production of each type of tea drink, for example Green tea or black tea drinks, is based on the same type of tea leaves, but depending on the tea leaves are processed, fermented, aged and add different flavors, so we can be confident that the Company has good and adequate management.



### 3.) Risks related to environmental impact

Ichitan Group plant is located in Rojana Industrial Park, Phra Nakhon Si Ayutthaya Province. However, the Company attaches great importance to the environment and has established a working group to manage energy and the environment to establish guidelines for implementation and follow-up on environmental management, both inside and outside the factory with the concept of 3R: Reduce, Reuse, and Recycle. This can help to reroute the wastes in the production process, reduce the dumping of scrap materials to the outside, and reduce waste disposal costs. The production process is improved to reduce energy consumption especially the use of electricity such as the Company's warehouse is an automatic warehouse system (Auto Warehouse) which uses solar energy by installing solar panels on the roof of factories and buildings to reduce electricity consumption along with a set of measurements continued impact. The results of the audit in the past year, the Company has passed all industry standards, does not affect or destroy the environment and community resources.

### 4.) Food Safety Hazard Risks

As, Food Safety is top priorities factor of the Company as even a minor mistake can effect to credibility of all our products, so the Company places great emphasis on raw material selection and meticulousness at every step of production to assure consumers that the Company's products has high quality and meet international standards such as GMP, HACCP, ISO9001: 2008, HALAL, ISO14001, ISO17025, ISO50001, FSFC22000, etc. In every batch, standard samples are kept for at least 7 days before they are sold and protected for reference. One batch product will produce in bulk, if there is an infection, it must infect the whole package, so before sending it out, the Quality Assurance Department (QA) will bring the product to be examined in the laboratory, which prevents any safety risks in the product. In practice, the Company's machinery uses international standard technology and it is a closed system as a whole process, which has never appeared about any unsafe in the product in the past.

## 2.2.3 Financial Risk

### 1.) Foreign exchange risk

The Company is exposed to foreign exchange risk arising from its business plan to expand its export markets to foreign countries in the form of purchasing and selling products in foreign currencies. However, the Company manages the risk by negotiating with trading partners to accept payments mainly in Thai baht currency and apply several related financial instrument to serve. However, as of December 31<sup>st</sup>, 2021, the Company has no significant risk of foreign currency.

## 2.2.4 Compliance Risks

### 1.) Risk of major shareholder over 50 percent

As at December 31<sup>st</sup>, 2021, Passakornnatee group is major shareholder which had owned 41.6% of the total paid-up capital, as a result Passakornnatee group can control the decisions or resolution in the shareholders' meetings such as appointing director or requesting for a resolution with majority vote, except matter that require by law or the Company's regulations of three-fourths in the shareholders' meeting, therefore, minority shareholders may not be able to compile the votes for inspecting or taking an equilibrium of the proposed agenda. However, the Passakornnatee group does not have the right to vote on connected transactions that relate to it. On the other hand, major shareholding by Mr. Tan Passakornnatee family, it mean that Mr. Tan Passakornnatee and his spouse will also remain their positions as executives to pass on their knowledge and experience in the Company further. In addition, the Boards' structure of the Company has comprised with the Board of Directors and five Sub committees which are the

Audit Committee, the Risk Management Committee, the Nomination and Remuneration Committee, the Corporate Governance Committee and the Executive committee. The scope of authority and duty of the committees has been clearly defined, to operate business with transparency and comply with good governance. Also, the Audit Committee is consisting of the independent directors as a whole that will monitor the connected transactions by assigning Internal Audit Manager to report the committee quarterly.

### **2.2.5 Emerging Risk**

The Board of Directors and management regularly monitor Global Emerging Risk by considering risk factors that may affect or pose an opportunity to business operations, such as structural changes that enter to elderly society and more health-conscious consumer behavior, disruptive technology and innovation, cybercrime, disaster risk from Climate Change and International trade war. The situation has been assessed and reviewed strategies, measures, approaches to prevent and mitigate the impact of emerging risk factors in advance and respond quickly and in a clear system. In year 2020 ,it occur an epidemic of COVID-19 infectious disease worldwide to follow up on the guidelines and cooperate according to the law and the government in a timely manner, ready to seriously implement the risk management plan, thus enabling the Company's factory to continue running production regularly

### 3. Driving Business for Sustainability

#### 3.1 Policies and Sustainability Management Goals

The Company sets a business policy for the mission towards the goal of being a leader in the beverage business both in the domestic and abroad, starting from using raw materials, tea leaves grown in organic systems, etc., including the adoption of innovations in the process produced to provide quality beverages and healthy alternatives to consumers and to grow with a healthy society and ready to operate on the basis of economy, society, and governance. In this regard, the Company has disclosed guidelines for managing the sustainability of the organization such as impact management on stakeholders in the business value chain, Stakeholders analysis in the business value chain, sustainability management in environmental dimension, etc. These guidelines are in accordance with the GRI Standard in the Company's “*The 2021 Sustainable Development Report*” which disclosed on the Company's website. [http://www.ichitangroup.com/investor.php/sustainability\\_report](http://www.ichitangroup.com/investor.php/sustainability_report)

#### 3.2 Analysis and Management of Stakeholders in the Business Value Chain



#### 3.3 Sustainability Management in the Environment Aspect

##### 3.3.1 Environmental Policies and Practices

In any operation, the Company takes into account the environmental impact factor. Disturb nature to a minimum including complying with environmental laws and regulations The company sets the guidelines as follows:

- Provide practical guidelines for operations that are environmentally friendly.
- Regularly assess the results of the implementation of the guideline.
- Study and analyze results for improvement.
- Support employees to be conscious and responsible for the environment

### 3.3.2 Environmental Performances

Ichitan Group plant was the first factory to automate operations from the beginning of the production line to the warehouse, with a 120-hour continuous operation, reducing human errors and increasing the efficiency of the product in all areas with lighting design from use nature as much as possible which makes it possible to reduce the consumption of electricity by up to a 50% of all factory walls use temperature control materials, prevent heat and reduce the use of air conditioners. In addition, Ichitan is a factory that cares about the environment, therefore, a completely wastewater treatment system is installed and eliminate the best waste by being able to use the waste to be renewable energy and recycle until almost no waste is disposed to the environment, thus helping to keep water, air and plants clean and clean. 2,544 kW (kWp) on the area of the factory roof, size 25, 000 sqm., which can generate electricity used in the production of Ichitan drinks substitute up to 3,354 MW per year, reducing greenhouse gas emissions into the atmosphere by up to 747 tons per year, resulting in a reduction of electricity costs by 14.4 million baht per year, resulting in the Green Industry Award Level 4 in year 2017 from the Department of Industrial Works, Ministry of Industry, and an award for the voluntary greenhouse gas reduction project according to the standards of Thailand (Thailand Voluntary Emission Reduction: T-VER) organized by the management organization Greenhouse gas (Public Organization) or TGO, Ministry of Industry.

Ichitan Green Factory Manufacturing Process for Social and Environmental Benefits Because Ichitan products come from nature. The company therefore pays attention to nature with respect Every manufacturing process is thought for the world. Using the most advanced production technology and a world-class consciousness, it became the concept of "Ichitan Green Factory", the Ichitan Green Green Tea and Green Tea Factory. The factory develops innovations for use in the production system directly. With a concrete focus on heat energy reduction and water consumption And create results proudly, starting with the selection of natural gas to help burn clean and not create pollution instead of releasing the heat from burning natural gas into the atmosphere. Part of the heat vapor will be recycled to use again. To preheat clean water for production Thus reducing the energy used to boil water and reduce the amount of heat released into the atmosphere to a minimum "High-pressure steam" has been installed to generate and direct heat to all parts of the manufacturing process. Instead of using heat to boil water wherever it is needed, it can significantly reduce energy consumption.

In the production process, the brewed tea is cooled down to allow the tea to precipitate. When the sediment is separated, only clear tea will be left. Then clear tea It travels through a tube inside a closed system where plates are installed along the way. Which the plate heat exchanger will act Reduce or increase the temperature To the water used in production With the process of transferring energy with each other For example The tea is hot from the 1st production when traveling inside a tube containing the heat exchanger. The heat is then transferred to preheat the water with the new production water. To prepare for the second brewing and other production lots. Loop throughout the entire production system Every time there is a heat exchange The superheated steam is then cooled down and condensation forms a natural condensation. It is recycled back into the water boiler to produce steam that is used to produce heat. Repeat this whole process. Help save water consumption up to 58,400 million baht per year. Per year or equivalent to the amount of water in 23 Olympic standard swimming pools, reducing energy consumption from Natural gas up to 213,555 MMBtu per year or equivalent to the consumption of cooking gas of all households in Satun Province for 1 month. There are many other processes at Ichitan Green Factory in reducing, replacing, treating and recovering energy. So that we minimize the disturbance of nature because we cannot deny the use of nature, but choose to use less gratefully.

### In the past year 2021, the company No environmental disputes

The Company and its subsidiaries give important on the environmental impacts, employee health safety and all communities nearby factory. Also, focusing on business development together with a commitment to society and community by continuing to protect environmental and social responsibility as the Company realizes that a good society, it will begin from "Given". As a part of the community or society, it is responsible of the Company to support public activities as well as develop environment and the community to create well-being through employment and variety of economic activities. As, strengthening of the community and social development, are cooperation and participation between the Company, community and society which may affect from the operation or activities of the Company. To develop and promote a strong social and cultural nature, as well as restoring fertility to return both a community and a society that is adjacent to the Company being as a unite community including community and society that are also far away from the Company.

Action in year 2021			Plans for Year 2021 - 2023
Energy and Environmental Management	Standards	System Accreditation	
Greenhouse gas emissions	CFO	Thailand Greenhouse Gas Management Organization (TGO)	- Certification to maintain the system - Reduce the amount of gas emissions decreases every year
Power management	ISO 50001:2018	BSI	- Certification to maintain the system - Reduce electricity consumption by 1.5% compared to the previous year
Environmental management	ISO 14001:2015	SGS	- Certification to maintain the system - Prepare for Green Factory level 5 certification

*Note: the company disclosed an additional information in "The 2021 Sustainable Development Report"*

## 3.4 Sustainability Management in the Social Aspect

### 3.4.1 Social Policies and Practices

The company adheres to operating the business under the principles of good corporate governance by focusing on compliance with laws, rules, and regulations related to social management for both in terms of social's quality of life development and minimizing the impacts of risks in society surround the communities at the same time; through 5 topics including: human rights, Fairness for the employees, Consumer responsibility, Community and social development, and also innovation using for CSR and sustainable development.

#### 1.) Human Rights Policies

The company realizes on the law obeying and principles of human rights, by adhering to the law and the principles of human rights which are the fundamental rights that humanity is born with equality. Equality in terms of dignity and rights Regardless of differences in place of origin, race, nationality, skin color, sex, religion, age, language, physical and health status, and individual status, economic or social status, and also social beliefs based on education or political prospectives. However, the human rights must be practiced without discouraging anyone from discriminating against, including promoting awareness of their rights, duties and responsibilities towards society and others with the following policies and guidelines.

- Adhere to the business operation in strict accordance with the law and human rights principles and educate Understanding about Law and Human Rights Principles For employees to guide them in their operations.
- All employees are expected to understand the laws directly related to their duties and responsibilities; and strictly follow.
- Promote respect for and adhere to human rights principles based on human dignity.
- Treat employees on the basis of human dignity. And respect individual rights and duties
- It does not discriminate and provides equal opportunities for employment, including women, people with disabilities, and disabled people other disadvantaged groups.
- Do not exclude or not offer privileges or discriminate against anyone due to differences in race, nationality, Skin color, gender, religion, age, language, physical status and health. And the status of the person Economic status or society and social beliefs and education And political opinions
- Provide appropriate assistive devices and welfare for employees with disabilities.
- There is a policy or measure to audit. Screen out key suppliers according to their business nature, such as manufacturers, contractors. The key suppliers by nature of business of their own business must operate fairly. And no violations human rights.
- Promote the participation of employees and respect the right to inclusion of employees in suggesting or directing work and setting solutions for the benefit of all parties. And build a good relationship in working together with the Company  
There is a process for receiving complaints about human rights violations. Both from the actions of the employees Or take part in an act Or neglect to act which violates human rights By allowing employees who have experienced witnesses Or become aware of discrimination and violations of human rights, can report any suspected violation of Company policy or the law to the following persons:
  - Head of departments / supervisors by hierarchy
  - Human Resources Department
  - Office of the President
  - By mail

*Human Rights Violation Complaint Unit*

*Ichitan Group Public Company Limited*

*Address No. 8 Building T One Floor 42-44 Soi Sukhumvit 40, Phrakhanong Subdistrict, Klongtoey District, Bangkok - 10110*

*Email: [audit@ichitangroup.com](mailto:audit@ichitangroup.com)*

Upon receipt of a report of prohibited acts, the Company will consider and take appropriate action, and the Company will take reasonable measures to maintain the confidentiality and privacy of all persons involved in the investigation. It's the perfect secret. This is because the investigation process may require the Company to contact persons who may be involved in such prohibited conduct. As well as witnesses who witnessed such actions In the event that a violation of this policy has occurred. That employee is subject to disciplinary action up to the maximum and includes termination.

## 2.) Fairness for the Employees Policies

The company considers employees as the most valuable resource. It is the hearts of driving the business towards the goal, which will lead the company more strengthen and be able to grow steadily and sustainably. The company has policies and practices. Systematic human resource management resulting in good working conditions Professional Since the recruiting process Development of capacity and knowledge Employee competence To be quality people Have a spirit of belonging Have determination, dedication, and good attitude and conscience in being a giver Both the family organization and society, the company will use good governance principles in taking care of employees in order to build trust among each other. Along with encouraging employees to take part in driving and changing the organization creatively Realize the rights and duties And having morality, adhering to the correctness and goodness. The company will treat workers with fairness. Is to respect and obey the law And ethical principles, which play a vital role in the creation of justice. Stability and peace in society this includes stability, sustainability and business growth. In accordance with the Declaration on Fundamental Principles and Rights as stipulated in law and / or business regulations, together with Coverage in working conditions, health and safety Of employees with the following guidelines (Disclosed in the 2021 Sustainable Development Report).

### 2.1) Employment

In considering the selection of new employees, the Company considers the suitability in terms of knowledge, abilities, experience, attitudes and behaviors through the selection system. Both in the form of a written exam Various tests And interviews by the selected candidate must be a probation employee for a consecutive period of not more than 119 Days to indicate that the employee performs according to the standards set by the company Determine or have the knowledge, ability, and behavior that is appropriate and able to Or develop to perform work in that position Can the company continue to work? Without any discrimination Insist on equality of opportunity without taking the opinion of a person, political opinion, age or disability To be a factor in Consideration and judgment of employment Including eliminating other factors That could lead to discrimination.

### 2.2) Employee Development

The company has a policy to develop employees to practice skills. And increase their potential by providing opportunities for employees to learn and promote positions in order to advance in their work when there is an appropriate opportunity. As well as promoting women to higher positions in a balanced proportion with more men, the Company regularly evaluates the relevant operating methods and evaluates the results of the implementation of the policy on the promotion of inclusive employment to promote opportunities and advancement in duties.

### 2.3) Working Hours

Working hours are limited not too much. And adhere to guidelines by day and working hours of the company's employees can be divided mainly into 2 Characteristics as follows:

- Office work Working days Monday to Friday time 08.30-17.30 hrs.
- Field work Working days and days depend on the agreement with the supervisor. And customers under the legal framework under the Labor Protection Act B.E.1998 and related laws.



#### 2.4) Wages and Compensations

The Company has a policy to pay employees a fair salary in accordance with the rate comparable to the wages in the market. Including compensation for work, appointment, transfer, and reward based on knowledge, competence, suitability and fairness without discrimination. And other welfare appropriately and the rate of return is reviewed regularly.

#### 2.5) Disciplinary Actions

If the employee avoids failure to obey the discipline or violates any prohibition Employees will receive a warning from the supervisor using the principle of primary governing which the company Will not use or tolerate any punishment, coercion, physical and mental abuse, or unfair verbal abuse against employees whose punishment depends on the type and intent of the offense. Consequences of past deeds and virtues with disciplinary procedures in order and if there is any leave from the company Will compensate according to the labor law.

#### 2.6) Anti-Employment of Child Labor

The Company does not employ illegal child labor, forced labor or slave labor except in cases where those hiring It fully complies with all age-related laws and regulations, working hours, health, compensation, and safety.

#### 2.7) Internal Communication

The company is committed to creating a commitment to communicate all policies and policy intent to all employees through employee orientation. And communication of the Human Resources Department, the Company holds both formal and informal employee meetings. To know the performance And the real condition of the company Including providing reasonable information And within a reasonable period of time via the Intranet system and Social Media, especially when there is any change within the company in order for employees to express their opinions with participation. And able to respond creatively to changes.

#### 2.8) Grievance process

The Company has a complaint handling process that employees can Bring personal problems And problems related to the performance, please contact the Human Resources Department email: [hrd@ichitangroup.com](mailto:hrd@ichitangroup.com). By giving employees who feel they have complaints about being persecuted Discrimination Violation of rights Or being a victim of others has the right to lodge a complaint under the complaint process.

#### 2.9) Workplace Conditions and Surroundings

Provide appropriate working conditions for employees to work safely and with dignity, by taking into account the good environment and relaxation for the health and safety of the employees' lives. And allow employees to adjust the balance between work and life, encouraging employees to pay attention to exercise for better health

#### 2.10) Quality of Life Encouragement

The company encourages employees to have a better quality of life and support the development of their lives. The well-being of the employees' families to be happy and self-reliant By supporting the savings And dividing time in working and living with family creatively.



### 3.) Consumer Responsibility Policies

The company attaches great importance to the health and safety of our customers by emphasizing the quality and cleanliness of the products. With food safety experts taking care of And in addition, training and knowledge are provided to all employees in order to understand and be able to perform their work according to the standards set by the company. That the company can use Accreditation from various institutions, the company has set guidelines for practice as follows:

- Respect the right of receiving the basic needs of consumers.
- Protect the safety of consumers.
- Not limited to consumer information rights.
- Respect consumers' right to choose.
- Respect the right to express opinions of consumers.
- Protect consumers' right to compensation.
- To protect the right of education and information of consumers.
- Give the right to live in an environment that promotes health.

### 4.) Community and Social Development Policies

The Company realizes the importance of sustainable business development along with the determination to continuously give back to society and communities. By adhering to environmental preservation and social responsibility, the Company realizes that the beginning of a good society starts with "giving" and as part of the community or society which is responsible for helping support activities. Public benefit to the community As well as to develop community and social environment for better living by creating employment and creating diversity in economic activities.

Building the strength of the various agencies of the community

Community and social development is cooperation and participation between companies. With communities and society which are affected by the operations or activities of the company To develop and promote strength, as well as restore the society, culture, nature to return to fertility, both as a community and society located next to or nearby the Company Or departments of the company As if being the same community Including communities and societies located far away, the company has established the social responsibility operating policy as follows:

- Commitment to development for the business to grow sustainably together with caring for the environment and the safety of the community To help society with determination
- Helping and developing society by using strengths and business expertise to work in Social responsibility.
- Conduct social responsibility activities to benefit society in the communities near the communities surrounding the company and the remote communities. Communities in remote areas where utilities are inaccessible Through the tea tree return early.
- Focus on the use of energy that exists in nature to benefit instead of leaving it wasted, based on the philosophy of sufficiency economy making the most of local resources.

### **Corporate Social Responsibility Action Plan**

The company has a policy guideline for social responsibility operations as follows:

- Projects to develop communities or society around the company / society near the company / society far from the company such as a money donation and goods donation program to schools.
- An urgent case project that occurred to the community or society around Or close to the company Which is caused by the impact of the Company's business, The company will hurry to act as soon as we receive such information.
- Promote activities that educate society.

### **5.) Innovation using for CSR and Sustainable Development**

Ichitan Group Public Company Limited has developed the knowledge gained from operating experience and disseminated to the company and interested agencies, with the Company and interested agencies requesting a visit to the “Tan Land” learning center with the concept of raising awareness among people in society to learn about the use of sufficient resources and respect nature within the community. Under the concept of Green Novation, an innovation from corporate social responsibility It is the result of a socially responsible business operation that has achieved serious results and changes in thinking, production and work processes, regardless of whether the change is caused by a revolutionary, completely new change Or development towards the goal of innovation is to create positive, to create efficiency and effectiveness both in the short term and at the same time creating sustainable value for the business and stakeholders in the long run.

Innovation focuses on taking advantage of new ideas. With social responsibility and Environment inevitably leads This will lead to progressive growth and continual increasing competitiveness and sustainability of economic, social and quality of life affairs, including environmental rehabilitation and development, such as improving productivity in value-added production. Social and environmental responsibility in the dimension of innovation is that the Company's innovation In addition to being a result of the business operation on a very serious basis of responsibility Can also create economic progress, create a systematic well-being for society and the environment Creation of values and balances are considered including considering the needs of the company.

### **Practice guidelines**

- The company clearly understands the benefits and values of conducting business with social and environmental responsibility that can create value that can create sustainable innovation.
- The company has a policy to help disseminate the benefits and values of conducting businesses with social and environmental responsibility in the same manner or in the same way as disseminating knowledge about the benefits and values of creating innovation, especially by utilizing Corporate sustainability reporting, which can disseminate information All aspects of social and environmental responsibility.
- The company has created ideas or searching for new knowledge which is different from the original practice or knows it is a comprehensive knowledge of business, economy, society, technology and environment.
- Developing ideas or developing new knowledge to create value, the company is open to the involvement of related parties either inside or outside the company. Come together to develop.

- The company will follow up on the results of the study. Examining the evaluation, including the results of research, as well as learning about emerging innovations. To lead to the development of new innovations in new matters longer.
- The company aims to create innovation for the benefit of the company. Or to benefit the broader society and innovation that the company created, it will not cause destruction, destruction or terrorism or affect stakeholders in any way.
- Create values and corporate culture that are open and beneficial to all stakeholders to be creative, which is the foundation of the ability to create innovation that will lead to a continuity of innovation from within the Company's business.
- Promote and cooperate with stakeholders such as business partners to develop innovations in a socially responsible manner and implement the principles of companies that do good for society by disseminating such innovations as well as being a model business for development. Innovation with social responsibility.
- The company has always surveyed the business processes of the company whether it poses a risk or has a negative impact on society and the environment or not, and if there is a risk or a negative impact, it should be corrected immediately.
- The company will link innovation with business goals and Thai society by developing production efficiency, quality, and competitiveness with a balance in social and economic value.
- The company will keep the confidential information or intellectual property of others as it belongs to them.

### 3.4.2 Social Performances

#### 1.) Human Rights

In year 2021, the company's performances were as follows:

- Promote knowledge for employees to receive news And useful information through various communication channels such as Intranet system, announcements, e-mail, bulletin boards.
- Give employees the opportunity to express their opinions. To bring suggestions for further improvement.
- Provide training courses for employees to increase their knowledge and ability to prevent the occurrence of human rights violation.

#### 2.) Fairness for the Employees

In year 2021, the company had operated several activities related to welfares, in order to promote and develop employees along with carrying out a tradition as follows:

- Organize annual health check-ups for employees by organizing a health check-up program that is consistent and suitable for the age of employees and coordinating with the hospital to allow employees to add health check-ups at a special rate. Including a health check-up program at a special price for family members of the employees as well as facilitating Convenience by having the hospital to provide health check-up services at the company's office.
- Employee welfares include benefits, medical expenses. Group life and accident insurance Benefits, allowances, and others.
- Sanitation prevention activities in the event of COVID19 epidemic.
- Safety Day activities, etc.

### 3.) Community and Social Development

Operation of the company especially, social responsibility is something that can be initiated by having a consciousness and taking into account the fundamental responsibility of the executives and employees of the company. Not to do anything which adversely affects or is detrimental to others or all relevant stakeholders? Economic unit Society and Environment While not doing anything It is against existing local laws, regulations, and culture. And business operations must be carried out with morality, ethics and ethics, as well as good governance, which will govern honesty, transparency and fairness. The philosophy of the sufficiency economy can be applied as a tool to support consciousness and adhere to negligence. To be committed to taking part in community or social development in the area near or far away the Company In order to be consistent with the policy of community or social development. *(Disclosed in "The 2021 Sustainable Development Report")*



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

### 4.1 Overall of Past Performances

#### 4.1.1 Income

In year 2021, the Company's sales revenue was 5,228.3 million baht, increased by 2.5% from the previous year which earned 5,099.3 million baht. The sales revenue from export section decreased 37.4%, where as the domestic section increased 13.2% comparing to the previous year. However, EBITDA in year 2021 was 1,225.3 million baht, increasing by 4.2% from the previous year which was 1,176.3 million baht. Net profit for the year 2021 was 546.8 million baht, increased by 6.1% from the previous which was 515.5 million baht. This was primarily due to the adjustment of marketing strategies and activities relevant in domestic section, by concentrated on traditional trade channel. In contrast, the decreasing in the export section had been affected from economic slowdown of trading partners and global epidemic of Covid 19.

Revenue Structure	Year 2021		Year 2020		Year 2019	
	Million Baht	%	Million Baht	%	Million Baht	%
Net Sales	5,228.3	99.6	5,099.3	99.8	5,334.2	99.7
Other Income	22.5	0.4	8.7	0.2	13.5	0.3
Total Revenue	<b>5,250.8</b>	<b>100.0</b>	<b>5,108.0</b>	<b>100.0</b>	<b>5,347.7</b>	<b>100.0</b>
Market Shares (%)	30.5%		30.5%		31.4%	
No. of Flavors	30 flavors		27 flavors		21 flavors	

Source: Nielsen Retail Index

#### 4.1.2 Cost of sales

During year 2019 – 2021, the Company's cost of sales was mainly in raw materias and other supplies, which estimatey accounted for 50 - 60% of total cost of sales. The details are shown in the table below:

Cost od sales	Year 2021		Year 2020		Year 2019	
	Million Baht	%	Million Baht	%	Million Baht	%
Material and change In finished goods	2,393.9	56.7	2,275.4	55.6	2,596.7	59.8
Depreciation and amortization	562.5	13.3	564.2	13.8	561.1	12.9
Utility bill (Gas, electricity, water)	226.2	5.4	206.2	5.0	254.9	5.9
Transportation costs	19.9	0.5	18.9	0.5	21.4	0.5
Employee expenses	150.0	3.6	152.5	3.7	150.7	3.5
Other	868.4	20.5	876.4	21.4	758.1	17.4
Total	<b>4,220.9</b>	<b>100.0</b>	<b>4,093.6</b>	<b>100.0</b>	<b>4,342.9</b>	<b>100.0</b>
Sales revenue (million baht)	5,228.3		5,099.3		5,334.2	
Gross profit margin (%)	19.3		19.7		18.6	

The Company had a ratio of cost of sales to the sales revenue in year 2021 and 2020 by 80.7% and 80.3% respectively. The cost of sales in year 2021 was equal to 4,220.9 million baht and in year 2020 was 4,093.6 million, which increased by 127.3 million baht consistent with the increasing of sales revenue. Even the of cost of sales figure still close to the previous year, the Company are continuously focusing on cost management in effectiveness.

#### 4.1.3 Distribution costs

Distribution costs consists of advertising media expenses and promotional activities expenses. In 2021 and 2020, the distribution costs were 277.0 million baht and 293.0 million baht respectively, decreased by 5.4% in an amount of 15.9 million baht. The reduction of distribution costs in 2021 was due to the effectiveness of the advertisement to be more planned such as switching the sales promotion channel to tradition trade and online channel instead of spending advertising costs on free TV channel.

#### 4.1.4 Administrative expenses

In year 2021 and 2020, the Company had the total of administrative expenses amounting of 168.3 million baht and 165.2 million baht respectively. The administrative expenses were mainly in employee expenses, official expenses, and consulting expenses. In 2021, the administrative expenses increased by 1.9% amounting 3.1 million baht.

#### 4.1.5 Share of Profit (Loss) from Joint Ventures Investments

The Company had a share of profit (loss) from investments in joint ventures of the Company in year 2021 and 2020 in amount of 59.0 million baht and 28.0 million baht respectively, which increased in amounting of 31.1 million baht. The result was due to the expansion of traditional trade channel in Indonesia and the success of new product launching, with a unique Thai flavor eg. Thai Milk Tea, Brown Sugar Tea.

#### 4.1.6 Net Profit (Loss)

In year 2021 and 2020, the Company had net profit of 546.8 million baht and 515.5 million baht respectively. Therefore, the net profit margins were 10.5% and 10.1% of the sales revenue, respectively. The operating profit margins were 11.2% and 10.9% of sales revenue, respectively.

## 4.2 Financial Position Analysis

### 4.2.1 Assets

The Company's total assets in 2021 and 2020 were 7,106.3 million baht and 7,404.6 million baht, decreased in amounting of (298.3) million baht, which detailed as follows:

- 1) The reduction of land, property, and equipment in amounting of (561.3) million baht, occurred from 4 transactions including the depreciation expense (570.6) million baht, and loss from assets impairment (11.7) million baht, increasing of assets acquirement 27.0 million baht, and assets adjustment (6.0) million baht.
- 2) An increase in current assets of 259.5 million baht were mainly occurred from 4 transactions including a decrease in inventories (58.9) million baht, an increase in trade receivables and other current receivable 183.4 million baht, an increase in cash and cash equivalents 23.4 million baht, and an increase in cash invested in equity investment units 111.6 million baht.

- 3) An increase in investments in joint ventures amounting of 74.5 million baht occurred from the recognition of profit from share of loss from investments in joint ventures 59.0 million baht and the differences from foreign exchange translation 15.5 million baht.
- 4) The decrease of advance payments for machinery and equipment purchased (9.1) million baht was caused by the purchasing of molds from foreign manufacturers, which installation happened in the year.
- 5) Decrease in right-to-use assets of (9.2) million baht according to TFRS 16, resulting from amortization in 2021 in amounting of (14.5) million baht and an additional record in the year of 5.2 million baht.
- 6) An increase in intangible assets of 1.1 million baht resulting from a write-off of software license expense (2.0) million baht, net with the increase of software licenses 3.1 million baht.
- 7) The decrease in deferred tax assets (53.9) million baht occurred from the profit that has not been promoted in investment in year 2021. This was due to the expiration of the tax privileges for BOI projects since the first quarter of 2020

In year 2021 and 2020, the return on assets (ROA) was increased by 7.5% and 6.8% respectively. Also, return on fixed assets was increased by 22.4% and 19.8% respectively due to an increase in net profit.

#### 4.2.2 Trade Accounts Receivables

The increase in trade accounts receivable of 111.6 million baht was mainly due to the increase in domestic sales in December from the same month of the previous year. The Company's domestic sales growth rate was increased by 13.2% in year 2021. The Company's credit term policy to customers is in a period of 30-45 days. In addition for last three years, the period for debt collections were 49 – 65 days in an average, because the company had extened the credit term periods appropriately to main distributors and other related companies of a joint venture in Indonesia, which had a collection periods of 60-65 days. However, there is no such transaction in current year.

#### Trade Accounts Receivables as December 31<sup>st</sup>, 2019 – 2021, categorized by aging

Aging of Trade Account Receivables	Year 2021		Year 2020		Year 2019	
	Million Baht	%	Million Baht	%	Million Baht	%
<b>Related parties</b>						
Not yet due	67.4	7.1	53.7	6.5	27.9	3.6
Overdue	-	-	-	-	-	-
Less than 3 months	-	-	-	-	-	-
More than 6 months	-	-	-	-	-	-
<b>Sub Total</b>	<b>67.4</b>	<b>7.1</b>	<b>53.7</b>	<b>6.5</b>	<b>27.9</b>	<b>3.6</b>
<b>Other business</b>						
Not yet due	876.2	92.9	773.4	93.5	737.8	96.4
Overdue	-	-	-	-	-	-
Less than 3 months	-	-	-	-	0.9	-
6 - 12 months	-	-	-	-	-	-
<b>Sub Total</b>	<b>876.2</b>	<b>92.9</b>	<b>773.4</b>	<b>93.5</b>	<b>738.7</b>	<b>96.4</b>
<b>Total</b>	<b>943.6</b>	<b>100.0</b>	<b>827.1</b>	<b>100.0</b>	<b>766.6</b>	<b>100.0</b>

### 4.2.3 Liabilities

In 2021 and 2020, the Company had total liabilities of 915.3 million baht and 1,125.9 million baht respectively, with decreasing of (20.6) million baht. The debts were mainly in financial loan which had been paid all over in January 2021.

### 4.2.4 Equity

As of December 31<sup>st</sup>, 2021, the shareholder's equity in amounting of 6,191.0 million baht included paid-up capital of 1,300.0 million baht, premium on common shares of 3,515.4 million baht, surplus on share-based payment of 56.1 million baht, legal reserve 130.0 million baht, other components of equity (39.8) and unappropriated retained earnings 1,229.3 million baht. The return on equity ratios (ROE) in year 2021 and 2020 were 8.8% and 8.2% respectively.

### 4.2.5 Book Value per Share

As of December 31<sup>st</sup>, 2021, the Company has a book value of 4.8 baht / share

## 4.3 Liquidity and capital adequacy

During the year 2020, the Company's main source of cash flow is from operating cash flow and borrowings from financial institutions.

### 4.3.1 Cash flow from Operation

In year 2021, the Company had net operating cash flow of 1,057.1 million baht, as a result of sales during the year and operating profit.

### 4.3.2 Liquidity ratio

The Company's liquidity, is mainly due to the ability to turnover inventories, accounts receivable billing and repayment of trade payables during year 2019 to year 2021, the asset turnover period that contributes to such liquidity is shown in table below;

Liquidity ratio	Year 2021	Year 2020	Year 2019
Average collection period (day)	61.8	57.0	51.8
Average product sales period (day)	48.5	50.7	50.5
Average repayment period (day)	28.2	26.1	27.8
Cash cycle (day)	82.1	81.6	74.5

	Year 2021	Year 2020	Year 2019
Current Ratio (times)	2.4	1.9	1.3
Cash increased (decreased) from operations (million baht)	23.4	(79.8)	(16.9)

### 4.3.3 Leverage Ratio

According to the conditions of financial institutions set the Company maintain a debt repayment coverage ratio (DSCR) of not less than 1.25 times and a debt to equity ratio of not more than 2.5 times, which financial institutions have now canceled this condition to the Company as of December 31, 2021. In year 2021 and 2020, the Company had the leverage ratios (DSCR) of 465.4 times and 10.5 times respectively, while the debts to equity ratios (D/E) were 0.15 times and 0.18 times respectively.



#### 4.3.4 Cash flow from Investment

In year 2021, the Company had net cash flow from investment of (137.4) million baht, mainly used in buying and selling the investment units in debt securities, financial income, payments from purchases of intangible assets, and equipment purchase.

#### 4.3.5 Cash flow from Financing

In year 2021, the Company had net cash flow from financing of (896.3) million baht, mainly from borrowing in financial institution. The financing activity was used to money borrowing, loans repaying, financial costs repaying and dividend paying to shareholders.

#### 4.3.6 Capital Structure

The Company actually is stable in financial stability, even as of December 31<sup>st</sup>, 2021; the debt to equity ratio was 0.15 times slightly decreased from the year 2020 which was 0.18 times.

##### Obligations and liabilities that may occur as of December 31<sup>st</sup>, 2021

- Obligations under operating lease contracts, including office building lease agreements with facilities in the amount of 0.78 million baht With a term of 1-5 years which will expire between 2020 and 2023.
- Unused letter of credit obligation totaling 45.9 million baht.
- Commitments according to orders that the seller of goods / materials has agreed in the total amount of 134.5 million baht.
- Obligations from letter of guarantees issued by a financial institution to a state enterprise totaling 17.9 million baht.

	Year 2021	Year 2020	Year 2019
Debt to equity ratio (times)	0.15	0.18	0.2

According to the financial position and the performances in year 2021, the Board of Directors has approved the dividend allocation and proposed to the Annual General Meeting of Shareholders for the year 2022 to approve the dividend payment for the year 2021 at the rate 0.50 baht per share in total amounting of 650.0 million baht, calculated as 118.9% of the net profits, which is more than the company's dividend payment policy. The payment date is on 23<sup>rd</sup> May, 2022, and will not be finalised until the approval the 2022 Annual General Meeting of Shareholders will be made.

#### 4.4 Factors that may significantly influence the business's operations or financial position in the future

The Company has managed risks to be at an appropriate level and in accordance with the legal standards and are disclosed in the topic 2 "*Risk Management*" sub-topic "*Risk factors for business operation*".

##### 1.) New product launch and market share expanding

The beverage business is one of the fierce price competition businesses in which the Company has to face competition from a wide variety of ready-to-drink competitors, where many manufacturers compete with aggressive marketing strategies. And have promotional activities Continuous sales as well as developing and creating added value to create more differentiation and selling points for the product, it was found that the last year there were many beverage products developed and sold inability to develop and launch new products to meet the increasing demand in a timely manner, it may affect the Company's market share. However, the company has set up a research plan to develop new products. Continuously released sales strategies and set guidelines to adjust the sudden sales

strategy to changing the market situation in order to continuously stimulate the consumption demand of the Company's products both at home and abroad and to attract consumer demand from consumers.

## 2.) Sales forecasting Production planning and effective cost and expense management

Since most of the production costs are fixed costs such as depreciation of machinery and equipment, the cost of production per unit is reduced when the Company due to the increasing production volume, the company needs to forecast sales in advance to plan the production as well as manage the procurement of raw materials and the distribution of products appropriately. The main factors that determine the consumption are seasonal and promotional activities. It was found that consumption rates of ready-to-drink tea were higher during the summer and lower during the winter. Therefore, the Company had to adjust the promotional strategy accordingly. It is appropriate and consistent with the changes in consumption rates at different times of the year for cost and expense management, the Company has applied modern technology systems into the production process to support cost management. In addition, the company controls and monitors the current production costs. Including checking the use of resources that are used properly and worth it or not for example, the raw materials used in production are used wisely to determine the standard cost per unit of production suitable, etc.

## 3.) Increasing distribution channels in Indonesia for more customer coverage and new products growth well as planned.

## 4.) Expansion of the manufacturing service (OEM) business, in the past 3 years, there has been increased growth.



## 4.5 Important financial information

### 4.5.1 Statement of Financial position (Unit: baht)

Statement of financial position	Consolidated Financial Statement			Separate Financial Statement		
	Year 2021	Year 2020	Year 2019	Year 2021	Year 2020	Year 2019
<b>Assets</b>						
<i>Current assets</i>						
Cash and cash equivalents	41,304,038	17,869,197	97,683,193	41,227,310	15,475,620	59,275,464
Investment in unit trusts in debt security	296,361,951	184,795,495	10,000	296,361,951	184,795,495	10,000
Trade accounts receivable	943,606,696	827,087,500	766,648,008	943,606,696	825,459,385	893,032,842
Other current receivables	110,348,336	43,446,401	44,565,647	108,559,139	44,022,244	41,657,388
Inventories	531,127,141	590,121,685	546,647,915	531,127,141	589,912,081	495,080,219
Short-term loans to subsidiary	-	-	-	-	-	50,000,000
Other current assets	100,000.00	-	-	100,000	-	-
<b>Total current assets</b>	<b>1,922,848,162</b>	<b>1,663,320,278</b>	<b>1,455,554,763</b>	<b>1,920,982,237</b>	<b>1,659,664,825</b>	<b>1,539,055,913</b>
<i>Non-current assets</i>						
Investment in joint venture	253,916,302	179,438,535	153,700,395	153,770,414	153,770,414	153,770,414
Investment in subsidiary	-	-	-	999,970	999,970	999,970
Other non-current receivables	484,901	400,608	26,474,028	482,393	398,111	26,473,526
Advances for purchase of machinery and equipment	14,082,938	23,143,887	19,076,610	14,082,938	23,143,887	19,076,610
Property, plant and equipment	4,692,524,245	5,253,800,538	5,794,233,498	4,692,524,245	5,253,800,538	5,794,233,498
Right-of-use assets	85,357,174	94,585,180	-	85,357,174	94,585,180	-
Intangible assets	11,952,628	10,854,087	9,994,456	11,952,628	10,854,087	9,994,456
Deferred tax assets	121,507,335	175,491,780	224,383,627	121,507,335	175,491,780	224,383,627
Other non-current assets	3,595,937	3,515,937	3,525,937	3,595,937	3,515,937	3,525,937
<b>Total non-current assets</b>	<b>5,183,421,460</b>	<b>5,741,230,552</b>	<b>6,231,388,551</b>	<b>5,084,273,034</b>	<b>5,716,559,904</b>	<b>6,232,458,038</b>
<b>Total assets</b>	<b>7,106,269,622</b>	<b>7,404,550,830</b>	<b>7,686,943,314</b>	<b>7,005,255,271</b>	<b>7,376,224,729</b>	<b>7,771,513,951</b>
<b>Liabilities and equity</b>						
<i>Current liabilities</i>						
	-	-	260,000,000	-	-	260,000,000
Trade accounts payable to other parties	338,492,967	313,713,635	271,576,851	338,492,967	313,713,635	271,576,851
Other payables	207,763,363	204,140,648	135,163,209	207,763,333	204,140,619	135,122,906
Payables on purchase of property, plant and equipment	63,220,027	79,797,325	76,353,972	63,220,027	79,797,325	76,353,972
Accrued expenses	131,784,008	161,406,057	146,423,075	131,408,828	161,130,876	146,147,894
Current portion of long-term borrowings from financial institutions	-	98,037,840	215,989,580	-	98,037,840	215,989,580
Current portion of lease liabilities	14,680,192	13,092,406	-	14,680,192	13,092,406	-
Income tax payable	40,079,828.00	-	-	40,079,828	-	-
<b>Total current liabilities</b>	<b>796,020,385</b>	<b>870,187,911</b>	<b>1,105,506,687</b>	<b>795,645,175</b>	<b>869,912,701</b>	<b>1,105,191,203</b>
<i>Non-current liabilities</i>						
Long-term borrowings from financial institutions	-	131,730,027.0	324,674,389	-	131,730,027	324,674,389
Leases liabilities	72,517,524.0	82,537,124.0	-	72,517,524	82,537,124	-
Provisions for employee benefits	46,757,793.0	41,420,018.0	36,404,645	46,757,793	41,420,018	36,404,645
<b>Total non-current liabilities</b>	<b>119,275,317</b>	<b>255,687,169</b>	<b>361,079,034</b>	<b>119,275,317</b>	<b>255,687,169</b>	<b>361,079,034</b>
<b>Total liabilities</b>	<b>915,295,702</b>	<b>1,125,875,080</b>	<b>1,466,585,721</b>	<b>914,920,492</b>	<b>1,125,599,870</b>	<b>1,466,270,237</b>
<i>Equity</i>						
Authorised share capital	1,300,000,000	1,300,000,000	1,300,000,000	1,300,000,000	1,300,000,000	1,300,000,000
Issued and paid-up share capital	1,300,000,000	1,300,000,000	1,300,000,000	1,300,000,000	1,300,000,000	1,300,000,000
Share premium on ordinary shares	3,515,423,218	3,515,423,218	3,515,423,218	3,515,423,218	3,515,423,218	3,515,423,218
Surplus on share-based payment transactions	56,079,360	56,079,360	56,079,360	56,079,360	56,079,360	56,079,360
Retained earnings - Appropriated	130,000,000	130,000,000	130,000,000	130,000,000	130,000,000	130,000,000
Retained earnings - Unappropriated	1,229,312,607	1,332,541,441	1,272,008,397	1,088,832,201	1,249,122,281	1,303,741,136
Other components of equity	(39,841,265)	(55,368,269)	(53,153,382)	-	-	-
<b>Total equity</b>	<b>6,190,973,920</b>	<b>6,278,675,750</b>	<b>6,220,357,593</b>	<b>6,090,334,779</b>	<b>6,250,624,859</b>	<b>6,305,243,714</b>
<b>Total liabilities and equity</b>	<b>7,106,269,622</b>	<b>7,404,550,830</b>	<b>7,686,943,314</b>	<b>7,005,255,271</b>	<b>7,376,224,729</b>	<b>7,771,513,951</b>

## 4.5.2 Statement of Comprehensive Income (Unit: baht)

Statement of comprehensive income	Consolidated Financial Statement			Separate Financial Statement		
	Year 2021	Year 2020	Year 2019	Year 2021	Year 2020	Year 2019
<b>Revenues</b>						
Revenue from sale of goods	5,228,257,626	5,099,295,620	5,334,214,185	5,227,962,939	5,033,094,376	5,383,612,316
Interest income	161,248	251,177	572,214	160,219	338,809	5,511,184
Other income	22,346,396	8,416,597	12,926,637	22,346,396	10,816,597	11,926,637
<b>Total revenues</b>	<b>5,250,765,270</b>	<b>5,107,963,394</b>	<b>5,347,713,036</b>	<b>5,250,469,554</b>	<b>5,044,249,782</b>	<b>5,401,050,137</b>
<b>Expenses</b>						
Cost of sale of goods	4,220,879,694	4,093,604,098	4,342,955,066	4,220,673,877	4,044,991,604	4,394,520,472
Distribution costs	277,021,979	292,950,334	407,172,517	277,017,893	289,970,708	407,172,367
Administrative expenses	168,345,899	165,222,892	169,436,812	166,370,569	240,300,272	206,725,430
Finance costs	2,633,022	13,930,954	36,865,118	2,633,022	13,930,954	36,865,118
<b>Total expenses</b>	<b>4,668,880,594</b>	<b>4,565,708,278</b>	<b>4,956,429,513</b>	<b>4,666,695,361</b>	<b>4,589,193,538</b>	<b>5,045,283,387</b>
Share of profit of joint venture accounted for using equity method	58,950,763	27,953,027	(29,773,367)	-	-	-
<b>Profit before income tax</b>	<b>640,835,439</b>	<b>570,208,143</b>	<b>361,510,156</b>	<b>583,774,193</b>	<b>455,056,244</b>	<b>355,766,750</b>
Tax expense	(94,064,273)	(54,675,099)	45,940,654	(94,064,273)	(54,675,099)	45,940,654
<b>Profit for the year</b>	<b>546,771,166</b>	<b>515,533,044</b>	<b>407,450,810</b>	<b>489,709,920</b>	<b>400,381,145</b>	<b>401,707,404</b>
<b>Other comprehensive income</b>						
<i>Item that will be reclassified subsequently to profit or loss</i>						
Exchange differences on translating foreign operations	15,527,004	(2,214,887)	(7,859,745)	-	-	-
	<b>15,527,004</b>	<b>(2,214,887)</b>	<b>(7,859,745)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i>Items that will not be reclassified subsequently to profit or loss</i>						
Gain on remeasurement of defined benefit plan	-	-	352,366	-	-	352,366
Income tax relating to item that will not be reclassified subsequently to profit or loss	-	-	(70,473)	-	-	(70,473)
	<b>-</b>	<b>-</b>	<b>281,893</b>	<b>-</b>	<b>-</b>	<b>281,893</b>
<b>Other comprehensive income for the year, net of income tax</b>	<b>15,527,004</b>	<b>(2,214,887)</b>	<b>(7,577,852)</b>	<b>-</b>	<b>-</b>	<b>281,893</b>
<b>Total comprehensive income for the year</b>	<b>562,298,170</b>	<b>513,318,157</b>	<b>399,872,958</b>	<b>489,709,920</b>	<b>400,381,145</b>	<b>401,989,297</b>
Earnings per share						
Basic earnings per share	<b>0.42</b>	<b>0.40</b>	<b>0.31</b>	<b>0.38</b>	<b>0.31</b>	<b>0.31</b>

## 4.5.3 Statement of Cash Flow (Unit: baht)

Statement of cash flows	Consolidated Financial Statement			Separate Financial Statement		
	Year 2021	Year 2020	Year 2019	Year 2021	Year 2020	Year 2019
Net cash from operating activities	1,057,084,177	1,196,005,411	932,023,534	1,059,402,055	1,177,863,438	856,836,804
Net cash used in investing activities	(137,393,958)	(223,858,047)	(202,435,833)	(137,394,987)	(169,701,922)	(148,428,370)
Net cash used in financing activities	(896,255,378)	(1,051,961,360)	(746,462,645)	(896,255,378)	(1,051,961,360)	(746,462,645)
Net increase (decrease) in cash and cash equivalents	23,434,841	(79,813,996)	(16,874,944)	25,751,690	(43,799,844)	(38,054,211)

## 4.5.4 Summary of Key Financial Ratios

Ratios	Consolidated Financial Statement		
	Year 2021	Year 2020	Year 2019
<b>Liquidity Ratios</b>			
Liquidity Ratio (Times)	2.4	1.9	1.3
Quick ratio (Times)	1.6	1.2	0.8
Cash flow current ratio (Times)	1.3	1.2	0.8
A/R Turnover (Times)	5.9	6.4	7.0
Avg. Collection Period (Days)	61.8	57.0	51.8
Inventory Turnover (Times)	7.5	7.2	7.2
Avg. Inventory Period (Days)	48.5	50.7	50.5
A/P Turnover (Times)	12.9	14.0	13.1
Avg. Payment Period (Days)	28.2	26.1	27.8
Cash Cycle (Days)	82.1	81.6	74.5
<b>Profitability Ratios</b>			
Gross profit margin	19.3%	19.7%	18.6%
Operating profit margin	10.7%	10.7%	7.8%
Other profit margin	11.2%	10.9%	8.0%
Cash to profit margin	188.1%	218.5%	224.8%
Net profit margin	10.5%	10.1%	7.6%
Return On Equity (ROE)	8.8%	8.2%	6.7%
<b>Efficiency Ratios</b>			
Return On Assets (ROA)	7.5%	6.8%	5.1%
Return on fixed assets	22.4%	19.8%	16.3%
<b>Financial Policy Ratios</b>			
Debt to Equity ratio	0.15	0.18	0.2
Interest coverage ratio	222.0	39.9	11.6
Dividend payout	118.9%	126.1%	111.7%
<b>Per Share Data</b>			
Book value	4.8	4.8	4.8
Earning per share	0.42	0.40	0.31

## 5. General and other important information

### 5.1 General information of the company

➤ <b>Company name</b>	Ichitan Group Public Company Limited ("the Company" or "Ichitan")
➤ <b>SET Index</b>	SET/SET CLMV
➤ <b>International Index</b>	MSCI Index (Morgan Stanley Capital International)
➤ <b>Securities Symbol</b>	ICHI
➤ <b>Company registration no.</b>	0107556000485
➤ <b>Registered capital</b> (As of December 31, 2021)	1,300,000,000 Baht (one thousand three hundred million baht) Divided into ordinary shares 1,300,000,000 shares (one thousand three hundred million shares) Par value 1.00 baht per share
➤ <b>Industry</b>	Agro & Food Industry
➤ <b>Sector</b>	Food and Beverage
➤ <b>Type of business</b>	A manufacturer and distributor of ready-to-drink green tea, Ichitan Green Tea. Ichitan Herbal Drinks and NonTea Group Drinks.
➤ <b>Head office location</b>	No.8 T-One Building, 42nd - 44th Floor, Soi Sukhumvit 40, Phrakhanong Subdistrict , Klongtoey District, Bangkok -10110 Telephone +662-023 1111 Fax +662-020 3999
➤ <b>Factory location</b>	Ichitan Group Factory, Rojana Industrial Park, Zone 3 No. 111/1, Moo 4, Uthai Sub-district, Uthai District, Phra Nakhon Si Ayutthaya Province-13210 Telephone 035-276-1111 Fax 035-276123
➤ <b>website</b>	<a href="http://www.ichitangroup.com">www.ichitangroup.com</a>
➤ <b>Company secretary</b>	Miss Jinda Songrod
➤ <b>Email:</b>	<a href="mailto:ir@ichitangroup.com">ir@ichitangroup.com</a>

#### ● Subsidiary Company

<b>Company name</b>	<b>Ichitan Power Company Limited</b>
Business	Conducting business selling products all types of beverages, both domestic and international
Office location	No. 8 Building T One, 42nd - 44th Floor, Soi Sukhumvit 40, Phrakhanong Subdistrict Klongtoey District, Bangkok -10110
Telephone	+662 023 1111
Registered capital	1,000,000 baht
Paid-up capital	1,000,000 baht
Shareholding structure	Ichitan Group Public Company Limited holds 99.99% of the shares. (mutual directors)

- **General information of associates**

Company name	PT Ichitan Indonesia
Company registration number	4014112536103886
Type of business	a manufacturer and distributor of ready-to-drink beverages under the Ichitan brand, only in Indonesia.
Office location	Jl. MH. Thamrin No.9, Kel. Cikokol, Kec. Tangerang, Tangerang 15117, Banten
Phone number	021-55755951
Registered capital	682,500 Indonesian Rupiah million (approximately 1,806.9 million baht): As of December 31, 2021
Capital issued and fully paid	480,000 Indonesian Rupiah million (approximately 1,270.8 million baht): As of December 31, 2021

## 5.2 Reference details

Securities Registrar:	Thailand Securities Depository Company Limited The Stock Exchange of Thailand Building, 93 Ratchadaphisek Road, Din Daeng, Bangkok -10400 Telephone +662-009-9000 Fax +662-009-9991
Certified Public Accountant:	KPMG Phoomchai Audit Company Limited No. 1 Empire Tower, 50th – 51st Floor, South Sathorn Road Yannawa, Sathorn, Bangkok -10120 Telephone +662-677-2000
Auditor's Name	1. Miss Nareewan Chaibantad, Certified Public Accountant No. 9219
(As of December 31, 2021)	2. Miss Sujitra Masena, Certified Public Accountant No. 8645
	3. Mr. Yoottapong Soontalinka Certified Public Accountant No. 10604

## 5.3 Business legal disputes

As of December 31, 2021, Ichitan Group Public Company Limited and its subsidiaries have no pending legal dispute. This may have an impact on the assets of the Company which is higher than 5% of the shareholders' equity. And there are no conflicts that affect to the business operation of Ichitan Group Public Company Limited.

## Section 2 Corporate Governance

### 6. Corporate Governance Policy

The Board of Directors of Ichitan Group Public Company Limited and its subsidiaries (the Company) attach great importance to the principles of good corporate governance and is determined to continuously develop corporate governance to become an efficient organization to develop good business management by focusing on creating maximum benefits for shareholders, stakeholders, society and reducing environmental impacts including adherence to virtue Business ethics with complete, accurate, transparent and verifiable disclosure of information which has been prepared as “Good Corporate Governance Policy” which Corporate Governance Committee is responsible for ensuring that all directors, executive committees, executives and employees comply with the rules and regulations of the SEC, the Company's Articles of Association, The Stock Exchange of Thailand, Public Company Act including other relevant laws. “Good Corporate Governance Policy” of the Company in the Board of Directors Meeting No. 6/2013 dated June 17, 2013 and in the Board of Directors Meeting No. 6/2018 held on December 12, 2018 according to the announcement No. No. 023/2018 dated December 12, 2018, Subject: Good Corporate Governance Principles. In addition, at the Board of Directors Meeting No. 7/2020 dated December 16, 2020, there was a resolution to approve the improvement of "Principles of good corporate governance" to be appropriate in accordance with the current situation and disclosed on the Company's website under the heading “Compliance with Good Corporate Governance Principles”, with the corporate governance policy to cover 5 important principles as follows:

- Section 1 Right of Shareholders
- Section 2 Equitable Treatment of Shareholders
- Section 3 Roles toward Stakeholders
- Section 4 Information Disclosure and Transparency
- Section 5 Responsibilities of the Board of Directors

#### 6.1 Overview of Policies and Practices on Corporate Governance

##### 6.1.1 Policies and Guidelines for the Board of Directors

The Board of Directors attaches great importance to good corporate governance by focusing on the operation of the business in a transparent and fair manner in accordance with the relevant regulations and laws as well as giving importance to the internal audit and control system, risk management and adequate disclosure of information covering all aspects of the economy, society and environment will contribute to continuous and sustainable growth of the business and adding value to shareholders and stakeholders under the framework of law and business ethics. The Board of Directors has reviewed and improved the corporate governance policy in the organization in accordance with good corporate governance principles for listed companies 2017 (CG Code 2017) at least once a year through the proposing from the Corporate Governance Committee. The objective is to improve the Company's corporate governance policies and appropriate practices in accordance with the situation and business environment according to the guidelines of the SEC and the Stock Exchange of Thailand or relevant regulatory agencies as well as a summary of the policies that



the company has not been complied with due to the inappropriateness of the Company's circumstances along with clarification of reasons and replacement measures A report has been prepared and recorded as the resolution of the Board of Directors' meeting every time to consider finding a suitable solution.

### **1.) Composition, Qualifications and Appointment of the Board of Directors**

The establishment of the Board of Directors under the leadership of the Chairman is in accordance with the principles of good corporate governance, based on experience, skills, expertise and knowledge. The Company has reviewed the Board Skill Matrix for determining the diversity of the Board in accordance with the Company's business strategy. However, each director has a term of 3 years position.

### **2.) Independence of Directors**

The board shall involve in opinion expressing, voting, and decision making on business operation independently and transparently. The independence of the Board must be emphasized on the shareholders benefits and commons interests.

### **3.) Authorities, Duties and Responsibilities of the Board of Directors**

The Board of Directors plays a role in determining the direction of the company for stable and sustainable growth. The decisions and responsibilities of the Board of Directors must be cautious, honest and professional which is based on the principles of good corporate governance. *(Please refer the information in "Sub-clause 7.2 Information of the Board of Directors")*

### **4.) Responsibilities of the Board of Directors**

The Board of Directors plays an important role in determining a good corporate governance, Anti-Corruption policy, sustainable development policy, and business ethics in order to achieve the best benefit of the company. The Board of Directors consists of persons with knowledge, abilities, skills and experiences from various fields of occupation that are nationally recognized and have a good understanding of their roles and responsibilities. It also plays an important role in formulating the Company's policies together with the Executive Committee and high-level executives in setting vision, mission, risk management, action plans, and the annual budgets. To ensure that the strategy preparation and the annual plans will consistent with the Company's main objectives and goals, the Company has analyzed the environment challenges and opportunities that affect business operations to come out as strategic objectives and key strategies for both short-term and long-term. Moreover, the Company has disclosed a policy on responsibilities of the Board of Directors in *"Topic 7. Corporate Governance Structure and Importance Information of Board of Directors, Sub-Committee, Executives, Employees, and Others"*.

### **5.) Establishment of Sub-Committees**

In order to have a careful and efficient scrutiny of important operations the Board of Directors therefore approved the establishment of 5 Sub-Committees, namely the Audit Committee, Risk Management Committee, Nomination and Remuneration Committee, Governance Committee, and the Board of Directors. *(Please refer to "Sub-clause 7.3 Information of the Sub-Committees")*

### **6.) Board of Directors Meetings and Receipt of Relevant Documents and Information**

The Board of Directors has formally scheduled meetings of the Board of Directors throughout the year in advance. In which each meeting will have a clear meeting agenda for both acknowledgment agenda and consideration agenda with the complete and sufficient documents related to the meeting. The Office of the President and the Office of Company Secretary is responsible for delivering the relevant documents for the meeting to the Board of Directors at least 7 days in advance, so that the Board of Directors

has enough time to review the information before attending the meeting. During the meeting, the Chairman of the Board has allocated an appropriate timing to all directors in order to discuss and express their opinions openly. In addition, the Chairman also has an obligation to collect opinions and conclusions from the meeting, and has the secretary preparing the minutes of the meeting. *(Please see the Number of Meeting Attendances in “Sub-clause 8.1.2 Meeting Attendance and Individual Directors’ Compensation”)*

#### **7.) The Committees’s Reports**

The Audit Committee is responsible for reviewing financial reports with the accounting department and the auditor together. The financial report is presented to the Board of Directors quarterly. The Board of Directors is responsible for the Company's financial statements; including financial information appearing in Form 56-1 One Report. Such financial statements are prepared in accordance with accounting standards certified and audited/reviewed by the Company's auditors and will proceed with disclosing important information, both financial and non-financial information on the basis of facts in a complete and consistent manner. Additional information is disclosed in *“Attachment 6 Report on the responsibility of the Board of Directors towards Financial Statements and other Sub-Committees”*.

#### **8.) Evaluation of the Performance of the Board of Directors**

There is an annual performance appraisal to be a framework for reviewing the performance of the Board of Directors and considering, reviewing, analyzing the operating results and used to improve the work further. (Please refer to *“Sub-clause 8.1.1 Nomination, Development and Performance Assessment of the Board of Directors”*).

#### **9.) Remuneration of Directors and Executives**

The Board of Directors has appointed the Nomination and Remuneration Committee to provide opinions and consider the individual directors’ compensation and chief executive officer annually. The remuneration policy is clearly defined, transparent, and appropriate to the duties and responsibilities of each director and executive. The remuneration is a long-term incentive return that is consistent with the Company's performance by taking into account the best interests of the Company and its shareholders, the Board of Directors will propose the remuneration rate for approval from the Annual General Meeting of Shareholders. (Please refer to *“Sub-clause 7.4.2 Remuneration of Directors and Executives”*).

#### **10.) Company Secretary**

The board appoints a Company Secretary, responsible for arranging board meetings and the shareholder’s meeting to ensure that they are organized in a transparent way and in compliance with applicable law and regulations. (Please refer to *“Sub-clause 7.6.1 Company Secretary”* and *“Attachment 1 Details of Company Secretary Profile”*).

#### **11.) Succession Plan**

The Board of Directors realizes the importance of the Company's management in an efficient and effective way as well as continuing business operations that will lead to sustainable growth and advancement of the organization. Therefore, the Board of Directors has formulated a succession plan for the President of Management, Chief Executive Officer, and Senior Executives by determining the procedure and process of succession plans of the company in future. Each year, the Company will be considered for promotion according to the specified criteria evaluated by the performance indicators (KPIs). However, the Company has a succession plans, a development plans to enhance operational efficiency through knowledge and technology transfer to relevant personnel in order to support the human resource department for driving perform duties as assigned in accordance with the vision and the organization's mission in the last 5 years.

## 12.) Directors' Development

Board of Directors has a policy on directors and executives' encouragement to participate in seminars and training in order to develop knowledge in all areas in order to continuously develop the operation and increase the potential of corporate governance. (Please refer to "Sub-clause 8.1.1 Nomination, Development and Performance Assessment of the Board of Directors").

### 6.1.2 Policy on Serving as Directors in Other Companies of Directors and Chief Executive Officer (CEO)

#### 1.) Policy on Serving as Directors in Other Companies of Directors

Each director of the Company is able to hold a directorship position in other listed companies of the SET not more than 3 listed companies, including Ichitan Group Public Company Limited (without exception, in order to achieve the efficiency of time devoting in performing their duties as the Company's directors fully

#### 2.) Policy on Serving as Directors in Other Companies of Chief Executive Officer (CEO)

- 2.1) The Chief Executive Officer (CEO) can hold directorships in other listed companies of the SET, including Ichitan Group Public Company Limited not more than 3 listed companies (without exception).
- 2.2) The directorship of the Chief Executive Officer (CEO) in other companies must not be a competing/related entity or causing a conflict of interest with the Company, and must not be contrast with the regulations or rules of other related. The Chief Executive Officer (CEO) must notify the Board of Directors within 7 days from the date of appointment or the directorship date.

### 6.1.3 Policy and Guidelines Related to Shareholders and Stakeholders

#### 1.) Shareholders' Rights

The Board of Directors realizes the importance and rights of all shareholders such as minority shareholders, major shareholders small investors, institutional investor, domestic and foreign investors, with the intention of promoting and supporting, the shareholders exercise their rights. In addition, the Company has set policies and guidelines for various matters that promotes and facilitates Convenience in exercising the rights of shareholders as follows:

The Company provides information on the date, time, venue and agenda of the meeting, this includes all information relating to matters that have to be decided at the shareholders' meeting in advance in sufficient and timely manner and inform the shareholders of the rules used in the meeting voting procedure including the dissemination of such information on the Company's website, the Stock Exchange of Thailand's website and newspapers in advance of delivery of documents. This is to allow the shareholders to have sufficient time to study the information supporting the meeting before receiving the information in document form from the Company. The Board of Directors has a resolution to hold the Annual General Meeting of Shareholders once a year within 4 months after the end of fiscal year. In 2021, the Coronavirus 2019 has been spread all over the world, causing the Company unable to organize the physical meeting. However, with the realize of the Board of Directors to the shareholders, the 2021 Annual General Meeting of Shareholders was finally organized via an electronic (E-AGM: Single system) under the the Royal Decree on Teleconferences through Electronic Means B.E. 2563 (2020) and related laws, which hold on April 27, 2021, at 2:00 p.m, by broadcasting live from the Company's headquarters meeting room, Bangkok. At every annual general meeting of shareholders annual, the Company has followed the guidelines of Shareholder Meeting quality assessment program (AGM Checklist) by the Thai Investors Association Thai Listed Companies Association and the SEC in accordance with the procedures of the AGM Checklist

that conduct by The Thai Investors Association, The Thai Listed Companies Association and the Security and Exchange Commission (the SEC) Also, the 2021 AGM Checklist assessment result of the Company had ranked in “100 points” four years consecutive.

#### (1) Organizing the Shareholders' Meetings

According to the Board's resolution no. 2/2021 on February 25, the 2021 Annual General Meeting of Shareholders was held by broadcasting live at the Company's headquarters meeting room, Bangkok, where all meetings are held via electronic media, with shareholders or proxies who intend to attend and confirm their identity according to the process that the Company has disseminated through the Company website and the invitation letter sent to all shareholders, when the Company has reviewed complete information according to the rules about the general meeting of shareholders, the Company will send the username and password will be sent to the shareholders or proxies in advance of the meeting date, according to the channel that has been requested, on the day of the meeting, the Company does not provide any venue or registration onsite. The shareholders or proxies can only register via the E-AGM system that the company has already informed. Shareholders who do not wish to attend the meeting can still exercise their rights through "Independent Director" that the Company has proposed as a representative of the shareholders to attend the meeting as well.

The Company has informed the schedule and agenda for the meeting. Shareholders informed through the news system of SET Link 62 days in advance before the meeting date And published the invitation letter for the meeting With relevant documents in particular Proxy form " B" is posted on the Company's website [www.ichitangroup.com](http://www.ichitangroup.com) in the section "Invitation to the Meeting of Shareholders" section of "Shareholders Meeting" in both Thai and English languages 42 days before the meeting date (March 16, 2021) and the website of SET This is to allow the shareholders to have sufficient time to study the information supporting the meeting in advance. After that, the Company assigned Thailand Securities Depository Co., Ltd. (TSD), the Company's securities registrar, to deliver the invitation letter in the form of documents containing the same information as appeared on the website with shareholders 21 days prior to the meeting date, with the invitation letter specifying the objectives and reasons opinion of the Board of Directors opinion of the sub-committees and voting on each agenda item, rules and manual methods for attending the meeting via electronic media (E-AGM), together with the annual report (QR CODE), proxy form, information on directors' remuneration and other documents. The details are complete and sufficient for shareholders' consideration. In addition, the notice of the meeting was published in the daily newspaper 33 days before the meeting date and posted 3 consecutive days as required by law. For institutional investors in order to facilitate attending the general meeting ,the Company has prepared documents for the proxy form as requested to institutional investors, and foreign investors through Investor Relations E-mail: [ir@ichitangroup.com](mailto:ir@ichitangroup.com) to be ready before the meeting date, this is for the convenience of early registration to attend the meeting. In addition, an independent director has been appointed as a proxy for the shareholders in the event that a shareholder wishes to appoint an independent director to attend the meeting instead. Shareholders can choose to appoint any other person as a proxy or to be an independent director appointed to attend the meeting instead.

#### (2) Arrangement in the 2021 Annual General Meeting of Shareholders

On the day of the Annual General Meeting of Shareholders via Electronic Media (E-AGM) on 27 April 2021 at 2:00 PM. Shareholders or proxies can access the E-AGM system from 12:00 noon and after the quorum is complete, the meeting will begin at 2:00 p.m., the Company uses an electronic voting system of service providers, which is Conovance Co.,ltd, which has passed self-assessment with the Electronic Transactions Development Agency (ETDA) by the voting system,score processing and showing results in each agenda

can be done accurately, quickly, within 2 seconds and has shown the voting results when the processing is closed to acknowledge each agenda, and if shareholders or proxies wish to inquire of the Board of Directors of the E-AGM System can show both video and sound (Virtual Meeting) as well. However, after the scheduled time for the meeting has been opened, the shareholders or proxies still have the right to attend the E-AGM system without losing their rights by voting on the agenda pending and not having a resolution yet. In case that shareholders or proxies have logged out (logout) during the meeting, if they wish to return to the system, they can still log in (login) and still be able to use the E-AGM system and vote for the agenda that is still being considered and no vote has been made as usual until the end of the meeting, the Company grants shareholders the right to vote one share per one vote and in the agenda of appointment of directors, the Company gives shareholders the right to vote for appointment of directors individually throughout the meeting, the Chairman of the Board of Directors provides opportunities for shareholders or proxies to inquire throughout the meeting. And when the meeting began Chairman of the Board of Directors, Chairman of sub-committees, all directors, Senior Executives, Chief Financial Officer (CFO), the Company Secretary, Auditor representatives from KPMG Phoomchai Audit Company Limited (“KPMG”) and the Company's legal advisor attended the meeting. And before the commencement of the meeting, the Chairman of the Board of Directors informed the proportion of shareholders and proxies, quorum, meeting methods ballot, and counting votes at the same time, the Company's Board of Directors has a policy not to add any agenda that may did not notify in advance on the meeting date. *(Details of the meeting procedures are disclosed in the minutes of the 2021 Annual General Meeting of Shareholders)*

## **2.) Equitable Treatment of Shareholders**

The Board of Directors provides equal opportunities for all shareholders, including large, minor, foreign shareholders; to shareholders equally, the details are as follows:

- (1) The Company's Board of Directors has a policy to facilitate minority shareholders to propose additional agenda items and nominate candidates for election as directors in advance of the shareholders' meeting date to the shareholders through the SET's news system (SET.or.th) and the Company's website in year 2021, during October 1, 2021 - December 31, 2021, that no shareholder proposes an agenda or person to elect directors during the said period.
- (2) The Board of Directors will not add an agenda that is not notified in advance unnecessarily, especially the important agenda that shareholders, it takes time to study the information before making a decision.
- (3) The Board of Directors nominates at least one independent director as an alternative to shareholders and / or any other person to be a proxy for the meeting. Proxy form in the form specified by the Ministry of Commerce together with the meeting invitation letter every time (Form A / Form B / Form C).
- (4) Connected transactions, the Company has operated fairly in accordance with the market price and the law and in the normal course of business. (Fair and at arms' length) with the approval of the Audit Committee.
- (5) All shareholders such as major shareholders, minor shareholders, Institutional investor, general investor, foreign investors and analysts able to make suggestions, comments or inquires directly to the executives in the Opportunity Day / Analyst Meeting / Group Meeting, etc.
- (6) The Company has established the Investor Relations and Risk Management Department as a center that responsible for the disclosure of information in accordance with the rules of listed companies via Email: [ir@ichitangroup.com](mailto:ir@ichitangroup.com) and Tel 662-0231111.

- (7) The Board of Directors has established a written policy on retention and prevention of the use of inside information and notifying the policy to directors, executives and all employees in the organization for acknowledgment and compliance, and requiring all directors and executives who are responsible for reporting their securities holdings under the law to submit such reports to the Company at least 1 day before trading securities, the company secretary will report to the Board of Directors meeting on a quarterly basis. The additional information refer to *“Sub-clause 8.1.4 Corporate Governance Policy and Guideline Compliance Control – The Use of Inside Information”*.

### 3.) Roles toward Stakeholders

Board of Directors has a policy to treat stakeholders and take into account the rights of both internal and external stakeholders of the company, this includes protecting and preserving the rights of all stakeholders fairly and legally, and paying attention to respect for human rights, fair labor practices which responsible for consumers and adhere to conducting business with honesty Transparent and anti-corruption in all forms Along with caring for the environment and taking part in the development of the community or society. The Board of Directors has clear policies and operational guidelines for dealing with stakeholders by do not discriminate. The Company has an independent audit committee to consider and examine information in accordance with the procedures set by the Company, which can summarize the importance of the rights of all stakeholders concerned as follows:

- **Client:** Focus on the customers to get the most benefits and satisfaction with the focus on taking care of customers in every group and offering products with quality and standards, it also realizes the benefits and values that customers will receive from products and services, and sets a policy on fair and responsible customer practices in "Ethics and Business Conduct"
- **Shareholder:** Focus on developing the organization to grow with efficiency, transparency, and create fair and appropriate returns Shareholders by implementing good performance and expanding the business for continuous and sustainable growth with an effective internal control system and internal audit and risk management system. Treat shareholders equally, provide timely, accurate and complete information on the Company's ethics and business ethics.
- **Staff:** To continually develop employee potential and encourage employees to have opportunities for progress and stability. Including treating employees equally and provide fair and appropriate compensation based on their knowledge, ability and performance as measured by performance or achievement indicators (KPIs). "Sustainable Development Report"
- **Business partners and creditors:** The Company has a policy of taking into account equality in business operations and mutual benefits with trade partners and creditors, where the selection of trade partners must be based on fairness. Aim to build trust Good relationship and cooperation As for the creditors, the company adheres to the contract and adheres to the conditions that it has with the creditors primarily In the repayment of principal, interest, management and custody of various collaterals, there is a policy to comply with the conditions provided to all types of trade partners and creditors, which will be under the conditions that have been agreed in the contract. Including the rules and regulations required by law causing a good relationship Business, which will benefit all parties sustainably. The company has never had a record of default on debt repayment.
- **Partners and competitors:** The Company treats its business partners and competitors fairly and maintains confidentiality in accordance with relevant rules and laws. Adhere to a good competitive framework In order to maintain the norms of the code of conduct in the competition including not seeking dishonest and unfair information from business partners and competitors.

- **Intellectual property or copyright:** The Company pays attention to no infringement of intellectual property or copyright. It is a clear written policy and practice that is communicated, monitored, supervised and examined to prevent any infringement of intellectual property or copyright. The information is disclosed in "The 2021 Sustainability Report".
- **Community, Society and Environment:** To adhere to conducting business with social and environmental responsibility, being careful in actions that will affect the community. Society and Environment And pay attention to the care of the environment as well Which will conduct business ethically And provide support for various activities Supporting and creating society as appropriate, as well as taking responsibility and taking care not to have any impact. As well as promoting employees to have a consciousness and social responsibility. The company will comply with the requirements of laws and regulations. Related To ensure the rights of stakeholders are well maintained, information is disclosed in "The 2021 Sustainability Report".

The company is aware of all stakeholders who are part of the success and sustainable growth of the company. Board of Directors and Corporate Governance Committee Has established guidelines covering rights and the benefits that stakeholders should receive thoroughly. The Company has provided a channel for stakeholders to send opinions or suggestions which will benefit the company, which are detailed in the details. "Good Corporate Governance Principles" by publishing the mentioned policy on the Company's website at <http://www.ichitangroup.com> On the topic of "Good Corporate Governance" including " The 2021 Sustainability Report ", according to international standards, GRI and UN Sustainable Development Goals, a separate volume 56-1 One Report for reporting and disclosure. The Company's economic, social, environmental and governance (ESG) operations are also acknowledged by shareholders, investors, stakeholders, disclosed in of "The 2021 Sustainability Report" of Sub-clause "Roles toward Shareholders".

- ✓ Promote efficient and cost-effective use of resources by requiring employees to take care and work with safety and environmental concerns. Encourage stakeholders such as employees and executives of the Company to participate in community and social development. And continues to uphold and develop our practice towards stakeholders by disclosing accident statistics, strike rate and occupational sickness rates are disclosed in "The 2021 Sustainability Report".
- ✓ Established human resource development policies and guidelines. And reveal the average number of training hours of employees per year disclosed in "The 2021 Sustainability Report".
- ✓ The company operates its business with social responsibility, taking into account the promotion and development of the quality of life of the disabled under Section 33 and Section 35 in accordance with the Promotion and Development of the Quality of Life of the Disabled Act B.E. "The 2021 Sustainability Report"
- ✓ Established other policies such as anti-corruption policy. Policy not to deal with all forms of human rights violations. Fair treatment of customers, competitors, trade partners, creditors, non-infringement of intellectual property and copyright, disclosed in "Sustainable Development Report 2021 " [http://www.ichitangroup.com/investor.php/sustainability\\_report](http://www.ichitangroup.com/investor.php/sustainability_report)
- ✓ Establish policies and guidelines on anti-corruption measures. Regarding the receiving and giving of things or benefits of any other means to induce them to act in a wrong way causing conflict. The guidelines are disclosed and the risk of corruption is also disclosed in the guideline manual. "Anti-Corruption" [http://www.ichitangroup.com/investor.php/anti\\_corruption](http://www.ichitangroup.com/investor.php/anti_corruption)
- ✓ Training evaluation, average number of employee training hours per year, 8 hours / person / year, which is more than the threshold set by the labor law at 6 hours / person / year.



#### 4.) Information Disclosure and Transparency

The Board of Directors gives importance to the disclosure of the Company's information, both financial and disclosure information. It is not accurate and complete financial information. In accordance with the disclosure regulations of the SEC and the SET By disclosing various channels such as Annual Registration Statement (Form 56-1 One Report) / Sustainable Development Report (SD Report) / SET linkage system / Company's website [www.ichitangroup.com](http://www.ichitangroup.com) as follows:.

- (1) Disclose information according to the specified criteria and the law in both Thai and English.
- (2) Disclose "Good Corporate Governance Policy", "Business Ethics", "Investor Relations Code" approved by the Board of Directors, which summarized in the results of the implementation of the mentioned policy.
- (3) The Board of Directors is responsible for the Company's financial statements and financial information. Company's financial statements Has been unconditionally certified by the auditor. And there is no history of being ordered to amend the financial statements from the Stock Exchange of Thailand and the Securities and Exchange Commission.
- (4) The scope of duties of the Board of Directors and the sub-committees are defined. And the number of meetings, and the number of times each director attended the meeting in the past year, and opinions from their duties.
- (5) Disclosure of remuneration for directors and top management that reflects duties and responsibilities by disclosing criteria. Remuneration for directors and management is clearly stated which can see details in the topic "Remuneration for Directors and Executives" in the Annual Registration Statement, Form 56-1 One Report.
- (6) Delivery of financial reports Discussion and Analysis of Financial Position and Operating Results (MD&A) to the Stock Exchange of Thailand and the Securities and Exchange Commission within the specified time.
- (7) Appoint an independent auditor. And reliable By being an auditor approved by the SEC.
- (8) The Board of Directors places great emphasis on the policy that directors, executives and employees do not take opportunities from being directors, executives or employees to seek personal benefits. As defined in the manual "Business Ethics" is the code of conduct for directors, executives and employees of the Company and its subsidiaries. To avoid making any connected transactions that this may cause a conflict of interest with the Company and its subsidiaries. In the event that such transactions are necessary, they must be made with prices and conditions similar to transactions with third parties, including directors, executives and those who have interests in such transactions must not participate in the approval. If any transaction is considered a connected transaction under the SEC announcement, the Stock Exchange of Thailand and related laws.

##### • Investor Relations

The Board of Directors has established an Investor Relations Department that operates under "Investor Relations Code of Conduct" and is the center to care about the disclosure of the Company's information to shareholders, investors, institutional investors, analysts and the general public who are interested in the Company's securities equally and fairly. The company has disclosed information About the Company and its subsidiaries in both Thai and English.

The operating results, financial statements, Company's news, securities information, securities activities, annual report (form 56-1 One Report), and other information related to investors have been disclosed on the Company's website in the investor relations section. The information is updated in real time following to the Company's announcement to publicity. Furthermore, the Executives play important roles to involve and participate in all investor relation's activities including; Analysts Meeting,



Opportunity Days, AGM, and Othets, which foster good relationships, promote good corporate governance, and interaction of opinion expressing to Company' performance. Therefore, the Company can continuously develop the business from the investors' suggestions and perspectives.

In 2021, the Company has disclosed information in both financial form. and information that is not financially reported by the Company It will report information to be reported according to accounting periods and important information according to events and as required by law. and in accordance with generally accepted accounting standards In the past, the company never had a history of being ordered to amend the financial statements and able to submit financial reports in accordance with the law, both quarterly and annually. At the same time, the Company discloses non-financial information in accordance with the requirements of relevant laws correctly, completely, timely and transparently. Through the channels of the Stock Exchange of Thailand and the Company's website, such information is constantly updated.

#### IR Activities organized to Shareholders, Investors, and Analysts in the year 2021

No.	Activities	Times
1	The 2021 Annual General Meeting of Shareholders via Electronic Media (E-AGM) (On April 27, 2021)	1 Time
2	Disclosure of information through the Stock Exchange of Thailand (SET Link) news system	23 Items
3	The Opportunity Day events organized via Microsoft Team by SET <a href="https://www.set.or.th/streaming/vdos-oppday#/vdo/2352?title=Opp%20Day">https://www.set.or.th/streaming/vdos-oppday#/vdo/2352?title=Opp%20Day</a>	2 Times
4	Analyst Meeting and Investor Group Meeting: Retail / Institutional Investors Group Via Virtual Meeting	2 Times
5	Answered the questions from investors and shareholders via email, on the website, and on the phone, of which the answers to all are based on the appropriateness under the principles of equality of information.	
6	The Company has the Corporate Communication Department, who is responsible for issuing press releases and press releases about the Company all year round.	

Note: For further information, please refer to the Company's website in "Investor Relation section" (<http://www.ichitangroup.com/investor.php>) and SET website.

Regarding the channel to contact the company, the investors can contact the company for information during the office hours (Mon-Fri 08:00-17:00).

Contact : Miss Pimrumpa Chanpongsri (Investor Relations and Risk Management Manager) \*

Address : Ichitan Group Public Company Limited No. 8 Building T One Floor 42-44 Soi Sukhumvit 40, Phrakhanong Subdistrict, Klongtoey District, Bangkok 10110.

Telephone : 02-023 1111

Email : [ir@ichitangroup.com](mailto:ir@ichitangroup.com)

Note: \* Miss Pimrumpa Chanpongsri was resigned since December 23, 2021

Miss Piyada Wasintapa has been appointed as Senior Investor Relations and Risk Management since January 10, 2022

## 5.) Anti-corruption

Ichitan Group Public Company Limited (“the Company”) has an ideology of conducting business with virtue, by adhering responsibility to society and all groups of stakeholders in accordance with good corporate governance and the Company's business ethics. The Company continuously provides policies and guidelines to treat various groups of stakeholders, as well as carries out and performs the related activities of anti-corruption in both within the organization and outsides. Furthermore, on August 5, 2019, the Company has been certified the participation in Thailand's Private Sector Collective Action against Corruption (CAC) project with a validity of 3 years (which will be expired on August the 4, 2022). In present, the Company is in the process of certificate renewal.



### Definitions in Anti-Corruption Policy

Corruption means any form of bribery by offering, promise, giving, pledge, claim or receiving inappropriate money, property or any other benefit. With government officials Government agencies, private entities Or those who have duties, either directly or indirectly In order for such person to perform or refrain from performing the duties which in the acquisition or maintenance of business Or to introduce businesses to the Company in particular, or to acquire or maintain any other inappropriate business benefits Unless it is a case where laws, regulations, regulations, and traditions of the local Or the traditions of trade to be able to do.

Corrupt refers to the wrongful exploitation of their duties.Or under the laws of the directors, executives and employees of the Company, the client's and the business partners, or the Company's contractual parties, Personal use of Company assets, misappropriation, misappropriation, fraud, act in a manner thatThere is a conflict of interest, etc., paying corruption or payment of fraudulent benefits, including Any payment, property, or benefit Directly from the company or through customers / partners or third parties.

### Anti-Corruption Measures

#### 5.1) Anti-Corruption Policy

Ichitan Group Public Company Limited (“the Company”) realizes the importance of good corporate governance by adhering to conducting business with honesty, transparency, fairness Responsible and careful under the law relevant regulations and standards The Company Therefore has a commitment to fight against corruption Without agreeing to any fraudulent corruption and requiring the company And people involved in business operations Follow the anti-corruption policy. This covers compliance with all relevant departments to carry out or take any action, with emphasis on transparency and honesty in dealing with transactions with staff. Or agencies in both the public and private sectors To avoid actions that may result in improper conduct and conflict with good management principles. Including anti-bribery To staff for the convenience or benefit of the Company's business In addition, the highest disciplinary action has been established for those committing such offenses and for clarity in proceeding with the high risk of corruption, directors, executives and employees of all levels must act with caution in the following matters:

- Gifts, Entertainment, and Expenses: Giving or receiving the gifts. Entertainment shall be as specified in the code of conduct.
- Charity donation Donations or grants: Giving or receiving donations or grants must be transparent and lawful, or the funds were not used as an excuse for bribery.

- **Business Relationships and Government Procurement:** Do not give or accept bribes in the conduct of any business. The operations of the Company and its subsidiaries and their dealings with the government must be transparent, honest, and operate in a consistent manner. According to the relevant law.

If the company director management and staff refused to comply with this policy, they will receive disciplinary penalties, however, how the punishment will depend on the facts and the surrounding situation At the same time, the company There is no policy to demote, punish, or adversely affect employees who refuse corruption, even if doing so will cause the Company to lose business opportunities.

## 5.2) Political Contribution Policy

Political contributions are financial support, supplies and / or participation in an activity, as well as encouraging employees to participate in political activities on behalf of the Company. In order to gain an advantage in the business of commerce, this does not include employees participating in activities based on personal freedom. The Company has a policy to conduct business in a neutral manner. Non-political or professional politician affiliated with any political party and will not bring funds Or any other form of assistance for political assistance in the meaning of the first paragraph with the objective to benefit business.

- The company encourages employees of all levels Able to exercise their rights as a good citizen Exercising their political rights By acting on behalf of the individual According to the constitutional law And other laws Related Including not using a position in the company or in the company name or brand Induce others to pay subsidies or give support to politicians or any political party. The company does not have policy to provide direct or indirect financial support to any politician or political party for the benefit of that politician or political party.
- The company places great emphasis on political neutrality. Not get involved do not participate in any activities and do not express any comments that may cause the understanding that the company being involved in or supporting a political party or any political authority or any one of the power groups which may lead to unity within the company and nation.
- Do not use the Company's assets to support any political party. Or any political authority or any one of the power groups either directly or indirectly In exchange for special privileges or benefits.
- The company does not participate in the campaign. Or advertise for any political party or politician In the company's area Adhere to democracy And encourage employees to exercise their rights to vote according to the constitution.

## 5.3) Policy on Accepting Gifts, Assets or Other Benefits

The company requires that or receive gifts Or property Or any other benefit Adhere to an action in a reasonable way, but must not influence the decision of the company. Therefore establish the following guideline policy.

- **Receiving money or compensation:** Directors, executives and employees must not receive payments or any benefits personally from customers, partners of the company or from any person due to work on behalf of the company. In addition, there must not be any action. Or any behavior That may cause suspicion of bribery and corruption behavior, directors, management and employees must not lend or borrow money or collect money. Items from customers or people doing business with the company except for borrowing from banks or financial institutions as customers of the said bank or financial institution

- Receiving or giving gifts And business entertainment: Directors, executives and employees should avoid accepting both monetary and non-monetary gifts from Business partners or people related to the Company's business Except in festivals or festivals By giving and receiving gifts or entertainment and adoption must not affect any business decision of the recipient in the event of receiving or giving gifts or raising or adopting. It has to be reported to the supervisor according to the hierarchy. The gift received should be something of little value. And should not be cash or cash equivalents Giving or accepting gifts that can be done with transparency. Or do it in an open or open place. Directors, management and employees can receive a business reception. For the benefit of the business of the company And should avoid accepting entertainment in a manner that is beyond the normal circumstances of the normal relationship with other persons involved with the Company or will it be a partner in the future.
- Offering money, incentives or rewards: The Company has no policy to offer money. Gift incentives Special privileges in any form for customers, partners of the company Any external agency or person To acquire business Except for traditional business entertainment, commercial discounts and the Company's promotional programs.

#### **5.4) Policy on whistleblowing, wrongdoing or complaints and providing protection for whistleblowers or complaints**

##### *(5.4.1) objective*

Ichitan Group Public Company Limited encourages executives and employees or staff of the company Conduct business with accuracy, transparency, fairness and accountability. This is in line with good corporate governance and business ethics of the Company and the Company. It is expected that everyone will report in good faith any conduct or suspected contradiction to the Company. In order to help each other improve Or proceed In order to continue to be correct, appropriate, transparent and fair And in accordance with the Securities and Exchange laws, protection of information providers in good faith is also provided to regulators, which is a principle that the Company deems appropriate to apply to the Company.

The company has set up a whistleblowing policy for wrongdoing or complaints and provides protection for whistleblowers or complaints. These are to ensure that the supervisors and the human resource department of the company have the duty to supervise and give advice, as well as to monitor behavior, conduct and actions. Of employees or staff to be correct and the person informing the said matter will be protected If it is done in good faith.

##### *(5.4.2) Extent of Whistleblowing of Offenses or Complaints*

When there is a doubt or believe that there is a reason to believe in good faith that a violation or non-compliance with the law, regulation and good corporate governance has occurred. The Code of Conduct, policies, regulations, requirements or rules of the Company Employees or officers should first inquire or consult with their supervisors. However, if the employee is unsure or is uncomfortable to do so, Employees can report the matter directly as follows:

- In the event that it is related to other agencies or is a supervisor above You can notify the matter at CG Report.  
Or the Company Secretary Office or the Internal Audit Office or the Audit Committee
- In the event that it is related to the Chief Executive Officer Report directly at Audit Committee

*(5.4.3) Person who can report a whistleblowing of wrongdoing or complaint*

Employees or officers of the Group of Companies Including third parties Found or known or suspected of an act that violates the law, regulations and good corporate governance Code of business ethics Policies, regulations, requirements, or various rules of the Company by executives and employees or staff of the Group.

*(5.4.4) Protection of persons whistle-blowing, wrongdoing or complaints*

Employees or officers, who report complaints, provide clues, give statements or provide any information within the scope of Article 2. With good faith It is not intended to slander or cause damage to any person or to the Company. Will receive appropriate protection from the company such as no change in job position, job description, place of work, break, threatening, interfering with work, dismissal or any other nature which is unfair treatment towards such person Need to be changed Or cancel protection of any person before proceeding to this policy until the end It must first be approved by the Audit Committee.

- Complainant / person to cooperate in the investigation can choose to reveal himself if the disclosure is considered unsafe But if there is a self-disclosure, it will make the company Able to report progress and clarify facts to know Or alleviate the damage more conveniently and quickly.
- Complaint recipient / delegate All relevant information will be kept confidential / with regard to security. By establishing measures to protect employees who make complaints and / or those who provide information and / or cooperation in verifying information. They will be protected from unfair treatment.
- In the event that the complainant / person who cooperates in the investigation Saw that he might have been insecure Or may cause damage and damage Can request the company Set appropriate protection measures Or may prescribe protection measures without requesting If it is seen that it is a matter that is prone to damage or insecurity.
- Those who have suffered damage will be mitigated through appropriate and fair procedures.

*(5.4.5) Channels for whistleblowing of wrongdoing or complaints**(1) The Company's CG Report can be contacted through the following channels*

Telephone 02-0231111

E-mail cg@ichitangroup.com

*(2) Company secretary office by mail sent by post or submitted directly*

Address Company Secretary Office Address Ichitan Group Public Company Limited

No. 8 Building T One Floor 42-44 Soi Sukhumvit 40, Phrakhanong Subdistrict, Klongtoey District, Bangkok 10110

*(3) Internal Audit Department, contact the following channels*

Telephone 02-0231111

E-mail internalaudit@ichitangroup.com

By post Internal Audit Department of Ichitan Group Public Company Limited

No. 8 Building T One Floor 42-44 Soi Sukhumvit 40, Phrakhanong Subdistrict, Klongtoey District, Bangkok 10110

(4) *Audit Committee, contact the following channels*

## E-mail

Audit Committee Email : [auditcommittee@ichitangroup.com](mailto:auditcommittee@ichitangroup.com)

Secretary of the Audit Committee Email : [internalaudit@ichitangroup.com](mailto:internalaudit@ichitangroup.com)

Present to the Audit Committee for consideration and reporting to the Board of Directors further

## By Post

The Audit Committee of Ichitan Group Public Company Limited

No. 8 Building T One Floor 42-44 Soi Sukhumvit 40, Phrakhanong Subdistrict, Klongtoey District,  
Bangkok 10110

(5.4.6) *Group of people involved*

A group of persons involved in the process of receiving a whistleblower or complaint "Complaints" including:

- (1) Informer (Caller or Claimer): The informer by telephone, fax, E-mail or letter from both inside and outside the company.
- (2) Case Coordinator: The person who handles the complaint. And collect preliminary data and keep the results of operations such as CG Report, the Company Secretary Office Internal Audit Office.
- (3) Case Owner: The direct supervisor of the person being complained or supervisors above the agency being complained and in the event that the handler of such complaint has not been in work for a long time. The supervisor above the supervisor of the complaint shall be in charge of the complaint within the meaning of this clause instead.
- (4) Disciplinary Supervisor (Human Resources, HR): Human Resources Management Department
- (5) Chief Executive Officer, CEO: The highest supervisor of the company
- (6) The Audit Committee
- (7) The Board of Director

(5.4.7) *Processing*

## (5.4.7.1) Registration and further submissions

- (1) Complaints coordinator register for complaints And set the date for reporting the progress of the complaint to the complainant as follows:
  - In the event of the reputation impact of the company, action must be taken as soon as possible.
  - In other cases, proceed as soon as possible
  - In case of general inquiries such as questions about share prices dividend payment there will be no registration to receive. But will send the matter to the agency responsible for that matter directly in response to the inquirer.

(2) The complaint coordinator records information from the complainant as follows:

- Complainant's name Unless the name is not specified
- Date of complaint
- Name of person or incident complaining
- Other relevant information

(3) When registering for a complaint To define the secret class according to the subject matter, unless it is general inquiries) and proceed as follows:

- Send it to the complaint administrator to investigate the facts. And order according to the authority.
- Send a copy to the Human Resources Department for basic information. To prepare, to advise on disciplinary action or otherwise.
- Send a copy to the Chairman of the Executive Committee for acknowledgment as well.
- In the case of related complaints Chief Executive Officer Send it to the audit committee.

(5.4.7.2) Fact checking and directing

- The complaint handler conducts the fact finding. And give advice to those involved in the appropriate conduct or practice in the future If disciplinary action is required Order punishment in consultation with the Human Resources Management Department To make the punishment meet the penalty standard as well And if the person in charge of the complaint has no power to order punishment Was proposed in a hierarchy to the authority, as the case may be And send the results of the fact finding, proceedings and the punishment order, as the case may be, to the Chairman of the Executive Committee through the supervisors according to the hierarchy To know or consider ordering as well.
- The case is a complaint from an anonymous person And unable to find enough additional information Have the complaint handler send a report on the investigation results of information and comments on the complaint to Chief Executive Officer Through the supervisors according to the hierarchy To ask for appropriate action guidelines in the future If the Chief Executive Officer is of the opinion that he is unable to process a complaint The complaint will be closed. Have the complaint handler send a copy to the complaint coordinator. To report to the Audit Committee as well.
- If the handler of the complaint has examined the facts Found that the person being complained was not guilty Or is it a matter of a misunderstanding Or giving advice to the complained person or the person concerned to take appropriate action or practice. And considered that the matter should be closed without any punishment Have the complaint handler propose the said matter to the supervisor above 1 step for approval to close the matter. And a copy of the matter for the Complaint Coordinator to notify the Complainant and report to the Chief Executive Officer and the Audit Committee.
- In the case of related complaints Chief Executive Officer To consider fact-checking by the Audit Committee and submit the matter to the Board of Directors for consideration and order.

(5.4.7.3) Informing the conclusion to the complainant and improvements

- The complaint handler executes the orders of the Chief Executive Officer. Or the Board of Directors (As the case may be) and give recommendations for further appropriate conduct or practice and inform the result of the operation to the Complaint Coordinator as well.
- The complaint coordinator informs the complaint about the operation results. And record the results of the handling of the complaint. It is presented to the Audit Committee on a quarterly basis.
- The Complaint Coordinator follows up on improvements (if any) and reports to the Chief Executive Officer and the Audit Committee informed.

(5.4.7.4) Complaints in bad faith or wrong channels

Making a complaint, giving a clue, giving a wording or giving any information If it can be proven to act in bad faith Or doing the wrong channel If it is an employee or officer of the Group of Companies That person will be subject to disciplinary action according to the standard punishment. But if it is a third party and the company is damaged, the company will consider prosecuting that person as well.

(5.4.7.5) Responsibilities of the Complaint Coordinator Complaint handler and supervisor above in case the complaint coordinator or complaint handler Ignore or fail to comply with this policy, the Complaint Coordinator or the Complaint Manager And the commander above and beyond of the ignorant Must also be considered for disciplinary action.

## 6.2 Code of Business Conduct

The Board of Directors established business ethics principles in accordance with the Company's vision to grow with a good society by the Boards, Management, employees and related departments, adhere to as a guideline in performing duties according to the mission and business operations of the Company with honesty and fairness for both the treatment of the Company's stakeholders of all groups public and society including the establishment of a system to monitor the implementation of the aforementioned guidelines on a regular basis. Including disclosure of compliance with the aforementioned guidelines on the Company's website, section *"Good Corporate Governance"* sector *"Business Ethics"*.

## 6.3 Changes and Developments of Policies, Practices and Corporate Governance in Prior Year

The company's management realizes that business operations with transparency, in accordance with the good corporate governance, is the key factor in strengthening the organization to have an efficient system, credible, transparent and fundamental to sustainable growth. It is also able to build confidence in investors. The company therefore continuously develops and instills the awareness in the organization. So that all related parties are aware of and implement on a regular basis.

The company has participated in the corporate governance survey of the Thai Listed Companies to assess the quality of corporate governance of the company. The company has received an "excellent" level of corporate governance performance evaluation with five badges for the 5 executive years (year 2017 – 2021), which has been assessed by the Institute of Directors Thai Company (IOD). The company has adhered to the rules of the SET, SEC, Thai Institute of Directors Association (IOD), Organization for Economic Cooperation and Development (OECD), ASEAN CG Scorecard, and the 2017 Corporate Governance Code: CG Code applying with business.



In 2021, the issues that do not comply with the good corporate governance according to the Stock Exchange of Thailand as follows:

Practices of CG Code	Directions / Substitution Measures
<p>1 - The Chairman of the Board of Directors is not an independent director, and</p> <p>- The Chairman of the Board and Chief Executive Director is the same person.</p> <p><b>Description</b></p> <p>The Company's business requires leaders who are capable and experienced have knowledge, understanding and expertise in the beverage business, although the Chairman of the Board of Directors is not an independent director, the Company has clearly defined powers and duties for balancing of power and transparency. It is based on good corporate governance principles and performs duties with regard to the interests of stakeholders. In addition, the Company has appointed an independent director to consider setting the meeting agenda. Board of Directors every time.</p>	<p>The Board of Directors plans to implement the CG Code 2017 principles and will propose to appoint the Chairman of the Board, which is an independent director and appointed separately from the position of the Managing Director in 2022</p>

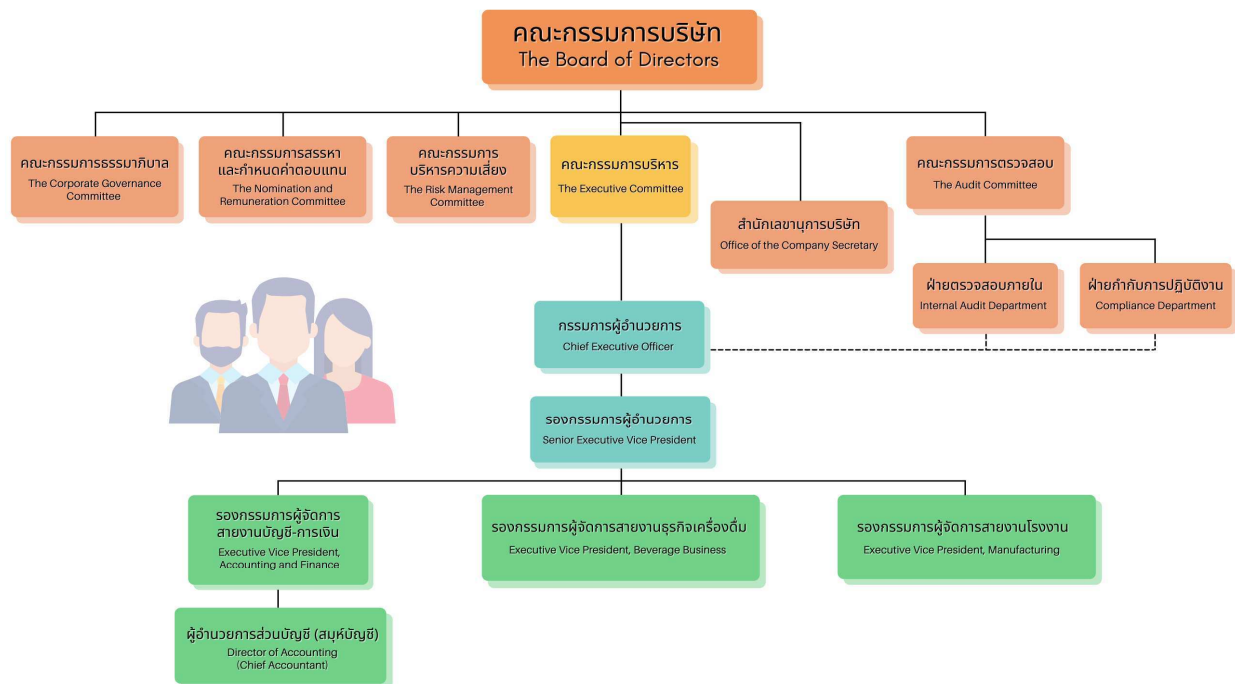
In addition, the Board of Directors individual director and sub-committees The performance appraisal was conducted annually by independently expressing opinions and self-assessment and the results of the assessment were used to develop the performance of the Board of Directors with the criteria and processes disclosed in this 56-1 One Report form.

As the Company has adhered to the application of good corporate governance principles in management and operations of the Company continuously and has developed corporate governance to be efficient and suitable for the Company.

## 7. Corporate Governance Structure and Importance Information of Board of Directors, Sub-Committee, Executives, Employees and Others

### 7.1 Corporate Governance Structure

Ichitan Group Public Company Limited's management structure as of December 31, 2021, comprises of the Board of Directors and five sub-committees to consider significant matters including; The Audit Committee, The Risk Management Committee, The Nomination and Remuneration Committee, The Corporate Governance Committee, and The Executive Committee. Furthermore, the top executives who manage Ichitan's business groups consist of 4 executives that qualified according to the Public Limited Companies Act B.E. 2535 and the relevant notifications of the Securities and Exchange Commission as follows:



As December 31, 2021, the Company consists of 4 executives listed as follows:

1. Mr. Tan	Passakornnatee	Chief Executive Officer
2. Mrs. Eng	Passakornnatee	Senior Executive Vice President*
2. Mr. Virote	Supasoon	Executive Vice President, Manufacturing
3. Mr. Tanapan	Khongnuntha	Executive Vice President, Beverage Business
4. Ms. Wimolwan	SaeLao	Deputy Director of Accounting
Acting as the person with the highest responsibility in accounting and finance		

Note: \* Mrs.Eng Passakornnatee has been appointed as a Senior Executive Vice President since November 10, 2021.

## 7.2 Information of the Board of Directors

### 7.2.1 Composition of the Board of Directors

- 1.) The Board of Directors in accordance with good corporate governance principles consists of not less than 5 directors and not more than 15 people. Currently, there are 8 directors which are suitable and consistent with the size of the company's business; including 5 directors from the management and 3 non-executive directors. The directors comprise with skills and knowledge in a variety of professions, transparent, and have work experiences ethic that are beneficial to the Company's business operations. The Composition of the Board of Directors is regarding to the Board Skill Matrix without any gender discrimination.
- 2.) In present, the Company has 3 independent directors relevant to the SEC's criteria that require more than one-third of the total number of directors.
- 3.) Chairman of the Board of Directors and the Chief Executive Officer are the same person. However, the company has clarify the scope of duties and responsibilities as a balance of power by appointing 1 independent director to participate in determining the agenda of the Board of Directors' meeting.
- 4.) The Board of Directors has appointed a "Company Secretary" to provide advice on information of the company including laws and regulations that the committee must acknowledge and perform duties in overseeing the activities of the Board of Directors, also coordinating the implementation of the Board resolutions and organizing an orientation on the Company for new directors.

### 7.2.2 The Current Board of Directors

Names		Positions	Appointed Date
1	Mr. Tan Passakornnatee	Chairman of the Board of Directors Member of the Corporate Governance Member of the Nomination and Remuneration Committee	July 3, 2013
2	Mr. Thiti Jiranontkarn	Director	August 13, 2014
3	Mr. Virote Supasoon	Director Member of the Risk Management Committee	July 3, 2013
4	Mr. Tanapan Khongnuntha	Director Member of the Risk Management Committee	July 3, 2013
5	Ms. Araya Panichayunont	Director (Executive Director)	July 3, 2013
6	Air Vice Marshal Nathawat Nimmolthanakorn	Independent director Chairman of the Audit Committee Chairman of the Risk Management Committee	July 3, 2013
7	Mr. Prasan Limpipattanakun	Independent director Member of the Audit Committee Chairman of the Corporate Governance Committee Member of the Nomination and Remuneration Committee	July 3, 2013
8	Mr. Issarachai Decharit	Independent director Member of the Audit Committee Chairman of the Nomination and Remuneration Committee Member of the Corporate Governance	July 3, 2013

### 7.2.3 Authorities, Duties and Responsibilities of the Board of Directors

#### Scope of Authorization, Duties and Responsibilities of the Board of Directors

- 1.) The Board of Directors has the power, duties and responsibilities for managing and operating the Company's business in accordance with the law, Objectives of the Company's Articles of Association As well as the resolution of the shareholders' meeting with honesty, transparency and care protect the interests of the company.
- 2.) The Board meetings are held at least 6 times per year. In the year 2021, the meetings were held 6 times totally.
- 3.) Consider the balance sheet and income statement of the company as of the end of the accounting period of the company which the auditor has verified And presented to the shareholders' meeting for consideration and approval.
- 4.) To review, review and approve policies, directions, strategies, business plans of the company proposed by the management.
- 5.) Consider setting up the Enterprise Risk Management policy to cover the entire organization. And supervise there is a risk management system or process with supporting measures and control methods to reduce the impact on the business of the company appropriately.
- 6.) Set goals, guidelines, policies, business plans The Company's budget includes control, supervision (Monitoring and Supervision) Administration and management of the management in accordance with the established policies, plans and budgets with efficiency and effectiveness.
- 7.) To consider and approve the determination of the management structure has authority to appoint the Executive Committee, director and other sub-committees as appropriate including determining the scope of powers and duties of the Executive Committee Managing Director and various appointed sub-committees.
- 8.) To consider and approve the preparation of the annual report of the Board of Directors And responsible for the preparation and disclosure of financial statements To reflect the financial status and operating results of the past year and propose to the shareholders' meeting for consideration and approval.
- 9.) Promote and support directors, directors and executives to develop and develop knowledge that beneficial to their regular work.
- 10.) Directors must notify the Company without delay if they have a stake in a contract entered into by the Company, whether directly or indirectly. or holding more or less debentures in the company or its affiliates.
- 11.) Authorize one or more directors or any other person to perform any act on behalf of the Board under the control of the Board or may authorize such person to have the power as the Board deems appropriate and within a period of time time the board deems appropriate The Board of Directors may revoke, revoke, change or amend such power of attorney when it deems appropriate.

However, the delegation of power must not be in the form of a power of attorney that allows such person to consider and approve an item for him or a person who may have conflicts of interest. have a stake or there may be a conflict of interest in any other manner to be made with the Company or its subsidiaries (as defined in the Notification of the Capital Market Supervisory Board and/or the Stock Exchange of Thailand and/or any other announcements of the relevant agencies) unless it is an approval of the transaction in accordance with the policies and rules that the Board has considered and approved.

### **Scope of Authorization, Duties and Responsibilities of the Chairman of the Board of Directors**

- 1.) To create stability and sustainability to the business of the company including taking care of the interests of the company and subsidiaries under the vision, mission, corporate values and the goals of the company, by fostering business culture and management in order to adhere to the principles of good corporate governance of the company.
- 2.) Supervise the Board of Directors to have a structure and qualifications suitable for the operation, in order to bring maximum benefit to shareholders and stakeholders. This also includes promoting and supervising the Board of Directors to play their roles and responsibilities for duties with dedication and honesty with regard to the benefits of the company as important.
- 3.) Support the Executive Committee to manage the business with transparency and most effective under the policy of good corporate governance to enable the administration to achieve goals according to the Company's policies and business plans, along with promoting to have the skills, knowledge, abilities and expertise to be developed on a regular basis.
- 4.) Create confidence, trust, and acceptance of the Company's business operations to employees, shareholders and stakeholders, with the emphasis on business ethics and are responsibilities to all stakeholders, including social and environmental.

### **Authorized Director to Sign and Bind for the Company**

The directors whose signatures are authorized to sign and bind for the Company are either Mr. Tan Passakornnatee or Mr. Thiti Jiranontkarn sign together with one of these three directors; Mr. Virote Supasoon or Mr. Tanapan Khongnuntha or Ms. Araya Panichayunont, totaling in 2 directors and affix the Company's seal. However, the shareholders' meeting or the Board of Directors has the power to determine the names of the authorized director to sign and bind for the Company.

### **Nomination of the Board of Directors**

Nomination and Appointment of the Company's directors is in accordance with the rules and regulations of the Company and its subsidiaries such person must have all the qualifications under Section 68 of the Public Limited Companies Act B.E. 2535 and in accordance with the relevant notification of the Office of the Securities and Exchange Commission. The Board of Directors has assigned the Nomination and Remuneration Committee to Consider nomination of directors to replace those who retire by rotation or when the position of director is vacant ready to be presented to the general meeting of shareholders for approval based on skills expertise through the preparation of Board Skill Matrix according to the Board's diversity policy and the Director Pool database of the Thai Institute of Directors Association (IOD), as well as having no conflict of interest with the Company.

In addition, the Company also provides an opportunity for shareholders to submit a list of qualified persons under the Securities and Exchange Act., and relevant law through the company's website at [www.ichitangroup.com](http://www.ichitangroup.com) and the SETLink system of SET. This is in advance of the date of the Annual General Meeting of Shareholders during October 1 - December 31 of every year. In 2021, none of shareholders has proposed any person or agenda item.

#### Nomination and Appointment of the Company are practiced as follows:

- 1.) The Nomination is made through the Annual General Meeting of Shareholders regarding to the guidelines as follow:
  - (a) A shareholder shall have one vote for each shareholding
  - (b) Each shareholder may use his/her votes to elect one person or more persons as directors. In the case of electing several persons, the votes cannot be split among the candidate.

- (c) Persons receiving the highest number of votes in descending order shall be elected as directors equal to the number of directors to have or to be elected at that time. In the case where the persons who are elected in descending order have equal votes, which exceeds the number of directors that should be or will be elected at that time, the chairman shall have a casting vote.
- 2.) At every annual general meeting, one third of the existing Directors shall retire from office. If the number of directors is not divisible by 3, then the nearest number to the one third shall retire. The directors who vacate office under this section may be re-elected.

#### **The Term of Service of the Company's Directors**

- 1.) Each director has the term of service for 3 years; then will be retired.
- 2.) In addition to the termination of office. A director vacates office when
  - (a) Death (b) Resignation (c) Disqualification (regarding to the law on public limited companies)
  - (d) The Shareholder' Meeting has a resolution to vacate (e) The court has an order to vacate
- 3.) Any director who wishes to resign from office shall submit a resignation letter to the Company. The resignation will be effective from the date of resignation to the Company. The resignation under paragraph one may also notify the Public Limited Companies Registrar of his resignation.
- 4.) In the event that the director's position is vacant for any reason other than the expiration of the term The Board of Directors may elect a person who has And does not have prohibited characteristics under the law on public limited companies to be a director in the next meeting of the board of directors Unless the remaining term of the director is less than two (2) months. The committee's resolution under paragraph one must be made by a vote of not less than three-fourths (3/4) of the remaining number of directors.
- 5.) The shareholders' meeting may pass a resolution removing any director from office prior to the expiration of the term with a vote of not less than three-fourths (3/4) of the number of shareholders attending the meeting and having the right to vote. And having shares amounting to not less than one-half (1/2) of the number of shares held by the shareholders who attend the meeting and have the right to vote.

### **7.3 Information of the Sub-Committees**

The Board of Directors has a resolution to establish 5 sub-committees consisting of The Audit Committee, The Risk Management Committee, The Nomination and Remuneration Committee, The Corporate Governance Committee, and The Executive Committee, working on important matters as follows:

- 1) Follow up and supervise operations more closely, then report to the board of directors quarterly.
- 2) Board of Directors has decentralized with efficiency and transparency in management, by providing the Audit Committee to consider various matters that complying with the principles of good corporate governance. Moreover, the Board also set up the Executive Committee to assist in considering and scrutinizing specific tasks for the Chief Executive Office's decision.
- 3) Chairman of the Audit Committee Chairman of the Nomination and Remuneration Committee Chairman of the Risk Management Committee and the Chairman of the Corporate Governance Committee are all the independent directors in accordance with transparency and independence in the duties performance.

### 7.3.1 The Audit Committee

The Audit Committee of the Company according to Section 68 of the Public Limited Companies Act B.E. 2535, Notification of the Capital Market Supervisory Board including the requirements of the Securities and Exchange Commission (SEC), and the Stock Exchange of Thailand, which consisting of at least 3 independent directors and at least 1 person must have knowledge and skills in accounting or finance with sufficient experience to act in Review of the reliability of the Company's financial statements. The Audit Committee members must be appointed by the Board of Directors or the Shareholders' meeting of the Company, with a term of 3 years. As of December 31, 2021, the Audit Committee consisted of three independent directors as follows:

Names	Positions
1. Air Vice Marshal Nathawat Nimmolthanakorn	Chairman of the Audit Committee Independent Director
2. Mr. Prasan Limpipattanakun	Member of the Audit Committee Independent Director (Accounting and Finance Expert)
3. Mr. Issarachai Decharit	Member of the Audit Committee Independent Director (Law expert)

With Mr. Sumol Hobumphen (Internal Manager) as the secretary to the Audit Committee.

*Note: The Audit Committee has been appointed on February 12, 2013.*

#### Scope of Authorization, Duties and Responsibilities of the Audit Committee

- 1.) Review for the company Have accurate and adequate financial reporting.
- 2.) Review for the company with appropriate and effective internal control system and internal audit system. And to consider the independence of the internal audit department As well as giving approval in Consideration of appointment, transfer and termination of the head of the internal audit department Or any other agency responsible for Internal audit
- 3.) Review for the company Comply with the law on securities and exchange. SET's regulations And laws relating to the Company's business
- 4.) Consider, select, nominate, appoint and terminate the employment of independent persons to act as the Company's auditors. And offer the compensation of the said person As well as to attend a meeting with the auditor without the management of the meeting at least once a year.
- 5.) Promote independence and comment on the suitability of the auditor.
- 6.) Consider connected transactions or transactions that may lead to conflicts of interest. This is to ensure that the transactions are reasonable and in the best interest of the Company.
- 7.) To prepare the report of the Audit Committee and disclose it in the annual report of the Company. The report must be signed by Chairman of the audit committee and must contain at least the following information:
  - (a) Opinions on the accuracy, completeness and creditability of the Company's financial reports.
  - (b) Opinion on the adequacy of the Company's internal control system.
  - (c) An opinion on the compliance with the law on securities and exchange SET's regulations Or laws relating to the Company's business

- (d) An opinion on the suitability of the auditor
  - (e) An opinion on transactions that may lead to conflicts of interest
  - (f) Number of Audit Committee meetings And the attendance of each audit committee's meeting
  - (g) Opinions or overall remarks received by the Audit Committee in the performance of their duties under the Charter.
  - (h) Other shows that Shareholders and general investors should know. Within the scope of duties and responsibilities assigned by the Board of Directors.
- 8.) Review to ensure that the Company has an anti-corruption process. To ensure that the company has various systems in the fight against corruption. As reported in the self-assessment of the Thai Private Sector Collective Action Coalition Against Corruption Program
  - 9.) Review and supervise the management to set up a process for receiving seat reports and receiving complaints.
  - 10.) Review the Audit Committee Charter as necessary and appropriate.
  - 11.) The Audit Committee can appoint sub-committees. And / or working group And / or an advisor And / or hiring any person to scrutinize the work presented to the Audit Committee. Or to perform any work that is beneficial to The performance of duties of the Audit Committee or to perform any act on behalf of the Audit Committee. When deemed necessary as at the expense of the company
  - 12.) Perform any other act as assigned by the Board of Directors with the approval of the Audit Committee.

### 7.3.2 The Risk Management Committee

The Board of Directors has a resolution in the appointment of the Risk Management Committee. to perform the duties of overseeing the Company's risk management to be appropriate and efficient, consisting of at least 3 directors and appointed 1 independent director as chairman. As of December 31, 2021, the The Risk Management Committee consisted of four independent directors as follows:

Names	Positions
1. Air Vice Marshal Nathawat Nimmolthanakorn	Chairman of the Risk Management Committee Independent Director
2. Mr. Preecha Augcharanonda	Member of the Risk Management Committee Executive Director
3. Mr. Virote Supasoon	Member of the Risk Management Committee Director
4. Mr. Tanapan Khongnuntha	Member of the Risk Management Committee Director

With \*Miss Pimrumpa Chanongsri (Investor Relations and Risk Management Manager) as the secretary to the Risk Management Committee.

*Note: The Risk Management Committee has been appointed on June 17, 2013.*

*\* Miss Pimrumpa Chanongsri was resigned from the Risk Management Committee since December 23, 2021.*

### Scope of Authorization, Duties and Responsibilities of the Risk Management Committee

- 1.) Determine and approve policies, objectives and frameworks for risk management according to management principles. Organization-wide risk, or COSO ERM 2017, covering the core business risks such as business risks and operational risks



(Operational Risk), etc., as a framework for the performance of the directors' risk management process. Employees management in the organization to be in the same direction and in line with the business goals and strategies.

- 2.) Supervise the identification of risks by considering factors both internal and external to the organization that may cause the Company to fail to achieve the specified objectives and assess the impact and likelihood of the identified risks. To prioritize risks and select appropriate risk management methods, including the formulation of guidelines, policies and procedures for controlling and reducing such risks.
- 3.) Oversee and support a review and review of risk management plans. Administrative framework Enterprise risk Risk Management Manual and Annual Risk Management Committee Charter to make sure that the company has a policy and a risk management framework that remains consistent and appropriate with the overall business conditions, along with monitoring progress in the implementation of the management plan Company's risk.
- 4.) The chairman of the risk management committee will coordinate with the chairman of the audit committee to support the work. The Audit Committee is responsible for reviewing the Company's risks, such as corruption risks, etc. in order to comply with the duties specified in the Audit Committee Charter.
- 5.) The Risk Management Committee will assess the performance of the Risk Management Committee and report the assessment results to the Board of Directors annually.

### 7.3.3 The Nomination and Remuneration Committee

The Board of Directors has a resolution in the appointment of the Nomination and Remuneration Committee in order to comply with the principles of good corporate governance and good practices for directors of companies listed on the Stock Exchange of Thailand. The Nomination and Remuneration Committee consists of at least 3 directors, with the proportion of independent directors more than 50%, and the Nomination and Remuneration Committee appoints one independent director as the Chairman. As of December 31, 2021, the Nomination and Remuneration Committee consisted of three independent directors as follows:

Names		Positions
1. Mr. Issarachai Decharit	Chairman of the Nomination and Remuneration Committee	Independent Director
2. Mr. Prasan Limpipattanakun	Member of the Nomination and Remuneration Committee	Independent Director
3. Mr. Tan Passakornnatee	Member of the Nomination and Remuneration Committee	Chairman of the Board of Directors

With Mr. Sumol Hobumphen (Internal Manager) as the secretary to the Nomination and Remuneration Committee.

*Note: The Nomination and Remuneration Committee has been appointed on August 13, 2014.*

### Scope of Authorization, Duties and Responsibilities of the Nomination and Remuneration Committee

- 1.) Considering, recruiting, selecting and proposing a suitable person with complete qualifications under the law to hold a position. Company Directors Chief Executive Officer and Managing Director who have completed their term and / or have vacant positions And / or appoint more As well as scrutinize suitable persons to be appointed as the Company's directors based on the proposals of major and minor shareholders, including the names of directors' pool of reliable agencies, such as the list of professional directors of the Company of Thai Institute of Directors (IOD), a database of Directors who have compiled a list of experts in various fields

with criteria or procedures for selection and selection are compliant and transparency to propose to the Board of Directors and / or the shareholders' meeting for consideration and approval.

- 2.) Determine the criteria and policies for nominating the Board of Directors. Sub-committees Chief Executive Officer and President by considering the appropriateness of the number, structure and composition of the committee, the qualifications of the directors are considered to be suitable for the company. This is in accordance with good corporate governance principles and regulations of SEC, SET, and relevant laws and regulations are required to propose to the Board of Directors. The new Chief Executive Officer and the Managing Director, the Nominating Committee should provide an orientation program for information that is beneficial to the performance of their duties.
- 3.) Consider guidelines and policies and also gave opinions on the determination of remuneration for the Directors, Chief Executive Officer and President both in money and others with fair, reasonable and suitable for the business. As well as being able to motivate and retain quality directors and senior management to propose to the Board of Directors and / or the shareholders' meeting for consideration and approval annually.
- 4.) Evaluate the performance of the Chief Executive Officer and the President and propose it to the Board of Directors meeting for determining the appropriate remuneration.
- 5.) Review the Chief Executive Officer's development plan. Director, managing director and senior management (Succession plan) to prepare potential individuals for succession positions in the event that a director, president or top executive retires, resigns or is unable to perform their duties.
- 6.) The Nomination and Remuneration Committee is directly responsible to the Board of Directors in accordance with their duties and responsibilities assigning for providing explanations and answering questions about the remuneration of the Company's directors at the shareholders' meeting.
- 7.) Perform any other act as assigned by the Board of Directors

### 7.3.4 The Corporate Governance Committee

The Board of Directors has a resolution in the appointment Governance Committee in order to comply with the principles of good corporate governance and good practices for directors of companies listed on the Stock Exchange of Thailand. The Corporate Governance Committee consists of at least 3 directors, with the proportion of independent directors more than 50%, and the Governance Committee appoints one independent director as the Chairman. As of December 31, 2021, the Corporate Governance Committee consisted of three independent directors as follows:

Names	Positions
1. Mr. Prasan Limpipattanakul	Chairman of the Corporate Governance Committee Independent Director
2. Mr. Issarachai Decharit	Member of the Corporate Governance Committee Independent Director
3. Mr. Tan Passakornnatee	Member of the Corporate Governance Committee Chairman of the Board of Directors

With Miss Jinda Songrod (Asst. Director Office of President) as the secretary to the Corporate Governance Committee.

*Note: The Corporate Governance Committee has been appointed on February 24, 2016.*

### Scope of Authorization, Duties and Responsibilities of the Corporate Governance Committee

- 1.) To consider, review and present to the Board of Directors for approval on Corporate governance policy to be consistent Principles of good corporate governance (Corporate Governance Code) Business ethics Corporate Social Responsibility Policy, Environment Policy, Sustainable Development Policy, Other Policies and Other Practices to support the Company's operations in accordance with the principles of good governance for transparency. Fairness and support for sustainable growth of the company.
- 2.) Monitor and supervise the management to apply the policies and guidelines in Item 1 to continually apply and develop the Company. Such policies and practices must be consistent and suitable for the business of the Company and the suggestions of regulators or relevant and comparable to international standards.
- 3.) Follow up and review various work systems within the organization in accordance with the code of conduct and good practice as specified.
- 4.) Follow up and direct if the operations of the management and employees are subject to non-compliance with the policies and established guidelines.
- 5.) Follow up and report the performance of the organization. In accordance with the good corporate governance policy and other related policies to report To the Board of Directors and external organizations as appropriate.
- 6.) Perform any other duties as assigned by the Board of Directors.

#### 7.3.5 The Executive Committee

The Executive Committee must have qualifications under the Public Limited Companies Act B.E. 2535 and the Notification of the Office of the Securities and Exchange Commission. related parties to manage, control, supervise and be responsible for various activities within the scope assigned by the Board of Directors The Board of Directors approves the appointment of the Executive Directors by selecting from the Directors, Executives of the Company and/or outsiders. The Executive Directors must have knowledge, capability, appropriate experience, knowledge and understanding of qualifications and duties and their responsibilities including not having characteristics prohibited by law.

As of December 31, 2021, the Executive Committee consists of 6 Executive Directors as follows:

Names	Positions
1. Mr. Tan Passakornnatee	Chairman of the Executive Committee
2. Mrs. Eng Passakornnatee *	Member of the Executive Committee
3. Mr. Thiti Jiranontkarn	Member of the Executive Committee
4. Mr. Preecha Atcharanon	Member of the Executive Committee
5. Mr. Virote Supasoon	Member of the Executive Committee
6. Mr. Tanapan Khongnuntha	Member of the Executive Committee

With Miss Jinda Songrod (Asst. Director Office of President) as the secretary to the Executive Committee.

Note: Mrs. Eng Passakornnatee has been appointed since November 10, 2021.

### Scope of Authorization, Duties and Responsibilities of the Executive Committee

- 1.) The Executive Committee shall have the power to operate in accordance with the policy of the Board of Directors which is subject to law, conditions, regulations Company's Articles of Association Except for the items that the law requires to be approved by the shareholders' meeting.
- 2.) Have the power to make recommendations and formulate policies and business guidelines And the Company's business strategy to the Board of Directors.
- 3.) Establish a business plan Executive power Set an annual budget for the business And annual expenditure budget to propose to the Board of Directors Approve And execute business plans and business strategies in accordance with the policy And business directions announced to the Board of Directors.
- 4.) Have the power to perform approvals related to the general management of the company. Including establishing organizational and administrative structures It covers all details of the selection, training, hiring and dismissal of the Company's employees.
- 5.) Have the power to approve any loan or application for credit From financial institutions This includes entering as a guarantor or making payment or spending money for normal business transactions of the Company such as investment payments and for various operations, etc. There is a limit for each item not more than 200 million baht or equivalent. Or as assigned by the Board of Directors, however, the said limit may be changed as appropriate at the discretion of the Board of Directors.
- 6.) To have the power to consider and approve the opening of a deposit account with a local financial institution including the determination of authorized person to pay money from the various deposit accounts of the company.
- 7.) Has the power to approve budget, salary increase or adjust the annual employee salary level and annual compensation (bonus) to employees of the Company, except for the position of managing director or above.
- 8.) Have the power to appoint remove any staff of the Company in a position lower than the position of Managing Director.
- 9.) Perform other duties as assigned by the Board of Directors.

## 7.4 Management

### 7.4.1 Information of the Management

The Management team consists of executives who are qualified according to the Public Limited Companies Act B.E. 2535, and according to the relevant announcement of the Office of the Securities and Exchange Commission as of December 31, 2021, the Company has 5 executives, respectively:

Names	Positions
1. Mr. Tan Passakornnatee	Chief Executive Officer
2. Mrs. Eng Passakornnatee *	Senior Executive Vice President
3. Mr. Virote Supasoon	Executive Vice President, Manufacturing
4. Mr. Tanapan Khongnuntha	Executive Vice President, Beverage Business
5. Ms. Wimolwan SaeLao	Acting as the person with the highest responsibility in accounting and finance/ Deputy Director of Accounting

Note: Mrs. Eng Passakornnatee has been appointed since November 10, 2021

**Report on Securities Holding of Directors and Executives****Changes in Securities Holding of Ichitan Group Public Company Limited (the Company)**

By Directors, Executives, and Management

As of December 31, 2021

The Company has a policy for directors to Executive Director and Chief Executive of the Company Report on the change in holding of the Company's securities To the meeting of the board of directors And notify the SEC via the system [www.sec.or.th](http://www.sec.or.th) Including submitting information in the form of report on changes in securities holding in 59-2. If there is any change to the Company Secretary to compile, make a summary and present to the Board of Directors for acknowledgment.

**(1) Securities Holding Report of the Company's Directors**

No.	Names	Common shares (shares)			Remarks
		As of 31 Dec 2021	As of 31 Dec 2020	Net Increase (decrease) during year	
1.	Mr. Tan Passakornnatee	360,639,600	360,639,600	-	Chairman of the Board of Directors
2.	Mr. Thiti Jiranontkarn	35,000,000	35,000,000	-	Company Directors
3.	Mr. Virote Supasoon	7,277,400	7,277,400	-	Company Directors
4.	Mr. Tanapan Kongnuntha	5,900,000	5,900,000	-	Company Directors
5.	Miss Araya Panichayunon	926,600	926,600	-	Company Directors
6.	Air Vice Marshal Nathawat Nimmolthanakorn	-	-	-	Independent Director
7.	Mr. Prasan Limpipattanakul	-	-	-	Independent Director
8.	Mr. Issarachai Decharit	-	-	-	Independent Director

**(2) Securities Holding Report for Executive Directors and Top Management of the Company**

No.	Names	Common shares (shares)			Remarks
		As of 31 Dec 2021	As of 31 Dec 2020	Net Increase (decrease) during year	
1.	Mr. Tan Passakornnatee	360,639,600	360,639,600	-	Chairman of the Executive Committee
2.	Mrs. Eng Passakornnatee	60,000,000	60,000,000	-	Member of the Executive Committee (appointed since November 10, 2021)
3.	Mr. Thiti Jiranontkarn	35,000,000	35,000,000	-	Member of the Executive Committee
4.	Mr. Virote Supasoon	7,277,400	7,277,400	-	Member of the Executive Committee
5.	Mr. Tanapan Kongnuntha	5,900,000	5,900,000	-	Member of the Executive Committee
6.	Mr. Preecha Atcharanon	-	500,000	(500,000)	Member of the Executive Committee
7.	Ms. Wimolwan SaeLao	45,000	45,000	-	Deputy Director of Accounting/ Acting as the person with the highest responsibility in accounting and finance (CFO)

Note:

1. Ichitan Group Plc., registered capital 1,300,000,000 baht, paid-up capital 1,300,000,000 baht (as of December 31, 2021), having a total of 1,300,000,000 ordinary shares.
2. Securities holding information may change, if the director/executive director including spouses or underage children who trade in securities after the date specified above.

**1.) Chief Executive Officer**

The Board of Directors Meeting No. 6/2013 on June 17, 2013, Mr. Tan Passakornnatee was appointed to the position of Chief Executive Officer with Scope of Authorization, Duties and Responsibilities as follows:

**Scope of Authorization, Duties and Responsibilities of Chief Executive Officer**

- 1.) Management of the company in various fields to be in accordance with the policy set and supervise the operation of the business related to the general management of the company.
- 2.) Prepare policies, business plans, and business strategies, and the Company's annual budget for presentation to the Executive Committee and for approval from the Board of Directors.
- 3.) Operate or manage the work in accordance with the policies, plans and budgets approved by the Board of Directors. and/or the Executive Committee.
- 4.) Regularly monitor and evaluate the Company's performance and has a duty to report management performance including the progress of the operation to the Executive Committee Audit Committee and the Board of Directors.
- 5.) Authority to consider and approve any loan or loan application from financial institutions including as a guarantor or payment or spending money for transactions in the normal course of the company's business, such as payment for investments and other operations, etc. The limit is set for each transaction not exceeding 100 million baht or the equivalent amount. Or as assigned by the Board of Directors. However, the said limit may be changed as appropriate at the discretion of the Board of Directors.

Items	Approval Authority
Ordering and payment orders in the administration	Not more than 50 million baht
Ordering and paying for property purchases	Not more than 50 million baht
Contract payment	Not more than 100 million baht
Asset write-off	Not more than 20 million baht
Payment for certification	Not more than 20 million baht
Paying for Charity and Publication	Not more than 20 million baht

- 6.) Authority to consider and approve financial expenditures in the normal course of business such as purchasing, with the credit limit for each item as specified in the approval authority table that has been approved by the Board of Directors, but not more than the annual budget approved by the Board of Directors including entering into various contracts related to the matter.
- 7.) Determine an organizational structure and including the appointment, employment, transfer, determination of wages, compensation, bonuses and termination of employees from the level of the deputy director and down, respectively.
- 8.) Issuing the regulations, announcements and records in order to operate the company in accordance with the policy and for the benefit of the company including to maintain discipline within the organization.
- 9.) Coordinate with the head of the internal audit and the internal audit committee to ensure business operations including administration the company's risks are in accordance with the objectives and regulations. including the company's policies good governance.

- 10.) Authority to appoint various committees or working groups for the benefit and efficiency of good and transparent management and has the power to delegate powers to any one person or more people to perform any action under the control of the Chief Executive Officer or may delegate powers to such persons having powers as the Managing Director deems appropriate and within a time as it deems appropriate, the Managing Director may cancel, revoke, change or amend the person who has been authorized or delegated as he deems appropriate.
- 11.) Perform other duties as assigned by the Executive Committee or the Board of Directors.

#### **Delegation of Executive's Authority to others for acting on behalf of the Company**

Assigning the authorities, duties and responsibilities of the Chief Executive Officer shall not be in the nature of delegation of authority or a sub-authorization that makes an attorney. The Chief Executive Officer can approve the items that he or she may have conflicts with. (According to the definition of the Notification of the Capital Market Supervisory Board and/or Stock Exchange of Thailand and/or related agencies) have a stake or there may be any other conflicts of interest with the Company or a subsidiary and/or related companies. The Chief Executive Officer has no authority to approve the aforementioned matters and must be proposed to the Board of Directors' meeting and/or shareholder meeting (depending on the case) for further approval Except for the approval of normal business transactions and normal trading conditions as specified by the Capital Market Supervisory Board and/or the Stock Exchange of Thailand and/or relevant agencies.

#### **Separation of roles, duties and responsibilities between the Chairman of the Board and Chief Executive Officer**

The Board of Directors specifies the separation of positions between the Chairman of the Board of Directors and the Chief Executive Officer as follows:

<b>Chairman of the Board of Directors</b>	<b>Chief Executive Officer</b>
1. Determine the policies, directions of the Company's business operations of the Board of Directors and sub-committees to achieve the objectives according to the established plans.	1. It is responsible for accepting policies from the Board of Directors and the Executive Committee to implement them with efficiency and effectiveness.
2. Support and encourage the Board of Directors and sub-committees to perform their duties to the best of their abilities in accordance with the scope of powers and duties. Responsibility and in accordance with good corporate governance principles.	2. Manage the business in regards to the normal operation of the business and the management of the company.
3. Calling the Board of Directors' Meeting and the Annual General Meeting of Shareholders.	
4. Serve as the chairman of the Board of Directors' meeting and the Company's annual general meeting of shareholders.	
5. To be the casting votes in the event that two parties have equal votes.	

#### **Roles, duties and responsibilities of the Board of Directors and the Chief Executive Office**

- 1.) The Board of Directors consists of individuals with a wide range of knowledge, skills and expertise and have leadership which is legally accepted by the Board of Directors, has roles, duties and overall responsibilities as follows:

- 2) Determine and review the vision, mission, mission, strategy, goals, business plans and budget of the Company once a year together with the Executive Committee, as well as convene the Board of Directors' meeting in accordance with the established rules to supervise the management's business operations in accordance with the established business plan with efficiency and effectiveness. The management will report to the Board of Directors meeting for acknowledgment quarter.
- 3.) Approval of the good corporate governance policy and provisions relating to the code of conduct and business ethics The ethics of directors, executives and employees shall be written in writing for all directors, executives and employees to acknowledge through The company's website and e-mail meetings are organized as guidelines within the organization with penalties if there is a violation and disclosed on the company's website under the topic "Good corporate governance".
- 4.) Supervise the business operation in accordance with the policies and guidelines that will bring the greatest benefit to the shareholders, taking into account the interests of all stakeholders, not seeking benefits for themselves or for anyone person. Do not take any action that conflicts with or competes with the interests of the Company and its subsidiaries. Perform duties with responsibility and caution. honesty including ensuring that the operation of the business is in accordance with the objectives Articles of Association of the Company Board resolution Resolutions of the shareholders' meeting as well as laws, regulations, the Securities Act, regulations of the Stock Exchange of Thailand, the SEC Office, etc.
- 5.) Set up a financial policy to have an efficient control system and comply with regulations and policies.
- 6.) Determine, follow up and follow up. Good Corporate Governance Principles Anti-Corruption Policy as well as various practices related to the company that has been prepared in writing and regularly review the policy and its implementation at least once a year.
- 7.) Provide appropriate communication channels with shareholders and stakeholders.
- 8.) Arrange for the preparation of a succession plan for the Managing Director. or senior executives. The Managing Director will report to the Board of Directors for acknowledgment of the results of the succession plan once a year.
- 9.) Support and promote innovation and bring innovation and technology to create added value to the business, as well as supervise the management of information technology in accordance with the needs of the company.
- 10.) Determine risk management policies and consider important risk factors covering the entire organization that may occur, formulate guidelines for managing such risks and monitor operating results in accordance with the risk prevention guidelines proposed by Risk Management Committee.
- 11.) The Company's directors are appointed and are fully qualified. Does not have any prohibited characteristics under the Public Company Limited Act, the SEC's regulations and the Stock Exchange of Thailand's regulations and is moral and ethical.
- 12.) Managing Director Acting in the management of the company in various fields To be in accordance with the policy set and supervise the operation of the business related to the general management of the company.

#### 7.4.2 Management's Remuneration

The Company has clearly determined the directors' remuneration with transparency and consisting with the roles, duties and responsibilities of supervising the work of the company. The remuneration is considered to be suitable for the maximum benefits of the company, by having the Nomination and Remuneration Committee determined the remuneration policy for directors and top management before presenting to the shareholders' meeting for further approval.



### Policy and Rules for the Remuneration of the Board of Directors

The Company has no remuneration policy for the directors who participate in the management. (Executive directors or employees of the Company), the remuneration will be done by the Board of director to directors who do not participate in the management only.

### Policy and criteria for the remuneration of directors and management in subsidiaries

The directors and executives who mutually manage on subsidiaries shall not receive any remuneration as a director or executive of subsidiaries.

### Policy and criteria for the Executives

The Company shall not pay any remuneration to the executives; all executives are the management of the company.

#### Monthly Remuneration and Allowance for Directors

Positions	Monthly remuneration (Baht)			Meeting Allowance (Baht / Time)		
	Board of Directors	Audit Committee	Sub-Committees	Board of Directors	Audit Committee	Sub-Committees
Chairman of the Board	45,000	45,000	-	-	-	15,000
Director	35,000	35,000	-	-	-	15,000

#### Directors' Remuneration

As of December 31, 2021, the Remuneration and Allowance in form of monetary of each Directors totallty are detailed as below:

Names	The Remuneration for year 2021						Total
	Pension	Board of Directors	Audit Committee	Risk Management Committee	Nomination and Remuneration Committee	Corporate Governance Committee	
1. Mr. Tan Passakornnatee	752,137	-	-	-	-	-	752,137
2. Mr. Thiti Jiranontkarn	368,394	-	-	-	-	-	368,394
3. Mr. Thanapan Kongnantha	552,591	-	-	-	-	-	552,591
4. Mr. Virote Supasoon	552,591	-	-	-	-	-	552,591
5. Ms. Araya Panichayunon	184,197	-	-	-	-	-	184,197
6. Air Vice Marshal Nathawat Nimmolthanakorn	713,763	-	540,000	60,000	-	-	1,313,763
7. Mr. Prasan Limpipattanakul	828,886	-	420,000	-	45,000	45,000	1,338,886
8. Mr. Issarachai Decharit	828,886	-	420,000	-	45,000	45,000	1,338,886
<b>Total</b>	<b>4,781,445</b>	<b>-</b>	<b>1,380,000</b>	<b>60,000</b>	<b>90,000</b>	<b>90,000</b>	<b>6,401,445</b>

#### Executives' Remuneration

During 2019 – 2021, The Company has paid remuneration in the form of salary, bonus and others to the Executives as follows:

Types	Year 2021		Year 2020		Year 2019	
	No. of persons	Amount (Baht)	No. of persons	Amount (Baht)	No. of persons	Amount (Baht)
Salary	6	28,378,100	7	31,120,120	7	31,927,200
Bonus	6	5,158,600	5	4,688,180	7	4,523,020
<b>Total</b>		<b>33,536,700</b>		<b>35,808,300</b>		<b>36,450,220</b>

### Other Remuneration

During 2019 – 2021, The Company has paid the provident fund to Executives as follows:

Type	Year 2021		Year 2020		Year 2019	
	No. of persons	Amount (Baht)	No. of persons	Amount (Baht)	No. of persons	Amount (Baht)
Provident fund contributions	6	1,580,912	7	1,556,016	7	1,596,360
<b>Total</b>		<b>1,580,912</b>		<b>1,556,016</b>		<b>1,596,360</b>

## 7.5 Employees

The Company regards its employees as extremely valuable resources; therefore the human resource management and development are pretend as prioritized, in order to maintain personnel with knowledge, abilities, and experience that will be the basis of the Company's competitiveness.

### 7.5.1 Number of Employees

As of December 31, 2021, the Company has a total of 379 employees, divided into functional as follows:

แผนก/ฝ่าย	จำนวนพนักงาน ณ 31 ธ.ค. 64
1. Office of President	15
2. Finance and Accounting	11
3. Marketing and Beverage Business	31
4. Factory	253
5. Product designed and Advertusing	6
6. Research and Inovation Development	28
7. Marketing Communication	8
8. Information Technology	7
9. Human Resources	9
10. Business Development	1
11. Procument	4
12. Law	3
13. Internal Audit	3
<b>Total (persons)</b>	<b>379</b>

### Significant changes on number of employees over the past 3 years

During the year 2020 – 2021, the Company has been adjusted the increasing (decreasing) number of employees in some functional such as factory, marketing, and others, to support the business expansion regarding to current economic changes for both domestic and international market.

### Employees' Remuneration

The Company and the subsidiaries have a policy of paying employees remuneration in line with the appropriateness and fairness according to the knowledge and abilities of each employee, in accordance with relevant labor laws and the averages market rate in similar industry. Moreover, the remuneration must be suitable for business expansions and growths in both short and long term including:

(1) Short term benefits are salary, cost of living, diligence allowance, bonus, group insurance, and others\*.

(2) Long term benefits are provident fund and retirement benefits, etc.

Employee remuneration and annual assessments are linked to employee performance at all levels in form of the Key Performance Indicators (KPIs), which are assessed by each employee by their supervisors. The annual salary increases and bonuses are based on KPIs assessments. However, the employee's remuneration (excluding executives) over the past 3 years were as follows:

Employees' Remuneration	Year 2021	Year 2020	Year 2019
Salary	146,603,261	139,652,200	129,921,064
Bonus	21,779,217	23,237,420	17,033,870
Other Remuneration *	59,791,117	61,802,900	73,107,971
<b>Total</b>	<b>228,173,595</b>	<b>224,692,520</b>	<b>220,062,905</b>

Note:

1) Other Remuneration includes social security payments, vehicle expenses, telephone expenses, wages, overtime pay, and employee benefits.

2) As of December 31, 2021, the Company and the subsidiaries have total of 301 employees participated in the provident fund (79.4% of total employees).

The Company and the subsidiaries have a policy to support the selection of fund managers who comply with the Investment Governance Code: "I Code") and manage investments responsibly by taking into account environmental, social and good governance (Environmental, Social, and Governance: "ESG"). The Company also discloses guidelines for selecting fund managers to members, which will lead to investment management that takes into account the best interests of the company's provident fund members in the long term.

### Employees' Development Policies

The Company realizes the importance of human resource development. For maximum efficiency and effectiveness, the company therefore, it has a policy to develop employees in order to increase the performance of employees, which will affect the competitiveness and drive the organization to achieve its sustainable goals. Working and Seeking new knowledge including being social responsibility, details are as follows:

- Employee career development A career path has been established to allow employees to recognize that they can promote their positions. Or can be transferred or switched to work rotation to other departments On the basis of knowledge, ability and suitability including clearly stipulating the rules for promotion / leveling of positions.
- Employee training and development It focuses on internal training according to a training plan that covers both the development of knowledge and abilities. Attitude development And the development of operational skills Which is used for both internal and external training By providing thorough and consistent opportunities And suitable for employees of each position in order to develop their knowledge and work potential Through training and development Management and staff Disclosed in detail Human resource development "Sustainable Development Report" 2021.

### Labor disputes over the past 3 years

The Company has no labor dispute over the past 3 years.

## 7.6 Other Informations

### 7.6.1 The Company Secretary

In accordance with the Securities and Exchange Act (No. 4) B.E., the Board of Directors has a resolution to appoint Miss Jinda Songrod (Assistant Director, Office of President) as the Company Secretary since May 14, 2018. The Board of Directors has promoted and supported the Company's secretary to receive training and continually develop knowledge in the field of law, accounting or performing the duties of company secretary.

*(Please refer to "Attachment 1 Details of Company Secretary Profile")*

#### Scope of Duties of the Company Secretary

The Company Secretary must perform the duties as stipulated in Section 89/15 and Section 89/16 of the Securities and Exchange Act (No. 4) B.E. with honesty as well as having to perform duties in accordance with the law, objectives, and articles of association Board resolution as well as the resolutions of the shareholders' meeting. The statutory duties of the Company Secretary are as follows:

- 1.) Prepare and maintain the following documents:
  - 1.1) Director Registration
  - 1.2) Notice of the Board of Directors Meeting Committee meeting report And the annual report of the company
  - 1.3) Invitation letter to shareholders' meeting and minutes of the shareholders' meeting
- 2.) Maintain reports of interest, reports by directors or executives:
  - 2.1) Directors and executives are responsible for "Report of interest"  
(Meaning that Directors and Executives are responsible for reporting their interests and stakeholders to the Company)
  - 2.2) The company secretary sends a copy of the report to the chairman of the board and the chairman of the audit committee within 7 business days from the date of receiving the report.
  - 2.3) Must provide a system for keeping accurate and complete documents and relevant evidence, and can be examined within a period of not less than 5 years from the date such document or information is prepared.
- 3.) ดำเนินการอื่นๆ ตามที่คณะกรรมการกำกับตลาดทุนประกาศกำหนด

### 7.6.2 Head of internal Audit and Company performance

The Audit Committee of Ichitan Group Public Company Limited consists of 3 independent directors, namely Air Vice Marshal Nathawat Nimmolthanakorn as Chairman of the Audit Committee Mr. Prasan Limhipattanakul. And Mr. Issara Chaidecharit is the Audit Committee, with Mr. Sumon Ho Bamphen, the Manager of the Company's Internal Audit Division, as the Secretary of the Audit Committee and appointed by the Audit Committee Meeting No. 4/2556 On 17 June 2018 2013 because they have experience in performing business internal auditing. They have an understanding of the Company's operating activities in order to perform such duties with suitability and transparency.

*(Please refer to "Attachment 3 Details of Internal Audit Manager and Compliance Manager")*

## Compliance Duties

The company has designated departments responsible for compliance with the rules and regulations of the organization including:

- **Office of the President and Company Secretary**

Responsible for supervising and monitoring the Board of Directors, Executives and all departments to comply with the rules and regulations of the Company as well as to be a center for gathering. Follow up on relevant external regulations.

- **Law Office**

Responsible for overseeing legal matters related to business operations including the law of being a listed company Environmental / Industrial Safety Law in order to conduct business of the company that fully compliant with other laws and regulations. The law office shall provide advices on legal issues to various department, in order to operate in accordance with the law especially new transactions both domestically and internationally to make business operations more flexible.

- **Internal Audit**

The internal audit is responsible for evaluating the efficiency and sufficiency of the internal control system and auditing the Company's operations.

### Number of employees in the internal audit department

The Company has a total number of 3 employees who perform duties in the internal audit unit.

## 7.6.3 Head of Investor Relations and Contact Information

Please refer to “Sub-section 6.1.3 Policy and Guidelines Related to Shareholders and Stakeholders”, “Investor Relation”.

## 7.6.4 Remuneration of Auditors and Other Service Fee

- **Audit Fee**

The Company and Subsidiaries paying the audit fee to KPMG Phoomchai Audit Company Limited (KPMG), which is the audit firm of the auditors for the year 2021 affiliated with, including persons or businesses related to the auditor and the audit firm in the past year, in total amounting of 3,000,000 baht. However, the auditor of KPMG Phoomchai Audit Limited has no relationship and/or interests between the auditor and the Company/ subsidiary/ associated company/ directors/ executives/ major holders or any related person.

- **Non-Audit Fee**

The Company and the subsidiaries pay other services other than the audit fee for the year 2021, in amounting of 80,000 baht to the auditing firm that the auditor is affiliated with, persons or businesses related to such auditors and audit firms.

Audit Fee Types	Year 2021	Year 2020
1. Audit Fee	2,800,000 Baht	2,800,000 Baht
2. Audit Fee for subsidiaries*	200,000 Baht	300,000 Baht
3. Other service fees (Non Audit Fee)	80,000 Baht	80,000 Baht
4. Types and scope of service other than auditing task (Non Audit Service)	None	None

Note: \* Subsidiary - Ichitan Power Company Limited established on February 8, 2017

## 8. Report of Key Performances of Corporate

### 8.1 Summary of the Performances of the Board of Directors for the Past Year

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

##### 1.) Independent Directors

The Board of Directors selects a person to serve as an independent director by considering the qualifications under the Public Limited Act 2535, the Securities and Exchange Act. Announcement of the Securities and Exchange Commission Notification of the Capital Market Committee including the regulations And / or related regulations and the number of independent directors must be at least 3 persons or at least 1 in 3, whichever is higher. At present, the Board of Directors consists of 3 independent directors, which are not acting as an executive and independent from the management and controlling shareholder, as well as not being a person who has relationship with the Company and the subsidiaries in such a way that there will be limitations in the performance Independent opinion.

Names	Positions
1. Air Vice Marshal Nathawat Nimmolthanakorn	Chairman of the Audit Committee Chairman of the Risk Management Committee Independent Director
2. Mr. Issarachai Decharit	Member of the Audit Committee Chairman of the Nomination and Remuneration Committee Member of the Corporate Governance Independent Director
3. Mr. Prasan Limpipattanakun	Member of the Audit Committee Member of the Nomination and Remuneration Committee Chairman of the Corporate Governance Committee Independent Director

#### Qualifications of the Independent directors

Independent directors must not have any business or participate in administration, or have interests related to the Company and the subsidiaries which may affect independent decisions. The independent directors must have the qualifications as follows:

- 1.) Holding shares not exceeding 0.5% of the total shares with voting right of the company\*, affiliates, the associates of those independent directors.
- 2.) Not being involved with business management, including not being employees, officers, advisors who receive salary, nor having the control of the company\*. Unless the foregoing characteristic has been ended not less than 2 years prior to the date of submission of the application to the SEC. However, such prohibited characteristics exclude cases where the independent directors used to be government officials or consultant of Government sector which is a major shareholder or the Company's controlling person.
- 3.) Not being a person with relationship or by legal registration in the manner of parent, spouse, sibling and child, including the child's spouse of other directors, management, major shareholders, controlling person, or a person who will be nominated as executives or controlling persons of the Company or the subsidiaries.
- 4.) Not or have ever had a business relationship with the Company\* in a manner that could impede one's independent exercise of judgment, including not being or having ever been a significant shareholder or a controlling person of a person having a business

- relationship with the company\*. Unless the foregoing characteristic has been ended not less than 2 years prior to the date of submission of the application to the SEC.
- 5.) Shall not be or have never been an auditor of the company, and not be a significant shareholder, controlling person, or partner of an audit firm which employs auditors of the company. Unless the foregoing characteristic has been ended not less than 2 years prior to the date of submission of the application to the SEC.
  - 6.) Shall not be nor have ever been a provider of any professional services including legal advisor or financial advisor who receives service fees exceeding 2 million baht per year from the company\*, and not be a significant shareholder, controlling person or partner of the provider of professional services. Unless the foregoing characteristic has been ended than 2 years\* prior to the date of submission of the application to the SEC.
  - 7.) Shall not be a director appointed as representative of the Board of Directors, major shareholder, or shareholder who is related to a major shareholder of the Company\*.
  - 8.) Shall not undertake any business in the same nature and in competition with the business of the company or the subsidiary, not be a significant partner in a partnership or director with management authority, employee, staff member or advisor who receives salary or holds shares exceeding 1% of the total voting shares of another company which undertakes business in the same nature and in competition with the business of the Company\*.
  - 9.) The term of an independent director can not be exceeding than 9 years from the date of appointment.
  - 10.) Shall not have any other characteristic that limits his or her ability to express independent opinions regarding the company's operations\*.

*Note: the Company\* means parent company, subsidiary company, associate company, major shareholder or the Company's controlling person.*

In the year 2021, all independent directors have no business relationship or provide the company with any professional service. Furthermore, the company never has a person appointed as an independent director who has had a business relationship.

### **The Terms of Independent Director**

The Board of Directors has considered the policy for term of "Independent Director" of the company no be exceeding than 9 years. In year 2021, all 3 independent directors have not held any position of independent director of the company for more than 9 years.

## **2.) Nomination of Directors and CEO**

The process of nominating and appointing the Company's directors to be in accordance with the principles of good corporate governance, the Board of Directors has assigned the Nomination and Remuneration Committee to consider and nominate directors to replace those who are retired by rotation under the law on securities and stock exchange relevant laws by considering the qualifications of directors based on skills expertise in accordance with the Company's business strategy by creating a Board Skill Matrix in accordance with the Board's Diversity Policy and the Director Pool database of the Thai Institute of Directors Association (IOD), as well as having no conflicts of interest with the Company. Thus, the Company provides an opportunity for shareholder to propose the qualified persons or agendas to the Annual General Meeting of Shareholders via the Company's website at [www.ichitangroup.com](http://www.ichitangroup.com) and the SETLink system of SET in advance during announced period October 1 - December 31, 2021. In 2021, none of shareholders has proposed any person or agenda item.

### 3.) Directors and Executives Development

The Board of Directors has a policy to encourage directors and executives to participate in seminars and trainings in order to develop their knowledge in all aspects in order to continually develop the operations and increase the capability of corporate governance continuously.

#### Orientation for New Directors

Board of Directors requires orientation for all new directors to create knowledge and understanding of business and various operations of the Company in order to prepare for the performance of the directors' duties. At the same time, there are policies to enhance knowledge and new perspectives to all directors in terms of corporate governance industrial conditions technology business and new innovations by having the company secretary who responsible for a coordinator. The company secretary shall present the documents and useful information related to the directors, such as a handbook for director in listed companies, Good Corporate Governance and Business Ethics Guide, Articles of Association business structure and director structure, the scope of authority, Basic Laws, and related., as well as having a business visit and attending a business briefing and arrange a meeting with the Chairman or the Managing Director in order to discuss and inquire about the Company's business operations. In year 2021, the Company has not recruited new directors but in order for the directors to be informed of current information Therefore, a manual for directors and rules has been prepared related to laws, rules, regulations and important policies that directors should know in the director manual.

#### Directors and Executives Development

The Board of Directors supports and encourages directors and executives to continuously participate in seminars and training to develop their knowledge that is beneficial to the performance of their duties, as well as meet and exchange opinions with the Board of Directors. The Company secretary has been assigned to coordinates with directors and executives for directors' courses attending and other programs of the Thai Institute of Directors. For example, training courses on Directors Certification Program, Directors Accreditation Program (DAP), Audit Committee Program (ACP), Sustainable Development and Anti-Corruption.

#### **In 2021, training and seminars to foster directors and executives work knowledge included as below**

Schedule of courses that directors and executives train / seminar from 2014 to 2021			
Names	Positions	IOD Courses	Other courses
1) Mr. Tan Passakornnatee	Chairman of the Board of Directors Chairman of the Executive Board Chief Executive Officer	1) DAP no.12/2004 2) FBG no.6/2016	<ul style="list-style-type: none"> <li>Course on how to prevent corruption problems at the corporate level for efficiency.</li> </ul>
2) Mr. Thiti Jiranontkarn	Director Executive Director	1) DAP no.12/2004 2) FBG no.6/2016	<ul style="list-style-type: none"> <li>Course on how to prevent corruption problems at the corporate level for efficiency.</li> </ul>
3) Mr. Virote Supasoon	Director Executive Director Executive Vice President, Manufacturing	1) DAP no.106/2013 2) RCL no.5/2016	<ul style="list-style-type: none"> <li>Responsibility Management To society for sustainable development in 2017 by SET Course P01-S06 *</li> <li>Course on how to prevent corruption problems at the corporate level for efficiency.</li> <li>Business management training 2020</li> <li>ICDL Personal Data Protection+123 case (PDPA) via online in 2021</li> </ul>



Schedule of courses that directors and executives train / seminar from 2014 to 2021			
Names	Positions	IOD Courses	Other courses
4) Mr. Tanapan Khongnuntha	Director Executive Director Executive Vice President, Beverage Business	1) DAP no.106/2013 2) RCL no.5/2016 3) BMT no.4/2017	<ul style="list-style-type: none"> <li>Responsibility Management To society for sustainable development in 2017 by SET Course (P01)</li> <li>Course on how to prevent corruption problems at the corporate level for efficiency.</li> <li>Business management training 2020</li> <li>ICDL Personal Data Protection+123 case (PDPA) via online in 2021</li> </ul>
5) Miss Araya Panichayunon	Director (Executive Director) Deputy Financial Director	1) DAP no.106/2013 2) RCL no.5/2016 3) BMT no. 4/2017	<ul style="list-style-type: none"> <li>Course on how to prevent corruption problems at the corporate level for efficiency.</li> <li>Business management training 2020</li> <li>ICDL Personal Data Protection+123 case (PDPA) via online in 2021</li> </ul>
6) Air Vice Marshal Nathawat Nimmolthanakorn	Independent Director Chairman of the Audit Committee	1) DAP no.106/2013 2) AACP no.16/2014 3) RNG no. 8/2016 4) ELP no.9/2017	Federation of Accounting Professions <ul style="list-style-type: none"> <li>Audit Committee Seminar Get Ready for Year End Course</li> </ul>
7) Mr. Prasan Limpipattanakul	Independent Director Member of the Audit Committee	1) DAP no.106/2013 2) AACP no.16/2014 3) RNG no. 8/2016 4) ELP no. 9/2017	Federation of Accounting Professions <ul style="list-style-type: none"> <li>Audit Committee Seminar Get Ready for Year End Course</li> </ul>
8) Mr. Issarachai Decharit	Independent Director Member of the Audit Committee	1) DAP no.27/2004 2) AACP no.17/2014 3) RNG no.8/2016 4) ELP no.9/2017	Federation of Accounting Professions <ul style="list-style-type: none"> <li>Audit Committee Seminar Get Ready for Year End Course</li> </ul>
9) Mrs. Eng Passakornnatee	Executive Director Senior Executive Vice President	1) DAP no.12/2004 2) DCP no.44/2004 3) FBG no.6/2016	<ul style="list-style-type: none"> <li>Responsibility Management To society for sustainable development in 2017 by SET Course P01-S06 *</li> <li>Course on how to prevent corruption problems at the corporate level for efficiency.</li> <li>Training Course on Coaching for Leadership Class 1 Thursday 29 August 2019 Training on Succession Plan on 22 May 2019</li> <li>Business management training 2020</li> <li>ICDL Personal Data Protection+123 case (PDPA) via online in 2021</li> </ul>
10) Mr. Preecha Atcharanon	Executive Director	1) DAP no.106/2013	

**Note:**

\*หลักสูตร course P01-S06

P01: CSR for Corporate Sustainability /S01: Strategic CSR Management/S02:Supply Chain and Stakeholder Engagement

S03: Corporate Social Initiatives for Sustainable Development/S04: Sustainability Risk and Materiality Analysis

S05: CSR Evaluation and Data Management/S06: Sustainability Reporting

#### 4.) Self-assessment of the Board of Directors and self-assessment of CEO

Ichitan Group Public Company Limited has an assessment of the Board of Directors for the entire Board of Directors once a year. The assessment is the performance assessment of the Board of Directors, sub-committees and CEO individually, through 4 formats assessment according to the SET's form. This is to understand the work of the Board of Directors including the improvement of the performance of the Board of Directors. The evaluation criteria will be calculated as a percentage of the full score of each item. If the average score is more than 85 percent = very good, 75-84 percent = good, 65% -74 = quite good, 50-64% = fair, less than 50% = improvement. In 2021, the results of the assessment can be summarized as follows.

##### 1) Self-assessment form of the entire Board of Directors

A total of 60 items, a full score of 240, received an average score of 93.3%, criteria as Very good

##### 2) Self-assessment form of the Board of Directors (5 sub-committees)

A total of 36 items, full score of 144 points, the average score of 92.0%, criteria as Very good

##### 3) Self-assessment form of the board of directors and individual committees

All 11 items with a full score of 44 received an average score of 93.8%, criteria as Very good

##### 4) Assessment of the President (CEO) by the Chairman of the Nomination and Remuneration Committee and the CEO self-assesses.

A total of 54 items, a perfect score of 216, received an average score of 96.53%, criteria as Very good

#### **The performance appraisal process of the Board of Directors**

The Board of Directors assigns the company secretary to prepare the assessment forms for all directors annually. Then, report the results to the Board of Directors for acknowledgment. In 2021, the assessment was held on November 11, 2021, and reporting to the Board of Directors on December 15, 2021.

#### **Criteria for evaluating the performance of the Board of Directors**

There are four types of assessments that cover the following main points:

- (1) Committee Policies
- (2) Structure and Qualifications of the Board of Directors
- (3) Meeting Arrangement
- (4) Practices, Duties, and Responsibilities of the Board of Directors
- (5) Internal Control and Internal Audit
- (6) The strategic plans Implementation (CEO)
- (7) Management and Leadership (CEO)

#### **8.1.2 Meeting Attendance and Individual Directors' Remuneration**

##### **1.) Board Meetings**

Board meetings and committees are scheduled quarterly and has notified the schedule of meetings throughout the year in advance to all directors. The Office of the Company Secretary has sent the invitation letter together with the meeting agenda and meeting documents to the Board of Directors 7 days in advance then specified a minimum number of quorums of the Board of Directors. In this regard, the resolution of each meeting must have directors not less than two-thirds of the total number of directors. In 2021, the Board of Directors holds a total of 6 meetings and 1 meeting without management (Non-Executive Director - NED). All directors are able to express

their opinions openly and independently. The Minutes of the meeting was recorded and kept in written form with certified by the Board of Directors, so that directors and related persons able to inspect. In addition, high-level executives also attended the meeting to provide additional details for consideration of various agendas, as well as the chairman of the board together with 1 independent director to consider and select matters to be included in the agenda of the Board of Directors' meeting And all directors are independent to propose matters on the agenda of the meeting.

Names	Positions	Meeting Attendance in 20121						
		The Board of Directors	The Audit Committee	The Risk Management Committee	The Nomination and Remuneration Committee	The Corporate Governance Committee	The Board of Executives	Non-Executive Committee
1. Mr. Tan Passakornnatee	Chairman of the Board of Directors Member of the Nomination and Remuneration Committee Member of the Corporate Governance Chairman of the Executive Board	6/6	-	-	3/3	3/3	15/15	-
2. Mr. Thiti Jiranontkarn	Director Executive Director	6/6	-	-	-	-	15/15	-
3. Mr. Virote Supasoon	Director Member of the Risk Management Committee Executive Director	6/6	-	4/4	-	-	15/15	-
4. Mr. Tanapan Kongnuntha	Director Member of the Risk Management Committee Executive Director	6/6	-	4/4	-	-	15/15	-
5. Miss Araya Panichayunon	Director ( Executive Director )	6/6	-	-	-	-	-	-
6. Air Vice Marshal Nathawat Nimmolthanakorn	Director Chairman of the Audit Committee Chairman of the Risk Management Committee	6/6	4/4	4/4	-	-	-	1/1
7. Mr. Prasan Limpipattanakul	Director Member of the Audit Committee Member of the Nomination and Remuneration Committee Chairman of the Corporate Governance Committee	6/6	4/4	-	3/3	3/3	-	1/1
8. Mr. Issarachai Decharit	Director Member of the Audit Committee Chairman of the Nomination and Remuneration Committee	6/6	4/4	-	3/3	3/3	-	1/1
9. Mrs. Eng Passakornnatee * appointed since November 10, 2021	Executive Director	-	-	-	-	-	3/3	-
10. Mr. Preecha Atcharanon	Executive Director	-	-	-	-	-	15/15	-

## 2.) Remuneration of Directors

Please see details of Directors' Remuneration in "Topic 7. Corporate Governance Structure and Importance Information of Board of Directors, Sub-Committee, Executives, Employees and Others" in "Sub-clause 7.4.2 Management's Remuneration".

### 8.1.3 Management for Subsidiaries and Associates

Please see details of Management for Subsidiaries and Associates in "Topic 1. Business Operations and Performance" in "Sub-clause 1.3.1 Investment Policy in Subsidiaries, Associated Companies and Joint Ventures including other companies".

### 8.1.4 Corporate Governance Policy and Guideline Compliance Control

#### 1.) Internal information guideline

Ichitan Group Public Company Limited (the Company) has a good corporate governance system; the Board of Directors has considered and approved the formulation of the Company's internal information supervision policy. "Inside information" means inside information that is material to the trading of the Company's securities. And affect the changes in the Company's securities prices Which has not been disclosed to the public For the benefit of themselves and those involved in the Company's business operations, directors, executives, employees and related persons must consider and acknowledge information that may affect the stock price and cannot yet be disclosed to shareholders, investors or The general public can therefore use the Company's inside information. It is therefore important that information is properly managed so that information cannot be leaked or misused. And it is taking advantage of other people, which in addition to being illegal, but also affecting the reputation of the company as well. The Board of Directors deems it appropriate to prepare a written policy for managing inside information affecting the price of securities. The directors, executives, employees and all involved persons must comply and communicate properly with details as follows:

- 1) Directors, executives, employees and third parties Must maintain the confidentiality and / or inside information of the company:
  - 1.1) Keep the Company's inside information carefully and securely to prevent the internal information leaking.
  - 1.2) Do not disclose inside information to other persons not related to the performance, in order to protect the inside information that may be used whether for one's benefit or others.
- 2) Directors, executives, employees and third parties must not share the Company's confidentiality and / or inside information. To disclose or seek benefits for oneself or for the benefit of any other person, whether directly or indirectly, and whether or not receiving compensation.
- 3) Directors, executives, employees and employees of the company must not trade, transfer or accept the transfer of the Company's securities by using secrets. And / or information inside the company And / or enter into any other act by using secrets And / or inside information of the company Which may cause damage to the company Either directly or indirectly This requirement includes The spouse and underage children of the Company's directors, executives, employees and employees who violate the said regulations will be considered a serious offense.
- 4) The Company has set guidelines for the preservation and prevention of misuse of inside information (Insider Trading) by prohibiting directors / executives and employees from the Department Director and above. And persons related to inside information trading the Company's securities within 1 month prior to the quarterly disclosure of financial statements. And annual financial statements and 48 hours after material information are disclosed.

- 5) The company monitors the use of inside information in accordance with the law and good corporate governance principles with defined as Written in Business Ethics and Good Corporate Governance Manual.
- 6) The company has assigned the directors / executives and employees from the department director upwards. Of the Company to report securities' trading to the Company on the same day it is submitted to the Securities and Exchange Commission (SEC) in accordance with the regulations of the SEC regarding holding reports. Own the securities and follow the guidelines of The Stock Exchange of Thailand Subject: Trading of Securities of Listed Companies Using Inside Information For more details, see the topic. "Good corporate governance".

However, during the year 2021 the Board of Directors has strictly implemented the above policy and none of the committee use inside information for their own benefits.

## **2.) Conflicts of interest**

The Board of Directors has Conflict of Interest Policy on the principle that any decision in the conduct of business activities must be made in the best interests of the Company and actions that may cause conflicts of interest should be avoided. Benefit by requiring those who are involved in or connected with the considered transaction must inform the Company of their relationship or connection in such transaction and must not participate in the consideration to make decisions, including without authority to approve such transactions, the Audit Committee will present to the Board of Directors about the connected transactions. and items with conflicts of interest which have been carefully considered appropriate and has complied with the rules set by the SEC and the Stock Exchange of Thailand, including disclosed in the 56-1 One Report form and on the Company's website <http://www.ichitangroup.com/pdf/corporate/data05012021.pdf>

## **3.) Anti-corruption and Whistleblowing**

The company has disclosed the anti-corruption policy, the follow-up and evaluation, and reporting of whistle blowing in “Topic 6. Corporate Governance” in “Sub-clause 6.1.3 Policy and Guidelines Related to Shareholders and Stakeholders (“Anti-Corruption”)”.

In 2021, the company did not find any reports. or whistleblowing related to corruption related to the Company In addition, the company has a policy to encourage partners as stakeholders grow together, the Group's Collective Action Coalition Anti-Corruption Strategies have been formulated to ensure that all supply chain processes The Company's chain is transparent and the intention has been extended to its partners (Supplier & Distributor) by promoting knowledge of anti-corruption and opening opportunities for partners to join the group.

- Organize anti-corruption training for directors, executives and employees
- Set up “Anti-Corruption Practice Guideline” for all stakeholders to acknowledge and follow.

## **4.) Compliance with Corporate Governance Principles in other Matters**

The Board of Directors, executives and employees of Ichitan Group Public Company Limited have strictly complied with the corporate governance policy and monitored the performance according to the operational plan. The relevant policies and guidelines have been set in Corporate Governance Policy and Code of Conduct as well as to promote real practice to build confidence in all groups of stakeholders in the past year. The Company has followed up to ensure compliance with good corporate governance covering 1) employee care and non-discrimination 2) anti-unfair competition 3) environmental stewardship, hygiene and safety in the organization. 4)

Information security. The follow-up results showed that the Company had completely complied with the guidelines of each issue. Details are disclosed in the 2021 Sustainable Development Report.

## **8.2 Report on the Performance of the Audit Committee during the Past Year**

- Please refer to “Attachment 6. Report of the Audit Committee”. -

## **8.3 Report on the Performance of all Sub-Committees during the Past Year**

- Please refer to the report of all sub-committees in “Attachment 6. Report of the Audit Committee, Report of the Nomination and Remuneration Committee, Report of the Corporate Governance, Report of the Risk Management Committee, and Report of the Executive Committee”. -

## 9. Internal Control and Connected Transactions

### 9.1 Internal Control

According to the Board of Directors' Meeting No. 2/2021, held on March 27, 2021, with all 3 Audit Committee members attending the meeting to give opinions on the adequacy and appropriateness of the internal control system. The Board of Directors has assessed the sufficiency of the internal control system by referring to the assessment form of the Securities and Exchange Commission. The Company has provided sufficient personnel to effectively implement the system. There is also a system for monitoring and supervising the operations of the company. The Board of Directors is of the opinion that the Company's internal control system is at an appropriate level, which can be summarized as follows:

#### 1.) Internal control

The Company has established a good corporate governance structure comprising the Board of Directors and various sub-committees. Each committee is responsible for the shareholders in relation to the Company's business operations and supervises the management to be efficient, achieve the goals and achieve the maximum benefit to the shareholders. It also has a good organizational structure and environment. As a result, the internal control system is effective at an appropriate level. The Company has set up an organizational structure, defining duties and responsibilities according to the line of business in accordance with the business strategy and good corporate governance. There is an internal audit unit which is an independent unit and reports directly to the Audit Committee. The Company has set clear and measurable business goals through the preparation of annual budget plans and appropriate indicators to guide employees' performance. There is a compensation system based on the achievement of personal scorecard goals, plans for recruiting and developing key successors, an ethical control system as a policy, and an action plan that clearly for the management and employees to implement in order not to cause conflicts of interest with the Company, including having a corporate governance policy that is consistent with the principles COSO and SET guidelines and appropriate international standards for work, which are disclosed in the annual report, including the establishment of procedures for general operating procedures, quality manuals, a systematic, concise, and systematic authorization guide for each level of approval, including the treatment of customers, and competitors with fairness.

#### 2.) Risk assessment

Board of Directors Give importance to risk management By defining a risk assessment process in accordance with the objectives and goals of the business operation by means of identifying and analyzing all types of risks, including organizing risk management throughout the organization. The Risk Management Committee has assigned the Risk Management Committee to be responsible for setting up the policy framework, including supervision, to have an efficient risk management system and process for the entire organization and to communicate to all directors, executives and employees. Acknowledged through the risk management working group consisting of representatives from various departments To provide advice, coordinate risk assessment within their own departments. All departments are required to assess various key risk factors taking into account the potential and possible impacts. Both from internal and external factors Including risks that may arise from corruption in each department, both related to the public and private sectors, as well as setting measures to prevent such risks as a whole as part of risk management and has an internal audit unit to

review the appropriateness of preventive measures. Including setting the risk management measures to remain at an acceptable level In addition, the company also pays attention to the preparation of the readiness of the rapidly changing situation; the Business Continuity Management Plan (BCP) has been developed to ensure the continuity of the Company's business operations. The Board of Directors has organized a meeting of the Risk Management Committee. To analyze and determine measures to avoid or reduce the risk that may cause damage or damage the reputation of the Company and report to the Board of Directors.

### **3.) Operational control**

The Board of Directors has clearly defined the scope of duties, procedures and powers of the management and the authority in each hierarchy by establishing the Company's procedures and notifying the executives and employees concerned. Every step of the process is monitored, reviewed and reviewed compliance with the regulations and requirements of the law by the Internal Audit Department. The Audit Committee has reviewed and approved the annual audit plan. To cover all operational processes that may have a high risk. This can ensure that the various departments have an adequate control system in response to operational risks, both financial and economic. Compliance with laws, regulations, rules and regulations In addition, the company places great importance on the development of human potential by organizing training, knowledge and skills development. In addition, the recruitment plan for key successors has been established, and important issues detected by the internal audit function have been determined. External auditors who have been strictly monitored and reported to The Board of Directors, the management and relevant persons acknowledge improving and solving problems and taking measures to prevent them from occurring. In the past, the Internal Audit Department has not found any action which is a violation of the law for transactions with related parties or persons The Board of Directors has set the conduct in accordance with the rules of the Securities and Exchange Commission (SEC). ) And the Stock Exchange of Thailand The transaction is treated as a third party and takes into account the best interests of the Company as a priority, which the transactions will be carried out in accordance with the principles approved by the Board of Directors, with the Internal Audit Office monitoring, reviewing, auditing. And to report information on transactions that occurred to the Audit Committee for acknowledgment and for consideration quarterly.

### **4.) Information and Communication Systems**

The Company provides effective communication both within and outside the organization, keeping all documents supporting accounting records in categories and using accounting policies in accordance with generally accepted accounting principles. Use the program to optimize resource planning and information management in accounting, finance, purchasing, sales, inventory management, and production planning information to get the correct information fast, accurate This will enable the management to be aware of information and be able to make decisions quickly. as well as have measures for the safety of the information system by setting up measures to prevent risks that may arise from the information system at the general meeting of shareholders The company has sent a meeting invitation letter with sufficient supporting information for decision making. On average, it is delivered at least 7 days in advance and requires the company secretary to give advice on legal and other rules that the Board of Directors must know. Supervise the activities of the Board of Directors. Coordinate to ensure compliance with the Board of Directors' resolutions. It is the center for the preparation and storage of important documents. Including the registration of directors, notice of meeting of directors Minutes of the Board of Directors' Meeting Notice of the shareholders' meeting and the minutes of the shareholders' meeting The Audit Committee considered together with the auditor. Internal Audit and those involved in the preparation of the Company's financial statements to ensure that the company has applied accounting



policies in accordance with generally accepted accounting principles and suitable for the nature of the company's business Including proper disclosure of information, the Company provides communication channels with stakeholders such as the Complaint Center / Investor Relations Unit, in order to know deficiencies and problems that arise and to allow external agencies to obtain the required information / able to inform the company which are detailed in the section "Anti-Corruption".

### **5.) Monitoring and evaluation system**

In 2021, there were 6 meetings of the Board of Directors to formulate policies, business plan and follow up on the performance of the Executive Committee. The Executive Committee of the Company shall follow-up on business results comparing with goals and plans or budget in various fields monthly Improvements were made to suit the current situation at all times and middle management was arranged to have quarterly presentations. Reviewed and improved the medium-term plan and presented it to the Board of Directors to strategize in the said medium-term plan will be reviewed every year to reflect the changing situation. The Audit Committee held a total of 4 meetings, with one meeting and discussion with the auditor without the management attending the meeting. There was an Internal Audit Office. that performs an independent audit to report any material defects detected to Audit Committee and Board of Directors to consider ordering to be corrected within a timely manner by the Internal Audit Office has established a framework of authority to conduct regular audits Make an annual work plan and report the audit results to the Audit Committee for acknowledgment and must report to the Board of Directors as soon as there is an incident may have a serious impact on the business of the company such as production, operation corruption or Violation of the law of directors, executives or employees related to the Company, etc., which may affect the Company's reputation from the assessment of the Company's internal control system in various aspects. The Company has an internal control system that is suitable and sufficient for its business operations and that all units have complied with the established rules and regulations.

### **6.) Fair business operation**

#### **Fair competition**

The Company operates and operates with fairness in accordance with the laws and regulations of competition, encourages employees to realize the importance of fair operation, and discloses methods and measures used to combat corruption, unfair competition through clear, transparent and verifiable company regulations, including responsible political participation, legal compliance, fair competition, social responsibility promotion. To the departments within the scope of the company, strictly complying with the conditions agreed with the seller or creditor in accordance with the agreements that have been committed in doing business together, which is one topic. in the matter of the Company's code of conduct by emphasizing on doing business with fairness, understanding the nature of business and the situation, both customers, trading partners, which consist of suppliers, farmers and the surrounding communities that they have to depend on each other, creating confidence that will benefit both to the business and related parties in the long run The company has set guidelines Work practices that are fair to all involved parties, processes and systems have Transparency can be checked The Company has established guidelines for practice as follows:

- Specify the terms and conditions together in the contract of sale and follow various conditions to customers strictly In the event that any conditions cannot be complied with Need to promptly notify customers in order to jointly consider solving problems.
- Provide accurate, adequate and up-to-date information and advice to customers to know about products.
- Deliver quality products Meets the deal with the customer at a fair price. Do not trade undue profit.

**Promote social responsibility in trading partners**

- Examine the relationship and involvement between employees at all levels and vendors subcontractor The Company's contractors continuously to prevent unfair and inequality in business practices between sellers subcontractor each contractor of the company.
- Clarification, asking for cooperation and verify the fairness of employment and the seller's compliance with labor laws. Subcontractors, contractors who are partner of the Company whether to remain fair and comply with the law or not continuously.
- Set social and environmental measures in procurement policies and practices.
- Encourage trade partners/ business partners to accept and apply similar policies without causing unfair competition
- Promote the operation of business partners' social responsibility. and provide opportunities for partners to participate in the Company's social activities.
- Promote the seller's social responsibility operation. and giving the seller an opportunity to participate in the Company's social activities on an ongoing basis. both directly and indirectly which can participate in various social activities of the Company through direct with volunteer workers or indirectly by supporting funds or things according to their ability and the wishes of the seller.

**Respect of property rights**

The company promotes and obeys its property rights Intellectual property, copyrights, patents, moral rights Strictly It has a policy to comply with all applicable laws regarding intellectual property or copyright. Intellectual property is one of the most valuable assets of the company. And important to maintain a competitive advantage in the business The brand identity includes the company's name, logo, copyrights, patents, trademarks. Service mark Trade secret Work procedures, innovations, content and various rights It is very important that the Company They must also protect these assets and honor them as well of others. Including the use of computers, the Internet and any other information The Company is required to operate its business in accordance with laws, regulations and contractual obligations regarding valid intellectual property rights, including patents, copyrights, trade secret and other proprietary information.

- The Company will not infringe or misuse the right of intellectual property rights.
- Employees at all levels of the Company. with a duty to maintain trade secrets trade secret formula product manufacturing process or confidential business practices must maintain such secrets as safe as possible and prevent information those leak.
- Employees at all levels of the Company must respect the intellectual property rights of others. Do not use the work of others, even part of it, for personal benefit without permission or compensation to the owner of the work first
- Works resulting from the performance of duties are the Company's intellectual property.
- Upon retirement from being an employee must deliver various intellectual property This includes works, inventions, etc., returned to the company whether the information is stored in any form
- The company will continuously check the computer and the use of various programs in the company.
- Employees who use company computers. The software must be used with the permission of the copyright owner. and only that is licensed for use by the Company. to prevent intellectual property infringement problems
- The company does not allow employees to download any program without permission.

- The company does not support the use of works or information that is the right of third parties. that have been obtained or will be used within the company must be checked to ensure will not infringe the intellectual property or copyright of others

### **Responsible involvement in politics**

The Company has a policy to conduct business with political neutrality. Not get involved and non-political or professional politicians, any political party or any political authority. Do not use the Company's funds or resources. Or any other form of assistance to support Political aid either directly or indirectly, to any political party or politician. With the objective to benefit business and not allowing management Employees use power to dominate, manipulate, intimidate, coercion. The company has a policy on political support.

- The company encourages employees of all levels Able to exercise their rights as a good citizen exercising their political rights By acting on behalf of the individual according to the constitutional law And other laws related Including not using a position in the company or in the company name or brand Induce others to pay subsidies or give support to politicians or any political party. The company has no policy to provide direct or indirect financial support to any politician or political party. For the benefit of a politician or that political party.
- The company places great emphasis on political neutrality. Do not get involved and not participate in any activities that may give rise to the understanding that the company is involved in or supports a political party. Or any political authority Or any one of the power groups. This may lead to unity within the company and the nation.
- Do not use Company assets to support any political party. Or any political authority Or any one of the power groups either directly or indirectly In exchange for special privileges or benefits.
- The company does not participate in the campaign. Or advertise for any political party or politician in the Company's area.
- Adhere to democracy and encourage employees to exercise their rights to vote according to the constitution.

## **9.2 Connected Transactions**

### **9.1.1 Characteristics of Connected Transactions and Policies on Related Transactions**

Ichitan Group Public Company Limited (“the Company”) has disclosed the details of connected transactions with business and persons who may have conflicts of interest with the Company included in the 2021 annual financial statements, most of which are transactions between the Company and businesses in the Company's group. If the transaction is abnormal business transaction, the executives or stakeholders in such matters will not have approval in such transactions in order to comply with the principles of good corporate governance and ethics of directors and if there is an appraisal, an appraisal company registered with the Office of the Securities and Exchange Commission will be used as an appraiser for approval or When a transaction occurs, the Company will disclose information to the public through the Set Link system within the period specified by the Stock Exchange of Thailand. In 2021, the Company has significant business transactions with related persons or businesses. Such transactions are in accordance with commercial terms and criteria as agreed between the Company and related parties and are in normal business practice.

### 9.1.2 Persons who may have Conflicts and Relationship

#### 1.) Persons who may have Conflicts and Relationship with the Chairman of the Board of Directors

Persons and businesses that may have conflicts	Relationship with the Chairman of the Board of Directors
1 Mr. Tan Passakornnatee ("Mr. Tan")	• Chairman of the Board of Directors / Directors / Major shareholders of the Company
2 Mrs. Eng Passakornnatee ("Mrs. Eng")	• Executive and Senior Executive Vice President / Major shareholder of the Company and spouse "Mr. Tan"
3 Miss Warisa Phasakornnatee ("Miss Warisa")	• A major shareholder of the Company and a daughter, Mr. Tan.
4 Mr. Passakorn Passakornnatee ("Mr. Passakorn")	• A major shareholder of the Company and a son of Mr. Tan.
5 Miss Klainatee Phasakornnatee ("Miss Klainatee")	• A major shareholder of the Company and a daughter of Mr. Tan.
6 I am Green Tea Company Limited (IGT) Operates the beverage distribution business for the Company and has received the right from Mr. Tan Passakornnatee to produce and distribute products with Mr. Tan's image, drawings, symbols and Mr. Tan's designs for 6 years.	• Ms. Thanthita Pasakornnatee who is the sister of "Mr. Tan" is a major shareholder of 80.0%.
7 Passakornnatee Company Limited (PAS) Operates Hotel business	• Has a joint director, namely "Mrs. Eng" • "Mrs. Eng" "Mr. Passakorn" and "Miss Warisa" are shareholders with 100% shareholding.
8 Tan Asset Company Limited (TAN) Operates rental and service businesses of space and Football field service	• "Mr. Tan", "Mrs. Eng", and "Miss Warisa" major shareholders with a combined 91.1% shareholding.
9 Tan Boon Company Limited (TANBOON) Conduces Real Estate business	• "Mr. Tan", "Mrs. Eng", "Mr. Pasakorn", and "Miss Klainatee" are shareholders by holding 100% of shares
10 Kin Rong Deum Company Limited (KRD) Operates Restaurant business	• "Mrs. Eng" is a shareholder by holding 46.77% of shares.
11 T-One Building Company Limited (T1) Operate office building rental business	• Has a joint director, namely Mrs. Eng • Mr. Tan is a shareholder With a total shareholding ratio of 27.74% • Mrs. Eng is a shareholder With a total stake of 4.62% • Mr. Passakorn and Mr. Klainatee, son and daughter of Mr. Tan and Mrs. Eng As a shareholder Holds 9.24%. • Mr. Thiti Jiranontkarn is a shareholder. With a total stake of 2.69%
12 Ezili Company Limited (EZL) Operates Restaurant business	• "Miss Warisa", a daughter of Mr. Tan, is a shareholder with 52.8% shareholding.
13 Ninja Amata Company Limited (NJ)	• "Mr. Tan" and "Mrs. Eng" are mutual shareholding of 96%

Note: Mrs. Eng Passakornnatee has been appointed as Executive and Senior Executive Vice President on November 10, 2021

## 2) Connected Transactions between the Company and Subsidiaries, Associates and Other Related Parties

In the year 2021 and 2020, the Company has entered into transactions with other parties who may have conflicts. Such related transactions do not cause a conflict of interest as the following details:

Related Parties	Relationships	Transactions	Values (Million Baht)		The necessity and reasonableness of the transaction
			Year 2021	Year 2020	
1. I am Green Tea, Co., Ltd. (IGT)	Ms. Thanthita Pasakomnatee who is the sister of "Mr. Tan" is a major shareholder of 80.0%.	<ul style="list-style-type: none"> <li>- Sales Revenue</li> <li>- Discounts</li> <li>- Outstanding receivable</li> <li>- Accrued expenses</li> <li>- Promotional expenses (souvenir)</li> </ul>	405.03 (27.44) 67.39 2.46 0.008	366.02 (22.28) 53.72 2.00 0.07	<ul style="list-style-type: none"> <li>• Sales of beverage products of the Company to IGT, which is a distributor in the Traditional Trade channel, which is effective from 1 Jul. 2017 - 30 Jun. 2020 and renew the contract. On July 1, 2021, which is a period of 2 years, is a free promotion by reimbursement of the free products given by the distributor to the customer, which the said promotion is stipulated in the contract Appoint a distributor each month and be approved by the Deputy Managing Director.</li> <li>• It is a special order item for souvenirs made to order from IGT to be used in the Company's sales promotion consisting of a doll depicting Mr. Ton, a bag, a piggy bank, a glass of water that is displayed and sold at Tan Land, Rojana Factory. According to the license agreement to produce and sell products with Mr. Ton's image, drawing, symbol and design of Mr. Ton which was made between Khun Tan and IGT dated July 1, 2011 by Mr. Tan allowed to bring a picture of Khun Ton and Khun Ton's designs to be produced, published, attached or stamped for distribution to the company where Khun Tan is a director. or is a shareholder only Khun Tan does not charge any compensation and fees.</li> </ul>
2. Tan Asset Co., Ltd. (TAN)	Directors are major shareholders of the company. "Mr. Tan", "Mrs. Eng", and "Miss Warisa" major shareholders with a combined 91.1% shareholding.	<ul style="list-style-type: none"> <li>Billboard rental</li> </ul>	0.18	0.17	<ul style="list-style-type: none"> <li>• It is an advertisement to promote the brand of the product which is in accordance with the budget plan of the marketing department.</li> </ul>
3. T-One Building Co., Ltd. (T1)	Directors are major shareholders of the company. ("Mr. Tan" holds 27.74%, "Mrs. Eng" holds 4.62%, Son of "Mr. Tan" and "Mrs. Eng" hold 9.24%, "Mr. Thiti" holds 2.69%)	<ul style="list-style-type: none"> <li>- Office rental and service fees</li> <li>- Accrued expenses</li> </ul>	14.14 0.07	14.07 0.08	<ul style="list-style-type: none"> <li>• A lease of space for use as the Company's office building at T-One Building, Sukhumvit 40, Bangkok, with a 3-year lease term from August 1, 2019 to July 1, 2022.</li> </ul>

Related Parties	Relationships	Transactions	Values (Million Baht)		The necessity and reasonableness of the transaction
			Year 2021	Year 2020	
4. Ninja Amata Co., Ltd. (NJ)	Directors are major shareholders of the company. "Mr. Tan" and "Mrs. Eng" are mutual shareholding of 96%	- Area service fee	0.01	-	<ul style="list-style-type: none"> <li>A rental of a flea market area to introduce new products to the local people. It is considered a promotion of the marketing department.</li> </ul>
5. Kin Rong Deum Co., Ltd. (KRD)	"Mrs. Eng" is a spouse of "Mr. Tan" by holding 46.77% of shares.	- Food and Beverage	0.002	-	<ul style="list-style-type: none"> <li>Food purchase items from KRD's restaurants to assure customers.</li> </ul>
6. Passakornmatee Co., Ltd. (PAS)	"Mrs. Eng", "Miss Warisa" and "Mr. Passakorn" are shareholders with 100% shareholding.	- Room purchase expense	-	0.01	<ul style="list-style-type: none"> <li>Purchase of a room from PAS, which operates a vacation rental business, Villa Maroc Resort, Pranburi District Prachuap Khiri Khan Province To be used in the promotion of the company, such as a thank-you party for the media</li> </ul>
7. Tan Boon Co., Ltd. (TANBOON)	Directors are major shareholders of the company. (with 100% shareholding.)	- Room purchase expense	0.001	0.37	<ul style="list-style-type: none"> <li>Room purchase from TANBOON, which operates Eastinton Hotels. Chiang Mai to be used in the promotion of the company which is a customer testimonial.</li> </ul>
8. Ezili Co., Ltd. (EZL)	"Miss Warisa", a daughter of Mr. Tan, is a shareholder with 52.8% shareholding.	- Food and Beverage	0.004	-	<ul style="list-style-type: none"> <li>EZL restaurant food purchase list to ensure customers.</li> </ul>

### 3) Necessity and Reasonableness of the Transactions

The Company conducts related transactions with caution by taking into account the best interests of the Company and its shareholders. All connected transactions of the Company and persons who may have conflicts of interest are normal business transactions or are necessary and reasonable transactions to support the Company's normal business. The increase is determined on the basis of normal trading conditions and in accordance with market prices and is carried out in the same way as it would with an ordinary customer of the same or similar nature (arm's length basis) for borrowing money with the person concerned. that The Company operates only to enhance liquidity as necessary.

### 4) Measures for Approving Related Transactions

The Company approves related party transactions by taking into account the interests of the Company as a priority through the consideration process in accordance with the Company's regulations and through the consideration process of various relevant committees, which consist of the Audit Committee, the Audit Committee, The Company's directors and senior executives of the Company consider the impact and set reasonable prices according to normal trading conditions as if transactions with outsiders.

In this regard, the Company has sought approval in principle relating to commercial agreements with general trading conditions in transactions between the Company and directors, executives or related persons. The Company may have related transactions in the future. The Company therefore seeks approval in principle for the management to authorize such transactions if those transactions have

a commercial agreement in the same manner as an ordinary person would do with a general counterparty under a single circumstance together with the bargaining power without influence from being a director, executive or related person, the company will prepare a summary of the transaction to report to the Audit Committee meeting every quarter.

In the case of company directors Executive Director Director or person who may have conflicts have a stake or conflict of interest Those interested directors do not have the authority to approve such transactions with the Company as prescribed by the Office of the SEC and/or the SET.

In addition, if the Audit Committee does not have expertise in considering the connected transactions, the Company will arrange for an independent expert to comment on such connected transactions to be used in the decision of the Board of Directors Audit Committee or shareholders, as the case may be, the company Important connected transactions will be disclosed in the notes to the financial statements audited by the Company's auditors.

## 5) Policy Relating to Future Connected Transactions

The Company has a policy to enter into connected transactions that occur at present and in the future that are expected to occur with persons who may have conflicts of interest. by treating the same as other customers with a fair pricing policy and in accordance with general trading conditions through a clear, transparent, fair approval process in accordance with the principles of good corporate governance correct according to the company's rules and must be in accordance with the authority to approve related transactions.

## 6) Summary of important contract/agreement

### 6.1) Supplier Appointment Agreement

On July 1, 2017, the Company entered into a contract to appoint I Am Green Tea Company Limited to be a distributor for the Company. This contract is effective from 1 July 2020 to 30 June 2023.

Counterparty	I Am Green Tea Company Limited (“Distributor”) and the Company (“Manufacturer”)
Contract Date:	July 1, 2020
Effective date	July 1, 2020
Contract period	3 years (1 July 2020 - 30 June 2023)
Territory	The manufacturer agrees to the distributor to be the distributor for the company's beverage products. As agreed In all trade channels in Thailand Except for Modern Trade channel.
Price and payment terms	The distributor must purchase the product from the manufacturer at the manufacturer's selling price, effective on the date the supplier sells the product to the customer and the manufacturer invoices. The aforementioned price is stipulated in the contract. And the distributor will sell the products to the store according to the price structure set by the manufacturer in the contract.
Distribution center and Delivery to the distribution center	The supplier must find suitable and sufficient storage space for the manufacturer to ship the product to the distributor.  The manufacturer is required to deliver the products to the distribution center. The distributor will notify the manufacturer at least 30 days in advance at the cost and expense of the manufacturer.

Product ownership	The ownership of the products stored in the distribution center is the property of Distributor.
Marketing and promotion expenses	The manufacturer is responsible
The cost of keeping the defective product out of the market	<p><b><u>In the event of a manufacturer's fault:</u></b> The manufacturer is responsible for the cost and expense in keeping the defective product off the market.</p> <p><b><u>In case of defective products:</u></b> The manufacturer agrees to be responsible and repay Distributor at an agreed rate.</p> <p><b><u>In the event of a vendor's fault:</u></b> The manufacturer is not responsible.</p>
Termination of the contract	<p>Termination of the contract with reasonable cause When any of the following cases occur The party that does not breach the contract has the right to terminate this contract.</p> <p>1) Any party has insolvent liabilities or becomes bankrupt, dissolves the company or liquidates.</p> <p>2) Any party breaches this agreement. Or not perform the duties under the contract to complete within 30 days after receiving a letter of claim from the other party.</p>
Liability for damages arising from unsafe products	The manufacturer has to determine how to use it. How to keep All warnings and product information reasonably accurate and clear, and are solely liable for damages arising from unsafe products. It prevents the distributor from being damaged as a result of claims, lawsuits, allegations, fines arising from unsafe products due to use.
Confidential information	Must not disclose any confidential information to anyone else. With effect for 3 years after this contract expires or is terminated.

6.2) License agreement for production and distribution of products with Mr. Tan Passakornnatee's image, drawing, symbol and design work of Mr. Tan Passakornnatee.

Counterparty	Mr. Tan Passakornnatee ("Licensor" or "Mr. Tan") and I Am Green Tea Company Limited ("Licensee")
Contract Date:	July 1, 2016
Effective date	July 1, 2016
Contract period	5 years (1 July 2016 - 30 June 2021)
Remuneration of rights	Allowed, no compensation and fees are charged. For the rights that the licensee has been granted under this contract.
Production and merchandising	In the manufacture of statues and merchandise bearing the licensor's image, drawings, symbols and designs published, affixed or stamped. The licensee must manufacture or hire other persons to manufacture products.
Selling price	Licensor reserves the right to determine the price of the products that the licensee distributes. The licensee can add up to 10% profit from the cost of the product to be the operating cost.
Licensee's duties	Licensee has no right to assign or dispose of, in whole or in part, the rights and obligations under this Agreement to others. In addition to obtaining the written permission of the licensor only.



Termination of the contract	In the event that Licensee violates any of the terms set forth in this Agreement or attempts to use the Agreement for any other purpose, Licensor has the right to terminate the Agreement immediately in writing. By registered mail and upon termination of this Agreement for any reason, various rights At the licensee under this contract Will end and no longer take effect.
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### 6.3) Office rental and service agreements

On June 10, 2019, the Company entered into an office rental and service agreement with T-One Building Co., Ltd. as the lessor of the office building with the Company. This contract is effective from 1 August 2019 to 31 July 2022.

Counterparty	T-One Building Company Limited (“Lessor”) and the Company (“Lessee”)
Contract Date:	June 10, 2019
Effective date	August 1, 2019
Contract period	3 years (1 August 2019 - 31 July 2022)
Territory	The Company leases and services an office building of 1,403.50 sq m. at T-One Building, 42-44 Floors, T-One Building, No. 8, Soi Sukhumvit 40, Phra Khanong Sub-district, Khlong Toei District, Bangkok 10110..
Price and payment terms	The tenant has to pay office rental and service every month, totaling 1,094,730 baht per month
Damage insurance	The lessee agrees to deposit a security deposit of 1,970,514 baht as security throughout the rental period.

**Ichitan Group Public Company Limited**  
**And its Subsidiary**

Financial Statements for the year ended

31 December 2021

and

Independent Auditor's Report

## **Independent Auditor's Report**

### **To the Shareholders of Ichitan Group Public Company Limited**

#### *Opinion*

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

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

#### *Basis for Opinion*

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

#### *Key Audit Matters*

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

Evaluating the recoverable amount of investment in joint venture	
Refer to notes 3 (b), 3 (k) and 9 to the financial statements	
The key audit matter	How the matter was addressed in the audit
<p>The Company has an investment in joint venture which has deficit from operation. Consequently, there are risks that the investment in joint venture may be impaired because the carrying amount of investment in joint venture may exceed its recoverable amount. The Company's management performed impairment testing by estimating the recoverable amount of the investment in joint venture. The impairment testing involved a significant level of management judgment in estimating the appropriate projections of future operating performance, discount rate and other key assumptions. The changes of assumptions may effect to the changes of recoverable amount. Thus, this is an areas of focus in my audit.</p>	<p>My audit procedures included:</p> <ul style="list-style-type: none"> <li>• inquiring of management to understand the process used for identifying any indications of impairment for investment in joint venture, the basis of preparing the discounted cash flow projections and the recoverable amount calculation from management approved budgets;</li> <li>• inquiring of management about discounted cash flow projection model, understanding the Company's strategic plan and testing a sample of inputs and key assumptions applied in discounted cash flow model including testing the calculation;</li> <li>• evaluating the assumptions applied in preparing cash flow projections by comparing key assumptions with the external and internal sources of information, taking into account the appropriateness of past cash flow projections in comparison to actual operating results, and assessing the recoverable amount calculation with related supporting documentation;</li> <li>• considering the appropriateness of the discount rate which included comparing the weighted average cost of capital with sector averages for the relevant markets in which the Company operates; and</li> <li>• evaluating the adequacy of related disclosures in the financial statements in accordance with 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 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 Responsibility 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 consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

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



(Nareewan Chaibantad)

Certified Public Accountant

Registration No. 9219

KPMG Phoomchai Audit Ltd.

Bangkok

23 February 2022

**Ichitan Group Public Company Limited and its Subsidiary**

**Statement of financial position**

Assets	Note	Consolidated		Separate	
		financial statements		financial statements	
		31 December		31 December	
		2021	2020	2021	2020
(in Baht)					
Current assets					
Cash and cash equivalents	5, 22	41,304,038	17,869,197	41,227,310	15,475,620
Investment in unit trusts in debt security	22	296,361,951	184,795,495	296,361,951	184,795,495
Trade accounts receivable	4, 6	943,606,696	827,087,500	943,606,696	825,459,385
Other current receivables	4, 7	110,348,336	43,446,401	108,559,139	44,022,244
Inventories	8	531,127,141	590,121,685	531,127,141	589,912,081
Other current assets		100,000	-	100,000	-
Total current assets		1,922,848,162	1,663,320,278	1,920,982,237	1,659,664,825
Non-current assets					
Investment in joint venture	9	253,916,302	179,438,535	153,770,414	153,770,414
Investment in subsidiary	10	-	-	999,970	999,970
Other non-current receivables		484,901	400,608	482,393	398,111
Advances for purchase of machinery and equipment		14,082,938	23,143,887	14,082,938	23,143,887
Property, plant and equipment	11	4,692,524,245	5,253,800,538	4,692,524,245	5,253,800,538
Right-of-use assets	12	85,357,174	94,585,180	85,357,174	94,585,180
Intangible assets	13	11,952,628	10,854,087	11,952,628	10,854,087
Deferred tax assets	19	121,507,335	175,491,780	121,507,335	175,491,780
Other non-current assets		3,595,937	3,515,937	3,595,937	3,515,937
Total non-current assets		5,183,421,460	5,741,230,552	5,084,273,034	5,716,559,904
Total assets		7,106,269,622	7,404,550,830	7,005,255,271	7,376,224,729



**Ichitan Group Public Company Limited and its Subsidiary**

**Statement of financial position**

		Consolidated financial statements		Separate financial statements	
		31 December		31 December	
Liabilities and equity	Note	2021	2020	2021	2020
<i>(in Baht)</i>					
<b>Current liabilities</b>					
Trade accounts payable to other parties	22	338,492,967	313,713,635	338,492,967	313,713,635
Other payables	22	207,763,363	204,140,648	207,763,333	204,140,619
Payables on purchase of property, plant and equipment	22 4	63,220,027 131,784,008	79,797,325 161,406,057	63,220,027 131,408,828	79,797,325 161,130,876
Accrued expenses					
Current portion of long-term borrowings from financial institutions	14	-	98,037,840	-	98,037,840
Current portion of lease liabilities	4, 14, 22	14,680,192	13,092,406	14,680,192	13,092,406
Income tax payable		40,079,828	-	40,079,828	-
<b>Total current liabilities</b>		<b>796,020,385</b>	<b>870,187,911</b>	<b>795,645,175</b>	<b>869,912,701</b>
<b>Non-current liabilities</b>					
Long-term borrowings from financial institutions	14	-	131,730,027	-	131,730,027
Leases liabilities	4, 14, 22	72,517,524	82,537,124	72,517,524	82,537,124
Provisions for employee benefits	15	46,757,793	41,420,018	46,757,793	41,420,018
<b>Total non-current liabilities</b>		<b>119,275,317</b>	<b>255,687,169</b>	<b>119,275,317</b>	<b>255,687,169</b>
<b>Total liabilities</b>		<b>915,295,702</b>	<b>1,125,875,080</b>	<b>914,920,492</b>	<b>1,125,599,870</b>

**Ichitan Group Public Company Limited and its Subsidiary**

**Statement of financial position**

		<b>Consolidated</b>		<b>Separate</b>	
		<b>financial statements</b>		<b>financial statements</b>	
		31 December		31 December	
<b>Liabilities and equity (continued)</b>	<i>Note</i>	2021	2020	2021	2020
		<i>(in Baht)</i>			
<b>Equity</b>					
Share capital					
Authorised share capital					
<i>(1,300 million ordinary shares,</i>					
<i>par value at Baht 1 per share)</i>		<u>1,300,000,000</u>	<u>1,300,000,000</u>	<u>1,300,000,000</u>	<u>1,300,000,000</u>
Issued and paid-up share capital					
<i>(1,300 million ordinary shares,</i>					
<i>par value at Baht 1 per share)</i>		1,300,000,000	1,300,000,000	1,300,000,000	1,300,000,000
Share premium					
Share premium on ordinary shares	16	3,515,423,218	3,515,423,218	3,515,423,218	3,515,423,218
Surplus on share-based payment					
transactions	16	56,079,360	56,079,360	56,079,360	56,079,360
Retained earnings					
Appropriated					
Legal reserve	16	130,000,000	130,000,000	130,000,000	130,000,000
Unappropriated		1,229,312,607	1,332,541,441	1,088,832,201	1,249,122,281
Other components of equity		<u>(39,841,265)</u>	<u>(55,368,269)</u>	<u>-</u>	<u>-</u>
<b>Total equity</b>		<u><b>6,190,973,920</b></u>	<u><b>6,278,675,750</b></u>	<u><b>6,090,334,779</b></u>	<u><b>6,250,624,859</b></u>
<b>Total liabilities and equity</b>		<u><b>7,106,269,622</b></u>	<u><b>7,404,550,830</b></u>	<u><b>7,005,255,271</b></u>	<u><b>7,376,224,729</b></u>

**Ichitan Group Public Company Limited and its Subsidiary****Statement of comprehensive income**

	<i>Note</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
		Year ended		Year ended	
		31 December		31 December	
		2021	2020	2021	2020
		<i>(in Baht)</i>			
<b>Revenues</b>	<b>4</b>				
Revenue from sale of goods	17	5,228,257,626	5,099,295,620	5,227,962,939	5,033,094,376
Interest income		161,248	251,177	160,219	338,809
Other income		22,346,396	8,416,597	22,346,396	10,816,597
<b>Total revenues</b>		<b>5,250,765,270</b>	<b>5,107,963,394</b>	<b>5,250,469,554</b>	<b>5,044,249,782</b>
<b>Expenses</b>	<b>4, 18</b>				
Cost of sale of goods	8	4,220,879,694	4,093,604,098	4,220,673,877	4,044,991,604
Distribution costs		277,021,979	292,950,334	277,017,893	289,970,708
Administrative expenses		168,345,899	165,222,892	166,370,569	240,300,272
<b>Total expenses</b>		<b>4,666,247,572</b>	<b>4,551,777,324</b>	<b>4,664,062,339</b>	<b>4,575,262,584</b>
<b>Profit from operating activities</b>		<b>584,517,698</b>	<b>556,186,070</b>	<b>586,407,215</b>	<b>468,987,198</b>
Finance costs		(2,633,022)	(13,930,954)	(2,633,022)	(13,930,954)
Share of profit of joint venture accounted for using equity method	9	58,950,763	27,953,027	-	-
<b>Profit before income tax</b>		<b>640,835,439</b>	<b>570,208,143</b>	<b>583,774,193</b>	<b>455,056,244</b>
Tax expense	19	(94,064,273)	(54,675,099)	(94,064,273)	(54,675,099)
<b>Profit for the year</b>		<b>546,771,166</b>	<b>515,533,044</b>	<b>489,709,920</b>	<b>400,381,145</b>
<b>Other comprehensive income</b>					
<i>Item that will be reclassified subsequently to profit or loss</i>					
Exchange differences on translating foreign operations	9	15,527,004	(2,214,887)	-	-
		<b>15,527,004</b>	<b>(2,214,887)</b>	<b>-</b>	<b>-</b>
<b>Other comprehensive income for the year, net of income tax</b>		<b>15,527,004</b>	<b>(2,214,887)</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>562,298,170</b>	<b>513,318,157</b>	<b>489,709,920</b>	<b>400,381,145</b>
<b>Basic earnings per share</b>	<b>20</b>	<b>0.42</b>	<b>0.40</b>	<b>0.38</b>	<b>0.31</b>

## Ichitan Group Public Company Limited and its Subsidiary

## Statement of changes in equity

Consolidated financial statements							
		Retained earnings				Other components	
				Surplus on			
		Issued and	Share	share-based			Exchange
		paid-up	premium on	payment	Legal		differences on
			ordinary shares	transactions	reserve	Unappropriated	translating
Note	Share capital				(in Baht)		foreign
							operations

## Ichitan Group Public Company Limited and its Subsidiary

## Statement of changes in equity

Consolidated financial statements							
				Retained earnings		Other components	
			Surplus on			of equity	
		Issued and	Share	share-based	Legal		Exchange
		paid-up	premium on	payment	reserve	Unappropriated	differences on
		Share capital	ordinary shares	transactions	(in Baht)		translating
	Note						foreign
							operations
	</						

## Ichitan Group Public Company Limited and its Subsidiary

## Statement of changes in equity

	<i>Note</i>	Separate financial statements				
		Issued and paid-up share capital	Share premium on ordinary shares	Surplus on share-based payment transactions	Retained earnings	
					Legal reserve	Unappropriated
						Total Equity
<i>(in Baht)</i>						
<b>Year ended 31 December 2020</b>						
<b>Balance at 1 January 2020</b>		<b>1,300,000,000</b>	<b>3,515,423,218</b>	<b>56,079,360</b>	<b>130,000,000</b>	<b>6,305,243,714</b>
<b>Transactions with owners, recorded directly in equity</b>						
Dividends to owners of the Company	21	-	-	-	-	(455,000,000)
<b>Total transactions with owners, recorded directly in equity</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(455,000,000)</b>
<b>Comprehensive income for the year</b>						
Profit		-	-	-	-	400,381,145
Other comprehensive income		-	-	-	-	-
<b>Total comprehensive income for the year</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>400,381,145</b>
<b>Balance at 31 December 2020</b>		<b>1,300,000,000</b>	<b>3,515,423,218</b>	<b>56,079,360</b>	<b>130,000,000</b>	<b>6,250,624,859</b>

## Ichitan Group Public Company Limited and its Subsidiary

## Statement of changes in equity

	<i>Note</i>	Separate financial statements				
		Issued and paid-up share capital	Share premium on ordinary shares	Surplus on share-based payment transactions	Retained earnings	
					Legal reserve	Unappropriated
						Total Equity
<i>(in Baht)</i>						
<b>Year ended 31 December 2021</b>						
<b>Balance at 1 January 2021</b>		<b>1,300,000,000</b>	<b>3,515,423,218</b>	<b>56,079,360</b>	<b>130,000,000</b>	<b>1,249,122,281</b>
<b>Transactions with owners, recorded directly in equity</b>						
Dividends to owners of the Company	21	-	-	-	-	(650,000,000)
<b>Total transactions with owners, recorded directly in equity</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(650,000,000)</b>
<b>Comprehensive income for the year</b>						
Profit		-	-	-	-	489,709,920
Other comprehensive income		-	-	-	-	-
<b>Total comprehensive income for the year</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>489,709,920</b>
<b>Balance at 31 December 2021</b>		<b>1,300,000,000</b>	<b>3,515,423,218</b>	<b>56,079,360</b>	<b>130,000,000</b>	<b>1,088,832,201</b>

**Ichitan Group Public Company Limited and its Subsidiary****Statement of cash flows**

	<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	
		2021	2020	2021	2020
<i>(in Baht)</i>					
<b><i>Cash flows from operating activities</i></b>					
Profit for the year		546,771,166	515,533,044	489,709,920	400,381,145
<i>Adjustments to reconcile profit to cash receipts</i>					
Tax expense	19	94,064,273	54,675,099	94,064,273	54,675,099
Finance costs		2,633,022	13,930,954	2,633,022	13,930,954
Depreciation	11	581,833,757	590,652,115	581,833,757	590,652,115
Amortisation of intangible assets	13	1,993,222	1,818,649	1,993,222	1,818,649
Impairment loss on machinery	11	11,676,969	-	11,676,969	-
(Reversal of allowance for) expected credit loss on					
trade account receivable and other receivable	4, 6	-	-	(1,767,260)	75,688,301
Provisions for employee benefits	15	5,337,774	5,260,433	5,337,774	5,260,433
Unrealised gain on exchange		(2,012,598)	(1,099,143)	(2,012,598)	(1,099,143)
Gain on fair value adjustment	22	(31,833)	(201,813)	(31,833)	(201,813)
Gain on sale of unit trusts in debt security	22	(345,982)	-	(345,982)	-
Share of profit of joint venture					
accounted for using equity method	9	(58,950,763)	(27,953,027)	-	-
Loss on inventories devaluation	8	15,118,727	24,612,613	15,118,727	24,612,613
Loss on write-off of equipment		12,534	177,603	12,534	177,603
Gain on disposal of equipment		-	(153,470)	-	(153,470)
Interest income		(161,248)	(251,177)	(160,219)	(338,809)
		<u>1,197,939,020</u>	<u>1,177,001,880</u>	<u>1,198,062,306</u>	<u>1,165,403,677</u>
<i>Changes in operating assets and liabilities</i>					
Trade accounts receivable		(116,519,196)	(60,439,492)	(113,980,051)	(8,114,844)
Other current receivables		(66,901,935)	1,119,246	(66,936,895)	(6,433,349)
Inventories		43,875,817	(68,086,383)	43,666,213	(119,444,475)
Other current assets		(100,000)	-	(100,000)	-
Other non-current assets		(80,000)	10,000	(80,000)	10,000
Trade accounts payable to other parties		24,779,332	42,098,440	24,779,332	42,098,440
Other payables		3,622,715	68,977,439	3,622,714	69,017,713
Accrued expenses		(29,447,284)	15,279,173	(29,547,282)	15,279,173
Employee benefit paid	15	-	(245,060)	-	(245,060)
		<u>1,057,168,469</u>	<u>1,175,715,243</u>	<u>1,059,486,337</u>	<u>1,157,571,275</u>
Net cash generated from operating					
Tax received (paid)		(84,292)	20,290,168	(84,282)	20,292,163
		<u>1,057,084,177</u>	<u>1,196,005,411</u>	<u>1,059,402,055</u>	<u>1,177,863,438</u>
<b>Net cash from operating activities</b>					



## Ichitan Group Public Company Limited and its Subsidiary

## Statement of cash flows

		Consolidated		Separate	
		financial statements		financial statements	
		Year ended		Year ended	
		31 December		31 December	
	Note	2021	2020	2021	2020
		(in Baht)			
<b>Cash flows from investing activities</b>					
Interest received		161,248	251,177	160,219	4,407,302
Cash inflow on short-term loans to subsidiary		-	-	-	50,000,000
Proceeds from sale of unit trusts in debt security	22	1,308,811,359	470,416,318	1,308,811,359	470,416,318
Acquisition of unit trusts in debt security	22	(1,420,000,000)	(655,000,000)	(1,420,000,000)	(655,000,000)
Proceeds from sale of equipment		-	822,430	-	822,430
Acquisition of plant and equipment		(23,274,802)	(37,669,692)	(23,274,802)	(37,669,692)
Acquisition of intangible assets	13	(3,091,763)	(2,678,280)	(3,091,763)	(2,678,280)
<b>Net cash used in investing activities</b>		<b>(137,393,958)</b>	<b>(223,858,047)</b>	<b>(137,394,987)</b>	<b>(169,701,922)</b>
<b>Cash flows from financing activities</b>					
Interest paid		(2,807,787)	(14,227,145)	(2,807,787)	(14,227,145)
Dividends paid to owners of the Company	21	(650,000,000)	(455,000,000)	(650,000,000)	(455,000,000)
Decrease in short-term borrowings		-	(260,000,000)	-	(260,000,000)
Repayment of borrowings from financial institutions		(229,767,867)	(310,896,102)	(229,767,867)	(310,896,102)
Payment of lease liabilities		(13,679,724)	(11,838,113)	(13,679,724)	(11,838,113)
<b>Net cash used in financing activities</b>		<b>(896,255,378)</b>	<b>(1,051,961,360)</b>	<b>(896,255,378)</b>	<b>(1,051,961,360)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>23,434,841</b>	<b>(79,813,996)</b>	<b>25,751,690</b>	<b>(43,799,844)</b>
Cash and cash equivalents at 1 January		17,869,197	97,683,193	15,475,620	59,275,464
<b>Cash and cash equivalents at 31 December</b>	5	<b>41,304,038</b>	<b>17,869,197</b>	<b>41,227,310</b>	<b>15,475,620</b>
<b>Supplemental disclosures of cash flows information:</b>					
Property, plant and equipment paid by cash are detailed as follows:					
Property, plant and equipment purchased during the year	11	27,022,514	38,183,255	27,022,514	38,183,255
Add (less) - Changes in advanced payment		(9,060,949)	4,067,277	(9,060,949)	4,067,277
- Changes in payables		5,313,237	(4,580,840)	5,313,237	(4,580,840)
<b>Property, plant and equipment paid by cash</b>		<b>23,274,802</b>	<b>37,669,692</b>	<b>23,274,802</b>	<b>37,669,692</b>

## Notes to the financial statements

### For the year ended 31 December 2021

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**Notes to the financial statements****For the year ended 31 December 2021**

These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and 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 23 February 2022.

**1 General information**

Ichitan Group Public Company Limited, the “Company”, is incorporated in Thailand on 3 September 2010 and was listed on the Stock Exchange of Thailand in April 2014. The Company’s registered office as follows:

Head office is located at 8 T-One Building, 42th-44th Floor, Sukhumvit 40 Alley, Kwang Phra Khanong, Khet Khlong Toei, Bangkok 10110, Thailand.

Branch office is located at 111/1 Moo 4, Rojana Industrial Park, Tambol U-Thai, Amphur U-Thai, Ayutthaya 13120, Thailand.

The Company’s major shareholders during the financial year were Passakornnatee family which owned 42% of the Company’s share capital as at 31 December 2021.

The principal activities of the Company are the manufacturing and sale of beverages.

Details of the joint venture and subsidiary as at 31 December 2021 and 2020 are disclosed in notes 9 and 10 to the financial statements, respectively.

**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 preparation of financial statements in conformity with TFRS requires management to make judgments, estimates and assumptions that affect the application of the Group’s accounting policies. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

**3 Significant accounting policies**

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

**(a) Basis of consolidation**

The consolidated financial statements relate to the Company and its subsidiary (together referred to as the “Group”) and the Group’s interests in joint venture.

## Notes to the financial statements

### For the year ended 31 December 2021

#### *Subsidiary*

Subsidiary is an entity 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 subsidiary are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

#### *Loss of control*

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

#### *Joint venture*

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

The Group recognised investment 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 share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which joint control ceases.

#### *Transactions eliminated on consolidation*

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated on consolidation. Unrealised gains arising from transactions with joint venture are 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.

#### **(b) Investments in subsidiary and joint venture**

Investments in subsidiary and 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. If the Company disposes of part of its investment, the deemed cost of the part sold is determined using the weighted average method. Gains or losses on disposal of the investments are recognised in profit or loss.

#### **(c) Foreign currencies**

##### *Foreign currency transactions*

Transactions in foreign currencies including non-monetary assets and liabilities denominated 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. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate at the reporting date.

## Notes to the financial statements

### For the year ended 31 December 2021

Foreign currency differences are generally 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.

Foreign exchange differences are recognised in other comprehensive income and presented in the exchange differences on translating foreign operations in equity until disposal of the investment.

When a foreign operation is disposed of in its entirety or partially such that joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of joint venture while retaining joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and presented in the exchange differences on translating foreign operations in equity until disposal of the investment.

#### **(d) Financial instruments**

##### *(d.1) Classification and measurement*

Financial assets and financial liabilities (except trade accounts receivable (see note 3(f) to the financial statements) are initially recognised when the Group becomes 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 through other comprehensive income (FVOCI); or fair value through profit or loss (FVTPL). Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified prospectively from the reclassification date.

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

## Notes to the financial statements

### For the year ended 31 December 2021

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.

#### *(d.2) Derecognition and offset*

The Group derecognises 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 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 derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises 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 received or 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 currently has a legally enforceable right to set off the amounts and the Group intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

#### *(d.3) Impairment of financial assets other than trade accounts receivables*

The Group recognises allowances for expected credit losses (ECLs) on financial assets measured at amortised cost.

The Group 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 losses based on forward-looking and historical experience. Credit losses are measured as the present value of all cash shortfalls discounted by the effective interest rate of the financial asset.

The Group recognises ECLs for low credit risk financial asset as 12-month ECLs.

The Group considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 365 days past due.

## Notes to the financial statements

### For the year ended 31 December 2021

#### *(d.4) Write offs*

The gross carrying amount of a financial asset is written off when the Group has 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.

#### *(d.5) 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.

#### *(e) Cash and cash equivalents*

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.

#### *(f) Trade and other accounts receivable*

A receivable is recognised when the Group has an unconditional right to receive consideration. A receivable is measured at transaction price less allowance for expected credit loss. Bad debts are written off when incurred.

The Group estimates 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.

#### *(g) Inventories*

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.

#### *(h) Property, plant and equipment*

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

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes capitalised borrowing costs, and costs 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.

**Notes to the financial statements****For the year ended 31 December 2021**

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 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 asset and recognised in profit or loss. No depreciation is provided on freehold land and assets under construction and installation.

The estimated useful lives are as follows:

Land improvements	5 - 20 years
Building and building improvements	5 - 30 years
Machinery and equipment	10 - 15 years
Furniture, fixtures and office equipment	5 - 15 years
Tool and equipment	5 years
Vehicles	5 years

**(i) Intangible assets**

Intangible assets that have indefinite useful lives are measured at cost less accumulated impairment losses. Other 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.

*Amortisation*

Amortisation is calculated on a straight-line basis over the estimated useful lives of intangible assets and recognised in profit or loss.

The estimated useful lives are as follows:

Software licences	10 years
Right to use trademark	Indefinite useful lives
Production formulas	Indefinite useful lives



## Notes to the financial statements

### For the year ended 31 December 2021

#### (j) *Leases*

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

At commencement or on modification of a contract, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices of each component. For the leases of property, the Group has elected not to separate non-lease components and account for the lease and non-lease components wholly as a single lease component.

The Group recognises 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 accumulated impairment losses, 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 and an estimate of restoration costs, less any lease incentives received. 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 by the end of the lease term or the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment.

The lease liability is initially measured at the present value of all lease payments that shall be paid under the lease. The Group uses the interest rate implicit in the lease or the Group's incremental borrowing rate to discount the lease payments to the present value. The Group 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 or a change in the assessment of options specified in the lease. 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. However, for leases of that received COVID-19 related rent concessions and the Group elected not to assess that the rent concessions are lease modification, the impact will be adjusted in profit or loss.

## Notes to the financial statements

### For the year ended 31 December 2021

#### (k) *Impairment of non-financial assets*

The carrying amounts of the Group'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. For intangible assets that have indefinite useful lives, the recoverable amount is estimated each year at the same time.

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, unless it reverses a previous revaluation credited to equity, in which case it is charged to equity.

##### *Calculation of recoverable amount*

The recoverable amount is the greater of the asset's value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. 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.

##### *Reversals of impairment*

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. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

#### (l) *Employee benefits*

##### *Defined contribution plans*

Obligations for contributions to the Group's provident funds are expensed as the related service is provided.

##### *Defined benefit plans*

The Group'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 regularly performed by a qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, actuarial gain or loss are recognised immediately in OCI. The Group determines 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 recognised in profit or loss.

## Notes to the financial statements

### For the year ended 31 December 2021

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.

#### *Short-term employee benefits*

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.

#### *Share-based payments*

The grant-date fair value of share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the awards. The amount recognised as an expense is adjusted to reflect the actual number of awards for which the related service and non-market vesting conditions are expected to be met. For business partners, the share-based payment awards granted vest immediately on the grant date, and the grant-date fair value of the awards is recognised as an expense immediately.

#### **(m) Provisions**

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance costs.

#### **(n) 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 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 uses 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.

**Notes to the financial statements****For the year ended 31 December 2021**

The Group recognises 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 asset positions at a bid price and liabilities and liability positions at an ask price.

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

**(o) Revenue from contracts with customers***Revenue recognition*

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

*Sale of goods*

Revenue from sale of goods is recognised when a customer obtains control of the goods, generally on delivery of the goods to the customers. For contracts that permit the customers to return the goods, revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. Therefore the amount of revenue recognised is adjusted for estimated returns, which are estimated based on the historical data.

**(p) Income tax**

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 items recognised directly in equity or in other comprehensive income.

Current tax is recognised 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 years.

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 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 subsidiary and joint venture to the extent that it is probable that they will not reverse in the foreseeable future.

## Notes to the financial statements

### For the year ended 31 December 2021

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.

#### (g) *Earnings per share*

EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

#### (r) *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.

## 4 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.

Relationships with joint venture and subsidiary are disclosed in notes 9 and 10 to the financial statements. 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 relationships
Tan Passakornnatee	Thai	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including major shareholder and director of the Company
Eng Passakornnatee	Thai	Major shareholder
I Am Green Tea Co., Ltd.	Thailand	Shared shareholders and a close relative of the director of the Company is the director.
T-One Building Co.,Ltd.	Thailand	Shared directors and shareholders
Tan Asset Co., Ltd.	Thailand	Shared shareholders

## Notes to the financial statements

## For the year ended 31 December 2021

Significant transactions for the years ended 31 December with related parties were as follows:

	Consolidated		Separate	
	financial statements		financial statements	
<i>Year ended 31 December</i>	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
<b>Subsidiary</b>				
Sale of goods	-	-	-	126,034
Management service income	-	-	-	2,400
Interest income	-	-	-	109
<b>Other related parties</b>				
Sale of goods	379,709	344,548	379,837	323,821
Other expenses	16,461	15,510	16,461	15,510
<b>Key management personnel</b>				
Key management personnel compensation				
Short-term employee benefit	36,876	34,645	36,876	34,645
Post-employment benefits	1,335	1,391	1,335	1,391
<b>Total key management personnel compensation</b>	<b>38,211</b>	<b>36,036</b>	<b>38,211</b>	<b>36,036</b>

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

<i>Trade accounts receivable</i>	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Subsidiary	-	-	71,521	75,688
Other related parties	67,390	53,717	67,390	53,430
<b>Total</b>	<b>67,390</b>	<b>53,717</b>	<b>138,911</b>	<b>129,118</b>
Less allowance for expected credit loss	-	-	(71,521)	(75,688)
<b>Net</b>	<b>67,390</b>	<b>53,717</b>	<b>67,390</b>	<b>53,430</b>

## Notes to the financial statements

## For the year ended 31 December 2021

*Other current receivables*

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Subsidiary	-	-	2,400	2,400
Less allowance for expected credit loss	-	-	(2,400)	-
<b>Net</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,400</b>

*(Reversal of allowance for) expected credit loss*

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
<i>For the year ended 31 December</i>	2021	2020	2021	2020
	<i>(in million Baht)</i>			
Trade accounts receivable	-	-	(4,167)	75,688
Other current receivables	-	-	2,400	-
<b>At 31 December</b>	<b>-</b>	<b>-</b>	<b>(1,767)</b>	<b>75,688</b>

*Accrued expenses*

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Related parties	<b>2,531</b>	<b>2,081</b>	<b>2,531</b>	<b>2,081</b>

*Lease liabilities*

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Related parties	<b>80,079</b>	<b>91,201</b>	<b>80,079</b>	<b>91,201</b>

## Notes to the financial statements

### For the year ended 31 December 2021

#### *Significant agreements with related parties*

##### *Product distribution agreement*

On 1 July 2020, the Company entered into an agreement to grant a related party (I Am Green Tea Co., Ltd.) the authority and responsibility to act as a product distributor for the Company. This agreement shall be in effect from 1 July 2020 to 30 June 2023.

##### *Trademark assignment agreement*

On 11 May 2015, the Company entered into a trademark assignment agreement with a joint venture. Under the term of the agreement, the Company agrees to assign certain trademarks and license as specified in the agreement to the joint venture to use in Indonesia. In this regard, the joint venture agrees to pay a consideration in an amount of USD 3,000 to the Company. The agreement shall be in effect for a period of 10 years and is renewable for another 10 years upon the expiry of the agreement with the new terms as specified in the agreement or as soon as the Company ceases to be a shareholder of the joint venture.

##### *Intellectual property license agreement*

On 11 May 2015, the Company entered into an intellectual property license agreement with a joint venture. Under the term of the agreement, the Company agrees to grant the joint venture a license to use knowhow, technical information and certain formula as specified in the agreement for the purposes of manufacturing and sale of the products in Indonesia. In this regard, the joint venture agrees to pay a royalty fee in an amount of USD 3,000 per annum. The agreement shall continue in force until the date being 10 years after the date on which the Company ceases to be a shareholder of the joint venture and is renewable for another 10 years upon the expiry of the agreement with the new terms as specified in the agreement.

## 5 Cash and cash equivalents

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Cash on hand	289	283	289	283
Cash at financial institutions				
- current accounts	54	45	52	43
Cash at financial institutions				
- savings accounts	40,961	17,541	40,886	15,150
<b>Cash and cash equivalents in the</b>				
<b>statement of cash flows</b>	<b>41,304</b>	<b>17,869</b>	<b>41,227</b>	<b>15,476</b>



## Notes to the financial statements

## For the year ended 31 December 2021

## 6 Trade accounts receivable

		Consolidated financial statements		Separate financial statements	
	Note	2021	2020	2021	2020
		(in thousand Baht)			
<b>Related parties</b>					
Within credit terms		67,390	53,717	67,390	53,430
Overdue:					
6 - 12 months		-	-	-	75,688
More than 12 months		-	-	71,521	-
		<u>67,390</u>	<u>53,717</u>	<u>138,911</u>	<u>129,118</u>
Less allowance for					
expected credit loss		-	-	(71,521)	(75,688)
<b>Net</b>	4	<u>67,390</u>	<u>53,717</u>	<u>67,390</u>	<u>53,430</u>
<b>Other parties</b>					
Within credit terms		876,217	773,371	876,217	772,029
<b>Total</b>		<u>943,607</u>	<u>827,088</u>	<u>943,607</u>	<u>825,459</u>

		Consolidated		Separate	
<i>Allowance for expected credit loss</i>		financial statements		financial statements	
	<i>Note</i>	2021	2020	2021	2020
		<i>(in million Baht)</i>			
At 1 January		-	-	75,688	-
Addition		-	-	-	75,688
Reversal		-	-	(4,167)	-
<b>At 31 December</b>	<i>4</i>	<b>-</b>	<b>-</b>	<b>71,521</b>	<b>75,688</b>

Information relevant to credit risk is disclosed in notes 22 (c.1.1) to the financial statements.

## Notes to the financial statements

## For the year ended 31 December 2021

## 7 Other current receivables

	Consolidated		Separate	
	financial statements		financial statements	
Note	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
<b>Related parties</b>	<b>4</b>	<b>-</b>	<b>-</b>	<b>2,400</b>
<b>Other parties</b>				
Prepaid expenses	103,370	37,028	103,370	37,028
Suspense input value added tax	2,513	2,720	2,502	2,708
Refundable value added tax	1,778	1,811	-	-
Accrued other income	1,770	1,439	1,770	1,439
Rebate and sponsorship receivables	-	413	-	413
Others	917	35	917	34
	<b>110,348</b>	<b>43,446</b>	<b>108,559</b>	<b>41,622</b>
<b>Total</b>	<b>110,348</b>	<b>43,446</b>	<b>108,559</b>	<b>44,022</b>

## 8 Inventories

	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Finished goods	316,439	376,571	316,439	376,361
Raw materials	191,117	189,458	191,117	189,458
Goods in transit	-	9,242	-	9,242
Supplies	39,232	37,238	39,232	37,238
<b>Total</b>	<b>546,788</b>	<b>612,509</b>	<b>546,788</b>	<b>612,299</b>
Less allowance for decline in value	(15,661)	(22,387)	(15,661)	(22,387)
<b>Net</b>	<b>531,127</b>	<b>590,122</b>	<b>531,127</b>	<b>589,912</b>

Inventories recognised in

‘cost of sale of goods’:

- Cost	4,205,761	4,068,991	4,205,555	4,020,379
- Write-down to net realisable value	15,119	24,613	15,119	24,613
<b>Net</b>	<b>4,220,880</b>	<b>4,093,604</b>	<b>4,220,674</b>	<b>4,044,992</b>

Notes to the financial statements

For the year ended 31 December 2021

9 Investment in joint venture

	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
At 1 January	179,438	153,700	153,770	153,770
Share of profit of joint venture				
accounted for using equity method	58,951	27,953	-	-
Exchange differences on translating				
foreign operations	15,527	(2,215)	-	-
<b>At 31 December</b>	<b>253,916</b>	<b>179,438</b>	<b>153,770</b>	<b>153,770</b>

On 27 August 2014, the Company entered into a joint venture agreement with PT Atri Pasifik (“AP”), a company incorporated in Indonesia, in order to invest in PT Ichi Tan Indonesia (“PTI”), a new joint venture established in Indonesia. The purposes of the joint venture are to produce and sell ready-to-drink beverage branded “Ichitan” in Indonesia. The Company and AP equally invested in the joint venture (50% of the issued and paid-up share capital of the joint venture) totaling Indonesian Rupiah 200,000 million for the portion of the Company (or approximately Baht 575 million). The Company paid an initial authorised share capital in 50% of the paid-up share capital of Indonesian Rupiah 50,000 million (or equivalent to Baht 135.6 million) and the incorporation of the joint venture was completed on 25 November 2014. As established by the joint venture agreement, investors have joint control over, whereby, the Company has rights to the net assets of the arrangement rather than rights to its assets and obligations for its liabilities. Accordingly, the Company has accounted for the investment in the joint venture using the equity method in the consolidated financial statements.

The Company received a funding call notice from the joint venture to call for an additional paid-up for the purpose of land acquisition and additional working capital. The joint venture completely registered the capital increase with the Indonesia Investment Coordinating Board are as follows;

Funding call		Registered the increase		
received date	Payment date	share capital date	Amount	
			<i>(in million Rupiah)</i>	<i>or equivalent to (in million Baht)</i>
21 June 2016	30 June 2016	8 August 2016	40,000	115.6
31 July 2017	11 August 2017	22 August 2017	45,000	121.1
5 January 2018	17 January 2018	24 January 2018	60,000	158.7
10 January 2019	23 January 2019	23 January 2019	45,000	104.4

**Notes to the financial statements****For the year ended 31 December 2021**

Due to the actual sales of beverage branded “Ichitan” in Indonesia may be significantly less than initial expectations and forecasts. The management of the Company believed that the value of investment in PT Ichi Tan Indonesia (“PTI”) might have been impaired and assessed the recoverable amount of investment in PTI. The Company recognised the allowance for impairment loss on investment in joint venture in the separate statement of financial position. However, based on the result of the assessment of the recoverable amount and management judgment, as at 31 December 2021 the Company did not provide the additional allowance for impairment loss in the separate statement of financial position and no impairment loss for the year then ended in the separate statement of comprehensive income (2020: *Nil*).

## Notes to the financial statements

### For the year ended 31 December 2021

Investment in joint venture as at 31 December 2021 and 2020 were as follows:

Consolidated financial statements										
Type of business	Country of incorporation	Ownership interest		Paid-up capital		Cost		Equity		
		2021	2020	2021	2020	2021	2020	2021	2020	
		(%)		(in thousand Baht)						
Joint venture										
PT Ichi Tan Indonesia	Manufacturing and sale of beverages	Indonesia	50	50	1,270,741	1,270,741	635,370	635,370	253,916	179,438
Total							635,370	635,370	253,916	179,438
Separate financial statements										
Ownership interest		Paid-up capital		Cost		Impairment		At cost-net		
2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	
(%)		(in thousand Baht)								
Joint venture										
PT Ichi Tan Indonesia	50	50	1,270,741	1,270,741	635,370	635,370	(481,600)	(481,600)	153,770	153,770
Total					635,370	635,370	(481,600)	(481,600)	153,770	153,770

None of the Company's joint venture is publicly listed and consequently do not have published price quotations.

**Notes to the financial statements****For the year ended 31 December 2021**

The following table summarises the financial information of the joint venture as included in their own financial statements. The table also reconciles the summarised financial information to the carrying amount of the Company's interest in this company.

	PT Ichi Tan Indonesia	
	2021	2020
	<i>(in thousand Baht)</i>	
Revenue	221,786	158,322
Expenses	(125,236) <sup>a</sup>	(113,847) <sup>a</sup>
Income tax income	21,352	11,431
Total comprehensive income (100%)	117,902	55,906
<b>Company's share of total comprehensive income (50% hold)</b>	<b>58,951</b>	<b>27,953</b>
Current assets	561,854 <sup>b</sup>	265,804 <sup>b</sup>
Non-current assets	170,226	165,945
Current liabilities	(224,247)	(72,872)
Net assets (100%)	507,833	358,877
<b>Carrying amount of interest in joint venture (50% hold)</b>	<b>253,916</b>	<b>179,438</b>
Remark:		
a. Includes depreciation and amortisation	4,806	4,147
b. Includes cash and cash equivalents	444,435	214,096

Notes to the financial statements

For the year ended 31 December 2021

10 Investment in subsidiary

		Separate financial statements								
	Type of business	Country of operation	Ownership interest		Paid-up capital		Cost		Dividend income for the year	
			2021	2020	2021	2020	2021	2020	2021	2020
			(%)						(in thousand Baht)	
<i>Local direct subsidiary</i>										
Ichitan Power Co., Ltd.	Sale of beverages	Thailand	99.99	99.99	1,000	1,000	1,000	1,000	-	-
<b>Total</b>							<b>1,000</b>	<b>1,000</b>	<b>-</b>	<b>-</b>

## Notes to the financial statements

## For the year ended 31 December 2021

## 11 Property, plant and equipment

	Consolidated financial statements / Separate financial statements								
	Land	Land improvements	Building and improvements	Machinery and equipment	Furniture, fixtures and office equipment (in thousand Baht)	Tool and equipment	Vehicles	Assets under construction and installation	Total
<b>Cost</b>									
At 1 January 2020	431,698	73,756	2,642,353	5,729,150	79,449	208,723	15,867	29,477	9,210,473
Additions	-	1,048	4,003	274	1,962	14,761	3,752	12,383	38,183
Transfers	-	-	2,126	25,089	-	7,845	-	(35,060)	-
Disposals and write-off	-	-	-	-	(723)	(634)	(3,914)	-	(5,271)
<b>At 31 December 2020</b>									
<b>and 1 January 2021</b>	<b>431,698</b>	<b>74,804</b>	<b>2,648,482</b>	<b>5,754,513</b>	<b>80,688</b>	<b>230,695</b>	<b>15,705</b>	<b>6,800</b>	<b>9,243,385</b>
Additions	-	43	1,919	8,132	1,848	10,545	-	4,536	27,023
Transfers	-	-	5,308	-	119	2,807	-	(8,234)	-
Disposals and write-off	-	-	(29)	-	(345)	(257)	-	-	(631)
Adjustment	-	-	(8,831)	-	-	(421)	-	-	(9,252)
<b>At 31 December 2021</b>	<b>431,698</b>	<b>74,847</b>	<b>2,646,849</b>	<b>5,762,645</b>	<b>82,310</b>	<b>243,369</b>	<b>15,705</b>	<b>3,102</b>	<b>9,260,525</b>
<b>Depreciation and impairment losses</b>									
At 1 January 2020	-	(27,020)	(824,297)	(2,333,370)	(53,892)	(163,129)	(14,532)	-	(3,416,240)
Depreciation charge for the year	-	(3,709)	(146,962)	(395,748)	(6,764)	(23,475)	(1,111)	-	(577,769)
Disposals and write-off	-	-	-	-	576	604	3,245	-	4,425
<b>At 31 December 2020</b>									
<b>and 1 January 2021</b>	<b>-</b>	<b>(30,729)</b>	<b>(971,259)</b>	<b>(2,729,118)</b>	<b>(60,080)</b>	<b>(186,000)</b>	<b>(12,398)</b>	<b>-</b>	<b>(3,989,584)</b>
Depreciation charge for the year	-	(3,735)	(144,993)	(397,721)	(5,621)	(17,825)	(750)	-	(570,645)
Disposals and write-off	-	-	29	-	342	247	-	-	618
Impairment losses	-	-	-	(11,677)	-	-	-	-	(11,677)
Adjustment	-	-	2,792	-	144	351	-	-	3,287
<b>At 31 December 2021</b>	<b>-</b>	<b>(34,464)</b>	<b>(1,113,431)</b>	<b>(3,138,516)</b>	<b>(65,215)</b>	<b>(203,227)</b>	<b>(13,148)</b>	<b>-</b>	<b>(4,568,001)</b>



## Notes to the financial statements

**For the year ended 31 December 2021**

**Consolidated financial statements / Separate financial statements**

	Land	Land improvements	Building and building improvements	Machinery and equipment	Furniture, fixtures and office equipment	Tool and equipment	Vehicles	Assets under construction and installation	Total
									(in thousand Baht)
<b>Net book value</b>									
<b>At 31 December 2020</b>	<b>431,698</b>	<b>44,075</b>	<b>1,677,223</b>	<b>3,025,395</b>	<b>20,608</b>	<b>44,695</b>	<b>3,307</b>	<b>6,800</b>	<b>5,253,801</b>
<b>At 31 December 2021</b>	<b>431,698</b>	<b>40,383</b>	<b>1,533,418</b>	<b>2,624,129</b>	<b>17,095</b>	<b>40,142</b>	<b>2,557</b>	<b>3,102</b>	<b>4,692,524</b>

**Notes to the financial statements****For the year ended 31 December 2021***Security*

As at 31 December 2021, the Company had mortgaged/pledged the Company's assets with a net book value of Baht 2,054.1 million (*2020: Baht 2,363.4 million*) as collateral against borrowings from financial institutions, as described in note 14 to the financial statements.

**12 Leases***As a lessee*

The Group leases office building and forklifts for 3 and 4 years, with extension options at the end of lease term. The rental are payable monthly as specified in the contract.

<i>Right-of-use assets</i>	<b>Consolidated financial statements /</b>	
	<b>Separate financial statements</b>	
	2021	2020
<i>At 31 December</i>	<i>(in thousand Baht)</i>	
Office building	78,283	90,174
Forklifts	7,074	4,411
<b>Total</b>	<b>85,357</b>	<b>94,585</b>

During 2021, additions to the right-of-use assets of the Group were Baht 6.3 million (*2020: Baht 5.4 million*), which the Group leased forklifts for 4 years.

*Extension options*

Office building leases contain extension options exercisable by the Group up to six months before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

Notes to the financial statements

For the year ended 31 December 2021

<i>For the year ended 31 December</i>	<b>Consolidated financial statements /</b>	
	<b>Separate financial statements</b>	
	2021	2020
	<i>(in thousand Baht)</i>	
<i>Amounts recognised in profit or loss</i>		
COVID-19 related rent concessions	(394)	(357)
Depreciation of right-of-use assets:		
- Office building	11,891	11,891
- Forklifts	2,585	992
Interest on lease liabilities	2,105	2,244
Expenses relating to short-term leases	-	439
Expenses relating to leases of low-value assets	702	3,372

In 2021, total cash outflow for leases of the Group and the Company were Baht 16.1 million (2020: 17.6 million).

## Notes to the financial statements

## For the year ended 31 December 2021

## 13 Intangible assets

	Consolidated financial statements /			
	Separate financial statements			
	Software licences	Right to use trademark	Production formulas	Total
	<i>(in thousand Baht)</i>			
<b>Cost</b>				
At 1 January 2020	16,763	196,262	9,346	222,371
Additions	2,678	-	-	2,678
<b>At 31 December 2020 and 1 January 2021</b>	<b>19,441</b>	<b>196,262</b>	<b>9,346</b>	<b>225,049</b>
Additions	3,092	-	-	3,092
<b>At 31 December 2021</b>	<b>22,533</b>	<b>196,262</b>	<b>9,346</b>	<b>228,141</b>
<b>Amortisation and impairment losses</b>				
At 1 January 2020	(6,768)	(196,262)	(9,346)	(212,376)
Amortisation for the year	(1,819)	-	-	(1,819)
<b>At 31 December 2020 and 1 January 2021</b>	<b>(8,587)</b>	<b>(196,262)</b>	<b>(9,346)</b>	<b>(214,195)</b>
Amortisation for the year	(1,993)	-	-	(1,993)
<b>At 31 December 2021</b>	<b>(10,580)</b>	<b>(196,262)</b>	<b>(9,346)</b>	<b>(216,188)</b>
<b>Net book value</b>				
<b>At 31 December 2020</b>	<b>10,854</b>	<b>-</b>	<b>-</b>	<b>10,854</b>
<b>At 31 December 2021</b>	<b>11,953</b>	<b>-</b>	<b>-</b>	<b>11,953</b>

On 15 May 2014, the Company entered into a master sale and purchase agreement to acquire the right to use Bireley's fruit beverage trademark, including the production formulas, from a local company for the consideration of Baht 224.3 million. The total purchase price was comprised of the right to use Bireley's trademark to produce and distribute fruit beverage in 16 countries worldwide at the amounts as specified in the agreement, totaling Baht 215.0 million, and the production formulas of Baht 9.3 million. As at 31 December 2014, the Company paid for the right to use Bireley's trademark and production formulas in amount of Baht 205.6 million; of which the right to use Bireley's trademark in certain countries and the production formulas were registered and transferred to the Company totaling Baht 168.2 million, and were recorded in the account "Intangible assets". The rights to use Bireley's trademark in some countries were in the process of registration, totaling Baht 37.4 million, and were recorded in the account "Advances for purchase of right to use trademark". These advances will be transferred to the account "Intangible assets" upon the completion of the subsequent transfer.

## Notes to the financial statements

### For the year ended 31 December 2021

As at 31 December 2014, the Company had no plan to sell product under Bireley's trademark to overseas countries, except for Thailand, and unable to reliably estimate future cash flows from the use of Bireley's trademark in overseas countries excluding the use of Bireley's trademark in Thailand. Therefore, the management of the Company recognised an impairment loss for the right to use trademark in the account "Intangible assets" amounting to Baht 84.1 million and in the account "Advances for purchase of right to use trademark" amounting to Baht 37.4 million totaling Baht 121.5 million.

During 2015, the registration and subsequent transfer of the rights to use Bireley's trademark in overseas countries, totaling Baht 35.0 million, were completed. The Company transferred the right to use trademark and the associated impairment losses from the account "Advances for purchase of right to use trademark" to the account "Intangible assets". In addition, the Company received the revocation against the right to use Bireley's trademark in Taiwan of which the registration and transfer was completed in 2014, amounting to Baht 9.3 million, from the Taiwan's Intellectual Property Office. Therefore, the Company has written off the right to use trademark in Taiwan from the account "Intangible assets". However, the seller of the right to use trademark is responsible for such revocation and has agreed to return the consideration of the right to use Bireley's trademark in Taiwan to which the seller received from the Company in full. Accordingly, the Company reversed an associated impairment loss of Baht 9.3 million in 2015.

During 2016, the registration and subsequent transfer of the right to use Bireley's trademark in overseas country, totaling Baht 2.3 million, was completed. The Company transferred the right to use trademark and the associated impairment loss from the account "Advances for purchase of right to use trademark" to the account "Intangible assets". In addition, the Company additionally paid for the right to use Bireley's trademark in overseas country amounting to Baht 9.3 million; of which the registration and subsequent transfer of the aforesaid right to use Bireley's trademark in that country was completed during the year. The Company recorded the right to use trademark and recognised an impairment loss in the same amount in the account "Intangible assets".

During 2019, the Company canceled production of the products under Bireley's trademark in Thailand. Accordingly, the Company reserved the allowance for impairment loss for the right to use trademark and production formulas in full.

### 14 Interest-bearing liabilities

	Consolidated financial statements / Separate financial statements					
	Secured	2021 Unsecured	Total (in thousand Baht)	Secured	2020 Unsecured	Total
Current portion of long-term borrowings from financial institutions	-	-	-	98,038	-	98,038
Long-term borrowings from financial institutions	-	-	-	131,730	-	131,730
Lease liabilities	-	87,198	87,198	-	95,629	95,629
<b>Total interest-bearing liabilities</b>	<b>-</b>	<b>87,198</b>	<b>87,198</b>	<b>229,768</b>	<b>95,629</b>	<b>325,397</b>

**Notes to the financial statements****For the year ended 31 December 2021**

Assets pledged as security for liabilities as at 31 December 2021 and 2020 were as follows:

	<i>Note</i>	<b>Consolidated financial statements / Separate financial statements</b>	
		2021	2020
		<i>(in thousand Baht)</i>	
Property, plant and equipment	11	2,054,127	2,363,419
<b>Total</b>		<b>2,054,127</b>	<b>2,363,419</b>

In January 2022, the Company redeemed assets pledged as security for liabilities in full.

## Notes to the financial statements

### For the year ended 31 December 2021

#### *Long-term borrowings from financial institution*

As at 31 December 2020, the Company entered into significant secured borrowing agreement with financial institution as follows:

Borrowing agreement	Approved credit facilities	Carrying amount as at 31 December 2020	Interest rate (% per annum)	Term of payment
Number 1 dated 20 December 2016	Baht 750.0 million	Baht 229.8 million	Interest rate is 6 months BIBOR rate plus 1.25% per annum	Quarterly, repayable in 6 years and the first installment is due in June 2018

As at 31 December 2020, the Company had interest rate 1.99% per annum. In January 2021, the Company made the repayment of long-term borrowing from financial institution before due date for the borrowing agreement dated 20 December 2016 amount of Baht 229.8 million.

#### *Unutilised credit facilities*

As at 31 December 2021, the Company had unutilised credit facilities totaling Baht 1,770.0 million (2020: Baht 1,270.0 million).

### 15 Provisions for employee benefits

The Group 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 plan exposes the Group to actuarial risks, such as interest rate risk, salary increase rate risk and turnover rate risk.

**Notes to the financial statements****For the year ended 31 December 2021*****Present value of the defined benefit obligations*****Consolidated financial statements /****Separate financial statements**

2021 2020

*(in thousand Baht)*

At 1 January	41,420	36,405
<b>Include in profit or loss:</b>		
Current service cost	4,735	4,737
Interest on obligation	603	523
	<b>5,338</b>	<b>5,260</b>
Benefit paid	-	(245)
<b>At 31 December</b>	<b>46,758</b>	<b>41,420</b>

***Principal actuarial assumptions***

2021 2020

*(%)*

Discount rate	1.80	1.80
Future salary growth	4	4

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

At 31 December 2021, the weighted-average duration of the defined benefit obligation was 16 years (2020: 16 years).

***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.



**Notes to the financial statements****For the year ended 31 December 2021**

<i>At 31 December</i>	<b>Consolidated financial statements / Separate financial statements</b>			
	1% increase in assumption		1% decrease in assumption	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Discount rate	(1,971)	(1,827)	2,150	1,997
Future salary growth	5,091	4,360	(4,328)	(3,719)

**16 Share premium and reserves*****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.

***Share-based payments***

Share-based payments are recognised in equity is the fair value of employees’ and business partners’ rights to acquire the shares at grant dates based on the underlying fair value of the shares and the consideration payable and to recognise related expense, with a corresponding increase in equity in accordance with TFRS 2.

Reserves comprise:

***Appropriations of profit and/or retained earnings*****Legal reserve**

Section 116 of the Public Companies Act B.E. 2535 requires that a public company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account (“legal reserve”), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

***Other components of equity*****Exchange differences on translating foreign operations**

Exchange differences on translating foreign operations comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations.

**Notes to the financial statements****For the year ended 31 December 2021****17 Segment information and disaggregation of revenue*****Reportable segment***

Management considers that the Group operates in a single line of business, namely the Beverage business, and has, therefore, only one reportable segment.

***Geographical information***

In presenting information on the basis of geographical area, segment revenues is based on the geographical location of customers.

Revenue is disaggregated by primary geographical areas and timing of revenue recognition of the Group for the years ended 31 December 2021 and 2020 were as follows:

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Thailand	4,553,857	4,022,232	4,553,562	3,956,031
Others	674,401	1,077,064	674,401	1,077,063
<b>Total revenue</b>	<b>5,228,258</b>	<b>5,099,296</b>	<b>5,227,963</b>	<b>5,033,094</b>
<b>Timing of revenue recognition</b>				
At a point in time	5,228,258	5,099,296	5,227,963	5,033,094
<b>Total revenue</b>	<b>5,228,258</b>	<b>5,099,296</b>	<b>5,227,963</b>	<b>5,033,094</b>

***Major customer***

Revenues from one customer of the Group and the Company represent approximately Baht 4,239.7 million and Baht 4,239.9 million in the consolidated and separate financial statements, respectively (2020: Baht 3,752.6 million and Baht 3,590.9 million in the consolidated and separate financial statements, respectively) of the Group and the Company's total revenues.

***Promotional privileges***

The Group has been granted promotional certificates by the Office of the Board of Investment for manufacture of beverages from plants, vegetables or fruits in pack. The Group has been granted several privileges including exemption and/or reduction from payment of income tax on the net profit derived from promoted operations with certain terms and conditions prescribed in the promotional certificates.

**Notes to the financial statements****For the year ended 31 December 2021**

Revenue from promoted and non-promoted businesses for the years ended 31 December 2021 and 2020 were summarised as follows:

<b>Consolidated financial statements</b>						
	2021			2020		
	Promoted businesses	Non-promoted businesses	Total	Promoted businesses	Non-promoted businesses	Total
<i>(in thousand Baht)</i>						
Local sales	-	4,553,857	4,553,857	404,068	3,618,164	4,022,232
Export sales	-	674,401	674,401	274,009	803,055	1,077,064
<b>Total</b>	<b>-</b>	<b>5,228,258</b>	<b>5,228,258</b>	<b>678,077</b>	<b>4,421,219</b>	<b>5,099,296</b>

<b>Separate financial statements</b>						
	2021			2020		
	Promoted businesses	Non-promoted businesses	Total	Promoted businesses	Non-promoted businesses	Total
<i>(in thousand Baht)</i>						
Local sales	-	4,553,562	4,553,562	534,471	3,421,560	3,956,031
Export sales	-	674,401	674,401	274,009	803,054	1,077,063
<b>Total</b>	<b>-</b>	<b>5,227,963</b>	<b>5,227,963</b>	<b>808,480</b>	<b>4,224,614</b>	<b>5,033,094</b>

**18 Expenses by nature**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2021	2020	2021	2020
<i>(in thousand Baht)</i>				
<b><i>Included in cost of sale of goods:</i></b>				
Changes in finished goods	60,132	(24,262)	59,922	(75,621)
Raw materials and supplies used	2,333,770	2,299,655	2,333,774	2,302,400
Excise tax	654,230	589,947	654,230	589,947
Depreciation and amortisation	562,507	564,179	562,507	564,179

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Utility expenses	226,202	206,260	226,202	206,260
Employee benefit expenses	149,996	152,528	149,996	152,528
Distribution and transportation expenses	19,942	18,859	19,942	18,859
Others	214,101	286,438	214,101	286,440
<b>Total</b>	<b>4,220,880</b>	<b>4,093,604</b>	<b>4,220,674</b>	<b>4,044,992</b>
<b><i>Included in distribution costs:</i></b>				
Advertising and sales promotion expenses	257,246	276,727	257,242	273,983
Distribution and transportation expenses	13,029	11,069	13,029	11,069
Entrance and other service fees	5,487	3,887	5,487	3,652
Export expenses	1,260	1,267	1,260	1,267
<b>Total</b>	<b>277,022</b>	<b>292,950</b>	<b>277,018</b>	<b>289,971</b>
<b><i>Included in administrative expenses:</i></b>				
Employee benefit expenses	119,697	115,996	119,697	115,996
(Reversal of allowance for) expected credit loss	4, 6	-	(1,767)	75,688
Impairment loss on machinery	11	11,677	11,677	-
Depreciation and amortisation	21,319	28,292	21,319	27,936
Others	15,653	20,935	15,445	20,680
<b>Total</b>	<b>168,346</b>	<b>165,223</b>	<b>166,371</b>	<b>240,300</b>

Notes to the financial statements

For the year ended 31 December 2021

19 Income tax

*Income tax recognised in profit or loss*

	Consolidated financial statements / Separate financial statements	
	2021	2020
	<i>(in thousand Baht)</i>	
<b>Current tax</b>		
Current year	40,079	-
Adjustment for prior years	-	5,783
	<b>40,079</b>	<b>5,783</b>
<b>Deferred tax</b>		
Movements in temporary differences	53,985	48,892
	<b>53,985</b>	<b>48,892</b>
<b>Total</b>	<b>94,064</b>	<b>54,675</b>

## Notes to the financial statements

## For the year ended 31 December 2021

*Reconciliation of effective tax rate*

	Consolidated financial statements				Separate financial statements			
	2021		2020		2021		2020	
	Rate	(in thousand	Rate	(in thousand	Rate	(in thousand	Rate	(in thousand
	(%)	Baht)	(%)	Baht)	(%)	Baht)	(%)	Baht)
Profit before income tax		640,835		570,208		583,774		455,056
Income tax using the Thai corporation tax rate	20	128,167	20	114,042	20	116,755	20	91,011
Share of profit of investment in joint venture		(11,790)		(5,590)		-		-
Income not subject to tax		-		(30,094)		-		(30,094)
Expenses not deductible for tax purposes		602		66		622		16,142
Expenses that are additional deductible for tax purposes		(22,412)		(28,167)		(22,412)		(28,167)
Recognition of previously unrecognised tax losses		(503)		(1,365)		(547)		-
Current year losses for which no deferred tax asset was recognised		-		-		(354)		-
Under provided in prior years		-		5,783		-		5,783
<b>Total</b>	<b>15</b>	<b>94,064</b>	<b>10</b>	<b>54,675</b>	<b>16</b>	<b>94,064</b>	<b>12</b>	<b>54,675</b>



## Notes to the financial statements

For the year ended 31 December 2021

### 20 Basic earnings per share

	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
<b>Profit attributable to ordinary</b>				
<b>shareholders of the Company (basic)</b>	<b>546,771</b>	<b>515,533</b>	<b>489,710</b>	<b>400,381</b>
<b>Number of ordinary shares</b>				
<b>outstanding</b>	<b>1,300,000</b>	<b>1,300,000</b>	<b>1,300,000</b>	<b>1,300,000</b>
<b>Basic earnings per share <i>(in Baht)</i></b>	<b>0.42</b>	<b>0.40</b>	<b>0.38</b>	<b>0.31</b>

### 21 Dividends

The shareholders of the Company have approved dividends as follows:

	Approval date	Payment schedule	Dividend rate per share <i>(Baht)</i>	Amount <i>(in thousand Baht)</i>
<i>2021</i>				
Annual dividend of 2020	25 February 2021	17 May 2021	<b>0.50</b>	<b>650,000</b>
<i>2020</i>				
Annual dividend of 2019	27 April 2020	21 May 2020	<b>0.35</b>	<b>455,000</b>

### 22 Financial instruments

#### (a) Carrying amounts and fair values

The following table shows the carrying amounts and fair values of financial assets, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities measured at amortised cost if the carrying amount is a reasonable approximation of fair value.



**Notes to the financial statements**

**For the year ended 31 December 2021**

	<b>Consolidated financial statement /</b>		
	<b>Separate financial statement</b>		
	<b>Carrying amount</b>	<b>Fair value</b>	
	Financial instruments		
<i>At 31 December</i>	measured at FVTPL	Level 2	Total
		<i>(in thousand Baht)</i>	
<b>2021</b>			
<b>Financial assets</b>			
Unit trust in debt security	296,362	296,362	296,362
<b>2020</b>			
<b>Financial assets</b>			
Unit trust in debt security	184,795	184,795	184,795

The following table present valuation technique of financial instruments measured at fair value in the statements of financial position:

<b>Type</b>	<b>Valuation technique</b>
Investments in marketable unit trusts measured at FVTPL	The net asset value as at the reporting date.

## Notes to the financial statements

For the year ended 31 December 2021

### (b) Movement of marketable debt securities

	Consolidated financial statements / Separate financial statements				
	At 1 January	Purchase	Disposal	Fair value adjustment	At 31 December
<i>Marketable debt securities</i>					
<i>(in thousand Baht)</i>					
<b>2021</b>					
<b>Current financial assets</b>					
Unit trusts in debt security					
measured at FVTPL	184,795	1,420,000	(1,308,465)	32	296,362
<b>Total</b>	<b>184,795</b>	<b>1,420,000</b>	<b>(1,308,465)</b>	<b>32</b>	<b>296,362</b>
<b>2020</b>					
<b>Current financial assets</b>					
Unit trusts in debt security					
measured at FVTPL	10	655,000	(470,416)	201	184,795
<b>Total</b>	<b>10</b>	<b>655,000</b>	<b>(470,416)</b>	<b>201</b>	<b>184,795</b>

### (c) 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 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.

## Notes to the financial statements

### For the year ended 31 December 2021

#### *c.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.

##### *(c.1.1) Trade accounts receivable*

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate. Detail of concentration of revenue are included in note 17 to the financial statements.

The Group has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's commercial terms and conditions are offered. The Group's review sale limits are established for each customer and reviewed annually. Any sales exceeding those limits require approval from the Board of Directors.

The Group limits its exposure to credit risk from trade accounts receivables by establishing a maximum payment period of 60 days. Outstanding trade receivables are regularly monitored by the Group. An impairment analysis is performed by the Group at each reporting date. The provision rates of expected credit loss are based on days past due for individual trade receivables to reflect differences between economic conditions in the past, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

Information relevant to trade accounts receivables are disclosed in note 6 to the financial statements.

##### *(c.1.2) Cash and cash equivalent*

The Group's exposure to credit risk arising from cash and cash equivalents is limited because the counterparties are banks and financial institutions which the Group considers to have low credit risk.

#### *(c.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.

## Notes to the financial statements

For the year ended 31 December 2021

## Consolidated financial statements / Separate financial statements

## Contractual cash flows

More than 1

year but less

<i>At 31 December</i>	Carrying amount	1 year or less	than 5 years	More than 5 years	Total
<i>(in thousand Baht)</i>					
<b>2021</b>					
<b><i>Non-derivative financial liabilities</i></b>					
Trade accounts payable to					
other parties	338,493	338,493	-	-	338,493
Other payables	34,549	34,549	-	-	34,549
Payables on purchase of					
property, plant and					
equipment	63,220	63,220	-	-	63,220
Lease liabilities	87,198	16,515	56,434	20,800	93,749
	<b>523,460</b>	<b>452,777</b>	<b>54,434</b>	<b>20,800</b>	<b>530,011</b>

## 2020

## Non-derivative financial

## liabilities

Trade accounts payable to					
other parties	313,714	313,714	-	-	313,714
Other payables	58,750	58,750			58,750
Payables on purchase of					
property, plant and					
equipment	79,797	79,797	-	-	79,797
Long-term borrowings from					
financial institutions	229,768	230,167	-	-	230,167
Lease liabilities	95,629	15,165	55,031	33,937	104,133
	<b>777,658</b>	<b>697,593</b>	<b>55,031</b>	<b>33,937</b>	<b>786,561</b>

**Notes to the financial statements**

**For the year ended 31 December 2021**

***(c.3) Market risk***

The Group is exposed to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is as follows:

**(c.3.1) Foreign currency risk**

The Group is exposed to foreign currency risk relating to purchase of goods and property, plant and equipment which is denominated in foreign currencies.

## Notes to the financial statements

### For the year ended 31 December 2021

As at 31 December 2021 and 2020 the Group was exposed to foreign currency risk in respect of financial liabilities denominated in the following currencies.

Consolidated financial statements / Separate financial statements								
<i>Exposure to foreign currency at 31 December</i>	2021				2020			
	United States Dollars				United States Dollars			
		Yen	Euro	Total		Yen	Euro	Total
<i>(in thousand Baht)</i>								
Payables on purchase of property, plant and equipment	(16,274)	(160)	(45,937)	(62,371)	(15,004)	(160)	(44,709)	(59,873)
<b>Net exposure</b>	<b>(16,274)</b>	<b>(160)</b>	<b>(45,937)</b>	<b>(62,371)</b>	<b>(15,004)</b>	<b>(160)</b>	<b>(44,709)</b>	<b>(59,873)</b>

**Notes to the financial statements****For the year ended 31 December 2021***Sensitivity analysis*

A reasonably possible strengthening (weakening) of the Thai Baht against all other currencies at report date would have affected the measurement of financial instruments denominated in a foreign. This analysis assumes that all other variables remain constant.

<i>Effect to profit or loss</i>	<b>Consolidated financial statements / Separate financial statements</b>		
	Profit or loss		
	Movement (%)	Strengthening (in thousand Baht)	Weakening
<b><i>At 31 December 2021</i></b>			
United States Dollars	6	(971)	971
Yen	4	(6)	6
Euro	7	(3,291)	3,291
<b><i>At 31 December 2020</i></b>			
United States Dollars	3	(378)	378
Yen	4	(7)	7
Euro	8	(3,493)	3,493

**(c.3.2) Interest rate risk**

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flows. The Group is primarily exposed to interest rate risk from its borrowings (note 14 to the financial statements). The Group manages the interest rate risk of financial assets and liabilities by considering fixed and floating rates depending on the market situation.

<i>Exposure to interest rate risk at 31 December</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
<b><i>Financial instruments with variable interest rates</i></b>				
Financial liabilities	-	229,768	-	229,768
	-	<b>229,768</b>	-	<b>229,768</b>

## Notes to the financial statements

### For the year ended 31 December 2021

#### 23 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 of Directors regularly monitors the return on capital, which the Group defines as result from operating activities divided by total shareholders' equity, and also monitors the level of dividends to ordinary shareholders.

#### 24 Commitments with non-related parties

	Consolidated financial statements / Separate financial statements	
	2021	2020
	<i>(in thousand Baht)</i>	
<b><i>Lease commitments</i></b>		
Within 1 year	758	10,502
After 1 year but within 5 years	23	781
<b>Total</b>	<b>781</b>	<b>11,283</b>

The Group has lease agreements with local companies covering office equipment, forklift and others, which are lease of low-value assets for period of 4 years expiring during 2022 to 2023.

	Consolidated financial statements / Separate financial statements	
	2021	2020
	<i>(in thousand Baht)</i>	
<b><i>Other commitments</i></b>		
Unused letters of credit	45,937	44,709
Purchase orders for goods and supplies	134,537	132,451
<b>Total</b>	<b>180,474</b>	<b>177,160</b>



## Notes to the financial statements

### For the year ended 31 December 2021

#### *Letter of guarantee*

As at 31 December 2021 the Company had commitment to a financial institution for letter of guarantee issued by the financial institution in favor of a state enterprise of Baht 17.9 million (2020: Baht 17.9 million).

#### *Significant agreements with non-related parties*

As at 31 December 2021 the Group had the following significant agreements with non-related parties.

#### *Product distribution agreements*

The Company has four production distribution agreements with two local companies and two oversea companies. Under the terms of the agreements, the Company agrees to pay distribution fees at the rates as specified in the agreements. The first agreement shall be in effect from 1 February 2019 to 31 January 2022 and is renewable automatically for another 3 years. The contractual parties have a right to terminate the agreement by giving advance notice of not less than 6 months prior to the expiration of the agreement. The second agreement shall be in effect from 1 November 2020 to 31 October 2023. The third agreement shall be in effect from 30 April 2017 to 29 April 2022 and is renewable automatically for another 5 years. The contractual parties have a right to terminate the agreement by giving advance notice of not less than 1 year prior to the expiration of the agreement. The fourth agreement shall be in effect from 1 June 2017 to 30 June 2022.

#### *Natural gas purchase agreement*

The Company has a natural gas purchase agreement with a local company. Under the terms of the agreement, the Company agrees to pay disbursements and comply with conditions as specified in the agreement. The agreement shall be in effect from 1 September 2018 to 31 August 2022 and is renewable by giving advance written notice of not less than 90 days prior to the expiration of the agreement.

#### *Domestic transportation services agreement*

The Company has a domestic transportation services agreement with a local company. Under the terms of the agreement, the Company agrees to pay disbursements and comply with conditions as specified in the agreement. The agreement shall be in effect from 1 April 2019 to 31 March 2024 and is renewable automatically for another 5 years. The contractual parties have a right to terminate the agreement by giving advance notice of not less than 6 months prior to the expiration of the agreement.

## Notes to the financial statements

### For the year ended 31 December 2021

#### 25 Events after the reporting period

- 25.1 At the meeting of the Board of Directors of the Company held on 23 February 2022, the Board of Directors approved the appropriation of annual dividend for the year 2021 of Baht 0.50 per share, amounting to Baht 650 million, is scheduled to be paid to the Company's shareholders on 23 May 2022. The annual dividend, however, is subject to the final approval from the shareholders of the Company.
- 25.2 At the meeting of the Board of Directors of the Company held on 11 January 2022, the Board of Directors approved:
- an acquisition of 6,667 newly issued ordinary shares of Predictive Co., Ltd. ("PDT") or representing 25% of PDT's share capital, with a par value of Baht 100 per share, at the purchase price of Baht 18,389 totaling Baht 122.6 million.
  - joint investment with PDT in respect to the incorporation of a new joint venture company (the "Joint Venture Company") for joint investment in the business relating to data analysis, consultancy, planning and other services, in which the Company will own 50% of Joint Venture Company's share capital at the total investment value of not exceeding Baht 5 million.
- 25.3 At the meeting of the Board of Directors of the Company held on 15 December 2021, the Board of Directors approved to reduce issued and paid-up capital in PT Ichi Tan Indonesia amounting to Indonesian Rupiah 45,000 million (or equivalent to Baht 100.0 million). The reduction of issued and paid-up capital will be completed in February 2022.



**ICHITAN GROUP PUBLIC COMPANY LIMITED**

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**Attachments**

## Details of Directors, Executives, Controlling Persons who take the highest responsibility in Accounting and Finance, Chief Accountant and Corporate Secretary



**Name-Surname:** Mr.Tan Passakornnatee

**Position:** Chairman of the Board of Directors/ Member of the Corporate Governance Committee/ Member of the Nomination and Remuneration Committee/ President / Chief Executive Officer

**Age (years):** 62

**Date of being the Company's director:** July 3<sup>rd</sup>, 2013

**Shareholding in ICHI (%):** 27.74

**Education:**

- Honorary Doctorate, Business Administration, Suratthani Rajabhat University
- Honorary Doctorate, Lampang University
- Honorary Doctorate, Ramkhamhaeng University

**Training:**

- Thai Institute of Directors (IOD) :  
1)DAP Class 12/2004 2)FBG Class 6/2016
- Other Training Institute: None

**Work experience within 5 years:** (As of December 31, 2021)

2013 – Present Chairman of the Board of Directors President  
/ Chief Executive Officer, Ichitan Group Plc.

**Other Current Directorship Positions:**

- Listed Company in the Stock Exchange of Thailand: None
- The Company Limited: Available  
1) 2016 - Present Director, Tiger Wings Krub Co.,Ltd.  
**See more detail "Details of Directorship in other companies"**
- Other Organizations / Institutions: None

**Director Term duration with ICHI:** 8 years

**Family relationship with the Company's executive:**

Spouse / Mrs. Eng Passakornnatee



**Name-Surname:** Mr. Thiti Jiranonkan

**Position:** Member of the Board of Directors  
/ Member of the Executive Committee

**Age (years):** 60

**Date of being the Company's director:** August 13<sup>rd</sup>, 2014

**Shareholding in ICHI (%):** 2.69

**Education:** Bachelor Degree of Mass Communication (Journalism and Print Media), Sue Ching University

**Training:**

- Thai Institute of Directors (IOD) :  
1)DAP Class 12/2004 2)FBG Class 6/2016
- Other Training Institute: None

**Work experience within 5 years:** (As of December 31, 2021)

2014 –Present Member of the Board of Directors  
/ Member of the Executive Committee  
Ichitan Group Plc.

**Other Current Directorship Positions:**

- Listed Company in the Stock Exchange of Thailand: None
- Non-listed in Thailand: Available  
2019-Present Director, Q San Trading Co., Ltd.  
1996-Present Director, Wedding Business Consultant Co., Ltd.  
1996-Present Director, Thank-You Service Co., Ltd.
- Other Organizations / Institutions: None

**Director Term duration with ICHI:** 7 years

**Family Relationship with the Company's executive:** None



Name-Surname: Mr. Viroj Supasoon

Position: Member of the Board of Directors / Member of the Risk Management Committee/ Member of the Executive Committee/ Executive Vice President, Factory Department

Age (years): 56

Date of being the Company's director: July 3<sup>rd</sup>, 2013

Shareholding in ICHI (%): 0.56

Education: Bachelor Degree of Science, Microbiology, Kasetsart University

#### Training:

- Thai Institute of Directors (IOD):  
1) DAP Class 106/2013 2) RCL Class 5/2016
- SET: The 2017 CSR for Corporate Sustainability.  
(Course P01 and S01-S06)
- Other Training Institute: None

Work experience within 5 years: (As of December 31, 2021)

2013 – Present Member of the Board of Directors /Member of the Executive Committee/ Executive Vice President, Factory Department Ichitan Group Plc.

#### Other Current Directorship Positions:

- Listed Company in the Stock Exchange of Thailand: None
- Non-listed in Thailand: None
- Other Organizations / Institutions: None

Director Term duration with ICHI: 8 years

Family Relationship with the Company's executive: None



Name-Surname: Mr. Tanapan Khongnuntha

Position: Member of the Board of Directors / Member of the Risk Management Committee / Member of the Executive Committee /Executive Vice President, Beverage Business

Age (years): 48

Date of being the Company's director: July 3<sup>rd</sup>, 2013

Shareholding in ICHI (%): 0.45

#### Education:

- Master of Business Administration, Ramkhamhaeng University
- Bachelor Degree of Science in Agribusiness Management, King Mongkut's Institute of Technology Ladkrabang

#### Training:

- Thai Institute of Directors (IOD): 1) DAP Class 106/2013  
2) RCL Class 5 /2016 3) BMT Class 4/2017
- SET: The 2018 CSR for Corporate Sustainability, course P01 :  
CSR for Corporate Sustainability
- Other Training Institute: None

Work experience within 5 years: (As of December 31, 2021)

2013 – Present Member of the Board of Directors /  
Member of the Executive Committee /  
Executive Vice President, Beverage Business  
Ichitan Group Plc.

#### Other Current Directorship Positions:

- Listed Company in the Stock Exchange of Thailand: None
- Non-listed in Thailand: None
- Other Organizations / Institutions: None

Director Term duration with ICHI: 8 years

Family Relationship with the Company's executive: None



**Name-Surname:** Miss Araya Panichayunont

**Position:** Member of the Board of Director /

Deputy Financial Director (Executive Director)

**Age (years):** 46

**Date of being the Company's director:** July 3<sup>rd</sup>, 2013

**Shareholding in ICHI (%):** 0.07

**Education:** Bachelor Degree of Business Administration (Finance),  
Thai Chamber of Commerce University

**Training:**

- Thai Institute of Directors (IOD) : 1) DAP Class 106/2013  
2) RCL Class 5/2016 3) BMT Class 4/2017
- Other Training Institute: None

**Work experience within 5 years:** (As of December 31, 2021)

2013 – Present Member of the Board of Director /  
Deputy Financial Director (Executive Director)  
Ichitan Group Plc.

**Other Current Directorship Positions:**

- Listed Company in the Stock Exchange of Thailand : None
- Non-listed in Thailand : Available  
2006 - Present Director, Lopburi Inn Plaza Co., Ltd.  
**See more detail "Details of Directorship in other companies"**
- Other Organizations / Institutions : None

**Director Term duration with ICHI:** 8 years

**Family Relationship with the Company's executive:** None



**Name-Surname:** Air Vice Marshal (AVM) Nathawat Nimmolthanakhorn

**Position:** Independent Director / Chairman of the Audit Committee/

Chairman of the Risk Management Committee

**Age (years):** 71

**Date of being the Company's director:** July 3<sup>rd</sup>, 2013

**Shareholding in ICHI (%):** None

**Education:** Bachelor Degree of Education in Secondary Education,  
Srinakharinwirot University

**Training:**

- Thai Institute of Directors (IOD) :  
1) DAP Class 106/2013 2) AACCP Class 16/2014  
3) RNG Class 8/2016 4) ELP Class 9/2017
- Other Training Institute:  
Federation of Accounting Professions under the Royal Patronage: Audit  
Committee Seminar Get Ready for Year End

**Work experience within 5 years:** (As of December 31, 2021)

2013 – Present Independent Director, Ichitan Group Plc.

**Other Current Directorship Positions:**

- Listed Company in the Stock Exchange of Thailand: None
- Non-listed in Thailand: None
- Other Organizations / Institutions: None

**Director Term duration with ICHI:** 8 years

**Family Relationship with the Company's executive:** None



Name-Surname: Mr. Prasan Limpipatanakul

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

Age (years): 66

Date of being the Company's director: July 3<sup>rd</sup>, 2013

Shareholding in ICHI (%): None

Education:

- Master Degree of Business Administration, Kasetsart University
- Bachelor Degree of Accounting, Chulalongkorn University

Training:

- Thai Institute of Directors (IOD) :
  - 1) DAP Class 106/2013      2) AACP Class 16/2014
  - 3) RNG Class 8/2016      4) ELP Class 9/2017
- Other Training Institute:
  - Federation of Accounting Professions under the Royal Patronage, Audit Committee Seminar Get Ready for Year End

Work experience within 5 years: (As of December 31, 2021)

2013 – Present Independent Director, Ichitan Group Plc.

Other Current Directorship Positions:

- Listed Company in the Stock Exchange of Thailand: None
- Non-listed in Thailand: None
- Other Organizations / Institutions: None

Director Term duration with ICHI: 8 years

Family Relationship with the Company's executive: None



Name-Surname: Mr. Issarachai Decharit

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

Age (years): 66

Date of being the Company's director: July 3<sup>rd</sup>, 2013

Shareholding in ICHI (%): None

Education:

- Thai bar Association, The Thai Bar under The Royal Patronage
- Bachelor Degree of Laws, Chulalongkorn University

Training:

- Thai Institute of Directors (IOD):
  - 1) DAP Class 27/2004      2) AACP Class 17/2014
  - 3) RNG Class 8/2016      4) ELP Class 9/2017
- Other Training Institute:
  - Federation of Accounting Professions under the Royal Patronage: Audit Committee Seminar Get Ready for Year End

Work experience within 5 years: (As of December 31, 2021)

2019 – Present Director, SGF Capital Public Co. Ltd.

2013 – Present Independent Director, Ichitan Group Plc.

Other Current Directorship Positions:

- Listed Company in the Stock Exchange of Thailand: Available
  - 1) 2019-Present Director, SGF Capital Public Co. Ltd.
- Non-listed in Thailand: Available
  - 1) 2015-Present Director, Global One Capital Co., Ltd.
- Other Organizations / Institutions: None

Director Term duration with ICHI: 8 years

Family Relationship with the Company's executive: None



Name-Surname: Mrs. Eng Passakornnatee

Position: Member of the Executive Committee\*/Senior Executive Vice President

Age (years): 51

Shareholding in ICHI (%): 4.62

**Education:**

- Master Degree of Business Administration, Ramkhamhaeng University
- Bachelor Degree of Business Administration (Finance), Bangkok University

**Training:**

- Thai Institute of Directors (IOD): 1) DAP Class 12/2004  
2) DCP Class 44/2004 3) FBG Class 6/2016
- SET: The 2017 CSR for Corporate Sustainability (course P01 and S01-S06)
- Other Training Institute: None

**Work experience within 5 years:** (As of December 31, 2021)

2013-2020 Member of the Executive Committee/ Senior Executive Vice President, Ichitan Group Plc.

**Other Current Directorship Position:**

- Listed Company in the Stock Exchange of Thailand: None
- Non-listed Company: Available in 7 companies with 1 related company
  - 1) 2016-Present Director, Tiger with wings Co., Ltd.
  - 2) 2013-Present Director, Tan and Tan Sriracha Asset Co., Ltd.
  - 3) 2012-Present Director, DST Asset Co., Ltd.
  - 4) 2009-Present Director, T-One Building Co., Ltd.
  - 5) 2009-Present Director, Ington Asset Co., Ltd.
  - 6) 2001-Present Director, Banana Banana Co., Ltd.
  - 7) 1996-Present Director, Wedding Business Consultant Co., Ltd.

See more detail "Details of Directorship in other companies"

- Other Organizations / Institutions: None

**Director Term duration with ICHI:**

7 years (July 3<sup>rd</sup>, 2013 – October 22<sup>nd</sup> 2020)

**Family Relationship with the Company's executive:**

Spouse / Mr. Tan Passakornnatee

Note: \* Mrs. Eng Passakornnatee has been appointed as a Member of the Executive Committee on 10th November 2021



Name-Surname: Mr. Preecha Augcharanonda

Position: Member of the Executive Committee

Age (years): 59

Shareholding in ICHI (%): None

**Education:**

- Master Degree of Accounting, Thammasat University
- Bachelor Degree of Accounting, Thammasat University

**Training:**

- Thai Institute of Directors (IOD): 1) DAP Class 106/2013
- Other Training Institute: None

**Work experience within 5 years:** (As of December 31, 2021)

2018 – Present Adviser and Member of the Executive Committee, Ichitan Group Plc.

2011 – 2018 Executive Vice President, Accounting and Finance, Ichitan Group Plc.

**Other Current Directorship Positions:**

- Listed Company in the Stock Exchange of Thailand: None
- Non-listed in Thailand: None
- Other Organizations / Institutions: None

Director Term duration with ICHI: 1 Year (Year 2013 – year 2014)

Family Relationship with the Company's executive: None





Name-Surname: Miss Wimolwan Saelao

Position: Acting Chief Finance Officer\* /  
Director of Accounting (Chief Accountant)

Age (years): 46

Shareholding in ICHI (%): 0.004

Education:

Bachelor Degree of Accounting, Rajamangala University of Technology  
Tawan-Ok : Chakrabongse Bhuvanarth Campus

ประวัติการฝึกอบรม:

Training:

Other Training Institute:

Year 2021

- 1) Pivot Table Excel to make accounting reports.
- 2) Digital accounts, Automated Accounting processes and procedures.

Year 2020

- 1) Update e-Payment Law and regulation and method of e-Tax Invoice & e-Receipt, e-Withholding Tax and e-Filing
- 2) Calculating Employee Benefits and problems of correcting preparation and solution to comply with Thai Financial Reporting Standards.

Year 2019

- 1) Updated Thai Financial Reporting Standards 15 , new accounting principles regarding revenue recognition.
- 2) Accounting Guidelines for Employee Benefits in regard to TAS 19 ,that impact on business operations

Work experience within 5 years: (As of December 31, 2021)

2020-Present Acting Chief Finance Officer,  
Ichitan Group Plc.

2019-Present Director of Accounting (Chief Accountant),  
Ichitan Group Plc.

Family relationship with the Company's executive: None



Name-Surname: Miss Jinda Songrod

Position: The Company Secretary / Secretary to the Corporate  
Governance Committee / Secretary to the Executive  
Committee / Assistant Director, Office of President

Age (years): 40

Shareholding in ICHI (%): 0.015

Education:

- Master Degree of M.B.A. (Finance), Nida Business School
- Bachelor of Business Administration (First Class Honors),  
Khon Kaen University

Training:

- Thai Institute of Directors (IOD): CSP Class No. 87/2018
- Thai Listed Companies Association (TLCA):
  - Advances for Corporate Secretaries Program No. 1/2018
  - Fundamentals Practice for Corporate Secretary (FPCS), 2009
  - Fundamental Course, Laws and Regulations related to listed companies for the beginners, company secretary and company secretary assistant, 2009
- Other Training Institute: None

Work experience within 5 years: (As of December 31, 2021)

2020 – Present The Company Secretary/  
Secretary to the Executive Committee,  
Ichitan Group Plc.

2013 – Present Assistant Director, Office of President  
Ichitan Group Plc.

Family Relationship with the Company's executive: None

### Details of directorship of the Subsidiary company and Other Company

Names	Details of Directorship in other companies												
	1	2	3	4	5	6	7	8	9	10	11	12	13
1. Mr. Tan Passakornnatee	C,D										D		
2. Mrs. Eng Passakornnatee*		D	D	D	D			D			D		D
3. Mr. Thiti Jiranontkarn	D							D	D				
4. Ms. Araya Panichayunon	D						D						
5. Mr. Preecha Atcharanon													
6. Mr. Virote Supasoon	D												
7. Mr. Tanapan Kongnantha	D												
8. Air Vice Marshal Nathawat Nimmolthanakorn													
9. Mr. Prasan Limpipattanakul													
10. Mr. Issara Chaidecharit													

Note: C = Chairman of the Board D = Director ID = Independent Director // = Chairman of the Audit Committee AC = Audit Committee ED = Executive Director

#### List of related companies

- |  |   |                                 |
|--|---|---------------------------------|
| 1 = Ichitan Power Co., Ltd. (Subsidiary) | 6 = Passakornnatee Co., Ltd.              | 11 = Tiger with wings Co., Ltd. |
| 2 = Ingtan Asset Co., Ltd.               | 7 = Lopburi Inn Plaza Co., Ltd.           | 12 = Kin Kab Tan Co., Ltd.      |
| 3 = Tan and Tan Sriracha Asset Co., Ltd. | 8 = Wedding Business Consultant Co., Ltd. | 13 = T One Building Co., Ltd.   |
| 4 = DST Asset Co., Ltd.                  | 9 = Tank You Service Co., Ltd.            |                                 |
| 5 = Banana Banana Company Limited        | 10 = Paper Plain Project Co., Ltd.        |                                 |

Note: \* Mrs. Eng Passakornnatee has been appointed as Executive Director since November 10, 2021.

**Details of Internal Audit Manager and Compliance Manager**

**Name-Surname:** Mr. Sumol Hobumphen

**Position:** Internal Audit Manager/ Secretary to the Audit Committee /  
Secretary to the Nomination and Remuneration Committee

**Age (years):** 44

**Shareholding in ICHI (%):** 0.004 (Self : 0.004% / Underage child : None)

**Education:**

- Master Degree of Science in Corporate Governance, Chulalongkorn University
- Bachelor Degree of Accounting, Rajamangala University of Technology, Phranakhorn

**Training Courses:**

- **Thai Institute of Directors (IOD) :** 1) ACPG Class 16 /2015
- **Other Training Institute:**
  - 1) Certified public accountant, Federation of Accounting Professions under the Royal Patronage of His Majesty the King.
  - 2) Courses, Risk management, of corruption at 2/58, Federation of Accounting Professions under the Royal Patronage of His Majesty the King.
  - 3) Internal Auditing Program, Federation of Accounting Professions under the Royal Patronage of His Majesty the King.
  - 4) Endorsed Internal Auditing Program (EIAP), Class 9, Chulalongkorn University.
  - 5) COSO ERM 2017 Basics and Advance at 2/61, Federation of Accounting Professions under the Royal Patronage of His Majesty the King.
  - 6) Working Paper for Anti-Corruption at 3/64, Federation of Accounting Professions under the Royal Patronage of His Majesty the King.

**Work experience within 5 years:** (As of December 31, 2021)

Present – 2013 Internal Audit Manager, Ichitan Group Plc.

**Relationship with the Company's executive:** None

## Details of Business Asset and Asset Appraisal

### Assets used in business operations

- Please see the details in “Topic 1. Structure and Business Operations of the Company”, “Sub-clause 1.2.7 Assets used in business operations” -

### Details about the property appraisal list

- None -

## Policies and Guidelines for Corporate Governance and Business Ethics (Full Version)



Publish the company's website [http://www.ichitangroup.com/corporate\\_governance3.html](http://www.ichitangroup.com/corporate_governance3.html)

## Report on the responsibility of the Board of Directors towards Financial Statements

With the Public Limited Companies Act 1992, Accounting Act 2000, Securities and Exchange Act B.E. 2535 and the announcement of the Capital Market Supervisory Board on criteria, conditions and Method for reporting disclosure of information about the financial position and operating results of the issuing company The Board of Directors is required to prepare financial statements to demonstrate financial position, Performance Section change of shareholders and cash flows over the past year that is realistic and reasonable.

The Board of Directors of Ichitan Group Public Company Limited (the Company) is responsible for the Company's financial statements and financial information appearing in the annual report. Such financial statements have been prepared in accordance with the generally accepted accounting standards in Thailand which are mostly in line with international accounting standards. It selects appropriate accounting policies and applies them regularly, with careful judgment and the best possible estimate in the making. In addition, important information is adequately disclosed in the notes to the financial statements. It also takes into account the importance of providing an understanding of the overall view of the Company's financial position. Therefore, an explanation and analysis of the performance of the management are presented for the benefit of shareholders and related stakeholders.

The Board of Directors has arranged for the maintenance of good corporate governance principles and the code of conduct of anti-corruption in all forms. As well as establish and maintain an effective risk management and internal control system to ensure that all accounting records are accurate and complete. It is sufficient to maintain property and to prevent corruption or any materially abnormal operation. These include independent non-executive directors who are responsible for the quality of financial transactions and the internal control system, and the opinion of the Audit Committee on this matter appears in the Audit Committee report as shown in form 56-1 One Report.

The Board of Directors is of the opinion that the Company's internal control and internal audit systems as of December 31, 2021 can build confidence that show financial position operating results and cash flow is correct as it should, in essence. In accordance with financial reporting standards and able to establish reasonable confidence in the reliability that In accordance with the generally accepted accounting standards in Thailand and compile with the law and declare as related.



Mr. Tan Pasakornnatee

Chairman of the Board of Directors

Ichitan Group Public Company Limited

## Report of the Audit Committee

**Dear Shareholders**

Ichitan Group Public Company Limited (the Company) has appointed the Audit Committee which consists of 3 independent directors who are independently from the management and one of them has sufficient knowledge and experience in reviewing the reliability of the financial statements. The committee was appointed by the Board of Directors Meeting No. 6/2013 on June 17, 2013, each member of the Audit Committee has qualifications stipulated in the Audit Committee Charter, which consist with the requirements and best practices for audit committees of the Office of the Securities and Exchange Commission and The Stock Exchange (SEC) and the Stock Exchange of Thailand. The Audit Committee consists of;

- |  |  |
|--|--|
| 1. Air Vice Marshal Nathawat Nimmolthanakorn | Independent Director / Chairman of the Audit Committee |
| 2. Mr. Prasan Limpipattanakul                | Independent Director / member of the Audit Committee   |
| 3. Mr. Issarachai Decharit                   | Independent Director / member of the Audit Committee   |

In 2021, the Audit Committee has performed its duties independently with the scope of duties as specified in the charter of the Audit Committee and has held the meeting in total of 4 times, and all 3 of the audit committees attending all 4 meetings at the end of the year and perform self-assessment which the evaluation results are satisfactory. At some meetings, the Audit Committee met with the chief executive officer, auditors, internal audit in according to the appropriate agenda in every meeting. The Audit Committee has reported independently comments and suggestions in summary, the duties as follows:

### **To review the accuracy, completeness and reliability of financial reports**

To review the financial reports, both quarterly and for the year 2021, important accounting policies and financial reports that are significant together with the responsible management and the auditor, in order to approve the financial report, it has been properly prepared in accordance with the accounting standards which set by the Federation of Accounting Professions. In addition, the Audit Committee had a meeting with the auditors without the management once to acknowledge the problems encountered from the audit.

To consider the auditors' annual audit plan, Audit Committee opinion that the Company's financial reports was made in accordance with accounting standards which was complete correctly as it should be in essence and reliable including adequate disclosure of important information.

### **Review the internal control system and internal audit**

To review the internal control system together with the head of the internal audit department quarterly of the Company and subsidiaries, which are adequately and appropriately internal control system and internal audit system and comply with professional standards by using the risk assessment method and the internal control system in accordance with the Committee of Sponsoring

Organizations (COSO) standard, the audit committee has regularly consulted with the auditor to acknowledge the issues related to the internal control system.

Review the performance of the Internal Audit Department, annual internal audit plan including the personnel rate and the human resource development plan of the internal audit department to make the performance of the internal audit department independently.

The Audit Committee's opinion that the Company's internal control system is adequately and appropriately without significant flaws including the internal audit of the company there is independently.

#### **Review of good corporate governance and compliance with relevant regulations and laws**

To review the Company's performance in accordance with the law on Securities and Exchange Commission, Stock Exchange of Thailand or laws relating to the Company's business. In addition, the Audit Committee promotes and monitors the progress of the development of good corporate governance processes, as well as promoting and implementing of the anti-corruption policy throughout the organization. After, the company has certified as a member of the Thai Private Sector Collective Action Coalition against Corruption on August 5, 2019, the Audit Committee has given importance to the supervision of the implementation of anti-corruption and anti-corruption guidelines by assigning the Internal Audit Department to review the assessment of compliance with the anti-corruption measures and anti-corruption measures.

The Audit Committee has an opinion that the Company comply with the law on Securities and Exchange commission and the regulations of the Stock Exchange of Thailand or the law relating to the Company's business including appropriate good corporate governance guidelines

#### **To review of connected transactions or items that may have conflicts of interest**

To review the transactions which are related transactions, or transactions that may have conflicts of interest to ensure that the Company and its subsidiaries, the Company has performed in accordance with the criteria and requirements of the governing body, and has performed reasonable actions and takes into account the best interests of the Company. The operation of the management is in accordance with the connected transactions policy approved by the Board of Directors.

The Audit Committee is of the opinion that the connected transactions that considered as a transaction that is considered a normal business with general commercial terms ,which are reasonable, fair and are of the utmost benefit to the Company.

#### **Consideration to be submitted to the Board of Directors to appoint auditor for the year 2021**

To consider performance results, scope of work experience knowledge, trust and the sufficiency of resources compare with the proposed audit fee, they also reviewed the qualifications and independence of the Company's auditors that they are correctly according to the announcements of the Office of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand. Therefore has passed a resolution to propose to the Board of Directors for considering to appoint Miss Nareewan Chaibantad Certified Public Accountant No. 9219 and / or Ms. Sujitra Masena, Certified Public Accountant No. 8645

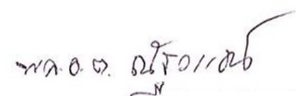


and / or Mr. Yoottapong Soontalinka Certified Public Accountant No. 10604 from KPMG Phoomchai Audit Company Limited as the auditor of the Company and its subsidiaries for the year 2021 with a total remuneration of 3,000,000 baht.

**Opinion on the performance of duties under the charter of the Audit Committee**

From the self-assessment of the Audit Committee for the year 2021 on November 10, 2021, the Audit Committee has reviewed the performance of the Audit Committee, in regard to the function as a whole and performing specific duties as follows; To review financial reports, internal control, the internal audit system, the company to comply with the laws related to the Company's business. Consideration, selection, and appointment of the auditor to consider of connected transactions or transactions that may lead to conflicts of interest and preparation of the Audit Committee's One Report, the overall assessment results conclude that the duties and responsibilities specified in the Audit Committee charter have been adequately performed, using knowledge and abilities caution and is sufficiently independent for the best interest of stakeholders.

The Audit Committee agreed with the auditor that the 2021 financial statements, it was prepared in accordance with the financial reporting standards, with the Company and its subsidiaries sufficiently disclosed. The overall internal control system is efficiently. There were no material flaws, the relevant laws and regulations were followed, the management is committed to continuous development in order to support the Company's sustainable corporate governance. The audit results of the internal auditors are reported directly to the Audit Committee along with regular follow-up and recommendations.



Air Vice Marshal Nathawat Nimmolthanakorn

Chairman of the Audit Committee

## Report of the Nomination and Remuneration Committee

### Dear Shareholders

Ichitan Group Public Company Limited (the Company) has appointed a Nomination and Remuneration Committee consisting of 3 directors, of which the Chairman of the Nomination and Remuneration Committee is an independent director. The committee was appointed by the Board of Directors Meeting No. 6/2020 on November 11, 2020, consists of;

1. Mr. Issarachai Decharit      Independent Director / Chairman of the Nomination and Remuneration Committee
2. Mr. Prasan Limpipattanakul      Independent Director / Member of the Nomination and Remuneration Committee
3. Mr. Tan Passakornnatee      Member of the Nomination and Remuneration Committee

The Nomination and Remuneration Committee has performed its duties as assigned by the Board of Directors as specified in the Nomination and Remuneration Committee Charter, with the duty of recruiting qualified persons for the position Company Directors and members of various committees. It also serves to determine the remuneration for the Company's directors and the Chief Executive Officer and propose to the Board of Directors for consideration. In 2021, the Nomination and Remuneration Committee has held 3 meetings to perform the duties as assigned, to follow up and consider important matters assigned by the Board of Directors, which is set out in the Charter of the Nomination and Remuneration Committee, which can be summarized as follows;

- To nominate directors in various committees including the Chief Executive Officer, the Nomination and Remuneration Committee will consider qualifications, knowledge, abilities, skills, experience, diverse expertise and leadership, as well as a positive vision and attitude towards the organization, which is beneficial to the operation of the Company without limitation in matters gender only including size must also be taken into account. Appropriate structure and composition of the Board of Directors follow the principles of good corporate governance (Corporate Governance Code) and ensure efficient management and effectiveness, as well as comply with applicable laws and regulations and the situation including giving opportunities for minority shareholders to take part in corporate governance by giving an opportunity to propose agendas and nominate candidates to replace the directors who complete their terms in advance every year for the annual general meeting of shareholders.
- To determine the remuneration of the Company's directors, Chief Executive Officer and management, have established fair compensation methods and criteria by considering the performance Operational success against key operational goals and indicators, including their obligations. Assigned responsibility, as well as operating results business environment and factors that may have an appropriate impact on the Company's business and the overall economy and presented to the Board of Directors for consideration and proposals for approval at annual general meeting of shareholders.

- To organize an annual self-assessment of the Board of Directors and sub-committees, both for the whole Board and individually, and report to the Board of Directors for acknowledgment, to use the evaluation results to improve the performance and achieve the objectives of the Company.

As of December 31, 2021, the Board of Directors comprises of 8 directors consisting of 3 independent directors, for information on remuneration for the Company's Directors and Executives, the remuneration section of the Company's Directors and Executives is shown in this One Report. The Nomination and Remuneration Committee deems it appropriate consistent with the duties and responsibilities, in accordance with the policy and criteria of the Nomination and Remuneration Committee. The Board of Directors has considered and agreed.



Mr. Issarachai Decharit

Chairman of the Nomination and Remuneration Committee

## Report of the Corporate Governance

### Dear Shareholders

Ichitan Group Public Company Limited (the Company) has appointed the Corporate Governance Committee. From the Board of Directors Meeting No. 6/2020 on November 11, 2020, in the year 2021, the Corporate Governance Committee has performed its duties by scope of authority Specified in the Corporate Governance Committee Charter and a total of 4 meetings were held by the Corporate Governance Committee attend the meeting according to the details. Summarize the essence of the duties as follows:

- |    |                            |   |
|----|----------------------------|---|
| 1. | Mr. Prasan Limpipattanakul | Independent Director / Chairman of the Corporate Governance Committee |
| 2. | Mr. Issara Chaidecharit    | Independent Director / Member of the Corporate Governance Committee   |
| 3. | Mr. Tan Passakornnatee     | Member of the Corporate Governance Committee                          |
- To review the good corporate governance policy of the Company and its subsidiaries for use within the organization to ensure comply with the CGR Criteria of the Thai Institute of Directors (IOD) and the self-assessment criteria for Anti-Corruption of the Thai Private Sector Collective Action Coalition Against Corruption (CAC) and the SEC's Corporate Governance Code.
  - To consider and approve the good corporate governance plan for the year 2021 and review the past performance to improve the Company's corporate governance operations. Received "excellent" corporate governance assessment for the fifth consecutive year in the corporate governance survey project Thai registration year 2021.
  - Review and approve the implementation of the Good Corporate Governance Principles for 2017 (CG Code) and apply them to suit the Company's business and follow up on the good corporate governance report in the 56-1 One Report / Sustainable Development Report (SD Report) and Revised Corporate Governance Principles to develop good corporate governance as a whole for the company And present to the Board of Directors.
  - Follow up on the duties of the SD Committee on the responsibility to various groups of stakeholders of the company. To achieve concrete practice including the Company's operations that may have an impact on the community, society and environment. As part of good corporate governance. The performance results are reported to the Good Governance Committee at regular intervals as appropriate.

The board of directors, executives and employees at all levels Recognize the importance of conducting business on the basis of honesty, transparency, accountability and anti-corruption of all forms. Therefore is determined to supervise the company Operate in accordance with the principles of good corporate governance. And business ethics To develop and enhance the good corporate governance of the company To be efficient and effective Which creates confidence among shareholders And all groups of stakeholders of the company As well as developing into sustainable growth.



Mr. Prasan Limpipattanakul

Chairman of the Corporate Governance Committee

## Report of the Risk Management Committee

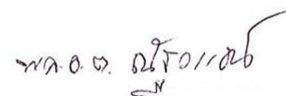
**Dear Shareholders**

Ichitan Group Public Company Limited (the Company) has appointed the Risk Management Committee from the Board of Directors Meeting No. 6/2013 dated June 17, 2013 and the latest amendment resolution was made on October 26, 2020. Present The Risk Management Committee consists of 4 members as follows:

- |  |  |
|--|--|
| 1. Air Vice Marshal Nathawat Nimmolthanakorn | Independent Director / Chairman of the Risk Management Committee |
| 2. Mr. Preecha Acharanont                    | Member of the Risk Management Committee                          |
| 3. Mr. Viroj Supasoon,                       | Member of the Risk Management Committee                          |
| 4. Mr. Tanapan Khongnuntha,                  | Member of the Risk Management Committee                          |

The Risk Management Committee performs duties as assigned by the Board of Directors. The duties in the Risk Management Committee Charter are in accordance with the risk management guidelines according to the international standard COSO ERM 2017 and applied according to the international standard ISO 9001:2015 that has been assigned a total of 4 times, which can be summarized as follows:

- To consider the risk factors affecting the achievement of the organization's strategic goals by carefully considering the risks, including external risk and internal risk cover all dimensions throughout the organization and provide useful suggestions for defense or an opportunity.
- To establish and review corporate-wide risk management frameworks to be appropriate in line with the Company's strategic plans and operations in accordance with the circumstances.
- Follow up, evaluate and provide quarterly recommendations to the Company's operations to ensure that the management has managed it is considered to be under an acceptable risk level with guidelines for determining control or mitigation measures the risks that may arise immediately.
- To consider giving opinions and approving the organization's risk management for the year 2020, in accordance with business operations Company's strategic plan and goals.
- To consider organizing risk management training to enhance risk analysis skills for executive directors and staff.
- To report risk management results throughout the organization to report to the Board of Directors for acknowledgment.



Air Vice Marshal Nathawat Nimmolthanakorn

Chairman of the Audit Committee

## Report of the Executive Committee

### Dear Shareholders

Ichitan Group Public Company Limited (the Company) has appointed the Executive Committee from the Board of Directors Meeting No. 6/2013 dated June 17, 2013. In 2021, the Executive Committee has performed its duties. According to the scope of powers and duties specified in the charter of the Executive Committee and held a total of 15 meetings, the Executive Committee consisted of;

1.	Mr. Tan	Passakornnatee	Chairman of the Executive Committee
2.	Mrs. Eng	Passakornnatee*	Executive Director
3.	Mr. Thiti	Jiranontkarn	Executive Director
4.	Mr. Preecha	Atcharanon	Executive Director
5.	Mr. Virote	Supasoon	Executive Director
6.	Mr. Tanapan	Khongnantha	Executive Director

The Executive Committee must have qualifications under the Public Limited Companies Act B.E. 2535 and the announcement of the Office of the Securities and Exchange Commission. Relevant to manage, control, supervise and be responsible for various businesses within the scope assigned by the Board of Directors which summarized as follows:

1. Implement the policy of the Board of Directors which is under the law, conditions, rules and regulations of the company, except for the items that the law requires to be approved by the shareholders' meeting.
2. Consider making recommendations and management policies and business strategies for submission to the Board of Directors.
3. Establish a business plan and strategies in accordance with the policies and guidelines, Executive authority, and annual budget for the business to propose to the Board of Directors for approval.
4. Authority to perform approvals related to the general management of the company including establishing organizational and administrative structures. It covers all details of the selection, training, hiring and dismissal of the Company's executives.
5. Consider and approve any loan or loan application. From financial institutions which includes entering as a guarantor or making payment or spending money for normal business transactions of the Company such as investment payments. And for various operations in the amount not exceeding 200 million baht per transaction or as assigned by the Board of Directors.
6. To consider and approve the opening of a deposit account with a local financial institution including the determination of authorized person to pay money from the various deposit accounts of the company.
7. To consider and approve the budget for salary increase or adjust the annual employee salary level and annual compensation (bonus) to employees of the Company, except for the position of managing director or above.
8. Have the power to appoint and remove any staff of the Company in a position lower than the position of Managing Director.
9. Perform other duties as assigned by the Board of Directors



Mr. Tan Passakornnatee

Chairman of the Executive Committee

Note: \* Mrs. Eng Passakornnatee has been appointed as Executive Director since November 10, 2021

## The internal control system adequacy assessment form

### Concept and purpose

Having a good internal control system is of great importance for listed companies or companies with public shareholders. A good system can help prevent and manage risks or damages that may occur to the Company and its stakeholders very well. Therefore, it is the Board of Directors' duty to ensure that The company has an appropriate internal control system. And sufficient to supervise the operations to meet the goals, objectives, laws, relevant requirements effectively able to protect assets from fraud and damage including keeping an account Accurate, reliable reports.

Securities and Exchange Commission (g.T.T.) Get cooperation Well from PricewaterhouseCoopers Thailand (PwC Thailand) In the development of the assessment. The sufficiency of the internal control system ("Evaluation form ") This issue is intended to be a tool to help the company use it as a guideline for self-assessment of the adequacy of the Company's internal control system.

This assessment Was made according to the concept ofCOSO<sup>1</sup> (The Committee of Sponsoring Organizations of the Treadway Commission) Improved framework New in May 2013 And be adjusted to make it easier to understand Including suitable for Thai listed companies Which the main question is also divided into5 Section, as well as the guidelines of COSO Originally, but each section has been expanded into an integral sub-principle. 17. Principles to understand and visualize each part more clearly.

### Uses

Companies should use this assessment as a guideline for assessing or reviewing the adequacy of the internal control system at least annually. Further reviews may occur if events that may materially affect the Company's operations. Such assessment should also be considered by the Audit Committee and the Board of Directors. To achieve the exchange of opinions Have the same understanding and able to set guidelines that are appropriate for the company.

Responding to the assessment for each question It should be based on practicality. If evaluated and found that what is the lack of internal controls sufficient for the company? (Whether there is no system in that regard Or have but still not suitable) The company should explain the reasons and solutions to it.

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1

It is a joint committee of five professional institutions: the US Institute of Certified Public Accountants (AICPA), the Institute of Internal Auditors (IIA), the Financial Executives Institute (FEI), the Association of Accountants of the United States. USA (American Accounting Association or AAA) and Institute of Management Accountants (IMA).

Internal control (Control Environment)

1. The organization demonstrates its commitment to the value of integrity (integrity) and ethics

question	Yes!	No
<p>1.1 The Board and the Management set guidelines. And practices based on integrity and upholding a code of conduct in operation. That covers</p> <p>1.1.1 Daily duty And making decisions on various matters</p> <p>1.1.2 Treatment of business partners, customers and third parties</p>	✓	
<p>1.2 There are written requirements for executives and employees to act with integrity and uphold ethics. That covers</p> <p>1.2.1 There are ethical requirements. (code of conduct) For the right management and staff</p> <p>1.2.2 There are provisions forbidding management and employees from acting in a manner that may create a conflict of interest with the entity. This includes the prohibition of corruption causing damage to the organization.<sup>2</sup></p> <p>1.2.3 There are appropriate penalties for violation of the above provisions.</p> <p>1.2.4 The above requirements and penalties are communicated to management and employees. Everyone acknowledges, for example included in the new employee orientation. Have employees sign to acknowledge the requirements and penalties on an annual basis. Including being published code of conduct For employees and third parties to be informed.</p>	<p>✓</p> <p>✓</p>	
<p>1.3 There is a process for monitoring and evaluating compliance. Code of Conduct</p> <p>1.3.1 Monitoring and evaluation by the internal audit or regulatory authority (compliance unit)</p>	✓	

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2

The company should define the internal control in accordance with anti-corruption measures to suit the risks of the company.



question	Yes!	No
1.3.2 Self-assessment by management and employees		
1.3.3 Independent expert assessment from outside the organization		
1.4 It is managed in a timely manner. If found non-compliance with integrity and ethical requirements	✓	
1.4.1 There is a process that allows the breach to be detected in a timely manner.		
1.4.2 There is a process that makes it possible to appropriately punish or deal with violations. And within due time		
1.4.3 Actions that violate the Code of Integrity and the Code of Conduct are addressed appropriately. And within due time		

**2. The Board of Directors is independent from the management. And perform supervisory duties**

(Oversight) And develop internal control operations

question	Yes!	No
2.1 The roles and duties of the board are set separately from the management. The specific authority of the committee has been clearly reserved.	✓	
2.2 The supervisory board is to set clear and measurable business goals. To guide the performance of management and employees.	✓	
2.3 The Supervisory Board ensures that the company defines the roles and duties of the Board of Directors and management in accordance with the law and charter which covers the important roles of the Audit Committee, Auditors, Internal Auditors and Person responsible for financial reports	✓	
2.4 The Board of Directors is knowledgeable about the business of the company. And have expertise that is beneficial to the company Or you can seek advice from experts on that matter	✓	
2.5 The committee consists of knowledgeable independent directors. Credibility And have absolute independence in performing their duties such as having no business relationship with the Company. No other relationship Which may influence the exercise of discretion and independent performance of duties. In the right amount	✓	
2.6 The Committee overseeing the Development and Practice of Internal Control In the organization, which covers both the creation of a control environment Risk assessment Control activities Information and communication and tracking	✓	

3. The management has established a reporting line structure. Establishing appropriate powers of command and responsibilities to achieve the organization's objectives. Under supervision(oversight) Of the board

question	Yes!	No
3.1 Top management establishes an organizational structure that supports the achievement of the company's objectives. By considering the suitability of both business and law Including effective internal control such as separation of duties in important functions. Which caused the checks and balances between them There is an internal audit work that is directly related to the audit committee. And have a clear reporting line, etc.	✓	
3.2 Top management establishes a reporting line in the company. By considering the appropriateness of authority Responsibility And data communication	✓	
3.3 There is appropriate assignment and limitation of powers, duties and responsibilities between the Board of Directors. Top executives, executives and employees	✓	

4. The organization demonstrates a commitment to motivation. Develop and maintain competent personnel

question	Yes!	No
4.1 The company has policies and procedures for recruiting, developing and retaining appropriate knowledgeable and competent personnel. And there is a process for reviewing such policies and procedures on a regular basis.	✓	
4.2 The company has a performance appraisal process. Giving incentives or rewards to people who perform well. And managing personnel whose performance did not achieve their goals, including communicating these processes to management and employees.	✓	
4.3 The company has a process to solve problems or prepare for the lack of qualified personnel in a timely manner.	✓	
4.4 The company has processes for recruiting, developing and retaining all executives and employees, such as organizing a consultancy system. (mentoring) And training	✓	
4.5 The company has plans and processes for recruiting successors. (succession plan) Important	✓	

2. The organization determines that personnel have duties and responsibilities in internal control. To achieve organizational objectives

question	Yes!	No
5.1 The board and management have processes and communications that compel personnel Everyone is responsible for internal control. And make improvements and corrective action processes If necessary	✓	
5.2 The board and management set performance indicators. Motivation And awarding appropriate awards based on compliance mattersCode of Conduct And the short-term and long-term objectives of the company	✓	
5.3 The board and management continuously assesses incentives and rewards. It emphasizes that it can be linked to the success of the duties of the internal control compliance.	✓	
5.4 The Board and the Management consider that excessive pressures are not placed. In the performance of duties of each personnel	✓	

Risk assessment (Risk Assessment)
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6. The organization has clearly and sufficiently defined objectives. To be able to identify and assess the risks involved in meeting organizational objectives.

question	Yes!	No
6.1 The company is able to comply with generally accepted accounting standards. And suitable for business at that time By showing that the transactions in the financial reports are real. Completely reflects the rights or obligations of the company correctly. Have a reasonable value And disclose complete and correct information	✓	
6.2 The company determines the essence of the financial transactions. By taking into account important factors such as financial reporting users Transaction size Business trend	✓	

question	Yes!	No
6.3 The Company's financial reports reflect the operating activities of the company. Literally	✓	
6.4 Committee or Risk Management Committee Approve and communicate the policy Risk management for all executives and employees to acknowledge and follow. Until it is part of the corporate culture	✓	

7. The organization identifies and analyzes all types of risks that may affect the achievement of its objectives across the organization.

question	Yes!	No
7.1 The company identifies all types of risks which may affect the operations of the organization, business units, departments, and functions.	✓	
7.2 The company analyzes all types of risks that may arise from both internal and external factors. This includes operational strategic risks, reporting. Compliance And information technology	✓	
7.3 Executives at all levels are involved in risk management.	✓	
7.4 The company has assessed the importance of risk. By considering both the chance of an event And the potential impact	✓	
7.5 The company has measures and action plans to manage risks. It may be an acceptance of that risk.(acceptance) Risk reduction (reduction) Risk avoidance (avoidance) Or taking part in taking risks (sharing)	✓	

8. The organization has considered the potential for corruption. In assessing risks that will meet organizational objectives

question	Yes!	No
8.1 The company assesses the likelihood of fraud. It covers various types of fraud such as the preparation of false financial reports. Loss of property Corruption The management can violate the internal control system.(management override of internal controls) Significant changes to the information in the report The acquisition or use of property improperly, etc.	✓	
8.2 The company has carefully reviewed the operational goals. By considering the possibilities of the goals already set Including having considered the reasonableness of providing incentives or compensation to employees Shall not encourage employees to act inappropriately, such as not setting the company's sales target too high. Until creating incentives for decorations, sales figures, etc.	✓	
8.3 The Audit Committee has considered and inquired management about the potential for fraud. And measures taken by the company to prevent or resolve fraud	✓	
8.4 The company communicates to all employees to understand and follow the established policies and guidelines.	✓	

9. The organization is able to identify and assess changes that may affect the internal control system.

question	Yes!	No
9.1 The company assesses the changes in external factors of the organization. That may have an impact on business operations Internal control And financial reports As well as having established adequate measures to respond to such changes	✓	
9.2 The company evaluates the changes in the business model. That may have an impact on business operations Internal control And financial reports As well as having established adequate measures to respond to such changes	✓	

9.3 The company assesses organizational leadership changes. That may have an impact on business operations Internal control And financial reports As well as having established adequate measures to respond to such changes	✓	
Operational control (Control Activities)		

10. The organization has control measures to reduce the risk of not meeting organizational objectives. To an acceptable level

question	Yes!	No
10.1 The Company's control measures are appropriate to the risks. And organizational characteristics such as the environment, job complexity, nature of work, scope of work Including other characteristics	✓	
10.2 The company has a written internal control measure. It covers various processes appropriately, for example, there are policies and procedures related to financial transactions, procurement and general administration. In addition, the scope of authority and the approval hierarchy of the executives at each level are clearly and concisely defined in order to prevent corruption, such as setting the size, credit limit and authorization power of each level of management. The procedure for approving investment projects Purchasing process and vendor selection method Recording information detailing purchasing decisions The process of withdrawing materials, equipment or using various tools, etc., has been organized for the following cases.	✓	
10.2.1 Collection of information about major shareholders, directors, management and Those related to such person Including connected persons For the benefit of monitoring and reviewing related transactions. Or items that may have conflicts of interest Including always updating information to be up to date	✓	
10.2.2 In the event that the Company has approved a transaction or entered into a contract with a related person in a manner that is binding on the Company in the long term, such as entering into a product purchase agreement, lending and guarantee, the Company has ensured that The agreed terms have been followed throughout the period in which the company is binding, such as monitoring the repayment of debt on	✓	

question	Yes!	No
schedule. Or there is a review of the suitability of the contract, etc.		
10.3 The company has determined that the internal control is suitable for diversity such as Pattern control manual and automated Or preventive control and monitoring	✓	
10.4 The company requires internal controls at all levels of the organization such as Group companies, business units, departments, departments, departments, or processes	✓	
10.5 The company has separated duties and responsibilities in the work. 3 The following side apart Absolutely in order to check each other, that is,  (1) Approved page  (2) Functions of accounting records and information and  (3) Duty of keeping assets	✓	

11. The organization selects and develops general control activities with technological systems. To help support

Achievement of objectives

question	Yes!	No
11.1 Companies should determine the relationship between the use of information technology. In the process of operation and general control of information systems	✓	
11.2 The company should determine the appropriate controls for the technology infrastructure.	✓	
11.3 Companies should define appropriate security controls for technology systems.	✓	
11.4 The company should determine appropriate control of the acquisition, development and maintenance of technology systems.	✓	

12. The organization provides control activities through policies. Which defines what is expected and the procedures to be performed So that the defined policies can be put into action

question	Yes!	No
12.1 The Company has a strict policy to monitor the transactions of major shareholders, directors, executives or those related to such persons. Must go through a set approval process such as the Articles of Association Rules of the Stock Exchange of Thailand Office criteria, etc. to prevent prospecting. Or take the benefits of the company for personal use	✓	
12.2 The company has a policy to approve transactions by persons who have no interest in such transactions.	✓	
12.3 The company has a policy to consider and approve transactions that take into account the best interests of the company. And consider it as a transaction with third parties(at arms' length basis)	✓	
12.4 The company has a process to monitor the operations of subsidiaries or associated companies. Including setting guidelines for the persons appointed by the company to be directors or executives in the subsidiary or associated companies to comply with( <i>If the company does not have investments in subsidiaries or associates, do not have to answer this question.</i> )	✓	
12.5 The company determines the duties and responsibilities for implementing policies and procedures by management and employees.	✓	
12.6 Company policies and procedures are applied in a timely manner. By competent personnel Including the comprehensive process of correcting operational errors	✓	
12.7 The company regularly reviews its policies and procedures.	✓	



Information and communication systems (Information & Communication)

13. Organization of relevant and quality information To support the internal control can be carried out as specified.

question	Yes!	No
13.1 The company specifies the required information to be used in the operation. Both internal and external information Quality and relevant to the work	✓	
13.2 The company considers both the cost and the benefits it will receive. Including the quantity and accuracy of the information	✓	
13.3 The company works to provide the board with sufficient important information for decision making. Examples of important information, such as details of proposed matters, to consider reasons, effects on alternative companies.	✓	
13.4 The company operates to enable the directors to receive the meeting invitation letter or meeting documents stating necessary and sufficient information for consideration before the meeting at least within the minimum time required by law	✓	
13.5 The company operates to ensure that the minutes of the Board of Directors meeting are as detailed as they should be In order to be able to check back on the suitability of each director's duties, such as recording inquiries of directors. Opinions or observations of the directors on the matters to be considered Opinion of the director who does not agree with the proposed matter and reasons, etc.	✓	
13.6 The company has the following actions 13.6.1 Important documents are stored In its entirety as a category 13.6.2 In the event of being notified by the auditor or the internal auditor that there is a defect In internal control The company has completely fixed that flaw.	✓ ✓	

14. The organization communicates information within the organization. This includes the objectives and responsibilities of internal control necessary to support the performance of internal control as planned.

question	Yes!	No
14.1 The company has an efficient internal information communication process and has appropriate communication channels. To support internal control	✓	
14.2 The Company regularly reports important information to the Board of Directors and the Board of Directors has access to the resources necessary for their operations. Or review items as required, such as assigning a contact center person to be able to contact other information other than those received from the management Including inquiries from the auditor Internal auditors Arranging meetings between the Board and the Management as requested by the Board. Arrangement of meeting and discussion activities between the board of directors and management, in addition to the board meeting.	✓	
14.3 The company has set up a special communication channel or a secret channel for individuals within the company to report information or clues about fraud or corruption within the company. (whistle-blower hotline) Safely	✓	

15. The organization has communicated with external agencies. About issues that may affect internal control

question	Yes!	No
15.1 The company has an efficient process for communicating information with stakeholders outside the organization. And have appropriate communication channels To support internal controls, such as arranging for staff or an investor relations unit. Complaint center, etc.	✓	
15.2 The company has set up a special communication channel or a secret channel for stakeholders outside the organization to report information or clues about fraud or corruption. (whistle-blower hotline) To the company safely	✓	

Tracking system (Monitoring Activities)

16. The organization monitors and evaluates the results of internal control. This is to ensure that the internal control is carried out completely and appropriately.

question	Yes!	No
16.1 The company has established a process for monitoring compliance with business ethics and regulations prohibiting the management and employees from acting in a manner that may cause a conflict of interest, such as requiring each department to follow up. And report to supervisors Or assign the internal audit department to monitor the performance And report to the Audit Committee, etc.	✓	
16.2 The company arranges to audit the compliance with the established internal control system. By self-assessment and/Or independent assessment by internal auditors	✓	
16.3 The frequency of monitoring and evaluation is appropriate for the company's changes.	✓	
16.4 Conduct a follow-up and evaluation of the internal control system. By those who have knowledge and abilities	✓	
16.5 The company has set guidelines for reporting the results of the internal audit directly to the audit committee.	✓	
16.6 The company encourages internal auditors to perform their duties according to international standards. Professional Practice in Internal Auditing(International Standards for the Professional Practice of Internal Auditing, IIA)	✓	

17. The organization assesses and communicates in a timely manner the deficiencies of internal control to responsible persons. This includes senior management and the Board, as appropriate.

question	Yes!	No
17.1 The company assesses and communicates shortcomings of internal control. And take action to follow up and correct in a timely manner If the results of operations that are significantly different from the target set.	✓	
<p>17.2 The company has the following reporting policies:</p> <p>17.2.1 Management must report to the Board of Directors promptly. In the event of an incident or suspected serious corruption There are practices that violate the law. Or there are other unusual actions This may significantly affect the reputation and financial position of the company.</p> <p>17.2.2 Report a material bug Along with solutions to problems (Even though the management has started) to the Board of Directors / Audit Committee. To consider within a reasonable time</p> <p>17.2.3 Report on the progress of the improvement of material defects to the Board of Directors / Audit Committee.</p>	<p>✓</p> <p>✓</p> <p>✓</p>	