



People Development



Winner Mindset



Quality Excellence



Distribution Channels

Annual Report **2020**

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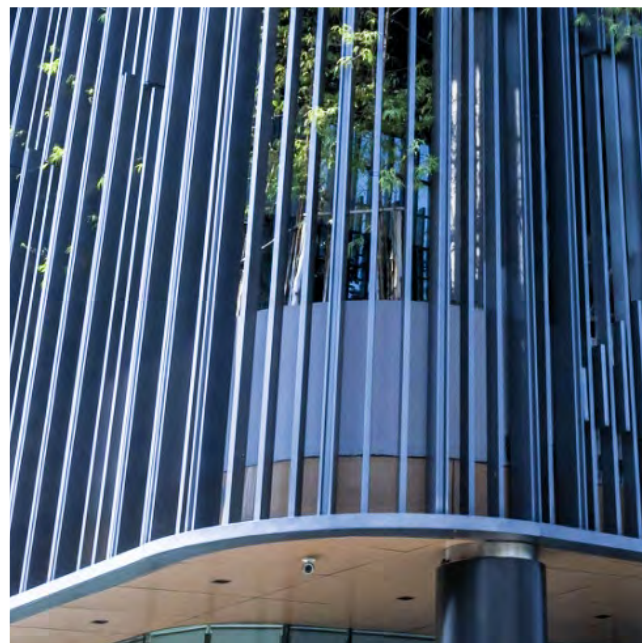
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Structure and Operation of The Company Group

Policy and Overview of Business Operation

Com7 Public Company Limited ("the Company") has engaged in the retail business of IT products such as desktop computers, portable computers, mobile phones, tablets, and various lifestyle devices. In 1996, the Company started its business as a retailer of IT products in Pantip Plaza, where the founders foresaw an opportunity to grow in the IT business even though less than 10 percent of the Thai population could reach the computer. The founders, therefore, formed the Company on 27 February 2004 to distribute IT products in a wholesale manner to merchants nationwide, which was the Company's core business at that time, including retailing through the own storefront at Pantip Plaza. Subsequently, the management viewed that IT product's retail business could grow and had more advantages than wholesale. The Company, thus, focused on the retail of IT products rather than wholesale by increasing the number of retail stores to shopping centers and various department stores.

The Company has 4 types of business models that are the source of income as follows:



Retail Business
(Retail)

Business-to-Business
(B2B)



Service Business
(Service)

Online Retail Business
(Online)





1. Retail Business (Retail)

Currently, the Company's branches cover 75 provinces from 77 provinces that operate under the brand of BaNANA, Studio7, BaNANA Mobile, BaNANA Equip, BaNANA Outlet, BKK, KingKong Phone, and Brand Shop. The shops are divided into four types, i.e., retail IT products, Apple brand stores, stores that focus on selling mobiles, and other brand shops. The Company's stores have the following characteristics and history.

- (1) Retail IT Products Stores - From the Company's policy in the year 2009, wanting to add retail channels to shopping centers, the Company changed the shop's image selling IT products. At that time, there were about 100 branches, and each shop had a variety of names. Instead, they all changed to use the same name under the name BaNANA, which was the Company's branding easy to remember. Besides, the Company had adjusted its stores' image and atmosphere to ensure that purchasing IT products was "easy and simple" to support consumers who use more IT products. Most of the Company's branches are located in leading department stores and hypermarkets, covering areas in Bangkok, perimeter, and upcountry in various communities, such as Siam Paragon, EmQuartier, Icon Siam, all Center Central department store, the Mall, Fashion Island, Seacon Square, Future Park, Lotus, Big C, and local department stores in various major provinces.



Later in 2018, the Company had the policy to create a shop network (Franchise) under "BaNANA" to support SMEs. It focused on the local market in the secondary-district area that did not have a Company branch. Management system and product delivery to Franchise stores, the Company was a support department for all to drive sales to have continuous and sustainable growth.

In the same year, the Company launched "BaNANA Outlet" the first largest IT landmark in Thailand for discounted products, on an area of more than 1,000 square meters at Seacon Square Department Store. At present, two more branches are being expanded, i.e., Market Village Suvarnabhumi and Siam Premium Outlets.



- (2) Stores that focus on selling mobiles - The Company foresees the development of communication technology that changes rapidly. As a result, smartphone and tablet products are widely popular. In 2013, the Company had increased the distribution channels of smartphones and tablets under the name "BaNANA Mobile" to help customers categorize and recognize its brand. There was also a plan to expand additional branches to various regions continuously.

In 2016, the Company acquired assets of Bangkok Telecom 999 Co., Ltd., a mobile phone accessories and accessories store under the brand "BKK," totaling 44 branches, to add another distribution channel to customers.

In 2018, Banana Group Co., Ltd. (a subsidiary) acquired all ordinary shares of DNA Retail Link Co., Ltd. to expand its business to sell all types of communication tools under the brand "King Kong Phone," totaling 95 branches.

In 2020, the Company entered into an asset purchase agreement with IBIZ Plus Network Co., Ltd., operates the business of selling mobile phones, tablets, and telecommunication equipment, including accessories, such as IBIZ, OPPO, Huawei, VIVO, WIKO, Realme, and Samsung, totaling 51 branches.

In the same year, the Company acquired the assets of Boonchai Business Hatyai Co Ltd., Boonchai Trading Co., Ltd., and Visions IT Co., Ltd. They engaged in selling mobile phones, tablets, and telecommunication equipment, including accessories, such as Boonchai Shop, OPPO Shop, Huawei Shop, VIVO stores, Xiaomi stores, Realme stores, and Samsung stores, totaling 22 branches. Thus, it allowed the Company more channels for sales.

- (3) Apple Brand Stores - Since the 2001 release of the iPod music player to the 2007 and 2010 iPhone and iPad launches, Apple's products have brought significant changes to the computer and IT industry. As a result, the use of smartphones and tablets has been widely popular worldwide until today.

From the continued growth of Apple-branded products, the Company entered into an Authorized Reseller Agreement with Apple South Asia (Thailand) Ltd. (Apple) in 2005. Distributed Apple-branded products under Studio7 and U-Store as an Apple-branded store opened within the university campus to serve as a channel for selling Apple-branded products to pupils and university students.

- (4) Brand Shops — In addition to operating stores under its brand, the Company also has other brand stores such as Samsung Shop, Oppo Shop, Huawei Shop, Vivo Shop, and Xiaomi Shop. The brand stores are supported by brand owners in both branch expansions and organizing various promotional programs. These shops are beneficial for both the Company and the brand in terms of reliability and increasing distribution channels for different leading brands' smartphones and tablets.



2. Business-to-Business (B2B)

It is selling to corporate customers, including educational institutions. The Company calls this business “Commercial and Education.” It is a direct sale to a general corporation that is a legal entity, including the universities and schools. With the rapid growth of IT products that are more efficient and sophisticated, the business and education sectors need to acquire and modernize equipment and technology. The Company sees such demand in all departments, such as small, medium, and large businesses or government organizations, and views an opportunity to sell and business expansion. Therefore, there is a department for this particular business.



3. Service Business (Service)

The Company’s after-sales service can be divided into two aspects: Repair and service center for Apple products in Thailand under “iCare” and the TRUE Shop under “TRUE by Com7.” Both types have the track record as follows.

(1) Repair and Service Centers for Apple Products- As the Company sees that the number of Apple-certified repair and service centers in Thailand is small and insufficient to meet demand. In 2012, the Company entered into an Apple Authorized Service Provider agreement with Apple South Asia (Thailand) Ltd. It opened a repair center and service for Apple products under “iCare” to provide repair services for Apple-branded products, both under warranty and no warranty. It ensured customers to buy Apple-branded products from the Company. As of December 31, 2020, the Company had 28 iCare branches, which was the operator with the largest number of Apple-certified iCare service centers in Thailand. For the repair service business, iCare provides repair services for Apple-branded products, including iPod, iPhone, iPad, iMac, MacBook, and other Apple-branded products damaged by the manufacturer customer use, both within the warranty period and the expiration of the warranty. For products covered by the warranty period, Apple bears the cost of repairing or replacing the product and providing compensation for service fees to the Company. For products that the warranty is expired, the Company can fix or replace products for customers at the cost of spare parts and directly charge service fees. As a result, customers will be more convenient and receive faster service. The Company has been appointed as an Authorized Service Provider from Apple South Asia (Thailand) Co., Ltd. It allows the Company to provide repair services for Apple-branded products under the “iCare” store, both products under warranty period and warranty expired.

(2) TRUE by Com7 - According to the excellent relationship of management between True Corporation Public Company Limited "TRUE" and Com7 Public Company Limited "Com7", see the mutual benefits from business cooperation. Therefore, the Company has granted the right to manage TRUE Shop (Contract) from True Distribution and Sales Co., Ltd. (TDS), a TRUE subsidiary, as of April 26, 2016, to receive the right to Co-manage the store. The Company sells products and services in the TRUE Shop, which is authorized by TDS under the name TRUE by Com7 to meet customers' needs. It also strengthens additional distribution channels for IT products at locations in Big C, Tesco Lotus, Robinson, and local department stores with a branch area of approximately 6 - 260 square meters, with management rights for a period of 3 years, with the latest contract renewal on August 1, 2019.



4. Online Retail Business (Online)

From the changing consumer behavior according to advanced technology, consumers are increasingly popular to order products online. Therefore, the Company has established an online ordering channel under the name www.bnn.in.th. Doing business online has supported the storefront's main business to provide customers with a more comfortable shopping experience. Initially, it was the only way to buy products through the storefront. Selling products online will help strengthen the Company's retail business.

"www.bnn.in.th" distributes IT products, Apple products, smartphones, tablets, notebooks, gadgets, computer accessories, and smart watches. There are many modern lifestyle accessories with more than 7,000 products, 40 categories, and 100 world-class brands, such as Apple, Asus, Acer, Toshiba, Dell, Samsung, Lenovo, Microsoft, HP, JBL, and many more from leading national distributors.

Overview of the Company's performance for the year 2020 (ending December 31, 2020)

- Total income was 37,453.9 million baht, an increase of 12.0% compared to the previous year at 33,428.8 million baht.
- Revenue from sales and services was 37,306.1 million baht, an increase of 11.8% compared to the previous year at 33,362.5 million baht.
- Gross profit was 4,710.2 million baht, an increase of 6.7% compared to the previous year at 4,416.3 million baht.
- The parent company's net profit was 1,490.7 million baht, an increase of 22.6% compared to the same period of the previous year at 1,216.3 million baht.

This time, the operating results grew remarkable due to product management's success in all business segments, marketing activities, promotions, and presenting new products that fit with lifestyle and customer needs. The trend of gadgets, IoT products, and home appliances has received a better response, including feedback from the launch of new products, leading brands, especially the iPhone 12 models that are very popular. COM7 is a major distributor of Apple Thailand that has received such positive factors. The iPad and Apple Watch segment has shown strong growth, while the older models continued to receive positive feedback from customers.

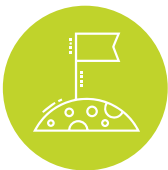
The expansion of the business in the form of a franchise with a shop style like BaNANA, selling both IT and smartphone products, receives more feedback. It also allows customers to order products through online channels. Support overview of sales and investment is not high. Therefore, there are plans to expand the franchise business continuously this year, coupled with more penetration in the online market.

Vision, Mission and Business Goals of the Company



Vision

The Company is committed to being a leader in distributing modern technology products with excellent service by management from an efficient team.

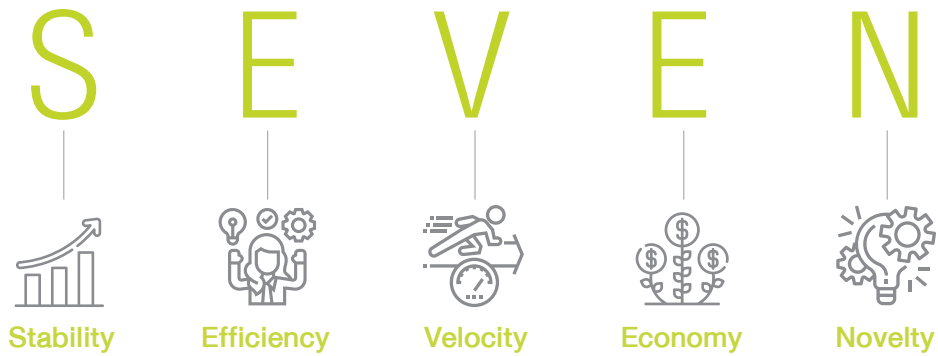


Mission

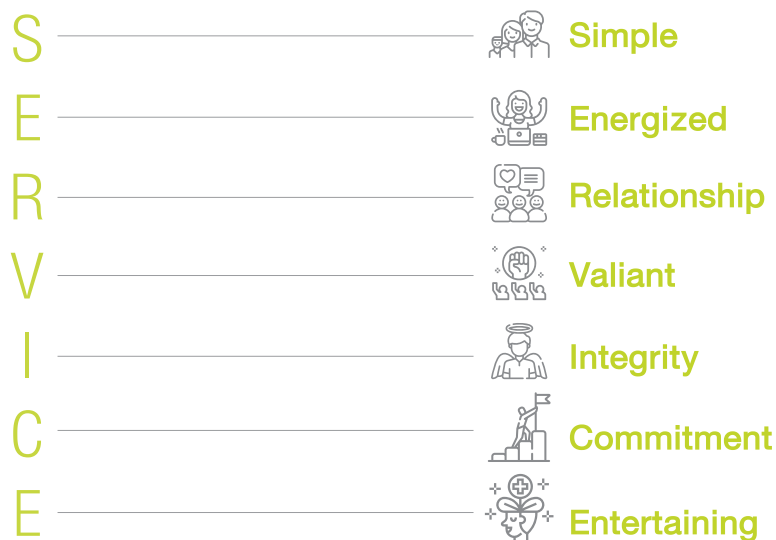
- Improve the quality, efficiency, and service strategies of each business to be able to compete effectively. Develop the management and service system by modern technology to meet the customers' needs and make the customers the most satisfied.
- Give importance to the development of employees and personnel's quality and efficiency to have potential and responsibility for work and customers.
- Focus on expanding service channels that reach customers in all areas of the country by collaborating with business partners in enhancing all-around performance and create success together.
- Seek new business opportunities for the future and create appropriate added value.



Business Philosophy



Corporate Culture



The Company's Business Goals

The Company's goal for the next five years is to maintain its leadership in the retail business of IT products, smartphones, and digital products and expand the market share of each product category. Besides, there are plans to expand the storefront by new product categories, such as



Scooter stores



Gaming stores



IoT stores



Accessories stores,
and modern fashion



It is to develop business channels to be more diverse, coupled with expanding online distribution channels and penetrates the corporate market in the form of more solutions. Provide various forms of payment systems and the right to installment payments to customers designated by the Company to improve profitability and make a difference in the market continuously.

In 2021, although Thailand is still facing COVID-19, the Company is confident that its products are still desirable among all consumer groups. As a result, the Company continues to expand its retail business expansion channels both in-store and standalone. Prepare to bring new products to add to the port to meet consumers' needs, especially IT gadgets and home appliances products. Overview of Apple products and smartphone products, the Company, still believes that it can continue to grow. In Thailand, there is still a big enough market to support the Company's growth, which is a target for the Company to increase sales in conjunction with SIM sales revenue. The Company also plans to improve the original storefront to be modern, more attractive, and product variety.



In the part of the franchise and the online market, the Company plans to expand the franchise business continually, coupled with more penetration in the online market, with a target of 20% growth in online sales. Another concept of BNN is to increase the close deals in the store. The Company views that the storefront has limited space, so it cannot distribute all types of products. The Company has adjusted a new strategy. When a customer walks into a store, the salesperson will sell products not available in the store by selling online instead. The Company has also developed a website to create a good customer experience and meet customers' needs.

For TRUE, the Company has a partner as an operator to help support mobile trading promotions, making the price lower and customers making purchase decisions easier. Therefore, having a discount on the device when customers buy a monthly SIM package is also essential. While the Company still plans to expand the True Shop.

Significant Changes and Developments

Year	Significant Developments
2004	Registration of Com7 Company International Company Limited (former name of the Company) on 27 February 2004 with one million baht's registered capital.
2005	The Company entered into an agreement with Authorized Reseller with Apple South Asia (Thailand) Ltd. to distribute Apple brand products under the iStudio, iBeat, and U-Store by Comseven.
2008	In April 2008, the Company increased its registered and paid-up capital of 1 million baht to 20 million baht to use as the Company's working capital.
2009	- In January 2009, the Company increased its registered and paid-up capital of 20 million baht to 100 million baht to use as the Company's working capital. - The Company had 100 branches and had changed the image and atmosphere (Rebranding) of the stores to be modern to accommodate consumers of all ages, and changed the names of all the Company's stores to "BaNANA IT" stores.
2010	In December 2010, the Company increased its registered and paid-up capital of 100 million Baht to 225 million Baht to use as the Company's working capital.
2011	The Company had 200 branches.
2013	- In May 2013, the Company increased distribution channels for smartphones and tablets, especially under the store name "BaNANAMobile," and expand additional branches in Chiang Mai and nearby provinces in the north. - In December 2013, the Company increased business channels by opening "Samsung Shop" stores
2014	- On 19 March 2014, the Company registered the establishment of a subsidiary named Mango Shopping Co., Ltd. ("Mango Co., Ltd."), with an initial registered capital of 20 million baht at a par value of 100 baht per share. The Objective was to distribute IT products, mobile phones, and tablets, which target customers were community groups in upcountry. The Company held the shares of Mango in the proportion of 76 percent of the registered and paid-up capital. - The Extraordinary General Meeting of Shareholders No. 4/2014, held on 20 November 2014, resolved as follows: (1) Approved the transformation into a public company and changing the par value of 100 baht per share to 0.25 baht per share. (2) Approved the increase of the registered capital of another 75 million baht, divided into 300 million ordinary shares at a par value of 0.25 baht per share, from the existing registered capital of 225 million baht to 300 million baht, by approving the allocation of the new ordinary shares to offer an Initial Public Offering (IPO). (3) On 9 December 2014, the Company transformed from a limited company to a public company and changed the Company name from Com7 International Co., Ltd. to Com7 Public Company Limited.
2015	- The Company made the initial public offering (IPO), which was open for subscription between 31 July 2015 and 3 - 4 August 2015 at the offering price of 3.35 baht per share, the total amount of 1,005,000,000 baht, and the Stock Exchange of Thailand announced the listing of the Company's securities on 10 August 2015. The Company's shares commenced trading on 10 August 2015 as the first day. - On 1 December 2015, the Company acquired total shares (Mango Shopping Co., Ltd., currently renamed to Banana Group Company Limited) from Mr. Songtham Boonyasap, totaling 47,999 shares, in the amount of 6,000,000 baht. The Company, therefore, held the shares of Banana Group Company Limited of 199,998 shares, equivalent to 99.99%, according to the resolution of the Board of Directors Meeting No. 10/2015 on 10 November 2015. - The Board of Directors' Meeting No. 11/2015, held on 22 December 2015, resolved to invest in Hobby Plus Company Limited by acquiring 3,500 shares at 10,000,000 baht, representing 12.5 percent of the registered capital of Hobby Plus, which operated the business of selling toys and souvenirs in various events. The Company recognized that this business was less competition and becoming increasingly popular, which would gain this investment return. - In 2015, the Company expanded the Apple repair center branch operating under the name, "iCare" whereby there were 20 branches as of 31 December 2015. - In 2015, the Company established the BaNANA Business department to sell IT products, software, install and maintain systems for small and medium enterprises (SME) or government agencies.

Year	Significant Developments
2016	- The Board of Directors' Meeting No. 1/2016, held on 24 February 2016, resolved to invest in I-TECH Software Company Limited (ITEC Software) by acquiring shares from Mr. Nithit Satraraluk, in the amount of 1,020 shares, or 51 percent of the registered capital of ITEC Software, totaling 8,000,000 baht. In the past, the Company must employ ITEC Software for such programming and provide support to BaNANA Business Dept. in the care of IT, software, installation, and systems. - The Board of Directors Meeting No. 2/2016, held on 8 March 2016, resolved to join the venture with Mr. Thanawat Sae Jiang by establishing a new company called "Banana Sure Company Limited" (Banana Sure). The Company held 306,000 shares, representing 51 percent of the registered capital of Banana Sure, totaling 30,600,000 baht. Banana Sure conducted the business as an importer and distributor of used computers because it deemed that this was another business, having many customers and expanding the customer base from the middle level, which was in line with the policy of being a leader in IT products. - On 26 April 2016, the Company entered into a business cooperation agreement to manage TRUE Shop (contract) with True Distribution and Sales Company Limited (TDS) to receive the right to co-manage TRUE Shop 166 shops for three years. - The Board of Directors Meeting No. 4/2016, held on 11 May 2016, resolved to approve the Company to invest in the proportion of Hobbies Plus Company Limited in the amount of 875 shares, amounting to 2,500,000 baht or equivalent to the total shareholdings after capital increased at 12.5 percent. It was used as working capital in the business and to open the store Robot model and equipment. Besides, the Company provided loans to ITEC Software Co., Ltd. in the amount of 2,040,000 baht, the interest rate of 3%, paid on demand, but not over one year from the date of withdrawal of such loan to use as working capital and increased liquidity in the business operations of ITEC Software. - The Board of Directors Meeting No. 5/2016, held on 26 May 2016, resolved to establish a subsidiary under Double Seven Co., Ltd. (Double Seven). It supported the management of the TRUEShop with registered capital of 5,000,000 baht, divided into 50,000 shares at a par value of 100 baht per share, representing 100% of shareholdings. - In 2016, the Company changed its name from iStudio iBeat and U-Store by Comseven to use under the name "Studio7". - The Board of Directors Meeting No. 7/2016, held on 4 November 2016, resolved to purchase Banana Sure Company Limited's shares from Mr. Thanawat Sae Jiang in the amount of 294,000 shares at a par value of 100 baht or equivalent to 49% of the registered capital of Banana Sure. The Company considered that if the shares had been sold to others, it might have trouble with management. Therefore, the Company bought shares to manage more efficiently. There was also a resolution to sell the Company shares of Hobby Plus Co., Ltd in the total of 4,375 shares, representing 12.5% of the registered capital, a total amount of 12,500,000 baht, equal to the value of the investment because the past income of Hobby Plus was not as agreed upon when investing. - The Board of Directors Meeting No. 8/2016, held on 30 November 2016, resolved to approve the Company to acquire Bangkok Telecom 999 Company Limited (Bangkok Company Limited) by receiving the transfer of assets used in business operations in the amount of 184,000,000 baht.
2017	- The Board of Directors Meeting No. 4/2017, held on 25 May 2017, resolved to approve the Company to sign the Shares Purchase Agreement of BAF Co., Ltd., which was entered into a transaction together with Synnex (Thailand) Public Co., Ltd and other investors. The Company purchased ordinary shares totaling 120,660 shares of 268,206,600 baht, was equivalent to 30% of the total registered capital of BAF Co., Ltd. BAF Co., Ltd operated the motorcycle hire purchase business. The Company foresaw that investing in BAF would open the opportunity to expand into hire-purchase business and supported the Company's primary business in the future. - In November 2017, the Company cooperated with Kasikorn Bank launching a franchise business bananastore.com (within 2017 would be renamed Bananashopping.com). It was an opportunity for SMEs, both medium and small, to be the BaNANA store owner in the sub-district group that did not have a branch store. The Company would support both products and management, including sales promotion and other services.
2018	- On 30 January 2018, the Company sold 10,055 existing shares in Next Capital Co., Ltd. (formerly BAF Co., Ltd.) to Mr. Praphan Polchanawasit, representing 2.50% of the total registered capital of BAF. The Company currently holds Next Capital Co., Ltd, representing 27.50% of the total shares. - On 18 May 2018, the Company disposed of Novus Integration Company Limited's ordinary shares to Mr. Ekkarat Panjavinin, totaling 30,000 shares, and sold to Mr. Suradech Sroirunguang in the amount of 14,999 shares. Therefore, the Company currently holds Novus Integration Company Limited shares in the amount of 69.99% of the total shares. - On 26 July 2018, the Company entered into a memorandum of agreement to purchase assets. i.e., a shop selling mobile phones, tablets, and telecommunication equipment, including the leasehold rights from Radar Telecom Company Limited in the amount of 14 stores, totaling 20,700,000 baht to expand the business of selling all types of communication tools. - On 25 December 2018, Banana Group Co., Ltd acquired 1,500,000 ordinary shares of DNA Retail Links Co., Ltd., representing 99.99% of the registered capital, at 210,000,000 baht.

Year	Significant Developments
2019	- On 26 March 2019, Com7 Public Company Limited acquired 3,750,037 shares of BAF (Thailand) Company Limited from other shareholders at 32.6664 baht per share, totaling 122,500,209 baht. Com7 Public Company Limited currently holds 40.00% of the shares of BAF (Thailand) Company Limited. At the end of 2019, BAF (Thailand) Co., Ltd. changed the company name to Next Capital Co., Ltd. - On 18 December 2019, Banana Group Co., Ltd. acquired one share of Prime Solution & Service Co., Ltd. to expand its business in sales and installing all kinds of computer systems and software. There was a plan to invest more by acquiring shares from the said company's capital increase in 2020. - On 20 December 2019, Com7 Public Company Limited bought all 30,000 shares of Mr. Ekkarat Panjavinin in Novus Integration Co., Ltd due to Mr. Ekkarat Panjavinin had resigned from the Board of Directors of Novus Integration Co., Ltd. The Company also bought one share from Mr. Suradej Sroirunguang so that Com7 Public Company Limited holds shares in Novus, represents 90% of the total shares.
2020	- On 7 January 2020, Novus Integration Co., Ltd. had registered the company's objective by adding being a business consultant to provide advice on information technology, construction systems, planning, design, construction of buildings, and installation of structures and related equipment, including utilities. It was to be consistent and comprehensive with the current business operations of the company. On 13 January 2020, Banana Group Co., Ltd. acquired 192,000 shares of Prime Solution & Service Co., Ltd. After purchasing the capital increase shares, it had a 48.97% shareholding. It was to expand business in selling and installing all kinds of computer systems and programs. - On 28 January 2020, it was resolved to establish a subsidiary company, See Know How Company Limited, to be the center of learning and training for employees of the Company and its affiliates, with a registered capital of 5,000,000 baht, divided into 50,000 shares with a par value of 100 baht per share, representing 99.99%. - Banana Group Company Limited increased the registered capital of the company three times as follows: - The 1st time, on 31 January 2020, increased the capital of 125 million baht. - The 2nd time, on 25 June 2020, increased the capital of 65 million baht. - The 3rd time, on 15 July 2020, increased the capital of 90 million baht. Currently, it has a registered capital of 300 million baht, with Com7 Public Company Limited holding 99.99% of the shares. - On 15 June 2020, DNA Retail-Link Co., Ltd., Banana Group Co., Ltd. holds a 99.99% stake, registered to change its name to Thunder FinFin Company Limited. - On 8 May 2020, Com7 Public Company Limited registered to increase the Company's objectives four additional items regarding information center services, communication, rental, hire-purchase, training, seminars, IT consultants, construction, design, and installation of IT systems. - On 11 August 2020, Ms. Vareeporn Udomkunnatum resigned the Company's director and the Audit Committee of Com7 Public Company Limited due to additional missions, fearing that she could not perform the duties fully, and effective from 31 August 2020. - On 17 September 2020, Com7 Public Company Limited disposed of 1,020 shares held by the Company in ITEC Software Co., Ltd, representing 51% of the registered capital of ITEC Software. After the sale of the said shares, ITEC Software would not be a subsidiary of the Company. However, the Company continued to use the services of ITEC Software Co., Ltd. - On October 1, 2020, Com7 Public Company Limited entered into an asset purchase agreement with IBIZ Plus Network Company Limited, conducting the business of selling mobile phones, tablets, and telecommunication equipment, including accessories, i.e., IBIZ Shop, OPPO, Huawei, VIVO, WIKO, Realme, and Samsung, totaling 51 branches to increase the Company's product distribution channels. - On 4 November 2020, Com7 Public Company Limited received an allocation of newly issued ordinary shares of Next Capital Public Company Limited in an initial public offering of the newly issued ordinary shares. After offering shares to the public, Com7's shareholding in Next Capital PCL would be 305,375,740 shares, representing 33.93% of the total shares. - On 12 November 2020, Com7 Public Company Limited approved Dr. Somboon Aueatchasai to assume the Independent Director and Audit Committee position instead of Ms. Vareeporn Udomkunnatum, effective from 12 November 2020. - On 2 December 2020, Com7 Public Company Limited agreed to purchase the assets of Boonchai Business Hatyai Co Ltd., Boonchai Trading Co., Ltd., Visions IT Co., Ltd. They engaged in selling mobile phones, tablets, telecommunication equipment, including accessories, and other services, i.e., True Partners, Boonchai Shop, OPPO Shop, Huawei Shop, VIVO Shop, Realme Shop, and PPP Shop totaling 22 branches. It increased the Company's product distribution channels.



Shareholding Structure of the Group

At present, Com7 Public Company Limited holds shares in 5 companies as follows:

Novus Integration Company Limited

The Company holds **90.00** of shares,
with paid-up capital of **15** million baht, conducting the
business planning, distributing equipment, and IT system for
corporate customers.

Banana Group Company Limited

The Company holds **99.99** of the shares,
with paid-up capital of **300** million baht, conducting
selling IT products online.

Double Seven Company Limited

The Company holds **99.99** of the shares,
with paid-up capital of **5** million baht, conducting the
TRUE Shop management business under the name of
TRUE by Com7.

Next Capital Public Company Limited (formerly BAF (Thailand) Co., Ltd.)

The Company holds **33.93** of shares,
with paid-up capital of **450** million baht, conducting
the business of providing hire-purchase loans for motorcycles.

See Know How Company Limited

The Company holds **99.99** of the shares,
with paid-up capital of **5** million baht, conducting a center
for learning and training to educate the Company and its
affiliates further.

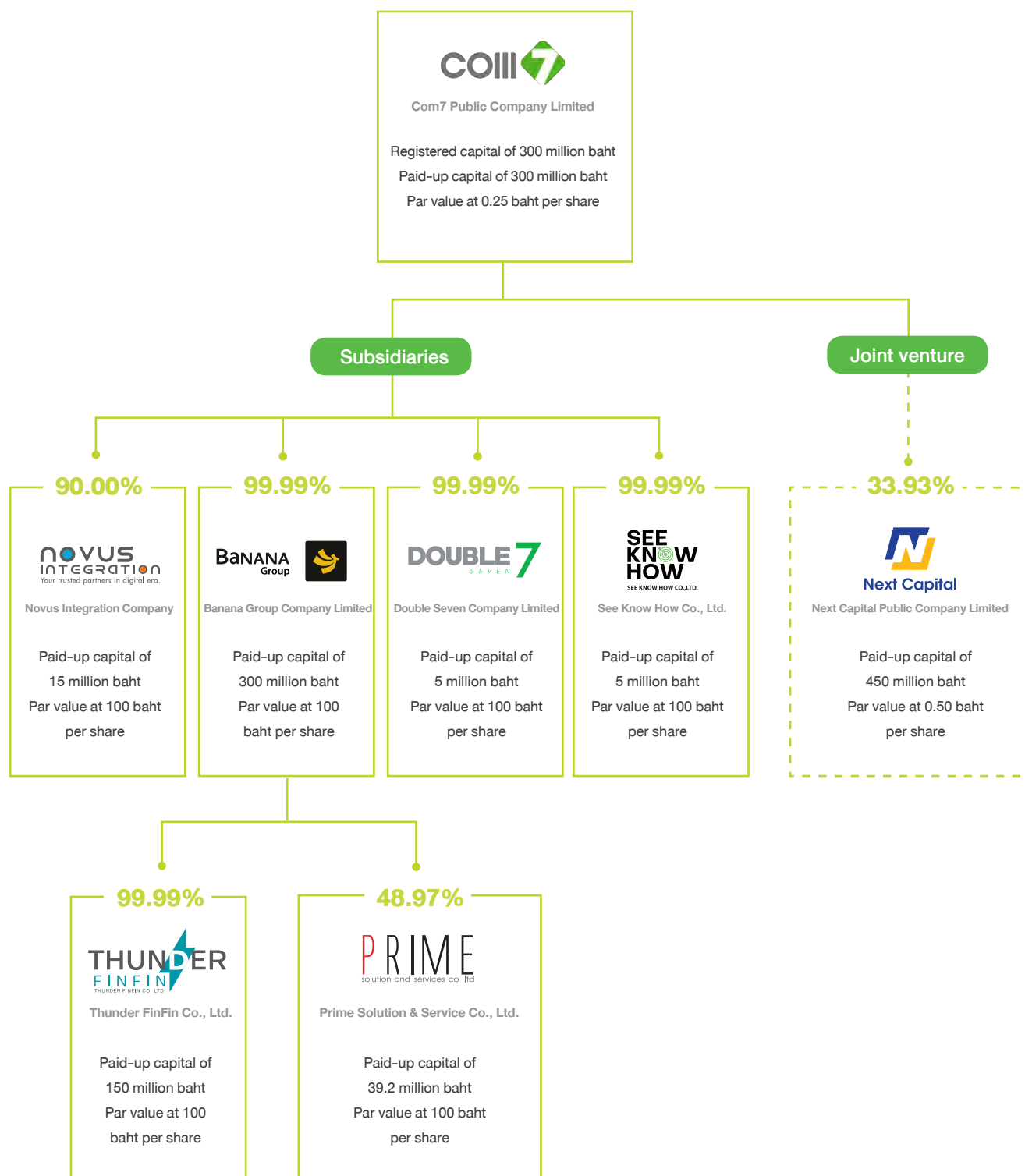
In addition, Banana Group Company Limited, a subsidiary of the Company, has acquired as a shareholder of 2 companies as follows:

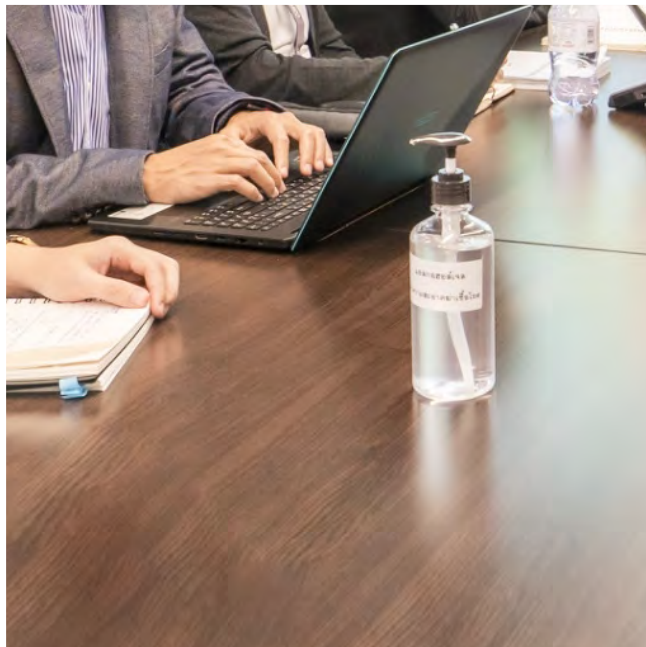
1. Thunder FinFin Co., Ltd. (formerly DNA Retail-Link Company Limited) - Banana Group Co., Ltd. holds 99.99% of the shares, with paid-up capital of 150 million baht, conducting hire purchase and distribution of all types of telecommunication equipment products.
2. Prime Solution & Service Co., Ltd. - Banana Group Co., Ltd. holds 48.97% of shares, with paid-up capital of 39,200,000 baht, conducting sales, installing computer systems and programs of all kinds.

Relationship with the Business of Major Shareholders

- None -

Shareholding Structure of the Company Group





Nature of Business

The Company and its subsidiaries currently operate the businesses as follows:



(1) Com7 Public Company Limited (the “Company”)

Engages in selling IT products, providing repair services, and expanding franchise businesses for investors to join as a partner with the Company.



(2) Banana Group Company Limited (Banana Group)

Engages as a holding company that invests in Thunder FinFin Company Limited (formerly DNA Retail-Link Company Limited) and Prime Solution & Service Company Limited.



(3) Novus Integration Company Limited (“Novus”)

Engages in business planning, distributing IT equipment, and corporate customers’ systems



(4) See Know How Company Limited (See Know How)

Engages as a center for learning and training to educate the Company’s employees and its affiliates.



(5) Double Seven Company Limited (Double Seven)

Engages in managing TRUE by Com7 stores.



(6) Prime Solution & Service Company Limited (Prime Solution & Service)

Engages in system implementation, program development, and system maintenance, including selling a complete range of technological products.



(7) Thunder FinFin Company Limited (Thunder FinFin)

Engages in managing OPPO brand branches, retail and wholesale OPPO merchants, and leasing of IT products for university students.

Business Group	MB.	%
Retail B2C	34,877	93%
Other	2,429	7%
	37,306	100%

1. Com7 Public Company Limited

Products and Services

Com7 Public Company Limited (the Company) engages in selling IT products comprising of the following products.



Apple products and Apple Accessories



Smartphone, Smartphone's accessories, Case, and Film



Tablet and Tablet's accessories



Notebook



Desktop PC and Monitor



Computer Hardware and DIY, Mouse and Keyboard, Network Equipment, and Computer's Accessories



Gaming Gears



Storage and Memory Card



Headphone , Speaker, and Microphone



Computer Software



Cable and Adapter



Camera and Video



Lifestyle & Gadgets



Sport tech and Smart watch, Health and Fitness



Smart home and Security



Home and Small Appliance

Channels of Distribution and Services

The main distribution channels of the Company are:

- 1) BaNANA store distributes IT products, i.e., Laptop computer, Desktop computer, Mobile phones, tablets, video game consoles, IOT devices, and related accessories.
- 2) Studio7 store distributes all types of Apple products and related accessories.
- 3) Shop BaNANA Mobile, BKK, King Kong Phone distribute mobile phones and mobile phone accessories. Some stores sell branded mobile phones, including Samsung, Oppo, Huawei, Vivo, and Xiaomi.
- 4) iCare Shop is a repair and service center for Apple-branded products.
- 5) Bb Shop (Beyond D-BOX) distributes IOT products, Smart watches, video games, gadgets, and related accessories.
- 6) B-Play store distributes Gadgets products and accessories.
- 7) Bb-Move shop distributes electric bicycles (Scooters) and their accessories.
- 8) Franchise store under the "BaNANA" distributes mobile phones, laptop computers, and related accessories.
- 9) BaNANA Outlet store distributes discounted products, such as display products, outdated products, discounted products, and clearance items.
- 10) BaNANA E-Quip Shop distributes gaming products, computer accessories, and related accessories.
- 11) Online store through the website "www.bnn.in.th".

In 2018 - 2020, the Company and its subsidiaries had 553 branches, 787 branches, and 911 branches, respectively.

As of December 31, 2020, the Company had 764 branches. The details of the branches are shown in the following table.

Distribution Channels	Number of branches	Product Type and Service	Location
1. Store selling computers, video game console, and related accessories	291		
BaNANA - Store selling computers, video game console, and related accessories - All storefronts are same styles and standards as well as operate under the name "BaNANA." - Product placement is by type sold, and stock is sufficient in providing services to customers. - Area size is 50 - 500 sq. m.	285	Main Products - Notebook - Desktop Computer - Mobile Phone - Tablet Other Products - Related Accessories	Leading department stores and IT centers, divided by region as follows: - Bangkok Metropolitan 97 branches - Central 29 branches - Eastern 39 branches - Northern 20 branches - North East 42 branches - Southern 41 branches - Western 17 branches
BaNANA Outlet - Distribute outdated products, display products, discounted products, and clearance items. - Area is approximately 500-1,000 sq. m.	3	- Outdated products - Display products - Clearance items	Leading department store, divided by region as follows: Bangkok Metropolitan 3 branches
BaNANA E-Quip - Distribute IT products, i.e., Notebook, Desktop computer, and related accessories. - There are the same storefront styles and standards in every branch. - Area size is between 130 - 150 sq. m.	3	IT products, i.e., Notebook computers for gaming, Desktop computer, and related accessories for gaming	Leading department store and supermarkets, divided by region as follows: Bangkok Metropolitan 3 branches
2. Apple Branded Stores	106		
Studio7 - Studio7 has the same store layout and product placement in all branches, defined by Apple South Asia (Thailand) Ltd., operated under the store name "Studio7". - Area size is 100 - 300 sq. m.	94	Apple Products, i.e., - iPod - iPhone - iPad - Mac - Apple Watch - Accessories used with Apple products	Leading department store, divided by region as follows: - Bangkok Metropolitan 26 branches - Central 10 branches - Eastern 13 branches - Northern 8 branches - North East 16 branches - Southern 13 branches - Western 8 branches
U-Store (Formerly, U-Store by Comseven) - It is a store selling Apple products with the same style, design, and standards in all branches, designated by Apple South Asia (Thailand) Ltd. It operates under the name of "Studio7", located at leading universities. - Area size is between 30 - 50 sq. m.	12	Apple Products, i.e., - iPod - iPhone - iPad - Mac - Apple Watch - Accessories used with Apple products	Leading universities, divided by region as follows: - Bangkok 9 branches - Northern 2 branches - North East 1 branch

Distribution Channels	Number of branches	Product Type and Service	Location
3. Mobile Phone and Accessories Stores	218		
BaNANA Mobile - Sample products are placed for customers to try out. There are accessories available for mobile phones and tablets so that customers can shop with their devices. - There are the same storefront styles and standards in every branch. It operates under the name of "BaNANA Mobile." - Area size is between 50 - 100 sq. m.	18	Mobile phones, tablets, and related accessories	Leading department stores and IT centers, divided by region as follows: - Bangkok Metropolitan 8 branches - Eastern 5 branches - North East 2 branches - Southern 3 branches
Samsung Shop - Place Samsung products and their accessories. - There are the same storefront styles and standards in every branch, defined by Samsung (Thailand). - Area size is between 80 - 200 sq. m.	11	Mobile phone, tablet, and related accessories, with a focus on selling Samsung-branded products	Leading department stores and IT centers, divided by region as follows: - Bangkok Metropolitan 4 branches - Central 2 branches - Western 1 branch - Southern 4 branches
BKK - There are the same storefront styles and standards in every branch. It operates under the name of "BKK." - Products are organized by type of products sold. There is sufficient stock to provide services to customers. - Area size is between 30 - 80 sq. m.	51	Mobile phones, tablets, and related accessories	Leading department stores and IT centers, divided by region as follows: - Bangkok Metropolitan 13 branches - Central 2 branches - Eastern 6 branches - Northern 6 branches - North East 14 branches - Southern 8 branches - Western 2 branches
Kingkong Phone - There are the same storefront styles and standards in every branch. It operates under the name of "Kingkong Phone." - Products are organized by type of products sold. There is sufficient stock to provide services to customers. - Area size is between 30 - 80 sq. m.	94	Mobile phones, tablets, and related accessories	Leading department stores and IT centers, divided by region as follows: - Bangkok Metropolitan 20 branches - Central 6 branches - Eastern 20 branches - Northern 7 branches - North East 25 branches - Southern 12 branches - Western 4 branches
Vivo Shop - Place Vivo brand products and their accessories - Area size is between 30 - 80 sq. m.	9	Vivo mobile phone products and related accessories	Leading department stores, divided by region as follows: - Bangkok Metropolitan 6 branches - North East 1 branch - Southern 2 branches
Huawei Shop - Place Huawei brand products and various accessories. - Area size is between 30 - 80 sq. m.	15	Huawei mobile phone products and related accessories	Leading department stores, divided by region as follows: - Bangkok Metropolitan 7 branches - Central 2 branches - Eastern 1 branch - North East 1 branch - Southern 1 branch - Western 3 branches

Distribution Channels	Number of branches	Product Type and Service	Location
Xiaomi Shop - Place Xiaomi brand products, accessories, and various IOT products. - Area size is between 32 sq. m.	14	Xiaomi mobile phone products and related accessories	Leading department stores, divided by region as follows: - Bangkok Metropolitan 3 branches - Northern 2 branches - Eastern 4 branches - Southern 5 branches
Realme Shop - Place Realme brand products, accessories, and various IOT products. - Area size is between 15 - 80 sq. m	6	Distribute professional camera products with other related accessories	Leading department stores, divided by region as follows: - Bangkok Metropolitan 1 branch - Eastern 2 branches - Southern 2 branch - Western 1 branch
4. Franchise Business, BaNANA Store It is a franchise business to partners who want to open BaNANA stores by selling products about smartphones, Apple products, computers, and related IT equipment.	114	Main Products - Notebook - Desktop Computer - Mobile Phone - Tablet	Located in the community both the main district and the secondary district, supermarkets and local malls in the important provinces, divided by region as follows: Bangkok Metropolitan 4 branches
5. Bb and B-Play - Distribute IOT products, Gadgets products, and various accessories. - There are the same storefront styles and standards in every branch. - Area size is between 15 - 30 sq. m.	6	IOT products, Gadgets products, and various accessories.	Leading department stores and supermarkets, divided by region as follows: - Bangkok Metropolitan 4 branches - Eastern 1 branch - Southern 1 branch
6. BB-Move - Distribute products about electric bicycles (Scooter). - There are the same storefront styles and standards in every branch. - Area size is between 15 - 30 sq. m	1	Scooter products and related accessories	Leading department stores, divided by region as follows: Bangkok Metropolitan 1 branch
7. iCare - Service center for repairing Apple products - Have the same storefront style and standard in every branch, defined by Apple South Asia (Thailand) Ltd. - Area size is between 70 - 120 sq. m.	28	Service and repair of Apple products	Leading department stores and IT centers, divided by region as follows: - Bangkok Metropolitan 13 branches - Central 5 branches - Eastern 2 branches - Northern 2 branches - North East 3 branches - Southern 1 branch

BaNANA



Studio7



iCare



BaNANA Mobile



Samsung Shop



BKK

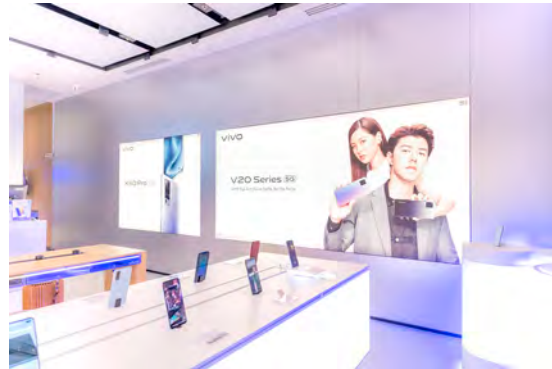
Oppo Shop



Huawei Shop

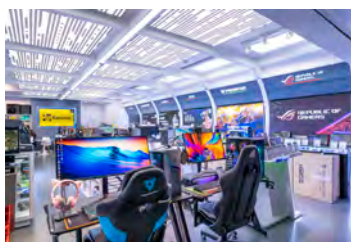


Vivo Shop



BaNANA Outlet





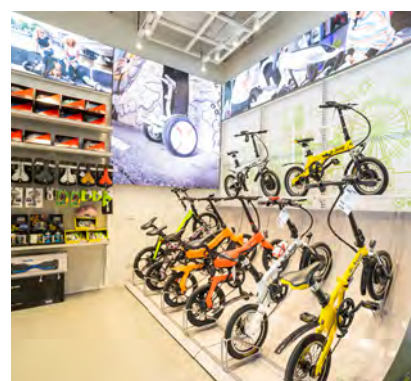
BaNANA E-Quip



Bb (Beyond D-BOX)



B-Play

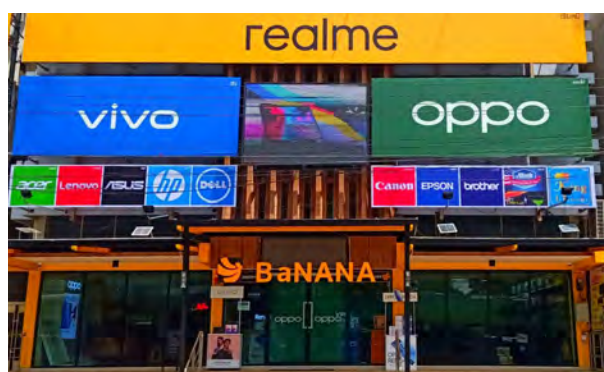


Bb Move

KingKong Phone



Franchise





Customers and Prospects

The Company's customers are divided into 4 main groups, i.e., retail customers, wholesale customers, corporate customers, and online customers, website www.bnn.in.th.



1. General Retail Customers

- (1) General customers are retail customers who purchase products through the branch store or the Company's website.
- (2) Student customers purchasing products through Studio7 (formerly known as the U Store) located within the campus area. They can buy products at a discounted price from Apple South Asia (Thailand) Ltd., which has the policy to support students to use Apple products.



2. Corporate Customers

- (1) Private Companies (Corporate)
- (2) Educational institutions, Schools, Universities
- (3) Small and Medium Enterprises (SMEs)



3. Wholesale Customers

- (1) Computer shop customers or general mobile phone stores who buy products for resale
- (2) Computer distribution companies that supply IT equipment to government, state enterprises, and large private organizations



4. Online Customers

Customers who have purchased products on the website, both membership, and non-membership, living in the country and abroad, access to the Internet system using a browser (Browser) and URL www.bnn.in.th

Nowadays, the majority of the customer base comes from retail customers who buy from the store. However, the Company realizes the importance of having a diversified income base. Thus, there is a policy to expand the customer base to the corporate customers, which has been a significant expansion. The Company has facilitated the customer mentioned above groups, both in sales coordination, freight forwarding, onsite service, and term credit in trading.

Pricing Policy



1. IT Product, Mobile Phone, and Tablet

Selling prices of IT products, Brand products, Apple products, Samsung products, and other leading brands are determined by the Company's partners, which are the same price across the country using all storefront and all branches except some branches that have special promotions at certain times. However, the Company shall adjust the selling price every time according to its partner's price and conditions. If the price has decreased, the Company shall compensate for the difference in the product's worth according to each partner's requirements and period.



2. Other Accessories

In general, the Company has a policy for suppliers to sell on consignment and determine the product price, whereby the Company shall profit from the price difference of the products. For other non-consignment accessories, the Company shall be able to set prices by themselves. The selling price of products depends on the type of product, material, quality, and competitive conditions.



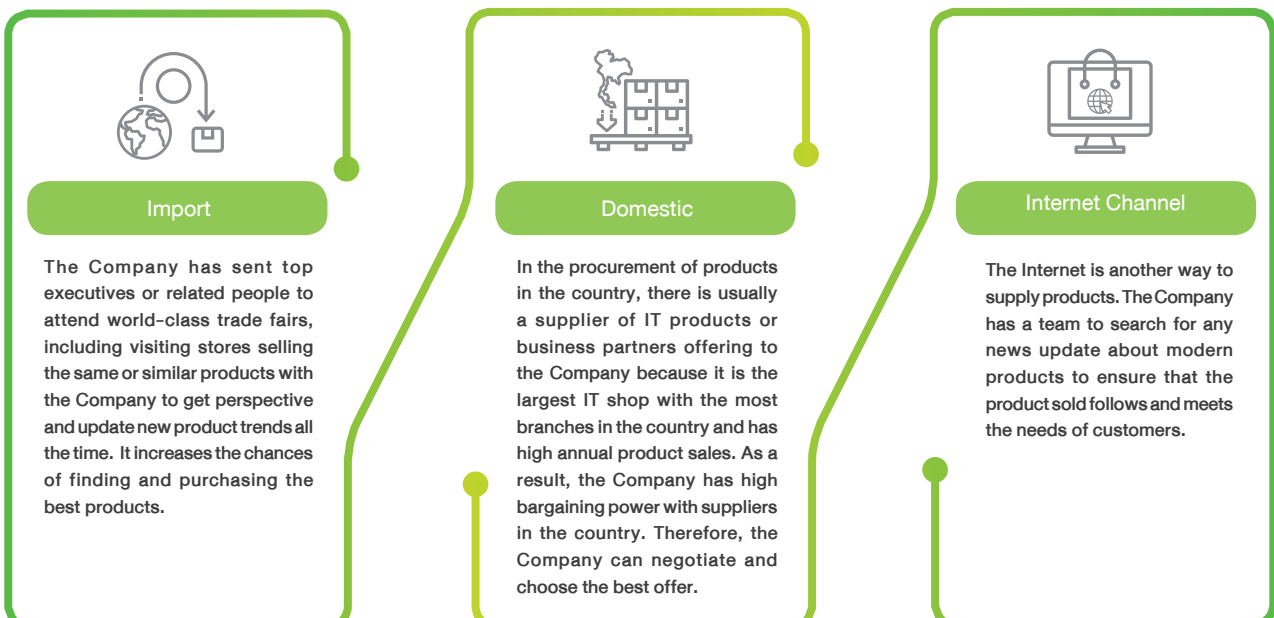
3. Online Products

"www.bnn.in.th" joins to determine the retail price (SRP: Suggested Retail Price) with the distributors or sellers who distribute products on the website under the policy of competitiveness (Price Competitiveness). Compared with the same product or type distributed on competitor channels, both direct and indirect, the members of the site can buy products and make decisions quickly.

Procurement of Products and Services

1. General IT Products (Excluding Apple Products)

The Company and its subsidiaries have procurement guidelines as follows:



2. Apple Brand Products and Related Services

1.The Company has been appointed as an Apple Authorized Reseller to distribute products under the Apple brand. The Company will be able to purchase iPhone, iPod, iPad, Mac, and Apple Watch products from Apple South Asia (Thailand) Co., Ltd. available at the Company's store directly.

At present, the Company has more than 200 partners who are distributors of products for the Company, which has a good relationship and has been trading for a long time. Whereby the main trading partners of the Company are categorized by product type and brand as follows:

Product Categories, Major Manufacturers and Distributors of Each Product Type

Product Type	Product	Brand	Manufacturers and Distributors
1. Laptop 	Laptop	Acer	Acer Computer Co., Ltd.
			VST ECS (Thailand) Co., Ltd.
			SIS Distribution (Thailand) PCL.
		Apple	Apple South Asia (Thailand) Ltd.
		Asus	SIS Distribution (Thailand) PCL.
			VST ECS (Thailand) Co., Ltd.
			Synnex (Thailand) Co., Ltd.
			WellTech Group Co., Ltd.
		Dell	WellTech Group Co., Ltd.
			VST ECS (Thailand) Co., Ltd.
		HP	Ingram Micro (Thailand) Co., Ltd.
			SIS Distribution (Thailand) PCL.
		Huawei	Huawei Technology Co., Ltd.
			Synnex (Thailand) Co., Ltd.
		Lenovo	Lenovo (Thailand) Ltd.
			VST ECS (Thailand) Co., Ltd.
			SIS Distribution (Thailand) PCL.
		MSI	Micro-Star International Co., Ltd
			SVOA PCL.
		Fujitsu	SIS Distribution (Thailand) PCL.

Product Type	Product	Brand	Manufacturers and Distributors
2. Computer Desktop 	Pre-built PC	Acer	Acer Computer Co., Ltd.
		Asus	SIS Distribution (Thailand) PCL.
			VST ECS (Thailand) Co., Ltd.
		Dell	WellTech Group Co., Ltd.
		HP	VST ECS (Thailand) Co., Ltd.
		Lenovo	Lenovo (Thailand) Ltd.
	CPU	AMD	Estec (Thailand) Co., Ltd.
			Synnex (Thailand) Co., Ltd.
			SVOA PCL.
		INTEL	Synnex (Thailand) Co., Ltd.
			Ingram Micro (Thailand) Co., Ltd.
	Internal Hard Drives	Seagate	Estec (Thailand) Co., Ltd.
			Synnex (Thailand) Co., Ltd.
		WD	Synnex (Thailand) Co., Ltd.
		Toshiba	Eternal Asia Distribution (Thailand) Co., Ltd.
	Motherboard	MSI	Estec (Thailand) Co., Ltd.
			Synnex (Thailand) Co., Ltd.
		MSI	Ascenti Resources Co., Ltd.
	Monitor	LG	LG Electronics (Thailand) Co. Ltd.
	Power Supply	Cougar	I3 Distribution Co., Ltd.
		Thermaltake	Synnex (Thailand) Co., Ltd.
		Cooler Master	SVOA PCL.
			Ban Leong Chin Inter Co., Ltd.
		Beuiet	Connect I.T Co., Ltd.
		Antec	Ascenti Resources Co., Ltd.
		Super Flower	Ascenti Resources Co., Ltd.
		Silver Stone	Ascenti Resources Co., Ltd.

Product Type	Product	Brand	Manufacturers and Distributors
	Power Supply	AeroCool	The Tython Co., Ltd.
		Plenty	Planet T&S Co., Ltd.
		Corsair	Synnex (Thailand) Co., Ltd.
	Solid State Drive (SSD)	HP	Connect I.T Co., Ltd.
		Samsung	Ascenti Resources Co., Ltd.
			SIS Distribution (Thailand) PCL.
		Transend /Adata	SIS Distribution (Thailand) PCL.
		WD/Kington	Synnex (Thailand) Co., Ltd.
		Corsair	Ascenti Resources Co., Ltd.
	RAM	G.Skill	I3 Distribution Co., Ltd.
		Transcend /Adata	SIS Distribution (Thailand) PCL.
		Corsair	Ascenti Resources Co., Ltd.
		OCPC	Connect I.T Co., Ltd.
		Kington / Klevv / Thermaltake	Synnex (Thailand) Co., Ltd.
		Patriot Viper	Doracool Co., Ltd.
	Computer Case	Antec / Silver Stone	Ascenti Resources Co., Ltd.
		Corsair / Thermaltake	Synnex (Thailand) Co., Ltd.
		Cooler Master	Ban Leong Chin Inter Co., Ltd.
			SVOA PCL.
		Cougar / DeepCool	I3 Distribution Co., Ltd
		AeroCool	I3 Distribution Co., Ltd
			The Tython Co., Ltd
		MSI	WellTech Group Co., Ltd.
		Bequiet	Connect I.T Co., Ltd.

Product Type	Product	Brand	Manufacturers and Distributors
3. Mobile Phone 	iPhone	Apple	Apple South Asia (Thailand) Ltd.
	Smart Phone	Huawei	Huawei Technology (Thailand) Co., Ltd.
		OPPO	Possefy Group Co., Ltd.
		VIVO	VIQ Group Co., Ltd.
		Wiko	SIS Distribution (Thailand) PCL.
		XIAOMI	Xiaomi H.K. Limited
		Realme	Fessopy Co., Ltd.
		Lenovo	Lenovo (Thailand) Ltd.
		One Plus	OnePlus Communicate Co., Ltd
		Samsung	Thai Samsung Electronics Co., Ltd.
4. Tablet 	iPad	Apple	Apple South Asia (Thailand) Ltd.
	Tablet	Lenovo	Lenovo (Thailand) Ltd.
		Acer	SIS Distribution (Thailand) PCL.
		Asus	VST ECS (Thailand) Co., Ltd.
		Microsoft	VST ECS (Thailand) Co., Ltd.
5. Accessories 	Speaker	Harman	Mahajak Development Co., Ltd.
		JBL	Mahajak Development Co., Ltd.
		Marshall	Ash Asia International Co., Ltd.
		B&O	RTB Technology Co., Ltd.
		Fender	Generation S Co., Ltd.
	Stylus	Wacom	Diversitec Distributor (Thailand) Co., Ltd.
	Case	Moshi	Aeovoe International Ltd.
	Adepter / Mobile Cable	UAG	URBUN ARMOR GEAR, LLC
		Belkin	Belkin Asia Pacific Ltd.
	External Harddisk	Seagate	Synnex (Thailand) Co., Ltd.
		Seagate	SIS Distribution (Thailand) PCL.
		WD	Western Digital (S.E. Asia) Pte Ltd.
			Synnex (Thailand) Co., Ltd.

Product Type	Product	Brand	Manufacturers and Distributors
	Headphone	Beats	Apple South Asia (Thailand) Ltd.
		Marshall	Ash Asia International Co., Ltd.
		JBL	Mahajak Development Co., Ltd.
		Jabra	RTB Technology Co., Ltd.
		Sony	Sony Technology (Thailand) Co., Ltd.
	Mouse & Keyboard	Logitech	SIS Distribution (Thailand) PCL.
			Synnex (Thailand) Co., Ltd.
		Microsoft	SIS Distribution (Thailand) PCL.
	Printer	Epson	SVOA PCL.
		HP	SIS Distribution (Thailand) PCL.
			VST ECS (Thailand) Co., Ltd.
	Smart Watch	Garmin	GIS Co., Ltd.
		Suunto	NGG Enterprise Co., Ltd.
		TicWatch	Innovationetc Co., Ltd.
		Huawei	Huawei Technology (Thailand) Co., Ltd.
		XIAOMI	Xiaomi H.K. Limited
			SIS Distribution (Thailand) PCL.
		Fitbit	Ban Leong Chin Inter Co., Ltd.
6. Lifestyle 	IOT	XIAOMI	Xiaomi H.K. Limited
			SIS Distribution (Thailand) PCL.
	Action Cam	Gopro	Mentagram Co., Ltd.
	Drone	DJI	Phantom (Thailand) Co., Ltd.
7. SIM Card 	SIM	TRUE	True Distribution & Sales Co., Ltd.



Inventory Management

The Company has hired Agility Co., Ltd., to manage the warehouse from the 4th quarter of 2020. Agility Co., Ltd., established in 1979 in Kuwait, operates a warehouse service business and grows into a large company at the Middle East's logistics service. Also, it has joined forces with more than 40 logistics companies. Today, Agility Company Limited is the world's largest logistics service company and industrial property development, including transportation services, airfreight, sea freight, overland transportation, and warehouse & inventory management. It is a company that has the potential and standards by providing various services with many leading companies both in the country and abroad. There are essential customers in many business groups, such as high-tech equipment, electronics, automotive, consumer products, energy, chemical, and other industrial customers. The Company has allowed Agility Co., Ltd. as the warehouse manager to help the

Company reduce the cost of investment in warehouse construction, hiring warehouse staff, and expenses for training related employees. It also increases efficiency in distributing various products to the Company's branches nationwide.

Besides, the Company has a policy of continually auditing Agility Co., Ltd.'s warehouse management in terms of performance and productivity and warehouse & inventory management. There will be an inventory count (Cycle Count) each day. Every product will be counted within one month and counted together with the Company's accounting department and the performance appraisal every year.

The Company's warehouse management and logistics use a computer system and an online system to connect to the Company's distribution channels. It will enable the central staff to know information about ordering, receiving, shipping, and transferring products, including the balance of inventory at any time (Real-time). Besides, the Company's products' sales use a product barcode scanning system and a FIFO product management system, enabling the management to recognize every product's age and formulate strategies to deal with outstanding inventories on time.



Inventory Management Process

Inspection of received goods and storage

Receiving products will have a preliminary inspection before acquiring the product into the system and every time the store is collected. After the product has been inspected and organized, the warehouse management the service provider will be responsible for all damage or loss of such products.



1

Goods distribution to the branches

Product distribution will be planned in advance by calculating each branch's sales statistics to estimate each branch's balance (Run Rate). If the number of products remaining at each store is lower than the designated order point, the system will order the product to fill in the store page in time.



2



3

Dispatch and Packaging

Before transporting goods from the warehouse, there will be a process to check the product before packing, both the number and the product condition, to ensure that every box is loaded in the correct quantity and normal condition. After checking through the above process, the warehouse department will pack the goods and put the sticker on Carton No. to specify the type and Packing List.

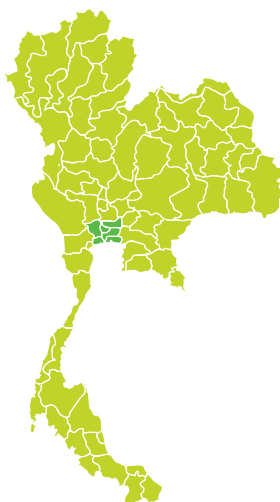


4

Delivery

Before all transported cars leaving the warehouse, must check the number of boxes and destination to match the recipient. Every time the transportation department sends the product to the destination, it is necessary to confirm the product's receipt every time by confirming both via signing and through the computer system. However, the Company will be responsible for losing the product when the product has been signed by the Company employees only.

Delivery Time

**Bangkok and its vicinity**

within **1** day,

delivered by Com7 Public Company Limited

Other provinces nationwide

within **3** day,

delivered by Next Express Co., Ltd., RFE Service Co., Ltd., Kerry Express (Thailand) Co., Ltd., and DHL Express Inter. National (Thailand) Co., Ltd

Delivery to Online Customers

The Company delivers products directly to customers through private courier companies, such as Kerry Express (Thailand) Co., Ltd., and DHL eCommerce Thailand, providing delivery service within 1-3 days, or Next Day Delivery. There is a particular service with an additional 300 baht surcharge for express delivery within 3 hours (only for products with specified dimensions and weight) in Bangkok and service areas. It is provided by Lalamove Thailand and Scootar Beyond Co., Ltd., to serve customers with fast delivery to meet the needs of customers.

There is also an additional particular delivery service for pre-order smartphone products, which is the Same Day delivery within Bangkok, including Midnight Delivery with an additional charge of 300 Baht so that customers can get the product before anyone else.



Selecting Location

The Company has the policy to expand the branch by focusing on areas located of department stores, and the selection will be based on the important characteristics surrounding each department store as follows:



Population density
at the provincial or
district level



The income per
person and
revenue growth
rate of population
in the area



The number of
competitors
operating similar
businesses in the
area



Sales statistics from
the branches of the
Company in the
nearby area to
compare purchasing
power in the area



Market share in the
area or individual
shopping centers



Return or
worthiness of the
investment

This year, additional risks have been diversified by opening other stand-alone stores with a target of 10-20 stores.

After selecting the area and analyzing the feasibility of marketing and investment, the Company will propose to the Executive Committee for consideration. If any branch has operating results that do not meet the plan, the Company will closely monitor the said branch and find why it did not meet the target to solve the problems that arise. Or proceed to adjust products sold in the unit to meet the target customers, including improving employees and services' quality. If still unable to improve the operating results to meet the target, the Company has the policy to move its branches to another suitable location.

Besides, the Company has a policy to partner with retail developers and managers to find business opportunities together. It also has a distribution of rental space that is diverse to reduce the risk of relying on any one of the landlords.

Industry Conditions and Competitive Strategies

IT Product Industry Conditions

Over the past years, the IT product market has been grown relatively high. IDC revealed its forecast for the IT industry in Thailand in 2019, and the following year, by 2022, it will grow to 61% of the country's GDP. However, the uncontrollable external factor of Covid-19 affects many business sectors, including the IT product group. Gartner predicts IT spending in Thailand for 2021 will reach 6.5 billion baht, up 5.6% from 2020. It expected that in 2020 the value of IT spending would be 6.2 hundred billion baht, a decrease from about 6.8% in 2019. It was a part of the devices at a value of 1.6 billion baht, growing from 2020 to 12.1% from 2020 at 1.49 billion baht, reducing from 2019 by about 21.0%.

Analysts have commented on global IT market trends, including Thailand at the Gartner IT Symposium / Xpo Americas, held in the virtual format on 19-22 October. It marks the 25th year that Gartner has predicted the value of IT spending. It has never been foreseen when the market has fluctuated as much as this time. Mr. John-David Lovelock, vice president of research at Gartner, said that "While there are uniquely stressful factors in every industry during the ongoing epidemic. However, organizations adopt digital to a crisis effectively and create continued growth over the next year." It expected that IT spending in 2020 would decrease in every segment and estimated that the enterprise software market would return to solid growth again in 2021 (13.8%). It was due to organizations' incentive to adopt digital technology to promote the remote work of their personnel, including virtual services, such as schooling or distance health services, and the application of hyper-automation to enable organizations to respond appropriately to the needs arising from the epidemic.

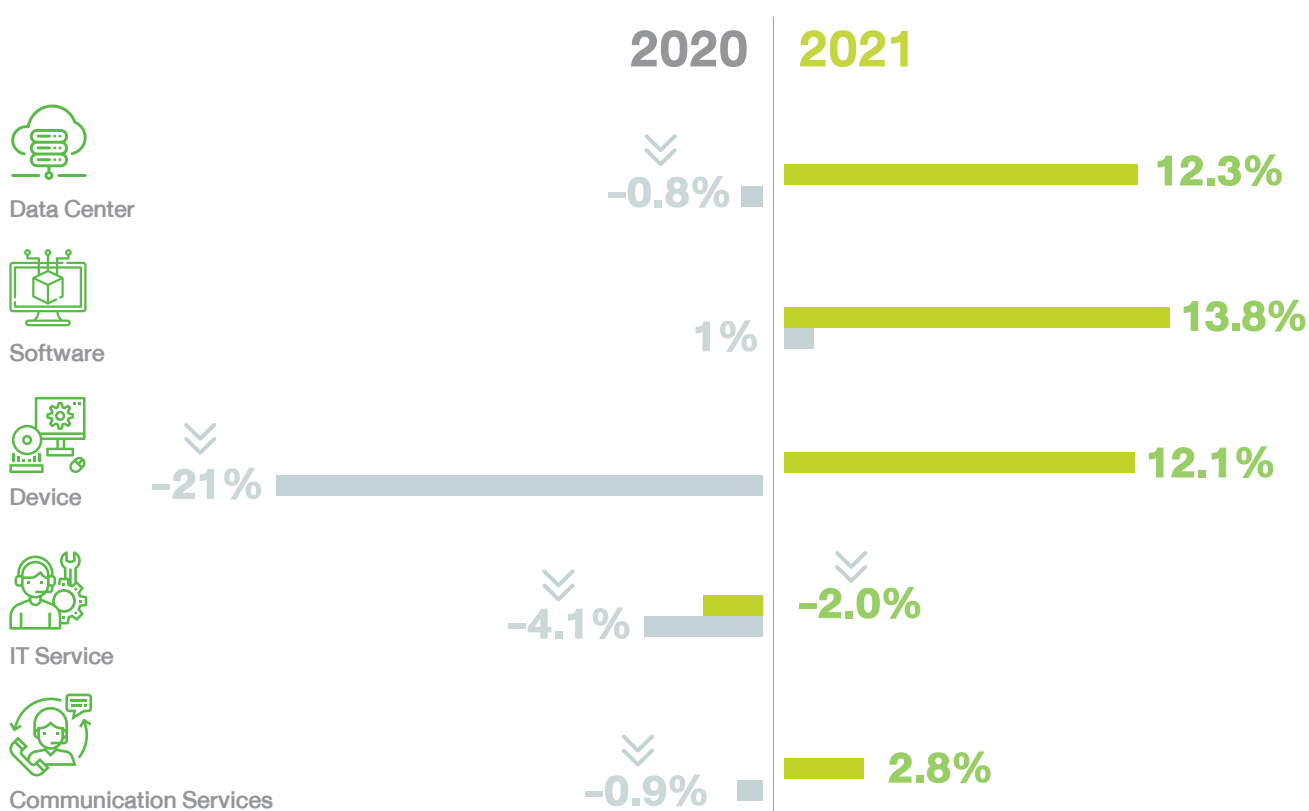
Segment	2019	2020	2021
Communication Services	352,442	349,225	358,855
	3.2%	-0.9%	2.8%
Data Center	24,994	24,788	27,829
	4.2%	-0.8%	12.3%
Device	189,157	149,438	167,527
	-2.3%	-21.0%	12.1%
IT Service	62,288	59,727	58,560
	9.5%	4.1%	2.0%
Software	40,273	40,687	46,317
	12.1%	1.0%	13.8%
Total Value of Spending	659,153	623,865	659,089
Total Growth	2.3%	-6.8%	5.6%





Gartner

estimates the value of IT spending in **Thailand** this year and next year



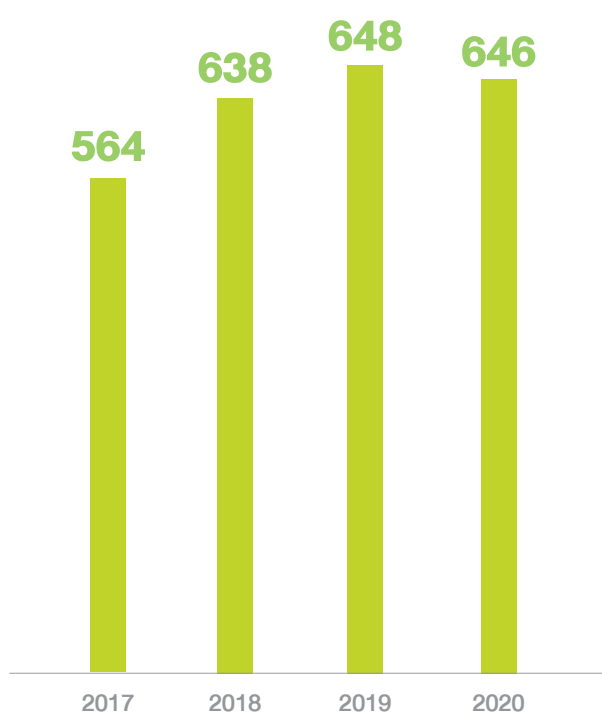
Source : <https://www.mreport.co.th/news/industry-movement/145-IT-spending-trends-thailand-and-global-in-2020-2021>

However, several analyze in Thailand, such as analysis from TMB Bank, which estimates the computer service business in the first half of 2020 would be stable. It was due to the entrepreneurs postpone their decision to invest in information technology because they worried about the COVID-19 epidemic and uncertain economic conditions. When the situation improved, it expects that around the middle of 2021, the demand for computer services will grow, driven by the digital transformation of business. It is backed by the adoption of 5G technology and caused by changes in consumer behavior that are becoming familiar with the use of the internet and the increase of online trading.

The Computer service provider market is likely to grow, but risk factors keep businesses waiting for technology investments in the next 6-12 months.

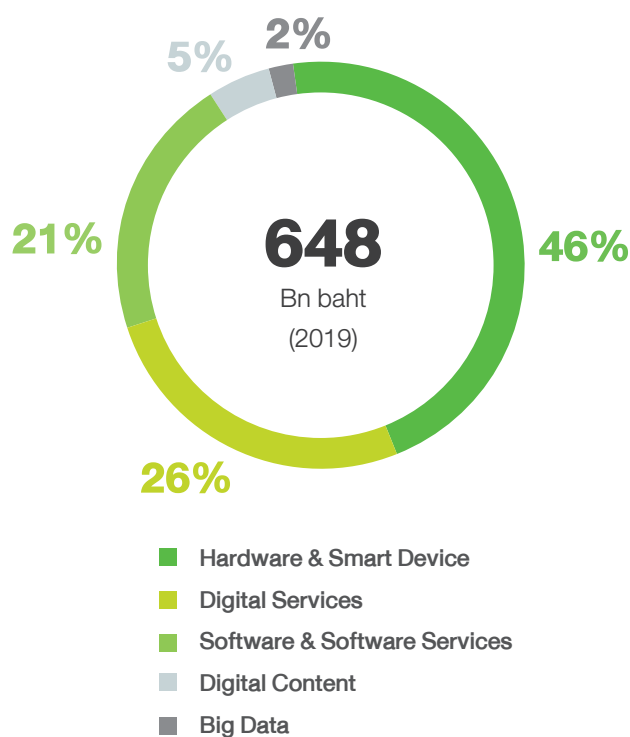
- Computer services consist of software consulting service providers, website creation, data center, cloud computing, digital content, and other computer-related services.
- The computer service provider business in Thailand is significant in the ICT industry. It is the key to Thailand's development towards Thailand 4.0 and being the digital hub of the ASEAN region, achieving the government's goals.
- The development of ICT technology to the 5G era and the encouragement of the Digital Industry Promotion and Innovation Zone (EECd) within the EEC zones for the goal of "Incubation Place" to learn, develop, and accumulate Thailand's leading technology. It will make the "computer service provider business" grow as 5G technology will increase the demand for software consulting services, website creation, data center, cloud computing, and other computer-related services.

Thailand Digital Market (bn baht)



Source : DEPA and TMB Analytics

Thailand Digital Market Structure (2019)

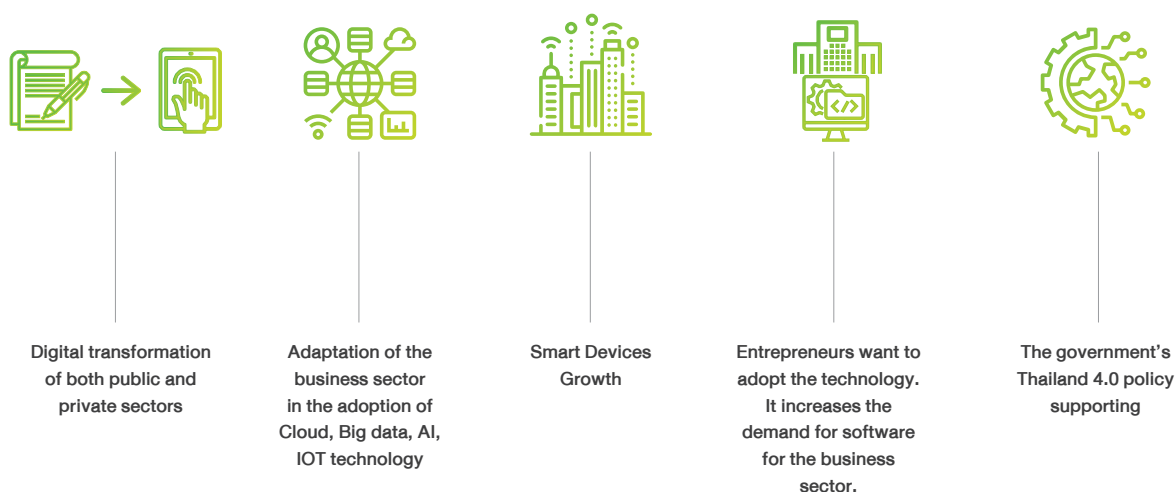


Source : DEPA and TMB Analytics

Computer Service Provider Market Outlook 2020-2022

- By 2020, computer service providers would be constant (between 0% and -2%), mainly due to the economic impact from lower purchasing power from the COVID-19 epidemic. In the next 6-12 months, the needs would remain unchanged due to the effects of COVID-19. The slowdown in the economy has made the business sector slow down to invest in information technology systems to increase production efficiency and expand markets.
- However, after the COVID-19 epidemic situation and economy have been improved. Demands for computer services, such as software consultants, Data Center, Cloud Computing, and other computer-related services, will grow highly due to the accelerating factor of the business's complete digital transformation. It is supported by 5G technologies and driven by a shift in consumer behavior that is becoming more familiar with the internet and online trading. It could see from the eCommerce trading volume of 4.02 trillion baht in 2019.

- In 2021-2022, the computer service provider business is expected to grow 3-5% per year, supported by the following factors:

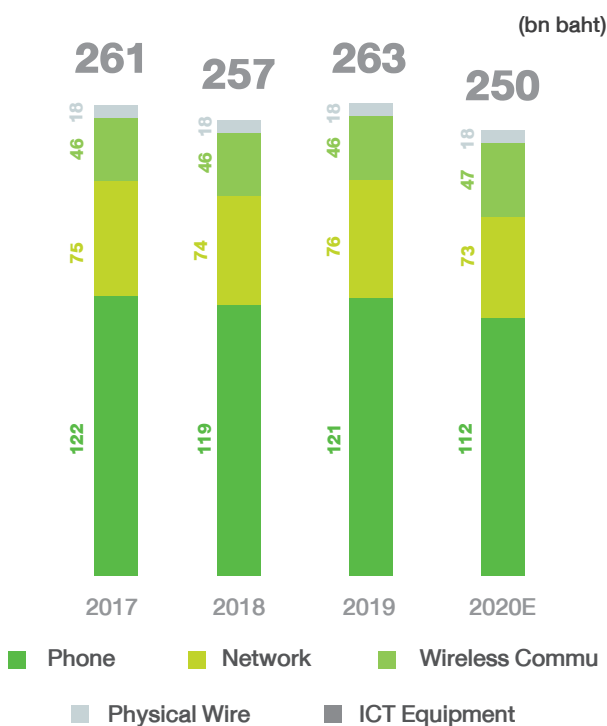


- Considering the demand side, it will find that the trend is positive. But if regarding the supply side, it will see that the competition between different types of computer service providers will rise as well. Therefore, entrepreneurs who compete must service to meet specific customers' needs and have good after-sales service. While the ICT information equipment in 2020 was assessed as unfavorable -5%. It was affected by the economy from the declining purchasing power from the COVID-19 epidemic. However, in 2021-2022, it is expected to increase by 3-5%, benefiting from the government's support following the Thailand 4.0 policy to support the digital economy. Result in making investments in 5G technology and constructing networks and various communication devices to keep increasing usage over the next 2-3 years.

In 2020, phone sales remained stable and network equipment and cable equipment slightly minus. However, wireless devices could still grow. It estimated in 2020, the overall ICT equipment would shrink -5% or the total value of 250 billion baht, which suffered from the economic impact from purchased mainly due to the COVID-19 epidemic.

- » Phone sales are expected to decline -8%. The landline telephone is expected to a sharp drop in sales at -12% as more consumers prefer to use mobile phones. In comparison, mobile phone sales are expected to decline around -8%.
- » Network Equipment is expected to shrink -4%. The primary network equipment market declined by -5%, but the construction relating Infrastructure Cabling and Conduit Group still grow +10%, mainly following government investments, such as conduits and submarine cables.
- » Physical wire communication devices are expected to stabilize due to the positive impact of Work from Home, Study at Home from the COVID-19 epidemic. As a result, consumers demand to install wired communication devices to use at home.
- » Wireless Communication Equipment is expected to expand slightly. 1-2% due to the 5G spectrum auction in early 2020 stimulates investment in wireless communication equipment, such as signal transmission equipment and related equipment.
- » 2021-2022, equipment overview forecast ICT will raise 3-5%, benefiting from the government's support following the Thailand 4.0 policy to support the digital economy. The service providers will start to invest in 5G technology to introduce various networks and communication devices to increase usage over the next 2-3 years.
- » Besides, the number of imports of smartphones and electronic devices (Smart Devices) that can support 5G technology is expected to increase. However, in the Smartphone market, it is estimated that it will grow slowly since the market has become saturated, causing competition.

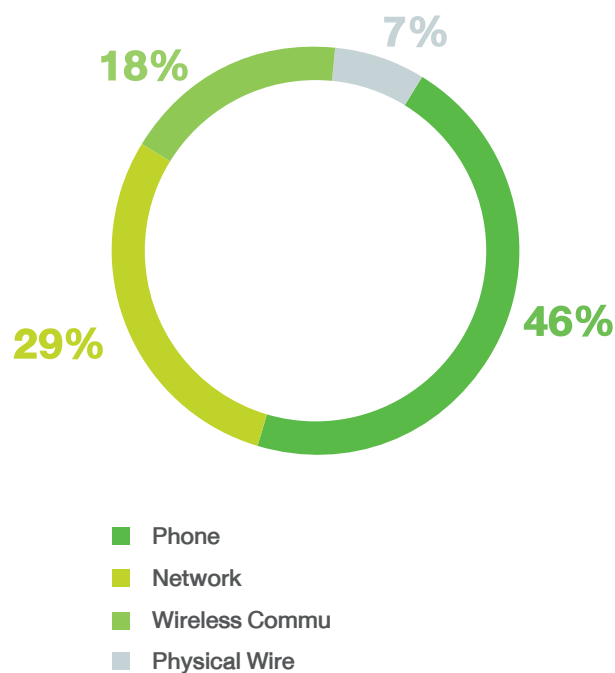
Thailand ICT Equipment Market



Source : DEPA and TMB Analytics

Source : <https://www.tmbbank.com/en/analytics/industry-analysis/view/Thai-ICT-Outlook-2020.html>

(%) ICT Equipment Market Share



Even if the COVID-19 situation increased uncertainty over the past month, the manufacturing sector would inevitably be affected. The IDC predicts that the global smartphone market will decrease sales from the previous year by 2.3%. However, the smartphone market will be able to recover rapidly from a positive 5G factor. The computer industry section will be a 9.0% drop in computers, notebooks, workstations, and tablets from the previous year.

Smartphone Industry

Sangeetika Srivastava, a senior analyst of IDC, commented that COVID-19 would significantly drop in smartphone sales in the first half of 2020 as China is the largest smartphone market. At the same time, other regions would be affected by supply chain turbulence, parts shortage, and factory shutdown. However, it is predicted that the arrival of 5G will quickly boost smartphone sales in the third quarter of this year.

IDC predicted that 2020 smartphone sales would change by quarter as follows:

Q1 decreased 14.5% ⚡

Q2 decreased 6.9% ⚡

Q3 increased 1.8% ⬆

Q4 increased 8.0% ⬆

Generally, February and March is the month that smartphone manufacturers often launch new products and put the product into the final production process. This year, many manufacturers may need to postpone the production plan.

Will Wong, research manager of IDC's Asia / Pacific Client Devices Group, analyzed that the Chinese smartphone market would shrink 40% in the first quarter. Even if there is a rebound, it will not be easy to achieve higher sales than in 2019, with consumers shifting to online ordering. Consumers may likely turn to other brands. As a result, the market share can change.

However, if the situation is improved quickly, worldwide smartphone sales will revive to 1,424.2 million units, increase 6.3% by 2021.

Computer Industry

The computer industry is another industry that has been affected in the same direction. An additional factor is a transition of the operating system from Windows 7 to Windows 10, resulting in a short supply of related products in Q2. IDC predicted that by 2020, sales of the notebook, workstation, and tablet computers would be 372.2 million units, decreasing 9.0% from the previous year.

Linn Huang, the deputy chief researcher, revealed that products lacking in the computer industry were monitors, touch sensors, and printed circuit boards. The supply chain in China might not open new production lines until at least this May.

Jitesh Ubrani, Research Manager, further added that there was a possibility that the computer industry would shrink at the lowest in history in 2020. Besides the production capacity, another factor came from the consumer's purchasing power that decreased the quality of life and might last until the second half.

However, if the outbreak could be controlled by the year 2020, in 2021, the computer industry would rebound, especially the demand for notebooks, tablets, minicomputers, and convertible notebooks in organizations that wanted to attract new workers. For computer sales in 2020, personal computers were projected to drop 7.1%, and tablets drop 12.4%.

According to Epson, reference GFK, businesses in the first half of 2020 were disrupted by COVID-19 that catalyzed the reaction to change in various fields, including purchasing IT products and electrical appliances. Part of the change in consumer behavior came from the country lockdown, closure of different locations, primarily shopping centers, which were various shops. Besides, working and studying from home changed the context of purchasing IT and electrical appliances from the original.

In offline channels, it was found that IT/electrical sales channels at offline stores were affected by all segments due to the closure of the malls that made various stores could not sell products through this channel.

The entire IT and electrical appliances market in January - June 2020 was worth one hundred billion baht, minus 19.9%. The digital camera market was the most negative because people stayed at home, not traveling even if April was the time of tourism and the digital camera sales seasons.

The minor negative markets were IT markets, such as notebook computers, printers, and others. The slightest negative part came from work from home and studying from home that needed to buy computers or new printers to work and learn from home via online channels.



Source : <https://www.mreport.co.th>
<https://www.marketeeronline.co.achives/18329>



Online IT Product Industry

In 2020, the Thai population's internet access increased, accounting for 70% of the total population. Over 94% of Thai people owned a smartphone and spent up to 10 hours a day on the internet, including using social media, online streaming, online shopping via smartphones, computers, and tablets, respectively. With easy access to the internet, online shopping convenience, and the Covid-19 epidemic, the e-commerce business in Thailand had grown 35% from the previous year and changed Thai people's shopping behavior to do more online and became the New Normal of Thai people.

If the E-Commerce value was divided in 2020, the industry with the 1st value of E-Commerce was the consumer products segment, accounting for 73% of the total e-commerce market value in Thailand, especially during Lockdown situations. The former 1st place travel group fell in the ranking due to the coronavirus situation. The 2nd place was the electronics industry, where people shopped for IT products and accessories for Work from home. The 3rd place was home decoration products. From such an event, forecasts that online shopping in 2021 is likely to grow even more.

Articles retrieved from Techsauce.co, Marketeeronline.co, Priceza, and Prachachat.

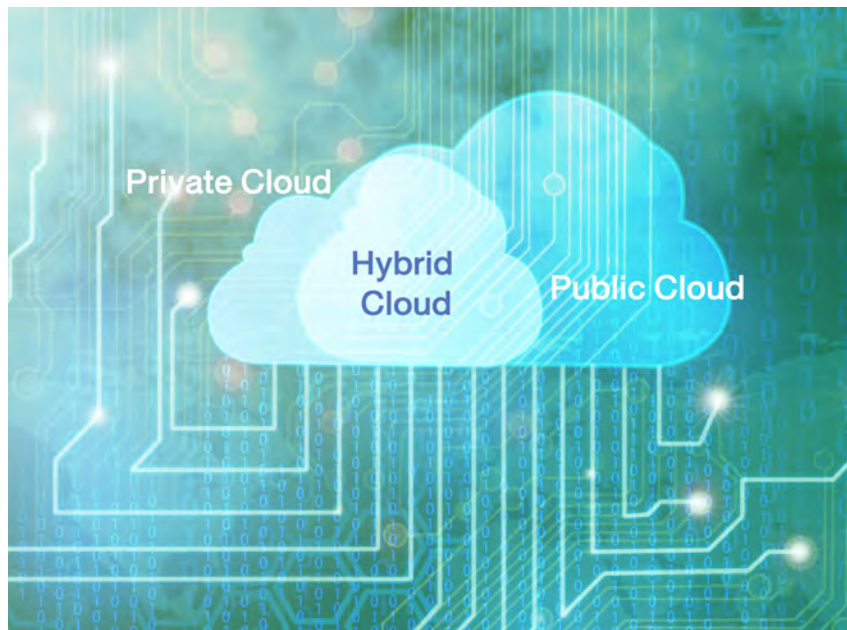
Trends and Future Developments

Trends in technology products to look out for in 2020 were still much inevitable from last year. Both a matter of infinite connections, the use of the automation system and virtual world (VR) technology would be used even more. However, there would be some additional things, i.e.

1. Hybrid Application

For Hybrid Application is a combination of micro services from various service providers to create an application full of superiority and create a different experience. Make your organization look reliable and enhance it to offer services that stand out from the competition.

For example, we can use a data service from one cloud provider and machine learning from another user, all running on the same platform. It is a seamless connection and works without interruption.





2. Solution at the edge

Edge is a data processing technology that increases today's data transmission speed, which organizations in this era are collecting a lot of information, or we call Big Data. The integrated edge solution that will be available in the market must have the following capabilities:

1. Reduce or stabilize the cost of Edge Computing.
2. Consolidate the infrastructure required for Edge Location.
3. It helps organizations to introduce new technologies for remote locations in all forms of software. It will increase business speed and agility. For example, a single hardware device can be both an SD-WAN and open to run separate applications. The said hardware can help reduce costs by unifying infrastructure and increasing network performance at the same time.

3. AI Security System

AI and ML will continue to be used to enhance human decision-making in a wide range of applications. It will help create opportunities to support the hyper-automation system and taking advantage of automation equipment to improve business. At the same time, it presents new challenges for IT teams in security and risk management. It will significantly increase the attack channel from IoT, cloud computing, micro services, and systems widely connected in intelligent space. Security and risk executives should focus on three key areas: protecting AI-driven systems, using AI to improve security, and predictions about AI use by criminals who want to attack the network.

4. Tiny but Cool Gadgets

Today's technology is rapidly advancing. Recently, a tiny device called the Raspberry Pi 4 is a computer as small as a regular card. But it can work and inexpensive compared to other desktop computers. Organizations in the future should have these devices to be used in various applications such as virtualization to work with such devices. It will help expand your business opportunities to be more creative and innovative.

5. Machine Learning

In the past, machine learning might have been a distant thing, difficult to handle, and required much knowledge. It might be beyond the ability of small and medium-sized organizations to reach. In the future, there will be more integrated machine learning services from cloud providers that help organizations. They have access to these services and can be used to enhance the business and increase work efficiency. If you adapt quickly, it will help your business go a long way.

6. Transparency and Traceability

Consumers are increasingly aware that their personal information is valued. Therefore, they want to control that information. Organizations recognize the growing risk of protecting and handling personal information as the government has begun to enforce strict laws to protect and manage such information appropriately. Transparency and traceability is an essential element in support of Digital Ethics and the protection of privacy.

7. Distributed Cloud

The distributed cloud refers to the distribution of public cloud services to different locations. The public cloud source service providers are responsible for controlling, supervising, improving, and developing such services. It is a significant change from the old majority of public cloud services to be centralized, and this change will lead to a new era of cloud computing.

8. Blockchain that Works in Practice

Blockchain technology has the potential to transform any industry. It will help build trust, transparency and support the exchange of value in the business ecosystem. It also helps to reduce costs and expenses. Increase the speed of transactions and improve cash flow. The said technology allows traceability of assets, reducing the chance of being switched to a counterfeit product. Asset monitoring is also helpful in other areas, such as inspecting food items in the supply chain to identify contamination sources or inspecting specific parts to facilitate product recalls. Another possible use of Blockchain is user identity management. Besides, it is possible to set up a smart contract on the Blockchain for an event to trigger another action. For example, a payment is unlocked after a customer receives the item.



Mr. Berg said, "Blockchain is still lacking for enterprise deployment because there are many technical problems, such as lack of stability and incompatibility with each other. However, even with such challenges, the technology has tremendous potential for industry transformation and monetization. Therefore, organizations should begin to consider and assess the possibilities of Blockchain. We expect this technology will not be taken seriously and concretely in the foreseeable future. "

Transparency and traceability include the concept of action, supported technologies, and specially designed guidelines to support relevant regulations and uphold an ethical approach for the use of artificial intelligence (AI) and other advanced technologies and solve companies' lack of reliability. Organizations trying to achieve transparency and trust need to focus on three key areas: (1) AI and ML; (2) retention, possession, and control of personal information and (3) consistent ethical design.

Source : <https://www.smethailandclub.com/technology-5500-id.html>
<https://www.eworldmag.com/strategic-technology-trends-for-2020/>

Competition

The Company focuses on being the leader in selling IT products through retail channels, i.e., selling products selected to meet every consumer group's needs. Many different types of products keep up-to-date and can provide products that meet the end-user needs directly. Therefore, the Company's competitors are retailers with the same kind of IT products, such as the shops selling laptops, desktop computers, mobile phones, tablets, and other accessories. The group of entrepreneurs will be both the sole owner. There are only 1-2 stores (Single Shop) and private companies that have a large number of stores (Chain Store). Besides, competitors operate a real estate business in shopping centers and large hypermarkets that have allocated their shopping area for selling IT products and consumer electric appliances. The details of the current competitor compared to the storefront of the Company as follows:

(1) (Computer and Mobile Phone Stores)

Company	Storefront
Advice Holdings Group Co., Ltd.	Advice
Jaymart Public Co., Ltd.	Jaymart
J.I.B Computer Group Co., Ltd.	J.I.B.
TG Cellular World Co., Ltd.	TG FONE
IT City Public Co., Ltd.	IT City
Computer System Connection International Co., Ltd.	CSC
Central Retail Corporation Co., Ltd.	Power Buy
The Mall Group Co., Ltd.	Power Mall
Ek-Chai Distribution Co., Ltd.	Tesco Lotus
Big C Supercenter Public Co., Ltd.	Big C

Source : Company information and Estimates of Company data collection



(2) Apple Stores

For Apple stores, entrepreneurs require to be appointed by Apple South Asia (Thailand) Co., Ltd. to get the authority to be an official dealer to operate the business, resulting in fewer competitors than general IT stores. Besides, the shop's style and layout, product arrangement, promotions, and sales prices are controlled entirely by Apple. Therefore, the competition's key is the stores' location, whether it is in the proper position or not, and Apple's policy shall not allow the same type of Apple store in the same shopping center. As a result, having a branch in a well-located area and operated before is a great advantage. At present, the Company is the shop operator selling Apple products with the most significant number of branches and covers in Bangkok and most provinces in Thailand. Apart from the Company, there are other companies which provide services similarly as follows:

Company
SPVI Public Company Limited
Copperwired Company Limited
UFicon Company Limited



The Company also operates the repair service center for Apple products (iCare) to facilitate the customers and as an additional income channel. The operators require to be appointed by Apple South Asia (Thailand) Ltd to receive the right to be an official service provider. Resulting in a small number of competitors, and in 2020, the Company still had the most significant number of premium service providers in Thailand. Apart from the Company, there are other companies which provide services similarly as follows:

Company
SPVI Public Company Limited
Copperwired Company Limited
UFicon Company Limited
Unity Progress Company Limited

In addition to a sales channel like a storefront, the Company sells its products through e-commerce channels by distributing through the website Bnn.in.th, which collects more than 10,000 items of all IT products. The business of distributing products through electronic commerce channels has competitors in a sole proprietorship and company model. It is divided according to the format of the website platform and the market place platform as follows:

(1) The companies selling IT computers, smartphones, Apple, accessories, notebooks, tablets on the website.

Company	Website
J.I.B Computer Group Co., Ltd.	www.jib.co.th
IT City Public Co., Ltd.	www.itcityonline.com
Power Buy Co., Ltd.	www.powerbuy.co.th
Advice Holdings Group Co., Ltd.	www.advice.co.th

(2) The companies selling IT products, smartphones, accessories, Apple, notebooks, and general merchandise in the form of an online marketplace (Market place)

Company	Website
Central JD Commerce Co., Ltd.	www.jd.co.th
Lazada Co., Ltd.	www.lazada.co.th
Shopee (Thailand) Co., Ltd.	www.shopee.co.th
Topvalue Corporation Co., Ltd.	www.topvalue.co.th

Marketing Conditions for Retail Business, IT products, and Target Groups

Due to the Covid-19 epidemic crisis, the government has enacted a social solid spacing policy to reduce the spread of disease in the period when there is no vaccine. LOCKDOWN measures have been implemented in countries, such as the closure of airports, shopping centers, restaurants, organizations/companies, and educational institutions, including the quarantine of people who come from abroad for at least 14 days. The enforcement of such measures makes it necessary for organizations to adapt and apply digital technology to all aspects of their livelihood during the outbreak. For example, allow employees to work from home, enable students to attend online classes from home, provide public health services online.

According to the Kasikorn Research Center, the overall growth of the retail business in 2020 would shrink 5-8% compared to the previous year. The entire IT and electrical appliances market in January - June 2020 had a total value of 100,616 million baht, negative 19.9% , and sales of 21.6 million units, negative 16.9%. The digital camera market was the most negative because people stayed at home, not traveling even if April was the time of tourism and the digital camera sales seasons.

The minor negative markets were IT markets, such as notebook computers, printers, and others. The slightest negative part came from work from home and studying from home that needed to buy computers or new printers to work and learn from home via online channels.

Mobile sales in the first half of 2020 were worth 7,796 million baht, a 14% growth of mobile phone market growth from online sales of 2,010 million baht, representing a growth of 163% compared to the previous year.

The growth of mobile phone sales through online channels allows us to see consumer purchasing behavior changes clearly. It was initially thought that buying a mobile phone would be purchased at a store to inquire from the machine testing, and the team helped to customize and moved data (in some stores that offer services) while buying accessories at the same time. It is the transition to online shopping, in which the buyer has to learn the product himself.

Trends and Future Developments

After the COVID-19 crisis, the Company has to adapt to survive and not rely solely on sales at the store by developing better online sales channels. Besides, the Company needs to create other factors as well. For example, it increases the potential to be Omni-channel for customers to order and ask for products conveniently. Deliver products to customers fast and accurately. Analysis data to present products that meet customer needs or offer promotions consistent with consumers' purchasing behavior of goods and services. Use technology to reduce running costs and promoting the use of innovations to minimize work processes.

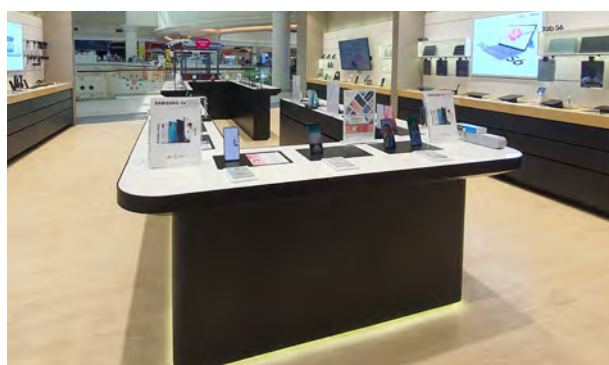
COVID-19 crisis in previous years may lead to a clear adjustment of the retail business model. Especially by setting up standards for cleanliness and safety for health will become an increasingly important factor for consumers and penetrate the online market that can meet the needs of consumers both in terms of products and service quality. After consumers learn new things from quarantine and working at home, it becomes habitual new behaviors.

Competitive Strategy

The retail business of IT products is a relatively low gross margin compared to other retail products. Resulting in various fixed cost management, whether it is the cost of employees, cost branch expansion, and financial, all affect entrepreneurs in the industry. Therefore, entrepreneurs with high sales or who have more capital will be quite advantageous than the small entrepreneurs. Other than the Company's effective policy to control various costs, the Company also has the following strategy, which is an essential factor in the competition of IT products retail business.

(1) Branch Location

Location is the top priority of the business, whereby the Company is in the retail business for more than 20 years, therefore, has accumulated experience in selecting potential locations. At present, as the Company is the largest retailer of IT products in the country, resulting in the storefront of the Company able to spread to cover high potential areas in advance before competitors. Moreover, the Company still has plans to expand the branch continuously to seize the location with high growth opportunities by creating a good relationship with the owner of the area, the leading shopping center developer nationwide. The Company's excellent image results in the owner of the shopping center trusting and wanting the Company to open the storefront. Therefore, when the area's owner is planning to expand the space or expand additional shopping centers both in Bangkok and other provinces, the area's owner will come to discuss and persuade the Company to choose the location in the shopping center as the first group. The Company shall determine the best location in the shopping center, such as an area where people walk most, in front of the escalator, or on the floor with many people walking.



(2) Variety of Products

The Company has a service strategy with various brands and various types that the selling price ranges from a hundred baht until a hundred thousand baht. The Company's products currently sell, such as a desktop computer, laptop, mobile phone, tablet, and related accessory products over 10,000 items, covering over 100 brands worldwide, i.e., AMD, Apple, ASUS, Acer, Lenovo, Dell, HP, Western Digital, Samsung, LG, Toshiba, Intel, Microsoft, Seagate, Oppo, Huawei, VIVO, Epson, Canon, Logitech, JBL, Beat, Creative, etc. The Company shall arrange a team to select products from domestic and international channels, including having effective product selection measures to obtain products that are appropriate to the Company's target customers in a reasonable amount and sufficient to sell regularly.



(3) Quality and Comprehensive Services

The Company focuses on quality service with dedication and intention to create maximum satisfaction for the customers who come to use the services in various distribution channels. The primary services of the Company include as follows:

- Customer services: The Company emphasizes the quality of personnel to provide excellent service to all customers. The Company's sales staff can advise customers when choosing and recommend suitable products. Besides, the Company offers payment services in the form of bank transfers for customers nationwide.
- Product warranty and after-sales services: All products of the Company and its subsidiaries are guaranteed in changing and repairing products from leading manufacturers and importers. Customers can access the service at all distribution channels nationwide under the terms of services.
- Product delivery: The Company has many options to deliver products to customers safely, such as nationwide delivery through leading private transport companies that are reliable, safe, and fast shipping or express mail ("EMS").
- Up-to-date and secured online ordering system: The Company has continuously invested in technology and website development to allow customers to view the product's details and facilitate buying the product and guarantee online purchases' safety. The Company uses SSL (Secure Socket Layer) throughout ordering products to prevent abuse of personal information of customers, including convenient payment systems, both cash on delivery, credit card payment, and counter service in all forms.



(4) Having a good relationship with partners

The Company places importance on the relationship between its partners. Throughout the business's past period, the Company has partnered with more than 200 suppliers who have received good cooperation and support both in various products and services from distributors. The Company has conducted business with partners like being friendly than being a partner. If the Company can sell products, its partners are also getting repeat orders. There is the policy of not taking advantage of partners, honest trading, and on-time payment. Therefore, when any partners want to trade in the Thai market or have new products to offer or technology, they usually consult with the Company first, resulting in the Company always having up-to-date products for distributing at the Company's storefront.

(5) Customer database and after-sales services

Almost every product has a warranty from the manufacturer with 6 months to 3 year warranty period. The Company will advise customers to register with the Company for the benefit of customers in the warranty. If there is a problem after purchase, the customer can contact to receive after-sales services. This method has resulted in the Company having customer information in the Company's database, which shall contact and communicate with customers on the next occasion including providing after-sales services shall be more convenient.



(6) Employing appropriate marketing strategies

The Company uses marketing policies to reach customers, such as creating marketing activities on the storefront to attract customers to know the stores and buy products and use various services, including their re-purchasing with the Company. Moreover, there are marketing materials and promotional plans as follows:

- Using media via Facebook, Twitter, Instagram, Website, and Line Official to communicate activities, promotions, and new product launches
- Organizing sales promotions both at the Company's storefront and In-store promotion area as well as various activities regarding IT to enhance the sales volume
- Decorating the shops in various festivals according to the promotion plan each month to create the image of the shop as the IT store which is convenient to buy with the pleasant surroundings
- Associate with the banks to make 0% installment promotion "Cash back" to encourage the sales
- Providing electronic mail delivery (EDM) to the Company's customers informing market information and promotion to ensure the customers continue to use the service with affiliated stores
- Presence of Facebook messenger and Call Center channels to allow customers to inquire about the Company's products and services



(7) Sales staff training

The Company focuses on developing sales staff to be ready to perform operations according to the specified standards. Training is provided that adds vital skills to the salesperson from hospitality, service and product search, product offering, and consulting to create an impression from good service. Customers receive accurate product information accompanying the decision to purchase the product and confidence in buying repeat purchases next time. Sales staffs are through intensive training and ready to serve in all branches. Make it possible to create a new sales staff team to support business expansion, adding branches and replacing old employees continuously. All sales staff will receive training from the Company for a period of 1 week before actual operations. During the branch's work, all salesmen receive ongoing training from the Company's professional training team.

**(8) Enhance the potential of the branch by opening in the New from Factor as follows:**

1. Stand-alone BaNANA is located as a commercial building in the city with a good location and reasonable rental cost. It can distribute products, which makes it possible to expand the coverage of more sales channels.
2. Co-Branch, due to the competition between the shopping mall has increased steadily. There may be four to five Shopping malls located together in some areas, which will have to dilute purchasing power, causing the opening of branches to sell only IT products may not be cost-effective because of low traffic. Therefore, the Concept Co-Branch has been presented to partners who have encountered the same problems. In the Sector Banking and Operator, with all three customers' demand, whether they want to do transactions on Bank, operator or even buy IT products can finish everything at our store. It will help increase traffic to each other and increase the potential of the branch to have more chances to exist.





Online Channel Competition Strategy

1. With a variety of products www.bnn.in.th, there are strategies for presenting products to customers who visit the website with a wide variety of products in the product category, computer equipment, IT, smartphones, accessories, Apple products, notebooks, gadgets, cameras, and IOT home appliances with more than 10,000 items. It is the supplier with the most complete and productive products compared to competitors in the same industry.
2. Customers can pick up products at BaNANA branches, King Kong Phone, BKK, Studio7, and brand shops across Thailand.
3. www.bnn.in.th establishes strategies for increasing customers' convenience by shopping on the website with complete checkout. Customers can choose a branch: BaNANA, BKK, Kingkong Phone, Studio7, and brand shops around Thailand to receive products and receive additional services, such as product recommendations and inspecting products. It ensures customers' confidence in purchasing products from the website and achieves repeat purchases next time.
4. After-sales service and product warranty, www.bnn.in.th focuses on after-sales service is an important strategy to give customers confidence when purchasing products on the website. The customers can access the repair service of products at any stores in the group of Com7 Public Company Limited nationwide and get a consultation service or recommended use from the employees anywhere. It will give customers the courage to decide to buy the product through the website www.bnn.in.th.
5. Site safety and personal information protection system, www.bnn.in.th uses technology to develop the website and provide our customers with maximum security, including the encryption system to prevent unauthorized access to SSL (Secure Socket Layer) information during online payment on the website. It is the safety standard used at the highest level that banks and international payment systems operate.
6. Using the right marketing strategy, www.bnn.in.th has implemented an online marketing strategy to communicate with target groups across the country effectively. Generate traffic to the website and create sales opportunities, including returning to rebuy the product next time by advertising through website media, such as Social Media, KOL, Influencer, Search Engine Marketing, Affiliate Marketing, and others.

Environmental Impact

Due to the Company and its subsidiaries are mainly engaged in the import and retail of IT products. Therefore, the business of the Company has no impact on the environment.

2. Banana Group Co., Ltd

Banana Group Co., Ltd currently operates as a holding company that invests in Thunder FinFin Co., Ltd (formerly DNA Retail-Link Co., Ltd.) and Prime Solution & Service Co., Ltd.

3. Novus Integration Co., Ltd

Novus Integration Co., Ltd (formerly Banana Sure Co., Ltd), the management is currently considering a suitable business plan.

4. See Know How Co., Ltd

Products and Services

Provide professional training services to help to sell in product terms and related knowledge. The training both inside and outside also arrange to benefit the learning and solve trainees as much as possible.

Channels of Distribution and Services

Curriculum is promoted to the whole group of companies and planned together to make the curriculum effective and the information taught is up to date.

Customers and Prospects

Company belonging to the Com7 Group Public Company Limited will focus on the store salespeople of the group companies operating at branches nationwide.

Pricing Policy

The Company has a policy for setting prices for each course by comparing the costs of companies doing the same business to be following the market price and prevent improper pricing.

Market Conditions and Competition

Currently, some companies offer many training courses in the market. However, the Company foresees that the same group of companies can develop and provide training courses that meet the needs more than outside companies. Due to the nationwide access to employees and branches of the group, it needs to be convenient, fast, and up-to-date at all times. Therefore, it gives the Company an advantage over other companies in management and planning to provide training courses that are most relevant to the Company group.

Procurement of Products and Services

The Company has a team of experts who understand the point of sale and product knowledge of many brands and product categories. They also have experience in teaching and transferring knowledge. The curriculum will be planned following the policy of the Company in the customer group.

Environmental Impact

The business of the Company is to organize training. Therefore, it has no impact on the environment.



5. Double Seven Co., Ltd

Products and Services

Double Seven, a TRUE Shop representative, operates under the name "TRUE by Com7" in Big C, Tesco Lotus, Robinson, and local department stores. It has approximately 6 - 260 sq. m, with 3-year management rights, which the contract can be renewed. Double Seven has started managing TRUE by Com7 since August 1, 2019, and received the right to renew the contract from True Distribution and Sales Company Limited (TDS), a subsidiary of True Corporation Public Company Limited (TRUE). We can perform all transactions from being a mutual commercial partner just like the TRUE Shop operated by TDS. Double 7 will receive commission income on various items, such as SIM compensation, merchandise sales, after-sales service fees, bill payments, operating under TRUE by Com7 stores.



TRUE by Com7

Channels of Distribution and Services

Double Seven has been granted management rights through the retail channel (TRUE by Com7). As of December 31, 2020, there were 122 stores. The main channel of TRUE by Com7 is distributing products and services through the storefronts located in the department stores

Customers and Prospects

Double Seven's customer groups are divided into 2 main groups as follows:

(1) General Retail Customers

They are general store customers, such as retail customers who come to shop in department stores.

(2) Existing TRUE customers

They are former TRUE customers who come to pay bills or use after-sales service.

Pricing Policy

The pricing policy is following TDS policies.

Industry Conditions and Competition

Currently, it can be categorized by products and services as follows:

(3) SIM Products

It is in line with the competition in the communications group, where TRUE currently has more spectrum concessions than its competitors.

(4) IT Products

Market conditions are in line with the same competition as Com7 Public Company Limited, competition conditions based on market information, and competition.

(5) Bill Payment and After-Sales Service

- There are major competitors, such as ATMs, convenience stores, paying via the internet, and automatic bank debit in terms of bill payment.
- In the after-sales service, Double Seven benefited from the growing expansion of TRUE customers. Especially in some provinces, there is an advantage in the branch area that only the Double Seven manages.

Competitive Strategy

There are the operating strategies following TDS policies. Double Seven will manage service efficiency and increase sales ability in TRUE by Com7, with the following strategies.

- 1) Adjust the placement of products to show in front of the store to be more diverse.
- 2) Increase knowledge and sales skills for employees.
- 3) Provide enough products to sell.



Procurement of Products and Services

Double Seven's procurement of products and services is following TDS management policy. Double Seven does not need a warehouse because it does not store its products. Double Seven will manage the product quantity and sell it to the store customers without the risk of impaired or obsolete products because TDS owns all the products in front of the store.

Environmental Impact

As Double Seven operates TRUE by Com7, the Company's business operation does not impact the environment.

6. Prime Solution & Service Co., Ltd

Products and Services

Provide services in system implementation, program development, and system maintenance, including selling a complete range of technology products. The establishment of the company since 2005, it is considered that they have long experience in this business.

Channels of Distribution and Services

It is through direct job offer channels or bidding for projects, depending on the client's rules.

Customers and Prospects

Mainly it is a government agency and followed by the private sector with a proportion of approximately 80:20.

Pricing Policy

Products and services are sold at a rate similar to the standard price in the industry by being able to modify and develop systems and products to meet customer needs, including after-sales service throughout the contract to ensure maximum satisfaction.

Market Conditions and Competition

Submission of a bid will be subject to government regulations. According to the annual budget cycle, there will be projects that tend to expand investment and develop more government agencies and private sectors in the past. With the current business conditions at every organization and company are increasingly switching to technology devices. It will be even more beneficial to the income of the Company.

Besides, the Company has a team of experts who can develop products or systems according to customer needs, including having business partners. Since the Company has been in this business for more than ten years, the Company can procure or plan to meet all kinds of customer needs. There are a wide variety of products and the appropriate semester credit for each project.

Procurement of Products and Services

The Company has the policy to procure IT products and related products from business partners, and Com7 Public Company Limited is also a business partner that the Company purchases products.

Environmental Impact

The Company's business is the distribution and provision of IT services to corporate customers. Therefore, it has no impact on the environment

7. Thunder FinFin Co., Ltd

Products and Services

Currently, there are 3 businesses:

1. Retail : Manage branches of the OPPO brand
2. Wholesale : Wholesale the OPPO brand products
3. Hire Purchase : Hire-Purchase IT products for university students

Channels of Distribution and Services

Distribution channels according to the nature of each type of business are as follows:

1. Retail - There are branches in leading department stores and distributed in Bangkok and other provinces.
2. Wholesale - Wholesale OPPO branded products to Com7 Public Company Limited.
3. Hire-Purchase - Customers can apply through the website and at the Ustore at the university.

Customers and Prospects

Customers and prospects according to business characteristics are as follows:

1. Retail - The customer is an individual.
2. Wholesale - Wholesale to Com7 Public Company Limited.
3. Hire-Purchase - Students

Pricing Policy

The pricing policies according to the nature of the business are as follows:

1. Retail - OPPO brand products will be priced from the brand. Other products' prices are determined according to the market price.
2. Wholesale - It is according to market prices.
3. Hire Purchase - The interest rate is usually 1.99% per month.

Market Conditions and Competition

The pricing policies according to the nature of the business are as follows:

1. Retail - Based on the mobile market conditions as Com7 Public Company Limited.
2. Wholesale - Referring to the same mobile retailer of Com7 Public Company Limited by the Group's policy stipulating that Com7 purchase OPPO brand through the Company only.
3. Hire Purchase - The university group competition is relatively less than that of other hire purchase markets. The Company also has the advantage of having the university's service point, including being able to apply through the website, allowing easy access to customer groups. The Company expects to expand the customer group continuously.

Procurement of Products and Services

Sourcing is purchased directly from the brand, including hire-purchase products procured through Com7 Public Company Limited.

Environmental Impact

The Company's business is the distribution and service of IT products. Therefore, it has no impact on the environment.







Risk Management

1. Risk Management Policy

The Company realizes that risk management is part of good corporate governance, which is the cornerstone that helps the Company achieve its objectives. Identifying and managing risks helps the Company make better decisions and see opportunities, and mitigate significant events' adverse effect

The Board of Directors has set a guideline in the risk management policy for operational efficiency. It uses as a management tool that increases the chances of success according to the Company's objectives (see full policy and guidelines <http://www.comseven.com> under the Investor Relations category). The essence of the policy is as follows:

- 1) Promote a risk management culture to build understanding consciousness and share responsibility for risks. All management and employees of the Company are at-risk owners, responsible for identifying and assessing the department's risks in which they are accountable, including setting appropriate measures to manage the risks.
- 2) Provide a process, guideline, and measure for quality risk management, which is universally suitable and sufficient. It includes identifying, analyzing, ordering, managing, controlling, monitoring, reporting, evaluating, and communicating to provide information about risks and practice the whole company.
- 3) Operate business under acceptable risk. There is a risk limit to control the damage that may occur to an agreeable level by requiring risk management to be a part of the annual business plan preparation, administration, and decision making.

1.1 Operating Framework

The Company has an appropriate risk and crisis management system based on the Committee of Sponsoring Organizations of the Treadway Commission (COSO), the international standard ISO 31000, including good corporate governance for listed companies in 2017 (CG Code 2017), and anti-corruption guidelines. It helps to increase the Company's confidence to achieve its objectives and goals continuously.

The Company requires a risk assessment that considers risk identification, risk analysis, and risk measurement to meet or manage risks to an acceptable level. Besides, the Company continually monitors and reports on risk management results at all levels to ensure that the Company has a risk assessment, administration, and measures, which sufficient and appropriate to cover operations throughout the organization. As a result, the stakeholders involved in the Company have confidence in the process.

1.2 Risk Management Structure

The Company has established a risk management process and appointed the Risk Management Committee, which consists of executives from various departments responsible for setting policies and assessing risks. Identifying factors may prevent the Company from achieving the specified objectives, including determining impacts and opportunities to consider risk management measures to be acceptable. The Risk Management Committee shall report the risk assessment results to the Executive Committee, the Audit Committee, and the Board of Directors to consider and review at least once a year.



1.3 Risk Management Guidelines

The Company conducts an organizational risk assessment regularly covering all activities. Risks affecting the achievement of all company objectives must be performed. Details are as follows:

- 1) Timely identify and specify risk and its cause that will affect the target, including agency risk and project risk.
- 2) Assess the likelihood of risks and their effects if events occur.
- 3) Analyze, assess and prioritize risks.

- 4) Manage the risks following its established management guidelines by considering the associated costs and the impact of such risk management.
- 5) Monitor to ensure the Company's risks are handled appropriately. All high and very high risks that may affect the Company's business plans and strategies must be reported to the Risk Management Committee and the Board of Directors.
- 6) If there is a risk that cannot be managed to an acceptable level or a risk management activity that cannot be undertaken in the first half of the year, it must be carried out in the second half. The risk management activities are reviewed and revised to control the budget used, suitable, and more practical possibilities.



2. Risk Factors for the Company's Business Operation

2.1 Current and Potential Business Risks of the Company or Group of Companies

The Company analyzes the business environment from both internal and external factors, including economic, social, political, technological, industrial, competitor, and other trends to define key risk factors at different levels and consider, analyze, and summarize the enterprise's risk factors level. It can be divided into three groups as follows:

- 1) Current Operational Risk
- 2) Sustainability Risk
- 3) Emerging Risk

Current Operational Risk

Business Operational Risk

1) Obsolete Inventory Risk

The Company's primary business is retailing IT products, which it has to maintain an adequate inventory for each of its stores. However, IT products are always evolving and changing in technology to meet the needs of consumers. Therefore, there may be a risk of the Company's inventory being obsolete, resulting in higher administrative costs, and may need to make an allowance for outdated or impaired products that may affect the Company's revenue.

Major Risk Management Measures: The Company uses the ITEC Stock system, which can help manage sales and inventory management. The system can analyze product sales data and each branch's consumer demand, including checking the number of inventories of each unit. Resulting in the Company can know the movement of products, including planning and setting the reserve quantity in each branch. The Company also uses marketing strategies and promotions to help stimulate sales and drain existing products before they deteriorate in popularity. The Company has received special conditions from major distributors and manufacturers for specific models, such as special discounts, exchange obsolete products for newer ones, or compensation for the difference in a price reduction product (Price Protection), etc. It helps reduce inventory obsolescence to some extent.

Also, mobile applications are developed to support various functions from product management, immediate and all-time reports to facilitating the organization's personnel. The program supports both Android and IOS operating systems. Moreover, there is a policy to set an allowance for obsolete product values by type and shelf life to reflect the goods' actual value, including risk management measures in such matters. For example:

- The purchasing and product management department must closely monitor product movements and changes in technology to select and order products in the amount that is suitable for market demand to reduce the risk of obsolete products.
- There are multiple distribution channels to increase opportunities by organizing promotional programs for selling products via e-commerce (BaNANA Store E-Commerce) and arranging the annual Clearance Sale activities.
- There are ongoing trade fairs and product discounts to promote products and services, increase ways to sell products, and build a customer database.

From the above marketing strategy, together with the executives' knowledge, capability, and experience, the Company has little impact from this risk.

2) Business Competition Risk

The Company is principally engaged in importing and retailing IT products such as laptops, desktop computers, mobile phones, tablets, related accessories, etc. It is a highly competitive business whether competition among manufacturers in product development and continually launching new products to meet consumers' needs as much as possible to compete for market share or competition between distributors who are direct competitors to the Company. The Company earns about 80% of the total revenue from sales of IT products and mobile phones. Suppose there is a situation of intense competition in the market or new entrepreneurs with high potential to compete. In that case, it may have a significant impact on the Company's overall operating results.

Major Risk Management Measures : The Company believes that new entrepreneurs competing in the retail business may have limitations finding a space to sell their products since the same tenants already own each area. Besides, the Company has a good relationship and expertise in managing areas, which can see that the Company has never been terminated from a rental service provider over the years.

In addition, IT products' retail business has a low-profit margin, and each operator will set the same prices for the same products, not much different. The competition in such businesses focuses on comprehensive distribution channels and reaching out to target customers, including building confidence for customers in the quality of the product, impressive service, and after-sales service that customer can trust.

As of December 31, 2020, the Company had branches covering 76 from 77 provinces operating under BaNANA, Studio 7, and Brand Shop (general IT products stores, stores selling Apple-branded products, and other branded stores.) Therefore, we can be confident that the Company has a wide distribution channel and can reach target customers at all levels, including having reliable after-sales service. With the executives' knowledge, abilities, and experiences, the Company is ready to be a leader to compete with other operators in the business.



Branch Expansion Risk

Since the Company's business is IT products retailing, the main channel for distributing products is in the storefront. Therefore, the Company has a policy to continuously expand its branches to increase opportunities and distribution channels to cover and reach the target customers as much as possible. In 2018-2020, the Company had 378, 787, and 911 branches, respectively. The Company is exposed to risks if the new stores' operating results are not as expected or deviating from the projections.

Major Risk Management Measures : The Company has a business expansion unit with experience and expertise to study and analyze return and profitability, branch location, target customer volume, area size, and sales by comparing with similar size branches and monitoring the operating results closely. If there are sales after opening the operation that does not meet the target, the Company will analyze the root cause of the problem to fix the problem or consider moving or closing the branch.

Furthermore, the Company has an expertise unit in overseeing and controlling the process of branch decoration. Therefore, it is not spent too much budget on decorating branches, and most assets are movable. If the branch is relocated, the Company doesn't need to invest in all new assets. The Company will also negotiate to refund the deposit from the shopping center or the landlord. In the past, the Company could request a refund of the deposit, causing damage to the Company in case of having to move or close branches not much. The management's experience and expertise in location selection and branch management reflect its revenue and the increasing number of branches every year. The Company believes that expanding the new branches will provide more channels and sales opportunities to reach target customers and receive a worthwhile investment return.

Management Risk

1) The risk of having a major shareholder holding more than 25%

As of 11 May 2020, the Company's major shareholder is Mr. Sura Kanittaweekul, holding 29.39% of the Company's total issued shares. Such a shareholding has resulted in a group of major shareholders having the power to manage and control almost all of the major voting rights.

Major Risk Management Measures : The Company realizes the importance of a balance of power. Therefore, a management structure has been established to consist of the Audit Committee by selecting and appointing three independent third persons to join the Board of Directors from seven directors to perform the duty of reviewing the work and having a balance of power as a representative of the minority shareholders. It also helps scrutinize essential matters, for example, the reasonableness of related transactions before presenting to the shareholders' meeting. There are measures and guidelines for conducting related transactions with the directors, major shareholder, executive, controlling person, including persons who may have conflicts of interest to create transparency and fairness to all shareholders equally.

2) The risk of relying on the management

The Company's key management has a long business experience, be a visionary in sales strategy, marketing, and considering potential branch locations, including having a good relationship with large distributors, department store, and a shopping center that owns the area. Therefore, the Company may be at risk of relying on the key management for the operation if there is a change in the primary control and unable to recruit qualified candidates, which may significantly affect its operation.

Major Risk Management Measures : The Company is aware of the risk factors from relying on such management. Thus, there is a policy to encourage the Company's personnel to participate in the formulation of its strategy and business plan and promote teamwork to create more potential work efficiency. There is also regular training of personnel to have an additional working knowledge to create personnel with experience and ability to inherit from management. The Company's leading management group is Mr. Sura Kanittaweekul and executives who are shareholders of the Company. Most of them are those who have worked with the Company since starting their business. The Company, therefore, believes that they will continue to work with the Company for the long term.



Sustainability Risk

The Company has continued to focus on sustainability issues by integrating them with the Company's business operations since the corporate strategy and risk analysis processes. There is to determine key risk factors related to sustainability such as climate change risk factors, water management, risk factors from the increasing importance of environmental conservation, etc.

Environmental Dimension

1) Climate Change Risk

Global climate change affects both the natural and human environment in many areas. It causes severe impacts in the economic, social, and environmental dimensions, which are the three main areas of sustainable development. Climate change from global warming (Climate Change) has become more severe, resulting in various risks and affecting the Company's business operations as follows:

Social and Health : Climate change poses both direct and indirect risks to human health and well-being. It may cause severe diseases from minor to death, such as heat exhaustion and heat stroke, infectious diseases, and various tropical diseases caused by higher temperatures change the disease carrier's life cycle. As a result, there are new strains of diseases such as SARS, bird flu, Ebola, new malaria, including allergic disease, the weakened body's immune system, causing disease resistance to decrease and easily infectious.

Economic : Climate change has had an impact on overall economic growth. It possibly affects production costs, competitiveness, and sustainability in the Company's future business operations.

Major Risk Management Measures : Climate change is another risk that the Company places great emphasis on management, advocating for global warming solutions according to COP21 (Conference of Parties), including actions to reduce greenhouse gas emissions (Greenhouse Gases: GHG).

The Company has taken additional measures as follows :

1. Establish a control register closely related to greenhouse gas emissions laws and regulations to prepare for government measures.
2. Assigning personnel responsible for overseeing and monitoring government measures and preparing information related to the control of greenhouse gas emissions.
3. Disseminate knowledge and raise awareness of safety, occupational health, and working environment for executives and employees regularly.
4. Provide an annual health check-up package for employees to enhance their health and wellbeing.

2) The risk from the increasing importance of environmental conservation

The focus on the environment is continually increasing both at the global and national levels. As a result, consumers become more aware of long-term environmental impacts causing social trends and consumer behavior to change significantly. It might affect the business of the Company in the future as follows :

1. Consumers are more concerned with environmentally friendly products and reduce the use of single-use plastics. Also, entrepreneurs tend to adjust their products to contain more environmentally friendly ingredients.
2. Awareness and driving the economy have changed consumer behavior. There is an increasing demand for environmentally friendly products. Pay attention to and be alert to problems with particulate matter or PM 2.5.

Major Risk Management Measures : The Company has taken measures to receive a continuous stream of importance on environmental conservation.

1. Build quality of life along with protecting the environment through projects such as:
 - "Say No to Plastic Bags Campaign" is a campaign to reduce and stop providing plastic bags in the shop. The plastic bag service will be suspended every Wednesday and the 4th of the month to reduce plastic bag waste in the environment.
 - "COM7 Carpool" is a project that, in addition to saving travel expenses for employees, also saves energy, helps reduce PM 2.5 and the number of cars on the road, which will help decrease carbon dioxide emissions (CO₂ Emissions). The Human Resources Department is responsible and has continuously monitored the project results.
2. Promote marketing strategies in line with the environment, such as CLICK & COLLECT, a service for customers to order products via online channels and pick up at the nearest branch, which has 300 branches nationwide. It helps reduce traffic problems that are part of the pollution.
3. Give priority and prioritize the selection of suppliers with the top environmentally friendly business ideas to share the idea of bringing innovation to develop product and quality, especially in the area that can reduce the impact on the environment since the manufacturing process, such as Apple products and Apple accessories showing a spirit of carbon neutrality. Besides, the innovative products made from recycled materials are designing to ensure customers' trust in the quality and environmental friendliness.

Social Dimension

The risk of personal data breaches or human rights

Personal Data Protection Act B.E 2563 (2020) or PDPA (Personal Data Protection Act), which has been enforced on 27 May 2020, both private and public sectors (individuals or juristic persons). The customer's information such as full name, address, gender, telephone number, e-mail address, ID card number, photo, fingerprint, behavioral information, and other information is considered personal. The consent of the data subject must be obtained. Without such consent, it may be an offense to infringe the privacy rights of the customer's personal information. If there is a leak of information or the data is not secure, there may be a loss of credibility, prosecution, an opportunity cost, and a disadvantage in competition in the market and trade, including confidence and customer trust.

Major Risk Management Measures : The Company has prepared to prevent risks that will affect confidentiality, integrity, and availability of personal information that is likely to cause negative impact or damage on an individual or organizational level as follows:

1. Assess the impact of being involved in making a PDPA (Personal Data Protection Act) and assigning responsible persons such as appointing a PDPA (Personal Data Protection Act) working group.
2. Establish a policy on the collection of personal information to inform the owner of the information collected for what it is used for, how long, and notify the owner, including preparing guidelines for practices or defining the employees' duties in the organization so that all parties can comply with the law properly.
3. Organize training to enhance knowledge for all employees and personnel in the organization to understand and have basic knowledge, including guidelines that should be followed by the law properly.
4. Stipulate a communication channel for hearing opinions and complaints from employees and external stakeholders in a systematic manner and guidelines for handling complaints and measures to protect whistleblowers or complaints, reduce the level of human rights risks associated with business operations establishing appropriate remedial practices.

Emerging Risk

Due to changes in various factors in today's business is volatile and fast. Therefore, the Company must continually monitor emerging risk factors to ensure that the Company can proactively prepare risk management measures and handle these factors immediately before they affect the Company's business operations.



1) Cyber Threats Risk

The risk that the Company realizes and is preparing to deal with are cyber threats, which have various forms such as network attacks, enterprise resource planning (ERP) attacks, data destruction by unauthorized persons, or misuse of information. These threats can affect the Company's business and reputation because:

1. Loss of revenue from the Company's inability to serve customers.
2. Loss of intellectual information, competitor information, or proprietary information of the Company.
3. Future loss of profits resulting from an inability to demonstrate robust security processes to customers, vendors, and partners. There is a cost increase from legal operating expenses and fines for disclosure of personal information.

Major Risk Management Measures : The Company has taken steps to protect and manage the consequences of cyber threat risks, including :

1. Prepare a plan to support ongoing business operations in an emergency to limit the risks of failure of the Enterprise Resource Planning (ERP) system.
2. Improve computer network availability to avoid system failures by backing up the network and the server to work continuously and is least likely to fail. It prevents unauthorized persons from intruding/destroying the Network and Enterprise Resource Planning (ERP) improper use of the Company information.
3. There are strict security control measures such as the computer security system (Firewall), countercheck, authorization period, backup, and recovery design from unexpected disasters, including detection of unauthorized network access.

2) COVID-19 Risk

Due to the coronavirus outbreak situation 2019 (“COVID-19 outbreak”) in early March 2020, the government had implemented a partial city shutdown (Lock Down), causing the business group had temporarily closed its stores and repair service centers, including services in department stores, shopping centers, and community malls in Bangkok and some provinces. From 22 March-19 May 2020, the branches were gradually closed 289-460 branches from 789 branches, respectively. This crisis has affected the Company in terms of income from lower in-store sales. It also affects some employees to stop working, including the impact of business operations that will not use traditional practices such as avoiding meeting, meeting, or interacting with each other.



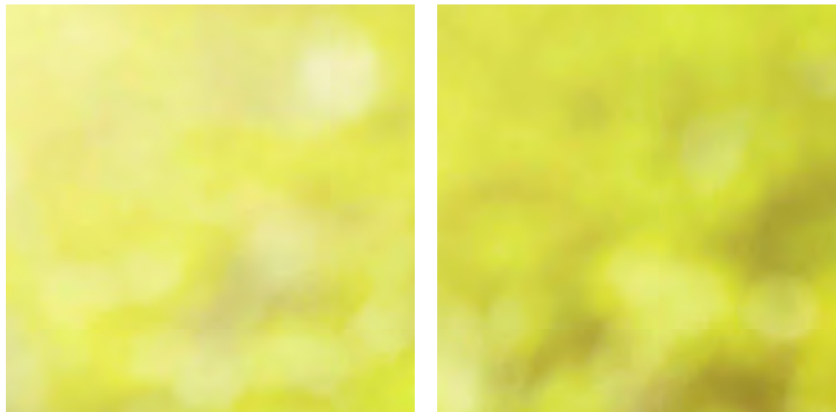
Major Risk Management Measures :

1. The Company believes that IT products will remain in demand among consumers. As a result, the Company sees business opportunities under the concept of Work From Home by expanding the business of selling products to rent products such as notebook rental services for corporate customers, which has received positive feedback and gain more income.
2. Operating strategy from the original, this focuses on selling products at the storefront, switch to selling products online to reduce the risk of stock outstanding. There are various merchandising channels such as Click & Collect, Drive-Thru, Chat & Shop, and Pop-Up Store at head office.
3. Executives use a new management concept by providing opportunities for all employees to drive the organization, accept ideas, and seek diversified business channels to cover the company’s main customer groups. Adjust strategies to respond to the customers’ needs quickly. Keep up with the situation and instill these things into corporate culture to maintain its leadership in IT products’ retail business.
4. Prepare in terms of occupational health for employees and stakeholders by communicating and disseminating guidelines for the COVID-19 outbreak situation via email, IT EASY application, and through the Company’s website for their practicing in the situation COVID-19.

2.2 The Investment Risk of Securities Holders

The Company does not issue other types of securities. It has the policy to pay dividends to shareholders at a rate of not less than 40% of the net profit after deducting corporate income tax and allocating legal reserves based on the Company’s separate financial statements. However, the Company may consider paying dividends different from the established policies, which will depend on the performance, financial status, financial liquidity, and the need for money to manage the business and expand the Company’s business, including economic conditions.

Investors can review the information that may influence investment decisions, such as transactions with connected persons and the investment ratio specified in the investment objectives at the Securities and Exchange Commission Office or via the SEC’s Internet network (www.sec.or.th).



Driving Business towards Sustainability

1. Sustainable Management Policy and Goals

With the vision, "The Company commits to be a leader in the modern technology products distribution with the excellent service management by our proficient team." The Company has adopted sustainability concepts in both economic, social, and environmental aspects to merge as part of the organization's development by setting the strategic plan and organizational structure, providing information systems & technologies, and working process that allows personnel to create quality work delivering value through products and services, and strengthen the Company amid the challenges it arises to reward and grow with stakeholders sustainably.

The Company defines a sustainability framework from the topics that stakeholders focus on in which covers environmental, social, and governance aspects then integrate into operations according to the organization's mission to drive efficiency and respond to the Global Sustainable Development Goals (SDGs) in 12 items as follows:



Sustainable Development Policy

The Company is committed to operating and creating sustainable growth for the business under good corporate governance throughout the value chain by considering the impact on stakeholders, society, and the environment. The Company believes that conducting business based on sustainability is a significant fundamental that enables the organization to grow permanently. Besides, the Company is determined to operate based on creating positive changes to the community, the environment, and the economy so that the operation is in a suitable direction and benefits stakeholders at all levels. This intention will help promote the operation towards sustainability at both the Company and the group level. The Company has established a sustainability policy and practices (see full policies and guidelines through <http://www.comseven.com> under the Investor Relations category), with the following details:

1. Adhere to doing business with fairness. Respect human rights, treatment of customers, business partners, competitors, and labor equally. Be responsible for consumers. Pay attention to the health and safety of employees. Generate awareness and encourage employees to take care of the environment along with communities and social development for a better quality of life.
2. Encourage directors, executives, and employees at all levels to support, promote, and operate following the Sustainable Development Policy until it is the operating culture that takes into account the balanced benefits of economic, social, and environmental aspects.
3. Create awareness and responsibility for sustainable development practices to ensure that the Company will develop the economy in line with social, environmental, and stakeholder benefits, including continually promoting responsible operations throughout the organization's value chain.

The Company has established three sustainable strategies set out in the corporate sustainability development policy as a business practice in creating economic value as well as values for society and the environment. It also affects stakeholders who operate the business closely with the Company sustainably. The Company's strategies are as follows:

Corporate Strategy

Today, the service sector is facing significant challenges due to the rapidly changing technology, consumer behavior, economic uncertainty arising from both external and internal factors, and environmental problems that are becoming more and more serious. The Company has therefore established strategies to cope with and seek opportunities from the challenges that reflect our values, vision, and mission to generate good returns and stable long-term growth, which its strategy covers three areas as follows:

- 1) The digital age emphasizes to make the most benefit of technology and innovation to increase the quality of providing service to customers, for instance, using data to analyze customer needs in digital channels, focusing on sales and service channels in all directions, and managing digital risk. It also improves internal operations and increases capacity for better efficiency and control.
- 2) The business expansion of retail, commercial, corporate customers, service, and online retail focuses on connecting regions with a network of branches covering all areas in the country, which develop by taking advantage of opportunities arising from regional expansion.
- 3) Sustainable Operations (Sustainability) is committed to human resources development, including risk management of the environment, society, and governance as well as comprehensively access to services, and adhere to good governance principles to make sustainability for the Company and to be a part of working to achieve the sustainable development goals of the country.

Sustainable Business Practices

The Company has integrated sustainable concepts into its business strategy to handle long-term risk factors such as changes in population structure, inequality in various dimensions, environmental and natural resource problems, climate change, and so on to respond to the stakeholders who may have roles and responsibilities in helping and improving the quality of the environment and society. The Company believes that applying sustainable concepts in its business operations will permanently create values and good operating results.



Sustainability Strategy

is defined four aspects as follows:

- 1) Human Resources Development: the Company will treat employees equally and fairly, pay attention to their health and safety at work, and continuously develop the skills of employees.
- 2) Environmental, Social, and Governance Risk Management: the Company will operate its business responsibly, respect human rights, and strictly abide by the laws and regulations of the government sector. We also manage risks and impacts on the environment, society, and governance directly related to the Company's operations and trading partners in the Company's supply chain.
- 3) Service Access Support: provide support to retail, commercial business, corporate customers, service businesses, and online retail businesses thoroughly to strengthen the foundation of the economy.
- 4) Business Operations under the Principles of Good Governance: the Company will adhere to the principles of good governance and code of conduct and communicate it to all groups of stakeholders, both internal and external the organization.

Sustainability Management Goals

The Company has disclosed policies and goals for sustainability management as follows.

Indicators		Goals for 2021	Goals for 2020	Performance in 2020
Good Health	Number of employee health insurance claims	≤ 10%	≤ 20%	22%
	Number of the employee of the year	10% increase from 2020	10% increase from 2019	23 people
Good Society	Number of stores increasing	14 stores	12 stores	7 stores
	Number of employees from surrounding communities	10% increase from 2020	10% increase from 2019	52 people
Good Business	Increase sales	10% increase from 2020	10% increase from 2019	reach the target
	Enhance the partnership development	1 project	1 project	1 project
	Reducing environmental impact	Reducing CO ₂ emission 15% from 2020	Reducing CO ₂ emission 10% from 2019	419 Ton CO ₂

2. Managing Stakeholder Impacts in the Business Value Chain

Business Value Chain

Supply chain management is the heart of an organization's business operations. Therefore, effective supply chain management is part of driving the competitiveness of the organization.

The Company is intermediary linking manufacturers and distributors both abroad and in the country. We thus give importance to the relationship between trade partners. We have received good cooperation and support both in terms of various products and services. The Company has a policy not to take advantage of trade partners, does the business honestly, makes the payment on time, and maintains a balance in doing business between the Company with the large and small partners, including invites the trade partners to join the Thai Private Sector Collective Action against Corruption (CAC). Besides, the Company conducts business with partners like friends. When the partners have new products or new technology, they will deliver those products to the Company as the first distributor. As a result, the Company has modern products that keep up with technology all the time to create economic growth and strength as well as raise the level of operations that will meet the needs of consumers.

The Company is committed to providing quality products certified to international standards and conducts sales that do not take advantage of consumers. After-sales service and product warranties are provided to ensure consumers in purchasing products from the Company, also focus on quality service to create maximum satisfaction for customers.





Stakeholder Analysis in the Business Value Chain

The Company gives importance to all groups of stakeholders because we realize that stakeholders' opinions play a significant role in improving the Company's operations to build confidence among shareholders, partners, customers, and stakeholders within the scope of ethics and code of conduct.

Stakeholders	Stakeholder Expectations	Meeting Expectations	Participation Channels
Shareholders Investors	● Increase competitiveness and profitability, including good dividends payment. ● Administration and risk management with an impact on the Company's operations both short term and long term. ● Access to regulatory information and transparent disclosure of information. ● Disclose the Company's information and performance accurately and timely.	● Develop the quality and management strategies of each business to be able to compete effectively, including developing a management system based on modern technology. ● Analyze, follow, inspect, monitor, and prepare risk management measures throughout the organization, both short-term and long-term, including the new risks that may arise. ● Provide shareholders opportunities to directly submit their opinions and complaints to the Company. ● Correctly disclose the information following guidelines for information disclosure of listed companies.	● The Annual General Meeting of Shareholders ● Annual report ● Company Site Visits ● Whistleblowing ● The Company Secretary ● The Company's website
Partners	● Conduct business with honesty, transparency, and fairness. ● Receive quality products and services at fair prices. ● Do not take advantage of the business partners. Make payments on time. ● Be professional.	● Declare the intention and participate in the Thai Private Sector Collective Action against Corruption. ● Operate the business following the Code of Business Conduct. ● Build professionalism in business and a good alliance. ● Support and promote trade partners who have social and environmental responsibility.	● The Annual and Monthly Partners Meeting ● Business Partner Registration ● The Company's media, such as newsletters, magazines, and social media ● CSR Activities ● Analyst Meeting ● Whistleblowing ● The Company's website

Stakeholders	Stakeholder Expectations	Meeting Expectations	Participation Channels
Customers Consumers	- Receive quality products and impressive services. - Easily access when having problems. - Treat customers equally. - Respect human rights and do not take advantage of customers.	- Conduct business following the principles of ethics and the Code of Business Conduct. Sell quality products and be certified by international standards. - Build customer confidence in products and services, including after-sales service. Provide product warranty, and there are several channels for receiving complaints. - Adhere to the principle of treating customers with fairness, equality and not taking advantage of consumers.	- The Annual Customer Meeting - Customer Service Center - The Company's media, such as newsletters, magazines, and social media - Whistleblowing - The Company's website
Communities Society	- The Company's business operations must not affect society, community, and environment. - Access to technology for all Thai people in society.	- Conduct business with prudence and caution to prevent impacts on society, community, and environment. - Respect human rights and create social equality. - Comply with the laws and other requirements or any relevant international practices.	- CSR Activities - The Company's media, such as newsletters, magazines, and social media. - Conduct communication activities with the mass media through all forms of communication tools.
Government Sector	The Company's business operations must not be against relevant laws and regulations.	- Comply with the laws and other requirements or any relevant international practices accurately. - Provide the legal risk assessment.	- The Company's media, such as newsletters, magazines, and social media - Conduct communication activities with the mass media through all forms of communication tools.
Environment	- Valuably use of natural resources. - Reduce environmental impact.	- Encourage activities or projects that contribute to society and protect the environment that is consistent with the business. - Manage the environment systematically. - Use of alternative materials.	CSR Activities
Employees	- Compensation - Benefits - Career stability - Career advancement - Occupational safety and health at the workplace - Knowledge development - Happiness at work	- The Annual Employee Engagement Survey. - Communicate through electronic media within the organization regularly. - Semi-annual and annual employee potential evaluation. - Exchange of ideas between supervisors and employees in the line of work. - Complaint through the whistle-blowing channels.	- Communication through various channels and the online system within the Company - CEO meets employees. - Employee Satisfaction and Engagement Survey - Whistleblowing - The Company's website

3. Sustainable Management in the Environmental Dimension

Environmental Policies and Practices

The Company focuses on business operation and growth together with management to reduce the environmental impact, which is committed to eliminating or reducing environmental pollution that may arise from the Company's business operations and its stakeholders to achieve sustainable development (Sustainable Development Goals: SDGs). The operational framework is set in the Code of Conduct to stakeholders, including the Sustainable Environmental Management Policy (see full policy and guidelines <http://www.comseven.com> under the Investor Relations category), with the following details.

1. Generate both positive and negative understanding of the environment through activities.
2. Encourage the organizational culture for all employees to be aware of and participate in the discovery and seek ways to reduce the use of resources and energy, as well as the emission of waste and greenhouse gases to prevent, control, and minimize the impact on the environment, community, and society.
3. Promote environmental sustainability within the supply chain by selecting suppliers, contractors, and business partners based on their environmental management capabilities and compliance with the Company's environmental policy.
4. Commit to continuing environmental action by implementing projects or maintaining processes. The goal is to reduce the environmental impact arising from the Company's operations.

Environmental Performance

Although the nature of the Company's business has no direct impact on the environment or causes pollution as clearly as some industrial factories or businesses, the Company has given importance and always cares about the environment. The Company is well aware of global climate change and its impact on the lives as a whole. Therefore, the campaign has been continuously instilled in the employees to be conscious of environmental responsibility. The Company has taken action on environmental management. The objective is to promote resource reduction and recycling of used resources, including finding alternative materials or methods to reduce the use of resources and use materials that reduce global warming. In addition, there are activities for employees to have fun, create awareness, and raise mutual consciousness as follows.

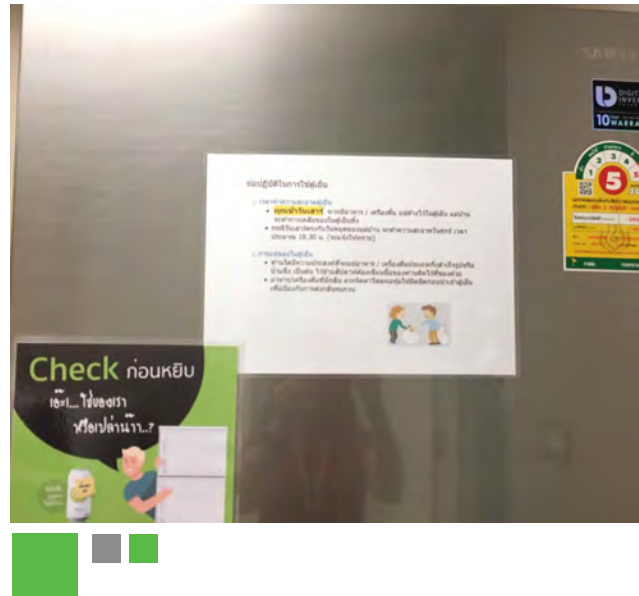
1) Electrical and Lighting Management System

Office buildings are designed in line with the concept of Green Building. The Company has also installed solar cells on the office building to convert natural energy from sunlight to electricity and use in the headquarters building. There is setting up the Solar Rooftop with 156-kilowatt panels using a total area of 1,200 square meters and generating 599.283 MWh of electricity, resulting in a total reduction of electricity bills Baht 2,397,130.52 per year and the amount of CO₂ equal to 419 Ton CO₂. Besides, the Company instills employees to use electricity economically, such as turning off the lights during lunch break and immediately after work. There is the campaign to save electricity and use automatic light switches in every eating room of the office. The Company also considers purchasing office appliances with energy-saving features.

Installation of Solar Cells on the roof (Solar Rooftop) at the headquarters building



Electricity Saving Campaign



2) Water Supply Management System: Campaign for the use of tap water to reduce water waste.

3) Effective Waste Management

The Company encourages employees to be conscious of littering by educating them to understand how waste management is disposed of in the Company following global practices to reduce the amount of waste that will affect the environment, causing pollution and pathogens in the office. The employees are also to learn how to dispose of waste according to the designated sorting system by separating it into food waste, plastic waste, and paper waste, including providing a clear identified littering point.

4) Office Equipment Management

The Company manages various office equipment to have a cost-effective use by reusing office equipment that are still in good condition for maximum benefits, such as computers, printers, calculators, folders, envelopes, etc. As for the management of paper usage, the Company reuses the single-sided used paper. Bring to make notepaper. There is also a campaign for employees to refrain from printing unnecessary documents and communicate both internal and external the organization via Email or LINE instead, as well as persuade customers to receive documents via email.

Waste Management Campaign in Office Building



5) Consciousness in the Valuable Use of Resources and the Environment

The Company has a plan to carry out CSR activities regularly, in which there are diversity and interpolation of activities relating to the environment. In 2020, the Company had undertaken the environmental activities as follows.



1. “Say No to Plastic Bags Campaign”

The Company realizes the importance of reducing plastic bag waste in the environment, which is a cause of global warming and affects the entire ecosystem. Besides, we want to change the customers' behavior to realize their participation. The Company, therefore, has implemented a campaign to reduce and stop giving plastic bags in stores. The plastic bags will be suspended every Wednesday and the 4th of the month. The project had been launched on January 1, 2020, to be a part of creating environmental sustainability for communities, society, and the country.



2. “COM7 Carpool”

It is a project to save traveling expenses for employees and energy, reduces PM 2.5 and the number of cars on the road, which will help decrease carbon dioxide emissions (CO2 Emissions). The Company emphasizes the business operation and growth with management to reduce the environmental impact by focusing on eliminating or reducing pollution to the ecosystem.

4. Sustainable Management in the Social Dimension

Social Policy and Practice

The Company considers the business operation according to human rights principles and emphasizes fair and equitable treatment to all stakeholders. The Company has established the principles and operating framework in the Employee and CSR Policy (see full policy and guidelines www.comseven.com under the Investor Relations category), with the following principles.

1) Fair Labor Practices

The Company realizes that employees are a significant factor in promoting the Company's success and growth. Therefore, the Company pays attention to their quality of life by providing a policy to treat all employees fairly. Besides, provide appropriate compensation and benefits and do not discriminate against employees regardless of origin, race, language, religion, sex, age, social status, including political beliefs and opinions.

2) Information Disclosure

The Company discloses the policy of sustainable organization development, sustainability performance data, and performance in all dimensions according to the criteria and requirements of the relevant agencies as well as international standards accepted with adequate transparency and at the right time to demonstrate the intention and determination in the sustainable development of the organization.

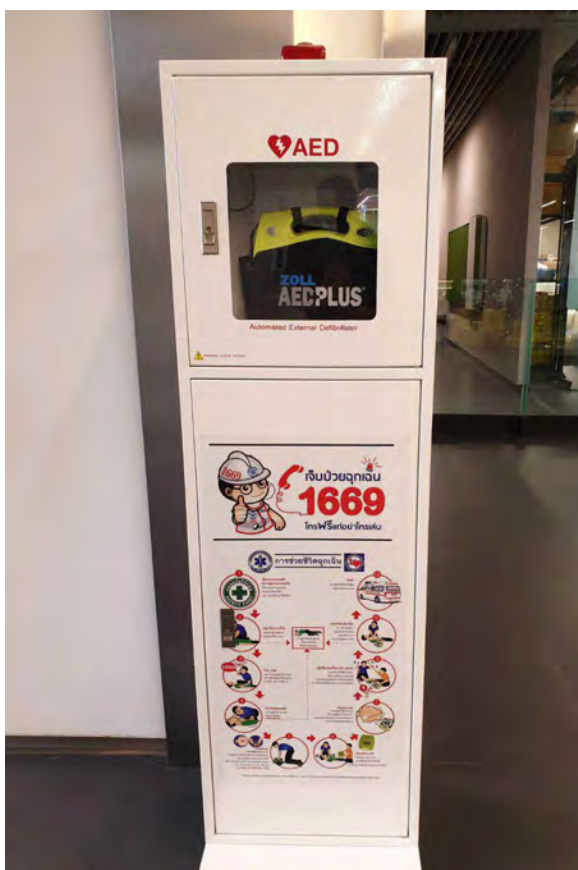
3) Respect for Human Rights

The Company operates its business with importance and respect for human rights, not taking advantage of customers, business partners, and employees. Treat all parties equally and equitably. Do not do anything that violates the rights and liberties of any person, both directly and indirectly.

4) Employee Development

The Company supports and invests in the employees' potential development by establishing a policy for human resource development in 4 areas; Training, Mentoring, Coaching, and Follow up. In terms of development, encourage training and education about the use of necessary resources. Continuously develop employees' competence to support the growth of the Company. Promote the personnel by providing knowledge and work skills training to increase efficiency and opportunities for progress in the field.





5) Employee Care

The committee establishes a clear and concrete policy on the care of safety and sanitation, including the disclosure of practices, accident statistics, the strike rate, or occupational injury and illness incidence rates on the website.

The Company promotes quality of life by providing a desirable working environment and have occupational health and safety following international standards. Encourage employees to grow in their professional careers according to their knowledge and abilities. There is also the compensation management system, including various appropriate welfares.

6) Occupational Health & Safety in Work Environment

The Company focuses on the participation of all executives and employees. In which shall be regarded as the responsibility that must strictly observe together. The Company will follow up, monitor, assess, and control the danger as well as improve the working environment in both the indoor and outdoor areas surrounding the building for the safety and hygiene of employees and all stakeholders regularly. Also, create a safe working environment to encourage creativity and efficiency for working.



Performance

The Company operates the business under the policies and practices of employees, customers, and communities. Emphasize raising levels of satisfaction and creating participation. In 2020, the performance results were as follows.

- 1) The Company organized 56 training courses, with 84% of the employees attending the training. The average number of hours was 68 hours per person per year, an increase of 38.57 hours from the previous year.

The project to develop personnel potential in the organization covers five topics;

- (1) Creating leadership thinking in terms of image and suitable model to promote and build a good reputation in the future.
 - (2) Professional communication to prepare the readiness for negotiations, including using negotiated skills to strengthen the positive potential development.
 - (3) The cognitive process skills development to plan work reaching the goals, whether to be individual or team.
 - (4) Training for human resource development to upgrade the management and change new attitudes. Build the customers' confidence that will receive the best service to be ready to deliver service and impressing.
 - (5) Human resource development to create a strong team and learn to interact with peers to build good relationships between them, increasing the chances of winning great success for the Company with pride.
- 2) There were no cases of serious injury from work.
 - 3) The employee satisfaction level, the percentage was 85.5
 - 4) The employee turnover rate was 42.77 percent, an increase from 39.58 percent in the previous year.
 - 5) The Company continuously promotes and supports activities for society's benefit, especially the educational support to meet the needs of the community and create value for the community and society. The Company's activities in 2020 include:



1. “My Computer Room” Project

It is a project that builds computer room for school in the backcountry by constructing computer school building, including donating computers, printers, projectors, and set up a wireless internet system for the instruction. The Company has been implementing this project for the ninth consecutive year and has already provided the computer rooms and IT equipment for teaching and learning to eight schools. In 2021, it is in the process of delivering “My Computer Room” to another school, namely Ban Wang Ber School, Phrae.

The Company plans to develop an online teaching and learning system on topics that the learners can use in their learning and professional practice. The Company’s employees will circulate to provide knowledge to participate and cultivate awareness in working for society.

No.	School	Province	Year
1	Maesalab School	Chaing Rai	2011
2	Khamkungprachanukul School,	Udon Thani	2014
3	Ban Thungthong School	Nakhon Sawan	2015
4	Watpakprek School	Nakhon Sri Thammarat	2016
5	Ubonrattana Ratchakanya Ratchawittayalai School	Nakhon Nayok	2016
6	Ban Kut Jot School	Yasothon	2017
7	Bantasawan School	Khon Kaen	2018
8	Ban Mak Prok School	Phuket	2020
9	Ban Wang Ber School	Phrae	2021



2. “Bright Smile from Com 7” Project

It is a project that all employees take part in organizing fairs by selling products and donating money to support the treatment funds of children who are cleft lip and cleft palate in Khon Kaen at least 1 case per year. The Company has been implementing such projects for the 9th consecutive year, which already help 26 children.



Management Discussion and Analysis (MD&A)

Overview

The economy of the country and the business sector have experienced a slowdown in 2020 due to the impact of the COVID-19 situation, which has been starting to affect from the beginning of the year, and there was a new outbreak at the end of the fourth quarter, affecting the economy and purchasing power of consumers. Also, the decline of tourist groups has affected consumer cut spending and lost income from tourists. The Company's business has been affected in the tourism provinces as well.

The COVID-19 outbreak may harm the business sector that might have to close down. However, the E-commerce business is in the opposite direction and has been able to grow exponentially in trouble situations and tend to expand continuously.

Although in 2020 there would be a COVID-19 impact, resulting in the temporary closure of branches according to government policy, the Company was still able to maintain a steady sales growth. The growth of sales mainly came from products that benefited from staying home of people, including government measures such as work from home, learn from home (E-learning), online meetings, online corporate seminars, streaming, the emergence of new currencies (Cryptocurrency), and YouTuber/Game Casters or Influencer also contributed to increasing sales of this year. The Company has adjusted the product to meet the needs of working with more mobility, resulting in a massive sales growth in the Notebook, DIY segment.

Mobile phone sales overview this year received a good response for all brands. It was due to the benefits from government measures on which people had to use a Smartphone to register and use the rights in the project; "Rao Tiew Duay Kan," "Khon La Khrueng," "Rao Mai Thing Kan."

At the beginning of 2020, the Company had set a target of 900 branches, which continued to meet the target. Until the end of 2020, there were 911 branches under the Group's management, with an expansion from the previous year totaling 124 branches (2019: 787 branches). Although the expansion schedule had been postponed and delayed due to the Covid-19 outbreak, the Company resumed its expansion in Q4 to achieve the target, which the new branches' sales would happen in 2021. Besides, the Company has planned to open the Stand Alone branches outside the mall to accommodate various situations. When combined with the franchises located in major cities, there will be a complete adjustment of the new business model to support the business in the future. The Company is confident that it will be able to increase sales continually. The presence of branches distributed on every platform also promotes as the pick-up points when customers order through the Company's online channels.

The Situation of COVID-19 Outbreak in 2020

Quarter 1

During January and February, IT product sales continued to grow as planned. The proportion of product management remained the same. Until the beginning of March, people's shopping at the malls was declining, and the COVID-19 outbreak increased. The government sector had also shut down the city (Lock Down), thus affecting the Company's sales. The number of branches closed from 22 - 31 March 2020 was 289 out of 788. The mainly closed branches were in Bangkok, which had higher sales per branch than other provinces.

In the first quarter of 2020, online sales increased 400% due to closed stores, and more customers were buying online. The popular products during this period were mainly computer laptops and tablets, reflecting the work from home and online learning. In addition, the Company saw an opportunity of "Work from Home" therefore, opened a new business, Laptop Rentals for Corporate, which received a positive response, causing an increase in this income. After the COVID-19 situation began to resolve, the storefront returned to open the branch as usual. The Company would continue to maintain as much growth in online sales and customer base as possible.

Although the Company gained more revenue from the two new distribution channels, it did not have a positive impact on revenue enough for the store closings during that time. The management, therefore, emphasized business adaptation to maintain revenue growth from various business units, including finding ways to reduce costs and increase operational efficiency to keep up cash flow and profitability.

Quarter 2

Covid-19 had been continuing to have a negative impact on Q2/2020 in many industries, including the Group. The Group had temporarily closed its stores and repair service centers, including services in department stores, shopping centers, and community malls in Bangkok and some provinces from 21 March - 17 May 2020.

The uncertainty of the world economy due to the effects of COVID-19 resulted in a continual revision of Thailand's GDP growth forecast for 2020 following the prolonged situations and has not seen the end of the crisis yet that the economy return to normal levels. With the risks and uncertainties from external factors, the Company's management places great emphasis on business adaptation in order to maintain revenue growth from various business units, including finding ways to reduce costs and increase operational efficiency to keep up cash flow and profitability. Besides, the Company still has plans to expand the distribution channels continuously and looking for other opportunities in enhancing other sales channels such as increasing online sales, Click & Collect as Drive-Thru, opening a Pop-Up Store at the head office. We planned to open a Stand-Alone store to diversify the risk of business operations as well. In this quarter, the Company had released products to receive cash and prepare to support new products.

Quarter 3

Cancellation of city shutdown measures after Thailand had controlled the Covid-19 epidemic situation at an optimum level, causing the third-quarter economic activity to gradually returning to regular business. As a result, the Company's sales backed to normal and were better than the target. However, the Company began to notice a drop in consumer purchasing power. The indicating signal was the decreased average purchase price of the product in each product category.

Selling products through online channels both on the Company website and the Market Place channel had grown compared to last year. The Company continues to emphasize and improve the efficiency of the service through this channel.

Quarter 4

The new COVID-19 outbreak at the end of Q4 did not affect much on sales because department stores, shopping centers, and community malls were not closed. Besides, the Company had launched a new product, iPhone 12. Although 2020 would be released later than 2019, resulting in only 33 days to sell, compared to 75 days in the previous year, the feedback to the iPhone12 this year was very desirable. So the sales of the Company could meet the target.

Revisions to Financial Reporting According to TFRS16

As disclosed in Note 5 to the financial statements regarding the revisions financial reporting related to TFRS16, the Company has adjusted financial reports following this accounting standard by taking the long-term lease agreements older than one year to be calculated as leasehold rights and recorded as assets and liabilities in the statement of financial position.

The impact of TFRS16 on the statement of financial position as of January 1, 2020, can be summarized as follows:

Consolidated Financial Information			
	Before TFRS 16	Increase (Decrease)	After TFRS 16
Asset			
Current portion of leasehold right	18	(18)	-
Land, buildings and equipment, net	532	(48)	484
Leasehold right, net	113	(113)	-
Right-of-use assets, net	-	1,489	1,489
Total asset	663	1,310	1,973
Liabilities and Equity			
Current portion of lease liabilities	8	502	510
Lease liabilities	5	837	842
Total liabilities	13	1,339	1,352
Equity			
Retained earnings	2,145	(29)	2,116
Total equity	2,145	(29)	2,116
Total liabilities and equity	2,158	1,310	3,468

As for the income statement, there were changes to the recording of rental expenses as depreciation and interest from recording assets and liabilities. When bringing all long-term leases to calculate the effects that may occur, it had an impact on the income statement of the Company. Expenses increased by approximately Baht 58 million for the year ended 31 December 2020. The Company expected that this financial report adjustment would affect the income statement in 2020 approximately Baht 50 – 60 million, respectively. However, the change in this standard did not reduce the Company's financial basis. It was only a report adjustment according to accounting standards.

The effects of TFRS 16 on the income statements as of 31 December 2020 could be summarized as follows:

Expenses before adopted TFRS16	Amount (MB.)	Expenses after adopted TFRS16	Amount (MB.)
Rental and service fee (Only impacted by TFRS16)	491	Rental and service fee (Only impacted by TFRS16)	113
Depreciation - Right of use assets	-	Depreciation - Right of use assets	416
Financial Cost - Right of use assets	-	Financial Cost - Right of use assets	21
Total	491	Total	549

Performance Overview 2020

The operating results of COM7 Public Company Limited (the Company) and its subsidiaries, according to the consolidated financial statement of 2020 compared to the same period of the year 2019, details are as follows:

- Total Revenue equal to 37,453.9 MB., increased by 12%
- Profit owners of the parent equal to 1,490.7 MB., increased by 22.6 %

Statement of Comprehensive Income (Consolidated)

	2020		2019		YoY
	MB.	%	MB.	%	%
Revenue from sales and services	37,306.1	99.6%	33,362.5	99.8%	11.8%
Cost of sales and services	32,595.9	87.0%	28,946.2	86.6%	12.6%
Gross profit	4,710.2	12.6%	4,416.3	13.2%	6.7%
Other income	46.8	0.1%	27.7	0.1%	69.0%
Share of the profit of investments in joint ventures	101.0	0.3%	38.6	0.1%	161.7%
Total revenue	37,453.9	100.0%	33,428.8	100.0%	12.0%
Selling and administrative expenses	2,986.1	8.0%	2,924.9	8.7%	2.1%
Net foreign exchange gain	4.3	0.0%	(0.7)	0.0%	714.3%
Profit before finance costs and income tax expenses	1,876.2	5.0%	1,557.0	4.7%	20.5%
Finance costs	53.1	0.1%	52.5	0.2%	1.1%
Profit before income tax	1,823.1	4.9%	1,504.5	4.5%	21.2%
Income tax expense	328.2	0.9%	288.7	0.9%	13.7%
Net profit	1,494.9	4.0%	1,215.8	3.6%	23.0%
Profit owners of the parent	1,490.7	4.0%	1,216.3	3.6%	22.6%

Revenue from sales and services

At the end of 2020, there were a total of 911 branches under the management of the Company's Group, which divided into Banana 303 branches, Studio7 106 branches, KingKong Phone 94 branches, True shop by COM7 122 branches, Franchise 114 branches, BKK 51 branches, iCare 28 branches, and others 93 branches. There was an increase of 124 branches from last year (2019: 787 branches). The Company has divided the distribution channel into 2 types as follows.

Revenue structure categorized by business group

Business Group	2020		2019		Compare
	MB.	%	MB.	%	YoY%
Retail Business (B2C)	34,877	93%	31,713	95%	10%
Other distribution channels	2,429	7%	1,650	5%	47%
Sales and Service Revenue	37,306	100%	33,363	100%	12%

1. Retail Business (B2C)

The Company could maintain steady sales growths despite the impact of Covid-19 in 2020, resulting in the branches were temporarily closed following the government policy. The growth of sales mainly came from products that benefited from "Work from Home." The Company has adjusted the product to meet the needs of working with more mobility and various related products such as meeting and streaming, resulting in a massive sales growth in the Notebook, DIY segment. Including the positive feedback from iPhone12, the Company has planned to manage the product to be sufficient with the sales increase and keep up with customer demand. In addition, the Company has planned to open the Stand Alone branches outside the mall to accommodate various situations when combined with the franchises located in major cities. The Company ensures that it will be able to increase sales continually. The presence of branches distributed on every platform also promotes as the pick-up points when customers order through the Company's online channels.

2. Other Distribution Channels

Online sales channels have grown significantly by taking advantage of the covid-19 situation, and it also affects the current sales that the customers have ordered through this channel. In addition, the Company has improved and added services such as Chat & Shop or Click and Collect by adjusting according to the new normal behavior of consumers. And it has been used to create a shopping experience. The customers and sales have been increased from www.bnn.in.th, or other marketplaces.

Gross Profit

Gross profit for 2020 was 4,710.2 MB, an increase from 2019 of 293.9 MB or 6.7%, and compared with revenue in 2020 equal to 12.6%, a decrease from the previous year. It was due to the increasing proportion of sales of iPhone products.

Selling and Administrative Expenses

Selling and administrative expenses for 2020 equaled 2,986.1 MB, an increase from 2019 by 61.2 MB or 2.1%.

Finance Costs

Financial costs for 2020 were 53.1 MB, an increase in 2020 by 0.6 MB or 1.1%. According to TFRS 16 regarding finance costs - the right to use on which the Company recognized the value in 2020 was 21 MB. If excluding the accounting standard adjustment, the financial costs would be reduced from lower interest rates.

Net Profit (Owners of the Parent)

Net profit for 2020 was 1,490.7 MB, or 4.0% of the total revenue, an increase from 2019 by 274.4 MB, or 22.6% from the increase in profit from sales as mentioned above.

Statement of financial position (Consolidated)

The operating results of Com7 Public Company Limited (the Company) and its subsidiaries according to the consolidated financial statements for the year 2020 compared with the same period of the year 2019 are as follows:

	2020		2019	
	MB.	%	MB.	%
Cash and cash equivalents	872	9%	1,304	14%
Financial asset measured at fair value	249	3%	-	0%
Trade and other receivables	864	9%	926	10%
Inventories	3,665	40%	4,820	53%
Other current assets	211	2%	167	2%
Total current assets	5,861	64%	7,217	79%
Investments in a joint venture	675	7%	513	6%
Land, buildings, and equipment	506	5%	532	6%
Intangible assets and goodwill	282	3%	251	3%
right-of-use assets	1,265	14%	-	0%
Other non-current assets	618	7%	647	7%
Total non-current assets	3,346	36%	1,943	21%
Total assets	9,207	100%	9,160	100%
Short-term loans from financial institutions	1,283	14%	2,138	23%
Trade and other payables	2,464	27%	3,349	37%
Other current liabilities	683	7%	142	2%
Total current liabilities	4,430	48%	5,629	61%
Total non-current liabilities	906	10%	155	2%
Total liabilities	5,336	58%	5,784	63%
Total shareholders' equity	3,871	42%	3,376	37%
Total liabilities and equity	9,207	100%	9,160	100%

Total Asset

At the end of 2020, the Company had total assets of 9,207 MB, an increase of 47 MB, or 1% compared to the end of 2019, mainly due to the right-of-use assets record. Other important details are as follows.

Cash and cash equivalents

At the end of 2020, the Company had cash & cash equivalents of 872 MB, a decrease of 432 MB or 33% compared to the end of 2019 due to the group has managed by using short-term deposits to increase returns.

Inventories

At the end of 2020, the Company had inventories of 3,665 MB, a decrease of 1,155 MB, or 24% compared to the end of 2019 due to the outstanding sales at the end of the year. The inventory was still in line with the Company's purchasing plan. As for the allowance for obsolete goods, there was slow-moving and higher cost than net value to be received, decreased from 160.3 million baht to 153.8 million baht. It was due to the release of Demo products that had changed the model.

Right-of-Use Assets

At the end of 2020, the Company had right-of-use assets of 1,265 MB, an increase of 1,265 MB, or 100% compared to the end of 2019 due to the accounting standards that recognized assets in the financial statements.

Total Liabilities

At the end of 2020, the Company had total liabilities of 5,336 MB, an decrease of 448 MB, or 8% compared to the end of 2019, with the important details as follows.

Short-Term Loans

Short-term loans from financial institutions at the end of 2020 were 1,283 MB, a decrease of 855 MB, or 40.0% compared to the end of 2019, which was due to the Company's liquidity management from sales used to pay off the debt to reduce interest payments.

Trade and other payables

At the end of 2020, the Company had trade and other payables of 2,464 MB, a decrease of 885 MB, or 26% compared to the end of 2019 because the payment cycle was due before the end of the year.

Liquidity Ratio

The Company's liquidity mainly came from the ability to turnover inventories, accounts receivable billing, and repayment to the trade payables. For 2020 and 2019, details were as follows:

Liquidity Ratio	Unit	2020	2019
Day Sales Outstanding (DSO)	DAY	9	10
Days Sales of Inventory (DSI)	DAY	48	55
Days Payable Outstanding (DPO)	DAY	33	40
Cash Cycle	DAY	24	25

DSO	:	In 2020, the average collection period was the same.
DSI	:	In 2020, the average sales period was decreased due to the efficient control and product management.
DPO	:	In 2020, the average repayment period was decreased due to there were payable payments due before the end of the year. However, the Company still received the same credit terms from creditors.

Capital Structure

The Company managed its short-term loans with low interest and working capital from sales. At the end of 2020, the Company had a strong management structure with a debt to equity ratio of 1.4 times, down from 1.7 times in 2019.

Risk Management

Last year, the COVID-19 affected the Company's revenue during the closed branches according to government policy. However, the Company managed that impact by investing through franchises and stand-alone units, including selling via online channels and others. Therefore, the investors could ensure that the branches, distribution channels, and a wide variety of products that correspond to customer needs would enable the Company to grow steadily.

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Financial Status and Performance

Financial Highlights

Audit Summary Report

Period	Auditor	Audit Summary Report
For the year ended 31 December 2018	Mrs. Waraporn Worathitikul, Certified Public Accountant No. 4474 from PricewaterhouseCoopers ABAS Company Limited, an auditor approved by the SEC.	The auditor conducted the audit under generally accepted auditing standards and commented that the audited financial statements show the financial position, performance, and the Company's cash flow are correct as it should, in essence, under generally accepted accounting principles.
For the year ended 31 December 2019	Mr. Pongthavee Ratanakoses, Certified Public Accountant No. 7795 from PricewaterhouseCoopers ABAS Co., Ltd., an auditor approved by the SEC.	The auditor conducted the audit under generally accepted auditing standards and commented that the audited financial statements show the financial position, performance, and the Company's cash flow are correct as it should, in essence, under generally accepted accounting principles.
For the year ended 31 December 2020	Mr. Pongthavee Ratanakoses, Certified Public Accountant No. 7795 from PricewaterhouseCoopers ABAS Co., Ltd., an auditor approved by the SEC.	The auditor conducted the audit under generally accepted auditing standards and commented that the audited financial statements show the financial position, performance, and the Company's cash flow are correct as it should, in essence, under generally accepted accounting principles.

Summary of Financial Statements

Consolidated Statement of Comprehensive Income of Com7 Public Company Limited and its Subsidiaries

Items	2020 (Audited)		2019 (Audited)		2018 (Audited)	
	Baht	Percentage	Baht	Percentage	Baht	Percentage
Revenues						
Revenue from sales and rendering of services	37,306,107,513	99.6%	33,362,462,790	99.8%	27,917,110,855	99.8%
Other income - Net	46,791,138	0.1%	27,730,077	0.1%	34,203,329	0.1%
Share of profit from investments in associates and joint ventures	101,005,005	0.3%	38,576,703	0.1%	11,453,316	0.0%
Total Revenues	37,453,903,656	100.0%	33,428,769,570	100.0%	27,962,767,500	100.0%
Expenses						
Cost of sales and rendering of services	(32,595,897,570)	(87.0%)	(28,946,224,663)	(86.6%)	(24,286,648,217)	(86.9%)
Selling expenses	(2,347,582,653)	(6.3%)	(2,381,084,301)	(7.1%)	(2,092,229,667)	(7.5%)
Administrative expenses	(638,480,835)	(1.7%)	(543,772,337)	(1.6%)	(447,492,051)	(1.6%)
Gain (loss) on exchange rate - Net	4,298,058	0.0%	(704,362)	0.0%	7,667,055	0.0%
Total Expenses	(35,577,663,000)	(95.0%)	(31,871,785,663)	(95.3%)	(26,818,702,880)	(95.9%)
Profit before finance costs and income tax expenses	1,876,240,656	5.0%	1,556,983,907	4.7%	1,144,064,620	4.1%
Financial costs	(53,147,096)	(0.1%)	(52,450,757)	(0.2%)	(45,847,323)	(0.2%)
Profit before income tax expenses	1,823,093,560	4.9%	1,504,533,150	4.5%	1,098,217,297	3.9%
Income tax expenses	(328,237,513)	(0.9%)	(288,734,104)	(0.9%)	(205,158,336)	(0.7%)
Profit for the year	1,494,856,047	4.0%	1,215,799,046	3.6%	893,058,961	3.2%
Other Comprehensive Income:						
Items not to be reclassified to profit or loss in subsequent periods	(9,758,925)		(16,852,255)		2,869,112	
Remeasurement of the post-employment benefit obligations						
Income tax on items not to be reclassified to profit or loss in subsequent periods	1,951,785		3,370,450		(573,823)	
Share of other comprehensive income of associates and joint ventures (equity method)	(840,619)		-		-	
Items to be reclassified to profit or loss in subsequent periods	(14,799,778)		-		-	
Share of other comprehensive income of associates and joint ventures (equity method)						
Other Comprehensive Income for the Year - Net of Tax	(23,447,537)		(13,481,805)		2,295,289	
Total Comprehensive Income for the Year	1,471,408,510		1,202,317,241		895,354,250	
Profit Sharing (Loss):						
Owners of the parent company	1,490,681,664		1,216,323,139		891,062,681	
Non-controlling interests	4,174,383		(524,093)		1,996,280	
Total	1,494,856,047		1,215,799,046		893,058,961	
Total comprehensive income (expense) attributable to						
Owners of the parent company	1,467,234,127		1,202,979,819		893,383,603	
Non-controlling interests	4,174,383		(662,578)		1,970,647	
Total	1,471,408,510		1,202,317,241		895,354,250	
Earnings Per Share						
Basic earnings per share (Baht)	1.24		1.01		0.74	

Statement of Comprehensive Income of Com7 Public Company Limited

Items	2020 (Audited)		2019 (Audited)		2018 (Audited)	
	Baht	Percentage	Baht	Percentage	Baht	Percentage
Revenues						
Revenue from sales and rendering of services	36,383,242,484	99.3%	32,677,960,929	99.8%	27,295,143,046	99.9%
Other income - Net	261,677,826	0.7%	67,399,320	0.2%	36,285,568	0.1%
Total Revenues	36,644,920,310	100.0%	32,745,360,249	100.0%	27,331,428,614	100.0%
Expenses						
Cost of sales and rendering of services	(31,960,738,943)	(87.2%)	(28,524,327,164)	(87.1%)	(23,851,893,932)	(87.3%)
Selling expenses	(2,362,620,488)	(6.4%)	(2,382,682,705)	(7.3%)	(2,088,066,012)	(7.6%)
Administrative expenses	(576,382,544)	(1.6%)	(490,174,208)	(1.5%)	(395,991,359)	(1.4%)
Gain (loss) on exchange rate - Net	4,489,901	0.0%	(116,647)	0.0%	4,880,544	0.0%
Total Expenses	(34,895,252,074)	(95.2%)	(31,397,300,724)	(95.9%)	(26,331,070,759)	(96.3%)
Profit before Financial Costs and Income Tax Expenses	1,749,668,236	4.8%	1,348,059,525	4.1%	1,000,357,855	3.7%
Financial costs	(53,781,047)	(0.1%)	(54,324,927)	(0.2%)	(45,745,903)	(0.2%)
Profit before Income Tax Expenses	1,695,887,189	4.6%	1,293,734,598	4.0%	954,611,952	3.5%
Income tax expenses	(288,871,359)	(0.8%)	(249,818,492)	(0.8%)	(194,996,909)	(0.7%)
Profit for the Year	1,407,015,830	3.8%	1,043,916,106	3.2%	759,615,043	2.8%
Other Comprehensive Income:						
Items not to be reclassified to profit or loss in subsequent periods						
Remeasurement of the post-employment benefit obligations	(9,163,881)		(16,175,211)		2,934,503	
Income tax on items not to be reclassified to profit or loss in subsequent periods	1,832,776		3,235,042		(586,901)	
Other Comprehensive Income for the Year - Net of Tax	(7,331,105)		(12,940,169)		2,347,602	
Total Comprehensive Income for the Year	1,399,684,725		1,030,975,937		761,962,645	
Profit Sharing (Loss):						
Owners of the parent company	1,407,015,830		1,043,916,106		759,615,043	
Non-controlling interests	-		-		-	
Total	1,407,015,830		1,043,916,106		759,615,043	
Total comprehensive income (expense) attributable to						
Owners of the parent company	1,399,684,725		1,030,975,937		761,962,645	
Non-controlling interests	-		-		-	
Total	1,399,684,725		1,030,975,937		761,962,645	
Earnings Per Share						
Basic earnings per share (Baht)	1.17		0.87		0.63	

Consolidated Statement of Financial Position of Com7 Public Company Limited and its Subsidiaries

Items	2020 (Audited)		2019 (Audited)		2018 (Audited)	
	Baht	Percentage	Baht	Percentage	Baht	Percentage
Assets						
Current Assets						
Cash and cash equivalents	872,146,450	9.5%	1,304,048,571	14.2%	1,058,960,729	14.0%
Financial assets are measured at fair value through profit or loss	249,229,759	2.7%	-	0.0%	-	0.0%
Trade accounts and other receivables-Net	864,303,332	9.4%	925,820,655	10.1%	891,039,534	11.7%
Trade receivables under finance lease agreements due within one year	37,643,598	0.4%	11,907,984	0.1%	6,187,443	0.1%
Contract assets	105,807,769	1.1%	-	0.0%	-	0.0%
Short-term loans to related parties	6,416,304	0.1%	50,000,000	0.6%	-	0.0%
Inventories - Net	3,664,401,153	39.8%	4,819,464,888	52.6%	3,844,395,343	50.7%
Leasehold rights due within one year	-	0.0%	18,461,560	0.2%	21,170,788	0.3%
Other current assets	60,718,256	0.7%	87,075,932	1.0%	53,904,873	0.7%
Total Current Assets	5,860,666,621	63.7%	7,216,779,590	78.8%	5,875,658,710	77.5%
Non-Current Assets						
Other receivables - Net	-	0.0%	962,903	0.0%	3,209,676	0.0%
Restricted financial institution deposits	2,422,757	0.0%	-	0.0%	-	0.0%
Trade receivables under finance lease agreements	48,147,599	0.5%	36,315,523	0.4%	18,716,115	0.2%
Investments in subsidiaries	-	0.0%	-	0.0%	-	0.0%
Investments in associates and joint ventures	675,013,828	7.3%	513,183,358	5.6%	352,106,446	4.6%
Property, plant and equipment - Net	505,707,356	5.5%	531,953,021	5.8%	527,243,391	7.0%
Right-of-use assets - Net	1,265,214,211	13.7%	-	0.0%	-	0.0%
Goodwill - Net	123,691,216	1.4%	122,530,326	1.3%	122,530,326	1.6%
Intangible assets - Net	158,585,059	1.7%	128,042,934	1.4%	133,012,866	1.8%
Leasehold right - Net	-	0.0%	113,041,424	1.2%	133,629,548	1.8%
Deferred tax assets	70,794,936	0.8%	61,549,938	0.7%	46,807,705	0.6%
Other non-current assets	496,474,447	5.4%	435,315,047	4.8%	373,181,232	4.9%
Total Non-Current Assets	3,346,051,409	36.3%	1,942,894,474	21.2%	1,710,437,305	22.5%
Total Assets	9,206,718,030	100.0%	9,159,674,064	100.0%	7,586,096,015	100.0%

Consolidated Statement of Financial Position of Com7 Public Company Limited and its Subsidiaries (continued)

Items	2020 (Audited)		2019 (Audited)		2018 (Audited)	
	Baht	Percentage	Baht	Percentage	Baht	Percentage
Liabilities and Owner's Equity						
Current Liabilities						
Bank overdrafts and loans	1,282,509,647	13.9%	2,138,503,355	23.3%	1,674,804,362	22.1%
Short-term from financial institutions						
Liabilities under lease agreement	498,115,529	5.4%	7,904,273	0.1%	6,741,734	0.1%
due within one year						
Trade accounts and other payables	2,464,340,173	26.8%	3,348,583,281	36.6%	2,905,665,509	38.3%
Income tax payable	166,547,437	1.8%	113,824,889	1.2%	90,653,759	1.2%
Other current liabilities	18,380,714	0.2%	20,425,872	0.2%	30,802,222	0.4%
Total Current Liabilities	4,429,893,500	48.1%	5,629,241,670	61.4%	4,708,667,586	62.1%
Non-Current Liabilities						
Lease liabilities	707,633,378	7.7%	5,227,189	0.1%	9,078,725	0.1%
Employee benefit obligations	88,602,555	1.0%	63,896,338	0.7%	33,785,777	0.4%
Provision for the decommissioning of fixed assets	22,176,000	0.2%	19,136,000	0.2%	13,338,839	0.2%
Other non-current liabilities	87,584,027	1.0%	66,016,054	0.7%	44,693,531	0.6%
Total Non-Current Liabilities	905,995,960	9.9%	154,275,581	1.7%	100,896,872	1.3%
Total Liabilities	5,335,889,460	58.0%	5,783,517,251	63.1%	4,809,564,458	63.4%
Owner's Equity						
Share capital						
Registered capital						
1,200,000,000 ordinary shares						
at a par value of 0.25 baht each	300,000,000	3.3%	300,000,000	3.3%	300,000,000	4.0%
Issued and paid-up capital						
1,200,000,000 ordinary shares						
fully paid up , 0.25 baht per share	300,000,000	3.3%	300,000,000	3.3%	300,000,000	4.0%
Share premium	898,760,685	9.8%	898,760,685	9.8%	898,760,685	11.8%
Retained earnings						
Appropriated - Statutory reserve	30,000,000	0.3%	30,000,000	0.4%	30,000,000	0.4%
Unappropriated	2,638,332,874	28.6%	2,145,030,523	23.4%	1,542,050,704	20.3%
Other components of owner's equity	(14,799,778)	(0.2%)	-	0.0%	-	0.0%
Total Owner's Equity of the Parent Company	3,852,293,781	41.8%	3,373,791,208	36.9%	2,770,811,389	36.5%
Non-controlling interests	18,534,789	0.2%	2,365,605	0.0%	5,720,168	0.1%
Total Owner's Equity	3,870,828,570	42.0%	3,376,156,813	36.9%	2,776,531,557	36.6%
Total Liabilities and Owner's Equity	9,206,718,030	100.0%	9,159,674,064	100.0%	7,586,096,015	100.0%

Separate Statement of Financial Position of Com7 Public Company Limited

Items	2020 (Audited)		2019 (Audited)		2018 (Audited)	
	Baht	Percentage	Baht	Percentage	Baht	Percentage
Assets						
Current Assets						
Cash and cash equivalents	706,490,983	8.1%	1,234,089,661	13.9%	769,826,232	10.6%
Financial assets are measured at fair value through profit or loss	187,209,909	2.1%	-	0.0%	-	0.0%
Trade and other receivables-Net	812,581,955	9.3%	792,039,429	8.9%	838,657,607	11.6%
Trade receivables under finance lease agreements due within one year	12,524,067	0.1%	11,907,984	0.1%	6,187,443	0.1%
Short-term loans to related parties	-	0.0%	175,000,000	2.0%	230,000,000	3.2%
Inventories - Net	3,641,679,200	41.5%	4,816,586,937	54.3%	3,814,317,253	52.7%
Leasehold rights due within one year	-	0.0%	18,461,560	0.2%	21,170,788	0.3%
Other current assets	43,911,113	0.5%	82,676,255	0.9%	46,809,863	0.6%
Total Current Assets	5,404,397,227	61.6%	7,130,761,826	80.3%	5,726,969,186	79.1%
Non-Current Assets						
Other receivables - Net	-	0.0%	962,903	0.0%	3,209,676	0.0%
Trade receivables under finance lease agreements	24,317,984	0.3%	36,315,523	0.4%	18,716,115	0.3%
Investments in subsidiaries	302,547,066	3.5%	22,835,366	0.2%	20,393,885	0.3%
Investments in associates and joint ventures	593,575,203	6.8%	449,750,203	5.1%	327,249,994	4.5%
Property, plant, and equipment - Net	504,242,353	5.8%	531,377,226	6.0%	494,103,715	6.8%
Right-of-use assets - Net	1,256,726,103	14.3%	-	0.0%	-	0.0%
Goodwill - Net	45,655,040	0.5%	45,655,040	0.5%	45,655,040	0.6%
Intangible assets - Net	78,259,973	0.9%	61,237,246	0.7%	61,677,706	0.9%
Leasehold right - Net	-	0.0%	113,041,424	1.3%	131,052,548	1.8%
Deferred tax asset	82,863,427	0.9%	68,868,803	0.8%	58,188,295	0.8%
Other non-current assets	475,241,034	5.4%	418,036,614	4.7%	354,210,506	4.9%
Total Non-Current Assets	3,363,428,183	38.4%	1,748,080,348	19.7%	1,514,457,480	20.9%
Total Assets	8,767,825,410	100.0%	8,878,842,174	100.0%	7,241,426,666	100.0%

Separate Statement of Financial Position of Com7 Public Company Limited (continued)

Items	2020 (Audited)		2019 (Audited)		2018 (Audited)	
	Baht	Percentage	Baht	Percentage	Baht	Percentage
Liabilities and Owner's Equity						
Current Liabilities						
Bank overdrafts and loans	1,219,568,773	13.9%	2,138,503,355	24.1%	1,674,804,362	23.1%
Short-term from financial institutions						
Liabilities under lease agreement due within one year	492,600,864	5.6%	7,904,273	0.1%	6,741,734	0.1%
Trade accounts and other payables	2,160,494,834	24.6%	3,179,423,605	35.8%	2,704,247,518	37.3%
Short-term loans from related companies	338,000,000	3.9%	210,000,000	2.4%	-	0.0%
Deferred Tax Asset	158,390,159	1.8%	97,438,340	1.1%	91,087,316	1.3%
Other Current Liabilities	15,104,440	0.2%	14,403,057	0.1%	19,406,798	0.3%
Total Current Liabilities	4,384,159,070	50.0%	5,647,672,630	63.6%	4,496,287,728	62.1%
Non-Current Liabilities						
Liabilities under lease agreement	704,805,488	8.0%	5,227,189	0.1%	9,078,725	0.1%
Employee benefit obligations	76,303,353	0.9%	58,945,999	0.7%	27,526,817	0.4%
Provision for the decommissioning of fixed assets	22,176,000	0.3%	19,136,000	0.2%	13,088,000	0.2%
Other non-current liabilities	87,584,026	1.0%	66,016,054	0.7%	44,577,031	0.6%
Total Non-Current Liabilities	890,868,867	10.2%	149,325,242	1.7%	94,270,573	1.3%
Total Liabilities	5,275,027,937	60.2%	5,796,997,872	65.3%	4,590,558,301	63.4%
Owner's Equity						
Share Capital						
Registered capital						
1,200,000,000 ordinary shares at a par value of 0.25 baht each	300,000,000	3.4%	300,000,000	3.4%	300,000,000	4.2%
Issued and paid-up capital						
1,200,000,000 ordinary shares fully paid up , 0.25 baht per share	300,000,000	3.4%	300,000,000	3.4%	300,000,000	4.2%
Share premium	898,760,685	10.3%	898,760,685	10.1%	898,760,685	12.4%
Retained earnings						
Appropriated - Statutory reserve	30,000,000	0.3%	30,000,000	0.3%	30,000,000	0.4%
Unappropriated	2,264,036,788	25.8%	1,853,083,617	20.9%	1,422,107,680	19.6%
Total Owner's Equity of the Parent Company	3,492,797,473	39.8%	3,081,844,302	34.7%	2,650,868,365	36.6%
Total Owner's Equity	3,492,797,473	39.8%	3,081,844,302	34.7%	2,650,868,365	36.6%
Total Liabilities and Owner's Equity	8,767,825,410	100.0%	8,878,842,174	100.0%	7,241,426,666	100.0%

Consolidated Statement of Cash Flows of Com7 Public Company Limited and its Subsidiaries

Items	2020 (Audited)	2019 (Audited)	2018 (Audited)
	Baht	Baht	Baht
Cash Flows from Operating Activities			
Profit before Income Tax Expenses	1,823,093,560	1,504,533,150	1,098,217,297
Depreciation	167,082,815	170,522,414	149,869,611
Depreciation - Right-of-use asset	452,567,843	-	-
Amortization - Intangible assets	10,377,704	8,066,404	4,308,924
Amortization - Leasehold rights	-	21,320,352	22,879,686
Allowance for loss, trade receivables	2,964,215	3,704,888	748,211
Bad debts	2,959,676	-	-
(Reversal) Allowance for slow-moving inventories and having a higher cost than the net realizable value	(6,510,663)	9,215,907	68,049,513
Employee benefit expenses	8,805,374	13,258,306	6,568,849
Loss from the disposal of investments in joint ventures	-	-	1,413,374
(Gain) Loss on disposal of plant and equipment	3,733,227	(1,195,253)	(3,397,260)
Loss on write-off of plant and equipment	5,934,493	11,199,220	4,357,102
Loss on write-off of intangible assets	-	16,029	-
Loss on write-off of leasehold rights	-	2,577,000	9,021
Loss from impairment of subsidiaries	-	-	-
Loss on write-off of right-of-use assets	1,045,861	-	-
Write-off profits from asset sales and leaseback	(1,539,512)	(1,598,311)	(1,080,270)
Impairment of plant and equipment	7,419,204	3,252,307	191,120
Impairment of intangible assets	1,353,626	3,979,422	3,511,650
Gain from the rental fee discount	(5,671,211)	-	-
Gain from financial assets are measured by fair value through profit or loss	(1,229,760)	-	-
Share of profit from investments in associates and joint ventures	(63,912,397)	(38,576,703)	(11,453,316)
Gain from the acquisition of joint venture lower than a fair value	(37,092,608)	-	-
Gain from changes in investment proportion in associates	(1,449,174)	-	-
Gain from changes in shareholding in subsidiaries	-	(250,504)	-
Loss from the disposal of investments in subsidiaries	1,076,513	-	-
(Reversal) Impairment of investments in subsidiaries	-	-	-
Interest income	(5,284,928)	(7,831,655)	(2,711,226)
Dividend income	-	-	-
Financial cost	53,147,096	52,450,757	45,847,323

Consolidated Statement of Cash Flows of Com7 Public Company Limited and its Subsidiaries (continued)

Items	2020 (Audited)	2019 (Audited)	2018 (Audited)
	Baht	Baht	Baht
Change in Working Capital			
Trade accounts and other receivables	203,519,747	(35,866,660)	(218,452,900)
Trade receivable under finance lease agreements	(17,794,630)	(23,319,949)	(24,903,558)
Contract assets	(105,807,769)	-	-
Inventories	1,161,574,397	(993,504,043)	179,274,177
Other current assets	29,672,967	(33,171,059)	90,927,366
Other non-current assets	(57,881,351)	(59,365,258)	(57,534,931)
Trade accounts and other payables	(995,944,020)	436,408,976	(143,463,131)
Other current liabilities	(5,058,271)	(10,376,350)	3,958,034
Other non-current liabilities	23,107,486	21,799,972	25,932,008
Cash Flows from Operations			
Cash from operating activities	2,654,259,510	1,057,249,359	1,243,066,674
Pay financial cost	(55,366,011)	(51,309,744)	(42,440,313)
Pay income tax	(290,519,607)	(279,703,315)	(200,050,859)
Net cash received from operating activities	2,308,373,892	726,236,300	1,000,575,502
Cash Flows from Investing Activities			
Restricted financial institution deposits	7,985,723	-	157,380,000
Cash paid for buying businesses	-	-	(14,018,692)
Cash paid for the investment in financial assets measured at fair value through profit or loss	(248,000,000)	-	-
Cash paid for the investments in associates and joint ventures	(143,825,000)	(122,500,209)	(81,393,950)
Cash paid for the investment in subsidiaries	(15,299,400)	-	(182,942,737)
Cash paid for accepting business transfers from subsidiaries indirectly	-	-	-
Cash paid for the decommissioning of fixed assets	(1,312,000)	(698,839)	(1,124,000)
Cash paid for purchase of plant and equipment	(212,856,607)	(167,369,978)	(141,560,132)
Cash paid for purchase of intangible assets	(25,255,126)	(7,091,923)	(6,565,280)
Cash paid for leasehold rights	-	(600,000)	(1,000,000)
Cash paid for right-of-use assets	(2,826,861)	-	-
Cash received from short-term loans to associates and joint ventures	50,000,000	40,000,000	-
Cash received from short-term loans to subsidiaries	-	-	-
Cash paid for short-term loans to associates and joint ventures	-	(90,000,000)	-
Cash paid for short-term loans to subsidiaries	-	-	-
Cash received from disposal of plant and equipment	1,506,859	2,029,402	4,081,310

Consolidated Statement of Cash Flows of Com7 Public Company Limited and its Subsidiaries (continued)

Items	2020 (Audited)	2019 (Audited)	2018 (Audited)
	Baht	Baht	Baht
Cash received from other receivables from disposal of non-current assets held for sale	-	-	1,729,600
Cash received from disposal of investments in joint ventures	-	-	22,350,556
Disposal of investment in subsidiaries	(282,141)	-	-
Dividend income	68,808,312	-	-
Interest income	5,413,051	7,459,079	2,760,970
Net cash used in investing activities	(515,943,190)	(338,772,468)	(240,302,355)
Cash Flows from Financing Activities			
Net cash from short-term loans from financial institutions	(908,145,088)	463,698,993	234,981,075
Cash received from short-term loans from subsidiaries	-	-	-
Cash received from short-term loans of directors	4,080,000	-	-
Cash repayment of short-term loans from subsidiaries	-	-	-
Cash repayment of long-term loans from financial institutions	-	-	(223,206,600)
Cash repayment of short-term loans from directors	(4,080,000)	-	(490,000)
Cash repayment of liabilities under lease agreements	(356,268,521)	(14,008,000)	(18,088,200)
Cash received from sales and leaseback	-	10,339,453	23,515,771
Cash received from non-controlling interests from the disposal of investments in subsidiaries	-	-	4,499,900
Cash paid for non-controlling interests to acquire investment in subsidiaries	-	(2,441,481)	-
Dividends paid	(959,919,214)	(599,964,955)	(419,973,293)
Net cash received (used) in financing activities	(2,224,332,823)	(142,375,990)	(398,761,347)
Cash and cash equivalents increase (decrease)	(431,902,121)	245,087,842	361,511,800
Cash and cash equivalents beginning of the year	1,304,048,571	1,058,960,729	697,448,929
Cash and cash equivalents end of the year	872,146,450	1,304,048,571	1,058,960,729
Additional cash flow information			
Additional cash flow information includes the following details:			
Acquisition of the right-of-use assets under lease agreements	359,599,206	5,169,727	15,820,459
Gain awaiting the realization on sale and leaseback of assets under finance lease agreements	-	1,120,863	2,757,876
Purchase of unpaid plant and equipment	5,834,248	12,389,477	6,077,086
Disposal of unpaid non-current assets held for sale	-	-	3,209,676
Provision for the decommissioning of fixed assets	4,352,000	6,496,000	13,312,000

Statement of Cash Flows of Com7 Public Company Limited

Items	2020 (Audited)	2019 (Audited)	2018 (Audited)
	Baht	Baht	Baht
Cash Flows from Operating Activities			
Profit before income tax expenses	1,695,887,189	1,293,734,598	954,611,952
Depreciation	166,175,675	169,781,790	149,212,166
Depreciation - Right-of-use asset	449,983,070	-	-
Amortization - Intangible assets	4,915,604	4,709,185	4,081,928
Amortization - Leasehold rights	-	21,320,352	22,879,686
Allowance for loss, Trade receivables	2,107,846	3,709,888	568,608
Bad debts	2,959,676	-	-
(Reversal) Allowance for slow-moving inventories and having a higher cost than the net realizable value	(7,831,152)	9,215,907	68,049,513
Employee benefit expenses	8,193,473	12,589,021	5,201,181
(Gain) loss on disposal of plant and equipment	3,675,980	(1,195,253)	(3,397,260)
Loss on write-off of plant and equipment	5,934,493	7,370,027	4,357,102
Loss on write-off of leasehold rights	-	-	9,021
Loss from impairment of subsidiaries	-	-	2,712,000
Loss on write-off of right-of-use assets	1,045,861	-	-
Write-off profits from asset sales and leaseback	(1,539,512)	(1,598,311)	(1,080,270)
Impairment of plant and equipment	7,419,204	2,861,622	191,120
Gain from the rental fee discount	(5,671,211)	-	-
Gain from financial assets are measured by fair value through profit or loss	(1,209,909)	-	-
(Reversal) Impairment of investments in subsidiaries	(276,100)	-	-
Interest income	(5,616,669)	(12,639,356)	(3,079,632)
Dividend income	(218,799,312)	(29,998,200)	-
Financial cost	53,781,047	54,324,927	45,745,903
Change in Working Capital			
Trade accounts and other receivables	(28,880,678)	48,089,967	(170,407,643)
Trade receivable under finance lease agreements	11,381,456	(23,319,949)	(24,903,558)
Inventories	1,182,738,889	(990,599,485)	195,278,964
Other current assets	38,765,142	(35,866,392)	87,176,861
Other non-current assets	(60,307,691)	(63,826,108)	(51,849,955)
Trade accounts and other payable	(1,014,864,041)	466,985,543	(202,842,017)
Other current liabilities	701,383	(5,003,741)	57,230
Other non-current liabilities	23,107,484	21,916,472	25,890,506

Statement of Cash Flows of Com7 Public Company Limited (continued)

Items	2020 (Audited)	2019 (Audited)	2018 (Audited)
	Baht	Baht	Baht
Cash Flows from Operations			
Cash from operating activities	2,313,777,197	952,562,504	1,108,463,406
Pay financial cost	(54,736,058)	(51,502,165)	(44,935,468)
Pay income tax	(240,081,387)	(250,912,935)	(188,772,726)
Net cash received from operating activities	2,018,959,752	650,147,404	874,755,212
Cash Flows from Investing Activities			
Restricted financial institution deposits	-	-	155,250,000
Cash paid for buying businesses	-	-	(14,018,692)
Cash paid for the investment in financial assets measured at fair value through profit or loss	(186,000,000)	-	-
Cash paid for the investments in associates and joint ventures	(143,825,000)	(122,500,209)	(81,393,950)
Cash paid for the investment in subsidiaries	(284,999,700)	(2,441,481)	-
Cash paid for accepting business transfers from subsidiaries indirectly	-	(56,642,902)	-
Cash paid for the decommissioning of fixed assets	(1,312,000)	(448,000)	(1,124,000)
Cash paid for the purchase of plant and equipment	(211,727,756)	(165,183,957)	(141,222,076)
Cash paid for the purchase of intangible assets	(21,938,331)	(4,268,725)	(5,604,280)
Cash paid for leasehold rights	-	(600,000)	(1,000,000)
Cash paid for right-of-use assets	(2,826,861)	-	-
Cash received from short-term loans to associates and joint ventures	50,000,000	40,000,000	-
Cash received from short-term loans to subsidiaries	280,000,000	105,000,000	12,510,000
Cash paid for short-term loans to associates and joint ventures	-	(90,000,000)	-
Cash paid for short-term loans to subsidiaries	(155,000,000)	-	(210,000,000)
Cash received from the disposal of plant and equipment	1,249,593	1,433,156	4,081,309
Cash received from other receivables from the disposal of non-current assets held for sale	-	-	1,729,600
Disposal of investment in a subsidiary	5,564,100	-	4,499,900
Cash received from the disposal of investments in joint ventures	-	-	22,350,556
Dividend income	218,799,312	29,998,200	-
Interest income	9,850,203	9,704,452	2,676,044

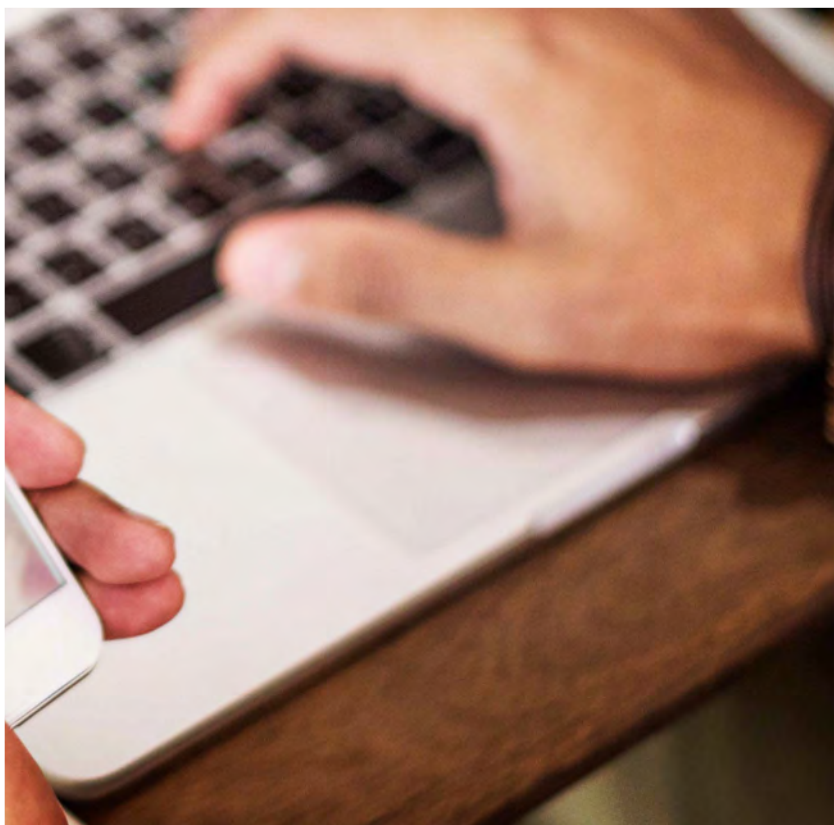
Statement of Cash Flows of Com7 Public Company Limited (continued)

Items	2020 (Audited)	2019 (Audited)	2018 (Audited)
	Baht	Baht	Baht
Net cash used in investing activities	(442,166,440)	(255,949,466)	(251,265,589)
Cash Flows from Financing Activities			
Net cash from short-term loans from financial institutions	(918,934,582)	463,698,993	234,981,075
Cash received from short-term loans from subsidiaries	408,000,000	250,000,000	-
Cash repayment of short-term loans from subsidiaries	(280,000,000)	(40,000,000)	-
Cash repayment of long-term loans from financial institutions	-	-	(223,206,600)
Cash repayment of liabilities under lease agreements	(353,538,194)	(14,008,000)	(18,088,200)
Cash received from sales and leaseback	-	10,339,453	23,515,771
Dividends paid	(959,919,214)	(599,964,955)	(419,973,293)
Net cash received (used) in financing activities	(2,104,391,990)	70,065,491	(402,771,247)
Cash and cash equivalents increase (decrease)	(527,598,678)	464,263,429	220,718,376
Cash and cash equivalents beginning of the year	1,234,089,661	769,826,232	549,107,856
Cash and cash equivalents end of the year	706,490,983	1,234,089,661	769,826,232
Additional cash flow information			
Additional cash flow information includes the following details:			
Acquisition of the right-of-use assets under lease agreements	348,526,145	5,169,727	15,820,459
Gain awaiting the realization on sale and leaseback of assets under finance lease agreements	-	1,120,863	2,757,876
Purchase of unpaid plant and equipment	5,834,248	12,389,477	6,077,086
Disposal of unpaid non-current assets held for sale	-	-	3,209,676
Provision for the decommissioning of fixed assets	4,352,000	6,496,000	13,312,000

Important Financial Ratios

Consolidated Financial Statements of Com7 Public Company Limited and its Subsidiaries

	Unit	2020	2019	2018
Liquidity Ratios				
Current Ratio	Turn	1.3	1.3	1.2
Quick Ratio	Turn	0.5	0.4	0.4
Asset Management Ratios				
Account Receivable Turnover	Turn	41.7	36.7	35.2
Average Collection Period	Day	8.8	9.9	10.4
Fixed Assets Turnover	Turn	72.2	63.1	55.6
Payable Turnover	Turn	11.2	9.3	8.1
Payment Period	Day	32.5	39.2	45.1
Cash Cycle	Day	23.7	25.2	25.1
Inventory Turnover	Turn	7.7	6.7	6.1
Average Inventory Period	Day	47.5	54.5	59.8
Assets Turnover	Turn	4.1	4.0	3.8
Debt Management Ratios				
Debt to Equity ratio	Turn	1.4	1.7	1.7
Interest Coverage	Turn	35.3	29.7	25.0
Profitability Ratios				
Gross Profit Margin	%	12.6	13.2	13.0
Net Profit Margin	%	4.0	3.6	3.2
Return On Assets	%	20.4	18.6	15.5
Return On Equity	%	41.2	39.6	35.2



General Information and Other Significant Information

1. General information

Company

The Company name	:	Com Seven Public Company Limited
Symbol for trading	:	Com7
Registered date on the SET	:	10 August 2015
Paid-up capital	:	Baht 300,000,000
Total shareholders	:	13,465 shareholders (as of December 30, 2020)
Free float	:	50.06%
Type of business	:	Distribution of IT products, IOT, lifestyle products and related accessories. Providing Apple Repair Center Postpaid bill payment service, and payment for other services.
Head office	:	549/1 Sanphawut Rd., South Bangna sub-district, Bangna district, Bangkok 10260
Registered No.	:	0107557000462
Call Center	:	02 017 7770
Telephone	:	02 017 7777
Facsimile	:	02 017 7711
Corporate website	:	http://www.comseven.com

Others

1) Securities Registrar

The Company name	:	The Thailand Securities Depository Co., Ltd. (TSD)
Head office	:	The Stock Exchange of Thailand (By Chinese Embassy) 93 Ratchadaphisek Road, Dindaeng Bangkok 10400
Telephone	:	02-009-9000
Facsimile	:	02-009-9991

2) Auditor

The Company name	:	PricewaterhouseCoopers ABAS Ltd.
Head office	:	15 th Floor Bangkok City Tower, 179/74-80 South Sathorn Rd., Thungmahamek, Sathorn, Bangkok 10120
Telephone	:	02-844-1000
Facsimile	:	02-286-5050

3) Legal Advisor

The Company name	:	CMT Counsellor Company Limited
Head office	:	75 Soi Phuengmee 11, Sukhumvit Road, Bang Chak Sub-District, Phra Khanong District, Bangkok 10260
Telephone	:	081-836-7236

4) Securities and Shareholders Information

1. Amount of Registered and Paid-up Capitals

As of December 31, 2020, the Company has registered capital and paid-up capital of Baht 300,000,000, divided into ordinary shares of 1,200,000,000 shares with a par value of Baht 0.25 per share.

2. Shareholders

List of the Company's shareholders and their shareholding of the Top 10 as appeared in the shareholder registration book of the Company as of December 30, 2020, with details as follows:

Rank	List of Major Shareholders	End of Year 2020	
		Shares	Shareholdings (%)
1	Mr. Sura Khanittaweekul	300,655,200	25.055
2	Mr. Pongsak Thammathataree	223,919,700	18.660
3	Mr. Bancha Phanthumakomol	69,206,500	5.767
4	Thai NVDR Company Limited	58,386,748	4.866
5	Ms. Aree Preechanukul	40,600,000	3.383
6	SOUTH EAST ASIA UK (TYPE C) NOMINEES LIMITED	38,131,780	3.178
7	STATE STREET EUROPE LIMITED	25,346,482	2.112
8	Mr. Amnuay Phichitpongchai	18,900,000	1.575
9	Krungsri Dividend Stock LTF	15,702,800	1.309
10	Ms. Orawan Wichienkawee	13,737,900	1.145
		804,587,110	67.05

Remark: The above grouping is a group of people in the same family, which does not include shares held by related persons according to Section 258 of the Securities and Exchange Act B.E. 2535.

3. Others Securities Issuance

The Company does not issue other types of securities.

4. Dividend Policy

The Company has the policy to pay dividends to shareholders at a rate of not less than 40% of net profit after corporate income tax deduction and legal reserve allocation based on the Company's separate financial statements. However, the Company may consider paying dividends differently from the established policies; depend on the performance, financial status, financial liquidity, the needs for money to manage the business, the business expanding of the Company, including economic conditions.

The Company's subsidiary has the policy to pay dividends to shareholders at a rate of not less than 40% of the net profit based on its separate financial statements after deducting corporate income tax and legal reserve allocation. In this regard, the subsidiary will pay dividends by considering various factors for the best benefits to shareholders, such as operating results, financial position, financial liquidity, investment plans, and business expansion of subsidiaries, including economic conditions.

2. Other significant information

-None-

3. Legal Dispute

There is no legal dispute that may cause damage to the Company's assets over 5% of the shareholders' equity as of December 31, 2020.

There are also no other legal disputes that may significantly affect the Company's business operations.

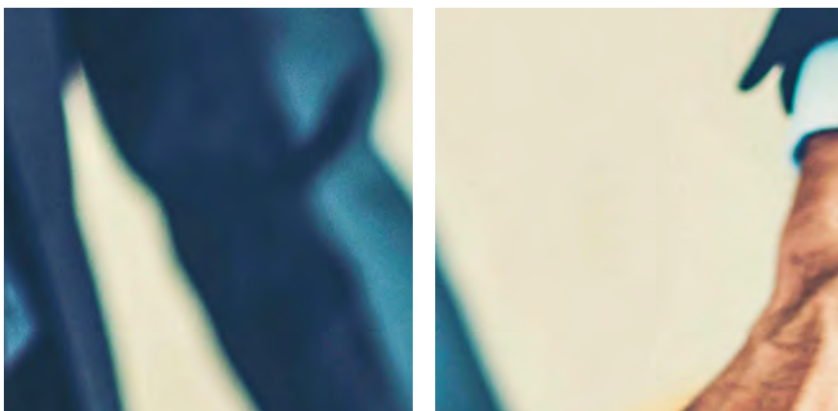
4. Secondary Market

-None-

5. Contact Financial Institution (only if the Company issues debt securities)

-None-







Corporate Governance Policy

Overview of Policies and Guidelines for Corporate Governance

Com7 Public Company Limited and its subsidiary, “the Company,” are committed to developing the organization for sustainable growth. Conduct business legally adheres to Code of Conduct, disclose information with transparency, and establish an internal control system. There is a suitable and appropriate audit mechanism. Carry out operations that take into account the responsibilities of shareholders and all stakeholders. The board structure, supervisory, and administrative tools demonstrate potential and accountability in various matters, which align with the good standard framework of the OECD (Organization for Economic Cooperating and Development) and ASEAN CG Scorecard.

The Board of Directors has established a “Corporate Governance Policy” (see the full policy and guidelines at <http://www.comseven.com> under the Investor Relations category). The Board of Directors is the initiator, participant in the policy’s formulation and approval to promote the principles of good governance of the organization and serve as good practice for the directors, executives, and employees of the Company, subsidiaries, and all groups of stakeholders. It leads to a truly sustainable organization, which covers the key principles following good corporate governance principles. In 2020, the Board reviewed and approved the Company’s vision, mission, strategies, goals, and business directions, including reviewing essential policies to be appropriate and consistent with business operations following good corporate governance principles, such as corporate governance policy, anti-corruption policy, etc.

The Company has disclosed information on corporate governance policies and practices, including a code of business conduct that would reflect the creation of a framework and guidelines for conducting corporate governance for operations in all Company departments. It can be summarized as follows:

Policies and Guidelines for the Board

Board of Directors

The Board of Directors is responsible to the shareholders in connection with the business operations of the Company, corporate governance to be following goals, laws, objectives, the Company article of association, resolutions of the shareholders' meeting, and the guidelines that will create the best benefits to the shareholders by considering the interests of all stakeholders. Perform duties with integrity and care to protect shareholders' and stakeholders' interests both short and long term. For this reason, the Board shall be elected by the shareholders through a transparent process. All directors must have the knowledge, expertise, and experience that can benefit the Company. They are devoted to performing their duties, leadership, vision, and independence in decision-making, including maintaining a working system for the Company's activities to operate lawfully and ethically and must be independent of the Company's management. Provide a transparent separation system for duties and responsibilities between the Board and the management by considering all stakeholders' interests, adhering to the principle of "Code of Best Practice for Directors of Listed Companies" as prescribed by the Stock Exchange of Thailand.

The Board of Directors consists of 7 members, consisting of business experts, accounting, and finance, which are involved and support all Company businesses. They have a term of office for three years. It is divided into four directors from the management and three independent directors. Independent directors have qualifications, and their numbers are in line with the Office of the Securities and Exchange Commission regulations. It means a listed company must have more than one-third of the number of all directors. The Company stipulates the Board's qualifications as follows:

Board of Directors Qualifications

- 1) Possess the qualifications, and have no prohibited characteristics, according to the Public Limited Companies Act B.E. 2535 or other relevant laws, including the rules and regulations of the SET and the SEC and the Company's article of association.
- 2) Be qualified, knowledgeable, and capable. Have an experience that is beneficial to the business operations of the Company.
- 3) Have leadership, vision, and independence in making decisions for the Company's best interest and shareholders as a whole.
- 4) Have a responsibility to perform director duties and devote their time to serving the duties fully and being responsible to the shareholders regularly (Accountability to Shareholders) and make decisions with caution (Duty of Care) to protect the interests of the Company.
- 5) Perform duties with integrity and ethics within the law framework and guidelines for good corporate governance and code of business conduct.

The Board is aware of the roles, duties, and responsibilities of guiding the operation. Monitor and supervise the work of the management. Perform duties with knowledge, ability, transparency, care, and responsibility in performing duties (Accountability) of the Board of Directors towards the Company and shareholders, independent from the management. There are essential guidelines as follows:





Roles and Duties of the Chairman

- 1) Do not participate in the normal day-to-day management of the Company.
- 2) Use leadership to ensure the efficient performance of duties of the entire Board of Directors for the Company's best interests and independence from the management.
- 3) Have leadership responsible for defining strategies, directions, policies, goals, and missions so that executives and employees have a purpose in operating in the same direction.
- 4) Monitor and supervise the implementation of the Company's strategy. The practice must comply with the policies, rules, laws, and related regulations.
- 5) Consider and approve the agenda of the meeting proposed by the Company Secretary and has been approved by the Executive Committee's Chairman to make the agenda consistent with the duties and responsibilities of the directors. Besides, each director is free to propose matters that are beneficial to the Company on the meeting agenda.
- 6) Allocate sufficient time for management to propose matters and enough for the judges to discuss important issues thoroughly. Encourage the directors to exercise prudent discretion to give opinions independently.
- 7) The Chairman of the Board is not a Chair or member of any sub-committee, so that the performance of duties of the sub-committees is genuinely independent.
- 8) Supervise and encourage directors to abide by good corporate governance principles and the Company's code of business conduct, including compliance with the directors' code of conduct.
- 9) Foster good relations between executive directors and non-executive directors and between the Board and the management.

Roles and Duties of the Chairman of the Executive Committee

- 1) Utilize leadership to ensure the Executive Directors' efficient performance of duties for the best interests of the Company and independent from the management.
- 2) Consider and approve the agenda of the meeting proposed by the Company Secretary to make the agenda consistent with the duties and responsibilities of the Executive Committee.
- 3) Supervise the Executive Directors in implementing the Board of Directors' policies to implement them to achieve results.
- 4) Oversee and encourage the Executive Committee to abide by good corporate governance principles and the Company's code of business conduct.

Term of Office of Directors

- 1) At least one-third (1/3) of the number of directors shall vacate office at every Annual General Meeting of Shareholders. If the number of directors is not a multiple of three, then the number nearest to one-third (1/3) shall vacate office. The directors to vacate office in the first and second years following the registration of the company shall, unless otherwise provided in the articles of association, be drawn by lots. In every subsequent year, the directors who have been longest in office shall vacate office.
- 2) The director who vacates office may be re-elected by the shareholders' meeting resolution.

The director election/appointment can be occurred in 2 cases:

- 1) Election of directors to replace those who are due to retire by rotation must seek approval from the shareholders' meeting.
- 2) Appointment directors during the term due to vacant positions, the Board of Directors can consider and approve according to the Nomination and Remuneration Committee selection and nomination to replace the position.

Board Independence from the Management

The Board of Directors has a policy that the Chairman of the Board and the Chief Executive Officer must not be the same person to achieve clarity of responsibility during policy formulation, governance, and routine management. The Company clearly separates roles, duties, and responsibilities between the Board of Directors and the executives, and there is a balance of power in operation. The Board of Directors is responsible for setting policies and overseeing the executives' operations at the policy level. In contrast, the executives are responsible for managing various aspects of the Company's operations following the specified policies.

The Board of Directors has monitored and supervised the implementation of the Company's strategy. In every quarter of the Board meeting, the Board monitors the performance of the management. The results of the Company's performance are required to be reported, especially in respect of financial goals and plans to be following the prescribed strategy. Besides, the Board of Directors has appointed various sub-committees to help supervise the Company's business. Each director can perform his or her duty and exercise independent judgment in making decisions on various matters by asking questions, commenting, or objecting if there is a conflict of opinion on an issue that affects the interests of the shareholders or stakeholders.

Guidelines for the Board Independence from the Management

The Board of Directors has monitored the management's operation by arranging the monthly meeting of the top executives (Executive Committee) and each department's executives (Management Meeting). It shows the importance of sharing opinions fully to seek helpful information to determine the Company's direction, financial goals, Company's plans, and essential policies. Supervise and monitor the management to regularly ensure implementing the specified procedures following the organization's approach and strategy to ensure that the management can implement the vision, direction, and strategy established for effective implementation. The Board of Directors, together with the management, undertakes the following matters:

- 1) Formulate and review strategies, goals, and annual work plans.
- 2) Oversee the adequacy of the risk management system and internal control.
- 3) Determine the authority that is appropriate to the responsibilities of the management.
- 4) Define a resource allocation framework, development, and budgeting, such as personnel management policies and plans and information technology policy.
- 5) Follow up and evaluate the performance.
- 6) Ensure reliable disclosure of financial and non-financial information.



Nomination of the Directors

The Board of Directors has assigned the Nomination and Remuneration Committee to be responsible for recruiting knowledgeable individuals related to the Company's business and having the qualifications required by the Company to serve as directors in place of ones who resign or retire by rotation or any other event that prevents them from performing their duties, and propose to the Board of Directors and/or to the shareholders' meeting as the case may be. The nomination shall consider the appropriateness of the number of directors to facilitate management flexibility. Therefore, the Company has the policy to control the number of director not less than five persons and not more than twelve persons, which are suitable for the size and type of business, including the diversity of the structure of the Board (Board Diversity) to allow management to be efficient and flexible. It is beneficial and conducive to lead the Company to its objectives and primary goals.

The Company has a process for nominating directors by considering the qualifications as follows:

- 1) Be able to devote time to perform their duties fully.
- 2) Have knowledge, expertise, and competence relating to the business of the Company. Possess the qualifications required by the Company to be in line with the Company's business strategy both short term and long term. Have specific skills that can fill areas that the Board lacking based on the Board Skill Matrix.
- 3) Have an honest, transparent work history without any blemish background.
- 4) Be a person without any forbidden characteristics according to the Public Company Limited Act B.E 2535, Securities and Exchange Act B.E 2535, the Company's Articles of Association, good corporate governance principles of listed companies, and must not have untrustworthy status according to the announcement of the Securities and Exchange Commission.
- 5) Do not operate a business or being a director or an executive in the organization competing with the Company

The Company has established guidelines for nominating and selecting directors as follows:

- 1) If a director resigns from office or the Company reviews the Board structure according to the Board Skill Matrix, the Board of Directors will jointly consider in the meeting to pass a resolution, so that the Nomination and Remuneration Committee shall take the duty of selecting directors with qualifications and experience to meet the needs of the director structure.
- 2) The Nomination and Remuneration Committee specifies persons' individual characteristics to nominate as directors, such as leadership, dare to express different opinions, etc.
- 3) The Nomination and Remuneration Committee uses several recruiting methods to be directors and allows shareholders to nominate qualified persons. Use the professional director's database (Director Pool) of the Thai Institute of Directors Association (IOD) as comparative information in recruiting new directors or consider the same director.

Board Diversity

The Board of Directors recognizes the interests of the diversity of the Board of Directors. It deems an important factor in enhancing the efficiency of decision-making and the Board of Directors' performance.

Such diversity is not limited to only gender but also ethnicity, age, educational history, professional experience, skills, knowledge, and attitudes. Therefore, the nomination and appointment of the Company's directors will be based on knowledge and capability, including the use of selection criteria, which considers the interests of diversity

Development of Directors and Executives

The Board of Directors realizes the role and duties of the organization's leader (Governing Body). More than half of the Board of Directors have studied or received lectures on CG Code practice until they fully understand the benefits and rules of creating sustainable value for the business. It is to develop the directors' knowledge and ability to help promote the performance of duties of the Board of Directors more efficiently.

Executives are developed to prepare them for rotation within the organization and succession to CEO and top executives' positions. Therefore, the Board of Directors gives importance to attending training, seminars, related courses and organizing an assessment of the senior management's potential to develop the readiness of work at the executive level.

The Company has a guideline in promoting and supporting all directors to study and train more to increase the knowledge on the continual acting of the director as follows:



Orientation of New Directors

It is to prepare and support the efficient performance of the elected/appointed candidates' duties as quickly as possible to serve as directors. Simultaneously, there is a policy to foster new knowledge and perspectives of all directors regarding corporate governance, business, technology, and innovations with the Company Secretary as a coordinator. The content consists of the following matters.

- 1) The matters should be known, such as business structure, the structure of directors, scope of powers and duties, laws, nature of the business, business information, and the Company's business practices, related regulations, good corporate governance, code of business conduct, and valuable information in performing duties as a director.
- 2) General knowledge of business and operating guidelines.
- 3) Arrange a meeting with the Chairman of the Board to ask for insights about the Company's business operations.
- 4) Prepare manuals and related documents such as strategic plans, the Company's article of association, information memorandum, annual reports, related regulations, handbook of good corporate governance, and code of business conduct to submit to the directors' benefit of performing their duties.

Training for Directors

The Company encourages all directors to study and train to increase the knowledge on the continual acting of the director's duties, i.e.

- PricewaterhouseCoopers ABAS Co., Ltd. organizes an educational lecture to the Board of Directors on Cyber Security to allow the Board of Directors to acknowledge and understand the key technology risk factors in the current situation that may affect the business operation of the Company. Be able to prepare for various conditions efficiently, aligning with the director's development plan following good corporate governance principles.
- Attend training courses necessary to perform a director's duties and other relevant studies, including a curriculum review to keep it up to date. In 2020, there were directors to attend training/seminars in the following important courses.



Name of Director	Training Course
1. Mr. Siripong Sombatsiri	Cyber Security
2. Mr. Kashpol Chulajata	Cyber Security
3. Ms. Vareeporn Udomkunnatum	Cyber Security



Board Performance Evaluation

The Company's good corporate governance principles require the Board of Directors and sub-committees of the Company have performance self-assessment at least once a year, both on a board basis and individually, so that the Board can consider the previous performance. It will lead to the development and improvement of the operation for better efficiency. The Company has the policy to pay close attention to the Board of Directors' self-assessment, orientation for new directors, and encouraging directors to attend training with the Thai Institute of Directors Association and related agencies continuously.

Evaluation of the Board and committees mentioned above, the Company focuses on the directors' performance of duties with transparency and fairness, leading to good corporate governance processes to encourage the Company to grow and progress with sustainable stability.

The Directors' Performance Evaluation Process

The Board of Directors has established guidelines for conducting a Board Self-Assessment annually by using three sets of assessments that the Company has adjusted from the example of the Stock Exchange of Thailand as follows:

- 1) Self-Assessment for the board of directors as a whole
- 2) Self-Assessment of committee as a whole
- 3) Self-Assessment of the board of directors and of committee members on an individual basis

Preparation of the assessment has been organized both the whole and individually for the Board and the sub-committees to be used as a framework for reviewing the duties whether it has operated according to the approved corporate governance policy and/or good practice. It improves the Board of Directors' performance under the established guidelines and reviews the past year's problems and obstacles.

Determination of Remuneration for Directors and Senior Executives

The Nomination and Remuneration Committee, appointed by the Board of Directors, reviews and evaluates the performance of directors and executives by providing opinions to the Board of Directors and shareholders on guidelines and criteria for determining directors' remuneration as follows:

- **Policy and criteria for determining the remuneration of directors based on various factors as follows:**

- 1) The Company's performance and business size
- 2) Experience, roles, duties, and responsibilities of each director
- 3) Benefits that the Company will receive from each director
- 4) Remuneration established must be able to motivate qualified persons suitable for the Company's needs and circumstances to become directors or executives

- **Composition of the remuneration for the Board of Directors consists of:**

- 1) Monthly remuneration is in line with the duties and responsibilities of the Board of Directors or Sub-Committees.
- 2) Meeting allowance is the compensation for attending each meeting, paid for non-executive directors.
- 3) Directors' bonus paid for independent directors only.

Note:

1. The Company does not have the policy to pay remuneration to the Executive Committee.
2. The Audit Committee shall receive remuneration as an Audit Committee only.
3. The Company shall pay meeting allowances according to the number of the Director's attendance and not exceeding 6 times per year. The Directors or Audit Committee Members shall not receive meeting allowances exceeding 6 meetings.
4. All forms of directors' remuneration must be approved by shareholders annually.



Determination of Chief Executive Officer Remuneration

The Nomination and Remuneration Committee, appointed by the Board of Directors, will consider and evaluate the Chief Executive Officer's performance. The consideration is based on the Company's business performance and the implementation of the Board of Directors' policies, including the overall economic and social situation to consider appropriate compensation for both the short and long term of the Chief Executive Officer.

Succession Plan Policy

The Company has a plan for selecting personnel responsible for important positions at all levels to be appropriate and transparent to ensure that the Company has executives with professionalism. The Nomination and Remuneration Committee prepare a succession plan to propose to the Board of Directors for consideration (study the full policy and guidelines at <http://www.comseven.com> under the Investor Relations category).

Chief Executive Officer

When the Chief Executive Officer's position is vacant, or those in the place cannot perform their duties, the Company will have a system and procedures for executives at the nearby or secondary level to act in the position. Until the recruitment and selection of persons who possess the qualifications according to the Company's criteria. He/she must be those who have vision, knowledge, competence, experience, and appropriate to the organizational culture. The Nomination and Remuneration Committee will consider and propose to the Board of Directors to consider and approve suitable persons' appointments to replace positions.

Senior Executive

When the senior executive cannot perform duties in a position, the Company will propose the executives who will inherit, which has been selected beforehand to the Executive Committee.

Directorship in Other Listed Companies

The Board of Directors has established policies for directorship in other listed companies as follows:

1) Policy on Directorship in Listed Companies of Directors

- The Board of Directors has determined that each director can hold director positions in other listed companies, including the Company, not more than five listed companies. It is to achieve efficiency in performing their duties and enable directors to fully devote their time to performing duties as the directors of the Company.
- Directors should not serve as directors in other listed companies that may create a conflict of interest with the Company and their performance.

2) Policy on directorship in other listed companies of the group chief executive officer and senior executive

The Board of Directors has assigned the group chief executive officer and senior executive to hold director positions in other companies. In most cases, the Board of Directors will appoint being a director in the group of companies, which is an overall benefit to the Company and must not affect all positions' duties and responsibilities.

If the group chief executive officer and senior executive of the Company take on the position of director at a company other than companies within the group, provide approvals and actions following the regulations, approval authority, and acts approved by the Board of Directors.

Investment Policy and Supervision of Subsidiaries and Associated Companies

The Company has an investment and management policy in subsidiaries and associates, which will invest in businesses related or benefit and support the Company's business operations to strengthen the Company's stability and performance. The Company will consider the investment proportion, expected profit, the risk that may arise, and the Company's financial status before deciding to invest in various projects. Such investment approval must be considered at the Board of Directors' meeting and/or the shareholders' meeting under the specified approval authority scope.

Guidelines for supervising the operations of subsidiaries and associated companies

The Company will send its representatives who have qualifications and experience suitable for the business in which the Company has invested to be directors of those subsidiaries and associated companies. Such representative may be the Chairman of the Board, Chief Executive Officer, Executive Director, or any person of the Company without any conflict of interest in those subsidiaries and associated companies' business.

It is to enable the Company to control and supervise the business and acknowledge or consider subsidiaries and associated companies' operations as if they are a unit of the Company. Therefore, the Company's representative must manage the business of its subsidiaries and associated companies following the rules and regulations stipulated in the rules and laws relating to the business operation of that subsidiary and/or associated companies. Also, the Company will send a representative to act as a director in the said subsidiary and associated companies following the shareholding proportion of the Company and/or mutual agreement in the case of an associated company. Besides, the Company will closely follow the said business's operating results and performance, present the results of the analysis, and express opinions or suggestions to the Board of Directors of the subsidiaries or associated companies or jointly controlled entities. It is for use in determining policies or enhancing the business of subsidiaries, associated companies, or jointly controlled entities to develop and grow continuously.



Policy and Guidelines on Shareholders and Stakeholders

Shareholders

Rights of shareholders and equal treatment of shareholders

The Company realizes and values shareholders' rights by not taking any action, which violates or deprives the rights of shareholders. The Company provides fundamental rights to its shareholders equally, including showing the right of ownership in the shares hold, trading or transferring of shares, share repurchase, receiving dividends, having a share of the enterprise's profit, consideration of all forms of compensation, obtaining sufficient and timely information of the Company, attending shareholders' meetings, or granting other proxies to exercise their voting rights in appointing or removing directors, appointing auditors and matters affecting the Company, etc.

The Company does not have the policy to create a mechanism to prevent business takeover that will cause the management or the controlling person to operate without transparency and inefficient. The Company's shareholding structure does not have cross-shareholding characteristics among the group of companies. The Company has a minority stake (Free-Float) of more than 40 percent of the total issued shares (see more details at the Securities and Exchange Commission website).

The Company has complied with the policy on the treatment of shareholders with great emphasis on the care and protection of shareholders' rights by providing care and support for major shareholders, individual, institutional investors, or foreign shareholders entitled to equal fundamental rights and treatment of shareholders' rights. The Board of Directors is required to respect the rights and treat all groups of shareholders equally, especially the minority shareholders, foreign shareholders, and institutional shareholders, which are not limited to legal rights only. There is also the policy to facilitate and encourage all shareholders and institutional investors to attend the shareholders' meeting of the Company with the supervision of the fundamental rights as follows:





The right to receive share certificates and the right to buy, sell, or transfer shares

The Company has appointed Thailand Securities Depository Co., Ltd. to act as a securities registrar to facilitate the shareholders' dealing with the Company's securities registration.

The right to propose an agenda in advance, the nomination of persons to be appointed as directors, and asking questions about the Company

The Company sets the criteria for proposing meeting agendas, the nomination of persons to be appointed as directors, and asking questions about the Company (the guidelines are disclosed on the Company website (<http://www.comseven.com> under the heading "Shareholder Meeting"). It allows minority shareholders to participate in corporate governance by being aware of shareholders' rights and encouraging them to exercise their rights in the meeting fully. Therefore, the shareholders are allowed to propose the Annual General Meeting's agenda, a list of persons proposed for appointment as the Company's directors, and inquiries submitted in advance through the Company's website at least three months before the end accounting period.

At the Annual General Meeting of shareholders, the Company has published the guidelines on its website and announcing the news on the Stock Exchange of Thailand website to be informed of their rights. Shareholders will also have time to study information for the meeting. On the day of the meeting, the Board of Directors, advisor to the Board of Directors, Executives in charge of finance and accounting, and certified public accountant have to attend the meeting in unison to answer questions.

To comply with the principles of good corporate governance, the Company provided opportunities for shareholders to propose meeting agendas to be included in the Annual General Meeting of Shareholders and nominate a qualified person to be considered for election as the Company's director at the 2020 Annual General Meeting of Shareholders in advance from October 1, 2019, to December 31, 2019, by the criteria and methods as disclosed on the Company's website (<http://www.comseven.com> Under the Investor Relations category).

The right to attend the shareholders' meeting

Summoning of Meeting

Each year, the Company arranges for an annual general meeting of shareholders within four months from the end of the Company's fiscal year. The annual general meeting of shareholders is disclosed to the shareholders in advance to plan a schedule for attending the meeting.

For the shareholders' meeting, the Company shall notify three independent directors in the meeting invitation letter for the shareholders who cannot attend the meeting to consider selecting a person who will be a proxy, whether an independent director or to another person as the shareholders deem appropriate. In voting for each agenda item, shareholders will vote in advance by specifying in the proxy form or allowing the proxy to vote in the meeting at all.

To prevent the spread of COVID 19 and avoid impact on public health, the Company asks for cooperation if any shareholder who travels via (Transit) or returns from abroad in the risk group to appoint a proxy to the Company's independent director to attend the meeting instead.

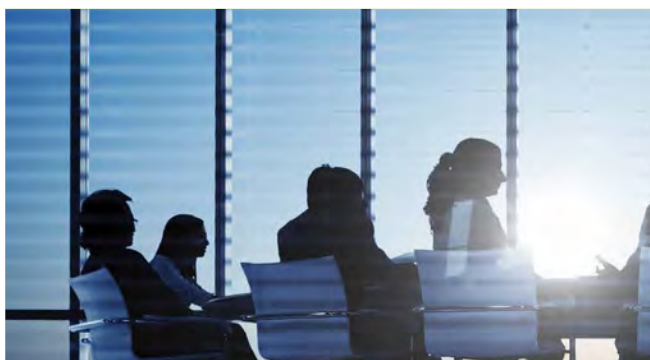
Thailand Securities Depository Company Limited, the Company's share registrar, is the operator of sending the meeting invitation letter and supporting documents for various agendas with sufficient details for deciding with annual report and proxy forms as specified by the Ministry of Commerce (not less than seven days). It is to facilitate the shareholders and allow shareholders and institutional investors to study each agenda's details and prepare for the appointment of proxies in case of inconvenience to attend the meeting by themselves. Besides, there is stamp duty for closing the proxy form for service without charge to reduce the shareholders' procuring stamp duty burden.

The Company has also published the meeting invitation letter, documents for consideration, and proxy form through the Company's website for at least 28 days as a channel for shareholders' acknowledgment. It is the same information as the information that the Company has sent to shareholders in document form. There is also the notice of the shareholders' meeting in a newspaper at least three days before the meeting and advertise for three consecutive days as required by law.

In 2020, the Board of Directors promoted the dissemination of documents for the 2020 Annual General Meeting of Shareholders on the Company's website for the best interest of the shareholders to be informed of their rights and have time to study and consider the agenda of the meeting and information supporting the meeting. Notice of the 2020 Annual General Meeting of Shareholders, together with supporting documents, both Thai and English versions were published from April 3, 2020, along with a map of the meeting venue and public relations facilitating transportation for shareholders who come to the meeting. The Company arranged a shuttle bus at Shell fuel station, Udom Suk BTS Station (Exit 2), round 1 at 12:30 hr. and round 2 at 13:30 hr.

The Company specifies agenda items to propose the general and extraordinary general shareholders' meeting without any other agenda. There are no different agendas that have not yet been presented to the meeting for consideration, including the meeting day. The Company avoids adding other agendas that are not predetermined in the shareholders' meeting because it is unfair to the shareholders who do not attend the meeting. For the directors' election, the Company specifies the name and a brief biography of each director proposed for shareholders to consider. The Company provides an opportunity for shareholders to vote for an individual director. The same as an auditor's appointment, the Company has specified the name of the auditor, affiliated firm, experience, independence, and the period that being the auditor of the Company, including the audit fee clearly so that the shareholders can consider the suitability of the auditor. In proposing for the dividend payment (if any), the Company will notify its dividend payment policy, proposed dividend payment rate, along with reasons and information for consideration to the shareholders. The Company does not neglect the equal treatment of shareholders in regards to share repurchase.





Shareholder Meeting

The quorum of a Shareholders' Meeting shall be either not less than 25 shareholders or proxies (if any) presented, or not less than half of the total number of shareholders, and the total number of shares altogether should not less than one-third of the total number of shares sold.

The Company grants shareholders the right to vote in one share for one vote and encourages shareholders to use voting cards for all agendas. Ballots are prepared for each agenda item so that the shareholders can vote as they deem appropriate. Before the meeting commenced, the Chairman of the meeting shall assign the Company's moderator to clearly explain the voting procedures and the vote counting of the shareholders that have to vote on each agenda according to the Company's article of association. Voting cards are required for all agendas so that the shareholders can vote as they deem appropriate and clearly exercised the right to vote on each agenda.

In the meeting, the Chairman of the meeting explained voting procedures and counting votes, including requiring the use of ballot papers for every agenda before the meeting commenced. Besides, the meeting's opinions are requested if subsequent attendees have the right to attend a quorum and vote from the agenda they have attended, which the meeting resolves to conduct the session. The Chairman of the meeting proposes the matter to the shareholders for consideration according to the meeting agenda's order and giving opportunities to ask questions in each agenda. For other issues besides the agenda, there is an opportunity to ask questions at the end. The shareholders have equal rights and have sufficient time.

In 2020, the Board of Directors held the Annual General Meeting of shareholders on Tuesday, April 27, 2020, at 2:00 p.m. at Com7 Public Company Limited's meeting room, 549/1 Sanphawut Road, South Bangna Sub-district, Bangna District, Bangkok. On the day of the meeting, the Chairman of the Board of Directors acted as the Chairman of the meeting. Met and answered questions about the Company's management to the shareholders at the meeting. There were the Board of Directors, Chief Executive Officer, Chairman of the Audit Committee, Chairman of the Nomination and Remuneration Committee, and the Company Secretary, a total of 14 people attended the meeting in unison, a total of 7 people participated in the forum, accounted for 100 percent of the total number of directors. 1,395 shareholders were attending the meeting in person and by proxy, representing a total of 723,146,603 shares, or 60.2622 percent of the total number of shares sold of the Company (the issued shares of the Company are 1,200,000,000 shares), constituting a quorum according to the Company's Articles of Association.

On the day of the Annual General Meeting of shareholders, the Board of Directors, advisor to the Board of Directors, executives in charge of finance and accounting, and certified public accountant attended the meeting in unison to answer questions. The Company had also invited the auditor from PricewaterhouseCoopers, ABAS Limited, and legal counsel to participate in a session from the beginning to hear opinions and prepare to answer the shareholders' questions.

The Company arranged adequate staff to welcome, facilitate, and check the documents. Besides, preliminary screening was provided to all visitors by temperature/fever measurement at the screening point in front of the meeting room and facilitated with sanitizing gel for cleaning, and put stickers when passing through the screening point. It was in line with measures to prevent the spread of COVID-19, including preparing a security system and an emergency response plan for the participants.

Disclosure of the Meeting Resolution

The Company disclosed the resolution of the Annual General Meeting of shareholders with voting results by informing in a letter to the Managing Director of the Stock Exchange of Thailand and published on the Company's website after the meeting on April 27, 2020. The minutes of the shareholders' meeting, which contained complete recordings, voting in each agenda, questions, explanations, and essential opinions entirely was delivered to the SET, Securities and Exchange Commission, and relevant agencies within 14 days from the date of the shareholders' meeting. Information was disseminated through the Company's website. The Company recorded live footage of the meeting and published it on the Company's website to provide publicity services to interested shareholders.

Minutes of the Shareholders' Meeting

To allow the shareholders to know and examine the details of the shareholders' meeting within a reasonable time and to ensure that information received between Thai shareholders and foreign shareholders equally, the Company has a policy of disseminating the minutes of the shareholders' meeting wholly and correctly in both Thai and English versions. Each agenda contains essential information such as clarification on voting procedures, the content of the agenda, resolutions of the meeting with voting results, including agreeing, disagreeing, and abstaining, questions, clarifications, and opinions in the discussion, including the names of the directors attending the meeting and their positions. In 2020, all directors participated in the forum. The information is disclosed on the Company's website within 14 days of the meeting to serve as a channel for shareholders to verify the correctness of the information and deliver it to the Ministry of Commerce within the law's time.

The Board of Directors had disclosed the minutes of the 2020 Annual General Meeting of Shareholders held on Tuesday, April 27, 2020, on the Company's website (<http://www.comseven.com> under the Investor Relations category) from May 8, 2020, including publishing the minutes of the Annual General Meeting of Shareholders on May 12, 2020.

The right to receive dividends and a share of the profit of the business

The Company allocates profits to its shareholders in the form of dividends by notifying the Company's dividend payment policy, proposed dividend rate, including reasons and information for consideration to the shareholders.

In 2020, the Board of Directors proposed the dividend payment, and the shareholders' meeting passed a resolution approving the payment of dividends for the operating results as of December 31, 2019. The Board of Directors set a list of shareholders entitled to receive dividends (Record Date) on May 11, 2020, and compile a list according to Section 225 of the Securities and Exchange Act. The dividend payment date was scheduled on May 26, 2020 (details, please see Topic: Dividend Policy of the Company and its Subsidiaries).

The right to consider the directors' remuneration

The Company has complied with the policy on criteria to consider the remuneration of directors to shareholders by appointing the Nomination and Remuneration Committee to consider the forms and compensation measures for each director position. The Company has set the directors' remuneration, considering the size of the business, business environment, overall economic conditions, the performance that reflects and correlates with the operating results, as well as considering the compensation rate of companies in the same industry, which is at a competitive level and is reasonable. The Company also proposes all forms of directors' remuneration, such as monthly remuneration, bonus, meeting allowance for shareholders to consider and approve in the shareholders' annual general meeting. The Company does not pay any money or any other assets to the directors unless it is delivered as compensation according to the rights and benefits, regular compensation as a Company director.

The payment of directors' remuneration is under Section 90 of the Public Companies Act stipulating that "Directors' remuneration shall be made by the resolution of the shareholders' meeting, which consists of not less than two-thirds of the total number of votes of the shareholders present at the meeting." The Company has published such policies on the Company's website (<http://www.comseven.com>), under the Investor Relations category) to inform shareholders and the general public who are interested.

The right to receive adequate and timely news and information

The Company discloses information through the news system of the Stock Exchange of Thailand. It also brings important information, including various current news published on the Company's website (<http://www.comseven.com> under the Investor Relations category), to take care of shareholders' rights rather than legal rights.

The right to approve the auditor's appointment and their remuneration

The Company sets an agenda for auditors' appointments and determines their remuneration for the shareholders to consider and approve in the shareholders' annual general meeting. It contains details of the auditors' proposed appointment, information on the affiliate firm, experience, competence, independence, and the auditor's service fee to provide sufficient information for the shareholders to use in their consideration.

Stakeholders

The Company recognizes all groups of stakeholders' rights, whether internal stakeholders included shareholders, employees, and external stakeholders included customers, business partners, creditors, competitors, and other entities, including related nearby communities. Since the Company has received support from all groups of stakeholders in building competitiveness and generating profits for the Company, which is considered to create sustainable value for the Company, therefore, these stakeholders should be treated following their rights under applicable law by setting the policy as follows:

The Use of Inside Information Policy

The Board of Directors realizes the importance of good corporate governance to be transparent and prevent the exploitation of personal interests from the use of internal information of the Company that has not been disclosed to the public. The Company has set a policy to use inside information (study the full policy and guidelines at <http://www.comseven.com> under the Investor Relations category). The Company has established guidelines for this matter as follows:

- 1) Educate the directors and executives regarding the reporting obligations of their securities holdings, their spouse, and underage children and report the change in the holding of the Company's securities to the Office of the Securities and Exchange Commission, including reporting on the acquisition or disposition of securities of the spouse and underage children.
- 2) Define the group of people who can access the information.
- 3) Assign the Company Secretary to be the central agency to supervise and hierarchy information.
- 4) The procedures for securities trading of directors and executives must be reported one business day prior to buying or selling, including a 30-day period before the announcement of business results and/or important transactions and after 24 hours of the disclosure.

In implementing that action, the Company focuses on communicating and raising awareness to the organization's employees from time to time, such as communicating via email to remind transactions or activities that may lead to the use of inside information. Directors and executives are also encouraged to be role models and examples in not using data for their benefit.

If there is a violation of the Company's policies and practices, the Company has defined penalties and focuses on corrective action to avoid the recurrence of such cases.



Transparency and Disclosure Policy

The Board of Directors has the policy to disclose financial information and others related to the Company's business and performance that is truthful, complete, adequate, consistent, timely, demonstrating the actual financial and operating status, including the future of the Company's business.

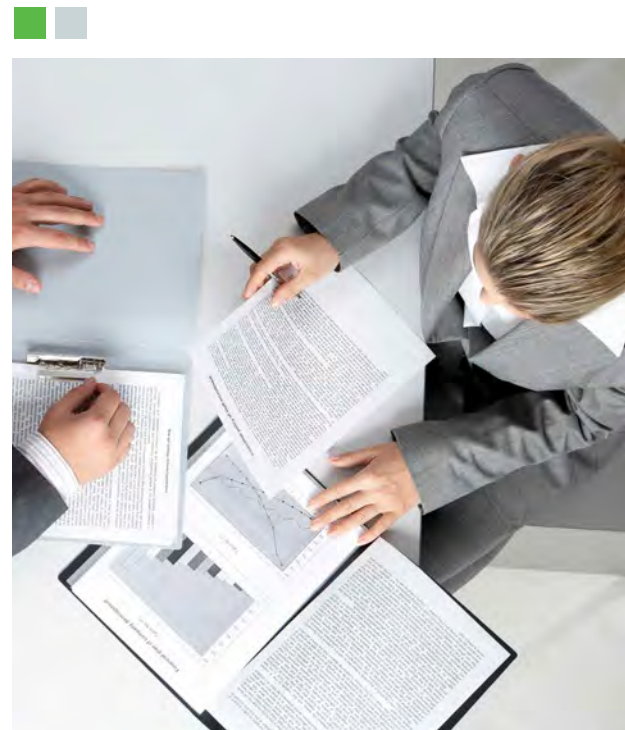
The Board is committed to ensuring strict adherence to laws, rules, and regulations related to information disclosure and transparency by arranging to disseminate information on the Company's website and publications of the Stock Exchange of Thailand for shareholders and other stakeholders to acknowledge the information of the Company thoroughly. Make adjustments to be in line with the guidelines set forth by the Stock Exchange of Thailand and the Securities and Exchange Commission.

The Company provides staff to communicate with investors or shareholders, including institutional investors and minority shareholders, and hold a meeting to analyze the performance regularly. It will also disseminate financial information and general information to the shareholders and related agencies through various channels such as reporting to the Stock Exchange of Thailand Securities and Exchange Commission and the Company's website.

Besides, the Company pays attention to the financial reports to demonstrate the Company's actual financial status and operating results. It is based on accurate, complete, and sufficient accounting information following generally accepted accounting standards. The Company shall disclose information about each director and the roles and duties of the Board of Directors and the sub-committees of the Company in the annual report.

The Company has established a guideline for this matter to have a channel for disclosure of information, consisting of:

- 1) Disclosure of information via electronic media (SET Portal: SEP) under the rules and procedures prescribed by the Stock Exchange of Thailand
 - Management Discussion and Analysis: MD&A
 - Annual Registration Statement (Form 56-1)
 - The Company's Financial Statements and Annual Report
 - Resolution of the Board of Directors' Meeting, Shareholders' Meeting and Other Information
- 2) The Office of the Securities and Exchange Commission
- 3) Department of Business Development Ministry of Commerce
- 4) The Company website <http://www.comseven.com>
- 5) Mass communication, publications, and other media
- 6) Analyst Meeting
- 7) Company Visit / One-on-One Meeting
- 8) Traveling to provide information both domestically and internationally (Road Show)



Conflict of Interest Policy

The Board of Directors has established the policy and guideline for considering transactions that contain or may have conflicts of interest in the Company's good corporate governance policy and code of business conduct. It is for the directors, executives, and employees to observe and exercise caution according to the rules on connected transactions and do not have any transactions that violate the SEC and SET rules. According to the SEC's definition, the directors and executives have to report their interests and personal interests to the Company and communicate principles of connected transactions, and communicate with the relevant lines of the Company and the group companies. The Company has also disclosed to the general public through the company website (<http://www.comseven.com> under the Investor Relations category).

The Company has established guidelines on the prevention of conflicts of interest on the principle that any decision in conducting business activities must be made in the Company's best interest only.

- 1) Actions that create conflicts of interest should be avoided by requiring those involved or who have a stake in the transaction. They must notify the Company of their relationship or interest in the said transaction and not participate in the decision-making, including having no power to approve such transactions.
- 2) Executives or directors deem that any transaction is considered a connected transaction or a transaction with explicit conflicts of interest and intends to comply with the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions B.E. 2546 and/or Section 80 of the Public Limited Companies Act on the abstention of directors who have direct or indirect interests.



Non-Violating Human Rights and Intellectual Property or Copyright Policy

The Company has a clear policy not to violate or take any action, which is a violation of human rights, including not supporting any intellectual property or copyright infringement whether it is a direct or indirect violation. The Company has disclosed to the general public through the Company's website (<http://www.comseven.com> under the Investor Relations category), with the following guidelines:

- 1) Support and respect the protection of human rights. The Company has no policy, not act, and not involve in human rights violations, such as not doing and not supporting forced or illegal alien labor, including against the use of child labor.
- 2) Deliver products and services of the highest standard to people of all genders, ages, races, and religions equally.
- 3) Provide equal employment opportunities, including those with disabilities.
- 4) The Company provides an opportunity for employees to complain about human rights violations. The management commits to prevent and limit human rights violations from occurring.
- 5) The Company provides training, educating, and campaigning on human rights for employees.
- 6) The verbal expression or the unwanted physical expression of sexuality, such as criticism of others' sexual orientation
- 7) Any act of sexual activity that creates hostility or makes threats at work or any action that falls into the adverse category of sex, dissemination of lewd humor in the workplace, display, post, or distribute information containing sexually explicit content or images

The Company has imposed the highest penalties for those who commit such crimes, i.e., termination of employment, and has provided a whistleblowing channel.

Anti-Corruption Policy

The Company intends to operate its business with transparency. It can be examined following good corporate governance principles by establishing a control and audit process to reduce and prevent the risk of fraud within the organization, including all forms of corruption, either direct or indirect. The Company also performs various actions that demonstrate its commitment to anti-corruption.

The Company has a policy to prevent and anti-corruption, giving or receiving a bribe, including clear guidelines for anti-corruption practices and disclosing to the general public through the Company's website (<http://www.comseven.com> under the Investor Relations category). To comply with the principles of good corporate governance and corporate social responsibility as a whole, the Company sets a guideline as follows:

1) Training and Communication

The Company provides communication and dissemination of anti-corruption policy, including whistleblowing channels or complaints. It allows people within the Company acknowledged through various media such as orientation for new directors and employees, seminars, posting announcements on publicity boards, intranet system, e-mail, the Company's website, etc. Moreover, the Company communicates and disseminates an anti-corruption policy and channels for reporting clues or complaints to the public, subsidiaries, business representatives, related business partners, and stakeholders through various annual reports and annual registration statements. It creates understanding and encourages adherence to social responsibility standards in the anti-corruption issue, the same as the Company.



2) No Gift Policy

Accepting and giving gifts, favors, or any other benefit may be a starting point for potential fraud. Therefore, the Company has established guidelines to comply with the anti-corruption policy regarding receiving-giving gifts, entertainment, or any other benefits and promulgated throughout the organization so that the personnel of the Company group strictly observes. Do not demand/accept gifts, gratuity, entertainment, or any business associates' compensation to prevent reluctance to perform duties or any discrimination or action that may create conflicts of interest. Communicate to third parties involved in the Company's business operations to maintain the Company's standard of performance to be transparent, honest, and legitimate.



3) Whistleblower System

The Company is aware of the role of participation in corporate governance from all stakeholders who encounter things contrary to the Business of Conduct, Fraud and Corruption, or in any other cases. The report or complaints can be submitted directly to the Chairman of the Corporate Governance Committee or the head of the internal audit department, the Company Executives, the Company Secretary, or the channels for receiving complaints that the Company provided, including any other media that stakeholders trust. The measures and channels for reporting clues or complaints are as follows:

Measures and Channels for Reporting Clues or Complaints

The Company provides a secure and accessible channel so that employees and other people ask for advice on implementing the Anti-Corruption Policy and able to report any wrongdoing or complaint. It ensures that the whistleblower will be adequately protected. There is also a person to investigate and follow up on all matters that have been notified as follows:

1) Asking for advice, anyone who has questions or needs advice on the implementation of the Anti-Corruption Policy can perform as follows:



1.1 Request a consultation with "Human Resources Manager" or "Internal Audit Manager" by



Telephone: 02-017-7777 ext. 7741 or 7202



Email: whistleblower@comseven.com



Send a post mail via: Com7 Public Company Limited (Head Office)
549/1 Sanphawut Rd., South Bangna Sub-District, Bangna District,
Bangkok 10260

1.2 The person asking for advice may not reveal himself. However, specifying the person's name will enable a direct and quick response to the suggestion.

2) Complaints and Whistleblowing: If anyone has clues about illegal acts, ethics, or behavior that may imply corruption or misconduct or received unfair from the performance of employees or found a defect in the Company's internal control system, can report clues to the Company as follows:



Email: whistleblower@comseven.com



Post Mail: Chairman of the Audit Committee
Com7 Public Company Limited
549/1 Sanphawut Rd., South Bangna Sub-District
Bangna District, Bangkok 10260



Comment Box: Human Resources Department

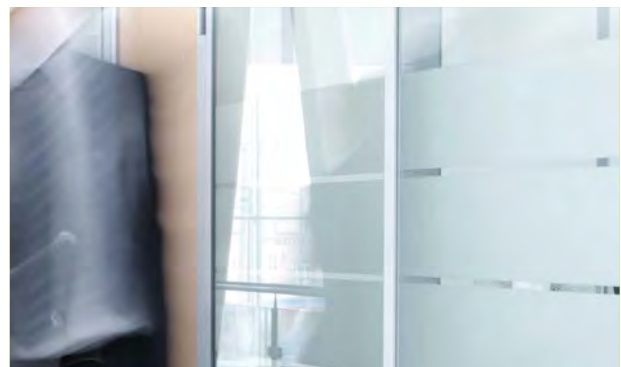


Complaints Handling Procedure

- 1) The Audit Committee will assign the internal auditors or appoint a committee to investigate facts and inform the audit results periodically to the whistleblower or complainant when receiving the whistleblowing.
- 2) Suppose the investigation found that there is reason to believe that the accused person committed corruption. In that case, the Company will give the accused the right to acknowledge and prove by seeking additional information or evidence to show that they are not involved in the alleged dishonesty.
- 3) If the accused has actually committed corruption, those who commit fraud, whether they are directors, executives, or employees, are considered in breach of the Anti-Corruption Policy and Code of Business Conduct of the Company must be regarded as disciplinary following the regulations set by the Company. If dishonesty is an offense against the law, the offender may face legal punishment. However, disciplinary penalties according to the Company's regulations, the Audit Committee's decision is final. The Company has no policy to demote, punish, or adversely affect employees who refuse to be corrupt. Even if doing so would cause the Company to lose a business opportunity.

Protection and Confidentiality Measures

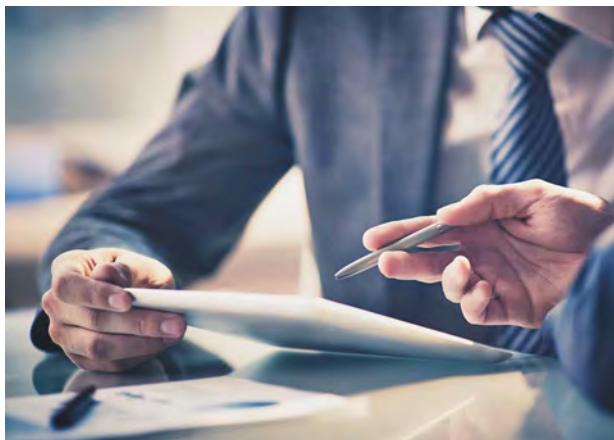
- 1) The Company shall keep the information of the complainant and the accused confidential and disclose information as necessary regarding the safety and damage of the complainant.
- 2) The complainant can request the Company to prescribe protective measures as appropriate. The Company may define protection measures for the complainant without asking if it considers a risk that the complainant will be insecure or damaged. The Company shall not take any action unfair to the complainant, whether it is a change of job position, job description, workplace, threats, disrupting operations, employment termination, etc.



Code of Business Conduct



The Company is committed to doing the right thing and conducts business following operational guidelines under the law. Encourage the directors, executives, and employees of the Company to have a good practice and behave in a way that is appropriate for professional business, including having virtue, be responsible for the economy and society as a whole. It promotes a good corporate governance system based on honesty, justice, transparency, including standing for fairness and integrity. Value the customer, have a social responsibility, do not involve in politics, and consider all stakeholders' groups. Do not involve human rights violations and corruption. Do not accept compensation that is more than usual. Do not be involved in demanding, receiving, or paying a bribe. There is no conflict of interest, and do not do anything that violates others' intellectual property or copyright. It is the main principle based on the "Code of Business Conduct and Practices" that promotes directors' and executives' performance to achieve the Company's objectives, vision, and goals. It helps increase the efficiency of work in the organization (study the full policy and guidelines at <http://www.comseven.com> under the Investor Relations category). In 2020, there were no disputes between the Company or its subsidiaries and customers.



The Company has prepared the Code of Business Conduct and the Code of Conduct for Directors, Executives, and Employees to adhere to the following guidelines:

- 1) Code of Business Conduct is the practice for the Company.
- 2) Code of Conduct for Directors is the practice for directors.
- 3) Code of Conduct for Executives is the practice for executives.
- 4) Code of conduct for Employees is the practice for employees.
- 5) Code of Conduct for Investor Relations is the practice for the investor relations officer.

The Company provides a process to help promote and support the organization's culture that gives employees a common practice and a sense of purpose with the organization to create sustainable values for the organization as follows:

- 1) Require the directors, executives, and employees to strictly follow each group's code of conduct, including monitoring of operations.
- 2) Organize training on code of business conduct and code of conduct for employees by integrating the training content into new employees' training course. It ensures that employees at all levels are aware, understand, and can apply them following the principles of good governance, code of business conduct, and work practices.
- 3) Promote awareness of the Company's code of business conduct for directors, executives, and employees by publishing on the Company's website (<http://www.comseven.com>) and through the Company's IT EASY Application channel every year. Ask for cooperation for the directors, executives, and employees to complete 100% of the Code of Conduct questionnaires.

Besides, the Company has established and promulgated the Supplier Code of Conduct and Guideline for its partners to use as a guideline for conducting business and responsibility in the supply chain.

Significant Changes and Developments of Policy, Practices and Corporate Governance System in the past year

Significant Changes and Developments of the Company Policy

In 2020, the Board of Directors approved a review and revision of the good corporate governance policy and anti-corruption policy to be appropriate and following the Company's situation, approved by the Board of Directors meeting No. 2/2020 on May 14, 2020. It shows that the Company has improved the policy, guidelines, and corporate governance system continuously. It increases regulatory efficiency and raises the Company's corporate governance standards, which is in line with the good corporate governance principles for listed companies in 2017 (CG Code) at least once a year.

Assessment Certifications Related to Good Corporate Governance

Shareholder Meeting Quality Assessment Project

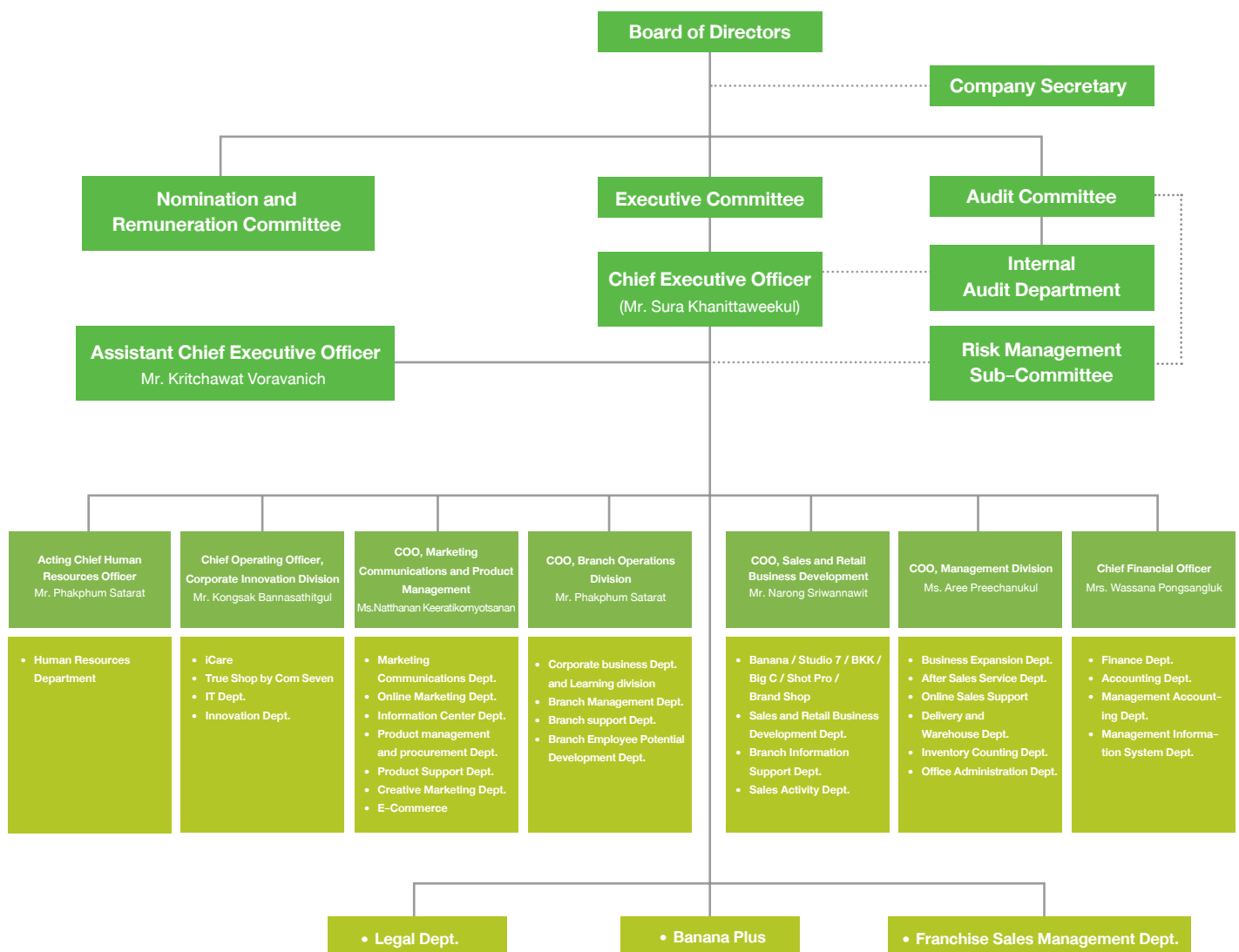
Thai Investors Association has organized a project, "Quality Assessment of AGM of Listed Companies," which has been performed continuously since 2006. It allows listed companies to demonstrate the importance of rights and equal treatment of shareholders, including transparent disclosure of information. Both listed companies and shareholders have well-received it in attending the annual general meetings of listed companies consistently. It encourages listed companies to attach importance to the annual shareholders' meeting. It also maintains the yearly shareholder meeting's standard to have similar means and be recognized internationally, including creating a good image for the Thai capital market in terms of participation, rights of shareholders, and management with good corporate governance. Besides, it encourages shareholders to realize the benefits of attending shareholders' meetings and to build cooperation and good relations among the agencies involved in the capital market.

Based on the 2020 Annual General Meeting of Shareholders' quality assessment results, the Company received a full score of 100, which was in the "Excellent" criteria in the 2020 Annual General Meeting of Shareholders Quality Assessment Project, conducted by the Thai Investors Association.

Corporate Governance Structure and Significant Information regarding Board of Directors, Sub-Committees, Management, Employees, and Others

Organizational Structure

as of December, 31, 2020



Board of Directors and Sub-Committees

Name	Board of Directors	Sub-Committees			
		Audit Committee	Nomination and Remuneration Committee	Executive Committee	Risk Management Subcommittee
Mr. Siripong Sombatsiri ^{/1}	Chairman and Independent Director	Chairman and Independent Director	-	-	-
Mr. Somboon Aueatchasai ^{/1 /2}	Independent Director	Independent Director	-	-	-
Mr. Kashpol Chulajata	Independent Director	Independent Director	Chairman and Independent Director	-	-
Mr. Sura Khanittaweekul	Executive Director	-	-	Chairman of Executive Committee	-
Mr. Kritchawat Voravanich	Executive Director	-	-	Executive Committee	Chairman of the Risk Management Subcommittee
Ms. Aree Preechanukul	Executive Director	-	Executive Director	Executive Committee	Risk Management Subcommittee
Mr. Kongsak Bannasathitgul	Executive Director	-	Executive Director	Executive Committee	Risk Management Subcommittee
Ms. Natthanan Keeratikomysanan	-	-	-	Executive Committee	Risk Management Subcommittee
Mrs. Wassana Pongsangluk ^{/1}	-	-	-	Executive Committee	Risk Management Subcommittee
Mr. Phakphum Satarat	-	-	-	Executive Committee	-
Mr. Narong Sriwannawit ^{/3}	-	-	-	Executive Committee	-
Mr. Thanathus Taneesan	-	-	-	-	Risk Management Subcommittee
Mr. Attapol Wattanachinda	-	-	-	-	Risk Management Subcommittee

Note

^{/1} Mr. Siripong Sombatsiri, Mr. Somboon Aueatchasai, and Mrs. Wassana Pongsangluk are the directors with accounting and finance experience. Details are shown in the profile of the board of directors and management.

^{/2} Mr. Somboon Aueatchasai has been appointed as the Company's director and Independent Director in place of the resigned director (Ms. Vareeporn Udomkunnatum), effective from November 12, 2020.

^{/3} Mr. Narong Sriwannawit has been appointed as the Executive Committee, effective from March 1, 2020.

Board of Directors Meeting Attendance

Name	Board of Directors	Number of Meetings Attended / Number of Meetings Held ^{/1}				
		Audit Committee	Nomination and Remuneration Committee	Executive Committee	Risk Management Subcommittee	Annual General Meeting of Shareholders
Mr. Siripong Sombatsiri	9/9	4/4	-	-	-	1/1
Ms. Vareeporn Udomkunnatum ^{/2}	4/9	2/4	-	-	-	1/1
Mr. Somboon Aueatchasai ^{/2}	1/9	-	-	-	-	1/1
Mr. Kashpol Chulajata	9/9	4/4	2/2	-	-	1/1
Mr. Sura Khanittaweekul	9/9	-	-	13/13	2/2	1/1
Mr. Kritchawat Voravanich	9/9	-	-	12/13	2/2	1/1
Ms. Aree Preechanukul	9/9	-	2/2	12/13	2/2	1/1
Mr. Kongsak Bannasathitgul	8/9	-	2/2	12/13	2/2	1/1
Ms. Natthan Keeratikornyossanan	-	-	-	13/13	2/2	1/1
Mrs. Wassana Pongsangluk	-	-	-	13/13	2/2	1/1
Mr. Phakphum Satarat	-	-	-	13/13	-	1/1
Mr. Narong Sriwannawit ^{/3}	-	-	-	10/13	-	1/1
Mr. Thanathus Taneesan	-	-	-	-	2/2	1/1
Mr. Attapol Wattanachinda	-	-	-	-	2/2	1/1

Note

^{/1} The number of meetings attended includes joining by teleconferencing and electronic conferencing.

^{/2} Mr. Somboon Aueatchasai has been appointed as the Company's director and Independent Director in place of the resigned director (Ms. Vareeporn Udomkunnatum), effective from November 12, 2020.

^{/3} Mr. Narong Sriwannawit has been appointed as the Executive Committee, effective from March 1, 2020.

Report of Changes in Securities Holding of Directors and Executives in the Company and its Subsidiaries

Information as of December 31, 2020

Name	Ordinary Share (Shares)	
	31/12/2019	31/12/2020
1. Mr. Siripong Sombatsiri	-	-
Spouse	-	-
Underage Child	-	-
2. Mr. Somboon Aueatchasai	-	-
Spouse	-	-
Underage Child	-	-
3. Mr. Kashpol Chulajata	-	-
Spouse	-	-
Underage Child	-	-
4. Mr. Sura Khanittaweekul	300,655,200	300,655,200
Spouse	-	-
Underage Child	-	-
5. Mr. Kritchawat Voravanich	12,840,000	12,840,000
Spouse	-	-
Underage Child	-	-
6. Ms. Aree Preechanukul	40,600,000	40,600,000
Spouse	-	-
Underage Child	-	-
7. Mr. Kongsak Bannasathitgul	370,000	370,000
Spouse	-	-
Underage Child	-	-
8. Ms. Natthan Keeratikornyossanan	6,500,000	6,500,000
Spouse	-	-
Underage Child	-	-
9. Mrs. Wassana Pongsangluk ¹	-	-
Spouse	-	-
Underage Child	-	-
10. Mr. Phakphum Satarat	-	-
Spouse	-	-
Underage Child	-	-
11. Mr. Narong Sriwannawit	-	-
Spouse	-	-
Underage Child	-	-

Note

¹ Chief Financial Officer

Information of the Board of Directors

The Company's management structure consists of the Board of Directors and four sub-committees, namely the Audit Committee, the Nomination and Remuneration Committee, the Executive Committee, and the Risk Management Subcommittee. The Company's directors, members of the Audit Committee, members of the Nomination and Remuneration Committee, including the executives, have qualifications and do not have any prohibited characteristics as required by relevant laws. The details of the Company's management structure are as follows:

Board of Directors

As of December 31, 2020, the Company's Board of Directors consists of 7 directors, namely:

Name	Position
1. Mr. Siripong Sombatsiri	Chairman of the Board and Independent Director
2. Mr. Sura Khanittaweekul	Vice Chairman
3. Ms. Aree Preechanukul	Director
4. Mr. Kritchawat Voravanich	Director
5. Mr. Kongsak Bannasathitgul	Director
6. Mr. Somboon Aueatchasai ¹	Independent Director
7. Mr. Kashpol Chulajata	Independent Director

Note

¹ Mr. Somboon Aueatchasai has been appointed as the Company's director and Independent Director in place of the resigned director (Ms. Vareeporn Udomkunnatum), effective from November 12, 2020.

Ms. Sasipa Sawangsawai is the Company Secretary.

Authorized Director

Mr. Sura Khanittaweekul or Mr. Kritchawat Voravanich or Ms. Aree Preechanukul or Mr. Kongsak Bannasathitgul, two-fourths of authorized directors jointly sign with the Company's seal.

Information of the Board of Directors and the Controlling Persons of the Company Individually

The information can be found on "Information of the Board of Directors and Sub-committees" page 135.

The Scope of Duties and Responsibilities of the Board of Directors

1. The Board of Directors has power, duties, and responsibilities for managing and operating the Company's businesses following the laws, objectives, the Articles of Association of the Company, and the resolution of the shareholders' meeting with honesty and carefully protects the Company's interests.
2. Arrange to have a balance sheet and profit and loss statement of the Company at the end of the accounting period, which the auditor reviewed and propose to the shareholders' meeting for consideration and approval.
3. Determine targets, directions, policies, business operation plans, and the Company's budget, including monitoring and supervising the executive's administration and management to comply with the set guidelines, procedures, and budget efficiently and effectively.
4. Consider, review, and approve the policies, directions, strategies, and business operation plans proposed by the management.
5. Regularly monitor the operation to comply with the business plan and budget.

6. Ensure that the Company and its subsidiaries have the appropriate and efficient accounting system and provide reliable financial reports and auditing, including providing the proper internal control and internal audit procedures.
7. Consider establishing the risk management policy to cover all the Company's activities and supervise its systems or processes with appropriate measures to support and control methods to reduce the impact on the Company's business.
8. Consider determining the management structure. Have authority to appoint the Executive Committee, Chief Executive Officer, and other sub-committees as appropriate, including assessing the scope of powers and duties of the Executive Committee, Chief Executive Officer, and sub-committees as appointed.

However, the scope of authority shall not authorize the Executive Committee, Chief Executive Officer, and sub-committees to approve transactions that may have a conflict of interests between the Company and subsidiaries (if any). Except, it is to approve transactions following the policies and criteria already approved by the Board of Directors.

9. Oversee the management and operation of the Company and its subsidiaries to comply with the specified policies, the Securities and Exchange Act, notification of the Capital Market Supervisory Board, and regulations of the Stock Exchange of Thailand, such as related transaction and the acquisition or disposition of significant assets as far as it does not conflict other laws.
10. The Board may authorize one or more directors or any other person(s) to perform any action on behalf of the Board under its control or delegate to such person to have authority as the Board deems appropriate within the period under the Board's discretion. The Board may revoke, change or modify the authorization when seeing appropriate.

However, the authorization shall not possess to make such individuals to be able to approve the transaction that the person or others may have a conflict of interest and personal gain or may have a conflict of interest in any other way with the Company or its subsidiaries as defined in the Regulations of the Capital Market Supervisory Board and/or SET and/or any announcement of the entities involved unless the approval is following the policies and guidelines and approved by the Board.

Term of Office of Directors

At the Annual General Meeting of Shareholders, one-third (1/3) of all directors shall resign by rotation. In case the number of resigned directors cannot be preceded, the similar amount to one-third of the directors to resign during the first year. The resigning directors may be re-elected. The directors vacating from office in the first and second years after conversion can be selected by drawing lots. The following year the director who is longest in the office shall retire. However, Directors who are retired may be re-elected by the shareholders' meeting.

Apart from retirement upon the expiration of the term of office, the directors shall be vacated upon:

1. Death
2. Resignation
3. Lack of qualifications or obtain prohibited characteristics under the law.
4. The shareholders' meeting resolution with a vote of not less than three-fourths of the total number of shareholders attending the meeting and have voting rights and having a total of not less than half of the shares held by the shareholders attending the meeting and eligible to vote.
5. The court has issued an order.



Nomination of Directors

The Board has established the Nomination and Remuneration Committee, responsible for selecting persons who with knowledge, skill, and experience, including the excellent background of working, having leadership and vision as well as morality, ethics, and positive attitude towards the organization, or persons devoting themselves to conduct business operations. Besides, it needs to consider the appropriate qualifications complying with the composition and the directors' structure according to the Company's business strategy to propose to the Board of Directors and/or the shareholders' meeting (as the case may be).

The meeting of shareholders shall elect the directors under the following rules and procedures:

- (1) A shareholder shall have one vote for each share he holds or represents.
- (2) Each shareholder may exercise all the votes he or she has to select one or several persons as directors. If several persons are to be elected as directors, the shareholder should have equal right of dividing vote.
- (3) The persons receiving the most votes in descending order are elected as directors equal to the number of directors to have or to be selected at that time. If persons who have been elected in descending order of votes equal to or exceed the number of directors to be elected at that time, the remaining appointments shall be made by drawing lots.

Directors' Remuneration Policy

The Company has set the directors' remuneration for the year 2020, providing for the Board and the Audit Committee. The payment is at the same rate in 2019, by paying in the form of monthly remuneration, meeting allowance, and bonus with details as follows:

Directors' Remuneration

The Company has set the directors' remuneration for 2020 consisting of Remuneration of the Board of Directors and the Audit Committee. The 2020 remuneration is within the total amount at the same rate as in 2019, paid in monthly remuneration, meeting allowance, and bonus. The details are as follows:

a) Monetary Compensation

The 2020 Annual General Meeting of Shareholders on April 27, 2020, resolved to determine the directors' remuneration as follows:

(1) Monthly Remuneration

Position	Remuneration
Chairman of the Board	20,000 baht / month
Chairman of the Audit Committee	20,000 baht / month
Director	10,000 baht / month
Audit Committee Member	15,000 baht / month

Note

1. The Company does not have the policy to pay remuneration to the Executive Committee.
2. The Audit Committee shall receive remuneration as an Audit Committee only.

(2) Meeting Allowance

Position	Remuneration
Chairman of the Board	40,000 baht / time
Chairman of the Audit Committee	40,000 baht / time
Director	20,000 baht / time
Audit Committee Member	25,000 baht / time

Note

1. The Company shall pay meeting allowances according to the number of the Director's attendance and not exceeding 6 times per year. The Directors or Audit Committee Members shall not receive meeting allowances exceeding 6 meetings.
2. Directors' bonus of 3,000,000 Baht shall be paid for Independent Directors only. The Board of Directors has determined the remuneration for the Company's sub-committees, which they shall receive compensation as detailed above.

Details of the Directors' Remuneration for the year 2019 and 2020

(Unit: Baht)

Name	2019	2020
1. Mr. Siripong Sombatsiri	1,680,000	1,720,000
2. Mr. Sura Khanittaweekul	240,000	260,000
3. Ms. Aree Preechanukul	240,000	260,000
4. Mr. Kritchawat Voravanich	240,000	260,000
5. Mr. Kongsak Bannasathitgul	240,000	260,000
6. Ms. Vareeporn Udomkunnatum	1,260,000	1,075,000
7. Mr. Kashpol Chulajata	1,260,000	1,260,000
8. Mr. Somboon Aueatchasai	-	74,500
Total	5,160,000	5,169,500

b) Non-Monetary Compensation/Other Compensation

-None-

Information of the Sub-Committees

Audit Committee

The Audit Committee consists of 3 members as follows:

Name	Position
1. Mr. Siripong Sombatsiri	Chairman of the Audit Committee and Independent Director
2. Mr. Somboon Aueatchasai ¹	Audit Committee Member and Independent Director
3. Mr. Kashpol Chulajata	Audit Committee Member and Independent Director

Note

¹ Mr. Somboon Aueatchasai has been appointed as the Company's director and Independent Director in place of the resigned director (Ms. Vareeporn Udomkunnatum), effective from November 12, 2020.

Mr. Siripong Sombatsiri, the Chairman of the Audit Committee, has sufficient knowledge and experience in finance and accounting to review and ensure the correctness and reliability of the Company's financial statements. He graduated bachelor's degree in accounting from Chulalongkorn University and a Master of Business Administration from Sul Ross University, USA. He is currently the Chairman of the Audit Committee of Pan Asia Footwear Public Company Limited, Audit Committee of Bangkok Chain Hospital Public Company Limited, and Director of AP (Thailand) Public Company Limited.

Ms. Piyaorn Bandasak serves as the secretary of the Audit Committee.

Term of office of the Audit Committee

Chairman of the Audit Committee 3 years or equivalent to the term of the Company's director

Audit Committee Member 3 years or equivalent to the term of the Company's director

After the term is expired, the Audit Committee Chairman and members who vacate office upon the expiration of the term may be re-appointed.

Scope of Duties and Responsibilities of the Audit Committee

1. Review the Company's financial report to ensure that it is accurate and adequate.
2. Review the internal control system and internal audit system of the Company to ensure their appropriateness and efficiency. Review the Internal Audit Office's independence and approve the appointment, transfer, and dismissal of the head of the Internal Audit Office or the head of any other unit in charge of an internal audit.
3. Review the Company's compliance with the law on securities and exchange, the Stock Exchange of Thailand's regulations, and the laws relevant to the Company's businesses.
4. Consider, select, and nominate the independent person(s) to be elected as the Company's external auditor(s) as well as to propose their remuneration, and to attend a meeting with the external auditor(s) without the management at least once a year. Consider related party transactions or transactions that may lead to conflicts of interests to ensure that those transactions comply with the laws and regulations of the Stock Exchange of Thailand and are justifiable and for the utmost benefit of the Company.
5. Prepare the Audit Committee's report and disclose it in the Company's annual report. The said report must be signed by the Chairman of the Audit Committee and must contain at least the following information:
 - (A) Opinion on the accuracy, completeness, and credibility of the Company's financial reports
 - (B) Opinion on the adequacy of the Company's internal control system
 - (C) Opinion on compliance with the securities and exchange laws, the regulations of the Stock Exchange of Thailand, or the laws relevant to the Company's businesses
 - (D) Opinion on the suitability of external auditor(s)
 - (E) Opinion on the transactions that may lead to conflicts of interests
 - (F) Number of the Audit Committee meetings and the meeting attendance by each member
 - (G) Opinion or overall remark of the Audit Committee derived from their duties' performance under the Audit Committee Charter Scope
 - (H) Other transactions that the shareholders and general investors should acknowledge and are in the scope of the duties and responsibilities assigned by the Board of Directors
6. Perform any other activities as assigned by the Board of Directors with the approval of the Audit Committee.

The Nomination and Remuneration Committee

The Nomination and Remuneration Committee consists of 3 members as follows:

Name	Position
1. Mr. Kashpol Chulajata	Chairman of the Nomination and Remuneration Committee
2. Mr. Kongsak Bannasathitgul	Member of the Nomination and Remuneration Committee
3. Ms. Aree Preechanukul	Member of the Nomination and Remuneration Committee

The Human Resources Manager serves as secretary of the Nomination and Remuneration Committee.

Scope of duties and responsibilities of the Nomination and Remuneration Committee

1. Recommend on structure, size, and composition of the Board of Directors and each sub-committee, and specify nomination procedure and criteria according to the structure, size, and composition as prescribed.
2. Consider the qualified persons to undertake as directors, sub-committee, chief executive officer, and propose to the board of directors meeting and/or the shareholders' meeting in the case of a vacancy.
3. Consider policies and guidelines of nomination and compensation, both monetary and non-monetary, for the Board, sub-committee, and chief executive officer in compliance with the Company's operating results and other companies in the same industry
4. Evaluate the Company's performance to determine bonus and annual salary increase using standard criteria appropriated for consideration.
5. Perform any other duties as assigned by the Board of Directors.

The delegation of authorization and responsibilities of the Nomination and Remuneration Committee shall not appear to be authorization or sub-authorization to an attorney that may have a conflict of interests or gain with the Company and/or its subsidiaries and/or related companies (as defined by the Notification of the Capital Market and/or related organization). The Nomination and Remuneration Committee has no power to authorize such action on the matter. It has to be submitted to the Board of Directors and/or shareholders' Meeting (as applicable) for approval.

Executive Committee

The Executive Committee consists of 8 members as follows:¹

Name	Position
1. Mr. Sura Khanittaweekul	Chairman of Executive Committee
2. Ms. Aree Preechanukul	Executive Committee
3. Mr. Kritchawat Voravanich	Executive Committee
4. Mr. Kongsak Bannasathitgul	Executive Committee
5. Ms. Natthanan Keeratikornyossanan	Executive Committee
6. Mrs. Wassana Pongsangluk	Executive Committee
7. Mr. Phakphum Satarat	Executive Committee
8. Mr. Narong Sriwannawit/1	Executive Committee

Note

¹ Mr. Narong Sriwannawit has been appointed as the Executive Committee, effective from March 1, 2020.

Scope of duties and responsibilities of the Executive Committee

1. Operate and manage the Company's affairs following the objectives, article of association, policies, regulations, orders, and resolutions of the Board of Directors and/or the Company's shareholders' meeting.
2. Consider the management's proposal and propose the Company's policies, objectives, business strategies, investment, and business expansion, including a budget, to the Board of Directors' meeting for further approval.
3. Consider and approve the operations of ordinary business transactions of the Company according to the investment budget or budget approved by the Board. Each transaction's credit limit is specified in the table of authorities but not exceeding the annual budget approved by the Board of Directors, including entering into contracts related to the matters mentioned above.
4. Monitor the implementation of policies and objectives as prescribed by the Board and supervise to ensure that the operation shall have quality and efficiency.
5. Have the power to approve the cost of normal business operations of the Company, such as purchasing. Each transaction's credit limit is specified in the table of authorities but not exceeding the annual budget approved by the Board of Directors, including entering into contracts related to the matters mentioned above
6. Have the power to consider and approve the expenditures of significant investments set in the annual budget as assigned by the Board of Directors. Or the Board of Directors has previously approved in principle.
7. Have the power to approve the Company's cost of normal business operations according to the approved budget and the approval authority approved by the Board of Directors.
8. Have the power to procure a place for expanding the branch and approve to establish any offices, including the cost of its operations as specified in the business plan or annual budget approved by the Board of Directors. Each transaction's credit limit is specified in the table of authorities but not exceeding the annual budget approved by the Board of Directors, including entering into contracts related to the matters mentioned above.
9. Have the power to approve any acquisition of credit or loan of the Company. Each transaction's credit limit is specified in the table of authorities approved by the Board of Directors. In this case, the Company's assets are required as collateral and must be present for approval from the Company's Board of Directors.
10. Determine the organizational structure and administrative authority. Consider salary adjustments, the bonus from CEO level down, including considering approving human resources rates that are not in the annual budget.
11. Have the power to authorize an attorney (s) for an operation under the Executive Committee's control or delegate to such persons to have the authority following the Board of Directors deems appropriate and within the suitable time. The Executive Committee may revoke or amend the attorney or the authorization as see appropriate.
12. Perform any operations according to the assignment from the Board of Directors from time to time.

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

Risk Management Subcommittee

The Risk Management Subcommittee consists of 7 members as follows:

Name	Position
1. Mr. Kritchawat Voravanich	Chairman of the Risk Management Subcommittee
2. Ms. Aree Preechanukul	Member of the Risk Management Subcommittee
3. Mr. Kongsak Bannasathitgul	Member of the Risk Management Subcommittee
4. Ms. Natthanan Keeratikornyossanan	Member of the Risk Management Subcommittee
5. Mrs. Wassana Pongsangluk	Member of the Risk Management Subcommittee
6. Mr. Thanathus Taneesan	Member of the Risk Management Subcommittee
7. Mr. Attapol Wattanachinda	Member of the Risk Management Subcommittee

Scope of duties and responsibilities of the Risk Management Subcommittee

1. Propose the policy and framework of Integrated Risk Management to the Audit Committee to consider and set the policy for implementation throughout the organization.
2. Monitor the implementation of the Company's risk management plan.
3. Communicate with the Audit Committee on material risks.
4. Report to the Audit Committee on risks and risk management.

Management

As of December 31, 2020, the company's management team consists of 8 members as follows:

Name	Position
1. Mr. Sura Khanittaweekul	Chief Executive Officer
2. Ms. Aree Preechanukul	Chief Operating Officer, Management Division
3. Mr. Kritchawat Voravanich	Assistant Chief Executive Officer
4. Mr. Kongsak Bannasathitgul	Chief Operating Officer, Corporate Innovation Division
5. Ms. Natthanan Keeratikornyossanan	COO, Marketing Communications and Product Management
6. Mrs. Wassana Pongsangluk	Chief Financial Officer
7. Mr. Phakphum Satarat	Chief Operating Officer, Branch Operations Division, Acting Chief Operating Officer, Human Resources Division
8. Mr. Narong Sriwannawit ^{/1}	Chief Operating Officer, Retail Business

Note

^{/1} Mr. Narong Sriwannawit has been appointed as the Chief Operating Officer of Retail Business, effective from March 1, 2020.

Scope of duties and responsibilities of the Chief Executive Officer

1. Oversee the Company's business operations and/or the Company's daily operations.
2. Prepare the policies, directions, strategies, business plans, investment budget, and management structure of the Company as well as the basis for conducting business in compliance with economic conditions to propose to the Executive Committee and the Board for further approval.
3. Perform and administrate to comply with the policies, plans, and budgets approved by the Board of Directors and/or the Executive Committee.
4. Oversee the Company's operations to meet with the policies, business plans, and budgets approved by the Board, including review and assess the performance as policy prescribed and report the operation's progress to the Executive Committee, Audit Committee, and the Board of Directors.
5. Consider and approve the operations of ordinary business transactions of the Company according to the investment budget or budget approved by the Board. Each transaction's credit limit is specified in the table of authorities but not exceeding the annual budget approved by the Board of Directors, including entering into contracts related to the matters mentioned above.
6. Have the power to approve the payment for normal business operations of the Company such as purchasing. Each transaction's credit limit is specified in the table of authorities but not exceeding the annual budget approved by the Board of Directors, including entering into contracts related to the matters mentioned above.
7. Have the power to consider and approve the expenditures of significant investments set in the annual budget as assigned by the Board of Directors. Or the Board of Directors has previously approved in principle.
8. Have the power to approve the Company's cost of normal business operations according to the approved budget and the approval authority approved by the Board of Directors, including entering into contracts related to the matters mentioned above.
9. Set up the organizational structure, including the appointment, hiring, and relocation, determination of wages, compensation, bonus, and employee termination from level C2 below.
10. Have the power to issue orders, regulations, and notifications to ensure that the operations comply with the Company's policy and interest in order to maintain discipline within the organization.
11. Coordinate with the head of the internal audit and the audit committee to ensure that the business operations and risk management comply with the Company's objectives, regulations, and policies as defined on good corporate governance.
12. Have the power to delegate authority or authorize an attorney (s) for the operations which such assignment shall be under the authorization scope of the power of attorney and/or to comply with the rules and regulations prescribed by the Board of Directors and/or the Company.
13. Perform any operations according to the assignment from the Board of Directors or any other sub-committee from time to time.

In carrying out any matters that the Chief Executive Officer or an attorney may have a conflict of interests or gain with the Company and/or its subsidiaries and/or related companies (as defined by the Notification of the Capital Market and/or related organization), the Chief Executive Officer has no power to authorize such action on the matter. It has to be submitted to the Board of Directors and/or shareholders' Meeting (as applicable) for approval unless the approval is following normal business and standard commercial terms required by the Capital Market Supervisory Board and/or SET and /or the relevant organizations.

Remuneration Policy for Director, Executive, and Employee

The Company's Remuneration Policy shall apply to all employees. It ensures that the Company will attract, develop, and retain high-performing and motivated employees in a competitive marketplace. Employees are offered compensation at an appropriate rate and in line with market guidelines, which is a critical remuneration component. As a result, employees feel empowered to create sustainable products and enable the Company to sustain growth.

The Company focuses on providing remuneration and benefits similar to other companies in the same industry. The Company has emphasized hiring by considering the capabilities and performance according to employees' competence in different positions without discrimination and providing equal opportunities for women, the disabled, the disadvantaged. Take into account the principles of fairness, equality, suitable qualifications, and promote career advancement for sustainable growth with the Company. The employee remuneration policy is established both short-term and long-term consistent with the Company's performance and the employees' performance as follows:

1. Short-Term Return, the Company has set a compensation payment comparable to the general payout rate of companies in the same business to maintain and strengthen the competitiveness of the Company's human resources. Besides, the Company has set annual bonus payments based on the performance following the Company's evaluation.
2. Long-Term Return, the Company has set measuring employees' performance and potential and shall pay appropriate compensation to the highly competent employees.

In addition to paying compensation, the Company has taken care of various welfare benefits appropriately by regularly reviewing various benefits to comply with the changing economic and social conditions, such as the annual health check, travel expenses, accommodation expenses, and provident fund.

Note : the Company does not have the policy to pay remuneration to the Executive Committee.

Total Remuneration to Directors and Executives

In 2019 - 2020, the Company paid remuneration as salary, bonus, and other compensation to the Company's executives and its subsidiaries as follows:

Types of Compensation	2019 (Million Baht)	2020 (Million Baht)
Salary and other short-term benefits	52.95	55.41
Post-employment benefits	3.99	1.49
Total	56.94	56.90

Information of the Employees

Number of Personnel

As of December 31, 2018 - 2020, the Company and its subsidiaries had employees and personnel of 3,376 people, 4,075 people, and 3,883 people, respectively, which can be divided by line as follows:

Personnel Type	31 December 2018 (person)	31 December 2019 (person)	31 December 2020 (person)
Director	7	8	8
Executive	80	85	71
Operation	2,353	2,778	2,778
Management	66	115	146
Finance and Accounting	96	69	72
Legal and Internal Audit	21	22	21
Subsidiary Employees	753	998	787
Total	3,376	4,075	3,883

Employee Compensation

The Company pays compensation to its employees in various ways. These include salary, bonus, and other employee benefits such as commission, position allowance, provident fund, social security, traveling budget following the Company's employment policy and its subsidiaries. The remuneration as mentioned above does not include executive officers. In 2018 - 2020 could be summarized as follows:

Compensation Type	2018 (MB)	2019 (MB)	2020 (MB)
Salary and other short-term benefits	827.61	960.37	1,020.73
Post-employment benefits	5.12	9.27	7.32
Total	832.73	969.64	1,028.05

Provident Fund

Name of the Company/Subsidiary	With/Without PVD	No. of Employees Joined PVD	Employees' PVD Joining Ratio/ Total Employees (%)
Com7 Public Company Limited	With PVD	1028	33.18%
Double Seven Company Limited	With PVD	130	16.52%





Employee Development Policy

The Company emphasizes the development of its staff at all levels to support business growth and increase work efficiency because they are the significant factor in driving business and helping the organization grow and advance. Therefore, the Company aims to enhance the employees' knowledge, skills, and expertise, including educating the organization's culture and ethics to comply with the business strategies and guidelines with the following development policies.

1. Training and development policy, the personnel is a valuable resource in driving the organization's success and sustainable growth. Therefore, the Company encourages its staff skills, knowledge, and abilities along with the implementation of systems and tools to support as follows.

All Employees : The Company provides training courses to its staff to ensure that all employees shall comply with the corporate culture and increase the highest efficiency at work. For instance, grant the orientation for new employees by educating the corporate culture and arranging a mentor to train and advise them.

Shop Staff : The Company provides many training courses to its staff focusing on knowledge about products and services to increase their expertise to serve customers and maintain the operational standards to ensure that customers are confident and impressed with excellent service. There are training courses such as Service Excellence, Service Standard for Shop Staff, Service Standard for Shop Manager, Service Standard for Assistant and District Manager, etc.

Operational Staff : The Company provides development courses to its staff following duties, professional line, and workgroup to enhance their knowledge and ability and the efficiency of working such as Closing entry course, Personnel management course, Basic Law training, Computer, and IT system, Work safety courses, etc.

Supervisor and Manager : The Company realizes the importance of supervisors and managers who play a significant role in supporting and overseeing the employees and teams working successfully and efficiently. Therefore, the training courses for supervisors and managers are held, such as Coaching and Mentoring, Enhancing Leadership, Team Building for Success, Effective Communication, etc

Executive : The Company conducts executive development plans to develop leadership skills and executives' potential to be ready, lead the change, drive strategies into action for more results, and create a working culture and values that can help promote and drive modern management systems. Also, transfer knowledge management and learning organizations to personnel in the department to facilitate the work process more efficiently and cause overall success.

2. Career Development Planning Policy, the Company has established a policy of career development planning for employees at all levels. The staff shall continuously develop skills, knowledge, and abilities by applying the organization's competency approach to analysis, plan, and guide to create individual employees' capabilities as follows.

Core Competency; i.e., competence represents the organization's work culture, which all personnel should have and in the same direction to enable the organization to achieve its operational goals.

Managerial Competency; i.e., the administrative capabilities in each personnel's organization are required for self-management and supervise their control for accomplishment and compliance with the organization's strategic plan and vision.

Functional Competency; i.e., the ability and professional skill are necessary for working, which the difference is dependent on the job description.

3. Knowledge management in the organization is a tool for achieving long-term human development goals, i.e., gathering the organization's knowledge to develop a system to access knowledge, set them to be scholarly, and work efficiently. As a result, the organization has the highest competitiveness. The Company has developed a mobile application (IT Easy Mobile Application), a common source of reference information, such as operating procedures, information about products, promotions, news & information, sales analysis, coaching recognition system, knowledge training online. Subsequently, employees became aware and used it as a means of rewarding employees.

Labour dispute in the past 3 years

-None-

Other Significant Information

Company Secretary

The Board of Directors Meeting No. 1/2014 on November 28, 2014, resolved to appoint Ms. Sasipa Sawangsawai to be the Company Secretary. The qualifications of a person holding the position of Company Secretary are shown in Enclosure No.1.

According to Section 89/15 of the Securities and Exchange Act B.E. 2535 (amended B.E. 2551) requires the Company Secretary to be responsible for the following actions on behalf of the Company or the Board of Directors with the scope of authority as follows:

1. Prepare and keep the following documents:
 - (A) The register of directors
 - (B) Board Meeting Invitation Letter, Minutes of the Board of Directors' Meetings, and the Company's Annual Reports
 - (C) Invitation Letter to Shareholders' Meeting and Minutes of the Shareholders' Meeting
2. Maintain a stakeholder report as reported by the directors or executives.
3. Perform other actions as specified by the Capital Market Supervisory Board.



Head of Internal Auditor

The Company has assigned Ms. Piyaporn Bandasak to take the position of Internal Auditor Manager to supervise the compliance with the agency's rules governing the business of the Company.

The qualifications of a person holding the position of Internal Auditor Manager of the Company appear in Enclosure No. 3.

Investor Relations

The Company has assigned Ms. Sasipa Sawangsawai to take a position in investor relations.



IR Contact:



Email : ir@comseven.com



Tel : +66 2017 7777 ext. 7710



Website : <https://www.comseven.com/investor-relations/>

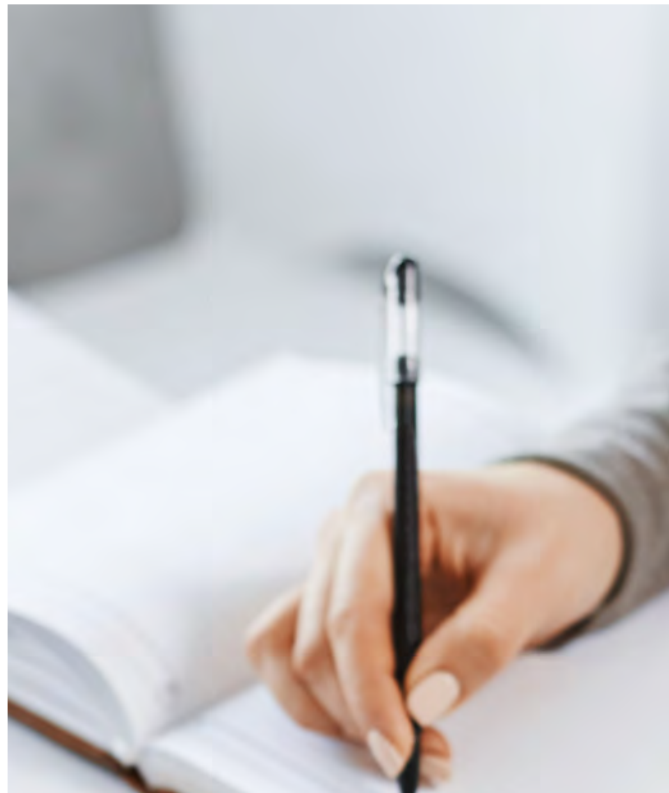
Remuneration of the Auditor

The Company has hired PricewaterhouseCoopers ABAS Co., Ltd. to be the Company's auditor, approved by the 2020 Annual General Meeting of Shareholders. The auditors from the said firm are independent and reliable. They do not provide any other services to the Company. They haven't got any relationship or interest with the Company/subsidiary/management major shareholder or those related to such person in any way. This year, the Company's nominated auditors have performed their functions as the auditor for five consecutive years.

The Company's audit fee for 2020 is in the amount of 5,977,500 baht (the Company has no other service fee than the auditor fee).

Comparison of Audit Fees

Audit Fees	Accounting Year 2019	Accounting Year 2020
Com7 Public Company Limited	2,850,000	2,950,000
Subsidiary Companies	2,116,750	3,027,500
Other Expenses	Actual	Actual
Total	4,966,750	5,977,500



Key Performance Reports on Corporate Governance

Summary of the Board's Performance

The Board of Directors plays an important role as the shareholders' representative, ensuring that the determination of the main goal in doing business, vision, mission, strategy, and budget for the management is set. Promote the creation of a corporate culture that adheres to ethics, including behaving as a model, taking care of the structure, and the board's performance as appropriate for the achievement of objectives and the main goal of conducting business efficiently, including recruiting, developing, setting compensation and evaluating performance.

The Board of Directors works with the management to formulate and review strategies, goals, annual work plans. Jointly supervise the adequacy of the risk management system and internal control. Determine the authority that is appropriate for the management's responsibilities. Define a resource allocation framework, development, and budgeting such as personnel management policy and plans and information technology policy, including monitoring and evaluating the performance and ensure that financial and non-financial information is disclosed reliably to achieve business objectives. Supervise the management's operation following the assigned policies with justice, transparency to comply with the laws, regulations, policies, and business ethics.

In 2020, the Board of Directors had acted in the management and operated the Company's business under the laws, objectives, and regulations of the Company, including the shareholders' resolution carefully to protect the Company's interests. There was the significant performance in corporate governance as follows

Nomination, Development, and Evaluation of the Board's Performance

Independent Director Selection Criteria (Qualifications/Recruitment process)

The Company has defined the definition of the Company's independent directors, a director who is not an executive director (Non-Executive Director), not involved in the management of work, and not a major shareholder of the Company. The Company has set qualifications equal to the Securities and Exchange Commission's minimum requirements and the Stock Exchange of Thailand. The Board of Directors has appointed an Audit Committee, which consists of all independent directors to assist in corporate governance.

Independent director selection criteria are based on the procedure for selecting the Company directors. Qualifications of an independent director shall be determined following the directors' qualifications and prohibited characteristics under the Public Limited Companies Act and the Securities and Exchange Act, as well as relevant announcements, rules, and/or regulations. The independent directors shall have educational qualifications, specialized expertise, work experience, and other suitability to propose to the shareholders' meeting for further election as the Company's directors.

The Company has set the board of directors' composition to consist of at least one-third of the total number of Directors of the Company. The person nominated as an independent director of the Company must meet all the qualifications specified in the definition.

Qualifications of Independent Directors

1. Holding shares of not exceeding 1% of total voting shares of the Company, its parent company, its subsidiaries, its associated companies, or juristic person with a possible conflict of interest, including shares held by related parties.
2. Not being an executive director, employee, staff, corporate advisor receiving a regular salary, or a controlling person of the Company, its parent company, its subsidiaries, its associated companies, its same-level subsidiaries, or juristic person with a possible conflict of interest, unless the foregoing status has ended for more than 2 years.
3. Not being a person related by bloodline or by law in terms of father, mother, spouse, sibling, and child, including the spouse of the children, management, major shareholders, controlling persons, or persons to be nominated as management or controlling persons of the Company or its subsidiaries.
4. Not being or have had a business relationship with the Company, its parent company, its subsidiaries, its associated companies, or juristic person with a possible conflict of interest in the manner that may interfere with his/her independent judgment, or is not or has not ever been major shareholders, a director who is not an independent director, or management of persons having a business relationship with the Company, its parent company, its subsidiaries, its associated companies, or juristic person with a possible conflict of interest unless the foregoing relationship has ended for more than 2 years.
5. The term "business relationship" includes any normal business transaction, rental or lease of immovable property, the transaction relating to assets or services, grant or receipt of financial assistance through receiving or extending loans, guarantee, providing assets as collateral, including any other similar actions in the amount of 3% or more of the net tangible assets of the Company or 20 million baht or more, whichever is lower.
6. Not being or have ever been an auditor of the Company, its parent company, its subsidiary companies, its associated companies or juristic person with a possible conflict of interest and is not a major shareholder, a director who is not an independent director, executive, or managing partner of the audit firm which employs auditors of the Company, its parent company, its subsidiary companies, its associated companies or juristic person with a possible conflict of interest unless the foregoing relationship has ended for more than 2 years.
7. Not being or have ever been any professional advisor, including legal or financial advisor who receives an annual service fee exceeding 2 million baht from the Company, its parent company, its subsidiaries, its associated companies, or juristic person with a possible conflict of interest. If the professional service provider is a juristic person, include being a major shareholder, a director who is not an independent director, management, or managing partner of that professional service provider unless the foregoing relationship has ended for more than 2 years.
8. Not being a director representing a Board member of the Company, its major shareholders, or a shareholder related to the major shareholders. Not having any other characteristics that may prevent him/her from expressing independent opinions concerning the Company's operations.
9. Have no other characteristics which make him/her incapable of expressing independent opinions concerning the Company's business.

In 2020, the 3 independent directors had no business relationship or professional service in the amount exceeding the specified criteria. There was no impact on the performance of duties and independent opinions. It was the reason and necessity to still or appoint such a person as an independent director. In 2020, an Audit Committee member had resigned from office, which resignation letter had been submitted to the Chairman of the Board effective date 31 August 2020. The resolution of the Board of Directors Meeting no.8/2020 on November 12, 2020 resolved to appoint Dr. Somboon Aueatchasai to serve as an independent director and a replacement member of the audit committee within 90 days from the date of resignation of the former member. The current independent committee and audit committee consists of 3 directors who meet the SEC's regulations.



Nomination of Directors and Appointment of Senior Executives



Directors Selection Criteria

In the nomination, selection, and proposing suitable persons to serve as directors of the Company replacing those who retire by rotation and/or vacate office and/or appoint additional, the Nomination and Remuneration Committee shall consider selecting people by considering knowledge and abilities expertise, and experience. Have a good work profile, far-reaching vision, including having morality and ethics. Be able to devote enough time to the Company and pay attention to duties according to their responsibilities which is beneficial to the Company's business operations. It also takes into account the diversity of the board structure (Board Diversity). Prepare a Skill Matrix for the element and qualifications of the directors to be nominated by considering the lack of essential skills and qualifications suitable and consistent with the composition and structure of directors in the Company's business strategy plan without limitation on gender, age, race, nationality, religion or any other distinction.

Senior Executives Selection Criteria

The Nomination and Remuneration Committee is responsible for recruiting senior management candidates by scrutinizing qualified persons who have knowledge, skills, and experience beneficial to the Company's operations, including understanding the Company's business correctly and managing the work achieve the Company's goals. After selecting suitable persons, the names of the persons will be proposed to the Board of Directors for further approval.

In 2020, the Company restructured the organization following the resolution of the Board of Directors Meeting No.3/2020 held on 7 April 2020.

- 1) Appointed Mr. Narong Sriwannawit to be Chief Operating Officer, Sales & Retail Business Development, effective from 1 March 2020.
- 2) Renamed Chief Operating Officer, Retail Business, to be Chief Operating Officer, Branch Operations, with Mr. Phakphum Satarat as a holder of a position.

Board Performance Evaluation

The Company has prepared the board self-assessment so that such evaluation has appropriate criteria consistent with good practice and new corporate governance criteria (CG Code) issued by the SEC, including analyzing and evaluating the results obtained from the board's performance appraisal of Directors. Make comments and suggestions using to improve and develop the Board of Directors' performance to be more efficient.

The Board of Directors' Self-assessment

The Board of Directors and Executive Committee regularly conduct a yearly Board Self-Assessment for both faculties and individuals to be a framework to monitor the performance of the duties of the Board, including reconsidering processing commentaries on various issues related to the operations of the Company, and duties of the Board during the past year, to be used to edit and enhance performance.

The Board self-assessment is divided into 5 rankings: 4 = strongly agree, or have performed excellently on the matter, 3 = quite strongly agree, or have performed well. 2 = agree or fair action on the matter 1 = disagree or take action on the matter slightly 0 = strongly disagree or no action has been taken on the matter. Evaluation level criteria representing the percentage of full score in each of the 5 levels, which are:



- More than 95% = Excellent
- 90% - 95% = Very Good
- 80% - 89% = Good
- 70% - 79% = Fair
- Below 70% = Need Improvement

The results of the Board self-assessment for 2020 were as shown below:

	Board of Directors Assessment	Director Assessment
Assessment Category	1. Structure and qualifications of the Board of Directors 2. Roles and responsibilities of the Board of Directors 3. Board of Directors' meetings 4. Performance as a director 5. Relationship with the management team 6. Director's personal development and development of the management	1. Structure and qualifications of the Board of Directors 2. Board of Directors' meetings 3. Roles and responsibilities of the Board of Directors
Score	Very Good	Good

In 2020, the Board of Directors and the Executive Committee had overall performance in the "Very Good" criteria or the average score of 95%. The Board of Directors performed their duties with knowledge and abilities under the scopes of duties and responsibilities given in their respective charters and aligned with the regulator's best practice guidelines. The Company Secretary summarized the Board of Directors and the Executive Committee's assessment results and presented them to the Board of Directors Meeting No. 1/2021 on February 23, 2021.

The Sub-committees' Self-assessment

In 2020, the Board of Directors required that self-assessment apply to all Sub-committees, namely, the Audit Committee, Nomination and Remuneration Committee, and Risk Management Subcommittee. The self-assessment results were reported to the Board of Directors on a yearly basis for review of the committees' performance, including opinions on issues related to their performance of duties during the past year, to make improvements and enhance work efficiencies. The performance assessment forms were determined according to each committee's scope of duties and responsibilities.

Assessment topics were;

- (1) the committees' structure and qualifications were appropriate to ensure efficient work.
- (2) The Sub-committees' meetings were conducted for the committees to perform their duties efficiently
- (3) The Sub-committees' roles, duties, and responsibilities were given priority and took adequate time to review and comply.

The Sub-committees' self-assessment is divided into 5 rankings: 4 = strongly agree, or have performed excellently on the matter, 3 = quite strongly agree, or have performed well. 2 = agree or fair action on the matter 1 = disagree or take action on the matter slightly 0 = strongly disagree or no action has been taken on the matter. Evaluation level criteria representing the percentage of full score in each of the 5 levels, which are:



- More than 95% = Excellent
- 90% - 95% = Very Good
- 80% - 89% = Good
- 70% - 79% = Fair
- Below 70% = Need Improvement

The results of the Sub-committees' self-assessment for 2020 was as shown below:

Sub Committee (Individual Assessment)	Average Score in 2020
1. Audit Committee	95%
2. Nomination and Remuneration Committee	95%
3. Risk Management Subcommittee	95%

In 2020, the Sub-committees had overall performance in the "Very Good" criteria or the average score of 95%. The committees performed their duties with knowledge and abilities under the scopes of duties and responsibilities given in their respective charters and aligned with the regulator's best practice guidelines. The Company Secretary summarized the results of each Sub-committee's performance assessment for submission to the Board of Directors at the Board of Directors Meeting No. 1/2021 on February 23, 2021.

Chief Executive Officer (CEO) Performance Appraisal

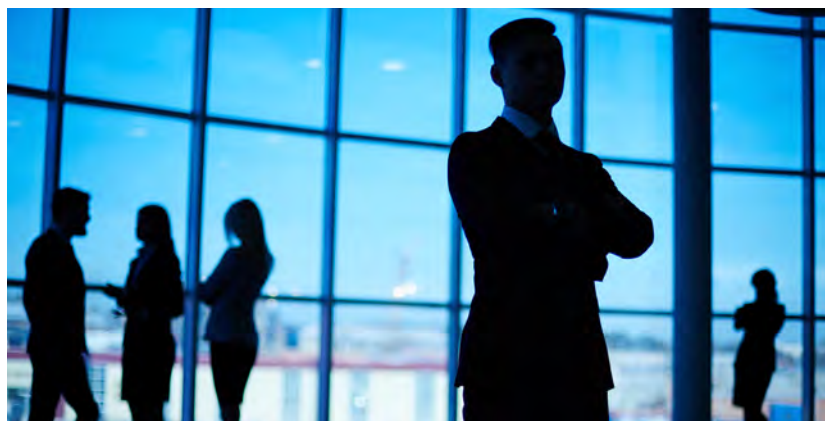
The Board of Directors has assigned the Nomination and Remuneration Committee to evaluate the performance of the top executive in the organization's structure (CEO) on a yearly basis, for use as a guide in determining the top executive's remuneration and submit the result of the evaluation to a meeting of the Board of Directors for acknowledgment and approval.

The evaluation topics were;

- (1) Leadership
- (2) Strategy Formulation
- (3) Strategy Implementation
- (4) Planning and Financial Performance
- (5) Relationship between CEO and the Board
- (6) External Relations
- (7) Management and Personnel Relations
- (8) Succession
- (9) Product and Service Knowledge
- (10) Personal Characteristics



Chief Executive Officer evaluation is divided into 5 rankings: N / A = No data or not applicable, 4 = have performed excellently on the matter, 3 = have performed well. 2 = agree or fair action on the matter 1 = take action on the matter slightly 0 = no action has been taken on the matter. Evaluation level criteria representing the percentage of full score in each of the 5 levels, which are:



- More than 95% = Excellent
- 90% - 95% = Very Good
- 80% - 89% = Good
- 70% - 79% = Fair
- Below 70% = Need Improvement

In 2020, Chief Executive Officer had overall performance in the "Very Good" criteria or the average score of 95%. Chief Executive Officer performed his duties with knowledge and abilities under the scopes of duties and responsibilities given in their respective charters and aligned with the regulator's best practice guidelines. The Company Secretary summarized the performance assessment results for submission to the Board of Directors at the Board of Directors Meeting No. 1/2021 on February 23, 2021.

Meeting Attendance and Remuneration for Individual Directors

Board of Directors' Meetings

List of Board of Director	Number of Attendance / All Meetings	
	2019	2020
1. Mr. Siripong Sombatsiri	6/6	9/9
2. Mr. Sura Khanittaweekul	6/6	9/9
3. Ms. Aree Preechanukul	6/6	9/9
4. Mr. Kritchawat Voravanich	5/6	9/9
5. Mr. Kongsak Bannasathitgul	6/6	8/9
6. Mr. Kashpol Chulajata	5/6	9/9
7. Mr. Somboon Aueatchasai ^{/2}	-	1/9
8. Ms. Vareeporn Udomkunatum ^{/1}	5/6	4/9

Note :

^{/1} Hold a position 12 November 2020

^{/2} Resigned, effective 31 August 2020

Supervision of Subsidiaries and Associated Companies

To be in line with the good corporate governance principles in establishing a framework and mechanism for governance of policies and operations in subsidiaries and other businesses in which the Company has invested, the Company has prepared and reviewed policies on supervision and core business management subsidiaries and associated companies. Description of policy on page 114.

The nominated directors and executives have qualifications, roles, duties, and responsibilities as well as no having untrustworthy characteristics according to the Notification of the Securities and Exchange Commission Re: Determination of Untrustworthy Characteristics of Company Directors and Executives. The qualifications of appointed persons include:

- (1) Must not possess any prohibited characteristics as required by applicable laws or regulations.
- (2) Have knowledge, ability, and experience beneficial to running a business, including leadership.
- (3) Make reasonable decisions in line with corporate governance practices and the Company's code of conduct.

Directors and Executives who are appointed under the resolution of the Board of Directors' meeting to hold positions in subsidiaries and associated companies, the scope of duties and responsibilities are as follows:

- (1) Supervise subsidiaries and affiliates to comply with relevant laws, rules, and regulations. Well managed to follow corporate governance principles, code of conduct, anti-corruption policy, and other policies consistent with the Company.
- (2) Provide guidelines in determining the direction of strategy, policy, and business plan of the subsidiary companies to be in line with the Company's and promote technology to increase the competitiveness of subsidiaries.
- (3) Report operating results and disclose information on subsidiaries' financial status to the Company accurately, completely, and promptly.
- (4) Control and supervise the business operations of subsidiaries to be efficient and manage the company's return on investment in its subsidiaries appropriately.
- (5) Ensure that there is an internal control system, risk management system, and fraud prevention system properly to assure the various actions of subsidiaries shall be following the Company's policy. Besides, directors and management have provided a mechanism to audit such work systems. The internal audit team and the Company's directors can access the information directly and report the audit results to the Company's directors and executives

Suppose a subsidiary has a business operation that has a significant impact on the Company. In that case, the subsidiary must first seek approval from the Board of Directors' meeting, such as investing in securities that are not in the securities or the approved investment framework. The Board must approve the principal policies that the subsidiaries in the group implemented of Directors. If there is a transaction between subsidiaries or associated companies and connected persons, such as an acquisition or disposition of critical assets, or having to vote or exercise the right on essential matters at the same level, need requiring the approval of the Board of Directors. The Company's representative must first propose for approval to the Board of Directors and to provide information disclosure and storage, including accounting records by the criteria for preparing the consolidated financial statements on time.

Monitoring Compliance with Corporate Governance Policies and Practices

The Company is committed to improving the "Good Corporate Governance" and "Code of Conduct" of the Company and its subsidiaries on an ongoing basis by having an external neutral agency conduct an annual assessment to improve the results to be more appropriate and disseminate the assessment results to shareholders and stakeholders thoroughly. The results of corporate governance assessment according to the Corporate Governance Report of Thai Listed Companies 2015 by the Thai Institute of Directors Association in collaboration with the Stock Exchange of Thailand and the Securities and Exchange Commission, the Company was rated "Very Good." It was ranked 52nd among the group's listed companies that received the Very Good CG Scoring (as of November 19, 2020).

In addition, the Company has followed up on four other issues to ensure compliance with good corporate governance. The results of monitoring the implementation of the policy are as follows.

Monitoring the Prevention of Conflicts of Interest

The Company has established a policy that the board of directors, executives, and employees must perform their duties for the best interests. If any person has an interest or is involved in the consideration, the said person must inform the Audit Committee and not consider the said transaction. In 2020, the Company had examined cases that possibly created a conflict of interest, and no action was found that against the conflicts of interest prevention as specified by the Company. To enhance the level of corporate governance in the organization, the Company improved the Code of Conduct regarding conflict of interest by adding an issue to prevent the use of customer information to prevent and reduce the risk in such matters.

Monitoring the Use of Insider Information to Benefit

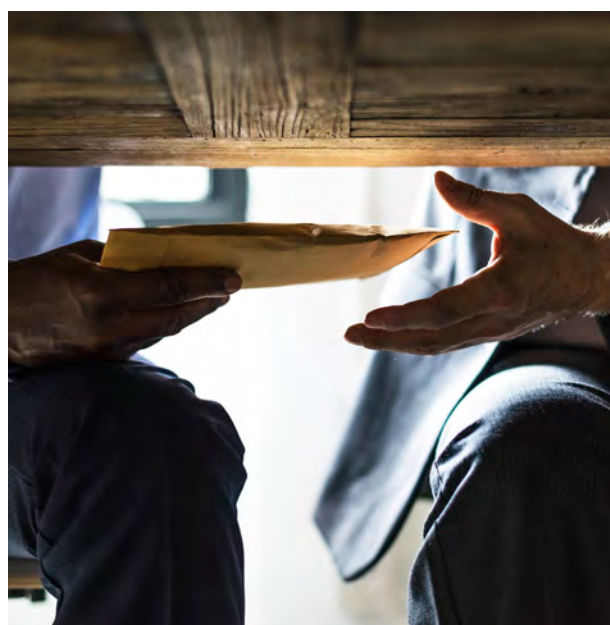
The Company has set a policy to prevent using insider information to benefit to prevent the use of the information for the trading of the Company's securities. Directors, Executives, and departments involved with important information shall not trade the Company's securities 30 days in advance before the financial statements are disclosed and can trade 1 business day after publication. In the past year, none of the directors and executives traded in the Company's securities. From the examination, it was found that all actions were correct and complete. Besides, the Company introduced an Electronic system to increase reporting efficiency for directors, executives, and employees.



Monitoring Anti-Corruption

The Company has been certified as a member of the Thailand Private Sector Collective Action against Corruption (CAC) since 5 November 2018. In 2020, the Company entered the process to obtain a certificate of membership in succession for the first time, reviewing 71 self-assessment measures on anti-corruption measures and reference evidence annually. It has entered the review process by the company's internal auditors and reported the results to the Audit Committee for consideration, giving comments and suggestions to ensure that there are adequate and appropriate measures to prevent corruption. The Company provides a corruption risk assessment and an organization's risk assessment by all departments shall analyze to identify the activities carried out, what risks occurred or possibly occur, and how it affects the operation. There were risks of normal operations from the Corruption Risk Assessment 2020, and the risk assessment results were low level. There were 14 risk prevention measures from the relevant departments, details as follows:

Related Work Section	Risk
Procurement	2
Donation / Support / CSR	1
Sales and Marketing	6
Personnel	2
Government/Third Parties Contact	3
Total	14



Monitoring Complaints and Whistleblowing

The Company provides a channel for stakeholders to report clues and make complaints through electronic mail, post mail, and the comment box. The Internal Audit Department, independent of the management, is responsible for considering and screening such clues and complaints.

Complaint Statistics: The Company received complaints separated into details as follows.

Complaints	Number of Cases
Voice of Customer	3
Voice from Community	0
Safety, Occupational Health and Environment	0
Business Code of Conduct	0

In the past year, there were no complaints related to fraud and violation of good corporate governance policy, including no whistleblowing of corruption. There were only customer complaints regarding the products and their deliveries. The responsible department had handled such complaints to the relevant department for the acknowledgment to determine measures and guidelines for resolving the problem for the stakeholders, including presenting various effects in the management meeting to reduce dissatisfaction and raising the level of satisfaction

Report on the Performance of Duties of the Audit Committee

Number of Meetings and Attendance of Each Audit Committee Members

List of the Audit Committee	Number of Attendance / All Meetings	
	2019	2020
1. Mr. Siripong Sombatsiri	4/4	4/4
2. Mr. Kashpol Chulajata	3/4	4/4
3. Ms. Vareeporn Udomkunatum ¹	3/4	2/4

Note:

¹ Ms. Vareeporn Udomkunatum had resigned effective 31 August 2020. The total number of meetings was therefore 3 times.

The Audit Committee must arrange the meeting at least once a quarter. There must be no less than two-thirds of the total number of members of the audit committee to constitute a quorum at each meeting. Any audit committee member who has a personal interest in any matter or any interest in the matter considered must notify the meeting and abstain from making comments, voting, and leaving the meeting room. Unless for the meeting, excluding the directors with interests, there is a unanimous resolution for the interested directors to clarify the information at the meeting for prudence in decision-making but has no right to vote or make a decision on that matter. The Audit Committee has the power to invite the management or the auditor or those involved or those who appropriate to attend the meeting or requesting clarification on related matters.

In the past year, the non-executive directors had a joint meeting one time in the Audit Committee Meeting No. 1/2020 on February 20, 2020.

The Audit Committee Performance

In addition to the disclosure of the Audit Committee's report, the Audit Committee has also made further steps to enhance governance in 2020 as follows:

- Review the corporate social responsibility policy and anti-corruption policy to be able to operate the business sustainably and to be able to manage the organization to grow steadily and be accepted in the society based on ethics and good corporate governance principles.
- Push forward the Company to join the Thailand Sustainability Investment (THSI) project, "Creating Sustainable Investment Opportunities" of Thailand's Stock Exchange. The shares of listed companies have sustainably operated their businesses concerning the environment and social responsibility. There is the management under the corporate governance principles. It is another option for investors who wish to invest in a responsible investment approach. In the previous year, the Company participated in evaluating the sustainability report. The objective was to develop the organization to grow steadily over the long term, preparation, ethical business conduct, adhering to corporate governance, considering social and environmental issues in the work process, and giving importance to the participation of stakeholders apart from aiming to make profits only.

Summary of the Performance of Duties of Other Sub-Committees

The Company has other sub-committees, which are (1) Nomination and Remuneration Committee (2) Executive Committee (3) Risk Management Subcommittee.

Number of Meetings and Attendance

The Nomination and Remuneration Committee

List of the Nomination and Remuneration Committee	Number of Attendance / All Meetings	
	2019	2020
1. Mr. Kashpol Chulajata	2/2	2/2
2. Mr. Kongsak Bannasathitgul	2/2	2/2
3. Ms. Aree Preechanukul	2/2	2/2

The Executive Committee

List of the Executive Committee	Number of Attendance / All Meetings	
	2019	2020
1. Mr. Sura Khanittaweekul	13/13	13/13
2. Ms. Aree Preechanukul	10/13	12/13
3. Mr. Kritchawat Voravanich	12/13	12/13
4. Mr. Kongsak Bannasathitgul	8/13	12/13
5. Ms. Natthanan Keeratikornyotsanan	11/13	13/13
6. Mrs. Wassana Pongsangluk	13/13	13/13
7. Mr. Phakphum Satarat	13/13	13/13
8. Mr. Narong Sriwanwit ^{/1}	-	10/13

Note:

^{/1} Mr. Narong Sriwanawit has been appointed as the Executive Committee, effective from March 1, 2020.

The Risk Management Subcommittee

List of the Risk Management Subcommittee	Number of Attendance / All Meetings	
	2019	2019
1. Mr. Kritchawat Voravanich	1/1	2/2
2. Ms. Aree Preechanukul	1/1	2/2
3. Mr. Kongsak Bannasathitgul	1/1	2/2
4. Ms.Natthanan Keeratikornyotsanan	1/1	2/2
5. Mrs. Wassana Pongsangluk	1/1	2/2
6. Mr. Thanathat Thaneesant	1/1	2/2
7. Mr. Attapol Wattanachinda	1/1	2/2

The Sub-Committees Performance

The Nomination and Remuneration Committee

The Nomination and Remuneration Committee perform duties as assigned by the Board of Directors in reviewing criteria, procedures for recruiting and appointing personnel who deem appropriate to serve as directors of the Company, including proposing a remuneration policy and other benefits for the Board of Directors and the committees to the Board of Directors or the shareholders' meeting as well as performing the duties of nomination and remuneration and performance of the Chief Executive Officer and the committees.

In 2020, there were 2 meetings of the Nomination and Remuneration Committee to consider various matters and report the meeting results with comments to the Board of Directors for consideration. The key points were summarized as follows.

- (1) Review and nominate the qualified persons according to the laws and criteria related to the positions of directors in place of the retiring directors by considering recruiting, selecting, and presenting people with qualifications, experience, knowledge, and abilities that are beneficial and suitable for the nature of the business of the Company to propose to the Board of Directors meeting and the shareholders' meeting for further consideration. A retiring director may be re-elected. The directors with interests shall abstain from voting.
- (2) Consider the board of directors and the committees' remuneration by considering the duties, responsibilities, performance, financial status of the Company, and rate of compensation which can be compared with the standard to propose to the Board of Directors and the shareholders' meeting for approval.
- (3) Consider salary adjustments and employee bonuses by years' experience, employee level, employee annual performance appraisal score, a summary of operating results, and estimating core inflation.
- (4) Consider and approve changes to the organizational structure so that the Board of Directors and committees' management effective.

According to good corporate governance principles for the best interest of shareholders, investors, and all stakeholders, the Nomination and Remuneration Committee has performed its duties with care, prudence, transparency, fairness, and honest opinion.

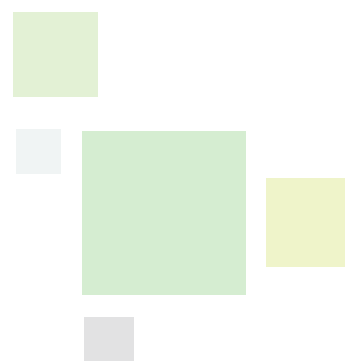
The Risk Management Subcommittee

In the past 2020, the Risk Subcommittee has acted as assigned by the Board of Directors. The Risk Management Committee supervised the risk management system's adequacy and internal control, monitored the progress in implementing the Company's risk management plan, and reported to the Audit Committee on risks and risk management. The results of the analysis for risk identification showed that there were a total of 152 risks expected to affect the operations. After that, a total of 83 high and very high risks were considered to be managed, separated into 45 high-risk cases and 38 high-level cases. The responsible department was assigned to execute the risk management plan to manage the risks to be an acceptable level and manage 83 high and very high risks to reduce them to completely acceptable levels.

It could be concluded that 83 issues addressed to be an adequate level or 100% of the total risk. It demonstrated that the results of risk management by implementing the specified risk management activities reduced the severity of the risk that could affect the target of the 2020 activities to an acceptable level and consistent with the performance of various activities with such risk management.

Sustainability Risk Management

1. Can take the risks that are not manageable to be an acceptable level, or take unperformed risk management activities to manage in 2021. The risk management activities are reviewed and revised to be worthwhile with the appropriate budget and more practical possibilities.
2. Consider setting up more guidelines/methods and communication channels to manage risks so that the management and the operations can understand risk management principles and processes. The operator is also aware of the risk management planning procedures and processes to have a systematic and continuous implementation of the risk management process.
3. Push for the adoption of information technology systems to achieve greater efficiency and effectiveness in risk management.
4. Promote and organize additional training, build knowledge and understanding of risk management. Therefore, it must add more channels of communication and dissemination of risk management.





Internal Control and Connected Transactions

Internal Control

The Board of Directors and the Company's Executives realize that the internal control system is an important mechanism ensuring the management's confidence in reducing business risks and operating the business effectively. The resources are allocated appropriately and achieve the goals as targeted.

The Board of Directors has assigned the Audit Committee to supervise the internal control system and the Company's risk management system to be appropriate and efficient, including ensuring that the Company is complying with relevant regulations and laws. Oversee to avoid a conflict of interest, the related transactions, and monitor the operations, misuse of the assets or no power, including helping to protect assets from leakage, loss or fraud and misconduct.

The Company has set up a mechanism for checks and balances. There is an independent internal audit department that performs the duties to evaluate the efficiency and sufficiency of the internal control system, risk management system, and corporate governance system of all departments. Adopt the framework of the internal control system according to COSO international standards (the Committee of Sponsoring Organizations of the Treadway Commission) and the Enterprise Risk Management framework to apply to internal control and risk management so that the operation in various fields of the Company is more effective. The administration will take the audit result to consider making improvements in multiple matters for quality work development. The Internal Audit Department has provided a system to follow the Company's operations regularly. It also provides the Compliance unit to monitor and study laws, announcements, regulations, and orders related to business operations then publish for employees to understand, including supervising the Company to conduct business accurately.

Besides, the Audit Committee has assessed the adequacy of the internal control system, which reports annually to the Board of Directors by referring to the "Internal Control System Sufficiency Evaluation" form of the Office of the Securities and Exchange Commission, and the assessment results are disclosed in "the Audit Committee Report." The evaluation of internal control five parts are internal control of the organization, risk management, operational control, information and communication systems, and monitoring. The Board of Directors has considered and agreed that the Company's internal control system is adequate and appropriate. There is no significant glitch in the Company's internal control system that may affect the main objectives' achievement.

1. Adequacy and Appropriateness of the Internal Control System

Control Environment

The Company has an excellent organizational structure and environment, resulting in an efficient internal control system at an appropriate level. The Company has organized an organizational structure, defines duties and responsibilities classified by line to be consistent with business strategy and corporate governance. There is an independent internal audit department, which reports directly to the Audit Committee.

The Board of Directors is independent of the management and has sufficient knowledge and competence to supervise the administration. Executives at the managerial and operational levels are clearly defined and limited. Besides, the management has set goals and indicators of performance. Make an annual business plan and regularly review corporate goals per the competitive situation, including the notification of performance achievement and consideration of reward compensation following the Company's business plan requirements. An ethical control system is set up as a policy and clear guidelines for the management and employees to act without causing any conflict of interest with the Company. There is a corporate governance policy that is in line with the Stock Exchange practices of Thailand and international standards appropriate.

Risk Assessment

The Company realizes the importance of risk management by defining the risk assessment process following the business operation's objectives and goals. There are methods for identifying and analyzing all types of risks, both present, and future. Measures to control and monitor risks are appropriately assessed if objectives are not achieved. The approaches needed to maintain both the impact and likelihood levels have been established, considering the classes that will be significant to the Company's overall business operations. Factors that may impact from outside and inside the Company are assessed, including considering the potential for fraud risk. The Company arranges to review the organization's policies and guidelines and communicate to employees when encountered fraudulent incidents and act as the prescribed procedures. The Company has the Risk Management Committee responsible for corporate risk supervision. The Audit Committee is responsible for reviewing the efficiency and effectiveness of risk management at the corporate level. The administration is responsible for the risk and control owner to continuously assess and manage the risk at the organizational level.

The Company has the Risk Management Committee responsible for corporate risk supervision. The Audit Committee is responsible for reviewing the efficiency and effectiveness of risk management at the corporate level. The administration is responsible for the risk and control owner to continuously assess and manage the risk at the organizational level.

Control Activities

The Board of Directors has appointed three sub-committees: the Risk Management Subcommittee, the Audit Committee, and the Nomination and Remuneration Committee. The three committees performed their duties within the scope and authority assigned to control the management's performance. By taking into account the principles of separating duties and responsibilities in three areas: approval, accounting & information record, and keeping assets apart to have a proper mutual examination.

Also, the Audit Committee has reviewed and approved the annual audit plan to cover all processes with high risk and ensure that the various agencies have adequate control over their operations, financial performance, and compliance with laws, rules, and regulations. The Audit Committee has considered important issues and audit findings by advising the management to take corrective action and report its results and measures to prevent possible mistakes.

If there is a transaction with businesses or persons related to the Company leads to a conflict of interest. Transactions that occur must go through the same regulatory approval process as any regular transaction, taking into account the Company's best interests and shareholders as if it were done with third parties and legally. In which transactions may lead to conflicts of interest, such stakeholders shall not have the right to vote and disclose information as required by law.

Information and Communication

The Company has financial reporting using accounting policies appropriate to the nature of the Company's business operations and following generally accepted accounting principles, including International Financial Reporting Standards (IFRS), by preparing data and information systems to support financial reporting per the standards. Besides, the Company provides an information system enough for making decisions. There are communication and information related to the Company's operation, policies, and procedures to acknowledge employees for supporting efficient operations and activities.



Monitoring Activities

The Company has a system for monitoring and evaluating internal control as follows:

- **Operations Monitoring** It covers all essential activities continuously and regularly by the management, such as meeting reports, performance reports monthly, quarterly, etc.
- **Separate Evaluation** It consists of the Control Self-Assessment (CSA), the Securities and Exchange Commission. The Internal Audit Department is responsible for assessing the sufficiency and the suitability of the internal control system as defined in the Company's internal audit manual. Management shall correct according to recommendations and findings from the audit results and/or other appropriate and timely reviews to keep the internal control system up-to-date, actually works, and ready for the changing situation every moment.

At the Audit Committee Meeting No. 1/2021 on February 23, 2021, the Audit Committee assessed the assessment report's internal control system. It concluded that the five components of the internal control system are internal control, risk assessment, operational control, information and communication, and monitoring. The Audit Committee thought that the Company has an adequate and appropriate internal control system for the Company's business operations and risk management at an acceptable level. The accounting and financial reporting systems are accurate, reliable, and comply with the laws and regulations related to the Company's business operations.

2. In 2020, the Company found no significant flaws in the Company's internal control system that might affect its primary objectives.
3. In 2020, the Audit Committee and the Board of Directors commented and recommended developing and improving the consistent operating process.

4. The Internal Audit Department is independent of the management by reporting directly to the Audit Committee, which oversees the audit's performance to be independent, fair, ethical, and professional following the standards for the professional practice of internal auditing and report to the Chief Executive Officer in management budget.

The Internal Audit provides assurance service and consulting service by evaluating the internal control system's efficiency and effectiveness, risk management system, and corporate governance to support the Company's achievement of its business objectives and goals. The internal audit charter has set a mission, the scope of work, powers, duties, responsibilities, and operating guidelines clearly and always review to suit the circumstances.

The Head of Internal Audit serves as the secretary of the Audit Committee. Support the Audit Committee to perform the tasks assigned by the Board of Directors and as a consultant to give opinions on various aspects such as internal control, risk management, business ethics, the security of information systems, etc.

The Audit Committee approves the annual internal audit plan by applying the audit criteria according to the risk-based audit approach covering key control points using audit techniques referenced following international performance standards. Besides, the Internal Audit Department is another channel for receiving wrongdoing and fraud complaints from both internal and external parties to operate under the business ethics, code of conduct, and anti-corruption guidelines (Anti-Corruption Policy).

A person who holds Head of the Company's Internal Audit (Internal Audit) is Ms. Piyaporn Bandasak. The Audit Committee has the opinion that her qualifications are suitable and she performs duties efficiently.

In this regard, the consideration of the appointment, evaluation, removal, transfer, termination of employment of the head of the Company's internal audit must be approved by the Audit Committee.

The head of the Company's internal audit (Internal Audit) has the following responsibilities:

- 1) Assess the adequacy and effectiveness of operational processes, information systems, internal control, and risk management under the audit work's mission and scope.
- 2) Report on critical matters relating to the control processes in various activities of the Company and ways to improve those activities.
- 3) Provide feedback to management to operate to be more efficient, economical, and have good corporate governance.
- 4) Propose information on the annual audit plan progress and performance and the sufficiency of resources needed to perform the work.
- 5) Coordinate and supervise other monitoring and controls such as risk management, compliance with regulations, safety, code of conduct, environment, and audit.
- 6) Perform other tasks related to internal audit as assigned by the Audit Committee.

5. The Audit Committee shall consider and approve the appointment, removal, transfer, replacement, or termination of the internal audit head.

Related Party Transaction

The Company has entered into related transactions with connected persons. All of these related transactions are made in the ordinary course of business and on general trading conditions.

According to the Notification of the Stock Exchange of Thailand regarding Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions, the Company has the policy to disclose related transactions.

For the year 2020, the Company had transactions with connected persons. The auditors of the Company disclosed in the notes to audited financial statements. These transactions had been reviewed by the Audit Committee and were of the view that all related transactions were reasonable and in regular trade. The Company charged the purchase-sale price of the product and services to the connected persons at reasonable prices. It has been compared with the mid-market price in that business with various conditions as a usual business. Details of related transactions are as follows:

1. 1. Related transactions with persons who may have conflicts of interest

Person who may have a conflict of interest	Relationship
1. Banana Group Co., Ltd ("Banana Group") Formerly named Mango Shopping Co., Ltd (Registered to change the Company name on 7 September 2015) Operate business of selling the computer, digital products, smartphones, tablets, mobile phones, and peripherals or accessories.	- Subsidiary 99.99% - Co-directors: Mr. Sura Khanittaweekul, Ms. Aree Preechanukul, and Mr. Kongsak Bannasathitgul
2. Novus Integration Co., Ltd ("Novus") Formerly named Banana Sure Co., Ltd (Registered to change the Company name on 20 September 2017) Operate business of developing, distributing, maintenance, and software installation for both ready-made programs and newly created programs, including providing rental services or leasing computer equipment, server, and related IT systems.	- Subsidiary 90% - Co-directors: Mr. Sura Khanittaweekul and Ms. Aree Preechanukul
3. Double 7 Co., Ltd ("Double 7") Operate business of selling computers, digital products, smartphones, tablets, mobile phones, and peripherals or accessories, including payment services, consignments, installment sales, and accepting digital and electronic products pledge.	- Subsidiary 99.99% - Co-directors: Mr. Sura Khanittaweekul, Ms. Aree Preechanukul, Mr. Kongsak Bannasathitgul, and Mr. Kritchawat Voravanich
4. Thunder FinFin Company Limited ("TFF") Formerly named DNA Retail-Link Company Limited ("DRL") Operate business of buying and selling telecommunication tools, selling tapes, CDs, movie rolls, and music & movie CDs.	- Subsidiary 99.99% - Co-directors: Mr. Sura Khanittaweekul, Ms. Aree Preechanukul, and Mr. Kongsak Bannasathitgul
5. See Know How Company Limited ("SEE KNOW HOW") Operate business as a learning center for employees of the Company and its affiliates.	Subsidiary 99.99%
6. Next Capital Public Company Limited ("NCAP") Operate a leasing business motorcycle hire purchase. (Registered to change the company name from BAF (Thailand) Co., Ltd. ("Buff") to Next on July 1, 2020)	- Joint Venture, Com7 holds 33.93% of shares. - Co-directors: Mr. Sura Khanittaweekul

Person who may have a conflict of interest	Relationship
7. Double Value Co., Ltd (“Double Value”) Formerly named Double Seven Co., Ltd (Registered to change the Company name on 8 August 2014) Operate business of renting, buying, selling, transferring, and operating real estate.	- Co-directors: Mr. Sura Khanittaweekul, Ms. Aree Preechanukul, and Mr. Kritchawat Voravanich - Co-shareholders: Mr. Sura Khanittaweekul, Ms. Aree Preechanukul, and Mr. Kritchawat Voravanich, hold 61.47%, 8.09%, and 4.33% of shares, respectively.
8. Inter Vision Business Groups Co., Ltd (“Inter Vision”) Operate business of computer programming.	Co-directors: Mr. Sura Khanittaweekul and Ms. Aree Preechanukul
9. Yoga Matters Co., Ltd (“Yoga Matters”) Operate business of health and beauty services.	- Co-directors: Mr. Sura Khanittaweekul - Co-shareholders: Mr. Sura Khanittaweekul holds 37.50% of shares.
10. Organic Zone Co., Ltd (“Organic”) Formerly named PC Zone Company Limited (Registered to change the Company name on 7 July 2014) Operate business of the hotel, restaurant, bar, tour, and being the consultant and provide advice on industrial commerce administration.	- Co-directors: Mr. Sura Khanittaweekul - Co-shareholders: Mr. Sura Khanittaweekul holds 99.99% of shares.
11. L&T Asset Co., Ltd (“L&T Asset”) Operate business of real estate and shopping center development.	Co-directors: Mr. Sura Khanittaweekul
12. Bakery Treasury Co., Ltd (“Bakery”) Operate business of the restaurant, producing and selling food and beverages of all kinds.	- Co-directors: Mr. Sura Khanittaweekul, Ms. Aree Preechanukul, and Mr. Kritchawat Voravanich - Co-shareholders: Mr. Sura Khanittaweekul, Ms. Aree Preechanukul, and Mr. Kritchawat Voravanich, hold 70.00%, 22.22%, and 5.56% of shares, respectively.
13. 7 AM Company Limited (7 AM) Formerly named OXM Co., Ltd (“OXM”). Registered to change the company name on January 3, 2020. Operate retail business (Family Mart).	Co-shareholders: Mr. Sura Khanittaweekul holds 48.99% of shares.
14. King Yummy Co., Ltd (“King Yummy”) Operate business of food center, and restaurant to produce and sell both retail and wholesale and import and export ready-made food, ready-to-eat, and all kinds of beverage.	- Co-directors: Mr. Sura Khanittaweekul, Ms. Aree Preechanukul - Co-shareholders: Mr. Sura Khanittaweekul, Ms. Aree Preechanukul, and Mr. Bancha Phanthumakomol hold 55.25%, 18.00%, 13.75% of shares, respectively.
15. Prime Solution and Services Co., Ltd (“Prime Solution and Services”) Operate business of advising on problems, commercial, industrial, organizing training seminars.	- Co-shareholders: Banana Group holds 48.98% of shares. - Co-directors: Mr. Sura Khanittaweekul
16. L&T Corporation Co., Ltd (“L&T CORPORATION”) Operate business of resort, hotel, and tourist attraction.	Co-directors: Mr. Sura Khanittaweekul

Person who may have a conflict of interest	Relationship
17. ITEC Software Co., Ltd (“ITEC Software”) Formerly named Softbox Co., Ltd (Registered to change the company name on 18 November 2015) Operate business of producing, selling, developing, improving the computer programs and consulting for software and hardware installation.	- Mr. Nithit Satraraluk, a director and shareholder, holds 99.99% of shares. - Mr. Nithit Satraraluk is the spouse of Ms. Aree Preechanukul. **Resolved to dispose of all shares on August 13, 2020, to Mr. Nithit Satraraluk, his shareholding changed from 48.95% to 99.99%.
18. Brax & Ben Company Limited Operate fuel trade business.	Co-directors: Mr. Sura Khanittaweekul
19. Mr. Sura Khanittaweekul	Co-directors: Mr. Sura Khanittaweekul
20. Mr. Bancha Phanthumakomol	Director, Chief Executive Officer, and Major shareholder
21. Ms. Aree Preechanukul	Major shareholder / Former Director of Com7
22. Mr. Nithit Satraraluk	Director and Shareholder
23. Mr. Kritchawat Voravanich	Spouse of Ms. Aree Preechanukul
24. Mr. Kongsak Bannasathitgul	Director and Shareholder
25. Mrs. Wassana Pongsangluk	- Executive - Director, Taweechai Wasanasadee Co., Ltd
26. Mr. Phakphum Satarat	Executive
27. Ms. Natthanan Keeratikornyotsanan	Director and Shareholder
28. Mr. Suradech Sroirungruang	Shareholder
29. Mr. Narong Sriwannawit	Executive
30. Mr. Siripong Sombatsiri	- Chairman of the Board - Director, Infinite Technology Corporation Co., Ltd - Director, AP (Thailand) Public Co., Ltd - Audit Committee of the following companies: >> Pan Asia Footwear Public Co., Ltd >> Bangkok Chain Hospital Public Co., Ltd
31. Mr. Kashpol Chulajata	Audit Committee/Independent Directors

2. Related transactions with subsidiaries and related parties

Transactions for receiving and making payments

Related Parties / Relationships with the Company	Transaction Details	Transaction Value (Baht)		Rationale and Necessity / Opinion of the Audit Committee
		2019	2020	
1) Inter Vision	1) Office Space Service Income It is an office space service with a monthly service fee of 44,800 baht per month.	667,097	537,600	The said transaction is reasonable and fair in price and condition, same as the transaction with the third party.
	2) Sales Income It is the sale of mobile phones and IT equipment at mutually agreed prices, i.e., cost plus an agreed margin.	-	16,121	
	Total outstanding balance of receiving (as at the end)	42,800	575,232	
	Total outstanding balance of making payment (as at the end)	-	-	
2) Banana Group	1) Price Protection Receive It is price insurance for mobile phones and IT equipment at a mutually agreed price.	108,902,755	537,600	The said transaction is reasonable and fair in price and condition, same as the transaction with the third party.
	2) Management Fee Income It is hiring of the Company to manage internal affairs and as a business consultant. The monthly service fee is 5,000 baht per month, exclusive of VAT.	720,000	60,000	The said transaction is reasonable because the management fee is proportional to the sales. Moreover, Banana is a subsidiary company that has just started the business. Therefore, it needs to rely on Com7 to provide advice.
	3) Office Space Service Income It is an office space service with a monthly service fee of 5,000 baht per month, exclusive of VAT.	360,000	60,000	The said transaction is reasonable and fair in price and condition, same as the transaction with the third party.
	4) Sales Compensation Income It is a remuneration income from the sale of Huawei products to stimulate product sales.	-	1,167,817	The said transaction is reasonable and fair in price and condition, same as the transaction with the third party.
	5) Product Cost It is the purchase of smartphone products at the agreed price, i.e., the selling price plus the agreed margin.	1,006,064,604	209,618,948	
	<u>Subsidiary Loans</u>			
	Outstanding balance (as at the beginning)	230,000,000	125,000,000	
	Increase during the period	-	155,000,000	
	(Decrease) during the period	(105,000,000)	(280,000,000)	
	Outstanding balance (as at the end)	125,000,000		
	Interest income	5,434,520	-	

Related Parties / Relationships with the Company	Transaction Details	Transaction Value (Baht)		Rationale and Necessity / Opinion of the Audit Committee
		2019	2020	
	Total outstanding balance of receiving (as at the end)	45,288,519	4,018,101	
	Total outstanding balance of making payment (as at the end)	-	-	
3) Novus Formerly named, Banana Sure	1) Management Fee Income According to the agreed sales volume, it is hiring of the Company to manage internal affairs and as a business consultant at the management fee. The monthly service fee is 5,000 baht per month, exclusive of VAT.	1,220,243	60,000	The said transaction is reasonable and fair in price and condition, same as the transaction with the third party.
	2) Office Space Service Income It is an office space service with a monthly service fee of 5,000 baht per month, exclusive of VAT.	900,000	60,000	The said transaction is reasonable and fair in price and condition, same as the transaction with the third party.
	<u>Subsidiary Loans</u>			
	Outstanding balance (as at the beginning)	-	13,000,000	The said transaction is reasonable be- cause the Company needs to borrow for use in the company's management and circulation, which is the normal transaction for business expansion.
	Increase during the period	-	-	
	(Decrease) during the period	-	-	
	Outstanding balance (as at the end)	-	13,000,000	
	Interest expenses	-	74,082	
	Total loans	-	13,000,000	
	Total outstanding balance of receiving (as at the end)	219,456	10,700	
	Total outstanding balance of making payment (as at the end)	-	-	

Related Parties / Relationships with the Company	Transaction Details	Transaction Value (Baht)		Rationale and Necessity / Opinion of the Audit Committee
		2019	2020	
4) Double Value	1) Right-of-Use Assets, Net It is a transaction in which the lessee recognizes the leased property from the lease agreement. Land and buildings are commercial buildings, width 14.9 meters, three floors, No. 1/65 Moo 6, Bo Phut Sub-district, Koh Samui District, Surat Thani. Use as Banana branch with 3-year lease agreement starting from January 1, 2020, to December 31, 2022, as right-of-use assets.	-	1,338,178	The said transaction is reasonable and benefits the Company. It will make the storefront more space than before (from 4 meters to 14.9 meters), resulting in better product sales opportunities.
	2) Amortization - Leasehold Rights It is a transaction in which the lessee recognizes the leased property from all types of leases as a right-of-use asset and is amortized according to the lease period.	-	669,791	
	3) Lease Liabilities Right of Use It is a transaction in which the lessee recognizes the leased property as a liability.	-	16,970,001	The said transaction is reasonable and benefits the Company. It will make the storefront more space than before (from 4 meters to 14.9 meters), resulting in better product sales opportunities.
	4) Interest Expenses - Leasehold Rights It is a transaction in which the lessee recognizes the leased property as a liability. Besides, the interest expense is recognized, and the liability is gradually reduced according to the payment period.	-	37,464	
	5) Service Fees It is a service fee from the lease of land and buildings, a 3-year lease commencing from January 1, 2020, to December 31, 2022.	1,800,000	1,150,000	The said transaction is reasonable and fair in price and condition, same as the transaction with the third party.
	Total outstanding balance of making payment (as at the end)	-	-	

Related Parties / Relationships with the Company	Transaction Details	Transaction Value (Baht)		Rationale and Necessity / Opinion of the Audit Committee
		2019	2020	
5) Double 7	1) Management Fee Income It is hiring the Company to manage internal affairs and as a business consultant, starting from January 1, 2020, to December 31, 2022, at the management fee based on the agreed sales volume.	960,000	1,800,000	The said transaction is reasonable because the management fee is proportional to the sales.
	2) Office Space Service Income It is an office space service with a monthly service fee of 33,600 baht per month.	360,000	403,200	The said transaction is reasonable and fair in price and condition, same as the transaction with the third party.
	3) Sales Income It is the sale of mobile phones and IT equipment at mutually agreed prices, i.e., cost plus an agreed margin.	26,200	638,620	
	4) Service Income 1. Program fee and Support Dynamic 365 for one year from January 1, 2020, to December 31, 2020. 2. Service fee for the HR Management program for one year from January 1, 2020, to December 31, 2020.	-	7,040,000	The said transaction is reasonable and fair in price and condition, same as the transaction with the third party.
	5) Dividend Received Dividends are received from business operations in which the Company holds 99% of shares.	-	149,991,000	
	<u>Subsidiary Loans</u> Outstanding balance (as at the beginning) Increase during the period (Decrease) during the period Outstanding balance (as at the end) Interest expenses	 - 250,000,000 (40,000,000) 210,000,000 1,923,731	 210,000,000 345,000,000 (230,000,000) 325,000,000 3,346,364	The said transaction is reasonable and fair in price and condition, same as the transaction with the third party.
	Total loans Total outstanding balance of receiving (as at the end) Total outstanding balance of making payment (as at the end)	 210,000,000 285,467 -	 325,000,000 7,975,256 -	

Related Parties / Relationships with the Company	Transaction Details	Transaction Value (Baht)		Rationale and Necessity / Opinion of the Audit Committee
		2019	2020	
6) Organic Zone	1) Right-of-Use Assets, Net It is a transaction in which the lessee recognizes the leased property from the office building lease agreement on a land of 4 rai 309 square wah, located at 549/1 Sanphawut Road, Bangna Tai Subdistrict, Bangna District, Bangkok. The 3-year lease commencing from January 1, 2020, to December 31, 2022, is a right-of-use asset.	-	465,539,716	The said transaction is reasonable and fair in price and condition, same as the transaction with the third party.
	2) Amortization - Leasehold Rights It is a transaction in which the lessee recognizes the leased property from all types of leases as a right-of-use asset and is amortized according to the lease period.	-	78,005,426	The said transaction is reasonable and fair in price and condition, same as the transaction with the third party.
	3) Lease Liabilities Right of Use It is a transaction in which the lessee recognizes the leased property as a liability.	-	69,113,722	
	4) Interest Expenses - Leasehold Rights It is a transaction in which the lessee recognizes the leased property as a liability. Besides, the interest expense is recognized, and the liability is gradually reduced according to the payment period.	-	9,461,390	
	Rental Guarantee	33,000,000	33,935,352	
	Total outstanding balance of receiving (as at the end)	-	-	
	Total outstanding balance of making payment (as at the end)	-	-	
7) Success March	1) Office Space Service Income It is an office space service with a monthly service fee of 11,200 baht per month, exclusive of VAT.	120,000	134,400	The said transaction is reasonable and fair in price and condition, same as the transaction with the third party.
	Total outstanding balance of receiving (as at the end)	-	-	

Related Parties / Relationships with the Company	Transaction Details	Transaction Value (Baht)		Rationale and Necessity / Opinion of the Audit Committee
		2019	2020	
8) Next Capital	1) Dividend Received Dividends are received from business operations following the shareholding proportion of 40% (holding percentage as of Q3 / 2020, now has changed to 33.93%).	-	68,808,312	The said transaction is reasonable and fair in price and condition, same as the transaction with the third party.
	2) Sales Income It is the cost of purchasing computer equipment for resale at the agreed price, i.e., cost plus an agreed margin.	84,280	1,383,000	
	Subsidiary Loans Outstanding balance (as at the beginning) Increase during the period (Decrease) during the period Outstanding balance (as at the end) Total interest income Accrual interest (as at the end)	 - 90,000,000 (40,000,000) 50,000,000 1,287,289 -	 50,000,000 - (50,000,000) - 235,329 -	
	Total outstanding balance of receiving (as at the end)	380,794	258,940	
	Total outstanding balance of making payment (as at the end)	-	-	
9) Bakery Treasury	1) Office Space Service Income It is an office space service with a monthly service fee of 10,000 baht per month	-	140,000	The said transaction is reasonable and fair in price and condition, same as the transaction with the third party.
	2) Product Cost It is the cost of food products in the Company's event.	525,604	764,584	
	3) Sales Income It is the cost of purchasing computer equipment for resale at the agreed price, i.e., cost plus an agreed margin.	850,238	212,658	
	Total outstanding balance of receiving (as at the end) Total outstanding balance of making payment (as at the end)	366,780 115,200	52,149 103,800	
10) Thunder Fin Fin (TFF)	1) Management Fee Income It is hiring the Company to manage internal affairs and as a business consultant, starting from January 1, 2020, to December 31, 2020, at the management fee based on the agreed sales volume.	-	597,305	The said transaction is reasonable and fair in price and condition, same as the transaction with the third party.
	2) Office Space Service Income It is an office space service with a monthly service fee of 5,000 baht per month.	-	60,000	
	3) Sales and Service Income It is the sale of mobile phone products at a mutually agreed price, i.e., cost plus an agreed margin.	59,502,847	57,016,685	The said transaction is reasonable and fair in price and condition, same as the transaction with the third party.
	4) Product Cost It is the sale of mobile phone products at a mutually agreed price, i.e., cost plus an agreed margin.	31,335,985	313,247,801	
	Total outstanding balance of receiving (as at the end) Total outstanding balance of making payment (as at the end)	4,486,699 -	56,809,421 103,710,324	

Related Parties / Relationships with the Company	Transaction Details	Transaction Value (Baht)		Rationale and Necessity / Opinion of the Audit Committee
		2019	2020	
11) Prime Solution and Services	1) Interest Income It is the leasing of computer equipment in the amount of 48 installments from 15 Nov 2019 to 15 Oct 2023.	-	1,205,420	The said transaction is reasonable and fair in price and condition, same as the transaction with the third party.
	2) Computer Equipment Maintenance Fee Income It is a service income of 70 computers from June 27 to September 26, 2020, at mutually agreed service rates.	-	692,294	
	3) Management Fee Income It is hiring the Company to manage internal affairs and as a business consultant at the management fee based on the agreed sales volume.	-	800,000	
	4) Sales Income It is the cost of purchasing computer equipment for resale at the agreed price, i.e., cost plus an agreed margin.	-	13,749,305	The said transaction is reasonable and fair in price and condition, same as the transaction with the third party.
	Total outstanding balance of receiving (as at the end)	-	21,685,879	
	Total outstanding balance of making payment (as at the end)	-	1,533,670	
12) SEE KNOW HOW	1) Training Expenses It is training for both new and old employees in order to have the knowledge and increase their skills and capability.	-	47,244,500	The said transaction is reasonable and fair in price and condition, same as the transaction with the third party.
	2) Product Income It is an IT equipment income at mutually agreed prices, i.e., selling price plus an agreed margin.	-	167,925	
	Total outstanding balance of receiving (as at the end)	-	6,233	
	Total outstanding balance of making payment (as at the end)	-	-	

Independent Auditor's Report

To the shareholders of Com7 Public Company Limited

My opinion

In my opinion, the consolidated financial statements and the separate financial statements present fairly, in all material respects, the consolidated financial position of Com7 Public Company Limited (the Company) and its subsidiaries (the Group) and the separate financial position of the Company as at 31 December 2020, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRS).

What I have audited

The consolidated financial statements and the separate financial statements comprise:

- the consolidated and separate statements of financial position as at 31 December 2020;
- the consolidated and separate statements of comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the consolidated and separate financial statements, which include significant accounting policies and other explanatory information.

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 are 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.

Key audit matters	How my audit addressed the key audit matters
Adequacy of allowance for obsolete and slow-moving inventories Refer to Note 9 critical estimates and judgements of allowance for decrease in value of inventories and Note 14 Inventories, net, to the consolidated financial statements. Total inventories as at 31 December 2020 amount of Baht 3,664 million represent 40% of total assets in the consolidated financial statements. These inventories comprise IT products, mobile phones, and accessories, which are products with rapid technological change. Such changes cause the Group's inventories to become obsolete and cannot be sold immediately. The allowance for obsolete and slow-moving inventories is calculated by applying a percentage involving management judgement, which was derived by historical data on the levels of obsolete and slow-moving inventories as well as the management's view of the current stock profile and age. I focused on this area because of the significance of inventories in comparison to the consolidated financial statements and the recognition of allowances for obsolete and slow-moving inventories required management to exercise judgements upon assessing the level of allowances required.	My audit procedures included understanding the Group's policy in recognition of the allowance for obsolete and slow-moving inventories and challenging management's judgement and assumptions used in determining the percentage of allowance for obsolete and slow-moving inventories. I assessed the reasonableness of the percentage of allowance for obsolete and slow-moving inventories by comparing to the percentage of historical loss on obsolete and slow-moving inventories of each product group, current market prices, sale transactions occurred after the statement of financial position date and also inventory turnover analysis. I tested the calculation of inventory aging by making sample selections of inventory aging reports prepared by the Group's management as well as the calculation of allowance for obsolete and slow-moving inventories and compared with the management's estimation. Based on my procedures performed, I found that the determination of the percentage of allowance for obsolete and slow-moving inventories were within a reasonable and acceptable range and supported by evidences.

Key audit matters	How my audit addressed the key audit matters
Purchase Price Allocation for the business combination Refer to Note 16 investments in associates and joint ventures and Note 17 investment in subsidiaries, to the consolidated financial statements. The Group acquired ordinary shares of Next Capital Company Limited during 2019 and Prime Solution and Services Company Limited during 2020, classified as investments in associate and subsidiary respectively. The Group used independent valuation expert in determining the fair value of net identifiable assets acquired and completed Purchase Price Allocation ("PPA") in 2020. The Group's management determined that the fair value of the net identifiable assets acquired included distributor relationships and customer relationships of Baht 359 million and gain from bargain purchase of Baht 37 million and goodwill of Baht 6 million that arose from the business combination that was performed as part of the PPA. I focused on the business combination in the area of PPA and the determination of fair value of net acquired assets, especially distributor relationships and customer relationships arising from the transaction as this involves significant management judgment. The valuation methodology as well as the inputs and assumptions in the model will affect the fair value amount of distributor relationships and customer relationships. The key assumptions are the future results of the business, the discount rates and the useful lives associated with the acquired distributor relationships and customer relationships.	I read the business purchase agreements and determined whether the correct accounting treatment has been applied. I assessed the valuation method of net assets acquired and traced payments to bank statements. I assessed the qualifications, competency, and independence of the independent valuation expert. I tested the identification and fair valuation of distributor relationships and customer relationships the Group acquired; and assessed the appropriateness of valuation assumptions such as the possibility of the future results of the business, discount rates and useful life of the acquired distributor relationships and customer relationships by evaluating and challenging management on assumptions used in such calculation based on historical and external evidence. I used my firm's valuation expert to assess the appropriateness of assumptions used in the determining the fair value of identifiable distributor relationships and customer relationships, in particular, perpetual growth rates and discount rates, and independently tested calculation and compared to those used by management. I tested the calculation of the goodwill arising from the business combinations being the difference between the total purchase consideration and the fair value of the net identifiable assets acquired. Based on the above procedures, I found management's key assumptions used in assessing the fair value of net identifiable assets acquired to be reasonable based on available evidence.

Key audit matters	How my audit addressed the key audit matters
Assessment of goodwill impairment Refer to Note 9 critical estimates and judgements of estimated impairment of goodwill and Note 20 goodwill, net, to the consolidated financial statements. The Group has goodwill of Baht 124million as at 31 December 2020. The Group is required to, at least annually, test the goodwill for impairment in accordance with the relevant financial reporting standards For the year ended 31 December 2020, the management assessed an impairment over the goodwill balances by: 1. calculating the recoverable amount of each Cash Generating Unit (CGU) using the discounted cash flow (DCF) model for 5 years, with constant terminal growth rate applied to the 5th year. These cash flows were then discounted to net present value using the weighted average cost of capital (WACC); and 2. comparing the resulting of recoverable amount to their respective book values of each CGU. Based on the annual impairment test, management concluded that no additional allowance for impairment of goodwill was required as at 31 December 2020. I focused on this area because the assessment process involves significant management judgement in estimating the cash flow forecasts, which is based on assumptions that relate to future market and economic conditions such as revenue growth rate, profitmargin, and discount rate.	I gained understanding and evaluated cash flow forecasts method, the process by which they were developed and challenged the composition of management's cash flow forecasts including testing the mathematical accuracy of the underlying calculations as following procedures. I compared the inputs in cash flow forecasts to the approved budgets and business plans and other evidence of future intentions. I compared current year actual results with the figures included in the prior year forecast to consider whether the forecast assumptions included had been reasonable. I assessed the management's estimated revenue growth rate and profit margin rate by comparing them to historical results and economic and industry outlook. I tested the parameters such as cost of equity and riskfree rate used to determine the discount rate applied and compared with rate of return of other companies in the same business group registered in the Stock Exchange of Thailand and government bond rate and re-performed the calculations. I tested the calculation on sensitive change in key assumptions such as revenue growth and discount rates of the discounted cash flow. I used my firm's valuation expert to assess the appropriateness of assumptions used in the calculation of recoverable amount of each CGU, in particular, discount rates, and compared the independent expectations to those used by management. Based on my procedures above, I found management's key assumptions used in assessing the recoverable amounts of goodwill to be reasonable based on the available evidence.

Emphasis of matter

I draw attention to note 6 to the consolidated and separate financial statements, which describes the accounting policies in relation to adopting the temporary exemptions announced by the Federation of Accounting Professions to relieve the impact from COVID-19 for the reporting periods ending between 1 January 2020 and 31 December 2020. My opinion is not modified in respect to this matter.

Other information

The directors are 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 the audit committee.

Responsibilities of the directors for the consolidated and separate financial statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with TFRS, and for such internal control as the directors determine 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, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and the Company or to cease operations, or has no realistic alternative but to do so.

The audit committee assists the directors in discharging their responsibilities for overseeing the Group's and the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated and separate financial statements

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

Auditor's responsibilities for the audit of the consolidated and separate financial statements

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

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional scepticism 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 the directors.
- Conclude on the appropriateness of the directors' 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 the audit committee 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 the audit committee 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 the audit committee, I determine those matters that were of most significance in the audit of the consolidated 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.

PricewaterhouseCoopers ABAS Ltd.

Pongthavee Ratanakoses

Certified Public Accountant (Thailand) No. 7795

Bangkok

23 February 2021

Statement of Financial Position

Com7 Public Company Limited

As at 31 December 2020

	Notes	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
		Baht	Baht	Baht	Baht
Assets					
Current assets					
Cash and cash equivalents	11	872,146,450	1,304,048,571	706,490,983	1,234,089,661
Financial assets at fair value through profit or loss	8	249,229,759	-	187,209,909	-
Trade and other receivables, net	12.1	864,303,332	925,820,655	812,581,955	792,039,429
Current portion of a finance lease receivable		37,643,598	11,907,984	12,524,067	11,907,984
Contract assets	12.2	105,807,769	-	-	-
Short-term loans to related parties	33	6,416,304	50,000,000	-	175,000,000
Inventories, net	14	3,664,401,153	4,819,464,888	3,641,679,200	4,816,586,937
Current portion of leasehold right		-	18,461,560	-	18,461,560
Other current assets	15	60,718,256	87,075,932	43,911,113	82,676,255
Total current assets		5,860,666,621	7,216,779,590	5,404,397,227	7,130,761,826
Non-current assets					
Other receivable, net		-	962,903	-	962,903
Restricted deposits with financial institutions		2,422,757	-	-	-
Finance lease receivable		48,147,599	36,315,523	24,317,984	36,315,523
Investments in subsidiaries	17	-	-	302,547,066	22,835,366
Investments in an associate and a joint venture	16	675,013,828	513,183,358	593,575,203	449,750,203
Land, buildings and equipment, net	18	505,707,356	531,953,021	504,242,353	531,377,226
Right-of-use assets, net	19	1,265,214,211	-	1,256,726,103	-
Goodwill, net	20	123,691,216	122,530,326	45,655,040	45,655,040
Intangible assets, net	21	158,585,059	128,042,934	78,259,973	61,237,246
Leasehold right, net		-	113,041,424	-	113,041,424
Deferred tax assets	22	70,794,936	61,549,938	82,863,427	68,868,803
Other non-current assets		496,474,447	435,315,047	475,241,034	418,036,614
Total non-current assets		3,346,051,409	1,942,894,474	3,363,428,183	1,748,080,348
Total assets		9,206,718,030	9,159,674,064	8,767,825,410	8,878,842,174

The accompanying notes on page 15 to 70 are an integral part of these consolidated and separate financial statements.

Statement of Financial Position

Com7 Public Company Limited

As at 31 December 2020

	Notes	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
		Baht	Baht	Baht	Baht
Liabilities and equity					
Current liabilities					
Short-term loans from financial institutions	23	1,282,509,647	2,138,503,355	1,219,568,773	2,138,503,355
Current portion of long-term liabilities under finance lease agreements	23	498,115,529	7,904,273	492,600,864	7,904,273
Trade and other payables	24	2,464,340,173	3,348,583,281	2,160,494,834	3,179,423,605
Short-term loans from a subsidiary	33	-	-	338,000,000	210,000,000
Current income tax payable		166,547,437	113,824,889	158,390,159	97,438,340
Other current liabilities		18,380,714	20,425,872	15,104,440	14,403,057
Total current liabilities		4,429,893,500	5,629,241,670	4,384,159,070	5,647,672,630
Non-current liabilities					
Liabilities under finance lease agreements	23	707,633,378	5,227,189	704,805,488	5,227,189
Employee benefit obligations	25	88,602,555	63,896,338	76,303,353	58,945,999
Provision for decommissioning liabilities		22,176,000	19,136,000	22,176,000	19,136,000
Other non-current liabilities		87,584,027	66,016,054	87,584,026	66,016,054
Total non-current liabilities		905,995,960	154,275,581	890,868,867	149,325,242
Total liabilities		5,335,889,460	5,783,517,251	5,275,027,937	5,796,997,872

The accompanying notes on page 15 to 70 are an integral part of these consolidated and separate financial statements.

Statement of Financial Position

Com7 Public Company Limited

As at 31 December 2020

	Notes	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
		Baht	Baht	Baht	Baht
Liabilities and equity (continued)					
Equity					
Share capital	26				
Authorised share capital					
1,200,000,000 ordinary shares					
at par value of Baht 0.25 each		300,000,000	300,000,000	300,000,000	300,000,000
Issued and paid-up					
share capital					
1,200,000,000 ordinary shares					
paid-up of Baht 0.25 each		300,000,000	300,000,000	300,000,000	300,000,000
Premium on ordinary shares		898,760,685	898,760,685	898,760,685	898,760,685
Retained earnings					
Appropriated - legal reserve	27	30,000,000	30,000,000	30,000,000	30,000,000
Unappropriated		2,638,332,874	2,145,030,523	2,264,036,788	1,853,083,617
Other components of equity		(14,799,778)	-	-	-
Equity attributable to owners					
of the parent		3,852,293,781	3,373,791,208	3,492,797,473	3,081,844,302
Non-controlling interests		18,534,789	2,365,605	-	-
Total equity		3,870,828,570	3,376,156,813	3,492,797,473	3,081,844,302
Total liabilities and equity		9,206,718,030	9,159,674,064	8,767,825,410	8,878,842,174

The accompanying notes on page 15 to 70 are an integral part of these consolidated and separate financial statements.

Statement of Comprehensive Income

Com7 Public Company Limited

For the year ended 31 December 2020

	Notes	Consolidated financial statements		Separate financial statements	
		2020 Baht	2019 Baht	2020 Baht	2019 Baht
Revenues					
Revenues from sales and services		37,306,107,513	33,362,462,790	36,383,242,484	32,677,960,929
Other income, net		46,791,138	27,730,077	261,677,826	67,399,320
Share of profit of a joint venture		101,005,005	38,576,703	-	-
Total revenues		37,453,903,656	33,428,769,570	36,644,920,310	32,745,360,249
Expenses					
Cost of sales and services		(32,595,897,570)	(28,946,224,663)	(31,960,738,943)	(28,524,327,164)
Selling expenses		(2,347,582,653)	(2,381,084,301)	(2,362,620,488)	(2,382,682,705)
Administrative expenses		(638,480,835)	(543,772,337)	(576,382,544)	(490,174,208)
Gain (loss) from exchange rate, net		4,298,058	(704,362)	4,489,901	(116,647)
Total expenses		(35,577,663,000)	(31,871,785,663)	(34,895,252,074)	(31,397,300,724)
Profit before finance costs and income tax expense		1,876,240,656	1,556,983,907	1,749,668,236	1,348,059,525
Finance costs	28	(53,147,096)	(52,450,757)	(53,781,047)	(54,324,927)
Profit before income tax expense		1,823,093,560	1,504,533,150	1,695,887,189	1,293,734,598
Income tax expense	30	(328,237,513)	(288,734,104)	(288,871,359)	(249,818,492)
Profit for the year		1,494,856,047	1,215,799,046	1,407,015,830	1,043,916,106
Other comprehensive income (expense):					
Items that will not be reclassified to profit and loss					
Remeasurement of defined employee benefit plans	25	(9,758,925)	(16,852,255)	(9,163,881)	(16,175,211)
Income tax on items that will not be reclassified	22	1,951,785	3,370,450	1,832,776	3,235,042
Share of other comprehensive income of a joint venture accounted for using the equity method		(840,619)	-	-	-
Item that will be reclassified to profit and loss					
Share of other comprehensive income of a joint venture accounted for using the equity method		(14,799,778)	-	-	-
Other comprehensive income (expense) for the year, net of tax		(23,447,537)	(13,481,805)	(7,331,105)	(12,940,169)
Total comprehensive income for the year		1,471,408,510	1,202,317,241	1,399,684,725	1,030,975,937
Profit attributable to:					
Owners of the parent		1,490,681,664	1,216,323,139	1,407,015,830	1,043,916,106
Non-controlling interests		4,174,383	(524,093)	-	-
		1,494,856,047	1,215,799,046	1,407,015,830	1,043,916,106
Total comprehensive profit attributable to:					
Owners of the parent		1,467,234,127	1,202,979,819	1,399,684,725	1,030,975,937
Non-controlling interests		4,174,383	(662,578)	-	-
		1,471,408,510	1,202,317,241	1,399,684,725	1,030,975,937
Earnings per share					
Basic earnings per share (Baht)	31	1.24	1.01	1.17	0.87

The accompanying notes on page 15 to 70 are an integral part of these consolidated and separate financial statements.

Statement of Changes in Equity

Com7 Public Company Limited

For the year ended 31 December 2020

	Consolidated financial statements									
	Attributable to owners of the parent					Other comprehensive income				
	Issued and paid-up share capital		Premium on ordinary shares		Retained earnings		Share of other comprehensive income of an associate and a joint venture		Non-controlling interests	
Notes	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Total equity Baht
Opening balance as at 1 January 2019	300,000,000	898,760,685	30,000,000	1,542,050,704	-	-	-	5,720,168	2,776,531,557	
Change in equity for the year 2019										
Dividend payment	-	-	-	(600,000,000)	-	-	-	-	(600,000,000)	
Profit for the year	-	-	-	1,216,323,139	-	-	-	(524,093)	1,215,799,046	
Changes in ownership interest in a subsidiary	-	-	-	-	-	-	-	(2,691,985)	(2,691,985)	
Profit from measurement of defined employee benefit plans, net of tax	-	-	-	(13,343,320)	-	-	-	(138,485)	(13,481,805)	
Closing balance as at 31 December 2019	300,000,000	898,760,685	30,000,000	2,145,030,523	-	-	-	2,365,605	3,376,156,813	
Balance at 31 December 2019 - previously reported	300,000,000	898,760,685	30,000,000	2,145,030,523	-	-	-	2,365,605	3,376,156,813	
Retrospective adjustments from changes in accounting policy	-	-	-	(28,731,554)	-	-	-	-	(28,731,554)	
Opening balance as at 1 January 2020 - restated	300,000,000	898,760,685	30,000,000	2,116,298,969	-	-	-	2,365,605	3,347,425,259	
Change in equity for the year 2020										
Dividend payment	-	-	-	(960,000,000)	-	-	-	-	(960,000,000)	
Profit for the year	-	-	-	1,490,681,664	-	-	-	4,174,383	1,494,856,047	
Share of other comprehensive income of an associate and a joint venture accounted for using the equity method	-	-	-	(840,619)	-	-	(14,799,778)	-	(15,640,397)	
Non-controlling interests from investment in an indirect subsidiary	-	-	-	-	-	-	-	13,566,945	13,566,945	
Sales of a subsidiary	-	-	-	-	-	-	-	(1,572,144)	(1,572,144)	
Profit from measurement of defined employee benefit plans, net of tax	-	-	-	(7,807,140)	-	-	-	-	(7,807,140)	
Closing balance as at 31 December 2020	300,000,000	898,760,685	30,000,000	2,638,332,874	-	-	(14,799,778)	18,534,789	3,870,828,570	

The accompanying notes on page 15 to 70 are an integral part of these consolidated and separate financial statements.

Statement of Changes in Equity

Com7 Public Company Limited

For the year ended 31 December 2020

	Notes	Separate financial statements					
		Issued and paid-up share capital	Premium on ordinary shares	Retained earnings		Unappropriated	Total equity
		Baht	Baht	Appropriated - legal reserve	Baht	Baht	Baht
Opening balance as at 1 January 2019		300,000,000	898,760,685	30,000,000	1,422,107,680		2,650,868,365
Change in equity for the year 2019							
Dividend payment	32	-	-	-	(600,000,000)		(600,000,000)
Profit for the year		-	-	-	1,043,916,106		1,043,916,106
Profit from remeasurement of defined employee benefit plans, net of tax		-	-	-	(12,940,169)		(12,940,169)
Closing balance as at 31 December 2019		<u>300,000,000</u>	<u>898,760,685</u>	<u>30,000,000</u>	<u>1,853,083,617</u>		<u>3,081,844,302</u>
Balance at 31 December 2019 - previously reported		300,000,000	898,760,685	30,000,000	1,853,083,617		3,081,844,302
Retrospective adjustments from changes in accounting policy	5	-	-	-	(28,731,554)		(28,731,554)
Opening balance as at 1 January 2020 - restated		300,000,000	898,760,685	30,000,000	1,824,352,063		3,053,112,748
Change in equity for the year 2020							
Dividend payment	32	-	-	-	(960,000,000)		(960,000,000)
Profit for the year		-	-	-	1,407,015,830		1,407,015,830
Profit from remeasurement of defined employee benefit plans, net of tax		-	-	-	(7,331,105)		(7,331,105)
Closing balance as at 31 December 2020		<u>300,000,000</u>	<u>898,760,685</u>	<u>30,000,000</u>	<u>2,264,036,788</u>		<u>3,492,797,473</u>

The accompanying notes on page 15 to 70 are an integral part of these consolidated and separate financial statements.

Statement of Cash Flows

Com7 Public Company Limited

For the year ended 31 December 2020

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2020	2019	2020	2019
		Baht	Baht	Baht	Baht
Cash flows from operating activities					
Profit before income tax expense		1,823,093,560	1,504,533,150	1,695,887,189	1,293,734,598
Depreciation	18	167,082,815	170,522,414	166,175,675	169,781,790
Depreciation - right-of-use assets	19	452,567,843	-	449,983,070	-
Amortisation - intangible assets	21	10,377,704	8,066,404	4,915,604	4,709,185
Amortisation - leasehold right		-	21,320,352	-	21,320,352
Allowance for loss on impairment of trade and other receivables		2,964,215	3,704,888	2,107,846	3,709,888
Doubtful debt		2,959,676	-	2,959,676	-
(Reversal of) allowance for slow-moving inventories and for inventories cost in excess of net realisable value	14	(6,510,663)	9,215,907	(7,831,152)	9,215,907
Employee benefit expenses	25	8,805,374	13,258,306	8,193,473	12,589,021
(Gain) loss from disposals of buildings and equipment		3,733,227	(1,195,253)	3,675,980	(1,195,253)
Loss from write-off of buildings and equipment	18	5,934,493	11,199,220	5,934,493	7,370,027
Loss from write-off intangible assets	21	-	16,029	-	-
Loss from write-off leasehold right		-	2,577,000	-	-
Loss from write-off of right-of-use assets		1,045,861	-	1,045,861	-
Amortisation of gain from sale and lease back		(1,539,512)	(1,598,311)	(1,539,512)	(1,598,311)
Allowance for impairment on buildings and equipment	18	7,419,204	3,252,307	7,419,204	2,861,622
Allowance for impairment on intangible assets	21	1,353,626	3,979,422	-	-
Gain from rental reduction	6	(5,671,211)	-	(5,671,211)	-
Gain from revaluation of financial assets at fair value through profit or loss	13	(1,229,760)	-	(1,209,909)	-
Share of profit from an associate and a joint venture	16	(63,912,397)	(38,576,703)	-	-
Gain from bargain purchase in a joint venture	16	(37,092,608)	-	-	-
Gain from changes in ownership interest in an associate	16	(1,449,174)	-	-	-
Gain from changes in ownership interest in a subsidiary		-	(250,504)	-	-
Loss from disposal of investments in a subsidiary	17	1,076,513	-	-	-
(Reversal of) allowance for impairment on investment in a subsidiary	17	-	-	(276,100)	-
Interest income		(5,284,928)	(7,831,655)	(5,616,669)	(12,639,356)
Dividend income	33	-	-	(218,799,312)	(29,998,200)
Finance costs	28	53,147,096	52,450,757	53,781,047	54,324,927
Changes in working capital					
Trade and other receivables		203,519,747	(35,866,660)	(28,880,678)	48,089,967
Finance lease receivable		(17,794,630)	(23,319,949)	11,381,456	(23,319,949)
Contract assets		(105,807,769)	-	-	-
Inventories		1,161,574,397	(993,504,043)	1,182,738,889	(990,599,485)
Other current assets		29,672,967	(33,171,059)	38,765,142	(35,866,392)
Other non-current assets		(57,881,351)	(59,365,258)	(60,307,691)	(63,826,108)
Trade and other payables		(995,944,020)	436,408,976	(1,014,864,041)	466,985,543
Other current liabilities		(5,058,271)	(10,376,350)	701,383	(5,003,741)
Other non-current liabilities		23,107,486	21,799,972	23,107,484	21,916,472
Cash generated from operating activities					
Cash generated from operations		2,654,259,510	1,057,249,359	2,313,777,197	952,562,504
Finance costs paid		(55,366,011)	(51,309,744)	(54,736,058)	(51,502,165)
Income tax paid		(290,519,607)	(279,703,315)	(240,081,387)	(250,912,935)
Net cash generated from operating activities		2,308,373,892	726,236,300	2,018,959,752	650,147,404

The accompanying notes on page 15 to 70 are an integral part of these consolidated and separate financial statements.

Statement of Cash Flows

Com7 Public Company Limited

For the year ended 31 December 2020

	Notes	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
		Baht	Baht	Baht	Baht
Cash flows from investing activities					
Restricted deposits at financial institutions		7,985,723	-	-	-
Payment for financial assets at fair value through profit or loss		(248,000,000)	-	(186,000,000)	-
Payments for investments in an associate and a joint venture	16	(143,825,000)	(122,500,209)	(143,825,000)	(122,500,209)
Payments for investments in subsidiaries	17	(15,299,400)	-	(284,999,700)	(2,441,481)
Payments for transfer of business from an indirect subsidiary		-	-	-	(56,642,902)
Payments for decommissioning liabilities		(1,312,000)	(698,839)	(1,312,000)	(448,000)
Purchases of buildings and equipment		(212,856,607)	(167,369,978)	(211,727,756)	(165,183,957)
Purchases of intangible assets	21	(25,255,126)	(7,091,923)	(21,938,331)	(4,268,725)
Payments of leasehold right		-	(600,000)	-	(600,000)
Payments for right-of-use assets		(2,826,861)	-	(2,826,861)	-
Receipt from loan to an associate and a joint venture	33	50,000,000	40,000,000	50,000,000	40,000,000
Receipt from loans to subsidiaries	33	-	-	280,000,000	105,000,000
Payments of loans to an associate and a joint venture	33	-	(90,000,000)	-	(90,000,000)
Payments of loans to a subsidiaries	33	-	-	(155,000,000)	-
Receipt from disposals of buildings and equipment		1,506,859	2,029,402	1,249,593	1,433,156
Disposal of a subsidiary	17	(282,141)	-	5,564,100	-
Dividend income	33	68,808,312	-	218,799,312	29,998,200
Interest income		5,413,051	7,459,079	9,850,203	9,704,452
Net cash used in investing activities		(515,943,190)	(338,772,468)	(442,166,440)	(255,949,466)
Cash flows from financing activities					
Net cash from short-term loans from financial institutions	23	(908,145,088)	463,698,993	(918,934,582)	463,698,993
Receipt from short-term loans from a subsidiary	33	-	-	408,000,000	250,000,000
Receipt from short-term loans from a director	33	4,080,000	-	-	-
Repayments for short-term loan from a subsidiary	33	-	-	(280,000,000)	(40,000,000)
Repayments for short-term loans from a director	33	(4,080,000)	-	-	-
Payments on lease liabilities		(356,268,521)	(14,008,000)	(353,538,194)	(14,008,000)
Receipt from sales and lease back		-	10,339,453	-	10,339,453
Cash paid to non-controlling interest for capital increase in a subsidiary		-	(2,441,481)	-	-
Dividend payment		(959,919,214)	(599,964,955)	(959,919,214)	(599,964,955)
Net cash generated (used in) from financing activities		(2,224,332,823)	(142,375,990)	(2,104,391,990)	70,065,491
Net increase (decrease) in cash and cash equivalents		(431,902,121)	245,087,842	(527,598,678)	464,263,429
Cash and cash equivalents at the beginning of the year		1,304,048,571	1,058,960,729	1,234,089,661	769,826,232
Cash and cash equivalents at the end of the year	11	872,146,450	1,304,048,571	706,490,983	1,234,089,661

The accompanying notes on page 15 to 70 are an integral part of these consolidated and separate financial statements.

Statement of Cash Flows

Com7 Public Company Limited

For the year ended 31 December 2020

	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
	Baht	Baht	Baht	Baht
Non-cash transactions				
Significant non-cash transactions				
for the years ended as at 31 December:				
Acquisitions of right-of-use assets under lease contracts	359,599,206	5,169,727	348,526,145	5,169,727
Deferred gain from sales and lease back				
under finance lease	-	1,120,863	-	1,120,863
Outstanding payable arising from				
purchase of buildings and equipment	5,834,248	12,389,477	5,834,248	12,389,477
Outstanding payable arising from decommissioning liabilities	4,352,000	6,496,000	4,352,000	6,496,000

The accompanying notes on page 15 to 70 are an integral part of these consolidated and separate financial statements.

Notes to the Consolidated and Separate Financial Statements

Com7 Public Company Limited

For the year ended 31 December 2020

1 General information

Com7 Public Company Limited ("the Company") is a public limited company which listed on the Stock Exchange of Thailand. The Company is incorporated and domiciled in Thailand. The address of the Company's registered office is as follows:

549/1 Sanphawut Road, South Bangna, Bangna, Bangkok, Thailand.

The principal business operations of the Company and its subsidiaries (together "the Group") are selling IT products, mobiles and accessories and providing repair and services.

These consolidated and separate financial statements were authorised for issue by the board of directors on 23 February 2021.

2 Significant events during the current period

After the outbreak of Coronavirus Disease 2019 ("COVID-19 outbreak") in early 2020, it has resulted in the adverse effects very widespread which related to many industries, including the Group, on the operating results for the year ended 31 December 2020.

As a preventive measure against the COVID-19 pandemic, the Group's shops and service centres operating in department stores, shopping malls, and community malls in greater Bangkok and some provinces have been temporarily closed from March to May 2020 as a preventive measure over the pandemic of COVID-19 virus. The Group is paying close attention to the development of the COVID-19 pandemic and continuous planning how to effectively deal with the issue.

3 Basis of preparation

The consolidated and separate financial statements have been prepared in accordance with Thai Financial Reporting Standards ("TFRS") and the financial reporting requirements issued under the Securities and Exchange Act.

The consolidated and separate financial statements have been prepared under the historical cost convention except as disclosed in the below accounting policies.

The preparation of financial statements in conformity with TFRS requires management to use certain critical accounting estimates and to exercise its judgement in applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas that are more likely to be materially adjusted due to changes in estimates and assumptions are disclosed in Note 9.

An English version of the consolidated and separate financial statements have been prepared from the statutory financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language statutory financial statements shall prevail.

4 New and amended financial reporting standards

4.1 New and amended financial reporting standards that are effective for accounting period beginning on or after 1 January 2020 and have significant impacts to the Group

a) Financial instruments

The new financial reporting standards related to financial instruments are as follows:

TAS 32	Financial instruments: Presentation
TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments
TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

The new financial reporting standards related to financial instruments introduce new classification and measurement requirements for financial instruments as well as provide derecognition guidance on financial assets and financial liabilities. The new guidance also provides an option for the Group to apply hedge accounting to reduce accounting mismatch between hedged item and hedging instrument. In addition, the new rule provides detailed guidance on financial instruments issued by the Group whether it is a liability or an equity. Among other things, they require extensive disclosure on financial instruments and related risks.

The new classification requirements of financial assets require the Group to assess both i) business model for holding the financial assets; and ii) cash flow characteristics of the asset whether the contractual cash flows represent solely payments of principal and interest (SPPI). The classification affects the financial assets' measurement. The new guidance requires assessment of impairment of financial assets as well as contract assets and recognition of expected credit loss from initial recognition.

On 1 January 2020, the Group has adopted the financial reporting standards related to financial instruments in its financial statements. The impact from the first-time adoption did not result in significant to the Group.

b) TFRS 16, Leases

TFRS 16, Leases will result in almost all leases being recognised on the balance sheet as the distinction between operating and finance leases is removed. A right-of-use asset and a lease liability will be recognised, with exception on short-term and low-value leases.

On 1 January 2020, the Group has adopted the new lease standard in its financial statements. The impact from the first-time adoption has been disclosed in Note 5.

4.2 New and amended financial reporting standards that are effective for accounting period beginning or after 1 January 2021 to the Group

Certain amended financial reporting standards have been issued that are not mandatory for current reporting period and have not been early adopted by the Group.

a) Revised Conceptual Framework for Financial Reporting added the following key principals and guidance:

- Measurement basis, including factors in considering difference measurement basis
- Presentation and disclosure, including classification of income and expenses in other comprehensive income
- Definition of a reporting entity, which maybe a legal entity, or a portion of an entity
- Derecognition of assets and liabilities

The amendment also includes the revision to the definition of an asset and liability in the financial statements, and clarification to the prominence of stewardship in the objective of financial reporting.

b) Amendment to TFRS 3, Business combinations amended the definition of a business which requires an acquisition to include an input and a substantive process that together significantly contribute to the ability to create outputs. The definition of the term 'outputs' is amended to focus on goods and services provided to customers and to exclude returns in the form of lower costs and other economic benefits.

c) Amendment to TFRS 9, Financial instruments and TFRS 7, Financial instruments: disclosures amended to provide relief from applying specific hedge accounting requirements to the uncertainty arising from interest rate benchmark reform such as IBOR. The amendment also requires disclosure of hedging relationships directly affected by the uncertainty.

d) Amendment to TAS 1, Presentation of financial statements and TAS 8, Accounting policies, changes in accounting estimates and errors amended to definition of materiality. The amendment allows for a consistent definition of materiality throughout the Thai Financial Reporting Standards and the Conceptual Framework for Financial Reporting. It also clarified when information is material and incorporates some of the guidance in TAS 1 about immaterial information.

- e) **Amendment to TFRS 16, Leases** amended to provide a practical expedient where lessees are exempted from having to consider individual lease contracts to determine whether rent concessions occurring as a direct consequence of the COVID-19 pandemic are lease modifications. It applies to rent concessions that reduce lease payments due from 1 June 2020 to 30 June 2021. The amendment is effective for the annual accounting period beginning on or after 1 June 2020 where early application is permitted. The Group and the Company has chosen not to early apply the exemption for the current reporting period. The impacts from the exemptions is immaterial.

The Group's management is currently assessing the impact of adoption of these standards.

4.3 Amended financial reporting standards that are effective for accounting period beginning or after 1 January 2022 to the Group

Certain amended financial reporting standards have been issued that are not mandatory for current reporting period and have not been early adopted by the Group.

- a) **Amendment to TFRS 16, Leases** amended to include a practical expedient for leases that are modified as a direct consequence of IBOR reform (e.g. replacement of THBFIX as a benchmark interest rate due to the cancellation of LIBOR) for lessee to remeasure the lease liability by discounting the revised lease payments using a discount rate that reflects the change in the interest rate. An early application of the amendment is permitted. The Group and the Company has chosen not to early apply the exemption for the current reporting period.

The Group's management is currently assessing the impact of adoption of these standards.

5 Impacts from initial application of the new and revised financial reporting standards

This note explains the impact of the adoption of TAS 32 Financial Instruments: Presentation, TFRS 7 Financial Instruments: Disclosure, TFRS 9 Financial Instruments and TFRS 16 Leases on the Group's consolidated financial statements and the Company's separate financial statements. The new accounting policies applied from 1 January 2020 were disclosed in Note 6

The Group has adopted financial reporting standards relating to financial instruments (TAS 32, TFRS 7 and TFRS 9) and leases standard (TFRS 16) retrospectively from 1 January 2020, but has not restated comparatives for the 2019 reporting period, as permitted in the standards. The reclassifications and adjustments arising from the new requirements are therefore recognised in the opening statement of financial position on 1 January 2020. However, the adoption of the financial reporting standards relate to financial instruments (TAS 32, TFRS 7, and TFRS 9) did not result in significant impact to the consolidated and separate financial statements as at 31 December 2019 and 1 January 2020.

The following tables show the adjustments made to the amounts recognised in each line item in the statement of financial position upon adoption of leases standard (TFRS 16):

	Consolidated financial information		
	As at 31 December 2019 Previously reported Baht	TFRS 16 Reclassifications and adjustments Baht	As at 1 January 2020 Restated Baht
Assets			
Current assets			
Current portion of leasehold right	18,461,560	(18,461,560)	-
Total current assets	18,461,560	(18,461,560)	-
Non-current assets			
Land, buildings and equipment, net	531,953,021	(47,852,454)	484,100,567
Leasehold right, net	113,041,424	(113,041,424)	-
Right-of-use assets, net	-	1,489,078,156	1,489,078,156
Total non-current assets	644,994,445	1,328,184,278	1,973,178,723
Total assets	663,456,005	1,309,722,718	1,973,178,723
Current liabilities			
Current portion of lease liabilities	7,904,273	501,674,213	509,578,486
Total current liabilities	7,904,273	501,674,213	509,578,486
Non-current liabilities			
Lease liabilities	5,227,189	836,780,059	842,007,248
Total non-current liabilities	5,227,189	836,780,059	842,007,248
Total liabilities	13,131,462	1,338,454,272	1,351,585,734
Equity			
Retained earnings	2,145,030,523	(28,731,554)	2,116,298,969
Total equity	2,145,030,523	(28,731,554)	2,116,298,969
Total liabilities and equity	2,158,161,985	1,309,722,718	3,467,884,703

	Separate financial information		
	As at 31 December 2019 Previously reported Baht	TFRS 16 Reclassifications and adjustments Baht	As at 1 January 2020 Restated Baht
Assets			
Current assets			
Current portion of leasehold right	18,461,560	(18,461,560)	-
Total current assets	18,461,560	(18,461,560)	-
Non-current assets			
Land, buildings and equipment, net	531,377,226	(47,852,454)	483,524,772
Leasehold right, net	113,041,424	(113,041,424)	-
Right-of-use assets, net	-	1,489,078,156	1,489,078,156
Total non-current assets	644,418,650	1,328,184,278	1,972,602,928
Total assets	662,880,210	1,309,722,718	1,972,602,928
Liabilities and equity			
Current liabilities			
Current portion of lease liabilities	7,904,273	501,674,213	509,578,486
Total current liabilities	7,904,273	501,674,213	509,578,486
Non-current liabilities			
Lease liabilities	5,227,189	836,780,059	842,007,248
Total non-current liabilities	5,227,189	836,780,059	842,007,248
Total liabilities	13,131,462	1,338,454,272	1,351,585,734
Equity			
Retained earnings	1,853,083,617	(28,731,554)	1,824,352,063
Total equity	1,853,083,617	(28,731,554)	1,824,352,063
Total liabilities and equity	1,866,215,079	1,309,722,718	3,175,937,797

Leases

On adoption of TFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of TAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 January 2020. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 January 2020 was 2.19%.

The Group measured right-of use assets at the amount equal to the lease liability that was calculated from the incremental borrowing rate from the remaining lease period as of 1 January 2020, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position as at 31 December 2019. There were no onerous lease contracts that would have required an adjustment to the right-of-use assets at the date of initial application.

For leases previously classified as finance leases the Group recognised the carrying amount of the lease asset and lease liability immediately before transition as the carrying amount of the right of use asset and the lease liability at the date of initial application. The measurement principles of TFRS 16 are only applied after that date.

	Consolidated financial information Baht	Separate financial information Baht
Operating lease commitments disclosed as at 31 December 2019	1,057,696,928	1,057,696,928
(Less): Discounted using the lessee's incremental borrowing rate of at the date of initial application	(11,008,270)	(11,008,270)
Add: Finance lease liabilities recognised as at 31 December 2019	13,131,462	13,131,462
(Less): Service portion included in leases	(576,122,357)	(576,122,357)
Add: Adjustments as a result of a different treatment of extension and termination options	867,887,971	867,887,971
Lease liability recognised as at 1 January 2020	1,351,585,734	1,351,585,734
Of which are :		
Current lease liabilities	509,578,486	509,578,486
Non-current lease liabilities	842,007,248	842,007,248

Practical expedients applied

In applying TFRS 16 for the first time, the group has used the following practical expedients permitted by the standard:

- the use of a single discount rate to a portfolio of leases with reasonably similar characteristics
- reliance on previous assessments on whether leases are onerous
- the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease, and
- select not to reassess whether a contract is, or contains a lease as defined under TFRS 16 at the date of initial application but relied on its assessment made applying TAS 17 and TFRIC 4 Determining whether an Arrangement contains a Lease.

6 Accounting policies

6.1 Principles of consolidation and equity accounting

a) Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group 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. Subsidiaries are consolidated from the date on which control is transferred to the Group until the date that control ceases.

In the separate financial statements, investments in subsidiaries are accounted for using cost method.

b) Associates

Associates are all entities over which the Group has significant influence but not control or joint control. Investments in associates are accounted for using the equity method of accounting.

In the separate financial statements, investments in subsidiaries are accounted for using cost method.

c) Joint arrangements

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangements.

Joint operations

A joint operation is a joint arrangement whereby the Group has rights to the assets, and obligations for the liabilities relating to the arrangement. The Group recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the Group's financial statement line items.

Joint ventures

A joint venture is a joint arrangement whereby the Group has rights to the net assets of the arrangement. Interests in joint ventures are accounted for using the equity method.

In the separate financial statements, investments in joint ventures are accounted for cost method.

d) Equity method

The investment is initially recognised at cost which is consideration paid and directly attributable costs.

The Group's subsequently recognises shares of its associates and joint ventures' profits or losses and other comprehensive income in the profit or loss and other comprehensive income, respectively. The subsequent cumulative movements are adjusted against the carrying amount of the investment.

When the Group's share of losses in associates and joint ventures equals or exceeds its interest in the associates and joint ventures, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associates and joint ventures.

e) Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A difference between the amount of the adjustment to non-controlling interests to reflect their relative interest in the subsidiary and any consideration paid or received is recognised within equity.

If the ownership interest in associates and joint ventures is reduced but significant influence and joint control is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate. Profit or loss from reduce of the ownership interest in associates and joint ventures is recognise in profit or loss

When the Group losses control, joint control or significant influence over investments, any retained interest in the investment is remeasured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value becomes the initial carrying amount of the retained interest which is reclassified to investment in an associate, or a joint venture or a financial asset accordingly.

f) Intercompany transactions on consolidation

Intra-group transactions, balances and unrealised gains on transactions are eliminated. Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in the associates and joint ventures. Unrealised losses are also eliminated in the same manner unless the transaction provides evidence of an impairment of the asset transferred.

6.2 Business combination

The Group applies the acquisition method to account for business combinations with an exception on business combination under common control. The consideration transferred for the acquisition of a subsidiary comprises.

- fair value of the assets transferred,
- liabilities incurred to the former owners of the acquiree
- equity interests issued by the Group

Identifiable assets and liabilities acquired and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group initially recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

The excess of the consideration transferred, the amount of any non-controlling interest recognised and the acquisition-date fair value of any previous equity interest in the acquiree (for business combination achieved in stages) over the fair value of the identifiable net assets acquired is recorded as goodwill. In the case of a bargain purchase, the difference is recognised directly in profit or loss.

Acquisition-related cost

Acquisition-related cost are recognised as expenses in consolidated financial statements

Step-up acquisition

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measured are recognised in profit or loss.

Changes in fair value of contingent consideration paid/received

Subsequent changes to the fair value of the contingent consideration that is an asset or liability is recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured.

Business combination under common control

The Group accounts for business combination under common control by measuring acquired assets and liabilities of the acquiree at their carrying values presented in the highest level of the consolidation. The Group retrospectively adjusted the business combination under common control transactions as if the combination had occurred on the later of the beginning of the preceding comparative period and the date the acquiree has become under common control.

Consideration of business combination under common control are the aggregated amount of fair value of assets transferred, liabilities incurred and equity instruments issued by the acquirer at the date of which the exchange in control occurs.

The difference between consideration under business combination under common control and the acquirer's interests in the carrying value of the acquiree is presented as "surplus arising from business combination under common control" in equity and is derecognised when the investment is disposed of by transferred to retained earnings.

6.3 Foreign currency translation

a) Functional and presentation currency

The financial statements are presented in Thai Baht, which is the Company's and the Group's functional and presentation currency.

b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

Any exchange component of gains and losses on a non-monetary item that recognised in profit or loss, or other comprehensive income is recognised following the recognition of a gain or loss on the non-monetary item.

6.4 Cash and cash equivalents

In the statements of cash flows, cash and cash equivalents includes cash on hand, deposits held at call, short-term highly liquid investments with maturities of three months or less from acquisition date .

In the statements of financial position, bank overdrafts are shown in current liabilities.

6.5 Trade accounts receivable

Trade receivables are amounts due from customers for goods sold or service performed in the ordinary course of business. They are generally due for settlement within 7- 30 days and therefore are all classified as current.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost.

The impairment of trade receivables are disclosed in Note 6.7(f).

6.6 Inventories

Inventories are stated at the lower of cost and net realisable value .

Cost of inventories is determined by the moving average method. Cost of raw materials comprise all purchase cost and costs directly attributable to the acquisition of the inventory less all attributable discounts. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and directly attributable costs in bringing the inventories to their present location and condition.

6.7 Financial asset

For the year ended 31 December 2020

a) Classification

From 1 January 2020, the Group classifies its debt instrument financial assets in the following measurement categories depending on i) business model for managing the asset and ii) the cash flow characteristics of the asset whether they represent solely payments of principal and interest (SPPI).

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss); and
- those to be measured at amortised cost.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

For investments in equity instruments, the Group has an irrevocable election at the time of initial recognition to account for the equity investment at fair value through profit or loss (FVPL) or at fair value through other comprehensive income (FVOCI) except those that are held for trading, they are measured at FVPL

b) Recognition and derecognition

Regular way purchases, acquires and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

c) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether the cash flows are solely payment of principal and interest (SPPI).

d) Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the financial assets. There are three measurement categories into which the Group classifies its debt instruments:

- **Amortised cost:** Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on derecognition and foreign exchange gains and losses are recognised directly in profit or loss and presented in other gain/ (losses) and currency exchange gain (loss), respectively. Impairment losses are presented as a separate line item in the profit or loss.
- **FVOCI:** Financial assets that are held for i) collection of contractual cash flows; and ii) for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through other comprehensive income (OCI), except for 1) the recognition of impairment gains or losses, 2) interest income using the effective interest method, and 3) foreign exchange gains and losses which are recognised in profit or loss. When the financial assets is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income is included in other income. Impairment expenses are presented separately in the statement of profit or loss.
- **FVPL:** Financial assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

e) Equity instruments

The Group measures all equity investments at fair value. Where the Group has elected to present fair value gains and losses on equity instruments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the statement of profit or loss.

Impairment losses (and reversal of impairment losses) on equity investments are reported together with changes in fair value.

f) Impairment

From 1 January 2020, the Group assesses on a forward looking basis the expected credit loss associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables contract assets and lease receivables, the Group applies the simplified approach, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

The Group chose to apply the temporary measures to relieve the impact from COVID-19 announced by TFAC for the reporting periods ended between 1 January 2020 and 31 December 2020 by excluding forward-looking information in assessing the expected credit loss under the simplified approach of trade receivables, contract assets and lease receivables. The Group applied historical credit loss adjusted with the management's judgement in estimating the expected credit loss.

For other financial assets carried at amortised cost and FVOCI, the Group applies TFRS 9 general approach in measuring the impairment of those financial assets. Under the general approach, the 12-month or the lifetime expected credit loss is applied depending on whether there has been a significant increase in credit risk since the initial recognition.

Impairment (and reversal of impairment) losses are recognised in profit or loss and included in administrative expenses.

For the year ended 31 December 2019

Investments in debt and equity securities

Investments other than investments in subsidiaries, associate and joint venture are initially recognised at fair value of consideration paid plus direct transaction cost.

Held-to-maturity investments

Held-to-maturity investments are carried at amortised cost using the effective interest method less impairment.

General investments

General investments are carried at cost less impairment.

Disposal of investments

On a disposal of an investment, the difference between the net disposal proceeds and the carrying amount (including cumulative changes in fair value recognised in equity) is recognised to the profit or loss. When the Group disposes an investment partially, the carrying amount of the disposed part is determined by the weighted average method.

6.8 Property, plant and equipment

All other property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount, only when it is probable that future economic benefits associated with the item will flow to the Group. capitalised where there is future economic benefits. The carrying amount of the replaced part is derecognised.

All other repairs and maintenance are charged to profit or loss when incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Building improvements	5, 20 years
Furniture and office equipments	3 - 5 years
Motor vehicles	5 years

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains or losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

6.9 Goodwill

Goodwill is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses.

For the purpose of impairment testing, goodwill is allocated to cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes.

6.10 Intangible assets

Acquired intangible assets

Separately acquired intangible assets such as trademark is measured at historical cost.

The assets with infinite useful life are subsequently measured at cost less impairment losses.

The assets with limited life are subsequently carried and cost less accumulated amortisation and impairment losses. The amortisation is calculated using the straight-line method over their estimated useful lives, as follows:

Tradenames	20 years
Customer relationships	10 years
Distributor relationships	10 years

Computer software

Computer software is measured at cost. These costs are amortised over their estimated useful lives not over than 10 years.

Cost associated with maintaining computer software are recognised as an expense as incurred.

6.11 Impairment of assets

Assets that have an indefinite useful life are tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired. Assets that are subject to amortisation are reviewed for impairment whenever there is an indication of impairment. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

Where the reasons for previously recognised impairments no longer exist, the impairment losses on the assets concerned other than goodwill is reversed.

The Group chose to apply the temporary measures to relieve the impact from COVID-19 announced by TFAC for the reporting periods ended between 1 January 2020 and 31 December 2020 by excluding information related to COVID-19 as an indication of the impairment of assets.

In addition, for goodwill that the Group has to test for impairment annually, the Group has chosen not to include information related to COVID-19 that potentially affect financial projections to consider for the asset's impairment testing.

6.12 Leases

For the year ended 31 December 2020

Leases - where the Group is the lessee

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable.
- variable lease payment that are based on an index or a rate.
- amounts expected to be payable by the lessee under residual value guarantees.
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT-equipment and small items of office furniture.

During the reporting period, the Group received exemption and discounts in the lease payments from lessors due to the COVID-19 outbreak. The Group elected not to account for all [exemptions/discounts in the lease payments] under the lease modification in accordance with TFRS 16. Instead, the Group has chosen to apply the temporary measures to relieve the impact from COVID-19 announced by TFAC for the reporting periods ended between 1 January 2020 and 31 December 2020 by reducing lease liabilities [on the exempted portion / in the proportion of the reduction to the lease payments] throughout the period that the Group has received the exemption and reduction. The Group also reversed depreciation charges on the right-of-use assets and interest expenses on the lease liabilities recognised [in the same proportion] of Baht 115,011,266 and Baht 4,033,725, respectively. The differences between the reduction of the lease liabilities and the reversal of the expenses of Baht 5,671,211 are recognised in other gains(losses) instead of remeasuring lease liabilities and adjusting the corresponding right-of-use assets from the lease modification.

Leases - where the Group is the lessor

When assets are leased out under a finance lease, the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease which reflects a constant periodic rate of return. Initial direct costs are included in initial measurement of the finance lease receivable and reduce the amount of income recognised over the lease term.

Rental income under operating leases (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the statement of financial position based on their nature.

For the year ended 31 December 2019

Leases - where the Group is the lessee

Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

At the inception of finance lease, the lower of the fair value of the leased property and the present value of the minimum lease payments is capitalised. Each lease payment is allocated between the liability and finance charges to achieve a constant rate on the liabilities balance outstanding. The corresponding rental obligations is presented net of finance charges. Finance cost is charged to profit or loss over the lease period.

Leases - where the Group is the lessor

When assets are leased out under a finance lease, the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease which reflects a constant periodic rate of return. Initial direct costs are included in initial measurement of the finance lease receivable and reduce the amount of income recognised over the lease term.

Rental income under operating leases (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

6.13 Financial liabilitiesFor the year ended 31 December 2020

a) Classification

Financial instruments issued by the Group are classified as either financial liabilities or equity securities by considering contractual obligations.

- Where the Group has an unconditional contractual obligation to deliver cash or another financial asset to another entity, it is considered a financial liability unless there is a predetermined or possible settlement for a fixed amount of cash in exchange of a fixed number of the Group's own equity instruments.
- Where the Group has no contractual obligation or has an unconditional right to avoid delivering cash or another financial asset in settlement of the obligation, it is considered an equity instrument.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

b) Measurement

Financial liabilities are initially recognised at fair value and are subsequently measured at amortised cost

b) Derecognition and modification

Financial liabilities are recognised when the obligation specified in the contract is discharged, cancelled, or expired.

Where the terms of a financial liability are renegotiated/modified, the Group assesses whether the renegotiation / modification results in the derecognition of that financial liability. Where the modification results in an extinguishment, the new financial liability is recognised based on fair value of its obligation. The remaining carrying amount of financial liability is recognised. The difference as well as proceed paid is recognised as other gains/(losses) in profit or loss.

Where the modification does not result in the derecognition of the financial liability, the carrying amount of the financial liability is recalculated as the present value of the renegotiated / modified contractual cash flows discounted at its original effective interest rate. The difference is recognised in other gains/(losses) in profit or loss.

For the year ended 31 December 2019

Borrowings

Borrowings are recognised initially at the fair value, net of directly attributable transaction costs incurred. Borrowings are subsequently stated at amortised cost.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it will be drawn down. The fee is deferred until the drawn down occurs and included in effective interest calculation. However, if it is probable that facility will not be drawn down, that portion of the fee paid is recognised as a prepayment and amortised over the period of related facility.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled, or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as finance costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date

6.14 Current and deferred income taxes

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current tax

The current income tax is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax

Deferred income tax is recognised on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. However, deferred income tax is not recognised for temporary differences arise from:

- initial recognition of an asset or liability in a transaction other than a business combination that affects neither accounting nor taxable profit or loss is not recognized.
- investments in subsidiaries, associates and joint arrangements where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax is measured using tax rates of the period in which temporary difference is expected to be reversed, based on tax rates and laws that have been enacted or substantially enacted by the end of the reporting period.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

The Group chose to apply the temporary measures to relieve the impact from COVID-19 announced by TFAC for the reporting periods ended between 1 January 2020 and 31 December 2020 by excluding information related to COVID-19 which causes uncertainty when considering the sufficiency of future taxable profit for the purpose of assessing the utilisation of deductible temporary differences. Instead, the Group writes down the carrying amount of the deferred tax assets when it's not probable that the future taxable profit will be available for utilising the deductible temporary differences.

6.15 Employee benefits

a) *Short-term employee benefits*

Liabilities for short-term employee benefits such as wages, salaries, paid annual leave and paid sick leave, profit-sharing and bonuses, and medical care that are expected to be settled wholly within 12 months after the end of the period are recognised in respect of employees' service up to the end of the reporting period. They are measured at the amount expected to be paid.

b) *Defined contribution plan*

The Group pays contributions to a separate fund on a contractual basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due.

c) *Defined benefit plans*

Amount of retirement benefits is defined by the agreed benefits the employees will receive after the completion of employment. It usually depends on factors such as age, years of service and an employee's latest compensation at retirement.

The defined benefit obligation is calculated by an independent actuary using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yield of government bonds that matches the terms and currency of the expected cash outflows.

Remeasurement gains and losses are recognised directly to other comprehensive income in the period in which they arise. They are included in retained earnings in statements of changes in equity.

Past-service costs are recognised immediately in profit or loss.

6.16 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation. The increase in the provision due to passage of time is recognised as interest expense.

6.17 Share capital

Ordinary shares are classified as equity.

6.18 Revenue recognition

Revenue include all revenues from ordinary business activities. All ancillary income in connection with the delivery of goods and rendering of services in the course of the Group's ordinary activities is also presented as revenue.

Revenue are recorded net of value added tax. They are recognised in accordance with the provision of goods or services, provided that collectibility of the consideration is probable.

Multiple element arrangements involving delivery or provision of multiple products or services are separated into distinct performance obligations. Total transaction price of the bundled contract is allocated to each performance obligation based on their relative standalone selling prices or estimated standalone selling prices. Each performance obligation is recognised as revenue on fulfillment of the obligation to the customer.

a) *Services*

The Group recognised service contracts with a continuous service provision as revenue on a straight line basis over the contract term, regardless of the payment pattern.

Contract assets and contract liabilities

A contract asset is recognised where the Group recorded revenue for fulfillment of a contractual performance obligation before the customer paid consideration or before the requirements for billing.

A contract liability is recognised when the customer paid consideration or a receivable from the customer that is due before the Group fulfilled a contractual performance obligation.

For each customer contract, contract liabilities is set off against contract assets.

b) *Sale of goods - retail*

The Group operates a chain of retail stores selling IT products, mobiles and accessories and providing repair and services. Revenue from the sale of goods is recognised when the Group sells a product to the customer.

Payment of the transaction price is due immediately when the customer purchases the products and takes delivery in store. It is the Group's policy to sell its products to the end customer with a right of return within 7 days. Therefore, a refund liability (included in trade and other payables) is recognised for the products expected to be returned. Accumulated experience is used to estimate such returns at the time of sale at a portfolio level by applying expected value method. Because the number of products returned has been steady for years, it is highly probable that a significant reversal in the cumulative revenue recognised will not occur. The validity of this assumption and the estimated amount of returns are reassessed at each reporting date.

The Group's obligation to repair or replace faulty products under the standard warranty terms is recognised as a provision and cost of sales.

Payments to customers

Payments to customers or on behalf of customers to other parties, including credited or subsequent discounts, are recognised as a reduction in revenue unless the payment constitutes consideration of a distinct goods or service from the customer.

c) *Revenue from construction*

Revenue from construction includes contracts to provide construction. Under the contracts, the Group's construction activities create or enhance an asset or work in progress that the customer controls as the asset is created or enhanced, and hence revenue is recognised over time by reference to the progress towards completing the construction works. Under this method, the revenue recognised is based on the latest estimate of the total value of the contract and actual completion rate determined by reference to the physical state of progress of the works.

Claims, variations and liquidated damages are accounted for as variable consideration and are included in contract revenue provided that it is highly probable that a significant reversal will not occur in the future.

Percentage of completion

Revenue from contracts to provide construction and service contracts where a defined output is promised, is recognised using the percentage of completion method. The stage of completion is generally determined as the percentage of cost incurred up until the reporting date relative to total estimated cost, adjusted with uninstalled materials that the customer accepts and takes control but not yet installed. Where the stage of completion is not reliably measured, revenue is only recognised up to the amount of contract costs expensed, provided it is recoverable.

6.19 Rebates

Rebates is recognised where there is documented evidence of an agreement with an individual supplier and where associated performance conditions are met. The types of rebates recognised by the Group are;

Type of Rebates	Nature	Recognition
Marketing and advertising	Rebates in respect of marketing and advertising activities when the Group performed the activities specified in the contract with the suppliers.	Rebates is recognised once the performance conditions have been achieved over the period as set out in the specific supplier agreement. This rebates recognised as a reduction on the selling expenses.
Volume-based rebates	Rebates earned by achieving volume or spend targets set by the supplier for specific products over specific periods.	Rebates is recognised through the year based on the terms of the supplier agreement. This rebates is recognised as a reduction to the cost of goods sold. If the inventories, related to the purchases from the seller have not yet been sold out, the rebates would be recognised as a reduction to the inventory balances.

Uncollected rebates as at statement of financial position date is classified as rebates receivable within trade and other receivables.

6.20 Dividend distribution

Dividend distributed to the Company's shareholders is recognised as a liability when interim dividends are approved by the Board of Directors, and when the annual dividends are approved by the shareholders.

6.21 Derivatives

Embedded derivative and derivatives that do not qualify for hedge accounting

Embedded derivative that is separately accounted for and derivatives that do not qualify for hedge accounting is initially recognised at fair value. Changes in the fair value are included in other gains(losses).

Fair value of derivatives is classified as a current or non-current following its remaining maturity.

7 Financial risk management

7.1 Financial risk factors

The Group exposes to a variety of financial risks: market risk (currency risk, fair value risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The board of directors provides overall risk management which is carried out by a central treasury department (the Group treasury), including identification, evaluation and hedge of financial risks in close co-operation with operating units.

7.1.1 Market risk

a) Foreign exchange risk

The Group has low exposure to foreign currency exchange fluctuations from partly transaction purchase of goods and services that are denominated in foreign currencies. Entities in the Group use forward contracts to hedge their exposure to foreign exchange risk in connection with measurement currency.

b) Interest rate risk

The Group's income and operating cash flows are not substantially independent of changes in market interest rates. The Group is exposed to interest rate risk on its deposits at financial institutions, loans to related parties and short-term loans. The Group's financial assets and financial liabilities mostly carry the fixed interest rates which close to the current market rate. The Group assess that interest rate risk is not material.

7.1.2 Credit risk

Credit risk arises from cash and cash equivalents, as well as credit exposures to customers, including outstanding receivables.

a) Risk management

The Group has no material credit risks for cash and short-term investments. This is because the Group uses quality financial institutions for cash and short-term investments. The Group manages credit risk by categorising the risks and has policies in place to ensure that contracts are made with customers who have an appropriate credit history, limiting customers' credit limit.

Sales to retail customers are required to be settled in cash or using major credit cards to mitigate credit risk. There are no significant concentrations of credit risk, whether through exposure to individual customers or specific industry sectors.

The Group's investments in debt instruments are considered to be low risk investments. The Group regularly monitors the credit ratings of the investments for credit deterioration.

b) Security

For some trade receivables the Group may obtain security in the form of guarantees or letters of credit which can be called upon if the counterparty is in default under the terms of the agreement.

c) Impairment of financial assets

The Group and the Company have following financial assets that are subject to the expected credit loss model:

- Trade and other receivables
- Finance lease receivables
- Contract assets
- Loan to related parties

While cash and cash equivalents are also subject to the impairment requirements of TFRS 9, the identified impairment loss was immaterial.

Trade receivables, Finance lease receivable and Contract assets

The Group applies the TFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

Management considered the amount of those expected credit losses on financial assets are immaterial.

7.1.3 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations. At the end of the reporting period the Group held deposits at call that are expected to readily generate cash inflows for managing liquidity risk. Due to the dynamic nature of the underlying businesses, the Group Treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management regularly monitors i) rolling forecasts of the Group's liquidity reserve (comprising the undrawn borrowing facilities); and ii) cash and cash equivalents. In addition, the Group's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets and monitoring balance sheet liquidity ratios and maintaining appropriate financing plans.

The tables below analyse the maturity of financial liabilities grouping based on their contractual maturities. The amounts disclosed are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Consolidated financial statements				
	Within 1 year Baht	1 - 5 years Baht	Over 5 years Baht	Total Baht	Book value Baht
As at 31 December 2020					
Bank overdrafts and short-term loans from financial institutions	1,282,509,647	-	-	1,282,509,647	1,282,509,647
Trade and other payables	2,464,340,173	-	-	2,464,340,173	2,464,340,173
Lease liabilities	518,507,951	723,070,225	5,266,843	1,246,845,019	1,205,748,907
Other financial liabilities	-	87,584,027	-	87,584,027	87,584,027
Total financial liabilities	4,265,357,771	810,654,252	5,266,843	5,081,278,866	5,040,182,754

	Consolidated financial statements				
	Within 1 year Baht	1 - 5 years Baht	Over 5 years Baht	Total Baht	Book value Baht
As at 31 December 2019					
Bank overdrafts and short-term loans from financial institutions	2,138,503,355	-	-	2,138,503,355	2,138,503,355
Trade and other payables	3,348,583,281	-	-	3,348,583,281	3,348,583,281
Lease liabilities	8,497,416	5,488,202	-	13,985,618	13,131,462
Other financial liabilities	-	66,016,054	-	66,016,054	66,016,054
Total financial liabilities	5,495,584,052	71,504,256	-	5,567,088,308	5,566,234,152

	Separate financial statements					
	On demand Baht	Within 1 year Baht	1 - 5 years Baht	Over 5 years Baht	Total Baht	Book value Baht
As at 31 December 2020						
Bank overdrafts and short-term loans from financial institutions	-	1,219,568,773	-	-	1,219,568,773	1,219,568,773
Trade and other payables	-	2,160,494,834	-	-	2,160,494,834	2,160,494,834
Lease liabilities	338,000,000	-	-	-	338,000,000	338,000,000
Other financial liabilities	-	512,852,446	720,214,732	5,266,845	1,238,334,023	1,197,406,352
Other non-current liabilities	-	-	87,584,026	-	87,584,026	87,584,026
Total financial liabilities	338,000,000	3,892,916,053	807,798,758	5,266,845	5,043,981,656	5,003,053,985

	Separate financial statements					
	On demand Baht	Within 1 year Baht	1 - 5 years Baht	Over 5 years Baht	Total Baht	Book value Baht
As at 31 December 2019						
Bank overdrafts and short-term loans from financial institutions	-	2,138,503,355	-	-	2,138,503,355	2,138,503,355
Trade and other payables	-	3,179,423,605	-	-	3,179,423,605	3,179,423,605
Lease liabilities	210,000,000	-	-	-	210,000,000	210,000,000
Other financial liabilities	-	8,497,416	5,488,202	-	13,985,618	13,131,462
Other non-current liabilities	-	-	66,016,054	-	66,016,054	66,016,054
Total financial liabilities	210,000,000	5,326,424,376	71,504,256	-	5,607,928,632	5,607,074,476

7.1.5 Capital management

The objectives when managing capital are to:

- safeguard their ability to continue as a going concern, to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital

The Group monitors capital based on gearing ratio which is determined by dividing net debt with equity.

8 Fair value

Since the majority of the Group's financial assets and financial liabilities are short-term in nature or carrying interest at rates close to the market interest rates, their fair value are not expected to be materially different from the amounts presented in the statements of financial position.

Level 2 Debt instruments are fair valued using a Net Asset Valuation ("NAV") approach as at period end date. The data is publicly available on the Thai Bond Market Association, which is calculated by fund manager of the mutual fund.

The following table presents fair value of financial assets and liabilities recognised or disclosed by their fair value hierarchy.

Consolidated financial statements									
Level 1		Level 2		Level 3		Total		Carrying amount	
31 December 2020	31 December 2019	31 December 2020	31 December 2019	31 December 2020	31 December 2019	31 December 2020	31 December 2019	31 December 2020	31 December 2019
Assets									
Financial assets at fair value through profit or loss									
-	-	249,229,759	-	-	-	249,229,759	-	249,229,759	-
Total assets									
-	-	249,229,759	-	-	-	249,229,759	-	249,229,759	-
Separate financial statements									
Level 1		Level 2		Level 3		Total		Carrying amount	
31 December 2020	31 December 2019	31 December 2020	31 December 2019	31 December 2020	31 December 2019	31 December 2020	31 December 2019	31 December 2020	31 December 2019
Assets									
Financial assets at fair value through profit or loss									
-	-	187,209,909	-	-	-	187,209,909	-	187,209,909	-
Total assets									
-	-	187,209,909	-	-	-	187,209,909	-	187,209,909	-

Fair values are categorised into hierarchy based on inputs used as follows:

- Level 1: The fair value of financial instruments is based on the closing price by reference to the Stock Exchange of Thailand / the Thai Bond Dealing Centre.
- Level 2: The fair value of financial instruments is determined using significant observable inputs and, as little as possible, entity-specific estimates.
- Level 3: The fair value of financial instruments is not based on observable market data

Fair value measurement of financial assets and liabilities are in accordance with accounting policy disclosed in note 6.7

There was no transfer between such levels during the period.

9 Critical estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

a) Allowance for decrease in value of inventories

The Group has established the allowance for decrease in value of inventories to reflect the net realise value from inventories. The allowance for decrease in value of inventories is the effect from the Group's analysis of obsolete and slow-moving inventories and sale forecast in the future. The balance of inventories will be written-off once they are obsoleted and unable to sell out.

b) Goodwill impairment

The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. The calculations use cash flow projections based on financial budget approved by management covering a five-year period.

Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated in note 14. These growth rates are consistent with forecasts included in industry reports specific to the industry in which each CGU operates.

c) Determination of lease terms

Critical judgement in determining the lease term, the Group considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

For leases of properties, the most relevant factors are historical lease durations, the costs and conditions of leased assets.

Most extension options on offices and vehicles leases have not been included in the lease liability, because the Group considers i) the underlying asset condition and/or ii) insignificant cost to replace the leased assets.

The lease term is reassessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstance affecting this assessment occur, and that it is within the control of the Group.

d) Determination of discount rate applied to leases

The Group determines the incremental borrowing rate as follows:

- Where possible, use recent third-party financing received by the individual lessee as a starting point, adjusting to reflect changes in its financing conditions.
- Make adjustments specific to the lease, e.g. term, country, currency and security.

e) Impairment of financial assets

The loss allowances for financial assets are based on assumptions about default risk and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs used in the impairment calculation, based on the Group's past history and existing market conditions, as well as forward-looking estimates at the end of each reporting period

10 Segment information

The Group's strategic steering committee, consisting of the chief executive officer, the chief financial officer, examines, and the manager for corporate planning, examines the Group's performance both from a product and geographic perspective and has identified 2 reportable segments of the Group's businesses and 2 reportable segments of the Company's businesses.

The steering committee primarily uses a measure of segments' gross margin to assess the performance of the operating segments.

Significant information relating to revenue and profit of the reportable segments are as follows.

	Consolidated financial statements					
	For the year ended 31 December 2020			For the year ended 31 December 2019		
	Retail	Others	Total	Retail	Others	Total
	Million Baht			Million Baht		
Revenue						
Revenue from sales and services	34,877	2,429	37,306	31,713	1,650	33,363
Total revenue	34,877	2,429	37,306	31,713	1,650	33,363
Timing of revenue recognition						
At a point in time	34,877	2,255	37,132	31,713	1,650	33,363
Over time	-	174	174	-	-	-
	34,877	2,429	37,306	31,713	1,650	33,363
Cost						
Cost of sales and services	30,457	2,139	32,596	27,694	1,253	28,947
Total cost	30,457	2,139	32,596	27,694	1,253	28,947
Gross profit	4,420	290	4,710	4,019	397	4,416
Gross profit (percentage)	12.67	11.94	12.63	12.67	24.06	13.24
Gain (loss) from exchange rate, net			4			(1)
Other income			47			28
Share of profit of an investment in associate and a joint venture			101			39
Selling expenses			(2,348)			(2,381)
Administrative expenses			(638)			(544)
Finance costs			(53)			(52)
Profit before income tax expense			1,823			1,505
Income tax expense			(328)			(289)
Profit for the period			1,495			1,216

Disaggregation of revenue from contracts with customers has the same categories as segment information presented in the interim financial information.

11 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Cash on hand	54,878,911	49,215,970	51,437,671	47,313,372
Deposits with financial institutions				
- current accounts	177,128,671	209,926,113	116,871,769	178,105,850
- savings accounts	640,138,868	1,044,906,488	538,181,543	1,008,670,439
Total	872,146,450	1,304,048,571	706,490,983	1,234,089,661

As at 31 December 2020, deposits at financial institutions - savings accounts carried interest at the rate of 0.05% - 0.25% per annum (2019 : 0.25% - 1.30% per annum).

12 Trade receivables, other receivables and contract assets

12.1 Trade and other receivables

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Trade receivables - other companies	328,425,434	328,178,923	315,670,626	251,528,402
- subsidiaries (Note 33)	-	-	28,132,432	5,642,466
- associates (Note 33)	258,940	-	258,940	-
- other related parties (Note 33)	41,449	376,303	41,449	366,780
<u>Less</u> Loss allowance (2019: Allowance for doubtful accounts under TAS 101)	(14,747,256)	(10,085,265)	(14,165,007)	(9,810,388)
Trade receivables - net	313,978,567	318,469,961	329,938,440	247,727,260
Other receivables - other companies	29,812,547	8,378,340	15,584,167	3,173,037
- subsidiaries (Note 33)	-	-	28,986,359	14,833,457
- joint venture (Note 33)	-	380,795	-	380,795
- other related parties (Note 33)	2,773,926	76,596	585,932	76,596
Prepayments	17,800,562	13,247,058	14,456,253	11,543,351
Accrued income	212,496,741	228,951,102	139,485,895	137,440,971
Rebate receivable - other companies	134,592,987	346,548,305	119,582,011	346,548,305
- subsidiaries (Note 33)	-	-	11,114,896	12,305,846
Advance payment for inventories - other companies	152,848,002	9,768,498	152,848,002	464,464
- subsidiaries (Note 33)	-	-	-	17,545,347
Total	864,303,332	925,820,655	812,581,955	792,039,429

Fair values of trade receivables

Due to the short-term nature of the current receivables, their carrying amount is considered to be the same as their fair value.

12.2 Contract assets

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Contract assets				
- current	105,807,769	-	-	-
- non-current	-	-	-	-
<u>Less</u> Loss allowance (2019: Allowance for doubtful accounts under TAS 101)	-	-	-	-
Total contract assets	105,807,769	-	-	-

12.3 Impairments of trade receivables and contract assets

The Group chose to apply the temporary measures to relieve the impact from COVID-19 announced by TFAC for the reporting periods ended between 1 January 2020 and 31 December 2020 by excluding forward-looking information in assessing the expected credit loss under the simplified approach of trade receivables contract assets and finance lease receivables. As of 31 December 2020, the expected credit loss of Baht 14,747,256 million for trade receivables and Baht 14,165,007 million for contract assets were assessed based on historical credit loss together with the management's judgement in estimating the expected credit loss.

The loss allowance for trade receivables and contract assets was determined as follows:

	Consolidated financial statements					
	Not yet due Baht	Up to 3 months Baht	3 - 6 months Baht	6 - 12 months Baht	More than 12 months Baht	Total Baht
As of 1 January 2020						
Gross carrying amount						
- trade receivables	299,174,352	17,715,638	1,054,318	402,828	10,208,090	328,555,226
- contract assets	-	-	-	-	-	-
Loss allowance	-	(2,142,903)	(1,022,027)	(378,967)	(6,541,368)	(10,085,265)
	Consolidated financial statements					
	Not yet due Baht	Up to 3 months Baht	3 - 6 months Baht	6 - 12 months Baht	More than 12 months Baht	Total Baht
As 31 December 2020						
Gross carrying amount						
- trade receivables	296,087,313	19,450,853	1,051,915	455,960	11,679,782	328,725,823
- contract assets	105,807,769	-	-	-	-	105,807,769
Loss allowance	(16,135)	(1,888,737)	(753,416)	(409,186)	(11,679,782)	(14,747,256)
	Separate financial statements					
	Not yet due Baht	Up to 3 months Baht	3 - 6 months Baht	6 - 12 months Baht	More than 12 months Baht	Total Baht
As of 1 January 2020						
Gross carrying amount						
- trade receivables	228,370,589	17,776,700	1,054,318	402,828	9,933,213	257,537,648
- contract assets	-	-	-	-	-	-
Loss allowance	-	(2,142,903)	(1,022,027)	(378,967)	(6,266,491)	(9,810,388)

As of 31 December 2020	Separate financial statements					Total Baht
	Not yet due Baht	Up to 3 months Baht	3 - 6 months Baht	6 - 12 months Baht	More than 12 months Baht	
Gross carrying amount						
- trade receivables	304,302,687	26,887,980	1,051,915	455,960	11,404,905	344,103,447
- contract assets	-	-	-	-	-	-
Loss allowance	(16,135)	(1,581,365)	(753,416)	(409,186)	(11,404,905)	(14,165,007)

The reconciliations of loss allowance for trade receivables and contract assets for the year ended 31 December 2020 are as follow:

	Consolidated financial statements	
	Trade receivables	
	2020 Baht	2019 Baht
Opening loss allowance as at 1 January 2020 - calculated under TFRS 9 (2019: TAS 101)		
Increase in loss allowance recognised in profit or loss during the year	10,085,265	8,627,150
Receivable written off during the year as uncollectible	4,661,991	1,458,115
As of 31 December - calculated under TFRS 9 (2019: TAS 101)	14,747,256	10,085,265
	Separate financial statements	
	Trade receivables	
	2020 Baht	2019 Baht
Opening loss allowance as at 1 January 2020 calculated under TFRS 9 (2019: TAS 101)		
Increase in loss allowance recognised in profit or loss during the year	9,810,388	8,347,273
Receivable written off during the year as uncollectible	4,354,619	1,463,115
As of 31 December - calculated under TFRS 9 (2019: TAS 101)	14,165,007	9,810,388

13 Financial assets and financial liabilities

On 1 January 2020 (the date of initial application), the Group's management has assessed which business models applied to the financial assets and liabilities held by the Group and has classified all the financial assets and liabilities as amortised cost.

As at 31 December 2020

Financial assets

Cash and cash equivalents	-
Financial assets at fair value through profit or loss	249,229,759
Trade and other receivables, net	-
Contract assets	-
Finance lease receivables	-
Short-term loans to related party	-
Other non-current financial assets	-
<u>Less: Loss allowances 12 months</u> (2019: loss allowance under TAS 101)	-

Consolidated financial statements		
FVPL Baht	Amortised cost Baht	Total Baht
-	872,146,450	872,146,450
249,229,759	-	249,229,759
-	708,402,024	708,402,024
-	105,807,769	105,807,769
-	85,791,197	85,791,197
-	6,416,304	6,416,304
-	496,474,447	496,474,447
-	(14,747,256)	(14,747,256)
249,229,759	2,260,290,935	2,509,520,694

As at 31 December 2020

Financial liabilities

Bank overdrafts and short-term borrowings from financial institutions	1,282,509,647
Trade and other payables	2,464,340,173
Lease liabilities	1,205,748,907
Other non-current financial liabilities	87,584,027

Consolidated financial statements	
Amortised cost Baht	
	1,282,509,647
	2,464,340,173
	1,205,748,907
	87,584,027

As at 31 December 2020

Financial assets

Cash and cash equivalents	-
Financial assets at fair value through profit or loss	187,209,909
Trade and other receivables, net	-
Finance lease receivables	-
Other non-current financial assets	-
<u>Less: Loss allowances 12 months</u> (2019: loss allowance under TAS 101)	-

Separate financial statements		
FVPL Baht	Amortised cost Baht	Total Baht
-	706,490,983	706,490,983
187,209,909	-	187,209,909
-	659,442,707	659,442,707
-	36,842,051	36,842,051
-	475,241,034	475,241,034
-	(14,165,007)	(14,165,007)
187,209,909	1,863,851,768	2,051,061,677

As at 31 December 2020

Financial liabilities

Bank overdrafts and short-term borrowings from financial institutions	1,219,568,773
Trade and other payables	2,160,494,834
Short-term loans from related parties	338,000,000
Lease liabilities	1,197,406,352
Other non-current financial liabilities	87,584,026

Separate financial statements	
Amortised cost Baht	
	1,219,568,773
	2,160,494,834
	338,000,000
	1,197,406,352
	87,584,026

ii) Amounts recognised in profit or loss

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Fair value gains (losses) on debt investments at FVPL	1,229,760	-	1,209,909	-

14 Inventories, net

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Finished goods	3,818,163,169	4,976,180,057	3,794,148,356	4,973,302,106
<u>Less</u> Allowance for obsolete and slow-moving inventories and for inventories cost in excess of net realisable value	(153,789,645)	(160,300,308)	(152,469,156)	(160,300,308)
	3,664,373,524	4,815,879,749	3,641,679,200	4,813,001,798
Goods in transit	27,629	3,585,139	-	3,585,139
Total	3,664,401,153	4,819,464,888	3,641,679,200	4,816,586,937

During the years ended 31 December 2020 and 31 December 2019, amounts recognised as cost of sales in profit or loss are as follows:

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Cost of sales and cost of services	32,150,204,152	28,525,840,125	31,960,738,943	28,524,327,164
Write-down of obsolete and slow-moving inventories and for inventories cost in excess of net realisable value	4,922,076	12,574,259	3,601,587	12,574,259
Reversal of write-down of obsolete and slow-moving inventories and for inventories cost in excess of net realisable value	(11,432,739)	(3,358,352)	(11,432,739)	(3,358,352)

The Group sold inventory that was previously write-down to a customer at original cost. Therefore, the Group reversed the allowance for net realisable value during the year

15 Other current assets

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Undue input value added tax	3,587,110	15,323,767	965,125	17,372,179
Value added tax receivables	30,045,649	52,975,407	22,209,236	49,451,676
Office supplies	9,581,036	12,410,290	9,581,036	12,410,290
Others	17,504,461	6,366,468	11,155,716	3,442,110
Total	60,718,256	87,075,932	43,911,113	82,676,255

16 Investments in an associate and a joint venture

As at 31 December 2020 and 31 December 2019, the material investments in an associate and a joint venture are as follows:

Entity name	Country of incorporation	Nature of business	% of ownership interest		Consolidated financial statements		Separate financial statements	
			2020 %	2019 %	Investment at equity method		Investment at cost method	
					2020 Baht	2019 Baht	2020 Baht	2019 Baht
Associate								
Next Capital Public Company Limited	Thailand	Motorcycle hire purchasing	33.93	-	675,013,828	-	593,575,203	-
Joint venture								
Next Capital Public Company Limited	Thailand	Motorcycle hire purchasing	-	40.00	-	513,183,358	-	449,750,203
Total					675,013,828	513,183,358	593,575,203	449,750,203

* Next Capital Public Company Limited formerly Next Capital Company Limited

As at 31 December 2020, the fair value of the Group and the Company's interests in NCAP, which is listed in the Stock Exchange of Thailand, were Baht 1,710.07 million (2019: nil).

There are no contingent liabilities in respect of the Group's interest in an associate and a joint venture.

16.1 Movements of investments in an associate and a joint venture

The movements of investments in a joint venture are as follows:

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
As at 1 January	513,183,358	352,106,446	449,750,203	327,249,994
Additions	-	122,500,209	-	122,500,209
Share of profit of a joint venture	52,516,395	38,576,703	-	-
Share of other comprehensive income (expense)	(15,606,284)	-	-	-
Gain from bargain purchase	37,092,608	-	-	-
Dividend received	(68,808,312)	-	-	-
Share of profit of a joint venture	(518,377,765)	-	(449,750,203)	-
As at 31 December	-	513,183,358	-	449,750,203

The movements of investments in an associate are as follows:

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
As at 1 January	-	-	-	-
Reclassify	518,377,765	-	449,750,203	-
Additions	143,825,000	-	143,825,000	-
Share of profit of a associates	11,396,002	-	-	-
Share of other comprehensive income (expense)	(34,113)	-	-	-
Gain on change of interest in investment in an associate	1,449,174	-	-	-
As at 31 December	675,013,828	-	593,575,203	-

Purchase price allocation of the Joint venture – Next Capital Public Company Limited

At the Board of Directors' Meeting of Com7 Public Company Limited held on 22 February 2019, the Board of Directors approved to acquire ordinary shares of Next Capital Public Company Limited (formerly : Next Capital Company Limited) of 3,750,037 shares, equivalent to 12.50% of total ordinary shares of Next Capital Company Limited from a shareholder, at the amount of Baht 122,500,209, which the Company has paid for this shares on 26 March 2019.

In 2020, the Group completed the process of determining fair value of the acquired net assets and purchase price allocation ("PPA"). The difference from the fair valuation was recognised in share of profit of a joint venture in the statement of income for the year ended 31 December 2020. The detail of investment is described as below:

Fair value of assets and liabilities at the acquisition date is as follow;

	Baht
Cash and cash equivalents	23,769,414
Receivable under hire-purchase agreement within 1 year, net	3,576,973,006
Other receivable	7,312,156
Other current assets	113,449,959
Leasehold improvements and equipment, net	20,616,806
Intangible assets, net	
- Distributor Relationships	342,080,000
- Other intangible assets, net	21,405,114
Deposits	2,944,380
Short-term borrowings from financial institutions	(935,000,000)
Trade and Other payables	(95,419,092)
Income tax payable	(21,346,513)
Other current liabilities	(18,956,546)
Long-term borrowings from financial institutions	(1,700,000,000)
Other non-current liabilities	(6,978,863)
Deferred tax liabilities, net	(54,107,284)
Fair value of net assets	<u>1,276,742,537</u>
Interest acquired on 26 March 2019	<u>12.50%</u>
Fair value of net assets acquired	159,592,817
Purchase consideration	<u>122,500,209</u>
Gain from bargain purchase	<u>37,092,608</u>

The distributor relationships are amortised by the straight-line method over estimated useful life of 10 years.

Initial Public Offering - Next Capital Public Company Limited

On 4 November 2020, Com7 Public Company Limited purchased new ordinary shares of Next Capital Public Company Limited ("NCAP") in accordance with the resolutions of the Board of Directors Meeting No. 7/2020 held on 8 October 2020. The Board approved the Company to purchase 65,375,000 IPO shares at Baht 2.20 per share, totalling Baht 143,825,000. Because of this IPO, the Company's shareholding in NCAP decreased from 40% to 33.93%. As a result, the investment was changed from 'investment in joint venture' to 'investment in associate'.

The effect of purchased new ordinary shares of Next Capital Public Company Limited is summarised as follows:

	Consolidated financial statements Baht
Portion of carrying value of net assets acquired	145,274,174
Purchase consideration	143,825,000
Gain on change of interest in investment in associate	1,449,174

The Group recognise a gain on change of interest in investment in an associate amount of Baht 1,449,174 in other gains/(losses) in the statement of income.

16.2 Summarised financial information for associates :

The table below is summarised of financial information for joint ventures that are material to the Group. The financial information is included in joint ventures own financial statements which has been amended to reflect adjustments necessary for the equity method, including adjusting fair value and differences in accounting policy.

Summarised statement of comprehensive income

	Next Capital Public Company Limited	
	2020 Baht	2019 Baht
Revenue	1,141,396,476	1,033,581,816
Profit from continuing operations	207,367,728	128,835,186
Income tax expense	(41,835,513)	(22,290,466)
Post tax profit from continued operations	165,532,215	106,544,720
Other comprehensive income (expenses)	(22,494,063)	734,034
Total comprehensive income (expenses)	143,038,152	107,278,754
Dividend received from an associate and a joint venture	68,808,312	-
Summarised of statement of financial position		
Total current assets	2,587,198,024	1,989,709,456
Total non-current assets	2,351,507,892	2,338,419,054
Total assets	4,938,705,916	4,328,128,510
Total current liabilities	1,330,804,474	2,514,944,345
Total non-current liabilities	1,709,170,668	561,369,609
Total liabilities	3,039,975,142	3,076,313,954
Net assets	1,898,730,774	1,251,814,556
Reconciliation to carrying amounts:		
Opening net assets	1,251,814,556	1,144,535,802
Profit for the period	165,532,215	106,544,720
Other comprehensive income	(22,494,063)	734,034
Impact from adoption new standard	(26,653,461)	-
Gain on change of interest in investment	60,011,527	-
Issue of shares	660,000,000	-
The issuance cost	(17,460,000)	-
Dividends paid	(172,020,000)	-
Closing net assets	1,898,730,774	1,251,814,556
Group's share in joint ventures (%)	33.93	40
Group's share in joint ventures (Baht)	644,239,352	500,725,822
Goodwill	31,689,857	37,359,101
Gain (Loss) from disposal of investments in a joint venture	-	(24,901,565)
Gain on fair value adjustment from step up acquisition	(915,381)	-
Associate and Joint ventures carrying amount	675,013,828	513,183,358

17 Investments in subsidiaries

As at 31 December 2020, the subsidiaries included in consolidated financial statement. The subsidiaries have only ordinary shares in which the Group directly holds those shares. The proportion of ownership interests held by the Group is equal to voting rights in subsidiaries held by the Group.

Subsidiaries as at 31 December comprise the following:

							Ownership interests held by non-controlling interests		Investment in Cost method	
			Ownership interest held by Company		Ownership interest held by the Group					
Entity name	Nature of business	Country of incorporation	2020 (%)	2019 (%)	2020 (%)	2019 (%)	2020 (%)	2019 (%)	2020 (%)	2019 (%)
<u>Subsidiaries</u>										
Banana Group Company Limited	IT product sale	Thailand	99.99	99.99	99.99	99.99	0.01	0.01	295,200,380	15,200,380
<u>Less</u> Allowance for loss on impairment									(15,200,380)	(15,200,380)
									280,000,000	-
Novus Integration Co, Ltd.	Develop Computer Software	Thailand	90.00	90.00	90.00	90.00	10.00	10.00	12,547,666	12,547,666
Double7 Company Limited	Distributor	Thailand	99.99	99.99	99.99	99.99	0.01	0.01	4,999,700	4,999,700
See Know How Company Limited	Training	Thailand	99.99	-	99.99	-	0.01	-	4,999,700	-
Itec Software Company Limited	Produce and develop computer software	Thailand	-	51.00	-	51.00	-	49.00	-	8,000,000
<u>Less</u> Allowance for loss on impairment									-	(2,712,000)
									-	5,288,000
<u>Indirect subsidiaries</u>										
Thunder FinFin Company Limited (Formerly : DNA Retail Link Company Limited)	IT product sale	Thailand	-	-	99.99	99.99	0.01	0.01	209,999,720	209,999,720
Prime Solution and Services Company Limited	ICT Infrastructure Solution Provider	Thailand	-	-	48.98	-	51.02	-	19,200,100	

The movements in book value of investments in subsidiaries for the years ended 31 December comprise the following:

	Separate financial statements	
	2020 Baht	2019 Baht
As at 1 January	22,835,366	20,393,885
Increase in investment		
- Novus Integration Company Limited	-	2,441,481
- Banana Group Company Limited	280,000,000	-
- See Know How Company Limited	4,999,700	-
Disposal		
- Itec Software Company Limited	(5,288,000)	-
As at 31 December	302,547,066	22,835,366

For the year ended 31 December 2020

Dividend income - Double7 Company Limited

At the meeting on 29 July 2020, the Extraordinary Meeting have been approved a dividend in respect of 2020 of Baht 3,000 per share (2019: Baht 600 per share) amounting to a total of Baht 150,000,000 (2019: Baht 30,000,000).

Increase in share capital of Banana Group Company Limited

In 2020, the Company acquire shares of Banana Group Company Limited, a subsidiary, by purchasing shares from issuing additional shares of 2,800,000 shares at Baht 100 per share, totaling Baht 280 millions. The Company has already paid the full amount.

Establishment of Subsidiary Company - See Know How Company Limited

In 2020, the company established See Know How Company Limited, a subsidiary company. The company had 99.99% ownership of total ordinary shares of 50,000 shares at Baht 100 per share, totaling Baht 5 millions and The Company has already paid the amount of Baht 4,999,700 on 28 January 2020.

Disposal of investment in share capital of Itec Software Company Limited

On 17 September 2020, the Company disposed investment in Itec Software Company Limited of 1,020 shares which represented 51% of total registered ordinary share capital to management of Itec Software Company Limited at the price of Baht 5,455 per share, totalling Baht 5,564,100 (Consolidate : net of cash and cash equivalent of Itec Software Company Limited from the result of disposed of investment amounting to Baht 282,141). The Company recorded the differences between book value and selling price of Itec Software Company Limited totaling Baht 276,100 in administrative expense in the separate statements of comprehensive income (Consolidate : totaling Baht 1,076,513 in the consolidated statements of comprehensive income). The disposal resulted in a none of the Company's holding interest in Itec Software Company Limited.

Investment in an indirect subsidiary

Subsidiary of Banana Group Company Limited - Prime Solution and Services Company Limited

On 13 January 2020, Banana Group Company Limited, a subsidiary, invested in ordinary shares of Prime Solution and Service Company Limited by acquiring of 192,001 shares from issuing additional shares, totalling Baht 19,200,100 and owned 48.98% shareholding interest in Prime Solution and Services Company Limited's authorised shares capital. The Group already paid the full amount of shares on 13 January 2020.

The Group completed the process of determining fair value of the acquired net assets and purchase price allocation ("PPA"). The detail of investment is described as below:

Fair value of assets and liabilities at the acquisition date is as follow;

	Baht
Cash and cash equivalents	3,900,700
Trade and other receivables	146,132,595
Finance lease receivable	44,804,323
Short-term loans to related parties	8,604,298
Buildings and equipment, net	1,020,455
Intangible assets - customer relationship	17,060,000
Restricted deposits with financial institutions	10,408,480
Other assets	6,057,770
Trade and other payables	(118,851,769)
Bank overdraft	(36,170,115)
Short-term loans from financial institutions	(10,981,264)
Deferred tax liabilities	(3,412,000)
Lease liabilities	(25,031,263)
Employee benefit obligations	(8,763,050)
Long-term loans from financial institutions	(5,000,000)
Other liabilities	(3,177,307)
Fair value of net assets	26,601,853
Interest acquired on 13 January 2020	49%
Fair value of net assets acquired	13,034,908
Purchase consideration	19,200,100
Goodwill	6,165,192

The customer relationship is amortised by the straight-line method over estimated useful life of 10 years.

18 Property, plant and equipment, net

As at 1 January 2019

Cost	669,899,696
Less Accumulated depreciation	(361,072,149)
Less Allowance for impairment	(761,888)

Net book amount

For the year ended 31 December 2019

Opening net book amount	308,065,659
Additions	89,506,486
Additions from decommissioning	6,496,000
Additions of assets under sales and leaseback agreement	-
Disposals, net	-
Write-off, net	(8,198,288)
Transfers in (out)	13,938,881
Depreciation charge	(90,805,812)
Impairment charge	(30,504)

Closing net book amount

As at 31 December 2019

Cost	754,912,666
Less Accumulated depreciation	(435,909,740)
Less Allowance for impairment	(30,504)

Net book amount

Adjustments from new accounting policy (Note 5)

Cost	(18,880,000)
Less Accumulated depreciation	5,588,635

Net book amount

Consolidated financial statements					
Building improvements	Furniture and office equipment	Equipment available for rent	Motor vehicles	Construction in progress	Total
Baht	Baht	Baht	Baht	Baht	Baht
669,899,696	414,797,041	38,820,581	11,076,245	323,152	1,134,916,715
(361,072,149)	(230,221,945)	(7,091,658)	(8,433,473)	-	(606,819,225)
(761,888)	(92,211)	-	-	-	(854,099)
308,065,659	184,482,885	31,728,923	2,642,772	323,152	527,243,391
308,065,659	184,482,885	31,728,923	2,642,772	323,152	527,243,391
89,506,486	67,290,663	-	-	16,885,118	173,682,267
6,496,000	-	-	-	-	6,496,000
-	-	10,339,453	-	-	10,339,453
-	(826,948)	-	(7,201)	-	(834,149)
(8,198,288)	(3,000,932)	-	-	-	(11,199,220)
13,938,881	543,892	-	-	(14,482,773)	-
(90,805,812)	(70,027,836)	(9,045,944)	(642,822)	-	(170,522,414)
(30,504)	(3,221,803)	-	-	-	(3,525,307)
318,972,422	175,239,921	33,022,432	1,992,749	2,725,497	531,953,021
754,912,666	475,327,157	49,160,034	7,112,171	2,725,497	1,289,237,525
(435,909,740)	(296,779,625)	(16,137,602)	(5,119,422)	-	(753,946,389)
(30,504)	(3,307,611)	-	-	-	(3,338,115)
318,972,422	175,239,921	33,022,432	1,992,749	2,725,497	531,953,021
(18,880,000)	-	(49,160,034)	(2,644,115)	-	(70,684,149)
5,588,635	-	16,137,602	1,105,458	-	22,831,695
(13,291,365)	-	(33,022,432)	(1,538,657)	-	(47,852,454)

Consolidated financial statements						
	Land Baht	Building improvements Baht	Furniture and office equipment Baht	Equipment available for rent Baht	Motor vehicles Baht	Construction in progress Baht
	-	305,681,057	175,239,921	-	454,092	2,725,497
344,904	84,663,496	78,644,140	1,020,455	1,964,110	-	40,684,730
-	-	-	(38,445)	-	-	-
-	-	-	(5,240,089)	-	-	-
-	(5,234,265)	(700,228)	(1,901,328)	-	-	-
-	37,174,046	(92,374,249)	(74,325,162)	(272,076)	(111,328)	(39,075,374)
-	(8,908,655)	1,489,451	-	-	-	-
344,904	321,001,430	177,991,371	1,692,034	342,764	4,334,853	505,707,356
344,904	845,142,760	533,559,913	1,964,110	3,907,057	4,334,853	1,389,253,597
-	(515,202,171)	(355,208,358)	(272,076)	(3,564,293)	-	(874,246,898)
-	(8,939,159)	(360,184)	-	-	-	(9,299,343)
344,904	321,001,430	177,991,371	1,692,034	342,764	4,334,853	505,707,356

For the year ended 31 December 2020

Opening net book amount
Additions
Additions from decommissioning
Additions of assets under sales and leaseback agreement
Disposals, net
Write-off, net
Transfers in (out)
Depreciation charge
Impairment charge

Closing net book amount

As at 31 December 2020

Cost
Less Accumulated depreciation
Less Allowance for impairment

Net book amount

As at 31 December 2020, depreciation expense of Baht 167,082,815 (2019 : Baht 170,522,414) included Baht 272,076 (2019 : Baht 9,045,944) charged in cost of sales and services Baht 146,668,920 (2019 : Baht 137,509,575) charged in selling expenses and Baht 20,141,819 (2019 : Baht 23,966,895) charged in administrative expenses.

Separate financial statements						
	Building improvements	Furniture and office equipment	Equipment available for rent	Motor vehicles	Construction in progress	Total Baht
	Baht	Baht	Baht	Baht	Baht	Baht
As at 1 January 2019						
Cost	651,592,666	398,558,214	38,820,582	9,958,712	323,153	1,099,253,327
Less Accumulated depreciation	(361,072,150)	(228,259,230)	(7,091,659)	(7,872,474)	-	(604,295,513)
Less Allowance for impairment	(761,888)	(92,211)	-	-	-	(854,099)
Net book amount	289,758,628	170,206,773	31,728,923	2,086,238	323,153	494,103,715
For the year ended 31 December 2019						
Opening net book amount	289,758,628	170,206,773	31,728,923	2,086,238	323,153	494,103,715
Additions	89,455,687	65,223,625	-	-	16,816,934	171,496,246
Additions from decommissioning	6,496,000	-	-	-	-	6,496,000
Additions from transfer business from an indirect subsidiary (Note 12)	16,819,964	11,816,657	-	556,534	-	29,193,155
Additions of assets under sales and leaseback agreement	-	-	10,339,452	-	-	10,339,452
Disposals, net	-	(230,702)	-	(7,201)	-	(237,903)
Write-off, net	(6,693,245)	(676,782)	-	-	-	(7,370,027)
Transfers in (out)	13,938,881	543,892	-	-	-	-
Depreciation charge	(90,803,493)	(69,289,531)	(9,045,944)	(642,822)	(14,482,773)	(169,781,790)
Impairment charge	-	(2,861,622)	-	-	-	(2,861,622)
Closing net book amount	318,972,422	174,732,310	33,022,431	1,992,749	2,657,314	531,377,226
As at 31 December 2019						
Cost	754,879,843	471,629,514	49,160,034	6,551,172	2,657,314	1,284,877,877
Less Accumulated depreciation	(435,907,421)	(293,949,774)	(16,137,603)	(4,558,423)	-	(750,553,221)
Less Allowance for impairment	-	(2,947,430)	-	-	-	(2,947,430)
Net book amount	318,972,422	174,732,310	33,022,431	1,992,749	2,657,314	531,377,226
Adjustments from new accounting policy (Note 5)						
Cost	(18,880,000)	-	(49,160,034)	(2,644,116)	-	(70,684,150)
Less Accumulated depreciation	5,588,635	-	16,137,603	1,105,458	-	22,831,696
Net book amount	(13,291,365)	-	(33,022,431)	(1,538,658)	-	(47,852,454)

	Separate financial statements					Total Baht
	Building improvements Baht	Furniture and office equipment Baht	Equipment available for rent Baht	Motor vehicles Baht	Construction in progress Baht	
For the year ended 31 December 2020						
Opening net book amount	305,681,057	174,732,310	-	454,091	2,657,314	483,524,772
Additions	84,663,496	77,866,699	1,964,110	-	40,678,223	205,172,528
Disposals, net	-	(4,925,575)	-	-	-	(4,925,575)
Write-off, net	(5,234,265)	(700,228)	-	-	-	(5,934,493)
Transfers in (out)	37,174,046	1,826,638	-	-	(39,000,684)	-
Depreciation charge	(92,374,249)	(73,418,023)	(272,076)	(111,327)	-	(166,175,675)
Impairment charge	(8,908,655)	1,489,451	-	-	-	(7,419,204)
Closing net book amount	321,001,430	176,871,272	1,692,034	342,764	4,334,853	504,242,353
As at 31 December 2020						
Cost	845,109,938	529,597,038	1,964,110	3,907,056	4,334,853	1,384,912,995
Less Accumulated depreciation	(515,199,854)	(352,725,766)	(272,076)	(3,564,292)	-	(871,761,988)
Less Allowance for impairment	(8,908,654)	-	-	-	-	(8,908,654)
Net book amount	321,001,430	176,871,272	1,692,034	342,764	4,334,853	504,242,353

As at 31 December 2020, depreciation expense of Baht 166,175,675 (2019 : Baht 169,781,790) included Baht 272,076 (2019 : Baht 9,045,944) charged in cost of sales and services Baht 146,662,770 (2019 : Baht 137,477,538) charged in selling expenses and Baht 19,240,829 (2019 : Baht 23,258,308) charged in administrative expenses.

19 Right-of-use assets, net

	Consolidated financial statements			
	Buildings Baht	Equipment Baht	Vehicles Baht	Total Baht
Balance as at 1 January 2020 (Note 5)	1,454,517,065	33,022,432	1,538,659	1,489,078,156
Additions	352,552,316	-	-	352,552,316
Lease modifications and reassessments	14,225,571	-	-	14,225,571
Lease termination	(23,062,723)	-	-	(23,062,723)
Depreciation	(442,205,483)	(9,833,439)	(528,921)	(452,567,843)
Difference from rental reduction	(115,011,266)	-	-	(115,011,266)
Balance as at 31 December 2020	1,241,015,480	23,188,993	1,009,738	1,265,214,211

	Separate financial statements			
	Buildings Baht	Equipment Baht	Vehicles Baht	Total Baht
Balance as at 1 January 2020 (Note 5)	1,454,517,065	33,022,432	1,538,659	1,489,078,156
Additions	341,479,435	-	-	341,479,435
Lease modifications and reassessments	14,225,571	-	-	14,225,571
Lease termination	(23,062,723)	-	-	(23,062,723)
Depreciation	(439,620,710)	(9,833,439)	(528,921)	(449,983,070)
Difference from rental reduction	(115,011,266)	-	-	(115,011,266)
Balance as at 31 December 2020	1,232,527,372	23,188,993	1,009,738	1,256,726,103

The expense relating to leases that not included in the measurement of lease liabilities and right-of-use and cash outflows for leases is as follows:

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Expense relating to short-term leases	112,600,347	240,043,431	112,600,347	240,043,431
Income from subleasing right-of-use asset	13,949,231	17,861,302	13,949,231	17,861,302
Payments on lease liabilities	377,879,277	14,008,002	375,049,512	14,008,002

20 Goodwill, net

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
As 1 January				
Cost	125,242,326	125,242,326	45,655,040	45,655,040
Less Provision for impairment	(2,712,000)	(2,712,000)	-	-
Net book amount	122,530,326	122,530,326	45,655,040	45,655,040
For the year ended 31 December				
Opening net book amount	122,530,326	122,530,326	45,655,040	45,655,040
Sales of a subsidiary	(5,004,302)	-	-	-
Acquisition of an indirect subsidiary (Note 17)	6,165,192	-	-	-
Closing net book amount	123,691,216	122,530,326	45,655,040	45,655,040
At 31 December				
Cost	123,691,216	125,242,326	45,655,040	45,655,040
Less Allowance for impairment	-	(2,712,000)	-	-
Net book amount	123,691,216	122,530,326	45,655,040	45,655,040

Goodwill is allocated to the Group's cash-generating units (CGUs) identified according to business segment. A segment-level summary of the goodwill allocation is presented below.

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Goodwill allocation by segment				
Retails	117,526,024	117,526,024	45,655,040	45,655,040
Other	6,165,192	5,004,302	-	-
Total	123,691,216	122,530,326	45,655,040	45,655,040

The recoverable amount of a CGU is determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by management covering a 5-year period. Cash flows beyond the 5-year period are extrapolated using the estimated growth rates stated below. The growth rate does not exceed the long-term average growth rate for the business in which the CGU operates.

The key assumptions used for value-in-use calculations are as follows:

	Retail
Gross margin ¹	9-25%
Growth rate ²	10%
Discount rate ³	14%

¹ Budgeted gross margin.

² Weighted average growth rate used to extrapolate cash flows beyond the budget period.

³ Post-tax discount rate applied to the cash flow projections.

These assumptions have been used for the analysis of each CGU within the business segment.

Management determined budgeted gross margin based on past performance and its expectations of market development. The weighted average growth rates used are consistent with the forecasts included in industry reports. The discount rates used are pre-tax and reflect specific risks relating to the relevant segments.

21 Intangible assets, net

Consolidated financial statements					
	Tradenames Baht	Customer Relationship Baht	Computer software Baht	Computer software during installation Baht	Total Baht
As at 1 January 2019					
Cost	115,930,000	-	27,294,364	6,271,497	149,495,861
<u>Less</u> Accumulated amortisation	(2,500,000)	-	(10,471,345)	-	(12,971,345)
<u>Less</u> Allowance for impairment	-	-	(3,511,650)	-	(3,511,650)
Net book amount	113,430,000	-	13,311,369	6,271,497	133,012,866
For the year ended 31 December 2019					
Opening net book amount	113,430,000	-	13,311,369	6,271,497	133,012,866
Addition	-	-	-	7,091,923	7,091,923
Write-off, net	-	-	(16,029)	-	(16,029)
Transfer in (out)	-	-	7,180,770	(7,180,770)	-
Amortisation charge	(5,796,500)	-	(2,269,904)	-	(8,066,404)
Impairment charge	-	-	(3,979,422)	-	(3,979,422)
Closing Net book amount	107,633,500	-	14,226,784	6,182,650	128,042,934
As at 31 December 2019					
Cost	115,930,000	-	34,455,833	6,182,650	156,568,483
<u>Less</u> Accumulated amortisation	(8,296,500)	-	(12,737,977)	-	(21,034,477)
<u>Less</u> Allowance for impairment	-	-	(7,491,072)	-	(7,491,072)
Net book amount	107,633,500	-	14,226,784	6,182,650	128,042,934
For the year ended 31 December 2020					
Opening net book amount	107,633,500	-	14,226,784	6,182,650	128,042,934
Addition	-	-	813,420	24,441,706	25,255,126
Addition from transfer business from an indirect subsidiary	-	17,060,000	-	-	17,060,000
Sales of a subsidiary	-	-	(41,671)	-	(41,671)
Transfer in (out)	-	-	16,346,555	(16,346,555)	-
Amortisation charge	(5,796,935)	(1,706,000)	(2,874,769)	-	(10,377,704)
Impairment charge	-	-	(1,353,626)	-	(1,353,626)
Closing Net book amount	101,836,565	15,354,000	27,116,693	14,277,801	158,585,059
As at 31 December 2020					
Cost	115,930,000	17,060,000	53,256,894	14,277,801	200,524,695
<u>Less</u> Accumulated amortisation	(14,093,435)	(1,706,000)	(17,295,503)	-	(33,094,938)
<u>Less</u> Allowance for impairment	-	-	(8,844,698)	-	(8,844,698)
Net book amount	101,836,565	15,354,000	27,116,693	14,277,801	158,585,059

	Separate financial statements			
	Tradenames Baht	Computer software Baht	Computer software during installation Baht	Total Baht
As at 1 January 2019				
Cost	50,000,000	18,590,832	5,435,497	74,026,329
<u>Less</u> Accumulated amortisation	(2,500,000)	(9,848,623)	-	(12,348,623)
Net book amount	47,500,000	8,742,209	5,435,497	61,677,706
For the year ended 31 December 2019				
Opening net book amount	47,500,000	8,742,209	5,435,497	61,677,706
Additions	-	-	4,268,725	4,268,725
Transfer in (out)	-	6,118,020	(6,118,020)	-
Amortisation charge	(2,500,000)	(2,209,185)	-	(4,709,185)
Closing net book amount	45,000,000	12,651,044	3,586,202	61,237,246
As at 31 December 2019				
Cost	50,000,000	24,708,852	3,586,202	78,295,054
<u>Less</u> Accumulated amortisation	(5,000,000)	(12,057,808)	-	(17,057,808)
Net book amount	45,000,000	12,651,044	3,586,202	61,237,246
For the year ended 31 December 2020				
Opening net book amount	45,000,000	12,651,044	3,586,202	61,237,246
Additions	-	613,500	21,324,831	21,938,331
Transfer in (out)	-	10,753,184	(10,753,184)	-
Amortisation charge	(2,500,435)	(2,415,169)	-	(4,915,604)
Closing net book amount	42,499,565	21,602,559	14,157,849	78,259,973
As at 31 December 2020				
Cost	50,000,000	36,075,536	14,157,849	100,233,385
<u>Less</u> Accumulated amortisation	(7,500,435)	(14,472,977)	-	(21,973,412)
Net book amount	42,499,565	21,602,559	14,157,849	78,259,973

Amortisation recognised in profit and loss that are related to intangible assets are as follows:

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Selling expense	3,440,017	3,257,344	3,440,017	3,257,346
Administrative expense	6,937,687	4,809,060	1,475,587	1,451,839

The key assumptions used for value-in-use calculations are as follows:

	Tradename from purchase of business	Tradename from Investments in Thunder FinFin Company Limited
Gross margin ¹	9-25%	12-23%
Growth rate ²	10%	10%
Discount rate ³	14%	14%

¹ Budgeted gross margin.

² Weighted average growth rate used to extrapolate cash flows beyond the budget period.

³ Post-tax discount rate applied to the cash flow projections.

Management determined budgeted gross margin based on past performance and its expectations of market development. The weighted average growth rates used are consistent with the forecasts included in industry reports. The discount rates used are pre-tax and reflect specific risks relating to the relevant segments.

22 Deferred income taxes

The analysis of deferred tax assets and deferred tax liabilities is as follows:

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Deferred tax assets:				
Deferred tax asset to be recovered within 12 months	68,077,086	56,210,131	65,635,748	54,478,852
Deferred tax asset to be recovered more than 12 months	23,237,164	20,078,842	19,810,925	16,602,286
	91,314,250	76,288,973	85,446,673	71,081,138
Deferred tax liabilities:				
Deferred tax liabilities to be settled within 12 months	-	-	-	-
Deferred tax liabilities to be settled more than 12 months	(20,519,314)	(14,739,035)	(2,583,246)	(2,212,335)
	(20,519,314)	(14,739,035)	(2,583,246)	(2,212,335)
Deferred tax asset (net)	70,794,936	61,549,938	82,863,427	68,868,803

The movement in deferred tax assets is as follows:

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
As at 1 January	61,549,938	46,807,705	68,868,803	58,188,295
Increase in profit or loss (Note 30)	11,211,888	11,371,783	12,161,848	7,445,466
Increase in other comprehensive income (expense)	1,951,785	3,370,450	1,832,776	3,235,042
Adjustment of fair value of assets from investments in an indirect subsidiary (Note 17)	(3,412,000)	-	-	-
Sales of a subsidiary	(506,675)	-	-	-
As at 31 December	70,794,936	61,549,938	82,863,427	68,868,803

The movements in deferred tax assets and liabilities during the year is as follows:

Consolidated financial statements					
	1 January 2020 Baht	Recognised in revenue (expense) in profit or loss Baht	Recognised in revenue (expense) in other comprehensive income (expense) Baht	Increase (Decrease) from business combination Baht	31 December 2020 Baht
Deferred tax assets					
Allowance for impairment of trade receivables	2,466,407	(140,569)	-	-	2,325,838
Allowance for obsolete and slow-moving inventories and for inventories cost in excess of net realisable value	30,992,847	(1,669,244)	-	-	29,323,603
Employee benefit obligations	12,678,407	1,931,746	1,951,785	(393,170)	16,168,768
Difference between accounting base and tax base from low-valued assets	4,587,750	21,678	-	(6,600)	4,602,828
Accrued expenses	21,098,188	12,258,868	-	(106,905)	33,250,151
Taxable losses carried forward	703,909	-	-	-	703,909
Unrealised gain on sale of inventories in the group	1,019,550	(68,722)	-	-	950,828
Others	2,741,915	(1,455,789)	-	-	1,286,126
	76,288,973	10,877,968	1,951,785	(506,675)	88,612,051
Deferred tax liabilities					
Difference between accounting base and tax base from businesses combination (Note 17)	(14,443,366)	333,920	-	(3,412,000)	(17,521,446)
Others	(295,669)	-	-	-	(295,669)
	(14,739,035)	333,920	-	(3,412,000)	(17,817,115)
Deferred tax assets (liabilities), net	61,549,938	11,211,888	1,951,785	(3,918,675)	70,794,936

Consolidated financial statements				
	1 January 2019 Baht	Recognised in revenue (expense) in profit or loss Baht	Recognised in revenue (expense) in other comprehensive income (expense) Baht	31 December 2019 Baht
Deferred tax assets				
Allowance for impairment of trade receivables	1,725,430	740,977	-	2,466,407
Allowance for obsolete and slow-moving inventories and for inventories cost in excess of net realisable value	29,124,315	1,868,532	-	30,992,847
Employee benefit obligations	6,170,600	3,137,357	3,370,450	12,678,407
Difference between accounting base and tax base from low-valued assets	3,616,689	971,061	-	4,587,750
Accrued expenses	20,112,920	985,268	-	21,098,188
Taxable losses carried forward	662,845	41,064	-	703,909
Unrealised gain on sale of inventories in the group	-	1,019,550	-	1,019,550
Others	1,355,519	1,386,396	-	2,741,915
	62,768,318	10,150,205	3,370,450	76,288,973
Deferred tax liabilities				
Difference between accounting base and tax base from businesses combination	(15,749,563)	1,306,197	-	(14,443,366)
Others	(211,050)	(84,619)	-	(295,669)
	(15,960,613)	1,221,578	-	(14,739,035)
Deferred tax assets (liabilities), net	46,807,705	11,371,783	3,370,450	61,549,938

	Separate financial statements			
	1 January 2020 Baht	Recognised in revenue (expense) in profit or loss Baht	Recognised in revenue (expense) in other comprehensive income (expense) Baht	31 December 2020 Baht
Deferred tax assets				
Allowance for impairment of trade receivables	2,411,433	(311,775)	-	2,099,658
Allowance for obsolete and slow-moving inventories and for inventories cost in excess of net realisable value	30,992,847	(1,933,342)	-	29,059,505
Employee benefit obligations	11,789,200	1,638,695	1,832,776	15,260,671
Difference between accounting base and tax base from low-valued assets	4,517,418	32,837	-	4,550,255
Accrued expenses	19,367,357	11,512,621	-	30,879,978
Others	2,002,883	1,889,392	-	3,892,275
	71,081,138	12,828,428	1,832,776	85,742,342
Deferred tax liabilities				
Difference between accounting base and tax base from businesses combination	(1,916,666)	(666,580)	-	(2,583,246)
Others	(295,669)	-	-	(295,669)
	(2,212,335)	(666,580)	-	(2,878,915)
Deferred tax assets (liabilities), net	68,868,803	12,161,848	1,832,776	82,863,427

	Separate financial statements			
	1 January 2019 Baht	Recognised in revenue (expense) in profit or loss Baht	Recognised in revenue (expense) in other comprehensive income (expense) Baht	31 December 2019 Baht
Deferred tax assets				
Allowance for impairment of trade receivables	1,669,455	741,978	-	2,411,433
Allowance for obsolete and slow-moving inventories and for inventories cost in excess of net realisable value	29,124,315	1,868,532	-	30,992,847
Employee benefit obligations	5,505,364	3,048,794	3,235,042	11,789,200
Difference between accounting base and tax base from low-valued assets	3,571,733	945,685	-	4,517,418
Accrued expenses	19,459,071	(91,714)	-	19,367,357
Others	652,740	1,350,143	-	2,002,883
	59,982,678	7,863,418	3,235,042	71,081,138
Deferred tax liabilities				
Difference between accounting base and tax base from businesses combination	(1,583,333)	(333,333)	-	(1,916,666)
Others	(211,050)	(84,619)	-	(295,669)
	(1,794,383)	(417,952)	-	(2,212,335)
Deferred tax assets (liabilities), net	58,188,295	7,445,466	3,235,042	68,868,803

Deferred income tax assets are recognised for tax loss and carried forwards only to the extent that realisation of the related tax benefit through the future taxable profits is probable. The Group does not recognise deferred tax asset of Baht 79,276 (2019: Baht 968,082) from tax losses of Baht 396,380 (2019: Baht 4,840,410), to carry forward against future taxable income; these tax losses of Baht 69,205,459 will expire in 2021 - 2025, respectively (2019: Baht 70,649,909 will expire in 2020 - 2024).

23 Borrowings

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Current				
Bank overdrafts	36,475,198	-	-	-
Short-term loans from financial institutions	1,246,034,449	2,138,503,355	1,219,568,773	2,138,503,355
Current portion of long-term borrowings				
Lease liabilities	498,115,529	-	492,600,864	-
Finance lease liabilities	-	7,904,273	-	7,904,273
Borrowing from related party (Note 33)	-	-	338,000,000	210,000,000
Total current borrowings	1,780,625,176	2,146,407,628	2,050,169,637	2,356,407,628
Non-current				
Lease liabilities	707,633,378	-	704,805,488	-
Finance lease liabilities	-	5,227,189	-	5,227,189
Total non-current borrowings	707,633,378	5,227,189	704,805,488	5,227,189
Total borrowings	2,488,258,554	2,151,634,817	2,754,975,125	2,361,634,817

The borrowings include secured liabilities (lease liabilities) in a total amount of Baht 5,227,189 (2019 : Baht 13,131,462). Lease liabilities are effectively secured as the rights to the leased asset revert to the lessor in the event of default.

As at 31 December 2020, short-term borrowings from financial institutions of the Company, amounting to Baht 1,246.03 million (2019 : Baht 2,138.50 million) bare interest rate at 0.90% - 2.50% per annum (2019 : interest rate at 1.78% - 3.05% per annum). The Company's short-term borrowings from financial institutions were free for guarantee (2019 : free for guarantee).

The Company has to comply with the conditions in the credit facility agreements such as to maintain the financial ratios. As at 31 December 2020, the Group has complied with covenants throughout the reporting period.

The fair values of short-term borrowings equal their carrying amount, as the impact of discounting is not significant.

Maturity of lease liabilities (2019: finance lease liabilities under TAS 17) are as follows:

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Not later than one year	518,507,951	8,497,416	512,852,446	8,497,416
Later than 1 year but not later than 5 years	723,070,225	5,488,202	720,214,732	5,488,202
Later than 5 years	5,266,843	-	5,266,845	-
<u>Less</u> Future finance charges on lease liabilities	(41,096,112)	(854,156)	(40,927,671)	(854,156)
Present value of lease liabilities	1,205,748,907	13,131,462	1,197,406,352	13,131,462
Representing lease liabilities:				
- Current	498,115,529	7,904,273	492,600,864	7,904,273
- Non-current	707,633,378	5,227,189	704,805,488	5,227,189
Present value of lease liabilities	1,205,748,907	13,131,462	1,197,406,352	13,131,462
Present value of lease liabilities:				
Not later than one year	498,115,529	7,904,273	492,600,864	7,904,273
Later than 1 year but not later than 5 years	702,586,526	5,227,189	699,758,636	5,227,189
Later than 5 years	5,046,852	-	5,046,852	-
	1,205,748,907	13,131,462	1,197,406,352	13,131,462

Unutilised credit facilities

The Group has the following undrawn committed credit facilities as at 31 December:

	Consolidated financial statements			
	2020		2019	
	Baht	US Dollars	Baht	US Dollars
Loans with floating rate - expiring within one year	4,262,954,853	-	3,245,496,646	-
Credit facilities for purchase of goods	1,235,334,830	-	914,978,269	-
Forward contracts	190,934,914	14,400,000	186,377,380	14,400,000
	5,689,224,597	14,400,000	4,346,852,295	14,400,000

	Separate financial statements			
	2020		2019	
	Baht	US Dollars	Baht	US Dollars
Loans with floating rate - expiring within one year	4,149,395,727	-	3,245,496,646	-
Credit facilities for purchase of goods	1,126,863,959	-	914,978,269	-
Forward contracts	185,934,914	14,400,000	186,377,380	14,400,000
	5,462,194,600	14,400,000	4,346,852,295	14,400,000

24 Trade and other payable

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	Baht	Baht	Baht	Baht
Trade payable - other companies	1,707,380,955	2,824,198,907	1,581,988,557	2,805,378,990
- subsidiaries (Note 33)	-	-	102,700,113	8,346
Other payables- other companies	125,825,693	123,743,363	122,401,430	121,309,536
- subsidiaries (Note 33)	-	-	771,542	768,760
- other related parties (Note 33)	111,970	5,200	103,800	5,200
- directors and related parties (Note 33)	22,456	-	-	-
Deposit received in advance	51,369,759	24,249,741	47,741,220	19,663,090
Accrued expense	579,629,340	376,386,070	304,788,172	232,289,683
Total	2,464,340,173	3,348,583,281	2,160,494,834	3,179,423,605

25 Employee benefit obligations

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	Baht	Baht	Baht	Baht
Statement of financial position: Retirement benefits	88,602,555	63,896,338	76,303,353	58,945,999
Liability in the statement of financial position	88,602,555	63,896,338	76,303,353	58,945,999
Profit or loss charge included in operating profit for: Retirement benefits	8,805,374	13,258,306	8,193,473	12,589,021
Remeasurement for: Retirement benefits	9,758,925	16,852,255	9,163,881	16,175,211

Retirement benefits

The plans are final salary retirement plans. The level of benefits provided depends on members' length of service and their salary in the final years leading up to retirement.

The movement in the defined benefit obligation over the year is as follows:

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
At 1 January	63,896,338	33,785,777	58,945,999	27,526,817
Increase from investments in an indirect subsidiary (Note 17)	8,763,050	-	-	-
Increase from transferred business from indirect subsidiary	-	-	-	2,654,950
Sales of a subsidiary	(2,621,132)	-	-	-
Current service cost	7,066,079	7,511,687	6,636,881	6,470,377
Past service cost	-	4,349,869	-	4,813,944
Interest expense	1,739,295	1,396,750	1,556,592	1,304,700
	78,843,630	47,044,083	67,139,472	42,770,788
Remeasurements:				
(Gain)/loss from change in demographic assumptions	44,510	(372,401)	44,510	18,558
Loss from change in financial assumptions	15,585,720	15,537,911	14,773,666	14,666,510
Experience (Gain)/Loss	(5,871,305)	1,686,745	(5,654,295)	1,490,143
	9,758,925	16,852,255	9,163,881	16,175,211
At 31 December	88,602,555	63,896,338	76,303,353	58,945,999

The significant actuarial assumptions used were as follows:

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Discount rate	1.60 - 2.13%	1.72 - 1.76%	1.82%	1.72%
Salary growth rate	5.00 - 6.00%	5.00%	6.00%	5.00%

Sensitivity analysis for each significant assumption used is as follows:

	Consolidated financial statements					
	Impact on defined benefit obligation					
	Change in assumption		Increase in assumption		Decrease in assumption	
	2020	2019	2020	2019	2020	2019
Discount rate	1%	1%	Decrease by 13.92%	Decrease by 13.52%	Increase by 16.95%	Increase by 16.34%
Salary growth rate	1%	1%	Increase by 15.58%	Increase by 17.82%	Decrease by 13.13%	Decrease by 14.73%

Separate financial statements						
Impact on defined benefit obligation						
Change in assumption		Increase in assumption		Decrease in assumption		
2020	2019	2020	2019	2020	2019	
Discount rate	1%	1%	Decrease by 14.02%	Decrease by 13.49%	Increase by 17.09%	Increase by 16.32%
Salary growth rate	1%	1%	Increase by 15.65%	Increase by 16.79%	Decrease by 13.17%	Decrease by 14.11%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method has been applied as when calculating the retirement benefits recognised in the statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

Through its defined benefit retirement benefit plans, the Group is exposed to a number of risks, the most significant of which are detailed below:

Changes in bond yields

A decrease in government bond yields will increase plan liabilities.

Inflation risk

Some of the Group retirement benefit obligations are linked to inflation, and higher inflation will lead to higher liabilities (although, in most cases, caps on the level of inflationary increases are in place to protect the plan against extreme inflation).

The weighted average duration of the defined benefit obligation is 16.38-26.57 years (2019 : 17.03 - 20.06 years).

Expected maturity analysis of undiscounted retirement and post-employment medical benefits are as follows:

Consolidated financial statements					
	Less than 1 year Baht	Between 1 - 2 years Baht	Between 2 - 5 years Baht	Over 5 years Baht	Total Baht
At 31 December 2020					
Retirement benefits	979,152	700,803	1,498,864	119,087,455	122,266,274
Total	979,152	700,803	1,498,864	119,087,455	122,266,274
At 31 December 2019					
Retirement benefits	70,678	704,296	550,296	71,995,034	73,320,304
Total	70,678	704,296	550,296	71,995,034	73,320,304
Separate financial statements					
	Less than 1 year Baht	Between 1 - 2 years Baht	Between 2 - 5 years Baht	Over 5 years Baht	Total Baht
At 31 December 2020					
Retirement benefits	979,152	62,666	1,498,864	103,713,270	106,253,952
Total	979,152	62,666	1,498,864	103,713,270	106,253,952
At 31 December 2019					
Retirement benefits	70,678	1,101,257	895,853	66,376,310	68,444,098
Total	70,678	1,101,257	895,853	66,376,310	68,444,098

26 Share capital and premium on share capital

	Number of Shares Shares	Ordinary Shares Baht	Share Premium Baht	Total Baht
At 1 January 2019	1,200,000,000	300,000,000	898,760,685	1,198,760,685
Issue of shares	-	-	-	-
At 31 December 2019	1,200,000,000	300,000,000	898,760,685	1,198,760,685
Issue of shares	-	-	-	-
At 31 December 2020	1,200,000,000	300,000,000	898,760,685	1,198,760,685

The total number of authorised ordinary shares is 1,200,000,000 shares (2019 : 1,200,000,000 shares) with a par value of Baht 0.25 per share (2019: Baht 0.25 per share). All issued shares are fully paid

27 Legal reserve

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
At 1 January	30,000,000	30,000,000	30,000,000	30,000,000
Appropriation during the year	-	-	-	-
At 31 December	30,000,000	30,000,000	30,000,000	30,000,000

Under the Public Companies Act., B.E. 2535, the Company is required to set aside as statutory reserve at least 5 percent of its net profit after accumulated deficit brought forward (if any) until the reserve is not less than 10 percent of the registered capital. This reserve is not available for dividend distribution.

28 Finance costs

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Bank borrowings	31,478,374	51,471,205	29,442,426	51,421,644
Loan from subsidiaries	-	-	3,420,447	1,923,731
Loan from a director	57,967	-	-	-
Interest and finance charges paid for lease liabilities (2019: Finance lease liabilities)	21,610,755	979,552	20,918,174	979,552
Total finance costs	53,147,096	52,450,757	53,781,047	54,324,927

29 Expense by nature

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Rental expenses	589,683,311	1,003,844,847	575,410,575	1,005,734,429
Staff costs	1,084,946,055	1,026,578,767	1,078,625,868	987,892,355
Depreciation and amortisation	630,028,362	199,909,170	621,074,349	205,811,327
Facilities and utilities expenses	114,884,550	121,863,782	117,077,808	128,480,791
Marketing expenses	122,025,916	152,336,688	121,734,783	154,797,459
Credit card fee	227,350,591	262,796,896	226,275,105	262,796,896
Transportation charges	56,974,441	66,278,872	55,383,637	64,831,078
Service fee	42,296,115	36,469,963	37,738,390	32,938,032

30 Income tax expense

Income tax expense for the year comprises the following:

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Current tax:				
Current tax on profits for the year	337,993,008	299,605,886	299,576,814	256,763,957
Adjustments in respect of prior year	1,456,393	500,001	1,456,393	500,001
Total current tax	339,449,401	300,105,887	301,033,207	257,263,958
Deferred tax:				
Decrease (increase) in deferred tax assets (Note 22)	(10,877,968)	(10,150,205)	(12,828,428)	(7,863,418)
(Decrease) increase in deferred tax liabilities (Note 22)	(333,920)	(1,221,578)	666,580	417,952
Total deferred tax	(11,211,888)	(11,371,783)	(12,161,848)	(7,445,466)
Income tax expense	328,237,513	288,734,104	288,871,359	249,818,492
Income tax expense attributable to:				
Profit from continuing operation	328,237,513	288,734,104	288,871,359	249,818,492
Profit from discontinued operation	-	-	-	-
	328,237,513	288,734,104	288,871,359	249,818,492

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the basic tax rate of the home country of the Company as follows:

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Profit before tax	1,823,093,560	1,504,533,150	1,695,887,189	1,293,734,598
Tax calculated at a tax rate of 20% (2019 : 20%)	364,618,712	300,906,630	339,177,438	258,746,920
Tax effect of:				
Income not subject to tax	(28,766,146)	(7,715,830)	(43,759,862)	(6,000,129)
Expenses not deductible for tax purpose	7,329,513	1,110,343	6,191,973	1,323,254
Double tax expense deductible	(15,088,059)	(5,248,358)	(14,799,643)	(5,248,358)
Tax losses for which no deferred income tax asset was recognised	-	(1,270,673)	-	-
Utilisation of previously unrecognised tax losses	(1,568,872)	-	-	-
Temporary difference for which no deferred tax asset was recognised	601,493	204,207	903,162	355,306
Tax losses for which no deferred tax asset was recognised	79,276	968,082	-	-
Adjustment in respect of prior year	1,402,277	500,001	1,456,392	500,001
Other	(370,681)	(720,298)	(298,101)	141,498
Tax charge	328,237,513	288,734,104	288,871,359	249,818,492

31 Earnings per share

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Basic earnings per share				
From continuing operations attributable to the ordinary equity holders of the company	1.24	1.01	1.17	0.87
From discontinued operation	-	-	-	-
Total basic earnings per share attributable to the ordinary equity holders of the company	1.24	1.01	1.17	0.87

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Reconciliations of earnings used in calculating earnings per share				
Basic earnings per share				
Profit attributable to the ordinary equity holders of the company used in calculating basic earnings per share:				
From continuing operations	1,490,681,664	1,216,323,139	1,407,015,830	1,043,916,106
From discontinued operation	-	-	-	-
	1,490,681,664	1,216,323,139	1,407,015,830	1,043,916,106

There are no potential dilutive ordinary shares in issue for the years ended 31 December 2020.

32 Dividends per share

At the meeting on 27 April 2020, the Shareholders have been approved a dividend in respect of 2019 of Baht 0.80 per share (2018 : Baht 0.50 per share) amounting to a total of Baht 960,000,000 (2019 : Baht 600,000,000).

33 Related party transactions

Mr. Sura Khanittaweekul who is the Chief Executive Officer of the Company has the ultimate controlling in the Company who hold 25.05% (2019: 25.05%) interest in the Company's share capital. The remaining 74.95% (2019: 74.95%) of the shares is widely held.

Relationships with key management and other related parties were as follows:

Related company name	Relationship
Banana Group Company Limited	Subsidiary
Novus Integration Company Limited	Subsidiary
Double7 Company Limited	Subsidiary
See Know How Company Limited.	Subsidiary
Thunfer Finfin Company Limited (formerly: DNA Retail Link Company Limited)	Indirect subsidiary
Prime Solution and Services Company Limited	Indirect subsidiary
Next Capital Public Company Limited (formerly: Next Capital Company Limited)	Associate
Double Value Company Limited	The Company's director is co-director
Inter Vision Business Group Company Limited	The Company's director is co-director
Yoga Matters Company Limited	The Company's director is co-director
Organic Zone Company Limited	The Company's director is co-director
L&T Corporation Company Limited	The Company's director is co-director
L&T Asset Company Limited	The Company's director is co-director
Bakery Treasury Company Limited	The Company's director is co-director
King Yummy Company Limited	The Company's director is co-director
F&B Commercial Company Limited	The Company's director is co-director
Brax & Ben Company Limited	The Company's director is co-director
7 AM Company Limited (formerly: OXM Company Limited)	The Company's director is shareholder

a) Transactions with related parties

Transactions with related parties are as follows:

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Sales of goods and services				
Subsidiaries	-	-	79,512,067	8,492,624
Joint venture	1,141,000	84,280	1,141,000	84,280
Other related parties	299,980	1,762,735	228,780	1,517,335
Director and related parties	211,374	293,137	211,374	293,137
Purchases of goods and services				
Subsidiaries	-	-	488,715,970	928,062,248
Other related parties	-	68,243,800	-	68,243,800
Management fee income				
Subsidiaries	-	-	3,477,305	3,141,258
Interest income				
Subsidiaries	-	-	1,454,852	5,434,521
Associate and Joint venture	235,329	1,287,288	235,329	1,287,288
Dividend income				
Subsidiary	-	-	149,991,000	29,998,200
Associate and Joint venture	68,808,312	-	68,808,312	-
Other income				
Subsidiaries	-	-	765,647	2,019,854
Other related parties	812,000	283,458	812,000	283,458
Director and related parties	16,108	75,327	16,108	75,327
Interest expense				
Subsidiary	-	-	3,420,447	1,923,731
Other related parties	9,498,855	-	9,498,855	-
Director and related parties	54,846	-	-	-
Purchase of fixed assets and intangible assets				
Subsidiaries	-	-	-	550,000

b) Outstanding balances arising from sales and purchases of goods and services

The outstanding balances at the end of the period ended in relation to transactions with related parties are as follows:

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Trade receivables				
Subsidiaries	-	-	28,132,432	5,642,466
Associate	258,940	-	258,940	-
Other related parties	41,449	376,303	41,449	366,780
Finance lease receivables				
Subsidiary	-	-	19,363,126	-
Other receivables				
Subsidiaries	-	-	28,986,359	10,980,717
Other related parties	2,773,926	76,596	585,932	76,596
Other receivable - interest receivables				
Subsidiaries	-	-	-	3,852,740
Joint venture	-	380,795	-	380,795
Rebate receivables				
Subsidiaries	-	-	11,114,896	12,305,846
Advance payments for inventories				
Subsidiary	-	-	-	17,545,347
Trade payables				
Subsidiaries	-	-	102,700,113	8,346
Other payables				
Subsidiaries	-	-	771,542	768,760
Other related parties	111,970	5,200	103,800	5,200
Director and related parties	22,456	-	-	-
Lease liabilities				
Other related parties	406,302,064	-	406,302,064	-
Interest payable				
Subsidiaries	-	-	1,141,356	1,673,529

c) Other assets

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Other assets				
Other related parties	33,935,352	33,000,000	33,935,352	33,000,000
Total	33,935,352	33,000,000	33,935,352	33,000,000

d) Loans to related parties

Short-term loans to a subsidiary

The movements of loan to a subsidiary can be analysed are as follows:

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Subsidiary				
At 1 January	-	-	125,000,000	230,000,000
Addition during the year	-	-	155,000,000	-
Repayment during the year	-	-	(280,000,000)	(105,000,000)
At 31 December	-	-	-	125,000,000

The loans to a subsidiary were made on commercial terms and conditions. The loans bear interest at the rate of 0.70 - 3.00% per annum. No allowance has been required in 2020 and 2019 for the loans made to a subsidiary.

Loans are current portion. The fair value is equal to the book value since the effect of the discount rate is insignificant.

Short-term loans to associate and director

The movements of loan to associate and director can be analysed are as follows:

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Other related parties				
At 1 January	50,000,000	-	50,000,000	-
Additions from investments in an indirect subsidiary	6,416,304	-	-	-
Addition during the year	-	90,000,000	-	90,000,000
Repayment during the year	(50,000,000)	(40,000,000)	(50,000,000)	(40,000,000)
At 31 December	6,416,304	50,000,000	-	50,000,000

The loans to associate and director were made on commercial terms and conditions. The loans bear interest at the rate of 3.50% - 4.10% per annum without collateral and are due at call.

Loans are current portion. The fair value is equal to the book value since the effect of the discount rate is insignificant.

e) Borrowings from related parties

Short-term borrowings from subsidiaries

The movements of borrowings from a subsidiary can be analysed are as follows:

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Subsidiaries				
At 1 January	-	-	210,000,000	-
Borrowings received during the period	-	-	408,000,000	250,000,000
Borrowings repaid during the period	-	-	(280,000,000)	(40,000,000)
At 31 December	-	-	338,000,000	210,000,000

The borrowings from subsidiaries was made on commercial terms and conditions and carry interest at 0.70 - 1.50% per annum without collateral and are due at call.

Borrowings are current portion. The fair value is equal to the book value since the effect of the discount rate is insignificant.

Short-term borrowings from director

The movements of borrowings from a director can be analysed as follows:

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Director				
At 1 January	-	-	-	-
Borrowings repaid during the period	4,080,000	-	-	-
Borrowings repaid during the period	(4,080,000)			
At 31 December	-	-	-	-

The borrowings from director were made on commercial terms and conditions and carry interest at 4.00% per annum without collateral and are due at call.

f) Key management compensation

Key management includes directors (executive and non-executive), members of the executive committee. The compensation paid or payable to key management are as follows:

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Salaries and other short-term employee benefits	55,408,745	52,947,931	53,439,625	47,693,955
Post-employment benefits	1,488,726	3,986,032	1,420,930	3,696,796
Total	56,897,471	56,933,963	54,860,555	51,390,751

g) Commitments and contingencies

The Company has provided a guarantee for credit facility to Prime Solution and Services Company Limited in amount of Baht 697.90 million (2019: Nil).

The Company has provided a guarantee for credit facility to Next Capital Public Company Limited (in amount of Baht 1,680.00 million (2019: Baht 1,435 million)).

34 Commitments

a) Capital expenditure commitments

Capital expenditure contracted as at the statement of financial position date but not recognised as liabilities is as follows:

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Buildings and equipment	2,970,679	1,467,244	2,970,679	1,467,244
Furniture and office equipment	764,182	5,183,049	764,182	5,183,049
Intangible assets	4,987,983	3,759,500	4,987,983	3,759,500
Total	8,722,844	10,409,793	8,722,844	10,409,793

b) **Non-cancellable operating leases - where a Group is the lessee**

The Group leases various retail outlets, offices and warehouses under non-cancellable operating lease agreement expiring within 1 to 28 years, and the majority of the leases are renewable at the end of the lease period at market rate.

Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Within 1 year	-	600,115,552	-	600,115,552
Later than 1 year but not later than 5 years	-	415,942,996	-	415,942,996
Later than 5 years	-	41,638,380	-	41,638,380
Total	-	1,057,696,928	-	1,057,696,928

c) **Service contracts**

The Group has service contracts various retail outlets and warehouses. The agreement expiring within 1 to 28 years.

Commitments for minimum services payments in relation to non-cancellable contracts are payable as follows:

	Consolidated financial statements	Separate financial statements
	2020 Baht	2020 Baht
Within 1 year	322,413,527	313,141,435
Later than 1 year but not later than 5 years	297,411,930	295,685,360
Later than 5 years	26,027,280	26,027,280
Total	645,852,737	634,854,075

d) **Commitments under agreement**

As at 31 December 2020, the Group has commitments as follows:

- Consulting agreement with other persons and companies in the amount of Baht 0.04 million per month (2019 : Baht 0.10 million).
- Service agreement with other companies in the rate of Baht 1.01 million per month (2019 : Baht 1.43 million).
- Maintenance contract for computer software with other company in the rate of Baht 0.39 million per month (2019 : Baht 0.30 million).

35 Events occurring after the reporting period

On 23 February 2021, the Board of Directors the Company passed a resolution to propose the dividend payment from the operating results of the year 2020 of Baht 1 per share, totalling Baht 1,200 million. However, the approval for the dividend payment shall be proposed to the Annual general Shareholder's Meeting for the year 2021 for further consideration and approval.

Certification of the Accuracy of Information



The Company has carefully reviewed the information in this Annual Registration Statement / Annual Report and certifies that such information is accurate, complete, contains no false or misleading statements, or no omission of any material facts that should have been stated therein. In addition, the Company hereby certifies that:

- (1) The financial statements and financial information that are summarized in the Annual Registration Statement / Annual Report contain accurate and complete information about the financial position, performance, and cash flow of the Company and its subsidiaries.
- (2) The Company has set up a suitable disclosure system to ensure that the material information of both the Company and its subsidiaries are disclosed accurately and completely, including supervising to have compliance with the said system.
- (3) The Company has established a proper internal control system and supervises the implementation of the said system. The Company has already on 23 February 2021 of the internal control system to the auditor and the Audit Committee, which covers deficiencies and significant changes to the internal control system, including any wrong actions that may affect the financial report of the Company and its subsidiaries.

As evidence that all documents are the same documents certified by the Company, the Company has assigned Ms. Sasipa Sawangsawai to sign this document on every page. If any pages do not contain Ms. Sasipa Sawangsawai's signature, it will not be considered that the Company has certified the accuracy as mentioned above.

Name	Position	Signature
1. Mr. Siripong Sombatsiri	Chairman and Independent Director	
2. Mr. Sura Khanittaweekul	Vice Chairman	
3. Mr. Kritchawat Voravanich	Director	
4. Ms. Aree Preechanukul	Director	
5. Mr. Kongsak Bannasathitgul	Director	
6. Mr. Kashpol Chulajata	Independent Director	
7. Mr. Somboon Aueatchasai	Independent Director	

Name	Position	Signature
The Authorized Person, Ms. Sasipa Sawangsawai	Company Secretary	



BOARD OF DIRECTORS

Mr. Siripong Sombatsiri

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



Mr. Somboon Aueatchasai

- The Audit Committee
 - Independent Director
-



Mr. Kashpol Chulajata

- The Audit Committee
 - Independent Director
 - Chairman of the Nomination and Remuneration Committee
-

**Mr. Sura Khanittaweekul**

- Vice Chairman
 - Chairman of the Management Board
 - Chief Executive Officer
-

**Mr. Kritchawat Voravanich**

- Director
 - Assistant Chief Executive Officer
 - Executive Director
 - Chairman of the Risk Management Committee
-

**Ms. Aree Preechanukul**

- Director
 - The Nomination and Remuneration Committee
 - Chief Operating Officer, Management Division
 - Executive Director
 - The Risk Management Committee
-

**Mr. Kongsak Bannasathitgul**

- Director
 - The Nomination and Remuneration Committee
 - Chief Operating Officer, Corporate Innovation Division
 - Executive Director
 - The Risk Management Committee
-

Executive Director



Ms. Natthanan Keeratikornyossanan

- COO, Marketing Communications and Product Management
 - Executive Director
 - The Risk Management Committee
-



Mrs. Wassana Pongsangluk

- Chief Financial Officer
 - Executive Director
 - The Risk Management Committee
-



Mr. Phakphum Satarat

- Chief Operating Officer, Branch Operations Division
 - Chief People Officer (Acting)
 - Executive Director
-



Mr. Narong Sriwannawit

- Chief Operating Officer, Retail Business
 - Executive Director
-

Board of Directors, Executive Committee, Company Secretary 2020

Name	Age	Position	Shareholding (%)	Family Relationship between Directors and Executives	The Highest Educational Qualification	Training Courses of Thai Institute of Directors Association (IOD)	Work Experience in the Last 5 Years	Illegal Records in the Past 10 Years
Mr. Siripong Sombatsiri Date of Holding the Position 10 February 2014	66	- Chairman of the Board - Chairman of the Audit Committee - Independent Director	-None-	-None-	Master's Bachelor's Chulalongkorn University	Directors Accreditation Program (DAP 2/2003) Ethical Leadership Program (ELP) 1/2015	2014 - Present Chairman of the Board and Chairman of the Audit Committee 2013 - Present Director and Chairman of the Audit Committee 2004 - Present Director and the Audit Committee 2002 - Present Director and the Audit Committee 2011 - Present Director	-None-
Mr. Sombon Aueatchasa Date of Holding the Position 12 November 2020	50	- The Audit Committee - Independent Director	-None-	-None-	Ph.D. Master's Bachelor's Industrial Business Administration (Ph.D.) King Mongkut's Institute of Technology Ladkrabang Management Accounting Thammasat University Bachelor of Accountancy Rajamangala University of Technology	Director Certification Program (DCP 139/2011) Directors Accreditation Program (DAP 84/2010)	2020 - Present Audit Committee and Independent Director 2010 - Present Director and Executive Director Board of Directors Secretary Acting Chief Financial Officer	-None-
Mr. Kaspol Chulajata Date of Holding the Position 16 October 2014	52	- The Audit Committee - Independent Director - Chairman of the Nomination and Remuneration Committee	-None-	-None-	Master's Bachelor's Business Administration California State University, Bakersfield, USA Finance Assumption University	Directors Accreditation Program (DAP 116/2015)	2014 - Present Audit Committee and Independent Director Chairman of the Nomination and Remuneration Committee 2015 - 2020 Deputy Director — Rules and Regulations Monitoring 2010 - 2015 Company Secretary	-None-
Mr. Sura Khanitaweekul Date of Holding the Position 1 January 1997	52	- Vice Chairman - Chairman of the Management Board - Chief Executive Officer	25.05%	Younger brother Ms. Natthanan Keeratikanyaisarnan	Master's Bachelor's Business Administration Indiana University, USA Business Administration Assumption University	Directors Certification Program (DCP 176/2013) Directors Accreditation Program (DAP 103/2014)	1997 - Present Vice Chairman Chairman of the Management Board Chief Executive Officer Director and the Nomination and Remuneration Committee 2016 - Present Director	-None-

Name	Age	Position	Shareholding (%)	Family Relationship between Directors and Executives	The Highest Educational Qualification		Training Courses of Thai Institute of Directors Association (IOD)	Work Experience in the Last 5 Years		Illegal Records in the Past 10 Years
Mr. Kittawat Voravanich Date of Holding the Position 1 January 2002	53	- Director - Assistant Chief Executive Officer - Executive Director - Chairman of the Risk Management Committee	1.07%	-None-	Bachelor's	Marketing Assumption University	Directors Certification Program (DCP 181/2013) Directors Accreditation Program (DAP 104/2013)	2002 - Present - Director - Assistant Chief Executive Officer - Executive Director - Chairman of the Risk Management Committee	Com7 Public Company Limited	-None-
Ms. Aree Preechanukul Date of Holding the Position 1 November 2003	53	- Director - The Nomination and Remuneration Committee - Chief Operating Officer, Management Division - Executive Director - The Risk Management Committee	3.38%	-None-	Bachelor's	Law Ramkhamhaeng university	Directors Accreditation Program (DAP 113/2014)	2003 - Present - Director - The Nomination and Remuneration Committee - Chief Operating Officer, Management Division - Executive Director - The Risk Management Committee	บริษัท คอมพิวเตอร์ จำกัด	-None-
Mr. Kongsak Bannasathitgul Date of Holding the Position 1 July 2013	51	- Director - The Nomination and Remuneration Committee - Chief Operating Officer, Corporate Innovation Division - The Risk Management Committee	0.03%	-None-	Master's	Master of Business Administration Chulalongkorn University	Directors Accreditation Program (DAP 112/2014)	2013 - Present - Director - The Nomination and Remuneration Committee - Chief Operating Officer, Corporate Innovation Division - The Risk Management Committee	Treasure Bakery Company Limited	-None-
Ms. Natthanon Keeratikornyossanan Date of Holding the Position 2 April 2010	53	- COO, Marketing Communications and Product Management - Executive Director - The Risk Management Committee	0.54%	Elder Sister Mr. Sura Khanitfaweekul	Bachelor's	Education, English Payap University	-None-	2016 - Present Director	Double Seven Company Limited	-None-
Mrs. Wassana Pongsangluk Date of Holding the Position 16 June 2014	51	- Chief Financial Officer - Executive Director - The Risk Management Committee	-None-	-None-	Master's	Business Administration University of Wales In Cardiff, UK	Directors Accreditation Program (DAP 164/2019)	2014 - Present - Chief Financial Officer - Executive Director - The Risk Management Committee	Com7 Public Company Limited	-None-
					Bachelor's	Business Administration Assumption University		2020 - Present Director	See Know How Company Limited	
								2019 - Present Director	Next Capital Public Company Limited	

Name	Age	Position	Shareholding (%)	Family Relationship between Directors and Executives	The Highest Educational Qualification	Training Courses of Thai Institute of Directors Association (IQD)	Work Experience in the Last 5 Years	Illegal Records in the Past 10 Years
Mr. Phakphum Satarat Date of Holding the Position 11 July 2018	52	- Chief Operating Officer, Branch Operations Division - Chief People Officer (Acting) - Executive Director - The Risk Management Committee	-None-	-None-	Master's Bachelor's	-None-	2018 - Present 2020 - Present 2000 - 2018 See Know How Company Limited Apple South Asia (Thailand) Co., Ltd.	-None-
Mr. Narong Siwannawit Date of Holding the Position 1 February 2020	36	- Chief Operating Officer, Retail Business - Executive Director	-None-	-None-	Master's Bachelor's	-None-	2020 - Present 2017-2020 2015-2017 Chief Operating Officer, Sales & Retail Business Executive Director Retail Director Unit Manager, Banana Business	-None-
Ms. Sasipa Sawangsawali Date of Holding the Position 28 November 2014	35	- Company Secretary - Investor Relations	-None-	-None-	Master's Bachelor's	Company Secretary Program (Csp 63/2015) Financial Statements for Directors (ISD 42/2020)	2014 - Present Company Secretary	-None-

Information on the Position of the Company’s Executives in its Subsidiaries, Associated Companies, and Related Companies

X = Chairman of the Board / = Director // = Executive Director /// = Executive V = Audit Committee O = Chairman of the Audit Committee

Status	Company	Mr. Siripong Sombatsiri	Mr. Sura Khanitaweekul	Mr. Kritchawat Voravanich	Ms. Aree Preechanukul	Mr. Kongsak Bannasathigul	Mr. Kashpol Chulejata	Mr. Somboon Aueatchasai	Ms. Nathanan Keerattikomysanan	Mrs. Wassana Pongsangluk	Mr. Phakphum Satarat	Mr. Narong Srivannawit
1 Company	Com7 Public Company Limited	X, O	/, //, ///	/, //, ///	/, //, ///	/, //, ///	/, V	/, V	//, ///	//, ///	//, ///	//, ///
2 Associated Company	Next Capital Public Company Limited		/							/		
3 Subsidiary	Double Seven Company Limited		/	/	/	/				/		
4 Subsidiary	Thunder FinFin Company Limited		/		/	/				/		
5 Subsidiary	Banana Group Company Limited		/		/	/				/		
6 Subsidiary	Novus Integration Company Limited		/		/					/		
7 Subsidiary	See Know How Company Limited									/	/	
8 Subsidiary	Prime Solution & Services Company Limited		/							/		
9 Related Company	Bangkok CitiSmart Company Limited	/										
10 Related Company	Gunkul Chubu Poweigen Company Limited							/				
11 Related Company	Gunkul Solar Community Company Limited							/				
12 Related Company	Gunkul Solar Roof 1 Company Limited							/				
13 Related Company	Gunkul Training Center Company Limited							/				
14 Related Company	Gunkul Power Development Company Limited							/				
15 Related Company	Gunkul Infinite Group Company Limited							/				
16 Related Company	Gunkul Energy Solution and Lighting Company Limited							/				
17 Related Company	Gunkul Engineering Public Company Limited							/, //, ///				
18 Related Company	Get Wellness Company Limited								/			

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Status	Company	Mr. Siripong Sombatsiri	Mr. Sura Khanittaweekul	Mr. Kritchawat Voravanich	Ms. Aree Preedhanukul	Mr. Kongsak Bannasathikul	Mr. Keshpol Chulajata	Mr. Somboon Aueatchasal	Ms. Nathanan Keeratikomvolsanan	Mrs. Wassana Pongsangluk	Mr. Phakphum Satarat	Mr. Narong Srivannawit
19 Related Company	King Yummy Company Limited		/		/							
20 Related Company	Karat Wind Energy Company Limited							/				
21 Related Company	G-Power Source Company Limited							/				
22 Related Company	GO Bioenergy Company Limited							/				
23 Related Company	Signature Advisory Partners Company Limited	/										
24 Related Company	Solar Energy Society Company Limited	/						/				
25 Related Company	Double Value Company Limited		/	/	/							
26 Related Company	The Value Property Company Development Co., Ltd.	/										
27 Related Company	Thaweechal Wassana Dee Company Limited									/		
28 Related Company	Thonglor Residence Company Limited	/										
29 Related Company	Thai Big Belly Company Limited	/										
30 Related Company	Bangkok Chain Hospital Public Company Limited	/, V										
31 Related Company	Bakery Treasury Company Limited		/		/							
32 Related Company	Brax & Ben Company Limited		/									
33 Related Company	Boko & Brother Frog Company Limited		/									
34 Related Company	Wind Energy Development Company Limited							/				
35 Related Company	Pan Asia Footwear Public Company Limited	/, O										
36 Related Company	Prime Solution & Services Company Limited		/									
37 Related Company	Future Electrical Control Company Limited							/				
38 Related Company	Rang Ngern Solution Company Limited							/				

Status	Company	Mr. Siripong Sombatsiri	Mr. Sura Khanitaweekul	Mr. Kritchawat Voravanich	Ms. Aree Preedhanukul	Mr. Kongsak Bannasathikul	Mr. Keshpol Chulajata	Mr. Somboon Aueatchasal	Ms. Nathanan Keeratikomvolsanan	Mrs. Wassana Pongsangluk	Mr. Phakphum Satarat	Mr. Narong Srivannawit
39 Related Company	Samma Company Limited						/					
40 Related Company	Organic Zone Company Limited	/										
41 Related Company	Inter Vision Business Groups Company Limited	/	/		/							
42 Related Company	Infinite Technology Corporation Company Limited	/										
43 Related Company	Infinite Alternative Energy Company Limited							/				
44 Related Company	Eco Thalenergy Company Limited							/				
45 Related Company	Asian Property (2014) Company Limited	/										
46 Related Company	Asian Property (2017) Company Limited	/										
47 Related Company	Asian Property (2018) Company Limited	/										
48 Related Company	Asian Property (Bangkok) Company Limited	/										
49 Related Company	Asian Property Company Limited	/										
50 Related Company	NK Powersola Company Limited							/				
51 Related Company	AP (Thailand) Public Company Limited	/, //										
52 Related Company	AP ME11 Company Limited	/										
53 Related Company	AP ME18 Company Limited	/										
54 Related Company	SQE Construction Company Limited	/										
55 Related Company	SEASIA Leadavation Center Company	/										
56 Related Company	Oulgrow D Company Limited							/				
57 Related Company	L&T Corporation Company Limited		/									
58 Related Company	L&T Asset Company Limited		/									

Details Regarding the Internal Audit Manager

Name	Age	Educational Qualification	Share-holding (%)	Family Relationship between Directors and Executives	Training Courses of That Institute of Directors Association (IOD)	Work Experience in the Last 5 Years			
						Period	Position	Company	Nature of Business
Ms. Piyaporn Bandasak	41	Master of Science, Internal Auditing, UTCC	-None-	-None-	- Sharing and Discussion : SET, IIA - Anti-Corruption the Practical Guide (ACPG) 30/2016 - Prepared Course for Certified Internal Auditor (Pre - CIA) 21/2012 - CPIAT 36/2012 - Effective Minutes Taking (EMT) 18/2010 - Company Secretary Program (CSP) 38/2010	2016 - Present	Internal Audit Manager	Corn7 Public Company Limited	Distribution of IT products, laptop, desktop computer, mobile phones, tablets, and related accessories, including service & repair and payment service for the mobile phone bill and others.

Operating Assets

As of December 31, 2020, the Company and its subsidiaries had main assets used in their business operations as follows:

Property, Plant and Equipment

All property, plant, and equipment belong to the Company and its subsidiaries with details as follows:

Property List	Cost Price* (MB)	Accumulated Depreciation and Impairment Allowance (MB)	Net Worth (MB)
1. Land	0.35	-	0.34
2. Building Improvement	845.14	(524.14)	321.00
3. Furniture and Office Equipment	533.56	(355.57)	177.99
4. Equipment for Rental	1.96	(0.27)	1.69
5. Vehicle	3.91	(3.57)	0.34
6. Construction in Progress	4.33	-	4.33
Total	1,389.25	(883.55)	505.70

* Total purchased during the year

Right-of-Use Assets

Property List	Building (MB)	Equipment (MB)	Vehicle (MB)	Total (MB)
Balance brought forward as of January 1, 2020	1,454.52	33.02	1.54	1,489.08
Increase during the year	366.78	-	-	366.78
Write-off Assets - Net	(23.06)	-	-	(23.06)
Depreciation and Other Improvements	(557.23)	(9.83)	(0.53)	(567.59)
Net book value as of December 31, 2020	1,241.01	23.19	1.01	1,265.21

Trademark

As of December 31, 2020, the Company and its subsidiaries own 22 trademarks, and 15 more trademarks are pending registration as follows:

No.	Trademark	Registration No. / (Application No.)	Registration Date	Details	Protection Period
1		Bor 44275	15 Aug 2008	Computer, equipment, and electrical appliances distribution	15 Aug 2018 - 14 Aug 2028
2		Bor 46438	15 Aug 2008	Computer, equipment, and electrical appliances distribution	15 Aug 2018 - 14 Aug 2028
3		Bor 53539	4 Nov 2010	Computer, equipment, and electrical appliances distribution	4 Nov 2010 - 3 Nov 2020
4		Bor 53538	4 Nov 2010	Computer, equipment, and electrical appliances distribution	4 Nov 2010 - 3 Nov 2020
5		Bor 61458	6 May 2011	Computer, equipment, and electrical appliances distribution	6 May 2011 - 5 May 2021
6		Bor 57771	4 Jan 2012	Computer, equipment, and electrical appliances distribution	4 Jan 2012 - 3 Jan 2022
7		Bor 67010	27 Sep 2013	Computer, equipment, and electrical appliances distribution	27 Sep 2013-26 Nov 2023
8		Bor 66813	28 Jan 2014	Computer, equipment, and electrical appliances distribution	28 Jan 2014 - 27 Jan 2024
9		Bor 66814	28 Jan 2014	Computer, equipment, and electrical appliances distribution	28 Jan 2014 - 27 Jan 2024
10		Bor 69975	28 Jan 2014	Mobile phones, equipment, and electrical appliances distribution	28 Jan 2014 - 27 Jan 2024
11		171103101	21 Oct 2014	Mobile phone accessories distribution	21 Oct 2014 - 20 Oct 2024

No.	Trademark	Registration No. / (Application No.)	Registration Date	Details	Protection Period
12		171100045	28 Jan 2015	Mobile phones, equipment, and electrical appliances distribution	28 Jan 2015 - 27 Jan 2025
13		171100046	28 Jan 2015	Mobile phones, equipment, and electrical appliances distribution	28 Jan 2015 - 27 Jan 2025
14		161103090	13 Feb 2015	Mobile phones, equipment, and electrical appliances distribution	13 Feb 2015 - 12 Feb 2025
15		181116009	3 Mar 2016	Computer, equipment, and electrical appliances distribution	3 Mar 2016 - 2 Mar 2026
16		181120769	4 Apr 2016	Computer, equipment, and electrical appliances distribution	4 Apr 2016 - 3 Apr 2026
17		Under consideration (1035621)	4 Apr 2016	Computer, equipment, and electrical appliances distribution	Under consideration of the registrar
18		Under consideration (1035622)	4 Apr 2016	Computer, equipment, and electrical appliances distribution	Under consideration of the registrar
19		181119404	27 Dec 2017	Computer, equipment, and electrical appliances distribution	27 Dec 2017 - 26 Dec 2027
20		191112282	24 Jun 2016	Computer, equipment, and electrical appliances distribution	24 Jun 2016 - 23 Jun 2026
21		201100787	25 Oct 2017	Computer software distribution and software consultation	25 Oct 2017 - 24 Oct 2027
22		191112283	7 Feb 2018	Cameras and accessories distribution	7 Feb 2018 - 6 Feb 2028

No.	Trademark	Registration No. / (Application No.)	Registration Date	Details	Protection Period
23		Under consideration (180106573)	2 Mar 2018	Mobile phones and equipment distribution	Under consideration of the registrar
24		191117829	5 Apr 2018	Computer, equipment, and electrical appliances distribution	5 Apr 2018 - 4 Apr 2028
25		Under consideration (190142861)	8 Nov 2019	Mobile phones and equipment distribution	Under consideration of the registrar
26		191113359	12 Feb 2018	Telecommunication equipment distribution	12 Feb 2018 - 11 Feb 2028
27		Under consideration (190109979)	14 Mar 2019	Computer, equipment, and electrical appliances distribution	Under consideration of the registrar
28		Under consideration (190130214)	8 Aug 2019	Computer equipment distribution	Under consideration of the registrar
29		Under consideration (190130215)	8 Aug 2019	Computer equipment distribution	Under consideration of the registrar
30		Under consideration (190130217)	8 Aug 2019	Computer equipment distribution	Under consideration of the registrar
31		Under consideration (190130219)	8 Aug 2019	Mobile phones and equipment distribution	Under consideration of the registrar
32		Under consideration (190130220)	8 Aug 2019	Electronic equipment distribution	Under consideration of the registrar

No.	Trademark	Registration No. / (Application No.)	Registration Date	Details	Protection Period
33	 BaNANA OUTLET	Under consideration (190130221)	8 Aug 2019	Computer, equipment, and electrical appliances distribution	Under consideration of the registrar
34	 BaNANA	Under consideration (190146310)	28 Nov 2019	Computers and equipment distribution	Under consideration of the registrar
35	 BaNANA MOBILE	Under consideration (200111063)	25 Mar 2020	Mobile phones and equipment distribution	Under consideration of the registrar
36	 BaNANA	Under consideration (200111064)	25 Mar 2020	Computers and equipment distribution	Under consideration of the registrar
37	 BaNANA OUTLET	Under consideration (200111065)	25 Mar 2020	Computers and equipment distribution	Under consideration of the registrar

* The certificate of trademark registration can be renewed for 10 years each time.

Intangible Assets

As of December 31, 2020, the Company had intangible assets. The net value was the trade name of 101.84 million baht, computer software 41.40 million baht, and customer relationship 15.35 million baht, respectively.

Investments in Subsidiaries and Joint Ventures

The Company had investments in subsidiaries and joint ventures as of 31 December 2020 as follows:

No.	Company	Business Type	Investment (Baht)	Ratio (%)
1	Banana Group Co., Ltd	E - Commerce	295,200,380	99.99
2	Thunder FinFin Co., Ltd	Operate business retail of mobile phones and peripherals.	209,999,720	99.99
3	See Know How Co., Ltd	Operate business as a learning center and training.	4,999,700	99.99
4	Novus Integration Co., Ltd	Operate business planning services and distribute IT products, system installation, network systems, programs, services, and business solutions.	12,547,666	90.00
5	Double 7 Co., Ltd	Management representative of TRUE Shop	4,999,700	99.99
6	Next Capital Public Co., Ltd	Operate a leasing business motorcycle hire purchase.	593,575,203	33.93
7	Prime Solution and Services Co., Ltd	Operate business of selling and installing all kinds of computer systems and programs.	19,200,100	48.97

Investment in subsidiary - Banana Group Co., Ltd

Com7 Public Company Limited holds 199,998 shares in Banana Group Company Limited, which is 99.99% of its shares. It was implementing the Board of Directors Meeting No. 10/2015 on November 10, 2015.

On October 5, 2018, the change of the Company's directors was registered by Mrs. Wassana Pongsangluk became to replace Mr. Wuttichai Nakvichien.

In 2020, Banana Group Co., Ltd. increased its registered capital 3 times, totaling 280 million baht. At present, the Company has a registered capital of 300 million baht, with Com7 Public Company Limited holding 99.99% of the shares.

Investment in Banana Group's subsidiary - Thunder FinFin Co., Ltd

On December 25, 2018, Banana Group Co., Ltd. acquired 1,149,448 shares of DNA Retail-Link Co., Ltd., representing 99.99 percent of registered capital 209,999,720 baht to expand the business of communication equipment distribution.

On June 15, 2020, DNA Retail-Link Co., Ltd., in which Banana Group Co., Ltd. holds a 99.99% stake, has registered to change its name to Thunder FinFin Co., Ltd.

Investment in Banana Group's subsidiary - Prime Solution and Services Co., Ltd

On December 18, 2019, Banana Group Co., Ltd bought 1 share of Prime Solution and Services Co., Ltd to expand the business of selling and installing all kinds of computer systems and programs and the plan to invest in the acquisition of shares in the capital increase of the said company in 2020.

On January 13, 2020, Banana Group Co., Ltd acquired 192,000 shares of Prime Solution & Services Co., Ltd. After purchasing the capital increase shares, there is a 48.97% shareholding to expand the business of selling and installing all kinds of computer systems and programs.

Investment in subsidiary - Novus Integration Co., Ltd

On April 5, 2016, the Company established Banana Sure Co., Ltd with registered capital of 60,000,000 baht (600,000 ordinary shares, par value of 100 baht), with the Company holding 51.00% of the shares in Banana Sure Co., Ltd. The Company paid for such shares in the amount of 30,600,000 baht on April 1, 2016.

On November 5, 2016, the Board of Directors passed a resolution approving the Company to invest in Banana Sure Co., Ltd., a subsidiary company, by purchasing ordinary shares from the existing shareholders at 94.64 baht per share at the agreed price. The total amount of the shares paid by the Company was 27,824,144 baht. Non-controlling interests compensated accumulated losses in Banana Sure Co., Ltd. for 27,621,572 baht. After purchasing the said shares, the Company's shareholding has increased from 51.00% to 99.99%.

On August 28, 2017, the Board of Directors Meeting of Banana Sure Co., Ltd. passed a resolution to change the company name to Novus Integration Co., Ltd. The company registered the name change with the Ministry of Commerce on September 21, 2017.

The Extraordinary General Meeting of Shareholders No. 1/2017 of Novus Integration Company Limited on 19 September 2017, passed a resolution to decrease the registered capital of the company from 60,000,000 baht to 15,000,000 baht by reducing 450,000 ordinary shares at the par value of 100 baht in the amount of 45,000,000 baht to clear the accumulated loss and return the capital to the shareholders. The company registered a capital reduction with the Ministry of Commerce on October 25, 2017, by paying back to Com7 Public Company Limited in the amount of 39,533,951 baht. The company still holds 99.99 percent of the same shares.

On May 18, 2018, Com7 Public Company Limited sold its shares in Novus Integration Co., Ltd. to Mr. Ekaraj Panjavinin 30,000 shares and Mr. Suradech Sroirungruang 14,999 shares. Therefore, Com7 Public Company Limited holds shares Novus Integration 69.99% of the total shares.

On December 20, 2019, Com7 Public Company Limited bought all 30,000 shares of Mr. Ekaraj Panjavinin held in Novus Integration Company Limited due to he resigned from being a director and 1 share from Mr. Suradech Soirungruang. At present, Com7 Public Company Limited holds shares of Novus Integration of 90% of total shares.

On January 7, 2020, Novus Integration Company Limited registered to increase the objective of the company by adding a business to be a consultant, provide advice on information technology, systems, construction, planning, design, construction of buildings, and installation of structures and related equipment, including utilities to be consistent and comprehensive with the current business operations of the company.

Investment in subsidiary - Double 7 Co., Ltd

On June 7, 2016, the Company registered Double Seven Company Limited with a registered capital of 5,000,000 baht (50,000 ordinary shares at a par value of 100 baht), where the Company holds 99.99% of the shares. The Company paid for all such shares on June 1, 2016.

Joint Investment - Next Capital Public Co., Ltd, formerly BAF (Thailand) Co., Ltd

On 25 May 2017, the Company entered into a Share Subscription Agreement to purchase ordinary shares of BAF (Thailand) Co., Ltd., which operates a leasing business motorcycle hire purchase in Thailand for 120,660 shares or 30% of the shares, totaling 268,206,600 baht.

On January 30, 2018, Com7 Public Company Limited sold 10,055 shares in BAF (Thailand) Company Limited to Mr. Prapan Polthanawasit. At present, Com7 Public Company Limited holds 27.50% of BAF shares.

On March 26, 2019, Com7 Public Company Limited acquired 3,750,037 shares of BAF (Thailand) Company Limited from other shareholders at 32.6664 baht per share, totaling 122,500,209 baht. At present, Com7 Public Company Limited holds 40.00% of the BAF shares.

At the end of 2019, BAF (Thailand) Co., Ltd. changed its name to Next Capital Co., Ltd. and later transformed to Public Company Limited.

On November 4, 2020, Com7 Public Company Limited received an allocation of newly issued ordinary shares of Next Capital Public Company Limited in an initial public offering of the newly issued ordinary shares. After offering shares to the public, Com7's shareholding in Next Capital PCL shall be 305,375,740 shares, representing 33.93% of the total shares.

The Essence of the Contract

Leases

The Company has entered into an area lease agreement and service agreement within the shopping center to operate BaNANA, Studio7, BaNANA Mobile, Samsung Shop, iCare, BKK, SHOTPRO, OPPO, VIVO, HUAWEI, Kingkong, TRUEShop, E-Quip, Xiaomi, Bb, and renting space in various universities to operate U Store shops. As of December 31, 2020, the Company had a total of 911 branches. Most of the lease and service agreements for units are short-term agreements. The essence of both contracts can be summarized as follows:

- Rental area and its location, purpose of rent, the scope of services
- Rental and Service rates, Payment due of Rental/Service fees, Payment of relevant taxes and duties
- The term of the contract is 1-3 years, and for the renewal of the contract, the lessee must notify the lessor in writing of the intention to renew in advance before the expiration of the contract.
- Rental Deposit / Service Deposit shall be returned without interest at the end of the contract period, and there are no outstanding debts.
- Sublease/sub-service or the transfer of rights under the contract cannot be done unless written consent from the lessor/service provider under specific conditions in each contract.
- Termination of the rental/service contract, the lessee/lessor has the right to terminate the contract if the other party has breached the contract's terms.

Studio7 Franchise Agreement

The Company has entered into franchise agreements with most of its partners. The agreements are valid for five years. The Company allows its partners to operate Studio7 by Comseven stores as Franchisee. As of December 31, 2020, the Company had six Studio7 stores operated by Franchisee. The essence of the contract is as follows:

- Location and size of the branch area
- Shop management system
- Franchise Fees
- Revenue share that partners will receive from sales of products

Business partners shall invest in decorating the storefront and bringing the Company's products selling in the consignment form. The Company shall own the products until the partners can sell them out of the store. The Company shall share revenue sharing with partners in proportion to their sales each month as agreed in the contract. However, the storefront decoration, product placement, including in-store product management system, partners are required to comply with all rules and regulations set by the Company.

Banana Shopping Franchise Agreement

The Company has entered into franchise agreements with most of its partners. The agreements are valid for three years. The Company allows its partners to operate Banana Shopping stores as Franchisee. As of December 31, 2020, the Company had 114 BananaShopping stores operated by Franchisee. The essence of the contract is as follows:

- Location and size of the branch area
- Shop management system
- Franchise Fees
- Revenue share that partners will receive from sales of products

Business partners shall invest in decorating the storefront and bringing the Company's products selling in the consignment form. The Company shall own the products until the partners can sell them out of the store. The Company shall share revenue sharing with partners in proportion to their sales each month as agreed in the contract. However, the storefront decoration, product placement, including in-store product management system, partners are required to comply with all rules and regulations set by the Company.

Bank Loan Agreement

The Company has entered into loan agreements with financial institutions since 2014 for short-term working capital, guarantee contract performance, purchase of goods, and manage foreign exchange risk. Currently, there is a credit limit consisting of:

- Short-term credit limit totaling 5,384,000,000 baht
- Letter of guarantee limit amount totaling 2,264,000,000 baht
- Forward contract totaling 187,000,000 baht and USD 14,400,000

The Company has entered into loan agreements with each Thai financial institutions and foreign financial institutions located in Thailand in a total of 11 financial institutions, namely (1) Krung Thai Bank (2) Kasikorn Bank (3) Bangkok Bank (4) Siam Commercial Bank (5) Bank of Ayudhya (6) Citibank (7) TMB Bank (8) ICBC (Thai) (9) UOB (10) CIMB Thai and (11) Sumitomo Mitsui Banking Corp., Bangkok Branch.

The said agreement stipulates a significant financial agreement, i.e., maintaining a net interest-bearing debt to equity ratio (Gearing Ratio) of the Company not exceeding 2.5 times throughout the contract period by considering the audited annual financial statements. Interest-bearing debt consists of debt owed with financial institutions, factoring, and hire purchase debt. As for equity, Intangible Assets are excluded.

Authorized Premium Reseller Agreement

Date of Contract	23 December 2014
Parties	Com7 Public Company Limited and Apple South Asia (Thailand) Limited ("Apple")
Objective	The Company is officially appointed by receiving the right to open a storefront to sell various products of Apple brands such as "Studio7, iStudio" stores in Thailand
Essence	- The Company has been granted the right to be a reseller of Apple products. - The rights are granted in the local area only in Thailand and in the authorized location only. - Store decoration and product placement must be as specified by Apple.
Contract period	Until the contract is terminated

Apple Authorized Reseller Agreement

Date of Contract	23 December 2014
Parties	Com7 Public Company Limited and Apple South Asia (Thailand) Limited("Apple")
Objective	The Company is officially appointed by having the right to be a reseller of the Apple brand products. The Company can carry Apple-branded products selling at all types of stores of the Company as appropriate.
Essence	The Company has been granted the right to be a reseller of Apple-branded products.
Contract period	Until the contract is terminated

Apple Authorized Service Provider Agreement

Date of Contract	23 December 2014
Parties	Com7 Public Company Limited and Apple South Asia (Thailand) Limited
Objective	The Company is officially appointed as a service provider on Apple's hardware and software products only within Thailand.
Essence	- The Company has been granted the right to be a service provider of Apple products and can sell service products under the "Apple Care Service." - The rights are granted in the local area only in Thailand and in the authorized location only (Authorized Service Location).
Contract period	Until the contract is terminated

Undertaking Agreement

Date of Contract	26 June 2015
Parties	Com7 Public Company Limited ("the Company") with Mr. Sura Kanittaweekul ("Mr. Sura") and the list of major shareholders of the Company, specified as of February 1, 2014 ("Group of Shareholders").
Objective	Due to some commercial banks have a condition in granting loans that Mr. Sura and the group of shareholders must maintain their shareholding proportion of at least 50%, with Mr. Sura holding a position as an executive of the Company. Mr. Sura and the group of shareholders, therefore, entered into an undertaking agreement with the Company.
Essence	- Mr. Sura and the group of shareholders certify that they shall maintain the percentage of shareholding held in the Company not less than 50% in total throughout the contract period. - Mr. Sura shall serve as an executive of the Company throughout the contract period.
Contract period	Since 26 June 2015 until such requirement is revoked or removed by all relevant commercial banks.

Corporate Governance Policy



Com7 Public Company Limited



Rationale

The Board of Directors is committed to developing the organization for sustainable growth. Conduct business legally and adhere to the principles of morality and code of business conduct. Disclose information with transparency. Develop an internal control system, and provide a suitable and appropriate audit mechanism. Operate concerning the responsibility to shareholders and all stakeholders. The Board of Directors' structure and governing administrative mechanism demonstrate potential and responsibility in various matters, which align with the OECD's good standard framework (Organization for Economic Cooperating and Development) and ASEAN CG Scorecard.

The Board of Directors has set the "Corporate Governance Policy" to promote corporate governance principles by focusing on conducting business with transparency, morality, ethics, and honesty based on the written "Code of Conduct." It is disclosed on the Company's website under the Corporate Governance Policy section to be used as a best practice for directors, executives, and employees of the Company, subsidiaries, and all groups of stakeholders, which will lead to a truly sustainable organization. It covers the essential principles following the principles of good corporate governance.

Article 1: Right of Shareholders

The Company realizes the right of shareholders according to good practice for shareholders' meetings regarding (1) quality of meeting invitation (2) quality of meeting minutes (3) right of shareholders to get information of the Company accurately, completely, adequately, timely, and equitably to support decisions in all matters. There is a policy to facilitate and promote the attendance of shareholders' meetings along with the rights of other shareholders related, whether before the meeting date, on the meeting date, and after the meeting, as follows:

- 1.1 The Company shall send the meeting invitation letter together with sufficient information supporting the meeting according to the agendas to use in their consideration. It will be delivered in advance of the meeting date according to the time prescribed by relevant laws, announcements, or regulations to provide opportunities for shareholders to study the information thoroughly.
- 1.2 The Company adds a channel to receive shareholders' news through the Company's website by bringing details published on its website. Especially in an invitation letter to the shareholders' meeting to be published before the meeting in advance, the shareholders can wholly and quickly download the meeting agenda's information.
- 1.3 Suppose the shareholders are unable to attend the meeting in person. In that case, the Company shall provide opportunities for shareholders to authorize independent directors or any person who participated at the meeting on his behalf by using the proxy form sent by the Company together with the meeting invitation letter.
- 1.4 The Company facilitates all shareholders equally in meeting attendance in terms of location and the right time.
- 1.5 At the meeting date, the Company shall consider and vote according to the specified agendas, without changing important information or adding an unexpected meeting agenda. Also, allow shareholders to have equal rights in examining the Company's operations, making inquiries, expressing opinions and suggestions.
- 1.6 Encourage all directors and relevant executives to attend the meeting and answer shareholders' questions.
- 1.7 The Company records the minutes of the meeting with complete accuracy, speed, and transparency. Report important questions and opinions in the minutes of the meeting so that the shareholders can examine them. The Company shall also publish the minutes of the shareholders' meeting on the Company's website for shareholders to consider, including submitting the said minutes to the Stock Exchange of Thailand within 14 days from the date of the shareholders' meeting.

Article 2: Equitable Treatment of Shareholders

The Company has the policy to treat all shareholders equally and fairly, whether the management shareholders and non-management shareholders, Thai shareholders or foreign shareholders, major shareholders or minor shareholders as follow:

- 2.1 The Company shall notify the shareholder's meeting schedule and related agendas to the Stock Exchange of Thailand. The meeting schedule will be published via the Company's website prior to the meeting as the period specified by relevant laws, announcements, or regulations. In addition, both Thai and English versions of the invitation letter will be prepared and published on the Company's website.
- 2.2 The Company shall facilitate the minor shareholders to nominate directors or propose additional agenda before the shareholders' meeting. The Company shall set clear rules in advance on methods for minor shareholders to nominate persons to serve as directors, as well as criteria for determining whether the Company will add agenda items proposed by the minority shareholders or not.
- 2.3 In conducting each shareholder meeting, the Company shall provide equal opportunities for all shareholders. Before starting the session, the Chairman will explain how to exercise voting rights and methods for counting the votes of shareholders who have to vote on each agenda item. It also provides opportunities for shareholders and proxies who attend the meeting to express their opinions, suggestions and ask questions in each agenda with a reasonable and sufficient time. The Chairman shall conduct the meeting according to the agenda specified. The management will not add agenda items that do not notify the shareholders unnecessarily, especially the important agenda that shareholders need time to study information before deciding.

- 2.4 The Company has assigned the directors to report their interests in any meeting agenda before considering any agenda related to the Board of Directors' meeting and record such interests in the board of directors' meeting minutes. Besides, the director who has a significant interest in such a way that he/she won't be able to express independent opinions on the relevant agenda is prohibited from participating in the meeting on that agenda.
- 2.5 The Company has established guidelines for the keeping and prevention of misuse of the Company's insider information. It is prohibited for individuals or entities that know insider information to disclose such information to other entities or other unrelated persons. Suppose any person discloses such information or uses it either for his/her benefit or for others or making transactions that may cause conflicts of interest. It is considered a severe offense and will face disciplinary action. The Company has assigned all directors and executives responsible for reporting on legal securities holding to account for submitting such reports to the Company Secretary regularly and disclosed in the Company's annual report.

Article 3: Role of Stakeholders

The Company recognizes all groups of stakeholders' rights, whether internal stakeholders, such as shareholders, employees, and external stakeholders, such as customers, business partners, creditors, competitors and other entities, including related nearby communities. The Company has received support from all groups of stakeholders in building competitiveness and generating profits for the Company, which is considered to create sustainable value for the Company. Therefore, these stakeholders should be taken care of under the rights they have following the relevant laws by setting the following policies.

3.1 Practices and Policies towards Shareholders

The Company permanently recognizes that its shareholders are the business owners, and the Company is responsible for creating added value for shareholders in the long term. Therefore, the directors, executives, and employees are required to comply with the following guidelines.

1. Perform duties with integrity and decide any action with caution, prudence, and fairness to both major and minor shareholders and the best interests of shareholders as a whole.
2. Provide the Company status reports, business results, financial position information, accounting, and other words wholly and regularly.
3. Do not seek the benefit of yourself and others using any company information that has not yet been disclosed or take any action in a manner that may cause a conflict of interest with the Company.

3.2 Practices and Policies towards Employees

The Company realizes that employees are the key success factor of achieving its goals of great value. There is a policy to treat all employees fairly and provide appropriate compensation and welfare to employees to comply with the said policy. The principles are as follows:

1. Provide fair compensation to employees and establish a provident fund for employees, including giving importance to their welfare.
2. Maintain a safe work environment for the life and property of employees.
3. Appointments, transfer, rewarding, and punishing employees must be acted with integrity and based on the employees' knowledge, capabilities, and suitability.
4. Give importance to developing employees' knowledge and competence by providing thorough and consistent opportunities to build their competence to achieve professional performance. The Company has set and planned employee training and development regularly and provides both internal and external training.
5. Listen to opinions and suggestions based on the professional knowledge of employees.
6. Comply with laws and regulations involving employees strictly.

3.3 Practices and Policies towards Business Partners and/or Creditors

The Company has a policy for employees to treat business partners and/or creditors of all parties fairly, honestly, and without taking advantage. Take into account the best interests of the Company based on obtaining fair compensation from both parties. Avoid situations that create conflicts of interest with the following guidelines:

1. Do not demand or accept or pay any dishonest benefits to business partners and/or creditors.
2. Suppose there is information that any benefit has been called or received or paid dishonestly happened. In that case, it must disclose details to business partners and/or creditors and jointly resolve problems fairly and quickly.
3. Comply with the agreed conditions strictly. If any conditions cannot be complied with, they must immediately notify the business partners and/or creditors to work together and find a solution to the problem.

3.4 Practices and Policies towards Customers

The Company realizes the importance of customers and strives to be attentive and responsible to customers by selling quality products and services to build confidence. Therefore, the policy of treating customers is set as follows:

1. Service customers with politeness and enthusiasm and be ready to serve with willingness.
2. Maintain confidentiality of customers and do not use it for your benefit or those involved improperly.
3. Provide accurate, adequate, and up-to-date information to customers to know about the products and services available without false advertising, causing customers to misunderstand any product quality or condition for sale.
4. Suggest on products and services of the Company for the best benefit of the customers.

3.5 Practices and Policies towards Competitors

The Company has the policy to treat competitors without violating the secrets or knowing competitors' trade secrets by fraudulent means. Therefore, the policy principles are set as follows:

1. Behave within the framework of good competition.
2. Do not seek the competitor's confidential information through dishonest or improper means.
3. Do not destroy the reputation of our competitors by making malicious accusations.

3.6 Practices and Policies towards Community and Society

The Company is committed to acting as an excellent corporate citizen in compliance with the law and all relevant regulations. Focus on cultivating consciousness, community, and society's responsibility to occur within the organization continuously, including supporting activities that benefit the public and society.

The Company attaches great importance to the community and social development by contributing to society and communities' creation for a better quality of life both operated by us and in cooperation with government agencies by focusing on educational promotion and quality of life, such as the "My Computer Room" project by building a computer room for learning for backcountry schools. Support scholarship and donate computer items and electronic equipment for use in education, including establishing a roadmap to merge with Learn Education in creating software to create a new kind of learning to help reduce educational disparity, etc.

3.7 Practices and Policies towards the Environment

The Company complies with the laws and regulations that are strictly related to the environment. Encourage executives and employees to pay attention to activities that will enhance the quality of safety, occupational health, and environment by providing measures to reduce energy consumption, waste management, and the use of resources efficiently and cost-effectively.

The Company has designed office buildings to be energy-saving buildings by installing a solar cell system for electricity generation and use it within the office building, also is known as Self-Consumption. It has a total capacity of 101 kilowatts (kWp), which will generate approximately 12,600 units of electricity per month, accounting for the estimated amount of money saved 40,000-50,000 baht per month depending on the season or about 500,000-600,000 baht per year. It can also help the Company reduce its use of fossil energy and carbon dioxide production by more than 100,000 tons per year, which is the Company's goal for social responsibility.

The Board of Directors has established policies and guidelines on anti-corruption practices. It prohibits directors, executives, employees of the Company (including subsidiaries, associated companies, other companies having control business partner and a person who may be regarded as an intermediary or representative of the Company) to conduct or accept support for all forms of corruption, directly or indirectly. The practices have been disclosed to be known entirely.

Article 4: Disclosure and Transparency

The Board of Directors has the policy to disclose financial information and others relevant to the business and the Company's performance that is truthful, complete, adequate, consistent, and timely. It shows the Company's actual financial and operating status, including its business's future.

The Board of Directors is committed to ensuring strict adherence to laws, rules, and regulations related to information disclosure and transparency. In which information is published on the Company's website, publications of the Stock Exchange of Thailand for shareholders and other relevant persons to access the report of the Company thoroughly and adjust to being in line with the guidelines set forth by the Stock Exchange of Thailand and the Securities and Exchange Commission.

The Company provides staff to communicate with investors or shareholders, including institutional investors and minority shareholders. The Company shall hold a meeting to analyze the performance regularly. It will also disseminate financial and general information to the shareholders and related agencies through various channels such as reporting to the Stock Exchange of Thailand Securities and Exchange Commission and the Company's website.

Besides, the Company pays attention to the financial reports to demonstrate the Company's actual financial status and operating results. It is based on accounting information that is correct, complete, and sufficient following accounting standards, which is generally accepted. The Company shall disclose information about each director as well as roles and duties of the Board of Directors and the Company's sub-committees, including remuneration for directors and senior management in the Annual Report of the Company (Form 56-2) and the Annual Registration Statements (Form 56-1).

Article 5: Board Responsibilities

The Board of Directors is responsible to the shareholders in connection with the company's business operations and corporate governance to be under goals and guidelines that will bring the best interest to the shareholders by taking into account the interests of all stakeholders.

The Board of Directors must perform following the law, objectives, articles of association of the Company, and the shareholders' meeting resolution by performing duties with honesty and care to protect shareholders and stakeholders' interests both for short and long term. The Board of Directors ensures the preparation of the Company's vision, mission, goals, policies, operational directions, strategic plans, work plans, and annual budgets to provide the Company's operation is in an approach that creates the best interests of the shareholders and stakeholders. The Board of Directors shall express opinions to create a mutual understanding of the business overview before considering, approving, and monitoring the management to achieve the goals set by adhering to the guidelines of the Stock Exchange of Thailand and the Securities and Exchange Commission.

5.1 Composition of the Board of Directors

The Board of Directors consists of 7 people. It comprises four executive directors and three independent directors. According to the relevant Capital Market Supervisory Board announcement, the independent directors are qualified persons, and among these are the three audit committees. Not less than half of the directors must have residences in Thailand. Also, the Board of Directors has appointed various sub-committees to help supervise the Company's business.

Each director can perform their duties and independent judgment in making decisions on various matters by asking questions, comments, or objections if there is a conflict of opinion on an issue that affects the interests of the shareholders or stakeholders.

The Board of Directors has a policy that the Chairman of the Board and the Chief Executive Officer must not be the same person to achieve clarity of responsibility during policy formulation, governance, and routine management. The Company clearly separates roles, duties, and responsibilities between the Board of Directors and the management, and there is a balance of power in operation. The Board of Directors is responsible for setting policies and overseeing the executives' operations at the policy level. In comparison, the executives are responsible for managing various aspects of the Company's work to comply with the specified policies.

5.2 Term of Office of Directors

At each annual general meeting of shareholders, 1/3 of the directors, or if the number is not a multiple of 3, then the number nearest to 1/3, must retire from office. The directors to vacate office in the first and second years following the registration of the Company shall, unless otherwise provided in the association, be drawn by lots. In every subsequent year, the directors who have been the longest in office shall retire first. The retiring directors may be re-elected by the shareholders' meeting.

In addition to vacating office at the expiration of the term, a director vacates office upon:

- 1) Death
- 2) Resignation
- 3) Being disqualified or being under any of the prohibitions by law
- 4) Being removed by a resolution of a meeting of shareholders, with the votes of not less than three-fourths of the number of shareholders present at the meeting and entitled to vote and also with the aggregate number of shares of not less than one half of the number of shares held by the shareholders present at the meeting and entitled to vote.
- 5) Being removed by an order of the Court

5.3 Nomination of Directors

The Company shall focus on knowledgeable people, experienced, have a good work history and leadership, far-sighted, including having morality, ethics, and a positive attitude towards the organization, being able to devote enough time, which is beneficial to the Company's operations. It also considers the appropriate qualifications and is consistent with the composition and structure of directors following the Company's business strategy. The selection of directors has a transparent process and builds confidence for the shareholders.

5.4 Remuneration to Directors and Executives

5.4.1 Remuneration to Directors and Senior Executives

The Nomination and Remuneration Committee, appointed by the Board, is responsible for considering and offering opinions to the Board of Directors and shareholders on criteria for determining the remuneration of directors and top management. The policies and criteria for deciding remuneration are as follows:

- 1) The Company's performance and business size.
- 2) Experience, roles, duties and responsibilities of each director.
- 3) Benefits that the Company will receive from each director.
- 4) Remuneration established must be able to motivate qualified persons as needed and the Company's situation to be a director or an executive.

5.4.2 Remuneration to Chief Executive Officer

The Nomination and Remuneration Committee evaluates the Chief Executive Officer's performance by considering the Company's performance that its operations are under the policies received from the Board of Directors and the overall economic and social situation to consider appropriate compensation both in the short and long term. The procedures and criteria for determining remuneration are as follows:

- 1) The Company performance by comparing with the operating results of the companies at the same level
- 2) Increasing competitiveness and sustainable business operations in the long term to lead to sustainable success under transparent criteria
- 3) Ability to develop business and improve the operational efficiency of the business each year

5.5 Roles and Duties of the Board of Directors

The Company requires directors to comply with the Code of Best Practices for listed company directors following the Stock Exchange of Thailand's guidelines. The Board of Directors must understand and know their roles, duties, and responsibilities in supervising the Company's business under the Company's law, objectives, and regulations, including the shareholders' meeting's resolutions and take into account the benefits of the Company and shareholders are essential. The Board of Directors shall determine the policy, business goals, business plans, risk management policy, and the annual budget. Supervise the management to act following the established policies, procedures, and budgets with efficiency and effectiveness for the company's best interests and shareholders as a whole. Besides, the Board of Directors shall prepare a Code of Business Conduct to enable all directors, executives, and employees to understand its ethical standards.

5.6 Roles and Duties of the Sub-committees

The Board of Directors has appointed three sub-committees, namely the Audit Committee, Executive Committee, and the Nomination and Remuneration Committee. The scope of duties and responsibilities of each sub-committee has been clearly defined as follows:

1) Audit Committee

It consists of at least three independent directors with the scope of powers, duties, and primary responsibilities in reviewing the Company's financial reporting process with accuracy and sufficiency. Review to ensure that the Company has an appropriate and efficient internal control system and internal audit system. In this regard, at least one of the audit committee members must have sufficient accounting knowledge and experience to perform a duty in reviewing the reliability of the Company's financial statements.

2) Executive Committee

It consists of at least four Executive Committee members, with the Executive Committee determining the guidelines and business operation strategies following the goals set by the Board of Directors to manage the work to be flexible and efficient.

3) Nomination and Remuneration Committee

It consists of at least three directors, with an independent director acting as the Nomination and Remuneration Committee chairman. The Nomination and Remuneration Committee has the authority, duty, and responsibility for considering compensation policies and the benefits of Company directors, executives, and employees to propose to the Board of Directors and/or the shareholders' meeting to approve the said policy. The remuneration and benefits are determined, including the nomination of qualified persons to the Board of Directors and/or shareholders to elect/appoint as the Company directors and senior executives.

5.7 Meetings of the Board of Directors

The Company stipulates the rules for the Board of Directors' meeting as follows:

- 1) The Board of Directors meetings are scheduled in advance at least six times per year, and special meetings may be held as necessary and appropriate. The details shall be informed at least seven days in advance. Every meeting must be attended by not less than half of all directors, thus constituting a quorum.

- 2) There is a clear agenda before the meeting. The Chairman of the Board and the Chief Executive Officer jointly consider the matters included in the agenda. The Company Secretary is in charge of ensuring that the directors receive meeting documents in advance for sufficient time to study and consider giving opinions and voting.
- 3) Allocate sufficient time for management to provide information to debate and adequate for the Board to discuss important issues. Provide opportunities and encourage each director to express their opinions before summarizing the views received from the meeting.
- 4) If the directors have interests in the matter being considered, he/she shall not have the right to vote. If it is regarded as a connected transaction, the directors with interests must not present for such an agenda.
- 5) Every meeting must have a written record of the meeting and keep the minutes approved by the Board of Directors and available for the Board and relevant parties to be examined.

5.8 Annual Report of the Board of Directors

The Board of Directors is responsible for preparing the Company's financial reports and the financial information appearing in the annual report. The preparation of financial statements is following generally accepted accounting standards by selecting the appropriate accounting policy and adhering to it regularly and using careful discretion in the trial. Besides, sufficient important information is required to be disclosed in the notes to the financial statements. The Board of Directors assigns the Audit Committee to supervise the quality of financial reports and provide opinions to the Board of Directors.

5.9 Development of Directors and Executives

The Company has the policy to promote and facilitate knowledge enhancement for directors and executives by allowing each director and executive to participate in the training organized by various departments to increase knowledge and new perspectives for directors and executives.

5.10 Board Self-Assessment

1. The Board and sub-committees self-assess their performance at least once a year for the Board to consider the performance and problems for further improvement, including using the assessment results to evaluate the suitability of the Board's composition.
2. Assessment of the Board's performance as a whole or individually, the Company shall disclose the criteria, procedures, and examination results in the annual report

5.11 Succession Plan

The Board of Directors must ensure that the Company has an appropriate system for selecting personnel responsible for important management positions at all levels. The recruitment of top management follows a recruiting process that considers people both inside and outside the group of companies and provides a project for management development and the consideration of work succession plans.

5.12 Disciplinary Consideration

The Company has established the disciplinary criteria for employees, executives, and directors as follows:

1. The disciplinary committee shall consider the offense, and the chief executive of that segment approves for employees below the manager level.
2. The Executive Committee shall appoint a disciplinary committee from time to time for its consideration, and the Executive Committee approves for management level manager and above.
3. The Board of Directors shall appoint a disciplinary subcommittee from time to time for consideration and decision by the Board of Directors for the executive director.
4. Suppose a director of the Company commits an offense by dishonest or gross negligence. In that case, the said director will be responsible for any violation and/or make reparations for damages incurred in a personal capacity.

5.13 Supervision of Code of Business Conduct

Directors and executives at all Company levels must be role models in complying with the established Code of Business Conduct. Compliance Unit and Human Resource Management Department are responsible for disseminating knowledge, creating understanding, and encouraging employees at all levels to strictly adhere to the Code of Business Conduct and make it a part of the corporate culture in working. The performance and compliance with this Code of Conduct must be reported to the Nomination and Remuneration Committee and the Board of Directors.

5.14 Review

To ensure good corporate governance policy and the Company's Code of business conduct following the laws, rules, and government regulations and consistent with the ever-changing business environment, the Company Secretary Office is responsible for reviewing and revising such policies at least once a year.

Investment Policy of the Company and Investment Policy in Subsidiaries and Associates

The Company focuses on investing in companies and associates that can grow and generate good returns on their investments to make the Company a leader in IT products' retail business that covers the needs and satisfies the customers. In this regard, the request for investment approval must be consistent with and under the Capital Market Supervisory Board Announcement Re: the Regulation on Significant Transactions Subjecting to be an Acquisition or Disposition of Assets, and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition and Disposition of Assets B.E.2547.

Investing in the businesses as mentioned above, the Company focuses on long-term investments based on the business's fundamentals to be invested in, including the trend of that business is essential. Besides, the Company has the policy to invest in a sufficient proportion to participate in the management and formulation of business practices in subsidiaries, associates, and jointly controlled entities, including promoting the businesses that invested in for sustainable growth.

In any investment decisions, the Company shall analyze the feasibility of the project and consider its potential, including the risk of investment and present the investment results to the Board of Directors for consideration, including advising to reduce the risk of any investment that may occur.

To supervise that subsidiary's operations, the Company shall send a representative of the Company to be the director of the subsidiary. Such the person must have qualifications and experience appropriate for the said business and have no conflicts of interest in the business. The said representative must manage the subsidiary's business according to the policy approved by the Company and follow the rules and regulations stipulated in the Articles of Association and the laws of related subsidiaries.

The Company shall closely follow the operating results and operations of the said business and present the analysis results, including giving opinions or suggestions to the Board of Directors of subsidiaries or associated companies or jointly controlled entities. It is for use in determining policies or enhancing the business of subsidiaries, associated companies, or jointly controlled entities to be constantly evolving and growing.

Policy on the Use of Inside Information

The Board of Directors realizes the importance of good corporate governance to be transparent and prevent exploitation of the Company's internal information that has not been disclosed to the public. The Company has set the policy for the use of inside information as follows:

1. Educate the Directors and Executives regarding the reporting of their securities holdings, spouse, and underage children to the Office of the Securities and Exchange Commission under Section 59 and the penalties under Section 275 of the Securities and Exchange Act B.E. 2535 (and its amendments). Report on the acquisition or disposition of securities of their holding, spouse, and underage children to Office of the Securities and Exchange Commission following Section 246 and the penalties under Section 298 of the Securities and Exchange Act B.E. 2535 (and its amendments).

2. The Directors and Executives of the Company, including their spouses and underage children, is required to prepare and disclose reports on securities holding and change in securities holding of the Company to the Securities and Exchange Commission under Section 59 and the penalties under Section 275 of the Securities and Exchange Act B.E. 2535 (and its amendments). Then, deliver a copy of this report to the Company on the same day as the submission date of the report to the Office of the Securities and Exchange Commission.
3. Directors, executives, and employees of the Company and its subsidiaries who aware of material insider information that affects the changes in securities prices need to be careful in trading Company securities in the one month before the financial statements or inside information are made public, and during the 24 hours after the Company's internal information has been disclosed to the public. Those involved with inside information must not disclose such information to others until such information is notified to the Stock Exchange of Thailand. If there is a violation of the above regulations, the Company is considered a disciplinary offense following the Company's work regulations. It shall consider the punishment as appropriate in the case of verbal admonition, a warning in writing, probation, the termination of employment, and termination of work on the grounds of firing, dismissal, or discharging, as the case may be.
4. It is prohibited for directors, executives, and employees of the Company to use inside information of the Company that has or may have an impact on changes in the Company stock prices, which has not been disclosed to the public. In which he/she has known from the position to be used for buying or selling or offering to buy or offer for sale or persuade others to buy or sell or offer to buy or offer shares or other securities (if any) of the Company, either directly or indirectly. It is in a manner that causes damage to the Company directly or indirectly and whether such actions will be done for the benefit of oneself or others or disclose such facts to allow others to do so without their benefit or not.
5. Directors, executives, and employees of the Company or former directors, executives, and employees have to keep confidentiality and/or internal information of the Company and have a duty to use the Company's inside information to benefit the Company's business operations only. Directors, executives, and employees of the Company are prohibited from using the Company's confidential and/or inside information for other companies in which they are shareholders, directors, executives, and employees.
6. Directors, executives, and employees of the Company must comply with the Insider Trading Guidelines of the Securities and Exchange Act and the Public Limited Companies Act, including other relevant rules.

Conflict of Interest Policy

The Board of Directors has established a policy on the prevention of conflicts of interest on the principle that any decision in conducting business activities must be made in the Company's best interest only. Avoid actions that would create conflicts of interest by requiring those involved or have a stake in the transaction considered. They must inform the Company of their relationship or stake in the transaction and not participate in decision-making, including having any power to approve such transactions.

1. Actions that create conflicts of interest should be avoided by requiring those involved or having a stake in the transaction considered. They must notify the Company of their relationship or interest in the said transaction and not participate in the decision making and have no power to approve such transactions.
2. If the management or the directors of the Company deems that a particular transaction is considered a connected transaction or a transaction with an apparent conflict of interest, it must comply with the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions B.E. 2546 and/or Section 80 of the Public Limited Companies Act Re: the abstention of interested Directors from Voting either directly or indirectly.

Investor Relations Policy

The Company has set up Investor Relations to communicate with investors or shareholders, including institutional investors and minority shareholders. The Company shall hold a meeting to analyze the performance and disseminating information of the organization, financial and general information provided to shareholders, securities analysts, and related agencies through various channels such as reporting to the Stock Exchange of Thailand and the Securities and Exchange Commission.

The Company also attaches great importance to the disclosure information regularly in both Thai and English versions to provide shareholders with news through the Company's website such as vision, mission, financial statements, press releases, annual report, the Company's structure and management, shareholding structure, and major shareholders.

**Post**

: Investor Relations
Com7 Public Company Limited
549/1 Sanphawut Rd., South Bangna sub-district
Bangna district, Bangkok 10260

**Investor Relations Website**

: <http://www.comseven.com/investor-relations>

**Telephone**

: 02 017 7710

Related Party Transactions Policy

The Company complies with the law on Securities and Exchange and regulations, announcements, orders, or requirements of the Capital Market Supervisory Board and the Stock Exchange of Thailand relating to the entering into of the transaction. In this regard, management or stakeholders shall not be able to participate in the approval of such related party transactions.

Suppose the law requires approval from the meeting of the Board of Directors. In that case, the Company will arrange an audit committee to attend the meeting to consider and comment on the transaction's necessity and reasonableness. The commercial agreement transaction with general commercial conditions and the transaction that the commercial agreement is not a general commercial condition, there are the following principles.

Commercial Agreement Transaction under General Commercial Conditions

A related party transaction is a commercial agreement with general commercial conditions between the Company and the subsidiaries, directors, executives, or related persons. It has been approved as a guideline by the Board of Directors. Allowing the management to approve such transactions if the transaction has a commercial agreement in the same manner as a normal person would in the same situation with trade bargaining power without influence in their position as a director, executive, or related person.

The Company shall prepare a summary report on transactions related to connected transactions or transactions that may cause a conflict of interest to report at the Audit Committee meeting and the Board of Directors meeting every quarter.

Transaction that the Commercial Agreement is not under General Commercial Conditions

The transaction that the commercial agreement is not a general commercial condition must be considered and commented on by the Audit Committee before proposing to the Board of Directors and/or the shareholders' meeting for further approval. In this regard, it shall comply with the law on Securities and Exchange and the regulations, announcements, orders, or requirements of the Capital Market Supervisory Board and the Stock Exchange of Thailand, including compliance with the connected transaction's disclosure requirements.

Suppose the Audit Committee does not have expertise in considering any related transactions that may occur. In that case, the Company will appoint an independent expert or the Company's auditor to give opinions on such related transactions to be used in the decision-making of the Audit Committee and/or the Board of Directors and/or shareholders as the case may be. It is to ensure that such transactions are necessary and reasonable, taking into account the Company's interests. The Company will disclose the related transactions in the annual registration statement and the notes to the financial statements audited by the Company's auditor.

Future Related Party Transactions Policy

Related transactions that may occur in the future, the Board of Directors must comply with the laws on Securities and Exchange and regulations, announcements, orders, or requirements of the Capital Market Supervisory Board and the Stock Exchange of Thailand, including compliance with the disclosure requirements of the Company's related transactions or subsidiaries following the accounting standards stipulated by the Institute of Certified Accountants and Auditor of Thailand.

If it is a connected transaction that arises from the Company's regular business operations and a list that will continue in the future, the Company has set the rules and guidelines to look like a commercial agreement with general commercial conditions. It is based on reasonable, fair prices, requirements and can be examined. Then, propose to the Audit Committee to consider and approve the criteria and guidelines for such operations.

In the case of entering into a connected transaction in the future, the Company will arrange for the Audit Committee to comment on the said transaction's suitability. If the Audit Committee doesn't have expertise in considering related transactions, the Company will provide knowledgeable persons to give opinions on related transactions. The Audit Committee's opinion or the person with special knowledge will be used in the decision of the Board of Directors or shareholders, as the case may be to ensure that the transaction is a transaction that the Company considers the best interests of all shareholders.

Human Resource Development Policy

The Company places great emphasis on training and development of knowledge, skills, and potential necessary for its employees' current and future performance because employees are the main factor driving the business towards its goals. It is also a major driving force in supporting the organization's growth and advancement. The Company has the following policies for employee development.

1. Training: Promote the development of employees' knowledge and skills at all levels to have potential with training in various courses to new employees and current employees by focusing on employees to know about products and services to provide expertise and readiness to serve. It can also maintain operational standards, which will give customers the confidence and impression of receiving excellent service.
2. Mentoring: Provide a mentor system to supervise, teach and give advice on working for new employees by preparing a handbook on the Job Learning Guidelines and passing knowledge among colleagues, including mutual learning between executives and employees according to the Learning Organization guidelines.
3. Coaching and Follow Up: Create a system and a tool (App IT Easy), a standard reference source such as information about products, details of various operations, promotions, information, etc., for use in teaching jobs (Coaching Recognition System (CRS)), measuring knowledge (Knowledge Training Online (Go to training)), including tracking sales of employees through the system. It has resulted in employee awareness and is also used as a tool to reward employees (Employee Engagement Reward and Recognition).
4. Development: Prepare personnel development plan for all positions for career advancement (Career Advancement) and establishing criteria for determining position adjustments. The Company has organized learning courses to develop the competency of employees as follows:

Core Competency is the ability to reflect the organization's culture, which all personnel in the organization should have, and go in the same direction to enable the organization to achieve its operational goals.

Managerial Competency is the managerial competence that personnel in the organization, according to the level of each job position required for use in self-management and subordinates to complete the task. It must also be consistent with the plan, corporate strategy, and vision.

Functional Competency includes competence, professional skills necessary to successfully implement a job, which is different according to the job description.

There is also a plan to develop the executive potential to be ready, lead the change, drive the strategy into action for more results, and create a working culture and values that can help promote and drive the development of a modern management system. Manage knowledge and learning organizations to transfer to personnel in the department to encourage the development of work processes to be more efficient and achieve overall results.

Human Rights Policy

The Company realizes equal value and human dignity. Therefore, it gives importance to the promotion and protection of employees' human rights and all stakeholders, which is the fundamental virtue of work and coexistence. The Company defines the matter of morality as part of desirable behavior in the organization. Respect and obey the principles of human rights law and prevent and avoid human rights violations of our employees, customers, partners, and business partners under the provisions stipulated by Thai law and foreign law, including various rules contains the Constitution of the Kingdom of Thailand, Universal Declaration of Human Rights: UDRH, United Nations Global Compact: UNGC, United Nations Guiding Principles on Business and Human Rights: UNGP, The International Labor Organization Declaration on Fundamental Principles and Rights at Work: ILO.

To ensure that the Company's business operation is free from human rights violations, the Board deems it appropriate to establish human rights policies and practices to prevent human rights violations in all activities of the Company, including business partners in the business value chain and business associates.

Scope

This policy applies to Com7 Public Company Limited's business operations and its subsidiaries, including business partners, to use it in business operations and encourage the stakeholders to respect human rights

Definitions of terms used in human rights policy

Human Rights

means that the inherent rights of all human beings regardless of differences in physical, mental, race, nationality, country of origin, religion, sex, language, age, skin color, education, social status, culture, custom, or any other matter under the laws of each country and according to the treaty, each country has an obligation to practice human rights, including the right to life and liberty, deliverance from slavery and torture, freedom to express opinions and group together, the right to work, study, etc. All human beings have these rights equally, without discrimination.

The Company Guidelines

Company and Employees

1. Respect for human rights: The Company treats employees fairly and opens to diversity. Recognize and value the differences of people. Do not discriminate and prohibit discrimination against employees or job applicants based on age, physical, or mental disability, race, gender, color, religion, creed, country of origin, citizenship, sexual orientation, and marital status. Treat everyone with dignity and respect for their private life. Provide support for measures that will lead to the elimination of forced or involuntary labor and child labor.
2. Be careful in performing duties to prevent the risk of human rights violations in business operations and monitor human rights respect.
3. Supporting and promoting actions to protect human rights.
4. Monitor the respect of human rights. Do not ignore any action that violates human rights related to the Company. It must be reported to the supervisor or the person in charge and cooperate in investigating the facts. If there is a question, consult with the supervisor or person in charge through any established channels.

Customers

The Company takes the privacy of its customers very seriously with a system to store customer information securely. There are measures to maintain the confidentiality of customers. Do not pass on information without the customer's consent, and do not misuse the information for one's own benefit or others. The Company shall focus on and develop standards for protecting customers' information as efficiently as possible. There is a policy to use inside information and internal control as a guideline.

Business Partners

1. Communicate, disseminate, educate, understand, direct, and provide any other support to business partners in the business value chain to participate in business operations with integrity and respect human rights following this policy.
2. The Company shall sell products and provide services that comply with international standards and promote transparency. According to various regulations, the Company shall uphold the highest standards of business ethics, personal dignity, and business conduct while promoting respect for human rights by complying with different human rights laws and rules strictly. Urge to obey laws and regulations throughout the supply chain and have a social responsibility to foster a culture of mutual respect.
3. Encourage business partners to respect human rights under the law. Do not tolerate the illegal use of child labor, using forced or debt-bonded labor. Promote knowledge and understanding about potential human rights violations.

Local Community and Environment

1. The Company realizes the importance of operating a business responsible for the community, society, and environment. There is an environmental policy as a guideline to enable the Company's business operations to have minimum impact on the community, society, and environment by complying with laws, regulations, and environmental requirements in various activities of the Company continuously and strictly.
2. Communicate, promote and raise awareness of stakeholders. Be responsible for the impact on human rights in the fields of natural resources and the environment, occupational health, workplace safety, and other human rights risks, such as illegal employment, corruption, any action affecting the child, community, surrounding society, or any activity that violates the normal life of the stakeholders.

The Company regularly monitors, audits, and assesses human rights risks and impacts and sets guidelines or measures to manage risks appropriately by giving all departments the duty to supervise and manage risks within their responsibilities. The Company develops communication channels to promote knowledge, understanding, and practice towards respect for human rights. Provide opportunities for employees and stakeholders to express opinions reflect on problems, report clues or complaints if there is an event or action that may constitute a human rights violation. Whistleblowing or complaints can be submitted to the Company in 2 ways as follows:



Telephone

:

Call Center 02 017 7770



Website

:

<https://bit.ly/HRcom7Care>

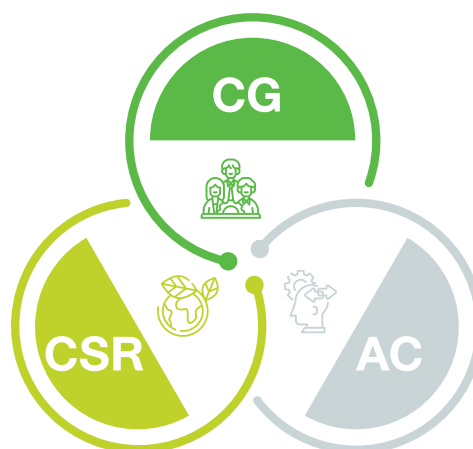
Code of Conduct



1. Rationale

Com7 Public Company Limited and its subsidiaries have a management policy adhering to good corporate governance principles and conduct business with lawfulness, transparent information disclosure. Set goals for success with care. Take into account the potential and create appropriate returns to shareholders and consider the balance between the business, society, and environment, which shall lead to a sustainable organization.

The Company has provided a manual "Code of Conduct" to be used as practices for its directors, executives, and employees. Operate business following good governance principles and responsibility to all stakeholders, both inside and outside the organization, and continuously reviewing and monitoring performance under the Code of Conduct manual..



2. Definitions

“Code of Conduct” or “Ethics”	refers to	business operations, according to best practice leading the organization to have a good governance system to maintain and promote a good reputation
“Company”	refers to	Com7 Public Company Limited and its Subsidiaries
“Connected Person”	refers to	a person in any of the following relationships (1) a person with power to control the Company’s business, and in the case of a juristic person, it also means a director of that juristic person (2) the spouse, underage offspring, or adopted child of the director, executive, or person in (1) (3) any juristic person with controlling persons in (1) and (2) (4) any person with characteristics as specified in the Notification of the Capital Market Supervisory Board
“Stakeholder”	refers to	shareholders, investors, employees, customers, business partners and creditors, venture capitalists, and business alliance
“Information Disclosure”	refers to	disclosure information relating to the Company’s business activities under the Public Limited Companies Act B.E. 2535 and the Securities and Exchange Act B.E. 2551, rules and regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission
“Corruption”	refers to	bribery of any kind, such as offering, giving, promising, demanding, or accepting cash/asset or other benefits unsuitable for government agencies, private agencies, business partners, customers, and all groups of stakeholders either directly or indirectly
“Conflict of Interest”	refers to	carrying out any activities that may have personal needs or of the persons involved, whether by blood or any other way to influence decisions or may obstruct or a hindrance to the best interests
“Giving Things or Benefits”	refers to	giving privilege in the form of cash, assets, things, or any other benefits as a reward or building a good relationship
“Bribery”	refers to	offering or accepting gifts, prizes, or any other assets to induce the act of misconduct by the giver, which often an incentive for the recipient to act illegally or refrain from performing duties
“Conventionality”	refers to	festivals, important dates, or events with a unique tradition and essential to society

3. Business Operating Principles

Vision

The Company is committed to being a leader in distributing modern technology products with excellent service by efficient management of the work team.

Mission

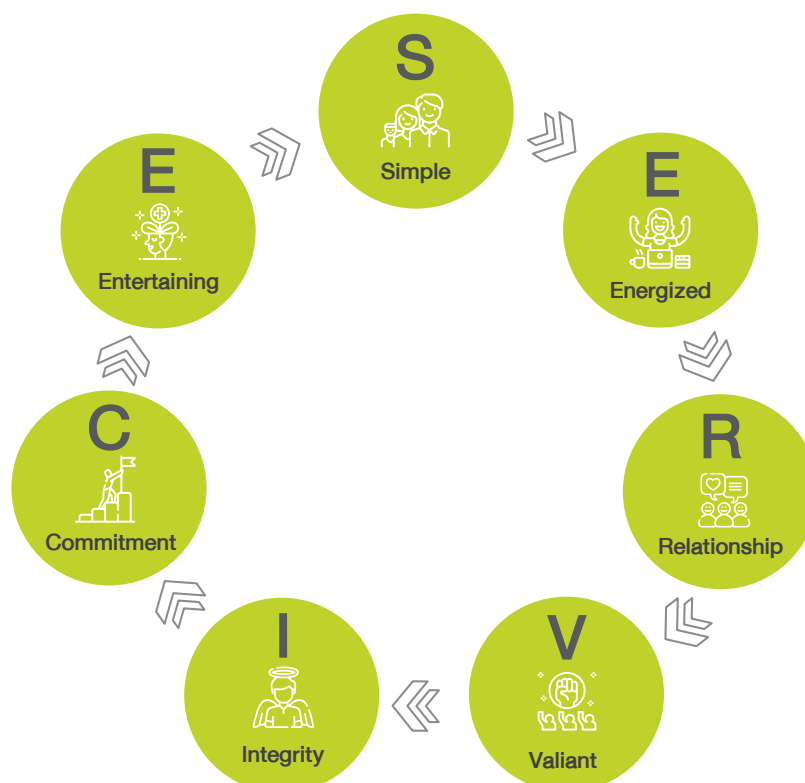
Enhance the quality, efficiency, and service tactics of each business in the group companies to compete effectively. Develop a management and service system with modern technology to meet customer needs, focusing on expanding service channels that reach customers throughout the country. Cooperate with the business alliances to increase efficiency all around and create success together and seek new business opportunities for the future and create sustainable added value.

Business Philosophy “SEVEN” Corporate Culture “SERVICE”

S	=	Stability
E	=	Efficiency
V	=	Velocity
E	=	Economy
N	=	Novelty

S	=	Simple
E	=	Energized
R	=	Relationship
V	=	Valiant
I	=	Integrity
C	=	Commitment
E	=	Entertaining

Good Culture



4. Code of Conduct for Directors

The Company expects its directors, sub-committees, and directors of the subsidiaries to perform duties within the framework of laws, notifications, and requirements of Governance agencies, the Company's Articles Association, ethics, and corporate governance, by performing their duties with honesty, care, and prudence for the best interest in the Company's continuous and sustainable business operation and stakeholders as follows.

Corporate Compliance

1. Comply with rules and regulations involved in the Company's business operation as follows:
 - 1.1 Directors, executives, and employees shall adhere to the laws, regulations, requirements of the Stock Exchange of Thailand and the Securities and Exchange Commission.
 - 1.2 Directors, executives, and employees shall not act, support, or tolerate any means to circumvent any applicable law or regulation.
2. Perform duties with impartiality. Suppose in any meeting there is a matter to be considered. In that case, the director who has a conflict of interest must leave the meeting room and refrain from participating in making such decisions.
3. Abstain from conflicts of interest for transparency in management effectively as follows:
 - 3.1 Do not take the information received from the duty to take advantage of oneself or others illegally.
 - 3.2 Do not misuse corporate secrecy and disclose any confidential information of the organization even after the end of the organization's performance.
 - 3.3 Do not exploit personal gain from being a director.
 - 3.4 Do not accept items or any other advantage contrary to the organization's benefit.
4. Keep corporate confidential information not to leak to unrelated persons, which may cause damage to the organization or stakeholders unless it is following the laws.
5. Acquisition or disposition of registered securities of directors, spouses, and underage children shall comply with the Notification of the Stock Exchange of Thailand Re: Practice on Acquisition or Disposition of Securities of Directors and Employees, B.E 2547.

Conflict of Interests and Keeping Confidential Information

The Company has established procedures for conducting related transactions with persons who may have conflicts of interest that must be reviewed by the Audit Committee or the Board of Directors according to the specified criteria. Disclose the transactions and their value that may have had conflicts in the past year by clearly explaining the transactions' necessity and reasonableness. The Company requires directors and executives who are involved in the said transaction to disclose information and/or the nature of their relationship, spouse, and close relatives according to the notification of the Stock Exchange of Thailand Re: Practice on Acquisition or Disposition of Securities of Directors and Employees, B.E 2547.

If the Company enters into any contract or related transactions with subsidiaries, related companies, and/or third parties, shall consider the necessity and appropriateness of entering into such contracts concerning the Company's interests as the main.

Responsibility to the Company Assets

The Company encourages the executives and employees to use the Company's assets and resources efficiently, economically, and in the most profitable way. Prevent the Company's assets from depreciation or wrongful loss. It must not be used for personal gain or for any other person who is not related to the Company's business. The guidelines are as follows:

1. Documentation

1.1 Documents must be prepared with honesty and prudence following the specified standards.

1.2 It is forbidden to falsify the Company's books, reports, or messages.

2. Use of Computers and Information Technology Systems

2.1 Computer equipment, information technology system, and other information to be regarded as the Company's property, executives and employees must use it for the Company's benefit only.

2.2 Use of electronic equipment, electronic data, or information technology systems must comply with the Computer Crimes Act B.E 2550.

2.3 Executives and employees are prohibited from disclosing the Company's business information, both addresses and not in the Company's information system, or copy into personal storage media without permission.

2.4 Executives and employees are prohibited from altering, duplicating, deleting, or destroying the Company's information without permission.

2.5 Executives and employees are disallowed to use illegal software, and a copy of copyrighted software for any reason is prohibited without permission from the software vendor.

2.6 Executives and employees are forbidden from modifying or installing any hardware devices other than standard equipment installed by the Company unless specially authorized.

2.7 Executives and employees are prohibited from using corporate e-mail addresses to forward malicious messages, tarnish, or statements that are obscene, threatening, harassing, or annoying to others.

2.8 Executives and employees are prohibited from wrongful access to systems or information not authorized or intended for them.

2.9 Executives and employees who know preventive measures are prohibited from accessing information and computer systems created by others or not intended for them in the wrongdoing and desire or cause damage to others.

2.10 Executives and employees must report to their supervisors any action that infringes on their rights or acts that may lead to an infringement of intellectual property rights.

2.11 Executives and employees should use the internet to acquire information and knowledge that are beneficial to their operations and avoid illegal websites or violate good morals.

2.12 There should be a clear agreement on intellectual property rights in entering into any contract or any act.

2.13 Company or agency assigned, the Company reserve the right to inspect the use of assets under the Company's information system as appropriate.

5. Code of Conduct for Executives and Employees

The Company has established corporate governance principles for executives (Executives Ethical Standard) and practices for employees (Best Practices for Employees), with severe penalties in the event of a breach and/or any action in a deliberately non-operating manner as follows:

Corporate Governance Principles for Senior Executives

1. Keep secrets from leaking and not disclose the Company's confidential information to third parties without authority.
2. Refrain from or avoid commenting on third parties or the media on the Company's matters without authority.
3. Do not seek unlawful interests, either directly or indirectly, and do not undertake or accept or support any form of corruption.
4. Do not conduct or get involved in any act or conceal any action in a manner that creates a conflict of interest, or they may lead to perform their duties unfairly or participate in the concealment of any illegal activity.
5. Do not request or receive items, gifts, gratuities, or hospitality worth more than Baht 3,000 (three thousand baht) per year. If cannot deny, disclose and deliver the thing to the Company Secretary.
6. Disclose the nature of personal relationships of oneself / spouse and close relatives according to the personal information disclosure form and submit to the Company Secretary.
7. Do not use and/or give any information or suggestion regarding the operations' details that result in any bidder gaining an advantage or disadvantage.

Code of Conduct for Employees

1. Perform duties with honesty, uprightness, responsibility, and prudence.
2. Perform duties with diligence as well as regularly seeking ways to develop and improve work.
3. Strengthen teamwork by cooperating help and support each other for the benefit of work.
4. Do not enter into any act or conceal any action that may have a conflict of interest with the Company or prevent them from performing their duties moderately or getting involved in covering offenses.
5. Supervisors should behave themselves to be respected by subordinates by acting as a good example.
6. Employees should treat their supervisors with respect and treat colleagues with kindness.
7. Do not use the Company's information obtained from performing duties for the wrongful benefit of oneself or others.
8. The Company's confidentiality must be kept by taking care not to leak its documents or news or reach unrelated persons, which may cause damage to the Company.
9. Do not request or accept items or any other benefit from other persons having duties or businesses related to the Company unless they should treat each other on traditional occasions or festivals.
10. Do nothing that causes damage to the image and reputation of the Company.
11. Notify relevant department and executives if any action is found wrongfully and unlawfully in the Company

6. Code of Conduct to Stakeholders

The Company is committed to sustainable business development by developing a process to create and develop a responsibility concept to all stakeholders, such as shareholders, employees, customers, business partners, competitors, society, and the environment. Besides, the Company promotes and supports activities for society and the environment (CSR-After-Process) on an ongoing basis following the best practices below.

Responsibility to Shareholders

The Company is aware and attempts to make the shareholders' satisfaction by creating added value for shareholders in the long term, and operate the business in a transparent manner as well as respect the rights and equality of all shareholders, whether management shareholders and non-management shareholders, Thai shareholders or foreign shareholders, major shareholders or minor shareholders to be treated equally as follows:

1. Perform duties with responsibility, caution, and honesty under reasonable judgment based on adequate and correct information. Have no interest, either directly or indirectly, and act in good faith for the Company's best interests. Do not act with a conflict of interest.
2. Adhere to the laws, objectives, and the Company's articles of association, the board and shareholders meeting resolutions. Perform under good corporate governance principles and code of business conduct.
3. Manage and supervise not to depreciate the Company's assets or wrongfully lost. Provide effective internal control and risk management systems.
4. Provide accurate, factual, and sufficient data, news, and the Company's information to make decisions to all shareholders equally and promptly.
5. Supervise directors, executives, and employees not to seek benefits for themselves and related parties by providing any Company information, which has not yet been made public. Disclose the Company's confidential information to third parties and or take any action in a manner that may create a conflict of interest.
6. Provide a channel for whistleblowing, dishonest acts, or complaints by covering website, post, and telecommunications. There is a process for responding to complaints, protecting complainants, including notifying the complainant's results of the action to the complainants systematically and fairly.
7. Arrange various information dissemination channels, including preparing the Company's website for shareholders to access information conveniently and organize information in easy-to-understand language.

Responsibility to Employees

The Company realizes that employees are a valuable resource and an essential factor in leading the organization to success and being the value organization. Therefore give importance to employees' fair treatment by adhering to the principle of equality and neutrality in terms of employment, compensation, appointment, transfer, capacity development, and moral development. The Company has set the following principles of treatment for employees:

1. The Company has measures to protect employees who provide information to the authorities in the event of illegal acts or breaking the Securities and Exchange Act, which they shall be saved. The Company shall not act unfairly, whether it is a change of position, job description, workplace, order suspension, threatening, interfering with work performance, and termination of employment due to causes of informing about illegal or unethical practices.
2. Abide by labor laws and various regulations involving employees strictly.
3. Treat employees with courtesy. Respect for individuality and the dignity of humanity according to the principles of international human rights.

4. Establish fair employment conditions for employees and allow them to receive appropriate compensation according to their potential.
5. Save the environment and organize a working system for employees to have safety in life, property, and good hygiene.
6. Give importance to employee development to train their skills and increase their potential by having thorough and consistent learning.
7. The Company provides a provident fund for its employees.
8. (Listen to ideas and suggestions based on the employees' professional knowledge.
9. Refrain from any action that is not fair, which may impact the job security of the employee or threaten and put pressure on the employee's mental state.
10. Provide a channel for employees to complain if not being fair or providing clues about matters that may be illegal and have a corrective process, including systematic and appropriate protection for the complainants.
11. Prepare employee code of conduct as a guideline on their excellent work practices.
12. Arrange training for employees to educate them about the anti-corruption policy and practices.

Responsibility to Customers

The Company is determined to taking care of and being responsible for its customers by treating them with sincerity and meekness. Establish an agency or person to nurture customer relationships and seek ways to meet their needs more efficiently by setting practices as follows:

1. Sell quality certified products and meet the standards at fair prices. Do not trade undue profit.
2. Strictly comply with various conditions to customers. If any needs cannot be met, promptly notify customers to consider the solutions jointly.
3. Treat customers with courtesy, equality, and being trusted.
4. Provide accurate, adequate, and up-to-date information. Advise customers to know about products and services.
5. There is a system to store customer information securely and measures to maintain their confidentiality. Do not pass on information without consent and not use the customers' data for their own benefit and/or wrongful related persons.
6. Guarantee the product under the conditions of a reasonable period and adhere to the Consumer Protection Act.
7. There is a system/process that enables customers to express their opinions or make complaints about products and services, including proceeding for those involved to fix and informing customers of the results.
8. Provide a variety of product information channels so that customers can easily access the information.

Responsibility to Business Partners and/or Creditors

The Company has the policy to treat all business partners and/or creditors equitably and fairly, honestly, and not to take advantage, including performing following the contract. Provide truthful information and accurate report, with the following guidelines:

1. The Company provides business opportunities for all partners and the selection of trade partners is based on equality and fairness.
2. Executives or employees involved in the procurement, hiring, and services must disclose information and/or the nature of their relationships, spouse, and close relatives. Or have a personal relationship with one of the bidders that may result in no direct transparency in performing duties to show responsibility by not participating in the decision-making process.

3. Do not ask for gifts, gratuities, or entertainment, except on customary occasions. Refrain from giving them special affection that causes others to think that it may be injustice significantly misleading other traders and do not want to join the bid and may be used to notify to discredit the Company's image.
4. Make a fair contract and abide by the agreements with the business partners and/or creditors. If it is expected that this will not be possible, must quickly negotiate with business partners and/or creditors to find a solution and prevent it from being damaged.
5. Use goods and services that have valid copyrights, patents, and trademarks. Do not support products or actions that violate intellectual property.
6. Ignore any action that allows business partners and/or creditors not to pay the taxes they should pay to the state.

Responsibility to Competitors

The Company adheres to conduct business with fairness by considering the principles of ethics and complying with fair competition rules. Do not seek the confidential information of competitors through dishonest means or not suitable. Do not destroy the reputation of competitors by making malicious accusations. Do not enter into any agreements that restrict competition and cooperate in order to enhance the business potential for sustainable growth.

Responsibility to Communities and Society

The Company is committed to acting as an excellent corporate citizen in compliance with the law and related regulations strictly. Emphasize the awareness of community and social responsibility in the organization continuously. Take part in community activities and support activities that benefit the public and society.

Responsibility to Environment

The Company strictly complies with various laws and regulations that are related to the environment. Promote executives and employees to pay attention to activities and promote awareness of safety, occupational health, and the environment by providing measures to save energy and use resources efficiently and cost-effectively.

7. Ethics on Business Conduct

Anti-Corruption Policy

The Company is determined to conduct the business responsibly. Adhere to morality, ethics, and transparent management following the principles of good corporate governance and the Company's business philosophy. Therefore establish the policy for complaint, whistleblowing of misconduct and fraud, investigation, and data protection as a guideline.

Definitions

Corruption refers to "acting or omitting to perform in a position of duty or use the power in the position of duty in violation of the law, the Company's regulations or policies, including contrary to morality and ethics in order to exploit various forms, such as accepting, offering, giving assets, embezzlement, political aid, including any other benefits to government officials, private companies, any other person and related persons doing business with the Company and its subsidiaries, etc. "

Related persons refer to spouses, children, parents, siblings/close relatives of directors, executives, and employees at all levels of the Company and its subsidiaries.

Four main forms of corruption are as follows:

- (1) **Political Aid** refers to offering assets and money as well as gifts, rights, or other benefits to help, support or benefit political parties in any way. It also applies to politicians or any person whose duty involves politics or political activities, either directly or indirectly.
- (2) **Charitable contributions** may pose a risk to the Company because such activities involve spending money with no tangible rewards. It can be used as an excuse or a route for corruption. In order not to allow charitable contributions to have a hidden purpose, the Company has set policies and guidelines on charitable donations, review process, and the control details as follows:
 - (2.1) Must prove that there is a real charitable project activity and the work is being done to support the success of the project objectives and causing real benefits to society.
 - (2.2) Must prove that charitable contributions do not involve a reciprocal benefit to any person or agency except according to standard custom such as attaching logo, the announcement of names at the venue or in the media for other publicity purposes, etc.
- (3) **Sponsorships** refer to money paid to or received by customers, partners for a business purpose. For example, it is beneficial to build a commercial trust or strengthen the business relationship as appropriate for the occasion. The Company has established policies and regulations on sponsorships, review process, and control details, including the evaluation that received as follows:
 - (3.1) Can prove that the applicant has performed activities following the program and it is the action to support the success of the project objectives and causing real benefits to society.
 - (3.2) Can prove that the grant or any other help that can be calculated as a monetary basis, such as accommodation and meals, does not involve any reciprocal benefit to any person or entity except for general business customs.
- (4) **Gifts, Hospitality, and Expenses** refer to any item of monetary value, such as a cash substitute, objects used in exchange for goods or services, such as gift vouchers, discount coupons, dining, and beverages, watching shows/sports, including travel expenses such as airfare, transportation, accommodation, etc.

Practice

- (1) Directors, executives, and employees at all levels must adhere to the anti-corruption policy and must not be involved in any form of corruption, either directly or indirectly.
- (2) Do nothing that indicates the intention that it is corruption. Give or receive bribes to all stakeholders in connection with the Company and its subsidiaries in matters in which he/she has the power to take responsibility both directly and indirectly to obtain benefits for the Company, oneself, and the people involved.
- (3) Management must be aware that the Company's business processes are exposed to bribery risks and corruption to manage risk assessments, including reviewing measures to prevent such troubles.
- (4) Action or performing any work that may have a risk of fraud or corruption and/or are contrary to the anti-corruption policy, employees at all levels, including subsidiaries, must practice in various matters carefully as follows:
 - (4.1) Giving and accepting gifts, gratuity, and entertainment must follow good corporate governance guidelines and code of business conduct, including policy on anti-corruption.
 - (4.2) Do not request or receive any assets, gifts, gratuities, or other benefits from customers, vendors, competitors, and any other person doing business with the Company, or entertainment that proves to be excessively reasonable, which induces an omission of duty.

If necessary, take steps to ensure that it is legally compliant and items given to each other in that function should be of reasonable value except for gifts according to traditional festivals or regular business entertainment in order to exchange according to custom. If those things are worth more than 3,000 baht (three thousand baht only), the supervisor must be informed immediately.

- (4.3) Business entertainment and other expenses related to the Company's business operations can be done at a reasonable cost. It must be performed under the Company's procedures and can be examined.
- (4.4) Charitable giving to any organization must act on behalf of the Company and must be a reliable organization. It is intended for the benefit of society, not for business returns, with certificates and receipts. It also needs to be monitored and reviewed to ensure the donation is on purpose and has not been used as a bribery claim.
- (4.5) Sponsorships to promote businesses, the Company's image, and its subsidiaries in the form of money, service, objects, or assets to any project or activity, the Company's name and subsidiaries' must be specified and perform with transparency, legality, and following the procedures set by the Company and can be checked.
- (5) The Company has set up a regular internal control system to prevent employees from improper conduct. In particular, sales, marketing, and procurement work must be carried out through the procedures following the Company's regulations with transparency and verifiability.
- (6) Provide regular training for employees at all levels on anti-bribery and corruption to be conscious of this policy. It shall be included as part of the employee orientation or before taking office of all the Company's new employees.
- (7) The supervisors at all levels are responsible for communicating and understanding with subordinates. Also, supervise to ensure that employees at all levels are skilled enough to properly implement this measure and approach in the activities they are responsible for and know the Company's expectations and the punishment for failing to comply with this policy.
- (8) Do not ignore or neglect when encountering actions considered to be fraud or corruption related to the Company and its subsidiaries. Notify the supervisor or the person in charge immediately through the whistleblowing channels or complaints specified in the policy, including cooperating in investigating facts.
- (9) The Company shall provide fairness and protect employees or any other person providing clues or evidence of fraud or corruption related to the Company and its subsidiaries, including employees who refuse to act by using measures to protect the complainant or those who cooperate in reporting fraud or corruption as set forth in the policy.
- (10) Those who commit fraud or corruption are considered offenses under the policy, which shall be subjected to disciplinary action and punished by law if it is illegal.
- (11) The Company shall regularly review the guidelines and operational measures to be in line with changing the law related to business conditions and good corporate governance.

Scope of Complaint and Whistle-Blowing

- (1) Dishonest acts involve the Company and its subsidiaries, directly or indirectly, for example, seeing individuals or employees in the Company bribing or accepting bribes, government officials, or private entities.
- (2) Acts that directly or indirectly damage the Company or affect the Company's reputation.
- (3) Violations of procedures following the Company's regulations and subsidiaries affecting the internal control system consider maybe a corrupt means.
- (4) Acts that are illegal, unethical and breaking code of business conduct.
- (5) Failure to receive fairness in performance

Question

All employees can require advice or clarification of any queries about the policy or any conduct that can be considered fraud or corruption by consulting the supervisor directly or the internal audit department or human resources department. If you are unsure whether the action is fraudulent or need to discuss before making a complaint, you can send an email to whistleblower@comseven.com.

Whistleblower Protection

- (1) **Fact-Finding Process:** The Company has set a channel for contacting and receiving complaints on the website, annual report, corporate governance, and in the Code of Conduct manual by defining a fast and systematic process of fact-finding consisting of:
 - (1.1) Sufficient clarification with details of evidence and complaints must be true and / or enough to investigate. The focal person shall consider submitting it to the investigation committee, which consists of the Internal Audit, Human Resources Department, section of a person receives complaints and section of a person making a report (an employee case) to expand its fact-finding.
 - (1.2) Whistleblowers or complainants are entitled to equal rights protection, whether it is an employee or a third party.
 - (1.3) The whistleblower or complainant may remain anonymous unless the whistleblower or complainant sees that disclosure will be useful and enable the Company to report the progress or able to request additional information in order to protect any future harassment.
- (2) **Process to Ensure Fairness:** Audit Committee and/or Chief Executive Officer must exercise discretion and order as deemed appropriate to protect the whistleblowers or complainants, witnesses, and persons providing information in the investigation of facts to not suffer any harm due to whistleblowing, complaining, witnessing, or delivering information. The report, address, or other information that can identify the complainant or informant shall be kept secret. The data is restricted to persons responsible for investigating complaints.
- (3) **Reporting Process:** The Investigation Committee is responsible to report the Fact-finding directly to Chief Executive Officer and/or Audit Committee and/or the Board of Directors based on each incident by reviewing the appropriate report prior to the presentation to authorized personnel under Investigation Committee as the following criteria:
 - (3.1) Chief Executive Officer: concerning general management and under the supervision of Chief Executive Officer.
 - (3.2) Audit Committee: related with Corporate Governance Policy and/or an intentional act of fraud with serious impact.
 - (3.3) Board of Directors: the Audit Committee is of the opinion that the incident should be reported for information and/or to consider taking action on matters related to the Policy and Regulations and/or issues affect executives.
- (4) **(4) Disciplinary Action and Result of Operations**
 - (4.1) The punishment shall be in accordance with the Disciplinary action and/or legal requirements
 - (4.2) In case, the reporter may be in contacted, the written result of the investigation process will be notified.
 - (4.3) If there will be any amendments, the committee leader will report to the authorized personnel.

Internal Control

The Audit Committee is directly responsible for overseeing the sound internal control system. Focus on establishing an internal control system consistent with the internal control framework according to international standards (The Committee of Sponsoring Organizations of the Tread way Commission (COSO)) covering essential work processes and activities. An internal audit department is responsible for inspecting the performance based on the risk base, including advising on establishing an adequate internal control system.

The Audit Committee is responsible for reviewing the audit plan, supervising, making recommendations for the operations, and considering the internal audit department's independence by approving the appointment, dismissal, transfer, and evaluating the head of the audit department.

Protect on the Use of Insider Information

The Company gives importance to the use of insider information and to protect the case that directors and executives use it for the wrongdoing of themselves or others. Especially insider information that is not disclosed yet publicly or statement affects the organization's strategic plan, business operation, trade negotiation, and stock prices. It is taking advantage and causing damage to the shareholders as a whole. The Company sets the principles of good governance for executives and imposed heavy penalties in the event of a violation or does any action to deliberately not follow the principle of corporate governance for senior executives.

The Company establishes access to inside information for employees as appropriate with their duties and responsibilities and has set penalties in the work regulations.

8. Ensuring Adherence to Good Corporate Governance and Business Ethics

The Company sets it as the duties and responsibilities of all directors, executives, and employees, which must understand and strictly follow the policies set out in this Code of Conduct manual. It is not a voluntary practice and cannot reference that the established guidelines are not known.

Executives at all levels in the organization are responsible for ensuring that employees under their line of command acknowledge, understand, and strictly comply with the Code of Conduct.

The Board of Directors and the Audit Committee require a review of this manual "Code of Conduct" annually.

9. Whistleblowing and Complaint



Sealed Post

- Internal Audit Department, Com7 Public Company Limited, 549/1 Sanphawut Road, Bangna Tai Subdistrict, Bangna District, Bangkok 10260.
- Company Secretary Office, Com7 Public Company Limited, 549/1 Sanphawut Road, Bangna Tai Subdistrict, Bangna District, Bangkok 10260.



Email: whistleblower@comseven.com



Opinion Box of the Human Resources Department

Report of the Audit Committee



To Shareholders of Com7 Public Company Limited,

The Audit Committee of the Company comprises three independent directors, namely Mr. Siripong Sombatsiri, Chairman of the Audit Committee, Mr. Kashpol Chulajata, and Ms. Vareeporn Udomkunnatum, Audit Committee, including Ms. Piyaporn Bandasak, the Head of Internal Audit, acts as the secretary of the Audit Committee. All audit committees have the qualification to meet the criteria set out in the Notification of the Securities and Exchange Commission of Thailand, with Mr. Siripong Sombatsiri, the Chairman of the Audit Committee, has knowledge and experience in accounting and finance. In this regard, the Audit Committee has performed its duties within the scope of duties and responsibilities under the Charter approved by the Board of Directors.

In the fiscal year 2020, the Audit Committee had arranged four meetings with the Management, Internal auditors, and the Auditor four times. The Audit Committee reported the results of its duties and recommendations to the Board of Directors quarterly, which can summarize the essence of performance as follows.

1. Accuracy and Reliability of Financial Reports: Review quarterly financial statements and financial statements for the year 2020 together with the Management and the Auditor to approve the financial reports, which has been correctly prepared as required in essence according to generally accepted accounting principles. Besides, the significant information disclosure, connected transactions, and transactions that might cause conflicts of interest are reviewed completely and reliably. There is also a discussion with the Auditors without the participation of Management to acknowledge the issues encountered from the auditing, as well as to consider and provide opinions on the audit results before proposing to the Board of Directors for consideration.

2. Internal Control and Audit Systems: Supervise the internal audit work to comply with professional standards by using the risk assessment method and the internal control system following the COSO - Internal Control Integrated Framework, as well as to consider and approve the annual audit plan, which prepared by considering various business risk factors, including the plans of manpower, human resources development, and operating budget. There was a recommendation in considering the audit report to both the Internal Audit and the Management for the benefit of continuous performance improvement.

3. Regulatory Compliance: Review the Company to comply with the law on Securities and Exchange, requirements of the Stock Exchange of Thailand, and other laws relating to the Company's business regularly. The Audit Committee is of the opinion that the transactions that the Company has to comply with the law on Securities and the Stock Exchange of Thailand and the relevant laws to the business that has been reviewed are adequate, also has urged the Management to follow up the essence of the Notification of the Securities and Exchange Act and related notification, including to report for information and consideration closely.

4. Anti-Corruption Compliance: Review the policy guidelines for the implementation of the Anti-Corruption policy, as well as conducting a risk assessment related to internal and external corruption. The Company is certified as a Thai Private Sector Collective Action against Corruption, in which the Audit Committee assures that the Company has adequate measures to combat and detect fraud and corruption effectively.

5. **Disclosure of Information on Connected Transactions:** Consider the connected transactions and their information disclosure in notes to the Annual and Quarterly Financial Statements, as well as giving independent opinions on the acquisition and disposition of assets in investing the major projects of the Company and its subsidiaries.

6. **Selection and Nomination of the Auditors:** Consider the auditors' performance in the past year and their remuneration from business knowledge, experience, appropriateness of compensation, and independence of the auditors, therefore, proposing the appointment of Mr. Boonruang Lertwisetwit, CPA No. 6552, or Mr. Pongthawee Ratanakoses, CPA No. 7795, or Mr. Chaisiri Ruangritchai CPA No. 4526, or Mr. Wichian Kingmontri, CPA No. 3977 from PricewaterhouseCoopers ABAS Ltd. are the Company's auditor. It has been proposed to the Board of Directors and already approved at the 2020 Annual General Meeting of Shareholders.

7. **Good Corporate Governance:** Continuously promote and monitor the progress of Good Corporate Governance development and social responsibility. Give comments on the improvement of Good Corporate Governance policy, including code of conduct, work practices, as well as providing guidance and advice necessary for the development. This year, the Company is ranked with a 4-star rating from the 2020 Corporate Governance Report of Thai Listed Companies by SET and the Thai Institute of Directors Association and has been certified as a member of the Private Sector Collective Action Coalition against Corruption. The Company also participated in the sustainability assessment or THAILAND SUSTAINABILITY INVESTMENT (THSI) of listed companies for the year 2020 that would develop good corporate governance processes by considering all stakeholders to have the business been growing along with balanced social and environmental development.

8. **Risk Management:** Supervise to provide systematic risk management and regularly acknowledge reports of risk management results, including making suggestions for improvements and for risk perspectives.

According to the 2020 Audit Committee's Self-Assessment on February 23, 2021, the Audit Committee has reviewed the overall performance of duties, preparation of financial statements, internal control, risk management, implementation of the laws related to the Company's business, selection & nomination of the auditors, consideration of connected transactions or transactions that may lead to conflicts of interest, and preparation of the Audit Committee's Report. In which the overall assessment results conclude that has completed its work.

The Audit Committee deems that the Company has appropriate and reliable processes for preparing and disclosing information in financial reports, as well as having adequate risk management and internal control systems. There is continuous development to support the Company to have sustainable Good Corporate Governance.

Incidentally, Ms. Vareeporn Udomkunnatum had resigned from the position of director of the Company, including the independent directors and members of the Audit Committee, on August 31, 2020. However, the Board of Directors has appointed Dr. Somboon Aueatchasai to hold such a position instead since November 12, 2020.

(Mr. Siripong Sombatsiri)

Chairman of the Audit Committee



COM7 received the Royal Award for Thailand Corporate Excellence Awards 2020. Reinforce excellence in products and services.

Com7 Public Company Limited or COM7 received the Thailand Corporate Excellence Awards 2020 in Product/Service Excellence, the Royal Award in Somdej Phra Kanittha Department of Her Royal Highness Princess Maha Chakri Sirindhorn Siam Boromrajakumari, which organized by the Thailand Management Association (TMA) in collaboration with Sasin Graduate Institute of Business Administration of Chulalongkorn University. The honor was honored by General Prayut Chan-ocha (left), Prime Minister presented the award to Mrs. Wassana Pongsangluk (right), the Chief Financial Officer of COM7. Reinforce being a leader in the technology products retail business that focuses on systematic and efficient event management. Offer products and services to meet consumers' needs for sustainable growth and correspond to digital Thailand. The event was held at Shangri-La Hotel, Bangkok.

Achievement Awards

2020

Result

100



From the quality assessment of the Annual General Meeting Checklist, evaluated by the Thai Investors Association, the Company received 100 points in the level of "5"

Quality Assessment Level

"Very Good"



The Company received scores from the evaluation of the Corporate Governance Report of Thai Listed Companies: CGR for the year 2020, in the group of "Very Good" (Score range 80 - 100 points), which organized by the Stock Exchange of Thailand (SET) together with the Securities and Exchange Commission (SEC) and Thai Institute of Directors (IOD).



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