



ANNUAL REPORT 2022

Thanapiriya Public Company Limited

บริษัท ธนปริยะ จำกัด (มหาชน)

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Summary of Financial Data

	2020	2021	2022
Consolidated Income Statement			
(Million Baht)			
Revenues from sales	2,196.1	2,622.5	2,433.4
Costs of sales	1,837.4	2,173.0	2,016.0
Gross profit	358.7	449.6	417.4
Net profit for the years	133.9	192.1	149.0
Consolidated Statement of Financial Position			
(Million Baht)			
Total Assets	1,032.3	1,189.3	1,249.5
Total Liabilities	241.7	279.8	259.0
Total Shareholder's equity	790.6	909.5	990.6
Consolidated Statement of Cash Flows			
(Million Baht)			
Net Cash from Operating Activities	179.1	231.1	112.3
Net Cash used in Investing Activities	(105.5)	(114.7)	(116.2)
Net Cash used in Financing Activities	(51.1)	(76.5)	(71.7)
Financial Ratio			
Gross Profit Margin (%)	16.3	17.1	16.2
Net Profit Margin (%)	6.1	7.2	6.1
Return on Equity (%)	17.9	22.6	17.9
Return on Assets (%)	14.1	17.3	14.1
Debt to Equity ratio (Time)	0.3	0.3	0.3
Earnings per Share (Baht)	0.17	0.24	0.19
Dividend per Share (Baht)	0.07	0.10	0.08

Message from the Board of Directors

In 2022, there were multiple changing situations that impacted on global economy, production of goods sales, distribution and services providing across industries. The main situations, both directly and indirectly affected business activities of The Company, could be identified as Coronavirus (COVID-19) pandemic that has been spreading continuously and extensively since 2019. The pandemic had a great impact on both Thai and international economy from the reduction of tourists along with reduction of domestic consumption because of pandemic control and prevention measure from the local government of every country. Currently, the pandemic situation has been moving to a positive direction due to relaxation of pandemic control measures from the government in many countries including Thailand as well as the vaccination rate has covered majority of domestic population that statistic of tourism industry would be recovered consistently as increase of both domestic and international tourists as crucial factors that encourages domestic economy growth in the future. Although, the government relaxed the pandemic control and prevention measure, The Company has been remaining standard practices of pandemic control and prevention measure by strictly enforcing employees to equip standard protective as well as encouraging employees to receive a booster vaccine consistently as recommendation from ministry of public health to ensure service satisfaction of customers. Moreover, through these years, The Company has been insisting on the policy that returning profit to society as the cost of living of customers was subsidized during the pandemic from the collaboration with suppliers to create special promotion for customers consistently.

Besides the pandemic, fluctuation of global politics, global economic slowdown and stage of war in some area that causing higher fluctuation in supply chain and increase of commodity price such as oil steel and raw material of goods production that directly affect cost of business operation and cost of goods sold which would be increased and etc. Also, other unspoken situations, were verified that there is possible impact on business operation, would be evaluated both risk and severity of impact to find solutions to handle and reduce any possible impacts and to make an adaptation in accordance with those

situations according to the risk management protocol.

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Despite being the year of business obstacles, the Company has, however achieved growth and continuous return to all shareholders with our organizational capacity and effectiveness. Such success is certainly possible by the company plans, the Board members' cooperation as well as by executives, employees, and all stakeholders supporting. In 2022 the Company opened four more branches in Chiang Rai and Payao to increase the customer bases while expanding service provision to reach more consumers and communities. The Company thereby is of totally 42 branches.

The Company is of great attention toward sustainability based on environmental surroundings and social governance. Through the past year, we had activities i.e. searching for local products to sell to support local producer donation of disaster relief packages to people affected by COVID-19 as well as providing medical equipment to hospital, screening for lower electric power tools in all branches, and renewing the certification of the Sector of Collective Action Against Corruption (CAC).

On behalf of the Board of Directors, we would like to express our appreciation for customers, partners, shareholders, relevant agencies, and all business friends for your apparent support continually. Furthermore, our grateful thank is for all our executives and employees who have enhanced the forever growth of the Company. Accordingly, the Company promises you all for our ethical honesty and transparency based on our ever-good governance.



Dr. Phisanu Khantipong
Chairman of the Board of Directors



Mr. Thawatchai Phutthiphiya
Chairman of executive board



1

Part 1 Business Operation

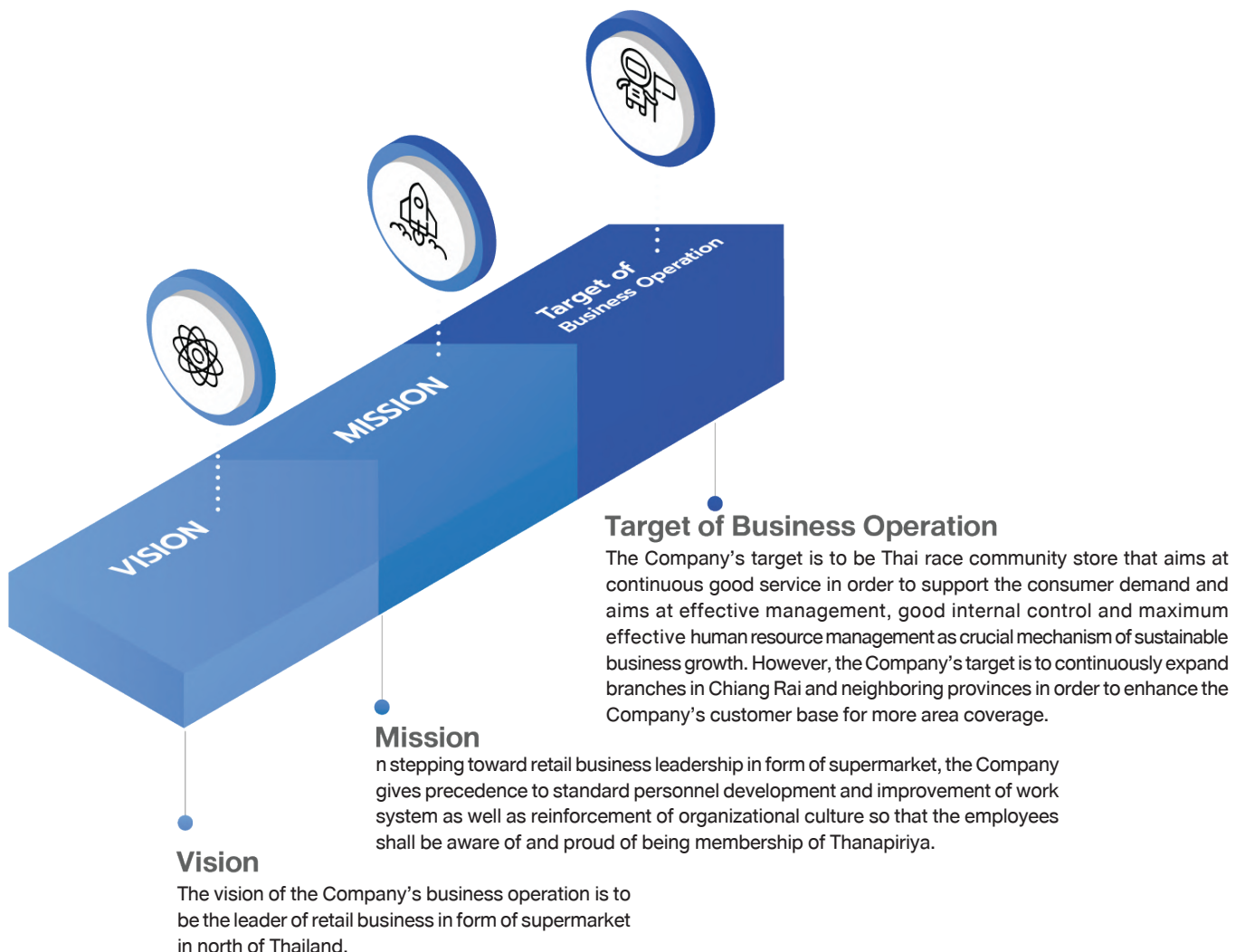
1. Business Structure and Operation

1.1. Policy and Business Overview

Thanapiriya Public Company Limited (“Company” or “Thanapiriya”) engages in the retail and wholesale business of consumer products excluding fresh foods under the name of “Thanapiriya”. The revenue from sales is derived from two portions consisting of revenue from sales via branch and revenue from sales via head office. At present, total branches of the Company have been 42 branches, being classified into supermarket for 41 branches, wholesale center for 1 branch. There are 33 branches in Chiang Rai Province 6 branches in Phayao Province and 3 branch in Chiang Mai Province. The Company focuses on appropriate integrated services between worthwhile price in the way of modern trade and convenience in the way of convenience store. The various products of Thanapiriya for sales both in retail and wholesale consist of over than 15,000 items.

1.1.1. Vision, Objective, Goal and Business Strategies

The Company aims at development of international standard management system, managerial flexibility, and being the local store that understands the consumers, under “**real cheap price, pleasant shopping and proximity to your house**” slogan.



1.1.2. Background of Significant Change and Development

The Company's business was commenced in 1965 from vending stand grocery in Chiang Rai municipality under the name of "Ngow Thong Chai" which was founded by Phutthipiriya Family. Later in 1991, it was developed into modern minimart under the name of "Piriya Mart". Later in 2000, the Company registered to change its name to be "Thanapiriya Limited Partnership" and used the establishment name of "Thanapiriya". Its head office is located Rop Wiang Sub-district, Mueang District, Chiang Rai Province.

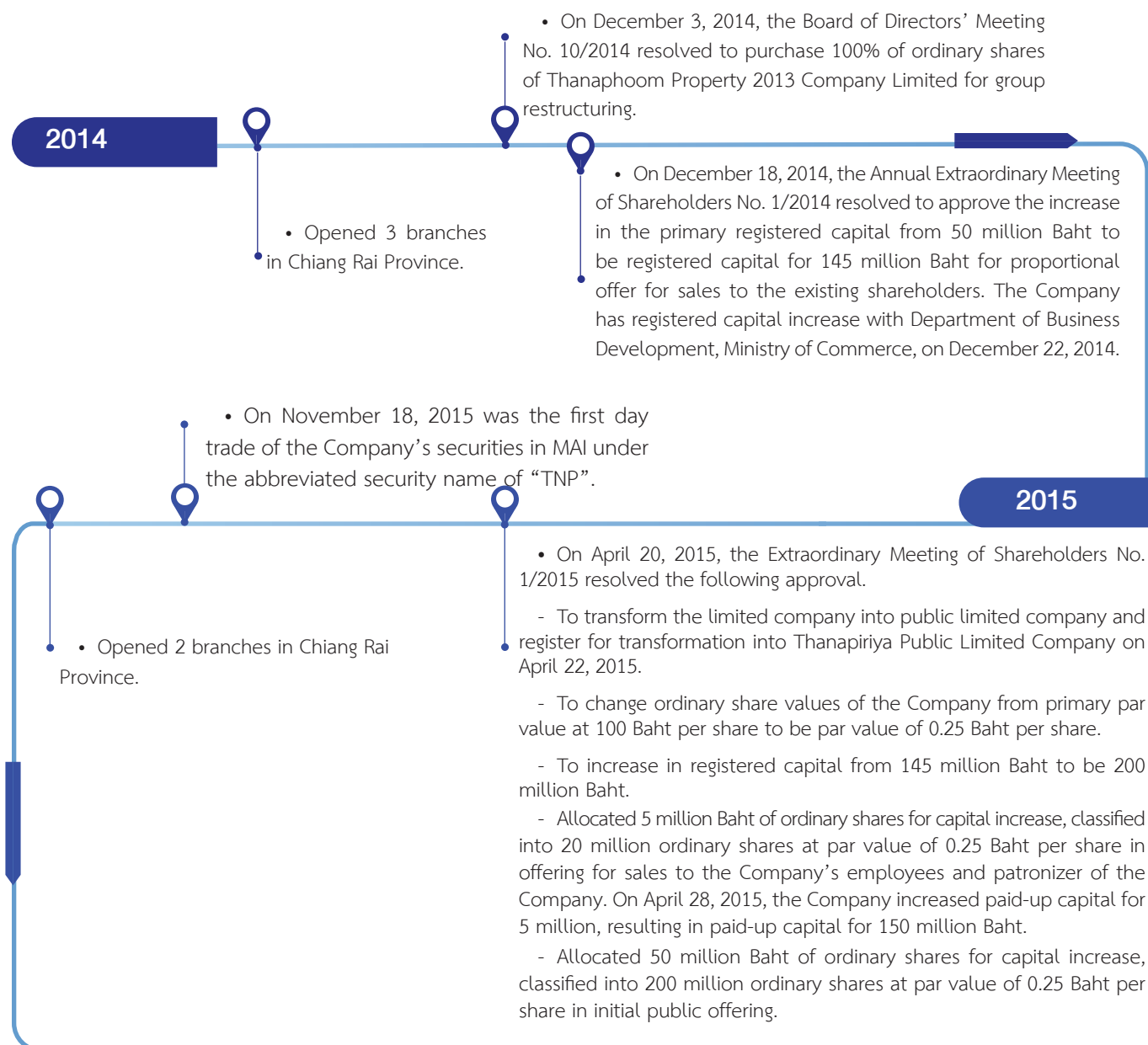
Subsequently, the Company has continuously grown. It therefore has built warehouse in 1997 for delivery of products to various districts in Chiang Rai Province. With vision of the executive in foresight of the retail business opportunity that is likely to generate more profit and liquidity than the wholesale business of the Company, it therefore has opened the second branch in 2007. Since then, branches have been continuously opened particularly in Mueang District and other district in Chiang Rai Province. Later in 2012, the Company registered to change to be "Thanapiriya Limited Company" and in 2013, increased registered and paid-up capital to be 50 million Baht. Later in 2014, the Company increased registered capital to be 145 million Baht and purchased 100% of ordinary shares of Thanaphoom Property 2013 Company Limited for group restructuring.

On April 20, 2015, the Extraordinary Meeting of Shareholders resolved to transform the Company into public limited company in order to be listed in Market for Alternative Investment (mai) under resolution of approval on increase in registered capital to be 200 million Baht and allocation of ordinary shares for capital increase for 50 million Baht in initial public offering.

On September 5, 2017, The Company relocated head office from Vieng Sub-District, Mueang District Chiang Rai Province to the new office at 329 Moo 8 Ban du Sub-District, Mueang District, Chiang Rai Province.

On November 8, 2019, The Company has registered the establishment of two new subsidiary company with the name of TNP Express1 Company Limited with registered capital of Baht 1,000,000, located at 521 moo.4 Yuan Subdistrict, Chiang Kham District, Phayao Province and TNP Express 2 Company Limited with registered capital of Baht 1,000,000, located at 273 moo.4 Mae-Ai Subdistrict, Mae-Ai District, Chiang Mai Province.

Significant Change and Development of the Company



2016

- Opened 3 branches in Chiang Rai Province.

2017

- Opened 3 branches in Chiang Rai Province and 2 branches in Phayao Province.

2018

- Opened new distribution center at Ban du Sub-District Muang District, Chiang Rai Province, in June 2017.

2019

- Opened 5 branches in Chiang Rai Province.

- Opened 1 branches in Chiang Rai Province, 2 branches in Phayao Province. And 1 branch in Chiang Mai Province.

2020

- Opened 3 branches in Chiang Rai Province And 1 branch in Chiang Mai Province.

2021

- Opened 4 branches in Chiang Rai Province, 1 branch in Phayao Province and 1 branch in Chiang Mai Province.

2022

- Opened 3 branches in Chiang Rai Province and 1 branch in Phayao Province total of 4 branches.

1.2. Nature of Business Operation

The Company runs retail and wholesale business of consumer products, excluding fresh foods under the business name “Thanapiriya”. The main revenue is from sales of products via branches. The style of our supermarkets is the perfect combination where we provide variety of products at lower prices like the Modern Trade but convenient like the convenience stores. Thanapiriya aims to be the Thai nationality community stores which distribute the quality products and render warm services that take the customers’ demand into account.

The Company has a product display and convenience to select for purchase and easy to search for demanded products. The Company has used more than 30 years of its experience in accompanying with customer demand to develop the style of Thanapiriya Super Store to shelve and display more than 15,000 types of distributed product categories and aim to offer quality services and appropriate store layout for customer convenience in product shopping. In addition, the store location is easy for travel, resulting in customer’s time saving and travelling convenience. The retail and wholesale distribution for variety of consumer products is executed in all branches for increase in the customer’s alternative.

1.2.1. Revenue Structure

The proportion of revenue structure based on each type of business operation in 2020 to 2022 is as follows:

Revenue Structure	2020		2021		2022	
	Million THB	%	Million THB	%	Million THB	%
Revenue from Branches	2,055.6	93.6	2,523.2	96.2	2,322.9	95.46
Revenue from Wholesale at Head Office	140.5	6.4	99.3	3.8	110.5	4.54
Total Revenues from Sales	2,196.1	100.0	2,622.5	100.0	2,433.4	100.0

The major revenues of the Company are derived from revenue from sales of products as below details.

1) Revenue from Sales via Branches

The Company runs both retail and wholesale business via branches which invests and manages by The Company. Currently, the Company has 42 branches in Chiang Rai, Chiang Mai and Phayao Provinces comprising of 41 supermarkets, the target customers are people at all ages and genders that reside and travel in the area of the Supermarkets. Another one branch is wholesale center which the target of customer group is the retailers who located in Chiang Rai and nearby provinces.

2) Revenue from Sales via Wholesale at Head Office

The Company runs wholesale business by establishing Call Center at head office to collect purchasing order from customers and coordinate with logistic department in order to deliver products referring to purchasing orders. The target of customer group is the retailers who located in Chiang Rai and nearby province.

1.2.2. Nature of Services

1) Nature of Products for Retail and Wholesale Business

The Company allocates more than 15,000 types in order to meet the customer demand. The shelved and displayed commodities are those of basic group of household products for personal use, beverage, grocery, mother & child products, cosmetics, supplement foods, and etc.

Branches are significant channels where Thanapiriya can reach the customers directly. Thanapiriya gives priority to excellent services which impress customers from the very first step that they enter the store until their leaving. When entering Thanapiriya Store, there will be welcoming staffs who greet customers and providing shopping baskets. There are also staffs at the product shelves that provide service and suggestions on different promotions. Moreover, the Company also concerns on adequate number of checkouts for non-long queuing up by the customers and arrange staff that renders conveying services to deliver products to the customer cars for facilitation.

Beside good services, the atmosphere inside the stores is regarded to be essential. Thanapiriya concerns on cleanliness of the store both in front of the store and inside the store. Outside the stores, there are banners of various promotions, interior store decoration in modern style. The selection of product sorting device to be appropriate with theme and size of the store, light adjustment in the store for adequate luminance for the customer’s clear view on products and price tags, products display in categories and regular check on product quantity on shelf for increase in customer convenience and prevention of shortage of products on shelf, attractive decoration and display on shelf and stacking show in categories according to festivals. Also, presenting music audio and advertising materials could encourage customers’ enjoyable shopping experience.

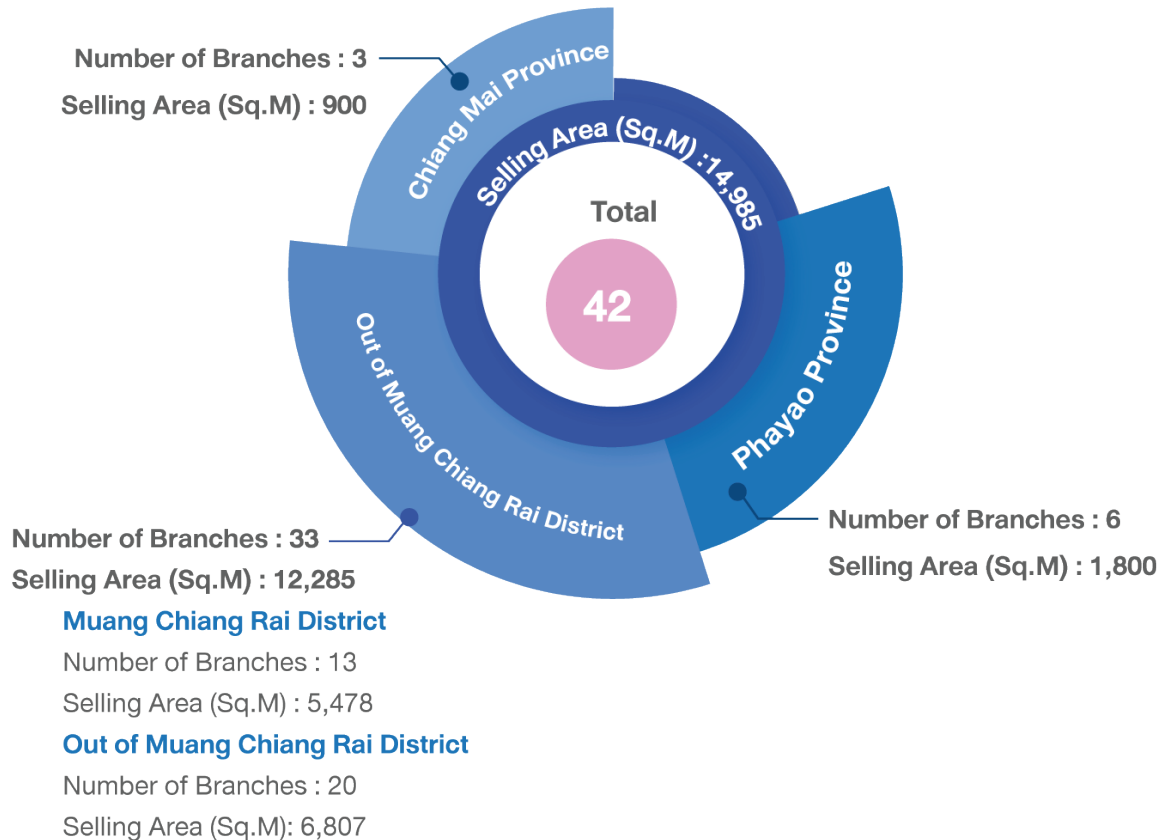
Distribution Channels

The Company distributes all products via two channels as follows:

- **Thanapiriya Branch**

The Company distributes products via its own branches as the main channel. The locations are located nearby a community zone and adjacent to the residences of target customer group and adjacent to main road. This is convenient for both regular and walk-in customers to get an access to the store. Currently, the Company has 42 branches comprising of 41 supermarkets and 1 wholesale center.

The details about Thanapiriya's branches as of 31 December 2022 are as followings:



- **Wholesale at Head Office**

Thanapiriya has accepted purchase order via calls to the wholesale customers of Head Office and wholesale customers in other districts for broader coverage of wholesale customer group. This channel is available for wholesale customers or customer who purchases in big volume. Most of these customers have been purchasing from Thanapiriya for long time and they usually purchase the same types of products. Many of them own shops which are distant from the city area, so it is not convenient for them to commute to the stores to purchase by themselves. Customers can make telephone call directly to Thanapiriya Head Office and every branch of Thanapiriya Supermarkets to place purchase.

2) Market and Competition

- **Characteristics of Customers and Target Customers**

The target customers of Thanapiriya includes the general customers covering all genders, all ages, all professions whereas their residences or daily life are near to stores; irregular customers that travel at the store area; and customer group which is retail store entrepreneurs for consumer product distribution in Chiang Rai and nearby provinces as well as the government agencies and business customers in various professions.

- **Marketing Strategy**

Marketing Strategy of the company consist of

Pricing and Promotion Strategies

To increase competition competency, the Company checks product prices regularly. The Company compares prices and promotions with other stores to reassure that Thanapiriya sells products at lower prices and fair to customers as well as being able to compete with the competitors as a result from establishing good relationship with the suppliers that allows the Company to order a big lot of products and save more on logistics since the stores are located in the area where it is easy to commute to and from. Thus, the Company can manage the cost effectively and being able to compete with other stores.

In addition, the Company has the membership system which returns benefits to the customers in the form of discount. Each member will have various perks such as discount for buying various products, receiving gifts when purchasing value meets the target, drawing lots, and accumulation points in order to exchange with annual coupons. Presently, Thanapiriya has more than 160,000 members.

Strategy in Creating Brand Awareness

The Company realizes that it is important to make our brand well-known and win the consumers' heart. Therefore, we study the information on target customers and their demand in order to increase the communication channel and the message to be conveyed appropriately. The Company intends to convey the message for creating Thanapiriya brand to be in the customers' mind that "Cheap, right for customers and located nearby". The Company makes publicizing consistently by emphasizing on reaching the target customers via various media such as radio, printed matters, social network such as Facebook, Line and the Company website: www.thanapiriya.co.th whenever we wish to publicize information and promotion.

The strategy for understanding Customer Lifestyle

From our experience in doing retail business in Chiang Rai for more than 30 years, Thanapiriya understands the demand of local people very well. The main principle to create an excellent service is knowing and understanding in the needs of customers. In addition, products selection, and services which suitable for people in the area is also important. Thus, an excellent service is a distinctive point of Thanapiriya.

Strategy for Increasing Branches

Increasing of branches is the key factor for reaching the target customers and expanding the customer base in order to generate more income and acquire the high-performance location earlier than the competitors. The Company has made the business plan for studying the increasing of branches seriously. We choose only the locations on major roads within communities of Chiang Rai and nearby provinces whereas the Company knows well about the areas or border areas that have potential for consumers to come and shop for products. In addition, we study the area for population density, purchasing power of population, competition level of the similar business and behaviors of consumers in the area. In addition, we create the Feasibility Study by calculating the payback period and Internal Rate of Return (IRR) which must not be lower than the required benchmark.

• Competition Strategies

Competition Condition in North of Thailand

The competition condition of retail consumer products stores is quite strong especially in Bangkok, Bangkok metropolitan and major cities. The related entrepreneurs can be grouped as the followings:

o **Traditional Trade** is the small stores that sell consumer products which are necessary for them located in the community, using not quite high investment money to do business. There are self-management within family, it's uncomplicated business in the form of trading without modern technology and management. As modern trade retail stores enter the market, the shopping behavior of consumers has changed as they want more convenience and modern atmosphere where numerous and various products are available at cheaper prices. Thus, the Traditional Trade stores are unable to adapt themselves to the management and changing behavior of consumers, so they have to close down. As a result, the number of Traditional Trade stores has decreased quickly. These Traditional Trade stores are deemed to be the alliance ventures of the Company.

o **Convenient Stores** have played more important role in the daily living of people as they can reach people in the community quickly. Although Thanapiriya carries some similar products as the convenient stores do, but Thanapiriya does the different positioning in the way that we do not sell Ready to Eat products. In contrast, we have more variety of products available at cheaper prices and bigger sizes which are appropriate for household usage. Mainly, customers buy beverage, ready to eat foods and products for personal use at the convenient stores but they buy products for household usage at Thanapiriya. This is because we have more products available for their selection at the cheaper prices on some items. In addition, as there are convenient stores nearby Thanapiriya stores, this promotes the business trading and circulation of customers in the area.

o **Modern Trade** Mostly, Stores are established by foreign companies that have considerable investment. They are important competitors of Thanapiriya. There are different characteristics of Modern Trade such as the smaller super Hyper Market, Supermarket, big Hypermarket, and large wholesale center. Presently, the entrepreneurs of Modern Trade aim to open smaller retail stores in the provinces that have high potential growth.

Strategies in Creating Advantages in Competition

In order to increase the competency to compete with the foreign owners of Modern Trade and convenient stores, the Company has set the strategy by analyzing the strength and weakness of our competitors. Thus, Thanapiriya implements the outstanding characteristics of Modern Trade and convenient Stores harmoniously by selling various consumption products as well as products for household usage and we also offer promotions. Our branch stores located in different communities where people find it easy to commute to and from with convenience parking lots.

Effective Inventory Management Strategy

Over than 15,000 items of the Company's products for shopping by customers are distributed both in retail and wholesale so that customers can select products as demanded. However, due to distinguished product consumption behavior of customer in each area, the Company therefore has prepared database by analysis on sales volume, inventory turnover and return on investment. That information has been applied for selection of appropriate products for consumers in each area to maintain turnover and profitability.

Personnel Development and Retention Strategy

Human resource is an important factor of retail and wholesale business. Therefore, the Company emphasizes on becoming the knowledge organization and promoting the organization culture by cultivation staffs to be competent and virtuous. The Company created the curriculum and handbook for training staffs in each position. The Company organizes training regularly and enhances the necessary skill and capability to staffs such as the excellent selling and service and the professional management.

Distribution Center Management

At present, the Company has a main distribution center located in Ban Du District, Chiang Rai province, on an land of more than 20 rai with an approximately operating area of 12,800 square meters. The Distribution Center serves to distribute products to various branches and customers group of the Company. The Company's warehouse management consists of 3 main components which consist of 1) receiving goods from suppliers, there will be sufficient resources to receive the goods and create a plan to receive products that are consistent with the order process of the Company. 2) Storage of products, the Company realized to the quality of the products and the efficiency of the storage of products by analyzing the rotation rate of the product or reporting a summary of lost or damaged product information to be used as a performance indicator 3) product distribution, the Company distributes products to branches or customers by the Company's own freight car. There is a product distribution plan to support the sale of products with the main goal being to have enough products for sale at the branch and have the most effective cost freight.

• Economic trend and situation

Thailand Economy in 2022 was expected to expand at 3.0% (forecasting range of 2.8% to 3.3%) as quantity of goods and services export was expected to expand at 8.2% (forecasting range of 8.0% to 8.5%) while quantity of goods and services import was expected to expand at 7.1% (forecasting range of 6.9% to 7.4%). Also, the restriction of international transportation has been relaxed as well as the pandemic situation in domestic area tended to be improved that encouraging recovery of domestic tourism from both international and domestic tourists. As a result, consumption of private sector was expected to expand at 6.9% (forecasting range of 6.7% to 7.2%) and investment of private sector was expected to expand at 4.2% (forecasting range of 4.0% to 4.5%)

For 2023, Thailand Economy is expected to expand at 3.8% (forecasting range of 3.3% to 4.3%) as a result from the recovery of both tourism sector and domestic consumption, particularly from the increasing numbers of Asian tourists. In 2023, the estimated international tourist arrivals in Thailand will be 27.5 million or expanding rate of 147% resulting in increase of revenue in tourism sector and related business. However, export quantity is expected to be decelerated as the deceleration of demand in crucial partner countries, expected export in dollar will expand at 0.4% (forecasting range of -0.1% to 0.9%). The consumption of private sector is expected to expand at 3.5% (forecasting range of 3.0% to 4.0%) as the increase of national income. Also, the fiscal policy has been being enforced to relieve impacts from any situations and thoroughly support the expansion of Thailand economic growth in every sector. The investment of private sector is expected to expand at 3.6% (forecasting range of 3.1% to 4.1%) based on the confidence in the domestic economy, there is an improving trend in stability within the country, with the general inflation rate is expected to be 2.8% (forecasting range of 2.3% to 3.3%) adjusted to the

target inflation range of 1.0% - 3.0% due to the decreasing of global energy price.

Factors that may impact the Thai economy to be closely monitored include supporting factors, such as the tourism industry, which has the potential for a stronger recovery than forecast, especially among Chinese tourists as the direction of the government's travel policy relaxation and the risks factors such as 1) the slow direction of the global economy and market volatility from the policies of major trading partners, especially the United States and Europe, 2) the geopolitical risks in various regions that may affect international stability and production factors, and 3) the economic recovery of China under the situation of the COVID-19 pandemic.

3) Sourcing of Products and Services

The Company orders products directly from suppliers whereas most of them are producers. We emphasize on products that meet customer demands, variety, and standard quality. Presently, the Company sources products from more than 400 suppliers, totaling 15,000 types. All of them are sourced from domestic suppliers. The Company also realizes in the importance of establishing good relationship with suppliers. So far, we have worked with them well including that sale promotion activities, advertising, publicizing and etc. The products sold by at Thanapiriya Store can be classified into five main categories as follows.

- o Household Products such as detergent, fabric softener, dishwashing liquid, floor cleaner, plate, bowl, fork, joss stick and candle, electric lamp, dry battery, air-conditioned scented spray, etc.
- o Personal Care Products such as shampoo, hair conditioner, soap, shower gel, toothpaste, powder, roll-on, cologne, sanitary napkin, tissue, hair dressing product, etc.
- o Drinks and Dried Foods such as tea, coffee, milk, drinking water, snack, sauce, vegetable oil, sugar, canned food, canned fruit, instant noodle, and fruit juice, etc.
- o Cosmetics and Supplements such as moisturizer, foundation cream, lipstick, conventional household medicine, dietary supplement, and vitamin, etc.
- o Baby Care Products such as milk bottle, milk powder, baby food, diaper, superabsorber, toy, baby bathing and care product, and maternal product, etc.

1.3. Assets Used in business Engagement

1.3.1. Land and land improvement

As of 31 December 2022, the transactions and net value of Land used in business engagement of the Company and its subsidiary as appeared in consolidated financial statements have been as follows.

Usibility	Net Book Value (million Baht)	Area	Net Book Value (million Baht)	Obligations
Distribution Centers and Offices	50.50	21-0-17 Rai	Thanaphiriya PCL.	Parts of the Company's land and has been mortgaged to guarantee credit lines from financial institutions totaling 200 million baht.
Current Branches	163.26	41-1-48 Rai	Thanaphiriya Pcl. and Thanaphoom property 2013 Co.,Ltd.	None of any obligation
Land for future branches expansion	20.75	5-0-11 Rai	Thanaphiriya PCL.	None of any obligation
Total	234.51			

1.3.2. Building and Equipment

As of 31 December 2022, the transactions and net value of Building and Equipment used in business engagement of the Company and its subsidiary as appeared in consolidated financial statements have been as follows.

Type of Assets	Net Book Value (Million Baht)
1. Building and improvements ¹	327.82
2. Right-of-use assets improvements	14.17
3. Furniture, Fixtures and office equipment	115.92
4. Vehicles	32.70
5. Work in progress	0.50
Total	491.11

¹Parts of the Company's land and has been mortgaged to guarantee credit lines from financial institutions totaling 200 million baht.

1.3.3. Right-of-use Assets

As of 31 December 2022, the transactions and net value of Right-of-use Assets used in business engagement of the Company and its subsidiary as appeared in consolidated financial statements have been as follows.

Description of Right-of-use Assets	Contract expiration year	Right-of-use Assets- Net (Million Baht)
Long-term lease agreement for the company's branches, totaling 23 contracts	2024 - 2047	65.98

1.3.4. Intangible Assets

As of 31 December 2022, the Company and subsidiary have had intangible assets such as computer program for use in the Company's general business operation, consisting of accountancy system program, warehouse management accounting program, and other general operating programs in book value of 3.24 million Baht.

1.3.5. Relevant Licenses in Business Engagement

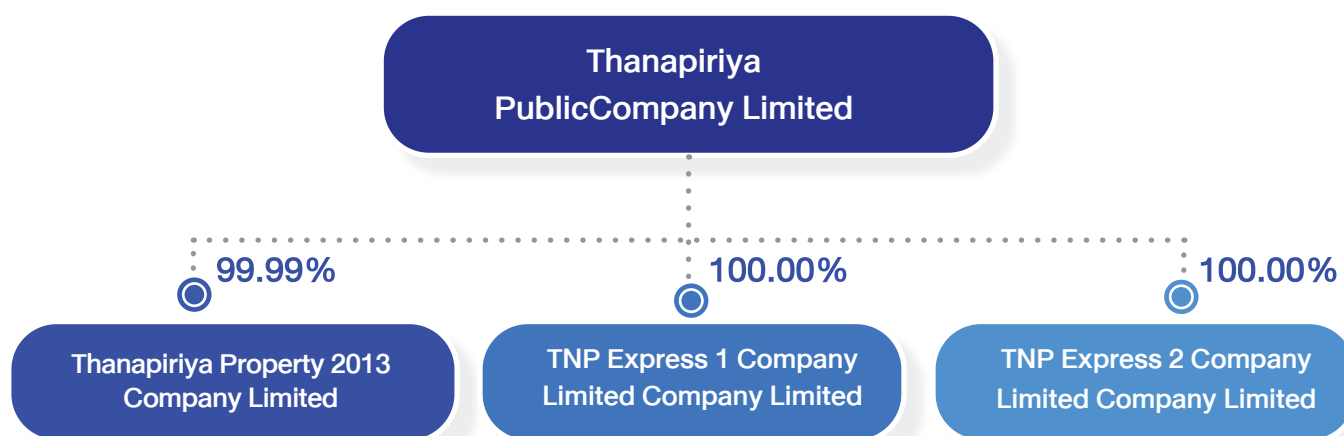
In business engagement of the Company, every branch has applied for important licenses such as Certificate of Business Engagement Notification for Food Distribution Place or Food Collection Place, License for Establishment of Food Collection Place, License for Business Engagement of Food Distribution Place, and License for Liquor Distribution. Moreover, the Company has applied for License for Health Hazardous Business Engagement in type of Warehouse, and License for Establishment of Food Collection Place for Distribution Center. All kinds of relevant business engagement licenses shall be regularly renewed every year.

1.4. Company's Business Structure

The Company has currently invested in a subsidiary, Thanaphoom Property 2013 Company Limited, which engages in real estate procurement and development business for use in opening branch and Distribution Center of Thanapiriya, TNP Express 1 Company Limited and TNP Express 2 Company Limited which established in 2019 to support future business expansion.

Information of Subsidiaries are as follows:

Company	Head office	Shareholding (Percent)	Paid up Capital	Number and type of Shares
Thanaphoom Property 2013 Company Limited	888 Moo.9, Wiang Pang Kham Sub-district, Mae Sai District, Chiang Rai Province	99.99	60 Million Baht	Ordinary share capital 150,000 shares, 100 baht per share, fully paid up. Ordinary share capital 750,000 shares, 100 baht per share, and paid-up 60 baht per share.
TNP Express 1 Company Limited	521 Moo 4, Yuan Sub-district, Chiang Kham District, Phayao Province	100.00	1 Million Baht	Ordinary share capital 100,000 shares, 10 baht per share, fully paid up
TNP Express 2 Company Limited	273 Moo. 4 Mae Ai Sub-district Mai Ai District Chiang Mai Province	100.00	1 Million Baht	Ordinary share capital 100,000 shares, 10 baht per share, fully paid up



1.4.2. Structure of Shareholders

As of 31 December 2022, the details for the name list of the major shareholders of top ten companies have been as follows.

	Name List of Shareholders	Number of Shares	Shareholding Proportion (%)
1.	Phutthiphiya Group		
	1.1 Mr. Thawatchai Phutthiphiya	245,000,000	30.63
	1.2 Mrs. Amorn Phutthiphiya	245,800,100	30.73
	1.3 Mr. Thanaphoom Phutthiphiya	30,000,000	3.75
	1.4 Master Thanapat Phutthiphiya	30,000,000	3.75
	1.5 Mr. Thanapong Phutthiphiya	27,020,000	3.38
	1.6 Mr. Sunti Phutthiphiya	35,000	0.00
	1.7 Ms. Pimchanok Phutthiphiya	1,300	0.00
	1.8 Mrs. Chalinan Phutthiphiya	300	0.00
	Total of Phutthiphiya Group	577,856,700	72.23
2.	Benjakul Group		
	2.1 Mr. Kachen Benjakul	4,050,000	0.51
	2.2 Ms. Nutvipa Benjakul	3,732,400	0.47
	2.3 Mrs. Sivinee Benjakul	1,283,800	0.16
	2.4 Ms. Pilampa Benjakul	855,000	0.11
	2.5 Mr. Karin Benjakul	100,000	0.01
	Total of Benjakul Group	10,021,200	1.25
3.	Kittiwongwattana Group		
	3.1 Mr. Vichai Kittiwongwattana	7,520,000	0.94
	3.2 Mr. Chokchai Kittiwongwattana	1,660,000	0.21
	3.3 Mr. Thiengchai Kittiwongwattana	11,400	0.00
	Total of Kittiwongwattana Group	9,191,400	1.15
4.	Suthinan Group		
	4.1 Mr. Yuwaphong Sutinan	5,383,000	0.67
	4.2 Mrs. Dounjai Sutinan	345,900	0.04
	Total of Sutinan Group	5,728,900	0.71
5.	Sitkrongwong Group		
	5.1 Mr. Tavorat Sitkrongwong	2,410,000	0.30
	5.2 Miss Nicha Sitkrongwong	2,118,700	0.26
	Total of Sitkrongwong Group	4,528,700	0.56
6.	Kiattiyotsakun Group		
	6.1 Mr. Suradech Kiattiyotsakun	3,090,000	0.39
	6.2 Mrs. Nicha Kiattiyotsakun	1,310,000	0.16
	Total of Kiattiyotsakun Group	4,400,000	0.55
7.	Mr. Phonanan Thunthiraphan	4,300,000	0.54
8.	Mr. Weeraphong Thum	4,024,900	0.50

	Name List of Shareholders	Number of Shares	Shareholding Proportion (%)
9.	Mrs. Phawana AtcharaWan	3,527,500	0.44
10.	Phithaksak Group		
	10.1 Mr. Thotsaphon Phithaksak	3,015,500	0.38
	10.2 Mr. Anochao Phithaksak	223,000	0.02
	10.3 Mr. Anocha Phithaksak	22,100	0.00
	Total of Phithaksak Group	3,260,600	0.41
	Other Shareholders	173,160,100	21.65
	Total	800,000,000	100.00

1.4.3. The Company's Registered capital and Paid-up Capital

As of 31 December 2022, the Company's paid-up registered capital has been 200,000,000 Baht, classified into 800,000,000 ordinary shares at par value of 0.25 Baht per share, registered on the Market for Alternative Investment (MAI).

1.4.4. Other Securities

- None -

1.5. Dividend Policy

1.5.1. Dividend Policy of the company

The Company's dividend payment policy for its shareholders is not below 40% of net profit balance of the separate financial statements after deduction of corporate income tax and legal reserves. However, the Company shall consider dividend payment under factor concern for maximum benefit of the shareholders. The said dividend payout ratio may be changed depending on the financial position, liquidity, and investment plan in each period of time, including management-related factors, necessity, and other appropriateness in the future as deemed as proper or appropriate by the Board of Directors. The resolution of the Board of Directors for approval on dividend payment shall be proposed to request for approval from the Shareholders' Meeting unless the event of interim dividend payment, the Board of Directors has power to approve for execution upon deemed that the Company has reasonable profit for payment of dividend without impact on the Company's operation, and then report the Shareholders' Meeting for acknowledgement in the following meeting.

1.5.2. Dividend Policy of Subsidiaries

The dividend payment of the subsidiaries will be considered and approved by the Board of Directors and the shareholders' meeting of each subsidiary. such dividend payment depend on necessity and suitability as the Board of Directors of each subsidiary deems appropriate, mainly considering various factors for the benefit of shareholders such as economic conditions Operating results and financial status of subsidiaries liquidity, cash flow, reserve for operation, business expansion and future investment.

The meeting of the Board of Directors No.1/2023 On February 20, 2023, has resolved to pay a dividend from its operating result for the year ended December 31, 2022 at the rate of Baht 0.08 per share, amounting Baht 64 million. After deducting the interim dividends paid to shareholders on 7 September 2022 at the rate of Baht 0.035 per share, amounting Baht 28 million, the remaining dividends will be paid at the rate of Baht 0.045 per share, amounting Baht 36 million. The dividend payments must be approved at the 2023 Annual General Meeting of the Company's shareholders.

1.5.3. Company's dividend payment information

Details of the dividend payment	Year 2022	Year 2021	Year 2020
Earnings per share (Baht)	0.186	0.240	0.167
Dividend per share (Baht)	0.08	0.10	0.07
Dividend payout rate to net profit (%)	42.95	41.65	41.83

2. Risk Management

2.1. Policy and Risk Management Framework

Thanapiriya Public Company Limited has appointed the Risk Management Committee in order to set up the Company's risk management policy and risk management strategies layout in accordance with the strategy and goals of the Company in an effort to be able to assess, monitor and control each type of risk in an acceptable level. The Risk Management Committee has prepared a risk management manual to associate the risk management policy with the Executives of each unit in order to jointly identify the various factors of risk, analyze and assess potentialities of risk that may affect the operations of the Company whereas the preventive development or the establishment of risk mitigation plan with an integrated risk system are being linked to the Information Technology system. In the past year, the Risk Management Committee held 4 meetings in which both internal and external risk factors were assessed to evaluate the risks that will affect the performance strategies, the reporting or compliance determination of hedging measures and the risk assessment after the management including the monitor of new risks and the impact of existing risks that may have changed. The Risk Management Committee reports the risk management results to the Executive Committee and the Audit Committee on a quarterly basis in order to further the reports to the Board of Directors.

2.2. Risks Factor

The risk factors described below are relevant to the Company's current information and identifiable forecasts. These risk factors include some significant matters which may affect the Company's operation negatively. However, the following statements are not considered as the total risk factors of the Company as there could be other matters which are not yet identified. Moreover, there could also be some risk factors that the Company deems unimportant now while they could turn into significant risk factors shall affect the Company's operation in the future.

2.2.1. Risks from Business Operations

2.2.1.1. Risk from Severe Competition

Regarding to Chiang Rai and neighboring Province being ones of the continuous growing economic provinces both in tourism and servicing business together with the expansion of urbanization, competition in retail business becomes more severe due to the higher number of modern trade stores which are considered the Company's competitor. These modern trade stores expanded their business in various areas in the type of superstore, hypermarket, and small supermarket. They also offer a variety of interesting sales promotion to attract more customers to their stores. If the Company is not able to adjust the completion strategy or change the customer's behaviors, the Company may face unfavorable sales volume at Thanapiriya Stores which may significantly affect the Company's revenue and performance.

Nevertheless, the Company well considers about the product quality as well as service which enables Thanapiriya Stores to be different from the competitors and prompts the Company to be competitive with other retailers. Moreover, the Company's analysis of main competitors assists in adjusting the business strategies to be fast and flexible in handling such severe industry competition. This results Thanapiriya to be Thai supermarket which services customers in Chiang Rai Province and neighboring provinces for more than 30 years.

With such long experiences and versatility in organizing sales promotion to compete with other modern trade stores, the Company well understands the customer's needs and is capable to select more than 15,000 product categories for both retail and wholesale transactions. Furthermore, Thanapiriya provides membership system in which the company shall be able to utilize such database in promoting to the right target group of customers.

In addition, the Company also organized the market survey by studying modern trade stores and other retail stores, supplier's needs, customer's behaviors, various advertisement as well as customer's needs and comments from all branches of supermarket stores. In addition, the Company also prepares sales database of each product category to analyze the demand in each category and in each branch. This database enables the Company's executives in adjusting the marketing strategies promptly, so the Company is confident that the Company's executives' vision as well as Thanapiriya's experienced team shall be able to maintain good performance and act as a strong competitor with other retailers in Chiang Rai and north sector.

2.2.1.2. Risk from Inventory Management

Inventory Management is considered one of the significant factors for both retail and wholesale business. Inefficient inventory management could cause the Company in higher costs and expenditures. These certain risks are such as excessive amount of inventory, lost inventory, damage inventory, expired inventory and are considered Thanapiriya's costs. In that event, the Company must take every effort to manage the inventory effectively. However, should the Company carry insufficient number of products for distribution, this could cause the Company in losing the business opportunity or their customers to the competitors as well. The Company has set necessary policies and procedures in purchasing process to assist in managing the inventory effectively. Prior to each purchasing order, Purchasing Department shall inspect if the remaining amount of inventory is according to the Company's policy and follow such procedures strictly. Purchasing Officer shall also apply the specified purchasing calculation so that such purchasing order is sufficient for distribution to all supermarket stores as well as other neighboring provinces. Also, They have to carefully plan how to distribute the low turnover products.

In addition, the Inventory Officer at the Head Office shall store the products as per first in first out system (FIFO) as this system ensures that the product storage and distribution shall be performed as per FIFO as well as clearly separates the damage or expiring products and keeps them at a warehouse. For the inventory management in each supermarket store, the Company sets procedures for Inventory Officer to place the products as per FIFO and regularly inspect the expiry date of products. Products which are about to expire shall be sent back to the Head Office's warehouse and further returned to the supplier. Moreover, the Company also applies the information technology system in managing the inventory both at the distribution center and each supermarket stores. By consideration from the previous database and regular database update, this allocation system shall specify the maximum and minimum amount of inventory required for each product category in each supermarket store. From the procedures mentioned above, the Company is confident that the inventory management is sufficiently in place. Furthermore, the Company has set precaution measures for lost product such as CCTV installation at the warehouse and supermarket stores

as well as the number of products in the warehouse and supermarket stores shall be counted by Audit Department's audit regularly. These systems ensure that the relevant staff follows the specified policies and procedures to lose as less products as possible.

2.2.1.3. Risk from Distribution Center Disruption

At present, the Company has 1 distribution center with an area 12,800 square meters located in Ban Doo Sub-district, Muang District, Chiang Rai Province. Suppliers shall deliver all products to this distribution center before delivering to each Thanapiriya's supermarket store. Distribution center is essential to supermarket business as its main task is to distribute the correct amount and category of products as per the specified period of time. Should the distribution center face any disruptions resulted from accident, natural disaster, information technology system failure or other unexpected causes, the Company may not be able to store the products from suppliers as well as distribute the products to the supermarket stores. As a result, the Company's risk in facing insufficient number of products for sales or failure in product distribution to neighboring provinces may significantly affect the Company's performance.

Nevertheless, the Company's information technology system assists in specifying the amount of each product category in the warehouse and supermarket stores at approximately 7-30 days and 3-30 days respectively. So, the Company rests assured that all supermarket stores shall carry sufficient number of products for sales and distribution to neighboring provinces in case the distribution center faces obstacles. In addition, the Company provides precaution measures to handle such risks such as emergency operation plan, cooperation with main suppliers and Business Continuity Plan (BCP) to relocate the inventory in crisis. Thus, the fire protection equipment is regularly inspected as well as compensation insurance policies are arranged.

2.2.1.4. Risk from Information Technology System Disruption

The company is reliant upon information technology system for sales management at stores, inventory management, purchasing, product distribution, finance & accounting as well as data storing and processing to develop the capability in competition. Should the information technology system face obstacles, it may affect the Company's operation such as failure in the product filling system at the Head Office may cause the distribution disruption in the next day as well as impact the purchasing, finance & accounting and other functions causing temporarily close the business until the system is completely fixed. Such risk could lead to the negative impact of the Company's operation and performance as well.

However, the Company recognizes the importance of information technology system and organizes a standardized and generally accepted data backup protection system by preparing a separate server which is kept outside the Head Office. The data backup is scheduled to be performed daily with regular testing. Should the information technology system go wrong, the Company is able to fix the system within 1-3 hours.

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2.2.1.5. Risk from Branch Expansion

The Company has set a goal in continuous business growth and branch expansion is one of the business strategies which shall enable Thanapiriya to reach the targeted customers and cover the potential area before other retailers. This shall also assist the Company to access new customer base to reach the targeted revenue growth. At present, industry completion is extremely high with continuous growth of new retailers; therefore, the Company shall face the risk should the new supermarket store be unable to gain favorable return rate or lower investment returns than expected. Continuous operation loss of the new supermarket store may cause the store to be shutdown which shall result in the demolition expenditure, asset transfer expenditure; staff dismissal/staff transfer expenditure, etc. Moreover, branch expansion in adjacent area may affect the unfavorable sales volume and operation of the existing supermarket store in which such affect may impact the overall performance of the Company as well.

However, the Company has set strict procedures in opening new branches of Thanapiriya Supermarket Store to decrease such branch expansion risk. Such procedures include the location selection in the prime area in which the Company is proficient about, population study, customer's behaviors, feasibility study, payback period and internal rate of return (IRR) which shall not be less than the criteria stated in the feasibility study. Payback Period should fall between 3-5 years depending on the size of the supermarket store with IRR not less than 20 percent. Furthermore, the Company also considers the sales volume and density of customers in the adjacent branch to be certain that the new branch opening shall not affect the sales volume of the existing branch but at the same time, increase the alternative options to the customers as well as add the distribution channel of Thanapiriya to cover as much as area as possible.

2.2.1.6. Risk from Not Being Able to Lease Desired Business Locations or Extend the Lease Agreement

As of now, the Company has altogether 15 lands and building lease agreements with the third parties. These agreements are divided into 9 long-term lease agreements with leasing period more than 10 years, 4 long-term lease agreements with leasing period of 5 -10 years and two lease agreement with leasing period less than 5 years. In case of failure to extend lease agreement could cause permanent close to those store which may lead to loss of crucial revenue together with the relevant expenditures such as demolition expenditure, asset transfer expenditure, etc. This risk may also cause significant impact to the overall performance of the Company.

However, the Company and the lesser have followed all terms and conditions and have never encountered any disputes at all. Besides, most of the lease agreements are long-term agreements and the Company has the right to renew the lease agreements prior to other lessees.

Therefore, the Company expects to be successfully extended the lease agreement in the future while trusts that this risk shall not occur. In addition, the Company is confident in leasing the desired locations for branch expansion in the future because the Company has set out the plans for branch expansion in advance while strictly follows the stated procedures. Moreover, Thanapiriya supermarket Stores do not require unique specifications or huge piece of land or building which could be considered business obstacle.

2.2.1.7. Risk from Shortage of Branch Operational Staff

The Company has planned to continuously expand new branches to service as much customers as possible; therefore, branch operational staff is considered one of the crucial components in driving the retail business. Each supermarket store requires 10-20 staff for Sales, Cashier and Inventory so if the staff employment could not be performed in time, the branch expansion plan could be delayed while service quality could also be under the Company's specified standard. This risk may then impact the business growth and the Company's overall performance in the future as well.

In Realizing the importance of recruiting and developing staff for branch expansion, the Company's executives shall advise the plan on new branch expansion to all department heads as well as jointly plan with Human Resources Department in selecting qualified staff for the new supermarket stores especially the position of Supermarket Store Manager. This manager shall be trained in various departments such as Sales, Cashier and Inventory to see the overall business picture as well as understand each position for the sake of effective management.

All new branch staff are also required to be trained both theoretically and practically in accordance with the specified courses so that the staff clearly understand the organizational culture and are capable to perform their tasks up to the Company's standard. Moreover, the Company organizes necessary capability training for staff on a regular basis and sets policies for fair treatment in order for the staff to feel delighted and warm as in the same family. The Company also performs regular salary and benefit survey to be competitive in the market while focuses on being the Wisdom Organization with training center for staff's career advancement. Thus, the Company trusts that qualified staff shall be recruited and developed to well support the branch expansion in the future.

2.2.1.8. Risk from Natural Disasters

Earthquake in Chiang Rai Province in May 2014 was considered the most severe earthquakes during the past 40 years. Although there were many aftershocks after the main earthquake, the Company's supermarket stores did not face any damages despite the fact that all stores are located in Chiang Rai Province.

Most of Thanapiriya Supermarket Stores are commercial buildings with 1-3 floors and these stores are not adjacent to the fault line. However, the Company realizes the risk from such natural disaster including flood and fire which may cause severe affect to the business operation as well as staff's safety in the future. Consequently, the Company has prepared the precaution plans such as attentive and careful inspection of new branch construction, new distribution center construction, new information technology center, compensation insurance coverage acquisition, emergency operational plans, staff training to cope with the natural disasters and communication to all relevant parties. This is to ensure all shareholders, staff, business partners as well as customers that the Company is well prepared when the natural disasters occur.

2.2.1.9. Risk from Fraud/Corruption

Fraud precaution plans as well as staff's honesty are crucial in business operation therefore that the Company depends on staff to oversee the Company's assets in all stores.

Therefore, the Company has set the following procedures to prevent from the risk from fraud/corruption:

- Fostering the honesty culture to all staff in the organization by arranging the ethics handbook, business morality policies and anti-corruption guidelines.
- Arranging of concisely internal audit process, duty and responsibility segregation, financial limit specification of authorized executives and cross audit among the executives.
- Random checking the operation in supermarket store.

2.2.1.10. Risk from Store which is located near the border line of Republic of the Union of Myanmar and People's Democratic Republic of Laos

There are four Thanapiriya's supermarket stores which are located near the border line. In the case of dispute or turmoil between the boundaries, the borders may be closed temporarily in which Myanmar or Lao people shall be unable to purchase products from Supermarket Store. Consequently, the closing of borders shall adversely affect the economy in the border boundary, customer's purchasing power as well as Supermarket Store's sales volume. Nevertheless, the Company has evaluated database and found out that few Myanmar and Lao customers shall slightly affect the Company's performance as most of the customers are Thai people. Moreover, the Company's products are consumer products which are essential to people's daily life, thus, less impact is expected.

2.2.1.11. Risk from Legal and Governmental Policies

The Company transparently operates its retailing business by strictly complying with the relevant laws, regulations, and policies from the government since the start of the business. These laws and regulations include Retail Act, Consumer Protection Act, Price Control Act, Food and Drug Act, Labor Act as well as each local's municipal regulations. Should the changes in the government or government sector's laws and regulations favor the Company's competitors or increase the number of stakeholders, such changes may significantly impact the Company's strategy, goal and business plan which shall result in the undermined performance.

However, the Company is well prepared to cope with these changes by paying attention to updated news as well as planning for problems which may arise. The Company's adjustability in organization adaptation and risk management method ensures the Company to promptly deal with the situation as well as control the impact to an acceptable level.

2.2.1.12. Risk from Organizing City Planning

According to the announcement of Ministry of Interior on 13 March 2015 about the retail construction ban of more than 300 square meters within the boundary of 1 kilometer from the historic site, the Company is required to reduce the utility space to not more than 300 square meters although most of Thanapiriya Supermarket Store's current utility space is more than 300 square meters. This utility space excludes the space for product storage, office space and other spaces. Therefore, utility space reduction shall result in less area for product placement which could lead to less investment returns and impact the Company's performance as well.

However, with vast experience in organizing the product placement in limited space, the Company is confident in coping with such changes by managing the product placement area to the maximum benefit while using the filling system in analyzing the quantity and category of products in each supermarket store as well. From the above stated reasons, the Company is certain that the supermarket store's sales area shall be efficiently managed.

2.2.1.13. Risk from pandemic and impact from Corona virus 2019 (COVID-19) pandemic

In 2022, the world has face great pandemic of COVID-19 since late 2019, seemed to be critically impact other industries as well as The Company which is retail business selling consumer products. So, positive and negative impacts to the business were identified. COVID-19 pandemic seemed to negatively impact overall economy causing decrease of purchasing power. Yet, in 2021 to 2022, the government launched economic stimulus policy to stimulate purchasing power in economic system which could impact the company both directly and indirectly.

2.2.2. Investment Risk to Shareholder

2.2.2.1. Risk from Depending on Specific Executives

The Company is established by Mr. Thawatchai Phutthiphiya and Mrs. Amorn Phutthiphiya, who play significant role in successfully managing Thanapiriya Supermarket Stores to be well acknowledged in Chiang Rai Province and neighboring provinces. From their vast vision, the Company possesses strong financial situation and continuous great performance but at the same time, the Company is facing the risk from depending on both of them. Without Mr. Thawatchai Phutthiphiya and Mrs. Amorn Phutthiphiya, the Company's management and performance could be impacted.

Currently, the Company's structure decentralizes operational management and defines the scope of duty and responsibility of executives in each department in accordance with their capability and experience. Each executive is free to express their comments and participate in the business plans as well as other business estimation. These practices are relevant with the Company's operation strategies while preventing the power domination at the same time. The Company also clearly specifies the scope of authority in the Company's organization and authority chart. This authority decentralization enables the Company to be less dependency on executives.

2.2.2.2. Risk from Shareholders with more than 50% Shareholding

As of now, the Phutthiphiya family is the major shareholder of the Company with 577,856,700 shares or equivalent to 72.23 percent. In any of the meeting's resolution, the Phutthiphiya family may hold the majority vote, as a result, other shareholders may encounter the risk in collecting votes to balance and audit the issues raised by the major shareholder group. Nevertheless, the Company's management structure has transparently specified the scope of authority, duty and responsibility of the Board of Directors, audit committee, Executive Committee and Nomination and Remuneration Committee.

Moreover, directors, major shareholders, management executives and person with conflict of interest are required to report the connected transaction. Person with conflict of interest shall not be allowed to vote in agenda which needs an approval. Hence, audit Committee is independent to consider and decide transparently as well as ensure the shareholders' confidence that the Company's management structure is well balance with efficient operational management.

3. Business Driving towards Sustainability

3.1 Affiliate Policy and Related Agencies

The Board of Directors embraces great importance to sustainable business operations by taking into account of the stakeholders, including shareholders, customers, business partners, contract parties, employees, communities and the environment. During the past year, the Company Policies related to sustainable business operations have been reviewed, whereas the Company's Policies and guidelines upon such matters also have been established as well as communication to relevant parties for being conscious of the sustainability of the Company's operations which are summarized as follows:

- **Corporate Governance Policy**

The Company attaches great importance to good corporate governance in accordance with the principles set by the Stock Exchange of Thailand as the practice of international standards to enhance transparency and effective management as well as to build confidence to shareholders, investors and all stakeholders, at the same time, it will be served as a tool of compliance to the above guidelines. The Company has established policies and practiced the principles by focusing on the Company's competing capability with good operating revenue, as well as ethical business practices in respecting the rights and responsibility to shareholders and stakeholders, benefiting to society and development while reducing the impact on the environment for creating sustainable business value.

- **Anti-Corruption Policy**

The Company has established the anti-corruption policy requiring directors, executives and employees of the Company not to be obliged to anything claimed or accepted as corruption in any form, whether directly or indirectly for the benefit of themselves, families or acquaintances, or for the benefit of the business. The Company has also required regular review on the implementation of the Anti-Corruption Policy covering review of guidelines and operational requirements to comply with changes in business, rules, regulations and laws. The Company was certified as a member of the Thai Private Sector Collective Action Coalition against Corruption on August 21, 2018 and received the first continual certification on September 30, 2021.

- **Human Rights and Labor Policy**

The Company has a clear policy on human rights and labour in practices toward employees, subsidiaries, customers, business partners and other stakeholders of the Company with fairness. There are no discriminations caused by differences in physicals, minds, races, nationalities, religions, countries of origin, ethnicities, genders, languages, ages, skin colors, educations, social status, cultures, and customs with equal rights for all, including non-infringement of personal rights and freedoms both directly or indirectly. The Company's employees and subsidiary must treat each other and others with respect and dignity, including act appropriately with their work duties according to the Company's regulations of good traditions without affecting the image of the Company.

- **Environmental Policy**

The Company operates as a retail and wholesale stores which it's main business is comprising of process to purchase products from partners, store at distribution centers, distribute products to the Company's branches and sell products to consumers. The Company is conscious of the potential impact on the environment that may be caused by work process, product or service delivery of the Company. The Board of Directors has therefore formulated the Company's environmental policy for executives, employees, and related persons as guidelines in environmental operations and management which has to be taken into account of business activities that may directly and indirectly affect the environment, commitments to efficient utilization of resources. The waste and pollution reducing has engaged the Company in supporting activities to decrease the use of packaging, the use of reusable products and committing to operate the Company's stores to be environmentally friendly ones.

- **Corporate Social Responsibility Policy**

The Company has set a Social Responsibility Policy for the management team and all employees to participate in the implementation and responsibility according to the said policy to achieve the guidelines for conducting business with ethical principles and good corporate governance principles, the guidelines are as follows:

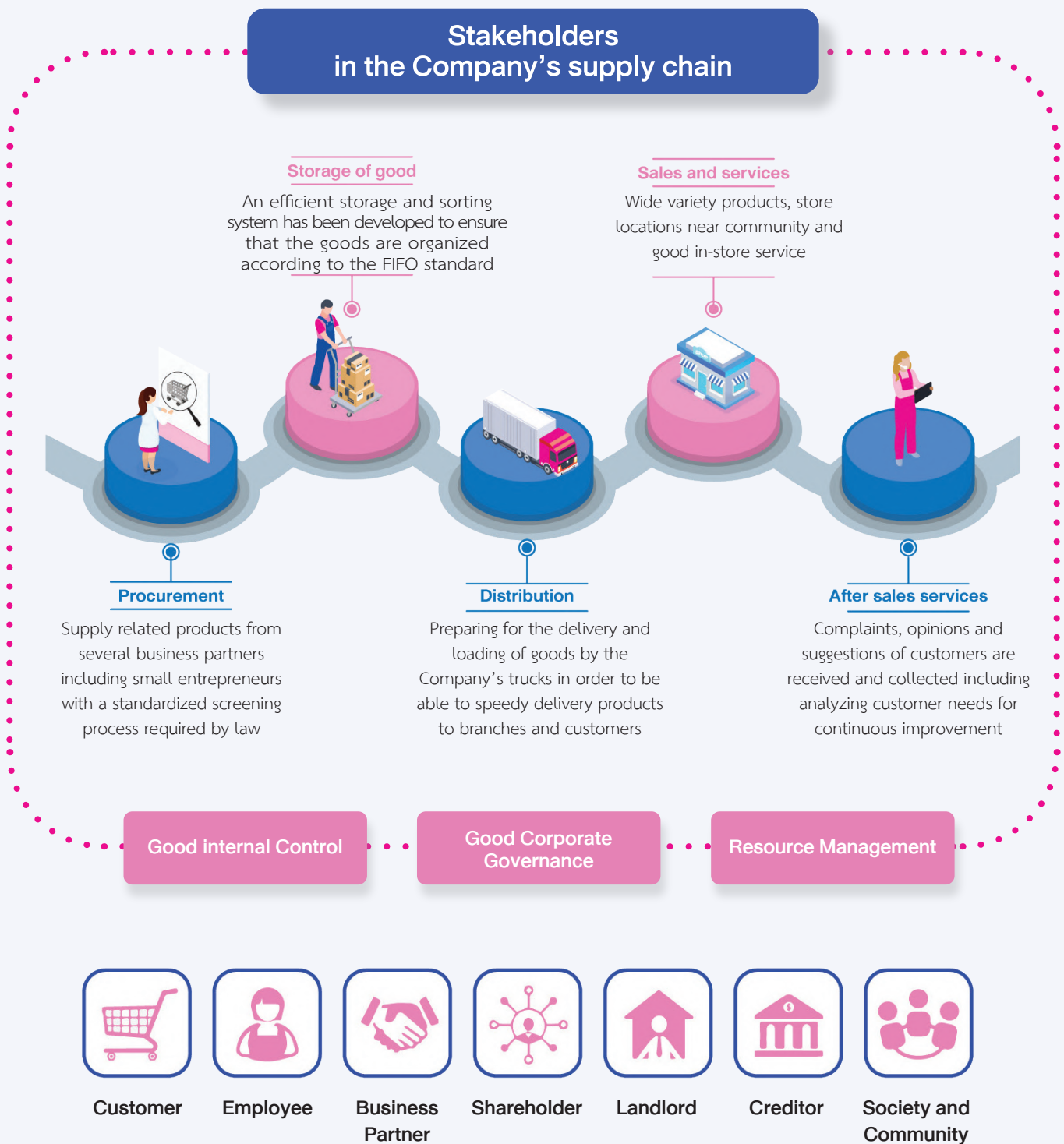
- 1) Conduct business with honesty and integrity and operate business with social responsibility using knowledge to the best of cautious ability with sufficient information and evidence for reference as well as strictly comply to relevant laws and regulations.

- 2) Treat customers fairly in terms of products and services without discrimination. Do not disclose information of customers known by the Company in the transaction of business operations which is an information normally reserved and not disclosed unless it is a disclosure according to legal duties. Provide quality products to customers, alongside accurate disclosure of the goods and service with a complete information enough for customers to make decisions and enable them to complain about defects in products and services abide by the terms and conditions with customers fairly. If unable to comply with the terms or conditions, customers must be notified immediately to find a mutual solution.

- 3) Conduct fair business competition without any harassment, exclusion, or taking any action that are prohibited by law to prevent unfair competition. Comply with the agreements with creditors in various aspects, in the event that the Company is unable to pay the debt as scheduled, the creditors will be notified to jointly find solutions.



- 4) Operate business with consideration to social responsibility and surrounding communities by disclosing information on operations that may affect the community in which the organization is located as well as responding to events that affect the community, society and environment due to the Company's operations.






3.2. Impact Management on Stakeholders in the Business Value Chain



Analysis and Stakeholder Management

The Company has analyzed and identified key stakeholders in the Company's operations throughout the supply chain whereas the Company has placed great importance on building good relationships with all parties involved in creating a strong structure to sustainably handle with the ever-changing current situation. The Company has analyzed the expectations of each stakeholder group as well as searched for practical guidelines to meet such expectations appropriately, the 7 stakeholder groups are comprising of:

Stakeholder	Expectation	Guideline
 Customer	- Products of quality and safe for customers	- Screening of products for distribution to meet the production standards as required by law and must pass the product assessment at all times
	- Goods with social and environmental responsible products	- Bringing more environmentally friendly products for distribution in the area - Using of single-use plastic packaging is regulated and encouragement of using reusable package
	- Goods with social and environmental responsible products	- Selecting new product regularly to meet the needs of customers - Analyzing the demand in the product group to adjust the quantity, type and characteristics of products distributed in each area - Adding various services in distribution areas such as parcel delivery channels
	- Fair price	- Providing a price standard of the product according to the appropriate consideration process and being fair to customers - Promoting of products and providing sales promotion continuously - Controlling price of products according to announcements from government
	- Services	- Improving service process continually by providing crucial training to employee to maintain service standards in the sales area - Providing after-sales service to solve possible problems of sold product to facilitate and maximize customers' satisfaction such as product exchange service which is broken or damaged or decay caused by production or transportation - Listening to suggestion and complaint to continuously develop service and product
	- Sales Channel	- Continuous branch expansion as existing channel into local community to comprehensively raise service capability - Adding online sales channel to improve purchasing convenience for consumers
 Employee	- Fair and timely compensation	- Receiving fair returns including good welfare which enables to compete in the labor market - On time salary payment as promise
	- Good working environment	- Developing work safety management system and creating a work culture of main focuses on the importance of safety - Organizing activities to build good relationships with employees - Providing channels to receive employee's requests and opinions to make an improvement on working process and environment - Organizing regular meetings in the line of work
	- Career path	- Creating career growth plan and assessment to select good employees to retain and select employee who has an outstanding performance for further career growth
	- Competence development	- Annual training sessions being held to enhance employees' necessary skills

Stakeholder	Expectation	Guideline
 Business Partner	<ul style="list-style-type: none"> - Sustainable business growth - Fair trading condition 	<ul style="list-style-type: none"> - Preparing a Joint Business Plan (JBP) with key partners to set guidelines for business operations for sustainable business growth - Creating stable and continuous product sales growth - Existing of business sustainability co-projects with key partners - Creating a fair and clear purchasing process - Considering commercial terms together and complying with the requirements and conditions strictly - Promoting free and fair competition - Rendering assistance policy to small partners to encourage sustainable growth
 Shareholder	<ul style="list-style-type: none"> - Business growth - Good corporate governance and transparency in business operations 	<ul style="list-style-type: none"> - Managing principle to create sustainable growth with effective risk management - Creating wealth and consider maximum benefit of shareholders - Conducting business in accordance with good governance principles - Determining the good corporate governance policy and transparency in the activities of the Company - Nominating audit committee to verify working process of management as well as verify the transparency in business operation according to good corporate governance policy - Publishing a report and providing transparent, accurate and timely information - Participating in the Anti-Corruption Certification Program by the Thai Private Sector Collective Action Coalition (CAC) whereas certificate was renewed in September 2021
 Landlord	<ul style="list-style-type: none"> - On time rent paying - Maintain good condition in the rental property throughout the rental period and after the end of the lease - Fast and accurate problem solving 	<ul style="list-style-type: none"> - Providing strong and punctual payment system - Maintaining rental area and surrounding regularly - Providing supervision, follow-up and resolution of problems received from construction or operation complaints
 Creditor	<ul style="list-style-type: none"> - On time debts payment - Compliance with the terms of the contract 	<ul style="list-style-type: none"> - Providing a strong and punctual payment system - Providing review of information that will affect the terms of the contract regularly to prevent contract's breaches
 Society and Community	<ul style="list-style-type: none"> - Sustainable business development in the community - Business responsible conduct - Community development by value creating between community and business 	<ul style="list-style-type: none"> - Promoting employment in the community - Promoting the community products to be distributed in the distribution area - Managing business operation in the head office and branches area to avoid possible affect against surrounding residents - Providing effective management of resource used in the community by taking into account of the impact on people in the community - Listening to opinions and suggestions of people in the community - Supporting and helping people in the community when affected by various situations

3.3. Environmental Sustainability Management

The Company is aware of the importance of managing limited natural resources, severe climate change and the risks that may be a condition causing shortage of resource in the future. There are various affected factors such as economic expansion, the growth of increasing urban areas every year, waste management as well as cost increment in operation based on electric power and oil.

3.3.1. Management of Electric Power

With the environmental problems mentioned above, the Company has improved the management within the organization to reduce operating costs, especially the reduction in energy costs by seeking energy practice guidelines in the part of the relevant agencies in order to further improve energy efficiency. The implementation projects are as follows: 1) Changing of indoor fluorescent lamp from 18 to 16 watts which improved brightness but less energy consumption with longer service life. 2) Change of air conditioners from general systems to inverter systems which increased power-consumption efficiency. 3) Selection of construction materials that protect heat from environment to reduce the use of electricity power of air conditioners used in the building. 4) Maintenance plan of electrical system and electrical equipment in the building to perform effectively and consistently. 5) Temperature Sensor Installation in branch server room to effectively control air conditioner. The investment activities in order to increase energy efficiency as mentioned above that resulted in the decreasing of electricity consumption rate per branch as well as branch area continuously, will help promote sustainable energy use in the future.

The table of result of electricity consumption in the Company's branches


2019

No. of branches in calculation 24
 Area in branches(Sq.m.) 16,565
 Electricity consumption (kWh) 2,723,666
 Electricity consumption per branch
 (kWh / branch / year) 113,486
 Electricity consumption per branch area
 (kWh/Sq.m.) 164.42

2020

No. of branches in calculation 28
 Area in branches(Sq.m.) 18,923
 Electricity consumption (kWh) 2,858,084
 Electricity consumption per branch
 (kWh / branch / year) 102,074
 consumption per branch area
 (kWh/Sq.m.) 151.04

2021

No. of branches in calculation 32
 Area in branches(Sq.m.) 21,571
 Electricity consumption (kWh) 3,067,474
 Electricity consumption per branch
 (kWh / branch / year) 95,859
 Electricity consumption per branch area
 (kWh/Sq.m.) 142.20

2022

No. of branches in calculation 38
 Area in branches(Sq.m.) 25,756
 Electricity consumption (kWh) 3,473,808
 Electricity consumption per branch
 (kWh / branch / year) 91,416
 Electricity consumption per branch area
 (kWh/Sq.m.) 134.87

Note:

1. Number of branches and amount of electricity consumption used will be calculated only for the branches that have operations throughout the year excluding new branches opened during the year.
2. Branches area in calculate electricity consumption per branch area will be applied only the area of the building in the calculation which consists of sales area, warehouse area and usable areas within other buildings excluding outside areas of the building.
3. The consumption amount of electricity is based on the electricity usage statistics report of the Provincial Electricity Authority as the counting unit is called as "Unit" or Kilowatt hour (kWh)

In addition to the renovation of the branches, the Company is still under study and considers to use renewable energy to reduce electricity consumption and to support the increased energy consumption from the future growth of the Company's business activities in branches, warehouses and head offices where large amounts of electricity are consumed. The electricity consumption rate at the warehouse and the Company's head office in 2020, 2021 and 2022 are 373,307 units, 441,022 unit and 444,880 unit, respectively.

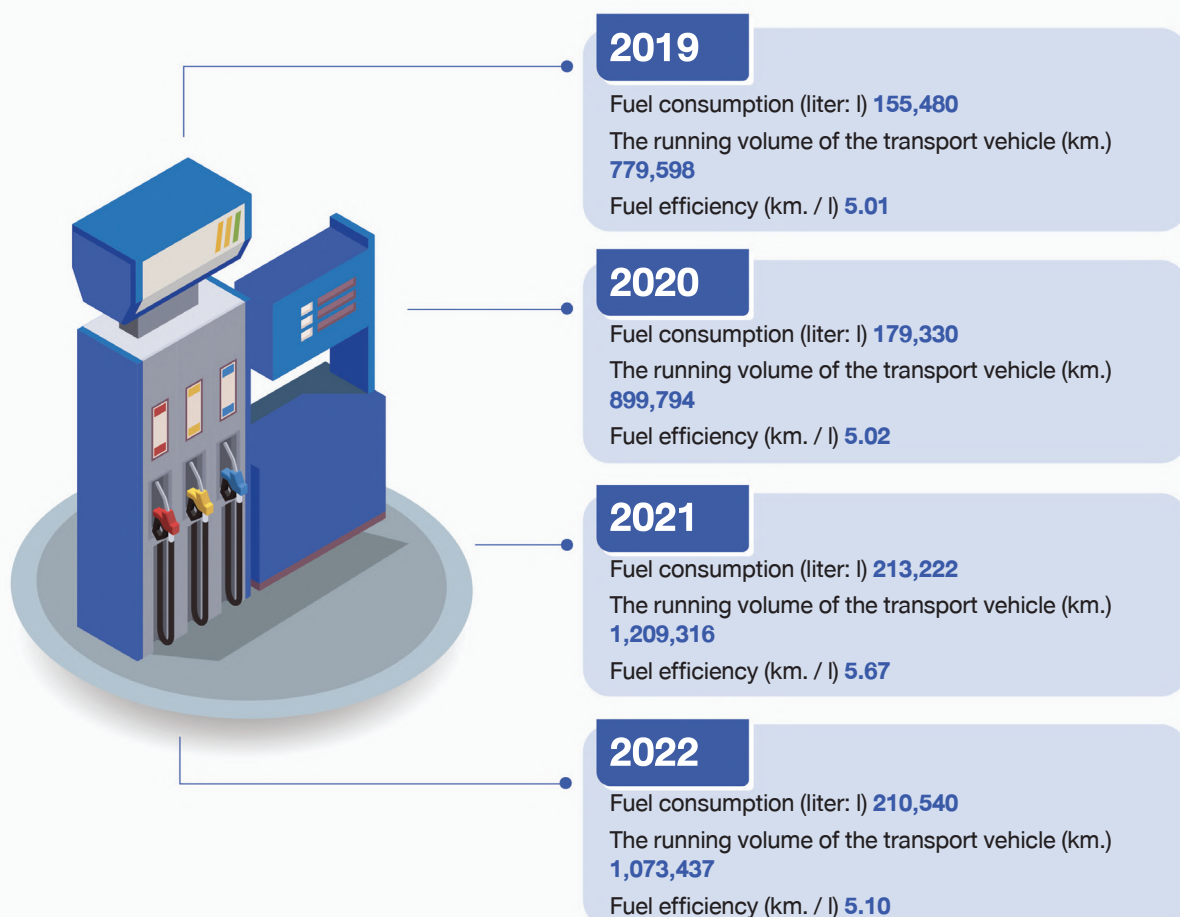
However, the overall electricity consumption of The Company has risen overtime, the efficiency of electricity consumption per branch and electricity consumption per branch area has improved continuously. In 2020, electricity

consumption per branch within 1 year compared with 2019, decreased by 11,412 unit or 10.06% and the electricity consumption per square meter decreased by 13.38 unit or 8.14%. In 2021, electricity consumption per branch within 1 year compared with 2020, decreased by 6,215 unit or 6.09% and the electricity consumption per square meter decreased by 8.84 unit or 4.63%. In 2022, electricity consumption per branch within 1 year compared with 2021, decreased by 4,443 unit or 4.63% and the electricity consumption per square meter decreased by 7.33 unit or 5.15%. Moreover, The Company has been insisting on improving efficiency and decrease usage of electricity consumption as sustainable policy.

3.3.2. Management of oil consumption

The Company has also made improvements in fuel efficiency within its overall business activities as follows 1) Transportation vehicles are regularly being serviced on an ongoing basis, such as routine maintenance and tire change. 2) Continuous improvement in the management of logistic routes to be more efficient. 3) Employee training program under the topics of driving to safely drive and fuel save Due to the continuous development and improvement, the consumption of fuel in the Company's activities has become more efficient.

The table of result of oil consumption in the Company



- Note:
1. Fuel consumption, the running volume of the transport vehicle and the efficiency of using fuel is only the calculation of the Company's cargo trucks used in business operations excluding the employees travel in other operations.
 2. Fuel consumption in 2019 is an estimation of actual fuel expenses divided by the price of fuel at the rate of 27.17 baht/liter because in that year no data on fuel usage in liters was collected.
 3. In 2022, many reparation and adjustment projects of passageway in Chiang Rai and surrounding area of The Company's distribution center were performed which affect traffic density to be heavier than usual causing decrease of oil consumption efficiency.

3.3.3. Management of water usage

The table of result of water usage in the Company



2020 Numbers of branch in calculation : 28

Total quantity of water usage (Cubic meter : m3) **13,438**

- Water usage from water supply (Cubic meter : m3) **12,885**
- Water usage from natural source (Cubic meter : m3) **553**

Quantity of water usage per branch (Cubic meter : m3) **480**

2021 Numbers of branch in calculation : 32

Total quantity of water usage (Cubic meter : m3) **15,713**

- Water usage from water supply (Cubic meter : m3) **13,687**
- Water usage from natural source (Cubic meter : m3) **2,026**

Quantity of water usage per branch (Cubic meter : m3) **491**

2022 Numbers of branch in calculation : 38

Total quantity of water usage (Cubic meter : m3) **16,710**

- Water usage from water supply (Cubic meter : m3) **13,009**
- Water usage from natural source (Cubic meter : m3) **3,701**

Quantity of water usage per branch (Cubic meter : m3) **440**

- Note:
1. Water usage from natural source is identified as local water supply and groundwater which has been approved.
 2. Number of branches and amount of electricity consumption used will be calculated only for the branches that have operations throughout the year excluding new branches opened during the year.
 3. Counting unit will be "unit" or Cubic meter (m3)

3.3.4. Greenhouse gas emissions from the use of electricity and fuel

From the above activities of the Company, carbon dioxide (CO₂) gas, one of the gases that major causes the Global Warming, was released into the atmosphere, therefore, the Company is aware of the importance of such problems and attaches importance to energy management. The collection of carbon footprint data of the Company for such activities are with details as follows:

The table of result of greenhouse gas emissionst

2019 Details of greenhouse gas emissions (kg CO₂ e / Year)

1,361,561 426,062 -

2020 Details of greenhouse gas emissions (kg CO₂ e / Year)

1,428,756 491,419 6,718

2021 Details of greenhouse gas emissions (kg CO₂ e / Year)

1,533,430 584,288 7,855

2022 Details of greenhouse gas emissions (kg CO₂ e / Year)

1,736,557 576,943 8,353



Note: The value of kg CO₂e/kWh of electricity consumption is 0.4999, the kg CO₂e/liter of diesel fuel is 2.7403 and the kg CO₂e/m³ of water usage from both water supply and natural source are 2.1020 based on data from the Carbon Footprint calculation program of offices/hotels and others by the Greenhouse Gas Management Organization (Public Organization).

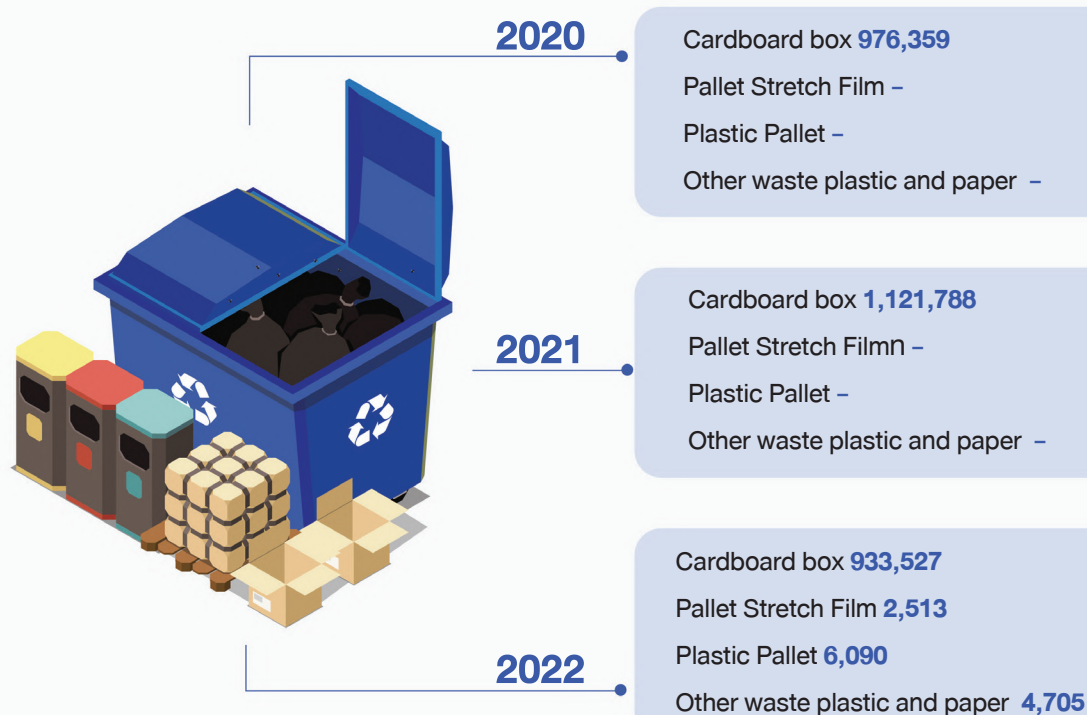
3.3.5. Scrap and Waste Management

The Company has a separating waste process from operations in both branches and head office. Recycled waste is segregated into paper, cardboard, plastic bottles, clear plastic film, plastic pallets, scrap metal and other recycled waste. All of them will be separated into parts and sold to recycled waste companies with price reference to the changing price in the market. For wet garbage such as a commodity or other products which may include chemical products, will be sorted and put in the waste storage room that has been orderly sorted into the cabinets. The management process is divided into two parts as follows: 1) Returnable garbage to partners who will be representatives of the Company's trading partners to collect them every month or quarter month for proper disposal or taking certain types of materials into the recycling process 2) Non-returnable garbage to be sent to business partners will be collected and disposed properly by the Company which are scrapped wood and waste which are non-recyclable. The municipal authorities will be coordinated to collect them on daily basis. Additionally, campaigns in waste separation to give employees knowledge and understanding have taken place in order for everyone to realize the importance of waste separation.

Golden Trash Project

In 2022, The Company created project to sell recyclable trash. The aims of project are to decrease amount of landfill waste generated by business operation and to be another channel to maximize profitability and benefit from existing resources. The trash has been sold to buyers who can be able to recycle and reuse those trash. The Company has consistently sold cardboard box before initiation of this project then the scope was extended to other recyclable trashes as follow:

The table of result of sold recycle trash



Note: Counting unit of recycle trash management is Kilogram (Kg.)

Refrain from Using Single-use Plastic Packaging Project

Besides waste separation, the Company continues to implement the policy with the intention to reduce the use of single-use plastic packaging in business activities as stipulation indicates that plastic bags are not distributed in every branch of the Company, including cloth bags which is environmentally friendly were produced and sold by the Company for being reusable as an alternative for consumers to choose. The Company had total sales and distribution of bags in 2020 and 2021 were more than 33,000 in order to encourage customers to realize the use of reusable packaging as well as create a behavior of using cloth bags instead of plastic bags for customers continuously in the long run and The Company has insisted on the policy which can reduce the use of plastic bags as follows:



2019	Usage (bags) 7,334,712 Increased (decreased) use of plastic bags (bags) 1,027,440 Percentage of increase bags volume (decrease) (%) 16%
2020	Usage (bags) 1,520,721 Increased (decreased) use of plastic bags (bags) (4,786,551) Percentage of increase bags volume (decrease) (%) (76%)
2021	Usage (bags) 404,114 Increased (decreased) use of plastic bags (bags) (5,903,158) Percentage of increase bags volume (decrease) (%) (94%)
2022	Usage (bags) 84,525 Increased (decreased) use of plastic bags (bags) (6,222,747) Percentage of increase bags volume (decrease) (%) (99%)

Note: The year 2018 is used as a base year for calculating the amount of plastic bag reduction. The Company has managed as it was the year that the cooperation to refrain from providing plastic bags was signed.

From the information shown in the 2019, the Company was in the process of making plans as well as finding a solution to support the reduction of plastic bags usage due to trade agreements with plastic bag manufacturers that required production and stock in the Company as well as negative effect to sales that would be caused by the short-term adaptation of consumers. In the year 2020, The Company had continued to

carry out its intentions whereas in the year 2021, the Company reduced the use of plastic bags by 5.90 million bags or 94% compared to the based year. In 2022, The Company reduced the use of plastic bags by 6.22 million bags or 99% compared to the based year. The quantity of plastic bags usage, in 2021-2022, was identified as requisition for promotional activities as well as selling plastic bags to customers with necessity case.

3.4. Social Sustainability Management

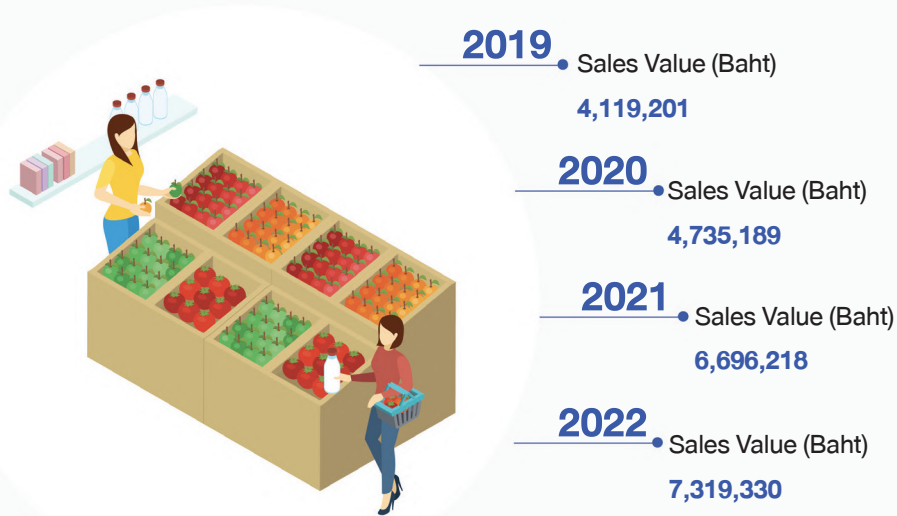
The Company is aware of the sustainable business operation by referring to the society and the community as a whole. In the past year, the Company had reviewed important social policies, namely the Social Responsibility Policy and Human Rights as well as Labor Policies to set clear policies and guidelines in order for the operators to perform as expected. The policies to be complied with are as follows:

3.4.1. Quality Service

The Company focuses on selecting quality products with standard of services to meet the needs of customers according to the Company's slogan "Real Price, Real Like, Close to Home". The selection of quality products to meet standards and fair prices is the main factor in business operation. The Company has set an operating regulation in regarding to product selection with main consideration towards the consumers. The distribution planning with suppliers is a collaboration which helps to meet the expectations of customers. The expansion of the Company's branches in order to provide services to customers in various communities is also the main strategy in business operations. Throughout the passing years, the Company has continued to expand branches, especially in 2022, 4 more branches were expanded whereas more customers were able to be served more than the previous year.

3.4.2. Community Products Selling in Thanapiriya Shop

The Company has taken into account of business operation along with the growth of the community and has set a policy to support community products to be sold in the Company's shops. The Policy encourages small-scale community producers to sell their products with various supporting measures such as joint distribution planning, offer a discount on the entrance fee in bringing products to sell at Thanapiriya shop. The statistics of community products which had been brought in for sell are as follows:



The table of result of local goods sold

3.4.3. Fair Treatment for business partners

The Company attaches great importance to operating its business in parallel with its stakeholders, fulfillment of agreements with partners, no business conduct by taking advantage over trading partners and allow for free competition as well as adherence to mutual agreements that have been done, whether it is the quantity of the product, the price of the product or the terms of payment. In addition, the Company engages in ongoing discussions with partners in order to benefit and satisfy the needs of consumers. The Company has always opened to new business partners by providing opportunities for product presentation and discussion of how to distribute products together regardless of the size of the partners' company whether it is a large partner, retail partner or community products, but the Company will focus primarily on products and the quality of products that will be delivered to consumers. In the year 2022, the Company has 39 new trading partners.

3.4.4. Human Resource Management

Human resource is an important part in solidify and strengthen the operation of the organization. The Company, therefore, pays attention to all processes related to human resources so that the Company can attract knowledgeable employees to work with the Company and keep current employees to stay with the Company with important processes of human resource management as follows:



Recruitment

The recruitment process is one of the most important processes in screening quality personnel into the organization. and to retain potential employees as well, therefore, the Company has applied the recruit system to hire new employees by saving the information in the system to make it easy to find people with the right skills for the job position and corporate culture. In addition to the recruit system, the Company has also used online media and more technologies such as Facebook and through the Company's website where applicants can fill out an application and conveniently attach supporting documents to the application. In addition, the Company also has a policy to employ local people in order to enhance local employment.

Training

The Company has designed the training process for new hired employees to be able to perform their duties according to the position in full, correct and with good standards as well as updated the work system in accordance with the changes in the present with the training model as follows: 1) Preliminary operational orientation before starting work together with the use of work manuals so that employees can learn the basics by themselves 2) Training based on work experience and practicing on the job site 3) Create an organizational culture in work instruction, mentor and transfer of past working experience which will encourage the development of both experienced sharers and listeners.

Evaluation

After the training period, the Company has also designed an evaluation system for the employees performance to the supervisors to use as a performance measure of new employees and the former employees closely by specifying the performance indicators that each position must carry in order to provide information for planning of employee skill development, development guidelines and for fairness in considering employee remuneration.

Development and Promotion

Developing employee skills is essential to ensure that employees obtain the right and necessary knowledge to perform the duties successfully. The results of employee performance appraisals will be used for training so that employees can improve in the areas that are still needed. In addition, good

practice guidelines for employees with good performance are shared with other employees as a good example and to encourage potential employees to create value for the organization. Furthermore, to develop work skills, the Company has also sent employees to attend annual training to obtain new knowledge to develop the organization.

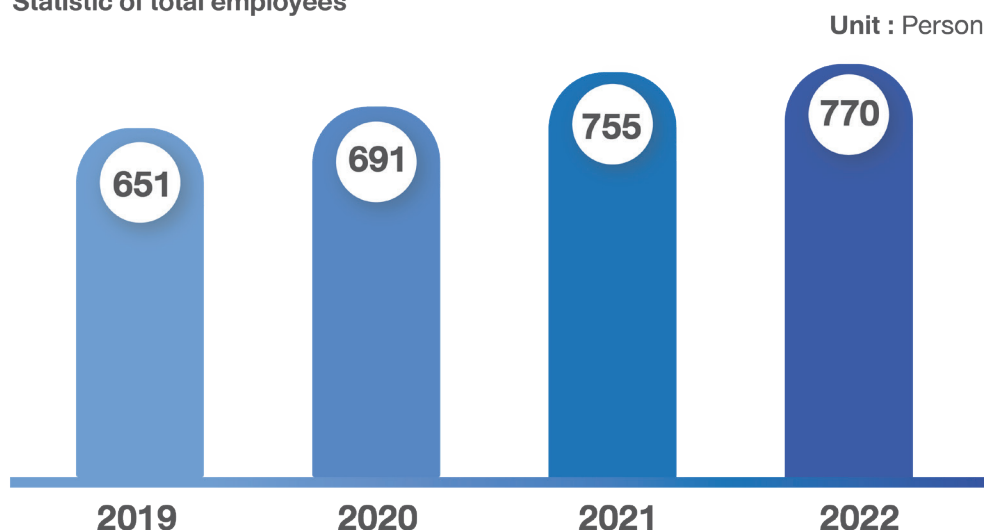
Determination and Compensation

The Company has set a policy to pay employees compensation based primarily on their performance, self-improvement and transferring skills to other employees mainly to promote and retain potential employees to work with the Company in the long term whereas employees in other parts will be encouraged to see the importance of unity to drive the organization. In addition, the Company has a policy to encourage employees to work with the Company longer as other benefits would be provided in addition to regular payments.

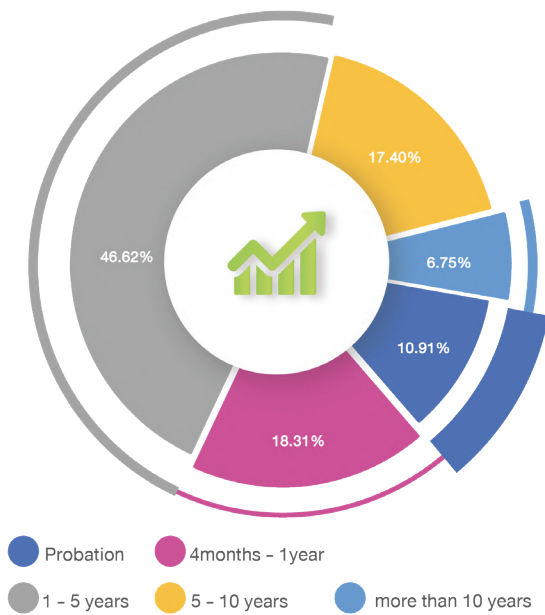
Employee Feedback

The Company has provided a channel for complaints and opinions suggestion in various aspects of the Company to enable the management to be aware of information in various fields for decision-making in formulating new policies, defining work guidelines, inspecting of various sections of the Company with more precise problem solving, all of which are helping to support the Company for a better working environment. And it also helps to retain potential employees as well as takes the comments received to improve other processes in the Company.

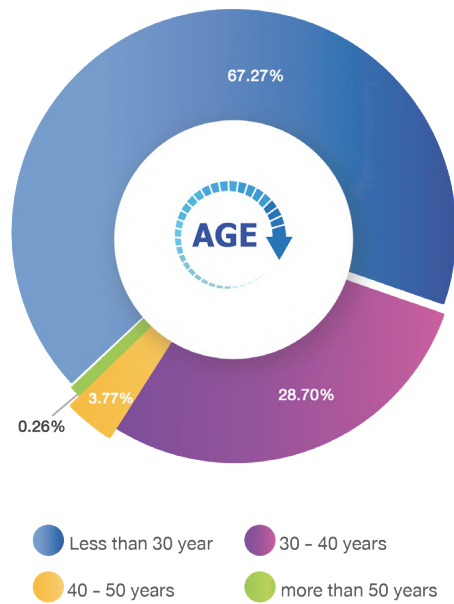
Statistic of total employees



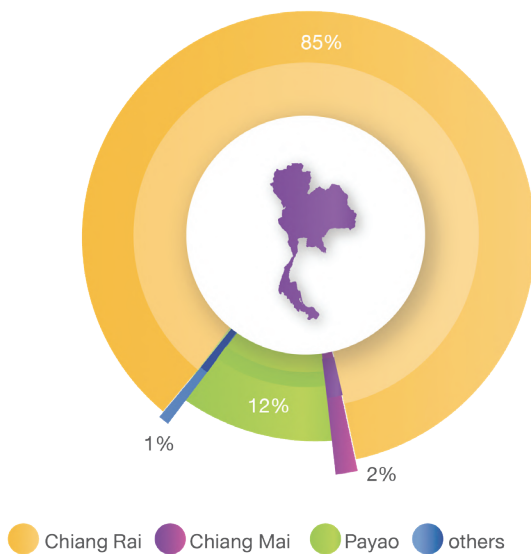
Proportion of employees by employment period



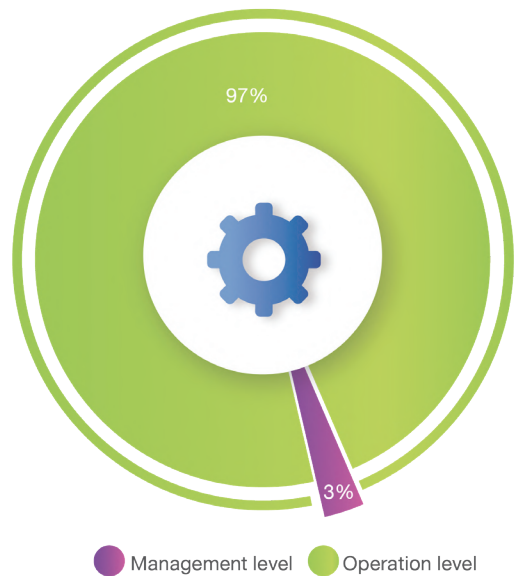
Proportion of employees by age



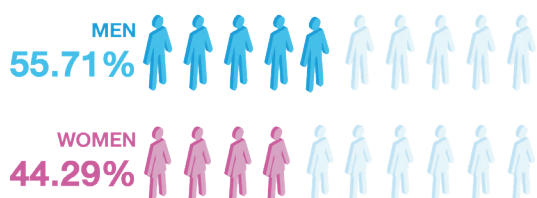
Proportion of employees by province



Proportion of employees by operation level



Proportion of employees by gender






Proportion of employees by nature of employment



Note: Number of employees are only employees under the employment of Thanapiriya Public Company Limited, excluding subsidiaries.

The table of result of recruitment

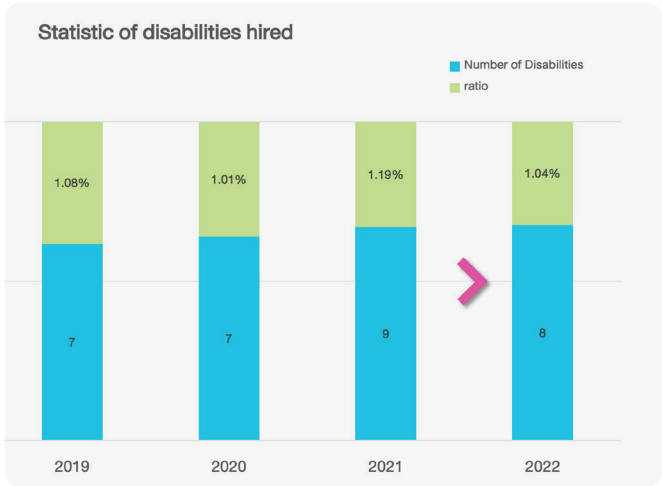
New employee information	2019	2020	2021	2022
Number of new hired (persons)	367	232	252	262
 Age proportion				
Under 30 years	296	216	226	242
Between 30-40 years	68	16	26	19
Between 30-50 years	3	0	0	0
Over 50 years	0	0	0	1
 Gender porportion				
Male	222	165	171	153
Female	145	67	81	109
 Level of performance proportion				
Management level	0	2	0	0
Operational level	367	230	252	262

The table of result of turnover

Total Employee Turnover Rate	2019	2020	2021	2022
Number of resignation	317	195	195	245
 Age proportion				
Under 30 years	250	165	169	209
Between 30-40 years	64	26	25	34
Between 30-50 years	3	3	1	1
Over 50 years	0	1	0	1
 Gender proportion				
Male	196	133	130	145
Female	121	62	65	100
 Operation level proportion				
Management level	2	1	0	1
Operational level	315	194	195	244

Employment of Disabilities

As the Company has announced a policy on human rights to the employees of the Company every subsidiary and trade partner on fairness in non-discrimination whether they are factors of race, religion, contract, gender, age, educational background and the provision of equal rights to persons with disabilities whereas the Company has hired people with disabilities according to the law on employment of people with disabilities. This includes the supporting to people with disabilities to work in equal jobs to normal people, such as order staff, freight forwarder, sorting staff, information technology officer by importantly taking into account of safety at work. In this regard, the number of disabilities employees of the Company in 2022 is 8, representing a rate of 1.04% of the total 770 employees (as of December 31, 2022).



Employment of LGBTQ

As the Company has announced the policy on human rights as mentioned above whereas a great importance has been emphasized in order to promote the acceptance of differences in any aspect and coexistence equally, therefore, it is crucial to create non-discrimination culture and acceptance of all different types of employees (LGBTQ) for the open opportunity to participate in various important positions so that these employees could have a chance to show their full potential to work and to be valuable.

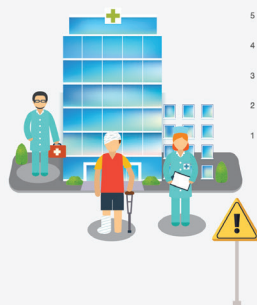
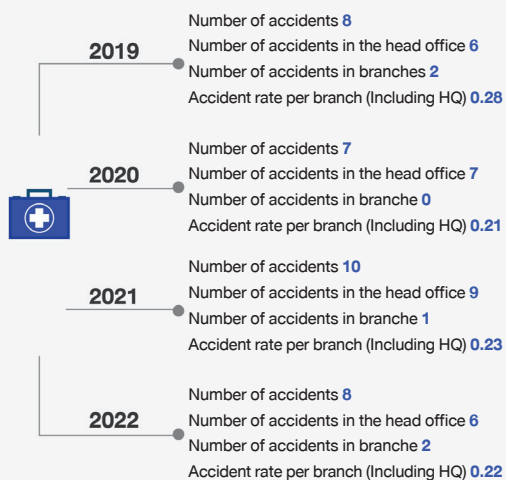


Health and safety at work

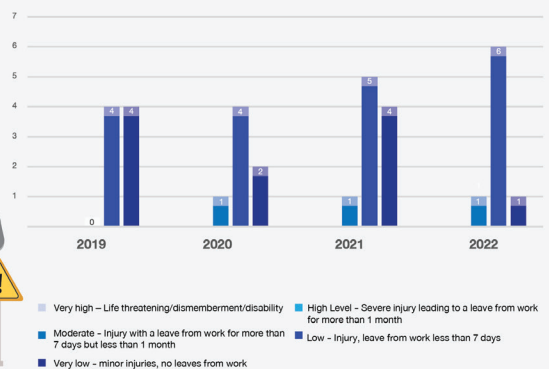
The Company focuses on safety and employee hygiene as a top priority. Therefore, it is important to manage the workplace environment appropriately, such as install enough light sources in working area, install ventilation systems in the warehouse, install workplace safety devices such as fire alarms and there is also a provision of labor capital equipment to increase working efficiency and maintain the health of employees, etc.

In addition, the Company has established a responsible unit in terms of safety in particular, which includes Safety Officers in professional work (Jor Por) and employees involved in working as a working group, as well as providing advice on the working environment including organizing activities and training related to safety at work with a follow-up check after the monthly meeting.

Statistics of Accidents in the Workplace

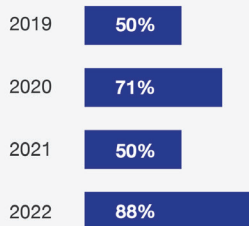


Number of accidents separated by harshness



Significant ratio

Accidents lead to time off work ratio^{1/}



Fatal accident ratio^{2/}



Number of fatality (person)



Remark: ^{1/}Number of accidents that resulted in absence from work / Total number of accidents

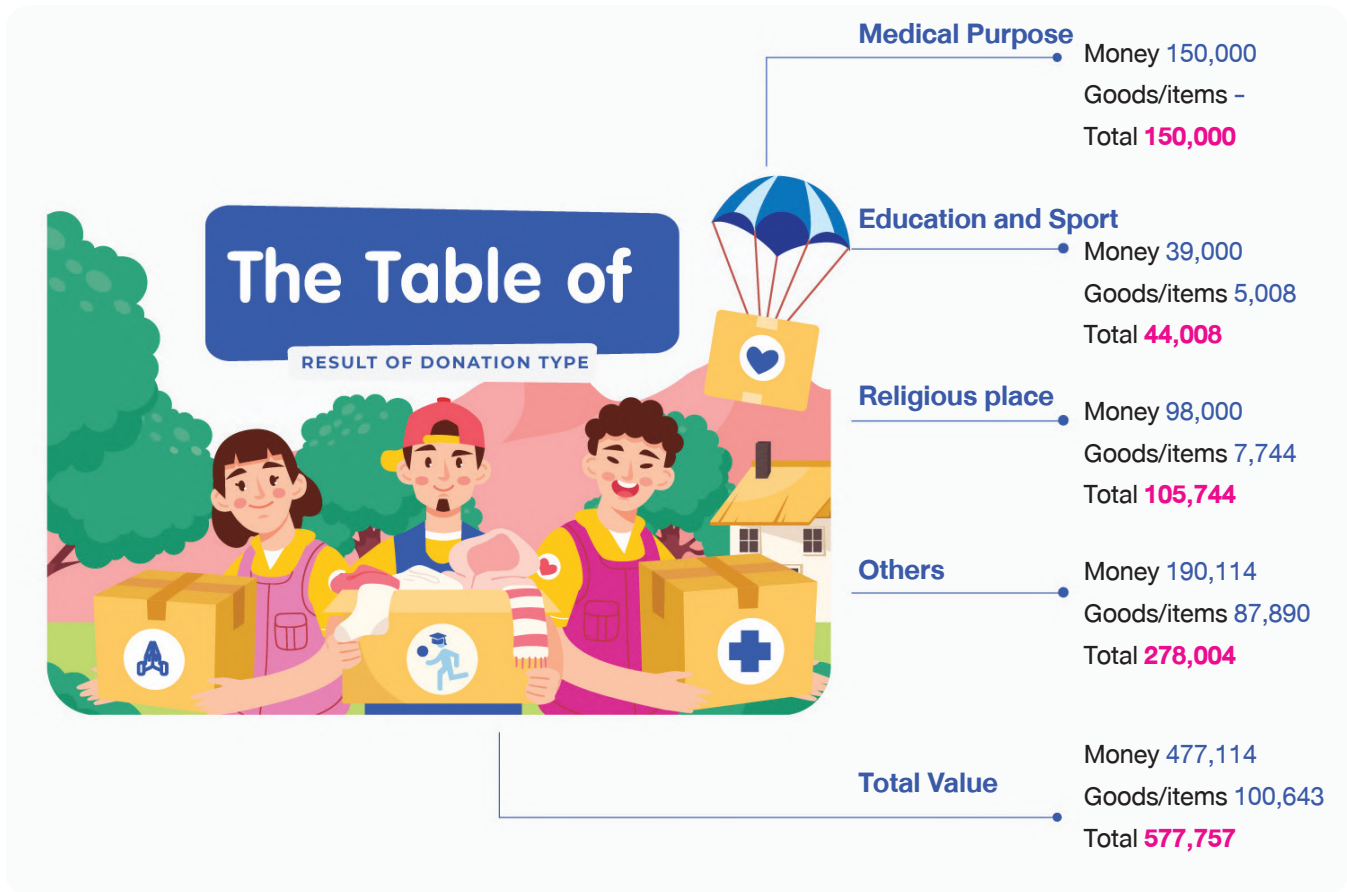
^{2/}Number of fatal accidents / Total number of accidents

Labour-related disputes

The Company has no labour-related disputes during the years of 2019 - 2022.

3.4.5. Community and Social Activities

The Company gives precedence to create engagement with community and supports sustainable growth of community. In 2022, The Company provided money goods and items to project or place or other institutions in community to be utilized in community development as objective, could be identified as follow:



Besides money goods and items donation was performed by The Company as community support, The Company also provided knowledge point of view and knowhow of good working and good business attitude from real experience to Student/Collegian to apply in working life after graduation, as well as entrepreneurs who was interested to expand their business stably and greatly as a part of building build strong economy and community sustainability.



Audience : Student/Collegian of Chiang Rai Rajabhat University – Logistics Engineering course

Speaker : Mrs. Amron Phutthiphiya

Project/Activity/Topic : Professional procurement strategy

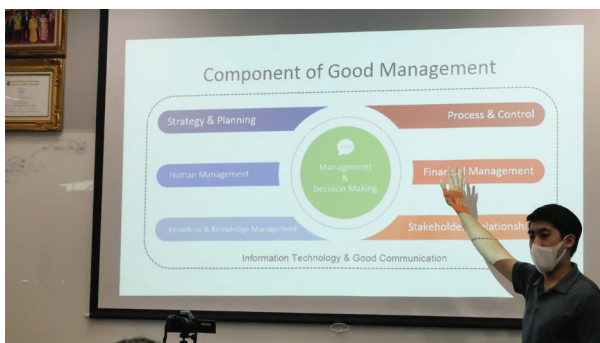
Social



Audience : Student/Collegian of Chiang Rai
Commercial Vocational College

Speaker : Mrs. Amron Phutthiphiya

Project/Activity/Topic : Retail marketing



Audience : Student/Collegian of Mae Fah Luang University
- Entrepreneurship subject

Speaker : Mr.Thanaphong Phutthiphiya

Project/Activity/Topic : Business management concept
of being a major local business



Audience : Entrepreneur

Speaker : Mr.Thanaphong Phutthiphiya

Project/Activity/Topic : The Cloud - Good Business Trip Chiang Rai



3.4.6. Anti-Corruption

In 2021, the Company has continued to focus on the development of anti-corruption activities continuously through the assessment and endorsed by the Thai Private Sector Collective Action Against Corruption (CAC) in September 2021, which emphasizes on good corporate governance and corporate sustainability.



DEFINITION CORRUPTION

Any action, whether presenting, giving a promise, requesting, demanding, giving or accepting capital or any other benefits to government officials or any other person doing business with the Company, directly or indirectly for such persons to act or neglect to perform duties to obtain or maintain any other interests that are inappropriate for business.

Corruption's Nature



Anti-Corruption



Policies set up in related to Anti-corruption



Committee set up in related to Anti-corruption



Risk assessment undergoing in related to Anti-corruption and protection



Reviewing personal record and business transactions of related person



Independent internal audit

The Company has established an anti-corruption policy to cover 1) Directors, executives, employees 2) Agents, representatives, contractors and intermediaries or participants acting on behalf of the Company. 3) Company business process that are at risk of corruption in order to elevate the Company's good corporate governance.

In addition, the anti-corruption policy has been announced to personnel within the organization, business partners and stakeholders involved in the Company's business operations as guidelines for good corporate governance as well as encouraging employees and stakeholders to be aware and understand the matter by requiring that relevant documents be disseminated through letters, the Internet, the Company's website staff training documents and public relations boards at various points within the Company.

The Company has set up the Anti-Corruption Committee to be responsible for investigating activities that are at risk of corruption, internal control and good corporate governance by continually providing annual audits and reports of significant audit results and recommendations to the Audit Committee. In the event that an action which may have a significant impact on the financial position, performance or ethics in the Company's business operations are detected, the Audit Committee will report to the Board of Directors to discuss ways to prevent and punish those who violate rules and policies.

The Company has established an independent internal audit unit to assess the internal control system, risk management system, corporate governance process as well as important activities or systems of the Company such as procurement operations branch expansion operations, etc. They must be sufficient, appropriate and efficient in accordance with the objectives laid down as well as complying with the laws, policies, regulations, anti-corruption policies of relevant regulatory agencies.

The Company has opened a whistleblowing and petitions of corruption through various channels as specified by the Company as follows:



	Chairman of the Board/Chairman of the Audit Committee/Secretary of the Board of Directors Thanapiriya Public Company Limited. Address: 329 Moo 8, Ban Du Subdistrict, Mueang Chiang Rai District, Chiang Rai Province 57100
	The Company's website http://www.thanapiriya.co.th in the Investor Relations Subheading of Good Corporate Governance
	Company personnel may notify through supervisors whom they trust at all levels or Human Resources Manager

The Company requires directors, executives, and all employees to strictly adhere to all forms of corruption as follows: 1) Giving or accepting bribes are prohibited by all means, either by themselves or assigning others to act on their behalf 2) Giving or accepting gifts, entertainment and other benefits are to be complied with the Company's operating regulations regarding guidelines on various matters to prevent corruption. 3) Charity, public donation and financial support are to be complied by the Company's operating regulations regarding guidelines on various matters to prevent corruption.

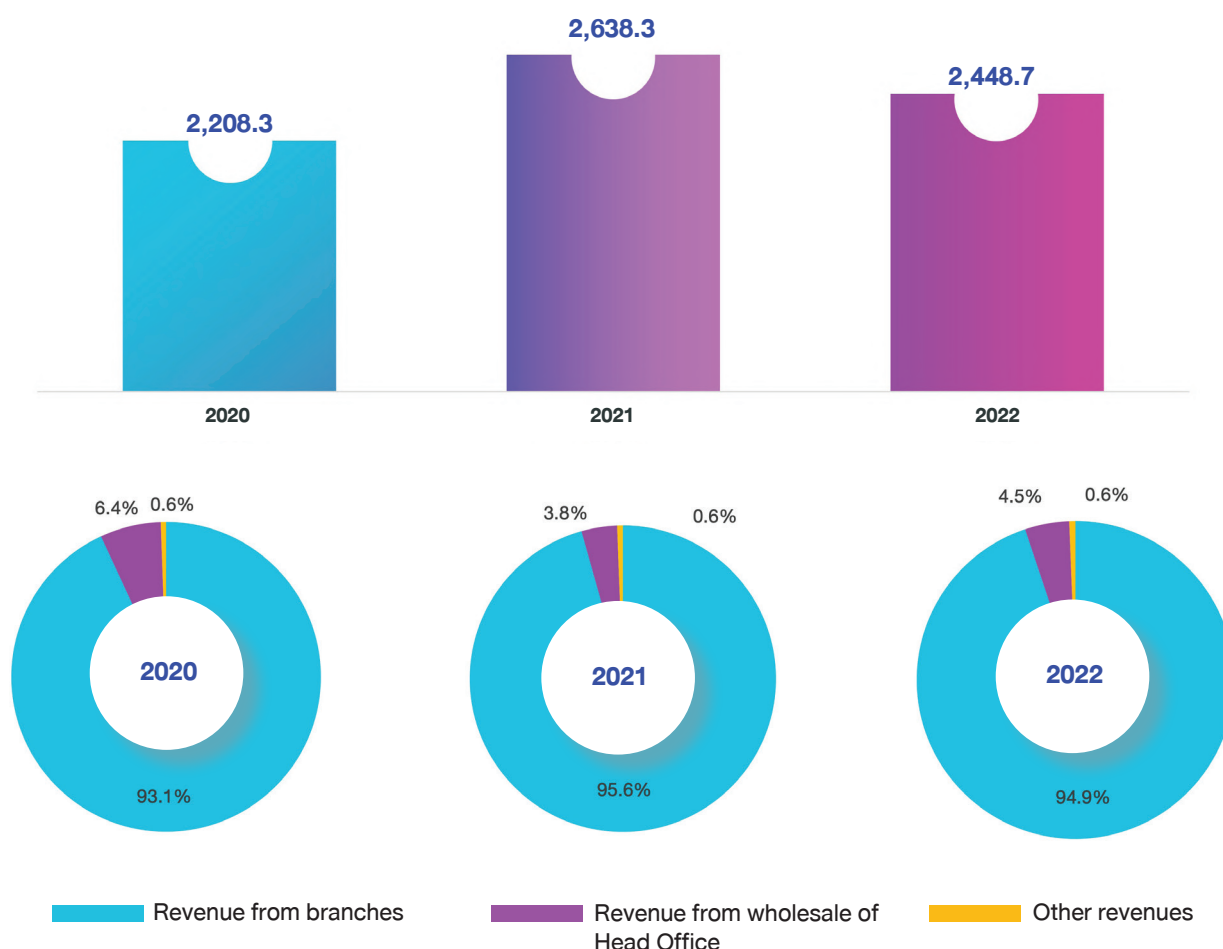
4. Analysis and Explanation of the Management

4.1. Explanation and Analysis of the Financial Position and Overall Operation

The financial position and overall operation presented in consolidated financial statements of the Company were derived from retail and wholesale business engagement for consumer products excluding fresh foods under the name of “Thanapiriya”. The revenues from sales were mainly distinguished into two segments which consisting of revenue from retail stores and revenue from wholesale of Head Office. At present, The Company has 42 branches in total which could be classified into supermarket type store for 41 branches and wholesales center for 1 branch; 33 branches are located in Chiang Rai Province, 6 branches in Phayao Province and 3 branch in Chiang Mai Province. Which the branches expansion is the main strategy of the company’s business operation.

Overview of Operation

Total Revenue



	2020		2021		2022	
	Million Baht	%	Million Baht	%	Million Baht	%
Revenue from Sales	2,196.1	100.0	2,622.5	100.0	2,433.4	100.0
Cost of Sales	1,837.4	83.7	2,172.9	82.9	2,016.0	82.8
Gross profit	358.7	16.3	449.6	17.1	417.4	17.2

Branch opening during the year	2020	2021	2022
Number of Branches in beginning period	28	32	38
Branches opening	4	6	4
Number of Branches in ending period	32	38	42

Revenue from Sales

The Company's sales revenue had continuously grown as showing in the financial statements for the fiscal years 2020 – 2022 that the Company recorded sales revenue from 2,196.1 million Baht, 2,433.4 million Baht and 2,433.4 million Baht respectively. In 2021, The Company recorded increase of revenue from sales by 426.41 million Baht or 19.42% compared to 2020. In 2022, The Company recorded decrease of revenue from sales by 189.15 million Baht or 7.21%. The increase of revenue from sales in 2021 was due to the increase in sales of existing branches from increased purchase amounts per bill while the number of bills decreased. This is in line with consumer behavior during the COVID-19 pandemic, where the frequency of consumer purchases decreased, but the amount purchased per transaction increased. This, coupled with the government's economic stimulus measures, had a positive impact on the company's sales. Though, the decrease in sales in 2022 was due to an overall decrease in sales of existing branches caused by a decrease in consumer purchasing power and a decrease in government stimulus measures. These measures had helped to boost consumer spending in the previous year. However, the company's revenue from sales increased partly due to the opening of new branches, which is in line with the main strategy of expanding the business. From 2021 – 2023, the company opened a total of 14 new branches, bringing the total number of branches to 42.

Cost of Sales

Main composition of cost of sales was identified as cost of purchased goods for selling in branches and wholesale from Head Office. From 2020 – 2022, The Company recorded cost of sales of 1,837.4 million Baht, 2,172.9 million Baht and 2,016.0 million Baht or proportion of cost of sales to revenues from sales for 83.7% 82.9% and 82.8% respectively. The reduction of cost of sales proportion to revenues from sales was due to a change in revenue structure from branches and revenue from wholesale of Head Office as The Company has opened new branches continuously, resulting in a higher proportion of revenue from branches where the average selling price of products is higher than wholesale office sales. Although the overall sales volume decreased in 2022, the company still maintained a similar cost of sales to sales ratio as in 2021, which was due to the company's efficient management of product pricing structure.

Gross Profit and Gross Profit Margin

From 2020 – 2022, The Company recorded gross profits of 358.7 million Baht, 449.6 million Baht and 246.3 million Baht or gross profit margin of 16.3%, 17.1% and 17.2% respectively. The gross profit margin has increased compared to 2020, due to the revenue growth from branches and changes in revenue structure from wholesale to a higher proportion of retail sales, resulting in a better gross profit margin in 2022. The company has maintained the initial profit margin at 17.2%, which is similar to 2021 as the company's management efficiency of product pricing structure.

Selling and Administrative Expenses

The Company recorded selling and administrative expenses from 2020 – 2022 of 206.4 million Baht, 226.7 million Baht and 246.3 million Baht or 9.3%, 8.6% and 10.1% of total revenues. The increase of expenses was identified as further selling expenses from expanded branches including employment expense from additional employees, depreciation and facility expenses. Also, administrative expense was mainly increased by the increasing of employee expenses. However, the proportion of expenses to sales for the year 2021 has decreased due to the significant growth in revenue from sales in the same store. This is a result of increased government stimulus measures to boost the economy, which has provided additional support. In 2022, these measures have slowed down, leading to an increase in the proportion of expenses to sales.

Financial Cost

In 2020, The Company applied International Financial Reporting Standard No.16, to record lease liabilities from rental agreement and financial cost of those liabilities as the finance cost expenses in 2020 – 2022 were 2.1 million Baht, 2.1 million Baht and 2.3 million baht, respectively.

Income Tax Expense

The Company recorded income tax expenses for the years 2020 – 2022 of 28.5 million Baht, 44.5 million Baht and 35.2 million Baht, respectively. The income tax expenses increased in 2021 and decreased in 2022, which is consistent with the company's profitability.

Net Profit

The Company recorded net profit for the period of year 2020 – 2022 of 133.9 million Baht, 192.1 million Baht and 149.0 million Baht, representing a net profit margin of 6.1%, 7.3% and 6.1%, respectively. For the year 2021, the net profit increased from 2020 by 58.2 million baht. The overall increase in net profit was due to the increase in sales and the increase in the gross profit margin. For the year 2022, the net profit decreased by 43.1 million baht due to the overall decrease in sales, which was caused by a decrease in consumer purchasing power, and a reduction in government stimulus measures compared to the previous year.

Analysis of Financial Position



Total Assets

As of 31 December 2020, 2021 and 2022 total assets of the Company were 1,032.3 million Baht, 1,189.3 million Baht and 1,249.5 million Baht, respectively. As of 31 December 2022, main assets of the Company included property, plant and equipment of 725.6 million Baht or 58.1% of total assets located at Head Office, Distribution Center and location of the Company's branches. Recorded inventory of 363.9 million Baht or 29.1% of total assets which have been stored in both distribution center and branches. Right-of-use assets was recorded of 66.0 million Baht or 5.3% of total assets as International Financial Reporting Standard No.16 application as land and building rental of The Company's branches. Cash and cash equivalents recorded of 65.0 million Baht or 5.2% of total assets.

Fixed Asset Investment

The company operates by using a strategy of expanding its branches, with investment in assets such as land, buildings, and equipment to support the expansion, being crucial. The company has determined a process of evaluating the returns on investment and approving each project with appropriate authority. From 2020 – 2022, the company invested in fixed assets with amounts of 106.7 million baht, 114.5 million baht, and 117.4 million baht, respectively. The investment was funded by cash flows from operations as the primary source.

Credit and Accounts Receivable Management

The Company has established policies and procedures for controlling credit of products sold to customers through the Head Office's wholesale channels. In the years 2020 – 2022, the proportion of wholesale sales to total sales was accounted of 6.4%, 3.8% and 4.5%, respectively. The Company assured that credit is being carefully considered with credit limitation set for each customer, payment period was determined to not more than 30 days, conducting customers' background and approval of credit from the authorized person. In the years 2020 – 2022, The Company was not affected from customer's repayment which was deviated from the payment period according to the policy.

Inventory Management

The Company has set an inventory management policy by considering the appropriate inventory turnover rate for the Company's business, including the risk of loss of goods which is a common risk in the supermarket business. According to financial statements for the years 2020 – 2022, The Company recorded inventory loss reserve of 5.7 million Baht, 6.5 million Baht and 7.9 million Baht. The inventory loss reserve was correlated with existing inventories, whereas the Company considered that the reserve was sufficient and there are no additional factors which significantly raised inventories loss.

Total Liabilities

As of 31 December 2020 – 2022, The Company recorded total liabilities of 241.7 million Baht, 279.8 million Baht and 259.0 million Baht, respectively. As of 31 December 2021, the significant liabilities were trade payables and other payables of 164.6 million Baht, accounting for 13.2 percent of the total liabilities, and lease liabilities of 69.0 million Baht, accounting for 5.5 percent of the total liabilities. The majority of the lease liabilities relate to the leases of the company's branch locations.

Shareholders' Equity

As of 31 December 2021, the total shareholders' equity of the Company was 909.5 million Baht, increasing from the previous year by 119.0 million Baht which increased from net profit of the year by 191.0 million Baht and the dividend payment during the year for 72.0 million Baht.

As of 31 December 2022, total shareholders' equity of the Company was 990.6 million Baht, increasing from previous year by 81.0 million Baht which increased from net profit of the year for 149.0 million Baht and the dividend payment during the year for 68.0 million Baht.

Liquidity and sufficiency of capital

Cash Flow

Unit: Million Baht	2020	2021	2022
Net cash flow from operating activities	179.1	231.1	112.3
Net cash flow from investing activities	(105.5)	(114.7)	(116.2)
Net cash flow from financing activities	(51.1)	(76.5)	(71.8)
Net cash and cash equivalents increased (decrease)	22.5	39.9	75.7
Cash and cash equivalents at the beginning of the years	78.4	100.8	140.7
Cash and cash equivalents at the end of the years	100.8	140.7	65.0

In 2021, The Company had net cash flow from operating activities 231.1 million Baht which mainly came from cashflow from net profit of 287.3 million Baht, rise of inventories by 35.4 million Baht, increase of accounts and other payable by 25.1 million Baht and taxes payment of 40.8 million Baht. Net use of cash from investing activities was 114.7 million Baht which mainly came from investment of branch expansion. Net use of cash from financing activities was 76.5 million Baht, representing from payment of lease liabilities from rental agreement of 4.5 million Baht and dividend payout of 72.0 million Baht. As a result, The Company had increase of net cash and cash equivalents of 39.9 million Baht as well as Cash and cash equivalents at the end of 31 December 2021 of 140.7 million Baht.

In 2022, The Company had net cash flow from operating activities 112.3 million Baht which mainly came from cashflow from net profit of 239.2 million Baht, rise of inventories by 70.2 million Baht, decrease of accounts and other payable by 16.6 million Baht and financial cost and taxes payment of 40.5 million Baht. Net use of cash from investing activities was 116.2 million Baht which mainly came from investment of branch expansion. Net use of cash from financing activities was 71.8 million Baht, representing from payment of lease liabilities from rental agreement of 3.8 million Baht and dividend payout of 75.7 million Baht. As a result, The Company had increase of net cash and cash equivalents of 39.9 million Baht as well as Cash and cash equivalents at the end of 31 December 2022 of 65.0 million Baht.

Liquidity Ratio

The Company's current ratio as of 2020 – 2022 were 2.2, 2.2 and 2.4, respectively. This is due to the nature of the company's business, which receives more than 90% of its revenue in cash. The Company's cash cycle was illustrated as following detail;

Cash Cycle (Unit: Day)	2020	2021	2022
Average collection period (Days)	2	2	2
Average inventory period (Days)	51	47	61
Average payment period (Days)	25	24	27
Cash Cycle	28	25	36

The Company's average collection period as of 2020 – 2022 were 2 days, due to majority of sales are cash. The average inventory period as of 2020 – 2022 were 51 days, 47 days and 61 days, respectively. The increase of average inventory period in 2022 was due to the company reserving products for sales during the New Year festival and the first quarter of 2022. The average payment period as of 2020 – 2022 were 25 days, 24 days and 27 days, respectively, which is in line with the credit terms agreed upon with suppliers. If the company has sufficient cash flow, The Company may choose to pay its supplier debts faster to receive additional discounts.

Source of fund

Total Liabilities

As of 31 December 2021, The Company incurred total liability of 279.8 million Baht, consisted of accounts and other payable of 179.7 million Baht or 15.1% of total liability and equity.

As of 31 December 2022, The Company incurred total liability of 259.0 million Baht, consisted of accounts and other payable of 164.6 million Baht or 13.2% of total liability and equity as well as lease liability from rental agreement of 69.0 million Baht or 5.5% of total liability and equity.

Shareholders' Equity

As of 31 December 2021, The Company incurred total shareholders' equity of 909.5 million Baht, increasing from the previous year by 119.0 million Baht which increased from net profit of the year by 191.0 million Baht and the dividend payment during the year for 72.0 million Baht.

As of 31 December 2022, The Company incurred total shareholders' equity of 990.6 million Baht, increasing from previous year by 81.0 million Baht which increased from net profit of the year for 149.0 million Baht and the dividend payment during the year for 68.0 million Baht.

Capital Structure

As of 31 December 2020 – 2022, The Company identified debt to equity ratios of 0.3. In addition, on 31 December 2021 and 2022, The Company had unused overdraft and promissory note of 300 million Baht, the management has determined that the company will not be affected of liquidity and investment plans to expand branches in the future.

4.2. Factors or events that may significantly affect the financial position or operations in the future

Branch Expansion

Branch expansion has been being a key strategy of the Company. Over the past 3 years, The Company has expanded a total of 14 branches, resulting in service expansion to capture new customers which reflecting in continuous growth in sales revenue of the Company. In this regard, the Company has established a concise policy and operational plan to ensure that the branch expansion is being adhered with the plan.

Economic Conditions

Consumer purchasing power is a key factor that affects the overall revenue of the company, especially the sales of existing branches. However, most of the company's products are consumer goods that are necessary for daily life. The company has appropriate marketing strategies for various situations that help create customer satisfaction. Additionally, over the past three years, the government has implemented various measures to stimulate consumer purchasing power, which has had a positive impact on the company's direct and indirect revenue. The trend of economic recovery is improving due to the relaxation of the COVID-19 pandemic situation and the reopening of the country for tourists, which has had a positive impact on the overall economy and consumer purchasing power in the country.

4.3. Summary of financial position and operating results

Statement of Financial Position	Consolidated As of 31 December					
	2020		2021		2022	
	Million Baht	%	Million Baht	%	Million Baht	%
Current assets						
Cash and cash equivalents	100.8	9.8	140.7	11.8	65.0	5.2
Trade and other current receivables	16.9	1.6	19.6	1.6	19.0	1.5
Inventories - net	260.5	25.2	295.1	24.8	363.9	29.1
Total current assets	378.2	36.6	455.5	38.3	447.9	35.8
Non-current assets						
Property, plant and equipment - net	577.7	56.0	651.9	54.8	725.6	58.1
Right-of-use assets - net	68.6	6.6	72.7	6.1	66.0	5.3
Intangible assets - net	3.1	0.3	3.5	0.3	3.2	0.3
Deposits for purchase of assets	-	-	-	-	0.2	0.0
Deferred tax assets - net	2.9	0.3	3.6	0.3	4.3	0.3
Other non-current assets	1.8	0.2	2.1	0.2	2.2	0.2
Total non-current assets	654.1	63.4	733.8	61.7	801.6	64.2
Total assets	1,032.3	100.00	1,189.3	100.0	1,249.5	100.0

Statement of Financial Position	Consolidated As of 31 December					
	2020		2021		2022	
	Million Baht	%	Million Baht	%	Million Baht	%
Current liabilities						
Trade and other current payables	153.8	14.9	179.7	15.1	164.6	13.2
Current portion of lease liabilities - net	4.3	0.4	3.8	0.3	4.1	0.3
Accrued income tax	15.0	1.5	19.1	1.6	16.8	1.3
Total current liabilities	173.1	16.8	202.7	17.0	185.5	14.8
Non-current liabilities						
Lease liabilities - net	62.4	6.0	68.9	5.8	64.9	5.2
Non-current provisions for employee benefits	6.2	0.6	8.2	0.7	8.6	0.7
Total non-current liabilities	68.6	6.6	77.1	6.5	73.5	5.9
Total liabilities	241.7	23.4	279.8	23.5	259.0	20.7
Shareholders' Equity						
Authorized share capital	200.0	19.4	200.0	16.8	200.0	16.0
Issued and fully paid-up	200.0	19.4	200.0	16.8	200.0	16.0
Premium on common shares	297.6	28.8	297.6	25.0	297.6	23.8
Retained earnings						
Appropriated -Legal reserve	20.0	1.9	20.0	1.7	20.0	1.6
Unappropriated	272.9	26.4	391.9	33.0	472.9	37.8
Total shareholders' equity of the Company	790.6	76.6	909.5	76.5	990.6	79.3
Non-controlling interests	-	-	-	-	-	-
Total shareholders' equity	790.6	76.6	909.5	76.5	990.6	79.3
Total liabilities and shareholders' equity	1,032.3	100.0	1,189.3	100.0	1,249.5	100.0

Operating Results

Statement of Comprehensive Income	Consolidated For The Year Ended 31 December					
	2020		2021		2022	
	Million Baht	%	Million Baht	%	Million Baht	%
Revenues from sales	2,196.1	99.4	2,622.5	99.4	2,433.4	99.4
Costs of sales	1,837.4	83.2	2,173.0	82.4	2,016.0	82.3
Gross profit	358.7	16.2	449.6	17.0	417.4	17.0
Other income	12.2	0.6	15.8	0.6	15.3	0.6
Profit before expenses	370.9	16.8	465.4	17.6	432.8	17.7
Distribution costs	126.2	5.7	140.7	5.3	155.1	6.3
Administrative expenses	80.2	3.6	86.0	3.3	91.2	3.7
Total expenses	206.4	9.3	226.7	8.6	246.3	10.1
Profit from operating activities	164.5	7.4	238.7	9.0	186.5	7.6
Finance costs	2.1	0.1	2.1	0.1	2.3	0.1
Profit before income tax expenses	162.4	7.4	236.6	9.0	184.2	7.5
Income tax expenses	28.5	1.3	44.5	1.7	35.2	1.4
Profit for the years	133.9	6.1	192.1	7.3	149.0	6.1
Other comprehensive income						
Gains on current financial assets designated at fair value through other comprehensive income	0.0	0.0	-	-	-	-
Actuarial (loss) - net from tax			(1.1)	(0.0)	-	-
Total comprehensive income for the years	133.9	6.1	191.0	7.2	149.0	6.1
Earnings per share						
Earnings per share (Baht)		0.167		0.240		0.186
Weighted average number of issued and fully paid - up common shares (shares)	800,000,000		800,000,000		800,000,000	

Cashflow

Statement of Cashflow	Consolidated (Unit: Baht)		
	For The Year Ended 31 December		
	2020	2021	2022
<u>Cash Flows from Operating Activities:</u>			
Profit for the year	133.9	192.1	149.0
Adjustments to reconcile profit for the years to cash provided by (used in) operating activities			
Depreciation and amortization	43.6	47.3	50.8
Allowance for loss on inventories	0.4	0.8	1.4
Gain on disposal of current financial asset	-	(0.1)	0.0
Profit on disposal of fixed assets	(0.0)	(0.1)	(0.1)
Non-current provisions for employee benefits	0.5	0.6	0.7
Income tax expenses	28.5	44.5	35.2
Interest expenses	2.1	2.1	2.3
Profit from operating activities before changes in operating assets and liabilities	209.0	287.3	239.2
Operating assets (increased) decreased			
Trade and other current receivables	2.2	(2.7)	0.6
Inventories	(12.2)	(35.4)	(70.2)
Operating liabilities increased (Decreased)			
Trade and other current payables	5.1	25.1	(16.6)
Cash received from operating activities	204.1	274.3	152.9
Employee benefits obligations paid	-	(0.1)	(0.2)
Interest paid	(2.1)	(2.1)	(2.3)
Income tax paid	(23.0)	(40.8)	(38.2)
Net cash from operating activities	179.1	231.1	112.3
<u>Cash Flows from Investing Activities:</u>			
Cash received from sale of current financial assets	82.5	60.1	-
Cash paid for acquisition of current financial assets	(82.4)	(60.0)	-
Cash received from disposal of fixed assets	0.0	0.1	0.2
Cash paid for acquisition of fixed assets	(104.8)	(113.7)	(115.8)
Cash paid for acquisition of intangible assets	(0.6)	(1.0)	(0.3)
Other non-current assets increased	(0.2)	(0.3)	(0.1)
Net cash used in investing activities	(105.5)	(114.7)	(116.2)
<u>Cash Flows from Financing Activities:</u>			
Cash paid for lease liabilities	(3.1)	(4.5)	(3.8)
Dividend paid	(48.0)	(72.0)	(68.0)
Net cash used in financing activities	(51.1)	(76.5)	(71.7)
Net cash and cash equivalents increased (decreased)	22.5	39.9	(75.8)
Cash and cash equivalents at the beginning of the years	78.4	100.8	140.7
Cash and cash equivalents at the end of the years	100.8	140.7	65.0

Key Financial Ratio

Financial Ratio	Unit	2020	2021	2022
Liquidity Ratio				
Current ratio	time	2.2	2.2	2.4
Quick ratio	time	0.6	0.7	0.5
Cash flow Liquidity ratio	time	1.1	1.2	0.6
Account receivables Turnover	time	213.9	262.7	238.6
Average collection period	Day	1.7	1.4	1.5
Inventory Turnover	time	7.1	7.7	6.0
Average sale period	Day	51.0	47.7	61.0
Account Payables Turnover	time	14.2	15.1	13.6
Average payment period	Day	25.4	24.2	26.9
Cash Cycle	Day	27.3	24.9	35.6
Profitability Ratio				
Gross Profit Margin	%	16.3	17.1	17.2
Operating Profit Margin	%	7.5	9.1	7.7
Cash flow from Operation/EBIT	%	108.9	96.8	60.2
Net Profit Margin	%	6.1	7.2	6.1
Return on Equity	%	17.9	22.6	15.7
Efficiency Ratio				
Return on Total Assets	%	14.1	17.3	12.2
Return on Fix Assets	%	32.5	37.8	29.0
Total Asset Turnover	time	2.1	2.4	2.0
Financial Policy Ratio				
Debt to Equity Ratio	time	0.3	0.3	0.3
Interest Coverage Ratio	time	97.7	133.2	104.4
Debt service coverage ratio	time	47.8	74.8	58.2
Dividend payout ratio	%	41.8	41.6	42.9

5. General Information and Other Key Information

5.1 General Information of the Company

Security Issuing Company	Thanapiriya Public Company Limited (“Company” or “Thanapiriya Pcl.”)
Stock Symbol	TNP
Company Registration	0107558000172
Type of Business	Retail and Wholesale Business of Consumer Products
Registered Capital	200,000,000 Baht consisting of ordinary shares for 800,000,000 shares at par value of 0.25 Baht per share
Juristic Person Held for Shares by the Company	Details according to Topic 1.4 Overview of Business Engagement of the Company and its Subsidiary
Location of Head Office	No. 329 Village No.8 Ban Du Sub-district, Mueang Chiang Rai District, Chiang Rai Province 57100 Telephone: 0-5377-6144 Facsimile: 0-5377-6144
Investor Relations	Telephone: 0-5377-6144 E-mail: investor@thanapiriya.co.th
Reference Person	
Securities Registrar	Thailand Securities Depository Company Limited No. 93 Ratchadaphisek Road, Din Daeng Sub-district, Din Daeng District, Bangkok 10400 Telephone: 0-2009-9000 Facsimile: 0-2009-9991
Auditor	ANS Audit Company Limited No. 100/72,100/2, 16th Floor, Vongvanij B Building, Rama IX Road, Huai Khwang Sub-district, Huai Khwang District, Bangkok 10320 Telephone: 0-2645-0109 Facsimile: 0-2645-0110
Internal Auditor	I VL Auditing Co.,Ltd. 36 Soi Wachiradhammasatit 36, Sukumvit 101/1 road, Bangchak, Prakanong, Bangkok 10260, Thailand. Telephone: 0-2746 4861-3 Facsimile: 0-2746-4569

5.2 Other Key Information

- None -

5.3 Legal Disputes

- None -

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Part 2 Corporate Governance

6. Corporate Governance Policy

The Company gives precedence to good corporate governance according to the principle prescribed by Stock Exchange of Thailand (“Stock Exchange”) due to the indication of international standard operation, reinforcement of transparency and effective management, and confidence creation for the shareholders, investors and all parties of stakeholders, leading to stability and progress as the instrument for value addition and reinforcement of sustainable growth. The Company has formulated the practical rule according to Guideline of the Principles of Good Corporate Governance for Listed Companies by Stock Exchange of Thailand as guideline.

With regards to the Corporate Governance Code (CG Code) 2017 for listed companies as issued by the Office of the Securities Exchange Commission (SEC), the Board of Directors acknowledged and considered its contents; then adopted and applied specified requirements that were suited for the Company’s business operations, and then made a summary of those requirements that were not applicable for the Company together with the related reasons and the alternative measures established by the Company; whereby all associated details have been documented and incorporated in the related Board Meeting minutes.

Section 1 Rights of Shareholders

The Company’s policy is to equitably treat all shareholders according to criteria prescribed by laws and relevant agencies. The process of the shareholders’ meeting shall be openly, transparently and fairly carried out whereas all shareholders have right and equality as follows.

Rights of Shareholders

1. Right to own by controlling the Company to approve the appointment of the Board of Directors to perform the duties on behalf of the Company.
2. Right to trade or transfer shares
3. Right to attend the Shareholders’ Meeting and vote, as well as express the opinion and mutually consider making decision on significant changes.
4. Right to authorize other person to attend the meeting and vote in lieu of the shareholder.
5. Right to appoint and remove the directors.
6. Right to vote for election, appointment and determination of the auditor’s remuneration.
7. Right to regularly and timely acknowledge the information, overall operation, and management policy.
8. Right to equally gain profit sharing.
9. Right to acknowledge information of the connected transaction performing.

The Shareholders’ Meeting

1. Determination of Appointment Date, Time and Place for the Shareholders’ Meeting

The Board of Directors shall determine the Shareholders’ Meeting in date, time and place that the shareholders can conveniently attend the Meeting.

2. Meeting Appointment Notice

The Company shall deliver Meeting Appointment Notice, Meeting Agenda, opinion of the Board Directors of Thanapiriya Public Company Limited, as well as complete and adequate documents and information as decision making support in each meeting agenda for prior-acknowledgement of the Shareholders’ Meeting before meeting date so as to be properly and completely line with the criteria prescribed by laws and relevant agencies.

3. Pre-Meeting Proposal of Additional Agenda

All shareholders are able to propose additional agenda in advance before meeting by sending written agenda and details to the Company before meeting date for at least three (3) days so that the Board of Directors shall consider whether it will be added to be an agendum in the meeting.

4. Meeting Attendance and Registration

All shareholders have right to attend the meeting and vote or authorize other person to attend the meeting and vote in lieu of them. The Company opens for prior- registration by the shareholders before meeting time and systemizes to facilitate the shareholders so that all of them can completely and rapidly register.

5. Inquiry, Opinion Expression, Resolution and Taking Minutes of Meeting

The Board of Directors gives the opportunity to every shareholder for equitable right in auditing the Company's operation in the Shareholders' Meeting every time. The shareholder can fully and independently inquire, express opinion and suggest on consideration and resolution on every issue. Invoting, one share is equitably counted as one vote for every shareholder. The Company shall take minutes of meeting and inquiry, suggestion, resolution of the meeting and votes in agreement, disagreement or voting abstention in each agenda in writing so that the shareholders and related parties can verify. In addition, the minutes of meeting shall be publicized in the Company's website after completion of the meeting.

6. Meeting Attendance of the Board of Directors

The Board of Directors considerably gives precedence to attendance of the Shareholders' Meeting. It deems as duty that every director shall attend every Meeting of Shareholder Meeting and completely propose the information to the shareholders, listen to opinion and suggestion of the shareholder, give the shareholder the opportunity to inquire and answer the said inquiry with accurate information.

Section 2 Equitable Shareholder Treatment

The Company determines the equitable and fair treatment guideline for all shareholders whether the executive shareholder and non-executive shareholder of the Company, major shareholder or minor shareholder as well as foreign shareholder. Therefore, the Company has determined the good practical guideline as follows.

1. Information Provision before Shareholders' Meeting

1) The Company shall deliver meeting appointment notice, meeting agenda, opinion of the Board of Directors, and complete and adequate documents and information as decision making support in each meeting agenda for prior- acknowledgement by the shareholders according to Public Limited Companies Act. After registration of the Company into listed company in Stock Exchange, the Company shall deliver appointment letter of the shareholders' meeting to the shareholders in advance in the period defined by the Office of the Securities and Exchange Commission ("SEC") or Stock Exchange for prior-study by the shareholders before meeting. In addition, the shareholders shall acquire news information via electronic media of the Stock Exchange, the Company's website and release of news in newspaper according to Public Limited Companies Act.

2) The Company shall notify the shareholders for acknowledgement on the regulation used in the meeting, resolution voting procedure, and voting right according to each type of share.

2. Protection of the Minor Shareholder's Right

1) The Company shall clearly determine the criteria for the minor shareholder to propose additional meeting agenda in advance before the date of the Shareholders' Meeting in order to indicate fairness and transparency in consideration whether the agenda proposed by the minor shareholder can be added.

2) The Chairman of the Meeting shall not add the meeting agenda which are not informed in advance without necessity particularly the important agenda which require studying time by the shareholder prior to decision making.

3) The Company shall determine the method for the minor shareholder to nominate the person to hold the director office, such as nominate via Nomination and Remuneration Committee prior to the date of the Shareholders' Meeting and supporting information for qualification consideration and consent of the nominated person.

3. Protection on Use of Inside Information

The Company has determined the guideline of storage and protection for use of inside information in writing and notified the said guideline to everyone in the organization for observance. It should determine that every director and executive shall have duty to regularly report the security holding according to laws and deliver the said report to the Board of Directors, as well as disclose in Annual Report.

4. Stake Holding of the Director

1) The director is determined to report his or her stake holding at least prior to consideration on the said agenda and record it in the minutes of the Board of Directors' Meeting.

2) The director with significant stake holding in the nature that may cause the said director unable to independently give the opinion shall refrain from participation in the meeting to consider the said agenda.

Section 3 Role of Stakeholders

The Company realizes and perceives the importance of governance on the internal stakeholders of the Company such as shareholders and employees, and external stakeholders such as customers, business partners, creditors, competitors and other agencies as well as related nearby community. The stakeholders shall be taken care by the Company according to the right entitled by law or by agreement entered with the Company. The Company shall not perform any act which violates the right of those stakeholders. The Company has formulated the treatment policy and guideline for all groups of stakeholders as follows.

1. Executive Practice

The executive means the employee who has subordinates. Apart from the executive's practice of every clause of code of conduct on behalf of being an employee of the Company, the executive shall have good practical guideline to reinforce good executive being. On behalf of the employee's superior, the executive shall be the leader and model of good conduct for general employees as well. Therefore, the practical guideline for executive has been determined as follows.

1) Shareholder Treatment by the Executive

The executive shall perform his or her duty with honesty, carefulness, prudence and care with broad vision, non-exploitation for oneself and friends from the organizational information which is remained not publicly disclosed. The executive shall not disclose the secret organizational information to the outsider, and not perform any act which is the nature that may cause conflict of interests.

2) Employee Treatment by the Executive

The executive shall fairly treat the employee, impartially manage, support the creation of progress potential, and increase work efficiency of the employees, as well as promote the employee to understand about code of conduct which should be practiced by the employees, arrange proper welfare to the employees, and truth fully treat the employees, reasonably listen to opinion and suggestion.

3) Customer Treatment by the Executive

The executive shall strictly treat the customer according to business ethics practice defined by the Company.

4) Business Partner Treatment by the Executive

The executive shall fairly treat business partner without clam or demand for any unjust benefit from business partner. If any clause of condition is failed in compliance, the executive shall notify the business partner for prior- acknowledgement to mutually find corrective guideline.

5) Creditor Treatment by the Executive

The executive shall adhere to and comply with the trade agreement and condition with honesty to build mutual confidence and trust. In the event that the creditor which is the financial institution, the Company has complied with the condition of loan contract or credit contract all the time to build confidence to the financial institution by strictly complying with the conditions specified in the contract and agreement. However, the condition observed and adhered as regulation for creditor treatment is as follows.

- Equitably and fairly comply with the agreement entered with every business partner and creditor based on receiving fair return by both parties.
- Omit to demand, receive and not to give any dishonest trade benefit.
- In the event of borrowing, the Company shall not use money derived from borrowing in the way which is in conflict with the borrowing objective/condition.

6) Business Competitor Treatment by the Executive

The executive shall treat business competitor under the framework for rule of good competition and non-search of secret information of the business competitor with dishonest method.

7) Social and Environmental Treatment by the Executive

The executive shall practice or control the compliance with the relevant laws and rules and regulations, and shall be responsible for society and provide collaboration, assistance and support, and volunteer to do the useful activities for community and society.

2. Employee Practice

For reinforcement of good and effective working, the employee should have the following practical guideline.

- 1) The employee should work with honest, effort and diligence, and improve more work efficiency for self and the Company's benefit.
- 2) The employee should strictly behave and comply with work rules and regulations of the Company.
- 3) The employee should respect and listen to the superior who rightfully commands according to policy and rules and regulations of the Company.
- 4) The employee should be mutually united and generous to mutually assist without cause of conflict, leading to damage to other person and the Company.
- 5) The employee should mutually respect the right and honor, and avoid disclosure or criticism of other person's information or story both in the matter related to working and personal matter in the way that will cause damage to the employee and the Company.
- 6) The employee should avoid receiving any gift that may make him or her discomfort in future function. If it is unavoidable, the said employee should notify his or her superior for immediate acknowledgement.
- 7) The employee should not use position or job benefit to exploit self or his or her friend's benefit, or do business to compete with the Company.
- 8) The employee should treat his or her employee and business partner with honesty and equality.

9) The employee should strictly keep the secret of the customer, business partner and organization.

10) The employee should report the superior for acknowledgment of the issue without delay when the acknowledged issue may affect the Company's operation or reputation.

11) The employee should maintain the privileges and assets of the Company to be in good condition for full and saving utilization without waste, loss, damage or decay prior to reasonable time.

Penalty

In the event that the management and employees behave oneself in the way that causes conflict of interests with the Company, the Company's organization structure and work rules and regulations shall be considered. Each work section shall primarily consider and summarize and forward the issue to the top superior and relevant line accordingly to make decision and further specify punishment as appropriate. If the occurred conflict of interests is severe and causes huge damage, and it may not be in diagnosis of the original affiliation, the issue shall be raised to the Company's management for consideration on finding summary and imposing the punishment accordingly.

Penalty Provision

- 1) Verbal Warning
- 2) Written Warning
- 3) Wage Reduction
- 4) Job Suspension
- 5) Dismissal without compensation payment under Labor Protection Law.
- 6) Legal Proceedings

Section 4 Disclosure and Transparency

The Company determines that the duty of the Board of Directors is to disclose complete, adequate, reliable, and timely information data both being financial information and other information for equal acquisition of information by the Company's shareholders, and to carefully, obviously, concisely, understandably and transparently prepare. Both positive and negative information shall be regularly disclosed under carefulness of non-confusion on fact.

The Board of Directors aims for supervision on strict compliance with laws, regulations and rules related to disclosure and transparency, publication of data in the Company's website both in Thai and English language via the publicity channels of mass media and publicity media of the Stock Exchange of Thailand, for thorough acknowledgment of the shareholders and other related persons on the Company's data. It shall also update and revise those data to be consistent with the guideline promulgated for enforcement by the Stock Exchange of Thailand and Office of the Securities and Exchange Commission.

The Company shall arrange Investor Relations officer to perform the duty in communication with the investors or shareholders as well as institutional investor and minor shareholder, and regularly hold the meeting for analysis on overall operation and publicize the organizational data both of financial data and general data to the shareholders and security analyst. The Company shall rate reliability and the relevant government agencies via various channels such as reporting to Stock Exchange of Thailand, Office of the Securities and Exchange Commission, and the Company's website. The Company shall also emphasize on regular disclosure of the data both in Thai and English language for the shareholder's regular acknowledgement of news information via the channel of the Company's website. The data appeared on website whether being vision, mission, financial statements, public relations news, annual report, structure of the Company and executive, shareholding and major shareholder structure, shall be always updated.

In addition, the Company also gives precedence to financial report to indicate actual financial status and turnover of the Company based on the accurate, complete and adequate accounting data according to Generally Accepted Accounting Principles.

The Company shall disclose the data about each director and roles and duties of the Board of Directors and sub-committees of the Company in Annual Registration Statement (Form 56-1 One Report) and shall disclose remuneration of the director and chief executive in 56-1 One report.

Section 5 Directors' responsibility

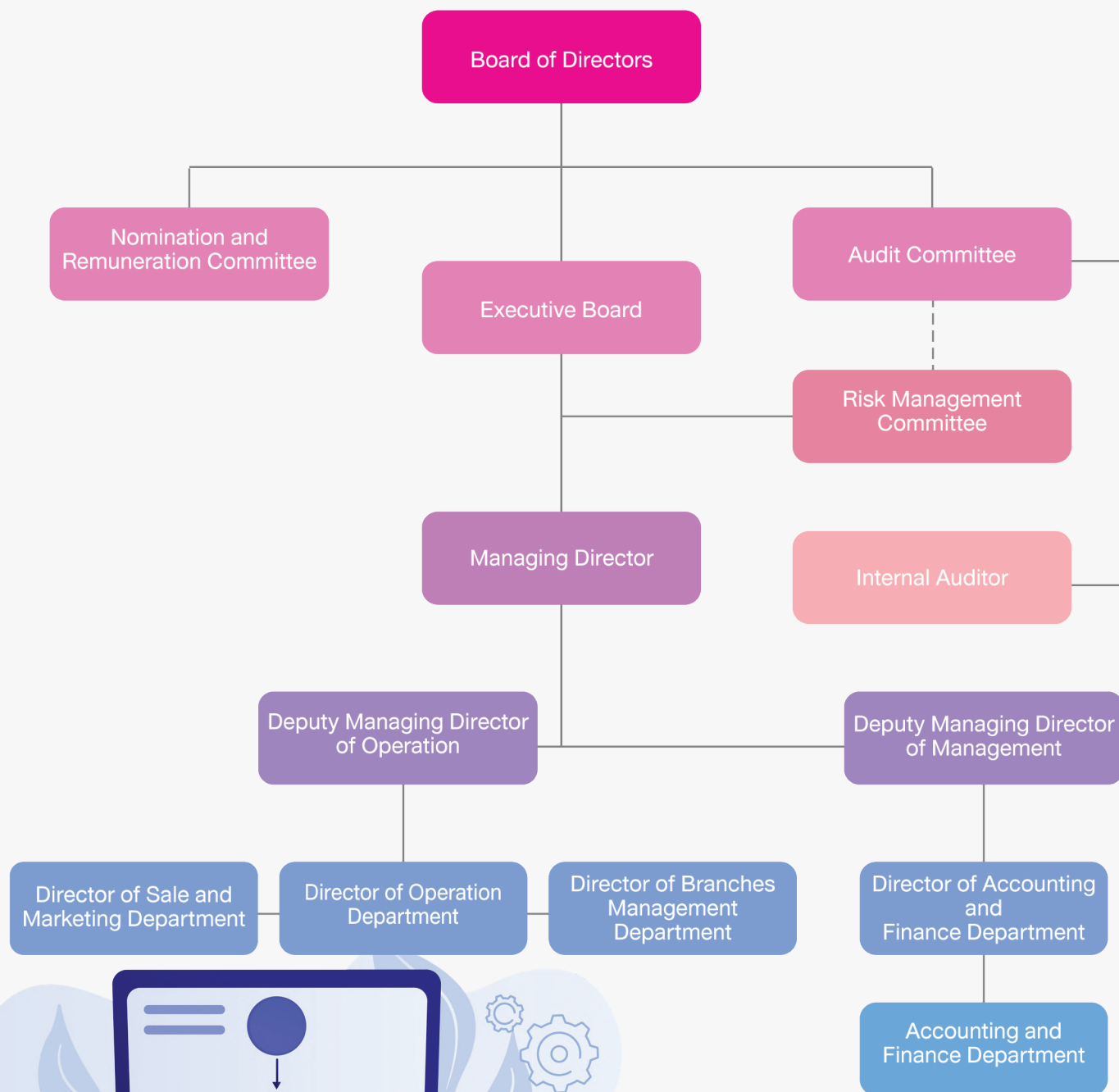
The Company determined the scope of duties and responsibilities of directors as part of corporate governance policy to set policy and practical guidelines related to directors which can be summarized as follows

- 1) Structure of the board of director shall consist of at least five directors and must be complied with The Company's regulations and related law. There shall be at least one-third of independent directors and not less than three persons. The qualification of the independent director is in line with what has been prescribed by the Stock Exchange of Thailand.
- 2) Roles and responsibilities of the board of directors as directors must perform duty according to law objectives and articles of association of the Company as well as resolution of shareholders' meeting. The consideration of appointment of sub-committees must be qualified and be in line with related regulations and supervision practice of each sub-committee as determined scope of duties and responsibilities. Moreover, the board of director has a duty to set vision policy and business guideline of The Company, business strategy, annual budget as well as regulate management to follow determined policies to effectively increase shareholders' wealth and sustainable growth. The board of director shall be responsible to shareholders consistently, operate business to protect shareholders' benefit, accurately disclose crucial information for investor, be standard and verifiable. The board of director shall establish reliable accounting system, financial report, and account auditing and internal control evaluation must be made.
- 3) The board of director shall arrange meeting to be informed of business performance at least every three months. The meeting must allow independent opinion expression and discretion. Directors shall attend all meeting. The director, who are related person to any transaction, shall not have right to vote the resolution of those transaction.
- 4) The director shall appoint Nomination and Remuneration Committee to nominate persons who are qualified in consistency with the determined criteria and qualification to hold the director and executive position, also review the payment form for every type of remuneration of the director and executive. Moreover, the structure of board of director and roles are disclosed in topic 7.2 and the scope of duties and responsibilities of director shall be found in corporate governance policy and disclosed on The Company's website.



7. Corporate Governance Structure and Important Information of the Board of Directors, Sub-committees, Executives, Staffs and Other

7.1. Management Structure



7.2. Information of Board of Directors

7.2.1. Element of the Board of Directors

The Board of Directors shall consist of the following element.

- 1) According to the Company's Articles of Association, the Board of Directors shall consist of at least five members and not less than half of number of total directors shall have domiciles in the kingdom of Thailand. The directors shall be qualified as prescribed by laws, and may be the Company's shareholders or may not.
- 2) The Board of Directors consists of the executive director, non-executive director and independent director. There shall be at least one-third of independent directors and not less than three persons. The qualification of the independent director is in line with what is prescribed by the Stock Exchange of Thailand.
- 3) The Board of Directors shall select one director from non-executive director as the Chairman of the Board.
- 4) The Board of Directors shall select one person to perform the duty as the Secretary of the Board of Directors. The Secretary of the Board of Directors may be the director or may not.
- 5) The Board of Directors shall select one person to perform the duty as the Company Secretary.

7.2.2. Board of Directors

As at 31 December 2022, the Board of Directors consists of seven committee members as follows.

Name List	Position
1. Pitsanu Khantipong, MD	Chairman of the Board/ Independent Director/ Chairman of the Audit Committee
2. Dr. Watthana Yuenyong	Independent Director / Audit Committee Member / Chairman of the Nomination and Remuneration Committee
3. Dr. Chalermchai Khamseen	Independent Director / Audit Committee Member / Nomination and Remuneration Committee Member
4. Mr. Tawatchai Phutthiphiya	Director / Managing Director / Chairman of the executive board
5. Mrs. Amorn Phutthiphiya	Director
6. Mrs. Jularat Ngamlertdee	Director / Nomination and Remuneration Committee Member
7. Miss Bussakorn Thadthapong	Director

Authorized Binding Signatory Director on Behalf of the Company

Mr. Tawatchai Phutthiphiya, Mrs. Amorn Phutthiphiya, Mrs. Jularat Ngamlertdee, and Miss Bussakorn Thadthapong, two of them shall affix their signatures and the Company's seal.

7.2.3. Roles, Duties and Responsibilities of the Board

The scope of duties and responsibilities of the Board of Directors is as follows.

- 1) Function according to laws, objectives and articles of association of the Company, as well as resolution of the Shareholders' Meeting.
- 2) Consider the approval on appointment of the qualified person without prohibited characteristic as prescribed in Public Limited Companies Act B.E. 2535 (1992), and Securities and Exchange Law as well as announcements, regulations and/or rules related to the director position in the event that the director position is vacant due to other reason apart from retirement by rotation.
- 3) Consider the appointment of the Executive Board by selecting from the Company's director and define the scope of authorities and responsibilities of the executive director.
- 4) Consider the appointment of the independent director and audit committee member under consideration from qualification and prohibited characteristic of the independent director and audit committee member according to Securities and Exchange Law as well as announcement, regulations and/or rules related to the Stock Exchange, or propose to the Shareholders' Meeting for consideration on the appointment to be the independent director and audit committee member of the Company accordingly.
- 5) Consider determination and revision of the name of the authorized director in binding the Company.

- 6) Appoint any other person to operate the Company's business under control of the Board or may authorize the said person to have power and/or within the time deemed as appropriate by the Board. The Board is able to cancel, revoke, alter or revise that power.
- 7) Consider the approval on performing the acquisition or disposal transaction of the Company's asset unless in the event that the said transaction must be approved by the Shareholders' Meeting. In considering the said approval, it shall be according to the relevant announcements, regulations and/or rules of the Stock Exchange.
- 8) Consider the approval on performing the connected transactions unless in the event that the said transaction must be approved from the Shareholders' Meeting. In considering the said approval, it shall be according to the relevant announcements, regulations and/or rules of the Stock Exchange.
- 9) Consider the approval on interim dividend payment to the shareholders when it is deemed that the Company is reasonably profitable to do so, and report such dividend payment to the Shareholders' Meeting for acknowledgement in the following Shareholders' Meeting.
- 10) Have duty to define vision, policy and direction of the Company's operation, business strategy and annual budget; and control the Management to effectively and efficiently implement according to the formulated policy for maximum economic value addition to shareholders and sustainable growth.
- 11) Regularly responsible for shareholders, operate by maintaining the shareholders' benefit, and properly and completely disclose the standard and transparent material information to shareholders.
- 12) Assess the performance and determine remuneration of the director and chief executive.
- 13) Govern the Management to have appropriate and effective risk management system.
- 14) Consider and make decision on the material issues such as business policy and plan, large scale investment project, managerial power, acquisition or disposal of asset and any other transaction prescribed by law.
- 15) Determine power and approval level of transaction performing and execution related to the Company's works for the team or person as appropriate according to the relevant legal provisions, and prepare into Operating Power Manual and review at least once a year.
- 16) Arrange the reliable accounting system, and financial and accounting audit reporting, and supervise to have internal control appropriateness assessment process.
- 17) Give consent in proposing the appointment of the auditor and consider annual audit fee to propose to the shareholders for consideration and approval on the appointment.
- 18) Report the Board's responsibilities in preparing financial report for presentation together with the Auditor's Report in Annual Report, covering the important issues according to the policy of good practice for the directors of the listed companies of the Stock Exchange of Thailand.
- 19) Govern the function of sub-committees as prescribed by the Charter.
- 20) The Board shall perform self-assessment and overall performance assessment.

7.3. Information of the Sub-Committees

The structure of the Board of Directors of the Company consists of the Board of Directors and 4 sub-committees that are the Audit Committee, Nomination and Remuneration Committee, Executive Committee and the Risk Management Committee. Board of Directors meeting has resolved to approve the role, duties and responsibilities as follows:

Audit Committee

The Audit Committee consists of three committee members as follows.

Name List		Position
1.	Pitsanu Khantipong, MD	Chairman of the Audit Committee
2.	Dr. Watthana Yuenyong	Audit Committee Member
3.	Dr. Chalermchai Khamsaen	Audit Committee Member

Remark: Watthana Yuenyong is the audit committee member who is knowledgeable and experienced in accounting or finance.

Scope of Authorities of the Audit Committee

The scope of authorities and responsibilities of the Audit Committee is as follows.

- 1) Review the financial report to ensure that it is accurate and reliable, and disclose adequate information by coordinating with the external auditor and executive who is responsible for preparation of both quarterly and annually financial reports.
- 2) Review the Company to have appropriate and efficient internal control system and internal audit system, and consider independency of the internal audit unit as well as give consent inconsideration the appointment, removal and dismissal of the Head of Internal Audit Unit or any other unit which is responsible for internal audit and may suggest to review or audit any transaction deemed as necessary and important, and suggest about the significant and necessary improvement of internal control system to propose to the Board of Directors under mutual review with the external auditor and the Manager of Internal Work System Audit Department.
- 3) Review the compliance with Securities and Exchange Law or requirement of the Stock Exchange, other policies, rules and regulations and laws related to the Company's business operation.
- 4) Consider the election and propose the appointment of the independent person to perform the auditor's duty, as well as consider the proposal of remuneration of the Company's auditor to the Board of Directors. The Audit Committee shall attend the meeting with the auditor without meeting attendance by the Management at least once a year.
- 5) Review internal audit plan of the Company according to the generally accepted method and standard.
- 6) Consider connected transaction or transaction that may have conflict of interests according to laws and requirements of the Stock Exchange, as well as proper and complete disclosure of the Company's information in the said issue in order to ensure that the said transaction is reasonable and maximally useful for the Company.
- 7) Review the Company to have appropriate and effective risk management system.
- 8) Report the performance of the Audit Committee to the Board of Directors for acknowledgement at least once four times a year.
- 9) Prepare the Audit Committee's Report by disclosing in Annual Report of the Company. The said report shall be affixed by the Chairman of the Audit Committee and shall at least contain the following information.
 - 9.1) Opinion on accuracy, completeness and reliability of the Company's financial report
 - 9.2) Opinion on adequacy of the Company's internal control system
 - 9.3) Opinion on compliance with Securities and Exchange Law, requirement of the Stock Exchange, or laws related to the Company's business.
 - 9.4) Opinion on the appropriateness of the auditor.
 - 9.5) Opinion on the connected transaction or transaction that may have conflict of interests.
 - 9.6) Number of the Audit Committee Meetings and Meeting Attendances of each committee member.
 - 9.7) Overall opinion or observation acquired by the Audit Committee from function according to Charter.
 - 9.8) Other transaction which is deemed that the shareholder and general investor should acknowledge under the scope of duties and responsibilities entrusted by the Board of Directors.
- 10) Mutually give opinion on considering appointment, removal and assessment of the performance of Internal Audit Unit's officers.
- 11) In function based on the scope of duties, the Audit Committee shall have power to invite the Management and executives or the Company's related employees to attend the meeting or deliver documents deemed to be related or necessary.
- 12) Have power to hire consultant or outsider according to the Company's rule to advise or give counsel in the necessary event.
- 13) The Audit Committee shall assess the performance by self-assessment and report assessment result as well as problem and obstacle in function that may cause function not attain the objective of establishment of the Audit Committee for acknowledgement of the Board of Directors every year.
- 14) Consider review and update of the Charter of the Audit Committee at least once a year.
- 15) Review the anti-corruption process of the company
- 16) Review and comment on the Company's annual anti-corruption report.
- 17) Perform other tasks as entrusted by the Board of Directors within the scope of duties and responsibilities of the Audit Committee.

Nomination and Remuneration Committee

Nomination and Remuneration Committee consists of three committee members as follows.

Name List	Position
1. Dr. Watthana Yuenyong	Chairman of the Nomination and Remuneration Committee
2. Dr. Chalermchai Khamsaen	Nomination and Remuneration Committee Member
3. Mrs. Jularat Ngamlerdlee	Nomination and Remuneration Committee Member

Scope of Authorities of the Nomination and Remuneration Committee

The scope of authorizes and responsibilities of the Nomination and Remuneration Committee is as follows.

Nomination

- 1) Determine the nomination method for qualified person to hold the director office to be proper for the corporate nature and business operation under determination of qualification and expertise in each area required to be available.
- 2) Nominate the director when the term is reached and required for nomination of the director to the Board of Directors for consideration. The nomination may be considered from the existing director to further hold the office or the nomination may be opened from the shareholder or outsource of the external company to help in nomination or consideration on the person from professional director directory, or nomination of the qualified person by each director, etc.
- 3) Consider name list of the nominated and elected persons who are qualified in consistency with the determined criteria and qualification.
- 4) Verify whether the nominated person is qualified according to laws and requirements of the relevant agencies.
- 5) Approach the qualified person in consistency with the determined criteria and qualification to ensure that such person is glad to assume the office of the Company's director if he or she is appointed by the shareholder.
- 6) Nominate the name for the Board's consideration and filling the name in the Shareholders' Meeting Appointment Letter for consider and appointment by the Shareholders' Meeting.
- 7) Consider nominate the Chief Executive Officer and Managing Director as entrusted by the Board of Directors.

Determination of Remuneration

- 1) Consider the payment criteria for remuneration of the director, Chief Executive Officer, and Managing Director for appropriateness under review on the appropriateness of the currently applied criteria in comparison with the remuneration payment information of other companies in the same industry of the Company; and determine the appropriate criteria for creation of achievement as expected for fairness and return to the person who helps in working for the Company's success.
- 2) Review the payment form for every type of remuneration such as fixed remuneration, overall operation-based remuneration and meeting allowance under concern on practical guideline currently applied by the same industry, turnover and business size of the Company and responsibility, knowledge, competency and experience of the director, Chief Executive Officer, and Managing Director required by the Company.
- 3) Consider the performance assessment criteria for the Chief Executive Officer and Managing Director as entrusted by the Board of Directors.
- 4) Determine annual remuneration of the director, Chief Executive Officer and Managing Director according to the payment criteria considered and proposed to the Board of Directors for approval on remuneration of the Chief Executive Officer and Managing Director. In part of director, the Board of Directors shall propose for approval of the Shareholders' Meeting.
- 5) Consider the appropriateness and give consent in the event of new security offering for sale to the directors and employees, adhering to the principle of fairness to shareholder and creation of motivation to director and staff to function for long-term value addition to shareholders and ability to actually retain the quality personnel.

Risk Management Committee

Risk Management Committee consists of 6 committee members as follows.

Name List	Position
1. Mr. Tawatchai Phutthipiriya	Chairman of the Risk Management Committee
2. Mrs. Amorn Phutthipiriya	Risk Management Committee Member
3. Mr. Pittaya Jitmase	Risk Management Committee Member
4. Miss Chanya Charoensuk	Risk Management Committee Member
5. Mr. Thanit Yoddee	Risk Management Committee Member
6. Mrs. Duangjai Yuint	Risk Management Committee Member and Secretary of the Risk Management Committee

Scope of Authorities of the Risk Management Committee

The scope of authorities and responsibilities of the Risk Management Committee is as follows.

- 1) Determine risk management policy and structure to propose to the Executive Board to be consistent and according to the risk management guideline of the Stock Exchange of Thailand and the Institute of Internal Auditors of Thailand.
- 2) Set strategy to be consistent with risk management policy so that each type of risk can be assessed, monitored and controlled to be in acceptable level under participation of work units in risk management and control.
- 3) Assess corporate level risks and define method of risk management to be in acceptable level, and supervise and control risk management according to the determined method.
- 4) Review risk management policy and improve it to be adequately effective and efficient for risk control.
- 5) Have power to call the related person to clarify or appoint and determine roles for every level of the operator to have duty in managing risk as appropriate and report to Risk Management Committee so that risk management can attain the objective.
- 6) Regularly report risk management result to the Executive Board and the Audit Committee in order to propose to the Board of Directors every quarter.
- 7) Prepare Risk Management Manual.
- 8) Specify various areas of risks and analyze and assess the contingent risk and trend that affects the Company.
- 9) Prepare work plan for risk prevention and abatement.
- 10) Assess and prepare risk management report.
- 11) Systemize integrated risk management system by linking with information system.
- 12) Perform other works as deemed as appropriate by the Board of Directors.

Executive Board

Executive Board consists of seven members as follows.

Name List	Position
1. Mr. Tawatchai Phutthiphiya	Chairman of the executive board
2. Mrs. Amorn Phutthiphiya	Executive Director
3. Mr. Pittaya Jitmase	Executive Director
4. Mrs. Rungnapa Piboonsri	Executive Director
5. Mrs. Bongkot Chanthajit	Executive Director
6. Mr. Thanaphong Phutthiphiya	Executive Director
7. Mr. Thanaphoom Phutthiphiya	Executive Director

Scope of Authorities of the Executive Board

The scope of authorizes and responsibilities of the Executive Board is as follows.

- 1) The Executive Board shall be appointed from the Board of Directors, and consist of the executive directors and executive employees for not less than five persons in total as the Executive Board.
- 2) Perform the duties in controlling the Company's management according to the policy formulated by the Board of Directors and report the overall operation to the Board of Directors. In carrying out the Executive Board's Meeting, the members for not less half of the executive directors shall attend the meeting. There shall be majority votes from the Executive Board's Meeting in resolution and the said counted votes shall be at least half of total votes of the Executive Board.
- 3) Properly consider the determination of power and approval level of each person to be appropriate and separate duty that may support corruption out, as well as determination of procedure and method of transaction performing with the major shareholder, executive director or related person of the said person to prevent transfer of benefit and propose to the Board of Directors for approval on the principle, and control the observance of the approved principle and requirement.
- 4) Consider annual budget and procedure of budget spending to propose to the Board of Directors, and control and supervise spending based on budget approved by the Board of Directors.
- 5) Consider improvement of the Company's business operation plan to be appropriate for the Company's benefit.
- 6) Consider approval on investment and determination of investment budget according to the power in Operating Power Manual.
- 7) Consider entering the contracts that bind the Company according to power in Operating Power Manual.
- 8) Take responsibility for having the adequate important information of the Company for use as support in decision making of the Board of Directors and shareholder and prepare reliable financial report according to good and transparent standard.
- 9) Consider profit and loss of the Company and propose to pay annual dividend to the Board of Directors.
- 10) Consider new business operation or business winding up and propose to the Board of Directors.
- 11) Govern to determine the procedure for the operator to report abnormal circumstance or legal offence to the Executive Board without delay. In the event that such circumstance has material impact, the Board of Directors shall be reported for acknowledgement to consider the correction within appropriate period.
- 12) Perform any acts to support the aforesaid operation or according to the opinion of the Board of Directors or as authorized by the Board of Directors.
- 13) The execution of any issue which is proposed to the Executive Board's Meeting and resolved and/or approved by the Executive Board's Meeting shall be reported to the Board of Directors for acknowledgement in the following Board of Directors' Meeting.
- 14) The executive director is unable to approve the transaction that he or she or the person who may have conflict of interests has stake or may have conflict of interests in other nature with the Company or its subsidiary.

7.4. Executive

7.4.1. Name and Position

Total executives of the Company are 6 persons under below name list and position.

Name List	Position
1. Mr. Tawatchai Phutthipiriya	Managing Director/Acting for Deputy Managing Director of Management
2. Mrs. Amorn Phutthipiriya	Deputy Managing Director of Operation
3. Mr. Pittaya Jitmase	Director of Accounting and Finance Division
4. Mrs. Duangjai Yuint	Accounting and Finance Division Manager
5. Mr. Thanaphong Phutthipiriya	Director of Operation Division
6. Mr. Thanaphoom Phutthipiriya	Director of Sales and Marketing Division

7.4.2. Remuneration of executives and executive committee policy

The Board of Directors has resolution of Nomination and Remuneration Committee appointment to nominate qualified person to hold the directors and executives, also to consider payment method and criteria of remuneration of the directors and executives as following.

- 1) Consider payment criteria of remuneration of the directors and executives for appropriateness under review on the appropriateness of the currently applied criteria in comparison with the remuneration payment information of other companies in the same industry of the Company; and determine the appropriate criteria for creation of achievement as expectation for fairness and return to the person who helps in working for the Company's success
- 2) Review the payment form for every type of remuneration such as fixed remuneration, overall operation-based remuneration and meeting allowance under concern on practical guideline currently applied by the same industry, turnover and business size of the Company and responsibility, knowledge, competency and experience of the director, Chief Executive Officer, and Managing Director required by the Company
- 3) Consider the performance-assessment criteria for the Chief Executive Officer Managing Director and other executives as entrusted by the Board of Directors.
- 4) Determine annual remuneration of the directors, Chief Executive Officer Managing Director, and other executives according to the payment criteria considered and proposed to the Board of Directors for approval on remuneration of Chief Executive Officer Managing Director, and other executives. In part of director, the Board of Directors shall propose for approval of the Shareholders' Meeting.
- 5) Consider the appropriateness and give consent in the event of new security offering for sale to the directors and employees, adhering to the principle of fairness to shareholder and creation of motivation to director and employees to function for long-term value addition to shareholders and ability to actually retain the quality personnel.

7.4.3. Executive's Remuneration

The Company has given the remuneration for the executive in form of salary, bonus, contribution of social security fund, and other remunerations such as position allowance, active payment, vehicle expense, etc. under below details.

Description	2021	2022
	Remuneration (Baht)	Remuneration (Baht)
Number of Executive	6	6
Salary, Bonus and Other Remunerations	10,279,000	10,693,000
Provident fund and Social security fund	259,440	264,240
Non – Monetary Remuneration	None	None
Total	10,538,440	10,957,240

7.5. Personnel

7.5.1. Number of Personnel

As of 31 December 2022, the Company consists of 764 employees (excluding 6 management executives) which are divided into 629 full time employees and 135 daily employees.

Table showing number of employees

Department	Number of Employees as of 31 December 2021		Number of Employees as of 31 December 2022	
	Full Time	Daily	Full Time	Daily
1. Finance and Accounting Department	21	-	21	-
2. Warehouse Department	45	74	43	79
3. Delivery Department	41	17	47	7
4. Sales and Marketing Department	9	-	8	1
5. Human Resources Department	15	-	12	-
6. Information Technology Department	4	-	4	-
7. Purchasing Department	9	2	12	-
8. Internal Audit Department	4	-	5	-
9. Employees in supermarket stores	451	57	477	48
Total	599	150	629	135

7.5.2. Significant Change in Number of Employees in the past 3 years

- None -

7.5.3. Significant Labor Dispute in the past 3 years

- None -

7.5.4. Employee Compensation

The Company compensates all employees (excluding 6 management executives) in various forms which consist of salary, bonus, Provident Fund contribution and Social Security contribution. Details are as follows:

Table showing Employees Compensation

Employee Compensation	For the year 2021		For the year 2022	
	Number (Person)	Compensation (Baht)	Number (Person)	Compensation (Baht)
Salary and Bonus	749	123,975,988	764	123,896,777
Social security fund	749	2,507,772	764	3,175,744
Provident fund and other benefit	749	880,754	764	578,319
Total	749	127,364,514	764	127,650,840

7.5.5. Policy in Human Resources Development

The Company has set policies in human resources development in order to develop skills and knowledge of its employees which shall result in higher potential competition as well as sustainable growth. The Company perceives the importance of continuous development in human resources; therefore, the Company concentrates in developing and maximizing the employees' capabilities with various knowledge guidelines and training courses. Together with the promising and proactive working environment, the Company also emphasizes on the employees' self-skill training and self-capability development. These practices shall strengthen the Company's performance as well as support the expansion in the future. In addition, the Company arranges a training room as well as training courses and employee manuals for each division so as to support the employees' development programs. Moreover, employees are encouraged to attend in various training courses with other institutions.

7.6. Other Important Information

7.6.1. Information of the company Security, the person supervising accounting and Head of Internal Audit Office

Company Secretary

The Board of Director's Meeting No. 1/2015 on 26 January 2015 approved the appointment of Mr. Pittaya Jitmase as the Company Secretary according to the requirement of Securities and Exchange Act B.E. 2535 (1992) (including amendment). Mr. Pittaya Jitmase attended the training of Continuous Development for Company Secretary Program (CSP) of Thai Institute of Directors (IOD), Class CSP 68/2015.

Scope of Authority for the Company Secretary

The Board of Directors' Meeting No. 1/2015 on 26 January 2015 resolved the determination of the scope of the authority for the Company Secretary as follows.

- 1) Prepare and store the following documents.
 - (a) Director Registration
 - (b) Appointment Letter for the Board of Director's Meeting, Minutes of the Board of Directors' Meeting, and Annual Report of the Company
 - (c) Appointment Letter for the Shareholders' Meeting and Minutes of the Shareholders' Meeting
- 2) Retain the Stakeholder Report which is reported by the director or executive.
- 3) Prepare the Copy of the Stakeholder Report according to Section 89/14 for the Chairman of the Board of the Directors and Chairman of the Audit Committee within seven working days from the received date of the said Report by the Company. The Company shall prepare storage system of the documents or evidences related to information presentation, and supervise the proper and complete storage for accountability within not less than ten (10) years from the preparation date of the said documents or information.
- 4) Execute any other acts according to the requirement in the announcement of Capital Market Supervisory Board.

The person supervising accounting

Mr. Pittaya Jitmase, Accounting and Finance Director who are qualified according to the criteria prescribed in the announcement of the Department of Business Development Appointed as a supervisor of the company's accounting It has a duty to inform details related to accounting to be accurate and complete according to accounting standards and financial reporting standards. and continual professional knowledge development in accordance with the rules, procedures and periods prescribed by law

Details of Head of Internal Audit Office

The Company uses the outsource service, IVL Audit Company Limited ("IVL") as the internal service providing company since 17th December, 2013 and IVL has entrusted Miss Valdee Siboonrueang as the Head of Internal Audit.

The Internal auditor of the Company has assigned to work as internal audit of the Company which the audit committee has considered and approved the internal audit's plan that proposed by the internal auditor. In this regard, the consideration and approval of the appointment, removal and transfer of the head of internal audit of the Company must be approved by the audit committee. The qualifications of the head of internal audit are as follows:

Name - Surname : Miss Valdee Siboonrueang

Position : Audit Partner, IVL Audit Company Limited (“IVL”)

Educational : Bachelor’s Degree, Faculty of Commerce and Accountancy, Chulalongkorn University

Qualification : Certified Public Accountant (CPA), Registration No. 3829

Training History : Director Accreditation Program (DAP) Course, Class 32/2005
Audit Committee Program (ACP) Course, Class 4/2005

Work Experience : 994 – Present Managing Partner,
VL Auditing Company Limited (Accounting Audit Service – Internal Audit)

- 1990 – 1994 Accounting and Finance Division Manager,
Mandom Corporation (Thailand) Company Limited (Manufacture and Distributor of Cosmetics)
- 1986 – 1990 Audit Senior
Deloitte Touche Tohmatsu Jaiyos Company Limited (Accounting Audit Service)



7.6.2. Information of Head of Investor Relations

The Company has assigned Mr. Pittaya Jitmase to act as the head of the investor relations department of the Company. The contact information are as follows:

Telephone : 0 5377 6144 ext. 2011, 065-5354372

Email : investor@thanapiriya.co.th

By Letter or Mail Investor
Thanapiriya public company Limited
329 Moo.8 Bandu Sub-District, Muang Chiang Rai District,
Chiang Rai Province 57100

7.6.3. Auditor’s Remuneration

The Company paid auditing remuneration for financial statements for the accounting year period of 2020 – 2022 to ANS Audit Company Limited as follows.

Detail of Auditing Remuneration	2020	2021	2022
Remuneration (Baht)	1,800,000	1,845,000	1,960,000

Remark: Audit fee of the Company and its subsidiary

Other service charge : - none -

8. Corporate Governance Report

8.1. Summary of the Performance of the Committees for Last Year

8.1.1. Recruitment, Development, Assessment of the performance of the Board of Directors

Nomination of Independent Director

In selection of the person who assumes the independent director office, the Nomination and Remuneration Committee shall mutually consider and determine the criteria and policy for consideration on nomination of the person who assumes the independent director office by considering from the qualification pursuant to Public Limited Companies Act B.E. 2535 (1992), Securities and Exchange Law, Announcement of the Securities and Exchange Commission, Announcement of the Capital Market Supervisory Board, as well as other relevant announcements, regulations, and/or rules and regulations. However, the Company's policy is to appoint the independent directors for at least one-third (1/3) of total number of directors and not less than 3 persons.

Qualification of Independent Director

The Board of Directors determines the qualification of the independent director according to the requirement of the Stock Exchange of Thailand as follows.

- 1) Hold shares for not more than one (1) percent of total number of shares with voting rights of the Company, holding company, subsidiary, associated company, major shareholder, or regulator of the Company. The shareholding of the related person of the said independent director shall be also counted.
- 2) Never or ever been the director who participates in the management, employee, staff, consultant who earns fixed salary, or the regulator of the Company, holding company, subsidiary, associated company' subsidiary in the same sequence, major shareholder or of the regulator of the Company, unless it is free from such nature for not less than two (2) years prior to appointment to assume the independent director office. However, such prohibited nature excludes the event that the independent director has ever been the government officer or consultant of the administrative agency which is the major shareholder or regulator of the Company.
- 3) Not be the person having relationship by blood or by legal registration in the nature of being parent, spouse, brother and sister and child as well as spouse of the child of the executive, major shareholder, regulator, or person who is nominated to be the executive or regulator of the Company or its subsidiary.
- 4) Never or ever had the business relationship with the Company, holding company, subsidiary, associated company, major shareholder, or regulator of the company in the nature that may obstruct the exercise of his or her independent discretion; and also never or ever been the significant shareholder or regulator of the person having business relationship with the Company, holding company, subsidiary, associated company, major shareholder, or regulator of the Company, unless such nature is free for not less than two (2) years prior to appointment to assume the independent director office.
- 5) Never or ever been the auditor of the Company, holding company, subsidiary, associated company, major shareholder or regulator of the Company; and not be the significant shareholder, regulator or partner of the audit firm where the auditor of the Company, holding company, subsidiary, associated company, major shareholder or regulator of the Company, is the member, unless the said auditor is free from such nature for not less than two (2) years prior to appointment to assume the independent director office.
- 6) Never or ever been any provider of professional service, legal consulting or financial consulting service, who is paid for service charge exceeding two million Baht per year from the Company, holding company, subsidiary, associated company, major shareholder or regulator of the Company; and not be the significant shareholder, regulator or shareholder of the said professional service provider, unless the said service provider is free from such nature for not less than two (2) years prior to appointed date to assume the independent director office.
- 7) Not be the appointed director as the representative of the Company's director, shareholder, major shareholder or shareholder who is the related person of the major shareholder.
- 8) Not engage in the business that has the same condition and significantly compete with the business of the Company or its subsidiary; or not be the director who participates in management, employee, staff, consultant who earns fixed salary or holds shares of other company for more than one (1) percent of total shares with voting rights that engages in the same condition of the business as the significant competition with the business of the Company or its subsidiary.
- 9) Not possess any other characteristic that causes inability to express independent opinion about the Company's operation.

Nomination of the Board of Directors

In selection of the person who will assume the Company's director position, the Nomination and Remuneration Committee shall mutually determine criteria and policy for consideration on nomination of the Company's director to propose to the Board and/or the Shareholders' Meeting. However, the person who is appointed to hold the director position shall have complete qualification according to Public Limited Companies Act B.E. 2535 (1992), Securities and Exchange Law, Announcement of the Securities and Exchange Commission, Announcement of the Capital Market Supervisory Board, as well as the relevant announcements, regulations and/or other rules and regulations. The Company's Articles of Association determines that the Board of Directors shall consist of at least five members and the directors for not less half of total number of directors shall have their domiciles in the Kingdom. The Share holders' Meeting shall elect the directors under below criteria.

- 1) A shareholder shall have one vote per one share.
- 2) In election of the director, voting method may be used to elect an individual director per time or several directors per time as deemed as appropriate by the Shareholders' Meeting. However, in each time of resolution, the shareholders shall vote with all votes available in Clause 1 whereas more or less votes are unable to be shared to anyone. Thus, the shareholder is unable to share his or her votes in election of the director to anyone more or less pursuant to Section 70 paragraph one of Public Limited Companies Act (NON-CUMULATIVE VOTING only).

The persons who earn highest votes in order shall be elected as the directors equaling to the number of directors that should have or should be elected in that time. In the event that the elected person in the following order has equal vote more than number of directors that should have or should be elected in that time so that the Chairman of the Meeting shall perform vote casting.

- 3) The office term for the directors of the Company with duty in managing the Company's business operation shall be according to the Company's Articles of Association. It is to say that in every Annual General Meeting of Shareholders, one-third (1/3) directors of the current number of directors shall vacate from the office. If the number of directors is unable to be divided in to three portions, they shall vacate in the number nearest to one-third (1/3) portion. The retired director may be selected to resume the office again. The Committee in specific issue, such as the Audit Committee and Nomination and Remuneration Committee, shall have the office term for three (3) years per term. One (1) year here in means the period of time between the date of the General Meeting of the Shareholders in the appointed year until the date of the General Meeting of the Shareholders in the following year. The director who is retired by rotation is able to be nominated and appointed to resume the office.
- 4) Apart from retirement by rotation, the director shall vacate his or her office upon:
 - (a) Death;
 - (b) Resignation;
 - (c) Disqualification or possession of the prohibited characteristic according to Public Limited Companies Law or Securities and Exchange Law;
 - (d) Resolution of the Shareholders' Meeting for resignation prior to retirement by rotation with votes for not less than one-third (3/4) of number of shareholders who attend the meeting with voting rights. Total shares are counted to be not less than half of the number of shares held by the shareholders who attend the meeting with voting rights.
 - (e) Order of the Court for retirement
- 5) Any director who resigns from the office shall submit resignation form to the Company. The said resignation shall be effective from resignation date to the Company. The resigned director in the content of the first paragraph may also notify his or her resignation to the registrar for acknowledgement.
- 6) In the event that the director position is vacant due to other reason apart from retirement by rotation, the Board shall select the qualified person without prohibited characteristic according to Public Limited Companies Law or Securities and Exchange Law, to assume as the director in replacement in the following Board of Director's Meeting except the remaining term of the replaced director is less than two (2) months. The person who assumes as the director in replacement of the said director shall be the director office for just equaling to the remaining term of the replaced director. The resolution of the Board of Directors according to the content in the first paragraph shall consist of votes for not less than three-fourth (3/4) of the remaining number of directors.
- 7) The Board of Director shall give consent for the director of the Company who will assume the director position in other company.

Top Executive Management

The Nomination and Remuneration Committee will select the Managing Director, to propose to the Board of Directors to appoint top management. The selection of the top management of the company will be selected according to the succession planning, with the appropriate qualifications of those in the succession plan. Assessing the competencies required for individuals and developing them to have sufficient knowledge, competence, and experience to promote to a top management position.

Self-Assessment of the Directors and the Sub-Committee Members

The Company gives precedence to performance assessment of the Board of Directors, and Sub-Committees under the objective of utilization of the assessment result in the functional improvement of the Board of Director and the Sub-Committees

in various areas. In the meeting, the directors and the sub-committee members shall assess the performance of the Board/ Sub-Committee in the previous year. The performance of the Board of Directors and the Sub-Committees for 2021 was assessed on 23 February 2022 using assessment form according to the sample issued by Capital Market Governance Development Division, Stock Exchange of Thailand, under below procedure and detail.

Self-Assessment of the Board of Directors

- 1) The Company Secretary hands out assessment form to the Board using self-assessment form of the group of the committee.
- 2) The Board shall perform self-assessment in received assessment form which is divided into the following topics.
 - The structure and qualification of the Board in the following issues shall be appropriate for effective working of the Board.
 - The Board of Directors' Meeting executes the following issues for the Board's effective function in the meeting.
 - The consideration, review and compliance with the following issues are emphasized in sufficient time spending in roles, duties and responsibilities of the sub-committee.
 - Other issues
- 3) The Company Secretary gathers and summarizes assessment result.

Self-Assessment of the Sub-Committee

- 1) The Company Secretary hands out assessment form to the sub-committee using self-assessment form of the group of the committee.
- 2) The Audit Committee, the Nomination and Remuneration Committee, and the Risk Management Committee perform self-assessment in the received assessment form which is divided into the following topics.
 - Structure and qualification of the committee members in the following issues shall be appropriate for effective working of the committee members.
 - The Sub-Committee's Meeting shall be carried out in the following issues for effective function of the committee members in the meeting.
 - The consideration, review and compliance with the following issues are emphasized in sufficient time spending in roles, duties and responsibilities of the sub-committee.
- 3) Company Secretary gathers and summarizes assessment result.

Development of Director and Executive

For increase in working efficiency of various sets of committees, the Company supports the Board of Directors and chief executives to always participate in seminar in the course useful for function, and meet and exchange the opinion with the Board of Directors and chief executives of the organizations whether it is the course arranged by the work unit that supervises the training of the Company's employees and the course arranged by the government supervisory authority or independent organization such as director course of Thai Institute of Directors at Office of the Securities and Exchange Commission. The director of the listed company shall determine to be trained for at least one course such as Directors Certification Program (DCP), Directors Accreditation Program (DAP), and Audit Committee Program (ACP), so as to apply knowledge and experience for the Company's development accordingly.

8.1.2. Board Members Attendance and Remuneration of Individual Director

Name List	Number of Meeting Attendances / Total Meetings
	2022
1. Pitsanu Khantipong, MD	6/6
2. Dr. Watthana Yuenyong	6/6
3. Dr. Chalermchai Khamseen	6/6
4. Mr. Tawatchai Phutthipiriya	6/6
5. Mrs. Amorn Phutthipiriya	6/6
6. Mrs. Jularat Ngamlertdee	6/6
7. Miss Bussakorn Thadthapong	6/6

In the Board of Directors' Meeting No. 6/2022 on 14 December 2022, time table of Annual Meeting of the Board of Directors for 2023 has been scheduled in advance. The defined meeting agenda shall be always notified to the Board of Directors for acknowledgement.

Director's Remuneration

The Company clearly and transparently determines remuneration for the director to be consistent with his or her role, duty and responsibility in governing the Company's works under appropriateness consideration through the concern on maximum benefit toward the Company and its shareholders in below details.

Monetary Remuneration

Remuneration Rate for the Board of Directors

Annual General Meeting of Shareholders for 2022 on 22 April 2022 considered determination of remuneration for the Board of Directors, Audit Committee, Executive Board, and Nomination and Remuneration Committee under below details.

Name List	Committee Meeting Allowance (Baht/Time)
Chairman of the Board of Directors	25,000
Director	20,000
Chairman of the Audit Committee	20,000
Audit Committee Member	15,000
Chairman of the Nomination and Remuneration Committee	20,000
Nomination and Remuneration Committee Member	15,000

Remark:

- 1) The committee member who is the executive or earns remuneration in form of salary shall not receive meeting allowance for individual meeting attendance.
- 2) The Company shall consider special remuneration or bonus from overall operation not exceeding 2.5 million Baht of total financial limit.

Table of the Committee Member's Remuneration between 1 January 2022 – 31 December 2022

Name List	Remuneration (Baht/Time)				
	Director	Audit Committee Member	Nomination and Remuneration Committee	Special Remuneration	Total
1. Pitsanu Khantipong, MD	150,000	100,000	-	90,000	340,000
2. Dr. Watthana Yuenyong	120,000	75,000	40,000	90,000	325,000
3. Dr. Chalermchai Khamsaen	120,000	75,000	30,000	85,000	310,000
4. Mr. Tawatchai Phutthiphiya	-	-	-	-	-
5. Mrs. Amorn Phutthiphiya	-	-	-	-	-
6. Mrs. Jularat Ngamlerdlee	120,000	-	30,000	55,000	205,000
7. Miss Bussakorn Thadthapong	120,000	-	-	40,000	160,000
Total	630,000	250,000	100,000	360,000	1,340,000

Other Remunerations and Non-monetary Remuneration

- None -

8.1.3. Corporate Governance for Subsidiary Companies

The Company has formulated the management structure of its subsidiary so that it can control and supervise the management and take responsibility of the operation of its subsidiary as if it is a work unit of the Company. In addition, it also monitors the management of its subsidiary to retain the benefit of the Company's investment fund under below details.

- 1) The Company delivers the person with knowledge and competency in the field or profession related to its subsidiary to assume the director or executive position in the proportion of the Company's shareholding in its subsidiary. The delivery of the said person to assume the director or executive position of its subsidiary shall be resolved for consent from the Board of Directors' Meeting. Moreover, the Company has clearly determined the scope of duties and responsibilities of the person whom is delivered by the Company to assume the director or executive position in its subsidiary.
- 2) The Company has clearly determined the framework of discretion power of the person whom is delivered to assume the director or executive position in its subsidiary. In voting of the said person in the Board of Directors' Meeting of its subsidiary in important issue, it shall be firstly given consent by the Board of Directors' Meeting.
- 3) The Company monitors and supervises its subsidiary to completely and properly disclose the information related to the financial position and overall operation, related transaction performing, and acquisition or disposal of the significant asset.
- 4) The Company monitors and supervises the director and executive of its subsidiary to practice according to duties and responsibilities prescribed by law.
- 5) The Company's mechanism for governance on performing the following transactions shall be firstly resolved from the Board of Directors' Meeting or the Shareholders' Meeting.
 - a) Performing transactions between its subsidiary and the connected person
 - b) Acquisition or disposal of the asset
 - c) Performing any other transaction of its subsidiary

8.1.4. Monitoring to Ensure Compliance with Corporate Governance Policy and Guidelines on Good Corporate Governance

1) Conflict of Interest Prevention Policy of the Company

The company is required to consider connected transaction or transaction that may have conflict of interests according to laws and requirements of the Stock Exchange, as well as proper and complete disclosure of the Company's information in the said issue in order to ensure that the said transaction is reasonable and maximally useful for the Company.

The executive director or the managing director is unable to approve the transaction that he or she or the person who may have conflict of interests has stake or may have conflict of interests in other nature with the Company or its subsidiary.

In the event that the management and employees behave oneself in the way that causes conflict of interests with the Company, the Company's organization structure and work rules and regulations shall be considered. Each work section shall primarily consider and summarize and forward the issue to the top superior and relevant line accordingly to make decision and further specify punishment as appropriate. If the occurred conflict of interests is severe and causes huge damage, and it may not be in diagnosis of the original affiliation, the issue shall be raised to the Company's management for consideration on finding summary and imposing the punishment accordingly.

In the year 2020 - 2022, there is no Conflict-of-interest transaction of employees and Company executives

2) Policy on the use of insider information

The Company has formulated the policy for prevention on use of the inside information and governance of the director, executive and employee (including spouse and underage child) whom the following data of the Company are informed.

1. Educate the knowledge to the director, executive and holder of executive position in accounting or finance line who is in the level of division manager and over or equivalent, about the duties in preparing and submitting the report of security holding by oneself, spouse and underage child to the Office of the Securities and Exchange Commission pursuant to Section 59 and penalty pursuant to Section 275 of Securities and Exchange Act B.E. 2535 (1992).
2. Define the director, executive as well as holder of executive person, in accounting or finance line who is in the level of division manager and over or equivalent; always prepare and submit the report of security holding by oneself, spouse, and underage child through the Company Secretary prior to submission to the Office of the Securities and Exchange Commission, within thirty (30) days from the appointed date for holding the director and executive position; or report the change in security holding within three (3) working days from the date of purchase, sale, transfer or transfer acceptance for the said securities.

3. Determine that the director, executive and the holder of the executive position in accounting or finance line who is in the level of division manager and over or equivalent, and the relevant operator whom the inside information which is essential and affects the change of the security price is informed, shall suspend the trading of the Company's securities in the period of time before publicity of financial statements or publicity of financial position and status of the Company until the Company has already publicly disclosed those information. The Company will notify in writing the director and executive as well as the holder of executive level position in accounting or finance line which is the level of the manager and over or equivalent to suspend trading of the Company's securities at least thirty (30) days in advance prior to public disclosure of data and they should wait for at least twenty-four (24) hour after public disclosure of data. They are also prohibited not to disclose the material data to other persons.
4. Define disciplinary penalty if violating to use inside information for exploitation of self-benefit. The disciplinary penalty is started from written warning, wage reduction, temporary job suspension without wage receiving or dismissal. The intent of act and gravity of the offence shall be considered in punishment.

Reporting of Shareholdings by directors and executives

The Company requires Directors and Executives to report change in shareholding pursuant to Section 59 of the Securities and Exchange Act BE 2535 within 3 business days from the date of purchase, sale or transfer to the office of Securities and Exchange Commission.

The shareholding of the Company's directors including spouse and management as at 31 December 2022, are detailed below.

Name List	Number of Shares On 31 December 2021 ¹⁾	Number of Shares On 31 December 2022 ¹⁾	Increase (Decrease)
1. Pitsanu Khantipong, MD	500,000	500,000	-
2. Dr. Watthana Yuenyong	-	-	-
3. Dr. Chalermchai Khamsaen	-	-	-
4. Mrs. Jularat Ngamlerdlee	123,000	123,000	-
5. Miss Bussakorn Thadtthapong	-	-	-
6. Mr. Tawatchai Phutthiphiya	520,800,100	520,800,100	-
7. Mrs. Amorn Phutthiphiya	520,800,100	520,800,100	-
8. Mr. Pittaya Jitmase	-	-	-
9. Mrs. Duangjai Yuinth	74,000	40,000	(34,000)
10. Mr. Thanaphong Phutthiphiya	27,020,300	27,020,300	-
11. Mr. Thanaphoom Phutthiphiya	30,000,000	30,000,000	-

Remark : 1) Include Securities held by a spouse and/ or children under the legal age of directors or executive

3) Anti-Corruption Policy

Thanapiriya Public Company Limited rely great importance on good corporate governance. The Company trusted that good corporate governance and the management of its framework are transparent and accountable. Therefore, it is consent to define the Anti-corruption policy which prohibit the Company's personnel from conducting or accepting or providing support in all forms of corruption along with the appropriate operational requirements to prevent corruption in all business activities that may have a risk of corruption to be used as a guideline for business operations. The company was certified as a member of the Thai Private Sector Collective Action Against Corruption from the Thai Private Sector Collective Action Against Corruption Committee on August 21, 2018, and was renewed the membership on September 30, 2021.

Anti-corruption policy of the Company which has been determined and announced with details as shown on the company website <http://www.thanapiriya.co.th> on Investor Relations topic and Sub-topics of Good Corporate Governance which can be summarized as follows.

1. Anti-corruption policy is applied to all employees of the Company includes directors, executives and employees and agents, representatives, contractors and intermediaries or stakeholders who work on behalf of the Company and covers the business processes of the Company which are in the corruption risk.
2. The Board of Director is responsible for defining and approving of Anti-corruption policy and takes care of the system that supports effective anti-corruption. The Audit Committee is responsible for overseeing and monitoring the internal control system including guidelines to ensure that the policy is enforced effectively. The Company executives are responsible to assessing the risk of fraud in their department to review the risk mitigation measures and ensure that there is sufficient internal control system.
3. The Company is defined that all directors, executives and employees must be complied with the anti-corruption policy strictly whether directly or indirectly.
4. The Company has provided a risk assessment for corruption with risk assessment, prioritize and determine the appropriate measurement of the risks that was assessed included monitoring the progress of the measures that was implemented.
5. The Company has prepared practice implementation which has sufficient details to conduct, in accordance with the policy that can prevent the occurrence of corruption in the business.
6. The Company has established an independent internal audit section in order to evaluate the internal control system, risk management system, corporate governance process and other important activities or work systems of the Company.
7. Every director, executive and employee shall not ignore or neglect upon detection of act within the scope of corruption related to the Company. They shall notify their superior or the person in charge for acknowledgement and collaborate in investigation of facts.
8. The Company shall be fair and protect its employee who rejects the corruption or notifies clue of corruption related to the Company without punishment or adverse impact toward the employee who rejects corruption even though the said act may cause the Company lose the business opportunity.

Complaints and whistleblowers channels

Complaints and whistleblowers channels, complaints or comments or any suggestions which the Company has defined are as follows

- o Chairman of the Board / Chairman of the Audit Committee / Secretary of the Board of Directors Thanapiriya Public Company Limited No. 329 Moo 8, Ban Du Sub district, Muang Chiang Rai, Chiang Rai Province 57100.
- o Through the website of the Company <http://www.thanapiriya.co.th> topic of Investor Relations and sub-topics of good corporate governance.
- o Employee can notify through supervisors who they are trusted at all levels or Human Resources Manager

The above persons will collect information for submission to the Company's directors for consideration. The Company has a policy to protect those submitting opinions or recommendations by keeping the information of those submitting opinions or suggestions confidential.

8.2. Report on the performance of the Audit Committee

8.2.1. The Audit Committee's Meeting

Name List	Number of Meeting Attendances / Total Meetings
	2022
1. Pitsanu Khantipong, MD	5/5
2. Dr. Watthana Yuenyong	5/5
3. Dr. Chalermchai Khamsaen	5/5

The Audit Committee's Meeting No. 1/2015 on 26 January 2015 approved the appointment of Miss Valdee Sibunrueang as the Secretary of the Audit Committee.

8.2.2. Report of the Performance of the Audit Committee

(As shown in the report of the Audit Committee, Attachment 1)

8.3. Report on the performance of Other Sub-Committees

8.3.1. The Nomination and Remuneration Committee's Meeting

Name List	Number of Meeting Attendances / Total Meetings
	2022
1. Dr. Watthana Yuenyong	2/2
2. Dr. Chalermchai Khamsaen	2/2
3. Mrs. Jularat Ngamlerdlee	2/2

8.3.2 The Risk Management Committee's Meeting

Name List	Number of Meeting Attendances / Total Meetings
	2022
1. Mr. Tawatchai Phutthiphiya	4/4
2. Mrs. Amorn Phutthiphiya	4/4
3. Mr. Pittaya Jitmase	4/4
4. Miss Chanya Charoensuk	4/4
5. Mr. Thanit Yoddee	4/4
6. Mrs. Duangjai Yuint	4/4

8.3.3 Meeting of Executive Board

Name List	Number of Meeting Attendances / Total Meetings
	2022
1. Mr. Tawatchai Phutthiphiya	6/6
2. Mrs. Amorn Phutthiphiya	6/6
3. Mr. Pittaya Jitmase	6/6
4. Mrs. Runghapa Piboonsri	6/6
5. Mrs. Bongkot Chanthajit	6/6
6. Mr. Thanaphong Phutthiphiya	6/6
7. Mr. Thanaphoom Phutthiphiya	6/6

8.3.4 Performance of the Nomination and Remuneration Committee and the Risk Management Committee

(As shown in the report of the Nomination and Remuneration Committee, Attachment 2 and the Report of the Risk Management Committee, Attachment 3)



9. Internal Control and Related Transactions

9.1. Internal Control

Opinion of the Board of Directors toward The Company's Internal Control

The Company realizes on the significance of the proper and effective internal control system management that will contribute to the transparent operation and prevention on use of the Company's inside information which has not yet been publicly disclosed in wrong way. The Audit Committee of the Company shall perform its duty is to review internal control system and internal audit system and may suggest the review or audit of any transactions which are deemed as necessary or important, and audit the operation of Divisions by coordinating with the auditor and the executive about review of the financial report for adequate and reliable information disclosure.

In the Board of Directors' Meeting No. 1/2022 on 23 February 2022, all of three audit committee members attended the Meeting. The Board of the Directors evaluated the internal control system by interview and inquiry of the information from the management and the related persons according to Evaluation Form for Internal Control System Adequacy of the Securities and Exchange Commission in all of five areas as follows.

1) Organizational Environment

The Company promotes and supports a good internal control environment by defining the corporate governance policy and business ethics in writing includes the communication with employees at all levels to acknowledge and strictly comply also inform about the penalties if there is a violation and manage the organization structure to be aligned with the business plan and is always adjusted to be suitable for work operation.

The Board of Directors consist of the independent directors who are knowledgeable, profundity and independent from the management which are responsible for supervising the proper internal control. There is an Independent Internal Audit Section which is directly to the audit committee who take action to inspect and review the work operation, support for a good internal control environment. In addition, the Company rely great importance on development of personnel potential continuously, arranging for the development of knowledge training, skills, and abilities to suit the assigned tasks.

2) Risk Assessment

The Company pays attention and arranges risk management throughout the organization. The Board of Directors has assigned the Risk Management Committee to be responsible for determining the risk management policy. To be concerned to chances and potential consequences both internal and external factors including the risk of fraud and clearly define the risk management measures includes the communication with employees to acknowledge and comply to the policies and guidelines set forth. The Risk Management Committee reports the implementation of the risk management policy to the Audit Committee on a quarterly basis.

3) Control of the Management's Operation

The Company has clear and appropriate internal control activities with a policy for operating in each section which includes information technology policies and controls. In addition, the Company has prepared an authority manual to be used to determine the authority to approve transactions related to the business process of the Company. The above policy has been enforced with directors, executives, and employees of the Company

by communicating policies and practices to all related parties and workers. Moreover, the Company regularly evaluates the performance regarding to the operational policy by the Internal Audit Department to assess whether the policy has been implemented and including the appropriateness of various policies to the changing environment.

4) Information and Data Communication System

The Company rely importance on information and communication systems so that relevant parties have sufficient information in making decisions timely by arranging sufficient quality data for work operations both internal and external data. The Company emphasizes on each meeting of the Board of Directors; all directors must receive sufficient information for making decision and send information to the directors in advance before the meeting date. The various meeting information and company information has been completely recorded and stored in a safe place which can be traced back.

The Company gives importance to the data communication in order to support the internal control system of the Company and communicate the important information to external parties and receiving information or complaints both from the agency within the Company itself or from the outsider through the investor relations officer or the various complaints notification systems which the Company has been defined.

5) Reporting and Monitoring System

The Company regularly monitors and evaluates internal control systems in order to ensure that there is adequate and complete control and to support the effective business operations of the Company. The Company has provided a standard internal audit process to check the implementation of the policy operation, the manual and various rules related to the Company. Such internal audit has reported to the Audit Committee on a quarterly basis and in the event of a major defect in the control of the Company or important matters affecting operations must report such matters to the Board of Directors and follow up on corrective actions regularly.

The Board of Directors is of the opinion that the Company has an appropriate and adequate internal control system for the Company's business. The five internal control systems are effective to prevent transactions with major shareholders, directors, executives, or related persons of such persons.

In addition, the Company has provided sufficient personnel to operate according to the internal control system of the Company to monitor and control the operations of the Company's Group in order to protect its assets from the misuse of directors or executives or without power including transactions with persons who has conflicts and related persons. In addition, in order to achieve good checks and balances.

The Company hired IVL Audit Company Limited to review and provide additional suggestions for more complete internal control system. The internal auditor will prepare the internal control assessment report and present to the Audit Committee meeting on a quarterly basis. So that the Company can improved and develop the quality of the internal control system of the Company which leads to good corporate governance for the Company in long term.

Opinion of the Audit Committee toward the Company's Internal Control System

In consideration on evaluation form for the Company's Internal Control System Adequacy, all of three audit committee members of the Company attended the Meeting. The Audit Committee had comment indifferent from the opinion of the Board of Directors at all.

Opinion of the Audit Committee on toward the head of internal auditor of the Company

The Audit Committee has appointed an internal auditor. I VL Auditing Company Limited by Ms. valdee Sibunruang, Managing Partner. is primarily responsible for the performance of the Company's internal auditors. who is a person with educational background, experience, and training that is appropriate to perform the duties of an internal audit of the company (Details of the person holding the position of Head of Internal Audit show in Item 7.6.1).

9.2. Related Transaction

9.2.1. Person that may have conflict of interests and Nature of Relationship

The Company and its subsidiary performed related transactions with person/juristic person that may have conflict of interests in the year of 2022 and 2021 as follows.

Person / Juristic Person that may have conflict of interests	Nature of Relationship
Mr. Tawatchai Phutthiphiya ("Mr. Tawatchai")	Director and Major Shareholder of the Company
Mrs. Amorn Phutthiphiya ("Mrs. Amorn")	Director and Major Shareholder of the Company
Mr. Thanaphong Phutthiphiya ("Mr.Thanaphong")	Executive of the Company
Mr. Thanaphoom Phutthiphiya ("Mr.Thanaphoom")	Executive of the Company
Thanaphoom Land 2013 Company Limited("Thanaphoom") Which engages in real estate procurement and development business.	Subsidiary of the Company

Details of Related Transactions

Details of the related transactions that the Company and its subsidiary entered to perform the transactions with person/juristic person that may have conflict of interests in the year of 2022 and 2021 have been as follows.

Person/Juristic Person that might have conflict of interests	Nature of Transactions	Transaction Value (Million Baht)		Necessity and Reasonability of the Transaction
		2022	2021	
1. Mr. Tawatchai Phutthiphiya	The Company has leased land and building for the location of Clock Tower Branch <u>Expenses</u> - Depreciation-Right of used - Interest expense <u>Asset</u> - Right-of-used assets <u>Liability</u> Lease liabilities	1.01 0.30 8.05 9.56	1.01 0.30 8.05 9.56	<ul style="list-style-type: none"> Lease transaction of land and building for the location of Clock Tower Branch is 90,750 Baht per month. The said lease fee excludes water bill and electricity bill. The reference lease fee has been determined by independent appraiser upon consent from SEC.
2. Mrs. Amorn Phutthiphiya	The Company has leased land for the location of Wholesale Center of Den Ha Wholesale <u>Expenses</u> - Depreciation-Right of used - Interest expense <u>Asset</u> - Right-of-used assets <u>Liability</u> Lease liabilities	0.45 0.38 11.31 12.19	0.45 0.38 11.31 12.19	<ul style="list-style-type: none"> Lease transaction of land for the location of Wholesale Center of Den Ha Wholesale is 40,000 Baht per month. The said lease excludes water bill and electricity bill. The reference lease fee has been determined by independent appraiser upon consent from SEC.

Person/Juristic Person that might have conflict of interests	Nature of Transactions	Transaction Value (Million Baht)		Necessity and Reasonability of the Transaction
		2022	2021	
	The Company has leased land for the location of Wholesale Center of Den Ha Wholesale <u>Expenses</u> - Depreciation-Right of used 0.04 0.04 - Interest expense 0.04 0.04 <u>Asset</u> - Right-of-used assets 1.12 1.12 <u>Liability</u> Lease liabilities 1.18 1.18			<ul style="list-style-type: none"> Lease transaction of land for the location of Wholesale Center of Den Ha Wholesale is 5,500 Baht per month. The said lease excludes water bill and electricity bill. The reference lease fee has been determined by independent appraiser upon consent from SEC.
	The Company has leased land and building for the location of Kong-chang rd. branch <u>Expenses</u> - Depreciation-Right of used 0.25 0.25 - Interest expense 0.05 0.05 <u>Asset</u> - Right-of-used assets 5.89 5.89 <u>Liability</u> Lease liabilities 6.18 6.18			<ul style="list-style-type: none"> Lease transaction of land and building for location of Kong-chang rd. branch is 23,000 baht per month. The said lease fee excludes water bill and electricity bill. The reference lease fee has been determined by independent appraiser upon consent from SEC.
3. Mr. Thanaphong Phutthiphiya	The Company has leased land and building for the location of Huay-som branch <u>Expenses</u> - Depreciation-Right of used 0.14 0.14 - Interest expense 0.07 0.07 <u>Asset</u> - Right-of-used assets 2.73 2.73 <u>Liability</u> Lease liabilities 2.89 2.89			<ul style="list-style-type: none"> Lease transaction of land and building for location of Huay-Som branch is 16,775.50 baht per month. The said lease fee excludes water bill and electricity bill. The reference lease fee has been determined by independent appraiser upon consent from SEC.
4. Mr. Thanaphoom Phutthiphiya	The Company has leased land for the location of Wieng-kaen branch <u>Expenses</u> - Depreciation-Right of used 0.02 0.02 - Interest expense 0.01 0.01 <u>Asset</u> - Right-of-used assets 0.56 0.56 <u>Liability</u> Lease liabilities 0.56 0.56			<ul style="list-style-type: none"> Lease transaction of land and building for location of Wieng-kaen branch is 1,638 baht per month. The said lease fee excludes water bill and electricity bill. The reference lease fee has been determined by independent appraiser upon consent from SEC.

9.2.2. Necessity and Reasonability of the Related Transactions

The Audit Committee's Meeting No. 1/2023 on 20 February 2023 considered the information of related transactions of the Company in the year of 2022 and 2021 accompanied with inquiry of information from the Management of the Company, as well as review of the information as specified in Notes to Financial Statements of the Company's auditor, and deemed that the Company's related transactions in the accounting year ended 31 December 2022 and 2021 were the reasonable transactions according to the general trade condition or according to the appropriate and fair condition in the same nature as the reasonable man should act with the general contractual party in the same situation with the trade bargaining power without influence of the status of the other contractual party as the person who may have conflict of interests (Arm's Length Basis) and without benefit transfer between the Company and the person or juristic person that may have conflict of interests.

9.2.3. Policy and Procedure of the Related Transaction Performing Approval

The Board of Director's Meeting considered and approved the policy and procedure of the related transaction performing of the Company and the person or juristic person that may have conflict of interests for transparent transaction performing and benefit maintenance of the Company. The following could be summarized as follows.

1) Performing transaction which is the trade agreement with general trade condition

In performing normal business transactions and normal business supporting transactions such as lease of land and building, and public utility service acceptance, the general trade condition and fair price are comparable with performing the transaction between the Company and the general person or performing the transaction between the person that may have conflict of interests and the general person, or performing the transaction in the same nature as the nature of other entrepreneur in the business, the Management of the Company can usually execute under the principle considered and approved by the Board of Directors. The report of transaction performing report shall be prepared to quarterly propose in the Audit Committee's Meeting. The Company shall comply with Securities and Exchange Law and regulation, announcement, order, or requirement of the Stock Exchange of Thailand, and also comply with the requirement of disclosure for the connected transaction performing information.

2) Performing transaction which is the trade agreement and is not the general trade condition

In performing transaction which is the trade transaction and is not the general trade condition, the Company determines that the Audit Committee shall consider and comment about the necessity in participating in performing transaction and price appropriateness of the said transaction before proposing to the Board of Directors and/or the Shareholders' Meeting as the case may be for further consideration and approval. In the event that the Audit Committee is not expert in considering the contingent related transaction, the Company shall assign the independent

appraiser, independent specialist or the Company's auditor to comment about performing the said related transaction so that the Audit Committee can use it as decision making support, and to give opinion to the Board of Directors and/or the shareholders as the case may be for approval on the said transaction before entering to perform the transaction. However, the Company shall disclose related transactions in Notes to Financial Statements which are audited by the Company's auditor, Annual Registration Statement (Form 56-1 one Report) according to the Criteria and Law of Securities and Exchange. The consideration and approval on the said related transaction performing shall be complied with Securities and Exchange Law, regulation, announcement, order, or requirement of the Stock Exchange of Thailand. The person who may have conflict of interests or gain and loss in performing related transaction has no right to vote for resolution in performing the said related transaction.

Trend of Future Related Transaction Performing

The Company has expected that related transactions will occur again in the future. These transactions have been audited and approved by the Board of Directors and/or the Audit Committee and/or the Shareholders' Meeting under below transactions.

Lease of land, and land and building from the group of major shareholders have been the normal business transactions with necessity and reasonability. Every increase in lease fee shall not exceed 10% of the existing lease fee rate according to the previous contract. However, the increase in lease fee shall not exceed the comparable market price at that time. The details of the said transactions have been as follows.



Clock Tower Branch

Lease of Land and Building

Lessor : Mr. Tawatchai Phutthiphiya

Lessee : The Company

Lease Fee Rate : 90,750 Baht per Month

Lease Period : Three (3) years from 1 Jan 2021 to 31 Dec 2023

The Company reserves its right to renew Lease for another three times and three (3) years per time.

Wholesale Center holesale

Lease of Land

Lessor : Mrs. Amorn Phutthiphiya

Lessee : The Company

Lease 1 :

Lease Fee Rate : 40,000 Baht per Month

Lease Period : Three (3) years from 1 Jan 2021 to 31 Dec 2023 The Company reserves its right to renew Lease for another three times and three (3) years per time.

Lease 2 :

Lease Fee Rate: 5,500 Baht per Month

Lease Period: Three (3) years from 1 Nov 2019 to 31 Oct 2022

Kong-chang rd. Branch

Lease of Land

Lessor : Mrs. Amorn Phutthiphiya

Lessee : The Company

Lease Fee Rate : 23,000 Baht per Month

Lease Period : Three (3) years from 1 Jan 2021 to 31 Dec 2023

The Company reserves its right to renew Lease for another three times and three (3) years per time.

Huay- som Branch

Lease of Land and Building

Lessor : Mr. Thanaphong Phutthiphiya

Lessee : The Company

Lease Fee Rate : 16,775.50 Baht per Month

Lease Period : Three (3) years from 1 Jan 2021 to 31 Dec 2023

The Company reserves its right to renew Lease for another three times and three (3) years per time.

Wieng- Kean Branch

Lease of Land

Lessor : Mr. Thanaphoom Phutthiphiya

Lessee : The Company

Lease Fee Rate : 1,638 Baht per Month

Lease Period : Three (3) years from 1 August 2021 to 31 July 2024

The Company reserves its right to renew Lease for another three times and three (3) years per time.

3

Part 3 Financial Statements

Report on the Board of Directors' Responsibility towards the Financial Statements

The Board of Directors is responsible for the Company and its subsidiaries' consolidated financial statements as well as financial information system which were presented in the Company's Annual Report. The financial statements were prepared in accordance with generally accepted accounting standards, using appropriate and consistent accounting policy, careful consideration, most appropriate estimation with sufficient significant information disclosed in the notes to the financial statements. Thus, the Company's financial statements were audited with unqualified opinions by the authorized external auditors.

The Board of Directors consecutively recognizes and promotes the importance of Good Corporate Governance as

well as the Board of Directors' structure development in order to be able to operate the Company's business efficiently and transparently. The Board of Directors, therefore, appointed the Audit Committee which comprises of three independent directors to be responsible for the quality of financial reports, internal audit and internal control system. The Audit Committee's opinion is stated in the Audit Committee Report which is included in the Company's Annual Report.

As a result, the Board of Directors believes that the Company's internal control system is appropriate and adequate so as to ensure the reliability of the Company's financial statements as of 31 December 2022.



(Dr. Pisanu Kantipong)
Chairman of the Board of Directors



(Mr. Thawatchai Phutthiphiya)
Managing Director

THANAPIRIYA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
FINANCIAL STATEMENTS AND AUDITOR'S REPORT
FOR THE YEAR ENDED DECEMBER 31, 2022

Independent Auditor's Report

To the Shareholders and the Board of Directors of Thanapiriya Public Company Limited

Opinion

I have audited the consolidated and separate financial statements of Thanapiriya Public Company Limited and its subsidiaries, and of Thanapiriya Public Company Limited respectively, which comprise the consolidated and separate statements of financial position as at December 31, 2022, the consolidated and separate statements of comprehensive income, statements of changes in shareholders' equity and statements of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying consolidated and separate financial statements referred to above present fairly, in all material respects, the consolidated and separate financial position of the Thanapiriya Public Company Limited and its subsidiaries, and of Thanapiriya Public Company Limited, respectively, as at December 31, 2022, and their financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards (TFRSs).

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated and separate financial statements of the current year. 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.

Allowance for losses on inventories

Risk

As discussed in Note to Financial Statements No.8, as at December 31, 2022, the Company has inventories - net amount of Baht 361.45 million. These inventories are stored at the head office (distribution center) and 42 superstores. There is a risk that inventory quantities will be misstated. The Company established a provision for losses at 1% of the outstanding inventories at the distribution center and 3% of the outstanding inventories at the superstores in alignment with practices within the same industry and historical data of the Company.

Auditor's Response

My audit procedures included:

- Understanding the internal controls of the inventory management of the distribution center and the superstores, and the basis applied to determine allowance for losses on inventories and reviewing the consistency of the application of that basis.
- Considering the reasonableness of the assumptions used to calculate the provision for loss of inventories by management by referencing the rate applied in the same industry.
- Verifying actual loss from lost inventory by assessing the physical stock-take system and observing the stock-take at one distribution center and 14 superstores and ensuring the adjustment on inventory loss from the physical count from the results of the stock-take.
- Comparing the loss from lost inventory incurred during the year with the amount recorded based on the Company's provisioning policy.

Other Information

Management is responsible for the other information. The other information comprises the Annual Report, but does not include the consolidated and separate financial statements and my auditor's report thereon. The Annual Report for the year 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 do 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 and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the 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 financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cause significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based

on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

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



(Kaniattha Siripattanasomchai)

Certified Public Accountant

Registration No. 10837

ANS Audit Co., Ltd.

Bangkok, February 20, 2023

THANAPIRIYA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2022

		Unit: Baht			
		Consolidated financial statements		Separate financial statements	
	Notes	2022	2021	2022	2021
Assets					
Current assets					
Cash and cash equivalents	6	64,971,242.82	140,727,645.21	53,895,721.17	127,004,499.90
Trade and other current receivables	5, 7	19,005,823.89	19,600,634.90	17,294,660.24	24,783,183.83
Short-term loan to related party	5	-	-	3,000,000.00	-
Inventories - net	8	363,946,657.64	295,142,308.23	361,452,685.90	295,142,308.23
Total current assets		447,923,724.35	455,470,588.34	435,643,067.31	446,929,991.96
Non-current assets					
Investments in subsidiaries	9	-	-	62,000,000.00	62,000,000.00
Property, plant and equipment - net	10	725,621,241.88	651,914,837.60	666,734,095.71	592,771,962.19
Right-of-use assets - net	5, 11	65,977,054.78	72,658,767.19	95,083,764.15	103,230,955.59
Intangible assets - net	12	3,244,472.18	3,544,940.14	3,244,472.18	3,544,940.14
Deposits for purchase of assets	23	233,090.00	-	233,090.00	-
Deferred tax assets - net	13	4,321,027.30	3,621,961.11	4,321,027.30	3,621,961.11
Other non-current assets		2,194,178.64	2,095,989.64	2,279,233.00	2,181,044.00
Total non-current assets		801,591,064.78	733,836,495.68	833,895,682.34	767,350,863.03
Total assets		1,249,514,789.13	1,189,307,084.02	1,269,538,749.65	1,214,280,854.99

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

THANAPIRIYA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2022

	Notes	Unit: Baht			
		Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
Liabilities and shareholders' equity					
Current liabilities					
Trade and other current payables	5, 14	164,593,143.16	179,722,047.92	164,593,885.47	179,988,561.74
Current portion of lease liabilities	15	4,077,217.79	3,825,278.40	5,179,571.75	4,893,583.35
Accrued income tax		16,780,044.06	19,113,870.03	16,624,871.07	18,727,746.30
Total current liabilities		185,450,405.01	202,661,196.35	186,398,328.29	203,609,891.39
Non-current liabilities					
Lease liabilities - net	5, 15	64,876,924.79	68,943,887.41	94,037,475.76	99,205,832.62
Non-current provisions for employee benefits	16	8,628,011.55	8,157,424.23	8,628,011.55	8,157,424.23
Total non-current liabilities		73,504,936.34	77,101,311.64	102,665,487.31	107,363,256.85
Total liabilities		258,955,341.35	279,762,507.99	289,063,815.60	310,973,148.24
Shareholders' Equity					
Share capital					
Authorized share capital					
800,000,000 ordinary shares, at Baht 0.25 each		200,000,000.00	200,000,000.00	200,000,000.00	200,000,000.00
Issued and fully paid-up					
800,000,000 ordinary shares, at Baht 0.25 each		200,000,000.00	200,000,000.00	200,000,000.00	200,000,000.00
Premium on common shares		297,640,733.80	297,640,733.80	297,640,733.80	297,640,733.80
Retained earnings					
Appropriated					
Legal reserve	17	20,000,000.00	20,000,000.00	20,000,000.00	20,000,000.00
Unappropriated		472,918,713.98	391,903,842.23	462,834,200.25	385,666,972.95
Total shareholders' equity of the Company		990,559,447.78	909,544,576.03	980,474,934.05	903,307,706.75
Non-controlling interests		-	-	-	-
Total shareholders' equity		990,559,447.78	909,544,576.03	980,474,934.05	903,307,706.75
Total liabilities and shareholders' equity		1,249,514,789.13	1,189,307,084.02	1,269,538,749.65	1,214,280,854.99

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

THANAPIRIYA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2022

	Notes	Unit: Baht			
		Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
	4, 5, 20				
Revenues from sales		2,433,387,260.64	2,622,537,436.48	2,414,161,195.20	2,622,537,436.48
Costs of sales		(2,015,955,280.65)	(2,172,959,532.82)	(2,000,238,537.81)	(2,172,959,532.82)
Gross profit		417,431,979.99	449,577,903.66	413,922,657.39	449,577,903.66
Other income		15,339,147.90	15,787,839.75	15,806,801.73	15,774,296.59
Profit before expenses		432,771,127.89	465,365,743.41	429,729,459.12	465,352,200.25
Expenses					
Distribution costs		(155,070,860.18)	(140,654,910.04)	(156,275,444.86)	(144,912,536.17)
Administrative expenses		(91,246,537.89)	(86,008,879.96)	(90,429,682.93)	(85,605,867.20)
Total expenses		(246,317,398.07)	(226,663,790.00)	(246,705,127.79)	(230,518,403.37)
Profit from operating activities		186,453,729.82	238,701,953.41	183,024,331.33	234,833,796.88
Finance costs		(2,272,855.76)	(2,147,771.29)	(3,237,583.54)	(3,144,363.46)
Profit before income tax expenses		184,180,874.06	236,554,182.12	179,786,747.79	231,689,433.42
Income tax expenses	13	(35,166,002.31)	(44,456,810.26)	(34,619,520.49)	(43,575,744.16)
Profit for the year		149,014,871.75	192,097,371.86	145,167,227.30	188,113,689.26
Other comprehensive income					
<i>Items that will not be reclassified subsequently to profit or loss</i>					
Actuarial loss - net from tax		-	(1,133,111.32)	-	(1,133,111.32)
Other comprehensive expense for the year		-	(1,133,111.32)	-	(1,133,111.32)
Total comprehensive income for the year		149,014,871.75	190,964,260.54	145,167,227.30	186,980,577.94
Profit attributable to					
Equity holders of the Company		149,014,871.75	192,097,371.86	145,167,227.30	188,113,689.26
Non-controlling interests		-	-	-	-
		149,014,871.75	192,097,371.86	145,167,227.30	188,113,689.26
Total comprehensive income attributable to					
Equity holders of the Company		149,014,871.75	190,964,260.54	145,167,227.30	186,980,577.94
Non-controlling interests		-	-	-	-
		149,014,871.75	190,964,260.54	145,167,227.30	186,980,577.94
Basic earnings per share (Baht)		0.186	0.240	0.181	0.235
Weighted average number of issued and fully paid - up common shares (shares)		800,000,000	800,000,000	800,000,000	800,000,000

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

THANAPIRIYA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2022

Unit: Baht										
Consolidated financial statements										
Other components										
Retained earnings of shareholders' equity										
Notes	Issued and paid-up share capital	Premiums on common shares	Appropriated - legal reserve	Unappropriated	Actuarial loss - net from tax	Total shareholders' equity attributable to owners of the Company	Equity attributable to non-controlling interest	Total		
	200,000,000.00	297,640,733.80	20,000,000.00	272,939,581.69	-	790,580,315.49	-			790,580,315.49
Dividend paid	-	-	-	(72,000,000.00)	-	(72,000,000.00)	-			(72,000,000.00)
Total comprehensive income (loss) for the year	-	-	-	192,097,371.86	(1,133,111.32)	190,964,260.54	-			190,964,260.54
Transfer to retained earnings	-	-	-	(1,133,111.32)	1,133,111.32	-	-			-
Balance as at January 1, 2021	200,000,000.00	297,640,733.80	20,000,000.00	391,903,842.23	-	909,544,576.03	-			909,544,576.03
Dividend paid	-	-	-	(68,000,000.00)	-	(68,000,000.00)	-			(68,000,000.00)
Total comprehensive income for the year	-	-	-	149,014,871.75	-	149,014,871.75	-			149,014,871.75
Balance as at December 31, 2022	200,000,000.00	297,640,733.80	20,000,000.00	472,918,713.98	-	990,559,447.78	-			990,559,447.78

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

THANAPIRIYA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2022

Unit: Baht						
Separate financial statements						
		Retained earnings			Other components of shareholders' equity	
		Appropriated	Unappropriated	Actuarial loss		
		- legal reserve		- net from tax		
Notes	Issued and paid-up share capital	Premiums on common shares				Total
	200,000,000.00	297,640,733.80	20,000,000.00	270,686,395.01	-	788,327,128.81
Balance as at January 1, 2021						
Dividend paid	-	-	-	(72,000,000.00)	-	(72,000,000.00)
Total comprehensive income (loss) for the year	-	-	-	188,113,689.26	(1,133,111.32)	186,980,577.94
Transfer to retained earnings	-	-	-	(1,133,111.32)	1,133,111.32	-
Balance as at December 31, 2021	200,000,000.00	297,640,733.80	20,000,000.00	385,666,972.95	-	903,307,706.75
Dividend paid	-	-	-	(68,000,000.00)	-	(68,000,000.00)
Total comprehensive income for the year	-	-	-	145,167,227.30	-	145,167,227.30
Balance as at December 31, 2022	200,000,000.00	297,640,733.80	20,000,000.00	462,834,200.25	-	980,474,934.05

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

THANAPIRIYA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2022

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Cash Flows from Operating Activities:				
Profit for the year	149,014,871.75	192,097,371.86	145,167,227.30	188,113,689.26
Adjustments to reconcile profit for the year to cash provided by (used in) operating activities				
Depreciation and amortization	50,765,166.55	47,338,957.60	51,974,916.34	48,548,707.39
Written off withholding tax	22,637.20	-	-	-
Allowance for losses on inventories	1,417,926.64	789,958.15	1,417,926.64	789,958.15
Gain on disposal of other current financial asset	-	(90,620.78)	-	(90,620.78)
Gain on disposal of fixed assets	(86,135.36)	(78,499.41)	(86,135.36)	(78,499.41)
Non-current provisions for employee benefits	656,587.32	638,623.45	656,587.32	638,623.45
Finance costs	2,272,855.76	2,147,771.29	3,237,583.54	3,144,363.46
Income tax expenses	35,166,002.31	44,456,810.26	34,619,520.49	43,575,744.16
Profit from operating activities before changes in operating assets and liabilities	239,229,912.17	287,300,372.42	236,987,626.27	284,641,965.68
Operating assets (increase) decrease				
Trade and other current receivables	572,173.81	(2,748,392.43)	7,488,523.59	(7,819,031.85)
Inventories	(70,222,276.05)	(35,395,832.38)	(67,728,304.31)	(35,395,832.38)
Operating liabilities increase (decrease)				
Trade and other current payables	(16,648,052.62)	25,098,049.80	(16,913,824.13)	25,511,824.23
Cash received from operating activities	152,931,757.31	274,254,197.41	159,834,021.42	266,938,925.68
Employee benefits obligations paid	(186,000.00)	(146,000.00)	(186,000.00)	(146,000.00)
Interest paid	(2,272,855.76)	(2,147,771.29)	(3,237,583.54)	(3,144,363.46)
Income tax paid	(38,198,894.47)	(40,823,747.75)	(37,421,461.91)	(40,225,846.50)
Net cash provided by operating activities	112,274,007.08	231,136,678.37	118,988,975.97	223,422,715.72

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

THANAPIRIYA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2022

	Unit: Baht			
	Unaudited but reviewed			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Cash Flows from Investing Activities:				
Cash received from sale of other current financial assets	-	60,090,620.78	-	60,090,620.78
Cash paid for acquisition of other current financial assets	-	(60,000,000.00)	-	(60,000,000.00)
Cash paid for short-term loans to related party	-	-	(3,000,000.00)	-
Cash paid for deposits for assets	(233,090.00)	-	(233,090.00)	-
Cash received from disposal of fixed assets	211,789.25	93,168.25	211,789.25	93,168.25
Cash paid for acquisition of fixed assets	(115,831,800.70)	(113,679,739.19)	(115,831,800.70)	(113,679,739.19)
Cash paid for acquisition of intangible assets	(264,095.79)	(963,450.00)	(264,095.79)	(963,450.00)
Other non-current assets increase	(98,189.00)	(281,162.00)	(98,189.00)	(281,162.00)
Net cash used in investing activities	(116,215,386.24)	(114,740,562.16)	(119,215,386.24)	(114,740,562.16)
Cash Flows from Financing Activities:				
Cash paid for lease liabilities	(3,815,023.23)	(4,514,278.18)	(4,882,368.46)	(5,549,586.01)
Dividend paid	(68,000,000.00)	(72,000,000.00)	(68,000,000.00)	(72,000,000.00)
Net cash used in financing activities	(71,815,023.23)	(76,514,278.18)	(72,882,368.46)	(77,549,586.01)
Net increase (decrease) in cash and cash equivalents	(75,756,402.39)	39,881,838.03	(73,108,778.73)	31,132,567.55
Cash and cash equivalents at the beginning of the year	140,727,645.21	100,845,807.18	127,004,499.90	95,871,932.35
Cash and cash equivalents at the end of the year	64,971,242.82	140,727,645.21	53,895,721.17	127,004,499.90
Supplemental Disclosures of Cash Flows Information				
Non-cash transaction				
Increase in accounts payables for purchase of fixed assets	1,519,147.86	864,093.53	1,519,147.86	864,093.53
Right-of-use assets increase from lease liabilities	-	10,598,339.59	-	10,598,339.59

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

THANAPIRIYA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2022

1. GENERAL INFORMATION

Thanapiriya Public Company Limited (the "Company") was incorporated in Thailand under the Thanapiriya Limited Partnership on May 23, 2000. The Company registered its conversion to a limited company on December 21, 2012 and then became a public company limited on April 22, 2015. The Company operates retail and wholesale superstores. Head office of the Company has registered at 329, Moo 8, Ban Du Sub-district, Muang Chiangrai District, Chiangrai, Thailand. The Company has 42 branches, being classified into supermarket for 41 branches, wholesale center for 1 branch.

2. BASIS FOR PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements are prepared in accordance with Thai Financial Reporting Standards ("TFRS") including related interpretations and guidelines promulgated by the Federation of Accounting Professions ("FAP") and applicable rules and regulations of the Securities and Exchange Commission.

The presentation of the financial statements has been made in compliance with the stipulations of the Notification of the Department of Business Development dated December 26, 2019, issued under the Accounting Act B.E. 2543.

The accompanying financial statements have been prepared in Thai language and are expressed in Thai Baht. Such financial statements have been prepared for domestic reporting purposes. For the convenience of the readers not conversant in the Thai language, an English translation of the Thai version of the financial statements is provided.

The accompanying financial statements are prepared on the historical cost basis, except as disclosed in respective accounting policies.

The preparation of the financial statements in conformity with Thai Financial Reporting Standard requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying amounts of assets and liabilities that are not readily apparent from other sources. Subsequent actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

Basis of consolidated financial statement preparation

- A) The consolidated financial statements included the financial statements of Thanapiriya Public Company Limited and its subsidiaries (that together referred to as the “Group”).

The details of the subsidiaries are as follows:

Subsidiaries	Business Type
Thanaphoom Property 2013 Co., Ltd.	Rent and Buy - Sell on Real Estate
TNP Express 1 Co., Ltd.	Retail and Wholesale
TNP Express 2 Co., Ltd.	Retail and Wholesale

- B) The financial statements of the subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.
- C) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- D) The balances between the Company and its subsidiaries, and significant intercompany transactions have been eliminated in the consolidated financial statements.

3. NEW FINANCIAL REPORTING STANDARDS**(a) Financial reporting standards that became effective in the current year**

During the year 2022, the Group has adopted the revised and new financial reporting standards and interpretations which are effective for fiscal periods beginning on or after January 1, 2022. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

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

(b) Financial reporting standard that will become effective for fiscal years beginning on or after January 1, 2023

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after January 1, 2023. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and, for some standards, providing temporary reliefs or temporary exemptions for users.

The management of the Group believes that adoption of these amendments will not have any significant impact on the Group’s financial statements.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Recognition of revenues and expenses

Revenue excludes value added taxes or other sales taxes and is arrived at after deduction of trade discounts.

Revenue from the sale of goods is recognized in profit or loss when the control has been transferred to the buyer. The Company will not recognize revenue if there is continuing control or management involvement with the goods sold or there are significant uncertainties regarding the measurement a recovery of the consideration due and associated costs, or the probable return of goods.

Dividend income is recognized when the Company has the right to receive dividend.

Interest income is recognized on the accrual basis based on the effective interest rate.

Other incomes and expenses are recognized on the accrual basis.

Cash and cash equivalents

Cash and cash equivalents presented in the statements of cash flows, comprise of cash in hand, deposits at financial institutions with a maturity period not over 3 months and no withdrawal restrictions.

Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business.

Trade receivables are recognized initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognized at present value.

The Group applies TFRS 9's simplified approach to measure expected credit losses. The simplified approach requires expected lifetime losses to be recognised from initial recognition of the receivables.

Financial assets and financial liabilities

Classification and measurement of financial assets and financial liabilities

Classification

The classification of financial assets depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

The Group classifies its debt instruments in the following categories:

- 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 instruments when and only when its business model for managing those assets changes.

The equity instruments held must be irrevocably classified to two measurement categories; i) at fair value through profit or loss (FVPL), or ii) at fair value through other comprehensive income (FVOCI) without recycling to profit or loss.

Measurement

At initial recognition, where a financial asset is not at FVPL, the Group measures the financial asset at its fair value plus or minus 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.

There are three measurement categories into which the Group classifies its debt instruments:

- *Amortised cost:* A financial asset will be measured at amortised cost when the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows. In addition, the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets is included in financial income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/ (losses) together with foreign exchange gains and losses. Impairment losses are presented in profit or loss.
- *FVOCI:* A financial asset will be measured at FVOCI when it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets. In addition, the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest income and related foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss and recognised on other gains/ (losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/ (losses) and impairment expenses are presented as separate line item in the statement of comprehensive income.

- *FVPL*: An asset that does not meet the criteria for amortised cost or FVOCI is 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.

Equity instruments shall be subsequently measured at fair value and the fair value change is to be recognised through profit or loss or other comprehensive income depending on the classification of such equity instrument.

Derivatives are classified and measured at fair value through profit or loss unless hedge accounting is applied.

Dividends from such investments continue to be recognised in profit or loss when the Group's right to receive payments is established.

Impairment

Expected credit losses associated with financial assets carried at amortized cost and FVPL, and assets from loan commitments and financial guarantees, are assessed without the increases in credit risk. The Company applies the general approach to the measurement of expected credit losses. In the case of trade receivables, however, the Group applies the simplified approach to measure expected credit losses.

Inventories

Inventories are stated at the lower of cost or net realizable value. Cost is determined by the average cost method. Costs of purchase comprise purchase price and costs directly attributable to the purchase of goods, such as duty taxes and transportation costs, less discounts and incentive from the supplier. Net realizable value is the estimated selling price in the ordinary course of business less the necessary expenses to product the finished goods and sale expenses. An allowance for losses is made for old, obsolete and lost inventories.

Investments in subsidiaries

Investments in subsidiaries in the separate financial statements of the Company are accounted for using the cost method net of allowance for impairment loss (if any).

Property, plant and equipment - net

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

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

	Useful lives
Building and improvements	5 - 40 Years
Right-of-use assets improvements	Over the period of lease agreement
Tools, Furniture, fixtures and office equipment	5 - 20 Years
Vehicles	5 - 10 Years

Intangible asset

Intangible asset represents costs of computer software development. The amortization is calculated by the straight-line basis over their estimated useful lives of 10 years.

Impairment of non - financial assets

At the end of each reporting period, the Group performs impairment reviews in respect of the assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognized when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.

An impairment loss is recognized in the statement of profit or loss.

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

Leases

Leases - where the Group is the lessee

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

The Group recognizes right-of-use asset and lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, initial direct costs and estimated costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any incentive received.

The lease liability is initially measured at the present value by discounting lease payments that are not paid at the commencement date using the interest rate implicit in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Group uses the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- Fixed payments including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee;
- The exercise price, under a purchase option that the Group is reasonably certain to exercise, whereby the exercise price is considered as lease payments in an optional renewal period; and
- Payments of penalties for early termination of a lease if the Group is reasonably certain to terminate early.

To apply a cost model, the Group measures the ROU asset at cost, less accumulated depreciation and accumulated impairment loss and then makes adjustments for any remeasurement of the lease liability. The ROU asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the ROU asset or the end of the lease term. However, if the lease transfers ownership of the underlying asset to the Group by the end of the lease term or if the cost of the ROU asset reflects that the Group will exercise a purchase option, the Group depreciates the ROU asset from the commencement date to the end of the useful life of the underlying asset. The useful life of the ROU asset is determined on the same basis as those of property, plant and equipment.

The lease liability is re-measured when there is a change in future lease payments arising from the following:

- A change in an index or a rate used to determine those payments.
- A change in the Group's estimate of the amount expected to be payable under a residual value guarantee.

- The Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is re-measured to reflect changes to the lease payments, the Group recognises the amount of the remeasurement of the lease liability as an adjustment to the ROU asset. However, if the carrying amount of the ROU asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognises any remaining amount of the remeasurement in profit or loss.

Short-term leases and leases of low-value assets

The Group has elected not to recognise ROU assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Employee benefits

Short-term benefits

The Company salaries, wages, bonus and social security contribution as expenses on an accrual basis.

Post-employment benefits – defined contribution plan

Defined contribution plans

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

Defined benefit plans and other long-term employee benefits

The employee benefit obligation for severance payment under labor law is recognized as a charge to results of operations over the employee's service period. It is calculated by estimating the amount of future benefit earned by employees in return for service provided to the Company in the current and future periods, with such benefit being discounted to determine the present value. The reference point for setting the discount rate is the yield rate of government bonds as at the reporting date. The calculation is performed by actuarial technique using the Projected Unit Credit Method.

Actuarial gains and losses arising from post-employment benefits are recognised immediately in the other comprehensive income and actuarial gains and losses arising from other long-term employee benefits are recognised immediately in the profit or loss.

Provisions

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

Income tax

Income tax expenses comprise current tax and deferred tax.

Current tax

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

Deferred tax

The Group recognises deferred income tax on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

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

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

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

Related party transactions

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

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

Fair value measurement

Fair value is the price that would be received to sell an asset or that paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Company and its subsidiaries apply a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except where there is no active market for an identical asset or liability or when a quoted market price is not available, the Company and its subsidiaries measure fair value using valuation techniques appropriate in the circumstances and maximizes the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy into three levels based on categories of input to be used in fair value measurement as follows:

- Level 1 Use of quoted market prices in an observable active market for such assets or liabilities.
- Level 2 Use of other observable inputs for such assets or liabilities, whether directly or indirectly.
- Level 3 Use of unobservable inputs such as estimates of future cash flows.

At the end of each reporting period, the Company and its subsidiaries determine whether transfers that have occurred between the levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period are measured at fair value on a recurring basis.

Basic earnings per share

Basic earnings per share are calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares in issue during the years.

Financial information by segment

Segment performance reported to the Chairman of the board of directors of the Group (decision makers with highest authority over the operation) represents transactions directly from the operating segment, including the appropriate allocation items. Most unallocated items comprise corporate assets (property of head office), headquarter costs, and income tax expenses.

Significant accounting judgments and estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make subjective judgments and estimates regarding matters that are inherently uncertain. These judgments and estimates affect reported amounts and disclosures and actual results could differ. Significant judgments and estimates are as follows:

Allowance for expected credit losses of trade receivables

In determining an allowance for expected credit losses of trade receivables the management needs to make judgment and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the forecast economic condition for groupings of various customer segments with similar credit risks. The Group's historical credit loss experience and forecast economic conditions may also not be representative of whether a customer will actually default in the future.

Allowance for losses on inventories

In determining an allowance for losses on inventories, the management need to make judgment an estimates based upon, historical data of the Company and the management's business experiences.

Leases

Determining the lease term with extension and termination options - The Group as a lessee

In determining the lease term, the management is required to exercise judgment in assessing whether the Group is reasonably certain to exercise the option to extend or terminate the lease, considering all relevant factors and circumstances that create an economic incentive for the Group to exercise either the extension or termination option. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to extend or to terminate.

Impairment of investment in subsidiaries

The Company treats investment in its subsidiaries as impaired when there has been a significant or prolonged decline in the fair value below its cost or where other objective evidence of impairment exists. The determination of what is "significant" or "prolonged" requires judgment of the management.

Depreciation of property, plant, equipment and right-of-use assets

In determining depreciation of property, plant, equipment and right-of-use assets, the management is required to make estimates of the useful lives and residual values of the property, plant, equipment and right-of-use assets and to review estimate useful lives and residual values when there are any changes.

In addition, the management is required to review property, plant, equipment and right-of-use assets for impairment on a periodic basis and record impairment losses when it is determined that their recoverable amount is lower than the carrying amount. This requires judgment regarding forecast of future revenues and expenses relating to the assets subject to the review.

Deferred tax assets

Deferred tax assets are recognized in respect of temporary differences only to the extent that it is probable that taxable profit will be available against which these differences can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of estimate future profits.

Post-employment benefits under defined benefit plans

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

5. TRANSACTIONS WITH RELATED PARTIES

The following presents relationships with enterprises and individuals that control or are controlled by the Company, whether directly or indirectly, or have common directors or shareholders with the Company.

Related party	Nature of relationships	% Equity interest owned by the Company
Thanaphoom Property 2013 Co., Ltd.	Subsidiary by common directors and shareholders	99.99
TNP Express 1 Co., Ltd.	Subsidiary by common directors and shareholders	100.00
TNP Express 2 Co., Ltd.	Subsidiary by common directors and shareholders	100.00

The Company has related party transactions, both directly and indirectly in common stock and/or common directors. The effects of these transactions are reflected in the financial statements on the basis determined by the Company and those related parties. The Company had significant transactions for the year ended December 31, as follows:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Subsidiaries				
Thanaphoom Property 2013 Co., Ltd.				
Depreciation - Right-of-use assets	-	-	1,465,479.03	1,465,479.03
Interest expense	-	-	964,554.77	996,592.17
Utilities expenses	-	-	58,010.50	46,501.75
Other services expenses	-	-	934,303.27	2,947,209.89
TNP Express 1 Co., Ltd.				
Rental and service income	-	-	414,953.28	-
Purchase of inventories	-	-	819,448.50	-
Interest incomes	-	-	63,323.01	-
TNP Express 2 Co., Ltd.				
Other services expenses	-	-	681,243.12	402,386.57
Directors and shareholders				
Depreciation - Right-of-use assets	1,956,042.92	1,905,636.82	1,956,042.92	1,905,636.82
Interest expense	983,611.67	973,015.91	983,611.67	973,015.91

The Company has transactions with related parties by using as mutually agreed which are closed to market price.

The Company has entered into the land and building lease agreements to with related person and related company.

The lease agreements have term of 3-12 years carrying interest rate 3.16 % per annum.

Management compensation - for key management personnel

Significant balances with related parties at December 31, can be summarized as follows:

	Unit: Baht	
	Consolidated and Separate financial statements	
	2022	2021
Short-term benefits	12,297,240.00	11,243,444.00
Post-employment benefits	326,425.46	321,600.03
Total management compensation		
- for key management personnel	12,623,665.46	11,565,044.03

Significant balances with related parties at December 31, can be summarized as follows:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Subsidiaries				
Thanaphoom Property 2013 Co.,Ltd.				
Other receivable	-	-	24,931.00	4,705,768.50
Right-of-use assets - net	-	-	29,106,709.37	30,572,188.40
Lease liabilities - net	-	-	29,160,550.97	30,261,945.21
Accrued expenses	-	-	37,183.68	396,709.90
TNP Express 1 Co., Ltd.				
Short term loans	-	-	3,000,000.00	-
Other receivable	-	-	38,000.00	-
Trade payables	-	-	212,280.00	-
Accrued interest incomes	-	-	63,150.00	-
TNP Express 2 Co., Ltd.				
Other receivable	-	-	34,437.00	490,328.00
Accrued expenses	-	-	32,505.52	44,600.48
Director and shareholders				
Right-of-use assets - net	27,715,270.89	29,663,236.61	27,715,270.89	29,663,236.61
Lease liabilities - net	30,454,676.70	31,602,787.00	30,454,676.70	31,602,787.00

6. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as at December 31, consisted of:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Cash on hand	7,540,479.25	8,633,106.59	7,540,408.75	8,099,729.25
Current deposits	177,845.91	188,460.92	175,065.91	185,680.92
Savings deposits	57,121,789.26	131,821,977.39	46,049,118.11	118,634,989.42
Cheque due	131,128.40	84,100.31	131,128.40	84,100.31
Total cash and cash equivalents	64,971,242.82	140,727,645.21	53,895,721.17	127,004,499.90

As at December 31, 2022 and 2021 the Group has credit facilities from financial institutions in the form of bank overdrafts and promissory notes amounted to Baht 300 million, The interest rate are calculated at the MLR rate minus the rate specified in the contract to MOR plus the rate specified in the contract. These loan facilities are secured by mortgages on certain land and building of the Company (Note 10).

7. TRADE AND OTHER CURRENT RECEIVABLES

Trade and other current receivables as at December 31, consisted of:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Trade receivables	9,504,902.75	10,190,247.78	8,751,976.11	10,190,247.78
Other current receivables				
Other receivables - related parties	-	-	97,368.00	5,196,096.50
Loans to employees	65,317.00	316,207.00	65,317.00	316,207.00
Deposit payment for inventories	1,760,771.60	3,572,190.78	1,760,771.60	3,572,190.78
Prepaid insurance premiums	921,529.62	810,740.96	921,529.62	810,740.96
Prepaid other expenses	797,764.96	821,947.65	797,764.96	821,947.65
Consumables material	3,646,035.28	3,019,436.43	3,646,035.28	3,019,436.43
Undued input tax	773,543.17	716,084.28	768,571.22	716,000.28
Revenue Department receivable	248,553.84	-	-	-
Others	1,287,405.67	153,780.02	485,326.45	140,316.45
Total other current receivables	9,500,921.14	9,410,387.12	8,542,684.13	14,592,936.05
Total trade and other current receivables	19,005,823.89	19,600,634.90	17,294,660.24	24,783,183.83

The Group has trade receivables classified by age analysis as follows:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Not yet due	9,034,364.01	10,050,175.78	8,593,377.37	10,050,175.78
Over due				
Not over 3 months	470,538.74	140,072.00	158,598.74	140,072.00
Total trade receivables	9,504,902.75	10,190,247.78	8,751,976.11	10,190,247.78

8. INVENTORIES - NET

Inventories as at December 31, consisted of:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Finished goods	371,877,575.54	301,655,299.49	369,383,603.80	301,655,299.49
<u>Less</u> Allowance for losses on inventories	(7,930,917.90)	(6,512,991.26)	(7,930,917.90)	(6,512,991.26)
Total inventories - net	363,946,657.64	295,142,308.23	361,452,685.90	295,142,308.23

9. INVESTMENTS IN THE SUBSIDIARIES

Investments in the subsidiaries as at December 31, 2022 and 2021 consisted of:

	% of holding	Unit: Million Baht		
		Registered share		
		capital	Paid - up share	Cost method
Thanaphoom Property 2013 Co., Ltd.	99.99	90.00	60.00	60.00
TNP Express 1 Co., Ltd.	100.00	1.00	1.00	1.00
TNP Express 2 Co., Ltd.	100.00	1.00	1.00	1.00
Total				62.00

On December 29, 2014, the Company acquired 900,000 ordinary shares in Thanaphoom Property 2013 Co., Ltd. resulting in an equity stake of 99.99 percent. The Company has fully paid for the called up share capital.

On November 8, 2019, the Company acquired 100,000 ordinary shares each in TNP Express 1 Co., Ltd. and TNP Express 2 Co., Ltd. resulting in an equity stake of 100 percent. Both companies have fully paid for the called up share capital.

10. PROPERTY, PLANT AND EQUIPMENT - NET

Property, plant and equipment at December 31, 2022, consisted of:

	Unit: Baht						
	Consolidated financial statements						
	Tools,						
	Land	Building and improvements	Right-of-use assets improvements	Furniture, fixtures and office equipment	Vehicles and improvements	Work in progress	Total
Cost							
As at January 1, 2022	205,522,362.47	338,368,288.32	32,694,506.03	244,866,604.14	62,560,409.79	4,496,385.59	888,508,556.34
Purchase during the year	28,791,499.00	900,004.04	-	30,088,508.76	8,818,205.61	48,752,731.15	117,350,948.56
Transferred in/out	195,876.29	49,642,074.43	-	2,901,006.02	3,000.00	(52,741,956.74)	-
Disposal during the year	-	-	-	(2,233,473.05)	(303,402.06)	-	(2,536,875.11)
As at December 31, 2022	234,509,737.76	388,910,366.79	32,694,506.03	275,622,645.87	71,078,213.34	507,160.00	1,003,322,629.79
Accumulated depreciation							
As at January 1, 2022	-	47,813,988.61	16,759,271.45	137,355,880.46	34,664,578.22	-	236,593,718.74
Depreciation for the year	-	13,277,205.30	1,769,263.49	24,452,463.82	4,019,957.78	-	43,518,890.39
Disposal during the year	-	-	-	(2,107,932.98)	(303,288.24)	-	(2,411,221.22)
As at December 31, 2022	-	61,091,193.91	18,528,534.94	159,700,411.30	38,381,247.76	-	277,701,387.91
Net book value							
Net book value - net Beginning of year	205,522,362.47	290,554,299.71	15,935,234.58	107,510,723.68	27,895,831.57	4,496,385.59	651,914,837.60
Net book value - net Ending of year	234,509,737.76	327,819,172.88	14,165,971.09	115,922,234.57	32,696,965.58	507,160.00	725,621,241.88

Unit: Baht

	Separate financial statements					
	Tools,					
	Land	Building and improvements	Right-of-use assets improvements	Furniture, fixtures and office equipment	Vehicles and improvements	Work in progress
Cost						Total
As at January 1, 2022	152,215,610.47	330,323,488.32	32,694,506.03	244,866,604.14	62,560,409.79	827,157,004.34
Purchase during the year	28,791,499.00	900,004.04	-	30,088,508.76	8,818,205.61	117,350,948.56
Transferred in/out	195,876.29	49,642,074.43	-	2,901,006.02	3,000.00	-
Disposal during the year	-	-	-	(2,233,473.05)	(303,402.06)	(2,536,875.11)
As at December 31, 2022	181,202,985.76	380,865,566.79	32,694,506.03	275,622,645.87	71,078,213.34	941,971,077.79
Accumulated depreciation						
As at January 1, 2022	-	45,605,312.02	16,759,271.45	137,355,880.46	34,664,578.22	234,385,042.15
Depreciation for the year	-	13,021,476.06	1,769,263.49	24,452,463.82	4,019,957.78	43,263,161.15
Disposal during the year	-	-	-	(2,107,932.98)	(303,288.24)	(2,411,221.22)
As at December 31, 2022	-	58,626,788.08	18,528,534.94	159,700,411.30	38,381,247.76	275,236,982.08
Net book value						
Net book value - net Beginning of year	152,215,610.47	284,718,176.30	15,935,234.58	107,510,723.68	27,895,831.57	592,771,962.19
Net book value - net Ending of year	181,202,985.76	322,238,778.71	14,165,971.09	115,922,234.57	32,696,965.58	666,734,095.71

Depreciations for the years ended December 31, 2022 and 2021 in the consolidated financial statements of Baht 43.52 million and Baht 40.30 million, respectively, and depreciations in the separate financial statements of Baht 40.30 million and Baht 40.05 million, respectively, were included in profit or loss.

As at December 31, 2022 and 2021, the Group's equipment and vehicles, which have been fully depreciated but are still in use, amounted to Baht 117.76 million and Baht 97.37 million, respectively.

Parts of the Company's land and buildings has been mortgaged as collateral for bank guarantees, bank overdrafts and loans from financial institutions (Note 6).

11. RIGHT- OF- USE ASSETS - NET

Right-of-use assets as at December 31, 2022, consisted of:

	Unit: Baht		
	Consolidated financial statements		
	Land	Building	Total
Cost			
As at January 1, 2022	51,061,923.59	40,895,375.24	91,957,298.83
Increase during the year	-	-	-
As at December 31, 2022	<u>51,061,923.59</u>	<u>40,895,375.24</u>	<u>91,957,298.83</u>
Accumulated depreciation			
As at January 1, 2022	12,606,438.74	6,692,092.90	19,298,531.64
Depreciation for the year	3,879,682.87	2,802,029.54	6,681,712.41
As at December 31, 2022	<u>16,486,121.61</u>	<u>9,494,122.44</u>	<u>25,980,244.05</u>
Net book value :			
Net book value - net Beginning of year	<u>38,455,484.85</u>	<u>34,203,282.34</u>	<u>72,658,767.19</u>
Net book value - net Ending of year	<u>34,575,801.98</u>	<u>31,401,252.80</u>	<u>65,977,054.78</u>

	Unit: Baht		
	Separate financial statements		
	Land	Building	Total
Cost			
As at January 1, 2022	60,516,330.86	64,944,114.43	125,460,445.29
Increase during the year	-	-	-
As at December 31, 2022	60,516,330.86	64,944,114.43	125,460,445.29
Accumulated depreciation			
As at January 1, 2022	13,304,405.72	8,925,083.98	22,229,489.70
Depreciation for the year	4,228,666.36	3,918,525.08	8,147,191.44
As at December 31, 2022	17,533,072.08	12,843,609.06	30,376,681.14
Net book value :			
Net book value - net Beginning of year	47,211,925.14	56,019,030.45	103,230,955.59
Net book value - net Ending of year	42,983,258.78	52,100,505.37	95,083,764.15

Depreciations for the years ended December 31, 2022 and 2021 in the consolidated financial statements of Baht 6.68 million and Baht 6.51 million, respectively, and depreciations in the separate financial statements of Baht 8.15 million and Baht 7.98 million, respectively, were included in profit or loss.

12. INTANGIBLE ASSETS - NET

Intangible assets as at December 31, 2022, consisted of:

	Unit: Baht			
	Consolidated and Separate financial statements			
	As at January 1, 2022	Movement during the year		As at December 31, 2022
		Increase	Decrease	
Cost				
Program Software	7,754,827.10	264,095.79	-	8,018,922.89
Software under installation	500,500.00	-	-	500,500.00
Total	8,255,327.10	264,095.79	-	8,519,422.89
Accumulated amortization				
Computer software	(4,710,386.96)	(564,563.75)	-	(5,274,950.71)
Total	(4,710,386.96)	(564,563.75)	-	(5,274,950.71)
Net book value	3,544,940.14			3,244,472.18

Amortization for the years ended December 31, 2022 and 2021 in the consolidated and separate financial statements of Baht 0.56 million and Baht 0.52 million, respectively, were included in profit or loss.

13. DEFERRED TAX ASSETS AND LIABILITIES - NET

Changes in deferred tax assets and liabilities for the years ended December 31, 2022, are as follows:

	Unit: Baht			
	Consolidated and Separate financial statements			
	Movement increase			As at December 31, 2022
	As at January 1, 2022	Profit or loss	Other comprehensive income	
Deferred tax assets				
Allowance for losses on inventories	1,302,598.24	283,585.34	-	1,586,183.58
Rental expenses	1,517,278.65	388,418.33	-	1,905,696.98
Provisions for discount expenses	132,835.49	1,170.66	-	134,006.15
Provision for long-term employee benefits	1,631,484.84	94,117.47	-	1,725,602.31
Total deferred tax assets	4,584,197.22	767,291.80	-	5,351,489.02
Deferred tax liabilities				
Depreciation	962,236.11	68,225.61	-	1,030,461.72
Total deferred tax liabilities	962,236.11	68,225.61	-	1,030,461.72
Deferred tax assets - net	3,621,961.11	699,066.19	-	4,321,027.30

Tax expenses for the years ended December 31, were as follows:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Profit before income tax	184,180,874.06	236,554,182.12	179,786,747.79	231,689,433.42
Income tax rate	15%, 20%	20%	20%	20%
Current income tax expenses as tax rate	36,664,075.20	47,310,836.42	35,957,349.56	46,337,886.68
Non-deductible expenses by the Revenue Code	3,395.58	37,423.53	-	-
SMEs tax exemption	(90,000.00)	-	-	-
Expenses deductible at a greater amount	(1,337,829.07)	(2,848,176.76)	(1,337,829.07)	(2,762,142.52)
Unutilized tax loss carry forward	(73,639.40)	(43,272.93)	-	-
Income tax expenses	35,166,002.31	44,456,810.26	34,619,520.49	43,575,744.16
The effective tax rate	19.09%	18.79%	19.26%	18.81%

The Company and a subsidiary use the income tax rate of 20% for the calculation of corporate income tax for the year ended December 31, 2022 and 2021.

Certain subsidiaries applied the progressive income tax rates according to the Royal Decree issued under the Revenue Code granting corporate income tax reductions and exemptions (No. 530) B.E. 2554 for small and medium enterprises (SMEs).

14. TRADE AND OTHER CURRENT PAYABLES

Trade and other current payables as at December 31, consisted of:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Trade payables	140,892,379.01	156,372,293.81	141,104,659.01	156,372,293.81
Other current payables				
Accrued bonus	5,091,907.35	6,552,684.99	5,091,907.35	6,552,684.99
Withholding tax payables	2,754,974.08	2,720,084.90	2,744,749.90	2,663,520.13
Payable for purchase of the assets	5,818,046.31	4,298,898.45	5,818,046.31	4,298,898.45
Guarantee received from employees	2,307,500.00	2,203,420.00	2,270,600.00	2,196,220.00
Accrued expenses	3,455,161.27	3,653,048.30	3,379,394.84	3,990,044.68
Retention	657,167.55	189,816.52	657,167.55	189,816.52
Deferred repair compensation	1,400,000.00	1,400,000.00	1,400,000.00	1,400,000.00
Deferred income	136,361.36	68,876.97	52,440.81	68,876.97
Accrued discount expenses	670,030.77	664,177.47	670,030.77	664,177.47
Others	1,409,615.46	1,598,746.51	1,404,888.93	1,592,028.72
Total other current payables	23,700,764.15	23,349,754.11	23,489,226.46	23,616,267.93
Total trade and other current payables	164,593,143.16	179,722,047.92	164,593,885.47	179,988,561.74

15. LEASE LIABILITIES - NET

Lease liabilities as at December 31, 2022, consisted of:

	Unit: Baht	
	Consolidated financial statements	Separate financial statements
Lease liabilities	86,666,889.00	128,494,289.00
<u>Less</u> Deferred interest expenses	(17,712,746.42)	(29,277,241.49)
Total	68,954,142.58	99,217,047.51
<u>Less</u> Current portion lease liabilities	(4,077,217.79)	(5,179,571.75)
Lease liabilities - net of current portion lease liabilities	64,876,924.79	94,037,475.76

The Company has entered into the land and building lease agreements to with other person, related person and related company. The terms of the agreements are generally between 1 to 20 years.

Changes in lease liabilities for the years ended December 31, 2022, are as follows:

	Unit: Baht	
	Consolidated financial statements	Separate financial statements
Lease liabilities beginning of year	72,769,165.81	104,099,415.97
Payments during the year	(6,035,887.56)	(8,067,787.56)
Decrease from amortisation of deferred interest during the year	2,220,864.33	3,185,419.10
Lease liabilities ending of year	68,954,142.58	99,217,047.51

The Company has future minimum lease payments required under the lease agreements were as follows:

	Unit: Million Baht			
	Consolidated financial statements			
	December 31, 2022			
	Within 1 year	1 - 5 years	Over 5 years	Total
Future minimum lease payments	6.17	29.60	50.89	86.66
Deferred interest expenses	(2.09)	(6.77)	(8.85)	(17.71)
Present value of future minimum lease payments	4.08	22.83	42.04	68.95
	Unit: Million Baht			
	Separate financial statements			
	December 31, 2022			
	Within 1 year	1 - 5 years	Over 5 years	Total
Future minimum lease payments	8.20	37.91	82.38	128.49
Deferred interest expenses	(3.02)	(10.12)	(16.13)	(29.27)
Present value of future minimum lease payments	5.18	27.79	66.25	99.22

16. NON-CURRENT PROVISIONS FOR EMPLOYEE BENEFITS

Movement of the present value of non-current provisions for employee benefits for the years ended December 31, is as follows:

	Unit: Baht	
	Consolidated and Separate financial statements	
	2022	2021
Non-current provisions for employee benefits		
beginning as at January 1,	8,157,424.23	6,248,411.63
Included in profit or loss:		
Current service costs	567,285.33	558,930.43
Cost of interest	89,301.99	79,693.02
Included in other comprehensive income:		
Actuarial (gains) losses arising from		
Demographic assumptions changes	-	1,120,569.34
Financial assumptions changes	-	(195,080.26)
Experience adjustments	-	490,900.07
Employee benefits paid during the year	(186,000.00)	(146,000.00)
Non-current provisions for employee benefits		
ending as at December 31,	8,628,011.55	8,157,424.23

Long-term employee benefit expenses for the years ended December 31, as shown in the statements of comprehensive income are as follow:

	Unit: Baht	
	Consolidated and Separate financial statements	
	2022	2021
Distribution costs	134,508.72	129,010.93
Administrative expense	522,078.60	509,612.52
Total employee benefits expenses	656,587.32	638,623.45

Principal actuarial assumptions at the valuation date are as follow:

	Percentage (%) / annum	
	Consolidated and Separate financial statements	
	December 31, 2022	December 31, 2021
Discount rate	0.62 and 2.22	0.62 and 2.22
Future salary increase rate	0.00 and 4.00	0.00 and 4.00
Mortality rate	105% of Thai Mortality Ordinary Tables of 2017	105% of Thai Mortality Ordinary Tables of 2017

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligations as at December 31, 2022 are summarized below

	Rate	Unit: Baht	
		Consolidated and Separate financial statements	
		Increase	Decrease
Discount rate	0.5%	(341,003.91)	371,183.85
Salary increase rate	1%	790,132.94	(391,417.95)
Turnover rate	40%	(1,383,803.87)	3,287,151.09

As at December 31, the maturity analysis of cash flows of benefit payments was as follows:

	Unit: Baht	
	Consolidated and Separate financial statements	
	2022	2021
Within 1 year	-	-
Over 1 and up to 5 years	5,363,513.58	5,363,513.58
Over 5 and up to 10 years	193,994.85	79,639.72
Over 10 years	3,167,503.30	3,281,858.43

As at December 31, 2022, the weighted average duration of the payment of employee benefit are 5 years and 23 years.

17. LEGAL RESERVE

Pursuant to the Public Limited Company Act B.E. 2535, the Company must set aside a reserve fund constituting no less than 5 % of the annual net profit until the reserve equals no less than 10 % of the registered capital. This legal reserve is not available for dividend distribution.

18. DIVIDEND

On August 8, 2022, the meeting of the Board of Directors No.4/2022 has resolved to pay an interim dividend from operating performance for the period from January 1, 2022 to June 30, 2022, for 800 million shares at the rate of Baht 0.035 per share, amounting to Baht 28 million. The dividends were paid to shareholders in September 2022.

On April 22, 2022, the Annual General Meeting of Shareholders for the year 2022 has resolved to pay a dividend from its operating result for the year ended December 31, 2021 for 800 million shares at the rate of Baht 0.10 per share, amounting Baht 80 million. The Company has already paid an interim dividend in September 2021 at the rate of Baht 0.05 per share, amounting Baht 40 million. The remaining dividend will be paid at the rate of Baht 0.05 per share, totaling Baht 40 million. The interim dividend was paid in May 2022.

On August 5, 2021, the meeting of the Board of Directors No. 4/2021 has resolved to pay an interim dividend from operating performance for the period from January 1, 2021 to June 30, 2021 for 800 million shares at the rate of Baht 0.05 per share, amounting Baht 40 million. The dividends were paid to shareholders in September 2021.

On April 20, 2021, the Annual General Meeting of Shareholders for the year 2021 has resolved to pay a dividend from its operating result for the year ended December 31, 2020 for 800 million shares at the rate of Baht 0.07 per share, amounting Baht 56 million. The Company has already paid an interim dividend in September 2020 at the rate of Baht 0.03 per share, amounting Baht 24 million. The remaining dividend will be paid at the rate of Baht 0.04 per share, totaling Baht 32 million. The interim dividend was paid in May 2021.

19. EMPLOYEES PROVIDENT FUND

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530 (1998). Employees contribute to the fund on a monthly basis at the rate of 3%, while the Company contributes to the fund on a monthly basis at the referred rate. The Company will issue payment to employees upon termination in accordance with the fund rules. The contributions started from May 15, 2015. For year ended December 31, 2022 and 2021, the Company contributed a total of Baht 0.81 Million and Baht 0.86 Million to the fund, respectively.

20. OPERATING SEGMENTS

The Group is engaged in the wholesale and retail of consumer goods, a single business segment, and operates in the same geographic area. Therefore, revenue, profits and assets reflected in the financial statements are related to the business and geographic segments as discussed.

21. SIGNIFICANT EXPENSES BY NATURE

Significant expenses by nature for the years ended December 31, consisted of:

	Unit: Million Baht			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Changes in finished goods increase	(70.22)	(35.40)	(67.73)	(35.40)
Purchase of finished goods	2,084.45	2,207.47	2,066.55	2,207.57
Allowance for loss on inventories	1.42	0.79	1.42	0.79
Consumable used	4.19	6.95	4.19	6.95
Depreciation and amortization	50.77	47.34	51.97	48.55
Employee benefit expenses	142.06	135.49	140.16	135.04
Utilities expenses	19.11	15.82	19.17	15.86
Advertising and promotion expenses	0.66	0.42	0.58	0.41
Transportation and travel expenses	10.24	8.09	10.09	8.09

22. FINANCIAL INSTRUMENTS

Financial risk management policies

The Group is exposed to normal business risks from changes in market interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties. The Group does not hold or issue derivative financial instruments for speculative or trading purposes.

Risk management is integral to the whole business of the Group. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved.

Capital management

The objectives of The Group's capital management are to safeguard The Group's ability to continue as a going concern in order to provide returns to The Group's shareholders and benefits to other stakeholders. The management sets strategies to support The Group's operations for more efficiency, and better performance and stronger financial status, including dividend and capital management policies to maintain the optimal capital structure and cost of capital.

Interest rate risk

The Group is exposed to significant interest rate risks relate primarily to bank deposits and short-term investments. Most of the interest rates that fluctuate based on market rates or a fixed rate with a maturity date after the date of the statement of financial position does not exceed one year. As the Company has a policy to deposit or invest in highly liquid instruments with a maturity not exceeding one year, the Group's interest rate risk is low.

Significant financial assets and liabilities classified by type of interest rate are as follows.

Unit: Million Baht						
Consolidated financial statements as at December 31, 2022						
Description	Notes	Inflate	Fixed interest rate	Non-interest bearing	Total	Average interest rate
<u>Financial asset</u>						
Cash and cash equivalents	6	57.12	-	7.85	64.97	0.15% - 0.325%
Trade and other current receivables	7	-	-	19.01	19.01	-
<u>Financial liabilities</u>						
Trade and other current payables	14	-	-	164.59	164.59	-

Unit: Million Baht						
Consolidated financial statements as at December 31, 2021						
Description	Notes	Inflate	Fixed interest rate	Non-interest bearing	Total	Average interest rate
<u>Financial asset</u>						
Cash and cash equivalents	6	132.54	-	8.19	140.73	0.00% - 0.15%
Trade and other current receivables	7	-	-	19.60	19.60	-
<u>Financial liabilities</u>						
Trade and other current payables	14	-	-	179.72	179.72	-

Credit risk

The Group is exposed to credit risks related primarily to accounts receivable and other receivables. As management has a credit policy and appropriate credit controls in place, it does not anticipate significant losses from the credit. In addition, The Group has no significant concentrations of credit because the Company's a large number of customers and a diverse customer base. The maximum exposure to credit risk is represented by the carrying amount of accounts receivable and other receivables in the statement of financial position.

The risk of liquidity

The Group monitors its liquidity risk by maintaining a level of cash and cash equivalents deemed adequate by management to finance the Group and to mitigate the effects of fluctuations in cash flows.

Determination of fair values

The Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. The fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

The Group estimates the fair value of financial instruments; cash and cash equivalents, trade accounts receivable and payable, other accounts receivable and payable, and short-term borrowings, equal to their amounts carried in the statement of financial position because of the short-term maturity of those financial instruments.

23. CONTINGENCIES LIABILITIES

As at December 31, 2022, the Company has a contractual obligation under equipment purchase agreements and construction agreements in the amount of Baht 9.27 million. The Company has paid for the deposit for such agreements of Baht 0.23 million.

24. EVENT AFTER THE REPORTING PERIOD

On February 20, 2022, the meeting of the Board of Directors No.1/2023 has resolved to pay a dividend from its operating result for the year ended December 31, 2022 for 800 million shares at the rate of Baht 0.08 per share, amounting Baht 64 million. After deducting the interim dividends paid to shareholders in September 2022 at the rate of Baht 0.035 per share, amounting Baht 28 million, the remaining dividends will be paid at the rate of Baht 0.045 per share, amounting Baht 36 million. The dividend payments must be approved at the Annual General Meeting of the Company's shareholders.

25. APPROVAL OF FINANCIAL STATEMENTS

These financial statements have been approved by the Company's board of directors on February 20, 2023.

Report of the Audit Committee

The Audit Committee of Thanapiriya Public Company Limited consists of Pisanu Kantipong, MD, as the Chairman of the Audit Committee, Dr. Wathana Yeunyong, and Dr. Chalermchai Khamsaen, as the audit committee members. The scope of duties and responsibilities according to the significant Charter of the Audit Committee is to oversee the Company's financial reports according to Generally Accepted Accounting Principles and Standards, review the Company's operation according to the Principle of Good Corporate Governance, effective internal control system, compliance with the relevant requirements and laws, as well as oversee in the event of contingent conflict of interests among the connected parties. In 2022, the Audit Committee held total of 5 meetings under below essential issues.

1. The Audit Committee mutually considered and reviewed quarterly financial statements and annual financial statements for 2022 together with the management and the auditor to ensure that the Company's financial reports were properly and fairly prepared according to Generally Accepted Accounting Standards and disclosed adequate, complete and reliable information, as well as gave observation and acknowledged problem solving guideline for the Company's benefit. The Audit Committee deemed that the Company's annual financial report for 2022 has been fairly proper in the materiality according to Financial Report Standard.
2. To evaluate internal control system according to the determined guideline by Office of the Securities and Exchange Commission that covers organizational control, risk management, control on operation, information system and data communication, as well as monitoring system. The Audit Committee deemed that the Company has had adequate and efficient internal control.
3. To review the compliance with Securities and Exchange Law, or the requirement of Stock Exchange of Thailand and laws relevant to the Company's business operation, as part of the internal audit of the Company. In the year of 2022, the essential issues of non-compliance with the said law and requirement were unfound.
4. To govern internal audit work for independent operation by hiring IVL Auditing Company Limited which is the internal audit service providing company from outside to be the Company's internal auditor. The Audit Committee shall consider annual internal audit plan and internal audit result report, continuously monitor internal audit result with the management, and give advice the internal auditor to ensure that the determined internal plan is effectively and efficiently complied. The significant indicator of fraudulent act or fault of internal control was not detected in annual internal audit for 2022.
5. Attended a specific meeting with the external auditor without the management present to ensure the auditor's independence in their work. From the consideration of the qualifications of the auditors, the quality of audit work, the audit team, their expertise and independence in their work, the Audit Committee deemed it appropriate to propose to the Board of Directors to request approval from the general shareholders' meeting to appoint ANS Audit Company Limited as the Company's auditor for the year 2022 for the auditor had conducted the audit well throughout.
6. To consider disclosing the information of inter-transactions and connected transactions of the Company and the person that may have conflict of interests. The Audit Committee deemed that the information of inter-transactions and connected transactions of the Company have been accurately, completely and adequately disclosed according to business condition and criteria prescribed by Stock Exchange of Thailand.
7. Reviewed compliance with the handbook on anti-corruption measures under the Private Sector Collective Action Coalition against Corruption project on internal control, preparation of financial reports and other processes related to the anti-corruption measures the Company has prepared and provided an assessment of the risks associated with corruption within the Company, including a review of the compliance with the anti-corruption policy, According to the self-assessment form on all 71 anti-corruption measures to apply for a renewal of certification of membership of the Thai Private Sector Collective Action Against Corruption on August, 2018 which the company was renewed on September 30, 2021.

The Audit Committee has performed its duties with carefulness, independence and straightforward opinion expression without limitation of information acquisition and emphasis on good corporate governance according to the principle of the Stock Exchange of Thailand for transparency and ethics to cause confidence to shareholders and all relevant parties.

On behalf of the Audit Committee



(Pisanu Kantipong, MD)

Chairman of the Audit Committee

Report of the Nomination and Remuneration Committee

The Nomination and Remuneration Committee comprised of three members. The Nomination and Remuneration Committee has performed duties as assigned by the Board and in accordance with the charter of the Nomination and Compensation Committee. The key responsibilities of the Nomination and Remuneration Committee include the nomination of qualified candidates as members of the Board and Board Committees and propose of remuneration of the Chairman of the Board to the Boards. In the year 2022, the Nomination and Remuneration Committee has held 2 meetings and all members attend to the meeting every time.

The Nomination and Remuneration Committee has clearly formulated applicable policies, criteria and procedures in accordance with the charters and regulatory requirements to provide appropriate operating frameworks for the Company as approved by the Board as follows:

The nomination of qualified candidates as members of the Board and Board Committees will be based on qualifications, knowledge, abilities, skills, experiences, expertise, leadership, vision and attitudes. Considerations are also given to the size, structure and composition of the Board to promote the compliance with good corporate governance principles and effective management which are appropriate to the evolving business environment and regulatory changes.

The determination of remuneration offered to directors and the Chief Executive Officer is based on the scope of responsibilities, duties and performance of the incumbents together with the operating results, business conditions and factors which may affect the Company's businesses and the economic conditions.

As of 31 December 2022, the Board is comprised of 7 members, of which 3 are independent directors. The Nomination and Remuneration Committee has requested the directors conduct self-evaluation to review their performance in the prior year. Details of the remunerations offered to directors and executives are shown under the remuneration of directors and executives section of the annual report. The Nomination and Remuneration Committee views that the remunerations are appropriate in view of with the scope of responsibilities of the directors



Dr. Wattana Yueanyong

Chairman of Nomination and Remuneration Committee

Report of the Risk Management Committee

To: The Shareholders

Thanapiriya Public Company Limited (the Company) recognizes the importance of risk management in its management and operating systems, with the aim of cultivating such risk management mindset as the working culture for all staff. This shall not only bring the organization towards achieving the established objectives and goals, but also promote value-adding operations of the business in a concrete manner. In this regard, the Company has appointed the Risk Management Committee, consisting of 6 members, to oversee enterprise risk management. The Committee's duties in 2022 are as follows:

1. Formulating risk management policy and structure;
2. Developing strategies in line with the risk management policy so as to competently assess, monitor and control each risk to an acceptable level, with the involvement of related units in the risk management and control
3. Assessing organizational-level risks, devising approaches to curb such risks to an acceptable level, as well as supervising to ensure implementation of the stipulated risk managing approaches;
4. Reviewing and revising the risk management policy to enhance efficiency and effectiveness that suffice for risk control;
5. Reporting the results of risk management performance to the Audit Committee on a quarterly basis.

The Risk Management Committee is fully committed to facilitating the Company to manage corporate risks to an acceptable level and in response to business circumstances.



Mr. Tawatchai Phutthiphiya

Chairman of the Risk Management Committee

Directors

Pitsanu Khantipong, MD

69 years old

Date of Appointment as director: 22 December 2014
(Hold the position for 8 Years)

Position

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

(%) shareholding

Held personally -None- | Held by spouse or minor children 0.06

Family Relationship among director and Executives

-None-

Attendance at the Board of Directors' Meeting during 2022:

6 times out of 6 Meetings



Education/Training

Education

- Bachelor of Medicine, Faculty of Medicine, Chiang Mai University
- Bachelor of Science in Medical Science, Chiang Mai University

Training

- Director Accreditation Program (DAP) Course, Class 112/2014, Thai Institute of Directors (IOD)
- Successful Formulation and Execution of Strategy (SFE) Course, Class SFE31/2019, Thai Institute of Directors (IOD)
- SASIN In-Depth Hospital Management Program, Kellogg School of Management, Northwestern University, Chicago, USA
- SASIN In-Depth Hospital Management Program 5, KAIST College of Business, South Korea, CHA Medical Center and Asan Medical Center in Seoul
- SASIN In-Depth Hospital Management Program 4, INSEAD, Fontainebleau, France
- Certificate of Family Practice Know-How in Obstetrics and Gynecology, Rajavithi Hospital, Department of Medical Services

5-Years Past Experiences

Board Member/ Management in Listed Company

-None-

Position in Other Company/Organization/Institution

- 2014 – Present Chairman of Development Committee, Nan Hospital
- 2015 – Present Vice Chairman of The Royal Thai College of Obstetricians and Gynaecologists

5-Years Past Experiences

-None-

Dr. Watthana Yuenyong**60 years old**

Date of Appointment as director: 22 December 2014

(Hold the position for 8 Years)

Position

Independent Director, Audit Committee and Member Chairman of the Nomination and Remuneration Committee

(%) shareholding

Held personally -None- | Held by spouse or minor children -None-

Family Relationship among director and Executives

-None-

Attendance at the Board of Directors' Meeting during 2022:

6 times out of 6 Meetings

**Education/Training****Education**

- Doctor of Accountancy, Mahasarakham University
- Master of Managerial Accountancy, Chulalongkorn University
- Bachelor of Business Administration and Accountancy, Ramkhamhaeng University

Training

- Director Accreditation Program (DAP) Course, Class 117/2015, Thai Institute of Directors (IOD)

5-Years Past Experiences**Board Member/ Management in Listed Company**

-None-

Position in Other Company/Organization/Institution

2013 – Present Vice Rector, Chiang Rai Rajabhat University

5-Years Past Experiences

-None-

Dr. Chalermchai Khamseen

57 years old

Date of Appointment as director: 22 December 2014

(Hold the position for 8 Years)

Position

Independent Director, Audit Committee Member and Nomination and Remuneration Committee Member

(%) shareholding

Held personally -None- | Held by spouse or minor children -None-

Family Relationship among director and Executives

-None-

Attendance at the Board of Directors' Meeting during 2022:

6 times out of 6 Meetings



Education/Training

Education

- Doctor of Regional Development Strategy, Chiang Rai Rajabhat University
- Master of Business Administration, Chiang Mai University
- Bachelor of Marketing, Payap University

Training

- Independent Director Audit Committee Member Nomination and Remuneration Committee Member

5-Years Past Experiences

Board Member/ Management in Listed Company

-None-

Position in Other Company/Organization/Institution

1993 – Present Lecturer of Faculty of Management Sciences, Chiang Rai Rajabhat University

5-Years Past Experiences

-None-

Mr. Tawatchai Phutthiphiriya**57 years old**

Date of Appointment as director: 21 December 2012

(Hold the position for 10 Years)

Position

Director, Chief Executive Officer, Chairman of the Risk Management Committee and Managing Director

(%) shareholding

Held personally 30.63

Held by spouse or minor children 34.48

Family Relationship among director and Executives

- Husband of Mrs. Amorn Phutthiphiriya

- Father of Mr. Thanaphong Phutthiphiriya and Mr. Thanaphoom Phutthiphiriya

Attendance at the Board of Directors' Meeting during 2022:

6 times out of 6 Meetings

**Education/Training****Education**

- Bachelor of Biotechnology, Kasetsart University

Training

- Director Accreditation Program (DAP) Course, Class 111/2014, Thai Institute of Directors (IOD)

5-Years Past Experiences**Board Member/ Management in Listed Company**

-None-

Position in Other Company/Organization/Institution

- Director, Thanaphoom Property 2013 Co., Ltd.
- Director, TNP Express 1 Co., Ltd.
- Director, TNP Express 2 Co., Ltd.

5-Years Past Experiences

-None-

Mrs. Amorn Phutthiphiriya

56 years old

Date of Appointment as director: 21 December 2012
(Hold the position for 10 Years)

Position

Director, Executive Director, Risk Management Committee Member and Deputy Managing Director of Operation

(%) shareholding

Held personally 30.73 | Held by spouse or minor children 34.38

Family Relationship among director and Executives

- Wife of Mr. Tawatchai Phutthiphiriya
- Mother of Mr. Thanaphong Phutthiphiriya and Mr. Thanaphoom Phutthiphiriya
- Younger Sister of Mrs. Jularat Ngamlertlee
- Elder sister of Miss Bussakorn Thadthapong

Attendance at the Board of Directors' Meeting during 2022:

6 times out of 6 Meetings



Education/Training

Education

- Bachelor of Pharmacy, Mahidol University

Training

- Director Accreditation Program(DAP) Course, Class 111/2014, ThaiInstitute of Directors (IOD)
- Chief Executive Course, Capital Market Academy (CMA, Class 21)

5-Years Past Experiences

Board Member/ Management in Listed Company

-None-

Position in Other Company/Organization/Institution

- Director, Thanaphoom Property 2013 Co., Ltd
- Director, TNP Express 1 Co., Ltd.
- Director, TNP Express 2 Co., Ltd.

5 Years Past Experiences

-None-

Mrs. Jularat Ngamlertlee**62 years old**

Date of Appointment as director: 22 December 2014

(Hold the position for 8 Years)

Position

Director and Nomination and Remuneration Committee Member

(%) shareholding

Held personally 0.00 | Held by spouse or minor children -None-

Family Relationship among director and Executives

Elder Sister of Mrs. Amorn Phutthiphiya

Attendance at the Board of Directors' Meeting during 2022:

6 times out of 6 Meetings

**Education/Training****5-Years Past Experiences****Education**

- Bachelor of Business Economics, University of the Thai Chamber of Commerce

Training

- Director Accreditation Program (DAP) Course, Class SEC/2015, Thai Institute of Directors (IOD)

Board Member/ Management in Listed Company

-None-

Position in Other Company/Organization/Institution

- 2004 – Present, Business Owner Poj Electric Appliance Store (Retail Business)

5 Years Past Experiences

-None-

Miss Bussakorn Thadthapong

53 years old

Date of Appointment as director: 22 December 2014
(Hold the position for 8 Years)

Position

Director

(%) shareholding

Held personally -None- | Held by spouse or minor children -None-

Family Relationship among director and Executives

Younger Sister of Mrs. Amorn Phutthiphiya

Attendance at the Board of Directors' Meeting during 2022:

6 times out of 6 Meetings



Education/Training

Education

- Bachelor of Business Administration, Pibulsongkram Rajabhat University

Training

- Director Accreditation Program (DAP) Course, Class SEC/2015, Thai Institute of Directors (IOD)

5-Years Past Experiences

Board Member/ Management in Listed Company

-None-

Position in Other Company/Organization/Institution

- 2000 -Present, Business Owner Bussakorn Agriculture Store (Retail Business)

5 Years Past Experiences

-None-

Executive members, Financial Controller, Accounting Controller and Company secretary



Mr. Tawatchai Phutthiphiriya

57 years old

Position

Director, Chief Executive Officer, Chairman of the Risk Management Committee and Managing Director

Family Relationship among director and Executives

- Husband of Mrs. Amorn Phutthiphiriya
- Father of Mr. Thanaphong Phutthiphiriya and Mr. Thanaphoom Phutthiphiriya

(%) shareholding

Held personally	Held by spouse or minor children
30.63	34.48

Education/Training

Education

- Bachelor of Biotechnology, Kasetsart University

5-Years Past Experiences

5-Years Past Experiences

- None -



Mrs. Amorn Phutthiphiriya

56 years old

Position

Director, Executive Director, Risk Management Committee Member and Deputy Managing Director of Operation

Family Relationship among director and Executives

- Wife of Mr. Tawatchai Phutthiphiriya
- Mother of Mr. Thanaphong Phutthiphiriya and Mr. Thanaphoom Phutthiphiriya
- Younger Sister of Mrs. Jularat Ngamlertlee
- Elder sister of Miss Bussakorn Thadthapong

(%) shareholding

Held personally	Held by spouse or minor children
30.73	34.38

Education/Training

Education

- Bachelor of Pharmacy, Mahidol University

5-Years Past Experiences

5-Years Past Experiences

- None -



Mr. Pittaya Jitmase

43 years old

Position

Executive Director, Risk Management Committee Member, Director of Accounting and Finance Division and Company Secretary (Financial Controller, Accounting Controller)

Family Relationship among director and Executives

-None-

(%) shareholding

Held personally

- None -

Held by spouse or minor children

- None -

Education/Training

Education

- Master of Business Administration, Accounting Major, Ramkhamhaeng University
- Bachelor of Business Administration, Accounting Major, Ramkhamhaeng University
- Certified Public Accountant (CPA)

Training

- Continuous Development for Company Secretary Program (CSP), Thai Institute of Directors (IOD), Class CSP 68/2015

5-Years Past Experiences

5-Years Past Experiences

- None -



Thanaphong Phutthiphiya

29 years old

Position

Executive Director, Operating Division Director

Family Relationship among director and Executives

- Son of Mr.Tawatchai & Mrs.Amorn Phutthiphiya
- Elder brother of Mr. Thanaphoom Phutthiphiya

(%) shareholding

Held personally

3.38

Held by spouse or minor children

0.00

Education/Training

Education

- Master of Business Administration, Financial Concentration, Assumption University
- Bachelor of Business Administration, International Business Management, Assumption University

5-Years Past Experiences

5-Years Past Experiences

- 2020 Accounting & Financial Assistant Manager
Thanapiriya Public Company Limited
- 2019 - 2020 Assistant Manager Asset Pro Management
Company Limited
- 2017 - 2018 Senior Financial Analyst Asset Pro Management
Company Limited
- 2017 Financial Analyst Asset Pro Management
Company Limited



Thanaphoom Phutthiphiya

28 years old

Position

Executive Director, Sales & Marketing Division Director

Family Relationship among director and Executives

- Son of Mr.Tawatchai & Mrs.Amorn Phutthiphiya
- Younger brother of Mr. Thanaphong Phutthiphiya

(%) shareholding

Held personally

3.75

Held by spouse or minor children

- None -

Education/Training

Education

- Bachelor of economics Chiang Mai University

5-Years Past Experiences

5-Years Past Experiences

- 2019 - 2020 Sales & Marketing Assistant Manager Thanapiya Public Company Limited
- 2018 Purchasing Manager Thanapiya Public Company Limited
- 2018 Purchasing Staff Thanapiya Public Company Limited
- 2016 - 2017 Supervisor Thanapiya Public Company Limited



Mrs. Duangjai Yuint

49 years old

Position

Risk Management Committee Member, Secretary of Risk Management Committee and Accounting and Finance Division Manager,

Family Relationship among director and Executives

- None -

(%) shareholding

Held personally

0.01

Held by spouse or minor children

- None -

Education/Training

Education

- High Vocational Certificate of Accountancy

5-Years Past Experiences

5-Years Past Experiences

- None -

**Attachment 5****Detail of the Directors of Subsidiaries**

	Thanapiriya Pcl.	Thanaphoom Property 2013 Co.,Ltd.	TNP Express 1 Co.,Ltd.	TNP Express 2 Co.,Ltd.
Pitsanu Khantipong, MD	/			
Dr. Watthana Yuenyong	//			
Dr. Chalermchai Khamseen	//			
Mr. Tawatchai Phutthiphiya	X	X	X	X
Mrs. Amorn Phutthiphiya	X	X	X	X
Mrs. Jularat Ngamlertlee	X			
Miss Bussakorn Thadthapong	X			
Mr. Thanaphoom Phutthiphiya			X	X
Mrs. Duangjai Yuint		X	X	X

/ = Chairman

// = Director

X = Authorized Director



THANAPIRIYA PUBLIC COMPANY LIMITED

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